

Women Entrepreneurship Development in the Small and Medium Enterprises in Bangladesh: Prospects, Realities and Policies

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Abstract

Irrespective of gender type, entrepreneurship acts as a crucially important driver of economic growth and social change in all societies. Development of women entrepreneurship in Bangladesh is immensely important as women constitute half of the country's work force. Women-owned and women operated businesses are on increase in Bangladesh. However, their representation in total business ownership is still peripheral, being in the region of 3 to 5 percent. This is an indication of a huge potential human resource lying untapped which needs to be utilized to transform and modernise the country's economic structure through creating new enterprises. There seems to be no dearth of enthusiasm among women to assume business leadership to ensure their own economic security, become self-reliant, build professional career in business, contribute to employment creation and income generation and assist national economic growth. Like their counterparts in other developing countries, majority of the WEs in Bangladesh make their debut in business at relatively young age, possess higher educational background, elated social status and occupational background, and exhibit notable intergenerational occupational mobility. They are eager to do well and strongly motivated to innovate, diversify their business, and demonstrate dynamism to excel as business professionals. Recent policy initiatives from successive Governments and various private sector stakeholders to facilitate entry and retention of women as entrepreneurs are noteworthy. But the ground reality is still highly inhibitive to women's participation in business and operating as entrepreneurs in a conducive environment. Women entrepreneurs still suffer from disproportionately greater obstacles than their male counterparts in accessing bank credits, face rigid and non-transparent regulatory barriers, institutional rigidities and various policy-induced constraints resulting from gender-bias. Women entrepreneurs' predicaments are further multiplied by the patriarchal social norms and family values which are seriously anti-developmental. The need is therefore to remove all socio-economic barriers by taking more pro-active policy initiatives and designing an effective implementation mechanism of the policies and programmers at macro as well as micro levels which are gender-neutral and explicitly pro-women.

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1. Introduction

Of late, women entrepreneurship development in the SMEs in Bangladesh has come to the centre stage of policy making concerning development of the overall small and medium enterprise sector as a pro-poor growth strategy. The reasons are rather obvious. Talking globally, women are half of the human race, yet they are practically invisible when it comes to owning and operating their own business enterprises especially in the developing countries. Admittedly, women have made significant inroads in the recent years (ever since formation of Beijing Platform of Action for women) globally as well as in Bangladesh in different areas of economic activities, and in professional and other pursuits under a largely improved policy atmosphere encouraging women's participation in wide range of entrepreneurial activities. But the ground reality still continues to be very harsh. Women's predicaments in Bangladesh are at least three dimensional. They are subject to abject poverty, widespread discrimination and inequality and most importantly their scant participation in the work force.

Women are half of the population in Bangladesh, yet they are thinly represented in the business world. They still continue to remain marginalized in the sphere of entrepreneurship as women-owned businesses are reported by various sources to constitute roughly 3 to 4 percent of the total business enterprises in Bangladesh. In fact, women's participation in the country's work force is still significantly below that of men; 36% compared to 82.5% as of 2010. Except in the Ready Made Garments (RMG) industry where nearly 90% of the 5 million workers are women, their presence in the non-RMG industrial sectors is very small. The implication is that a huge human resource remains untapped as sources of economic growth and social progress. In order to build a sustainable democratic society characterized by broader participation of all individuals, reduce poverty and ensure prosperity through engaging the entire workforce in productive, pursuits development of women entrepreneurship is indispensable.

In both developing and developed countries women entrepreneurship needs to be comprehensively studied for several important reasons. First, during the last decade women entrepreneurship has been recognized globally as an important untapped resource for economic growth. Second, women entrepreneurs are found by different studies to significantly impact national economic development by creating jobs for themselves and being self-employed. They are also believed to be capable of providing different solutions to problems of management, organizations and business problems. They can also bring new approaches and insights required to exploit entrepreneurial opportunities. Yet they still represent a minority of all entrepreneurs especially in the developing countries. This

indicates existence of a “market failure” leading to discrimination against women’s potentials to become entrepreneurs and their inner potentials to become successful entrepreneurs. Not surprisingly, women entrepreneurship still remains a scantily researched area. On the contrary, mainstream research and programmes of entrepreneurship development generally tend to be “men-streamed”. As a result, the vitally important area of women entrepreneurship continues to remain out of focus of serious research and analysis. Women’s participation in entrepreneurship has not only remained low, equal opportunity and access to resources also has not become a reality due to many market and non-market constraints. This market failure needs to be addressed by the policy makers so that economic potentials of the group can be fully tapped.

Limited available evidence suggest that in both developing and developed countries alike women still remain a tiny fraction of those who start new firms, take to self-employment or are small business owners. Available empirical studies (OECD, 2004) suggest that women owned businesses (firms owned and managed) represent roughly between 25-30 percent of the total business population in the OECD countries with few exceptions such as USA and Canada. In the U.S. 40 percent of all firms are either women-led or women-owned. In Canada women constitute 34 percent of all self-employed individuals and/or 34 percent of all small and medium enterprises. The comparative figure for South Asia as a whole is noted (Tambunan, T.H. 2008) to be less than 10 percent. The situation in East Asia, the region most successful in economic growth as well as the region with the highest regional labour force participation rate and low unemployment rates for women is much better, varying between 15-20 percent as a whole. Notable exceptions are South Korea and Indonesia where women-owned businesses constitute over 32 percent of all business and 29 percent of SMEs respectively.

It is to be rather distressingly noted that not many studies on the subject with enough analytical vigour seem to have been carried out so far in Bangladesh. Two broad groups of studies falling in the descriptive categories dealing with stylized issues on entrepreneurship (i.e. SMEF Survey Report 2009 and BWCCI Survey Report 2007 based on reasonably large samples) and Masters theses based on rather small samples (i.e. as small as 40 respondents) but with relatively more analytical bent are currently available as the pioneering efforts in the field. Among some of the earlier studies, Nilufer Karim’s works (1997 and 2000) are useful guides with comprehensive coverage but again falling shy of rigorous analytical touch. The present exercise is a modest attempt at filling some of these gaps, especially providing an update on the current state of women entrepreneurship development in the SMEs in Bangladesh, highlighting on their

profiles, characteristics, performance, and predicaments. Notwithstanding the increasing economic and social significance of women’s business ownership and management adequate knowledge on the subject is lacking due to absence of reliable data and comprehensive research. Based on the up-to-date secondary sources of information available in the public domain, this article presents an overview of the situation of women SME entrepreneurs in Bangladesh with a view to unfolding existing knowledge gaps and identifying key elements of a comprehensive policy strategy required to accelerate women entrepreneurship development in Bangladesh.

The paper is structured as follows. After the introductory section, section II, deals with the conceptual issues such as definition of entrepreneurship, women entrepreneurs, and small and medium enterprises in Bangladesh. These are also the keywords which will be repeatedly used in the paper and therefore need brief elaboration. The profiles, characteristics, and current state of development of women SME entrepreneurship in Bangladesh are reviewed and analyzed in Section III. Barriers facing women entrepreneurship growth and policies put in place to tackle them are highlighted in section IV. Some new directions for future growth will also be suggested in this section. The concluding remarks are presented in the final section.

2.0 Clarification of the Conceptual Issues

Many researchers take the word ‘entrepreneurship’ very casually without defining it carefully and ignoring the context in which it is discussed. But it is an exceedingly complex concept making a specific and unambiguous definition very difficult to be generally acceptable. We thus try to give a clear idea about what we mean by entrepreneurship in our present context.

Definition of Entrepreneurship

Joshep Schumpeter (1934) identified entrepreneurs a century ago as innovators, bringing new goods and technologies to markets, opening up new markets, processes and ideas, and commercializing new knowledge in the context of the developed western nations. Subsequent empirical research (Macro Vivarelli, 2012; Acs Z. J. et.al. 2005) in the context of both developed and developing countries has shown that entrepreneurship is a multi-faceted concept, not necessarily associated with innovation, productivity growth, and economic development per se. Schumpeterian “innovative entrepreneurs” also coexist with “defensive” and “necessity entrepreneurs,” the latter being identified as those who enter a new business not because of market opportunities and innovative

ideas, but merely because they need an income to survive. This type of “distress-pushed” or “Survival-driven” self-employment is particularly diffused in the developing countries. In these countries poverty and lack of economic opportunities in the formal wage sector often push many people into entrepreneurial activities ranging from street vending to traditional and personal services in most cases within the informal sector of the economy (Maloney 2004).

Later on, Schumpeter (1943) himself modified his position since the generic term entrepreneur may include a population of very heterogenous agents, variously termed as “progressive innovators” vs “replicators”, “superstars” vs. “cluster of followers” and “new founders” etc. Many economists (Baoumol, W.j. 1990) went to the extent to suggest that adopting a provocative stance by regarding radical innovation and entrepreneurship as synonymous could eliminate the word ‘entrepreneur’ and substitute it with the “founder” which is more general and free from overoptimistic implications.

Indeed, entrepreneurial ventures especially in the developing countries can be observed as a rather “heterogeneous aggregate” consisting of real innovative entrepreneurs bringing in “creative destruction”, together with the “positive followers” bringing in “overoptimistic” and even “escapees” (self-employed) from possible unemployment. Characterizing these different varieties some researchers tend to identify the entrepreneurs as “innovating”, “imitative”, “fabian” and “drone” based on their post-entry performance. The underlying theme behind these deliberations is that these are alternative ways of looking at the concept of entrepreneurship and binding it rigidly to the notion of entrepreneurship being synonyms with innovation will be narrow.

For the purpose of this exercise, we adopt a broad operational definition of entrepreneurship. It is defined as the process or act of identifying opportunities in the market place, mobilising resources required to pursue these opportunities, and investing the resources to exploit the opportunities for long-term returns. It is thus the process of creating something new, adding value devoting necessary time and effort, assuming accompanying risks of uncertainty and obtaining resulting rewards of monetary and personal satisfaction and independence.

Women Entrepreneurship

The next pertinent issue is to shed some light on who is an women entrepreneur. Are women completely different breed from men as entrepreneur having distinct characteristics and traits of their own? No, because both as human beings are presumed to possess commonly identified entrepreneurial traits, such as creative

mind, drive and initiative, willingness to take risks, and be independent and so on. However, much will depend on the social circumstances and economic environment which significantly shape individual’s entry into business and their post-entry performance. In order to fully understand the differences between men’s and women’s entrepreneurial qualities, performance of both groups at firm levels after entry into business should be objectively evaluated. Nevertheless, it is important to remember that as women entrepreneurship is both about women’s position in the society and the role of entrepreneurship in the same society, it can thrive better in a positive socio-economic and cultural setting (including family circumstances) and a conducive macro-economic environment. Thus, barring any unfavorable exogenous circumstances and applying the general concept of entrepreneurship, women entrepreneurs may simply be identified as a women or a group of women who initiate, organize, and run a business enterprise. A South Korean study (included in the APEC Regional study on women entrepreneurs, 1999) defines a women entrepreneur who is a defacto owner of a business and is involved in the day-to-day running of that business. Depending on the specific country circumstances, some criteria may be used to identify women as entrepreneurs. For example, the Government of India defines women entrepreneurs as an enterprise owned and controlled by women having a financial stake of 51 percent of the invested capital and giving at least 51 percent of employment generated by the enterprise to women” (Aggaral, M. 2012).

A similar definition of women entrepreneurship is reported (Sultana, A. 2012) to be used by Bangladesh Bank. The Bangladesh Bank (BB) deems a women as an entrepreneur if she is an owner or proprietor of a privately run business organization or owns at least 51 percent of share in case of a joint venture or company listed with the office of the Registrar of Joint Stock Companies and Firms. The BB definition also includes micro enterprises and cottage industries in order to include these categories as beneficiaries of its SME loan policies and programmers. The Government of Bangladesh uses a broader definition of the term women entrepreneur. Under this definition, an enterprise owned and controlled by women having financial interest of 51% of the capital invested and giving at least 51% of the employment generated by the enterprise to women is regarded as women entrepreneurs. In fact, this is exactly the same definition used by the Government of India as noted above.

While such a definition may have specific policy objective, it will not be without shortcomings, as it is restrictive in nature. For this exercise, we adopt a simple and straightforward definition. Women entrepreneurs are those who own and run a business enterprise both as employers and own-account workers.

Small and Medium Enterprises and Women Entrepreneurs

Women entrepreneurs world-wide tend to start business on a modest scale in the micro, small and medium enterprises (abbreviated as MSMEs) primarily due to various resource constraints (i.e. capital, training and skills, technology, credit, infrastructures etc.) and lack of exposure and experience in corporate management practices. Many empirical studies (i.e. Tambuna, T. 2008 and sources quoted therein and APEC, 1999) in both developed and developing countries note that more than 75% of the successful micro enterprises in the formal and informal sectors are successfully developed and operated by women. They also generally prefer to start and manage enterprises in different types of industries than men where entry and exit is relatively easy and less challenging. The natural choice, thus becomes MSMEs most often due to later's low investment requirements, simpler technologies and short gestation gaps.

That the SMEs serve as breeding grounds for development of both Schumpeterian innovative entrepreneurs and for others who simply start and run a business for living (i.e. "survival entrepreneurs") are well documented in the literature. Citing the cases of the small-scale artisan producers in Vietnam and the micro enterprises in the Ethiopian urban informal sector Voeten et. al. and Gebreyesus et. al. (included in Szirmai et. al. edited 2011) note that the SMEs possess significant innovation capacities which contribute to enterprise efficiency and economic growth.

Some researchers thus tend to regard women entrepreneurship and MSMEs as synonymous. But this is over enthusiasm as they are different terms and have different meanings and connotations. For example, Carland et. al (1984) writing on entrepreneurship in the American economy, make a strong distinction between the SME sector and entrepreneurship. However, while SMEs and entrepreneurship have different meaning, both are important in an economy. Indeed, the small business sector serves as a vehicle both for Schumpeterian entrepreneurs and for people who simply own and run business for living (Thurick, R. et. al 2004). As MSMEs do provide avenues for testing and development of women's abilities as entrepreneurs and beginners in the profession, the MSMEs play catalytic roles for women entrepreneurship development. It is thus generally believed that if pro-women policies are put in place to ensure improvements in women's access to opportunities and resources women entrepreneurship development in the developing countries like Bangladesh as in other parts of the world promises tremendous potentials for empowering economically and socially and transforming societies into "birthright" economies where new firms and enterprises constantly emerge.

Small and Medium Enterprises

Talking about the SMEs, it can be stated bluntly that they constitute the backbones of most economies in the countries of both developing and developed countries. Their contributions to economic development vary roughly between 60 to 80 percent of industrial employment and 60 to 70 percent of GDP across countries regardless of the stage of development (Ayyagari Meghana et. al 2003). In the economies of the Asia-Pacific region the SMEs account for upwards of 90 percent of all industrial establishments and stand as dominant sources of employment and incomes and thereby provide livelihoods for over three quarters of the workforce in most countries including Japan (Tithapa, 2003). In Bangladesh, the story is more revealing in this regard as the SMEs account for over 99 % of the private sector establishments and provides more than 80 percent of industrial employment. The country is thus rightly dubbed as the country of SMEs which make phenomenal contributions to new enterprise creation (over 60 percent) employment generation, improvements in income distribution, poverty alleviation, entrepreneurship development, export growth and development of the rural economy.

3.0 Current State of Art of the women SME Entrepreneurs in Bangladesh: Their Profiles, Characteristics and Post-Entry Performance

The title of this section is self-explanatory of the issues delineated to be discussed and analyzed here. The current state of development of women SME entrepreneurship will be highlighted through focusing on their profiles, characteristics and performance, as permitted by the data availability. Results of two major studies (SMEF survey 2009 and BWCCI survey 2007) available in the public domain are the important sources of information used for this exercise. Additionally wherever possible some information available in the SME Foundation on selected women entrepreneurs will be used to enrich our analysis. Use of statistical information from these sources is aimed at providing a broad trend rather than making any comparison among these sources.

3.1 Profiles of Women SME Entrepreneurs

As noted earlier, in terms of owning and operating business enterprises women still continue to remain marginalised in the sphere of entrepreneurship. Women owned and operated business of all forms, formal and informal, are variously reported to constitute between 5 to 6 percent of total business enterprises in Bangladesh. It is thus a clear indication of the fact that a huge human resource potential in Bangladesh remains underutilized and unexplored as sources of

economic growth and social change. The reasons (to be detailed in the next section) are an overall un conducive policy environment and social and legal barriers under which growth of women-led new firms and their expansion and survival are difficult. However, despite various limitations women are braving into business in increasingly large numbers and taking up challenges to flourish and survive against all odds. It is thus interesting to explore why and how the women entrepreneurs are entering into business in Bangladesh, and how are they coping and performing. Let us first see who are these deviant groups of women and what motivate them to take entrepreneurial initiatives and challenges.

Drivers of Women's Entry into Business in Bangladesh

According to standard text book approach the most important trigger factor determining entry into business is profit, followed by other pull factors such as economic growth and high innovative potentials in an environment of promising technological opportunities (Szirmai, A. et. al. 2011). Further studies (Vivarelli, M. 2012) also reveal that other than pull factors like profit expectations, there may be various push factors such as fear of unemployment, low wages, and lack of white color job opportunities in the formal sector job market etc. which confront with the potential entrepreneurs personal traits to motivate entry.

Apart from various exogenous factors, selected endogenous characteristics of the new enterprise founders such as previous work experience, family tradition, financial status and personal motivation etc. also act as drivers of entrepreneurial initiatives and drives. Similarly, the post-entry performance (i.e. growth and survival etc.) of an entrepreneur is seen to be influenced considerably by the factors like level of education, training, skills, experience of previous jobs, human capital strategy, innovation oriented economic sectors (i.e. technology and knowledge-intensive industries) and overall economic and business-environment etc. Let us turn to examine these supply and demand factors affecting growth of women entrepreneurship in Bangladesh.

The empirical evidence provided is based primarily on the information derived from two major studies on women entrepreneurship in Bangladesh cited earlier (SMEF, 2009 and BWCCI 2007). Additionally, wherever appropriate selected information will also be used from Small and Medium Enterprise Foundation (SMEF) source not available in the public domain and will be referred to as SMEF, 2012. The SMEF study is a sample survey of 1035 women entrepreneurs representing national coverage (i.e, 34 districts, 6 divisions and 50 upazilas) including respondents from both urban and rural areas. The BWCCI study is a sample survey of 130 entrepreneurs with regional coverage.

As to the motivating factors pulling women into business in Bangladesh profit earning (expressed as willingness to add to family incomes by the respondents perhaps due to lack of proper articulation) is observed (Table-1) to be the most important (48%) factor, followed by inspiration from family and friends (20%), desire for professional independence (24%), financial freedom and security (14%) and that for becoming self-employed (14%). Among host of other factors such as self-inspiration, higher social status, establish women's rights etc. seem to be important drivers as well. The BWCCI study emphasizes that women entrepreneurs belonging to families with business background (i.e. either parents or husbands having business) played an important part in inspiring them to enter into business. The evidence presented above from two major studies indicate that as in most other developing countries, the major supply side determinants of women's debut as entrepreneurs in Bangladesh are profit motives, followed by economic freedom, self-dependence, financial security, and inspiration from their families and friends having business backgrounds.

Table: 1

Motivating Factors to Become Entrepreneurs

| Motivating Factors | Percentage of Entrepreneurs | |
|---|-----------------------------|---------------|
| | BWCCI (N=100) | SMEF (N=1024) |
| To add to family income | 22 | 48 |
| To secure financial freedom & security | 14 | 10 |
| To become self-dependent professionally | 24 | 10 |
| Inspiration from family & friends | 29 | - |
| Achieve self-employment | 12 | - |
| Avoid unemployment | 3 | - |
| Others | 10 | - |

Note:

BWCCI- Bangladesh Women Chamber of Commerce and Industries
 SMEF- Small and Medium Enterprise Foundation
 N- Number of observations

Period of Entry in Business

Development of women entrepreneurship in Bangladesh is seen (Table 2) to have started from 1990s and gathered momentum since 2000 and beyond. It is seen from all three sources of data that nearly 90 percent of the women entrepreneurs came into business during 1990s and 2010. This proliferation of women business is thus seen to coincide with Bangladesh's entry into market economy and free

enterprise system under private sector-led development strategy. Women entrepreneurship in particular was being fostered by an avalanche of women-friendly policies put in place by different Governments since 1990s.

Table: 2

Year of Establishment of Enterprise

| Years | Percentage of Entrepreneurs | | |
|-------------|-----------------------------|------------------|--------------------|
| | SMEF '09 (N=1035) | BWCCI (N=100) | SMEF '12 (N=83) |
| 1980-2000 | 43% | 30% | 32% |
| 2001-2005 | 48% | 40% | - |
| 2005-beyond | 9% | 30% | 68% |

Note: Same as Table-1

Demographic Profiles and Background of the WEs

Irrespective of gender differences, various personal characteristics of the entrepreneurs such as age, level of education, training and work experience in previous jobs, occupational background of the entrepreneurs and their parents etc. significantly affect entry and determine entrepreneurial performance. We turn to examine these issues depending on the data available to us.

Age of Entry into Business

As seen from Table 3, overwhelming majority of the WEs in Bangladesh made their debut into business at ages 30 years and between 31-40 years. This is empirically seen by many studies (Watanabe, S. 1970, Deeks, 1972, Ahemd M. U, 1977) to be a common trend for the entrepreneurs in general in most countries. At these age groups the debutants are believed to be at their prime time to possess the spirit and inspiration for undertaking business initiative and taking risks. WEs in Bangladesh do not seem to be any exception to the trend.

Table: 3

Age Distribution of the Entrepreneurs at the Point of Entry into Business

| Age Groups | Percentage of Entrepreneurs | | |
|------------------|-----------------------------|------------------|----------------|
| | SMEF '09 (N=1001) | BWCCI (N=100) | SMEF (N=76) |
| 30 years | 48.8 | 58.3 | 48.7 |
| 31-40 years | 41.64 | 26.7 | 32.9 |
| 41-50 years | - | 9.0 | 13.5 |
| 50 years + above | - | 6.0 | 5.3 |

Note: Same as Table-1

Educational Qualifications, Training and Previous Work Experience

The level of education of the entrepreneurs across genders is considered an important determinant of their performance. Most studies on entrepreneurship in the developing countries tend to reveal that the entrepreneur is one of the highly educated members of his/her community. A similar trend is also noticeable in case of the WEs in Bangladesh. Information collated from all three sources and presented in Table 4 show that 60 to 80 percent of the WEs have basic formal education ranging between SSC and post-graduate levels. In fact, over 30 to 40 percent are graduates and master degree holders among the sample entrepreneurs. Interestingly, 50 to 60 percent of the fathers and husbands of the WEs in SMEF survey and BWCCI survey were noted to have college and university degrees indicating that the WEs also come from enlightened families having higher educational backgrounds. Recent empirical studies (Vivarelli 2012) demonstrate that access to education, knowledge and human capital enhances the prospects for survival in the competitive milieu and improves post-entry performance of the entrepreneurs. We shall examine this in the context of WEs in Bangladesh to explore whether highly educated entrepreneurs perform better than their less qualified counterparts.

Table: 4

Level of Education of the WFs

| Level of Education | Percentage of Entrepreneurs | | |
|--------------------|-----------------------------|---------------------|------------------|
| | SMEF'12 (N=88) | SMEF'12 (N=1007) | BWCCI (N=100) |
| Below SSC | 23.9 | 30.6 | 10.9 |
| SSC | 14.8 | 25.0 | 34.7 |
| HSC | 14.8 | 21.0 | 26.7 |
| Graduates | 20.5 | 15.0 | 16.7 |
| Post-Graduates | 20.5 | 4.4 | 10.9 |

Note: Same as Table-1

Other than formal education, training received on business development issues (i.e. management, accounting and book keeping, business planning, financial management, marketing etc.) either before or after entry into business is a crucially important determinant of level of skills, raise management expertise, diversify product range and enhance competitive strength. It is especially important for women entrepreneurs to internalize business skills and attributes and enhance capacity building. According to the SMEF study, over 50% of the sample WEs received training before entering business, 19% during running

business and 26% did not receive any training. Most of them received training on different trades such as, beauty parlor, block and boutiks, poultry rearing, handicrafts, embroidery etc. According to the BWCCI study, more than 48% received training before entering their business and 42% received training after entry into business. However, more than 70% receiving training expressed dissatisfaction regarding effectiveness of training on grounds of lack of relevance, methodology, and processes of training. Education and training have been found (BWCCI, 2007) to inspire women entrepreneurs to get their companies registered which increases access to information about regulatory procedures and availability of business development service facilities. However, the WEs from rural areas (around 10 percent) could not avail training due to lack of such facilities in their localities.

Besides education and training, previous work experience either as entrepreneurs or managerial positions especially in similar activities where they get involved later as entrepreneurs is found by many studies (i.e. McPherson 1996, Goedhuys, et. al, 2000) to have positive links with a firm's post-entry performance. In the developed countries, "spinoffs" (entrepreneurs leaving a mother company to establish new business) and "serial entrepreneurs" (entrepreneurs who have previously run other business) are found to enjoy comparative advantages in founding larger sized firms than others and also having better access to relevant information (Vivarelli, M. 2012). The "serial entrepreneurs" could also increase the possibility of founding new businesses and contributing to a firm's better accomplishments.

In the SMEF study (2009), 44% of WEs had previous business experience of five years, 33.4 percent had five to ten years and over 13 percent had working experience of ten to fifteen years. In the BWCCI, study around 53 percent of the WEs were found to have three years or less than three years of experiences in business, 20 percent had two years experience and 18 percent had only one year experience in business. Unfortunately we can not relate their experiences to post entry performance due to lack of data on growth of assets, growth of employment, and that of profits etc. which could be related to their length of business experiences. However, termed as "Serial Entrepreneurs", their previously acquired job experiences could increase the likelihood of founding a new business and also contributing to a firm's better performance.

Occupational Background of the WEs and their Parents and Husbands

Occupational mobility in response to economic opportunities is an important determinant of entrepreneurial development in any society. To what extent has this been true for the WEs in Bangladesh is the issue we turn to examine next?

We shall look into three issues in this context: From what occupational background do they come? How much intergenerational occupational mobility was there among the entrepreneurs? Has social class origin been an important determinant of entrepreneurial supply in the case of the WEs in Bangladesh?

Table 5 exhibits different occupational categories in which the samples WEs were engaged prior to their entry into present business. It is revealed by the table that the WEs were predominantly housewives (roughly 49% to 64%) except for the SMEF study where the dominant category (54%) were students who took to business after completing their studies. Previous involvement in business appears to emerge as the next important occupational background (44%) in the SMEF study, followed by services including teaching as other important areas of previous occupational background of the WEs. Those who took to entrepreneurship as a vocation with previous experience in business of various length in different capacities is expected to do better than others. Finally, a large chunk (nearly 45%) of the respondents who entered directly into business after completing their careers as students must have pursued self-employment perhaps to avoid unemployment or lack of employment in suitable jobs with good compensation package. Some researches (Tambunan, T. 2007) call this category "forced entrepreneurs" facing financial hardships due to death of husbands and other compulsive situations. The other categories of WEs identified by Tambunan are "created entrepreneurs" who are drawn to entrepreneurship by the pull factors such as the economic incentives, the urge to try something on their own and to be independent etc.

Table: 5
Previous Occupation of the Entrepreneurs

| Previous Occupation | Percentage of Entrepreneurs | | |
|---------------------|-----------------------------|------------------|--------------------|
| | SMEF (N=84) | BWCCI (N=100) | SMEF'09 (N=990) |
| Housewives | 48.8 | 23.0 | 64.6 |
| Students | 6.0 | 54.0 | 17.4 |
| Business | 7.4 | - | 44.4 |
| Services | 21.0 | 12.6 | 7.8 |
| Unemployed | 3.8 | 4.6 | - |

Note: Same as Table-1

The above analysis demonstrates a considerable degree of individual occupational mobility of the WEs in Bangladesh by switching from their status as housewives to industrial entrepreneurship which is also a function of intergenerational occupational mobility. Father's and husband's occupation

affects entrepreneurial activities in various ways, in accumulating funds for investment, providing business contacts, and in providing support from the family which is very important as positive social sanction for women in Bangladesh.

Table 6 provides information on the occupational backgrounds of fathers and husbands of the sample WEs. Several interesting observations can be made from the table. First, over one third of fathers and more than half of the husbands of the WEs were in business, followed by those being in civil and professional services. This is indicative of the fact that the sample women were a socially privileged class receiving both social and financial support from their parents and husbands. Second, a marked intergenerational occupational mobility can be noted from the fact that while 12.6 percent of the fathers belonged to farming occupation (SMEF study), their daughters appear to have moved up vertically by taking industrial/business pursuits. This is a clear example of upward intergenerational vertical shift in occupation in terms of transition from father's occupation to that of their daughters. In fact, if we look at the figures on previous occupational background of the daughters and fathers from a comparative perspective in both tables 5 and 6 we can clearly notice a significant increase in the proportion of daughters entering into business compared to that of their fathers. This along with a complete break up with the farming background points to a remarkable intergenerational occupational mobility of the Bangladeshi WEs.

Table: 6

Previous Occupation of Fathers and Husbands of the Entrepreneurs

| Previous Occupation of Fathers & Husbands | Percentage of Entrepreneurs | | | |
|---|-----------------------------|------------------|-----------------|------------------|
| | SMEF | | BWCCI | |
| | Fathers (N=819) | Husbands (N=969) | Fathers (N=100) | Husbands (N=100) |
| Business | 35.3 | 54.0 | 34.8 | 43.5 |
| Services | 22.0 | 22.7 | 33.7 | 45.1 |
| Agriculture | 12.6 | - | - | - |
| Others | 5.0 | 3.0 | 30.0 | 12.0 |

Note: Same as Table-1

3.2 Profiles of Women-Owned Enterprises Enterprise Size

In keeping with the general trend in the developing countries, more than 80% of the WEs in Bangladesh started as micro and small enterprises (SMEF, 2009). The

SMEF 2012 source also returns a figure of above 82% starting with less than 10 to 49 employees confirming start of business by WEs in Bangladesh at a modest scale of operation. However, the average enterprise size appeared to be relatively large (50+) in the SMEF sample due to inclusion of medium sized enterprises with more than 100 employees.

Type of Ownership

Consistent with the enterprise size, ownership pattern (Table 7) was found to be dominated by sole proprietorship followed by joint ownership by family members (10 to 15 percent) and partnerships (5 to 7 percent). Partnerships being dominated by “traditional kinship relations” (i.e. with mothers, sisters, brothers and husbands) is a reflection of traditional patriarchal social values where women’s business partnership with men from outside the family is still highly restricted. This is also noted (BWCCI, 2007) to emanate from the fear of insecurity as well as social stigma.

Table: 7

Type of Ownership of Enterprises

| Type of Ownership | Percentage of Entrepreneurs | |
|------------------------|-----------------------------|---------------|
| | SMEF (N=1025) | BWCCI (N=130) |
| Sole proprietorship | 85.4 | 73.2 |
| Joint family Ownership | 9.47 | 15.9 |
| Partnership | 4.5 | 7.3 |
| Others | 2.4 | 3.6 |

Note: Same as Table-1

Size and Sources of Start-up Capital Investment

Corresponding to the WEs entry into smaller enterprise size at start and also restricted access of such enterprises to institutional sources of capital for either equity capital or loans, the size of start-up capital for the WEs was found to be modest. According to information available from SMEF sources, the size of initial capital varied between Tk 1 lac to 2 lacs for nearly 50 percent of the respondents and for the rest it varied between Tk 2 to 10 lacs and above. In the BWCCI study, the median size of start-up capital was found to be Tk 2 lacs. Whether or not the small initial capital affects the subsequent performance of the SME entrepreneurs has been explored by many researchers (Ahmed M. U. 1976). The finding is that firms starting with small initial capital did just about as well in

terms of growth as did the firms starting with large assets. The same seems to have been the case with the WEs in Bangladesh. Overwhelming (70 percent and above) majority of the respondents in both surveys succeeded in raising their current investment sizes required to diversify and expand their business. Most of them also succeeded in making reasonable profits (gross as well as net), increasing their annual sales and enjoying positive cash flows. However, easy access to institutional credits at reasonable rates of interest would enable them to expand and grow faster.

Sources of Initial Capital

Data presented in Table 8 reconfirms SME women entrepreneurs' poor access to financial resources by revealing that overwhelming majority of them met their initial investment capital requirements from their personal savings. The next important source of help in this respect (40% and above) was from their family and friends (parents, husbands, in-laws etc.) who extended financial support to enable them to make shoe-string start. On the contrary, commercial banks appear to have provided only 3 to 4 percent reflecting their inherent anti-small and anti-women lending policy approach. This is an universal phenomenon everywhere including in the developed countries. For example, inherent gender-bias, rigid lending policies etc. are noted (Barbara, et. al. 2000) not only to discourage women to borrow debt and equity capital but also suffer from severe finance gap in Canada. In fact, the women entrepreneurs despite being prominently present in the SME business landscape in both Canada and USA, they remain "capital-starved" from banking sources because of gender disparity affecting commercial bank lending policies.

Table: 8
Sources of Initial Capital

| Sources of Initial Capital | Percentage of Entrepreneurs | | |
|----------------------------|-----------------------------|--------------|------------------|
| | SMEF (N=86) | BWCCI (N=70) | SMEF'09 (N=1026) |
| Self-financed | 50% | 61% | 87% |
| Family | 36% | 40% | 43% |
| Friends | - | - | - |
| Institutional sources | 20% | 3% | 4% |

Note: Same as Table-1

Sectors of Involvement of the WEs

Women Entrepreneurs in Bangladesh are currently involved mostly in simple manufacturing activities requiring modest investments, simple technologies and finer skills, followed by trading, and services. As table 8 suggests, overwhelming majority prefer to take up handicrafts, RMG and Knit-wares and apparels, fashion designs, garments and home textiles, beauty parlors, food processing etc. These are activities which suit women's temperament and intrinsic work skills, and are thus dominated by traditional gender skills. However, this trend is now changing and women are gradually entering into occupations and activities which were previously men's domain. For example, women are seen as owners and managers of advertising firms, travel agencies, cold storage, shipping lines, engineering workshops and garments industries. The urban women entrepreneurs now tend to take up activities which are more innovative and challenging such as, electronics, plastics, leather goods manufacturing, and software developments etc. More importantly, women's presence in top managerial and executive roles in both public and private sector enterprises as directors of large corporate entities, presidents of chamber of commerce and industries and various trade bodies are now being increasingly visible.

Table: 9
Sectors of Involvement of the Women Entrepreneurs in Bangladesh

| Sectors | Percentage of Entrepreneurs | | |
|--|-----------------------------|---------------|-------------|
| | SMEF'09 (N=1020) | BWCCI (N=100) | SMEF (N=73) |
| RMG and knit-wear | 27.8 | 13 | 11 |
| Garments and Home Textiles (Clothing, Tailoring, etc.) | 16 | 16 | 10 |
| Beauty Parlors | - | - | 11 |
| Handicrafts (including block and batiks, embroidery, etc.) | 46 | 69 | 21 |
| Agro-based and food products | 11 | 6 | 7 |
| Fashion designers | 27 | - | - |
| Others (electronic, light engineering, plastics, leather goods, medicines) | 10 | - | - |

Note: Same as Table-1

WEs in the rural areas are a district variety who operate mostly as self-employed categories in the informal sector including both agricultural and non-agricultural activities. These include homestead agriculture, livestock and poultry rearing,

fish farming, nursery and tree plantation, fishnet making, food processing, rice processing etc. Considerable diversification towards more profitable activities such as tailoring, cosmetics, jewelry trading etc. as opposed to subsistence earning activities for mere survival is now flourishing because of support services provided by the government under poverty alleviation programmes and penetration of microcredit operations deep into the rural areas by the NGOs. Nevertheless, the MEs are yet to make any notable inroad into large-scale modern manufacturing activities where capital investments, high-end technologies, strong management competence, greater gestation gaps, and high risks and uncertainty are involved.

3.3 Assessment of Post-entry Performance of the WEs in Bangladesh

The stylized trend in most studies on WEs in Bangladesh seems to be discussing backgrounds and careers of the entrepreneurs only upto the point of founding their enterprises. But mere formation of large numbers of enterprises is not enough for growth and development of a country. It is important that post-entry performance of the newly established firms be assessed. There may be various methods to explore entrepreneurial performance such as rates of growth of employment, output, sales and profits, innovation etc. over certain period of time (i.e. at least five years). This requires longitudinal or panel data on these variables which are hard to be obtained unless planned by the researchers while collecting necessary data through surveys. For our purpose, we have estimated the rate of gross profits per unit of total assets (GP/TA) for a sample of 62 entrepreneurs of the SMEF data available for 2012. Though growth of gross output or annual sales turnover would be ideal as an index of entrepreneurial performance, no such data is available in any of the three sources used for this exercise.

The methodology used is that we have calculated a median profit rate (50 percent) and classified the enterprises into two categories: as more successful achieving profits above 50 percent and those as less successful earning profits below 50 percent. Then the entrepreneurs were categorized into two groups being more qualified having education above degrees and those as less qualified with education below degree levels. Table 9 illustrates the degree of association between level of education and entrepreneur's success estimated by using X^2 test (i.e. $(\sum O-E)^2/E$). The results reveal that there is no statistically significant positive association between higher education levels and rates of profits earned. The chi-square value of 0.2685 at one degree of freedom of the difference between the number of more and less successful entrepreneurs with higher and lower qualifications is not statistically significant at 0.05 percent level. According to

the bounds of critical values 0.15 and 0.46, our chi-squared value shows only a 38% probability that entrepreneurial success and qualification may be related. That is, there is no significant difference in the proportion of more and less successful entrepreneurs and their level of qualifications at the 0.05 level. Most empirical studies (Ahmed, M.U. 1977 and the reference there) show that higher formal education does not necessarily guarantee better performance of the entrepreneurs. On the country, entrepreneurs with longer work experience in similar activities and having trained in technical vocations tend to succeed more than their counterparts with formal educational qualifications. Nevertheless, higher formal education make entry into entrepreneurial endeavors easier and have better access to information and knowledge.

Table: 10

Association between Level of Education and Degree of Success

| Level of Education | More Successful | Less Successful | Total |
|---------------------------------|-----------------|-----------------|-------|
| More Qualified | 9 | 11 | 20 |
| Less Qualified | 16 | 26 | 42 |
| Total | 25 | 37 | 62 |
| Chi ² 0.2685:df=1 | | | |

Whether there exists any association between firm size and profitability of firms has also been examined. Subject to data availability in the SMEF source, we classified enterprises into two groups, i.e. small with number of workers 1 to 49 per enterprise and large with 50 to 100 workers. Based on the rate of profits (GP/TA) in the same manner as done for exploring the relationship between enterprise profit rates and education levels, we divided the respondents into more successful and less successful categories. The results obtained by applying chi square tests are presented in Table 11. The X^2 value with one degree of freedom is not significant statistically at 0.5 percent level and this shows that rates of profits do not vary with the size of enterprises. Hence, the null hypotheses of a positive association between size of firms and rates of profits is rejected. The policy implication of the finding is for encouraging growth of firms of all sizes through creating level playing fields under an enterprise size-neutral policy environment.

Table: 11**Association between Firm size and Level of Success**

| | More Successful | Less Successful | Total |
|---------------------------------|------------------------|------------------------|--------------|
| Small | 8 | 17 | 25 |
| Large | 3 | 11 | 14 |
| Total | 11 | 28 | 39 |
| Chi ² 0.0134:df=1 | | | |

Other than education, training and job experience, the most commonly identified determinants of post-entry performance are noted by most studies referred earlier to be the firm size, type of ownership and management, research and development works, innovation etc. and external factors like access to capital, information and knowledge, infrastructural facilities, regulatory framework, legal and proprietary rights, and overall macroeconomic framework.

Overall most WEs of Bangladesh included in our sample from the SMEF source tend to exhibit dynamism in many ways. Majority of them (50 to 60 percent) are registered with legal bodies to obtain trade licenses required to avail business development service facilities, use professional services (i.e. accounting and management) for proper maintenance of their books and accounts (62%), have memberships in chamber of commerce and industries and other relevant trade bodies (30-40 percent), travel abroad to attend business fairs and trade-shows, and also advertise their products for market promotion. Many WEs also seem to be strongly motivated to increase productivity and enhance current market shares by introducing simple innovations in product designs, technology and in production processes for cost-savings and increased market competitiveness.

The sample respondents in the SMEF (2009) study were asked to give the opinion about the qualities entrepreneurs should possess to become a successful businessman. The replies received, based on their perceptions and experience, though varied widely, had some common threads. For example, 60 percent of them emphasized “honesty”, 55 percent mentioned “hard work” and 30 percent each noted importance of “education and knowledge”, “access to capital”, “availability of skilled personnel”, and “good behaviour” as necessary qualities for excelling in business. A careful interpretation of these factors would seem to indicate that the pivotal determinants of success in business run by the WEs in Bangladesh require boldness to take risks, determination to face challenges, hard work and integrity, entrepreneurial mindset, selection of viable projects, good investment plans and proper training on production, management, and marketing.

The bottom line, however, is to have access to necessary resources to execute the business plan and efficiently and profitably run the business operations in a business-friendly environment. We cite practical examples by summarizing the personal experiences of two national award winning women entrepreneurs who had won national SME Women Entrepreneur Awards given by the Small and Medium Enterprise Foundation in 2010 and 2012 to substantiate our beliefs.

Tanuza Rahman: An Emblem of Perseverance and Dedication

Tanuza Rahman (Maya), the founder of Rong Handicrafts in Jessore town had won the “Best Women Entrepreneur” award in 2010 from the SME Foundation. She entered into business in 1996 with an equity capital of only Tk. 2000. Working hard and diligently to become economically self-dependent, she succeeded in establishing “Rong Handicrafts” in Jessore town investing Tk 7,00,000 which is now reputed as a successful business enterprise. The employment size in 2010 was 2000 workers (which is planned to be raised to 5000 workers) and net profit earned the previous year was Tk 32,50,000. This is a story of stunning success which was a result of untiring hard work, determination and motivation to succeed. Mrs. Rahman claims herself to be not only a successful woman but also a successful entrepreneur and successful person, capable of solving her own problems by herself, and bring positive changes to the environment surrounding her.

Nilufa Yasmin: Symbol of Success through Quality and Determination to Fulfill Dreams

Nilufa Yasmin had won the SME Foundation National SME Women Entrepreneurs Award of “Best Women Micro Entrepreneurs Award” in 2012. She is strong believer in achieving success fighting against odds like poverty and unfavorable social barriers such as neighbors’ disapproval and indecent remarks. Daughter of a poor father, she educated herself and received training side by side to be able to start a business. She did it borrowing a little capital from her elder brother and started S. N. Fashion involved in making women’s dresses, block and batik, and embroidery works. The business has rapidly grown in size and captured larger market share due to producing high quality products. A loan from a Commercial bank at a concessional rate of 10% per annum helped her greatly in expanding her business. She now employs 600 women contract workers and 22 Group Leaders. Besides the factory, she has two show-rooms and dreams to open show-rooms in each Divisional cities of Bangladesh in the name of S. N. Fashion.

The two success cases are stories of exceptional entrepreneurial drive, hard work, diligence and business acumen among women SME entrepreneurs of Bangladesh. Their multiplicity in large numbers in the women community in a conducive environment may make immense contributions to women’s economic empowerment, accelerate economic growth and national development. While a good number in the SME sample seems to be upbeat having good business plans for future growth and expansion, they are handicapped by resource constraints, especially lack of capital, lack of skilled workers etc. and various socio-cultural barriers creating gender-bias and related operational bottlenecks. We elaborate on some of these issues briefly in the next section.

4.0 Barriers to Participation of Women Entrepreneurs in Business in Bangladesh

Women's entry into entrepreneurial endeavors is increasing in Bangladesh under positive policy changes towards gender mainstreaming and gender parity encouraged through women-focused policies. Yet they remain far behind men in enjoying freedom and other basic human rights required to enable them to control their own life and activities and participate in economic pursuits on an equal footing with men. The business environment for them still remains inconducive in different dimensions and magnitudes keeping their participation in entrepreneurial roles still rather peripheral. Most researchers commonly agree that a combined interaction of various complex factors such as social and cultural, religious, economic, institutional and structural barriers lead to disadvantaged status of women in society and business in Bangladesh. Summarizing the major problems encountered by the WEs in South Asia including Bangladesh a UN ESCAP study (2005) and two ADB studies (1999a and 19994b) noted that restricted access to credit and marketing networks, lack of property rights, low risk-taking capacity, lack of access to modern technology, production of low-end value adding and low quality products with low turnover and low profits, lack of personal security, risks of sexual harassment, low level of self-confidence, social and cultural barriers, restricted mobility and intense pressures of dual responsibilities of business and household works greatly impede women entrepreneurship development in these countries. Let us now try to shed some light on the magnitude and characteristics of these barriers facing the WEs in Bangladesh as they perceive and experience while running their businesses.

In reply to the question asked about major hurdles facing the respondents covered by the three reports used as our data sources, the most frequently emphasized (Table 12) were lack of capital (equity and term loans), lack of access to bank credits for working capital, lack of raw materials and skilled workers, lack of support and encouragement from the family, social barriers (including sexual harassment, eve-teasing, restricted movements for security reasons, religious beliefs and superstitions etc.), lack of information and knowledge about availability of institutional support services (due to inadequate dissemination of information about availability of such services by the concerned government organizations), infrastructural facilities hindering quick transportation of goods and services, payment of illegal tolls and bribes, bureaucratic red tapes etc. which figured prominently. Extreme work pressure emanating from the obligations to handle the dual responsibilities of "business management" and "family chores" was voiced by many WEs as a serious obstacle hampering their business

performance. A strong resentment was voiced by many WEs against the dual roles as "entrepreneurs" and "mothers" which basically is a reflection of lack of enough family support. In at least 30 percent cases, non-cooperative behaviors and adversary attitudes of men, the offshoots of patriarchal family norms still persist to create difficult challenges facing the women entrepreneurs. This involves a significant policy challenge towards changing men's attitude towards women and treating them equal socially and economically.

Table: 12

Problems faced by the Women Entrepreneurs in Running Their Enterprise

| Types of Problems | Percentage of Entrepreneurs | | |
|--|-----------------------------|-------------------|----------------|
| | SMEF'09 (N=1009) | BWCCI* (N=100) | SMEF (N=88) |
| Lack of capital | 87 | 90 | 18 |
| Difficulties in Marketing Products | 21 | 50 | 5 |
| Lack of Raw materials | 21 | 75 | 5 |
| Lack of skilled workers | 14 | 65 | 5 |
| Lack of family support and cooperation | - | 45 | 20 |
| Social barriers arising from patriarchal attitude | - | 95 | 24 |
| Lack of security outside home while moving | - | 81 | 5 |
| Lack of information, proper knowledge and training | 9 | 52 | - |
| Payment of illegal tolls | - | 45 | - |
| Payment of bribes to government officials | - | 34 | - |
| Others (lack of women's freedom, religious beliefs sexual harassment etc.) | 11 | 10 | 5 |

* BWCCI respondents mentioned those difficulties faced by them in marketing their products and in product development by them.

Note: Same as Table-1

While we have noted a long list of problems facing the WEs, elaborating on them all in details is beyond the scope of this paper. We cannot, however be oblivious to the most intricate problems haunting women as entrepreneurs, which they face while trying to access bank credits. That WEs face insurmountable difficulties to obtain loans from banks due to inherent gender-bias and rigid lending policies, especially of the commercial banks is well rehearsed in the literature. In all our data sources, women's access to bank credits is found to be rather scantily, varying between 10 to 15 percent or even less (5%). While all formal credit

institutions seek tangible collaterals for loans, they are unable to provide them because of their limited property rights. In addition, the requirement for the male spouse's co-signature or a guarantee declaration from father/husband is also difficult. These combined with cumbersome documentation requirements, complicated loan sanctioning procedures, and many other gender based complications (i.e. lack of mobility, their low level of awareness and access to information etc.) tend to effectively exclude women from bank borrowing. Besides credit constraints, women entrepreneurs also complain about serious difficulties faced in selling their products. Lack of information about potential markets, lack of experience in pricing their products properly, intense competition among the WEs themselves because of overcrowding in the same sectors, credit selling and delayed payments are the major marketing constraints facing the WEs. Thus, a lot of promotion and development functions need to be carried out at policy and operational levels to create an overall women-friendly and women-supportive environment for sustained development of women entrepreneurship in Bangladesh. We briefly focus on the current policy environment for women entrepreneurship development and make some recommendations based on our assessment of the policy and institutional perspectives.

Current Policies and Institutional Environment

The importance of women entrepreneurship development as an integral part of national development is being acknowledged and priorities in all Five-Year Development Plans and relevant Articles of the Constitution by all successive governments, especially since 1980s and beyond. The National Action Plan (NAP) of the Implementation of the National Women Development Policy 2011 for women's development commits comprehensive upliftment of women emphasizing equal rights, economic self-reliance, broad-based participation in political, social, civil, economic, and socio-cultural spheres. The creation of a separate Ministry on Women's and Children Affairs, formulation of National Policy for Advancement of Women-2008, and Preparation of National Women's Development Plans, emphasis on women entrepreneurship development as a priority in the SME Strategy and Policy 2005 etc. are leading examples of Government's commitment towards women's empowerment and socio-economic emancipation. In addition, a number of UN Agencies, Development Partners, INGOs and NGOs are executing various income-generating and poverty alleviation projects and programmes aimed at poverty alleviation and women's welfare targeting them as the main beneficiaries for quite sometime.

Side by side with the Government, private sector stakeholders such as SMEF and Chambers of Commerce and Industries (especially BWCCI) and trade bodies are trying to address important promotional needs in various ways. Preparation of a revised Gender Action Plan (GAP) by the SMEF and various advocacy and other promotional activities in collaboration with other stakeholders are notable examples. In order to identify gaps and promotional needs of the WEs, the SMEF also prepared concept papers and women entrepreneurs profiles to influence Government policies towards accelerating and, retention and promotion of women entrepreneurs. Various special measures declared in the Industrial Policy 2010 as outcomes of SMEF advocacy efforts include: ensuring WEs access to land and finance in the Export Processing Zones, reservation of 15% of total SME lending for WEs, and inclusion of representatives from Women Entrepreneur's Association (WEA) in the National Council for Industrial Development.

The most notable of the programme initiatives in this direction are the special budget provisions and Bangladesh Bank's "Refinancing Scheme for Women SMEs" since 2007 targeted to address the financing problems of WEs. In 2012-2013 National Budget, the Government allocated Tk. 1.0 billion as a special fund to promote development of women entrepreneurship. A particularly notable step taken by the Bangladesh Bank through its Refinance Schemes is the directive(s) to the commercial banks to prioritise lending to women entrepreneurs through allocation and distribution of 15 percent of the loanable funds at concessional rates of interest (10%) to the WEs. BB also took a number of non-financial measures to accelerate SME financing and the constantly pursuing all scheduled banks to comply with them. For example, establishment of dedicated women entrepreneurs desks, distribution of small loans to women without collaterals, arrange entrepreneurship development training for them, and ensure dissemination of adequate information about availability of these special facilities to women entrepreneurs are some of the important areas.

All these sound encouraging, but ground reality is considerably different because of inertia of the commercial banks to practice women-friendly banking habits. According to the BWCCI Survey Report (2007), only 35% of 113 respondents heard about the BB Circular but not its contents since the banks did not adequately disseminate the information about the services made available to the WEs through the banks. From all the data sources consulted, it emerged clearly that the WEs continue to remain marginal as customers of bank loans, suffer from rigid regulatory barriers, and many other institutional rigidities and policy induced constraints which act as serious deterrents to their effective participation and efficient operation of their businesses. The need is, therefore, to take more

concrete policy initiatives and design an workable implementation mechanism of the policies and programmes at national and micro levels which are pro-women. Some recommendations in this regard may include the following.

- Enlarge opportunities for women to increase their effective participation in the workforce both as white colour workers and entrepreneurs by removing social and legal barriers and gender-bias embedded in the existing policies and institutions geared to enterprise development. While selected financing schemes are in place for the micro, cottage and SME enterprises, they are yet to be vigorously implemented to encourage more and more women to build up their own enterprises and contribute to the nation building process.
- Facilitate women's access to productive resources such as capital, especially bank loans, skills training programmes, information about technology, innovation of new products and processes and market channels at home and abroad which will foster growth of an "entrepreneurial economy and society" through removing various distortions leading to "market failures".
- Set up dedicated women's cells and centers in the business development services providing organizations and agencies to ease their access to extension, promotion, and advisory services designed for women entrepreneurs. Arrangement for delivering various support services to women through "one-stop" delivery facilities may be an important step to enable WEs to avoid harassments and obtain quick and easy access to business promotion facilities.
- Promote development of "women entrepreneurs networks" to facilitate knowledge and information sharing about business developments at national and international levels to promote "production networking" beyond national borders and enjoy the advantages of value chain arrangements and entry into local markets. In this context, setting up and operation of a "go-to" website portal for women entrepreneurs by the SME Foundation may be helpful to facilitate women's business growth through consolidating business information and "match-making" among the prospective WEs at regional and global levels.
- Establish a separate Women's Bank to adequately address the special financing needs of women entrepreneurs. Meanwhile the existing banks could also bolster their efforts by opening separate windows for the women clients as per Bangladesh Bank guidelines.

- Set up "National Women Entrepreneurship Development Taskforce" to constantly monitor progress of implementation of the women entrepreneurship development policies and programmes by reviewing them periodically and introduce necessary revisions if needed to obtain best possible impacts of the on-going policies.

5.0 Concluding Remarks

I begin this section with the opening statement that entrepreneurship is a crucially important driver of economic growth and social change. It contributes to economic development and structural change in an economy by reallocating resources from less to more productive uses, by cost cutting, and performing "gap filling", and "input completing" functions".

Development of women entrepreneurship in particular in Bangladesh is immensely important to ensure optimum utilization of the nation's half of the workforce (large segment of which still remains untapped) and bring modernizing transformation of the economy through creating new firms, attracting resources into new activities, introducing new production processes or products which contribute to productivity growth in the economy, and more importantly generating large number of new jobs.

Indeed, there are more than 10 million self-employed women in Europe, in the US 6.4 million self-employed women provide 9.2 million people with job opportunities. Unfortunately, we have no such sex disaggregated statistics required to quantify women entrepreneurs contribution to employment creation and economic growth in Bangladesh.

What transpires from our discussion and analysis, based on three recent and large sources of data so far available, women entrepreneurship in Bangladesh is progressing albeit, at a slow pace. As a result, women's presence in business activities either as employers, self-employed and/or own-account workers remain marginal sharing only 3 to 5 percent of total business. It is not possible to arrive at any estimated member of WEs in the country without conducting a national census. It is thus imperative that a country-wide census/survey be undertaken soon by the Bangladesh Bureau of statistics, Ministry of Planning, to create a reliable data base on women entrepreneurs to facilitate meaningful policy formulation and design comprehensive promotional programmes and incentive structures for the WEs.

Like their counterparts elsewhere in Asia, women entrepreneurs in Bangladesh are relatively young, mostly being in their 30s and 40s. Motivation of

entrepreneurship among women are varied and range from economic necessity to wanting to add to their family incomes and the desire for their own economic security and self-independence. WEs in Bangladesh belong to highly educated class, but they enter into business ownership with relatively less previous job experience than men. However, higher level of education and post-entry performance was not found to have any positive association in our analysis of the relationship between the two variables. Nevertheless, formal education is important as a determinant of entrepreneurial supply, access to knowledge and information.

Overwhelming majority of the WEs in Bangladesh start as owners of micro and small of enterprises mostly primarily in traditional fields of activities due to difficulties involved in raising initial capital from formal financial institutions. Indeed, this is one of the most serious hurdles facing WEs in Bangladesh as bankers do not consider them credit-worthy and are reluctant to finance their business operations on grounds of gender-bias. This inertia should be removed through constant advocacy and motivational campaigns to change traditional banking habits. In this context, a deliberate Government initiative to increase the proportion of female Board members in the state-owned as well as private sector commercial banks to a mandatory figure of at least to 10 percent may be of some help.

Whatever their reasons for entering into business, various policy distortions resulting from market imperfections and/or “market failures” (i.e. credit rationing, non-transparent regulatory barriers, rigid labour market policies and taxation rules, bureaucratic red tapes, etc.) act as serious hurdles to new firm growth and survival and expansion of the existing firms. Besides difficult access to capital, other challenges facing WEs relate to access to information and knowledge, and access to business development support networks. There is thus a loud call from the WEs for more formal training and education in business management issues including marketing, financing, technology, and more importantly for releasing them from dual responsibilities of running a business and raising a family. The implication is for changing patriarchal family norms and social practices.

While the WEs in Bangladesh demonstrate notable individual as well as intergenerational occupational mobility to move into independent business, build professional carrier, do well in business, being innovative and growth seekers, the existing social and legal barriers are still too much primitive and non-supportive to discourage women from taking up business as independent vocations.

It is important to note here that the two case studies of successful women SME entrepreneurs winning Nation Women Awards from the SME Foundation are ample proofs of WEs in Bangladesh being strongly motivated and highly innovative and dedicated to excel in their professions and contribute towards national economic growth. Comprehensive women entrepreneurship promotion policies and programmes and their effective implementation through regular monitoring and evaluation through mechanisms suggested in a previous section seem to be the possible directions for future. We must remove the “glass ceilings” effects of the present policies that are in place to ensure gender-equality, remove gender discrimination, and promote women to the top management positions in industries, corporations and all other fields of business and economic pursuits.

Besides removing distortions in the macro policies (i.e. credit rationing, non-transparent regulatory barriers etc.) micro interventions such as introduction of a national women entrepreneurship day, development of an effective mechanism for implementing women entrepreneurship promotion policies and incentive structures, formulation of a national women entrepreneurship development task force etc. must be designed and implemented in a focused manner to enable WEs to enjoy free entry and exit into the business world and carry on business operations with equal rights enjoyed by their male counterparts.

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