

WOMEN ENTREPRENEURS IN SMEs: BANGLADESH PERSPECTIVE 2017



Small & Medium Enterprise Foundation

Women Entrepreneurs in SMEs: Bangladesh Perspective 2017



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Women Entrepreneurs in SMEs: Bangladesh Perspective 2017

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Preface

Considerable progress has been made in poverty reduction in Bangladesh and the country has been well appreciated for strong performance against the Millennium Development Goals (MDGs). The approach of the Government towards gender equality has evolved overtime from welfare to mainstreaming. Policies and measures put in place have resulted in significant improvements in human development and gender equality indicators.

In Bangladesh, women constitute half of the population but labor force participation of women is still very limited. According to the Labor Force Survey 2013, working age (15 year +) female population in Bangladesh is 54.21 million, of which only 18 million (33.5%) are part of the labor force. It is now widely accepted women's economic empowerment is a crucial factor to move a country forward towards inclusive and sustainable development.

Economic opportunities for women can lead them to be employees or entrepreneurs. Women entrepreneurship development in any country is associated with that country's government policy, support from financial institutions and other supporting organizations. According to the Economic Survey 2013, total number of establishments in Bangladesh is 7.82 million of which only 7.21 percent are owned by women. Out of 7.4 million working proprietors, only 5.9 percent are women. Though 98 percent of the enterprises fall in the category of cottage, micro, small and medium enterprise (MSME), presence of women in these enterprises is not significantly visible.

SME Foundation conducted a comprehensive study titled 'Women Entrepreneurs in SMEs: Bangladesh Perspective' in 2009. The purpose of the study was to identify the impediments to the development of women entrepreneurship and formulate programs based on the study recommendations. Since 2009, various policies and programs have been adopted by the government including policies to provide financial assistance to SMEs, Women Development Policy, National Skill Development Policy etc. In that connection SME Foundation has also undertaken various programs and projects to promote efficiency, productivity and employment generation capacity of SMEs as a whole with special attention to development of women entrepreneurs. It is assumed that all these initiatives by various stakeholders have brought changes in the status of women entrepreneurs and features of women entrepreneurship development in Bangladesh. To explore the current situation of women entrepreneurship development and design appropriate interventions SME Foundation conducted the study on 'Women Entrepreneurs in SMEs: Bangladesh Perspective 2017'.

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The study titled ‘Women Entrepreneurs in SMEs: Bangladesh Perspective 2017’ was conducted by Bangladesh Institute of Development Studies (BIDS). The core team of researchers comprised of Dr. Nazneen Ahmed, Senior Research Fellow, Dr. Monzur Hossain Senior Research Fellow and Md. Iqbal Hossain, Research Associate of BIDS.

The study was prepared with guidelines of the Board of Directors, the Working Committee for Women Entrepreneurship Development and the Working Committee for Research and Publication of SME Foundation.

This study report was validated by the women entrepreneurs, bankers, related government representatives, academicians, researchers, trade associations, etc.

The field survey for this study was completed with the cooperation of Trade Associations, Women Chambers/Associations and individual women entrepreneurs.

This study is conducted under close supervision of SME Foundation's high officials. Women Entrepreneurship Development (WED) wing of SME Foundation was responsible to carry out the study.

Abbreviations and Acronyms

BB	: Bangladesh Bank
BBS	: Bangladesh Bureau of Statistics
BDT	: Bangladesh Taka
BIDS	: Bangladesh Institute of Development Studies
BITAC	: Bangladesh Industrial and Technical Assistance Center
BSCIC	: Bangladesh Small and Cottage Industries Corporation
CWS	: Credit Wholesaling
FDR	: Fixed Deposit Receipt
FGDs	: Focused Group Discussions
HSC	: Higher Secondary Certificate
ICT	: Information and Communications Technology
KIIs	: Key Informant Interviews
LFS	: Labour Force Survey
MIC	: Middle-Income Country
MSMEs	: Micro, Small and Medium Enterprises
MTBF	: Medium Term Budget Framework
NBFIs	: Non-banking Financial Institutions
NGOs	: Non-Government Organizations
NPO	: Non-profit organization
NWDP	: National Women Development Policy
OECD	: Organization for Economic Cooperation and Development
RCGP	: Recurrent, Capital, Gender and Poverty
RMG	: Ready-made Garment
ROI	: Return on Investment
S.O.D	: received secured overdraft
SCITI	: Small and Cottage Industries Training Institute
SME	: Small and Medium-sized Enterprises
SMEF	: The Small and Medium Enterprise Foundation
SSC	: Secondary School Certificate
SWOT	: Strengths, Weaknesses, Opportunities and Threats
TIN	: Tax identification number
USAID	: United States Agency for International Development
WED	: Women Entrepreneurship Development
WEMTOP	: Women Enterprise Management, Training out-reach Program

Executive Summary

This study primarily focuses on exploring the current status of women entrepreneurs in small and medium enterprises. The study was initiated with a number of objectives, which mainly relate to understanding the sources of success of women entrepreneurs in the Small and Medium Enterprises (SMEs), socio-cultural and legal barriers faced by women to become entrepreneurs and find out ways to improve the opportunities in the SME sector so that more women may become entrepreneurs. Detailed analysis has been provided in different chapters, from which the following insights could be derived regarding the women entrepreneurs of SMEs in Bangladesh. The discussion in this chapter is based on both the sample survey of 1510 entrepreneurs as well as 6 Focus Group Discussions (FGDs) at divisional level and Key Informant Interviews (KII). A questionnaire survey was administered in all divisions, covering 45 districts, including the 34 districts covered in the 2009 study. As it has been mentioned above, all these were carried out in 2017, following scientifically acceptable methodology.

Women Entrepreneurship in Bangladesh: Gaps in policies, acts, rules and SME programs towards entrepreneurship development

Women Entrepreneurship refers to ownership and leasing of businesses by a woman. It is not only a source of income generation for a woman, but also a way of achieving economic independence. Women enterprises could be of three types: i) owned by women, ii) managed by women and iii) employing women. According to the definition given in the Industrial Policy 2016, a female is an entrepreneur if she is the owner or proprietor of a privately-run business, organization or owns at least 51% share in a joint venture or company listed with the Registrar of Joint Stock Companies and Firms. The Bangladesh Bank (BB) also follows the same definition.

The policies associated with development of women entrepreneurship are quite vast though gaps are also evident. Initiatives to provide special credit support to women entrepreneurs under the refinancing scheme could not reach the 15% women entrepreneur quota mainly due to weak business plans and poor paperwork by the entrepreneurs; unavailability of guarantors and lack of associated information etc. .

Women's access to skill development and training programs offered by various ministries and NGOs, and utilization of them are low. One of the reasons is that most training facilities are based in urban areas. Another is that some women feel discouraged to participate in trainings if the instructor is a male, especially, for training provisions which include hands-on courses such as Information Technology (IT). The formal Technical and Vocational Education and Training (TVET) and skills institutions provide training on only selected areas / subjects for women. Most training facilities are needed on legal and practical aspects of starting and running a business.

Most policies do not include time bound targets or indicators. Labour related policies focus more on the welfare of factory workers and less on agriculture and other informal workers. Government's monitoring programs focus on factories and do not address white collar job. Monitoring of minimum wage for informal service or manufacturing sector is missing, which affects women, as most of them are involved in the informal sector.

Policies and other supports cannot ensure the benefits of entrepreneurship development among women if women are unable to empower themselves by such support systems. When financial matters of a business are mostly directed and controlled by the husband, a women entrepreneur cannot really realize the full benefit of becoming an entrepreneur.

Profile of women entrepreneurs in Bangladesh: some important features

The majority of the women entrepreneurs in Bangladesh belong to the age cohort between 31 to 50 years. Most of them are married and 10.8 percent of them are either separated, divorced or widowed. Only 2% of the women entrepreneurs are unmarried. This indicates the traditional norm of preference for salaried jobs by young unmarried women. It also indicates the difficulty of unmarried women to receive start-up capital from the family. In most of the cases, women can start their businesses from their savings.

One-fifth of women entrepreneurs are found to have very young children. As such many of them face the difficulty of utilizing their full business potential as they need to take care of their children. Some entrepreneurs have mentioned that they chose to become an entrepreneur so that they can take care of their children as their business is mostly run from home or near home, which allows them flexible working hours.

About 26% of the women entrepreneurs are well educated, having graduated from universities, while 24% have attained education below the secondary school level. The educational status varied across sectors, for example, women entrepreneurs involved in software development, leather, pharmaceuticals, education and health sectors have relatively higher levels of education compared to the average education level in other sectors. It is noted that a large proportion of women entrepreneurs involved in Agro-based business or clothing production have an education level up to Secondary School Certificate (SSC). Higher education is not much required for these kinds of businesses, others think the skills of running a business is sufficient.

It was noticed in this study that experience is not always necessary to start a business. However, women struggle in getting necessary information on paperwork that is needed to run a business. Around 67% of the current entrepreneurs have no prior experience of taking part in economic activities. They were housewives before starting the business. This could be one reason for choosing fashion designing as businesses as women of Bangladesh culturally have the talent of dressmaking and related activities.

Not all women entrepreneurs are coming from business-oriented families, although more than half of the entrepreneurs have a businessman husband. Although it appears that the business orientation of the husband has a positive influence on the wife being an entrepreneur, it is neither a necessary nor a sufficient condition. There are many women who have emerged as entrepreneurs on their own. What they need is proper information on the necessary steps of starting a business formally and financing the business.

Women face some social and familial problems mainly because they are women. It is difficult to solve these problems overnight. However, creating opportunities for women and developing a business-friendly environment will encourage many women to start businesses. Most women

need support with easy access to information on business regulations, stories of successful entrepreneur, startup capital, skill training and support for marketing their products.

Characteristics of the establishments: Some important features

Women entrepreneurs in Bangladesh are involved in different kinds of businesses, such as manufacturing, trading, service and others. The highest proportion (69 percent) of the enterprise belongs to the trading category, followed by manufacturing (19 percent) and service (12 percent).

It is evident from the survey that about 96 percent of the enterprises are in the sole proprietorship category and are owned by women entrepreneurs. However, many of the women entrepreneurs do not have control over financial matters of the business. They depend on their husbands for this and remain associated mainly with the production part of the business. This has implication for the empowerment of women entrepreneurs as women entrepreneurs as without control over financial matters, they do not actually become economically empowered. Therefore, skill training on financial management of the business is necessary.

One third of the surveyed women entrepreneurs were found to have 6 to 10 years of experience in business. Thus, it appears that prior experience in business (either before marriage or after marriage) encourages women to take business as a career. However, this is neither a necessity nor sufficient condition.

Enterprises run by women are generating employment for many others, including a large number of women. On an average, manufacturing enterprise employ around 70 workers. However, most of the enterprises employ 1 to 10 workers. Thus, businesses run by women entrepreneurs are playing a notable role in generating jobs for the economy. They are creating both formal and informal jobs since family members are also engaged in helping women entrepreneurs run their businesses. Another notable finding regarding employment generation is that women entrepreneurs employed mostly women in their businesses, an average of 85 percent of the total employees. Thus, there is a high possibility that increase in the number of women entrepreneurs will generate employment for women in a greater number.

Businesses owned by women earn a handsome profit on an average (around 25%). The average profit rate varies across sectors- some sectors are found to be more profitable, for example, knitwear and RMG, healthcare and diagnostics, tailoring and beauty parlor compared to the profits in plastic and synthetics, electronics and electrical and transport, etc.

Success indicators of women entrepreneurs: as perceived by women entrepreneurs of different kinds of business

A woman starts a business with the hope of achieving economic freedom and empowerment which is associated to profit from the business and control over the profit. If an entrepreneur can achieve empowerment, that is the real indicator of a successful entrepreneurship. This study has found that women entrepreneurs in Bangladesh face various constraints and their success is hindered by those constraints. Human capital variables, for example, training, appears to be an important determinant of the profit of an entrepreneur. The women entrepreneurs who received training either prior to the start of the business or during the

business gain more knowledge on not only methods of operating a business, but also on ideas of product development and access to markets. Whether a woman entrepreneur manages the business herself is also an important factor to determine the level of profit. Those who manage their businesses themselves, earned more profit compared to the others. Having experience in a job is also beneficial to the new entrepreneurs, as they can apply their previous knowledge in the business. The entrepreneurs having a higher initial investment, tend to earn profit at a lower rate. In order to succeed as an entrepreneur, communicating with family members (social capital) is an important factor. The women entrepreneurs who have a business oriented family member (parent or husband), have better chance to be successful in the business. Moreover, those who have access to social capital (membership in association, rich relatives, close relative to keep accounts, good friends) are more successful (achieving higher profit in business) compared to the ones who have less social capital.

During the FGDs women entrepreneurs have mentioned that hard work together with support from husband and his family, bring success in their business.

Comparison of the situation of women entrepreneurs of 2017 with the situation of women entrepreneurs of 2009 (Chapter 7), reveals that more educated women are increasingly becoming entrepreneurs. They face relatively lower social and familial constraints to start and run businesses. In most of the indicators of ‘financial benefits of a business’ current women entrepreneurs are doing much better than before. All these changes indicate that becoming an entrepreneur is more gainful than the challenges faced. Therefore, many educated women are taking business as their profession rather than salaried jobs.

Socio-cultural and legal barriers faced by women to become an entrepreneur and operate as an entrepreneur

It is good to note that the majority of the surveyed women did not face any constraint from their respective families to start a business, although most of them did not get start-up capital for business from the family. Those who faced obstacles from family mainly faced those from their in-laws. Although majority of women did not face any social obstacle, around half of them did feel people’s negative attitude towards them as entrepreneurs. Women also faced problems in registering their business. It is to be noted here that this study has only interviewed the current entrepreneurs, it did not have the scope to study the obstacles faced by women who tried but failed to become entrepreneurs. Moreover, the study has not also covered any woman who had to leave her business after facing obstacles. With these limitations, this study has found that women entrepreneurs of Bangladesh are facing the following challenges from various sources.

Adequate access to finance is a major constraint faced by women entrepreneurs. Chapter 5 notes that women start their businesses with an average investment of around Tk 3 lac to Tk 4 lac. At the initial stage, the majority of the female entrepreneurs funded their investment through their own savings. Around half (58%) of the entrepreneurs applied for loans from banks and most of them became successful to get the loan. However, the credit limit is inadequate (around 3 lac Taka loan ceiling) and interest rate and processing time are also very high. As the fund is very limited it can serve only a limited number of entrepreneurs. Therefore,

credit through commercial banks should be increased and SME Foundation can support women entrepreneurs to get access to the credit.

Women entrepreneurs are constrained seriously by limited market access, especially due to lack of local sales centers. Many of them also do not have access to district level markets. As a result, they don't get a proper price for their products. Sourcing raw materials for production and marketing of the final products are important segments of the value chain of any business and are challenging factors of the women entrepreneurs. They mostly sell in the local markets as they have less mobility due to various family and social reasons. In addition, poor networking and communication systems constrain women entrepreneurs to access broader markets.

Recommendations and Implementation Strategy

An effective approach to encourage more women to become entrepreneurs

Issues related to the development of entrepreneurship should be included in the educational curriculum from school level, so that girls can dream of becoming entrepreneurs from an early age. It is a pity that "home-economics" is considered to be a subject to be studied only by girls which actually encourages them to specialize only in household activities. If topics on "business regulations" and prospects of entrepreneurs could also be added to this curriculum, then girls could feel encouraged to become entrepreneurs in future.

Skill-training dedicated to women should include more women instructors, especially for the courses, where physical interactions are needed during training, such as training on the use of computers, driving, etc.

Credit facilities should be more women-friendly. Bank officials should be given credible instruction on this matter. College and university students should be encouraged to have their own bank accounts, which will later help them get bank credit.

Funds for women entrepreneurs sanctioned in the national budget should be utilized properly. Every year the government allocates some funds (in the national budget) for the development of women entrepreneurs. This fund is often not properly used and a significant portion remains unutilized. A yearly plan should be developed with the help of women's chambers for utilizing this fund. A significant part of this fund should be utilized for training programs and those training programs should include more topics on formal business practices.

Organizing frequent national, international and local level trade fairs could go a long way to expand market as well as to ensure product diversity and improvements in quality of SME businesses in general and for women entrepreneurs in particular. Duration of the fair should be at least 7-10 days. Participation of women needs to be increased both in national and international trade fairs. Awards and donations should be given to successful women entrepreneurs.

Sensitization of bank officials and organizing awareness raising programs at different levels are necessary to support women entrepreneurs. In order to sensitize the bank officials and other service providers, awareness raising programs should be organized from national level to grassroots (Upazila) levels. Challenges and concerns of women entrepreneurs should be shared in those

programs. The programs for awareness-raising may take the forms of workshops, consultations, counseling sessions, etc. And this will make bank officials and other service providers aware of taking preventive and curative measures to support women entrepreneurs.

Leadership of women's chambers is necessary to support women. It is noted that leaders of women's chambers play an important role in assisting women entrepreneurs to get access to bank officials, organizing their paperwork, managing loans, receiving guarantee etc. Support should be given to expand the activities of women's chambers that are actually working with grassroots level women. Various women's chambers could lead the process of identifying roles of chambers in different regions. Especially leadership development should be encouraged outside big cities.

Women friendly markets should be developed at the district level. In various government market places, women entrepreneurs should be given priority. In the government owned markets, special facilities could be given to women entrepreneurs. It is important to ensure that support goes to the real entrepreneurs.

Women-focused Programs for basic orientation in business and skill development

Various organizations need to have programs based on the needs of the women entrepreneurs. According to the findings of this study, women entrepreneurs believe that SME foundation is trying to empower women through:

- Organizing vocational training
- Providing information on SME loans of the Bangladesh Bank
- Providing a business platform for women
- Assisting the development of business leadership among women
- Uplifting courage of the women through different trainings and seminars
- Helping women entrepreneurs to manage loans
- Providing a business platform for women
- Providing training to become independent/self-sufficient and self-confident
- Helping women to promote businesses through SME fairs

Training of sessions on doing business: More training sessions on basic and advance entrepreneurship development, business and account management, bank readiness, etc. are needed to increase the knowledge of women entrepreneurs and the rules and regulations of doing a business formally. Some women's chambers have been organizing such sessions in many areas of the country. But the frequency and duration of trainings should be increased and those should be organized in more areas. Women entrepreneurs should be given more information to understand the documents required for a bank loan. Also, special and longer trainings (say for 7 days) are required for ICT training. Trainings should be provided to manage locally manufactured raw materials. Some courses are needed for conversing in English as women entrepreneurs wish to explore markets abroad and many of them find it difficult to communicate with people who speak English.

Some easy business apps may be developed in Bangla to inform entrepreneurs regarding the rules and regulations of formal businesses.

Plan of actions and suggested implementation strategy

Short-run initiatives (2 years)

- To increase women's participation in labour force as entrepreneurs and make it sustainable, government needs to invest in child care facilities or encourage the private sector to do so.
- Both the government and private sector can take actions to ensure women friendly working environments. In this context the government needs to extend the system of proper monitoring the implementation of labour laws.
- Employees should be given more job trainings by the employers. Better facilities for on the job training can create win-win situations both for employer and employees.
- Government should invest more on improving transportation system so that commuting from home to work is affordable, easily accessible, reliable and secured.
- Behavior of some concerned bank officers dealing with SME loan towards women is often very discouraging. Those officers should be given proper instructions and training (if necessary) to treat prospective women entrepreneurs properly. These officers can help the entrepreneurs by giving them legal advice on risks associated and taxation policy on their new ideas.

Medium run initiatives (5 years)

Following steps could be taken in the medium-run to generate more meaningful economic opportunities for women and enhance their labour force participation.

- The human capital endowment is important to get access to the job market. There are about 2 million new entrants to the labor market every year, but only 4% have some type of technical or vocational training. The current skills training systems are inefficient and deliver poor quality of services, which do not meet the current requirements of the industry. To provide quality trainings, the government has to increase the training facilities through government national training institutes.
- To meet the demands for skilled and semi-skilled workers of different growing economic sectors, a major rethinking regarding school curriculum and skill trainings of the labour force is needed so that the facilities can meet the growing demand for skilled workers. At the same time, we need to develop training modules according to the market demands and should increase the frequency of such trainings.
- The women friendly market places need to be developed, where women entrepreneurs will be able to sell their products in a congenial environment. Constructing female washrooms, arranging secured overnight staying facilities, improving overall laws and order facilities can play a notable role in this regard.
- Organizations like SME foundation could organize training on both technical knowledge as well as management of business and finances.
- Private and Public Partnerships can encourage women empowerment in many ways, especially the partnerships may increase access of women in technology-oriented jobs. Capacity building or training programs should be arranged widely as community-based programs,
- The central bank and relevant agencies of the government should develop proper profitable investment mechanisms for remittance earners so that they can invest it. The income generating trainings can also be helpful for the other members of the remittance receiving households; and develop their entrepreneurial capacity.

Long run initiatives (10 years)

- In the long run, we have to put emphasis on technical education as well as general education for creating sustainable job opportunities and entrepreneurship among women.
- In the long run, women should be able to work based on their individual needs. The social structure has changed and the demographics have also changed. Women now have a longer life expectancy and bear fewer children, which has increased their ability to work full time. Therefore, professionalism should be developed among both male and female at different levels of education. There should be opportunities to establish a career path and mobility within and into the market should be increased. Social infrastructure must be put in place for this to happen.
- The government and NGOs need to work more on raising awareness regarding the economic importance of women entrepreneurs and cooperation and support needed from the males in women reaping full benefits of economic opportunities. From the school level, both male and female children should be given trainings on household activities so that they learn that in the future both of them need to share household activities.
- Fertility regulation could be an important determinant for many women's decisions about taking up livelihood opportunities or employment. This in conjunction with an increasing life expectancy, results in women having more time to take up economically productive activities.
- Different ministries of the government need to introduce policy measures to deal with issues related to gender discrimination, safety and security, accommodation and reliable transportation among many more issues. The government should facilitate more policies through different ministries in terms of gender issues, accommodation, safety issues, transport and trade policies.
- Implementation of the Women Development Policy 2011: Many of the interviewees suggested the need for policies that may cover them to help find financial support from banks, NGOs and private sector. The National Women's Development Policy 2011 should be implemented properly to decrease gender discrimination in the workplace and in the market.
- More remunerating and secure employment should be created for new entrants into the job market. This will encourage women to move away from unpaid family work. Such secured and decent jobs can only be ensured by proper modernization of technology and implementation of regulations.
- More research is needed to understand why some educated women are withdrawing themselves from paid work. Moreover, as the RMG industry is becoming more male dominated, we need to carry out research to understand the reasons behind this trend.

The areas needed for further research to understand women entrepreneurship development.

Women entrepreneurs are moving ahead against all odds. Further initiatives geared towards them can go a long way to create more entrepreneurs, expand the business of current entrepreneurs and ultimately help Bangladesh move forward. In future, research should be initiated on a number of potential sectors for women entrepreneurs. Rigorous survey is needed for both current entrepreneurs and women of comparable ages who failed to become entrepreneurs or could not continue after running the business for a while.

CHAPTER 1:

INTRODUCTION

1.1. Background

Small and medium enterprises (SMEs) play a critical role in an economy because of their contributions towards employment generation, improvement in income distribution, poverty alleviation, growth of manufacturing output and exports, and boosting rural development. The current development paradigm in Bangladesh aims at achieving accelerated economic growth with declining poverty, income inequality and spatial disparity. The key approach to achieve these goals is to boost growth in manufacturing and service sectors and induce labour force to move from low return agricultural and informal activities to these high yielding sectors. Development of small and medium enterprises (SMEs) is considered to be a vital element in this development strategy. SMEs have drawn notable interests among policy makers, academics, businesspersons as well as general mass of people as a new driver of growth of Bangladesh. Small and medium enterprises (SMEs) have also generated meaningful job opportunities for women. Women are increasingly engaging themselves in SMEs not only as hired workers, but also as entrepreneurs. Supports for the development of SMEs and making them more women friendly, could go a long way to economic empowerment of women and overall development of the country.

Women's economic empowerment is a critical factor to move a country forward towards inclusive and sustainable development. Women in Bangladesh have progressed notably in terms of their participation in the labour force. As a result, the labour force participation rate of women (percentage of women aged 15 years and above who are part of the labour force) has increased from 15.8 per cent in 1995-96 to 35.6 per cent in 2016 (LFS, 2016). However, a large proportion of women still remain outside the labour force. Out of 53.6 million women aged 15 years and above, only 19.1 million are part of the labour force. Among them only around 12 percent has emerged as entrepreneurs.

A number of studies (such as USAID, 2012; Bakht and Basher, 2015; Ahmed and Hossain, 2017) have noted various constraints faced by entrepreneurs in SMEs and particularly by women entrepreneurs. In general, constraints are faced both for becoming an entrepreneur and for continuing business as an entrepreneur. These constraints include inadequate access to finance, complexity in access to formal credit, complexities in legal and regulatory framework, inadequate training facilities, various family and social barriers, lack of access to markets, lack of skills, women unfriendly transport, working conditions, etc.

The Small and Medium Enterprise Foundation (SMEF) is committed to support entrepreneurs of SMEs for economic development of the country. In 2009 SMEF conducted a study on Women Entrepreneurs in SMEs of Bangladesh. The purpose of the study was to identify the impediments to the development of women entrepreneurship and formulate programs based on the study recommendations. Since 2009, the government has adopted various policies and programs that support women entrepreneurship development. These include policies to provide financial assistance to women SME entrepreneurs, Women Development Policy, and

National Skill Development Policy etc. In this connection, the SME foundation has also undertaken various programs and projects to promote efficiency, productivity and employment generation capacity of SMEs as a whole and development of women entrepreneurship in particular. It is assumed that all these initiatives by various stakeholders have brought changes in the status of the women entrepreneurs and features of women entrepreneurship development in Bangladesh. However, to understand the reality, a comprehensive study is needed.

To explore the current situation of women entrepreneurship development and design appropriate interventions on the basis of those findings, another study was initiated in 2017 with the title “Women Entrepreneurs in SMEs: Bangladesh Perspective 2017”. This report summarizes the finding of that study, compares the findings with the findings of 2009 study on key issues and provides analysis on strengths, weaknesses, opportunities and threats associated with women entrepreneurs of various SMEs.

1.2. Objectives and Research Questions

The overall objective of the study is to explore the current status of women entrepreneurs working in various sectors, identify factors those motivated their success, impediments faced by them and possible ways to overcome the obstacles. The study mainly focuses on women owned enterprises, women led SME clusters, change in business environment, success indicators, favorable businesses, creation of new entrepreneurs and bring diversity in business, policy obstacles, opportunities and challenges faced by various SME sectors, strategic directions and further research for women entrepreneurship development.

1.3. Survey Design, Instruments and Data

The study has applied mixed methods and approaches to investigate the status of women entrepreneurs and to identify factors which motivated their success, issues which hinder their progress and supports needed for their advancement. The following approaches were followed in collecting the data:

- Questionnaire survey of 1510 women entrepreneurs;
- Qualitative techniques, such as FGDs (6 in total from each division) and KIIs;
- Case studies of 7 successful women entrepreneurs from different sectors.

Survey of Firms

The study administered a structured questionnaire survey to collect data on investment, profit, employment, access to finance and markets of various SMEs. In determining the sample size of the enterprise survey, the study has used the methodology widely used by the World Bank. The objective of using this method is to generate large enough samples of enterprises to generate statistically robust estimates. The following sampling method was applied for determining the required minimum sample sizes from the available list of SME women entrepreneurs:

$$n = \left[\frac{1}{N} + \frac{(N-1)}{N} X \frac{1}{PQ} X \left(\frac{K}{z_{1-\alpha/2}} \right)^2 \right]^{-1}$$

where N = population

P = Proportion of small or micro/cottage firms

Q = 1 – P

K = level of desired precision

Z = Confidence interval.

The levels of precision were considered at 2.0% ($k=0.02$) with 99% confidence intervals ($Z = 2.575$) to obtain a representative sample of enterprises. According to Economic Census 2013, the population is the number of female-headed enterprises, which is about 5, 63,368 (BBS, 2013). The proportion of smaller firms ($TPE<24$) is about 90% ($P=0.90$) according to the same census. Thus, assuming these parameters, the estimated sample size using the above formula is 1500. For the better representation of women entrepreneurs, a survey was administered on about 1500 women entrepreneurs considering the diversity of sectors in which they are involved and considering their geographical locations.

SME Entrepreneurs Directory 2015, published by the SMEF, contains information of more than 7000 women entrepreneurs in 11 booster sectors.¹ The women entrepreneurs are located all over the country and they are doing business in different sectors (Table 1.1), thus multi-stage sampling strategy have been adopted to draw a representative sample of women entrepreneurs with geographic and sector-specific coverage and probability proportional to size (MSMEs). The study primarily used the directory to select the sample district and proportion of samples from each district by sectors.²

¹ The sectors identified by the SMEF as special priority sectors.

² Unfortunately the unit level soft data were not available for the 2009 Study. Therefore, no attempt could be taken to generate panel data for at least a segment of sample entrepreneurs.

Table 1.1: Number of women enterprises of 11 booster sectors, 2015

Sectors	Number of enterprises	%
Electronics and electrical	186	2.6
Software development	30	0.4
Light engineering and metalworking	98	1.4
Agro-processing/agri-business/plantation agriculture/specialist farming/tissue-culture and related business	726	10.3
Leather-making and leather goods	84	1.2
Knitwear and ready-made garments	447	6.3
Plastic and other synthetics	24	0.3
Healthcare and diagnostics	123	1.7
Educational services	10	0.1
Pharmaceuticals/cosmetics/toiletries	237	3.4
Fashion-rich personal effects, wear and consumption goods	2241	31.8
Oil business	319	4.5
Grocery Item	239	3.4
Construction equipment's (Rod and cements)	63	0.9
Hardware tools	59	0.8
Transport business	41	0.6
Stationary items	40	0.6
Handicraft/ parlor	39	0.6
Retailing and wholesaling	36	0.5
Printing press	29	0.4
Tailors	27	0.4
Paint and hardware items	25	0.4
Sanitary items	25	0.4
Skin care products	23	0.3
Paper items	22	0.3
Furniture items	19	0.3
Wood sheet	19	0.3
Tiles Item	16	0.2
Household Item	15	0.2
Steel Items	15	0.2
Imported products	14	0.2
Supplier	14	0.2
Garments & Accessories	13	0.2
Jute related products	13	0.2
Rice and Paddy	13	0.2
Iron and Still	12	0.2
Jewelry Items	11	0.2
Photocopy business	11	0.2
Ready-made garments	11	0.2
Glass Items	9	0.1
Mobile Accessories	9	0.1
Trading several items	9	0.1
Gift Item	8	0.1
Medical Equipment	8	0.1
Plain sheets	8	0.1
Household Item	7	0.1
Manufacturing Products	7	0.1
Motor Cycle	7	0.1
Stone and sand items	7	0.1
Sweet meats and frozen foods	7	0.1
Training centers and materials	7	0.1
LP Gas business	6	0.1
Pipes	6	0.1
Plastic Products	6	0.1
Lubricant products	5	0.1
Thai items	5	0.1
Other sectors	1537	21.8
Total	7047	100

In the first stage, the study team went through all contact details listed in the SME Entrepreneurs Directory 2015 and noted that only 2626 (37.2 percent) contact details included valid contact numbers and the rest of the women entrepreneurs either do not have contact numbers or have invalid contact numbers. When the survey team contacted the women entrepreneurs having valid contact numbers, only 1154 (44 percent of the valid address) of them agreed to participate in the questionnaire survey and the rest was either no longer in business, had temporality shut down the business, passed away, changed ownership, not the owner in some cases or did not pick up the calls. To get the required number of entrepreneurs for a representative sample, lists of women entrepreneurs were also collected from district level women's chambers (excluding those whose details are already found in the SME Entrepreneurs Directory 2015 of the SMEF). Thus, the study has selected the sample randomly from both of the sources-directory and from lists of women entrepreneurs of district-level women's chambers. Finally, the questionnaire survey was administered on 1510 women entrepreneurs from 45 districts, and among them 659 women entrepreneurs (44 percent of the total sample) were from the SME Entrepreneurs Directory 2015 and the rest – 851 women entrepreneurs (56 percent of the total sample)- were selected randomly from the lists of the women's chambers of the respective districts.

The questionnaire survey was administered in seven divisions, namely, Barishal, Dhaka, Chattogram, Khulna, Rajshahi, Rangpur and Sylhet. The 45 districts which were covered in the questionnaire included the 34 districts covered in the 2009 study. The highest number of women entrepreneurs was interviewed in 13 districts of Dhaka division followed by Chattogram and Rajshahi divisions. Numbers of respondents covered in different districts are presented in Table 1.3.

Table 1.2: Number of surveyed women entrepreneurs (by division)

Division	No of districts	No of respondent
Barishal	4	130
Chattogram	9	269
Dhaka	13	477
Khulna	6	189
Rajshahi	7	235
Rangpur	3	100
Sylhet	3	110
Total	45	1510

Under this study, several case studies were conducted on successful women entrepreneurs. We reported 7 case studies from different regions of the country and as well as from different sectors-such as fashion/boutique, leather, online business, etc. These case studies brought into light the gradual advancement of the respective entrepreneurs amidst a number of obstacles and challenges. The case studies provide comprehensive information on key factors for achieving success in business, overcoming the challenges and obstacles faced in life as women entrepreneurs.

Table 1.3: Number of surveyed women entrepreneurs (by districts)

Division	Sl	District	No of respondents
Barishal	1	Barishal	50
Barishal	2	Patuakhali	35
Barishal	3	Jhalokathi	15
Barishal	4	Pirojpur	30
Chattogram	5	Laxmipur	18
Chattogram	6	Noakhali	40
Chattogram	7	Cumilla	32
Chattogram	8	Chadpur	40
Chattogram	9	Chattogram	50
Chattogram	10	Cox's Bazar	17
Chattogram	11	Rangamati	40
Chattogram	12	Feni	10
Chattogram	13	Brahmanbaria	22
Dhaka	14	Narsingdi	20
Dhaka	15	Jamalpur	50
Dhaka	16	Sherpur	30
Dhaka	17	Kishoreganj	30
Dhaka	18	Mymensingh	40
Dhaka	19	Narayanganj	30
Dhaka	20	Gazipur	50
Dhaka	21	Tangail	35
Dhaka	22	Munsigonj	18
Dhaka	23	Madaripur	30
Dhaka	24	Dhaka	81
Dhaka	25	Manikganj	25
Dhaka	26	Faridpur	38
Khulna	27	Satkhira	33
Khulna	28	Bagerhat	20
Khulna	29	Chuadanga	16
Khulna	30	Jashore	50
Khulna	31	Khulna	52
Khulna	32	Kushtia	18
Rajshahi	33	Pabna	30
Rajshahi	34	Sirajganj	36
Rajshahi	35	Rajshahi	40
Rajshahi	36	Noagoan	44
Rajshahi	37	Natore	35
Rajshahi	38	Bogura	30
Rajshahi	39	Jouputhat	20
Rangpur	40	Dinajpur	32
Rangpur	41	Panchagar	20
Rangpur	42	Rangpur	48
Sylhet	43	Moulvi Bazar	40
Sylhet	44	Sylhet	40
Sylhet	45	Habiganj	30
Total surveyed respondents		1510	

1.4. Field Work, Data Management and Quality Control

A team of 20 enumerators were hired to complete the survey in 40 days. They were grouped into 10 teams consisting of 2 members in each group and placed in 42 districts of 8 divisions for the designated survey work. Each group was led by an experienced supervisor. The visit by the enumerators and supervisors were carefully planned. They were positioned in study sites in a way so that the research team can monitor and supervise their activities in a convenient way.

Two-day extensive training programs were organized for the selected enumerators on the use of the questionnaire and the survey methodology. After the in-house training, they were sent to the field for acquiring practical knowledge on the survey and questionnaire. Before finalizing the draft questionnaires and checklists (Bangla version), a formal field pre-testing was carried out to assess suitability in terms of language and placement of questions; verify if the contents and codes are consistent with reality and, estimate the time required for filling the questionnaires etc. The study team incorporated the necessary modification in the final questionnaires based on the field-pre-testing results. The final questionnaires and checklists (Bangla version) are appended in the Annex.

Data collection was done in two phases. First, the study team verified the address and whether they are in operation based on the Women Entrepreneurs Directory 2015 over the phone, and prepared an inventory of the women entrepreneurs who are in operation currently. Second, the study team also met several times with the women leaders of different districts to smoothen the process. In the second phase, we also took help from them to identify prospective women entrepreneurs for survey in addition to the SME omen directory which took longer time than expected, and eventually delayed the survey.

Training and Quality Control Measures

Supervisors were given the key responsibility of monitoring the survey activities very closely. Researchers of the project also made extensive visits to survey sites in order to monitor the data collection process as well as to get an impression on various aspects of the survey. The data collection procedures were constantly supervised and monitored by the researchers.

The members of the research team monitored the interviews as well as provided specific feedback to the enumerators regarding the interview as and when required (e.g., rapport with the respondent, questioning style, use of probing questions and approach to the respondents). The supervisors checked all completed interview schedules on a daily basis to identify the missing information, ambiguous answers, numerical errors, and provided feedback to the enumerators.

Data Management

The data management activities included registration of the interview schedules, editing of interview schedules, data entry, cleaning, processing and analysis. Some cleaning of data has been done after completion of the surveys. Data management has been done at the BIDS. The data entry format has been designed by an experienced programmer and data entry has been done by entry operators working at BIDS using widely used statistical software SPSS and STATA. The whole process has been supervised by the team leader, statistician and other team members.

1.5. Limitation of the Study

One of the objectives of this study was to compare the present status of Bangladeshi women entrepreneurs with the previous status as compiled in the report women Entrepreneurs in SMEs: Bangladesh Perspective, 2009' conducted earlier by SME foundation. We could not have access to the soft survey data of the earlier study which could help compare findings of these two periods with some standard statistical techniques.

1.6. Organization of the Report

The report is organized as follows. After this introductory **Chapter 1**, definition, existing literature, policies and programs related to women entrepreneurship are described in **Chapter 2**. Socio-economic characteristics of the women entrepreneurs in Bangladesh are presented in **Chapter 3**. **Chapter 4** analyzes the characteristics of the establishments owned by women entrepreneurs and efficiency of their business. In **chapter 5** a comprehensive analysis of investment, access to finance & market has been provided. **Chapter 6** describes how women empowerment can be achievable by encouraging entrepreneurship. **Chapter 7** compares the situation of women entrepreneurs of the survey year 2017 to with similar indicator of 2009. **Chapter 8** provides a comprehensive picture of the survey findings and provide the insights of those findings. Finally, **Chapter 9** presents conclusions and recommendations.

CHAPTER 2:

WOMEN ENTREPRENEURSHIP IN BANGLADESH: POLICIES AND PROGRAMS

2.1. Women Entrepreneurship: Definition

Women Entrepreneurship refers to ownership and leasing of businesses by a woman. Becoming an entrepreneur is an important means of economic empowerment of women. Women entrepreneurship is not only a source of income generation for a woman, but also a way of achieving economic independence. Women enterprises could be of three types: i) owned by women, ii) managed by women and iii) employing women (Sugaraj and Salve, 2014). The entrepreneurship of women is considered to be an effective instrument to the economic development and empowerment of women (Bisht and Sharma, 1991). Women usually start their business with their own or family savings, which is mainly small. In some cases, women emerge as entrepreneurs as a part of established family business. For example, family members play a big role in entrepreneurship development in SMEs in China. As the available amount of fund is extremely low for SMEs in China, family members not only provide capital for starting a business, but also family members work when no suitable employee is found. Cooper (1985), Green and Pryde (1989), Raman (2004) reported that the success of the entrepreneurs depends a lot on the encouragement and support from the family members and friends. This is true for both male and female entrepreneurs, but in a country like Bangladesh, family support appears to be a dominant factor for involvement of women entrepreneurs.

2.2. Existing Literature on Women Entrepreneurs: Socioeconomic Characteristics, Hindrances/Challenges of Starting and Running Businesses

According to the ILO, women's work, both paid and unpaid, may be considered as the single most important poverty-reducing factor in developing economies (Heintz, 2006). Higher female participation in the labour market and greater earnings could have a positive influence on social development of the households through higher expenditure on school enrollment for children (Aguirre and others 2012; Miller 2008). OECD (2012) has also noted that women's participation in economic activities increases investment in children's education, health and nutrition.

Economic activities can create financial accessibility for women, which may increase their empowerment as well. Evidences suggest that the degree of impacts of economic activities on women's empowerment often depends on the place and source of economic activities. Hossain et al (2004) found that household's economic activities have a weak impact of empowerment and therefore this study has suggested promoting female education for a better job in the non-agriculture sector and improvement of the infrastructure for easy mobility of women. Anderson and Eswaran (2009) have investigated the determinants of female autonomy within households using data obtained from rural Bangladesh. The findings of this study suggest that earning provides women with more autonomy. Moreover, the study reveals that employment outside their husband's farm, contributes more to women's autonomy. Kabeer (1997) noted that access to earnings did not in itself serve as evidence of improvements in bargaining power in the home.

Gender equality can be positively enhanced by economic growth, by reducing poverty and increasing opportunities (Duflo, E. 2012). Lack of labour market opportunities for women may have contributed to unequal treatment. Even at their households- parents have lower aspiration for their daughters than their sons and female teenagers have lower aspiration for themselves. Beaman et al (2011) conducted a study in the West Bengal of India and found that 86 per cent of parents in the areas covered in their study wanted their daughters to be either a housewife or whatever her in laws decide. Thus, the participation of women in economic activities is still a household decision rather the decision of the woman herself.

Women's empowerment and economic development are strongly related, but economic development alone is insufficient to ensure significant progress of women's empowerment. This suggested policy actions that favor women at the expense of men (Duflo, E. 2012). Stotsky (2006) posits that women's relative lack of opportunities in developing countries inhibits economic growth, while at the same time, economic growth leads to improvements in their disadvantaged conditions.

West (2006) found the relationship between employment status and women's empowerment across four empowerment indicators such as decision making, freedom of movement, control over resources and views on violence against women.

SMEs play a significant role in the economic growth of developing countries through creating vast employment opportunities and contributing to the national output and exports. In most Asian countries the SME's create more than 60 to 70 percent of the employment and provides livelihoods for three-fourths of the workforce. (Ahmed, U. M. 2009).

The age of the majority (41.6%) of the women entrepreneurs in Bangladesh was between 31 to 40 years and relatively educated, about 70 percent of them completed SSC. The most of the women who enter into self-businesses are married (82 percent) and more than one-third (35 percent) came from business families (SMEF, 2009). The characteristics of the women entrepreneurs vary based on where they live Women entrepreneurs in the Dhaka Metropolitan Area are mostly married young adults with kids. They are educated and belong to the middle-income families. In addition, most of the women entrepreneurs in Dhaka came from families who had a business background. Moyeen and Huq also mentioned that these women entrepreneurs in urban areas were hugely benefited by a business background of their husbands and many of them enjoyed assistance from their husband. (Moyeen and Haq, 1994, Saha, B 2007). It was identified that household necessities of the less educated women in the rural areas are the main factor responsible for the emergence of rural women as entrepreneurs (Kanti and Nahar, 1993).

Women in households mostly engage in agricultural activities, partnership, business family trade, etc.. They (rural women) involve in businesses related to bamboo and cane-work and other craft, crafts like sewing, garments making, embroidery etc (Kanti and Nahar, 1993).

In Bangladesh, most of the women (more than two-third i.e. 70%) came to business to meet their basic necessities of their households. A lot of these women complained about receiving negative vibes from villagers and family members for starting their own business (Kanti and

Nahar, 1993). Only a few businesses were handled by women, but in most cases, men dealt with the issues related to the business. Women could only prevent the interferences of the men in group-based enterprises. Unlike the urban areas, social norms play a huge role in restricting women inside their houses in rural areas. The study also found that social customs restricted women's mobility in many ways, but women entrepreneurs in urban areas are in much better condition (Ahmed, N. 1991). Many women entrepreneurs also declared that they faced resistance from their husband, parents, in-laws, and neighbors while starting a business of their own (Kanti and Nahar, 1993).

Industrialization can be spread out in the large geographical areas through the encouragement of SME entrepreneurship and promoting innovation. It is evident that SMEs in Bangladesh has very little access to finance in the formal sector which creates a visible absence of new and innovative credit schemes and financial instruments that exist in other countries like Malaysia and Philippines which generate the flow of institutional funds to the SME sector. According to the study of Ahmed (2009) between 1992 and 2007 the SMEs in Bangladesh enjoyed only 2 to 5 percent share in loan while SMEs enjoyed only 4 to 10 percent of working capital loan. In 2006 there were about 1 million potential SME borrowers and the potential loan size was around Tk.255 billion. But the supply remained at Tk.88.9 billion. Such a gap between demand and supply of SME loans resulted in 'frustrated credit demand' in the country while many other studies reveal that only twenty-five to thirty percent of capital requirements are fulfilled by bank loans. Since June 2009, banks and non-bank financial institutions disbursed 12.43 billion take together. It is also to be taken into consideration that in some cases, refinancing schemes proved as an unsuccessful case of ensuring gender balance and geographical parity. In June 2009, a substantial rise in the share of SME loans was witnessed compared to outstanding loans at 22% from 10.9% in June 2006 (Ahmed, M.U. 2009).

In Bangladesh, most of the women came to businesses to meet their basic necessities of their households and they had to go through constraints such as lack of credit facilities and market opportunities. As women entrepreneurs, they also face difficulties to manage the business properly, for example, collecting raw materials and receiving lower prices for the products due to the middlemen. To increase the contribution of women entrepreneurs in the national economy, both government and private sector initiatives are necessary. (Chowdhury, R. M M, Masuda M. 2002). It was found that these women entrepreneurs faced difficulties in running a business professionally due to lack of essential business skills, which can be improved by providing appropriate and relevant formal training. (Moyeen and Haq, 1994; Saha, B 2007). Women entrepreneurs were mostly involved in the business of ready-made garments, embroidery, herbal medicine and food products like pickles, dry fish, etc. had proper access to technology, market, and packaging facilities (Saha, B 2007).

Saleh, Abu, (1995) found that 80 percent of women entrepreneurs, who had undergone trainings had no business background or experience. Most of the women (90 percent) came to the business from their own will and faced difficulties in marketing their products. They (rural women) have no formal trainings relevant to the business and actually gained all the experience about crafts from either their families or neighbors and they had to go through constraints like the lack of credit facilities and market opportunities to earn a living (Kanti and Nahar, 1993). Financial troubles, managerial difficulties, etc. are the biggest problems they face while

running their businesses (Moyeen and Haque 1994). Khondker (1992) mentioned about certain measures, i.e. appropriate training (both for the potential women entrepreneurs and relevant persons of the financial institutions), technical and financial help to women entrepreneurs who are in their initial stage and also ensure proper security for them. In addition, they need proper knowledge on social norms so that it does not become a constraint for women who want to step out of their houses (Khondker, M.1992).

Momen, and Rahman (1990) found that no correlation between entrepreneurs' success and bank assistance, project preparation, machinery selection, etc. among the entrepreneurs operating in the industrial area near Dhaka city. They also found a negative correlation exists between investment and the level of success and no exact correlation exists between age and success, education and success and experience and success. The reason behind this was increased overhead cost, the fund, which was borrowed and high interest rates. It is also noted that in some cases, refinancing schemes failed to ensure gender balance and geographical parity.

Women who are involved in businesses encourage women empowerment in their own families as well. About 12% of these women's incomes are controlled by their husbands and 73% of the women control their income by themselves (Kanti and Nahar, 1993).

As most women lack negotiation and managerial skills, this research reveals the importance of providing negotiation and managerial skills for women through facilitating various training programs.

2.3. Women Entrepreneurship in Bangladesh

Over the last decade, the Bangladesh economy achieved an average annual GDP growth rate of around 6.5%. Although there were a number of political challenges, structural constraints and global financial volatility, the Bangladesh economy maintained its macroeconomic stability and high growth trajectory. In FY15, Bangladesh graduated from the low-income status to lower middle-income country (MIC) status, which is an important achievement for the country. In 2018, Bangladesh has qualified to start its journey to graduate to a developing country. An important challenge to achieve the developing country status is to generate productive employment opportunities for people, especially for educated youths. In fact, stable and progressive performance of an economy is associated with more employment for people. This also includes more opportunities for employment of women. However, development of women entrepreneurship depends on many other supportive conditions including access to finance, control over family assets, access to raw materials or intermediate goods, access to markets etc. As a result, only, a small proportion of women in Bangladesh could evolve as entrepreneurs.

According to the LFS (2016), 34.6 per cent of employed women belong to the 'self-employed' category. Although the proportion seems attractive, 68.8 per cent of them are working in the agricultural sector (mostly in the family or rented land) having limited capacity to generate employment for others. Only 6.8 percent of the employed women are self-employed in manufacturing, which has higher potential to generate employment for other women. In addition, 4.8 per cent of self-employed women are involved in wholesale and retail trade. If we consider entrepreneurship to be running an enterprise having capacity to generate

employment for others, then the women who are involved in manufacturing and trading meet the requirement. Thus according to LFS 2016, 11.6 per cent of total self-employed women or 4.01 per cent of total employed women (i.e. around 0.71 million) may be considered as entrepreneurs. Similar feature is also observed from the findings of the Economic census of Bangladesh. According to the Economic Census of 2013, there are 7.8 million enterprises (economic activities) in Bangladesh of which 7.3 million are male-headed and 0.6 million are female-headed. Thus only 7.2% of the total enterprises are female headed. Although these include large enterprises, the picture is true for SMEs as 99 percent of the enterprises are micro, small or medium in size. Therefore, overall economic empowerment of women in Bangladesh is highly associated to the development of SMEs.

According to the definition given in the Industrial Policy 2016, a female is an entrepreneur if she is the owner or proprietor of a privately-run business organization or owns at least 51% share in a joint venture or company listed with the Registrar of Joint Stock Companies and Firms. The Bangladesh Bank (BB) also follows the same definition.

Economic empowerment of women has been considered as an important issue in various national documents. Policies such as Five-Year Plans, Poverty Reduction Strategy Papers, the National Women Development Policy 2011, SME strategy and policies have emphasized women entrepreneurship development as a priority. In addition, a number of UN Agencies, Development Partners, and International NGOs are assisting various initiatives to support women entrepreneurs. Different Chambers of Commerce and Industries and trade bodies are also addressing needs of female entrepreneurs. Despite these supports prevailing for women entrepreneurs, they face diverse challenges. These include-access to bank loans; collateral requirement by formal credit institutions, requirements of guarantors both from family and outside; complex documentation requirements; low levels of awareness and access to information regarding business; restricted mobility of women etc. Women entrepreneurs often lack information about potential markets; product pricing; understanding of marketplace competition; and knowledge of credit and payment processes. Because of all these constraints, most of the women entrepreneurs in Bangladesh tend to start businesses on a small scale. They usually prefer to be engaged in such businesses where entry and exit is relatively easy. Policy support and effective business environment is necessary to encourage more women to become entrepreneurs and become economically empowered.

2.4. Policy support for women entrepreneurs

A number of policies and programs are at place to support women entrepreneurs in Bangladesh. Various ministries have mainstreamed gender or women's concerns into their respective policy provisions. They facilitate employment, access to productive resources, human development, bargaining power or improving the work environment. This section will discuss the policies that are directly and closely relevant for the development of women entrepreneurship in Bangladesh.

2.2.1 7th Five-year Plan

The Five-year plan is the umbrella national document shaping up all economic policies of the country. It aims at establishing "a country where men and women will have equal opportunities and rights and women will be recognized as equal contributors in

economic, social and political development". This also suggests for adoption of such programs and policies, those will enhance the participation of women in political, civil, economic, social and cultural activities, promote economic self-reliance for women, and enhance employment opportunities and income of women. It focuses on achieving gender equality by following four strategic objectives.

- i. Improving women's human capabilities
- ii. Increasing women's economic gains
- iii. Enhancing women's voice and agency
- iv. Creating an enabling environment for women's advancement

To implement these strategic objectives, following seven actions have been noted in this national policy document-

- i. Increase access to human development opportunities by ensuring that women obtain education, training and health services;
- ii. Increase women's participation in income generating activities especially in the labour markets and enhance access to and control over productive resources and financial assets;
- iii. Increase participation and decision making by strengthening women's roles in all spheres of life;
- iv. Establish conducive legal and regulatory environment to ensure women's safety within home, public space and at work; access to justice; elimination of laws and practices that are discriminatory against women;
- v. Improve institutional capacity, accountability and oversight in implementing all commitments of the government in achieving gender equality and women's advancements;
- vi. Increase protection and resilience from crisis and shocks by introducing women friendly social security system;
- vii. Promote positive social norms, which include recognition and sharing of household work and ensure behavioral and attitudinal change in both men and women to remove patriarchal outlooks.

2.2.2 *Industrial Policy*

Industrial policy 2016 has given special emphasis on development of micro, small and medium enterprises. The concerns of women entrepreneurs have received special attention in this important policy document. This policy aspires to create more opportunities for women entrepreneurs. In that connection, the strategy is to introduce and implement laws and policies and increase the access to financial resources to ensure more participation for women entrepreneurs in the industrial sector. The industrial policy gives priority to women entrepreneurs in facilitating loans in the SME sector. It has suggested that 15% of the total credit allocations are to be preserved for women. The policy has also promised to undertake necessary initiatives to provide collateral free loan to the women entrepreneurs. Chapter-10 of the industrial Policy 2016 covers provisions for women entrepreneurs. The title of this chapter is *Participation of Women Entrepreneurs in Industrialization and Their Advancement*. This chapter includes the following clauses-

- Technical, financial and training assistance will be provided for establishing SMEs considering the social stance and status of women entrepreneurs. Modern technical trainings will be arranged for enhancing the efficiency of women entrepreneurs in cooperation with different institutions established under the Ministry of Industries, such as BSCIC, BITAC, BIM, NPO, and SCITI.
- Bangladesh Bank will consider providing financial support and special incentives to women entrepreneurs so that they can establish themselves in micro, small, medium and cottage industries.
- Measures will be taken to provide collateral-free credit to women in a wider scale. The rules and regulations of banks will be analyzed and made easier for women entrepreneurs. Bangladesh Bank will explore ways to create women friendly banking services, which will ensure easy access to industrial credit. Highly potential project proposals should have provisions for collateral-free credit and group-credit geared towards women.
- Incentives will be given to women entrepreneurs so that they can establish enterprises in priority sectors and successfully run the businesses.
- Coordination will be strengthened in sharing information and knowledge between National and International agencies, who are working for women entrepreneurship development.
- Legal barriers faced by women entrepreneurs will be identified and initiatives will be taken to resolve them.
- Women entrepreneurs' groups and institutions will be encouraged so that they can play a role in enabling women entrepreneurs to participate directly in manufacturing activities.

2.2.3 SME Policy of the Bangladesh Bank

The Bangladesh Bank, the central bank of Bangladesh, has a refinancing scheme to support the development of SME Sector under which commercial banks receive funds at a very low interest rate so that they can offer low cost credit to SME entrepreneurs. This SME development policy of Bangladesh Bank is consistent with the Industrial Policy. The main aim of this policy is to ensure easy financing of SMEs in general and even greater facilities for SMEs owned by women. The Policy gives following facilities to women entrepreneurs-

- For small entrepreneurs, credit limit will be ranged from Tk. 50,000 (Fifty thousand) to Tk 50,00,000 (Fifty lac).
- Highest priority will be given to the credit applications from women entrepreneurs. A reasonable time frame will be given to settle the credit.
- The commercial banks should establish a separate Women Entrepreneurs' dedicated desk with necessary and suitable manpower.
- Banks and financial institutions may sanction up to Tk. 25,00,000 to women entrepreneurs against personal guarantee.
- Interest rate for women entrepreneurs will be Bank rate (which is at present 5%) plus maximum 5%; thus not more than 10% per annum.
- At least 15% of total BB's SME fund should be allocated to women entrepreneurs,

- Adequate support will be given for trade fares of the SME products, matching buyers with suppliers, improving the quality of products and package design, workshops and training on technology and design development, and training on entrepreneurship development.

2.2.4 National Women Development Policy (NWD) 2011

The National Women Development Policy, 2011 has provided overall structure and strategies for development of women and girl children. Economic empowerment of women has received credible attention in this policy document. It includes several provisions for developing women entrepreneurship. These are, involving poor women in productive and the mainstream economic activities; arrangement of training and credit facilities for women entrepreneurs and encouraging women in farming, fisheries, cattle rearing and forestry. The NWD has called for financial inclusion through SME development, microfinance and with various pro-poor programs. The policy calls for removal of illiteracy and educating women and develop them as skilled human resources. The Policy commits to ensure technical, technological and scientific pursuit for women and to provide support services for overall development of women including promotion of women entrepreneurs.

2.2.5 Bangladesh Handicraft Policy 2015

Although this policy calls for development of handicrafts in general, it includes a few provisions for women. The policy aims at creating employment for women and in reducing movement of artisans to cities. It provides for economic stability of groups and families who are affiliated with this industry, loans to women as per Bangladesh Bank policy and facilitating banking system to encourage industry loan, export loan, and equity capital for women. The Policy provides for the development of women's capacity to manage handicraft enterprises. The Policy is important for women artisans as a large number of women artisans are involved in cottage industries like Jamdani.

2.2.6 ICT Policy, 2015

The policy on Information and Communications Technology calls for social equity and in that connection the policy recognizes the needs of women. It has an action plan, which discusses details of actions to be taken. The action plan of this policy states that the women's participation in the ICT related profession will be increased gradually and will be increased to 50% of the total labour force within the sector. The action plan also aims to address the lack of skilled professionals in ICT industry.

This policy also includes provisions for achieving a digital banking system and development of rural e-commerce. However, women are often discouraged to study science or use of technology. This could be one reason for limited participation of women in ICT related businesses. This is an important policy to promote digital skills among women.

2.2.7 SME foundation and its strategy for development of women entrepreneurship³

The Small & Medium Enterprise Foundation, widely known as SME Foundation, was established by the Government of Bangladesh through Ministry of Industries as an apex

³ This section is based on <http://www.smef.org.bd/v2/index.php/2014-01-22-04-15-32/access-to-wed> (as has been accessed on 20 February 2018)

institution for SME development in the country. The major activities of SME Foundation are implementation of SME Policy Strategies adopted by the Bangladesh Government, policy advocacy and intervention for the growth of SMEs, facilitating financial supports for SMEs, providing skill development and capacity building training, facilitating adaptation with appropriate technologies and access to ICT, providing business support services, etc. The Foundation is working for the development of enterprises and entrepreneurs who belong to micro, small and medium categories as per Industrial Policy 2016.

With regards to the development of women entrepreneurship, SMEF mainly works with the aim of creating a gender sensitive business environment by providing strategic direction to promote competitive and responsible SME women entrepreneurship. They intend to embed gender equality in all areas of works. SMEF opts for fostering women entrepreneurship as it recognizes women as an important economic agent, source of employment and innovation for building potential economic development. In this connection, SMEF has a dedicated wing to work for development of women entrepreneurship. Specific objectives of the activities of this wing are noted in box 2.1.

Box 2.1: Objectives of Women Entrepreneurship Development Wing of SMEF

The WED wing of SMEF has mentioned following objectives in their website.

- To provide a framework and strategic directions to identify the gender gaps, needs, interests, opportunities, and issues involved in women entrepreneurship development in the SME sector. Such strategic analysis and understanding can be most effective in advancing women entrepreneurship at local, national, regional and also in international level.
- To promote the empowerment of women and gender equality through addressing the problems of exclusion of women relating to entrepreneurship thereby mainstreaming gender into policy level and facilitate effective support for these target groups.
- Support to women's led trade bodies/associations for building their institutional capacity and competitiveness.
- Assist gender sensitive value chain analysis for identifying the gender relations impacts on different parts of a value chain.
- To create a favorable environment for women entrepreneurs and bring them in to the mainstream development process.
- To ensure full participation of women entrepreneurs in economic development of the country.
- To improve efficiency of women entrepreneurs in performing their business responsibilities.
- To strengthen institutional capacities for monitoring and evaluation of gender equality in the area of entrepreneurship development.
- To enhance women's participation in the decision making process and build up capacity to improve knowledge, skills, abilities, aptitudes, values and preferences in order to set up a successful business.

To fulfill the objectives mentioned above, SMEF has promised to perform the following activities.

- Promotion of women entrepreneurship and the issues which are important to them.
- Member support and networking opportunities.
- Training and professional development.
- Effective lobbying and advocacy.
- Institutional Linkage and networking development.

- Research and exploring new ideas.

SMEF claims that various initiatives taken by the foundation face diverse challenges. A number of social impediments limit entry of women entrepreneurs into mainstream business, which is difficult for SMEF to control. There are also policy impediments for women's entitlements to resources. Attitudes of people in various financial institutions towards women entrepreneurs constrain women's access to credit. Women often have lower access to technical and skill development opportunities. Absence of gender friendly technological advancement makes it difficult to improve the quality of products. Women need assistance in e-commerce to link themselves with the global business. Lack of availability in business alliances among women make it difficult for women to connect with market. For effective actions for women, Women Entrepreneurship Development (WED) Wing of SMEF expects that government should have a wide range of social awareness programs for encouraging women entrepreneurship. Moreover, various technical institutions are required that can work for enhancing the quality of products.

WED wing of SMEF has noted that this section of the organization works mainly to overcome various constraints of the booster or priority sectors identified by the SMEF. In particular the following steps are supposed to be taken by SMEF for those priority sectors.

- Meeting with different stakeholders to develop common consensus and perspectives regarding the importance and needs of the women owned SMEs.
- Organizing roundtable discussions on policy advocacy for gender mainstreaming.
- Organizes a national conference or seminar to develop networks and linkages among different professionals.
- Organize research fellowships and management trainee programs in cooperation with different universities' business faculties for building women trade bodies.
- Workshop/training to enhance knowledge and skills for efficient operation of SMEs.
- Conduct study and dissemination of information.
- Organize trade fairs/expo to explore market opportunities.
- National SME Women Entrepreneurship Award to recognize women's participation and contribution to the national economy.

2.2.8 Other Relevant Policies

Other important policies for development of women entrepreneurship in Bangladesh include National Education Policy, National Skills Development Policy 2011, Transport Policy etc.

2.5. Gender Budget

The need for resources for the development of women could be channeled either directly to women development programs and projects or the allocation could be general for any regular activities which benefit women. Allocation of resources for women is reflected in budgetary allocation of the government, more specifically from the report on gender budget. In the area of gender budgeting, the Government of Bangladesh has made three important developments, they are-

- i) Introduction of gender analysis to the Medium-Term Budget Framework (MTBF) process;
- ii) Finance Division has developed the Recurrent, Capital, Gender and Poverty (RCGP) Model or database where all expenditure items are disaggregated to indicate what percentage of allocation goes to benefit women;
- iii) The government presents to the national parliament a gender budget report that explains the policies and strategies for advancement of women, activities of various ministries/divisions that have implications on women development, Key Performance Indicators connected with female welfare attained, major achievement for uplifting women's rights, allocation for women development, etc.

Separate reporting of budget allocation in terms of gender was first provided in FY 2009-10 for 4 ministries. In subsequent years, number of ministries under gender budget was increased to 10, then 25, then 40 and now 43. Allocation for women development was Taka 27,248 crore in 2009-10, which increased to Taka 64,087 crore in 2014-15, Taka 92,765 crore in 2016-17 and Taka 112,019 in 2017-18. This latest allocation is 27.99% of total budget allocation and 5.04% of the GDP.

According to the Gender Budget Report, making the national budget gender sensitive is basically an approach that implies the following issues.

- First, acknowledging the economic significance of the household sector and the need for public investment in these activities;
- Second, acknowledging the fact that the roles, responsibilities, and capabilities of men and women are different and must not be stereotyped with a preconceived perception and these roles and responsibilities must not be held rigidly;
- Third, recognizing that seemingly gender-neutral allocation of budgetary resources can have a different impact on men and women;
- Fourth, examining the welfare outcomes of the budget on men and women; and
- Finally, creating an enabling condition for women to participate in the economic growth process.

Gender sensitiveness of budget allocation may also be attributed to the gender desegregation of the population. According to the latest population census, 56.3 per cent of the population is male and the remaining 43.7 are female. There is a perception that for women's development, budget allocation should match the female proportion in the total population. However, that may not be necessary for ensuring women's development. Direct beneficiaries of many market development projects and infrastructure projects will cover those who are participating in activities related to the project in question. Therefore, direct beneficiaries could very well be males, not because of any bias of budget allocation for them, but because of the prevailing realities, that males are more involved in economic activities and thus males receive more direct benefit from budget allocation.

The main concern for budget allocation for women's development should be to observe whether programs necessary for women's advancement is jeopardized by lack of finance or not. Thus the budget allocation should actually match overall growth plan of the country and plan for women's development. Thus, allocation of 27.99 percent of the budget for women's development should not be judged against 43.7 percent of the female population, it should be

analyzed whether this allocation is sufficient to implement various projects and programs envisaged for women's development. Attention should also be given to ensure that the programs implemented for women's development are appropriate for women's development.

2.6. Initiatives by Business Chambers, NGOs and other private bodies

In addition to government initiatives, different non-government organizations (NGOs) and private sector entities in Bangladesh have been playing an important role in developing women entrepreneurship, especially by raising awareness, offering training facilities, creating opportunities for business finance etc. Many of them have undertaken various activities to reduce gender inequality and improve women's social, political and economic empowerment. NGOs and financial institutions are also lending to women, but comprehensive data is not available on this. Women's business chambers and various business associations are also supporting women entrepreneurs (both existing and potential entrepreneurs) in many ways. They organize different training programs, provide information on financing and legal aspects of business, assist them to get various licenses, even arrange guarantors for a bank loan or organize group loans for women. They also communicate demands from women entrepreneurs to the government to influence the government to formulate policies, modify existing laws, regulations and institutions, and introduce new laws, regulation and institutions. Women's chambers also negotiate with the government in terms of getting incentives, low cost and efficient public services etc.

2.7. Policy implementation and gaps

The policies associated with the development of women entrepreneurship are quite vast although gaps are also evident. As has been noted above, there are several initiatives to provide special credit support to women entrepreneurs; however, the implementation is still not satisfactory. For example, the refinancing scheme of Bangladesh Bank asks for allocating 15% of credit disbursements by the commercial banks (under this scheme) for women entrepreneurs. Unfortunately, in most of the years the proportion of women in total borrowers is way below 15% (mostly as low as 3% to 4%). These policies provide a pathway but need proper planning and coordinated monitoring by all relevant stakeholders. The definitions of industries under Bangladesh Bank's Lending Policy and under the Industrial Policy are not consistent, which is a potential barrier against lending to women.

The priority of women entrepreneurs under the SME lending facility does not always lead to economic empowerment of women as the business is often directed by the husband. Wife's name is only used for borrowing from banks. Lack of childcare provisions discourage women to become entrepreneurs. Even if they start a business, some of them do not opt for business expansion due to the absence of child-care facilities.

Given all supports extended by the government, chambers and associations, women still find it difficult to reap the benefits of refinancing schemes and collateral free loan for banks apply their own rules and judgments to approve loans. Group security or security by the chambers or associations has not been very effective as many banks ask for guarantees from a male member of the family. Sometimes a women entrepreneur fails to get loans if her husband is a loan defaulter. There are also evidences that men use their wives' names only to borrow from banks and those so-called women entrepreneurs have little or no control on the use of the money.

Women's access and utilization of skill- training provisions offered by various ministries and NGOs are low. Many training facilities are based in urban areas. Some women also feel discouraged to participate in training if the instructor is a male, especially, for training provisions those include hands on courses such as IT based trainings. The formal TVET and skills institutions provide training on selected items for women. Most training facilities are needed on legal and practical aspects of starting and running a business.

The ICT Policy provides for education and services based on ICT but monitoring of implementation of the policies is weak. In particular, women who plan to enter into a business without prior knowledge of the use of IT, find it difficult to receive proper training provisions, which would help them to achieve proficiency within a short time. It is also noted that there is a tech-phobia amongst these women and not only training but also post-training support is needed to make women entrepreneurs use computer technology in their business. Moreover, entrepreneurship in the ICT sector is limited among women. It is important to proceed with a well-planned strategy for developing the IT sector and develop women as beneficiaries and agents.

In the gender budget report, ministries and divisions have noted various obstacles they face while implementing programs related to women's development. It may be inferred that allocation for women's advancement programs is not enough to achieve women's advancement. Many of the problems lie deep rooted in the attitude of the society towards women. Therefore, it is necessary to invest more on raising awareness in the society regarding women's rights, importance of their economic empowerment, importance of investing in women and girls etc. Non-cooperation from the local government representatives is also found to be an important obstacle in many areas. Early marriage problem is still critical for women's advancement, which also has detrimental health implications for women. Superstition and misinterpretation of religion appear to be a huge obstacle in the path of implementation of programs for women, specially for their economic freedom and rights. Lack of technical knowledge among girls does not permit them to participate in many technical trainings provided by the government. Also social norms are against participation of female in this kind of training programs.

The policies for supporting development of women entrepreneurship in Bangladesh and the gaps in implementing those policies reveal that to enhance economic empowerment of women through development of women entrepreneurship, a lot needs to be done.

CHAPTER 3:

SOCIO-DEMOGRAPHIC CHARACTERISTICS OF WOMEN ENTREPRENEURS IN BANGLADESH

3.1.Socio-demographic characteristics- Findings from the survey

Undertaking programs and policies to support women entrepreneurs and encourage women to become entrepreneurs require proper understanding of the social and demographic conditions of existing women entrepreneurs of Bangladesh. This chapter provides an overview of social and demographic characteristics of women entrepreneurs on the basis of the current survey.

The age of the women entrepreneurs varies significantly. The majority (75.5%) of the women entrepreneurs belong to the age cohort of 31 to 50 years. Very young women are relatively less in the business as seen with the figures of 13.4% in the age group of 21 to 30 years and 0.5% in the age group 15 to 20 years. The proportion of women belonging to the age group 51-60 years is also lower compared to the proportion of women in the age group 31-50 years. The average age of the surveyed women entrepreneurs is 40 years (Table 3.1). Moreover the majority (98%) of the women entrepreneurs of Bangladesh is married, among them 10.8 percent are either separated or divorced or widowed. Only 2% women entrepreneurs are noted to be unmarried. Women in Bangladesh usually do not get family or social encouragement to become entrepreneurs as business is usually considered to be suitable for men. Therefore, very young women prefer to take salaried jobs. Moreover, women, especially young unmarried women, face the problem to get start-up capital from parental family, which is a common source of capital for young male entrepreneurs. It is commonly perceived that financing the business to be run by a daughter will ultimately be shifted to the daughter's future family of in-laws. And thus it becomes very difficult for an unmarried young girl to get support from her parental family. Women gain the ability to start their business either with their own savings or finances from the husband, before they can apply for formal credit.

Household size is an important determinant of general and overall wellbeing of a person. Table 3.1 notes that average household size of the sample women entrepreneurs is 4.8. Around 21 percent of the married women entrepreneurs have infants and the rest either do not have any children or have older children (Table 3.1). It is necessary to know whether women have children or not as childcare is still socially considered to be the responsibility of women and therefore, women having infants need to deploy a considerable quantity of time in child care.

Table 3. 1: Socio-demographic characteristics of the respondents

Indicators	% of respondents
<i>Age distribution (%)</i>	
15-20	0.5
21-30	13.4
31-40	42.9
41-50	32.6
51-60	9.5
61+	1.0
Mean age (years)	40.1
<i>Marital status (%)</i>	
Unmarried	1.9
Married	87.3
Separated/ Divorced/ Widowed	10.8
Average household size (numbers)	4.83
Proportion of respondent having infants (less than 5 years)(out of the married entrepreneurs)	21%
Total respondents (number)	1510

About 26% of the women entrepreneurs are well educated having graduate degrees, while 24% have education below secondary school level. The educational status varied across sectors, for example, women entrepreneurs involved in software development, leather, pharmaceuticals, education and health sectors have relatively higher level of education compared to average education level in other sectors (Table 3. 2). This is very obvious that business like educational service or health service would require higher educational qualification among the respective entrepreneurs. It is noted that a large proportion of women entrepreneurs involved in agro-based business or clothing production have education level up to SSC. Not much general education is required for this kind of business, rather the skills of running a business is sufficient. Thus women with lower level of education who wish to start businesses may think of sectors where formal general education is not a necessary condition.

Table 3. 2: Educational status of the respondents by sectors

Sector	Below SSC	SSC	HSC	Diploma	Graduation and High
Electronics and electrical	19.3	35.5	22.6	0.0	22.6
Software development	11.1	22.2	0.0	11.1	55.6
Light engineering and metal working	28.6	14.3	28.6	0.0	28.6
Agro-based business	52.4	22.7	14.9	0.0	9.9
Leather processing and leather goods	20.0	20.0	10.0	10.0	40.0
Knitwear and ready-made garments	43.5	30.4	13.0	0.0	13.0
Plastics and other synthetics	23.1	30.8	15.4	0.0	30.8
Healthcare and diagnostics	0.0	15.7	13.7	3.9	66.7
Educational services	0.0	0.0	10.0	0.0	90.0
Pharmaceuticals	0.0	8.3	41.7	8.3	41.7
Tailors	33.5	30.1	17.5	1.0	18.0
Construction and related equipment	15.0	22.5	37.5	0.0	25.0
Transport business	33.3	22.2	22.2	0.0	22.2
Beauty parlor	16.8	33.6	20.8	2.7	26.2
Retail shop	23.9	32.6	16.5	1.3	25.7
Wholesale shop	25.9	29.3	17.2	1.7	25.9
Furniture	20.0	60.0	0.0	0.0	20.0
Garments & Accessories	17.6	32.5	18.8	0.0	31.3
Jute related product	40.0	20.0	40.0	0.0	0.0
Handicraft	15.0	30.3	26.0	0.7	28.0
Others*	31.3	28.3	14.1	1.0	25.3
Total	24.2	29.1	19.5	1.3	25.9

Note: Other sector include Cable business, manufacturing shopping bag, rice mill/chatal, manufacturing and selling sweet, shop selling purses, chanachur factory, flower factory, glass factory, stock factory, gas cylinder business, umbrella factory, bakery, saw (wood) mill business, ice crème factory, charka.

3.2.Economic characteristics

Nearly two-third (67%) of the women entrepreneurs were housewives before they started their current business career, while 12% were students, 12% were in service (government or private), and 5.9% were self-employed in other business. Women who are transforming from housewives to entrepreneurs, mostly start business to have economic freedom for themselves, to contribute to their family expenses, increase the standard of their living etc. Women are usually encouraged by family and society to get involved in salaried job, which require lesser mobility than the required mobility in business. Therefore, a woman in Bangladesh requires support from family to become an entrepreneur.

Table 3. 3: Previous occupation of the respondents

Occupation	Occupation before starting this business	Secondary occupation (current)
Self-employed in other businesses	5.9	6.2
Government service	2.1	2.0
Private service	9.9	6.1
Farmer/self-employed	0.5	0.7
Housewife	67.0	79.0
Unemployed	0.9	-
Student	12.0	2.1
Others	1.6	3.9
Total	100.0	100.0
Total number of respondents	1,510	1510

3.3.Family characteristics

It is not clear from this survey whether parents' education has a positive influence on their daughters' education or not. Education level of father of more than 40% of the women entrepreneurs was below SSC, while 18% of entrepreneurs have graduate fathers. It was found that the majority (67%) of the women entrepreneurs came from families where the education level of parents is SSC and below. However we notice that husband of 43% of surveyed (married) entrepreneurs had graduation or higher level of education.

Table 3. 4: Educational status of the family members

Educational status	Own education	Father's education	Mother's education	Husband's education
None	1.0	6.3	13.3	1.3
Below SSC	23.2	37.0	66.6	15.5
SSC	29.1	25.4	14.4	18.4
HSC	19.5	12.3	2.9	19.5
Diploma	1.3	1.3	.3	2.1
Graduate and above	25.9	17.7	2.5	43.2
Total	100	100.0	100.0	100.0
Total number of respondents	1510	1510	1504	1436

About one third (32.5%) of the women entrepreneurs came from business-oriented families, even 3% are involved in the same business as the business of their fathers. Again, husbands of more than half of the women entrepreneurs (51.3%) are in business profession and among them 10.3% are in the same type of business. All in all, 65% of the women entrepreneurs have come

from business-oriented family environment, either from the parent's side or from husbands side (Table 3. 5). It appears that business orientation of other members of the family may have important influence on women to become entrepreneurs. Further analysis is needed to statistically prove this.

Table 3. 5: Family business history

Business	Father	Mother	Husband	Either Parents or Husband
Same business as the respondents	46 (3.0)	1 (0.1)	121 (8.0)	155 (10.3)
Different business	445 (29.5)	27 (1.8)	654 (43.3)	825 (54.6)
Total	491 (32.5)	28 (1.9)	775 (51.3)	980 (64.9)

3.4.Motivating factors for entrance into business

Many factors work behind motivating women to start a business venture of their own. Achieving self-sufficiency (28.4%) is the most common factor while 8.74% were motivated due to their experience in this field. Thus more than fifty percent (53.66%) were motivated either by the desire to be economically self-reliant (28.4%) or to increase the family income (25.26%). There is not much variation among regions in terms of motivational factors to be entrepreneurs.

Table 3. 6: Motivations for starting business

Motivations	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Experience in this field	9.76	8.11	8.1	10.28	6.00	6.18	17.34	8.74	
Being self-reliant	20.84	35.88	27.77	27.08	25.53	28.19	32.66	28.4	
Increasing the family income	22.43	26.68	24	27.27	31.14	16.99	24.6	25.26	
Meeting the needs of the family	21.9	10.45	14	16.8	18.18	11.58	6.85	14.5	
Social position	5.54	2.96	3.23	2.77	1.93	7.34	2.02	3.38	
Employment creation for others	8.18	2.5	4.88	2.57	2.71	11.97	4.44	4.66	
Creativity	0.79	0.47	3.7	0	0.58	8.49	0	2.04	
Hobby or interest	5.54	8.74	8.1	10.47	11.8	7.72	9.27	8.82	
Family business (parents)	0.79	1.09	1.02	0.2	0.58	0.77	2.02	0.89	
Family business (Husband)	4.22	0.62	3.15	1.98	1.16	0.39	0.81	2.07	
Others	0	2.5	2.05	0.59	0.39	0.39	0	1.26	
Total	100	100	100	100	100	100	100	100	

Contributions to the family income by women entrepreneurs have brought significant changes to the quality of life of family and society. Women entrepreneurs are now playing an important role in meeting the needs of the family. The highest proportion of family needs they can meet has been met in the division of Barishal (21.9%), followed by Rajshahi (18.18%), Khulna (16.8%), Rangpur (11.58%), Chattogram (10.45%) and in Sylhet division (6.85%). Women entrepreneurs are not only contributing to family income, they are also creating employment for others.

3.5.Obstacles from family

To support economic empowerment of women through entrepreneurship development, we need to understand various obstacles they face in the family and society. Table 3. 7 identifies obstacles women entrepreneurs faced from family while starting their businesses. Majority of the women (77.58%) informed that they didn't encounter any problem in becoming an entrepreneur. However, we have to bear in mind that this survey was on the women who are already entrepreneurs and there could be a tiny proportion of women who actually wanted to become entrepreneurs and could not do so for various problems they encountered. Those who reported facing problems, mainly faced them from the members of their in-law's house (7.64%) as people in their in-law's house didn't like them to become entrepreneurs. 5.15%

mentioned that they didn't get required financial support from the family. 4.3% mentioned that their husbands also didn't like them to enter businesses. Even 3.91% women reported that they were discouraged by their parental family. The proportion of women entrepreneurs facing problems was highest in Barishal (11.38%) followed by Sylhet (4.35%), Khulna (4.33%), Dhaka (2.7%), Rajshahi (2.07%) and the least is Chattogram (0.75%).

Table 3. 7: Obstacles faced from family as an entrepreneur

(in percentage)

Type of Obstacles	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Parents do not like	11.38	0.75	2.7	4.33	2.07	5	4.35	3.91
Husband does not like	4.19	1.42	6.36	2.4	2.9	10.17	2.61	4.3
Children are minor	0.6	1.06	0.77	1.92	5.39	0	0	1.52
Members of the in-law's family do not like	11.98	5.32	7.51	6.25	6.64	14.41	5.22	7.64
Not getting financial support	8.98	4.26	5.59	6.73	2.07	7.63	0.87	5.15
No problems encountered	62.87	87.23	76.69	78.37	80.5	63.56	86.09	77.58
Other	0	0	0.39	0	0.41	0	0.87	0.24
Total	100	100	100	100	100	100	100	100
Total number of respondents	167	282	519	208	241	118	115	1650

The obstacles women entrepreneurs face from family mostly evolve from conservative nature of our society and the attitudes of male members in the family. It may take years to overcome such attitudes and women may keep on facing difficulty to become entrepreneurs. The main obstacle takes the form of objections by husbands, parents, and in-laws' parents. It indicates that many women still do not have a free will to make their own decisions about their career. The conservatives within family create obstacles for women to choose businesses as a career. Though the majority of surveyed women reported that they did not face any obstacle to become entrepreneurs, this does not give indication about the whole society as we do not have information on the number women who had to give up their dream of becoming entrepreneurs after facing obstacles. We need further research on this matter.

3.6. Obstacles from the society

Social norms and attitudes are big obstacles for women to become entrepreneurs. The majority of the surveyed women (59.07%) reported that they didn't have to encounter such social obstacles. However, during the FGDs women mentioned that many women could not become entrepreneurs because of social stigma. 13.73% women reported that people in general note didn't like women to be in business. Freedom of choice and mobility of women are essential conditions for women's development as entrepreneurs. Unfortunately, women's mobility alone is highly discouraged in our social structure. Women entrepreneurs (11.96%) reported that people around usually discourage women to become entrepreneurs and they also (7.59%) faced gender discrimination in various aspects of business activities.

Gender discrimination is faced by highest proportion of women in Rangpur (12.78), followed by Barishal (11.36%), Dhaka (9.54%), Khulna (6.72%), Chattogram (4.35%) and also in Sylhet (0.83%). The conservative social structure, blind faith and negative attitude of people create obstacles to become an entrepreneur and to perform regular business activities. Lacks in proper education, proper religious knowledge, and tendency of sticking to old social customs are the areas where the authority should focus on.

Table 3. 8: Obstacles faced from society as an entrepreneur

(in percentage)

Type of Problems	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
People do not like women to trade	21.82	7.02	16.46	13.87	11.49	10	14.88	13.73
Keeping women on unnecessary stress regarding business and marketing	16.82	5.69	14.62	11.76	8.02	18.05	6.61	11.96
Wholesaler does not want to pay the right price	0	0	1.69	2.1	0.38	2.26	0.83	1.09
Claiming extra charge (market service, etc.) from women	0.45	0.67	0	0.42	0	3.76	0	0.47
Gender discrimination in different aspects of business activities	11.36	4.35	9.54	6.72	4.58	12.78	0.83	7.59
Wrong prejudice against women entrepreneurs	13.18	2.01	6.31	5.04	0.76	2.26	6.61	5.25
No obstacles encountered	35.91	80.27	50.15	60.08	74.81	51.88	68.6	59.07
Unspecified problems	0.45	0	1.23	0	1.15	1.5	1.65	0.83
Total	100	100	100	100	100	100	100	100
Total respondents	220	299	650	238	262	133	121	1923

3.7. Obstacles/challenges to start the business

Multiple responses were allowed to understand the obstacles faced by women to start a business. As can be expected, the majority (37.66%) of the respondents faced the problem of accessing formal credit. The main reason behind this is the lack of trust on women by banks and financial institutions in both private and public sector. As has been mentioned above, women usually do not get financial support from parental family. The proportion of women facing the problem of insufficient capital is found to be the highest (41.57%) in Sylhet, followed by Barishal (41.41%), Dhaka (38.55%), Chattogram (38.24%), Rajshahi (36.75%) and Khulna (30.29%).

Among other problems, women reported limited knowledge about market (18.39%), lack of confidence (14.77%), lack of management skills (10.11%), lack of skilled workers (6.81%). It is noted that 10.55% of the women entrepreneurs faced no obstacle to start their businesses. Magnitude of the problem of lack of skilled workers is highest in Rangpur (13.74%), followed by Barishal (11.89%), Chattogram (7.54%), Dhaka (7.17%), Sylhet (5.62%), Khulna (4.7%) and Rajshahi (1.67%). As information is a strong tool to encourage a person to start business in a particular sector, it is necessary to develop and make information available on potential business opportunities to women. This can be done by developing an online portal on business information for women entrepreneurs. A number of software companies have developed virtual market places for marketing of products to distant customers. SME women entrepreneurs should get training on utilizing this modern opportunity.

Table 3. 9: Obstacles faced while starting a business as a woman

(in percentage)

Problems	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Lack of confidence	4.85	9.19	13.42	10.97	14.89	0.55	11.24	14.77
Insufficient capital	41.41	38.24	38.55	30.29	36.75	40.11	41.57	37.66
Limited concept of market	11.01	18.75	20.12	19.84	19.81	15.38	13.48	18.39
Lack of management skills	7.05	9.74	12.35	10.97	7.64	9.34	7.3	10.11
Lack of skilled workers	11.89	7.54	7.17	4.7	1.67	13.74	5.62	6.81
Facing problems in family and business management	7.05	4.78	2.59	3.66	11.69	4.95	3.93	5.01
Disadvantage of raw materials	1.32	2.02	6.27	2.35	0.72	3.3	0.56	3.27
No obstacle faced	14.98	9.74	5.38	16.97	12.89	12.64	15.17	10.55
Others	0.44	0	1.2	0.26	0.48	0	1.12	0.61
Total	100	100	100	100	100	100	100	100

3.8. Obstacles/challenges to register the business

All women entrepreneurs noted the importance of registering their organization. Of them, the majority (88.64%) reported that they didn't encounter any problem in registering their organization. 6.65% women mentioned they paid additional money for solving registration problems while 3.09% mentioned the lengthy process while registering their organization. Among the women who encountered the problem of paying additional money, the highest is from Barishal (31.01%), followed by Khulna (10.16%), Dhaka (7.22%), Rajshahi (1.28%) and Chattogram (1.12%) and while women entrepreneurs from Rangpur and Sylhet didn't have to pay any additional money.

Such obstacles reveal that women entrepreneurs in some cases didn't experience of registering their business was not smooth. However, most of the *Pouroshovas* of the country have opened One Stop Services, a special initiative for helping women entrepreneurs to apply for trade license and overcome various business related challenges.

Table 3. 10: Obstacles faced to get trade license (by division)

(in percentage)

Types of Obstacles	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
The authority wanted many papers which are difficult to collect	2.33	0.37	1.06	1.1	1.3	1.08	0.94	1.08
Additional money paid	31.01	1.12	7.22	10.16	1.28	0	0	6.65
It took longer	8.53	0.75	4.67	2.67	0.85	1.06	2.83	3.09
No problem faced	56.59	97.75	85.77	86.1	96.58	97.87	96.23	88.64
Others	1.56	0	1.27	0	0	0	0	0.36
Total	100	100	100	100	100	100	100	100

Analysis of this chapter refers to develop programs which can make the journey of women entrepreneurs easy. It is noted that women face some social and familial problems just because they are women. It is difficult to solve these obstacles overnight. However, creating opportunities for women and developing a business friendly environment will encourage many women to start business. Women mostly need support with easy access to information on business regulations, stories of successful entrepreneurs, start-up capital, skill trainings and support for marketing their products.

CHAPTER 4:

CHARACTERISTICS OF THE ESTABLISHMENTS

4.1. Ownership status and age of the establishment

Women entrepreneurs in Bangladesh are involved in different kinds of businesses, such as manufacturing, trading, service and others. Manufacturing is a process of converting raw materials, or parts into finished goods that can meet the consumers' expectations; for example, knitwear and readymade garments, leather processing and leather goods, Jute related products, handicrafts related enterprise. Trading is different from manufacturing and in this process, enterprises engage themselves only to buy and sell or exchanging commodities to either wholesale or retail consumers, for example, plastics and other synthetics, garments & accessories, wholesale and retail shops etc. Service oriented business enterprises provide benefits (intangible products) to its customers individually or by a team, for example, education, healthcare, beauty parlor, etc. As mentioned earlier, data on a sample of 1510 enterprise were collected. Table 4. 1 presents the distribution of the sample enterprises by the nature of the business they are doing. The highest proportions (69 percent) of the enterprise are trading category, followed by manufacturing (19 percent) and service (12 percent).

Table 4. 1: Distribution of the enterprises by nature of business

Nature of business	Number of enterprises	Percent
Manufacturing	284	18.8
Trading	1038	68.7
Service	184	12.2
Others	4	0.3
Total	1510	100.0

Table 4. 2: Distribution of the enterprises by nature of business and sector (%)

Sector	Manufacturing	Trading	Service	Others	Number of respondents
Electronics and electrical	3.2	96.8	0.0	0.0	31
Software development	0.0	77.8	22.2	0.0	9
Light engineering and metal working	28.6	71.4	0.0	0.0	7
Agro-based business	11.3	87.9	0.0	0.7	141
Leather processing and leather goods	10.0	90.0	0.0	0.0	10
Knitwear and ready-made garments	34.8	65.2	0.0	0.0	23
Plastics and other synthetics	23.1	76.9	0.0	0.0	13
Healthcare and diagnostics	5.9	15.7	78.4	0.0	51
Educational services	0.0	10.0	90.0	0.0	10
Pharmaceuticals	4.2	70.8	25.0	0.0	24
Tailoring	18.9	67.0	13.6	0.5	206
Construction and related equipment	2.5	97.5	0.0	0.0	40
Transport business	0.0	100.0	0.0	0.0	9
Beauty parlor	4.7	44.3	50.3	0.7	149
Retail shop	3.9	92.6	3.5	0.0	230
Wholesale shop	5.2	94.8	0.0	0.0	58
Furniture	0.0	100.0	0.0	0.0	15
Garments & Accessories	32.5	61.3	6.3	0.0	80
Jute related products	20.0	80.0	0.0	0.0	5
Handicraft	47.7	51.3	1.0	0.0	300
Others ⁴	20.2	70.7	8.1	1.0	99
Total	18.8	68.7	12.2	0.3	1510

⁴The other sector include cable business, manufacturing shopping bag, rice mill/chatal, manufacturing and selling sweet, shop selling purses, chanachur factory, flower factory, glass factory, stock factory, gas cylinder business, umbrella factory, bakery, saw (wood) mill business, ice crème factory, charka.

The study also covered a variety of sectors in the ‘other sector’ category which is around 6.6 percent of the total respondents. The other sector includes cable business, manufacturing of shopping bag, rice mill/chatal, manufacturing and selling of sweets, shops selling spare parts, chanachur factory, flower factory, glass factory, gas cylinder business, umbrella factory, bakery, ice cream factory, etc.

Table 4. 3 describes the proportion of enterprises by ownership status. It is evident from the survey that about 96 percent of the enterprises belong to the sole proprietorship category and those are solely owned by women entrepreneurs. This is because most of the businesses are small in terms of capital and employment. Only 2.3 percent of the enterprises belong to family ownerships. Women mostly prefer sole proprietorship businesses since only 1.7 percent of the women run their business with partners.

Table 4. 3: Distribution of the enterprises by ownership status

Ownership status	Number of enterprises	Percent
Sole proprietorship	1,449	96.0
Family ownership	35	2.3
Partnership	26	1.7
Total	1,510	100.0

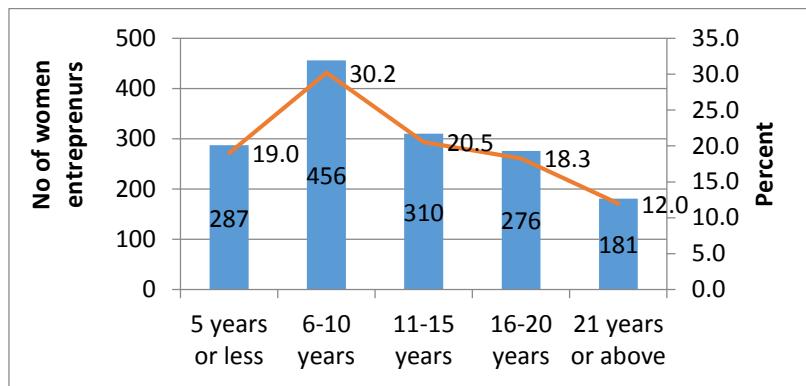
The women entrepreneurs had started their own business activities and most of them are the sole proprietors of their businesses. It was evident from the survey that more than 80 percent of the businesses are managed by the women entrepreneurs. One-fifth (20 percent) of the businesses are managed by their husband or other family members (Table 4. 3). It is noted that the dependency is higher for trading enterprises compared to manufacturing or services. Similarly, the urban women appear to be more competent in running the business individually compared to the rural entrepreneurs. For collecting raw materials andfor marketing final products, the entrepreneurs need to move in to different places and it is difficult for rural women to regularly perform these necessary business activities because of various social or family barriers.

Table 4. 4: Management status of the enterprise

Who manages the business	Urban (%)	Rural (%)	All (%)
Self	82.0	72.4	80.1
Husband	14.6	20.5	15.8
Other members of the family	3.4	7.1	4.1

Experience in business is one kind of asset. The entrepreneurs who have long experience in business have higher opportunity for success in business. Moreover, the business experience provides the best possible ways to manage and perform in the business, and overcome problems in a better way. The survey results revealed that a fifth (20 percent) of women entrepreneurs had experience of 5 years or less. The other 80 percent had more than 5 years’ experience in business. Among this 80 percent, around 30 percent of women entrepreneurs had 6-10 years of experience, 20 percent had 11-15 years and 18 percent had 16-20 years of experience. It was noticed that 12 percent of the women entrepreneurs had more than 21 years of experience in business.

Figure 4.1: Years of experience as women entrepreneurs



4.2. Employment generation

The average number of persons engaged in surveyed enterprises was 4 during the year the survey started and increased to 23 in 2017 in addition to the entrepreneurs. Number of persons engaged varied significantly with the nature of the business. The manufacturing enterprises generate more employment opportunities compared to others. On an average, the manufacturing enterprises employed about 71 persons followed by trading and service enterprises employing 12 and 11 persons respectively (Table 4. 4). About 76% of the women entrepreneurs employed 1-10 workers in their businesses. About 10 enterprises employed workers between 11-20 persons, while 5 percent of enterprises employed more than 100 workers. The surveyed 1510 women entrepreneurs have generated employment for 34,646 persons in addition to themselves (Table 4.6 & Table 4.7). In addition to formal salaried employees family members also sometime help in the women's business. The survey findings suggested that, 59 percent of the women entrepreneurs received help from their households.

Table 4. 5. Average number of workers employed by enterprises

Nature of business	Business starting year	2016	2017	Growth Rate (20016-2017)
Manufacturing	5.5	68.7	71.3	3.8
Trading	4.2	11.0	11.8	7.4
Service	3.8	10.8	11.3	4.9
Others	3.0	7.8	7.8	0.0
Total	4.4	21.8	22.9	5.1

Table 4. 6: Distribution of enterprises by number of employees

No of people employed	No of enterprises	% of the enterprise
1-10	1,152	76.29
11-20	145	9.6
21-30	56	3.71
31-40	24	1.59
41-50	14	0.93
51-60	13	0.86
61-70	11	0.73
71-80	7	0.46
81-90	6	0.4
More than 100	82	5.43
Total	1,510	100

The women entrepreneurs employed mostly women in their business, on an average, 85 percent of the total employment. As it was noted above, these business enterprises are small in size and thus the majority of the workforce is engaged on a temporary basis, around 66 percent of the total employment in 2017. Similarly, on an average, around 2 percent of the employees work as non-productive workers (Table 4. 7). Thus development of women entrepreneurship will create opportunities for more females.

Table 4. 7: Proportion of female employees

Category	Total employment in 2016	% of female employees in 2016	Total employment in 2017	% of female employees in 2017
Permanent workers	8413	18.4	8413	17.8
Temporary workers	22580	65.0	22580	66.3
Administrative, Clark and Sales Persons	1969	2.0	1969	1.9
Total	32962	85.4	32962	85.9

4.3. Major inputs used and products produced

Almost all of the entrepreneurs reported that the products produced by them are sold in the local market, except 37 percent of the jute and jute related products, which are exported. The sources of raw materials are important for women as they prefer to source raw materials from areas as close to their enterprises as possible. It is noted that 22 percent of the raw materials were collected from within the same upazila where their business is situated and 29 percent from the same districts. It is noted that around 47 percent of the women entrepreneurs collect raw materials from other districts and another 2 percent entrepreneur from outside the country. Women prefer nearby sources for raw materials as they want to keep their mobility as less as possible. Specially they prefer such sources when they have to source the raw materials themselves. Sometimes, women entrepreneurs are supported by their husbands to collect the inputs/raw materials from different places.

Table 4. 8: Sources of raw materials/inputs and collectors

Collectors	Own upazila	Own district	Other districts	Imported from abroad	Total
Self	59.3	55.7	44.1	28.1	50.4
Help of Mobile phones	13.1	14.6	25.4	28.1	19.6
Going with her husband	13.1	11.1	13.5	28.1	13.0
Going to the parent	2.4	3.2	4.1	0.0	3.4
Factory / Office Man	7.9	9.2	5.8	6.3	7.3
Other	4.3	6.2	7.1	9.4	6.3
Total	100	100	100	100	100

4.4. Cost, Sales and Profitability

To calculate profitability, the study collected data for consecutive four years, 2014-2017. During the period 2014-2017, total sales or production for all enterprises, on averages, has increased. The annual average sales or production in those years was Tk.62.8 lac, which varies according to the duration of business (number of years in business). On an average newer enterprise, which are less than 10 years in business, experienced reduction of sales or output, while the older enterprises experienced increase in sales or production (Table 4.8). During this four year, the older enterprises grew by 2.7 to 6.3 percent per annum, while the newer ones faced negative growth (loss) of its sales or output by 0.4 to 1.3 percent per annum.

**Table 4. 9: Average sales or production (output) amount during 2014-2017
(in Lac Tk.)**

Years in business	2014	2015	2016	2017	Average annual sales/production	CAGR (%)
5 years or less	22.8	24.0	24.9	22.5	23.5	-0.4
6-10 years	72.3	69.0	74.4	69.5	71.3	-1.3
11-15 years	68.6	89.6	83.5	82.4	81.0	6.3
16-20 years	45.3	58.2	55.7	59.3	54.6	9.4
21 years or above	75.8	78.8	92.6	82.0	82.3	2.7
Total	58.6	64.2	65.7	62.9	62.8	2.4

Increase in sales or production does not mean increase in profitability. Therefore, the study attempted to calculate profit. During 2014-2017 period newer and older enterprises, on average, have reported marginal increase in their profit (only exception is the enterprises having experience of more than 20 years). The women entrepreneurs reported that profit rates ranges from 20-23 percent per year. Overall, the average profit rate for all enterprises is 21 percent (Table 4.9).

**Table 4. 10: Average profit rate (self-reporting) amount during 2014-2017 (%)
(in Lac Tk.)**

Years in business	2014	2015	2016	2017	Average annual sales/production*	CAGR (%)
5 years or less	21.9	23.6	23.6	23.4	23.1	2.2
6-10 years	18.9	20.5	20.5	21	20.2	3.6
11-15 years	20.1	21.1	21.2	21.8	21.1	2.7
16-20 years	20.5	21.5	21.4	21.8	21.3	2.1
21 years or above	20.4	20.3	20.0	20.2	20.2	-0.3
Total	20.1	21.3	21.2	21.6	21.1	2.4

*Some of the surveyed firms are from the manufacturing category. Participants who reported annual production and sales values and the rest are either from trading and service-related industries.

The average profit rates vary across sectors as some sectors are found to be more profitable. For example, compared to plastic, synthetics, electronics and electrical, and transport business, knitwear and RMG, healthcare and diagnostics, tailoring, and beauty parlors earn relatively higher profits (Table 4.10).

This higher rate of return could be an important reason for many women to choose production of clothing, tailoring and beauty parlor services as sectors of investment.

Table 4. 11: Average profit rates (self-reporting) during 2014-2017 (%)

Sector	Average gross profit (%)	Average net profit (%)
Electronics and electrical	15.0	11.4
Software development	22.0	15.8
Light engineering and metal working	24.9	17.8
Agro-based business	25.8	23.4
Leather processing and leather goods	13.5	10.6
Knitwear and ready-made garments	24.0	25.8
Plastics and other synthetics	14.9	7.7
Healthcare and diagnostics	28.5	27.0
Educational services	28.4	19.8
Pharmaceuticals	18.0	15.5
Tailoring	30.8	26.9
Construction and related equipment	10.7	8.5
Transport business	21.3	9.2
Beauty parlor	37.6	34.8
Retail shop	19.1	15.1
Wholesale shop	15.7	11.8
Furniture	18.6	15.4
Garments & Accessories	18.8	18.0
Jute related product	20.4	20.6
Handicraft	24.1	21.1
Others ⁵	26.5	26.1
Total	24.6	21.0

4.5. Performance of the enterprises

Electronics, pharmaceuticals and construction related firms and wholesale shops have higher output-labor ratio (Table 4.11). This means labour productivity is high in these sectors. These enterprises are trading in nature, which require a relatively lower number of workers to generate a certain level of turnover. It is evident from the efficiency analysis that some enterprises are those involved in trading or providing services, have higher capital-labor ratio compared to the manufacturing enterprise; for example, knitwear and ready-made garments, leather processing and footwear, jute and jute related products. This means these enterprises are investing more in capital (or technology). Similarly, capital-labor ratio is estimated to be somewhat higher for the older enterprises compared to newer ones. Thus, it appears that old enterprises are capable of investing more on capital goods than new enterprises. However, output-labor ratio is showing the reverse scenario, and estimated to be higher for the new enterprises.

⁵The other sector includes cable business, manufacturing shopping bag, rice mill/chatal, manufacturing and selling sweet, shop selling purses, chanachur factory, flower factory, glass factory, stock factory, gas cylinder business, umbrella factory, bakery, saw (wood) mill business, ice crème factory, charka.

Table 4. 12: Efficiency indicators of enterprises

(in Lac Tk.)

Sector	Capital (plant and machineries)	Investment (last year)	Output	Profit	Employee (labor)	Return on investment (RoI)	Output- labor ratio	Capital- labor ratio
Electronics and electrical	4.4	1.3	87.8	16.6	4.4	65.74	20.15	1.02
Software development	6.3	5.1	21.6	20.0	5.8	4.21	3.73	1.09
Light engineering and metal working	11.1	4.1	39.4	24.1	6.1	9.62	6.42	1.81
Agro-based business	5.5	20.7	42.6	24.9	5.2	2.05	8.21	1.05
Leather processing and leather goods	12.7	7.4	169.0	13.2	24.5	22.80	6.90	0.52
Knitwear and readymade garments	6.0	1.7	56.6	23.0	12.0	33.80	4.71	0.50
Plastics and other synthetics	32.7	6.0	44.8	13.4	6.6	7.51	6.77	4.95
Healthcare and diagnostics	84.7	6.5	31.3	28.1	14.3	4.78	2.19	5.93
Educational services	4.5	1.6	17.2	27.8	17.8	10.75	0.96	0.25
Pharmaceuticals	3.3	1.8	70.9	18.5	4.7	39.47	15.19	0.70
Tailoring	2.7	2.6	28.0	29.7	11.8	10.86	2.38	0.23
Construction and related equipment	11.3	24.4	219.0	10.0	5.3	8.99	41.71	2.15
Transport business	32.6	1.2	76.8	19.6	6.3	65.38	12.13	5.14
Beauty parlor	7.0	1.7	11.2	37.0	5.9	6.52	1.91	1.19
Retail shop	7.9	3.8	36.0	18.6	5.1	9.44	7.09	1.56
Wholesale shop	19.5	6.2	346.0	15.2	15.6	56.16	22.17	1.25
Furniture	5.9	4.4	103.0	17.3	8.0	23.65	12.88	0.74
Garments & Accessories	4.6	0.8	45.7	18.2	26.6	56.79	1.72	0.17
Jute related product	4.1	0.9	68.6	22.2	30.8	74.74	2.23	0.13
Handicraft	5.3	3.1	48.9	22.9	76.2	15.86	0.64	0.07
Others	19.5	223.0	137.0	26.3	11.8	0.61	11.63	1.66
Total	10.2	22.0	62.9	23.9	22.9	2.86	2.74	0.45
Years in business								
5 years or less	4.1	2.1	22.5	25.6	13.1	10.8	1.7	0.3
6-10 years	8.1	4.0	69.5	24.1	15.5	17.6	4.5	0.5
11-15 years	10.0	11.0	82.4	23.0	28.9	7.5	2.9	0.3
16-20 years	8.1	3.0	59.3	24.3	30.3	19.8	2.0	0.3
21 years or above	28.7	136.0	82.0	21.5	35.9	0.6	2.3	0.8
Total	10.2	22.0	62.9	23.9	22.9	2.9	2.7	0.4

Input-output ratio acts as an indicator of the efficiency of production of an enterprise. A higher input-output ratio is an indicator of a lower efficiency, while the opposite indicates better efficiency. Jute related products, pharmaceuticals and construction enterprises depict higher input-output ratio, and it implies that these are comparatively less efficient enterprises compared to the others. On the other hand, beauty parlors, knitwear & RMG, educational services, tailoring and retail shops are more efficient enterprises, needing a lower input-output ratio (Table 4.13).

Table 4. 13: Input-output ratios by booster sectors and the period of establishments
 (in Lac Tk.)

Sector	Total output/Sales	Total input/cost	Input-output ratio
Electronics and electrical	87.8	86.9	0.99
Software development	21.6	18.2	0.84
Light engineering and metal working	39.4	30.6	0.78
Agro-based business	42.6	35.8	0.84
Leather processing and leather goods	169.0	145.0	0.86
Knitwear and ready-made garments	56.6	48.0	0.85
Plastics and other synthetics	44.8	40.3	0.90
Healthcare and diagnostics	31.3	25.3	0.81
Educational services	17.2	11.4	0.66
Pharmaceuticals	70.9	109.0	1.54
Tailoring	28.0	22.7	0.81
Construction and related equipment	219.0	224.0	1.02
Transport business	76.8	57.0	0.74
Beauty parlor	11.2	7.4	0.66
Retail shop	36.0	31.3	0.87
Wholesale shop	346.0	298.0	0.86
Furniture	103.0	89.9	0.87
Garments & Accessories	45.7	36.5	0.80
Jute related products	68.6	233.0	0.30
Handicraft	48.9	41.1	0.84
Others ⁶	137.0	200.0	1.46
Total	62.9	61.0	0.97
Years in business			
5 years or less	22.5	20.2	0.90
6-10 years	69.5	61.7	0.89
11-15 years	82.4	95.4	1.16
16-20 years	59.3	53.0	0.89
21 years or above	82.0	76.8	0.94
Total	62.9	61.0	0.97

4.6. Entrepreneurial success and its Determinants

Indicators of entrepreneurial success

There are various ways for measuring an entrepreneur's success in business, for example profit earning, the amount of tax paid during the last three years, the rate of productivity (input-output ratio), current assets ratio (ratio of current assets to current debt), a rise in business capital, increase in products, services and sale, continuous working for the past three years and being active in the business. (Kamitewoko, E. 2013). The association between a successful entrepreneur and profit making is almost undisputed in literature (Cantillon, 1931; Say, 1845; Marshall, 1961; Menger 1950; Knight, 1921; Schumpeter, 1934; Schumpeter, 1942; Kirzner, 1979 and Kirzner, 1981). The emphasis on profit making as an indicator of success for the entrepreneur motivates the use of profit making as a performance indicator in this study.

Profit making relates to individual success. However, we are also interested in 'success in society' and for this generated employment of the firm founded by the entrepreneur as a measure of performance (Bosma et al. 2000). Similarly, productivity is also an important factor

⁶The other sector include cable business, manufacturing shopping bag, rice mill/chatal, manufacturing and selling sweet, shop selling purses, chanachur factory, flower factory, glass factory, stock factory, gas cylinder business, umbrella factory, bakery, saw (wood) mill business, ice crème factory, charka.

in determining the level of success. In this study, we use three indicators for measuring this success, i.e. profit, employment generation and productivity (input-out ratio).

Determinants of entrepreneurial success

The classic views on entrepreneurship produce possible success determinants for starting entrepreneurs. These are summarized in Table 4.14, which is taken from van Praag (1999). In this study, we shall empirically test proposed determinants that stem from these classical views, as well as some other determinants proposed in literature (Table 4.15).

Table 4. 14: Determinants of successful entrepreneurship discussed by the classic authors (taken from Van Praag, 1999).

	Being successful as an entrepreneur	Start and be a successful entrepreneur
Cantillon		Alertness and foresight Bear's risk
Say	Judgement, perseverance, knowledge of the world, business and occupation	Bear's risk
Marshall	Intelligence, general ability (dependent on family background and education) Knowledge of the trade Bear Risk; Leadership Own capital	Good fortune Father is an entrepreneur
Schumpeter		Leadership
Knight	Ability to deal with uncertainty: self-confidence, Foresight, intellectual capacity	Good luck
Kirzner	Creativeness and leadership to exploit profit opportunities	

Entrepreneurs who are older (age is used as a proxy to ‘knowledge of the world’) seem to make less profit and create less employment compared to young entrepreneurs. However, the younger the entrepreneur, the earlier they tend to quit the business, having more time to be in business. Kraut and Grambsch (1987), Hisrich (1990) Kallerberg and Leicht, (1991), Krueger (1993), Rowe et al., (1993), Masuo et al., (2001) found that their age and support networks positively contribute to business. Zimmerer and Scarborough (1998) pointed out that most of entrepreneurs in the United States start a business during their 30s and 40s. Many researchers found that there is no age limit to become entrepreneurs. Age difference among entrepreneurs in starting a business seems to have no relation to the success of a business. According to Staw (1991), in the initial stage of any business, age is not an important factor, but with enough training and preparation, it is better to start a business early. Staw (1991) also noted that age is related to success of a business if it includes both biological age and entrepreneurial age. We may infer that the older an entrepreneur is, the greater is his experience in the business compared to the others. Therefore, age indicates better experience.

The education level of the entrepreneur also matters for success but only when profit is considered. According to Hisrich, 1990; Kallerberg & Leicht, 1991; Krueger, 1993, Rowe et al. 1993; Lussiers & Pfeifer, 2001; Masuo et al., 2001; Thapa, 2007; Indarti & Langenverg, 2008; the education has a positive effect in the success of a business. Minniti and Bygrave (2003) said that it is not always the case that people with more education will turn out to be more entrepreneurial.

Various studies have confirmed that experience is important in determining success. Previous experience in the business venture similar to the current one(may be in a smaller scale) increases the probability of success in making profit and the probability of sustainability of the business. Previous experience as an employee in the sector also has a positive impact on the sustainability of a firm.

Emotional support from the spouse positively influences the profitability and duration of a business, especially for married women entrepreneurs.

Social capital and strategies for obtaining important information is equally important for success of a business. According to Kallerberg and Leicht (1991), Rowe et al., (1993); Masuo et al., (2001); Rose et al. (2006) the success of the business depends on skills, and training. Cooper (1985), Green and Pryde (1989), Raman (2004) found that the success of the entrepreneur lies on motivational factors such as initiatives, third party assistance, encouragement by family and friends, skills, and economic conditions. On the basis of these understandings from existing studies, the following econometric analysis was performed to understand the determinants of success of the business of women entrepreneurs.

Table 4. 15: Definitions of variables used in the econometric analysis to identify the indicators of success

Variable	Definition
Dependent:	
Profit	Profit earning, self-reported
Employment	Generated amount of employment
Productivity	Rate of productivity (input-output ratio)
Independent:	
Age	Age in years
Sole ownership	= 1 if the business owned by herself
Self-operated	= 1 if the business is managed/operated by herself
Education	= years of schooling
Training	= 1 if the individual took training either before or after starting the business
Social capital	= 1 if the entrepreneurs are having any household or family members (i.e. Parents, husband)involved in the business
Pre. Occupation: self-employed	= 1 if the entrepreneurs were self-employed prior to this business
Pre. Occupation: service	= 1 if the entrepreneurs were employed as employees elsewhere prior to this business
Self-financed	= 1 if the entrepreneur is having more than 50 percent of the business capital financed by herself
Prior business experiences	= 1 if the entrepreneurs were having previous business experiences in a similar business
Experiences as entrepreneurs	= 1 if the entrepreneurs were having more than 5 years of business experience
Asset value	= log asset value at present

Estimated Results:

Let π_i be the profit for respondent i in 2017, and x_{ij} respondent i 's value of the determinant j . The model to be estimated is the following:

$$\begin{aligned}
 \text{(Model 1): } & \ln\pi_i = \alpha + \sum \beta_j x_{ij} + e_i \\
 \text{(Model 2): } & \ln L_i = \alpha + \sum \beta_j x_{ij} + e_i \\
 \text{(Model 3): } & \ln P_i = \alpha + \sum \beta_j x_{ij} + e_i
 \end{aligned}$$

We have specified the logarithm of profit (Model 1) as the dependent variable rather than the profit itself, because we think changes in the determinants influence relative profit (in percentages) rather than absolute profit. The equation above can be estimated using ordinary least squares method. Similarly, we have specified the logarithm of employment generation in 2017 (Model 2) and the logarithm of productivity (input-output ratio) in 2017 (model 3) as indicators of success of a business. Thus the three indicators of a successful business are profit, employment generation by the business and productivity. Results are shown in Table 4.16.

Table 4.16: Determinants of Success of a business

	(Model 1) Profit	(Model 2) Employment	(Model 3) Productivity
Sole ownership	-0.0548 (0.0976)	-0.224 (0.165)	0.273 (0.173)
Self-operated	0.444*** (0.0503)	0.125 (0.0699)	-0.880*** (0.0933)
Age	-0.00632** (0.00206)	0.0197*** (0.00407)	-0.00178 (0.00445)
Education	-0.0151* (0.00643)	0.0467*** (0.0116)	-0.00869 (0.0129)
Social capital	-0.0684 (0.0366)	-0.0522 (0.0689)	0.241** (0.0738)
Pre. Occupation: Self-employed	0.0640 (0.0680)	0.147 (0.129)	-0.258* (0.121)
Pre. Occupation: Service	0.101* (0.0484)	0.125 (0.106)	-0.252* (0.108)
Self-financed	0.0262 (0.0435)	-0.0118 (0.0904)	-0.187* (0.0948)
Prior business experiences	-0.0258 (0.0371)	0.185* (0.0768)	-0.181* (0.0814)
Training	0.190*** (0.0403)	0.231** (0.0784)	-0.593*** (0.0895)
Experience as entrepreneurs	-0.0178 (0.0449)	0.303*** (0.0838)	0.126 (0.0825)
Inasset	-0.0239* (0.0108)	0.191*** (0.0194)	0.0660** (0.0209)
Constant	3.242*** (0.188)	-2.218*** (0.364)	1.411*** (0.398)
N	1493	1487	1481
R-sq	0.124	0.148	0.183
F	15.61	25.19	29.52

Standard errors in parentheses

* p<0.05, ** p<0.01, *** p<0.001

Estimated results for profit: Human capital variables, for example, training, appear to be important determinants of the profit. Women entrepreneurs who received training either prior to start the business or during the business have more knowledge on not only methods of operating a business, but also on ideas of product development and access to markets. Whether a woman entrepreneur manages the business herself is also an important factor to determine the level of profits. Those who manage the businesses by themselves earned more profits compared to others. Having experience as an employee is beneficial to the new entrepreneur, as they can apply their previous knowledge to the business. The entrepreneurs having higher initial investment tend to earn profit at a lower rate. This is because profit earned by the firm is associated to more asset and therefore the rate is lower.

Estimated results in employment generation: Entrepreneurs who had higher human capital, i.e. education and training, generate more employment as they are more confident in working with more people and larger businesses. Older entrepreneurs (age is used as a proxy to ‘knowledge of the world’) seem to create more employment than young entrepreneurs do. Previous experience in business increases the probability of success in creating more employment and sustainability of the business. Prior experiences make it easier for the entrepreneurs to handle various challenges and to take right decisions. Having experience as an employee in similar sector extends a positive but non-significant impact on employment generation. Previous experiences as entrepreneurs, and the duration of such experiences help to obtain higher social benefits, and has a significant impact on employment generation. The volume of firms' assets is an important determinant in creating employment opportunities. It was found that, firms which have higher amount of capital are generating a larger number of employment (Table 4.16).

Estimated results on productivity: In order to achieve success as an entrepreneur, communicating with family members (social capital) is an important factor. The capability to maintain such connections can be indicated as having social capital. The women entrepreneurs who have business-oriented family members (parent or husband), become more successful in the business. It was evident that those who have access to social capital are more successful (achieving higher productivity in business) compared to the ones who have less social capital (Table 4.16).

CHAPTER 5:

INVESTMENT, ACCESS TO FINANCE & MARKET

Lack of access to financial resources has always been a major challenge for SMEs, especially for women entrepreneurs, who are seriously constrained by institutional finance. In 2009, SMEF launched the Credit Wholesaling (CWS) Program to facilitate access to finance for the SME entrepreneurs by providing collateral free loans with a single digit rate of interest (9%) to the target clusters/sectors/clientele (such as technology based potential SME manufacturing industries, agro-based industries). This is steered through banks and Non-banking Financial Institutions (NBFIs) with the aims to channel and create access to the formal source of credit for SMEs. In this program, Small & Women Entrepreneurs who are located out of Dhaka are given preferences. As on 20th April 2017, 575 million BDT has been disbursed to 1200 micro & small enterprises among which 450 are woman entrepreneurs (SMEF, 2017). Under the Credit Wholesaling program, credit disbursement to female entrepreneurs has been increasing over the years, with two separate schemes (Gunoboti and Nilima) being dedicated to the women entrepreneurs alone. However, credit disbursement to women entrepreneurs reduced over the last few years (the Gunoboti scheme was withheld) due to a delay in the renewal of agreement with partner financial institutions. The purposes of disbursing the loans are to fund the working capital for the SMEs, help them adopt/ upgrade new technologies; procure capital machinery etc.

In addition to general barriers to access to finance, the lack of a dedicated desk at bank branches for serving women entrepreneurs, inadequate volume of credit under the refinancing scheme, lack of financial literacy of the entrepreneurs etc. are key hindrances for female-owned SMEs. This chapter highlights various aspects of access to formal finance by women entrepreneurs.

5.1. Investment

The average investment made by a woman entrepreneur was initially 3.65 lac taka which increased to 22.14 lac taka in the current year. Currently, the higher investments are made by the sectors like leather (97 lac taka), construction (66.34 lac taka), healthcare (63.59 lac taka) and wholesale shops (57.26 lac taka) relative to other sectors. The percentage change in the overall investment amount relative to initial investment is 506.6%. During this time period, the overall percentage changes in investment are higher in the jute, garments and leather sectors compared to others.

The overall amount of loans taken by female entrepreneurs was 6.4 lac taka in the current year. During this time period, the overall percentage changes in amount of loans taken was relatively more in the leather, knitwear and readymade garments, furniture, garments, handicrafts and pharmaceuticals. During the current year, about 23.1% of the overall investments made by entrepreneurs were supported by loans which had declined by 20% compared to the initial years (28.9%). While about 86% of the investments in the plastic sector were financed from bank loans, about 53% and 41% were financed from bank loans for software and construction sector. Overall, one-third of the investments were financed by bank loans. The percentage change in the share of investment financed through loans was higher among entrepreneurs from software development, plastic, and transport sectors relative to other sectors, majority of which reported a decline in their share of loans (Table 5. 1).

Table 5. 1: Investments and loans during starting year to current year

(in lac taka)

Sector	Investment			Loan			% of loan (out of investment)		
	Starting year	Current year	% change	Starting year	Current year	% change	Starting year	Current year	% change
Electronics and electrical	4.76	24.65	417.86	1.80	8.66	381.11	35.1	37.9	7.98
Software development	3.33	13.31	299.70	1.77	2.06	16.38	15.4	53.3	246.10
Light engineering and metal work	2.28	18.75	722.37	0.00	4.50		24.0	0.1	-99.58
Agro-based business	3.28	19.46	493.29	1.29	4.82	273.64	24.8	39.3	58.47
Leather processing and leather goods	5.02	97.00	1832.27	0.49	31.10	6246.94	32.1	9.8	-69.47
Knitwear and readymade garments	2.53	11.45	352.57	0.19	4.01	2010.53	35.0	7.6	-78.29
Plastics and other synthetics	14.50	51.56	255.59	12.43	5.87	-52.78	11.4	85.8	652.63
Healthcare and diagnostics	7.34	63.59	766.35	0.56	4.83	762.50	7.6	7.7	1.32
Educational services	3.42	5.79	69.30	0.45	2.93	551.11	50.6	13.2	-73.91
Pharmaceuticals	3.40	11.81	247.35	0.37	4.35	1075.68	36.8	10.9	-70.38
Tailoring	1.74	13.67	685.63	0.45	1.80	300.00	13.2	25.7	94.70
Construction and related equipment	12.17	66.34	445.11	5.04	37.34	640.87	56.3	41.4	-26.47
Transport business	11.02	52.17	373.41	4.00	8.70	117.50	16.7	36.3	117.37
Beauty parlor	2.17	11.24	417.97	0.30	2.95	883.33	26.2	13.6	-48.09
Retail shop	3.17	15.69	394.95	0.62	4.49	624.19	28.6	19.6	-31.47
wholesale shop	9.89	57.26	478.97	1.79	18.03	907.26	31.5	18.1	-42.54
Furniture	3.29	24.71	651.06	0.08	10.65	13212.50	43.1	2.4	-94.43
Garments & Accessories	2.18	26.07	1095.87	0.36	7.37	1947.22	28.3	16.7	-40.99
Jute related products	1.40	41.93	2895.00	0.00	36.54		87.2	0.0	-100.00
Handicraft	0.96	10.17	959.38	0.12	2.44	1933.33	24.0	12.9	-46.25
Others	9.80	39.69	305.00	1.17	17.03	1355.56	42.9	12.0	-72.03
Total	3.65	22.14	506.58	0.84	6.40	661.90	28.9	23.1	-20.07

At the initial stage, majority of the female entrepreneurs funded their investments through their own savings (63.38%). A certain proportion of the investment was also funded through husband's earnings/savings (7.03%), private bank loans (18.57%) and loans from NGOs (6.16%) (Table 5. 2).

Table 5. 2: Source of investments (%)

Sources	Investment in the starting year (%)	Investment in the current year (%)
Own source / fund	63.38	56.16
Parent's	3.83	0.78
Husband	16.18	7.03
Friends / relatives	6.44	2.1
Money lender	0.21	0.46
NGOs	4.15	6.16
Government bank	1.17	6.3
Private Banks	2.98	18.57
Other debt-financed bodies without banks	0.43	1.41
Selling inherited assets	0.53	0
Others	0.69	1.05
Total	100	100
Total number of respondents	1879	2192

5.2. Access to Finance: Bank account

About 96.3% of female entrepreneurs from all sectors have a bank account. All of the entrepreneurs in the software development, light engineering and metal works, leather, plastic, educational services, pharmaceuticals, transport, furniture, garments and the jute sectors have a bank account. Almost all of the entrepreneurs in the divisions have a bank account; however, in Rajshahi, Khulna and Chattogram relatively higher proportion of entrepreneurs have a bank account (Table 5. 3).

About 81.2% of the entrepreneurs from all sectors have a current account and 17.7% of them have a savings account. The percentage share of entrepreneurs in electronic (93.3%), leather (100%), construction (97.4%), wholesale shops (92.9%) and readymade garments/knitwear (90.5%) sectors with a current account is proportionately higher than others. About one fifths of entrepreneurs in educational services, pharmaceuticals and jute sectors have a savings account. About 14% and 6.5% of the entrepreneurs have a joint account in the light engineering and healthcare sectors respectively. The proportion of entrepreneurs with a current account is relatively higher among those residing in Sylhet (97.1%), Barishal (89.6%), and Khulna (95.1%) while the proportion of entrepreneurs with a savings account is comparatively higher among those located in Rajshahi (42.7%) and Rangpur (25.8%).

Table 5. 3: Proportion of women entrepreneurs having bank accounts and types of accounts by sector and division

Sector	Having bank accounts (%)	Types of bank accounts (%)			
		Current	Savings	Joint	Other
Electronics and electrical	96.8	93.3	6.7	0.0	0.0
Software development	100.0	88.9	11.1	0.0	0.0
Light engineering and metal working	100.0	71.4	14.3	14.3	0.0
Agro-based business	95.7	84.4	14.1	1.5	0.0
Leather processing and leather goods	100.0	100.0	0.0	0.0	0.0
Knitwear and ready-made garments	91.3	90.5	9.5	0.0	0.0
Plastics and other synthetics	100.0	92.3	7.7	0.0	0.0
Healthcare and diagnostics	90.2	76.1	17.4	6.5	0.0
Educational services	100.0	80.0	20.0	0.0	0.0
Pharmaceuticals	100.0	75.0	20.8	0.0	4.2
Tailoring	92.7	74.9	24.6	.5	0.0
Construction and related equipment	97.5	97.4	2.6	0.0	0.0
Transport business	100.0	77.8	22.2	0.0	0.0
Beauty parlor	98.0	76.7	21.2	2.1	0.0
Retail shop	97.0	80.7	18.4	.9	0.0
Wholesale shop	96.6	92.9	7.1	0.0	0.0
Furniture	100.0	86.7	13.3	0.0	0.0
Garments & Accessories	100.0	86.3	13.8	0.0	0.0
Jute related products	100.0	80.0	20.0	0.0	0.0
Handicraft	95.7	77.0	22.3	.7	0.0
Others	99.0	86.7	12.2	1.0	0.0
Total	96.3	81.2	17.7	1.0	.1
Division					
Barishal	96.2	89.6	10.4	0	0
Chattogram	97.8	84	14.5	1.5	0
Dhaka	94.5	82.9	16.2	0.9	0
Khulna	97.9	95.1	4.9	0	0
Rajshahi	99.6	56.8	42.7	0.4	0
Rangpur	93	69.9	25.8	3.2	1.1
Sylhet	93.7	97.1	0	2.9	0
Total	96.3	81.2	17.7	1	0.1
Total number of respondents	1454	1181	257	15	1

About 46.7% of entrepreneurs from all divisions have a joint account with their husbands while about one third of them have a joint account with their business partners. Entrepreneurs in Barishal and Khulna do not have a joint account. About three fourths of the entrepreneurs in Chattogram and two thirds of the entrepreneurs in Sylhet have a joint account with their husbands. About 50% and 66.7% of the entrepreneurs in Dhaka and Rangpur respectively, have a joint account with their business partners.

Table 5. 4: Partners in joint accounts

(in percentage)

Particulars	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Husband	0.0	75.0	25.0	0.0	0.0	33.3	66.7	46.7
Son	0.0	0.0	25.0	0.0	0.0	0.0	0.0	6.7
Father	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Business partner	0.0	0.0	50.0	0.0	100.0	66.7	0.0	33.3
Other	0.0	25.0	0.0	0.0	0.0	0.0	33.3	13.3
Total	0	100	100	0	100	100	100	100
Total number of respondents	0	4	4	0	1	3	3	15

About 55.6% of the entrepreneurs felt there was no need to have a bank account while 30.6% of them didn't have a bank account due to poor business conditions. Similarly, about 71% of the entrepreneurs in all divisions felt they didn't need a bank account and 39% of them didn't have a bank account due to poor business conditions. All of the female entrepreneurs in Barishal, Chattogram, Khulna and Rajshahi reported that they didn't need a bank account (Table 5.5).

Table 5. 5: Reason for not having a bank account (by division)

(in percentage)

Reasons	Division								Total
	%Overall	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	
No need	55.56	100.0	100.0	65.4	100.0	100.0	14.3	85.7	71.4
Business conditions are not very good	30.56	20.0	16.7	42.3	25.0	0.0	100.0	14.3	39.3
Others (parents / husband) transactions through bank accounts	6.94	20.0	0.0	11.5	25.0	0.0	0.0	0.0	8.9
There are many types of rules	6.94	0.0	16.7	11.5	0.0	0.0	0.0	14.3	8.9
Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total number of respondents	72	5	6	26	4	1	7	7	56

5.3. Awareness about SME loans

About 41% of women entrepreneurs are aware of the SME loan ceiling. Relative to other sectors, a higher proportion of female entrepreneurs from software development, plastic, furniture, knitwear and RMG, leather, and construction sectors know about the existing SME loan ceiling (Table 5.6). The proportion of female entrepreneurs in Dhaka and Rajshahi (47.2% vs. 51.9%) is relatively more aware of the SME loan ceiling than other divisions.

Table 5. 6: Knowledge on the existing SME loan ceiling (by sector and division)

Sector	% of women entrepreneurs having knowledge
Electronics and electrical	35.5
Software development	66.7
Light engineering and metal working	14.3
Agro-based business	26.2
Leather processing and leather goods	50.0
Knitwear and ready-made garments	56.5
Plastics and other synthetics	69.2
Healthcare and diagnostics	31.4
Educational services	40.0
Pharmaceuticals	33.3
Tailors	31.6
Construction and related equipment	52.5
Transport business	44.4
Beauty parlor	36.2
Retail shop	35.7
Wholesale shop	50.0
Furniture	66.7
Garments & Accessories	53.8
Jute related products	80.0
Handicraft	52.7
Others	37.4
Total	40.9
Division	
Barishal	30
Chattogram	34
Dhaka	47.2
Khulna	36.5
Rajshahi	51.9
Rangpur	31
Sylhet	36
Total	40.9
Total number of respondents	617

The maximum SME loan ceilings for each of the sectors are reported in Table 5.7. As reported by women entrepreneurs, the maximum loan ceiling for jute sector is 4.88 million taka, leather processing and leather goods sector (3.7 million taka), construction sector (3.4 million taka), tailors/garments sector (3.34 million taka) and wholesale shops (3.25 million taka). It appears that entrepreneurs do not have a proper idea about the correct ceilings of SME loans.

Table 5. 7: Maximum SME loan ceiling amount by sector

(million Tk.)

Sector	Maximum ceiling for SME loans
Electronics and electrical	1.89
Software development	1.83
Light engineering and metal working	2.50
Agro-based businesses	2.25
Leather processing and leather goods	3.70
Knitwear and ready-made garments	2.01
Plastics and other synthetics	2.54
Healthcare and diagnostics	1.98
Educational services	1.90
Pharmaceuticals	3.00
Tailors	3.34
Construction and related equipment	3.41
Transport business	1.94
Beauty parlor	2.24
Retail shop	2.28
Wholesale shop	3.25
Furniture	2.40
Garments & Accessories	2.71
Jute related products	4.88
Handicraft	2.71
Others	3.05
Total	2.67
Total number of respondents	617

5.4. Loan Application

Overall, 58.4% of the entrepreneurs have applied for SME loans with 92.3% of them receiving it. Compared to other sectors, a relatively higher proportion of entrepreneurs from jute, furniture, leather, construction, and wholesale sectors applied for SME loans with all of the applicants receiving it (Table 5. 8). Relative to other divisions, a higher proportion of entrepreneurs in Chattogram (73.1%), Rangpur (58%) and Sylhet (61.3%) have applied for SME loans while the proportion of entrepreneurs that received loans was higher in Barishal (98.6%), Rajshahi (94.7%) and Rangpur (93.1%).

Table 5. 8: Proportion of women entrepreneurs who applied and received SME loans - by sector and division

Sector	% of women entrepreneurs applied for SME loans	% of women entrepreneurs received SME loans
Electronics and electrical	64.5	100.0
Software development	66.7	100.0
Light engineering and metal working	57.1	100.0
Agro-based business	63.8	87.8
Leather processing and leather goods	90.0	100.0
Knitwear and ready-made garments	56.5	100.0
Plastics and other synthetics	76.9	80.0
Healthcare and diagnostics	43.1	90.9
Educational services	70.0	85.7
Pharmaceuticals	62.5	93.3
Tailoring	41.3	92.9
Construction and related equipment	87.5	100.0
Transport business	77.8	85.7
Beauty parlor	45.6	91.2
Retail shop	57.4	94.7
Wholesale shop	81.0	100.0
Furniture	100.0	100.0
Garments & Accessories	65.0	94.2
Jute related products	100.0	100.0
Handicraft	61.0	86.3
Others	57.6	94.7
Total	58.4	92.3
Division		
Barishal	56.2	98.6
Chattogram	73.1	91.8
Dhaka	53.7	91.4
Khulna	51.9	86.7
Rajshahi	56.6	94.7
Rangpur	58	93.1
Sylhet	61.3	92.6
Total	58.4	92.3
Total number of respondents	882	814

5.5. Difficulties faced by entrepreneurs

From all divisions, about 39% of female entrepreneurs reported high interest rates and 35% reported an insufficient credit limit to be hindrances when accessing their last SME loan (Table 5.9). On average, one third of the entrepreneurs identified high interest rates, inadequate credit limits, and large loan processing time to be the main obstacles for accessing credit. In particular, about 61% in Rangpur and Khulna reported inadequate credit limits and high interest rates respectively. About 57% and 39% of entrepreneurs from Barishal and Dhaka respectively, reported SME loan procedures to be complex and tedious. About 17.7% of entrepreneurs from all divisions reported no problems, with 49.2% of them being from Sylhet. However, there is no specific geographic pattern of problems observed.

Table 5. 9: Difficulties faced while processing last SME loan (by division)

(in percentage)

Types of difficulties	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Insufficient credit limit	26.4	44.4	29.5	29.4	28.6	61.1	33.3	34.8
Less time/debt repayment process is not convenient	4.2	23.9	22.6	22.4	30.2	22.2	23.8	22.5
Interest rates are higher	26.4	46.7	36.8	61.2	34.1	46.3	14.3	39.1
Processing time is long and complex	56.9	22.8	38.9	27.1	23.0	29.6	15.9	30.8
Extra (informal) payments	1.4	1.1	3.0	1.2	0.8	0.0	4.8	1.8
Management costs are high	1.4	0.0	1.3	2.4	15.1	5.6	0.0	3.4
Getting paid is difficult	36.1	35.6	16.2	21.2	59.5	11.1	11.1	28.7
Securities are paid	58.3	35.0	22.6	23.5	17.5	13.0	3.2	25.7
Others	26.4	15.1	17.1	5.9	10.3	20.5	11.1	14.9
Total number of respondents	72	180	234	85	126	54	63	814

On average, the amount of service charge paid by entrepreneurs of all the sectors is 12,185 taka. Entrepreneurs from construction (38,103 tk.), healthcare (21,555 tk.) and jute (20,100 tk.) sectors pay a relatively higher amount of service charge than others. The percentage share of entrepreneurs that reported paying non-institutional costs were relatively higher in light engineering (25%), transport (16.7%) and health care (10%) sectors. The amount of non-institutional cost incurred by entrepreneurs in furniture (18000 tk.), handicraft (17,000 tk.) and light engineering (10000 Tk.) sectors were high compared to other sectors. Overall, about 4.1% of entrepreneurs had to bear a non-institutional cost in getting a loan (Table 5.10).

Table 5. 10: Amount of service charge and others non-institutional cost for the last SME loan by sector

Sector	Amount of service charge (Tk.)	% of women entrepreneurs reported having paid non-institutional cost	Amount of non-institutional cost (Tk.)
Electronics and electrical	12560	5.0	150
Software development	4850	0.0	
Light engineering and metal working	4250	25.0	10000
Agro-based business	6858	5.1	8575
Leather processing and leather goods	16833	0.0	
Knitwear and ready-made garments	8200	0.0	
Plastics and other synthetics	14400	0.0	
Healthcare and diagnostics	21555	10.0	3000
Educational services	12119	0.0	
Pharmaceuticals	13464	7.1	5000
Tailoring	9612	1.3	2500
Construction and related equipment	38103	8.6	467
Transport business	11833	16.7	500
Beauty parlor	13816	3.2	325
Retail shop	9576	5.6	4471
Wholesale shop	12115	4.3	350
Furniture	11547	6.7	18000
Garments & Accessories	12549	2.0	2000
Jute related products	20100	0.0	
Handicraft	10620	1.3	17000
Others	12227	7.4	19000
Total	12185	4.1	6742
Total number of respondents		33	

5.6. Credit Gap

Overall, 33.7% of the entrepreneurs were satisfied with the existing loan amount. A relatively high proportion of entrepreneurs that reported the SME loan amount to be sufficient were in transport (50%), tailors (45.6%), garments (44.9%), beauty parlors (41.9%), furniture (40%) and jute (40%) sectors (Table 5. 11). Sylhet (54%), Barishal (43.1%) and Khulna (40%) have a relatively higher proportion of female entrepreneurs that were satisfied with the existing loan amount for their businesses.

Table 5. 11: Proportion of women entrepreneurs reported that SME loan amount is sufficient by sector and division

Sector	% of women entrepreneurs reported existing loan is sufficient for their businesses
Electronics and electrical	15.0
Software development	33.3
Light engineering and metal working	0.0
Agro-based business	20.3
Leather processing and leather goods	33.3
Knitwear and ready-made garments	30.8
Plastics and other synthetics	37.5
Healthcare and diagnostics	20.0
Educational services	33.3
Pharmaceuticals	21.4
Tailors	45.6
Construction and related equipment	31.4
Transport business	50.0
Beauty parlor	41.9
Retail shop	32.0
Wholesale shop	29.8
Furniture	40.0
Garments & Accessories	44.9
Jute related products	40.0
Handicraft	35.4
Others	33.3
Total	33.7
Division	
Barishal	43.1
Chattogram	15
Dhaka	38.5
Khulna	40
Rajshahi	36.5
Rangpur	22.2
Sylhet	54
Total	33.7
Total number of respondents	274

On average, 56.17% of the female entrepreneurs reported the current SME loan amount to be inadequate. A relatively high proportion of entrepreneurs that reported the current SME loan amount to be insufficient were in plastic (75%), handicraft (62.39%), beauty parlors (60.83%), and wholesale (60.6%) sectors (Table 5. 12). This means that there still exists a big credit gap for the women entrepreneurs.

Table 5. 12: Proportion of women entrepreneurs reported that SME loan amount should be increased by sector

Sector	% of entrepreneurs that believe SME loan needs to be increased from the current amount
Electronics and electrical	49.12
Software development	57.50
Light engineering and metal working	56.25
Agro-based business	56.14
Leather processing and leather goods	56.67
Knitwear and ready-made garments	58.89
Plastics and other synthetics	75.00
Healthcare and diagnostics	56.88
Educational services	55.00
Pharmaceuticals	51.18
Tailoring	47.28
Construction and related equipment	51.50
Transport business	56.67
Beauty parlor	60.83
Retail shop	52.64
Wholesale shop	60.57
Furniture	57.78
Garments & Accessories	55.54
Jute related products	36.67
Handicraft	62.39
Others	54.81
Total	56.17
Total number of respondents	

5.7. Sources of Financing

About 76.8% of the entrepreneurs reported that they can manage/ start their own business without requiring any SME loans. Relative to other sectors, the proportion of entrepreneurs that reported financial self-sufficiency in starting/managing their own businesses was somewhat higher in light engineering, electrical and electronic, healthcare, education, pharmaceuticals, tailors, beauty parlors and Agro based sectors. About 73% of the entrepreneurs use their own savings to manage/start their businesses and 56.8% of them fund their businesses through financial assistance from their families which is also evident among female entrepreneurs of all sectors. When we analyze the source of financing, according to division, the findings show that a relatively higher proportion of entrepreneurs reported self-sufficiency for funding their own businesses in Barishal (94.4%), Khulna (84.7%) and Rajshahi (88.9%). Entrepreneurs from all divisions managed their businesses mainly through own savings and family support, however, 27.2% and 20.6% of the entrepreneurs also took bank and NGO loans respectively, to manage their businesses (Table 5.13).

Table 5. 13: Proportion of women entrepreneurs who can manage/start the business without an SME loan by sector and division

Sector	% of women entrepreneur can manage/start the business without SME loan	If yes, how they could manage/start the business (%)							
		Own funding	With family support	Through a bank loan	Through NGO loan	Borrowing money from the moneylender	Friends / relative	Not applicable	Other
Electronics and electrical	85.0	76.5	70.6	35.3	11.8	0.0	29.4	0.0	0.0
Software development	33.3	50.0	100.0	0.0	50.0	0.0	0.0	0.0	0.0
Light engineering and metal working	100.0	75.0	75.0	25.0	0.0	0.0	25.0	0.0	0.0
Agro-based business	81.0	71.9	73.4	25.0	32.8	6.3	21.9	1.6	0.0
Leather processing and leather goods	77.8	100.0	71.4	28.6	14.3	0.0	0.0	0.0	0.0
Knitwear and ready-made garments	69.2	44.4	66.7	33.3	33.3	22.2	33.3	0.0	0.0
Plastics and other synthetics	75.0	83.3	50.0	33.3	16.7	16.7	16.7	0.0	0.0
Healthcare and diagnostics	90.0	83.3	72.2	22.2	11.1	0.0	27.8	0.0	0.0
Educational services	83.3	80.0	80.0	20.0	20.0	0.0	20.0	0.0	0.0
Pharmaceuticals	100.0	50.0	57.1	21.4	7.1	0.0	21.4	21.4	0.0
Tailoring s	82.3	69.2	47.7	24.6	16.9	0.0	6.2	16.9	1.5
Construction and related equipment	74.3	69.2	61.5	30.8	15.4	0.0	42.3	3.8	0.0
Transport business	66.7	75.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0
Beauty parlor	82.3	78.4	49.0	23.5	13.7	0.0	7.8	13.7	0.0
Retail shop	76.0	78.9	57.9	25.3	22.1	4.2	12.6	6.3	0.0
Wholesale shop	74.5	71.4	60.0	28.6	11.4	0.0	20.0	8.6	2.9
Furniture	73.3	90.9	36.4	0.0	18.2	0.0	9.1	18.2	0.0
Garments & Accessories	75.5	83.8	51.4	32.4	18.9	2.7	10.8	5.4	2.7
Jute related products	60.0	66.7	33.3	66.7	0.0	0.0	0.0	33.3	0.0
Handicraft	67.1	62.3	45.3	34.0	32.1	15.1	24.5	2.8	0.0
Others	85.2	78.3	63.0	26.1	13.0	0.0	19.6	8.7	0.0
Total	76.8	73.0	56.8	27.2	20.6	4.5	17.8	7.0	.5
Division									
Barishal	94.4	80.9	50	32.4	23.5	4.4	32.4	0	0
Chattogram	65	76.9	82.9	33.3	28.2	3.4	13.7	0	0
Dhaka	76.5	52.5	55.3	31.8	16.8	11.2	25.1	11.7	1.7
Khulna	84.7	84.7	56.9	31.9	20.8	1.4	20.8	1.4	0
Rajshahi	88.9	72.3	35.7	16.1	22.3	0	7.1	19.6	0
Rangpur	64.8	97.1	71.4	20	28.6	0	2.9	0	0
Sylhet	66.7	97.6	45.2	9.5	0	0	9.5	0	0
Total	76.8	73	56.8	27.2	20.6	4.5	17.8	7	0.5
Total number of respondents	625	456	355	170	129	28	111	44	3

About 52.5% of the entrepreneurs reported SME loans to be the most available loan source, and about 16-17% of them reported NGO and bank loans as the most convenient sources. These findings are similar for all sectors, however, entrepreneurs from furniture (91%), transport (80%), construction (79%) and plastic (75%) sectors reported SME loans to be the most convenient source of loan. Entrepreneurs from all divisions also reported similar findings; however, a relatively higher proportion of entrepreneurs in Rangpur (72.7%), Chattogram (69.7%) and Sylhet (66.7%) reported SME loans as the most convenient loan source (Table 5.14).

Table 5. 14: Sources of most available/convenient sources of loans as reported by the proportion of women entrepreneurs – by sector and division

Sector	SME loan	Bank loan	NGO loan	Loans in the monetary sector	Friends / relatives	Not applicable	Other
Electronics and electrical	64.7	11.8	0.0	0.0	5.9	5.9	11.8
Software development	50.0	0.0	25.0	0.0	25.0	0.0	0.0
Light engineering and metal working	25.0	50.0	0.0	0.0	0.0	25.0	0.0
Agro-based business	58.8	16.2	19.1	0.0	1.5	4.4	0.0
Leather processing and leather goods	66.7	33.3	0.0	0.0	0.0	0.0	0.0
Knitwear and ready-made garments	41.7	25.0	25.0	8.3	0.0	0.0	0.0
Plastics and other synthetics	75.0	12.5	0.0	0.0	12.5	0.0	0.0
Healthcare and diagnostics	66.7	16.7	5.6	0.0	0.0	11.1	0.0
Educational services	25.0	0.0	25.0	0.0	25.0	0.0	25.0
Pharmaceuticals	46.2	15.4	15.4	0.0	7.7	15.4	0.0
Tailors	38.2	24.7	25.8	0.0	7.9	1.1	2.2
Construction and related equipment	79.2	12.5	0.0	0.0	4.2	4.2	0.0
Transport business	80.0	20.0	0.0	0.0	0.0	0.0	0.0
Beauty parlor	44.6	15.4	21.5	0.0	10.8	3.1	4.6
Retail shop	53.3	13.1	17.2	0.0	3.3	7.4	5.7
wholesale shop	69.2	12.8	0.0	0.0	5.1	10.3	2.6
Furniture	90.9	9.1	0.0	0.0	0.0	0.0	0.0
Garments & Accessories	47.1	27.5	7.8	0.0	3.9	2.0	11.8
Jute related products	66.7	0.0	33.3	0.0	0.0	0.0	0.0
Handicraft	49.0	12.6	23.2	.7	9.3	2.0	3.3
Others	50.0	20.7	13.8	0.0	5.2	8.6	1.7
Total	52.5	16.8	16.4	.3	5.9	4.5	3.6
Division							
Barishal	45.6	23.5	20.6	0	0	1.5	8.8
Chattogram	69.7	9.8	8.3	0	2.3	4.5	5.3
Dhaka	42.1	19	24.7	0.4	2.8	8.5	2.4
Khulna	51.5	27.2	11.7	0	5.8	0	3.9
Rajshahi	43.4	12.4	13.3	0.9	23.9	3.5	2.7
Rangpur	72.7	12.7	10.9	0	1.8	0	1.8
Sylhet	66.7	8.8	14	0	3.5	5.3	1.8
Total	52.5	16.8	16.4	0.3	5.9	4.5	3.6
Total number of respondents	407	130	127	2	46	35	28

5.8. Information about first three loans

On average, the amount of the first, second and third loans reported by firms were 8.84 lac taka, 7.30 lac taka and 8.08 lac taka respectively. The total number of firms that reported taking first, second and third loans are 1131, 836, and 557 respectively. A relatively higher number of firms reported taking all three loans in handicrafts, retail, beauty parlors, tailors, and Agro-based sectors. On average, the amount of outstanding loan for all firms was 11.3 lac taka. Higher outstanding loans are reported from the sectors like jute (60.99 lac taka), construction (42.3 lac taka), leather (35.31 lac taka) and electronic (33.1 lac taka) sectors (Table 5.15).

Table 5. 15: Average amount of last 3 loans reported by the firms in different sectors

(in lac Tk.)

Sector	Amount of last 3 loans (lac Tk.)			Number of firms reported			Average amount of current outstanding loan
	1st loan	2nd loan	3rd loan	1st loan	2nd loan	3rd loan	
Electronics and electrical	8.46	10.73	9.67	24	22	15	33.06
Software development	4.03	3.88	3.40	8	5	4	5.05
Light engineering and metal work	6.92	5.80	9.00	6	5	4	10.42
Agro-based business	7.52	6.51	8.26	116	85	53	11.66
Leather processing and leather goods	21.90	19.56	24.26	10	9	9	35.31
Knitwear and readymade garments	5.11	3.73	3.05	15	16	13	2.86
Plastics and other synthetics	14.81	11.00	9.22	8	8	6	12.11
Healthcare and diagnostics	39.34	12.63	16.11	27	18	9	19.76
Educational services	4.72	3.17	5.00	6	6	6	4.54
Pharmaceuticals	9.26	8.73	3.96	19	14	7	6.63
Tailoring	4.01	3.91	3.98	134	99	71	5.13
construction equipment and related	31.83	11.50	18.46	36	21	12	42.29
Transport business	18.70	6.88	4.67	5	4	3	11.30
Beauty parlor	3.69	4.38	3.00	104	65	38	8.03
Retail shop	6.76	7.23	6.76	172	131	80	6.85
wholesale shop	18.60	26.11	27.35	52	36	23	29.23
Furniture	13.58	10.23	11.00	14	11	8	13.33
Garments & Accessories	5.09	5.20	5.30	71	58	39	7.46
Jute related products	15.00	31.70	180.00	5	5	1	60.99
Handicraft	5.21	3.55	3.86	218	153	108	5.57
Others	13.78	9.75	13.74	81	65	48	14.64
Total	8.84	7.30	8.08	1131	836	557	11.29

On average, about 50.4% of the reported last three loans were funded by SME loans while bank and NGO loans comprised 19.2% and 23.6% respectively. SME loan was the major source of the last three loans for all sectors. The proportions of such loans were higher for firms in electronic, software development, leather processing, wholesale, furniture and jute sectors (Table 5. 16).

Table 5. 16: Sources (%) of last three loans by sectors

Sector	SME loan	Bank loan	NGO loan	Loans from moneylender	Friends / relatives	Other
Electronics and electrical	73.8	21.3	1.6	0.0	0.0	3.3
Software development	70.6	23.5	0.0	0.0	5.9	0.0
Light engineering and metal working	66.7	20.0	0.0	0.0	6.7	6.7
Agro-based business	48.8	15.0	31.5	0.0	3.1	1.6
Leather processing and leather goods	71.4	28.6	0.0	0.0	0.0	0.0
Knitwear and ready-made garments	54.5	11.4	31.8	0.0	0.0	2.3
Plastics and other synthetics	63.6	27.3	0.0	0.0	4.5	4.5
Healthcare and diagnostics	51.9	22.2	20.4	0.0	5.6	0.0
Educational services	66.7	0.0	27.8	0.0	5.6	0.0
Pharmaceuticals	65.0	20.0	15.0	0.0	0.0	0.0
Tailoring	37.2	20.1	30.6	.7	6.6	4.9
Construction and related equipment	75.4	18.8	4.3	0.0	1.4	0.0
Transport business	91.7	0.0	8.3	0.0	0.0	0.0
Beauty parlor	45.9	15.5	30.9	0.0	5.8	1.9
Retail shop	52.5	15.7	26.6	0.0	2.9	2.3
wholesale shop	74.8	18.9	3.6	0.0	.9	1.8
Furniture	75.8	24.2	0.0	0.0	0.0	0.0
Garments & Accessories	40.5	25.0	28.6	0.0	2.4	3.6
Jute related products	72.7	18.2	9.1	0.0	0.0	0.0
Handicraft	43.2	21.7	25.7	.2	3.3	5.8
Others	49.0	23.2	20.6	0.0	4.1	3.1
Total	50.4	19.2	23.6	.1	3.5	3.1
Total number of respondents	1273	485	596	3	88	79

The majority of the amount that entrepreneurs received from the last three loans were spent in operational capital (78.6%) followed by the purchase of machinery and equipment (41.2%) (Table 5. 17).The findings are similar for firms in all sectors however, firms in electronics (95%), leather (96%), knitwear/RMG (100%) spent a proportionately higher amount on operating capital than other sectors.

Table 5. 17: Purpose (%) of the last 3 loans received by women entrepreneurs by sectors

Sector	Purchase of machinery and equipment	Operational capital	Purchase of vehicles	Computers, printers and others	Building construction / repair/purchase	Other
Electronics and electrical	37.7	95.1	0.0	0.0	0.0	0.0
Software development	70.6	70.6	0.0	17.6	0.0	5.9
Light engineering and metal working	46.7	86.7	0.0	0.0	0.0	0.0
Agro-based business	48.4	76.4	.4	0.0	16.1	6.3
Leather processing and leather goods	28.6	96.4	0.0	0.0	0.0	0.0
Knitwear and ready-made garments	9.1	100.0	0.0	0.0	2.3	0.0
Plastics and other synthetics	40.9	68.2	0.0	0.0	13.6	0.0
Healthcare and diagnostics	63.0	66.7	1.9	5.6	3.7	16.7
Educational services	44.4	77.8	0.0	0.0	22.2	0.0
Pharmaceuticals	27.5	82.5	2.5	7.5	7.5	12.5
Tailoring	35.2	80.6	0.0	.3	4.3	1.0
Construction and related equipment	37.7	79.7	0.0	0.0	5.8	0.0
Transport business	41.7	66.7	25.0	0.0	0.0	0.0
Beauty parlor	51.2	65.7	0.0	0.0	4.3	11.6
Retail shop	50.7	82.0	0.0	.3	.3	6.3
wholesale shop	39.6	73.9	.9	4.5	10.8	4.5
Furniture	60.6	48.5	0.0	0.0	3.0	0.0
Garments & Accessories	38.7	86.3	0.0	2.4	3.0	2.4
Jute related products	63.6	54.5	0.0	0.0	18.2	18.2
Handicraft	33.6	79.1	.2	.4	4.6	2.5
Others	34.5	78.9	.5	0.0	7.7	2.1
Total	41.2	78.6	.4	.9	5.5	4.3
Total number of respondents	1041	1985	9	22	138	109

5.9. Loan Repayment

Among the surveyed firms that reported taking loans, about 62.5% has settled their loans fully and 37.2% are still paying back. As of now, only 0.3% of the firms have defaulted on their loan payments (Table 5.18).

Table 5. 18: Status for the last 3 loans

Loan status	Percentage of entrepreneurs (%) <i>(in percentage)</i>
Paid	62.5
Running	37.2
Defaulter	0.3
Total	100
Total number of respondents	2524

5.10. Collateral Requirements

For the loans taken by the entrepreneurs, about 30% of them reported no collateral/security was required while 25% of them had another person as a guarantor. Around 23.6% kept their lands as collateral. Compared to other sectors, a somewhat higher proportion of entrepreneurs from wholesale, leather, plastics, healthcare, garments and jute sectors kept the land as collateral, while the proportion of entrepreneurs who had a guarantor was somewhat higher in electronic, software development, retail shops, and knitwear/RMG sectors (Table 5.19)

Table 5. 19: Types of loan security/ collateral provided by women entrepreneurs (%) by sector

Sector	Land	House	Ornaments	Another person sponsored	No security required	Providing advance cheques	Other
Electronics and electrical	11.8	17.6	0.0	47.1	11.8	0.0	11.8
Software development	0.0	0.0	0.0	50.0	25.0	25.0	0.0
Light engineering and metal working	25.0	0.0	0.0	25.0	25.0	25.0	0.0
Agro-based business	32.4	5.9	0.0	19.1	35.3	7.4	0.0
Leather processing and leather goods	33.3	22.2	0.0	11.1	22.2	0.0	11.1
Knitwear and ready-made garments	16.7	0.0	0.0	41.7	16.7	25.0	0.0
Plastics and other synthetics	37.5	12.5	0.0	0.0	12.5	37.5	0.0
Healthcare and diagnostics	38.9	11.1	0.0	0.0	44.4	5.6	0.0
Educational services	0.0	0.0	0.0	50.0	50.0	0.0	0.0
Pharmaceuticals	30.8	15.4	0.0	15.4	23.1	15.4	0.0
Tailoring	21.3	6.7	1.1	22.5	33.7	9.0	5.6
Construction and related equipment	25.0	29.2	0.0	8.3	29.2	8.3	0.0
Transport business	40.0	0.0	0.0	20.0	0.0	20.0	20.0
Beauty parlor	26.2	6.2	1.5	29.2	32.3	1.5	3.1
Retail shop	15.6	5.7	0.0	40.2	29.5	7.4	1.6
wholesale shop	38.5	10.3	0.0	20.5	15.4	10.3	5.1
Furniture	9.1	0.0	0.0	36.4	27.3	18.2	9.1
Garments & Accessories	35.3	2.0	0.0	31.4	15.7	9.8	5.9
Jute related products	33.3	0.0	0.0	33.3	0.0	33.3	0.0
Handicraft	19.2	6.6	0.0	19.9	35.8	17.9	.7
Others	20.7	10.3	0.0	20.7	39.7	5.2	3.4
Total	23.6	7.6	.3	25.3	30.2	10.2	2.8
Total number of respondents	183	59	2	196	234	79	22

5.11. Types of Credit

The majority of the women entrepreneurs from all sectors received cash and credit loans (Table 5.20). A relatively high proportion of entrepreneurs from construction, wholesale, leather, plastic, furniture and jute sectors received C.C loans. On average, the amount of credit received by entrepreneurs in the construction (20 million taka), wholesale (13 million taka) and electronic (9.2 million taka) sectors were somewhat higher compared to others.

Table 5. 20: Proportion of women entrepreneurs by different types of credit facilities and sectors

Sector	Credit facilities	% of women entrepreneurs received	Average amount of credit (Tk.)
Electronics and electrical	over draft	0.0	
	C C. Loan	29.0	4533333
	S.O.D	9.7	9166667
Software development	over draft	0.0	
	C C. Loan	0.0	
	S.O.D	0.0	
Light engineering and metal working	over draft	0.0	
	C C. Loan	28.6	1050000
	S.O.D	14.3	100000
Agro-based business	over draft	.7	400000
	C C. Loan	17.7	3644800
	S.O.D	1.4	1325000
Leather processing and leather goods	over draft	0.0	
	C C. Loan	50.0	4140000
	S.O.D	0.0	
Knitwear and ready-made garments	over draft	0.0	
	C C. Loan	17.4	6625000
	S.O.D	0.0	
Plastics and other synthetics	over draft	0.0	
	C C. Loan	38.5	1140000
	S.O.D	0.0	
Healthcare and diagnostics	Overdraft	0.0	
	C C. Loan	19.6	3660000
	S.O.D	0.0	
Educational services	over draft	0.0	
	C C. Loan	10.0	1000000
	S.O.D	0.0	
Pharmaceuticals	over draft	0.0	
	C C. Loan	25.0	1116667
	S.O.D	0.0	
Tailoring	over draft	0.0	
	C C. Loan	9.2	1157895
	S.O.D	2.9	1833333
Construction and related equipment	over draft	0.0	
	C C. Loan	35.0	6771429
	S.O.D	5.0	20000000
Transport business	over draft	0.0	
	C C. Loan	0.0	
	S.O.D	0.0	
Beauty parlor	over draft	0.0	
	C C. Loan	10.1	948667
	S.O.D	0.0	
Retail shop	over draft	1.3	833333
	C C. Loan	11.7	1820185
	S.O.D	5.2	1683333
wholesale shop	over draft	1.7	13000000
	C C. Loan	34.5	10745000
	S.O.D	6.9	3500000
Furniture	over draft	6.7	180000
	C C. Loan	33.3	2640000
	S.O.D	0.0	
Garments & Accessories	over draft	1.3	200000
	C C. Loan	12.5	1745000
	S.O.D	3.8	1783333
Jute related products	over draft	0.0	
	C C. Loan	60.0	8333333
	S.O.D	0.0	
Handicraft	over draft	.7	550000
	C C. Loan	18.7	1289286
	S.O.D	1.0	2333333
Others	over draft	1.0	10000000

About 84.6% of the entrepreneurs received C.C loans and 12.2% of them received secured overdraft (S.O.D) loans (Table 5. 21). Entrepreneurs that received C.C loans were proportionately higher in Barishal, Dhaka and Rangpur divisions.

Table 5. 21: Proportion of women entrepreneurs by different types of credit facilities and divisions

Types of credit	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Over draft	0.0	3.9	3.4	2.7	2.7	0.0	20.0	3.2
C.c. loan	100	52.9	90.8	86.5	86.5	100	75.0	84.6
S.O.D	0.0	43.1	5.7	10.8	10.8	0.0	5.0	12.2
Total	100	100	100	100	100	100	100	100
Total number of respondents	19	51	87	37	71	27	20	312

5.12. Satisfaction Level

Majority of the surveyed entrepreneurs received SME loans (38.7%) and responded the loan services to be very satisfactory (a score of 4.22/5). About 23.7% and 21.1% of female entrepreneurs received loans from banks and NGOs respectively. They evaluated bank loan services to be somewhat better than NGO loan services (3.82 vs. 3.65) (Table 5.22).

About 96% of the women entrepreneurs have a bank account, most of which are current accounts in nature. Overall, 58% of the entrepreneurs have applied for loans and most of them have received loans. The success rate is 92.3%. Average loan size is about 11 lac taka, with the highest amount being about 40 lac taka. About 56% of the entrepreneurs reported that the loan amount they received was inadequate. High interest rates, inadequate loan amounts and long loan processing time are some of the key impediments identified by the entrepreneurs for accessing formal credit.

Table 5. 22: Proportion of women entrepreneurs by different sources of loans and their evaluation scores

Particulars	% of women entrepreneurs who received loans	Evaluations (out of 5)
Government Agency	1.0	3.71
Moneylender	1.8	2.83
Government commercial banks	8.7	3.55
Private, Commercial Banks	23.7	3.82
Non-bank financial institutions	4.9	3.88
NGOs	21.1	3.65
SME Loan	38.7	4.22
Total	100	3.90

5.13. Findings from the Qualitative Survey (FGDs and KIIs) on Access to Finance and role of Women Chambers

In recent years, women entrepreneurs have become more aware of the required documents to access formal loans. One important reason behind such improvements is the activities of various business chambers in the forms of training programs, networking, connecting women entrepreneurs with banks, providing guarantee, etc.

However, there are still some constraints women entrepreneurs face in accessing finance, such as:

- Arranging guarantors in obtaining a loan
- Banks asking for mortgage documents
- High interest rates and demand for transactions through a bank account
- Lack of proper information regarding rules of loans in different banks
- Higher Service Charge
- Lack of proper knowledge regarding the banking system
- Many women entrepreneurs do not have any systematic business plan
- Getting a loan is difficult for widows or divorced women
- Some women still face non-cooperation, even harassment in the banks
- Applicants are not informed of the reasons for denying a loan

Women's chambers can play a vital role in assisting women specially new women entrepreneurs in securing credit. As chambers, even at a local level, maintain close connections with banks and financial institutions, they can assess the strength of a business proposal with regards to obtaining a loan. The associations can deploy professionals to provide this kind of assessment services to their members (women entrepreneurs) in exchange of a small fee hereby assisting the entrepreneurs to develop a good proposal.

5.14. Training related issues

Overall, about 49.1% of the female entrepreneurs have prior experience in business with the proportion being relatively higher amid those in beauty parlors (79%), education (70%), tailors (66%) and knitwear/RMG (65%) sectors. Compared to other divisions, a higher proportion of entrepreneurs in Rajshahi, Barishal and Rangpur have prior business experience.

Table 5. 23: Proportion of women entrepreneurs having prior experience in business by sector and division

Sector	% of women entrepreneurs
Electronics and electrical	35.5
Software development	44.4
Light engineering and metal work	28.6
Agro-based business	41.8
Leather processing and leather goods	40.0
Knitwear and ready-made garments	65.2
Plastics and other synthetics	38.5
Healthcare and diagnostics	47.1
Educational services	70.0
Pharmaceuticals	16.7
Tailoring	66.0
Construction and related equipment	20.0
Transport business	11.1
Beauty parlor	79.2
Retail shop	34.4
wholesale shop	20.7
Furniture	33.3
Garments & Accessories	46.3
Jute related products	40.0
Handicraft	58.0
Others	35.4
Total	49.1
Division	
Barishal	54.6
Chattogram	49.6
Dhaka	45.9
Khulna	30.7
Rajshahi	65.5
Rangpur	52
Sylhet	49.5
Total	49.1
Total number of respondents	741

On average, entrepreneurs spend 74 days in training which lead to an average expenditure of 13,886 taka. The average number of days spent in training is relatively higher for businesses related to beauty salons (116 days), ready-made garments (99 days), stitching (95 days), and food products (94 days). The average expenditure is relatively higher for training in food products (Tk 51,898), beauty salons (Tk 42,075) and design (Tk 21,215) (Table 5.24). The price of ingredients used during training on preparation of food products is the main reason for high costs.

Table 5. 24: Average duration and expenditure of current business related training

Training	Average duration (days)	Average expenditure (taka)
Readymade garments	99	5549
E-marketing / On-line business	22	9300
Beauty salon	116	42075
Embroidery	65	3253
Block-boutique	63	2722
Handicrafts	51	5391
Design	64	21215
Livestock	25	5026
Fishery	52	477
Chicken farms	30	682
Foods and sweet products	94	51898
Export development	6	2167
Sales and marketing	42	15084
Other	101	13532
Total	74	13886

Regarding training institutions, a relatively higher proportion of entrepreneurs received training on readymade garment industry (15.4%) and beauty salons (12.5%) from commercial training institutions while a relatively higher proportion of entrepreneurs received trainings on sales and marketing (42.3%), handicrafts (13.5%) and design (7.9%) from SMEF (Table 5. 25).

Table 5. 25: Proportion of women entrepreneurs receiving different types of training from different institutions (multiple answers considered)

Training	SMEF	Training institute	NGOs	Government	Other	Total
Readymade garments	3.7	15.4	11.0	12.3	11.6	12.1
E-Marketing / On-line business	1.4	0.8	0.0	0.4	1.0	0.7
Beauty Salon	5.1	12.5	2.6	5.1	13.0	8.6
Embroidery	2.8	5.8	4.5	3.9	4.8	4.6
Block-boutique	9.3	13.7	13.5	18.7	9.2	14.0
Handicrafts	13.5	10.2	12.3	11.5	7.9	10.8
Design	7.9	4.4	6.5	2.8	3.8	4.4
Livestock	0.5	1.9	11.0	1.6	1.0	2.3
Fishery	0.0	0.7	1.3	1.6	0.3	0.9
Chicken farms	0.9	2.2	10.3	5.6	0.7	3.6
Foods and sweet products	0.9	2.9	2.6	1.4	0.7	1.8
Nurseries	0.0	0.0	0.0	0.9	0.0	0.3
Export development	3.3	0.8	0.0	0.7	1.0	1.0
Sales and Marketing	42.3	7.6	5.8	6.3	9.9	11.5
Other	2.8	2.2	0.6	0.2	3.4	1.7
Total	100	100	100	100	100	100
Total number of respondents	215	590	155	567	292	1819

About 34% of the female entrepreneurs received training before starting the business while 26.1% received training after starting their businesses (Table 5.26). The proportion of entrepreneurs which received training prior to starting their business was somewhat higher in Sylhet (43.3%), Chattogram (40%) and Rangpur (35%) while the proportion that received training after starting their business was relatively higher in Dhaka and Khulna (30.2%) (Table 5.26).

Table 5. 26: Proportion of women entrepreneurs receiving training (by division)

Status of training	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Before starting the business	34.6	39.9	25.6	40.2	34.0	35.0	43.2	34.0
After starting the business	8.5	27.6	30.2	30.2	31.9	18.0	13.5	26.1
Not applicable	56.9	32.5	44.2	29.6	34.0	47.0	43.2	39.9
Total	100	100	100	100	100	100	100	100
Total number of respondents	130	268	477	189	235	100	111	1510

5.15. Marketing and sales of the products

About 77.5% of the female entrepreneurs from all divisions have showrooms with the proportion being relatively higher in Barishal (99.2%), Chattogram (88.8%) and Khulna (77.8%). About 95% of the entrepreneurs have at least one showroom with the proportion being relatively higher in Rajshahi (99%), Chattogram and Dhaka (96-97%) (Table 5.27).

Table 5. 27: Proportion of women entrepreneurs having showrooms and number of showrooms (by division)

Division	Have showrooms (%)	One showroom	Two showrooms	Three showrooms	Four showrooms	Total number of respondents
Barishal	99.2	95.3	4.7	0	0	130
Chattogram	88.8	96.6	2.9	0.4	0	268
Dhaka	66	96.2	2.9	1	0	477
Khulna	77.8	89.1	6.1	1.4	3.4	189
Rajshahi	77.4	98.9	1.1	0	0	235
Rangpur	77	92.2	5.2	2.6	0	100
Sylhet	74.8	90.4	6	3.6	0	111
Total	77.5	95	3.6	0.9	0.4	1510

About 75.6% of the showrooms are owned by the female entrepreneurs themselves while their husbands own 16.5% of the show rooms. For all divisions, majority of the showrooms is owned by the female entrepreneurs themselves. However, the proportion is somewhat higher in Rangpur (80.5%), Khulna (80.3%), Dhaka and Sylhet (78%). The proportion of showrooms owned by women's husbands is comparatively higher Barishal (22.5%) and Chattogram (21%) (Table 5.28).

Table 5. 28: Owners of showrooms (by division)

(in percentage)

Owner of showrooms	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Self	72.9	67.6	78.1	80.3	76.4	80.5	78.3	75.6
Husband	22.5	21.0	13.0	13.6	19.2	7.8	14.5	16.5
Employee	0.0	4.2	2.2	2.7	0.5	5.2	1.2	2.3
Relatives	0.0	2.9	1.3	0.0	2.2	1.3	3.6	1.6
Jointly with husband / relatives	1.6	2.1	2.9	2.7	0.5	2.6	1.2	2.0
Other	3.1	2.1	2.5	0.7	1.1	2.6	1.2	2.0
Total	100	100	100	100	100	100	100	100
Total number of respondents	129	238	315	147	182	77	83	1171

Entrepreneurs who do not have a showroom sell their products through retail outlets and 'pop-up' shops at factory gates (22.7%), via a distributor and through parcel (12%).

Compared to other divisions, a higher proportion of entrepreneurs that sell their products through distributors, parcel, commission agents and retail sales from the factory gates are in Rangpur and Rajshahi (Table 5.29).

Table 5. 29: Sales procedure in the absence of showrooms

Sales procedure through	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Distributor	0.0	0.0	7.4	9.5	11.3	73.9	0.0	11.5	
Parcel	0.0	0.0	9.3	7.1	20.8	47.8	0.0	11.8	
Retail sales from the factory gate	0.0	6.7	23.5	9.5	37.7	52.2	3.6	22.7	
Commission agent	0.0	3.3	4.3	0.0	24.5	26.1	0.0	8.0	
Online sales	0.0	0.0	0.6	0.0	0.0	8.7	0.0	0.9	
No obstacles encountered	0.0	6.7	0.0	0.0	1.9	0.0	0.0	0.9	
Not applicable	100	83.3	68.5	78.6	47.2	8.7	96.4	66.1	
Others	0.0	3.3	4.9	7.1	0.0	13.0	0.0	4.4	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	1	30	162	42	53	23	28	339	

About 38.4% and 30.4% of the entrepreneurs create their products targeting regional and district markets respectively, while 17.2% and 11% of them create products targeting the sub-district and national markets. The proportion of entrepreneurs that target regional markets for product creation is relatively higher in Barishal (70%), Chattogram (48.5%), Sylhet (49.5%) and Dhaka (41.9%) while entrepreneurs that target the district market is proportionately higher in Rajshahi (53.6%) and Khulna (37.6%) (Table 5.30).

Table 5. 30: Potential markets for products

Potential markets	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Regional Market	70.0	48.5	41.9	19.6	11.5	40.0	49.5	38.4	
Upazila bazar	19.2	23.9	13.6	23.3	11.1	17.0	17.1	17.2	
District market	7.7	22.4	27.9	37.6	53.6	37.0	22.5	30.6	
National market	1.5	4.5	13.0	15.9	21.3	5.0	4.5	11.0	
International market	0.8	0.0	1.7	3.2	2.1	1.0	1.8	1.5	
I have no clear idea	0.8	0.7	1.0	0.0	0.4	0.0	3.6	0.9	
Other	0.0	0.0	0.8	0.5	0.0	0.0	0.9	0.4	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	130	268	477	189	235	100	111	1510	

About 38.7% of their customers are female while 24.2% of them are family members. Entrepreneurs have a relatively higher proportion of female customers in Sylhet (60%), Rajshahi (45.5%), Dhaka (43.4%), Rangpur (39%) and Khulna (34%) while entrepreneurs in Barishal have a relatively higher proportion of family members as customers (37.7%) (Table 5.31).

Table 5. 31: Customers of business

Customer type	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Female	31.5	22.4	43.4	33.9	45.5	39.0	59.5	38.7	
Family	37.7	12.7	28.7	27.0	17.0	45.0	8.1	24.2	
Children	0.8	2.2	0.6	0.5	0.4	0.0	0.9	0.9	
Shop	6.9	2.2	18.9	8.5	11.9	12.0	20.7	12.2	
Other industries	0.0	1.5	3.6	8.5	2.1	0.0	2.7	3.0	
Others	23.1	59.0	4.8	21.7	23.0	4.0	8.1	21.1	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	130	268	477	189	235	100	111	1510	

Majority of the entrepreneurs mainly sell their products directly to consumers (62%). Around 20% of them sell to wholesalers and 13.6% of them sell their products through showrooms. The proportion of entrepreneurs that sell to direct consumers is somewhat higher in Barishal (84.6%), Sylhet (76.6%) and Rajshahi (70.6%) while wholesalers are proportionately higher in Khulna and Rajshahi (36% vs. 23.8%) (Table 5.32).

Table 5. 32: Main modes to sell products

(in percentage)

Modes of sale	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Consumer	84.6	60.4	58.3	36.0	70.6	67.0	76.6	62.0
Wholesaler	6.9	14.9	21.4	36.0	23.8	15.0	14.4	20.3
Showroom	3.1	19.0	14.7	24.9	4.7	17.0	5.4	13.6
Fair	0.8	0.0	1.3	0.0	0.4	1.0	2.7	0.8
Other	4.6	5.6	4.4	3.2	0.4	0.0	0.9	3.3
Total	100	100	100	100	100	100	100	100
Total number of respondents	130	268	477	189	235	100	111	1510

About 64.6% of the entrepreneurs expand their businesses by advertising in signboards, the proportion of which is higher in Barishal (75%), Rajshahi (73%) and Dhaka (67.5%). About 63.5% of entrepreneurs expand their businesses through their consumers, with the percentage share being relatively higher in Sylhet (82%), Dhaka and Rajshahi (70%). About 62.2% of entrepreneurs use their business cards as promotional material, with entrepreneurs from Barishal and Rajshahi (75.4% vs. 73%) being proportionately higher than other divisions (Table 5.33).

Table 5. 33: Types of promotional material used (by division)

(in percentage)

Types of promotional material	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Business card	75.4	56.0	67.5	52.9	72.8	50.0	43.2	62.2
Brochure	2.3	3.4	1.7	1.6	1.3	0.0	5.4	2.1
Signboard	82.3	79.9	63.9	67.2	66.8	41.0	21.6	64.6
Billboards	4.6	11.6	3.1	12.2	0.4	1.0	0.9	5.2
Promotion paper	5.4	4.9	8.4	9.0	0.4	4.0	11.7	6.3
Handball	0.0	12.7	4.0	4.2	0.0	0.0	1.8	4.2
Website	0.0	2.6	3.4	3.7	0.0	4.0	6.3	2.7
Face book page	0.8	2.2	3.1	2.1	1.3	10.0	11.7	3.4
Presence in the trade fair	0.0	3.4	3.1	0.0	1.3	10.0	7.2	3.0
Consumers	53.1	48.9	70.4	60.8	70.2	52.0	82.0	63.5
Other	11.5	1.1	6.5	3.2	0.4	5.0	2.7	4.2
Total number of respondents	130	268	477	189	235	100	111	1510

About 21.4% of entrepreneurs from all divisions have participated in the trade fair. Entrepreneurs have participated in various kinds of fairs, with the majority of them participating in regional fairs (46%), followed by local fairs (32%), SME fairs and season based fairs (30%). The proportion of entrepreneurs that participated in seasonal (86%), festival (62%) and local (48%) fairs is higher in Barishal relative to other divisions while the proportion that participated in regional fairs is somewhat higher in Rangpur (66.7%), Sylhet and Rajshahi (58.3%). About 19-20% of the entrepreneurs participated in international and national fairs, with a relatively higher proportion of the participants being in Khulna (34.2%) and Sylhet (37.5%) respectively (Table 5.34).

Table 5. 34: Type of trade fairs organized (by division)

(in percentage)

Particulars	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Participated in trade fair (%)	16.2	25.7	22.0	20.1	20.4	18.0	21.6	21.4
Type of trade fair								
Village Fair	0.0	4.3	15.2	26.3	4.2	27.8	0.0	11.1
Season-based	85.7	13.0	36.2	44.7	12.5	27.8	20.8	30.3
Festival	61.9	31.9	27.6	23.7	10.4	16.7	25.0	26.9
Local	47.6	31.9	26.7	39.5	29.2	44.4	25.0	31.9
Regional (divisional / district)	61.9	56.5	25.7	44.7	58.3	66.7	58.3	46.4
National	9.5	18.8	21.0	34.2	25.0	11.1	0.0	19.8
International	9.5	23.2	21.0	13.2	8.3	16.7	37.5	18.9
SME Fair	9.5	52.2	28.6	2.6	29.2	27.8	37.5	30.0
Other	0.0	0.0	6.7	0.0	4.2	0.0	0.0	2.8
Total	100	100	100	100	100	100	100	100
Total number of respondents	130	268	477	189	235	100	111	1510

About 97.2% of the entrepreneurs reported positive impacts from participating in fairs with the proportion being comparatively higher for those in Barishal, Rangpur, Dhaka and Chattogram (Table 5.35).

Table 5. 35: Impact of participation of trade fair (by division)

(in percentage)

Response	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Yes	100.0	97.1	99.0	92.1	97.9	100.0	91.7	97.2
No	0.0	2.9	1.0	5.3	0.0	0.0	8.3	2.2
Don't know	0.0	0.0	0.0	2.6	2.1	0.0	0.0	0.6
Total	100	100	100	100	100	100	100	100
Total number of respondents	21	69	105	38	48	18	24	323

A relatively higher proportion of entrepreneurs for all divisions reported insufficient capital (49%), fewer sales (22%), low profit and lack of buyers (20%) to be some of the barriers they faced while marketing their products (Table 5.36).

Table 5. 36: Barriers while marketing of products (by division)

(in percentage)

Type of barriers	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Lack of security in the market	1.5	1.5	2.7	6.3	6.0	23.0	1.8	4.6
Lack of knowledge about market prices	0.0	5.2	6.7	4.2	5.1	17.0	7.2	6.0
Communication problems	2.3	2.6	5.0	6.3	9.8	14.0	1.8	5.6
Limited number of buyers	36.2	15.7	14.0	17.5	23.8	12.0	36.0	19.7
Lack of skilled workers	8.5	8.6	7.1	12.2	4.7	32.0	24.3	10.7
Lower sale volume	38.5	20.5	18.2	29.1	24.3	11.0	17.1	22.1
Insufficient capital	63.8	66.8	36.1	56.6	28.5	84.0	44.1	49.1
Lack of fair price	8.5	4.5	15.5	20.1	8.1	27.0	9.0	12.6
Lack of showrooms	9.2	16.8	9.9	8.5	3.4	4.0	5.4	9.1
Problems arising due to previous debts	18.5	7.5	8.0	15.3	9.4	13.0	17.1	10.9
Problems with understanding the preference of the buyers	3.8	4.5	4.0	9.0	4.7	3.0	6.3	4.9
Infrastructure problems (electricity)	5.4	4.1	2.1	0.5	0.4	2.0	0.9	2.2
Lack of sales staff	2.3	1.5	1.3	2.6	0.4	0.0	0.0	1.3
Lack of raw materials	0.0	1.9	5.5	6.9	1.3	2.0	1.8	3.4
Low profit	16.2	26.5	18.2	26.5	18.3	8.0	24.3	20.3
Price discrimination	10.0	4.5	13.0	14.8	11.9	7.0	4.5	10.3
Raw material price is much higher	16.9	13.4	11.7	4.8	0.9	2.0	9.9	9.1
No places to display / no arrangement	0.8	0.7	2.3	2.1	2.1	2.0	0.0	1.7
Travel costs are high	3.1	0.7	3.8	6.9	.9	1.0	0.0	2.6
Families who do not like their business	1.5	1.5	0.6	0.5	0.0	1.0	1.8	0.9
Lack of training	.8	1.9	3.1	3.2	0.0	5.0	4.5	2.5
Competition is unfair	17.7	3.0	9.4	10.1	3.4	7.0	6.3	7.7
Lack of publicity	1.5	3.4	6.7	5.3	2.1	3.0	0.9	4.1
Religious barriers	1.5	0.7	0.2	0.5	0.0	0.0	0.9	0.5
Local needs are low	3.1	2.2	4.6	2.6	0.4	0.0	2.7	2.7
Not Applicable	2.3	13.1	14.7	.5	7.7	0.0	4.5	8.7
Others -1	1.5	2.2	4.0	2.6	9.4	0.0	2.7	3.8
Others -2	0.0	0.4	1.3	0.0	1.3	0.0	0.0	0.7
Total	100	100	100	100	100	100	100	100

Regarding the ICT status of entrepreneurs, about 34-35% of the entrepreneurs have computers with an internet connection and can operate a computer respectively (Table 5. 37). About 28% of them have an email account while 21% of them have a Face book page. Compared to other divisions, the proportion of entrepreneurs that are technologically skilled and have an internet connection, email, business site, as well as a Face book page is somewhat higher in Rangpur.

Table 5. 37: Familiarity of women entrepreneurs with information and communication technology (by division)

Division	Have a computer (%)	Can operate a computer (%)	Have internet connection (%)	Have an e-mail account (%)	Have a business website (%)	Have a Face book page (%)
Barishal	43.8	47.7	42.3	32.3	3.8	6.9
Chattogram	46.6	40.3	37.7	26.9	11.6	15.7
Dhaka	27.5	28.3	27.5	24.3	8.6	23.7
Khulna	37.6	35.4	32.3	23.3	14.3	21.7
Rajshahi	23.4	35.7	37.4	35.7	5.1	22.1
Rangpur	39	43	43	46	22	40
Sylhet	29.7	23.4	27.9	21.6	17.1	17.1
Total	33.8	34.8	33.8	28.3	10.4	20.9

5.16. Organizational support for product development

Overall, 37% of the entrepreneurs reported the availability of tech support with the proportion being relatively higher in Barishal and Rangpur (83% vs. 76%). About 62.5% of them received financial support with the recipients being higher in Barishal and Rangpur as well (92.6% vs. 84.2%). About 20.4% and 17% of them received technical and training support respectively. Majority of the support to entrepreneurs of all divisions were provided by banks (33%) followed by SMEF (25%) and NGOs (20%) (Table 5.38).

Table 5. 38: Proportion of women entrepreneurs that reported the availability of technological support and type of support (by division)

Technological support	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Reported availability of tech support	83.1	49.3	28.5	42.9	6.8	76.0	8.1	37.0	
Type of support									
Financial	92.6	54.5	37.5	74.1	12.5	84.2	0.0	62.5	
Technical	5.6	25.0	40.4	3.7	56.3	5.3	44.4	20.4	
Training	1.9	20.5	22.1	22.2	31.3	10.5	55.6	17.0	
Types of tech support organizations									
SMEF	38.0	19.7	22.0	39.5	12.5	6.6	66.7	25.4	
Private sector	2.8	24.2	9.6	4.9	25.0	7.9	11.1	11.3	
Bank	23.1	41.7	31.6	17.3	31.3	52.6	11.1	32.8	
NGOs	21.3	12.9	22.8	23.5	6.2	27.6	11.1	20.3	
Other	14.8	1.5	14.0	14.8	25.0	5.3	0.0	10.2	
Total number of respondents	108	132	136	81	16	76	9	558	

About 40.8% of the entrepreneurs from all divisions have a membership with business associations and receive various facilities such as marketing support (33%), financial information (27.6%) and training (24%) etc. The proportion of entrepreneurs receiving financial information and marketing support is relatively higher in Rajshahi and Rangpur (57%) respectively. About 40% of entrepreneurs in Chattogram receive training which is somewhat higher compared to other divisions (Table 5.39).

Table 5. 39: Facilities received from business associations (by division)

Response	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Membership with business association (%)	28.5	29.9	43.6	27.0	71.1	56.0	15.3	40.8	
Types of facilities received from business associations (%)									
Financial information	8.1	12.5	21.2	21.6	56.9	8.9	11.8	27.6	
Marketing support	21.6	30.0	39.4	35.3	20.4	57.1	35.3	33.1	
Training	21.6	40.0	23.1	23.5	15.6	28.6	29.4	23.9	
Participation in trade fair	2.7	5.0	7.7	9.8	5.4	1.8	5.9	6.0	
Other	45.9	12.5	8.7	9.8	1.8	3.6	17.6	9.4	
Total number of respondents	37	80	208	51	167	56	17	616	
Total number of respondents	130	268	477	189	235	100	111	1510	

About 56.3% of entrepreneurs reported having knowledge about the SME foundation, with the proportion being higher in Rajshahi and Rangpur (86.4% vs. 73%) compared to other divisions. About 37% of female entrepreneurs reported receiving services from SMEF which were loans under CWS (35.5%), training (23.8%), fair participation (20.4%) and business consulting services (13%) etc. (Table 5.40).

Table 5. 40: Knowledge about SME foundation (by division)

(in percentage)

Response	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Knowledge about SME foundation	52.3	50.7	48.4	56.1	86.4	73.0	29.7	56.3
Services received from SME foundation	25.4	36.2	32.7	41.3	49.4	48.0	24.3	36.8
Types of services received from SME foundation								
Training	57.6	9.3	27.6	35.9	15.5	10.4	37.0	23.8
Participation in the fair	3.0	35.1	14.1	35.9	8.6	20.8	29.6	20.4
Getting the award	6.1	4.1	0.0	0.0	2.6	20.8	11.1	4.0
Information technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Business consulting services	3.0	37.1	6.4	23.1	1.7	8.3	7.4	13.2
International workshops	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.2
Loans under credit wholesaling programs	30.3	4.1	48.7	3.8	70.7	39.6	11.1	35.5
Other	0.0	10.3	2.6	1.3	0.9	0.0	3.7	3.1
Total	100	100	100	100	100	100	100	100
Total number of respondents	33	97	156	78	116	48	27	555

Entrepreneurs reported that if SMEF increased their financial assistance (17%), training and development activities (14.5%), guidance/business advice (13.6%) etc., it would help the creation of more female entrepreneurs (Table 5. 41). On a scale of 5, the SME foundation was given an average score of 3.96 regarding the creation of women entrepreneurs, which means their contribution is considered to be satisfactory by the women entrepreneurs.

Table 5. 41: Types of support that can create new women entrepreneurs

(in percentage)

Support	Yes	Evaluation of SME foundation in creating more new women entrepreneurs (in a scale of 5) Mean	SD
Financial assistance / funding	16.9	4.38	1.095
Legal advice	8.7	3.95	1.210
Market Research	9.6	3.92	1.179
Promotion / expansion of the activities	11.2	3.85	1.092
Guidance / business advice	13.6	3.88	1.198
Training and development	14.5	4.14	1.148
There is no sense about SME	6.3	3.15	1.582
Technical support	8.8	3.95	1.309
Personal development	10.4	3.80	1.266
Total	100	3.96	1.240
Total number of respondents	6240		

CHAPTER 6:

WOMEN EMPOWERMENT THROUGH ENTREPRENEURSHIP

Becoming an entrepreneur does not ensure empowerment of women straightaway. The current study collected some data to understand the status of empowerment among women entrepreneurs. There were only 20% of female headed families, and in 75% of the families, the husband is the head of the household and make major decisions. It is interesting to note that the highest proportion of female-headed households are from Sylhet, which is usually considered to be a conservative area.

Table 6. 1: Head of the family (by division)

Head of the HHs	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Self	19.2	20.9	21.0	20.1	13.2	14.0	35.1	20.1	
Husband	74.6	75.4	74.8	76.7	82.1	81.0	55.0	75.2	
Father	2.3	1.9	2.7	1.6	1.3	4.0	2.7	2.3	
Mother	2.3	0.4	0.0	0.0	0.0	0.0	3.6	0.5	
Brother	0.0	0.4	0.2	0.5	1.3	1.0	1.8	0.6	
Father in law	0.8	0.0	0.6	0.0	0.9	0.0	0.0	0.4	
Mother-in-law	0.8	0.4	0.0	0.0	0.0	0.0	0.0	0.1	
Son	0.0	0.4	0.4	1.1	1.3	0.0	0.9	0.6	
Other	0.0	0.4	0.2	0.0	0.0	0.0	0.9	0.2	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	130	268	477	189	235	100	111	1510	

It is noted that 81.3% of the surveyed entrepreneurs run business activities by themselves. In 16.4% of the cases husbands run the businesses of women entrepreneurs. This indicates an exercise of power by women.

Table 6. 2: Role of family members in businesses of the women entrepreneurs (by division)

Main role played in business	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Self	80.8	73.5	86.6	84.7	71.9	85.0	88.3	81.3	
Husband	18.5	22.8	10.9	14.3	24.3	14.0	10.8	16.4	
Father	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.1	
Mother	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Brother	0.0	0.7	0.4	0.5	0.0	0.0	0.0	0.3	
Father in law	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Mother-in-law	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Son/ daughter	0.8	1.1	1.7	0.5	3.4	1.0	0.9	1.5	
Others	0.0	1.1	0.4	0.0	0.4	0.0	0.0	0.4	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	130	268	477	189	235	100	111	1510	

In the society of Bangladesh household activities are still considered to be the domain of women and it is also expected that women should perform the main responsibilities of household activities. This is also found to be true for women entrepreneurs as 59.5% of the surveyed women play the main role of performing household activities while in 36.7% of cases husbands play the main role in household activities.

Table 6. 3: Family members performing main activities at the households (by division)
(in percentage)

Main role played at HHS	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Self	58.5	61.9	75.1	52.4	31.9	38.0	78.4	59.5
Husband	37.7	33.6	21.8	45.5	64.3	57.0	15.3	36.7
Father	1.5	0.7	0.2	1.1	0.4	4.0	0.9	0.9
Mother	1.5	1.9	1.5	0.0	0.9	0.0	1.8	1.2
Brother	0.0	0.4	0.2	0.5	0.9	1.0	1.8	0.5
Father in law	0.8	0.0	0.4	0.0	0.4	0.0	0.0	0.3
Mother-in-law	0.0	0.7	0.4	0.0	0.0	0.0	0.0	0.3
Sons	0.0	0.4	0.2	0.0	1.3	0.0	0.9	0.4
Other	0.0	0.4	0.2	0.5	0.0	0.0	0.9	0.3
Total	100	100	100	100	100	100	100	100
Total number of respondents	130	268	477	189	235	100	111	1510

It is encouraging to notice that in most of the cases women themselves decide on the techniques of their businesses. For instance, 78% of the entrepreneurs reported that they decide on their business strategies. Only in 16.9% cases husbands decide about the business strategies of women entrepreneurs.

Table 6. 4: Distribution of responsibilities among different people in running businesses of women entrepreneurs (by division)

(in percentage)

Main role played in the business	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Self	82.3	69.1	83.1	83.1	71.1	82.0	82.9	79.3
Husband	16.2	23.1	11.1	16.4	24.7	13.0	15.3	16.9
With personal skills	0.0	0.4	0.6	0.0	0.4	1.0	0.0	0.4
With administrative people	0.0	0.7	1.0	0.0	0.0	2.0	0.0	0.6
Trained person	0.0	0.0	0.2	0.0	0.0	1.0	0.0	0.1
Administrative people	0.0	0.4	0.2	0.0	0.0	0.0	0.9	0.2
Other	1.5	3.7	2.7	0.5	3.8	1.0	0.9	2.5
Total	100	100	100	100	100	100	100	100
Total number of respondents	130	268	477	189	235	100	111	1510

It is evident that participation of women in the formal economy has not freed them from traditional duties and responsibilities in family life. Rather, it has increased the workload for these women.

Table 6. 5: Contribution in the family expenditure (by division)

Division	Average HHexpenditure	Average contribution for HHS expenditure	% of contribution
Barishal	26276.92	12546.15	47.7
Chattogram	37961.94	20429.96	53.8
Dhaka	56854.09	29732.30	52.3
Khulna	71703.70	41439.89	57.8
Rajshahi	39048.94	23674.47	60.6
Rangpur	32060.00	15629.90	48.8
Sylhet	41522.52	23657.70	57.0
Total	47187.22	25594.46	54.2

Women entrepreneurs contribute to more than half of the household expenditures in all divisions except Barishal and Rangpur. Women entrepreneurs contribute about 60.6% of household expenditure in Rajshahi, 58.8% in Chattogram, 57.8% in Khulna. It indicates that income from economic activities of the women entrepreneurs contribute to 40- 60% of the household expenditure.

Table 6. 6: Usage of savings (by division)

(in percentage)

Uses of savings	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Keep in the Banks	61.5	56.7	38.8	66.7	27.7	21.0	26.1	43.6
Used for household needs	89.2	38.1	56.6	38.6	86.8	65.0	50.5	58.7
Used for business development/expansion	33.8	29.1	69.6	39.7	84.7	76.0	80.2	59.1
Purchase of land / assets	0.0	2.2	12.8	2.6	3.8	1.0	0.0	5.4
Investment in other activities	0.0	0.7	1.3	0.0	13.6	0.0	0.0	2.6
Others	0.0	1.1	3.1	0.5	1.3	0.0	0.0	1.5
Total	100	100	100	100	100	100	100	100
Number of respondents	130	268	477	189	235	100	111	1510

One indication of empowerment of women could be the activities they use their savings for. It is noted that 89.2% of women entrepreneurs from Barishal used their savings mostly for household needs and 84.7% women entrepreneurs from Rajshahi used their savings for expansion of business. On an average 43% of entrepreneurs bank their savings. This indicates that women entrepreneurs are expanding the horizon of their businesses and becoming economically stronger.

Accounting and bookkeeping are very important to maintain the growth and ensure sustainability of the business. It is highly positive that most of the women entrepreneurs manage the finances of their businesses by themselves. They don't usually hire accountants. It is noted that 81.1% of women entrepreneurs from different divisions do not have an accountant. While this indicates their capacity in keeping accounts by themselves, this may also lead to inefficiency and challenges when expanding business. Many women entrepreneurs noted during FGDs that lack of knowledge regarding the method of keeping large accounts is a major constraint in expanding business. Many of them are not in a position to hire salaried accountant. Though some of them have the capacity to hire salaried accountants, they are not comfortable to render the responsibilities on them without understanding what they (appointed accountants) will be doing.

Table 6. 7: Percentage of women entrepreneurs employing an accountant in business (by division)

(In percentage)

Response	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Yes	22.3	20.1	19.1	15.3	17.0	19.0	20.7	18.9
No	77.7	79.9	80.9	84.7	83.0	81.0	79.3	81.1
Total	100	100	100	100	100	100	100	100
Number of respondents	130	268	477	189	235	100	111	1510

Table 6. 8: Managing accounts in the business

(in percentage)

Who manages the business accounts?	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total
Self	73.3	66.8	76.9	81.3	72.8	74.1	83.0	75.0
Husband	21.8	27.6	17.1	16.9	23.6	21.0	15.9	20.5
Son / daughter	2.0	3.7	4.7	1.9	2.6	2.5	1.1	3.2
Other	3.0	1.9	1.3	0.0	1.0	2.5	0.0	1.3
Total	100	100	100	100	100	100	100	100
Total number of respondents	101	214	386	160	195	81	88	1225

From these studies, we find that in most of the cases entrepreneurs manage their businesses by themselves (75% on an average). Only 20% of women entrepreneurs get help from their husbands in running the business. Women contribute to different types of expenses in their families. Highest contribution is on for their personal expenses and expenses of children (education, health etc.). They also contribute substantially during financial crises faced by their families.

Table 6. 9: Responsibilities borne/ Contributions made by women entrepreneurs in the family (by division) (multiple answers allowed)

Contribution in family activities	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
F Bear family / personal expenses	43.8	57.5	61.8	65.1	68.5	70.0	82.0	63.0	
Contribute to cost of education of children	36.2	50.0	40.9	59.3	11.1	31.0	52.3	39.9	
Focus on financial problems	55.4	57.8	46.5	57.7	42.1	39.0	58.6	50.4	
Contribution to social development	16.2	6.7	10.9	10.1	6.0	8.0	4.5	9.1	
Contribution towards self-education	11.5	26.1	20.5	15.3	14.0	51.0	19.8	21.1	
Contribute to reduce unemployment in the family.	12.3	18.3	20.8	28.0	9.4	16.0	6.3	17.4	
Earn social recognition for the family	32.3	16.8	26.6	14.8	21.3	17.0	7.2	21.0	
Contribution for Modern life and happy life of the family	40.8	18.7	24.9	31.2	34.5	21.0	29.7	27.5	
Friendly relationships with the family members	11.5	5.6	8.2	20.6	1.3	4.0	4.5	7.9	
Contribution to total income to the family	20.8	14.9	15.7	15.9	54.9	10.0	12.6	21.5	
To become role model for other women in the family as a successful women entrepreneur	39.2	17.2	12.2	16.9	1.3	3.0	4.5	13.1	
Contribution to the purchase of crop /wealth	0.8	3.4	1.5	2.1	1.3	0.0	0.0	1.6	

Table 6. 10: Achievement as women entrepreneurs (multiple answers allowed)(by division)

Types of achievements	Barishal	Chattogram	Dhaka	Khulna	Rajshahi	Rangpur	Sylhet	Total	(in percentage)
Self-reliant	70.8	77.2	75.3	87.3	65.5	75.0	94.6	76.6	
Economic status improved in the society	35.4	48.9	55.8	45.5	57.0	53.0	46.8	50.9	
Own Financial stability	41.5	28.7	35.2	38.6	16.2	55.0	42.3	33.9	
Financial contribution to the family needs	74.6	54.9	55.6	73.5	65.1	48.0	45.0	59.5	
Achieving success in business	24.6	31.7	32.5	25.4	38.7	8.0	20.7	29.3	
Receiving respect from family and society	40.8	13.4	22.4	19.6	11.1	20.0	4.5	18.8	
Business awards	7.7	2.2	5.0	1.1	1.3	7.0	1.8	3.6	
Others	0.8	0.0	2.1	1.1	0.0	0.0	0.0	0.9	
Total	100	100	100	100	100	100	100	100	
Total number of respondents	130	268	477	189	235	100	111	1510	

The respondents were also asked to describe their achievements by doing business and entrepreneurial activities. Most of them think that this profession has made women self-reliant (94.6% from Sylhet and 87.3% from Khulna) and has given opportunities for progress if hard work and discipline are applied in all efforts. They felt proud to be an entrepreneur, which has given them fame and recognition in the society. They were successful in overcoming their financial problems. They have gained self-confidence but insist that sustainability must be ensured for the overall success. They believe that if they make an effort and work hard with a determination, they will surely succeed.

Table 6. 11: Distribution of time allocation (hours/daily) in different activities excluding sleeping time of the respondent women entrepreneurs

Activities	Average hours' daily (excluding sleep time)	Percent
Main Business	7.35	47.0
Secondary work	2.02	12.9
Household work	3.61	23.1
Leisure	1.34	8.6
Others	1.31	8.4
Total	15.63	100.0

One way of looking into empowerment is the nature of time allocated by entrepreneurs for various activities. It is noted that women entrepreneurs spend 47% of their time in performing activities related to their business. They also spend 23.1% of their time for household work.

Table 6. 12: Distribution of time allocation (hours/daily) in different activities excluding sleeping time of the respondent women entrepreneurs (by division)

Sector	Main Business	Secondary work	Household work	Leisure	Others	Total
Barishal	6.6	4.2	3.1	1.9	2.0	17.8
Chattogram	5.9	1.5	3.6	1.6	0.5	13.2
Dhaka	8.0	2.3	3.5	1.5	0.7	15.9
Khulna	8.7	0.8	3.9	1.6	3.3	18.3
Rajshahi	6.1	1.1	4.1	0.8	1.3	13.3
Rangpur	9.7	2.1	3.6	0.1	2.0	17.6
Sylhet	7.2	3.6	3.0	1.0	1.3	16.1
Total	7.3	2.0	3.6	1.3	1.3	15.6

On an average, women spend 7.3 hours a day on their businesses. Overall, with some leisure time, they work for 15.6 hours every day. However it is not clear whether this busy schedule has contributed to the status of their empowerment or not.

Table 6. 13: Distribution of time allocation (hours/daily) in different activities excluding sleeping time of the respondent women entrepreneurs by sectors

Sector	Main Business	Secondary work	Household work	Leisure	Others	Total
Electronics and electrical	4.4	1.9	4.5	1.9	1.4	14.1
Software development	5.2	4.7	3.9	1.1	1.1	16.0
Light engineering and metal works	7.3	2.3	3.9	1.9	0.9	16.1
Agro-based business	6.5	2.0	3.9	1.5	1.3	15.3
Leather processing and leather goods	6.4	2.3	3.9	1.0	1.8	15.4
Knitwear and ready-made garments	8.9	0.3	4.0	1.5	0.6	15.3
Plastics and other synthetics	6.3	1.5	4.3	1.6	2.1	15.8
Healthcare and diagnostics	7.9	1.3	4.1	1.5	1.2	16.0
Educational services	7.2	3.1	2.8	1.4	0.7	15.2
Pharmaceuticals	5.0	3.4	4.5	1.8	0.8	15.5
Tailoring	8.2	1.8	3.4	1.0	1.0	15.4
Construction and related equipment	4.4	2.7	4.7	2.1	1.5	15.4
Transport business	4.6	2.8	4.3	2.0	1.7	15.3
Beauty parlor	8.5	1.7	3.2	1.0	1.5	15.9
Retail shop	6.9	1.9	3.9	1.4	1.3	15.3
wholesale shop	5.6	2.7	3.8	1.8	2.1	16.0
Furniture	4.7	2.8	4.8	1.3	1.6	15.2
Garments & Accessories	7.5	2.9	2.8	1.6	1.5	16.4
Jute related products	8.8	1.8	1.2	1.2	2.4	15.4
Handicrafts	8.5	1.9	3.2	1.1	1.2	15.9
Others	6.6	2.4	3.9	1.5	1.3	15.7
Total	7.3	2.0	3.6	1.3	1.3	15.6

There are some clear indication that women entrepreneurs are quite empowered as they can make decisions on their businesses, they have savings, and are capable of bearing their own expenses.

CHAPTER 7:

COMPARISON OF WOMEN ENTREPRENEURS BETWEEN 2009 AND 2017

SME Foundation conducted a study of women entrepreneurs in 2009 to explore the status of women entrepreneurs in different indicators. The current study also focused on the similar issues covered in 2009. During the period 2009-2017, we observed several changes, including the policy related to SMEs. Therefore, an attempt has been taken to compare findings on some key indicators in these two studies. This comparison will provide a picture of important changes those took place during 2009-2017 period and which would contribute to future policy making. The comparison of the status of women entrepreneurs of 2009 and 2017 on some key components is presented here.

Table 7. 1: Educational status of the respondents

(in percentage)

Educational status	2017	2009
Did not attend school	1.0	
Class 1-9	23.2	31.5
SSC	29.1	26.2
HSC/Diploma	20.8	22.1
Graduate and High	25.9	20
Total	100	100
Total number of respondents	1510	1007

Table 7. 1 shows the educational status of the surveyed women entrepreneurs of Bangladesh. The study showed that women with higher education are more prone to enter into SME entrepreneurship. It may be noted that the number of respondents, at low levels of education (1-9 class) decreased during 2009 to 2017. In 2009, 31.5% women studied up to class 9 while the number is only 23.2% in 2017. On the other hand, 22.1% women studied up to HSC/Diploma in 2009 where the number decreased slightly to 20.8% in 2017. However, women at higher education level (Graduate and High) have increased from 20% in 2009 to 25.9% in 2017. This implies that educated women are increasingly preferring operating their own businesses compared to the situation in 2009.

Table 7. 2: Marital status of the respondents

(in percentage)

Marital status	2017	2009
Single	1.9	10.68
Married	87.3	83.30
Separated	0.5	0.48
Divorced	2.1	1.36
Widow	8.2	4.17
Total	100	100
Total number of respondents	1510	1030

Table 7. 2 shows the marital status of the respondents of women entrepreneurs of Bangladesh. The number of married, separated, divorced, and widowed women among SME entrepreneurs has increased in 2017 compared to 2009 while the number of unmarried women entrepreneurs has decreased in 2017. Only 1.9% women entrepreneurs in 2017 is single compared to 10.68% in 2009. Married women SME entrepreneurs are 87.3% in 2017 compared to 83.30% in 2009. Widowed women entrepreneurs increased at a rate of 8.2% in 2017 compared to 4.17% in 2009.

Table 7. 3: Distribution of the father's education

(in percentage)

Educational status	2017	2009
None	6.3	5.09
Below SSC	37.0	34.37
SSC	25.4	24.28
HSC/Diploma	13.6	13.75
Graduate and above	17.7	22.50
Total	100.0	100
Total number of respondents	1510	902

There is no major change in the distribution of women entrepreneurs in terms of father's education, except 'graduate and above' category of the respondents from 2009 to 2017. In 2017, 37% of the respondents said their father's educational level was below SSC while it was only 34.37% in 2009. 22.50% of the respondents said that their fathers are graduates and above in 2009 while it was only 17.7% in 2017.

Table 7. 4: Distribution of the mother's education

(in percentage)

Educational status	2017	2009
None	13.3	6.91
Below SSC	66.6	70.53
SSC	14.4	14.96
HSC/ Diploma	3.2	4.65
Graduate and above	2.5	2.95
Total	100.0	100
Total number of respondents	1504	882

The table reveals that women whose mothers have no education at all are entering more into entrepreneurship, 13.3% in 2017 compared to 6.91% in 2009. Although 66.6% women's mother had studied up to SSC level, it was 70.53% in 2009. SSC (14.4% in 2017 compared to 14.96% in 2009), HSC/ Diploma (3.2% in 2017 compared to 4.65% in 2009) and Graduate and above (2.5% in 2017 compared to 2.95% in 2009) witnessed a minor decline in 2017 from 2009.

Table 7. 5: Husband's education

(in percentage)

Educational status	2017	2009
None	1.3	1.42
Below SSC	15.5	17.33
SSC	18.4	15.39
HSC/Diploma	21.6	17.63
Graduate and above	43.2	38.94
Not applicable		9.27
Total	100.0	100
Total number of respondents	1436	981

Table 7. 5 shows the distribution of the husband's education of the respondents. The table illustrates that women whose husbands are more educated were more prone to enter into businesses. In 2017, 18.4% of the women's husbands had SSC level education while it was 15.39% in 2009. HSC/Diploma increased from 17.63% in 2009 to 21.6% in 2017. Graduate and above also increased from 38.94% in 2009 to 43.2% in 2017.

Table 7. 6: Main profession before starting the current business

Occupation	2017	2009
Self-employed in business	5.9	
Gov. service	2.1	
Private service	9.9	8.19
Farmer/ Self-employed	0.5	0.00
Housewife	67.0	67.58
Unemployed	0.9	4.04
Student	12.0	18.29
Others	1.6	1.92
Total	100	100
Total number of respondents	1,510	990

The study shows that 5.9% women entrepreneurs were previously entrepreneurs while 2.1% had a government job in 2017. None of the women had similar kind of entrepreneurship or job in 2009. Previously housewife category and other unspecific categories did not witness much change. Still, only 0.9% women in 2017 were unemployed before starting their current businesses compared to 4.04% in 2009. 12% women in 2017 said they were students before starting their current businesses while it was 18.29% in 2009.

Table 7. 7: Obstacles faced from family as a women entrepreneur

Obstacle	2017	2009
Parents do not like	3.91	41.37
Husband does not like	4.3	12.37
Children are minor	1.52	7.09
People in the in-law's family do not like	7.64	14.56
Not getting financial support	5.15	
No problem encountered	77.58	
Other	0.24	
Total	100	100
Total number of respondents	1650	803

The study reveals significant changes in obstacles faced from family as women entrepreneurs. 77.58% of the women in 2017 said they did not encounter any problems compared to none in 2009. Significant changes came with the mindset of women's ownership and in-laws family. Sharp decline as a result came in the mindset of parents, husbands and in-laws family. Only 3.91% women in 2017 said their parents did not like entrepreneurship compared 41.37% in 2009. Also, only 4.3% in 2017 said their husbands did not like them to become entrepreneurs compared to 12.37% in 2009. Moreover, in-laws family too witnessed a major change in the mindset, 7.64% in 2017 compared to 14.56% in 2009.

Table 7. 8: Barriers faced in the society as a women entrepreneur

Barriers	2017	2009
Society do not like women in business	13.73	28
People involved in various stages in the respective business put additional stress on women entrepreneurs	11.96	9.7
Wholesalers do not easily pay the price of the products	1.09	20
Pay higher than usual charges (for marketing, taking services, etc.)	0.47	5.5
Gender discrimination in different areas	7.59	5.2
Prejudices against women	5.25	11
No obstacle encountered	59.07	19.8
Other	0.83	
Total	100	100
Total number of respondents	1923	1035

The study reveals that significant changes came in the society in 2017 from 2009. 59.07% women faced no problems in the society compared to 2009's 19.80%. 28% in 2009 said that people didn't like women to enter entrepreneurship while this response remained at only 13.73% in 2017.

Table 7. 9: Techniques of running a business

Business management	2017	2009
Self	78.0	84.83
Husband	16.9	
With personal skills	0.4	
With administrative people	0.6	
Jointly with others	1.3	
Trained person	0.1	22.03
Administrative people	0.2	3.00
Other	2.5	0.48
Total	100	100
Total number of respondents	1510	1035

The study shows some changes in the techniques of running businesses of women entrepreneurs. The reliance on husbands increased to 16.9% in 2017 with no reliance in 2009. 22.03% in 2009 used to rely on training while it decreased to only 0.1% in 2017. 84.83% in 2009 enjoyed self-reliance while it decreased slightly to 78% in 2017.

Table 7. 10: Obstacles faced to obtain trade license

Obstacle to get a license	2017	2009
Difficult to collect many papers demanded by authorities responsible	1.08	
Additional money claimed from women entrepreneurs	6.65	
longer time needed obtain the license	3.29	12.77
No problem faced	88.64	41.30
Other	0.34	
Total	100	100
Total number of respondents	1488	368

Table 10 shows significant changes came in the service delivery of trade license/ registration authority as 88.64% said they did not face any problem compared to 2009's 41.30%. The time interval of getting a trade license also decreased to 3.09% in 2017 compared to 12.77% in

2009. Moreover, 6.65% in 2017 had to pay additional money while collecting trade license and 1.08% in 2017 suffered from the authorities asking for too many papers.

Table 7. 11: Reasons for not obtaining a trade license (by division)

Reasons not taking license	2017	2009
Already applied for the license	5.79	1.0
Do not apply due to the fear of long process	4.96	1.0
Scared to go alone to the office of the registration authority as a woman	0.83	1.0
The scope of business is not so big	27.27	2.1
Fear the payment of additional charges (bribe)to obtain a business license	0	0.4
Not interested as they can continue without a license	17.36	1.0
Do not feel necessary	38.84	3.6
VAT to be paid	4.13	0
Other	0.83	15.9
No response	0	74.0
Total	100	100
Total number of respondents	121	1035

The main reason for not obtaining a trade license in 2017 is that women entrepreneurs do not feel it as necessary and there lies a lack of interest. On the other hand, 74% women in 2009 gave no response on it.

Table 7. 12: Knowledge about the SME foundation (by division)

Response	2017	2009
Yes	56.3	14
No	43.7	86
Total	100	100
Total number of respondents	1510	1035

Table 12 shows that overall knowledge about SME foundations in respondents increased. 56.3% in 2017 had knowledge about SME foundation compared to 14% in 2009.

Table 7. 13: Accountants in business (by division)

Response	2017	2009
Yes	18.9	23
No	81.1	77
Total	100	100
Total number of respondents	1510	1035

The number of accountants in business oversaw a slight change. Only 18.9% in 2017 had accountant in business compared to 23% in 2009.

Table 7. 14: If no, who maintains accounts (by division)

Business management	2017	2009
Self	75.0	70
Husband and son / daughter	23.8	3
Other	1.3	1
No response		26
Total	100	100
Total number of respondents	1225	802

For maintaining accounts, women relied more on themselves in 2017 (75%) compared to 2009 (70%). Moreover, they are depending more on husbands and son/daughter in 2017 (23.8%) compared to 2009 (only 3%).

Table 7. 15: Status of bank accounts (by division)

Bank account	2017	2009
Current	81.2	51.8
Savings	17.7	54.8
Joint	1.0	1.1
Other	0.1	
Total	100	
Total number of respondents	1454	820

Table 7. 16: Reason for not having a bank account

Reasons for not having a bank account	2017	2009
No need	55.56	68
Business conditions are not very good	30.56	11
Others (parent / husband) transactions through bank accounts	6.94	3
There are many types of rules	6.94	18
Other	0	
Total	100	100
Total number of respondents	72	185

The overall necessity of a bank accounts felt by women entrepreneurs has increased overtime as the study in 2017 found 55.56% of the entrepreneurs to be in denial of any need for bank accounts compared to 2009's 68%.

Table 7. 17: Information on Tax Identification Number (TIN)

Having TIN	2017	2009
Yes	56.4	10
No	43.6	90
Total	100	100
Total number of respondents	1510	1035

Knowledge about Tax Identification Number (TIN) has also increased as, in 2017 about 56.4% have knowledge on TIN while it was only 10% in 2009. 43.6% women in 2017 said they had no idea about TIN while in 2009, 90% women had no idea about TIN. So, overall knowledge of the respondents about TIN has improved. This also indicates more formalization or at least possibility of more formalization of the business of the women entrepreneurs.

Table 7. 18: Assessment of income tax & VAT

Who does the assessment of tax and VAT	2017	2009
Self	30.1	83
Through a lawyer	27.2	15
By husband	36.7	?
Others	6.0	2
Total	100	100
Total number of respondents	928	103

In 2009, most of the women (83%) assessed income tax & VAT by themselves while in 2017, only 30.1% women assessed it by themselves. In 2017, women started to rely more on lawyers

and husbands. In 2009, only 15% took help from their lawyer while the rate was only 27.2% in 2017. 36.7% women in 2017 took help from their husbands. This refers that women in recent years are becoming more aware of the income tax and VAT. Deploying a lawyer for tax and VAT assessment in a greater extent in recent years also indicates that their business is getting bigger and they require formal support.

Table 7. 19: Information on VAT registration number

Response	2017	2009
Yes	46.8	12
No	53.2	88
Total	100	100
Total number of respondents	1510	1035

The overall idea of the women entrepreneurs on VAT registration number improved from 2009 to 2017. In 2017, 46.8% women entrepreneurs have information on VAT registration number while only 12% knew about VAT registration number in 2009.

Table 7. 20: Process of income tax and VAT

Knowledge on the process	2017	2009
Fully informed	33.8	11
Partially informed	44.1	16
Not informed	22.1	73
Total	100	100
Total number of respondents	1510	1035

In 2017, women entrepreneurs have a better knowledge of processing their income tax and VAT compared to 2009. In 2017, 33.8% of the women entrepreneurs said they are fully informed about the processes of income tax and VAT compared to 11% in 2009. In 2017, about 44.1% were partially informed on the processes of income tax while only 16% were partially informed in 2009. In 2017, only 22.1% of women entrepreneurs were not properly informed about the process of income tax, while 73% of women entrepreneurs remained uninformed in 2009.

Table 7. 21: Having a showroom by entrepreneurs

Having showrooms	2017	2009
Yes	77.5	50.3
No	16.3	49.6
Not Applicable	6.2	
Total	100	100
Total number of respondents	1510	1035

The study reveals that more women entrepreneurs in recent years possess showrooms compared to the possession of showrooms in 2009. 77.5% women entrepreneurs in 2017 had showrooms compared to 50.3% women in 2009. Only 16.3% women entrepreneurs don't have any showrooms in 2017 compared to 49.6% women in 2009. This indicates more formalization of business of women entrepreneurs.

Table 7. 22: Types of promotional material used (multiple answers allowed)

Promotional materials	2017	2009
Business card	62.2	41.6
Brochure	2.1	2.1
Signboard	64.6	72.3
Billboards	5.2	3.2
Occasional use of Promotion papers	6.3	
Website	2.7	0.9
Face book page	3.4	
Presence in the trade fair	3.0	
Consumers	63.5	
Other	4.2	
Flyers		0.3
Pamphlets		0.1
No specific strategy		19.5
Total number of respondents	1510	295

The study reveals that women entrepreneurs in 2009 relied mainly on business cards (41.6%) and signboard (72.3%). On top of that, 19.5%, which is almost one-fifth of the women entrepreneurs, had no specific strategy on promotions in 2009. But in 2017, all the respondents in the survey noted that they have at least some strategy to promote their products. In 2017, 62.2% of the respondents used business cards, 64.6% used signboards and 63.5% used consumers to promote the products. So, women entrepreneurs now are using more promotional materials than before.

Table 7. 23: Possession of computer

Having a computer	2017	2009
Yes	33.8	23
No	66.2	77
Total	100	100
Total number of respondents	1510	1035

The study shows that the possession of computers among women entrepreneurs increased to 33.8% in 2017 compared to 23% in 2009. This is an encouraging sign which indicates women entrepreneurs are becoming more digitally equipped.

Table 7. 24: Capability of operating a computer

Capability of operating a computer	2017	2009
Yes	34.8	10
No	65.2	90
Total	100	100
Total number of respondents	1510	1035

Capability of operating a computer also improved in 2017 compared to 2009. 34.8% of women entrepreneurs are capable of operating a computer in 2017 while the percentage was at only 10% in 2009. It implies that a greater number of women have realized the importance of computers and their capability improved significantly over these years.

Table 7. 25: Possession of internet connection

Internet connection	2017	2009
Yes	33.8	5
No	66.2	95
Total	100	100
Total number of respondents	1510	1035

Internet usage of women entrepreneurs also increased to 33.8% in 2017 compared to merely 5% in 2009. This is a significant improvement and this proves that women entrepreneurs are using recent technology to become more successful.

Table 7. 26: Possession of e-mail account

Response	2017	2009
Yes	28.3	4
No	71.7	96
Total	100	100
Total number of respondents	1510	1035

The number of e-mail account holders increased significantly over the years. Around 28.3% women entrepreneurs have e-mail accounts while it was only 4% back in the year 2009. Still in 2017, around 71.7% women entrepreneurs do not have any e-mail accounts. So despite the obvious improvements in using the internet, there is still much progress to be made.

More women entrepreneurs are nowadays using internet and websites for convenience in business. In 2009, only 1% women entrepreneurs possessed internet and their own websites while the percentage rose to 10.4% in 2017. Despite such progress, women entrepreneurs need to familiarize themselves more with features of the internet.

Table 7. 27: Possession of website for business

Response	2017	2009
Yes	10.4	1
No	89.6	99
Total	100	100
Total number of respondents	1510	1035

Table 7. 28: Potential markets for products

Targeted market	2017	2009
Regional Market	38.4	10.4
Upazila bazar	17.2	16
District market	30.6	43
National market	11.0	7.7
International market	1.5	7.0
No clear idea about market	0.9	13.0
Other (occasional markets)	0.4	2.8
Total	100	100
Total number of respondents	1510	920

The table shows comparison of potential markets for products by the SME women entrepreneurs. It is observed that potential markets for products changed from 2009 to 2017. Although 43% of women's potential market was the district level markets in 2009, the percentage decreased to 30.6% in 2017. Women entrepreneurs in 2017 (38.4%) are targeting regional markets more compared to women entrepreneurs in 2009 (10.4%).

Table 7. 29: Barriers in marketing (multiple answers allowed)

Marketing barriers	2017	2009
Lack of security in the market	4.6	9
Lack of knowledge about market prices	6.0	8
Communication problems	5.6	8
Lack of buyers	19.7	6
Lack of skilled workers	10.7	5
Low sales	22.1	4
Insufficient capital	49.1	4
Lack of fair price	12.6	3
Absence of showrooms	9.1	3
Problems arising due to previous debts	10.9	8
Conflicts with preferences of buyers on terms and conditions of marketing	4.9	8
Infrastructure problems (electricity supply, poor condition of roads etc.)	2.2	3
Lack of sales staffs	1.3	3
Lack of raw materials	3.4	2
Expecting Low profits	20.3	2
Price Fluctuation/ discrimination	10.3	2
No place to display / no arrangement	1.7	2
Travel costs are high	2.6	2
Families do not like women doing businesses	0.9	2
Lack of training	2.5	2
Quality competition	7.7	1
Lack of publicity	4.1	1
Religious barriers	0.5	1
Local needs are low	2.7	1
Not Applicable	8.7	
Total	100	100
Total number of respondents	1510	1035

In 2017, women entrepreneurs are facing barriers while marketing such as insufficient capital (49.1%), low profits (20.3%), and price discrimination (10.3%). In 2009, women entrepreneurs were facing different problems. The main barriers in 2009 were lack of security in the market (9%), lack of knowledge about market prices (8%), and communication problems (8%).

Table 7. 30: Participation in trade fairs

Response	2017	2009
Yes	21.4	27
No	52.1	73
Not Applicable	26.6	0
Total	100	100
Total number of respondents	1510	1035

Participation rate in trade fairs of women entrepreneurs decreased sharply in 2017 (21.4%) compared to 2009 (27%). It should be noted that 26.6% of women entrepreneurs in 2017 mentioned that participation in trade fairs is not applicable to them.

Table 7. 31: Type of trade fairs organized

Particulars	2017	2009
Village Fairs	11.1	22.3
Seasonal trade fairs	30.3	20.8
Fairs during festivals	26.9	17.8
Local level fairs	31.9	39.8
Regional (divisional / district)	46.4	34.1
National	19.8	9.5
International	18.9	8.7
Fairs organized by SME foundation	30.0	
Others	2.8	
Total	100	100
Total number of respondents	323	277

In 2009, women entrepreneurs used to attend village fairs and local trade fairs more compared to 2017. In 2017, women entrepreneurs gave more importance to regional trade fairs (46.4%) compared to 34.1% in 2009 and on national fairs (19.8%) compared to 9.5% in 2009 and international fairs (18.9%) compared to only 8.7% in 2009. So, it can be said that women entrepreneurs nowadays are increasingly focusing on big trade fairs.

Table 7. 32: Impact of participation in trade fairs

Response	2017	2009
Positive impacts	97.2	74
Negative impacts	2.2	1
Don't know	0.6	13
No response		12
Total	100	100
Total number of respondents	323	277

In 2017, 97.2% of women entrepreneurs felt participation in trade fairs has an impact on their businesses compared to 74% in 2009. So, women are increasingly benefitting from participation in trade fairs in recent years.

Table 7. 33: Availability of technological support

Response	2017	2009
Yes	37.0	21
No	42.8	79
Not Applicable	20.2	0
Total	100	100
Total number of respondents	1510	1035

In 2017, women entrepreneurs are enjoying more technological support compared to women entrepreneurs in 2009. Technological support is available to 37% of women entrepreneurs in 2017 while the percentage was only 21% in 2009. In 2017, 20.2% of the respondents reported that the availability of technological support is not applicable to them.

Table 7. 34: If yes, the types of support

Particulars	2017	2009
Financial	62.5	50
Technical	20.4	10
Training	17.0	38
Others		2
Total	100	100
Total number of respondents	558	559

In 2009, 38% of the women entrepreneurs received training support compared to only 17% in 2017. In 2009, only 50% of the women entrepreneurs received financial support while such support increased to 62.5% in 2017.

Table 7. 35: Membership of business associations

Response	2017	2009
Yes	40.8	29.18
No	59.2	70.82
Total	100	100
Total number of respondents	1510	1035

In 2017, 40.8% women entrepreneurs are taking membership of business associations compared to 29.18% in 2009. So, nowadays, women entrepreneurs understand the value of networking and communication with peers and industry leaders.

Table 7. 36: Head of family

Particulars	2017	2009
Self	20.1	31.59
Husband	75.2	58.55
Father	2.3	6.57
Mother	0.5	1.35
Brother	0.6	1.06
Father in law	0.4	0.87
Mother-in-law	0.1	
Sons	0.6	
Other	0.2	
Total	100	100
Total number of respondents	1510	1035

The study shows that 75.2% women entrepreneurs in 2017 reported husband as their head of family while 58.55% reported the same in 2009. 20.1% women entrepreneurs in 2017 noted that they are the heads of their respective families while the percentage was 31.59% in 2009. So, in comparison to 2009, women entrepreneurs in 2017 have prominent dependency on husbands, may be to maintain business successfully.

Table 7. 37: Main role of family members in business

Particulars	2017	2009
Self	81.3	92.5
Husband	16.4	17.8
Father	0.1	0.8
Mother	0.0	0.7
Brother	0.3	0.9
Father in law	0.0	0.1
Mother-in-law	0.0	
Sons	1.5	
Other	0.4	0.4
Total	100	100
Total number of respondents	1510	1004

The table indicates that there is no significant change in the main role of family members in business in 2017 compared to 2009. In 2017, 81.3% women entrepreneurs play the main role in business while 92.5% women entrepreneurs used to play the main role in business in 2009.

CHAPTER 8:

DISCUSSIONS AND INSIGHTS

This study mainly aimed at exploring the present status of women entrepreneurs in small and medium enterprises. The study was initiated with a number of objectives, which mainly focus on understanding the sources of success of women entrepreneurs in the SMEs, socio-cultural and legal barriers faced by women to become entrepreneurs and find out ways to improve the opportunities in the SME sector so that more women may become successful entrepreneurs. Detailed analysis has been provided in different chapters above, from which the following insights could be derived regarding the women entrepreneurs of SMEs in Bangladesh. The discussion in this chapter is based on both the sample survey of 1510 entrepreneurs as well as FGDs and KIIs. As has been mentioned above, all these were conducted in 2017 following scientifically acceptable methodology.

8.1. Profile of women entrepreneurs in Bangladesh: some important features

The majority of the women entrepreneurs in Bangladesh belong to the age cohort between 31 to 50 years. Most of them are married and among them 10.8% are either separated or divorced or widowed. Only 2% women entrepreneurs are unmarried. This indicates the traditional norm of preference for salaried jobs among young unmarried women. It also indicates the difficulty of unmarried women to receive start-up capital from the family. In most of the cases, women start their businesses with their savings.

One-fifth of women entrepreneurs are found to have very young children. As such many of them face the difficulties of utilizing their full business potential as they need to take care of their children. Some entrepreneurs have mentioned that they chose to become an entrepreneur so that they can take care of their children as their businesses are mostly run from home or those are close to home and they can avail flexible working hours.

It was noticed in this study that experience is not always necessary to start a business. However, women entrepreneurs struggle for getting necessary information on various papers/ documents needed to run a business. Around 67% of the current entrepreneurs have no prior experience of taking part in economic activities. They were homemakers before starting the business. This could be one reason for them choosing fashion designing for their businesses as women of Bangladesh culturally have the talent of dressmaking and related activities.

Not all women entrepreneurs are coming from business-oriented parental families, although more than half of the entrepreneurs have businessman husbands. Although it appears that the business orientation of the husband has a positive influence on a woman to become an entrepreneur, it is neither a necessity nor a sufficient condition. There are many women who have emerged as entrepreneurs on their own. What they need is proper information on the necessary steps of starting a business formally and financing the business.

It is evident from the survey that about 96% of the women's enterprises are in a sole proprietorship category and are solely owned by the women themselves. However, many of the women entrepreneurs do not have control over the financial matters of the business. They

depend on their husbands for this and remain associated mainly with the production part of the business. This has implications for the empowerment of women entrepreneurs as women entrepreneurs without control over the financial matters do not actually become economically empowered. Therefore, skill training on financial management of the business is necessary.

One third of the surveyed women entrepreneurs were found to have 6 to 10 years of experience in business. Thus, it appears that prior experience in business (either before marriage or after marriage) encourages women to pursue business as a career. However, this is neither necessary nor sufficient condition.

Enterprises run by women are generating employment for many others, and in many cases generating employment for a large number of women. On an average, manufacturing enterprises are employing around 70 workers. However, most of the enterprises employ 1 to 10 workers. Thus, businesses run by women entrepreneurs are playing a notable role in generating jobs for the economy. They are creating both formal and informal jobs as family members help women entrepreneurs immensely to run the businesses. Another notable finding regarding employment generation is that women entrepreneurs employed mostly women in their businesses, on an average, 85% of the total employment in their enterprises. Thus, there is a high possibility that increase in the number of women entrepreneurs will generate employment for women in a greater number.

A business owned by women earns a handsome profit on an average (around 25%). The average profit rate varies across sectors- some sectors are found to be more profitable, for example, knitwear and RMG, healthcare and diagnostics, tailoring, beauty parlor, compare to the profits in the businesses of plastic and synthetics, electronics and electrical and transport businesses etc.

8.2. Indicators of the success of women entrepreneurs: as perceived by women entrepreneurs of different kinds of businesses

The indicators of successful entrepreneurs have been discussed in chapter 4 of this report (section 4.6). In addition, the respondents of FGDs under this study have provided the following main characteristics of a successful entrepreneur. Successful women entrepreneurs are those who are-

- Capable of conducting main activities of the business on her own
- Independent in managing risks successfully
- Achieving specific targets with profit
- Generating employment for others
- Able to support financial needs of her family

A woman starts a business with the hope of achieving economic freedom and empowerment which comes with profits from the business and control over those profits. If an entrepreneur can achieve empowerment, that is the real indicator of a successful entrepreneur. The study has found that women entrepreneurs in Bangladesh face various constraints and their success is hindered by those constraints. During the FGDs women have mentioned that if they can work hard and get support from the husband and his family in their work, they become successful in

their endeavor. Some others have mentioned that to become a successful entrepreneur a woman needs the following competency-

- Management skills
- Marketing skills (explore new markets, regular efforts to access to information)
- Confidence and determination
- Maintaining quality of the product or services delivered
- Efforts to expand business and bring diversity
- Where needed bring new technologies to business

8.3. Advantages and disadvantages of becoming an entrepreneur

According to the respondents, women as entrepreneurs enjoy both advantages and disadvantages as noted below.

Advantages of being an entrepreneur	Disadvantages of being an entrepreneur
<ul style="list-style-type: none"> • Flexibility of working hours • Limitless Financial opportunities • Independence in financial decision making • Flexibility to manage family responsibilities • Receiving respects from family and society and decline in family disputes • Opportunity to show creativity • Higher income and higher purchasing power. When women receive income from their businesses, they spend it not only for their personal needs, but also for the education and health of their children. • Satisfaction of generating employment for others 	<ul style="list-style-type: none"> • Feeling the pressure with regards to risks of business • Suffering from uncertain future outcome with regards to price volatility of raw materials and final products. • Social and familial obstacles • Fluctuation in income • Unfair treatment from people in the business community • Dual responsibilities of work and family

It is noted that freedom of decision making, flexibility in working hours, higher income opportunities and possibility to exercise creativity are major advantages enjoyed by women entrepreneurs. Becoming an entrepreneur has made women more empowered in terms of making personal and business decisions. Women entrepreneurs also contribute in household expenditures. Comparison of the situation of women entrepreneurs of 2017 with those of 2009 (Chapter 7), reveals that more educated women in increasing number are becoming women entrepreneurs. They face less social and familial constraints when starting and running businesses. In most of the indicators on ‘financial benefits of a business’ women are doing much better than before. All these changes indicate that becoming an entrepreneur is more remunerative than the challenges faced. Therefore, many educated women are opting to take businesses as their profession rather than salaried jobs.

Strengths, Weaknesses, Opportunities and Threats (SWOT) of women entrepreneurs

The following main strengths, weaknesses, opportunities and obstacles of women entrepreneurs of SMEs are revealed from the analysis of the study.

Strengths of women as entrepreneurs	Weaknesses
<ul style="list-style-type: none"> • Women entrepreneurs are generally considered as honest and hard working • Well-mannered • Maintain commitments in business • Serious about product quality and innovation in products • Reasonable price of the products • Long informal experiences • Goodwill in previous jobs or family activities • Sale of products at minimum profits • Better understanding of the needs of the customers 	<ul style="list-style-type: none"> • Lack of knowledge in technology and marketing management • Lack of customers outside the locality leading to low level of sales • Lack of interest and seriousness in taking various kinds of training • Fewer opportunity to get capital for business leading to small size of business • Lack of understanding of VAT & Tax system • Restrictions in mobility imposed by the entrepreneur herself or by her family • Family responsibilities that hinder mobility and time for business related activities
Opportunities	Threats
<ul style="list-style-type: none"> • Supportive government policies for women • Increased opportunities of training facilities even at the local level • Diversity in the topics of training • Financial opportunities/ Credit facilities in both public and private banks • Opportunities to participate in national and even international level trade fairs • Infrastructure development • Establishment of good governance • Improved transportation facilities 	<ul style="list-style-type: none"> • Stiff competition • Surge of low quality products from neighboring countries • Competition from competitors • Price hike in raw materials • Reduction of customers/sales • Lack of local sales centre • Shortage of skilled labour in market • Business impairments from natural calamities • Change in VAT & Taxing system • Any sudden obstacles coming from family

This section reveals that just because the entrepreneur is a woman, she has to face a number of threats and obstacles specially in terms of mobility, expansion of business, bringing diversity in products etc. However, women entrepreneurs feel that they have the reputation of their honesty, hard work and quality of products and services which can help them to succeed in their businesses. If they can receive proper benefits of whatever has been promised to them in policy, a large number of new women will be encouraged to become entrepreneurs.

8.4. Socio-cultural and legal barriers faced by women to become an entrepreneur and operate as an entrepreneur

It is good to note that the majority of surveyed women under this study did not face any constraint from their respective families when starting the business, although they were not provided with start-up capital for business either. Those who faced obstacles from family mainly faced those from their in-laws. Although the majority of women did not face any social obstacle, around half of them did feel the social stigma of people's attitude towards them as entrepreneurs. Women also faced problem in registering their businesses or to expanding the business. It is to be noted here that this study has only interviewed the current entrepreneurs, it did not have the scope to study the obstacles faced by women who wished but failed to become entrepreneurs. Moreover the study has not also covered any woman who had to leave

her business after facing obstacles. With this limitation, this study has found that women entrepreneurs of Bangladesh are facing following challenges from various sources.

General challenges faced by women entrepreneurs:

- Limited sources of start-up capital
- Lack of knowledge regarding product marketing
- Lack of knowledge about e-marketing and use of internet
- Lack of proper knowledge of handling workers
- Inertia to expand business beyond a certain limit
- Lack of knowledge regarding formal regulations and rules
- It takes longer to get a business license as women have to face unfriendly behavior in various government departments
- High competition among entrepreneurs of some selected products like dress making, beauty parlors etc.
- The women friendly market is not available in the locality
- Local level sales center is not available in rural areas
- Lower mobility of women makes it difficult to source raw materials from distant places
- Absence of reliable transportation for marketing along with regular supply of electricity are common problems faced by women entrepreneurs in many areas

Challenges with regard to financing

Adequate access to finance is a major constraint faced by women entrepreneurs. It is noted from chapter 5 that women start their businesses with an average investment of around Tk3 lac to Tk.4 lac. At the initial stage, the majority of the female entrepreneurs funded their investment through their own savings. Around half (58%) of the entrepreneurs apply for loans from banks and most of them become successful. However, the credit limit is inadequate (around 3 lac Taka loan ceiling) and interest rate and processing time is also very high. The majority of the amount that entrepreneurs received is spent as operating capital, followed by the purchase of machinery and equipment. The credit is mostly taken from an SME loan facility of commercial banks and micro credit from NGOs. Since 2009, SMEF has launched the Credit Wholesaling (CWS) Program to facilitate access to finance for the SME entrepreneurs by providing collateral free loans with a single digit rate of interest (9%) to the target clusters/sectors/clientele. SMEF provides this service through other commercial banks. As the fund is very limited it can serve only a limited number of entrepreneurs. Therefore, credit through other commercial banks should be strengthened and SMEF can support women entrepreneurs to get access to the credit.

Despite many initiatives taken by the government and the private sector, most of the women still find it difficult to receive loans from banks. Respective officers in the bank show lower interest deals with prospective women borrowers. It becomes very difficult for a woman to find a guarantor. As a common norm in the society of Bangladesh, grown up girls have a limited number of friends and acquaintances. Therefore, it becomes very difficult for them to find a guarantor outside their family. In many cases, women need permission from husbands for taking loans. The society also discourages women to be an entrepreneur as this profession is risky. This is a complete contrast to the situation faced by male entrepreneurs.

Obstacles faced in promoting products

Women entrepreneurs are constrained seriously by limited market access specially due to lack of local sales center. Many of them also do not have access to district level markets. As a result, they don't get proper prices for their products. Sourcing raw materials for production and marketing of the final products are important segments of the value chain of any business and are challenging factors of the women entrepreneurs. They mostly sell in the local markets as they have less mobility for various family and social reasons.

Good quality products do not get the best price because many of the entrepreneurs do not have showrooms to display quality products. Even the availability of women friendly markets could ensure fair price of the products. Local level trade fairs are still very limited. In addition, poor networking and communication system constrain women entrepreneurs to access broader markets. Competition is rising day by day as new entrepreneurs are joining. A proper information system is needed to bring healthy competition to the market. Organizing more trade fairs at district level could generate better networking opportunities for women entrepreneurs.

Challenges from family and society

Most of the entrepreneurs noted that their in-laws (in case of married women) and not even parents supported the idea of starting a business. Even if they could start the business, their mobility was restricted by the expectations of the family (husband, in-laws or parents), so that women could not engage themselves in activities that require working outside in late hours.

Early marriage problem is still critical for women's advancement, which also has detrimental health implications for women. Superstition and misinterpretation of religion appear to be a huge obstacle in the path of implementation of programs for women, especially for their economic freedom and rights. Lack of technical knowledge among girls does not permit them to participate in much technical training provided by the government. Also social norms are against participation of females in this kind of training programs. When women go to open market place to collect raw materials or to make business contacts, they have to face offensive remarks from people around. Lack of childcare provisions discourages women to become entrepreneurs. Even if they start a business, some of them do not opt for business expansion due to absence of child- care facilities.

8.5. Addressing gaps in policies, acts, rules and SME programs towards entrepreneurship development

Chapter 2 elaborates on various policy supports and private initiatives to support women entrepreneurs. Every year the government provides a separate report on gender budget elaborating on allocation of national resources for women part of which is obviously for women entrepreneurs.

It is evident from chapter 2 that there are a number of gaps in policies associated with the development of women entrepreneurship and the practice in reality. Initiatives to provide special credit support to women entrepreneurs under the refinancing scheme could not reach the 15% women entrepreneur quota mainly due to weak business plan and poor paper works by the entrepreneurs; unavailability of guarantors and problems similar to this matter.

Successful implementation of the policies for the benefit of the current and potential women entrepreneurs needs proper planning and coordinated monitoring by all relevant stakeholders. Some commercial banks ask for collateral from women entrepreneurs even for a loan amount below 25 Lac Taka which is contradictory to the regulation of the Bangladesh Bank. However, commercial banks usually apply their own rules and judgments to approve loans. Various women's associations have come forward to support women entrepreneurs by providing group security or guarantee as a group. But this has not been very successful as many banks ask for guarantees from a male member of the family. Sometimes a woman entrepreneur fails to get loans if her husband is a loan defaulter. In response, during FGDs, bank officials pointed out several limitations that prevented them from giving loans to women entrepreneurs. According to them, for granting a loan, they needed proper and updated documents such as trade license, TIN, statement of bank transaction, etc. Additionally, they needed to open a bank account in the name of the firm and show a minimum of 1 year regular transactions with banks through that account before qualifying for loans and minimum guarantees. Otherwise, bank officers are not in a position to make decisions on financing.

Women's access and utilization of skill- training provisions offered by various ministries and NGOs are low. Many training facilities are based in urban areas. Some women also feel discouraged to participate in training if the instructor is a male, especially, for training provisions those include hands on courses as in IT based training. The formal TVET and skills institutions provide training on selected items for women. Most training facilities are needed on legal and practical aspects of starting and running a business.

As has been discussed in chapter 2, ICT Policy provides for education and services based on ICT but monitoring of implementation of the policies is weak. In particular, women who plan to enter into business without prior knowledge of the use of IT, find it difficult to receive proper training provisions, which would help them to achieve proficiency within a short time. Entrepreneurship in the ICT sector is limited among women. It is important to proceed with a well-planned strategy for developing IT sector and develop women as beneficiary and business agent. More women should be encouraged to start business in the ICT sector. SME foundation in collaboration with BASIS may develop some special training programs in rural areas to encourage more women to start ICT related businesses and also to use more ICT knowledge in their businesses in other sectors.

Most policies do not include time bound targets or indicators. Labour related policies focus more on the welfare of factory workers not agriculture or informal workers. Government's monitoring focus on factories and does not address white collar jobs. Monitoring of minimum wage for informal service or manufacturing sector is missing, which affects women as most of them are involved in the informal sector.

Policies and other supports cannot ensure the benefits of entrepreneurship development among women if women are unable to empower themselves by those support. When financial matters of a business are mostly directed and controlled by the husband, a women entrepreneur cannot really realize the full benefit of becoming an entrepreneur.

8.6. The role of Women Associations/Chambers in strengthening women's position in the business

It is noted from this study that business associations play an important role in supporting businesses of women entrepreneurs, mostly in terms of training, and support for receiving credit. Large women chambers have members all over the country and have regional leaders who organize women entrepreneurs and give them necessary business support. Local level leaders of women's chambers play an important role in assisting women entrepreneurs to get access to bank officials, organizing their papers, managing a loan, receiving guarantee etc. Support should be given to expand the activities of women's chambers who are actually working with grassroots women. Women's chambers can play vital role in assisting women, especially new women entrepreneurs to receive credit. As chambers, even at a local level, maintain close connection with banks and financial institutions, they can assess the strength of a business proposal in receiving loans. The association can deploy professionals to provide this kind of assessment services to its members (women entrepreneurs) in exchange of a small fee and assist the entrepreneur to develop a good proposal. Regional branches of large associations of women entrepreneurs may work together with banks to identify potential women entrepreneurs, who are eligible to receive credit from banks. This also acts as an indirect guarantee for the potentiality of good entrepreneurs making it easier for banks to make a decision. The knowledge gap between the current banking system and women entrepreneurs is a major hindrance for accessing credit.

More training sessions on basic and advance entrepreneurship development, business and accounts management, bank readiness, etc. are needed to increase knowledge of women entrepreneurs and the rules and regulations of doing a business formally. Women's chambers already provide training on various general and sectoral aspects of businesses at different parts of the country. But the frequency should be increased and those should be organized in more areas. Women entrepreneurs should be given more information to understand the documents required for a bank loan. Funds for women entrepreneurs sanctioned in the national budget should be utilized properly through genuine women's chambers: Every year government allocates some funds (in the national budget) for the development of women entrepreneurs. This fund is often not properly used and significant parts remain unutilized. A yearly plan should be developed with the help of women's chambers for utilizing this fund. Significant parts of this fund should be utilized for training programs and those training programs should include more topics on formal business practices.

8.7. Strengths, weaknesses, opportunities and threats of various sectors

Women entrepreneurs of Bangladesh are involved in various kinds of businesses. Although there is high concentration in sectors like production of clothing (both knitwear and woven clothing), beauty parlor services and various trading, we see women are creative and exploring business opportunities in new sectors like electronics and electrical goods, production of software, leather goods, jute goods, furniture, agro-processed goods etc. Becoming entrepreneurs of a particular sector exposes the woman to distinct strength and opportunities as well as to various threats and weaknesses. All these indicators of various sectors are analyzed in appendix 2. It is noted that there are some common opportunities enjoyed by women entrepreneurs in any sector. Those include possibilities to work independently, earn more and gain freedom of mobility and choice. Their strength in various sectors takes the form

of sincerity to the quality and price of the product, showing creativity remaining dedicated to work, etc. The threats mostly come from various failures in the market, including price volatility of raw materials and final goods, lack of credit supply, poor access to markets etc. All these indicate that women entrepreneurs face both problems of an entrepreneur in general and problems of being a woman. Credible transport facilities and working environment, including marketing facilities for products are a big concern for all women entrepreneurs. These problems need to be addressed in order to ensure the growth and success of women entrepreneurs.

CHAPTER 9:

RECOMMENDATIONS AND IMPLEMENTATION STRATEGY

9.1. Policy measures needed for supporting women entrepreneurs

There are plenty of promises in different policies to support women entrepreneurs, including Industrial Policy, National Women Development Policy and Skill Development Policy etc. What is needed is the timely implementation of these promises. The SME loans should be made available whenever needed for women entrepreneurs. A grace period of 3 months could be granted for them. Women entrepreneurs should receive adequate amount of loans. Monitoring should be increased to ensure that women are not harassed by bank officials. Provision of group loans should be increased instead of requirement of guarantors.

The paperless trading system may be introduced to make businesses simple. Arranging documents are a big concern for business. Moreover, transactions in paper make it difficult to maintain transparency in business. So women chambers could start various activities to make businesses of their members paperless, easy and transparent.

Considering various challenges faced by women entrepreneurs, it is important to ensure priority services, incentives, and awards for potential women entrepreneurs at the grassroots level. Necessary interventions should be made for this and the issues should be raised with policy makers to ensure implementation of the existing policies as well as for developing new policies. This will be necessary to support women entrepreneurs in managing their businesses smoothly and effectively.

9.2. An effective approach to encourage more women to become entrepreneurs

Issues related to the development of entrepreneurship should be included in the educational curriculum from an early stage, so that girls can be encouraged to become entrepreneurs from an early age. It is a pity that home-economics is considered to be a subject of girls and it actually encourages girls to focus only on household activities. If some topics on business regulations and possibilities could be added to this subject, girls can be encouraged to become entrepreneurs in future.

Skill training dedicated to women should include more women instructors, especially for the courses, where physical interaction is needed during training, such as training on use of computer, methods of driving a car etc.

Credit facilities should be more gender friendly. Bank officials should be given credible instructions on this matter. College and university students should be encouraged to have their own bank accounts, which will later help her to get loans from banks.

Funds for women entrepreneurs sanctioned in national budget should be utilized properly. Every year government allocates some funds (in the national budget) for the development of women entrepreneurs. These funds are often not properly used and a significant part remains unutilized. A yearly plan should be developed with the help of woman's chambers for utilizing these funds. Significant part of these funds should be utilized for training programs and those training programs should include more topics on formal business practices.

Organizing frequent national, international and local level trade fairs could go a long way to expand, market, product diversity and quality improvement in SME businesses in general and for women entrepreneurs in particular. Duration of the fairs should be at least 7-10 days. Participation of women needs to be increased both in national and international fairs. Awards and donations should be given to courageous women entrepreneurs.

Sensitization of Bank officials and organizing awareness raising programs at different level are necessary to support women entrepreneurs. In order to sensitize the bank officials and other service providers, awareness raising programs should be organized from the national level to the grassroots (Upazila) level. Challenges and concerns of women entrepreneurs should be shared in those programs. The programs for awareness-raising may take the forms of workshops, consultations, counseling sessions, etc. and this will make bank officials and other service providers aware of preventive and curative measures to support women entrepreneurs.

Leadership of women's chambers is necessary to support women. It is noted that leaders of women's chambers play an important role in assisting women entrepreneurs to get access to bank officials, organizing their papers, managing a loan, receiving guarantee etc. Support should be given to expand the activities of women's chambers that are actually working with grassroots women. Various women's chambers could lead the process of identifying roles of chambers in different regions. Special leadership development programs should be held outside big cities.

Women friendly markets should be developed at the district level. In various government market places, women entrepreneurs should be given priority. In the government owned markets, special facilities could be given to the women entrepreneurs. It has to be made sure that support goes to the real entrepreneurs.

9.3. Women-focused Programs for basic orientation in business and skill development
Various organizations need to have programs according to the needs of the women entrepreneurs. According to the findings of this study, women entrepreneurs believe that SME foundation is trying to empower women through-

- Organizing vocational training
- Providing information on SME loans of the Bangladesh Bank
- Providing a business platform for the women
- Assisting development of business leadership among women
- Uplifting courage of the women through different trainings and seminars
- Helping women entrepreneurs to manage loans
- Providing a business platform for the women
- Provided training to become self-dependent & self-confident
- Helping women to promote business through SME fairs

Training sessions on doing business: More training sessions on basic and advance entrepreneurship development, business and account management, bank readiness, etc. are needed to increase knowledge of women entrepreneurs and the rules and regulations of doing a business formally. Some women's chambers have been organizing such sessions in many areas of the country. But the frequency and duration of trainings should be increased and those

should be organized in more areas. Women entrepreneurs should be given more information to understand the documents required for bank loans. Also, special and longer trainings (i.e. 7 days) is required for ICT training. Training should be provided to manage locally manufactured raw materials. Some courses are needed for English conversation as women entrepreneurs wish to explore market abroad and many of them find it difficult to communicate with people speaking other languages.

Some easy business apps may be developed in Bangla to inform entrepreneurs regarding the rules and regulations of formal business.

9.4. Identify potential sectors for women entrepreneurs in Bangladesh

It is evident from the efficiency analysis that some enterprises that are involved in trading or service-providing require higher capital-labor ratio compared to the manufacturing enterprises. The capital-labor ratio is estimated to be somewhat higher for the older enterprises compared the newer ones. Return on investment is high in sectors such as production of jute goods, electronics and electrical goods, transport business, wholesale shops, production of garments and accessories. However, if we consider the input-output ratio, jute related products, pharmaceuticals and construction enterprises indicate higher input-output ratios referring to inefficiency. This means that these sectors incur higher costs per unit of input. In some sectors requirement of start-up capital could be relatively small, but input cost could be higher.

It is noted that a large proportion of SME enterprises run by women, are actually trading enterprises, not really manufacturing entities. Tables 4.11 and 4.12 in chapter 4 presents the difference in profitability and various indicators of efficiency. Apart from clothing production and beauty parlors, manufacturing of electronics and electrical goods, leather procession and leather goods, furniture and jute goods have a high level of return on investment. Therefore, various training programs for women entrepreneurs may cover special training targeted to entrepreneurship development in these new and potential sectors.

There are some expanding service sectors employing an increasing number of females, such as information technology, health care, wholesale and retail trade, e-commerce, education, hospitality and tourism, although their current female employment contribution is small. The information and communication technology (ICT) sector is one of the most important emerging sectors in Bangladesh in terms of future employment generation. The current government has emphasized ICT as a top priority and wishes to become “Digital Bangladesh” by 2021.

Healthcare is one of the important service sectors where more job opportunities will be created in the next few years such as, nurses and medical assistance. Although this service sector experienced modest growth in the last decade, Bangladesh is still one of the 58 countries facing a critical shortage of healthcare workers. Currently, there is a shortage of over 90,000 nurses in the country which keep increasing every day (Begum and Mahmood, 2016). As the ageing population is increasing in the developed countries, there is huge demand for medical nurses for them as well. Therefore, in future more opportunities should be created in the health sector for females.

E-commerce is also an emerging sector relevant for all women. Currently, online shopping business has become popular in major cities which are expected to expand in the coming years with bigger markets. This sector is encouraging a large number of females because of the nature of the job. As people, especially the young prefer to live in urban areas because of education or better job opportunities, it becomes very difficult to receive family support when a woman becomes a mother. This makes it difficult for new working mothers to continue their jobs which discourages women in being economically active. This group can become economically active through online businesses, which also saves time for mass customers.

The Hotel and Tourism sector will be one of the growing sectors in coming few years and the number of workers will have to be increased to 336 thousand persons by 2020 and to 392 thousand by 2025 (Yunus and Chowdhury, 2016). They also mentioned that currently this sector has experienced a shortage of 136,000 workers across different occupations and skills. Food and Beverage department uses around 65 percent of the total workforce and housekeeping comes second with a share of 21.69 percent. Therefore, females have higher opportunities to be employed in the Food and Beverage departments so they need be trained for that.

During the interviews and consultation, it emerged that Agra-processing sector has high prospects to increase its growth in the near future and will be a major non-farm economic activity in Bangladesh. Under certain plausible assumptions, by 2020, there is a need for nearly 1.3 million skilled and semi-skilled workers which may further increase up to 3 millions by 2025 (Asaduzzaman, et al, 2016). This means that although, most of the jobs require technical knowledge and high skills, the educated females may have other employment prospects in the future.

9.5. Plan of action and suggests implementation strategy

Short run initiatives (2 years)

- To increase women's participation in labour force as entrepreneurs and make it sustainable, government needs to invest in child care facilities or encourage the private sector to do so.
- Both government and private sector can help to ensure women friendly work environments. In this connection government needs to extend the system of monitoring the implementation of labour laws properly.
- Employees should be given more on the job training by the employers. Better facilities for on the job training can create win-win situations both for employer and employees.
- Government should invest more on improving transportation systems so that commuting from home to work is affordable, easily accessible, reliable and secured.
- The central bank through commercial banks and non-bank financial institutions provides loans to small and medium enterprises. About 15% of those loans is targeted especially for women. However, only around 4% actually goes to women. Interviewed entrepreneurs have suggested banks should consider charging very low interest rates from women who are newly starting their businesses. Behavior of related bank officers dealing with SME loans towards women is often very disapproving. Those officers should be given proper instructions and trainings (if necessary) to treat prospective women entrepreneurs properly. These officers can help the entrepreneurs by giving them legal advice on risks associated and taxation policy on their new ideas.

Medium run initiatives (5 years)

Following steps could be taken in the medium-run to generate more meaningful economic opportunities for women and enhance their labour force participation.

- Human capital endowment is important to get access to the job market. There are about 2 million new entrants to the labor market every year, but only 4% have some type of technical or vocational training. The current skills training systems are inefficient and deliver poor quality of services, which fall short of what is needed by industry. To provide quality training government has to increase the training facilities through government national training institutes.
- BIDS (2016) have identified skill gaps in different sectors and projected future employment demands and trainings. The study noted the preference of employers of different sectors of skilled workers. Appendix Table A6 presents skills needed in various sectors as has been estimated in the sectoral studies under the umbrella study of BIDS (2016). It is noted that the ready-made garments sector will demand more labor with the category of sewing machine operators, the quality inspectors (cutting, sewing, and finishing) and finishing operators (Rahman & Hossain, 2016). The construction sector is expected to change production processes in the next 5 years as a result of technological advancement. The sector is expected to demand more workers in building construction (crane operators), masons, plumbers, electrical mechanics, rod-benders, painters, tillers, shuttering worker etc. (Haque et al., 2016). The ICT sector will demand more programmers and software engineers, mid-level product/project managers, networking engineers, IT-BPO professionals and hardware engineers (Hossain, M., 2016). In the health sector currently there is a shortage of 90,000 nurses and in the future this will increase (Begum and Mahmood, 2016). In the textile sector, there will be more demand for skilled pattern makers, design engineers, and software based production and dying operators (Ahmed & Parvin, 2016).

To meet the demands for skilled and semi-skilled workers of different growing economic sectors, a major rethinking regarding school curriculum and skill trainings of the labour force is needed so that the facilities can meet the growing demands for skilled workers. At the same time, we need to develop training modules with the line of market demand and should focus on increasing the quantity. The training support can come both from private and public sectors. In the medium term, the technical training schools can provide trainings on skilled labour according to the demands from different sectors.

- Women friendly market place needs to be developed, where women entrepreneurs will be able to sell their products in a congenial environment. Constructing female washrooms, arranging secured overnight staying facilities, and improving overall law and order can play a notable role in this regard.
- Organizations like SME foundations can organize trainings on both technical knowledge as well as management of business and finances.
- Private and Public Partnerships can encourage women entrepreneurship in many ways, especially the partnership may increase women's access to technology-oriented jobs. Capacity building and training programs can adopt the methods of community-based programs and should be carried out widely across the country.
- The central bank and relevant agencies of government should develop proper profitable investment mechanisms for remittance earners so that they can invest their profits

productively. The income generating training can also be helpful for the other members of the remittance receiving households, thus potentially developing their entrepreneurial capacity.

Long-run initiatives (10 years)

- In the long-run, we have to put the same emphasis on technical education as the general education to create sustainable job opportunities as well as entrepreneurship among women.
- In the long-run, women should be able to work for individual needs. The social structure the demographics of the country have changed. Women now have a longer life expectancy and bear fewer children, which has increased their ability to work full time. However, the existing routine of their lives does little to empower them or change anything. They join a garment factory, work for a few years, have children and then decide to do something with some loans or micro credit. Therefore, professionalism should be developed among both males and females at different levels of education. There should be increased opportunities to establish a career path and mobility within and into the market. Social infrastructure must be in place for this to happen.
- It is noted in the analysis above that the females with small children are more likely to remain inactive. Since a working woman has to play a dual role of performing home and professional activities, they can work more if they get help with household chores from their family members, especially from the husband. Assurance and support from the family regarding household work can reduce work pressure of working women and can help them perform better. Government and NGOs need to work more on raising awareness regarding the economic importance of women and cooperation and support needed for the males in reaping full benefits of economic opportunities. From school level both male and female children should be given trainings on household activities so that they learn that in the future both of them need to share household chores.
- Fertility regulation could be an important determinant for many women's decisions on taking up livelihood opportunities or employment. This in conjunction with an increasing life expectancy, results in women having more time to take up productive activities.
- Different ministries of the government need to introduce policy measures to deal with issues related to gender discrimination, safety and security, accommodation, reliable transportation, and trade regulations.
- Implementation of Women Development policy 2011: Many of the interviewees suggested to rearrange the policies that may help them to secure financial support from banks, NGOs and private sector. National Women Development Policy 2011 should be implemented properly to decrease gender discrimination in the workplace and in the market.
- Secure employment and better remuneration packages should be created for new entrants into the job market. This will make them shift away from unpaid family work, casual labour especially in agriculture and self-employment. Such secured and decent jobs can only be ensured by proper modernization of technology and implementation of regulations.
- More research is needed to understand why some educated women are withdrawing themselves from work.

9.6. The areas needed for further research towards women entrepreneurship development

Women entrepreneurs are moving ahead against all odds. More effective initiatives geared towards them can go a long way to create more entrepreneurs, expand the businesses of current entrepreneurs and ultimately help Bangladesh to move forward. In future, research should be initiated on a number of potential sectors for women entrepreneurs. Rigorous survey is needed on both current entrepreneurs and women of comparable age who failed to become entrepreneurs or could not continue after running the business for a while.

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