

Economic Policy Paper on Women Entrepreneurs in Bangladesh

1. Background

1.1 Women in Bangladesh

Bangladesh is a resource limited and overpopulated country where society is highly stratified, services and opportunities are determined by gender, class and location. However, women make nearly half of the population (Table -1), which means huge potential to be utilised for socio-economic development of the country.

**Table -1
Population Status of Bangladesh**

Census From 1999			Census From 1998		
Total	Male	Female	Total	Male	Female
106315000	54729000	51587000	126200000	64819000	61381000
	Share at Total Population (%)			Share at Total Population (%)	
	51.48%	49.52%		51.36%	48.64%

Source: Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People's Republic of Bangladesh, Dhaka 1999 (Page 85).

Sex and Age based Structure of the Population (Table – 2) shows that like the male population of the country, women represent a vast resource for the country. They must be provided equal opportunity in education, employment and economic activities, then only this resource could be utilised properly.

**Table -2
Sex and Age based Structure of the Population 1996**

Age-base Group	Total Population (%)	Male Population (%)	Female Population (%)
10-14 Years	12.6	12.52	11.58
15-19 Years	8.52	8.41	8.65
20-24 Years	8.40	7.60	9.25
25-29 Years	6.10	7.92	9.11
30-34 Years	4.25	6.10	6.10
35-39 Years	3.25	5.87	5.14
40-44 Years	2.89	4.40	4.09

Source: Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People's Republic of Bangladesh, Dhaka 1999 (Page 124).

The educational status of women in Bangladesh shows that they are being increasingly educated. Though, the literacy rate of the women remains in average nearly 10 percent point behind their male citizen, as a least development country it

must be rated as encouraging (Table – 3). The country should provide this growing educated women folk with job and other productive economic activities.

Table -3

Status of Literacy 1997

Total (%)			Male (%)			Female (%)		
National	Urban	Rural	National	Urban	Rural	National	Urban	Rural
47.3%	59.9%	41.0%	50.6%	63.0%	44.5%	41.5%	53.7%	35.3%

Source: Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People’s Republic of Bangladesh, Dhaka 1999 (Page 348).

The situation for university-educated women is not better than the illiterate women population of the country. The data of the university students and teachers from 1999 shows that the girl students make more than 31.42% of the total students of the public universities, the share of the women teachers in these universities remained only 15.69% (Table–4). The situation in private universities remained in this year worse¹. The share of the women students and teachers of the universities shows that even educated women have to face serious hurdles to profile in the job market. This is certainly harder to profile and be successful in the business sector of Bangladesh.

Table – 4

Students and Teacher in Public Universities (1998)

Total	Student				Teacher				
	Male		Female		Total	Male		Female	
	Total	%	Total	%		Total	%	Total	%
105598	72415	68.58	33183	31.42	4334	3654	84.31	680	15.69

Source: Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People’s Republic of Bangladesh, Dhaka 1999 (Page 342).

The Constitution guarantees all citizens equal rights, which is also reflected in national policies and plan documents; in reality, there are significant disparities between men and women, rich and poor and rural dwellers in access to the development process both as agents and beneficiaries.

Social perspectives and overall situation have been experiencing, however, a lot of changes now a days. In response to the demand of different internal and external pressure groups, women participation in all sectors, including economy, has increased over the last two decades.

1.2 Women Employment Status

¹ Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People’s Republic of Bangladesh, Dhaka 1999, Page 343.

Women in the rural informal sector are either self-employed or employed in family based enterprises that includes both agricultural and non-agricultural sector. These activities which include homestead agriculture, livestock and poultry rearing, fish farming, nursery and tree plantation, tool making, kantha sewing, fish net making, food processing, tailoring, rice processing etc. have been regular and invisible sources to family income supplementation. A sector- wise distribution of employed persons in rural areas shows that agriculture is the pre-dominant source of female employment, followed by the manufacturing sector.

Table -5
Sex based Distribution of Employment

Occupation	National occupational employment (%)	Share of Male employment at total employment (%)	Share of Female employment at total employment (%)
Technical	3.3%	3.5	3.0
Administrative	0.4%	0.6	0.0
Clerical	2.2	3.2	0.6
Sales	11.3	16.8	2.2
Services	3.5	2.4	5.4
Agriculture ²	63.8	54.6	78.8
Production ³	15.5	18.9	10.0
Total	100	100	100

Source: Statistical Pocketbook, Bangladesh 99, Bangladesh Bureau of Statistics, Government of the People's Republic of Bangladesh, Dhaka 1999 (Page 144).

Women in Bangladesh are employed in low category of jobs. Most of them are employed in Agriculture, Forestry and Fishery sector, where the share of the women employees is 78.8% (Table – 5). Even in clerical job women are poorly represented. In administrative function, there is little woman participation, which clearly shows the frustrating job situation for the women in Bangladesh. Due to the emergence and growth of the Ready Made Garments sector, the share of women in production has increased; the share of women in production sector is 10%. Only in “sale” sector, the job share of women is more than their male colleagues, the share of women in this sector is 5.4.% whereas the male only 2.4% of the jobs of this category (Table–5).

The entrepreneurship status of the population shows that out of 46.8% self-employed citizen, women make only 8.3%. The situation is, however, in urban Bangladesh a little better. In urban area nearly 15.4% of the 36.7% self-employed people are women. In rural area, it is only 7.4% of 47.6% (Table – 6 & Graphic- 1).

Most of the women are unpaid family helper, 83.2% in rural area and 42.9% in urban area. A part of the poor women works also as day labourer. On national level it is

² This includes Forestry and Fishery

³ This includes Transportation.

5.7%, in urban area 6.2% and in rural area 5.6% (Table – 6 & Graphic - 1). This shows that industrial development in Bangladesh is unable to absorb even the cheapest part of the labour force – the women labour.

Previously, women's enterprises were confined in sectors that were dominated by traditional gender role, such as food and beverage, beauty parlour, health, education, webbing, tailoring and wholesale and retail apparel trade. But the situation is improving slowly; today women are also in occupations, which were solely controlled by the male before. Now, some of them possess top management post in private and public sector enterprises, sit in the most important policy making bodies of the country, are entrepreneurs and own enterprises. Women are now seen also as owners and managers of cold storage, shipping lines, advertising firms, travel agencies, interior decoration, engineering workshops and even garment industries, etc.

1.3 Policies and Programs Encouraging and Supporting Women Entrepreneurship

The importance of women entrepreneurs in the national development process has been acknowledged by successive governments and steps initiated to realise these objectives. Consequently, under successive Five Year Plans, women's development initiatives have been gradually integrated into the macro framework and multi-sectoral economy to bring women into the mainstream of economic development and encourage potential women entrepreneurs realizing their business plans.

In all Development Plans, i.e. from the First to the Fifth Five Year Plan, development of women in all spheres of our national life has been given priority. The **First Plan (1973-78)**, as for example, emphasised a welfare-oriented approach and focused on rehabilitation of war-affected women and children. **The Two Year Plan (1978-80)** was characterised by a shift from welfare to development efforts. The **Second Plan (1980-85)** emphasised creating a congenial atmosphere for women's increased participation in development through expanding opportunities for skill development, credit and entrepreneurship development program. The **Third Five Year Plan (1985-1990)** had specific objectives to reduce disparity between development of men and women. The **Fourth Five Year Plan (1990-95)** placed women within the context of macro framework with multi-sectoral thrust and focused more on the development of poor and disadvantaged women.

In the **Fifth Five Year Plan (1997-2002)** as many as 24 goals and objectives are set for development of women and children in the country. These goals and objectives, if implemented properly will definitely contribute with the participation of women in every sphere of our national life.

2. The UN Convention – Beijing Declaration

The Fourth World Conference of United Nations on Women Development in Beijing, 1995, adopted the Beijing Declaration: Platform for Action Plan (PFA). The PFA provided an agreed upon strategy for global community to move forward and entrust the governments for the development of women in all areas.

In article 11 and 13, the Beijing Declaration distinctly mentions the issue for the development and emancipation of the women. Article 11 of the PFA provisions for

general development of the women. Article 12 on the other hand mentions the issue of the equal economic right and opportunities and development of women. It includes the right of the women for credit, which is a basic pre-condition for the development of the women entrepreneurs. The two articles are:

Article 11

State parties take all appropriate measures to eliminate discrimination against women in the field of employment in order to ensure, on the basis of equality of men and women, the same right in particular: The right to free choice of profession and employment, the right to promotion, and security and all benefits and conditions of service and the right to receive vocational training, including apprenticeships, advanced vocational training and recurrent training

Article 13

State parties shall take all appropriate measures to eliminate discrimination against women in other areas of economic and social life in order to ensure, on a basis of equality of men and women, the same right, in particular to: The right to bank loans, mortgages and other forms of financial credit

The government of the Peoples Republic of Bangladesh has adopted the Beijing Declaration and the Platform for Action. The government commits to implement the resolution of the Deceleration in its relevant polices. The Ministry of Women and Children Affairs has set up an inter-ministerial Task Force to follow-up the implementation of the resolution of the Platform for Action Plan culminating the National Policy and National Development Plan and for development and empowerment of women and protection of women's rights.

3. Government Policy for Women Entrepreneurship Development

3.1. Women Entrepreneurship Development in the Constitution of the country

The Articles 26, 27 & 28 of the Constitution of the People's Republic of Bangladesh have distinctly mentioned the issue of emancipation and development of the women folk of the country. The Articles 26 and 27 provide for cultural, social and political development of the women folk. The Article 28 on the other hand mentions the issue of equal economic right and opportunities and development of women entrepreneurs. The constitution also includes the issue of the development of the women entrepreneurs (Annex 1).

3.2 Government's strategies for women entrepreneurship development

Government has set distinct strategies in its National Action Plan (NAP) for the development of the women entrepreneurship, which are:

- Adoption of a comprehensive sustainable industrial policy that will promote equity for women and men;
- Increase the number of women entrepreneurs;
- Ensure women's easy access to markets;
- Develop entrepreneurial skills of the women;
- Provide infrastructure facilities for women entrepreneurs;

- Upgrade technical “know-how” of women and develop technology suitable for women;
- Enable MOI and other related ministries and agencies to address and implement WID issues in comprehensive and coordinated way for effective implementation of the Industrial Policy;
- Support research, evaluation and action oriented programs of industry particularly for women engaged in the industrial sector.

The Fifth -Five-Year Plan of the country clearly reflect objectives of the development policies and National Action Plan (NAP), which commit:

- Ensure equal rights of women in all spheres of development, including access to information, skills, resources and opportunities;
- Enhance the participation of women in political, civil, economic, social and cultural life;
- Promote economic self-reliance for women, and generate economic policies that have positive impact on employment and income of women workers in both formal and informal sectors;
- Create appropriate institutional arrangements with necessary financial and human resources and authorities at all levels to mainstream women’s concerns in all aspects and sectors of development
- Mainstream women’s concern in agriculture and rural development, industry and commerce besides services;
- Ensure the visibility and recognition of women’s work and contributions to the economy.

3.3 Credit Policy and industrial development

Credit plays a central role in industrial development. So access to credit facilities in the modern economic world is a determining factor of the level of economic activity and growth. The experience of the developed world shows that not only economic endeavour but also social endeavour like education is ensured by adequate supply of credits. But there are various formalities and complicated procedures, which in most cases make credit a relatively inaccessible commodity to meet the growing need of the entrepreneurs of developing countries like Bangladesh.

Academicians and people from the practical field also have emphasized the necessity of credit for the promotion of women entrepreneurs in various ways. According to Dr. Muhammad Yunus of Grameen Bank, ‘credit creates hope and ambition for change in the women business peoples and potentials entrepreneurs’. Jennifer Riria-Ouko, Managing Director of Kenya Women's Finance Trust have the view that “Direct financial services are the key way to empower women and empowering women is the only way to a chieve total development”.

Bangladesh has a wide network of NGOs that sponsor schemes targeted towards lending to women on preferential basis. BSCIC, MIDAS, NASCIB, Women Entrepreneurs Association, Bangladesh, Jatiyo Mahila Sangstha have been playing in this respect a leading role. The DCCI has joined this program with specific objectives and targets for bringing the women entrepreneurs in the mainstream economy. And in this a sample survey to assess the status of women entrepreneurs

in Bangladesh has already been completed by the DCCI to plan a strategy what are needed for women entrepreneurship development.

3.3.1 Credit policy for Women Entrepreneurs

There is no credit policy in the country, which could be devoted for women entrepreneurship development. Certainly it could be questioned: Is specific credit policy necessary for the promotion of the women entrepreneurs? Is it not tenable since the government is issuing or has issued policies concerning almost all the sectors, which have preponderance of private sector involvement including women entrepreneurs. Is not it sufficient to have a well designed credit policy of the country within the framework of a more comprehensive financial policy, which certainly include the necessity of the women entrepreneurs?

In place of a credit policy, what is available is a set of credit arrangements guided by Bangladesh Bank (BB). This is arranged by the central bank and executed by the individual commercial banks, specialized leasing and other types of banks, which operate in the public and private sectors. Under the financial sector reform a lot of flexibility has been ensured for running the credit system. Now an interest band based client relationship is allowed rather than a fixed rate of interest as used to be prescribed by Bangladesh Bank earlier. But in absence of any mandate laid down by the Bangladesh Bank, it is seen that private banks are more prone to financing export-import sectors than to go into long term lending for industrial units, because it is more profitable and predictable for the banks.

There is no policy prescription in the Industrial Policy 1999 that suggests that bank or other financial institutions should have special arrangements for financing women's enterprises. The Industrial Policy does identify women and their financial or other needs what is done in India where Industry Policy incorporates special arrangements for women enterprises. Thus, it is expected that overcoming the shortcomings of the Industry Policy '99 in respect of special financing arrangements for women enterprises like permission for using share market for capital mobilization may be considered.

In Bangladesh, a special bank named BASIC is established with the mandate to finance small and cottage industries sector. Since its direct lending program could not be so successful, so it is now operating through NGOs in this respect. But, unfortunately, its mandate is not adequately utilised by the lending of NGOs. The NGOs do not finance small industries or even cottage industries of higher levels. The statistics from 1998 in respect of this function of BASIC show that out of 237 projects directly funded by the bank only two were women entrepreneurship related. BASIC's involvement in funding women's enterprises can, therefore, be termed very insignificant, in that respect, the function of BASIC is not worth mentioning.

3.3.2 Credit for women entrepreneurs

Most of the organizations, institutions and agencies, however, sponsor very small loans. Such loans may be sufficient for keeping the beneficiaries above the poverty line but not adequate to enter into business at a higher level, which could be designed as enterprise. These institutions follow, however, the policy for promotion of self-sustaining employment and income generation for the poor and vulnerable

women especially in rural area. Certainly the programs of these institutions have useful impact for poverty alleviation and self-employment. And it must be recognized that these programs are not designed to promote women entrepreneurship and meet the needs of women entrepreneurs.

There are a limited number of banks in the public sector and in the private sector, which are sponsoring lending programs for women catering to their needs for capital. These loans do not, however, exceed TK 3 lakhs and are mostly not collateral based and can cater to women entrepreneurs who are operating above self-employment levels but on a limited scale which is equivalent to cottage/micro-industries level. Those lending schemes are largely project based and do not constitute an integral part of lending even in case of public and private sector banks. The institutions, which do not insist on collateral for these loans do, however, insist on guarantees from husbands or relatives of the intending women borrowers. Thus male dependency in this sphere of lending even for a small amount is very prominent and that handicaps women entrepreneurs to obtain loans.

For small and medium size women entrepreneurs, there is no special credit program in the country. Credit is most valuable for the development of the small and medium size women entrepreneurs. Because, from small and medium size entrepreneurs grow the leading industries. Besides, small and medium size entrepreneurs play decisive role in the direction of the future development. On the other hand, medium and long term credit is entirely collateral based, which is subjected to a multitude of cumbersome and complex formalities. Besides, the rate of interest is relatively high, which discourages women entrepreneurs to utilize the lending facility of this kind.

3.4 Tax Policy

Tax policy and taxation can have profound influence on the women entrepreneurship development. In Bangladesh tax policy and measures are too complex to be understood by an average income earner. Tax policy and taxation are subject to many anomalies and contradictions. These fluctuate even on yearly basis, all of which exert an adverse influence, direct and indirect, on the investors including women investors of the country.

3.4.1 The Tax Ordinance, 1984

The Tax Ordinance, 1984, has specified "deemed income" as income. The term "deemed income", however, has not been defined, which means that the tax collector can identify income as chargeable to tax. Clause (e) of section 33 of the Income Tax Ordinance has given unbridled power to the tax collector to call "any other income of any kind or from any source which is not classifiable under any of the other heads specified in section 20 of the law. Once the tax collector calls any thing as income nowhere except in appeals or court there will be final decision as to whether or not that element is income. It is because of that cancellation of indebtedness Section 19 (11), unpaid bank interest after 3 years (Section 19 (15)(a), trading liability after 3 years Section 19 (15) (c) are income though these are not income in real sense. Similarly loan amounting to more than TK 50,000 if not taken from a bank or through a crossed cheque issued on a bank is treated as income. Surprising though it may seem, loan money is also taxable as income if the borrower is unable to repay the same within 3 years. Another notable feature is that if anybody

sells property and earns more than its cost price, income tax is payable on the excess realization. In many countries of the world, such as U.K., this is not treated as income.

Thus, it is seen that there is absence of clarity in definitions of income in the context of income tax law. And this is bound to cause confusion to many women entrepreneurs unless they take recourse to legal advice, which is always expensive and adds extra burden to their limited resources.

3.4.2 Tax holiday

Tax holiday means exemption from payment of tax on profits and gains from business or industry for a specific period of time. It is termed as incentive for investment and is being practiced in the country since independence. In fact, this incentive for the encouragement of investment was introduced during Pakistan time. An expert committee, however, recommended that tax holiday had to be discontinued with effect from 1 July 2000, which was supported by the World Bank. But due to demand from the private sector the government has extended this facility up to 30-6-2005.

The period of tax holiday of any undertaking will be counted from the month of commencement of commercial production or operation of the undertaking. For entitlement to this facility the undertaking shall have to fulfil the following conditions:

- It has to be owned and managed by a body corporate or by a company formed under the Companies Act, 1993 or the company laws 1994.
- The undertaking has to be engaged in the manufacture of goods or materials or subjection of goods or materials to any process or exploration or extraction of mineral resources or the processing of agricultural products, in providing physical facility and in the tourist industry.
- At least 30% of the tax holiday profit shall to be reinvested in the said undertaking or in any new industry, stocks and shares of public companies or in government bonds and securities.
- If out of the re-investible 30% of the profits any dividend is declared, reinvestment of the balance will serve the purpose.

As already noted, scheduled time for tax holiday has been extended up to 30-6-2005. Any undertaking set up during the period up to 30 June, 2005 will be entitled to this facility subject to fulfillment of other conditions as already discussed. During this short period up to 30-6-2005 (less than 5 years from now) rarely any woman entrepreneur is able enough to set up undertaking and fulfil the conditions of tax holiday. So, women will hardly be able to reap the benefit of the holiday.

Enabling the women to reap the benefit of tax holiday, this system should be allowed to continue for women entrepreneurs for a minimum of another 25 to 30 years. And the law should include not only selective types of industries like designing, printing, cane products, bamboo products, wooden crafts, food processing, fruit preservation, beauty parlour, perfumery, cosmetics, garments (ladies), nakshi kantha, sewing, leather crafts, etc but for all types women entrepreneurial undertakings.

3.4.3 Gift Tax

Access to credit for women entrepreneur poses a problem and this assumes critical proportions in the whole process of setting up an industrial unit as well as running it on a economically viable basis. Generally women entrepreneurs try to tap several sources to mobilize fund. Of different sources, gift is considered a good source of capital. According to income tax rules, gifts made by parents to their children or by children to their parents or gift made between spouses, brothers, sisters and are tax free. But gifts made by others above Tk.20, 000 (twenty thousand) are taxable. It is important to note that though father-in-law cannot gift to daughter-in-law without tax, he can gift to his son and the son can easily gift to his wife. This law poses illogical hindrance for a woman entrepreneur and potential woman entrepreneur to use gift as a source of fund without going into extra cost, which discourage specially the gift giver or helper.

3.4.4 Value Added Tax (VAT)

The issue of VAT is also relevant in respect of women entrepreneurship development. For women entrepreneurs, there is no special consideration in administering VAT. In the spirit of supporting women enterprises, a way may be found out to rationalize VAT.

4. Supporting Services of Financial and Credit Institutions

4.1 Services of Financial and Credit Institutions

Generally, financial institutions and banks extend credit for women under micro-credit program for poverty reduction. Based on the cost of the fund, the interest rates of these credit vary. For this purpose, mainly donor supported project funds are used, though some funds are also provided by Bangladesh Bank. The Bangladesh Bank directs the commercial banks to lend at least 1% of their lending capital for industrial sector. 5% is expected to be spent for SCI sector. These loans are often operated through NGOs or development agencies. Men mainly access the investment in the industrial sector. However, other than for poverty reduction project loan, there is no special regulation for credit for women entrepreneurs.

Since the banks do not preserve gender based financial data, it is not possible to provide information in this regard. Some banks have ladies branches. But the objective of the activities is to mobilise savings and not encourage investments. Besides, the number of ladies branches are very limited in compared to the needs (Table - 7). Most of these branches, however, incur loss, because they function as deposit collectors rather than lending institutions. Though not legally consistent, the banks and some support programs openly insist on the consent and guarantee of

husbands' or other male relatives' sanctioning loan to women. The number of women borrowers from banks are limited and is extremely lower than that of men.

**Table –7
Bank-wise Number of Ladies Branches**

Sl. No.	Name of Banks	Countries Total Branches of Banks
1.	Sonali Bank	22
2.	Janata Bank	5
3.	Agrani Bank	-
4.	Rupali Bank Ltd.	9
5.	Uttara Bank Ltd.	1
6.	Pubali Bank Ltd.	-
7.	Total	37

Source: Accessibility of Women in bonding services, Bank Panorama, Vol. X,YI, Nos. 1 & 2 A, March & June, 1996 (Page 122)

For industrial credit the number of women borrowers is very limited. Table - 8 shows that only a small number of women entrepreneurs got bank loan in 1993/1994. The total loan disbursement of the women entrepreneurs also was very small. In 1993 only Janata Bank and Agrani Bank disbursed loan Tk 416,773 and Tk 452,123 respectively. In 1994 the situation was nearly the same; only Agrani bank increased its loan for the women entrepreneurs, in this year it was only TK 840,519, which is also very small. In respect to loan for women entrepreneurs, the role of the other banks remained very poor, though the functions of Agrani Bank and Janata Bank were also very unsatisfactory (Table–8). Since 1994 no significant improvement has taken place in this regard.

**Table – 8
Bank Financing to Women Borrowers by Year**

Same of the bank	No of Loanees				Amount Disbursed			
	1993		1994		1993		1994	
	Total*	Female**	Total*	Female**	Total*	Female**	Total*	Female**
SB***	292	-	1,925	1	12,353	-	27,521	-
JB	347,312	4	416,773	6	480,765	57	840,519	217
AB	410,741	23	451,123	46	262,368	1,117	305,536	386
BSB	634	1	629	1	6,620	7	3,060	-
ABBL	1,625	8	1,725	8	75,214	333	72,664	152
NBL	6,376	1	6,751	2	80,100	1	87,700	300

Sources: Shoaib Ahmed, Role of Women Entrepreneurs in the Economy, JOBS, FBCCI

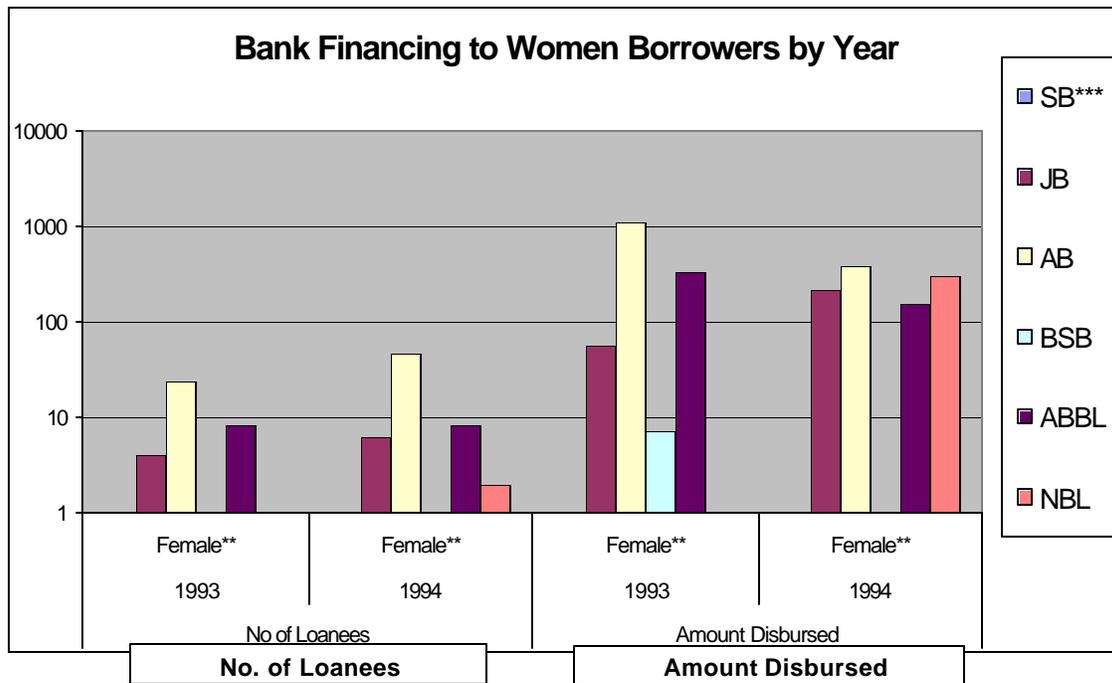
Note:

- * Total includes all types of loanees, loans and advances
- ** Female includes only industrial and trading loans advanced to women
- *** Sonali Bank Figures only include industrial sector

SB= Sonali Bank, JB= Janata Bank, AB= Agrani Bank, BSB= Bangladesh Shilpa Bank

ABBL= Arab Bangladesh Bank Ltd., NBL= National Bank Ltd.

Graphic – 1: Bank Financing to Women Borrowers by Year



Source: Table - 8

5. Supporting Services of Public and Private Institutions and Agencies

5.1. Women Entrepreneurship Development: Activities of Bangladesh Small and Cottage Industries Corporation (BSCIC)

During 1982-83, the ILO program for Rural Women, which was a part of the Rural Policies Branch (EMP/UR) of the World Employment Division, carried out 12 programs for Rural Women in Bangladesh. All these programs aimed at promoting income-generating activities among women from the poorest section of the nation.

In pursuance of the recommendations of the said evaluation, a program on Self-employment scheme for female headed households had been taken up by ILO within the framework of an ILO/Finland multi-bi-lateral regional project in three Asian countries (India, Nepal and Bangladesh) beginning from primary objective of this project was to improve income, employment opportunities and working conditions of the poor rural women who are the sole or major economic contributors to their families. Upon completion of the projects, it was expected that the government, women organisation and NGOs would be able to replicate the schemes in other parts of their country. In the planning it was expected that governments of the respective countries would take into account the special problems of home-based piece-rate workers and the female heads of households and vulnerable group of women.

The Project on “Self-Employment for Rural Women in Bangladesh through Cottage Industries (BAS/81/10)” was a part of the ILO regional project. Bangladesh Small and Cottage Industries Corporation took up the Project Phase-I in collaboration with the Directorate of Relief and Rehabilitation (DRR) and World Food Program (WFP) in August 1986 in 2 Upazilas of the Rangpur District, initially for a period of one year. At the end of Phase-I (extended upto December 1987) an Evaluation was conducted. Based on the recommendations of the evaluation report, the Government of Bangladesh (GOB) and the International Labour Organization (ILO) agreed to undertake the project Phase-II in 4 Upazilas under 2 districts for a period of 2 years which ended in June, 1990.

In early 1989 an evaluation study was conducted by the ILO Headquarters, Geneva. The evaluation team highly appreciated the achievements of the project Phase-I and the on-going activities of Phase-II and recommended for replication of the project activities in other parts of the country on a larger scale, and in a coordinated way based on the model evolved by the project. As such, the project was extended for further period of 5 years covering 16,500 target beneficiaries in 5 Districts.

5.1.1 Development Objectives

Plan area-specific, seasonally and socially appropriate integrated employment promotion programs for the rural distressed women, particularly those who bear the primary responsibility of family survival. Strengthen and expand the organizational base for rural distressed women. Support assetless rural women (particularly female household heads) attaining sustainable year round self-employment at minimum wage rates in at least four villages in one district.

Organize groups of rural women workers in selected villages and provide collective access to development resources, market information and appropriate technologies. Develop methodology and approach through project implementation and demonstrate the possibility of replicability of the Programs. Establishment of linkages with the Local Government Institutions and other Government Departments who are working for the disadvantaged women group and utilized their available resources in a coordinated way. Development of savings habit and working capital among the target beneficiaries. Exchange of ideas and views with the similar projects supported by the ILO within South East Asian Region.

5.1.2 Impact of the Activities

It was targeted to identify 2768 women from 8 selected Unions of the Project areas. Up to end of the project period a total of 2963 (107%) women were identified. As per the schedule 70-75% of the total beneficiaries had to select from among the listed women of the VGD program of DRR. In fact, out of the total 2963 target women about 2340 (79%) were identified among the VGD-Card-Holders (who received wheat ration either for a period of 2 years or for a period of 3 months as emergency relief). They were organized into 106 village level Beneficiary Groups, each consisted of 25-30 women.

As per the Activity Schedule, it was planned to organize 6 Introduction and Planning Workshop and 10 Assessment and Planning Workshops. During the implementation period 7 (117%) Introductory and Planning Workshop and a total of 18 (180%) Assessment and Planning Workshop and Review meetings were held during the extended period of the project.

As per the target, 6 Orientation/Study Tours were organised for a total of 325 group leaders, selected beneficiaries and Union Parishad members within the country in order to give practical oriented income generating activities and their access to the development programmers.

It was planned to provide approximately Tk.25.00 lakh (US\$ 76,095) among the target beneficiaries of the project as credit support to undertake various incomes generating activities and establish different production units. A total amount of Tk. 34.82 lakh (US\$ 105,984) was disbursed among 2725 target women.

In accord of the Project, BSCIC provided following Skill Up-gradation Training:

Table -9
Skill Up-gradation Training

S.N	Activities	Number of Course	Number of Participants	Duration of the Course Months
1	Tailoring	8	90	3-6 Months
2	Bamboo/Cane Works	2	32	3-4 Months
3	Weaving	1	15	8 Months
4	Bag Sheet/Muffler Making	3	52	2-3 Months
5	Bee Keeping	1	20	2 Months

Source: Terminal Report on Self-Employment For Rural Destitute Women in Bangladesh Through Cottage Industries Project, Phase II, Mrs. Farida E. Arif, Dkaka 1991 (page 14).

During implementation of the project, linkages were established with the local government institutions and other government departments.

The project was scheduled to create direct employment opportunities for 2768 target women and additional part-time employment for approximately 6,920 members of their families. Till the end of the project period, the direct employment opportunities have been created for 2,725 women i.e., 98% of the target women. Besides, additional /part- time employment opportunities were created for 6, 815 (98%) family members of the target women.

According to the Baseline Survey of the project, the average monthly income per target family was Tk. 386 (US\$ 12.25). It was mentioned in the project document, that the monthly income per family should be doubled. The project was able to increase on an average per family monthly income of TK 850 (US\$ 26.97), which is more than double.

The BSCIC supports enable some of its beneficiaries to emerge as small entrepreneurs. But the women beneficiaries seem to be completely neglected by the BSCIC in its respective activities. The women who were able to emerge as entrepreneurs due to supports of the BSCIC, make only 3.8% of the total beneficiaries of the kind (Table – 10). And only 2.0% women beneficiaries of BSCIC manage their business self.

The Table – 11 shows that most of the women entrepreneurs supported by the BSCIC to grow are involved in “Food and Allied” and “Textile” sectors. Only 4 women entrepreneurs are involved in Engineering and 1 in “Chemical and Pharmaceuticals” sector. In other sectors, no women entrepreneur is present. This shows that even the biggest and most important public agency in this respect remained till 2000 in supporting the women entrepreneurs unsuccessful.

5.2 Micro Industry Development Assistance and Services (MIDAS)

Micro Industries Development Assistance and Services (MIDAS), a private sector organisation, promotes development of small enterprises with a view to generate employment opportunities. It was formed with the financial support of USAID in 1982 and assisted till 1993. Now it is a self-sustained counselling organisation for the promotion of micro industries, which has the following functions:

- Collation and dissemination of information on small and micro enterprises,
- Carrying out socio-economic studies and research,
- Identifying industrial projects of innovative nature,
- Promoting women entrepreneurship, providing technical, and
- Managerial assistance in the form of counselling, and training to existing and potential entrepreneurs.

MIDAS Financing Ltd., the sister concern of MIDAS, a non-bank financial institution licensed by Bangladesh Bank from October 1999 under the Financial Institutions Act. 1993 has taken over the enterprise financing of MIDAS. It is also implementing the Women Entrepreneurship Development (WED) program of MIDAS, which aims at mainstreaming women entrepreneurs.

The activities of the WED Cell includes but is not limited to, the followings:

- Attending walk-in-clients
- Networking
- Holding monthly meetings with women entrepreneurs and sharing thoughts, ideas and problems on business issues.
- Potential entrepreneurs are encouraged to attend the monthly meetings where they can seek advice and expertise from established businesswomen. Anyone can attend these meetings.
- Organizing workshops and inviting guest speakers to share their views
- Organizing training programs
- Providing marketing facilities by establishing and supervising sales outlets (MIDAS MINI MART) for women entrepreneurs; so far 4 such units have been established
- Financing suitable projects of women entrepreneurs and monitoring these projects. More than 400 micro and small enterprises owned and run by women entrepreneurs have been financed by MIDAS till October, 2000
- Representing MIDAS in various women entrepreneurship related forums.

5.2.1 Activities of MIDAS

Major activities of MIDAS are centred in Training, Trade Fair, Financial Assistance and MIDAS Mini Mart (an opening of women entrepreneurs products)

5.2.1.1 Women Entrepreneurship Development (WED) Cell of MIDAS

To help promote women entrepreneurs MIDAS has one special program, which MIDAS started from its very inception- the Women Entrepreneurship Development or WED Cell. WED Cell is one of the best ways of empowering women and

mainstreaming them in the economic activities of the country, with the primary object to create entrepreneurship among the women folk of the country.

5.2.1.2 Women to Women Support Program

Women to Women Support program is a new program introduced by the WED cell. MIDAS analysing the practical requirement of the women entrepreneurs – mostly prospective ones, has undertaken it.

Objectives of Women to Women Support program are:

- Through matchmaking process help new entrepreneurs establish a commercially viable enterprise;
- Upgrade and improve the quality of existing products and diversify the product range of existing small and micro enterprises run by women;
- Expand the existing market share and marketing network of women entrepreneurs;
- Creating a network among the existing and potential women entrepreneur groups, and
- Maintaining an up-to-date data bank of potential and existing women entrepreneurs of various sub-sectors.

The function of MIDAS, mediator between the two groups is to closely supervise and monitor the two groups and provide them with necessary technical support, guidance, etc.

5.3 The Dhaka Chamber of Commerce and Industry

DCCI is a limited company incorporated under the Companies Act 1913. It was established in the year 1958. It is the largest Chamber of this country at least in terms of membership strength.⁴ DCCI has its training cell. Besides, a training institute in the name of DCCI Business Institute (DBI) has been initiated.

The Dhaka Chamber of Commerce and Industry (DCCI) acknowledged that in Bangladesh women live within the constraints of a conservative society where men are the customary bread earners. Apart from the domestic duties, women have, however, to shoulder a major part of the economic burden of the society to share family expenses. The DCCI assumed that most of the constraints deterring economic Empowerment of the women are lack of access to economic resources, including credit, absence to support services, better training and skills, limited access to power and lack of access to larger quantum of resources. So, initiated two projects – one is TIPS and the second the DCCI-CIPE, ERRA Project supported by the US Chamber of Commerce, Washington, D.C., USA.

5.3.1 Standing Committee of the DCCI

DCCI activities run through a number of important standing committees. Women Entrepreneurship Development standing committee is one of such very important committees which acts as the nucleus to activate the women entrepreneurship

⁴: Respective Chambers: January 2001
WED Paper

development activities in the chamber. The committee works for finding out ways and means for the growth and development of the Women Entrepreneurs engaged in business and industry and to educate and encourage them for participation in nation building activities. The committee arranges meetings, seminars, symposiums to create adequate awareness in this regard. It also works for creating favourable environment and circumstances for inducting/engaging women entrepreneurs in the field of trade and industry and to help them in setting up business houses in all possible ways. The committee also formulate suggestions and recommendations for improvement of services to this class of entrepreneurs by the government/public institutions and organization. The problems of the women entrepreneurs are raised and mitigated through the standing committee.

5.3.2 The TIPS Project

DCCI postulates that most serious constraints, which deter the economic Empowerment of the women, are lack of access to finance i.e. credit, failing adequate supporting services and appropriate skill training. So, it initiated two projects – one is TIPS and the other is the DCCI-CIPE, ERRA Project supported by the US Chamber of Commerce, Washington, D.C., USA.

Though the TIPS has started its journey to specially line up the Women Entrepreneurs from 16th January, 2001, within this short time large number of members joined. These groups are swimming against the tide in the quest of economic independence and through the services of TIPS they are now entering into the network of 43 countries for expanding their business worldwide.

TIPS particularly encourages efforts directed towards small scale and micro scale women entrepreneurs in both the formal and informal sectors including self help group those have yet to benefit from technological progress and that are too small to be worthwhile customers for the major laboratories.

TIPS Bureau provided them training on e-mails, internet searching, to submit offers and demands in the internet etc. Activities expanded and 7 of the entrepreneurs participated in an international fair and exhibition at Delhi during April-2001. This was a SPANDANA program supported by UNIFEM. In this event the entrepreneurs participated in advance training courses of designing, e-commerce, marketing, block printing, etc along with selling and displaying their goods in Bangladesh booth in the Exhibition.

It is very encouraging that most of TIPS women members now have a computer of their own and they know how to send and receive e-mails, search internet to find required information, submit offers and demands, etc. More and more women are coming to TIPS office everyday to be its member and get services. TIPS, Bangladesh Bureau is also trying best to seek opportunity to help the clients reach their goal.

5.3.3 The DCCI-CIPE, ERRA Project

To create private sector-friendly environment in Bangladesh through Economic Reform and Research Advocacy (ERRA), DCCI has undertaken a joint project with

the Center for International Private Enterprise (CIPE), an affiliate of the US Chamber of Commerce, Washington, D.C. The objectives of the project are:

- To strengthen business advocacy efforts in Bangladesh and create a positive and productive dialogue between government and business on economic policy;
- To help legislators and government officials formulate policies, laws and regulations that promote a more open economic environment in Bangladesh conducive to private-sector-led economic growth by producing technical information on key reforms;
- To promote greater awareness of and participation in economic policy making in Bangladesh by communicating policy recommendations to the public through opinion leaders, think tanks and mass media, thereby encouraging greater accountability in governance.

DCCI has a well organized Research & Publication Department where continuously in-depth analysis is made of the contemporary economic development issues and policy position paper are prepared on pressing national problems in the economic arena. A rich Library operates being equipped with extensive collection of relevant publications, reproduction and dissemination facilities. The other important sections of the DCCI are: Membership, Administration. Public Relation has been delivering excellent services for the benefit and promotion of the private sector.

5.3.4 Women Entrepreneurship Development Activities of the DCCI

The constitution guarantees all citizens equal rights, which is also reflected in national policies and plan documents. However, in reality, there are some disparities between men and women, rich and poor and rural dwellers in access to the development process both as agents and beneficiaries.

Social perspectives and overall situation has been facing a lot of changes now a day. Women participation in all sectors has increased over the last two decades. In response to the demand of different pressure groups and by disruption of the socio-economic scene resulting from macro processes, women's economic role has expanded considerably. Some of important women related activities are as follows:

5.3.5 WED activities under New Phase of DCCI-CIPE/ERRA Project

Upon successful completion of the activities planned during July, 1999 to December, 2000 on 14 Economic Policy Papers (EPPs) under the first Economic Reform and Research Advocacy (ERRA) Project and its dissemination to the concerned government organizations, members of parliament, news media, business leaders and think tanks, the DCCI has signed another agreement with the Center for International Private Enterprise (CIPE) an affiliate of the US Chamber of Commerce, Washington D.C, USA. Mr. Willard A. Workman, Vice-President, CIPE and Mr. Mahbub-uz-Zaman, Acting President of DCCI signed the agreement on behalf of their respective Organizations on May 17, 2001. The second project, which is virtually the continuation of the first one, has the same objectives similar to that of the first one. The activities to be implemented under the new project include:

- Policy Reform Issues

- Women Entrepreneurship Development (WED)
- Group meeting for lobbying

5.3.6 Women Entrepreneurship Development Program (WED)

This component of the DCCI-CIPE, ERRA Project will research and produce a sample survey on the status of women entrepreneurship in Bangladesh, develop a data base on small and micro-enterprises, prepare fact sheets on potential projects, and produce brochures on support services and other potential forms of assistance to women entrepreneurs.

In addition, the project will organize six workshops for women interested in entering the business sphere on how to become an entrepreneur and how to finance enterprises, and other workshops for women who already own businesses.

On the basis of data and lesson from the survey, an additional EPP will be prepared with reform suggestions and measures for the promotion of the people from women entrepreneurs. On the EPP a national seminar with the participation of the people from Industry/Commerce, Members of Parliament, high officials of the government, including EPB, BOI, Ministry of Women Affairs, business leaders, media representatives, academicians, technocrat, think tanks, representatives of the NGOs, etc. will be organised. In the deliberation of the seminar the suggestions will be modified and the issue of the women entrepreneurship development will be brought in the centre of the national development debate. Incorporating the suggestions made in the deliberation of the seminar, the EPP will be modified, published and sent, along with others, to the relevant ministries for consideration of the suggestions, which means the beginning of a continuous advocacy and lobbying for the issue on behalf of Dhaka Chamber.

5.4 Jatiyo Mohila Sangstha (JMS)

To further social, economic, educational and cultural uplift of women, Jatiyo Mohila Sangstha (The National Women Organisation), was established in 1976. Its objective was to protect the rights of women and children and empowerment of women. However, it has undertaken various skill development training and micro-credit operations, which support entrepreneurship development of the women population of the country. The programs are conducted using government grant funds. As a part of its activities, Jatiyo Mohila Sangstha has initiated a project with the assistance of UNDP to assist potential women entrepreneurs, which covers all the 64 districts under the name "Entrepreneurship Development of Women". Main objective of the project, however, remain alleviation of poverty amongst women through training, credit, information and marketing support.

The project was initiated in July 1998 initially for five years with a target to support 7000 rural women. The project supports those who are beneficiaries of micro-credit programmes of the Department of Women Affairs, Jatiyo Mohila Sangstha, Department of Youth Development and other public agencies. The project also aims to link the beneficiaries with institutional credit. The credit limit is Tk 30,000 to Tk 1,50,000.

Before extending credit, Jatiyo Mohila Sangstha arranges management training through contracting other mentioned agencies. The project is new and the effectiveness cannot be judged now but it can be easily understood that the project cannot provide comprehensive support to the entrepreneurs in the real sense of the term and the credit amount is not enough to establish a reasonable size of enterprise. This has also its limitation to manage and operate such a credit programme because of not having its own credit staff at the field level.

6. Evaluation of the Supporting Services

6.1 Government Policy, Rules and Regulations

The review of the constitution of the country shows that it provisions for the emancipation of the women folk of the country, which includes the women entrepreneurship development. In light of the spirit of the constitution, the government has set up concrete strategy in “National Action Plan” of the country in this regard (Chapter-V).

The credit policy of the government till 2000, however, shows that no viable steps have been undertaken to incorporate the investment and financial demand of the women entrepreneurs, which is a vital question for the development of the women entrepreneurship. This indicates serious mal-co-ordination of the working out policy and its implementation. This shows also that there should strong and well planned lobbying on the part of the women entrepreneurs that the policy and plan of the government are implemented.

The complicated and illogical tax policy and procedure of the country encourage and enable not only corruption but also hinders in general the economic development of the country. This is especially discouraging for women entrepreneurs. For the sake of the transparency, freeing women entrepreneurs from time and nerve costing hassles and harassment and increasing government revenue it must reform and make more entrepreneurs' investment friendly.

The provision of “Gift Tax”, as for example, is highly discriminating and illogical. This says that if father-in-law gifts his daughter-in-law he has to pay tax, but his son, i.e. the husband can gift tax-free. It discourages donors to gift for women for business undertaking. This contradicts also the main spirit of the constitution, which ensure equal right for all citizen of the country from all caste, creeds, religions and ethnical minorities. The provision for “Tax Holiday” which has been renewed and has to continue till 2005 should be further extended for women entrepreneurs. Besides, the regulation that at least 30% of the “Tax Holiday” profit must be reinvested should be relaxed or removed for women entrepreneurs (Chapter V/3). Similarly, the provision of Value Added Tax must be relaxed for the support of women entrepreneurs at this stage of development of the women entrepreneurs (Chapter V/3).

The “Trade and Tariff Policies of the country contain rules and regulations, which discourage and hinder women entrepreneurs. The registration regarding import and export business and rules and regulation for “Letter of Credit” are not encouraging for women entrepreneurs. So the regulations regarding Representation in the Import Committee, Provision for import on joint basis, Restructuring of Import and Export

Administration, Procedure for Custom Clearance, Tariff Structure, etc must be reviewed and reformed so that women entrepreneurs do not face discriminating or discouraging barriers. In respect of growing globalisation of the economy of the country, policy may be worked out and implemented to support and integrate women entrepreneurs in the main stream economy so that all potentials and resources of the country are utilised. In this regard, policy should be worked out to utilise all international treaties and co-operation in favour of the development of the women entrepreneurs of the country (Chapter V/4).

The credit and financing policies of Bangladesh Bank and financing and refinancing activities of Commercial Banks show that for women entrepreneurship development in this sector radical political reorientation and institutional reforms are necessary. Then for the development of women entrepreneurs in the first place financial support must be ensured.

Bangladesh has signed the Beijing Declaration of UN Convention on Women Development 1995, which proves that Bangladesh agrees to remove all discrimination against women and is willing to ensure all kinds of support for their freedom and equal development. It is expected that the government shall take appropriate measures to incorporate the UN convention on women development.

6.2 Activities of the Supporting Organisations and Agencies

The Bangladesh Small and Cottage Industries Corporation is one of the most important public agencies, which implements the government policy and supports the development of small and cottage industries of the country. It has capacity to support effectively the potential and existing women entrepreneurs all over the country. It is functioning principally as promoter of small and cottage industries to create self-employment and support income generation for poor people including women. But due to failing understanding, importance and conception, it has no corresponding program for the promotion of woman entrepreneurs. This could be, however, a very important function for this agency as its activities cover important part of the county. It has the logistics, infrastructure and manpower (limited to certain growth points) for this function. Besides, what is very important is that it has contact with small scale women entrepreneurs, know their needs and can evaluate individually their entrepreneurial capability (Chapter VI/1).

Nearly the same is to say about Micro Industry Development Assistance and Services (MIDAS), an apparently renowned non-government development agency supported by USAID. It has the objective to promote women entrepreneurship, but its activities could bring only limited impact. Recently, it has been converted into a bank, which has, including other, also the objective to support and promote women entrepreneurship. It is to hope that this time it will be successful (Chapter VI/1.2)⁵.

As the most important private organisation promoting business and industry of the country, the Dhaka Chamber of Commerce and Industry follows policy for supporting the development of women entrepreneurs. In guidance of its “Women Entrepreneurship Development Standing Committee” it has been implementing several program with support of the donor agencies. One of these projects offers the women entrepreneurs of Dhaka City the marketing support at home and abroad. The DCCI-CIPE, ERRA Project, another project, under which, including others, this study in being done, has an important element to find out policies and measures required for the development of the women entrepreneurs of the country. It intends to work out suggestions for the development of the women entrepreneurs, held national seminar on the issue, popularise it and lobbying with the government for reform and the implementation of the recommendations. We think that this could be a real starting for promotion of the women entrepreneurs of the country.

Two Organisations of the women entrepreneurs, named women entrepreneurs Associations, have been established. They are in a stabilising process and have begun their activities in a limited way. They will represent the business interest of the women entrepreneurs, support them in every respect, lobby with the government for necessary reform.

Jatiya Mohila Sangstha, the women forum of the country, supported by the government has the objectives to promote over all situation, i.e. political, social, cultural and economic of the women of the country. It runs traditional projects for the employment creation and income generation mostly for poor and destitute women. Its project activities have very little to do with entrepreneurship development of women and their real empowerment, i.e. economic empowerment, which form the ground for the removal of all kinds of inequalities and discrimination of women.

Also the activities of National Association Small and Cottage Industries of Bangladesh and Job Opportunities for Business Support have only very limited and indirect relation in this respect. Their activities are confined to the traditional conception of self-employment creation and income generation for mostly poor women, and they are involved in this respect in micro credit activities. It is obvious that this has nearly nothing to do with entrepreneurship development for women.

Similarly, the activities of other very big and famous national NGOs and other numerous small NGOs remain confined in micro credit, skill development training, self-employment creation and income generation. Certainly, these activities have impact on poverty alleviation and they have possible considerable social, cultural and political function. Ignoring the national economic cost benefit analysis, they may have anyhow also some economic impact, as they create income and expand buying

⁵ In respect of experience exchange, the employees of the MIDAS were very cooperative with the representatives of the DCCI-CIPE, ERRA Project, which must be appreciated.

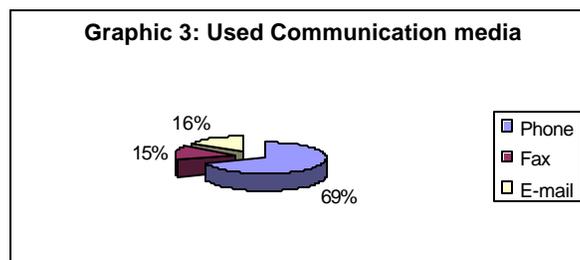
power and market for the economy. But the study shows that their activities are very insignificant.

7. Empirical Data Analysis

7.1 Data analysis collected through Questionnaire

In 8 workshops organised in different business supporting organisations and agencies in and out of Dhaka totally 252 women entrepreneurs answered the questionnaire distributed (Annex 2)⁶. The number of the entrepreneurs, 252, is not impressive but it is enough to have a general view about the situation of the women entrepreneurs in the country. The data collected from members of different organisations give valuable information and development tendency of the women entrepreneurs the country, which help for selecting supportive services and legal and policies reform.

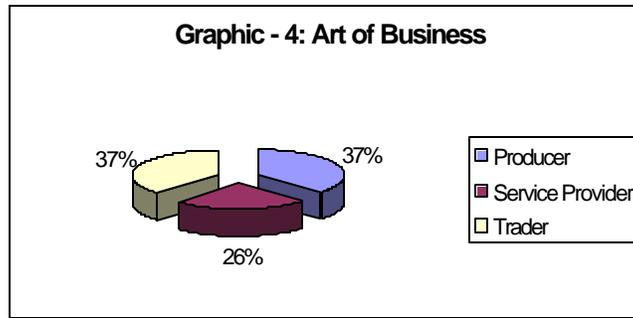
The complied answer to the question 1 (Annex 3 & Graphic - 3) shows that only 75% of the questioned women entrepreneurs have phone connection, only 16% uses fax and 17% have email connection. The women entrepreneurs from Dhaka City and members of the DCCI, WEA, TIPS, WEAB and MIDAS have comparatively better infrastructure facilities and use more modern communication instrument, while only a small part of the entrepreneurs from small town out of Dhaka City uses this vital information instrument. This shows that though the women entrepreneurs of the country is in total underdeveloped, the women from other part of the country has to face more harder obstruction than those from Dhaka City. So, government, women organisations and chambers should emphasise on the right of the women entrepreneurs and their development also from remote area.



Source: Annex - 3

The complied answer to the question 2 (Annex 3 & Graphic - 4) shows that in total 75% of the questioned women entrepreneurs are producers. Only in Manikganj is the part of the women involved in production 52%, in other questioned area it more than 76%, which is very encouraging. Then, it shows the women are oriented toward production business and service comes to the last position. This helps concluding that the supporting organisations and agencies should emphasis more on such issues, which are directly related to production and business.

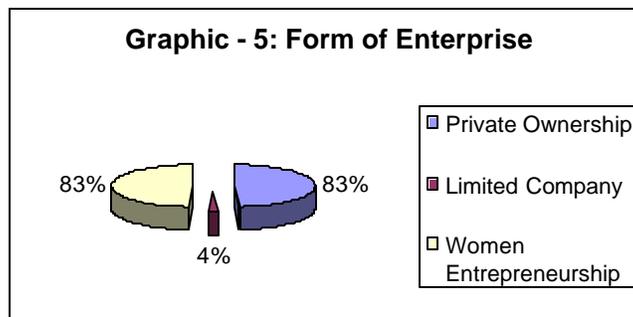
⁶ The DCCI-CIPE, ERRA Project has carried out 2001 a sample survey on status of Women Entrepreneurs in Bangladesh. The empirical data refer that survey available in DCCI-CIPE, ERRA Project.



Source: Annex - 3

The answer to the question 3 (Annex 3) shows that most of the questioned women and participants of the workshops are well experienced. 71% of the questioned women entrepreneurs have more than three years experience with business and industrial activities, which shows that it is not a new phenomena and on these women entrepreneurs could be depended.

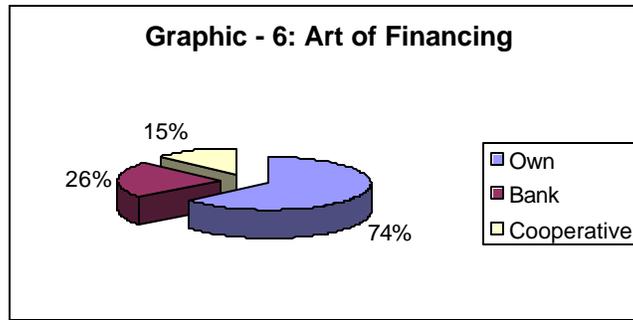
The answer to the question 4 and 6 (Annex 3 & Graphic - 5) indicates that more than 83% of the questioned women entrepreneurs have own business and manage the business self. It is significant that the women have no joint efforts, which practically means ultimately the dominance and the ownership of the male partners. It indicates that if the women entrepreneurs supported a women entrepreneurs' class can develop and change power position of the women of the country in favour of the women.



Source: Annex - 3

The answer to the question 5 (Annex 3) signifies that most of questioned women entrepreneurs are growing, then more than 60% questioned women entrepreneurs have more than 10 employees. This indicates that if proper support is provided these entrepreneurs can grow and become small and medium size enterprises which could be very significant development. The small and medium size industries build the foundation of the economy and are more sustainable in economic and other crisis.

The answer to the question 6 (Annex 3 & Graphic - 6) shows that most of the women enterprises are financed by women selves, i.e. in total nearly 74%. In average only 26% are supported by bank credit and 15% are from co-operative. So, this signifies that government and finance institutions should come forward to support the women entrepreneurs financially in the form of supplying credit to them.



Source: Annex - 3

The answer to the question 7 compiled in (Annex 3) shows, though most the women entrepreneurs present in the workshops are depended on home market, a considerable part, i.e. nearly 63% export at least a part of their products, which very encouraging; more than 46%, however, faces marketing constraints that should be removed to ensure their further growth and development. The women entrepreneurs outside Dhaka, however, are less export-oriented.

In respect of availability of information (question 8/Annex 3) only 13% of the women entrepreneurs have sufficient information for their business, 61% are lacking information. The women from the remote areas have more problems with the availability of information, so, necessary steps by the government and respective agencies should be undertaken in this regard.

In question of **Training and Counselling** (Annex 3/question 9), nearly 86% of the women entrepreneurs have the views that they require training and counselling. The demand of the women entrepreneurs from the remote areas in this regard understandably more, because in compare to the women entrepreneurs from Dhaka they have very little opportunity for such services. Though there are apparently training institutions in Dhaka, on unexplained ground it is not available for women entrepreneurs. So, both for the women entrepreneurs from Dhaka and remote area arrangement must be made that the women entrepreneurs get vital training and counselling.

Most of the questioned women entrepreneurs are motivated to expand their enterprises, which signifies that the women entrepreneurs are doing well and there is real potential for further development of the women entrepreneurs. So, it appears that all pre-conditions for the development of the women entrepreneurs are prevailing; only necessary technical and financial services are needed.

About the necessary services, the women entrepreneurs view that the deficiency in financial support is their main problem. After that comes constraint in marketing, then in the third and in the last position come the question of political reform and infrastructure support. Logically, the women entrepreneurs have identified their business in correct sequence. The questions of financing and marketing have, therefore, come at first and second position. Then the policies of the government, though not the best, with the existing infrastructure they can do business anyhow.

7.2 Analysing the Interaction of the Women Entrepreneurs in the Workshops

In every workshop a keynote paper on Policy Induced Constraints for Women Entrepreneurship Development was presented. On the issue a general discussion and also an answer-questioning session were organised, which were documented⁷. In this section of the study report, the views and comments of the women entrepreneurs are analysed and documented.

7.2.1 Self Confidence and Motivation

Women are confident about their entrepreneurial potential and success and expressed that as women are good managers at home, so are capable to organise and operate any enterprise. Most of the women entrepreneurs have to fulfil family requirements at home first and thereafter they utilise their surplus time for income generating activities. They think that motivation is most essential to bring the huge women population of the country for income generating activities, which they can do efficiently.

7.2.2 Necessity for Nation wide Survey

They have the view that nationwide survey has to be carried out assessing the problems and potential and existing women entrepreneurs face and proposing promoting financial, institutional and technical services and legal reforms necessary to bust women entrepreneurs and income generating activities.

7.2.3 Problems of the Women Entrepreneurs

The problems and bottlenecks, which the women entrepreneurs, cited in the workshop could be grouped into following categories:

7.2.3.1 Marketing Problem

Women entrepreneurs face marketing problem of their goods and services, which should be resolved through appropriate strategy. Women entrepreneurs of remote region like Manikganj do not get right price for their products. As the whole sellers from Dhaka and other big cities possess in fact monopoly, so whole sellers buy their goods at dumping price, which are sold in Dhaka at a very high price. The situation is worse for exportable goods produced by women entrepreneurs in small towns and rural areas. So direct market access could be very helpful support for women entrepreneurs.

Some of the goods produced by women have exportable quality but there is no opportunity for access to export market. So, marketing opportunities not only for local but also for international market have to be created. They think that if there were marketing spots for buying goods from the women entrepreneurs locally, it could be very helpful for women entrepreneurs.

Organizing trade fair for the product of the women entrepreneurs could bust their marketing. In this respect, show room facility for the products of the women entrepreneurs could also be very helpful. Quota for participation of the women

⁷ The documentation on the discussion session is available in the sample survey on status of Women Entrepreneurs in Bangladesh, Annex – 4, Dhaka, 2001.

entrepreneurs in the international trade fairs could be practical step supporting their international marketing. Besides, women entrepreneurs from remote and rural areas should be given chance to participate in the national and international trade fairs with government support.

7.2.3.2 Financial Constraints

All women entrepreneurs acknowledge that financing is a crucial problem for them, as they get very seldom support in this regard from the husbands. Because of lack of finance most robust idea of women entrepreneurs could not be realised. They mentioned that bank credit is related with collateral, which only a very few women can manage. Besides, interest rate is very and constrained with many hassles and bribes. NGOs provide loan at 15 percent interest, which is very high. The loan is very small and the recovery starts from the next week, which does not give them least time to produce goods. As a result the client has to pay from the loan amount without producing and selling. So, in respect of credit, they propose:

- Women Entrepreneurs should be provided collateral free loan as they have no assets
- Interest free loan should be provided to encourage women entrepreneurs
- Long term loan should be available
- Interest should be very low and long term interest free loan should be available
- An Investment Bank for Women should be established
- Access to finance should be easier
- Women entrepreneurs should be freed from VAT at least in mid-term basis
- Women entrepreneurs should have direct access to finance and other infrastructure and institutional facilities
- **One stop service** should be created in the Commerce Ministry exclusively for the women entrepreneurs for facilitating investment and business.
- A special window with the Bangladesh Bank could resolve this problem

7.2.3.3 Weighing of the Potential of the Women Entrepreneurs for Development of the Country

The services of the women at home are not properly evaluated by their male partners. Not only that their potential and capability for entrepreneurship is doubted and discouraged. Government should take legal steps to remove all discrimination in respect of women entrepreneurship.

7.2.3.4 Technical Support Needed

Women entrepreneurs require training for upgrading their skill for productivity enhancement, better management of the undertaking and improving the quality of their products and services. Women entrepreneurs have little skill in designing, they need good and marketable training in modern and latest designing, that should be organised.

7.2.3.5 Institutional Services Needed

Trade Licence requirement and TIN procedure should be simplified. Export promotion Bureau should be so activated that it becomes helpful for women entrepreneurs. Further, it was mentioned that Information Centre with initiative of the government should be established for women entrepreneurs. In this way problems on information, which hinder development and marketing, could be resolved. Besides, the women entrepreneurs viewed that a separate Ministry for Women Entrepreneurs should be established, which will exclusively deal with all problems of women entrepreneurs.

7.2.3.6 Policy Reform

Women have the views that government should act as facilitator for women entrepreneurs. In this regard an investment and business friendly policy framework needs to be formulated. Though committed, government has not yet implemented Beijing Declaration. Women's empowerment is directly related to economic development, so engagement of women in national political activities for national economic development should be legally ensured.

Empowerment for women entrepreneurs will help reforming the traditional society and emancipate the women society culturally, economically and politically. The women participants of the workshops propose government to formulate policies suitable for women entrepreneurs, who are less advantageous group.

7.2.3.7 Abolishing Discrimination

A parent gives mortgage for their son and not for the daughter – so discrimination starts from home. Besides, inheritance law of the country should be reformed so that women have access to resources and collateral for credit.

8. Result of the Study

Analysis of the government national policy regarding women entrepreneurship development, critical analysis of the supporting activities of the public, private and non-government organisations and agencies and analysis of the data and information of our own survey let us direct to propose suggestion for the development of the women entrepreneurship.

8.1. Development Policies and Strategies

In respect of the government development policy, strategy and direction following suggestion may be made:

- National Action Plan for the development of women entrepreneurship should provision those necessary steps should be undertaken to feed women entrepreneurs with resources.
- Ensuring the Implementation of the Policies of National Action Plan.
- Ensuring Implementation of the Beijing UN Convention on Women Development

8.2 Financial Policies and Strategies

In respect of the policy, strategy and function of Bangladesh Bank and Commercial Banks following suggestion may be made:

- Identification of viable women entrepreneurs
- Establishing credit guarantee scheme for women entrepreneurs
- Sinking interest rate for loans for women entrepreneurs
- Setting up special window for financing women entrepreneurs
- Pre- and post investment counselling for women entrepreneurs for credit
- Allocation of women share in equity development and fund
- Preferential treatment of the women entrepreneurs by credit in thrust sectors
- Monitoring of credit disbursement for women entrepreneurs
- Maintaining gender based data on credit disbursement and dissemination information on credit opportunities
- Establishing a women bank
- Enabling credit for the women without collateral

8.3 Institutional and Technical Support

8.3.1 Institutional Measures

- Establishing strong relation among different institutions and agencies involved in the development of the women in general and sharing their experiences
- Establishing strong relation among different chambers and business organisation to ensure support for development of the women entrepreneurs

8.3.2 Study and Lobbying

- Studying prospect on joint venture and providing support in this respect to the willing women entrepreneurs
- Undertaking sector based study to identify potential sectors and ensure women participation
- Preparing sector based study paper to collect viable information and lobby with government for necessary reform

8.3.3 Management Support

- Arranging management training for women entrepreneurs
- Providing personnel support in this respect if necessary

8.3.4 Marketing Support

- Supporting and ensuring the participation of the women entrepreneurs in national and international trade fairs
- Arranging display centre for national and international for the products of the women entrepreneurs
- Counselling and supplying of national and international trade information regularly

8.4 Other Suggestions

- For new women enterprise tax may considerably reduced or exempted

- The procedure for Tax Identification Certificate should be simplified
- Procedure for Income Tax should be simplified and made investment friendly
- Tax holiday for women entrepreneurs should be extended further and made more supportive for them
- Gift Tax should be dismantled in the case of women beneficiaries
- Issuing of trade license should be made simple and free for women entrepreneurs
- Either the registration procedure for import and export business should be simplified and made women friendly or completely dismantled
- Women representation in Import Trade Control Committee should be ensured
- Pre-shipment Inspection should be more simplified and made speedy
- All anomalies in custom procedure must be removed and made women friendly
- Tariff for women entrepreneurs should be abolished
- Value Added Tax (VAT) for women entrepreneurs should be abolished

9. Conclusion

Though it is a sample survey, it has been tried to include a considerable part of the organised women entrepreneurs from Dhaka City in the study. In this respect, the idea of organising workshops in co-operation with the mentioned organisations provides a unique and surprisingly successful concept. In this way valuable data and information could be collected, which help understand real problems of the women entrepreneurs of the country. Besides, time, work and resources could be rationally used, which were very scarce for such a study like this.

It was the experience that none of the studied institutions, organisations or agencies has actually any serious activity to promote women entrepreneurship. Besides, the documentation of activities is very unorganised and poor. So, no serious discussion about their activities in this respect could be presented.

There are some donor supported high budget studies in this line. But probably because of failing data and sufficient field survey and planning, the results of these studies remain unsatisfactory. That means, the data available from secondary resources remain behind the expectation.