

## **Women Entrepreneurs: Need for bridging the gap in rural and urban areas**

### **Ms. Doulot MALA (Bangladesh)**

Women in Bangladesh have started breaking the silence. They have changed business landscape of the country. From microcredit of large readymade garment exports, they are everywhere. Women have proved their skill as entrepreneurs utilizing their natural creativity, sincerity and dedication towards society. Women contributed to the Gross Domestic Product (GDP) growth of the country. Also, women are discharging duties as homemakers and professionals.

Stereotypical concept against women empowerment is still dominant in the country. Especially in rural area, literacy rate of women is significantly lower than in urban area. Religious misinterpretation, social restriction and conservative male dominated family hinder the women's empowerment. Amid several roadblocks, female workforce has stepped forward in mainstream economy.

Entrepreneurship has flourished among the women. But how far they have been supported by the society, by the government? Still, women are facing discrimination from their male counterpart. Also, there are huge gap on available facility, access to finance or market among the women entrepreneurs in urban and rural areas.

Women entrepreneurs, the unsung heroes, are struggling with the society to prove their competencies on maintaining family and professional works. In Bangladesh, total contribution of women in economy is still remained unmeasured. There is even no study to know numbers of women entrepreneurs.

Untapped potentiality of the growing workforce yet to be explored in a greater way. Women entrepreneurs are moving around some limited sectors of businesses. Handicraft, boutique, poultry and agriculture are the major areas where almost 90 percent of the women entrepreneurs are engaged. Fund arrangement for start-up women entrepreneurs is a challenge in Bangladesh.

Situation is quite well for literate women in urban area having a strong backing by family members or friends, but it is worst for women in rural areas.

Rural women are getting access to micro credit but they face difficulties to get large amount of loan. Although women have proved themselves as good borrower on repayment of loan, there are hesitations in the financial sectors over sustainability of businesses run by women entrepreneurs.

Women entrepreneurs remained greatly less privileged in Bangladesh. None of the private or the public entities has yet launched any comprehensive study to find out actual numbers of women entrepreneurs in Bangladesh. The policy makers cannot pay

proper attention on the growing potential workforce due to lack of available data.

In a secondary study conducted by the SME Foundation it has been found that there were some 3500 women entrepreneurs in 2011 that increased to 8500 in 2013.

However, surveyors of the SME Foundation, a state-owned entity under the Ministry of Industries are skeptic about the result of the study as the numbers of women entrepreneurs they had estimated were much higher than that of the findings.

Farzana Khan, deputy general manager of the SME Foundation, said in a gross estimation the foundation estimates about 10 per cent of the total women population are involved in businesses in Bangladesh.

Ms. Khan, who is assigned to facilitate women entrepreneurs, said women are moving around some selective sectors with their investment due to lack of proper patronization.

"We have found a substantial number of women entrepreneurs are involved in boutique businesses followed by fashion designing and beauty parlors," Ms. Khan said.

A study of the Bangladesh Women Chamber of Commerce and Industry (BWCCI) in 2010 revealed, economic activities of women entrepreneurs in Bangladesh is higher, 41.6 per cent in manufacturing and trading followed by export only 10.6 per cent, wholesale 6.2 per cent, retail 13 per cent, service 12.8 per cent, both export and import 1.6 per cent.

Experts on women entrepreneurs laid emphasis on encouraging and supporting women entrepreneurs in diversified sectors.

Center for Policy Dialogue (CPD) research fellow Dr. Fahmida Khatun said women entrepreneurs need constructive advice to help them enter other potential sectors for investment and take up challenges.

"Banks and financial institutions can take the responsibility of providing a guideline for women prior to disbursement of loans to the latter," she said.

They can come up with a whole package to assist women entrepreneurs on best utilization of the money, she added.

Most women entrepreneurs face problems in taking decision on best utilization of bank loans that they get at lower rate of interests, Dr. Khatun said.

During the last five years access to finance became easier with the support of Bangladesh Bank (BB's) guidelines to the commercial banks. Many of the women entrepreneurs expressed their satisfaction over improvement in the situation relating to the access to finance in urban areas.

President of Metropolitan Chamber of Commerce and Industry (MCCI) Rokia A. Rahman and founder of BWCCI Selima Ahmed expressed an identical view on the significant improvement situation related to providing financial support to women

entrepreneurs in urban areas. However, they laid emphasis on extending the similar facilities to women in rural areas.

Ms. Selima Ahmed said rural women are getting access to microcredit but facing problems in arranging big loans.

Many private commercial banks have come up with SME packages for women entrepreneurs. But, in district towns, the scenario is quite different. Branch offices of some banks are reluctant to provide SME loans to women entrepreneurs fearing that the women entrepreneurs would not be able to make best use of the loan.

It is utmost priority to focus on education and skill development of women to bring them in formal sector with higher ranges of pay structure, Dr. Khatun said.

She, however, suggested supervision of the banks to check any unethical practices on enjoying soft loan by male counterparts.

In a survey to find out barriers on access to finance of women entrepreneurs, it has been found that a major part of the SME loan for women entrepreneurs is being enjoyed by men.

Such misuse of SME loan narrows the scope for growth of women entrepreneurship in Bangladesh.