

Review

Women entrepreneurship development in Bangladesh: What are the challenges ahead?

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Women entrepreneurship is a rapidly growing phenomenon in many developing countries including Bangladesh. This paper reviewed the literature on women entrepreneurship development in Bangladesh with specific focus on government and financial intermediaries supports. The article also identified major challenges that obstruct smooth development of women entrepreneurs. Women involved in various micro, small and medium enterprises take on the challenge to work in a male-dominated society, competitive and complex economic and business environment with the government policy supports and financial institutions participation. They improved their living conditions and earned more respect in the family and the society. However, the challenges that were identified includes lack of access to credit, limited access to market information, infrastructure and utility services, traditional technology, bureaucratic complexity and so on. This article provides some useful academic insights and offers some practical suggestions toward improving government policy supports for developing women entrepreneurs.

Key words: Women entrepreneurship, micro, small and medium enterprise (MSME), development, Bangladesh.

INTRODUCTION

Bangladesh is a developing country situated in south Asian region. Per capita national income is US\$ 621 and it is far below in case of rural areas (BER, 2009). About 50% of the population falls below income poverty line (based on US\$1.25 per day per person) and it is the second highest percentage among south Asian countries. The Global Gender Gap Index (GGI) is 0.621 which secured third position among South Asia Association for Regional Cooperation (SAARC) countries (UNDP, 2010). It is well recognized that poverty and gender discrimination cannot be mitigated without active participation of women in the economic mainstream. Women can be involved in entrepreneurship or business activities where they can directly contribute to their family and the economy. A woman entrepreneur is defined as a woman who has alone or with one or more partners started or inherited a business, and is eager to take

financial, administrative, and social risks and responsibilities, and participate in the day-to-day management activities (UNDP, 2004). In fact, women entrepreneurship development is a challenging phenomenon in Bangladesh as women are lagged behind (economically and socially) compared to men (Haque and Itohara, 2009; Rahman, 2009). Generally, women are more victimized as because of their illiteracy, unawareness, unorganized, powerless or less political representation, deprivation, rigid social customs, religious constrains and injustice by their counter partners particularly in rural areas (Hossain and Rahman, 1999; Chowdhury, 2000; Afrin et al., 2008; Tambunan, 2009). They potentially have been restrained from creating level playing field in nation development process. For instance, the net employment rate for female and male is 93 and 96%, respectively while self-employment rate is only 16% for female and 50% for male. Women earned income (women US\$830 and men US\$1633) is about half compared to their counter partners (BBS, 2009).

It is worth to note that despite many barriers, a new

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women's entrepreneur class has risen in the country taking on the challenge to work in a male-dominated, competitive and complex economic and business environment. Women entrepreneurs have improved their living conditions and earned more respect in the family and the society (Braun, 2011). The progress has been attained due to government policy supports and involvement of financial institutions (governmental and non-governmental institutions) along with other support services. Bangladesh Bank (central bank of Bangladesh) issues policy guideline for scheduled banks to give priority to women while disbursing Small and Medium Enterprise (SME) credit. Meanwhile, good number of NGO-MFIs offers microfinance services to the women involving actively in micro, small and medium enterprises. According to BBS report, women access to land, credits and other property (beside land) has improved gradually with the point of 0.80, 0.30 and 0.50, respectively which implies that women are getting more access to loans than other assets (BBS, 2009). In fact, these resource mobilizing institutions motivated and encouraged rural women, and made them entrepreneurs, that is, agricultural entrepreneurs (crops, livestock and fisheries), small business owners, tailors, handicraftsmen and so on (Rahman et al., 2011).

Concentrating on above background, the present study mainly focuses on development process of women entrepreneurship in Bangladesh. It is regarded that women entrepreneurship development is somehow link with a particular country's government policy, support from financial institutions and other supporting organizations. Therefore, the present paper critically reviews the government policy for women entrepreneurship development and the financial institutions contribution to women entrepreneurs. The article also identifies major challenges hindering the smooth development of women entrepreneurs.

DEFINITION AND CLASSIFICATION OF MICRO, SMALL AND MEDIUM ENTERPRISES

Micro, small and medium enterprises (MSMEs) is considered as a thrust sector in many developing countries with growing importance from all walks of life. It is generally recognized that MSMEs have a significant role in employment generation, poverty reduction, and overall economic growth, especially for a developing economy like Bangladesh. Rightly, government of Bangladesh has given priority to develop MSME sector. It is noted that there should have clear definition of Micro, Small and Medium Enterprise. The government of Bangladesh provides an official definition of small and medium enterprise (SME) while there is a lack of official definition of microenterprise. Hence, the microfinance industry applies the following working definition for microenterprise: an enterprise that has capital (that is,

total investment, including fixed assets and working capital) between Tk. 30,000 and 1 million (\$430 and 14,300) and has less than 10 workers (Haque and Mahmud, 2003). Microenterprises generally have a single owner-operator structure, although some are structured as partnerships (MIFA, 2009). On the other hand, small businesses in the manufacturing industry are defined as those having fixed assets valued at less than Tk. 15 million (US\$220,000), excluding the value of land. Non-manufacturing businesses with fewer than 25 workers are also considered small businesses (Table 1). Medium enterprise in the manufacturing industry are defined as having fixed capital value between Tk. 15 and 100 million (US\$220,000 and 1.4 million), excluding the value of any land or buildings. Non-manufacturing medium-sized businesses are defined as employing between 25 and 100 workers (BB, 2010).

A GLIMPSE OF WOMEN ENTREPRENEURSHIP SCENARIO IN BANGLADESH

Bangladesh is an overpopulated country with limited resources and higher social stratification. Economic, political and social recognition are determined on the basis of gender, class and location (WED, 2001). The urban areas have greater opportunities for business development while rural areas lag behind. Nearly half of the population are women (sex ratio 106). The enormous potentiality of the population has been unutilized as few women participate in the mainstream of economic activities. For instance, only 16% of women are self-employed out of 66% self-employed citizen (based on entrepreneurship status). Encouragingly, there is a rising of a new class in rural Bangladesh, they are the women entrepreneurs who have accepted the challenges of life and have emerged as leaders in the socio-economic development, thus earning for themselves and for their families and contributing towards the socio-political upliftment of women. Consequently, entrepreneurship has become an important profession among women in both rural and urban areas. Women in rural areas are being self-employed through the agricultural and non-agricultural sector, as entrepreneurs. These activities are cropping, livestock and poultry rearing, fish farming, nursery and tree planting, tool making, handicrafting, food processing, tailoring, rice processing, etc.

Nevertheless, it is very difficult to quantify the contribution of micro, small and medium enterprises (MSMEs), particularly estimation of the contribution of women due to lack of available data. Alam and Miyagi (2004) reported that MSMEs contribute Tk. 741 billion (US\$10.15 billion), which is equivalent to 20 to 25% of gross domestic product (GDP). About 40% of the population (above 15 years old) are employed in this sector in both rural and urban areas. The International Consulting Group (ICG) comprehensive survey in 2003, estimates

Table 1. Summary of micro, small and medium enterprise definition in Bangladesh.

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

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

the total number of MSMEs at 6 million enterprises. This enterprise employs 31 million people and accounts for roughly 25% of GDP (Alam and Ullah, 2006). About 75% of these enterprises are located in rural areas, reflecting the high proportion of the population residing in rural areas. Ninety percent of all MSMEs have fewer than 10 workers, and just 2% have between 51 and 100. Analyzing data from the sector, the survey finds that 40% of MSMEs are in the wholesale and retail trade, and/or repairs sector; followed by 22% in agriculture; and 14% in manufacturing, with each of the remaining sectors comprising less than 5% of MSME businesses. According to World Bank estimation in 2004, 40% of the rural workforce are employed in nonagricultural activities, which constitute more than 50% of the income of rural households (MIFA, 2009; Siddique, 2008). Table 2 shows the distribution of SME ownership by women and men and Table 3 shows the women contribution to the GDP, quoted from Daniels study in 2003.

Table 2 shows that women had lower percentages of ownership of SMEs. Even the average number of workers for women owned enterprises had only 2.3, which implies that women owned enterprise mostly fall under microenterprise category. Daniel's (2003) report also confirmed that women tend to be heavily concentrated in manufacturing (clothing, retail sales not in stores, spinning and weaving of textile, livestock and dairy production).

Contribution to GDP by women owned enterprises is illustrated in Table 3. The contribution from manufacturing enterprises was the highest with 50%, then agriculture with 18%, followed by wholesale retail trade with 15%, then hotels restaurants with 8%.

SUPPORT SERVICES FOR WOMEN ENTREPRENEURSHIP DEVELOPMENT

Different types of organizations provide either direct or indirect supports to women entrepreneurs besides the government. Among various supporting organizations,

the financial institutions are considered most important. A list of supporting organizations is given subsequently but only government policy supports and financial institution's supports are illustrated broadly.

- (a) Bangladesh Small and Cottage Industries Corporation (BSCIC)
- (b) Bangladesh Bank
- (c) State and private commercial banks
- (d) Financial institutions
- (e) Bangladesh Rural Development Board (BRDB)
- (f) Bangladesh Management Development Institute (BMDI)
- (g) Directorate of Women Affairs (DWA)
- (h) Development of Youth Development (DYD)
- (i) Bangladesh Manpower Training Bureau (BMTB)
- (j) Micro-industries Development and Assistance Services (MIDAS)
- (k) Job Opportunities and Business Support (JOBS)
- (l) NGO-MFIs MSME program

Government supports

In the Millennium Development Goals (MDGs), goal 3 has distinctly mentioned to promote gender equality and empowering women in respect to education, employment and political representation. Meanwhile, the importance of women entrepreneurs in the national development process has been legalized by the constitutions. Article 28 of the constitutions of Bangladesh distinctly mentioned the issue of equal economic right and opportunities and development of women entrepreneurs (Banglapedia, 2003). The national Fifth Five Year Plans (1997 to 2002) has also been integrated into the macro framework and multi-sectoral economy to bring women into the mainstream of economic development and encourage potential women entrepreneurs (Fifth Five Year Plan, 1998). In addition, Poverty Reduction Strategy Paper (PRSP) focuses on reducing gender discrimination at significant level within 2015. Furthermore, National Action

Table 2. Distribution of ownership by gender of owner within SMEs.

Particulars	Percent of all SMEs	Average no. of workers	Percent of SME employment
Women	6	2.3	2
Men	94	15.5	96
Co-ownership by men	1	7.6	1
Total	100	5.2	100

Source: Daniels (2003)

Table 3. Contribution to GDP by women owners.

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

Source: Daniels (2003)

Plan (NAP) has distinctly provided some guidelines to strengthening women entrepreneurship development. The distinct strategies of National Action Plan (NAP) are:

1. Adoption of a comprehensive sustainable industrial policy that will promote equity for women and men
2. Increase the number of women entrepreneurs
3. Ensure women's easy access to markets
4. Develop entrepreneurial skills of the women
5. Provide infrastructure facilities for women entrepreneurs
6. Upgrade technical "know-how" of women and develop technology suitable for women

Responding to the issue, the government of Bangladesh has given due importance to this SME sector by recognizing it as a thrust sector in the Industrial Policy 2005, formulating a separate SME policy strategy 2005 and establishing SME Foundation. Bangladesh Bank has already introduced several schemes and programs to flourish and expand MSME sector with prioritize women entrepreneurs. Bangladesh bank has taken some crucial steps in stepping up the process of enhancing access to finance by the SME sector development in 2009 by creating a separate department named "SME and Special Programs Department (SPD)" and announcing specific guidelines and directives for the financial sector. The

newly formed SME and SPD are fully engaged in providing institutional support to SMEs. SME and SPD efficiently manage several refinance funds under which refinance facility is provided for small enterprises financing by banks and financial institutions (FIs). The refinance facility gives special focus on small and women entrepreneurs and cluster development. Monitoring Division of SME and SPD has been set up to ensure tri-level monitoring (BB head office, branch offices and bank/FIs head office based integrated monitoring system) of SME financing activities and figuring out the fact and figures of SME development. Recently, SME and SPD went further by forming help desk from which SME clients can get advice and guidelines about getting SME loans, submit their objections against any obstacle faced by them while approaching for SME loans and suggest ideas regarding identifying and developing clusters. The following specific guidelines formulated for compliance of the banks and financial institutions for the development of SME sector are enumerated as follows:

- (i) Based on "area approach method" banks/financial institutions should try to attain their indicative targets separately by dividing it into branch wise, region wise and sector wise.
- (ii) Each bank/financial institution should follow a separate business strategy in financing SME loan with

least formalities in executing documentation to ensure easy and speedy loan sanction and disbursement process.

(iii) Priority should be given to small entrepreneurs; particularly, priority should have to be given to potential women entrepreneurs in respect of SME credit disbursement.

(iv) For small entrepreneurs credit limit will be ranged from Tk. 50,000 to 5 million.

(v) Banks and financial institutions should put highest priority in receiving loan application from small and medium women entrepreneurs.

(vi) Each bank and financial institution should establish a separate 'Women Entrepreneurs' Dedicated Desk' with necessary and suitable manpower, provide them training on SME financing and suitably appoint a lady officer as chief of the dedicated desk.

(vii) Branch wise list of 'Women Entrepreneurs Dedicated Desk' should be sent to SME and Special Programs.

(viii) Banks and financial institutions may sanction up to Tk. 2500000 to women entrepreneurs against personal guarantee. In that case, group security/social security may be considered.

(ix) The success in SME loan disbursement will be considered as a yardstick for further approval of new branches of the concerned bank.

(x) Each bank/financial institution should fix the interest rate on SME loan sector/sub-sector wise.

(xi) Bank/financial institution should inform Bangladesh Bank sector/sub-sector wise rate of interest immediately and ensure disbursement of refinanced fund to the clients (women entrepreneurs) at bank rate +5% interest.

(xii) Training programs shall be arranged for the entrepreneurs.

Encouragingly, forty two banks and non-banking financial institutions (FIs) have signed participation agreement with Bangladesh Bank for financing SME sector. Bangladesh Bank introduced a refinance scheme named Small Enterprise Fund (SEF) of Tk. 6.0 billion. Refinance facilities under the scheme were extended for the banks and financial institutions at bank rate against their financing to the small entrepreneurs, usually left out by the formal sector financing. A total of Tk. 7.16 billion has been refinanced to 38 banks and financial institutions under this fund up to the end of June 2009 among 7,598 enterprises. Table 4 presents the SME refinancing facility status in 2009. Bangladesh Bank monthly report (September, 2011) data shows that the total SME loans increased by 27.89% (Tk.1582.01 to 7254.03 billion) at the end of June, 2011; compared to Tk. 5672.02 billion at the end of June, 2010. Institutional category-wise SME loans increased at the end of June, 2011 in specialized banks (43.46%), private banks (34.21%), financial institutions (46.52%), foreign banks (10.02%) and state owned banks (14.80%) as compared to June, 2010 (BB Monthly Report September, 2011).

Noticeably, refinancing scheme is available for women at an interest rate of ten percent in line with the guidelines of the Bangladesh Bank. Although, the absolute number of women entrepreneurs covered under the scheme is low, some 19,194 women entrepreneurs had received SME credit by the end of 2010. Total amount of loan disbursed to women entrepreneurs also increased from Tk. 354 millions in December 2009 to Tk 2,10.3 billion (BIDS, 2010; Priyodesk, 2011). During the May to December 2009 period, mid-term refinanced loans to women entrepreneurs experienced the highest increase (224%) followed by short term (118%) and long term (100%) loans. It is noted that a notable achievement made in SME financing in the last two years as the success rate of SME credit by the banks was 140% against the target of Tk 38,00 billion (Table 4). The outstanding balance on SME credit stood at Tk 1834.7 billion in December 2010.

Responding to Bangladesh Bank circular, the commercial banks have now come up with special packages for SME development. Several banks/FIs have established SME Cells/Service Centers for ensuring more efficient channeling of funds to the SME sector. According to BIDS report, the SME service center has increased by 179 in December, 2009 from 148 in June, 2009 (BIDS, 2010). While the number of service centers has risen, it is still not adequate. The banks/FIs need to expand active SME wings in each bank especially in remote and potential locations to cater to the credit needs of the SMEs.

Financial intermediaries support to MSMEs and women entrepreneurs

Micro, Small and Medium Enterprises of Bangladesh are a heterogeneous group of agricultural and industrial sub-sectors. MSME includes crops, fisheries, livestock and poultry, rural non-farm, agro processing farms, handlooms and handicrafts, wood and steel furniture, cartwheels, footwear, plastic products, textile dyeing and block printing (manual), computer software and information technology, silk weaving, small grocery stores, etc. This sub-sector is facing acute problem of finance towards smooth growth. According to Chowdhury and Raihan (2001) survey report, about 50% of MSMEs have no access to formal source of finance. Only 35.79% of MSMEs are enjoying unrestricted access to the formal credit. The rest (13.68%) of them have restricted access to the formal credit. Bank credit is used by small percentage of entrepreneurs and provides financing of generally less than 20% of their total outlay (Raihan, 2001). Realizing the importance of MSME sector, Bangladesh Bank encourages financial intermediaries to provide financial support to MSMEs. Accordingly, state commercial banks (SCBs), specialized banks (SBs), private commercial banks (PCBs), foreign commercial banks (FCBs), and microfinance institutions (MFIs) have

been engaged in micro, small and medium enterprise (MSME) lending programs. Encouragingly, private and foreign commercial banks are engaged partnership agreement with locally active MFIs. In fact, Bangladeshi MFIs are the key providers of small credit to micro enterprises particularly to women. These programs are mainly designed to create productive new on-farm/off-farm employment. Hence, this section gives MSMEs financing statistics of various financial institutions. Unfortunately, there is a lack of separate lending data for women entrepreneurs. So, overall SMEs lending statistics are given below. However, microcredit and microenterprise lending are discussed separately for both scheduled banks and MFIs as most of the MFIs credit goes to women.

Likewise state owned banks, the private and foreign commercial banks have extended financial services to the small and medium enterprises. Among the four classes of banks, SBs were the most important participant in the SME sector (Table 5). During the year 2009, the SBs had the dominant share of SME credit outstanding. On the other hand, BRAC Bank (a private commercial bank) is the pioneer in SME lending in Bangladesh with disbursing \$1.7 billion since its inception in 2003. Table 4 shows the outstanding status of scheduled banks on SME lending during 2007 to June 2010. Specialized Banks dominated the SMEs lending market with outstanding balance of Tk. 411.34 billion by the end of 2009, and then the Private Commercial Banks SMEs outstanding balances increased at Tk 333.10 billion by the end of 2009 (Table 5). The total outstanding balance of SMEs loans stood at Tk. 898.38 billion in 2009 from Tk. 810.54 billion in 2008.

As mentioned previously, scheduled banks also provide microcredit or microenterprise loans through partnership agreement with NGO-MFIs. Table 6 shows the credit disbursement, recovery and beneficiaries of scheduled banks microcredit program. It is apparent that credit disbursement and recover status have increased over the period. The cumulative disbursement was increased by Tk. 2354.52 billion (192%) in 2010 from Tk. 1226.63 in 2003. The number of beneficiaries was also increased by 0.86 million (160%) in 2010 from 0.53 million in 2003 (Table 6). The increasing trend of microcredit or microenterprise loan by scheduled banks is definitely a significant step to down scaling their services.

It is well known that Bangladesh is the pioneer adopter of microcredit program in the world. At present, more than 500 registered MFIs are operating in the country. These institutions are one of the most important income generating mechanisms available to low income people, small entrepreneurs, marginal producers and women in particular (MRA, 2009; Rahman and Luo, 2011a). Several large MFIs have been playing a vital role for creating a large number of women micro entrepreneurs and empowerment of women by their microfinance assistance (Rahman and Parvin, 2007; Bulbul and Rahman, 2010). Accordingly, access to credit has

increased and has thus enhanced the latent capacity of women towards entrepreneurship development in Bangladesh, particularly in rural areas (Rahman et al., 2011). Table 7 shows the disbursement, recovery and beneficiaries of major MFIs (including Grameen Bank and PKSF) during 2003 to 2010, while Tables 8 and 9 show microenterprise loan and sub-sector wise credit disbursement by the MFIs in 2008 and 2009. The cumulative disbursement of microcredit was increased to Tk. 107,778.92 billion in 2010 from Tk. 4225.80 in 2003. It is interesting to note that most of the credit beneficiaries are women.

On the other hand, the cumulative disbursement of micro-enterprise loans by selected MFIs was increased by Tk. 197.87 billion (143.36%) in 2010 from Tk. 138.02 billion in 2008 (Table 8). Number of microenterprise credit borrowers also increased by 2.85 million (132.55%) in 2009 from 2.15 million in 2008. Percentage of recovery was also increased by 81.69% in 2009 from 76.51% in 2008. It is depicted from Table 9 that among various sub-sectors credit share, small business (28.12%) consisted maximum share then followed by agriculture (12.07%), and livestock and poultry (9.27%) and so on so forth.

CHALLENGES OF WOMEN ENTREPRENEURSHIP DEVELOPMENT IN BANGLADESH

Despite some visible achievements toward women entrepreneurship development, there are still many challenges ahead for smooth development of MSMEs entrepreneurs particularly women entrepreneurs. These include:

Financial problem

Inadequate starting capital is one of the main problems for the women entrepreneurs in Bangladesh. Generally, women start their business with limited capital accumulated from family savings and the relatives and other sources. For bank loans women need to put collateral except those loans coming from MFIs. Unfortunately, they do not have enough fixed capital to put as collateral or a guarantor to get a small loan from the bank. Hence, government has to take some risk of distributing collateral free bank loan to the SME entrepreneurs particularly for women entrepreneurs. On the other hand, bank charges around 13% for SMEs loans and 10% for women entrepreneurs which is higher compared to neighbouring countries (India charges 5 to 7%), thus making it difficult for the sustainability of MSMEs in a competitive global market. It is suggested to have single digit bank interest rate for MSMEs.

Lack of market information

Lack of market information is also one of the major

Table 4. Bangladesh Bank refinance for SME loans in 2009.

Bank and FIs	Amount refinanced (in million Tk.)				No. of beneficiaries	Av. amount of refinanced per enterprise (mill Tk.)
	Working capital	Medium term	Long term	Total		
Banks	1525.2	1460.1	305.6	329.9	5250	0.6
NBFIs	159.8	1227.6	1488.9	2876.3	2348	1.2
All	1685	2687.7	1794.5	6167.2	7598	0.8

Source: BB, 2010

Table 5. Outstanding balance of SME loans of scheduled banks during 2007 to 2010 (in billion Tk.).

Banks	Outstanding loans							
	June 2010		2009		2008		2007	
	SME loans	% of SME loans of total loans	SME loans	% of SME loans of total loans	SME loans	% of SME loans of total loans	SME loans	% of SME loans of total loans
SCBs	190.30	32.32	138.20	33.33	150.10	33.3	95.78	22.7
SBs	31.66	17.67	411.34	19.15	420.34	22.9	30.54	23.3
PCBs	307.96	17.44	333.10	18.77	232.46	19.7	162.49	18.2
FCBs	17.59	10.86	15.74	8.48	7.64	6.5	4.27	5.1
Total	547.51		898.38		810.54		293.08	

Source: Bangladesh bank, 2010.

Table 6. Disbursement, recovery and beneficiaries of microcredit of Scheduled Banks during 2003 to 2010.

Year	Disbursement (Tk. in billions)	Recovery (Tk. in billions)	Recovery rate (%)	No. of beneficiaries
2003 (cumulative)	1226.63	1113.92	90.81	5349722
2004	105.05	82.41	78.45	235018
2005	107.86	68.61	63.61	445568
2006	112.85	68.61	77.95	491848
2007	128.15	127.22	99.28	415736
2008	193.15	164.37	85.10	486875
2009	216.17	156.95	72.60	542087
2010	264.65	159.12	60.12	601393
2010 (cumulative)	2354.52	1960.58	83.26	8568247

Source: Author summarization from BER, 2011.

problems of women entrepreneurs. They lack of information on where, what price and when the product should be sold. They do not know how to get domestic, as well as export market access. Even they lack knowledge of using market promotion activities. Thus, government should take the lead in promoting MSME products at home and abroad.

Poor infrastructure and utility supply

Infrastructure facility is miserable in most rural areas of Bangladesh. The supply of electricity and gas are not

available in many rural and even sub-urban areas. Hence, existing MSMEs are suffering badly due to load shedding of electricity and gas. So, government should improve the infrastructure and utility services in considering the need of MSME sector.

Traditional technology

SME owners generally use local technologies to produce goods but these are not productive enough to fulfill market demand, produce quality/ beautiful products to compete with the international products available in the

Table 7. Credit disbursement, recovery and beneficiaries of major MFIs (including GB PKSF) during 2003 to 2010.

Year	Disbursement (Tk. in billions)	Recovery (Tk. in billions)	Beneficiaries		
			Male (%)	Female (%)	Total (no.)
2003 (cumulative)	4225.80	3717.02	9.48	90.52	42521703
2004	857.68	761.12	22.64	77.36	19963885
2005	1140.16	983.17	8.57	91.43	21972676
2006	1537.10	1305.87	12.11	87.89	25910996
2007	1997.46	1833.10	10.42	89.58	30043701
2008	2378.57	2167.37	11.71	88.29	32526528
2009	2556.94	2472.53	8.54	91.46	31587171
2010	5576.96	1870.29	7.95	92.05	32537255
2010 (cumulative)	107778.92	14822.55	-	-	19358712

Source: Author summarization from BER, 2011.

Table 8. Statistics of micro-enterprise loans by MFIs last two years.

Variable	2008 (at total 155 MFIs summary statistics)	2009 (a total 203 MFIs summary statistics)
No. of borrowers	2151934	2848268
Cumulative loan disbursement (Tk. In billions)	138.02	197.87
Loan recovery (Tk. in billions)	105.60	161.64
Rate of recovery (%)	76.51	81.69
Loan (principal) outstanding (Tk. in billions)	33.83	40.00

Source: Author summarization from BMS, 2009 and 2008.

Table 9. Sub-sector-wise credit disbursement of selected MFIs during end of 2008 and 2009 (Tk. in billions).

Sub-sector	2008 (534 MFIs)	Percentage	2009 (679 MFIs)	Percentage
Agriculture	142.73	10.76	203.93	12.07
Fisheries	37.35	2.82	52.83	3.13
Livestock and poultry	124.66	9.40	156.55	9.27
Cottage industries	32.67	2.46	43.56	2.58
Small business	379.87	28.64	474.97	28.12
Transport	38.89	2.93	52.11	3.08
Health	7.50	0.57	9.28	0.55
Education	2.45	0.18	4.63	0.27
Housing	6.95	0.52	18.15	1.07
Others	553.46	41.72	673.37	39.86
Total	1326.53	100.00	1689.37	100

Source: Author summarization from BMS, 2008 and 2009.

local market. As a result, SME entrepreneurs are losing their livelihood due to poor technical know-how.

Immediate actions should be taken for replicating global success stories in SME sector of Bangladesh.

Lack of skilled/trained manpower

There are no agencies, even not a single special

institution in Bangladesh to produce qualified graduates or trained manpower that can serve as entrepreneurs. Basically to create entrepreneurs no hard and fast facility is required; but for an effective entrepreneurship generation, entrepreneurship education is necessary. The statistics proves that Bangladeshi labors are low productive (Abdin, 2010). So, training for the existing manpower is essential for greater output.

Complicated bureaucratic procedures

Starting a manufacturing plant needs a series of license, registrations and clearances. For example to start an SME requires: (a) Trade license issued by the local government office (UP Chairman, City Corporation office), (b) trademark registration register by the Office of Patent, Design and Trademark Register under the Ministry of Industry, (c) Tax Identification Number (TIN) from NBR or Income tax office under Ministry of Finance, (d) value added tax (VAT) registration from the same authority, (e) Membership of any trade body (district chamber or sectoral association), (f) import registration certificate from Ministry of Commerce, (g) environment clearance from the Ministry of Environment, (h) fire clearance from the Fire Bridget and many more. Completing all these formality is not so easy and every desk needs bribe for proper passing on of the file (Abdin, 2010). This time consuming and corruption promoting system should be made easier.

SME support centers

Recently, banks and financial institutions opened SME branch or support centres but this is not enough considering the growing need. A few consulting firms are providing consultation services but with high charges. There should have more SME support centres to give advice to the potential entrepreneurs on preparing project proposal, formulating marketing strategy, designing products, upgrading products quality for the SMEs.

CONCLUSIONS

Women entrepreneurship is not only a source of income generation but also a way of achieving economic independence. Women that are involved in enterprise are better off compared to those that are not. Realizing the importance of women entrepreneurship, Bangladesh government has taken several initiatives to encourage women getting involved in various micro, small and medium enterprises. Meanwhile, banks, financial institutions and MFIs have also given importance to developing women entrepreneurs in Bangladesh. These financial intermediaries provide credits to MSMEs sector particularly the women entrepreneurs, in line with Bangladesh Bank guidelines. However, there is a greater lack of integration among various supportive organizations and lack of communal efforts to have sustainable benefits. The remaining challenges are lack of collateral free loans, traditional technology, skilled and trained manpower, training and educational institutions, and infrastructure and utility services and so on. Hence, there should have rights policy adjustment, their proper implementation and others necessary initiatives will pave the way for the emergence and development to women entrepreneurs'

development in Bangladesh. These actions will not only contribute significantly to national economy but will economically and socio-culturally empower women assisting in their gender role liberalization.

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