

# Challenges for women entrepreneurs



PHOTO: UNDP

CONTINUED FROM PAGE 26

products for sale at international trade fairs abroad.

Marketing problems arise when shopkeepers harass women regarding timely payment of the products sold. Sometimes months pass by but the payments are denied. Entrepreneurs based outside the district where goods are sold, find it difficult to collect payment as unnecessary travelling costs incur financial loss on their enterprises.

Entrepreneurship problems faced by rural women have added a new dimension to the socioeconomic environment of Bangladesh. In view of the need to bring rural women into the development stream of the country, the govern-

**Though various initiatives exist, challenges of inadequate capital, sales promotion, permission for starting a business, gender discrimination, illiteracy, lack of business knowledge among women, non-availability of training programmes and technical support, lack of managerial experience, continue to create problems.**

ment, NGOs and related agencies have provided ample opportunities to promote entrepreneurial skill. Income-generating activities, credit facilities, skill training, and market opportunities have all combined to pave the way for the emergence of entrepreneurial development among women in rural Bangladesh which ensures great prospects. But many women are still deprived of these facilities due to the lack of proper information. Challenges of small, cottage and micro home-based industries hinder women's entrepreneurship. Involvement in manufacturing and construction activities of civil works give evidence to their potential regarding market growth opportunities and should be encouraged. Women have emerged as small and cottage industries' exporters and their newfound control of export-oriented indus-

tries is promising for further female participation and employment.

Contribution of women in the economy is very important for the growth of the socioeconomic environment of Bangladesh. Without meaningful and active participation of women in regular economic activities, a dynamic and sustainable economy is impossible to achieve. Bangladesh has undertaken systematic reforms across all sectors with an emphasis on initiatives to increase women's participation through laws, international conventions and affirmative activities. Today women have brought about social and economic change and opened up a new dimension in the business arena through their participation in different socioeconomic activities in Bangladesh.

#### Support services

Importance of women entrepreneurs in the national development process has been acknowledged. The steps to realise these objectives are as follows:

- Legal assistance for getting trade license and other trade documents
- Financial support to reduce interest rates, ensure easy access to loans, and guarantor-free loans for women entrepreneurs
- Marketing assistance to use local products. Market should be created abroad through fairs and other promotional campaigns
- Technology including continuous product/service quality control, quality enhancement through adopting new technology, tax reduction on imported new machinery, etc.
- Adoption of business management practices covering a range of activities like HR, employee handling, customer management, recordkeeping, costing, inventory management, procurement, strategic positioning, etc.

#### Policies and programmes

Government strategies in its National Action Plan (NAP) for the development of women's entrepreneurship include:

1. Adoption of a comprehensive sustainable industrial policy that will promote equity for women and men
2. Setting up a Women Entrepreneurship Development Cell
3. Identification of women entrepreneurs
4. Publication of a directory of women entrepreneurs
5. Ensuring women's easy access to markets
6. Development of entrepreneurial skills of women through Entrepreneurship Development Training
7. Provision of infrastructural facilities for women entrepreneurs
8. Support research, evaluation and

action oriented programmes

9. Supporting services for financial and credit institutions

10. Organising women entrepreneurs' conventions

11. Meetings to discuss problems faced

12. Promotion of product development and international marketing

#### Public and private institutions

Public/government institutions that offer support services to women entrepreneurs include: Bangladesh Small & Cottage Industries Corporation (BSCIC); Women Entrepreneurship Development Programme (WEDP); Bangladesh Rural Development Board (BRDB); Bangladesh Management Development Centre (BMDC); Bureau of Manpower, Employment and Training (BMET); Directorate For Women's Affairs (DWA); Department of Youth Development (DYD); Bangladesh Handloom Board (BHB); Bangladesh Technical Assistance Centre (BITAC); Power Development Board (PDB); Rural Electrification Board (REB); Titas Gas Transmission and Distribution (TGTD); Water and Sewerage Authority (WASA); SME Foundation (SMEF); and Export Promotion Bureau (EPB)

Private institutions and agencies that do the same include: Micro-Industries Development Assistance & Services (MIDAS); Bangladesh Rural Advancement Committee (BRAC); Gonoshasthaya Kendra (GK); Grameen Bank; Bangladesh Small Industries and Commerce Bank Limited (BASIC); Business Advisory Services Centre (BASC); National Association of Small and Cottage Industries of Bangladesh (NASCIB); Bangladesh Employers' Association (BEA); Women Entrepreneur Association of Bangladesh (WEA); Jatiya Mohila Sangstha (JMS); Bangladesh Women Chamber of Commerce & Industry (BWCCCI); and Bangladesh Association of Women in SME (BAWSME).

#### Policy recommendations

Entrepreneurship is the key to the creation of new enterprises that energise and revitalise the economy. It serves as a catalyst in the process of industrialisation and economic growth. Women entrepreneurs can play a vital role in combating rural poverty. The emergence and development of women entrepreneurship largely depend on the supporting conditions of economic, social, cultural, and psychological factors. To improve women's socioeconomic status, it is necessary to formulate appropriate government policies, take necessary actions and introduce effective measures to integrate women in the mainstream development process. The

government's industrial policies stipulate several useful strategies to broaden the participation of women entrepreneurs:

1. Financial policies and strategies

- Identification of viable women entrepreneurs capable of running independent businesses
- Establishing a credit guarantee scheme for women entrepreneurs
- Sinking interest rate for loans for women entrepreneurs

- Setting up special windows or counters for women entrepreneurs in commercial banks
- Pre- and post-investment counselling for women entrepreneurs
- Allocation of women's share in equity development and fund

- Preferential treatment of credit for women entrepreneurs in thrust sectors
- Monitoring of credit disbursement for women entrepreneurs
- Maintaining gender-based data on credit disbursement and dissemination of information on credit opportunities
- Creation of a one-stop service at the Ministry of Commerce for women entrepreneurs

- Establishing a women's bank
- Enabling credit for women without collateral
- Special market facilities both in the domestic and international arenas
- Reserving plots for women entrepreneurs in industrial parks in all divisional towns
- Promoting female labour-intensive export-oriented production
- Encouraging female entrepreneurs in the export sector
- Honouring best female entrepreneurs by awarding the Annual Export Trophy
- Organise national and international trade fairs for women entrepreneurs
- Fixed quota of stalls for women entrepreneurs at export fairs
- Arranging exclusive fairs to promote products manufactured by small and cottage based units
- Ensuring participation of women entrepreneurs in policymaking, financing, and investment
- 2. Counselling and support services
- Linking credit programmes with entrepreneurship development training programmes
- Encouraging women to come up with new products and diversify their products
- Designing various incentive packages
- Giving pre-investment advice and assistance
- Providing financial support and, in special cases, arranging necessary capital

- Establishing a separate bank to ensure easy access to industrial credit, equity capital, venture capital, working capital, and collateral free loans
- Advocating for reducing custom and excise duties for SME women entrepreneurs
- Setting up development banks with separate advisory service cell for women
- Simplifying lending procedures with minimum documentation formalities
- Creating special provisions for female entrepreneurs
- Advocating for insurance facilities for SMEs
- 3. Other suggestions
- Tax holidays for women entrepreneurs should be extended further and made more supportive
- Gift tax should be removed in the case of women beneficiaries
- Either the registration procedure for import and export business should be simplified and made women friendly or completely dismantled
- All anomalies in custom procedures must be removed and made women friendly
- Tariff for women entrepreneurs should be abolished
- Value Added Tax (VAT) for women entrepreneurs should be abolished

Government and private sector interventions have generally accelerated income-generating activities of women both in the urban and rural areas. Such kind of support services, policies and strategies have helped change the scenario in Bangladesh, especially for the women who gathered the courage to break barriers and enter the formal working force as entrepreneurs and workers.

Women genuinely love their work, are willing to put in those extra hours to make the business succeed, and research ways to make the business better. There is no such thing as a typical entrepreneur. Some entrepreneurs are quiet and hard-working, while others are more outgoing and flamboyant. The key to being a successful entrepreneur lies in the ability to take an idea and, through the process of innovation, develop it in such a way that it becomes a marketable product or service. Both government organisations and the private sector have a major responsibility to promote entrepreneurship development for women. Without that, the advancement of women will remain a distant reality.

The writer is Dean of Sociology and Social Work at The People's University of Bangladesh, former Director of FBCCI & SAARC Chamber, and President of NASCIB Women Entrepreneurs' Council.