

Women in Enterprise-Issues, Problems and Prospects

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Abstract: Women entrepreneurs have been facing a lot of problem from the very beginning of their ventures and for these problems a significant number of women cannot start their ventures, although they have willingness and capabilities. Major objectives of this study are to identify constraints facing the women entrepreneurs, to snap a development paradigm for the women entrepreneurs, and to recommend propositions for elevation of their present status. Secondary data have been used in this research. Fear of being rejected, unwillingness to have collaterals from partners, doubts about defending the project, lack of knowledge on different available options of financing scheme, lack of appropriate skills to evaluate the business especially those in the informal sectors, complex procedure in the institutional level etc. are some of the many problems women entrepreneurs have been facing in starting and operating their business. Micro finance has a focus on the women entrepreneurs due to their poor resource endowments and encouraged their savings with creation of employment opportunities. Some recommendations are drawn like the central bank should fix up a target for each bank to provide loan for women owned enterprises and form a monitoring team to monitor the implementation of its circular, separate bank or banks may be established for women entrepreneurs and for the other banks, an obligation may be imposed to maintain a minimum quota for the underprivileged women entrepreneurs, a comprehensive credit policy should be initiated under the direct supervision of the central bank in order to create access of women entrepreneurs to finance and so forth.

Keywords: Women entrepreneurs, Micro Finance for women.

1 Introduction

By definition we know that an entrepreneur is someone who undertakes an enterprise, owns and manages a business with a vision to making a profit by using innovative ideas. Entrepreneur's success depends on specific knowledge, skills, mentalities and attitudes. In principle, there should be no difference between men and women, but in reality, various constraints limit women's opportunities to realize their full potential. Bangladesh is an example of this unfortunate trend.

Despite of having problems from society as well as from family, women, especially in Bangladesh, have been struggling hard to achieve their own identity. Women from all classes want to stand up before everyone in their own right. Women can be very caring homemaker, but at the same time they can prove to be highly skilled entrepreneurs, efficient employees, and administrators if they choose to be. Women, in performing equal to men, are entangled by two major obstacles, one stem from their own confidence and the other is the society's confidence in respect to their abilities. In the ventures run by women, the families don't want to finance, the banks are reluctant to sanction loan due to the risk they assume and even the society is not ready to see the women as prime decision makers. This is not prevalent only in Bangladesh but also in the world with some exception in high context countries like USA, UK, Newzealand, Japan etc. Women entrepreneurs constitute less than 10% of the total business entrepreneurs in Bangladesh whereas women in advanced market

economies own more than 25% of all businesses. It is heartening to note that despite many barriers, a new women's entrepreneur class has arisen in the country taking on the challenge to work in a male-dominated, competitive and complex economic and business environment (Hossain, 2007).

Women entrepreneurs have been facing a lot of problem from the very beginning of their ventures and for these problems a significant number of women cannot start their ventures, although they have willingness and capabilities. Impediments lie in the variables like lack of necessary policy provisions in the national planning, family support, social awareness, financial support from the institution, and family etc. Since women are the dependent members of the family and underprivileged in respect of family support, these impediments lead them to scares fund mobilization.

Entrepreneurship improves living conditions of the women and earns respect for them. Women entrepreneurship proliferates business growth, supplies, employment generation, productivity and national skill base of the country.

1.1 Objectives

Objectives of this article lie in the consequent effects of issues and constraints affecting the women entrepreneurship development and pledges recommendations for well being of this community. Emerging objectives of this article depict the following.

- To identify constraints facing the women entrepreneurs.
- To snap a development paradigm for the women entrepreneurs.
- To recommend propositions for elevation of their present status.

2 Literature Review

A significant number of researches have been conducted for development of women entrepreneur. Different researchers considering current policy imperatives and development support for the women entrepreneurs pay strong focus in their presentations. In spite of these interventions, deprivation still retards development of the women community.

A study (Hossain, 2007) stated that in countries where women have advanced, the economy has usually been steady, and by contrast, in countries where women have been restricted, the economy has been stagnant. In such case, men-women joint efforts in terms of responsibility, guidelines, and rules of business should be developed for the betterment of the problem

Another study (Tambunan, 2009), identifies women in Asian countries typically face certain challenges like:

- Limited access to credit, marketing networks and modern technology,
- Lack of self-confidence and personal security,
- Risks of sexual harassment and other social and cultural barriers,
- Restrictions on mobility,
- Low educational levels and scant training opportunities,
- Heavy household chores,
- Lack of peer-support networks,
- Inferior status in society and gender-biases in general
- Severe competition from organised units both in domestic and international markets.

These issues are true from Bangladesh perspective as well.

A study paper presented on August 26, 2008, identified six major obstacles in the development of women entrepreneurship in the country's small and medium enterprises (SMEs).

Syeda Farzana Morshed, director and chief executive officer (CEO) of Centre for Development and Competitiveness Strategies Limited (CDCS), and Sheikh Morshed Jahan, assistant professor and chairperson

at the Development and Policy Research Centre (DPRC) of Institute of Business Administration (IBA) of Dhaka University, jointly prepared the study paper.

The obstacles the two researchers identified are:

- Family-oriented mentality of women,
- Government's unfriendly attitudes towards women entrepreneurs,
- Lack of market information and marketing strategies,
- Unavailability of business development services to women entrepreneurs,
- Unavailability of loans at lower interest rates and,
- Lack of opportunities for women to develop skills in business management.

3 Methodology

Secondary data have been used in this research. The researchers have scrupulously reviewed the relevant credentials and other literatures. During the course of study the researchers discussed the issues with the university teachers to have clear insights of the issue.

3.1 Findings and Discussions

Entrepreneurial quality is a superficial imperative to augment enterprise development interventions. This pertinent element is viewed as the basic potent of industrialization. Entrepreneurship needs affiliation of available resources and also harnessing human potential qualities. Important considerations are the following:

- a) Financial resources available in family ownership need to be mobilized through morale persuasion.
- b) Social pledge needs for development progression.
- c) Individual family commitment should be awarded for enterprise initiative.

Venture initiatives have pertinence to overall economic development interventions.

Prolific issues of ventures initiatives have inherent relationship with development interventions.

Important factors affecting women venture initiatives lay as follows:

- a) Flootation fund and technological support.
- b) Marketability of product.
- c) Competition risk.
- d) Sustainability of production option etc.

The context of income generation issues have a strong proposition for economic emancipation of the women community and urges for social, political, and economic cooperation.

3.2 The Intrinsic Features of the Underprivileged Women Entrepreneurs are:

- a) They are isolated;
- b) They are disadvantaged;
- c) Believe in fate and luck;
- d) They are beyond education opportunities;
- e) They remain out of employment opportunities;
- f) They have no savings;
- g) They are out of supporting niches of the NGOs;
- h) Extreme poor standing keep them away from edges;
- i) Household income is unstable and insufficient to meet basic needs;
- j) They live in unhygienic conditions;
- k) They feel disfranchised with virtually no community initiatives to solve their problems;
- l) They are at risk during pre and post natal periods;
- m) Maternal and child malnutrition rates significantly higher than for rest of Bangladesh;
- n) Children continue to drop out of school at an early age.

3.3 *Entrepreneurship Development Cycle*

Every human being has the attributes like-initiatives, creativity, hard working and aspiration for achievement. Women also possess these attributes. This state of the women may be directed to income generating activities (IGA) by applying proposition of 3-stage cycle of entrepreneurship development consisting of stimulatory, support and sustenance as provided in the following figure:

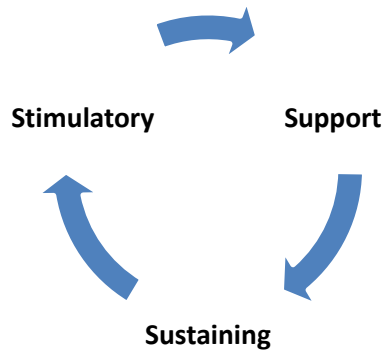


Figure 01: 3-stage cycle of entrepreneurship development

Stage 1: Stimulatory

- Entrepreneurial education
- Advocacy of income earning opportunities
- Identification of potential hard core poor
- Evolve locally suitable IGAs.
- Motivation to involve them in IGAs.
- Help and guidance in selecting the IGAs.

Stage 2: Support

- Arranging finance
- Providing information about best income generating activities (IGA)
- Guidance for selecting and obtaining machinery
- Offering management consultancy
- Help marketing product

Stage 3: Sustaining

- Helping diversification/expansion of the existing income generating activities
- Additional financing if required
- Deferring repayment/interest
- Product reservation /creating new avenues for marketing if involving manufacturing.

3.4 *Key Challenges for the Women Entrepreneurs*

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

From the aspect of demand side:

1. *Fear of being rejected, unwillingness to have collaterals from partners, doubts about defending the project.*
2. *Lack of knowledge on different available options of financing scheme.*
3. *Lack of appropriate skills to evaluate the business especially those in the informal sectors.*
4. *Complex procedure in the institutional level.*
5. *Sometimes gender biasness of the male officers.*
6. *Complicated arrangement in legalizing and formalization of business.*
7. *Inadequate technical knowledge and managerial experience which make it difficult for them to sustain in the competitive market.*
8. *High cost of credit.*
9. *Weak and poorly enforced credit rights in the country.*
10. *Lack of effective policies and infrastructure to expedite their economic activities.*

From the supply-side perspective:

1. Financial institutions' reluctance to finance for start-ups.
 2. Insufficient assets to cover the debt-burden ratio.
 3. Low capitalization.
 4. Vulnerability to market fluctuations.
 5. High morality rates.
 6. Lack of accounting records and inadequate financial statements.
 7. Lack of business plans.
 8. Less access of the male officers to the women entrepreneur.
 9. Difficulties in identifying entrepreneurs involved in informal business sectors.

The women entrepreneurs of Bangladesh, faces different kind of obstacles that haunt small and medium-sized enterprises (SMEs) in general. Midas Financing is a non-banking financial institution that specialises in promoting SMEs in Bangladesh. A recent study of Midas (2009) found that:

- 87.9 % of female entrepreneurs in Bangladesh suffered from a lack of capital,
- 21.3 % did not have good marketing opportunities,
- 20.4 % wished they had better access to raw materials,
- 14.2 % lacked skilled workers,
- 9 % did not have any prior business experience,
- 8.7 % were not trained themselves and
- 2.5 % struggled with proper accounts keeping.

4 Imperatives of Micro Finance in Serving the Women Entrepreneurs

Micro finance has a focus on the women entrepreneurs due to their poor resource endowments. The potent of micro finance is featured by the following proponents:

- a. Savings is encouraged,
- b. Financial need is met almost in time of need,
- c. Employment opportunities are created
- d. New income generating activities are sourced out.

Micro finance has become a strategy for reducing poverty of the women who are not in the purview of formal financial services. Access to credit and deposit services are the way to provide the women entrepreneurs with opportunities to take active role in their respective economies through income generation, bargaining power and social empowerment. This is also well focused in various reports and publications. In this perspective MFIs have aim to reach the underprivileged women entrepreneurs. The extent to which micro finance programs are able to reach the underprivileged women entrepreneurs remain an open debate.

However, MFIs have a laudable contribution to the reduction of women unemployment. But the feature is that in most cases the income generating activities (IGA) promoted by MFIs did not help women clients graduate beyond the reach of part-time self-employment.

5 NGO Interventions for Enterprise Development

There is an observation that most of the women entrepreneurs do the same type of IGAs. They always try to follow others who have success story. As a result innovative talents remain untapped and lead to fueling market saturation. In such case, NGOs need to thrust on innovative strategy to combat the market saturation through motivating the women entrepreneurs to involve in diversified IGAs.

A study (Syed Azim, 2005) suggests scale-up the loan size for IGAs. The amount provided by the NGOs in general varies between Tk. 2000 to Tk. 10,000 for individual and Tk. 10,000 to Tk. 40,000 for group activities, which many practitioners think lower than actual requirements. So, effective interventions should be embedded in the policy strategy to address the financial requirements of the women entrepreneurs.

6 Sustainability Propositions

Attaching strong arguments for women entrepreneurship development, the practitioners place strong proposition that micro finance should have priority in reaching the women because access to finance is considered a human right to fight against economic exclusion. This approach of course, requires narrow targeting of the underprivileged women (Shamim, 2016).

Both breadth and depth of services are very important for the financing institutions. But important note is that financing programs would not serve the women entrepreneurs unless these are objectively designed to reach them. So in designing financial products and services for this target group, it is important to better understand the factors that contribute to their dire conditions.

7 Conclusion and Recommendations

The study has reviewed the status of women entrepreneurs in Bangladesh. It has set the propositions regarding the role of women in Bangladesh society, and the opportunities open to them to operate their enterprises effectively and efficiently. BWCCI, BIDS, MOWCA, WEDP, DYD and some other relevant entities have conducted several meetings, seminars, symposiums and recommended suggestions to solve the problems. A focus on the recommendations exhibits the following:

- The central bank should fix up a target for each bank to provide loan for women owned enterprises and form a monitoring team to monitor the implementation of its circular.
- Separate bank or banks may be established for women entrepreneurs and for the other banks, an obligation may be imposed to maintain a minimum quota for the underprivileged women entrepreneurs.
- A comprehensive credit policy should be initiated under the direct supervision of the central bank in order to create access of women entrepreneurs to finance. The policy must keep a provision of collateral free loan, credit without interest or low rate of interest, loan for long time duration etc.
- Gender cell may be established to facilitate the women for processing loan.
- At least one woman entrepreneur should be included in the board of commercial banks so that she can oversee the progress of banks services undertaken for women.
- Awareness of business opportunities and support services offered by various entities should be targeted towards women.

- Proper coordination, necessary fund and trained staff should be provided by the GOs and NGOs to improve service delivery mechanisms.
- Marketing support should be provided by observing the high context countries. It is suggested to provide market intelligence to the women led enterprises through cross visits between and among women entrepreneurs within and outside of the country.
- EPB should maintain a minimum quota for women entrepreneurs to send them to various national and international trade fair.
- Concerned entities should provide special support to women entrepreneurs engaged in export trade.
- Credit programs need to be linked with entrepreneurship development training programs.
- Counselling on project ideas, techniques for selecting suitable projects, preparation of business plan, management, sustaining support etc. should be provided to creat and maintain women entrepreneurship friendly environment.
- National Women Development Policy 2008 should be properly implemented.
- Harmony and coordination among the policy institutions need to be ensured.
- Media must play a positive role in this field.

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