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in Enterprises – WEDGE*

Jobs, Gender and Small Enterprises in Bangladesh:

Factors Affecting Women Entrepreneurs in
Small and Cottage Industries in Bangladesh

by

Nilufer Ahmed Karim

InFocus Programme on Boosting Employment
through Small Enterprise Development
Job Creation and Enterprise Department



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and
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Foreword

This Working Paper 14, entitled “Factors Affecting Women Entrepreneurs in Small and Cottage Industries in Bangladesh”, has been produced by the ILO’s InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) in collaboration with the ILO Area Office, Dhaka. This Working Paper is published as part of the special series on Women’s Entrepreneurship Development and Gender in Enterprises (WEDGE). The report was originally commissioned to accompany a series of reports on women entrepreneurs produced under an earlier ILO project (funded by the Swedish International Development Agency). It has been significantly updated during 2000 to take account of new information and recent developments in Bangladesh.

With the creation of the InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED), the ILO has assigned more significance to its efforts on promoting decent work for women in all aspects of their working lives, including women’s entrepreneurship development. One major component of the IFP/SEED programme is on Women’s Entrepreneurship Development and Gender in Enterprises (WEDGE), led by Mr. Gerry Finnegan.

The ILO would like to acknowledge the comprehensive background research carried out by the author, Ms Nilufer Ahmed Karim, Training Coordinator, Local Partnership for Urban Poverty Alleviation Project (a Project of UNDP/UNCHS), in identifying barriers and opportunities for women entrepreneurs, as well as relevant programmes and projects in support of Women’s Entrepreneurship Development in Bangladesh. Thanks to her efforts, a valuable set of findings and recommendations is available to a wider audience. These findings make a significant contribution to the WEDGE unit’s knowledge base within the SEED programme. The Working Paper complements previous reports produced by the ILO on women entrepreneurs in India, Nepal and Sri Lanka. It also accompanies a set of new IFP/SEED Working Papers being produced on women entrepreneurs in Bulgaria, the Caribbean and Thailand.

The SEED Working Papers are intended to stimulate and promote exchanges on various aspects of Small Enterprise Development. The WEDGE Series concentrates on looking at issues relating to women’s entrepreneurship in particular, as well as to gender mainstreaming approaches in small enterprise development. Therefore, we encourage readers to provide comments and suggestions, both in terms of content and presentation of these Working Papers.

Christine Evans-Klock
Director
InFocus Programme on Boosting Employment
through Small Enterprise Development

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Acronyms and abbreviations

ADAB	Association of Development Agencies in Bangladesh
ADB	Asian Development Bank
BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BASIC	Bank of Small Industries and Commerce
BBS	Bangladesh Bureau of Statistics
BEA	Bangladesh Employers' Association
BEPZA	Bangladesh Export Processing Zones Authority
BHB	Bangladesh Handloom Board
BIDS	Bangladesh Institute of Development Studies
BITAC	Bangladesh Industrial Technical Assistance Centre
BKB	Bangladesh Krishi Bank
BMDC	Bangladesh Management Development Centre
BOI	Board of Investment
BRAC	Bangladesh Rural Advance Committee
BSB	Bangladesh Shilpa Bank
BSCIC	Bangladesh Small and Cottage Industries Corporation
BSRS	Bangladesh Shilpa Rin Sangstha
CIDA	Canadian International Development Agency
CIRDAP	Centre for Integrated Rural Development for Asia and the Pacific
CMI	Census of Manufacturing Industries
CPS	Contraceptive Prevalence Survey
Cre	Ten million (10,000,000)
DFI	Development Financial Institution
DHS	Demographic and Health Survey
EPZ	Export Processing Zone
ERD	Economic Relations Division, Ministry of Finance, GOB
EU	European Union
FE	Female entrepreneur
GDP	Gross domestic product
GOB	Government of Bangladesh
GTZ	Government of Germany Technical Assistance Programme
HBFC	House Building Finance Corporation
HDS	Household demographic survey
HES	Household expenditure survey
IDA	International Development Association (World Bank)
IFAD	International Fund for Agricultural Development
IGA	Income-generating activities
ILO	International Labour Organization
ILO-SAAT	South Asia Multidisciplinary Advisory Team
INGO	International non-governmental organization
Lakh	One hundred thousand (100,000)
LFS	Labour-force survey
ME	Male entrepreneur

MIDAS	Micro Industries Development Assistance and Services
MOWCA	Ministry of Women's and Children's Affairs
NASCIB	National Association for Small and Cottage Industries in Bangladesh
NGO	Non-governmental organization
NIPORT	National Institute of Population Research and Training
NORAD	Norwegian Agency for Development
OISCA	Organization of International Social and Cultural Affairs (Japan)
PMED	Primary and Mass Education Department
RAKUB	Rajshahi Krishi Unnayan Bank (Rajshahi Agricultural Development Bank)
SAARC	South Asian Association for Regional Co-operation
SCI	Small and cottage industry
Sida	Swedish International Development Agency
TBA	Traditional birth attendant
Tk	Taka—the Bangladesh unit of currency (US\$1=approx. Tk.50)
TOR	Terms of reference
USAID	United States Agency for International Development
VGDP	Vulnerable Group Development Programme
VRS	Vital registration system
WB	World Bank
WEDP	Women Entrepreneurship Development Programme
WFP	World Food Programme

Preface

The ILO in Bangladesh has for many years been supporting small enterprise development activities with and through organizations such as the Bangladesh Small and Cottage Industries Corporation (BSCIC), and the Productivity Services Wing (PSW) of the Bangladesh Employers' Federation (BEF). An integral part of this work has been to support women in the informal sector, many of them in small and cottage industries.

The "Decent Work" report of the ILO Director-General, Juan Somavia, to the 1999 International Labour Conference, reinforced the Organization's commitment to women workers and made gender issues a cross-cutting theme in the ILO's work. While gender mainstreaming is a major strategy of the ILO, in countries such as Bangladesh, the extent of inequality still experienced by women requires additional positive actions to remove barriers and enable women to have equal opportunities and access to economic resources.

This report analyses the constraints faced by women entrepreneurs in Bangladesh, along with a range of potential opportunities available for women entrepreneurs. It also provides a wide overview of programmes and projects supporting women entrepreneurs, including training, advice on technology, information, marketing and financial support. The report suggests some practical solutions and recommendations that could help ease the path to economic prosperity for women in small and cottage industries. It includes recommendations for policy-makers, international agencies, associations of employers and women entrepreneurs, and development practitioners.

Clearly, great challenges lie ahead, and the ILO in Bangladesh is determined to address many of these recommendations in its current and future activities, which are part of the global "More and Better Jobs for Women" programme.

In conclusion, I would like to acknowledge the work of the author, Ms Nilufer Ahmed Karim, and the additional assistance provided by colleagues within the ILO. In particular, I thank my colleagues in ILO Dhaka, Ms Anne Marie Reerink (former Associate Expert) and Mr. Jamiluddin (Programme Officer), as well as Mr. Gerry Finnegan, former MDT Specialist in Small Enterprise Development and now with the ILO's InFocus Programme (IFP/SEED), for their commitment and hard work in making this publication possible.

Claudia Coenjaerts
Director
ILO, Dhaka

CHAPTER 1

Introduction

1.1 Background

Bangladesh faces massive problems of poverty and unemployment. The economy, given its present production and investment structure, is unable to create formal wage employment for more than a fraction of the total labour force.

These problems are particularly acute for women. Social mores in Bangladesh tend to grant women limited access to material resources, land, capital, and education. According to a 1981 Bangladesh Institute of Development Studies (BIDS) rural industries study, women's wages were less than half those of men, and an overwhelming number of women work for no pay at all. Thus, there is a growing awareness that women should be involved in the national economic development process in order to generate income.

A new component in Bangladesh's economic development strategy is urgently needed, one that emphasizes:

- the creation of self-employment opportunities through the development of micro-enterprises, and
- the expansion of the number and size of employment-generating small business enterprises, at the same time involving women more actively in the economic development process (ADB, 1995).

Women are as qualified as men to succeed as entrepreneurs, but they suffer two distinct disadvantages. First, there is the initial lack of confidence in their own abilities. Years of accepting a subordinate status and strict role segregation has left women lacking in confidence to venture into new initiatives. Second, there is society's lack of confidence in women's ability. This is manifested in the family's reluctance to finance a women's venture, in a banker's reluctance to take risk on projects set up by women, and in a general unwillingness to accept women as decision-makers or to stand as guarantors for loans to them. It is clear that special efforts are needed to promote and support women's entrepreneurship.

Following on from a regional project to promote entrepreneurship among women in small and cottage industries in India, Nepal, the Philippines, Sri Lanka, and Thailand, the ILO has accumulated considerable information on the status of women entrepreneurs in each of these countries. It is against this background that the present study has been undertaken in Bangladesh by the ILO Area Office in Dhaka.

1.2 Study objectives

The terms of reference for the original study specified the following objectives:

- providing background information on the scale, scope and profile of the small and cottage industries sector, with classification criteria, where appropriate, disaggregated by sex;
- identifying and assessing any personal differences between male entrepreneurs (MEs) and female entrepreneurs (FEs);
- identifying constraints—including socio-cultural, educational, technological, legal, and financial factors—facing potential and existing female entrepreneurs;
- describing support mechanisms available to female entrepreneurs and assessing their effectiveness;
- identifying mainstream small business support services (governmental, non-governmental organization and international non-governmental organization, and donor activities), and assessing the extent to which they are both accessible to and taken up by women;
- assessing the policy environment for entrepreneurship development among women, indicating gaps and inconsistencies, as well as providing recommendations for improvements;
- providing an overview of efforts being undertaken (by government, NGOs, INGOs and donors) to empower women economically through support for income-generation, micro and small enterprise development programmes, and credit provision; and
- providing recommendations that could be taken up by the Government, the ILO, donors, NGOs, and INGOs to improve the prospects for women's entrepreneurship development and its subsequent contribution to increased employment opportunity and poverty alleviation.

1.3 Methodology

The study is based largely on secondary data from published sources as available in 1997 and later in 2000. Consultations were held with the management of relevant organizations, and data were collected from unpublished internal documents. Case studies have been based on consultations held with female entrepreneurs.

1.4 Helpful definitions

Entrepreneurship: Entrepreneurship refers to the qualities and characteristics normally expected of a successful entrepreneur. It includes perception of new economic opportunities, taking initiative, creativity and innovation, the ability to turn given resources and situations to practical account, and acknowledgement that failure is possible.

Entrepreneur: An entrepreneur is any person who possesses the above qualities and uses them in setting up and running an enterprise. Entrepreneurs are enterprise builders—they perceive new business opportunities, organize businesses where none existed before, direct these

businesses by using their own and borrowed capital, take the associated risks, and enjoy profit as rewards for their efforts.

Group entrepreneurship: This expression generally refers to any group or cooperative, whether rural or urban, who display entrepreneurship. They manifest a desire to be self-employed; a willingness to undertake new enterprises; a willingness to take calculated risks; the ability to engage in common productive activity; and the capacity to take responsibility for financial resources. Members pool resources, obtain entrepreneurship training and assistance, draft a business plan, and organize a small business that provides them with jobs and income as a group.

Entrepreneurship development: Entrepreneurship development refers to training and other support services incorporated within a structured programme designed to assist individuals and groups interested in becoming entrepreneurs and starting small businesses.

Employer: An employer is a self-employed person who may employ one or more other persons in a commercial or industrial enterprise. A person employing non-productive persons such as domestic servants is not considered an employer (LFS, 1995-96).

Self-employed person: Persons working for their own household farm or non-farm enterprises for profit or family gain are self-employed. Such persons do not receive wages or salary for work performed. Self-employed persons are typically engaged in such activities as farming, manufacturing, trading, transport, and services.

Unpaid family worker: Unpaid family workers are persons who perform work other than household work, frequently without pay or profit, in family-operated farms or businesses owned by the household head or other members of the household to whom they are related by kinship, marriage, adoption or dependency. Unpaid family workers are engaged in such activities as crop production (cultivation, irrigation, sowing, weeding, etc.); farming (rearing of goats, cows, ducks, and poultry); fish culture; plant nurseries and tree plantations; production or processing of eggs, meat, and milk; threshing, drying, and milling of crops; food processing and preservation; nursing; cottage industries; construction; repair and maintenance; transport; small trading business; and hotels, restaurants, and services.

Technical training and self-employment generation schemes have often been misconstrued as entrepreneurship development. Such confusion can lead to inadequate appreciation of the complexities involved in developing entrepreneurs, and consequent shortcomings in programme implementation. All entrepreneurs are self-employed, but—if we interpret entrepreneurship as establishing a commercial enterprise involving production or sale of product or services where the person concerned takes risks, and where success generates further employment—all self-employed persons are not entrepreneurs. According to national employment statistics compiled by Labour Force Surveys (LFS), however, the beneficiaries of many government and NGO entrepreneurship development programmes fall within the category of self-employed persons or even unpaid family workers.

1.5 Study limitations

Nationwide statistics on various aspects of entrepreneurship among women are not available. In most cases, available data are not disaggregated by sex. Women's entrepreneurship studies have differed widely in scope and coverage. This report synthesizes information from a number of sources to provide an overall review of the topic. Associated problems, including, in some cases, outdated information, has rendered it almost impossible to conduct trend analyses. In the absence of relevant data disaggregated by sex, an attempt has been made to focus on issues concerning entrepreneurship development in general, these issues being also relevant to female entrepreneurs.

1.6 Report organization

The report is divided into nine chapters. Chapter 1 outlines the study background, objectives, methodology, and limitations. Chapter 2 presents an overview of women in Bangladesh and the socio-cultural environment determining their opportunities regarding entrepreneurship. Chapter 3 deals with policies and programmes related to entrepreneurship development. Chapter 4 discusses the relative experiences of male entrepreneurs and female entrepreneurs. Chapter 5 profiles the small and cottage industries (SCI) sector and examines female entrepreneur involvement. Chapter 6 includes a description and analysis of support services available to female entrepreneurs. Chapter 7 identifies the opportunities and constraints for entrepreneurship development. Chapter 8 contains a number of relevant case studies. Finally, Chapter 9 presents a summary of major findings and recommendations.

CHAPTER 2

Women and the socio-cultural environment for entrepreneurship development in Bangladesh

2.1 Introduction

The World Bank classifies Bangladesh as a “least developed country”, among the poorest in the world. A population of about 128 million live in poverty in an area of 143,998 square kilometres. Per capita gross domestic product (GDP) is Tk.14,277—equivalent to US\$294 (1999, BBS). Agriculture accounts for the largest share of the GDP (31.60 per cent, BBS), but agricultural productivity is low. Manufacturing contributes only about 10 per cent of the GDP. Most people live in rural villages and are mainly below the poverty line. The average intake is 2,254 calories per day per person (1996, HDS). In general, the people are ill-fed, ill-clad, and ill-housed. Women are more disadvantaged than men. The overall situation of women is suggested by the following presentation, based on *Women and men in Bangladesh* (BBS, 1996). Appendix I also describes the relative position of women and men.

2.2 Population structure

There are fewer women than man (the sex ratio is 1.06:1) and this gender gap has had a long history. The relative scarcity of women occurs at all ages, but is particularly apparent among those 60 years and older—even given some improvement in the mortality rate during the last two decades, women are less likely than men to reach old age—and among adolescents in the 10- to 19-year age group. Women are also conspicuously fewer in the urban areas.

2.3 Families, households, and poverty incidence

Women do not earn as much direct income for household consumption as men do. Nevertheless, women constitute 8-12 per cent of household earners and earn about 9-14 per cent of household income—in addition to their non-income contributions to household activities, which are not accounted for in monetary terms.

Households are normally headed by men. Those headed by women are more common among the poor, particularly among the landless and marginal farm households. Women-managed households are more common among those experiencing male out-migration. Given that there are a greater number of widows among older women, the rate of female headship also increases with age. Participation in household decision-making is more limited than it is among men.

Compared to men, women are over-represented in poor households. A significantly higher proportion of members of women-headed households live in extreme poverty. In fact, the bottom 20-30 per cent of such households are among the poorest in Bangladesh. Women are more exposed to household poverty and, even with respect to resource allocation within the household, they are relatively disadvantaged compared to men.

2.4 Marriage, divorce, and separation

In Bangladesh, marriage is much more a matter of fulfilling a social obligation than a personal choice, particularly for women. Thus, marriage is nearly universal. However, twice as many women as men are likely to have been married, while 10 times as many women as men are likely to be widowed or divorced, the rate rising dramatically with age. Many more women than men face old age alone. Women are usually married 7-8 years younger than men. Traditionally, because an unmarried daughter beyond a certain age may be considered an embarrassment or disgrace to the family, a girl is married off when she reaches puberty. In rural areas, girls are usually married between the ages of 12 and 15.

In Muslim tradition the groom arranges the dowry, but the influence of other religions has reversed this custom so that a bride's father now provides dowries for the groom. A woman's position is always at issue in her in-laws' house, and she is often subjected to physical abuse and other forms of persecution if her parents cannot meet ever-increasing demands by the groom and his parents. This often leads to the divorce, suicide or the murder of many unfortunate women. This problem is more acute among Hindus than among Muslims.

Although the girl's consent is necessary under Muslim marriage law, her opinion, except as a formality, is almost never sought. The bride's mobility is curtailed and her position in the in-law's house is inferior to that of her mother-in-law or sister-in-law. Since marriage, among other things, means a transfer of guardianship of the bride from her father to her husband, permission for further education, employment, hospitalization, or any other disposal of a married woman's time outside her conjugal residence is to be sought from her husband.

By the time she reaches 50 years of age, one woman out of four may expect to be divorced, abandoned, or widowed. Socio-cultural norms, meanwhile, discourage re-marriage for widows and divorced women. It is hard for divorced and abandoned women to collect maintenance allowances from their husbands, and they have few rights regarding jointly owned properties. These women form the majority of the hard-core poor and, as heads of households, must turn to labour markets for economic support. These problems are exacerbated by the fact that most rural marriages are unregistered.

2.5 Reproduction and contraception

The social and economic pressure on women to bear children and to bear them as early as possible is evident in age-specific fertility rates. The most influential variable in influencing attitudes to fertility appears to be the mother's educational level, with some small variations also

apparent for women's employment status and place of residence. In spite of this, a large number of women continue to have unwanted births.

2.6 Morbidity, mortality, health, and nutrition

Women's relatively disadvantaged position is perhaps most unacceptable in their access to good health and adequate nutrition. The risk of overall mortality for women and men indicates that women face life-long higher mortality and morbidity than men. Except during the first month after birth, when female babies are known to be biologically stronger, women face a greater mortality risk than men. This pattern is more consistent in rural areas, suggesting that urbanization may play a role, particularly in childhood, in narrowing the gender gap in mortality. The greater mortality risk faced by women throughout life, not just in infancy and childhood, is evident in the lower life-expectancies for women compared to men at all ages. The gap appears to narrow after age 50, when most women no longer face the additional risk of childbirth-related mortality.

In addition, the typically long child-bearing span and its early start means that women in the 15 to 45-year age group are continuously either pregnant or breast feeding. This has implications both for women's nutritional status as a result of maternal depletion, and for their work patterns as a result of child-care responsibilities. Given the spread of family-planning measures, however, the situation is improving.

The relatively greater under-nutrition of women is not the consequence of prolonged childbearing alone. In fact, early research has shown that girls under 5 years of age are more undernourished than boys because of differential access to food, health care and, possibly, parental concern. Although in recent years there are claims that the gap in nutrition between girls and boys as indicated by anthropometrics has narrowed, girls still show a low weight for their height (wasting) more often than do boys. In terms of access to health care, women get less preference than men, both in financial terms and with respect to quality of treatment.

Finally, the data indicate that women are more likely than men to be suffering from disabilities, especially in rural areas. And actual numbers are likely to be even larger due to under-reporting because of social stigma attached to disability. The largest differences between women and men are apparent with blindness and goiters.

2.7 Access to education and training

Women lag far behind men in terms of literacy—43 per cent compared to 55 per cent (BANBEIS, 1998). Given the strong emphasis on primary education, enrolment in primary schools has increased dramatically for both girls and boys—83 per cent for girls as opposed to 80 per cent for boys (PMED). However, women's relative access to non-formal schooling and training, thanks in particular to NGO efforts, is likely to improve.

Recent emphasis on increasing the number of girls in secondary education, including the provision of incentives such as free government education for girls up to Class VIII, had by 1999 increased their proportion to 56.8 per cent of total secondary school enrolment (BANBEIS). But the drop-out rate for girls, at 48.4 per cent, remains very high by comparison (BANBEIS).

In the nine national universities, female students constitute 20 per cent of the total number, while in the medical colleges 29 per cent of the students are female. In the engineering university, 9 per cent of the total students are female. Female enrolment in professional and technical education is slight. Only 5 per cent of students in the 105 technical and vocational institutes are female. About 14 per cent of the total students in the agricultural and other professional educational institutes are female. Few women teach in any of these institutions, with the proportion of female instructors ranging from 2 per cent, in technical and vocational institutes, to 22 per cent in medical colleges (WID, MOWCA, 1995).

2.8 Religion

Over 85 per cent of the population are Muslim, nearly 14 per cent are Hindus, and the rest are Christians, Buddhists, or other. Religion plays a vital role in the culture, regulating the personal laws relating to marriage, divorce, dowry, maintenance, guardianship and custody of children, and inheritance.

Islam being the dominant religion of Bangladesh, its teachings have a profound bearing on the roles and status of women. Although Islam does not prohibit business as a career for women, according to Muslim law the observation of *purdah* is a sacred duty for all Muslim women. *Purdah* literally means “curtain” or “veil”. Hence a Muslim woman is not allowed to venture outside without covering her entire body. *Purdah* restricts the mobility of women and encourages them to remain at home, thereby restricting women’s participation in direct productive economic activities. *Purdah* is more or less strictly observed depending on the age, education, and marital and social status of women (Begum, N.N., 1988).

Although women of other religions are not required to observe *purdah*, their movements outside the home are constrained by the dominant Muslim culture.

2.9 Beliefs and attitudes

Commonly held beliefs work together to weave a pattern of discrimination, impeding changes needed to improve the status of women in society. Many village sayings and social stigmas entail some sort of prohibitive or derogatory role for women. A girl child is discriminated against from birth; from birth, a girl is trained to perform the role of docile daughter, compliant wife, and dependent mother; from early childhood girls are made fully conscious that, unlike their brothers who are assets to the family, they are liabilities (Mannan, A., 1989). In time of scarcity, whatever little is available—be it good food or clothing or opportunities for education and health facilities—is offered first to the boys and men in the family.

Most of society has dictated that daughters are temporary members of their natal homes, and their value is connected with marriage exchange. Parents are reluctant to send the daughters to school because they fear for the daughters' safety—the chastity and good reputation of the unmarried girl are crucial factors determining her value in the eyes of potential husbands and in-laws. Girls are viewed as potential mothers and homemakers. Priority is given to training in domestic chores rather than to any right to education (UNDP, 1994). In this context, recent significant increases in primary school enrolment among girls are particularly encouraging.

2.10 Violence against women

Over the last two decades, violence against women has become one of the most visible and widely articulated social issues in Bangladesh. This violence may take the form of domestic violence, violence in the working place, trafficking and forced prostitution, rape, molestation, and sexual harassment. But psychological violence, especially among married couples, is not given serious consideration neither by family nor police, and therefore remains unreported.

According to available newspapers and Ministry of Home Affairs reports, all types of violence against women are on the increase. The Fourth World Conference on Women (Beijing 1995) observed that violence against women derives essentially from the lower family and social status accorded women.

The Government has enacted several laws in recent years to prevent violence against women. These laws include the

- Dowry Prohibition Act, 1980;
- Cruelty to Women (Deterrent Punishment Act, 1983);
- Child Marriage Restraint Act (Amendment Ordinance, 1984);
- Muslim Family Laws Ordinance, 1961 (amended in 1985);
- Penal Code (Second Amendment Ordinance);
- Family Court Ordinance, 1985; and
- Anti-Terrorism Ordinance, 1992.

These measures have not succeeded and reported cases of violence against women have been increasing in recent years. The problem is that legal rights granted to women are not always enforced. For one thing, traditional institutions may interpret laws in ways that fail to protect victimized women. Protests and demands for justice by women lead to their social ostracism, so they often opt for silence. Society still awaits gender-neutral authorities, at some levels, and those entrusted with the task of meting out justice must come to display more humanistic attitudes to their distressed constituencies. Further institutional strengthening is needed if the concerned agencies are to contain the incidence of violence and injustice against women.

The delegation from Bangladesh at the Beijing +5 meeting in New York (June 2000) was led by the Minister of State of the Ministry of Women and Children Affairs (MOWCA). The Bangladesh delegation reiterated the commitment of the Government of Bangladesh to reducing

the existing gender gap and mainstreaming women's development in all development sectors. The initiatives taken by the Government in case of locally elected Union *Parishad* (Council) women members. In more specific terms regarding the CEDAW, the Bangladesh delegation informed the meeting the following:

Bangladesh had had three reservations on CEDAW; Article 2, 13 (a), 16.1 (c) and (f). In 1966, the Government constituted a review committee. The Government, on the recommendation of the review committee, withdrew its reservation. Article 13 (a) concerning "the right to family benefits" and Article 16.1 (f) regarding "The same rights and responsibilities with regard to the guardianship, wardship, trusteeship and adoption of children, or similar institutions where these concepts exist in national legislation; in all cases the interest of the children shall be paramount".

Reservation on Article 16 (c) concerning "The same rights and responsibilities during marriage and its dissolution" is under active review of the Government and is likely to be resolved soon.

2.11 Role in decision-making

Bangladesh is a traditional patriarchal society and the family constitutes the basic unit of social control, and sets the norms for male and female decision-making roles. Within this system, the father, or in his absence the male next-of-kin, is the head of the household. After marriage, the husband, or in his absence a grown-up son, becomes head of the family. Consequently, both decision-making powers and economic control are vested in male hands. Furthermore, the family operates through a clearly defined system of rights and obligations. Women waive their right to inherit the father's property in favour of brothers, for example, or, in the event of inheriting property, pass its control to husbands or sons. In both cases the man provides protection for the woman and maintains control over her property, thereby reinforcing the old traditions.

Status and lifestyles among urban women—even though they constitute only 8 per cent of the total female population—differ from those among rural women. Urban women do not observe purdah as strictly as do rural women. Unlike their rural sisters, however, many urban working women, because they are mostly destitute, are their own guardians. The status of urban upper-class and middle-class women is somewhat better than that of their working-class counterparts, although male dominance still prevails. These women do have opportunities for education and employment outside the home. In these classes, education, together with earning capacity, strengthens women's decision-making power.

Although currently the Government is headed by a woman, traditionally women have enjoyed extremely limited access to the highest levels of power. Women's representation in the highest decision-making bodies is negligible even today, and mostly of token value. In public service, women have yet to reach positions high enough to influence public policy, and female quotas remain unfilled. Female participation in local community organizations is rare, and female representation in the democratic process is only through the nomination of elected men.

2.12 Access to work and productive resources

According to official labour force statistics, women work fewer hours than do men in all types of activities, both agricultural and non-agricultural. Time-use studies in rural areas, however, reveal that until the age of 64 years women spend as many if not more hours at work. Certainly, if household maintenance duties such as cooking, cleaning, child care, and nursing are added, then women spend substantially more work-hours per day than men at all ages.

Understandably, women's earnings from non-domestic production is much lower than that of men's. Most women workers in both urban and rural areas are concentrated in low-skill activities with low labour productivity. This is especially evident in the urban labour market, where women earn less than men in the same occupational groups even when they work similar or longer hours. Low demand for female labour is reflected in lower wage rates for women, particularly in non-agricultural work.

By conventional measures, particularly in urban areas, female participation in the labour market is much lower than it is among males. Among those employed, moreover, occupational patterns for women and men differ distinctly. Women, especially in urban areas, take up informal sector occupations much more than do men. And employed women are less likely to enjoy the benefits of legal or institutional support—84 per cent of women in rural areas and 59 per cent in urban areas are employed as unpaid family workers, compared to only 20 per cent of men in rural and 10 per cent in urban areas. These patterns reflect the fact that women have limited opportunities to participate in the labour market compared to men and, even when they do have such opportunities, they face unfavourable terms and conditions of employment.

Key statistics describing the participation of women in economic activities, based on the 1995-96 Labour Force Survey (BBS, 1996), are presented in Appendix 2.

2.13 Women and the law

Together with customs, culture and religion, the legal system plays a vital role in patterning the status and roles of women in the family, the society and the overall development process.

The legal status of Bangladeshi women is governed by the Constitution, civil law and the personal laws of each religious community. The 1972 Constitution clearly upholds the principle of equality between women and men, and forbids discrimination against women. Indeed, Article 28 (4) stipulates that “nothing in this article shall prevent the state from making special provision in favour of women or children or for the advancement of any backward section of citizens.” Thus, special provisions are prescribed to protect the rights of the relatively disadvantaged, which includes women.

The Constitution and civil laws apply to people of all religious affiliations, and apply equally to women and men. Personal law covers matters relating to marriage, divorce, dowry, maintenance, guardianship and child custody, and inheritance. All these matters are regulated by

the religious law of the community into which one has been born, irrespective of one's actual religious beliefs. The Muslim, Hindu, and Christian communities each have their own distinctive system of personal law with its own provisions.

Despite provisions in constitutional, civil, and personal law aimed at achieving equality for women under law, application of the legislation is uncertain. A distinction remains between the *de jure* status of women and their *de facto* condition. A satisfactory *de facto* status requires equal access to and control over resources, education, economic opportunities, and decision-making at all levels.

No significant changes have yet been made, given existing personal laws, despite government efforts. Another obstacle to change is the lack of awareness of women's rights, even among educated groups. Even where such awareness exists, women often face difficulties in pursuing their rights within the legal system because these provisions and social norms are insufficiently enforced.

CHAPTER 3

Policies and programmes supporting women's entrepreneurship

3.1 Introduction

The Government has acknowledged the importance of mainstreaming women in the national development process, and has initiated steps towards realizing this objective. Integration of women into the process of economic development is high on the official policy agenda, despite the difficulties posed by age-old customs and by the initial disadvantages under which women suffer (ERD, 1996). Under the various national Five Year Plans, gender equality has been gradually integrated into a macro framework prescribing a multi-sectoral thrust aimed at bringing women into the mainstream of national economic development.

In 1995, a 42-member National Council for Women's Development (NCWD) headed by the Prime Minister was established to oversee and monitor Women in Development (WID) activities. WID focal points were also identified in 32 other line ministries and agencies to coordinate and to take care of women-specific interests in the respective sectors (ERD, 1996). During the various national five-year plans, the Ministry of Women's and Children's Affairs and other line ministries took up appropriate programmes and projects under the coverage of sectoral allocations.

3.2 Government plans

However, the First Five-Year Plan (FFYP, 1973-78) did not visualize the role of women in economic development as a separate issue, and specified neither a women's affairs sub-sector nor a separate budget allocation. The 1978-80 Two-Year Plan (TYP) for the first time treated women's development separately. This TYP mainly emphasized vocational training, agricultural-based rural development programmes, establishment of cottage industries' production and sales centres, and the creation of facilities for working women and their children.

The Second Five-Year Plan (SFYP, 1980-85) and the Third Five-Year Plan (TFYP 1985-90) stressed the reduction of gender disparities in all sectors of national activity, designed more elaborate programmes for women's development, and emphasized the need for women's participation in mainstream socio-economic activities. During the TFYP, under the women's affairs sub-sector, about 60,000 women were trained in vocational skills and other human resources development activities; around 400,000 women were given non-formal education; and about 20,000 women were provided with credit facilities for self-employment.

In the previous five-year plans, women's development programmes and projects were mostly undertaken independently of one another, without sufficient coordination, and they failed

to achieve the desired results. The Fourth Five-Year Plan (1990-95), however, integrated women's development activities into the macro framework, employing multi-sectoral initiatives aimed at bringing women into mainstream economic development. This FFYP aimed to (i) expand skills development and credit facilities for women, enabling them to take up self-employment in both urban and rural areas; (ii) establish linkages between the existing vulnerable group development programme and women's training, credit, and employment generation activities; and (iii) undertake poverty alleviation programmes for destitute women.

The 1995-2010 Perspective Plan envisages expansion of successful targeted programmes and projects and the addition of new projects based on social mobilization. Social mobilization aims at poverty reduction through sustained increase in productive employment, particularly self-employment opportunities in nutrition-based, off-farm activities such as animal husbandry, fisheries, poultry, and horticulture, as well as in various non-farm activities having greater potential for economic returns. The production and employment programme is meant to be developed as a package programme consisting of institutions (cooperatives of asset-less women and men, informal groups of women and men), technology and training, credit, other inputs, supplies, and markets. This process needs the support of government functionaries, local government bodies, NGOs, other community organizations, people's representatives, and local leaders.

3.3 Industrial policy

Bangladesh currently has one of the most liberal industrial policies in the world, aiming to make the establishment of businesses easier for both local and foreign investors. The policy takes a proactive approach to attracting inward investment, presenting incentives such as tax holidays, accelerated depreciation, concessionary duties on imported machinery, rationalization of import duties, and a package of special incentives for non-resident Bangladeshi entrepreneurs and foreign investors. A new industrial policy, implemented since 1999, created an even more liberalized policy context for industry.

Realizing that small and cottage industries (SCIs) can play an important role in national economic development, the Government has been making all-out efforts to establish and develop small units and cottage industries throughout Bangladesh. The success of these SCIs largely depends on entrepreneurship development, providing that the genuine financial needs of these units are adequately met by banks and other national financial institutions. The current Industrial Policy (since 1992) has been formulated in conformity with this basic policy of providing the needed financial and infrastructural facilities.

No special or separate provision exists for the promotion of female entrepreneurship in the country. As stated earlier, however, the Industrial Policy provides special encouragement for SCI industries and—since most women entrepreneurs are engaged or likely to be engaged in SCIs—the current policy should stimulate female entrepreneurship.

3.4 Organizations

A number of ministries and government and non-government organizations (NGOs) are working for the economic and social development of women. The Ministry of Women's and Children's Affairs; the Ministry of Industries; the Ministry of Local Government, Rural Development and Co-operatives, and the Ministry of Youth are mainly policy-making bodies, but sometimes also act directly through projects. Various public sector agencies, meanwhile, are implementing programmes relating to self-employment and income-generating activities among women and to the promotion of SCI industries. These include the Bangladesh Small and Cottage Industries Corporation (BSCIC); the Bangladesh Rural Development Board (BRDB); the Bangladesh Management Development Centre (BMDC); the Directorate of Women's Affairs (DWA); the Bureau of Manpower, Employment and Training (BMET); and the Department of Youth Development (DYD). Many NGOs are providing similar assistance to women.

3.5 Government programmes

In keeping with government policy of integrating women into the mainstream of economic development, various new projects have been undertaken in recent years. Annex 3 presents a list of programmes related to income-generation, self-employment and entrepreneurship development for women, together with objectives; implementation methodologies; duration; project areas; target groups and numbers; outcomes; funding agencies; and implementing agencies.

Poverty alleviation lies at the top of the government agenda. As women are among the poorest of the poor, most of these projects target poor and destitute women, promoting self-employment through income-generating activities. As part of this approach, most of these projects include training programmes and credit components. Given the nature of the training provided and the size of the credit extended, however, these projects will promote self-employment opportunities mainly in the informal sector, rather than real entrepreneurship development in formal small enterprises. Nevertheless, projects such as those establishing the Women's Polytechnic Institute at Dhaka, the Youth Development Programme, and the Women's Entrepreneurship Development Programme are expected to help rectify matters.

3.6 Role of UN agencies, donors, INGOs, and NGOs

A number of UN Agencies, donors, INGOs, and NGOs are engaged in poverty alleviation and women's development programmes in Bangladesh. Some of these activities target both women and men, while others are aimed specifically at women. Prominent among the UN agencies involved are the United Nations Development Programme (UNDP), the International Labour Organization (ILO), United Nations Fund for Population Activities (UNFPA), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Capital Development Fund (UNCDF), the United Nations Children's Fund (UNICEF), and the International Fund for Agricultural Development (IFAD). Prominent donors and financing

institutions include the Netherlands, German GTZ, Swedish Sida, Norwegian NORAD, the European Union (EU), USAID, and the Asian Development Bank (ADB).

Apart from contributions to self-employment programmes and income-generating activities for poor and destitute persons, USAID and the ILO have been involved in entrepreneurship development at a higher level. USAID has funded the women's entrepreneurship development programmes at BSCIC, Micro Industries Development Assistance and Services (MIDAS), and the Agrobased Industries and Technology Development Project (ATDP) of the Ministry of Agriculture. The ILO assisted the Productivity Services Wing (PSW) of the Bangladesh Employers' Association in providing consultancy training and related services to improve the productivity of small and medium-scale enterprises. NORAD, through the ILO, assisted the Bangladesh Employers' Federation (formerly BEA) in implementing a project on the Promotion of Women in Private Sector Activities.

Most of the UN agencies and the donors channel assistance through approved projects that are included in the Government's Annual Development Programme (ADP). Some of this assistance is also channeled through the NGOs.

Leading INGOs conducting economic self-reliance programmes among the poor include Action Aid, the Danish Lutheran Mission, CARE International, OISCA (Japan), Terre des Hommes, the YMCA, and OXFAM. Most of them have training programmes and credit components, but details concerning numbers of beneficiaries and loans disbursed are not available at the time of writing.

At present there are nearly 24,000 NGOs registered in Bangladesh. Around 600 are registered under the NGO Affairs Bureau, while the rest come under the Social Welfare Department (although a number of the latter are currently not in operation). Among those operating, a large number are involved in poverty alleviation for women through promotion of income-generating activities and creation of self-employment opportunities. They provide varying proportions of skill development training programmes, credit support, and other assistance.

Prominent among the local NGOs are MIDAS, the Bangladesh Rural Advance Committee (BRAC), Grameen Bank, Caritas, Association for Social Advancement (ASA), Rangpur—Dinajpur rural Services (RDRS), Proshika, and Swanirvar. The clients of most include both women and men, but the majority of Grameen Bank and BRAC beneficiaries are women. MIDAS deserves special mention because of its entrepreneurship development programme for women. Support services provided by some of these NGOs are described in a subsequent section.

3.7 Effectiveness of polices and programmes

A Perspective Plan for Bangladesh, 1995-2010, a document prepared by the national Planning Commission, acknowledges "the enormity of the problem of unemployment in the country". It recommends a comprehensive programme for employment generation and human resource development, but is silent concerning additional jobs created during the Fourth Five-

Year Plan (FFYP), which projected incremental employment for about 5.05 million people. The Perspective Plan does indicate, however, that 13.88 million people—or more than 37 per cent of the labour force—were unemployed or underemployed as long ago as 1990, and acknowledges that the number of unemployed and underemployed people, along with new labour-force entrants (an estimated total 6.75 million during the FFYP), make the unemployment situation extremely serious.

Credit-based self-employment programmes undertaken by both government agencies and NGOs have proliferated rapidly. A recent study of 140 organizations conducting special employment creation schemes (SECS) indicates that, despite this rapid increase, total coverage remains small, given the extent of poverty needing attention. Research into the major SECS shows that less than 5 per cent of the target population are covered (UNDP, 1993). Since a large number of borrowers receive repeat loans, the net additional increase in self-employment could even be much smaller. Several studies do suggest, however, that women's entrepreneurship is showing gradual development. One of these (Khursida Begum, 1992) reported that 58.3 per cent of respondents in a survey of female entrepreneurs established their business after 1988, and nearly 80 per cent of them had gone into business since 1980.

Furthermore, even though reports indicate improvements in income and living standards among targeted households, many of these families remain below the poverty threshold. A BIDS random survey of 17 villages (out of 62 project villages) reveals that only 3 per cent of the improvement resulted from SECS activities, the bulk of the change being explained by good harvests and similar favourable factors (BIDS, 1992).

The majority of those who enter self-employment programmes undertaken by both government agencies and NGOs are women. Since women have a reputation for being more disciplined, more law abiding, and traditionally more caring of their family welfare, loans taken by them are more often productively used and repaid in a timely fashion. The fact that government and NGO programmes aim at recruiting at least 50 per cent women members thus appears justified. Experience suggests that programmes with a greater proportion of women participants contribute more to poverty alleviation as well as to improving the status of women in society.

Are enough relevant programmes in operation? How effective are those which are? No critical analysis by an independent body currently exists. The irregular available evaluations tend to provide only partial pictures relating to one or two programmes. Regular critical analysis would keep programmes relevant and keep sponsors informed about their progress. Ideally, programmes should be home-grown and driven by Bangladeshi perceptions of what is needed, rather than being excessively donor driven, as is now the case with most government programmes (Hye, 1996).

CHAPTER 4

Characteristics of women entrepreneurs

4.1 Introduction

A variety of research (Quddus et al, 1996; Planning Commission, 1990; Khurshida Begum, 1992; ILO, 1995) has described the activities of female entrepreneurs (FEs) and male entrepreneurs (MEs) in Bangladesh. Given their varying objectives, however, these studies differ widely in scope and coverage, and their findings are not readily comparable. For example, based on a factory survey, the Planning Commission study described the activities of 585 male and only 7 female entrepreneurs. Khurshida Begum's study is based on 48 women involved in business and 53 women interested in business, all of them from around Dhaka, Narayangonj, Tangail, and Savar: there is no comparison with male entrepreneurs. Quddus and others described the characteristics of 39 male and 21 female entrepreneurs, all of them rural poor, from Comilla.

Most comprehensive is the ILO study (1995) of female and male entrepreneurs, which is also most relevant to the objectives of the present report. Based on a survey of a relatively large sample size of entrepreneurs (500), comprising female (374) and male (126) entrepreneurs, the study included economic units ranging from micro to small enterprises of 10 workers or less. Part-time and survival-oriented activities were excluded, since they rarely offer any potential for growth. In order that both the operation and the creation of enterprises could be studied, this study also excluded enterprises such as those in operation for less than a year; inherited enterprises; enterprises operating under sub-contracting conditions; and pseudo-enterprises in which women played only a figurehead role. Both urban (71.6 per cent) and rural (28.4 per cent) enterprises were included, as were traditionally women-based sectors and other sectors not specifically women-based, but which were included in order to investigate factors hindering women's entry into these sectors. The study covered a wide geographical area, looking at enterprises in urban and rural locations in six districts: Dhaka, Chittagong, Rajshahi, Pabna, Comilla, and Mymensingh.

The ILO survey included 10 sectors, together with sub-sectors such as food processing; dyeing and printing; wooden products; printing and publishing; plastic and chemical products; metal products; other manufacturing and handicrafts; tailoring; beauty parlors; and other services.

As this present report is mainly based on desk research, the analysis which follows is based mainly on the earlier ILO study (1995). Where appropriate, relevant inferences have also been drawn from other studies.

4.2 Socio-economic characteristics of entrepreneurs

(a) Age. In general, female entrepreneurs are younger than male entrepreneurs. The average age is 33 years for females, and between 36 and 37 for males. Almost half the female entrepreneurs are 30 years old at most (47.6 per cent), compared to one third (32.5 per cent) of the male entrepreneurs. Moreover, 44.4 per cent of the men are older than 35, versus 31 per cent of the women.

What explains this age differential? Enterprises headed by men have been in operation for longer. Men are also more likely, before starting their own business, to have spent longer in school, to have found wage employment after school, to have been paid relatively more and, in consequence, to have spent longer in the workforce.

Both female and male entrepreneurs are younger in rural areas. Indeed, the average age of female entrepreneurs is 30 in rural areas, compared to 32 in urban. The corresponding ages for male entrepreneurs are respectively 33 and 35 years. This difference, depending on enterprise location, no doubt results from observed differences in educational level. Urban entrepreneurs, in general, have more education. On the one hand, this delays their entry into working life; on the other hand, it allows them either to find a job in the private sector more easily, or to acquire prior experience before establishing their own enterprise.

(b) Marital status and age at marriage. A review of the personal and socio-economic background of the respondents suggests that most are married (81 per cent for male and female). The average age at marriage for female entrepreneurs is 16 years, while that for male entrepreneurs is 24 years. The average age for female entrepreneurs is 15 years in rural areas and 17 years in urban areas. The corresponding figures for male entrepreneurs are 22 years and 25 years in rural and urban areas respectively.

(c) Education. A significant difference between female and male entrepreneurs is apparent in the distribution of entrepreneurs by sex and educational level. Female entrepreneurs are over-represented at extreme educational levels—illiteracy and, to a lesser extent, higher education. Literacy rates for both female entrepreneurs and male entrepreneurs are higher than the national adult literacy rate. It would appear, therefore, that the microenterprise sector is only accessible to a tiny proportion of the illiterate population. It is highly probable that the majority of the illiterate population work in the agricultural sector, which is still predominant in Bangladesh.

Literate entrepreneurs have completed various degrees of formal education. About 42 per cent of the female entrepreneurs have less than 10 years of schooling (below the secondary-school level), while the corresponding figure for their male counterparts is 56 per cent. There are more female entrepreneurs (43 per cent) than male entrepreneurs (37 per cent) with higher education (secondary school onward). This is particularly the case in the beauty parlour business and, to a lesser extent, in services in general, where the study found that no women are illiterate.

There may be several reasons to explain this specificity by sector, especially with the beauty parlours. By contrast, no qualified females are involved in sectors such as wooden and bamboo products, metal products, and plastic products. No such pattern is apparent among male entrepreneurs.

(d) Influences on enterprise creation. The family environment influences the creation of entrepreneurial enterprises. Important factors include the occupations of the entrepreneur's spouse and father, and the reactions of family and friends to the decision to go into business.

- **Spouse's occupation.** In most cases, the female entrepreneur's spouse is an independent worker of some form or other. This is true for 58 per cent of women, compared to fewer than 30 per cent of male entrepreneurs. The spouse's situation may influence the female entrepreneur's choices—she can benefit, for example, from her husband's contacts and experience. Among 20 per cent of women, the spouse works in the private sector, as compared to 18.5 per cent with spouses in the public sector. Most male entrepreneurs (69 per cent) have a wife who works at home.

The range of employment possibilities is much greater for men than it is for women. The occupations of interviewed spouses provides a first indicator of this unfavourable economical context, which greatly influences the behaviour of women in relation to their access to opportunities in the labour market.

- **Father's occupation.** About 57 per cent of female entrepreneurs and 73 per cent of male entrepreneurs have self-employed fathers. Fathers of 31 per cent of female entrepreneurs and 29 per cent of male entrepreneurs in urban areas are either private sector or government employees, while the corresponding figures for rural areas are only 9 and 1 per cent respectively. Only 2 per cent of the female entrepreneurs and none of the male entrepreneurs have entrepreneurs as fathers.
- **Sources of support and resistance.** Female entrepreneurs who receive support and cooperation from their families are likely to be more successful. Few entrepreneurs have experienced hostile reactions or resistance from their family. Having decided to establish an enterprise, 88 per cent of female entrepreneurs and 86.5 per cent of male entrepreneurs report having met no resistance from spouse, friends, or children. However, any resistance which some female entrepreneurs did encounter came from their husbands. Male entrepreneurs more often report resistance on the part of their parents. About three-quarters of female entrepreneurs, as compared to 42 per cent of male entrepreneurs, have been encouraged by friends.

(e) Entrepreneurial experience. Even before creating their own enterprise, male entrepreneurs often have more practical experience, not only within the family but also through contacts with professionals. Women have more difficulty gaining access to the world of work. Only a minority succeed in obtaining a job in the formal sector, and few succeed in the informal

sector. In many cases, the creation of a microenterprise seems to represent the only possibility for women to engage in economic activity.

(f) *Entrepreneur's age at start of the enterprise.* Female entrepreneurs start their business at a slightly earlier age than do male entrepreneurs. The average age for women is 27 years (24 years in rural areas, and 28 years in urban) while that for men is 29 years (27 years in rural areas, and 30 years in urban). Nearly 45 per cent of female entrepreneurs established their enterprises before they were 25 years old, as compared to fewer than 30 per cent of male entrepreneurs. This is because male entrepreneurs usually start their own enterprises after getting practical experiences while working for others. Many female entrepreneurs, on the other hand, start their enterprises without prior experience.

(g) *Previous experience.* More than half the female respondents and 25 per cent of the male respondents had no previous work experience. Where female entrepreneurs have acquired experience prior to creating their enterprise, it is generally 5 years' experience at most; the majority of male entrepreneurs have accumulated more than 5 years of experience.

Having no working experience is more prevalent among females who live in rural areas, work in the food-processing sector, are illiterate, or have only a primary education. No discernible correlation between level of education and work experience has emerged for male respondents.

However, where some female entrepreneurs have acquired experience, it seems to have positive effects on their current activities. These women have a high representation in enterprises with more than 5 workers, and even more so in enterprises with higher-than-average assets, in registered enterprises, or in those located in independent premises.

(h) *Experience in similar business or earlier ownership of an enterprise.* A significant difference exists between male and female involvement in similar businesses. Average years of work experience in similar businesses for males is 4.9 years (2.9 years rural, 5.3 years urban) and that for females is 0.8 years (0.7 years rural, 0.9 years urban). The total work experience for males averages 7 years, while that for females is between 2 and 3 years. Both males and females in urban areas have greater overall working experience than those in rural areas. Female respondents who have had experience in similar enterprises tend to have greater overall work experience than others.

(i) *Age of the enterprise.* The age of the majority of female-headed enterprises (61 per cent) ranges between 1 and 5 years, against 42 per cent of male-headed enterprises belonging to this group. More than 40 per cent of male-headed enterprises range between 6 and 10 years, compared to just 22 per cent of those with female heads.

Female-headed enterprises have been established more recently in urban areas than in rural areas, the average age being 8 to 9 years in rural areas against 5 to 6 years in urban. The opposite is true among male entrepreneurs. The difference observed for female entrepreneurs might be explained by location.

- In rural areas, enterprises are family operated, be it at the level of tasks carried out, location (in the entrepreneur's house), or nature of the labour force (family members). Thus, the activity can be considered an extension of responsibilities commonly and culturally assigned to women. In urban areas, surveyed enterprises are more independent from the family. Resources utilized and female entrepreneurs' motivation seem to show, especially in urban areas, a gap between the enterprise and women's "traditional" roles of mother and spouse. Issues of economic activity and relative independence for women become more meaningful in the urban setting. Values are questioned, and it becomes an issue dealing with the status of women and their place within society. This may explain the relatively young age of women-headed enterprises, especially in urban areas.
- Relatively recent urbanization, combined with the adoption of structural adjustment policies have reduced employment opportunities in the formal sector and, more specifically, in the public sector. In these circumstances, and where women want to contribute additional income to the household, they may feel the need to create their own enterprises.

4.3 Strategies and behaviour

(a) Sources of practical experience. A majority of male entrepreneurs (64 per cent), and a smaller proportion of female entrepreneurs (43 per cent), contend that they acquired on their own the skills needed for running their enterprises. Mainly being women with secondary education, these entrepreneurs are more developed than are the majority of microenterprise operators included in the sample. Among other things, their enterprises are more often registered and located outside the household, they employ more workers, and they declare greater assets. All of this doubtless requires skills and knowledge that women could not acquire simply within the family.

About 41.5 per cent of female entrepreneurs reported that they had obtained technical know-how from their families, while the corresponding figure for male entrepreneurs is 13.5 per cent. It is among female entrepreneurs in rural areas in particular, and especially among those with little education that the transfer of family know-how is most widespread—65 per cent of illiterate women entrepreneurs have acquired their know-how from their family. Most often, their activities are restricted and family dependent (home-based enterprises, often unregistered).

(b) Sources of capital and start-up funds. Because they have more professional experience, more male entrepreneurs than female entrepreneurs—73 per cent versus 40.1 per cent—have savings from prior employment to finance their enterprise. On the other hand, more female entrepreneurs—47.1 per cent versus 39.7 per cent for men—benefit from loans from friends or family members. Fewer than 10 per cent of the entrepreneurs—7 per cent of women and 2.4 per cent of men—called upon formal financial institutions to help start their enterprises. Only a marginal percentage of the sample drew upon sources such as loans from money-lenders, inheritances or income from other investments.

The sources of funding used for start-up are mainly determined by the local business environment, activity sector, size of enterprise created, and level of investment, as well as by personal characteristics such as educational and income levels. All of these factors can give rise to varying financial needs.

Among female entrepreneurs, 29 per cent regard the spouse's savings as an important source of equity, while among male entrepreneurs the corresponding figure is 30 per cent. For male entrepreneurs, inheritance is the second major source of equity (13 per cent), while it is such for only 7 per cent of female entrepreneurs. This may be because, although Muslim women are entitled to inherit property from parents, few actually take advantage of this right.

4.4 Entrepreneur's initial objectives and motivation

(a) Source of business idea. The majority of both female and male entrepreneurs (71 per cent for females and 78 per cent for males) say that they themselves were the main source for the idea behind their enterprise. This is especially true among educated female entrepreneurs whose enterprises employ more than 5 workers and are registered and/or independent from the household. In rural areas and in small family-centred units (home-based, fewer workers or generally unpaid family labour, and unregistered enterprises) on the other hand, family influence is important right from the inception. Even if the woman heads the enterprise, it is a family project more than an individual one. The family appears to be the second major source of influence for 30 per cent of the females and 17.5 per cent of the males. The percentage is even higher among women in rural areas (more than 41 per cent), but much less among women-headed enterprises located in independent premises (11 per cent).

Finally, fewer than 1 per cent the female entrepreneurs cited government programmes as a source, while none of the male entrepreneurs did so.

(b) Main reason for selecting the business idea. For the majority of the respondents (74 per cent for females and 71 per cent for males) the choice of an enterprise idea results from the natural inclination of respondents, irrespective of education or working experience. About 36 per cent of female entrepreneurs and 29 per cent of male entrepreneurs selected the idea because of family pressure (this was pressure by the spouse for 12 per cent of female entrepreneurs), the necessity to combine family and professional activity for nearly 13 per cent of them, and by the parents for 8 per cent; 20 per cent of male entrepreneurs act mainly under parental pressure. Approximately 25 per cent of both female entrepreneurs and male entrepreneurs considered market potential before selecting the business. Such considerations are mainly those of educated female entrepreneurs, whose activities are more sophisticated and relatively independent of the family. On the other hand, female entrepreneurs whose businesses are more informal and more family-based refer more to family influences.

Only 1 per cent of male and female respondents considered institutional influence a major factor. This indicates the dearth of institutional support for the setting up of small and micro-enterprises and, even where it exists, its minimal impact.

(c) Factors shaping the main business idea. Entrepreneurs were asked to mention factors that helped to shape the main business idea. Personal interest was the main factor for 54 per cent of female entrepreneurs, while this was true for 37 per cent of male entrepreneurs. This is compatible with reasons given for selecting the enterprise idea, where a majority of female entrepreneurs claimed that natural inclination was the main reason. According to male entrepreneurs, training was the major factor (mentioned by 38 per cent) helping to shape the enterprise idea, while it was ranked second by female entrepreneurs (43 per cent).

(d) Main consultant. The majority of male entrepreneurs (61 per cent) and fewer than half the female entrepreneurs (40 per cent) consulted with close friends or family business acquaintances before starting their enterprises. Only 6 per cent of female entrepreneurs and fewer than 5 per cent of male entrepreneurs consulted with bankers, government or NGO officials. None of the entrepreneurs conferred with private business consultants. This suggests that counselling services provided by the government and other formal institutions are inadequate and do not reach these target groups.

(e) Main reasons for establishment. The majority of female entrepreneurs (66 per cent) rank desire to supplement family income as the primary reason for starting the enterprise. Preference for earning an income and doing family chores simultaneously ranks second, while pursuing a personal interest or hobby comes third. Urban female entrepreneurs expressed reasons similar to those of the overall sample. Rural female entrepreneurs, however, cited as their third major reason the desire to have an enterprise to hand over to their family.

As with female entrepreneurs, the main reason among male entrepreneurs for establishing an enterprise is the desire to supplement family income. Wanting to apply their knowledge and skills to an enterprise ranked second, while the urge to try something new ranked third. Urban males expressed reasons similar to those of the overall sample. Rural males, like rural females, cited as the third main reason the desire to have an enterprise to hand over to family.

Although the first reason cited by both female and male entrepreneurs is similar, the second and the third reasons differ significantly. This is because female entrepreneurs, unlike male entrepreneurs, tend not to consider the enterprise as a separate entity, but rather as an extension of family duties. This conclusion is supported by female entrepreneur claims that allocating time between family and work was the third major problem in enterprise start-ups.

4.5 Enterprise consolidation

(a) Enterprise location. Nearly 86 per cent of women-headed enterprises are home-based, compared to 39 per cent among male-headed. Whether female or male entrepreneurs, the percentage of enterprises operating in independent premises is higher in urban areas, the difference being more pronounced among men. Indeed, 60 per cent of male entrepreneurs operating in rural areas work at home, compared to 35 per cent among urban male entrepreneurs. Corresponding percentages for women are 93 per cent and 80 per cent, respectively. A high percentage of female entrepreneurs in the beauty parlour sector operate in separate premises.

Factors other than the business environment (rural/urban) and sector of activity—the interrelated variables of educational level and enterprise size, for example—also influence location.

(b) Enterprise assets. The informal enterprises have little or no equipment and are generally home-based, while more formal enterprises operate in premises separate from the home and have enterprise-dedicated equipment.

Real estate presents the most significant gender-related difference with respect to owned assets. Less than 20 per cent of female entrepreneurs, as opposed to more than 50 per cent of male entrepreneurs, own or even rent the buildings in which they operate. This is because a higher proportion of female entrepreneurs operate home-based activities. About 25 per cent of male entrepreneurs own land, compared to 18 per cent of female entrepreneurs, these proportions (and the gender discrepancy) being slightly higher in rural areas (35 per cent for male entrepreneurs and 20 per cent for female entrepreneurs). Other microenterprise assets include mainly machinery, equipment, and working capital.

In general, men have more assets—especially machinery, equipment, and working capital—than women. Apart from gender-related differences, the value of assets varies according to factors such as enterprise location (rural or urban, home-based or independent from the household), size of the enterprise, and educational level of the entrepreneur. The fact that an enterprise is home-based has an impact on the low value of fixed assets and equipment. The average value of real-estate assets in this case is Tk.20,000 compared to Tk.75,000 for female entrepreneurs who work outside their home (the difference is much less pronounced among male entrepreneurs).

Whatever the type of asset, the value is less among women who operate in rural areas, especially when using machinery and equipment. Among men, no significant difference is observed except where the value of real-estate assets is lower in rural areas.

(c) Investment per head, or capital intensity. The average capital per head is Tk.2,500 for female entrepreneurs and Tk.14,845 for male entrepreneurs. This figure is Tk.2,250 among women who work at home, and approximately Tk.5,150 for female entrepreneurs operating in premises outside the household. Values observed for male entrepreneurs do not differ much by enterprise location—Tk.15,000 for home-based enterprises and Tk.14,700 for independent enterprises. Finally, registered enterprises of both female and male entrepreneurs show a higher

investment value per head than do unregistered ones. Thus, 57.6 per cent of women have a capital at best equal to Tk.3,000. This is the case among only 15 per cent of men, 36 per cent of whom have a capital intensity between Tk.3,001 and Tk.15,000. Among male entrepreneurs, 27.5 per cent have a capital intensity of more than Tk.30,000 compared to only 11.7 per cent among female entrepreneurs. These figures clearly show the more capital-intensive nature of male-headed enterprises. Also regardless of the educational level of the entrepreneur, male-headed enterprises are more capital-intensive.

(d) Technology. The technology used by the surveyed microenterprises is largely obsolete or outdated. In 80 per cent of the female-headed and 77 per cent of the male-headed enterprises, production is conducted either entirely manually or partially with hand tools. About 9 per cent of the female-headed enterprises (all units in urban areas) use modern technology, while the corresponding figure for the male-headed enterprises is 18 per cent (95 per cent in urban areas). This may be because rural areas afford poor access to electricity. The use of electrically operated machines is prevalent in beauty parlours and tailoring among female-headed enterprises, and in metal products, printing, and publishing among male-headed enterprises.

Entrepreneurs with a relatively high education tend to use modern technology. About 67 per cent of female entrepreneurs who use manual technology are either illiterate or have only some elementary education, whereas about 59 per cent of those who use modern technology are graduates or post-graduates. Corresponding figures for the males are 41 per cent and 32 per cent, respectively.

Illiterate entrepreneurs—both female and male—do not use modern technology such as electrically operated machines. Women receive less exposure to modern ideas and, subject to discriminatory social norms, remain more inclined to follow traditional methods, and seem to lack the self-confidence to use complicated machines.

(e) Sources and amount of credit. Loans are granted by the family to 6 per cent of female entrepreneurs, while this is true for fewer than 1 per cent of male entrepreneurs. On the other hand, more male entrepreneurs have benefited from bank credit—private (4 per cent versus 0.5 per cent for women), commercial (3.2 per cent versus 1.9 per cent for women), and national (2.4 per cent versus 0.3 per cent for women).

Female entrepreneurs who have been granted an NGO loan generally head non-registered, home-based enterprises with fewer than six workers (including the entrepreneur herself). They are more often entrepreneurs with little education, operating informal or quasi-informal enterprises in the “other manufacturing” (including textiles) and food-processing sectors.

The average value of loans obtained is Tk.3,000 for female entrepreneurs and Tk.75,000 for male entrepreneurs—a factor 25 times higher for male entrepreneurs.

Among women with access to credit, 77 per cent received loans of Tk.5,000 or less, the figure for men being 17 per cent. About 6 per cent of the females received loans of Tk.100,000 or more, but the corresponding figure for males was 33 per cent, especially in the dyeing,

printing, and metal sectors. Thus, more females than males receive loans, but males are granted larger sums.

The majority of male entrepreneurs (77 per cent) and female entrepreneurs (56 per cent) obtain loans with interest rates ranging between 11 per cent and 20 per cent. The repayment period depends largely on the source of credit. Thus, NGOs—which constitute the main credit source for female entrepreneurs (61 per cent of whom have received such benefits)—usually provide short-term loans. About 67 per cent of male entrepreneurs who received loans, obtained them from formal credit institutions, while only 7 per cent of female entrepreneurs receiving loans obtained them from such sources. Typically, formal credit institutions provide longer-term loans.

(f) Awareness of credit facilities granted to women entrepreneurs. Entrepreneurs were asked to express their views on existing credit facilities for women. About 43 per cent of female entrepreneurs and 52 per cent of male entrepreneurs are not aware of such credit facilities. This is probably because of poor publicity. Existing credit facilities for women are too few, according to 49 per cent of the female entrepreneurs and 34 per cent of the male entrepreneurs. Only 7 per cent of the entrepreneurs (8 per cent female, 4 per cent male) believe that existing facilities are enough or more than enough.

(g) Reasons for future borrowing. About 79 per cent of female entrepreneurs and 71 per cent of male entrepreneurs choose working capital requirements as the reason for future borrowing.

(h) Nature of assistance received. The most widespread assistance to microenterprises is financial, with 53 per cent of women and 56 per cent of men being recipients of some form of help. Other types of assistance, such as marketing, extension and consultancy, financial training and management have benefited only a marginal proportion—fewer than 10 per cent of female entrepreneurs and fewer than 3 per cent of male entrepreneurs.

(i) Needs of female and male entrepreneurs. Asked about future assistance needs, a majority of both female (75 per cent) and male (86 per cent) entrepreneurs mentioned credit and financial assistance. This corresponds with the findings on current problems, where both female and male respondents rank lack of credit first. Training in production techniques is ranked second by 37.4 per cent of female entrepreneurs. Technological assistance ranks second, according to 21 per cent of male entrepreneurs. Third choice among females is extension and consultancy (23 per cent); among males it is marketing assistance (14 per cent). None of the male entrepreneurs cited information assistance as a future need, against 1.1 per cent of the female entrepreneurs.

(j) Constraints. Financial problems are the most common. Inadequate financing was ranked first by 76 per cent of female entrepreneurs (92 per cent rural and 69 per cent urban) and by 68 per cent of male entrepreneurs. This is particularly serious in rural areas and among small economic units (fewer than 5 workers), all the more so with those located in the household and unregistered sectors.

About 40 per cent of women and 52 per cent of men rank competition, and around 30 per cent of both women and men rank “obtaining quality raw materials” as among the three major start-up problems. Balancing time between the enterprise and the family was reported as one of the three major start-up problems by 30 per cent of women, as compared to 5 per cent of men. This problem is particularly acute among rural female entrepreneurs, probably because 30 per cent of urban women have maids to help with household work, compared to only 3 per cent among rural female entrepreneurs.

(k) Current problems. Respondents were also asked to state their current problems. A majority of both female entrepreneurs (75 per cent) and male entrepreneurs (72 per cent) cited shortage of working capital as the major problem. Inadequate financing appears to be the second problem (reported by one third of both groups). Excessive competition is ranked third, mentioned by 29 per cent of both women and men, especially those in the services sector.

A comparison between start-up problems and current problems reveals that entrepreneurs could not eliminate the first two start-up problems of inadequate financing and excessive competition. In fact, these problems became more acute at a later stage.

One survey of female entrepreneurs (Karim, 1996) ranked the problems in the following order: need for credit; marketing; training; technology; information; extension and consultancy; and infra-structural support services.

CHAPTER 5

Profile of small and cottage industry (SCI) sector and involvement of women entrepreneurs

5.1 Introduction

Bangladesh is experiencing widespread poverty, high unemployment and underemployment rates, a highly skewed distribution of income and wealth, and continuing dependence on foreign aid with attendant debt-servicing problems. Neither the agricultural sector nor the modern industrial and service sectors appears to offer much hope for generating large-scale employment. Thus, development of the SCI sector is vital for generating employment and creating income-earning opportunities. This sector includes enterprises in the informal sector, microenterprises, and cottage and small industries. Generally, female entrepreneurs are engaged in informal-sector microenterprises and cottage industries, with limited involvement in small industries.

5.2 Definition of terms

Informal sector. The informal sector consists of small-scale units engaged in the production and distribution of goods and services outside institutionalized economic structures. Typically, informal sector units are not registered. Their primary objectives are employment and income generation, notwithstanding the constraints on physical and human capital and know-how.

Informal sector enterprises typically show these features (ILO, 1995):

- ease of entry;
- family ownership;
- small-scale operation;
- reliance on indigenous resources;
- use of labour intensive and adopted (often low-level) technology;
- acquisition of skills outside the formal schooling system; and
- unregulated and competitive markets.

Informal units tend to employ minimal capital and management skills, and have poor or unsatisfactory premises and infrastructure. Such units also typically ignore company law or government regulations. Most informal sector operators and employees lack access to credit, training, markets, and other facilities offered by formal institutions.

Microenterprises. These units are engaged in industry, trade, and services and have links with agriculture and primary processing. In Bangladesh, the term microenterprise is often used synonymously with cottage industries and small-scale enterprises. But there is no universally accepted definition of this sector. Typically, a microenterprise is described as a sole trader, partnership, or family business with one or two employees and having limited investment (up to Tk.500,000). Many microenterprises, perhaps the majority, are operated solely by the owner. This has led to the frequent use of the term self-employment. In developing countries, the concept of microenterprises is frequently associated with the informal sector. Some microenterprises are home-based, service-oriented operations that provide supplementary income to the proprietor (Rahman, 1997).

Cottage industries. The current Industrial Policy (1991) defines a cottage industry as an industrial unit engaged in either manufacturing or servicing, generally run either full-time or part-time by family members, with a total investment of no more than Tk.500,000.

Small industries. According to the Industrial Policy, small industries are industrial units engaged in manufacturing processes or service activities whose total fixed investment—excluding the price of land, expenses for inland transportation and commissioning of machinery, and duties and taxes—is limited to Tk.30 million including initial working capital.

The Industrial Policy has defined cottage and small industries by size of investment, and no separate definition is supplied for medium and large industries. The 1991-92 Census of Manufacturing Industries (BBS,1997), categorizes industries as small, medium, and large on the basis of employment numbers. Small-scale establishments include those with fewer than 10 workers; medium-scale establishments have 10 up to 50 workers; and large-scale establishments employ 50 workers or more.

Existing definitions permit considerable overlap in concepts of microenterprises, cottage industries, and informal sector enterprises. Definitions of SCI industries, furthermore, have undergone changes in successive national industrial policies.

5.3 Features of the SCI sector

The SCI-industry sector:

- is labour intensive;
- uses low-level technology;
- activates private saving;
- provides employment for low-income groups;
- provides forward and backward linkage with agriculture, the mainstay of the economy;
- uses local raw materials and energy supplies;
- aims to satisfy local market demand;
- encourages local initiative and entrepreneurship;
- trains its own labour force;
- requires less costly infrastructural facilities than large-scale enterprises; and
- offers ease of entry and exit.

5.4 Profiles of cottage industries

Cottage industries in Bangladesh are widely dispersed, and thus are better positioned to take advantage of available natural resources. The 1994 BSCIC survey—the latest available—counts 405,476 cottage industries in the country as of 1991, compared to 321,743 in 1980 and 234,934 in 1961. Classified under 8 broad sectors and 211 sub-sectors or types, most of these units are located in rural areas throughout the country. Enterprise profiles in the informal sector or among micro-enterprises and cottage industries are unavailable in a disaggregated form.

(a) Sectors, sub-sectors, and major types. Table 5.1 outlines eight broad cottage industry sectors, a number of sub-sectors, and major types under each sector.

TABLE 5.1: SECTORS, SUB-SECTORS, AND MAJOR TYPES OF COTTAGE INDUSTRY

	Sector	No. of sub-sectors/types	Major types
1.	Food & allied industries	40	Rice husking, oil mills, gur making, pulse milling, chira making, sweet meat
2.	Textile, wearing apparel & leather industries	41	Tailoring, mats & reeds, fish net, jute handicrafts
3.	Wood & wood products (including bamboo & cane products)	14	Wood products, bamboo & cane products, wood handicraft & furniture
4.	Paper, paper products, printing & publishing	12	Printing presses, book binding, paper bags, etc.
5.	Chemicals, petroleum, coal, rubber & plastic products	35	Plastic footwear, soap-making, agarbati, vulcanizing
6.	Glass & ceramics	12	Pottery, tiles
7.	Fabricated metal products, machinery & equipment	32	Line and cement products, hand tools, light engineering workshops, agricultural implements, electrical appliances.
8.	Other manufacturing industries & handicrafts	25	Gold smithies, handicrafts, hand fans, etc.

Source: *Survey on cottage industries*, BSCIC, 1994.

Sector-wise, the food and allied industries sector tops the list, with 117,579 units representing 29 per cent of the cottage industries in the country. Next comes textiles, wearing apparel, and leather industries with 108,888 units (26.85 per cent), and wood and wood products including bamboo and cane products with 180,888 units (24.77 per cent). Together, these three sectors represent over 80 per cent of the cottage industries in the country.

The 1994 survey reveals that, among sub-sectors or types, tailoring industries top the list with 58,440 units, accounting for 14.41 per cent of all cottage industries. Next comes bamboo and cane products, with 54,143 units, or 13.1 per cent of the total units. The other major types include salt-producing units, with 29,122 (7.18 per cent); rice husking, with 23,778 (5.86 per cent); pottery, with 19,718 (4.86 per cent); wood products, with 16,696 (4.12 per cent); and mats, with 15,848 (3.91 per cent).

(b) Geographical distribution. The district of Cox's Bazaar topped the list with 35,554 or 8.77 per cent of all the cottage industrial units. Chittagong District ranks second with 21,558 units, or 5.32 per cent of the total.

Third is Dhaka District, with 1,654 units, represents 4.6 per cent of the total. Comilla stands fourth with 12,569 units, followed by Rajshahi (11,195), Pabna (10,266), Mymensingh (9,969), and Bogra (8,844).

(c) Investment. Total fixed investment in cottage industries is Tk.5,690 million. Average fixed investment per unit is Tk.14,033. By fixed assets, the top 10 product lines are hosiery and other knitted fabrics, rice mills, light engineering, ready-made garments, automobile servicing and repair, sawmills, jute and textile mills, steel re-rolling, surgical gauge and bandages, and oil mills.

(d) Employment. The total number of persons engaged in cottage industries is 1,331,032. Each unit engages 3.28 workers on average. The top 10 employers are rice mills, ready-made garments/tailoring, biscuits and bakeries, hosiery and other knitted fabrics, printing and publishing, light engineering, flour mills, oil mills, sawmills, and lime products. It is noteworthy that rice mills and garments employed approximately 41 per cent of all the workers in the SCI sector.

(e) Raw materials. The total raw materials consumed annually is valued at Tk.690 million, and the average value of raw materials consumed per unit is Tk.17,215. Most of the cottage units use local raw materials, although some of them use a combination of local and imported raw materials. The main product lines using imported raw materials are ready-made garments, hosiery and other knitted fabrics, jute and textile mills, spares and tannery.

(f) Production. The total value of annual production is Tk.13,810 million and the average value of production per unit is Tk.34,060.

(g) Value addition. Ranked in value-added terms, the top 10 product lines accumulated Tk.3.3 billion, or about 50 per cent of the sector total of Tk.6.6 billion. The top 10 value-added "creators" are hosiery and other knitted fabrics, automobile servicing and repairs, sawmills, biscuits and bakeries, printing and publishing, lime products, light engineering, wooden furniture and fixtures, jewellery, and flour mills. The top two—hosiery and other knitted fabrics, and automobile servicing and repair—contributed about 20 per cent of the SCI sector's value addition.

(h) Return on investment (ROI). In terms of ROI, the top 10 product lines present figures ranging from 56.1 to 134 per cent return on assets. Many of the 10 product lines are clear departures from traditional cottage industries. This clearly shows that investments in creativity and new product lines pay off. The top 10 ROI earners are electric bulbs, jute-baling presses, hot water and ice bags, glass nipples, spice processing, TV assembly, barley and other baby foods, dal and other grains, and plastic containers.

5.5 Small-industry profiles

The latest survey on small industries (BSCIC, 1994) counts 38,294 small industries in 1991 compared to 24,005 in 1978 and 16,331 in 1962. These industries have been classified into 9 sectors representing 197 types of establishment. Food and allied products manufacture emerged as the main sector, representing 55 per cent of the small industries. Rice mills, with 13,482 units—dominated the sub-sector with 64 per cent of the total. Textiles, wearing apparel, and leather industries together constitute the second largest sector, with 8.5 per cent of the total, followed by basic metal industries (7.68 per cent) and the chemicals, rubber, and plastic sector (7.32 per cent).

TABLE 5.2: SECTORS, FREQUENCY, AND MAJOR TYPES OF SMALL INDUSTRY

	Sectors	Frequency	Major types
1.	Food & allied products	21,080 (55.5%)	Rice mills, biscuits & bakeries, flour mills, oil mills, cold storage, poultry farming, etc.
2.	Textiles, wearing apparel, & leather industries	3,260 (8.51%)	Hosiery, knitted fabrics, tannery, etc.
3.	Wood & wood products including furniture	1,746 (4.56%)	Sawmills, wooden furniture, timber factories, tea chests, etc.
4.	Paper, paper products, printing & publishing	2,440 (6.37%)	Printing & publishing, packaging, paper cartons, etc.
5.	Chemicals, rubber & plastics	2,405 (7.32%)	Chemicals, pharmaceuticals, soap, cosmetics, plastic products, etc.
6.	Glass & ceramics	1,107 (2.89%)	Lime products, bricks & tiles
7.	Basic metal industries	2,942 (7.68%)	Light engineering workshops, steel furniture, motor-boat building, ship breaking, steel re-rolling, etc.
8.	Fabricated metals, machinery & equipment	1,959 (5.12%)	Automobile servicing, aluminum utensils, etc.
9.	Other manufacturing Industries	955 (2.49%)	Jewellery, other metal products.

Source: *Survey on small industries*, BSCIC 1994.

(a) Geographical distribution. Dhaka District tops the list with 5,119 small-industry units, followed by Chittagong (4,292 units), and Comilla (1,359 units). Fewer small industries—258 units per square kilometre, on average—are found in the remaining districts.

(b) Employment. The total number of persons engaged in 38,294 small industries is 523,471. The average number of persons employed per unit is 13.67. On average, Tk.55,000 has been invested for each person employed in small industries.

(c) Investment. The total fixed investment in small industries is Tk.2,882 million with an average fixed investment of Tk.0.75 million per unit. This figure does not include the value of land and buildings, with rented premises. The total investment in machinery and equipment is Tk.1,519 million, and the average investment per unit is Tk.0.40 million.

(d) Raw materials and production. The total value of raw materials consumed is Tk.1,705 million (both local and imported) and the average figure per unit is Tk.0.45 million. This figure does not include the raw materials for servicing industries. Total value of annual production is Tk.2,352 million. On average, each unit produced goods worth Tk.0.61 million per annum. This figure does not include the value of servicing unit outputs.

5.6 Women entrepreneurs in the SCI sector

(a) Women in the rural informal sector. Women in the rural informal sector are either self-employed or employed in family enterprises. Women enter unskilled, low-paid forms of employment because they tend to lack education and self-confidence. Self-employed persons usually lack access to inputs and services such as credit, input supplies, markets, new technology, and training — all of which could increase their profitability (ILO, 1995).

Women from landless households participate in all kinds of paid employment in significantly higher numbers than other rural women. Village studies (Westergaard, 1983; Begum and Greely, 1983) show that virtually all households with paid female workers are functionally landless (over 90 per cent); one third to one fourth do not own a homestead.

Post-harvest crop processing at the household level represents the single major source of employment for rural women, providing 40 per cent of female wage earnings (Begum and Greely, 1981). Survey data in a number of rural areas (Safilos-Rothchild and Mahmud, 1989), however, indicate a change in the type of jobs for which women are hired. Increasingly, women are moving into agricultural areas such as transplanting, weeding, harvesting, and irrigation—work conventionally undertaken by men. Economic needs take precedence over traditional and religious demands, which is why very poor women who work outside their homes do not encounter censure.

(b) Self-employment. Rural women have traditionally been involved in various kinds of self-employed activities within the homestead, both agricultural and non-agricultural. These activities—homestead agriculture, livestock and poultry rearing, fish farming, nursery and tree plantation, tool making, sewing, net making, food processing, tailoring, rice processing, etc.—

have presented regular but rather invisible supplements to family incomes. Sectoral distribution of employed persons in rural areas shows that agriculture is the predominant source of female employment, followed by the manufacturing sector (BBS, 1996). The rural industrial enterprises are primarily family based, with 37 per cent of the workers being female, among which 77 per cent are unpaid family helpers with only 23 per cent being hired on pay (ILO, 1995).

(c) Women in the urban informal sector. In urban areas, many very poor women work in informal units in low-paid, unskilled jobs. Observation indicates that these women lack the minimum levels of education and skill qualifying them for employment in the urban formal sector. Most are “push” migrants, forced out of rural areas in the absence of local employment options.

The proliferation of shops has encouraged female entrepreneurs to enter into production of consumer goods such as textiles, garments, and embroidery. Typically self-employed, women do not get direct orders from buyers. A chain of sub-contactors receives commissions on products sold, leaving little income for the women. Limited markets for these products, moreover, result in low returns.

(d) Women in cottage industries. BSCIC conducted the latest nation-wide survey on cottage industries in 1991-92 (BSCIC, 1994) but the data are not disaggregated by sex. Other nation-wide surveys and statistics fail to provide the actual figures of women involved in cottage industries. One study reported that 36 per cent of the workers in cottage industries were women and very few (0.1 per cent) were proprietors (ILO, 1995). According to another study (CIRCAP, 1988), participation of women in rural industries varies from 0.5 per cent to 75 per cent depending on the nature of the job, and there are very few owners or proprietors among them, since males do the marketing and control the cash. In general, women participate more in rural industries which can be conducted at home in breaks between household work, and less in those that require them to work outside the home.

(e) Women in small industries and other enterprises. In 1994, BSCIC conducted a nation-wide survey on small industries (with a defined investment ceiling of Tk.30 million), but the data are not disaggregated by sex. BBS (1997) reported the findings of a nation-wide survey of 26,446 manufacturing establishments with 10 or more workers. These concerns include small industries defined by BSCIC (the 1991 survey put the average number of employees in small industries at 13.67), as well as medium (10-49 workers) and large industries (50 and more) as defined by CMI 1995-96 (BBS, 1997). BBS has reported (1997) that in 26,446 manufacturing establishments with 10 or more workers, there are 512 female directors/partners and proprietors versus 21,181 male directors/partners and proprietors, representing only 2.36 per cent of the directors/partners and proprietors in these enterprises (Table 5.3). But female partners/directors and proprietors get less than the proportionate share of total wages, salaries, and other benefits accruing to owners (Table 5.4), indicating that the female entrepreneurs are owners of smaller-scale enterprises. This has been confirmed through consultation with the management of various banks and DFIs who have stated that many of the small, medium, and large enterprises have female partners or directors, but they are involved mostly as sleeping partners, and there are few female proprietors or managing directors. For example, BASIC bank advanced loans to 264 industrial projects between 1989 and December 1996, and not one of them was a single female-headed enterprise. However, a number of female entrepreneurs received loans under their micro-credit schemes.

TABLE 5.3: PERSONS ENGAGED BY SEX AND INDUSTRY GROUP (1991-92)

Industry code	Industry	No. of estabs.	Total persons engaged		Admn./clerical sales worker		Production-related worker		Director/partner and proprietor		Hired worker (daily basis)		Unpaid family worker	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
311	Food manufacturing	4 033	68 419	11 917	11 335	61	29 239	3 370	3 711	21	23 719	8 288	415	177
312	"	1 703	70 128	3 070	19 148	302	40 744	∅	1 083	42	8 447	745	796	76
313	Beverage industries	12	2 014	146	838	4	731	142	40	-	-	-	405	-
314	Tobacco manufacturing	466	42 158	6 629	2 571	18	27 661	2 579	87	47	11 195	3 955	144	30
315	Animal feeds/by-prod	8	92	-	21	-	42	-	4	-	22	-	3	-
321	Manufacture of textiles*	11 326	597 303	12 524	62 909	310	∅	8 897	7 075	143	26 466	2 076	9 000	1 098
322	Textile manufacturing**	1 485	20 350	2 205	2 797	16	15 106	1 284	1 420	34	893	871	134	-
323	Mfg. of wearing apparel	685	68 206	150 611	14 478	286	51 584	149 490	1 266	22	875	813	3	-
324	Leather and its prods.	309	11 043	16	1 995	-	8 791	16	207	-	50	-	-	-
325	Footwear except rubber	77	5 167	135	1 066	-	489	135	12	-	-	-	-	-
326	Ginning and pressing	46	4 442	15	809	-	3 177	11	42	4	414	-	-	-
327	Embro. of textile good	7	24	512	10	9	7	503	1	-	6	-	-	-
331	Wood & cork products	1 137	11 538	3 525	1 841	54	8 163	3 194	463	1	1 071	276	-	-
332	Furniture manufacturing	226	3 150	143	373	1	1 930	-	255	-	436	142	156	-
341	Paper and its products	91	17 743	231	5 452	153	11 060	78	533	-	698	-	-	-
342	Printing and publishing	744	17 139	122	4 729	72	10 639	7	903	43	826	-	42	-
351	Drugs and pharmaceuti	237	17 831	1 072	10 098	156	6 981	868	420	14	318	34	14	-
352	Industrial chemicals	51	10 239	293	3 999	158	5 475	134	36	1	706	-	23	-
353	Other chem. products	295	18 029	885	3 460	52	11 487	307	185	6	2 861	513	36	7
354	Petroleum refining	1	875	14	255	-	620	-	-	-	-	-	-	-
355	Misc. petrol. products	6	219	-	91	-	113	-	15	-	-	-	-	-
356	Mfg. of rubber products	180	4 170	98	606	-	3 029	28	90	70	381	-	64	-
357	Mfg. of plastic products	167	3 916	34	822	1	2 363	28	157	1	502	4	72	-
361	Pottery and chinaware	349	4 684	676	789	-	2 547	51	227	11	168	37	953	577
362	Glass and its products	25	2 033	220	301	4	1 534	212	15	4	179	-	4	-
369	Non-metal minerals pr	594	48 994	1 120	2 392	121	17 858	196	334	3	28 334	743	76	57
371	Iron and steel basic in	192	17 031	40	4 092	14	10 689	-	304	14	1 946	12	-	-
372	Non-ferrous metal ind.	11	484	-	135	-	324	-	1	-	24	-	-	-
381	Struct. metal products	616	13 843	80	2 206	-	10 880	69	549	-	122	11	86	-
382	Fabricated metal prod.	336	7 320	45	813	-	5 300	42	465	3	698	-	44	-
383	Non-electrical machines	146	7 082	68	2 160	68	4 366	-	143	-	369	-	44	-
384	Electrical machines	400	15 093	796	3 245	43	9 426	307	283	19	1 969	427	170	-
385	Transport equipment	177	14 063	50	3 013	45	9 530	-	129	5	1 370	-	21	-
386	Scientific, precision, etc	9	193	10	42	-	120	10	14	-	17	-	-	-
387	Photographic, optical	14	127	-	26	-	91	-	7	-	3	-	-	-
389	Sports good manuf.	28	268	-	28	-	170	-	28	-	28	-	14	-
391	Decorative handicrafts	10	124	40	12	3	108	12	1	-	3	25	-	-
393	Other manufacturing in	228	2 994	1 040	442	-	1 934	1 036	165	4	520	-	33	-
394	Other manufacturing in.	19	287	-	48	-	220	-	11	-	8	-	-	-
	GRAND TOTAL	26 446	1 128 905	198 382	169 447	1 965	809 881	174 911	21 181	512	115 644	18 972	12 762	2 022

Source for Tables 5.3 & 5.4: *Bangladesh census of manufacturing industries (CMI) 1991-92*, BBS.

Note for Tables 5.3 & 5.4: * Includes cotton textiles, woollen textiles, jute textiles, silk, synthetic textiles, narrow fabrics, handloom textiles, and dyeing and bleaching textiles.

** Includes made-up textile goods, knitting mills, carpet and rugs, cordage, rope and twine; spooling and thread balls and miscellaneous textile manufacturing.

∅ Not provided.

TABLE 5.4: WAGES, SALARIES, AND OTHER INCOME PAID TO PERSONS ENGAGED BY INDUSTRY GROUPS (1991-92) Value in '000' Tk.

Industry code	Industry	No. of estab.	Total wages, salaries, and others paid to									
			Total		Admn. clerical sales worker		Production-related worker		Director/partner & proprietor		Hired worker (daily basis)	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
311	Food manufacturing	4 033	986 387	78 886	325 069	995	418 845	29 172	42 789	1 270	199 684	47 449
312	"	1 703	∅	44 121	731 574	13 977	1 009 162	23 080	27 236	1 744	140 732	5 320
313	Beverage industries	12	55 045	1 005	34 981	64	19 085	941	979	-	-	-
314	Tobacco manufacturing	466	434 023	31 086	62 260	173	285 531	10 990	25 959	413	60 273	19 510
315	Animal feeds/by-prod	8	1 000	-	470	-	416	-	-	-	204	-
321	Manufacture of textiles*	11 326	∅	147 701	∅	15 833	9 889 202	112 206	99 211	2 156	271 885	17 506
322	Textile manufacturing**	1 485	344 294	15 308	67 872	356	270 714	9 665	934	194	4 774	5 093
323	Mfg. of wearing apparel	685	∅	∅	429 641	7 615	675 294	∅	78 674	1 452	15 741	5 124
324	Leather and its prods.	309	260 615	278	88 636	-	155 745	278	15 348	-	886	-
325	Footwear except rubber	77	281 809	397	123 672	-	157 244	397	893	-	-	-
326	Ginning and pressing	46	68 146	199	25 392	-	38 494	82	1 589	117	2 671	-
327	Embro. of textile good	7	201	3 058	55	29	127	3 029	19	-	-	-
331	Wood & cork products	1 137	211 019	26 807	56 260	957	132 548	23 823	11 097	-	11 114	2 027
332	Furniture manufacturing	226	45 217	57	10 887	57	30 897	-	329	-	3 104	-
341	Paper and its products	91	976 773	67 680	361 853	67 277	515 957	403	88 705	-	10 258	-
342	Printing and publishing	744	458 672	2 705	178 109	1 782	262 831	262	12 443	662	5 289	-
351	Drugs and pharmaceuti	237	891 826	49 972	587 214	9 463	276 255	40 099	24 321	95	4 036	315
352	Industrial chemicals	51	543 301	49 349	269 196	37 180	263 471	3 110	2 318	59	8 316	-
353	Other chem. products	295	721 679	20 495	318 930	6 268	356 217	7 287	9 929	188	37 703	6 752
354	Petroleum refining	1	149 312	845	50 946	845	98 366	-	-	-	-	-
355	Misc. petrol. products	6	6 836	-	2 776	-	2 243	-	1 817	-	-	-
356	Mfg. of rubber products	180	73 170	315	14 576	-	54 167	299	2 092	16	2 335	-
357	Mfg. of plastic products	167	104 944	492	31 117	49	59 468	284	1 429	137	3 930	22
361	Pottery and chinaware	349	61 057	1 124	20 488	-	35 700	940	3 536	-	1 333	184
362	Glass and its products	25	75 426	2 287	29 267	183	41 687	1 527	1 133	577	3 339	-
369	Non-metal minerals pr	594	417 014	8 155	104 178	3 412	151 611	1 545	10 428	27	50 797	3 171
371	Iron and steel basic in	192	623 921	2 004	197 321	461	392 604	-	16 588	1 479	17 408	64
372	Non-ferrous metal ind.	11	16 053	-	5 262	-	10 410	-	-	-	281	-
381	Struct. metal products	616	230 236	611	58 003	-	160 733	546	10 523	-	977	65
382	Fabricated metal prod.	336	132 279	716	31 864	-	88 655	468	3 787	248	7 973	-
383	Non-electrical machines	146	244 932	2 454	111 057	2 454	128 283	-	1 929	-	3 663	-
384	Electrical machines	400	403 574	16 883	142 119	2 926	207 543	7 193	27 783	308	25 129	6 458
385	Transport equipment	177	450 934	2 282	184 022	1 939	248 502	-	5 234	343	13 176	-
386	Scientific, precision, etc	9	3 795	90	847	-	2 391	90	415	-	142	-
387	Photographic, optical	14	1 969	-	560	-	1 204	-	176	-	29	-
389	Sports good manuf.	28	3 970	-	682	-	3 238	-	-	-	50	-
391	Decorative handicrafts	10	1 041	325	156	35	842	246	-	-	43	44
393	Other manufacturing in	228	41 195	6 841	9 679	-	25 393	6 841	2 037	-	4 086	-
394	Other manufacturing in.	19	4 322	-	1 333	-	2 805	-	123	-	60	-
	GRAND TOTAL	26 446	25 311 868	2 342 988	7 285 863	174 330	16 473 881	2 038 071	539 703	11 483	1 012 421	119 104

Credit support for women entrepreneurs, a study conducted by Khandakar Ibrahim Khaled (1993), showed that, out of a total of 2,224 industrial projects sanctioned through four credit lines by one nationalized commercial bank, female entrepreneurs represented 8 per cent of the proprietors, partners, or directors. Some industrial projects financed by the bank had more than one woman director, but there was not a single managing director among them.

The proportion of enterprises owned and managed by female entrepreneurs is higher under special programmes promoting women's entrepreneurship. The NGO Micro-industries Development Assistance Services (MIDAS), for example, provided financial assistance and other services to 140 small enterprises till the year ending 1994. About 20 per cent of these projects were owned and managed by women. The same organization has launched a special programme known as the Micro-enterprises Development Initiative, providing loans on easy terms to promote microenterprises. Out of 221 projects financed under this programme by June 1994, 35 per cent were owned by female entrepreneurs.

Nearly 40 per cent of the female directors, partners, or proprietors in manufacturing establishments with 10 or more workers are in textiles, textile products, or manufacturing of wearing apparel. The next favourite female entrepreneur sectors are food and tobacco manufacturing, representing 21 per cent of the female owners. Other sectors with a relatively large number of female entrepreneurs are manufacturing of rubber products (14 per cent), and printing and publishing (8.4 per cent). Female entrepreneurs do not dominate any one sector (Table 5.3).

Women represent 14 per cent of the total persons engaged in manufacturing enterprises with 10 or more workers, but most are engaged as production workers (88 per cent), and 10 per cent are hired workers on a daily basis; about 1 per cent are administrative/clerical/sales workers, and only 0.26 per cent are employers. The rest are unpaid family workers (Table 5.3).

5.7 Size and scale of women's entrepreneurship

The size and scale of women's entrepreneurship may be gauged from an analysis of the status of employed women. According to the Labour Force Survey (LFS) 1995-96 (BBS, 1996), there are 20.83 million employed women in Bangladesh, of which 1.59 million are self-employed own-account workers; 30,000 are employers; and 16.11 million are unpaid family helpers. The rest, as shown in Table 5.5, are employees (1.81 million) and day labourers (1.29 million). Thus, unpaid family helpers represent the largest proportion of employed women (77.4 per cent). The female self-employed, own-account workers and employers represent 7.6 per cent, and 0.1 per cent of the employed female population (Table 5.6). It may be seen from Table 5.6 that female self-employed, own-account workers represent less than 10 per cent of employed persons in this category, and female employers represent 20.3 per cent of all employers. Unpaid women family helpers represent 73.6 per cent of employed persons in this category.

**TABLE 5.5: EMPLOYED PERSONS AGED 10 YEARS AND OVER—
BY EMPLOYMENT STATUS AND SEX (thousands)**

Employment Status	Bangladesh			Urban			Rural		
	All	Male	Female	All	Male	Female	All	Male	Female
Total	54,597	33,765	20,833	9,736	7,048	2,688	44,860	26,717	18,143
Self-employed/own account workers	16,008	14,415	1,593	3,276	2,920	357	12,732	11,495	1,237
Employer	148	118	30	71	66	5	77	52	24
Employee	6,789	4,978	1,811	3,487	2,439	1,049	3,302	2,540	762
Unpaid family helper	21,896	5,785	16,110	1,701	591	1,110	20,194	5,194	15,000
Day labourers	9,752	8,466	1,287	1,198	1,030	169	8,554	6,435	1,118

Source: *Labour Force Survey 1995-96* (BBS, 1996)

Among employed women in rural areas, 82.7 per cent are unpaid family helpers; 6.8 per cent are self-employed, own-account workers; 0.1 per cent are employers; and 4.2 per cent are employees. Among urban employed women, 41.2 per cent are unpaid family helpers; 39 per cent are employees; 13.3 per cent are self-employed; and 0.2 per cent are employers.

TABLE 5.6: EMPLOYED PERSONS 10 YEARS AND OVER—BY EMPLOYMENT STATUS AND SEX (percentages)

Employment status	Bangladesh			Urban			Rural		
	All	Male	Female	All	Male	Female	All	Male	Female
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Self-employed/own account workers	29.3	42.8	7.6	33.7	41.4	13.3	28.4	43.0	6.8
Employer	0.3	0.4	0.1	0.7	0.9	0.2	0.2	0.2	0.1
Employee	12.4	14.4	8.7	35.8	34.6	39.0	7.3	9.6	4.2
Unpaid family helper	40.1	17.2	77.4	17.5	8.4	41.2	45.0	19.4	82.7
Day labourer	17.9	25.2	6.2	12.3	14.7	6.3	19.1	27.8	6.2

Source: *LFS 1995-96* (BBS 1996)

5.8 SCI spheres that attract women entrepreneurs

Traditional gender roles used to determine which business enterprises women entered. These strongly tended to be in sectors such as food, beauty parlor, health, education, printing and dying, tailoring, and the wholesale and retail trade in apparel. Today, women also enter occupations such as cold storage, shipping, advertising, travel agencies, interior decoration, and engineering workshops.

Khursida Begum (1992), from a survey of women involved in business and women interested in business (potential entrepreneurs), identified 31 trades and businesses that are attractive to female entrepreneurs: plant nurseries, poultry, the stock market, boutiques, beauty parlours, computer service centres, kindergartens, advertising and films, tailoring, flower plantations, handicrafts, costume design, health clinics, food processing, travel agencies, printing, day farming, physical fitness centres, day-care centres, women's hostels, restaurants, flower clubs, shop-keeping, import, plastics, sewing and cooking training centres, knitting, video centres, and dish antenna assembly.

5.9 Women's entrepreneurship in five Asian countries

TABLE 5.7: EMPLOYED WOMEN BY STATUS IN SELECTED ASIAN COUNTRIES

Category/country	Nepal 1991 (a)	Thailand 1993 (b)	The Philippines 1990 (c)	Pakistan 1992 (d)	Bangladesh 1995-96 (e)
Employer	0.36	0.80		1.20	0.10
Self-employed	83.69	18.20	31.20	42.40	7.60
Employee	11.96	31.40	46.10	34.20	8.70
Unpaid family worker	3.54	49.60	22.70	22.20	77.40 (Day labourers: 6.2)
Total	100	100	100	100	100

Sources: *Women of Nepal: A country profile*, ESCAP Statistical Profiles No. 4, UN (1996); *Women in Thailand: A country profile*, ESCAP Statistical Profiles No. 5, UN (1996); *Women in the Philippines: A country profile*, ESCAP Statistical Profile No. 3, UN (1995); *Women and men in Pakistan* (Federal Bureau of Statistics, GOP, 1995); Bangladesh, *LFS 1995-96* (BBS, 1996).

By comparison with other countries in the region (see Table 5.1), unpaid family workers in Bangladesh represent the highest proportion of employed women, while those of employers, self-employed persons, and employees are the lowest in Bangladesh compared to four other countries in the region. The category of self-employed women is highest in Nepal. In the Philippines, the majority of the employed women are wage and salary workers or employees (46.1 per cent), and the proportion in this category has increased steadily during recent years, reflecting the extent of organized economic activity in that country.

CHAPTER 6

Support services for women entrepreneurs

6.1 Introduction

Potential entrepreneurs require various types of assistance from external sources in starting and running a business enterprise. Many people with an entrepreneurial bent are tempted to start a small or micro-enterprise, but are soon frustrated by various constraints. Some may know how to produce, repair, or service a product, but are ignorant of how to set up and manage an enterprise and market their talents. Some may lack self-confidence because they lack personal or family business experience. Others may be discouraged by the formal procedures required or may have a fear of dealing with government organizations. Some face other constraints in sustaining their enterprise even after a good start. This is the situation facing many new entrepreneurs, but it is an even more difficult situation for many women entrepreneurs.

6.2 Demand for support services

The necessary support services fall into three categories: stimulatory or promotional, supportive and advisory; and developing and sustaining the enterprise.

Stimulatory assistance. Persons with entrepreneurial qualities may be stimulated to start micro and small enterprises as an alternative source of employment through entrepreneurship education; planned publicity of business opportunities; motivational training; help in selecting products and preparing project profiles; help in assessing entrepreneurial qualities; training promotional agency officers; investment counselling; arranging techno-economic information; and help in organizing entrepreneurial forums.

Support assistance. Once stimulated, potential entrepreneurs may need help in setting up and running the enterprise successfully. Relevant activities include help with registration of the unit; provision of both fixed and working capital; help in selecting and obtaining plant and machinery; provision of infrastructure support with land, work-shed, power, water, and similar facilities; supply of raw materials; provision of common facilities; granting of subsidies; help with marketing products; and management training.

Sustaining assistance. Even after a good start, enterprises can suffer premature demise. Sustaining assistance is sometimes needed. Such assistance may include help in modernization, and expansion; help in product diversification; providing additional finance for capacity utilization; deferring loan and interest payments; providing information concerning official policy changes; creating new avenues for marketing; quality testing; and provision of a needs-based common facility centre.

All these activities play complementary roles, and where one is lacking the others may be rendered ineffective. At the same time, a single entrepreneur may not require all these forms of assistance. For example, a person may have adequate technical knowledge and the skills to make a product, but lack the necessary start-up capital. In that case, supply of capital and assistance is needed to obtain the requested machinery.

6.3 Current status of support services to women entrepreneurs

From pre-Independence days, policy-makers and economic planners have been concerned with the development of micro and small enterprises through the provision of support assistance to entrepreneurs, including women. A variety of government and non-governmental organizations are currently conducting such projects and programmes.

Few organizations provide support services exclusively for female entrepreneurs. Like their male counterparts, however, women have access—at least formally—to support services offered by different organizations. In this section, we will discuss the activities of major organizations providing services to both women and men. Discussion of programmes designed exclusively for women will follow.

6.3.1 Government organizations

(a) Bangladesh Small and Cottage Industries Corporation (BSCIC)

The BSCIC (formerly the EPSCIC) was set up in 1957 as the prime national mover for the promotion and development of small and cottage industries (SCI). Its main objectives are to strengthen the SCI sector by providing support services, including infrastructural facilities to small and tiny entrepreneurs. Services include pre-investment counselling; supply of techno-economic information; credit arrangement; infrastructural facilities; management and skill development training; arranging for raw materials; diagnostic studies; market studies; sub-contracting arrangements; inter-organizational coordination; and product development.

The BSCIC provides services to entrepreneurs under different schemes through its central office and its institutional network, which regularly covers all districts in the country. The BSCIC offers training support mainly through the Bangladesh Small and Cottage Industries Training Institute (SCITI), established in 1984-85. The main aims are to meet the training needs of small entrepreneurs, as well as staff from BSCIC, and other promotional agencies. Training programmes for both women and men include entrepreneurship development training for skilled technicians, engineers, wage-earners, and their dependants; for starting a small business; and for non-farm employment of rural woman. The SCITI also organizes training courses in industrial management, financial management, marketing management, and general management for entrepreneurs and their employees.

These courses are advertised in prominent daily newspapers, and applicants are selected through interviews. Although the courses are open to both male and female candidates, female candidates are especially encouraged to participate. Until 1995, however, female participation

was less than expected. For example, between July 1994 and March 1995, a total of 132 entrepreneurs were trained, of whom only 12 (9 per cent) were women (ADB, 1995). The situation has recently improved significantly—in 1998-1999, the Women Entrepreneurship Development Programme (WEDP) trained about 14,000 female entrepreneurs, all in the cottage industry sector.

However, there have been limitations. The entrepreneurship development training was designed without any formal client-needs assessment. Course duration and curriculum have been less than adequate. The programme has no link with credit or other assistance, although trainees are given information about possible sources of financial assistance. Finally, a follow-up study is needed to evaluate the effectiveness of the programme. In an earlier evaluation, the programme had failed to cover a large number of participants (ADB, 1995).

The BSCIC provides infrastructural support to the SCI sector through industrial estate programmes. This project aims to provide industrial plots with facilities such as electricity, gas, water, road, and drainage for uninterrupted production. The Corporation took up the industrial estate programme in early 1980, and had completed 31 industrial estates by December 1995. Plans were to set up an additional 51 industrial estates, and these are now in various stages of implementation. By December 1995, it had allotted 4,906 plots to entrepreneurs (BSCIC, 1996). By June 1999, it had established 57 industrial estates around the country and distributed 3,097 plots. The number of participating female entrepreneurs so far would appear to be insignificant, although exact figures remain unknown. The BSCIC is developing designs and models for distribution to craftspeople (3,236 designs went out to clients in 1995-96).

Another important BSCIC support activity is credit support for both fixed and working capital. The major sources of such support are BSCIC funds and funds from external sources such as banks and donor agencies under different credit lines. In 1995-96, the BSCIC distributed Tk.1914.30 million in credit to both SCI industries (BSCIC, MIS report, 1995-96). The figure for 1998-1999 was Tk.6,605.8 million (BSCIC, MIS report, 1999-2000). BSCIC credit support was inadequate in relation to demand, yet it was of great assistance in setting up and running small enterprises successfully.

Other notable BSCIC support services include promotion of marketing through subcontracting; linkage between SCI industries and small and large industries; extension and counselling services; registration of industrial units; preparation of project profiles; and help in marketing projects. Assessments of these support services have been mixed.

TABLE 6.1: BRIEF SUMMARY OF BSCIC ACTIVITIES

Activities			1995-96	July 1999 - June 2000	
Entrepreneurship development (no.)			17,031	34,790	
Project profile preparation (no.)			1,053	728	
Preparation and evaluation of project proposals	S		1,353	1,595	
	C		19,994	21,730	
Registration of units	S		1,143	845	
	C		12,996	3,240	
Skill development	N		2,096	5,628	
	UG		-		
Technical information			274	1,258	S = Small
Design and prototypes	Dev		-		C = Cottage
	Dis.		3,236		N = New
					E = Existing
					UG = Upgrading
					Dev = Development
Setting up industry/ rehabilitation/ modernization	S	N	1,168		Dis = Distribution
		E	577		
Credit arrangement	C	N	11,791		
		E	8,623		
Credit arrangement	S	N		592	
		E		521	
	C	N		8,621	
		E		11,139	
Diagnostic study			1,020		
Employment generation			64,024	58,242	
Allotment of industrial plots				160	

Source: BSCIC MIS Report 1995-96, and MIS Division Internal Reports

An internal BSCIC evaluation listed the following operational problems:

- inadequate funding in the revenue budget, given actual requirements;
- inadequate funding of development projects, given scheduled objectives; and
- failure of commercial banks to come forward to invest their minimum investible fund of 5 per cent in the SCI sector (and in some cases, due to the direct bank-customer relationship principle, banks reacted negatively to funding loans recommended by the BSCIC (*BSCIC Annual Report, 1994-95*)).

(b) Women Entrepreneurship Development Programme (WEDP)

The Women Entrepreneurship Development Programme (WEDP), initiated by the BSCIC with USAID assistance, is concerned with poverty alleviation among rural disadvantaged women. Starting in 1982 with four thana (subdistrict) centres, the project concluded its first phase with 20 centres in June 1990. Project activities were further expanded in the second phase, covering 32 thanas by June 1994 and with 40 as of June 1997. The current 1997-2001 phase is operating with a budget of Tk.470,000,000.

Major WEDP activities include scouting for potential female entrepreneurs; providing project appraisals on their behalf; pre-investment counselling; loan arrangements for fixed and working capital; post-investment counselling and regular supervision; supply of modern designs and prototypes; special management and skill improvement training; and, where necessary, marketing and technical assistance. The WEDP also arranges seminars and workshops for rural female entrepreneurs to encourage systematic and continuing generation of employment, income, savings, and investments.

The WEDP has developed a three-day management development training programme workshop for rural female entrepreneurs. The informal curriculum includes information about management, accounting, marketing, quality control, credit and the banking system, repayment procedures, social awareness, health and nutrition, child care, family planning, and group formation procedures. Rural female entrepreneurs are also provided with skill development training in non-traditional fields such as batik printing, embroidery, radio and television repair, baking, and poultry rearing.

TABLE 6.2: WEDP PROGRESS

Activities	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
Development of entrepreneurs	1,727	2,440	3,543	5,192	7,520	6,939
Arrangement of credit (Tk.in 100,000s)	2,088	2,686	3,770	5,300	7,109	10,205
Skill development training	583	727	1,180	1,469	1,681	760
Management development training	1,101	2,264	3,340	4,369	5,174	752
Employment generation	2,846	3,817	5,591	11,565	10,840	23,535

Source: BSCIC MIS Report, 1995-96

WEDP performance from inception up to June 1999:

- loans disbursed: Tk.465,754,000
- number of loan recipients: 83,740
- employment generation: 153,689

The WEDP is the only programme with essential support-service components for entrepreneurship development among women. One may question, however, whether the programme addresses entrepreneurship development in a real sense. The WEDP is primarily concerned with income-generating activities aimed at poverty alleviation among rural disadvantaged women. So far, activities have included no programme to upgrade beneficiaries who want to start a small-scale business venture.

(c) Bangladesh Rural Development Board (BRDB)

The Bangladesh Rural Development Board (BRDB), established in 1970, is the largest government organization dedicated both to raising living standards among rural people and to increasing food production through entrepreneurship and the spirit of cooperation. By 1994, BRDB activities had been extended to 280,787 families in 57,979 villages.

BRDB target beneficiaries are landless and assetless rural women and men. Two self-employment programmes provide assistance: Bittaheen Samabaya Samity (BSS), for assetless persons; and Mahila Bittaheen Samabaya Samity (MBSS), for poor women.

BRDB programme activities focus on training of functionaries and beneficiaries. Skill training is organized for members of cooperatives according to their specific needs. Tool kits are provided on credit for members who have undergone skill training. The BRDB Training Materials production Unit (operated by professional staff) develops audio-visual materials for use in various training activities. The Training Division conducts surveys to assess training needs among functionaries and beneficiaries of BRDB programmes.

The programme has developed self-esteem among beneficiaries, encouraging them to use available opportunities for further improvement in their social and economic conditions. Nevertheless, the programme suffers from limitations such as inadequate coverage, lack of marketing support, and inadequate credit support. Thus, the BRDB plans new initiatives in the following areas:

- entrepreneurship development for selected target groups;
- on-the-job and apprenticeship training through rural-based production and training centres;
- action research, pilot projects, and experiments to introduce and transfer improved technology;
- marketing and extension activities; and
- assistance to members in obtaining credit beyond current loan ceilings from partner banks or other financial institutions. In addition, the BRDB intends to link potential entrepreneurs with normal commercial bank credit lines.

(d) Bangladesh Management Development Centre (BMDC)

The Bangladesh Management Development Centre (BMDC) was established in 1961. An autonomous organization under the Ministry of Industries, the BMDC is entrusted with responsibility for developing and improving skills and techniques at various level of management. Training is at the core of BMDC activities. Each year the centre organizes more than 100 short courses related to areas such as starting a small business, establishing a new industry, and entrepreneurship development for women.

BMDC promotes its entrepreneurship development training courses through newspaper advertising. There is no selection criteria for these courses. Anyone who applies and pays the required fees will be accommodated. Needs-assessment studies are not conducted before course design, which is based on inputs from secondary sources. Training courses are not linked with credit lines, and participants are not provided with supportive assistance. Programme strengths include well-designed infrastructural facilities. Faculty members are trained and qualified professionals, although they have no formal training in entrepreneurship development as such. Courses are mostly theoretical in nature, and modern participatory methods of delivery are not applied.

Participants perceive course fees as high. At the time of writing, fees for female entrepreneurs were to have been reduced so as to promote entrepreneurship among women. These entrepreneurship development programmes are not subjected to follow-up studies or evaluations.

(e) Bureau of Manpower, Employment and Training (BMET)

BMET, in association with Agrani Bank, operates a micro-enterprise development scheme to promote entrepreneurship through among educated youths, both women and men, and among skilled Bangladeshi workers returning from abroad. BMET is responsible for identifying beneficiaries, forming groups, offering motivational training, and creating group savings. BMET operates another credit programme in association with Sonali Bank for encouraging landless people to take up self-employment. Loans, which require no collateral, vary in size from Tk.5,000 to Tk.50,000.

(f) Directorate For Women's Affairs (DWA)

Following the 1971 war, the women's development programme, first taking the form of rehabilitation of war-affected women, was formally initiated under government sponsorship. One DWA function is now the provision of vocational training and assistance in achieving economic solvency.

Currently, the DWA is implementing the following development projects related to entrepreneurship development of women: the Agriculture Training Centre for Women in Bangladesh; Women's Vocational Training for Population Activities; Technologies for Rural

Employment with Special Reference to Women; and the Strengthening of National Training and Development Academy.

DWA projects work mostly for poverty alleviation, increase of social awareness, employment generation, and technology extension for women. The main objective of the training programmes is to impart non-formal vocational, technical, and other skill development training to women of various categories who are interested in participating in income-generating activities. In addition, management and leadership development training are given to the employees of the Directorate and other agencies. The training programmes include no special content which directly motivates trainees towards self-employment, and there is no specific training programme on entrepreneurship development.

(g) Department of Youth Development (DYD)

The Department of Youth Development was created in December 1981 with the aim of transforming unproductive youth into organized, disciplined, and productive human resources. In pursuit of this objective, the DYD has undertaken the following projects: the Youth Training and Self-employment Project; the Thana Resource Development and Employment Project; Technical Training for Unemployed Youth; the National Youth Centre; and Staff Development, Training Materials, Research and Development (TA Project).

Through these projects, DYD offers training to poor and unemployed youth in rural and urban areas in various trades and income-generating activities such as livestock, poultry, pisciculture, computer use, repair of electrical equipment, electrical and house wiring, refrigeration, and air-conditioning. Training is also given in human development areas such as youth leadership, communication, motivation, personnel management, problem-solving, and decision-making.

DYD training courses are designed in the light of target beneficiary needs established through pre-evaluation tests or the administration of questionnaires. Course duration varies from one to six months, depending on the nature of the course. DYD trainers conduct about 80 per cent of the classes. Other classes are conducted by guest speakers with relevant expertise, for example veterinarians, agriculturists, bank officials, and community development workers. The DYD advertises its courses in the national dailies. Successful candidates must be aged 15-30, drop-outs from school/college, or unemployed youth. A learning evaluation is usually administered at the end of each programme.

The DYD provides technological assistance, extension services, continuous counselling and guidance, business information through seminars and workshops, and, to some extent, infrastructural support. In 1995, the DYD started a credit programme, extending credit to trained, unemployed youth for their self-employment. Originally the credit programme applied the following conditions: the amount payable in 30 instalments, with 16 per cent simple interest rate.

(h) Bangladesh Handloom Board (BHB)

BHB was established in 1977, beginning work in 1978 with the objective of setting and developing handloom industrial enterprises. It operates as an autonomous body under the Ministry of Textiles. As a key agency, the Board performs a wide range of activities, for example identifying sectorial constraints and promotional needs; supply of necessary raw materials to weavers at reasonable prices; and supply of other inputs such as dyes, chemicals. It also provides credit facilities; training and research support; depots and common facility centres, techno-economic information; market promotion at home and abroad; and extension services.

(i) Other government organizations

Other government organizations offering support services are the Bangladesh Technical Assistance Centre (BITAC) for technical assistance; the Power Development Board (PDB) and the Rural Electrification Board (REB) for electricity; Titas Gas Transmission and Distribution (TGTD) for gas; the Water and Sewerage Authority (WASA) for water. Several ministries also conduct programmes for the generation of employment opportunities among target groups.

6.3.2 Non-government organizations (NGOs)

(a) Micro-Industries Development Assistance and Services (MIDAS)

MIDAS is a company incorporated under the Companies Act of 1913. Since 1982, it has been working for the promotion and development of micro and small enterprises. Two of the organization's most important programmes for promoting entrepreneurship are the New Business Creation Programme (NBC) and the Micro Industries Development Initiative (MIDI).

The New Business Creation Programme (NBC) aims to select, train, motivate, and assist potential and existing entrepreneurs who want to diversify or introduce new products. Its basic approach is to act as midwife for the energy and creativity that already exists in individuals wanting to establish small enterprises.

The NBC programme is based on German GTZ's model of Creation of Enterprises and Formation of Entrepreneurship (CEFE), which was developed in Nepal as part of the multifaceted assistance scheme known as the GTZ Small Business Promotion Project. Although it has been successfully conducted in several countries in Asia, Africa, and Latin America, no needs assessment study was conducted before introducing the course in Bangladesh.

The duration of the course, which is primarily conducted by MIDAS trainers, is one month. MIDAS promotes NBC training through advertisements in daily newspapers. Candidates are required to submit application forms. Prospective candidates are evaluated on the basis of NBC selection guidelines, which include goal clarity, financial capability, entrepreneurial history and characteristics, and need for financial support. On request, MIDAS also conducts the NBC course for participants selected by other organizations. The course addresses all the essential training elements, and MIDAS has a team of well-qualified resource persons to conduct the NBC

course. Guest speakers and expatriate consultants are invited to act as resource persons. Participant evaluations suggest that some modules run short of time, indicating that one month is too short a time for a comprehensive course on new business creation.

The NBC programme is not linked with credit or other follow-up assistance. MIDAS has several credit programmes that operate independently, but NBC training programme participants do not automatically qualify. During the course, however, participants are assisted in preparing a bankable project which is then evaluated by MIDAS and bank officials, thereby establishing a linkage between trainees and financial institutions. No follow-up studies are conducted to determine what percentage of trainees do receive credit from the banks or MIDAS, or how many potential entrepreneurs have actually started a new enterprise.

MIDAS does not charge NBC course or other training programme participants a fee. The programmes are financed by donor agencies such as USAID and GTZ or by the requesting agencies. The cost-effectiveness of the programme is hard to assess, and there is no evidence to suggest that the programme will be self-sustaining. No follow-up evaluation is conducted, so it is not possible to assess the knowledge and skills gained from the training programme or how effectively graduates have utilized their training.

Under its Micro Industries Development Initiative (MIDI), MIDAS provides short-term loans on easy terms to existing entrepreneurs for further development of their enterprises. Special emphasis is given to providing credit to female entrepreneurs. No collateral is charged for loans up to Tk.200,000. Loans range in size from Tk.50,000 to Tk.500,000. Out of 221 projects financed under this programme (MIDI), 35 per cent are owned by women. MIDI provides counselling services to borrowers. In 1996, a novel project known as MIDAS MINI MART was developed and implemented to provide marketing outlets for female entrepreneur products.

(b) Bangladesh Rural Advancement Committee (BRAC)

BRAC is a private sector development organization. Operating in Bangladesh since 1972, it implements a number of multi-sectoral programmes in pursuit of its two major goals of poverty alleviation and empowerment of the poor. These programmes cover 58,000 villages, benefiting more than 3,600,000 people who each own less than 0.5 acre of land. BRAC activities, directed towards poor, disadvantaged women, stem from the belief that people can change their own destiny through individual and cooperative action. BRAC is simply there to provide support and opportunities for these people.

Training is an integral part of every BRAC programme, especially in the areas of human development and management and occupational skill development. Skill development training is provided in poultry and livestock development, fisheries, irrigation, afforestation, vegetable cultivation, and sericulture. Programme duration varies from 1-30 days.

Trainees are selected from among BRAC group members on the basis of individual need. The training facilities include a network of training and resource centres staffed by experienced and trained resource persons. To a large extent, training is conducted at the village level, away from the classroom setting. The programme has a strong rural bias and aims to serve poor and

disadvantaged persons, especially women. BRAC provides an integrated package of assistance including training, credit, and other necessary support assistance.

A key part of the credit programme is the Rural Enterprise Project (REP). REP aims to increase employment and income-generating opportunities for the landless by identifying and promoting new or improved businesses that can be owned, operated, and managed by the poor. The REP approach to enterprise development follows a pattern of idea generation, feasibility studies, project selection, project plan development, project implementation, monitoring, and evaluation. Projects have been tested and successfully disseminated in brick-making, rice milling, shrimp culture, yarn and cloth dyeing, yarn twisting, mushroom culture, and horticulture.

(c) Gana Sastha Kendra (GK)

The GK may be traced back to the 1971 war, when it served as the only organized field hospital for Muktiabini. The GK, with the active involvement of the poor and disadvantaged, went on to take up development programmes. Given that women are among the most oppressed and have the lowest status in the family in terms of entitlement to food, education, income, security, and treatment as independent human beings, the GK started a women's emancipation programme in 1973.

This scheme aims (i) to establish the rights of women by promoting awareness building and changing women's status in society, and (ii) to empower the poor by promoting education, particularly among poor women and children. To these ends, the GK has developed various strategies, including an emphasis on recruitment and development of women health workers and school teachers, as well as the creation of job opportunities for women through skill development in both traditional and non-traditional occupations. Adult literacy programmes for women are another important activity.

The GK established a Nari Kendra (Women's Centre) in 1973 to train women in various traditional and non-traditional occupational skills to increase employment opportunities and capacity for income generation. Nari Kendra manage such production activities as a laundry service, jute and bamboo products, a sewing centre, a bakery, and poultry. All of these originated as training centres, later developing as training-cum-production units. Although emphasis remains on the development of skilled human resources, those concerned are trying to make these units economically viable.

Training courses with 1,051 participants in 24 occupational and skill areas were organized during the last several years. Most of the participants (94 per cent) are women being trained in non-traditional occupations. Training generally takes two years. There is no written course curriculum. Trainees work as apprentices under production managers or supervisors, and learn from experience in the production or service departments. Trainees are paid a monthly training allowance.

The GK has successfully demonstrated that women can be professionally trained in what is too often thought of as "men's work" and that they can do the work efficiently and responsibly. These training programmes must be institutionalized, however. No programme

exists for upgrading the skills of the trainers, for example. The GK should identify the appropriate training institutions or experts in the field and arrange for training of trainers.

One survey revealed that, out of 175 trained women and men, 60 (34 per cent) are employed. Of these, 26 (15 per cent) are self-employed and the rest 34 (19 per cent) are wage earners. More men than women are employed. The GK does not have a systematic follow-up programme to keep track of those who have completed various training and to see whether the training has been helpful.

(d) Grameen Bank

The Grameen Bank, almost a household word in Bangladesh, is a success story in rural poverty alleviation admired around the world. Household members who own less than 0.5 acres of arable land or assets not exceeding the value of one acre of medium land is eligible to receive loans made available to individuals and groups for self-employment and income-generating activities. The major activities financed are milk cows, paddy husking, cattle fattening, seasonal crop trading, and grocery shops. Since 1982, credit has been issued to collective enterprises (group entrepreneurship) related to irrigation equipment, rice hulling, oil milling, power looms, and leasing markets and leasing land for cooperative farming. Through its 1,155 branches, Grameen Bank operates in 40,108 villages around the country. The bank has disbursed Tk.125,700 million to over 2,400,000 borrowers, more than 95 per cent of whom are female (figures current as of August 2000). The overall recovery rate is reported to be 98 per cent.

(e) Bank of Small Industries and Commerce (BD) Ltd. (BASIC)

BASIC was established in 1988 as a private banking institution with the sole objective of meeting the financial needs of small enterprises. Its main collaborator was the former Bank of Commerce and Credit International (BCCI) Foundation, Bangladesh. In July 1992, following the worldwide bankruptcy of the BCCI, it was taken over by the Government. Until December 1995, BASIC has provided term loans of Tk.259.721 million against the estimated project cost of Tk.761.546 million to 81 small industries. Under its micro-credit scheme, during the same period, Tk.6,391 million has been provided to 1,427 borrowers, with a recovery rate of 95 per cent. It has been reported that very few female entrepreneurs received loans for small industries, whereas a number of women did benefit under the micro-credit programme.

(f) Business Advisory Services Centre (BASC)

The Business Advisory Services Centre (BASC) is a non-profit organization aiming to promote growth by providing technology and market information, training, consultancy, and advisory services for business development. It undertakes special programmes related to women in business and micro-enterprise development.

Established in 1991 under an agreement between the Government of Bangladesh and USAID, BASC provides services to business enterprises, entrepreneurs, financial institutions, development agencies, and private voluntary organizations. BASC offers customers a wide range of services. In-house professionals and associated local and foreign experts supply advisory

services in management, productivity and quality management, marketing, industrial engineering, and project development. BASC also provides guidance and assistance to new entrepreneurs and start-up businesses. It provides technological information and sources technology for manufacturing, agriculture, and infrastructure development. It supplies linkage services for joint ventures among local and overseas investors. It conducts training programmes in entrepreneurship development, business management, skill development, training of trainers, and human resources development. BASC undertakes sub-sectoral studies to formulate appropriate development programmes, and goes on to implement such activities.

6.3.3 Private-sector membership associations

(a) National Association of Small and Cottage Industries of Bangladesh (NASCIIB)

A private-sector trade association with 6,000 members for the promotion and development of the SCI sector, NASCIIB is the apex organization of entrepreneurs. NASCIIB offers its members a range of services, including credit availability; infrastructural support; SCI sector policy formulation; technological support; marketing assistance; training; database activity; and information dissemination.

NASCIIB programmes are directed at assisting existing SCI entrepreneurs. Even their new business creation (NBC) course is basically organized for NASCIIB members, who are already entrepreneurs, to help expand or diversify their businesses.

The NBC is a three-day programme covering entrepreneur identification, project idea selection, location of business, preparation of business plan, technical, and marketing. It includes a field visit to a small industrial unit to collect practical ideas about marketing, technical, financial, and organizational management.

No needs assessment study has contributed to the course design, which is based on discussions with experienced persons in the field. The course is not systematically promoted. Selection is on the basis of applications from members of the organization. There is no systematic follow-up and monitoring of participants, and no information exists as to how many new units have been set up as a result of this training. The training programme is not linked with any credit line. Counselling and guidance, however, are provided upon request to participants in such areas as marketing, technology, business information, and infrastructure support. The programme is financed by the contributions from NASCIIB, NGO partners, and participant fees. No information has been provided on the number of female and male entrepreneurs who have been assisted through its programmes.

(b) Bangladesh Employers' Association (BEA)—now known as Bangladesh Employers' Federation (BEF)

The BEA is an all-country organization representing nearly every established employer in the private sector and all sector associations and autonomous bodies. This is the only recognized organization of employers, and enjoys representation on all national committees and boards concerned with labour-management relations. The BEA provides comprehensive services to

member firms covering all aspects of industrial relations. Management training is a regular feature of its activities. BEA promotes women entrepreneurship by organizing various training programmes and workshops. It maintains close links with international organizations such as the ILO and the International Organization of Employers.

The BEA established a Productivity Services Wing (PSW) to provide consultancy, training, and related services to small and medium-scale enterprises in order to improve their overall productivity. The PSW was well established with the support of technical assistance from UNDP/ILO. The UNDP/ILO project placed particular emphasis on improving the performance of small-scale industries, and BEA membership is not a pre-condition for using PSW consultancy services. Strategies include a focus on working with high-value-added small and medium-scale industries, where productivity increases are expected to have a significant multiplier effect. At the same time, the scope of PSW consultancy services should be expanded by developing a truly multi-disciplinary approach. Contacts with several banks have been established, and these financial institutions are interested in referring clients to PSW for assistance in the preparation of project proposals or troubleshooting. The PSW organized several training programmes for women entrepreneurs.

(c) Dhaka Chamber of Commerce and Industries (DCCI)

Regular DCCI training programmes include access to export markets; letters of credit for export operations; effective business communications; garment buying; operations and management; export marketing of leather and leather products; how to start a dairy farm; shares, stocks, and securities markets; how to operate an international export/import business; market surveys and research; export quality control and packaging; advertisement: a tool for marketing; export documentation; Generalized System of Preferences (GSP); export financing; entrepreneurship development; and how to establish a business.

The Entrepreneurship Development Training Programme is a four-day course covering the concept of entrepreneurship; the industrial environment; project formulation; sources of finance; enterprise management; taxation policy; industrial relations; and performance analysis. The prime objective of the programme is to improve and upgrade the functional knowledge of entrepreneurs for better planning, managing, and expanding business enterprises. Other training programmes are helping to strengthen entrepreneurial capacity for the successful operation of enterprises.

(d) Women Entrepreneurs' Association (WEA) Bangladesh

As a follow-up in a 1994 seminar on "Women entrepreneurship development: Women in business", jointly organized by the Bangladesh Employers' Association and the ILO/UNDP, some 200 participants decided to form the Women Entrepreneurs' Association (WEA) Bangladesh. It was later registered with the Directorate of Women Affairs as a voluntary organization. Current WEA membership is about 100, which includes both existing and potential entrepreneurs. The idea of including potential entrepreneurs is to motivate them to start their own enterprises.

Major WEA activities include workshops and seminars to create awareness and an enabling environment for women entrepreneurship development; linkage of members with support service organizations; fairs and exhibitions promoting female entrepreneur products; sharing successful experiences of entrepreneurs at home and abroad; training and consultancy services and dissemination of information concerning available support services (training, credit, marketing channels, technology, etc.); liaison with similar organizations in other countries; and research on related issues.

Although the WEA has been in operation only a short time, members have already started their own enterprises. For example, 10 members of WEA and another 10 MIDAS MIDI programme loan beneficiaries have started a joint marketing programme called MIDAS MINI MART, and credit has been arranged for several members of WEA.

6.4 Impact and effectiveness of current support services

The main support services currently available to female entrepreneurs are development training and micro credit. Annex IV presents an overview of the major micro-enterprise and training programmes affording access to female entrepreneurs. Annex V outlines the major micro-credit programmes, including terms, conditions, and availability to female entrepreneurs.

No comprehensive study has investigated the impact of the various support services on the growth of women entrepreneurship in Bangladesh. The relative youth of the various women-headed enterprises (Khurshida 1992; ILO, 1995) is a measure of the growth of women entrepreneurship in recent years. Although data on women-headed enterprises are limited, the number of such enterprises must be insignificant in the national context. A study recently completed by Dr. Jahangir Hossain Sardar (1995) indicates that support services have had some positive effect on the growth of small firms. Another comparative analysis confirmed a significantly higher performance by assisted firms than similar non-assisted enterprises. This better performance was evident irrespective of such factors as relative firm age, employment size, the managerial experience of owners, market competition, and initial financial condition. Evidence also suggested a significantly better performance among young assisted firms than among similar non-assisted enterprises.

A large discrepancy reportedly exists between the support institutions' perceptions of their contributions to micro-entrepreneurship development, on the one hand, and micro-entrepreneurs' views of the assistance they receive on the other (ILO, 1995). Micro-entrepreneurs often believe this assistance is extremely limited, a perception supported by research into sources of enterprise idea, initial capital, technical know-how, etc. among entrepreneurs. This might explain in part their poor affiliation with professional associations. Another explanation may be that many entrepreneurs appear unaware of available facilities. Alternatively, the discrepancy may have arisen because assistance has been ineffective, or because supporting institutions fail to receive feedback on the impact of their assistance.

CHAPTER 7

Opportunities and constraints

7.1 Introduction

The following is not intended as an exhaustive list of the many factors that affect entrepreneurship. It does suggest, however, some of the important economic opportunities and constraints in entrepreneurship development for both women and men.

7.2 Opportunities

(a) Industrial policy and procedures. Bangladesh has one of the most liberal industrial policies in the world. It aims to ease the process of establishing businesses for both local and foreign investors, attracting inward investment with tax holidays, accelerated depreciation, concessionary duties on imported machinery, rationalization of import duties, and a package of special incentives for non-resident Bangladeshi entrepreneurs and foreign investors.

No specific policy is in place to encourage women to enter business. Within this increasingly liberal policy environment, however, women will surely come to participate more and more.

(b) Geographical situation. Bangladesh, situated as it is between South Asia and South-east Asia, occupies a central position in the Asia and Pacific region. Lying in close proximity to three of the other six SAARC countries— Bhutan, India and Nepal—this country has the opportunity to exploit potential linkages such as increased trade and sharing of energy resources and infrastructure facilities. To realize this potential, however, it needs to formalize and increase trade and economic cooperation with contiguous countries. To serve these ends, the current Government is trying to establish a sub-regional economic association.

(c) Potential investment opportunities. While the country is little industrialized, some sub-sectors have developed special strengths. Muslin and Adman saris in the Dhaka area, the silk industry in the northwest, and Nash Kath, in the Jessore area, all represent valuable skills bases. Another important sub-sector is light engineering and metalwork in the Saidpur region. The country also has plenty of historical sites and beautiful countryside—untapped resources for tourism, particularly where development efforts might be linked with those of surrounding countries.

(d) Agricultural resources-based industries. Great potential exists for developing SCI industries based on agricultural resources. Predominantly agricultural, Bangladesh is also rich in forestry, livestock, and fisheries. Rising incomes promise growing domestic demand for

processed food and other essential consumer goods such as textiles and clothing, furniture, transportation, and cultural and recreational services. Local planning based on rational exploitation of local resources could become a powerful force for change, leading to innovative industries and enterprises catering for evolving consumer capacities, tastes and needs.

(e) Labour market issues. Bangladesh's population of 128 million, of which 49 per cent are women, presents a large labour pool. Areas such as the weaving centre of Mirpur are characterized by specific skill bases. In Saidpur, for another example, the railway workshop has created a labour force adept in metalwork and light engineering. Available labour is abundant and, where given the opportunity, workers have the capacity to learn and apply new skills with relative ease, while offering investors the advantage of relatively low wages.

(f) Export demand. Labour-intensive products should find a ready export market. Apart from the garments sector, however, Bangladesh has experienced little success in gaining access. Major factors have been low product quality and scant diversification. The marketing skills and drive required to gain access to the export market have also been limited. Nevertheless, the export market represents huge potential and, given the low purchasing power of the domestic market, it should be an essential part of any strategy to promote industrialization and entrepreneurship development.

(g) Capital supply. In Bangladesh, one can start a small venture by contributing 20-30 per cent of equity capital to total investment. The remaining 70-80 per cent of capital may be obtained from financial institutions as credit. The country has a well-developed banking system operating under the central Bangladesh Bank. Specialized financial institutions such as BSB, BSRS, BKB, AKUB, HBFC, and BASIC operate in their respective fields to assist and develop the concerned sector. Nationalized commercial banks, with their countrywide network, and private-sector banks provide both fixed and working capital to entrepreneurs. Insurance companies operating in the public and private sectors provide their services to trade and industries.

(h) Power and energy. Natural gas, used in fertilizer production and electricity generation, is abundant, and there are good prospects of finding petroleum. Gradual expansion of gas and electric supplies in rural areas is widening the scope for industrial development.

(i) Roads and communication. The country has a growing network of railways, roads, air transport, and waterways. Many international airlines route services to the capital city of Dhaka. The Bangladesh Shipping Corporation operates an international marine transport network. TV, radio, and telecommunication networks are also in place.

7.3 Opportunities and constraints

(a) Institutional support facilities. Despite a liberal industrial policy and an abundance of economic opportunities, industrialization has been slow in coming. Despite reported industrial growth and increases in private investment during 1984-85 and 1994-95, the GDP growth rate remained below 5 per cent, and industrial-sector contributions to GDP ranged between 8.5 and

10 per cent (Rahman, 1997). In the same period, industrial-sector contributions to the national economy in India and Pakistan amounted to 27 per cent and 25 per cent, respectively. Opportunities have been offset by weak institutional structures responsible for policy implementation. On the whole, these institutions are characterized by corruption, large-scale inefficiencies, lack of initiative, and ineffective decision-making (ADB 1997).

The Board of Investment (BOI), vested with the responsibility for promoting investment in Bangladesh, provides one example, with BOI operations suggesting several areas of concern (ADB 1997):

- The BOI is constrained by lack of an overall strategy, and largely deals only with registration of new firms.
- It has no clear organizational structure, and spheres of departmental responsibility are blurred.
- Little prepared information is available to people making initial inquiries.
- Staff are less than helpful.
- No portfolio of existing investments is available to potential investors.

Fragmentation of responsibility between a number of different ministries and the Prime Minister's office hinders any coordinated approach to industrial development. Entrepreneurs also face problems in dealing with the National Board of Revenue, which is characterized by bureaucratic inefficiencies and frequent changes in policy.

(b) Centralized government structure. A key problem cited by industrial firms is the highly centralized nature of government institutions. Decisions are usually referred to head office in Dhaka, giving rise to delays and problems with information transfer, leaving firms unable to respond quickly to queries. Those enterprises located outside Dhaka which can afford it set up branches in the capital, hoping to obtain timely information and responses. This may be feasible for larger organizations, but such a strategy is too expensive for small or medium-sized firms (up to 50 employees) located outside Dhaka and in the rural areas.

(c) Land and premises. One criterion underlying investment decisions is availability of land and premises. Land is a scarce resource in Bangladesh, and in order to be productive, industrial property must lie convenient to utilities and the transport systems. Apart from the Export Processing Zones (EPZs) in Dhaka and Chittagong and the industrial estates run by BSCIC, no other premises are let out for industrial operations. This presents a serious drawback for any industrial promotion effort.

BSCIC estate properties are provided at a highly subsidized rate, and manufacturers often acquire much more land than is needed for their business. This not only gives a negative impression of the estates, but also leads to inefficient use of a scarce resource. Although small enterprises can usually find somewhere to start production, finding adequate space for expansion is more difficult.

(d) Technology and product quality. Indigenous industry suffers serious competition from imported and smuggled goods and has been unable to penetrate the export market. In part,

this is due to a lack of market orientation in design and to low product quality. Improvements in product quality have been inhibited by factories that are oriented towards domestic production, where the emphasis is on low cost, often at the expense of quality. Costs of new machinery are often a prohibitive factor. Some improvements are possible even with minimal changes in technology; in other cases, investment in new technology is necessary. But a degree of caution is needed here: many firms remain profitable by using traditional labour-intensive methods, and new technology should be proposed only where it promises significant benefits in terms of improved productivity, markets, and sales.

(e) Image. Bangladesh suffers from a poor image in the international market as a place to visit, live, or do business. Post-Independence images of floods and famines remain vivid in people's minds. Even today, the international media display a negative bias in reporting Bangladesh affairs. This encourages potential investors—particularly those from the West, who may have limited experience of Asia—to choose other locations. In recent years, moreover, some investors have had negative experiences in dealing with bureaucracy and corruption in Bangladesh.

(f) Power supply. Lack of adequate power, frequent load shedding, and relatively high energy costs are major constraints for industrial development.

(g) Lack of business tradition and entrepreneurship. Bangladesh is a relatively new nation and before Independence most people were involved in agriculture or paid employment. There has been no strong business tradition—in fact, going into business used to rank low on the list of desirable and prestigious career options. As a result, business-minded people were until recently in short supply. Even now many of the newer enterprises have been developed by first-generation business people who often lack basic business skills. In addition, many people have business ideas but little understanding of how to go about realizing them.

The development of a more business-oriented culture requires wider introduction of entrepreneurship education and training. Most entrepreneurship development schemes are currently tied to small-scale poverty alleviation programmes. Few schemes exist for larger businesses that may require counselling and guidance.

(h) Responsiveness of financial institutions. More responsive financial institutions are needed to create an enabling environment for private sector enterprise development. Raising investment capital has been a major problem. The financial sector is characterized by low savings, limited availability of foreign capital, and high interest rates. The problem has been most acute for small and medium enterprises with high growth potential. While the needs of the micro-enterprises, especially those at the lower end of the scale, can usually be met through the NGOs, and larger enterprises can find some way to raise finance, it is the small and medium enterprises with high growth potential which face the greatest constraints (ADB, 1997). Banks, furthermore, are not structured in such a way as to reach a target clientele without capital or assets (Karim, 1995).

A wide range of inter-linking factors are put forward by banks and businesses to explain the failure of the banking system to provide effective finance for enterprise development.

Consultations with borrowers and bankers revealed various perceptions of the major reasons, some of which are shown below.

(i) Perceptions among borrowers

- Businesses typically face long delays in dealing with investment banks. In many cases, these delays have made it unnecessarily difficult to deal with problems or respond to opportunities.
- Bank officials adopt negative attitudes towards small enterprises in general, and to female entrepreneurs in particular.
- Banks have little understanding of how businesses operate, and therefore have little sympathy with their financial needs or with the urgency of their decision-making demands.
- Businesses face particular difficulties in obtaining sufficient working capital in a timely fashion. Since it is easier to get fixed capital formation loans, there is a tendency to overstate the need for this, leaving oneself in a situation where there is no working capital to operate the business, but where the loan for the fixed investment still needs repayment.
- Actual loan costs are much higher than official figures, given the unfortunate custom of paying bribes at all stages of the borrowing process.

(ii) Perceptions among financial institutions

A range of Dhaka financial institutions were consulted (NGOs, DFIs, private and foreign banks). They pointed to problems on the part of both entrepreneurs and the banks themselves.

- Most entrepreneurs in Bangladesh are first-generation businesspeople, and lack necessary and relevant experience. Consequently, they do not use loans effectively.
- Female entrepreneurs are even more limited than male entrepreneurs in business experience and entrepreneurial skill, so there are fewer applicants for larger enterprises from among women entrepreneurs.
- Infrastructural factors such as power shortages and telecommunications and transport difficulties inhibit the successful setting up and operation of enterprises.
- Frequently entrepreneurs take out loans intending to divert them to uses other than those specified. Where borrowers have collateral, they are more likely to repay. In some cases, applicants may give misleading information in order to get a larger loan than is needed for their business.
- Applications take a long time to process because applicants do not provide the appropriate documentation in the required format.
- At the same time, the banks may themselves lack the technical capability to appraise project viability. This is a constraining factor at all banking levels, and especially at the regional level.
- NCBs and DFIs have to work within the government pay structure, and banks are therefore unable to recruit or keep quality staff.

- When the Government first started using banks to process loans for the promotion of industrialization, some pressure was exerted to disburse loans without asking too many questions.

Entrepreneurial incompetence and the inadequacies of the banking system are manifested in current liquidity problems with the banks, in the large volume of defaulted or overdue loans, and in the widespread ill-health of industries. All this is reflected in a crisis of confidence among bankers and borrowers.

In contrast to the NCBs and DFIs, private commercial banks are usually only interested in providing short-term capital, and have a preference for lending to traders rather than industries. The Government has not used them as part of the system to direct funds to business. Private banks have expressed some interest in being a part of this system, however, and this would introduce a more rigorous approach to project appraisal, a key feature of successful lending institutions for enterprise development (ADB, 1997).

(i) Need to prioritize entrepreneurship development in industrial policy. Entrepreneurship development has not yet been given high priority in all industrial policies. A strategy of encouraging enterprise development is impeded by neglect of the entrepreneur, the catalyst for economic development. Government emphasis on privatization has not yet been matched by an adequate human resources development programme. Industrial policy in general emphasizes increasing the number of enterprises more than developing entrepreneurs.

(j) Training-related problems. Demand for training within small industries far exceeds supply, both for existing and potential entrepreneurs. Most of the training programmes that do exist have been developed without any formal assessment of target-group training needs, and hence are often ineffective.

- Courses are often too short. Curricula, with some exceptions, are not comprehensive. Participant selection methods are unscientific and the training methodology inadequate.
- Trainers and motivators in many cases are poorly trained and they lack the background and motivation to offer needs-based training to the participants.
- Entrepreneurship development training programmes are not regularly evaluated using appropriate instruments. Most training programmes are evaluated at the trainee reaction level, but their effectiveness needs to be determined at the results level—i.e. in terms of how many graduate trainees have become successful entrepreneurs.
- Beyond the level of income-generating activities, no programme is linked with financial institutions so that trainees establishing their own small businesses are assured of credit supply.
- With the exception of some pilot schemes (notably those implemented by MIDAS), most training programmes for advanced entrepreneurship development are not integrated—i.e. they do not contain all the necessary components, such as selection of trainees with entrepreneurial qualities,

identification of opportunities, preparation of business plans, understanding management techniques, and follow-up services for both new and existing entrepreneurs. Follow-up support is vitally important for the effective promotion of entrepreneurship and small enterprise development.

(k) Lack of training facilities for trainers/facilitators. The success of entrepreneurship development is largely dependent on the supply and availability of qualified and skilled trainers/motivators, bank executives, and personnel in the promotional agencies involved in the promotion and development of entrepreneurship in the country. Training facilities for these personnel are inadequate.

(l) Lack of awareness of facilities and support services. Entrepreneurs are generally unaware of available assistance and the procedures for getting it. Mechanisms for disseminating information on investment opportunities and the types and sources of assistance available are inadequate. Awareness creation and orientation for entrepreneurship and self-employment opportunities has not yet fully become a part of primary, secondary, and tertiary education.

(m) Lack of adequate credit support. Lack of adequate credit support from financial institutions is a major problem. This problem is particularly crucial for emerging young entrepreneurs with education, as they are incapable of providing the loan collateral demanded by banks. The formalities involved in obtaining loans are complex and cumbersome.

(n) Lack of appropriate institutional set-up. No institution in the country is exclusively engaged in and applying a comprehensive approach to entrepreneurship development, and existing programmes lack support assistance such as finance, infra-structural facilities, and supervision. No institution is conducting research on the problems of entrepreneurship and small enterprise development. It is essential that adequate training and counselling services be provided to financial institutions and entrepreneurs, and appropriate research, monitoring and evaluation, and impact assessment must be undertaken.

(o) Crisis of confidence among concerned parties. Responsibility for promoting entrepreneurship development lies mainly with three parties: the Government, financial institutions, and the entrepreneurs themselves. Each group has its own specific concerns and interests, functions and responsibilities. The Government is responsible for creating a congenial business climate with a sound industrial policy, devising an appropriate legal framework for business, maintaining law and order, etc. Financial institutions, on the other hand, help entrepreneurs by supporting a viable project and providing loan capital for set-up and operation. The entrepreneur is required to identify viable opportunities, submit a viable project to the bank, and demonstrate honesty and commitment to the enterprise and to repaying the loan according to the repayment schedule. Mutual distrust and lack of confidence have developed among the three parties, however, due to shortcomings in the performance of their respective responsibilities. Public and private sector providers of business development services (BDS) can also play a supportive role in small enterprise development.

(p) Lack of organization. Female entrepreneurs are not organized in Bangladesh. By and large, they work independently and individually. Organizational efforts would help them in getting cheaper raw materials, cheaper transport facilities, better marketing facilities, and easier access to various other institutional support services.

(q) Marketing problems. Female entrepreneurs generally have little access to markets outside their local areas due to their poor financial position, high transport costs, lack of information about product demand in the broader market, and general dependence on male members for marketing (CIRDAP, 1988).

7.4 A summary of opportunities and constraints

According to a British Aid Management Office study (the British High Commission in Dhaka), businesses in Bangladesh face “constant and unvaried constraints” including lack of funds, lack of information and business skills, poor infra-structure, and regulatory and policy difficulties (*The Daily Star*, 30 May 1997). The study looked at five types of private businesses: household business with one worker, micro-enterprises with fewer than 5 workers, small enterprises with fewer than 100, growing businesses with fewer than 100, and medium to large businesses with more than 100 workers. Major findings included:

- The main issue for small businesses is lack of access to finance. While larger units have few difficulties in obtaining funds, they face other serious constraints in the regulatory and policy environment.
- Household enterprises get finance mainly from organizations such as Grameen Bank and BRAC, but the coverage of these schemes remains limited. Increasingly, they are taking the view that they have overstretched themselves and reached the limits of current management capacity. Money-lenders are still the most important source for household enterprises, the study revealed, while lack of technical and business skills and minimal information about markets and technology also limit their capacity.
- Micro-enterprises are “too big” for most NGO credit schemes, and have little access to bank credit because they lack the collateral required by commercial banks. Aside from problems related to business skills and infrastructure, these enterprises are subject to harassment and extortion by police and minor officials.
- Finance remains a constraint for small emergent enterprises, since banks are unwilling or unable to lend them funds because of the problems often encountered in recovering loans. Leasing as a service for small emergent enterprises also remains limited.
- Infrastructure constraints are important impediments to growth, where businesses have to pay bribes for connections to utilities and business services, or suffer from poor transport and poor infrastructure.
- Policy and regulatory environment constraints include outdated and inappropriate laws, slow and badly functioning legal processes, law and order breakdown during *hartals* (strikes), extortion by police and petty officials, and abuse of power by some trade union officials.
- Huge bank loans to a small number of borrowers crowd out more worthy small-scale borrowers, and subsidized prices force out more efficient competitors.
- Management skills are in short supply.

- Private sector response to recent reforms has been largely ineffective, and has failed to make serious inroads into alleviating poverty.

One survey on needs assessment among existing and potential female entrepreneurs (Karim, 1996) identified the following major constraints:

Potential entrepreneurs. These people cannot start their enterprises because of insufficient capital; problems with identifying viable projects; lack of skills; lack of suitable space; lack of family support; and lack of skilled workers.

Existing entrepreneurs. These people cannot expand their businesses because of insufficient working capital; marketing problems; insufficient information; inadequate infrastructural support services; lack of extension, counselling, and consultancy services; insufficient access to technology; and lack of appropriate training facilities.

7.5 Conclusion

This report has reviewed the status of women entrepreneurs in Bangladesh. It has set the scene by examining the role of women in Bangladeshi society, and the opportunities open to them in education and employment. It has also provided a summary of the generic support or entrepreneurship and small-scale credit in the country, and placed particular emphasis on the specific programmes and projects designed to assist women and women entrepreneurs (details of various schemes are summarized in the annex).

This information has been gathered and presented with several objectives in mind.

- ◆ To inform policy-makers and decision-makers so that they can provide more and better targeted assistance to women intending to go into business, and those already running their own enterprises.
- ◆ To disseminate information on existing programmes and schemes, highlight their effectiveness, and in some cases identify gaps in provision.
- ◆ To generate more awareness and ideas among women's support organizations and representative associations of women entrepreneurs.
- ◆ To inform the ILO's traditional partners in Bangladesh—the national associations of employers and workers, and representatives of Government, as well as its partners in the United Nations family of organizations and the donor community.
- ◆ To help in identifying new policies, programmes, projects and private sector provision to meet the growing market for support and services among women entrepreneurs.

In addition, as a Working Paper of the ILO's InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and its Women's Entrepreneurship Development and Gender in Enterprises (WEDGE) unit, this report will add to the body of knowledge on factors affecting women entrepreneurs in countries throughout the world. The Bangladeshi experiences can become better known and understood internationally, and local "best practices" can obtain wider exposure in the global arena.

CHAPTER 8

Summary

8.1 Major findings

The following obstacles to the growth and development of women entrepreneurship have been identified:

- (a) National industrial policy has yet to recognize entrepreneurship development as an industrialization strategy. In general, current policy places undue emphasis on the setting up of enterprises rather than on entrepreneurship itself. The human factor has received least attention in the promotion of industries.
- (b) Government policy statements emphasize the role of women in development activities, but what is missing are well-designed programmes to motivate women to enter entrepreneurial activities on a greater scale.
- (c) Too many potential female entrepreneurs remain unaware of government facilities, support and incentives.
- (d) Since women are relative newcomers to entrepreneurship, they need special attention if they are to establish a foothold. So far, no entrepreneurship development programme, in the real sense of the term, addresses the special needs of women.
- (e) Because of their relatively low literacy rates, women in general are less skilled than men as entrepreneurs.
- (f) Traditionally, women tend to go into general education instead of technical, skills-oriented programmes. Lack of technical knowledge impedes women's entry into technologically sophisticated activities with potential for better productivity and increased profitability.
- (g) Unfavourable cultural practices and social inhibitions militate against the development of women's entrepreneurship. For women, work outside the household is disparaged and discouraged.
- (h) Many women are heavily involved in household and child-bearing activities, and consequently they lack the time to conduct successful business activities. Little has been done to introduce various forms of technology that reduces the drudgery of household work.

- (i) Women have little access to either institutional or non-institutional credit facilities for their fixed or working capital requirements. Institutional sources such as commercial banks are generally reluctant to extend loans to women. If a bank does decide to do so, guarantees from fathers or husbands are demanded. The latter individuals, moreover, are generally unwilling to oblige. These attitudes restrict the access of independent female entrepreneurs to credit.
- (j) The demand from the banks for collateral is another impediment to getting loans. Women have fewer rights to parents' and spouses' property compared to men. Consequently, they are often unable to offer collateral, which restricts their access to bank credit.
- (k) Complicated and lengthy procedures and high transaction costs discourage borrowing from banks.
- (l) High administrative and handling costs make commercial banks generally reluctant to grant small loans to entrepreneurs. Women are more affected than men, in this regard, because typically they ask for relatively smaller loans.
- (m) Interest on bank loans ranges from 12 to 16 per cent, while returns on investment earned by women are relatively low. This also discourages women from seeking bank loans.
- (n) To borrow from a bank, one has to submit a business plan and suffer the inconvenience of visiting the bank several times. Most women lack the knowledge and skills to prepare an effective business plan for the purpose of obtaining credit.
- (o) Lack of access to improved technology is a major constraint. Lack of knowledge about modern technology and lack of technical skills impede women's entry into technologically upgraded activities with potential for increased productivity and profitability. Provision of support services for women such as technological information, skill training, and assistance in introducing technological change in their production process are virtually non-existent.
- (p) Female entrepreneurs generally face problems in marketing their products. This is due to their inadequate knowledge of marketing; non-availability of marketing information; inability to estimate demand for products and services; the charging of lower prices as a market entry strategy; lack of storage facilities; inability to hold stocks of the product due to a poor financial base; unfavourable payment procedures on the part of intermediaries; competition from imported goods; inferior product quality; and inadequate support services.

8.2 Recommendations and proposed interventions

(a) *Prioritizing entrepreneurial development.* Government promotion and development of entrepreneurship should be recognized as a key element of industrialization and adopted as a top policy priority.

(b) *Awareness raising.* Awareness of business opportunities and support services offered by both government and non-governmental organizations should be targeted at women as this can motivate women to enter business. Making education to Class VIII compulsory for girls would be an important step toward creating such awareness, and entrepreneurship courses should be included in secondary schools.

(c) *Improved delivery mechanisms.* The national machinery for women's development is weakened by lack of funds, lack of trained staff, and lack of coordination with other concerned bodies. These shortcomings must be addressed as a matter of priority.

(d) *Improved monitoring and evaluation.* Mechanisms for monitoring and evaluating government policies need to be improved and made effective. Sharing of international experiences and training of human resources are among key measures that would enhance the Governments' efforts in designing, monitoring, and evaluating policies aiming to improve opportunities for employment (including self-employment), especially among women.

(e) *Support for especially promising candidates.* The Women Entrepreneurship Development Programme (WEDP) and other income-generating programmes addressing poor rural women are widely regarded as being successful. Given the design and operating guidelines of such schemes, however, beneficiary enterprises remain marginally successful at best. Special programmes are needed to assist targeted clientele who have proven track records. The new programmes should entail well-designed procedures for the selection of talented individuals who have the potential for business; provision of credit beyond Tk.50,000; training in a wide range of topics (e.g. motivation, project selection, management, and evaluation); and sustaining assistance. The experiences of income-generating programmes, particularly the group-based loan guarantee system, which has proved its worth in Bangladesh, could be applied.

(f) *Counselling and support services.* A number of credit programmes seek to develop small and micro-enterprises. These schemes, other than those for income-generating activities, extend financial support to entrepreneurs on a project basis without pre-investment counselling or post-investment follow-up support services. Consequently, they have been ineffective in promoting entrepreneurship among both women and men. Moreover, because of gender-related socio-cultural constraints, women have relatively limited access to these institutional credit facilities. More credit facilities should be extended to existing and emerging female entrepreneurs. To make credit programmes more effective and sustainable, the following related recommendations deserve consideration:

- Credit programmes need to be linked with entrepreneurship development training programmes. Micro-credit and small business-credit programmes addressing first-generation and emerging entrepreneurs must include provisions for comprehensive

training, including pre-investment and post-investment counselling; generation of project ideas; techniques for selecting suitable projects; preparation of business plans; monitoring and management; close supervision during implementation; and sustaining support. Small credit programmes should also include the provision of needs-based training. Short-term training should focus on the special needs of the target groups.

- Borrowers should be provided with technical assistance. Implementation of credit programmes should be followed by close supervision of use of funds. Such supervision might be undertaken by entrepreneurship development teams set up by the lending bank or by a designated NGO.
- Lending procedures must be simplified, with minimum documentation formalities.
- Special provisions should be made for female entrepreneurs, allowing them to get credit up to higher limits on easier terms and conditions.
- Entrepreneurship development training is needed for bank executives and promotional agency personnel. The success of entrepreneurship and small enterprise development programmes is largely dependent on the efficient management of credit programmes. In order to manage such programmes efficiently and to offer services to the entrepreneurs, bank executives could usefully be familiar with techniques for selecting appropriate borrowers, identifying and selecting viable projects, assessments of entrepreneurial needs, and motivating potential entrepreneurs to enter business.
- Mechanisms are needed for reducing credit dependency. The accumulation of funds as equity out of profit, for example, might help borrowers to gradually ease their credit burden.
- Alternative credit delivery mechanisms are also needed. Banks could provide loans through NGOs for delivery, administration, and supervision until repayment is completed. The concerned NGO would bear the risk, being responsible for repayments to the bank. The bank would pay a supervision fee for providing delivery service and recovery of the loan at an agreed rate on the disbursed amount on a yearly basis.

(g) Advanced EDP training. One neglected area is advanced entrepreneurship development training programmes (EDP) for existing female entrepreneurs operating small enterprises with growth potential, as well as for talented individuals who want to establish new ventures. The following recommendations would address this issue:

- *Existing entrepreneurs.* EDP training for small enterprises with growth potential should be devised separately, keeping in view their special needs. Crucial design features would include identification of relevant units and proper needs assessment. Wherever needed, an integrated package assistance should follow EDP training. Many vulnerable or failing enterprises might also be assisted in this way.

- *Emerging new entrepreneurs.* A special need for stand-alone EDP training exists among emerging new entrepreneurs. As most potential entrepreneurs are likely to be first-generation business people with no industrial background, they need comprehensive training—including stimulatory, support, and sustaining assistance—before start-up.

Selection of potential entrepreneurs must be done on an open, transparent and scientific basis. Only those with appropriate qualities should be selected for training. Trainers should be well trained, experienced in the relevant field, and capable of understanding trainees' needs. Trainees should also be fully committed to the promotion and development of entrepreneurship.

Training programmes may be organized by forming a consortium of training institutes, promotional agencies, and banks. Training institutes should take the lead in forming such a consortium. The ILO's Start and Improve Your Business (SIYB) programme could be adapted to address some of these needs.

(h) Marketing support. As a matter of policy, government organizations, including autonomous bodies, should be encouraged to buy SCI products, particularly those produced by women. Strict measures should be taken to stop the production and sale of counterfeit items and the inflow of smuggled goods. To promote the sale of SCI products, the Government can establish controls on sales and display, and motivate entrepreneurs to maintain product quality in the interests of continued success. Female entrepreneurs might be allowed to introduce their products through mass media and fairs or exhibitions at a concessionary rate. The Government should initiate special measures to determine the market for female entrepreneur products. Marketing support services for their products could also be strengthened, while a handicraft marketing board might be set up to promote SCI products at home and abroad.

(i) Selective promotion of new SCI industries. Given sluggish demand for some of their products, female entrepreneurs must develop new industries, especially in rural areas. Women with little or no education should only be encouraged to enter into traditional businesses where there is clear market potential. Non-traditional businesses such as manufacturing and service-oriented units should be promoted among women with more advantageous education and social backgrounds, once again taking account of market demand.

(j) Business-academic collaboration. Enhanced collaboration among banks, universities, and training institutes should include involving university business faculties in entrepreneurship promotion.

(k) Professional consultancy input. Professional consultancies should make a substantial contribution to entrepreneurship development and enterprise promotion for women.

(l) New and more comprehensive training centres. Institutional facilities for entrepreneurship development training, in the real sense of the term, are lacking. Existing institutions should be strengthened through the establishment of a new specialized enterprise development centre under joint sponsorship of banks or private enterprise. This centre should aim to provide an institutional framework for training, also offering consultancy services to both financial institutions and entrepreneurs, and undertaking research on related problems.

(m) Progress reports. Monitoring and evaluation and tracer studies are needed to determine how training graduates are progressing as entrepreneurs.

(n) Selective promotion of more sophisticated enterprises. Much scope exists for motivating beneficiaries of income-generating activities and educated women towards upscaling and entering higher-level business operations. NGOs and international organizations (such as the ILO) can take the initiative, undertaking integrated assistance programmes for this group of emerging women entrepreneurs.

(o) Reducing women's dependence on stereotyped occupations. Training facilities for various professions should be expanded to draw more women away from stereotyped occupational roles. This can be done with the help of women's voluntary organizations such as Mahila Samity, the Lioness Club, and the Women Entrepreneurs' Association. Currently, these organizations mainly provide training only for gender-based skills such as sewing handicrafts.

(p) More and better training for trainers. Adequate and up-to-date training facilities are needed for training of trainers and motivators.

(q) Dialogue on relevant legislative issues. The Bangladesh Employers' Federation (previously BEA), chambers of commerce and industry, and similar organizations should seek a mechanism by which they can communicate with female entrepreneurs on labour legislation such as the Employment of Children, Employers' Liability, and Factories Acts. Relevant literature should be distributed to newly registered enterprises, while seminars and workshops should be convened to discuss legal issues.

(r) Publicizing issues and promulgating ideas. Periodical seminars and workshops would also help to generate social awareness, as well as provide both a forum for discussing women's roles in social and economic development and guidelines for supportive government policy formulation.

(s) Collection of gender-disaggregated data. Insufficient gender-disaggregated data exists for an analysis of structural changes in the labour market or to formulate appropriate policies and legislation to improve the actual status of women or respond to their needs. Census questionnaires should be revised to collect data disaggregated by sex for all sectors.

(t) Organization and dissemination of data. Directories of female entrepreneurs and their associations should be compiled and distributed widely. National chambers of commerce should record gender-disaggregated information regarding registered enterprise owners.

(u) New women's entrepreneurship associations. Women need to be made more aware of the roles and functions of employers' and entrepreneurs' associations—of the advantages of membership and of the possibilities of creating women's entrepreneurship associations. Obstacles to creating such associations include lack of start-up funds and inadequate networking among women in business, aggravated by a lack of communication and exchange programmes at national and regional levels. The following measures would help.

- Create new female entrepreneur associations and strengthen existing ones so that they can play a vital role in lobbying for more effective policies to promote women's entrepreneurship.
- New female entrepreneur associations should be created by increasing awareness among women about their importance. The mass media should be used to encourage women interested in business to form such associations. Seed money can be raised by approaching chambers of commerce and industry, donor agencies, and women's agencies.
- Existing female entrepreneur associations can be strengthened through linkages with other women's associations, groups and clubs; linkages within national employers' organizations and chambers of commerce; organizing trade fairs and exhibitions for women; mobilizing funds for future programmes; encouraging associations to negotiate and manage pavilions for women in all national fairs and special exhibitions; exchanging experiences, organizing study visits, and participating in international trade fairs and exhibitions; sending women trade delegations to visit other countries to analyze business opportunities and reinforce international networking; promoting relations and sharing of experiences with other international women's associations, institutions, and programmes for entrepreneurship development (e.g. Women's World Banking, the International Federation of Business and Professional Women, the Femmes Chefs d'Enterprises Mondiales); and advocating the inclusion of at least one woman in official national delegations.
- Through formalized associations, female entrepreneurs should negotiate conditions for membership with employers' associations, including quotas at decision-making levels. This would enable female entrepreneurs to articulate their own specific needs, and mainstream them in mixed employers' associations. They will thus be represented in national and international decision-making in policies affecting small and medium-sized enterprise promotion and national economic development.
- Female entrepreneur associations should coordinate with other women's associations and mobilize information so as to integrate gender considerations into policy and programmes at all levels. At the same time, female entrepreneur associations should lobby the Government, along with other women's associations, for the further advancement of women, with particular reference to self-employment and entrepreneurship development.

(v) **Special banking facilities.** Establishment of a separate bank should better address the special needs of female entrepreneurs, with a certain proportion of facilities earmarked for female entrepreneurs. Existing banks, meanwhile, could open separate windows for women clients.

CHAPTER 9

Profiles of women entrepreneurs

This section presents profiles of six female entrepreneurs and one female entrepreneur group marketing effort. This provides an overview of what makes a women become an entrepreneur, a profile of female entrepreneurs in action, and evidence of women's ability to establish and successfully manage enterprises in a hostile competitive environment. Study limitations include the small sample size (due to time constraints), and the fact the research was confined to urban micro-entrepreneurs—it being difficult to find female entrepreneurs in rural areas who employ one or more persons in their enterprises, since they are mostly self-employed and, in some cases, they employ other family members without formal remuneration.

9.1 Shameen Murshed: Chief executive of Brotee and vice-president of WEA

Commitment and a positive attitude can help realize an entrepreneur's dream.

Brotee is a consultancy firm established in 1989. "Because few women have ventured into the business world," says Murshed, "Brotee is competing with older and more established consultancy firms. As a result, we are at a slight disadvantage. Our reputation is exceeding our earnings right now, but I am satisfied with that."

Murshed holds that a husband's respect for his wife's creativity and ability is very important: "Without spousal support, there is a lot of mental trauma involved. I don't know how much can be achieved in that state." Murshed believes awareness and exposure are needed among women. "We need to have more women entering professional and management levels."

She perceives two parallel phenomena occurring in Bangladesh. One is a negative force consisting of social violence and fundamentalism. The other is a positive force involving idealism, progress, and greater initiatives among the people. "The positive force would not be able to exist if the negative force was really strong. Under the circumstances, I think women have many options." Murshed says it is only a question of focus. "People need to focus on the positive and carry on from there."

9.2 Rafeya Abedin: Restaurant owner

Women can prove themselves to be better than men.

Of all her achievements, what makes Rafeya Abedin most proud is that she is a successful self-made entrepreneur. "There should be some attempt to give moral and professional support to women," she suggests. "Our women have a tendency to think that they won't be able to do this or that. Why shouldn't they be able to do something? We need to build up women's confidence."

She thinks that it is a pity that more women don't come out professionally. Experience has taught her that women tend to be more conscientious workers. One of the major problems that she sees in Bangladesh today is that society seems to have come to a standstill mentally. She believes that change can only be achieved when attitudes are changed. Most people say that men need to change, she points out, but women need to change too. Another problem is that most women think that they will need a lot of capital. Abedin holds that people should do whatever they can, and capital should not be a limiting factor.

She also says that, for all the pro-women hype going around, our society is still not ready for working women. When a man does business, he may go to 10 offices, talking to different people and establishing liaisons, before landing a contact. "But were a women to do the same thing," says Abedin, "there would be much negative talk about the women's character."

People say a lot in favour of women, she continues, but there is still little positive action. As a result, female entrepreneurs remain at a disadvantage. "I think women—capable women, that is—should be given preference. We need something like a quota system, so that more women get the chance to prove themselves."

9.3 Shahana Mahbub: Owner of Jessore Fashion House (in Dhaka city)

A successful business career for a woman should prove to be no bar to a happy family life.

Shahana Mahbub has managed to enjoy the best of both worlds. She has both a successful and satisfying career, and a close and happy family life. In her shop, she sells famous Jessore stitched saris, as well as fashion and handicraft items from all over Bangladesh. Two or three times a week she makes trips to place orders and collect items. "I prefer doing this myself," says Mahbub, "because then I can better maintain the quality. I usually go in the morning and return the same evening. If I were a man, I could more easily stay overnight. By now I'm so familiar in those areas, I guess I could still do it. But I have never needed to".

Shahana say she never faced any big social or cultural problems in starting the business. She reports that her sisters were not very happy: "They would call me illiterate because I hadn't completed my studies. But my in-laws and husband have always been very supportive. "When one is earning," she says, "everybody is happy."

"With perseverance," Mahbub advises, "courage and a helpful family anything can be done."

9.4 Ruby Ali Damal: Owner of Ruby Shilpo Kutir

Working wives are usually happier.

"I believe life offers many learning opportunities," Damal says. "Earning a degree is just one way. But there are many non-formal ways of learning. A lot of people think that because

they are illiterate (do not have formal education) they won't be able to do anything. But that is wrong. There is much to learn from life."

Through her business, Damal has kept alive the traditional use of herbs for beauty and medicinal purposes. Her mother and grandmother were the main sources of inspiration, but the interest they sparked was further cultivated by Damal herself. "I wanted to be an avid reader since childhood," she says, "and I started reading up on anything that interested me. And I learned a lot of interesting things by reading up on them." Later in life, she learned more by talking to local women about their beauty regimes.

During trips abroad, she saw how developed the instant food market was, and wanted to do something similar for Bangladesh. She also makes dolls and cloth flowers. At present, Damal is setting up an organization called Jatiyo Kutir Shilpo Sangstha, which aims to bring craftspeople together to better manage their resources.

Damal emphasizes that the husband can play a very important role. With a husband's encouragement and support, a woman can go very far. "I feel there is always a need for pioneers. I participate not only to exhibit my products, but also to show other women that it is possible to work in a man's world. I hold myself up as an example."

9.5 Tahmina Chowdhury: Co-owner of Asian Garments

Employment—even more, self-employment—is a means to building self-confidence.

Chowdhury and her husband married for love, something that their families still haven't accepted. "So we had to do something to survive," she reports. From childhood, she has been good at sewing and making clothes, and she and her husband decided to start a business together. "Our first attempt was pretty disastrous," Chowdhury recalls. "Instead of receiving cash, we had all our goods (worth about Tk.18,000) returned to us. But we didn't let that hold us back. We opened the returned clothes up that very night, repaired them, and sold them again."

As Chowdhury points out, people learn from their mistakes. In the beginning they had to go from shop to shop seeking orders. Usually they went together, but sometimes, if he had something else, she went alone, which led to much gossip among neighbours and family. She started with one sewing machine, doing most of the work herself. Now she has eight sewing machines, three design machines, one overlocking machine, and nine employees. She and her husband supervise the work together. "We started from zero," she says, "and made the business what it is today only after a lot of hard work." She receives the greatest encouragement from her husband.

Chowdhury believes that all women should work: "It's a way of building confidence and learning many things, like skills and communication and business procedures." She also feels that a lot of work can be done at home. "Many of my embroidery workers, for example, work from home. Women usually have to take care of their homes as well as their careers, so it is more convenient if the two activities can be undertaken in the same place or somewhere close to each other."

9.6 Rokeya Rahman: Cold storage owner and President, WEA

Financial independence is an essential condition for realizing women's full potential.

In 1962, Rahman was the first woman bank manager in what was then East Pakistan. Today, she is a successful businesswoman with two cold storage facilities she has set up within the last eight years. She was the first woman member on the executive committee of the Bangladesh Cold Storage Association, the chairperson of the board of directors of the Bangladesh Employers' Association, and a member of the Board of Directors in MIDAS.

She believes that collateral is the main problem an average woman faces in going into business. "Most women do not have enough capital to start a business," she says. "It takes us right back to our inequitable social structure. If the son of an average family asks for money to do business, he will be given the money. But if the daughter asks for money, she'll probably be advised to get married first and then ask for money from her husband—provided, of course, that he allows her to go into business at all. A woman could always use her inherited property as collateral, but even there her property rights are not equal to those of men, are they?" Rahman nevertheless remains positive about social progress. She says women are taking much more initiative than they did even 10 years ago. "They must take responsibility. They can't depend on someone else to do the hard work, or what they consider difficult chores, for instance keeping track of the finances. Neither should they let their husbands protect them professionally. They should establish themselves." Does she have any particular message for would-be female entrepreneurs? "Yes, I do," she replies. "Take the first step. Decide to be financially independent, because that is the basis of the ultimate independence for a women."

9.7 MIDAS MINI MART

Group marketing provides another option for women entrepreneurs.

MIDAS MIDI credit fund borrowers were facing many problems in marketing their products. They could not rent a house or a shop with such small loans, and they were offering relatively few products. So 20 female MIDAS borrowers rented a house together and jointly started a mini-market selling only their own products. Each contributes Tk.3,000 per month to meet the costs of rent, manager, and sales staff.

The venture is managed by an executive committee. Each product carries a code number, and, at the end of the week, the members collect their respective sale proceeds. MIDAS provides a good example of successful group marketing by women entrepreneurs.

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ANNEXES

ANNEX 1

Relative position of women and men in Bangladesh

Acronyms used below

BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BBS	Bangladesh Bureau of Statistics
CPS	Contraceptive Prevalence Survey, BBS
DHS	Demographic and Health Survey, NIPORT
HDS	Household Demographic Survey, BBS
HES	Household Expenditure Survey, BBS
NIPORT	National Institute of Population Research and Training
TBA	Traditional Birth Attendant
VRS	Vital Registration System, BBS

Indicators	Women	Men
Population (millions)		
1981 Census	43.6	46.3
1991 Census	54.1	57.3
1999 SVR, BBS	62.2	65.9
Sex ratio, men per 100 women (per cent)		
1981 Census		106
1991 Census		106
1997 BBS (Bangladesh at a Glance, 1998)		106
Rate of population growth (per cent)		
1981 Census	2.4	2.3
1991 Census	2.2	2.2
1995 HDS	2.0	1.8
1998 BBS (national)—both women & men		1.5

Population by broad age groups (millions)

1981 Census		
< 15	19.6	21.0
15-49	20.0	20.3
50-59	2.0	2.3
60+	2.1	2.7
1996 VRS		
< 15	24.1	25.5
15-44	25.7	26.1
45-59	5.1	5.6
60+	4.5	5.3

Population by broad age groups (per cent)

1981 Census		
< 15	46.8	46.5
15-49	43.4	42.1
50-59	4.7	5.3
60+	5.1	6.1
1996 VRS		
< 15	40.64	40.65
15-44	43.29	41.99
45-59	8.52	8.97
60+	7.55	8.39

Total number of households (millions)

1981 Census	1.2	13.6
1991 Census	1.4	18.0
1995 HDS	1.3	20.9
1995-96 HES	2.2	19.9

Percentages of women- and men-headed households

1981 Census	8.4	91.6
1991 Census	7.3	92.7
1995 HDS	5.9	94.1
1995-96 HES	10.0	90.0

Size of women- and men-headed households

1981 Census	4.3	5.8
1991 Census	3.7	5.5
1995-96 HES	3.5	5.6

Average monthly income of women- and men-headed households (Tk.)		
1991-92 HES	2 324	3 423
Average monthly income of households (all)		
1995-96 HES	4 366	
Earners per household		
1989 HES	0.08	1.30
Earners per household		
1995-96 HES	0.15	1.33
Incidence of extreme poverty (per cent consuming 1805K cal. per person per day in women- and men-headed households)		
1989 HES	32	28
Incidence of poverty (CBN method, percentage of population living below the lower poverty line) in women- and men-headed households		
1995-96 HES	38.8	35.3
Mean age at 1st marriage		
1981 SRS	17.9	25.0
1991 SRS	18.1	25.2
1994 HDS	18.3	25.4
1996 HDS	20.0	27.6
Mean age at marriage		
1981 VRS	17.8	25.8
1985 VRS	18.0	25.3
1991 VRS	18.1	25.2
1998 VRS	20.2	27.8
Marriage per 1,000 population		
1981 VRS	9.43	
1985 VRS	10.2	
1991 VRS	11.8	
1994 HDS	10.3	
1996 VRS	10.1	
General divorce rate per 1,000 population		
1994 HDS	1.5	0.8
General separation rate per 1,000 population		
1994 HDS	1.7	0.5
General marriage rate per 1,000 (population 15 yrs +)		
1994 HDS	17.9	17.2

Percentage of currently married persons aged 15-49 years		
1995 HDS	79.9	61.4
Percentage of persons ever married aged 15-49 years		
1995 HDS	84.6	63.1
Persons ever married aged 15-49 (millions)		
1995 HDS	24.2	17.9
Currently married persons aged 15-49 years (millions)		
1995 HDS	22.2	17.6
Total fertility rate per women		
1981 VRS	5.0	
1991 VRS	4.2	
1996 HDS	3.4	
1999-2000 DHS report, NIPORT	3.3	
Percentage of births/mothers assisted at delivery		
1995 HDS (rural), by:		
Doctor	2.1	
Nurse	6.1	
Midwife/TBA	41.8	
Relatives	50.0	
1996-97 DHS, NIPORT (national)		
Doctor	3.4	
Nurse, trained midwife/TBA	9.4	
Untrained TBA	58.7	
Relatives/ others	26.9	
1999-2000 DHS, NIPORT (national)		
Doctor	7.8	
Auxiliary	5.2	
Currently married women, ever used any contraceptive method		
1994 HDS	56.0	
1996-97 DHS, NIPORT	72.2	
1999-00 DHS, NIPORT	77.8	

	Women	Men
Currently married women currently using any method		
1983 CPS	19.1	
1991 CPS	39.9	
1995 HDS	48.7	
1996-97 DHS, NIPORT	49.2	
1999-00 DHS, NIPORT	53.8	
Sterilization rate (per cent)		
1983 CPS	6.2	1.2
1991 CPS	9.1	1.2
1995 HDS	5.4	0.7
Child (1-4 years) death rate		
1981 VRS	18.0	15.6
1991 VRS	14.0	13.2
1995 HDS	10.2	9.10
Life expectancy at birth		
1981 VRS	54.4	55.3
1991 VRS	55.7	56.5
1995 HDS	57.6	58.1
1998 BANBEIS	60.0	61.0
Maternal mortality rate per 1,000 live births		
1986 VRS	6.5	
1989 VRS	5.1	
1995 HDS	4.5	
1998 VRS	3.0	

Percentage of children (aged 12-23 months) vaccinated

DHS 1996-97, NIPORT		
DPT 1	83.7	86.0
Polio 1	85.6	88.2
DPT 2	77.0	81.2
Polio 2	77.7	82.9
DPT 3	68.1	70.4
Polio 3	59.8	64.7
Measles	67.8	71.9
BCG	85.3	87.0
All vaccinations	52.2	55.8
DHS 1999-2000, NIPORT		
DPT 1	87.0	90.7
Polio 1	93.8	94.5
DPT 2	79.2	83.8
Polio 2	83.6	86.6
DPT 3	67.8	75.9
Polio 3	68.3	74.8
Measles	68.2	73.2
BCG	89.3	92.5
All vaccinations	57.1	63.4
Morbidity, mid-February 1994 to mid-Feb. 1995 (HDS)		
Prevalence of morbidity rate per 1,000	177	157
Sex ratio of morbid person	94	
Acute illness during last 14 years	73	70
Chronic/repeated illness during last 90 days	104	86
Morbidity, April 1997 to June 1997 (Statistical Bulletin 1999, BBS)		
Prevalence of morbidity rate per 1,000	162	154

ANNEX 2

Key statistics Labour force survey, 1995-96

	Population groups	* Usual definition (age 10+)			* Extended definition (age 10+)		
		Both sexes	Male	Female	Both sexes	Male	Female
1	Economically active population						
	Bangladesh	41.7	34.1	7.6	56.0	34.7	21.3
	Urban	9.3	7.3	2.0	10.2	7.4	2.8
	Rural	32.4	26.8	5.6	45.8	27.3	18.5
2	Employed population						
	Bangladesh	40.3	33.2	7.1	54.6	33.8	20.8
	Urban	8.9	7.0	1.9	9.7	7.0	2.7
	Rural	31.4	26.2	5.2	44.8	26.7	18.1
3	Unemployed population						
	Bangladesh	1.4	0.9	0.5	1.4	0.9	0.5
	Urban	0.5	0.4	0.1	0.4	0.3	0.1
	Rural	1.0	0.6	0.4	0.9	0.6	0.3
4	Not in labour force (all ages)						
	Bangladesh	61.6	18.6	43.0	65.8	27.5	36.3
	Urban	5.2	0.1	5.1	10.0	2.9	7.0
	Rural	21.0	0.6	20.4	20.5	6.7	13.8
	Children 0-9 (Bangladesh)	35.4	17.9	17.5	35.4	17.9	17.5
5	Participation rate						
	Bangladesh	48.3	77.0	8.1	64.8	78.3	50.6
	Urban	46.4	71.1	20.5	506.0	71.5	28.6
	Rural	48.9	78.8	17.4	69.1	80.4	57.3
6	Unemployment rate						
	Bangladesh	3.4	2.7	6.3	2.5	2.7	2.3
	Urban	4.9	4.4	6.5	4.5	4.4	4.6
	Rural	3.0	2.3	6.3	2.1	2.2	1.9
7	Anticipated/proposed unemployment rate						
	Bangladesh	-	-	-	16.5	7.1	31.7
	Urban	-	-	-	11.3	6.2	24.5
	Rural	-	-	-	17.6	7.4	32.8

	Population groups	Usual definition (age 10+)			Extended definition (age 10+)		
		Both sexes	Male	Female	Both sexes	Male	Female
8	Underemployment rate						
	Bangladesh	-	-	-	34.6	12.4	70.7
	Urban	-	-	-	19.6	10.0	44.4
	Rural	-	-	-	37.9	13.1	74.6
9	Crude activity rate	34.2	54.9	12.8	46.0	55.8	35.7
10	Refined activity rate	48.3	77.0	18.1	64.8	78.3	50.6
11	Major occupation						
	Total	40.3	33.2	7.2	54.6	33.8	20.8
	Professional, technical	1.7	1.2	0.5	1.8	1.2	0.6
	Administrative, managerial	0.2	0.2	0.0	0.2	0.2	0.0
	Clerical workers	1.2	1.1	0.1	1.2	5.7	0.5
	Sales workers	6.1	5.7	0.4	6.2	5.7	0.5
	Service workers	1.4	0.8	1.1	1.9	0.8	1.1
	Agriculture, forestry, fisheries	20.9	17.9	3.0	34.9	18.5	16.4
	Production, transport	8.4	6.4	2.0	8.5	6.4	2.1
12	Major industry						
	Total	40.3	33.2	7.2	54.6	33.8	20.8
	Agriculture, forestry, fisheries	20.6	17.8	2.8	34.5	18.4	16.1
	Mining & quarrying	0.0	0.0	0.0	0.0	0.0	0.0
	Electricity, gas, water	0.1	0.1	0.0	0.1	0.1	0.0
	Construction	1.0	0.9	0.1	1.0	0.9	0.1
	Trade & restaurant	6.0	5.5	0.5	6.1	5.6	0.5
	Transport, storage & communication	2.3	2.3	0.0	2.3	2.3	0.0
	Finance & business services	0.2	0.2	0.0	0.2	0.2	0.0
	Community & personal service	5.0	3.3	1.7	5.1	3.3	1.8
	Household sector & NAD	1.0	0.4	0.7	1.2	0.4	0.8
13	Employment status						
	Total	40.3	33.1	7.2	54.6	33.8	20.8
	Self-employed/own account worker	16.0	14.4	1.6	16.0	14.4	1.6
	Employer	0.1	0.1	0.0	0.1	0.1	0.0
	Employee	6.8	5.0	1.8	6.8	5.0	1.8
	Unpaid family helper	7.6	5.2	2.4	21.9	5.8	16.1
	Day labourer	9.8	8.5	1.3	9.8	8.5	1.3

	Population groups	Usual definition (age 15+)			Extended definition (age 15+)		
		Both sexes	Male	Female	Both sexes	Male	Female
14	Economically active						
	Bangladesh	36.0	30.6	5.4	50.3	31.3	19.0
	Urban	8.3	6.7	1.6	9.2	6.8	2.4
	Rural	27.7	23.9	3.8	41.2	24.5	16.7
15	Employed persons						
	Bangladesh	34.8	29.8	5.0	49.1	30.4	18.7
	Urban	7.9	6.4	1.5	8.8	6.5	2.3
	Rural	26.9	23.4	3.5	40.3	23.9	16.4
16	Not in labour force (all ages)	85.8	31.5	54.3	71.5	30.9	40.6
	Household work	26.2	0.7	25.5	11.9	0.1	11.8
	Student	4.4	2.8	1.6	4.4	2.8	1.6
	Retired/income recipient	0.7	0.4	0.3	0.7	0.4	0.3
	Beggars & others	2.0	0.6	1.4	2.0	0.6	1.4
	Children (ages 0-14)	52.5	27.0	25.5	52.5	27.0	25.5
	(ages 9-9)	35.4	17.9	17.5	35.4	17.9	17.5
	(ages 10-14)	17.1	9.1	8.0	17.1	9.1	8.0

Source: *Report on labour force survey in Bangladesh, 1995-96 (XV-XVI)*, BBS, 1996.

* **Note:** Usual definition: any person aged 10 years and over who was either employed (worked at least one hour in a week) for pay or profit or with/without pay or profit or unemployed (seeking/available for job) during the reference period as economically active. It excludes own household economic activities.

Extended definition: any person aged 10 years and over who was either employed (worked at least one hour in a week) for pay or profit or with/without pay or profit or unemployed (seeking/available for job) during the reference period as economically active. It *includes* own household economic activities (such as, care of poultry & livestock, threshing, boiling, drying, processing and preservation of food etc.).

ANNEX 3

Inventory of sectoral programmes related to self-employment/income generation/entrepreneurship development for women

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
1.	Crop Diversification Program (CDP) (July 1987-June 1995)	Ensure the accessibility of all CDP benefits to women, including the landless. Integrate women into the mainstream of agriculture development. Integrate women into all aspects of CDP. Involve all line agencies concerned with WID in CDP activities. Interact with other organizations which have programmes for women in agricultural activities.	Involve women in field crop demonstrations. Introduce training systems and demonstrations. Introduce income-generating activities. Conduct various types of training.	Farmers with small land holdings and rural women Numbers of beneficiaries unavailable	Women's participation in all CDP activities has been ensured.	Ministry of Agriculture, PIU, BRAC, DAE, DAM	CIDA, Netherlands
2.	Vulnerable Group Development and Institutional Feeding (VGD) Vulnerable Group Feeding (VGF) emerged in 1974 and reorganized as VGD in 1988 and continued until 1995	Create awareness among vulnerable rural women regarding social development and income-generation activities. Alleviate poverty. Make women self-reliant through income-generation activities.	Identify vulnerable women. Provide training. Distribute food.	Only distressed and vulnerable women Throughout Bangladesh (4,459 unions) Beneficiaries: 399,091 women	Positive impacts have been achieved on housing facilities, drinking water, nutrition, literacy, and greater participation in agriculture. Age at first marriage has increased, but rate of separation has decreased.	Directorate of Relief & Rehabilitation, Ministry of Disaster Management and Relief	WFP, EEC, CAN, AUS, RA, GER, GOB

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
3.	Rural Maintenance Program (RPM) (1988-1995)	Involve rural women in physical infrastructure activities Involve them in income-generating activities	Identify vulnerable women. Build and repair rural infrastructure. Provide training. Implement compulsory savings.	Throughout Bangladesh (4,060 Unions) Only distressed and vulnerable women 609,000 individuals	A positive impact has been achieved with regard to housing facilities and drinking water. Literacy and greater participation in agriculture. Age of first marriage increased, but rate of separation decreased.	Directorate of Relief and Rehabilitation Ministry of Disaster Management and Relief	Canada
4.	Establishment of Women Polytechnic Institute, Dhaka (1977-1987)	Create opportunities for active participation of women in development activities.	Construct buildings. Conduct various diploma courses.	Dhaka Women	Dormitory established at the Institute. Completion of two diploma courses.	Directorate of Technical Education Ministry of Education	Government of Saudi Arabia
5.	Agriculture Extension Project Phase-1, Mymensingh (1989-1993)	Conduct research on agriculture. Increase production of fish. Create employment opportunities.	Conduct baseline survey. Establish demonstration pond. Provide agriculture extension and training. Provide production credit. Produce training materials and hatcheries. Establish a women's component.	6 thanas of Mymensingh District 2,640 women	The women involved in this scheme have been successfully producing 508 tons of fish per hectare. These women are contributing about 40% of the total family income in the project area. Economic conditions among target women have improved.	Dept of Fisheries Ministry of Fisheries & Livestock	GOB, DANIDA

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
6.	Livestock Development Project for Small and landless Families (1991 – 1996)	Enhance income of the landless and the marginal farmers, particularly women, by rearing poultry and livestock in the homestead.	Supply input. Provide training. Deliver credit for poultry rearing and feed sales.	80 selected thanas in 16 districts Destitute women having less than 0.5 acre of land Total no. of women: 261,650	Training has been provided for 270,933 persons. A total of Tk.92,500,000 in loans has been disbursed to 202,620 borrowers.	Directorate of Livestock Services Ministry of Fisheries & Livestock	GOB, IFAD, DANIDA
7.	Strengthening of Nursing Education & Services (1992 – 1997)	Strengthen nursing education and services.	Construct buildings. Recruit manpower. Appoint consultant and buy equipment.	7 districts Women	Required manpower has been recruited, furniture and equipment has been produced, and physical facilities developed.	Directorate of Nursing, Ministry of Health and Family Welfare	ODA/IDA
8.	Self-employment of rural distressed women of Bangladesh through cottage industries (1988 – 1990)	Create self-employment opportunities for female heads of propertyless families. Organize distressed and poor women through different groups. Provide skills training for various trades.	Conduct baseline survey. Identify women capable of working among distressed and poor women. VGF card holder. Select target women/beneficiaries Establish groups. Distribute loans. Take action for self-employment by investing loans in cottage industry Provide training in various trades.	8 districts in the Unions of Rangpur and Dinajpur 2,887 distressed women	Employment has been provided for 6,920 of 5,810 women. Training in planning, management, skill development, etc. has been provided for 1,229 women.	BSCIC, Ministry of Industry	ILO

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
9.	Women Entrepreneurship Development Program (WEDP) (1992 – 1997)	<p>Increase participation of women in economic and industrial activities to improve their living conditions and raise their social status.</p> <p>Develop entrepreneurship and enterprises among rural, semi-urban, and urban women.</p> <p>Alleviate poverty through creation of employment opportunities among women in rural semi-urban and urban areas.</p> <p>Develop and upgrade management and trade skill among women entrepreneurs.</p> <p>Motivate women entrepreneurs to save.</p>	<p>Identify potential entrepreneurs.</p> <p>Disburse credit fund for the development of handicrafts and cottage and micro-enterprises, and provide market outlets for the related products.</p> <p>Develop trade and management skills among women entrepreneurs.</p> <p>Provide entrepreneurship development for women.</p> <p>Develop enterprises.</p> <p>Generate employment.</p>	<p>40 thanas of Bangladesh</p> <p>16,025 women</p>	<p>Recipients identified for credit: 20,248.</p> <p>Loans disbursed: 16, 025</p> <p>Amount disbursed: Tk.6,756, 000</p>	BSCIC, Ministry of Industry	USAID
10.	Self-employment of the rural destitute women (1993 – 1998)	<p>Enhance earning capacity of poor women by introducing savings and credit programme.</p> <p>Develop leadership capabilities through training.</p> <p>Create awareness among the target women concerning their legal civic rights.</p> <p>Strengthen the women's managerial capability.</p> <p>Establish an effective mechanism to provide credit and other support services for the target women.</p>	<p>Select target areas in consultation with participating agencies and local bodies.</p> <p>Identify target women.</p> <p>Organize target women into groups, select group leaders, and hold weekly meetings.</p> <p>Form commitments at various levels; conduct a baseline survey of the socio-economic condition of target women.</p> <p>Assess training needs of the target women, and organize skill development and skill up-grading training.</p> <p>Select IGAs, prepare production plans, provide credit, and disburse that in weekly installments.</p>	<p>5 districts: Rangpur, Nilphamari, Faridpur, Madaripur, and Munshiganj</p> <p>16,500 women</p>	<p>Credit delivery:</p> <p>In 1993-94, Tk.2, 011, 000 was delivered to 883 beneficiaries; the recovery rate was 99%. In July-Nov. 1994, Tk.4, 217, 000 was disbursed to 1, 343 target women</p> <p>Skill development and management training:</p> <p>Training was provided for 3,650 target women, out of whom 1,841 were trained in various trades and 3,050 trained in entrepreneurship development, business management, and credit and savings operations.</p>	BSCIC, Ministry of Industry	The Royal Netherlands Government

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
			Organize a workshop, orientation training, and a review session for target women and project officials.		Savings: By November 1994, target women's savings amounted to about Tk.1,400,000.		
11.	Awareness-raising programme for women through mass media (on-going programme)	Create awareness among the women regarding health, education, legal rights, income generation, etc.	Organize and conduct a radio and television magazine programme. Arrange discussion sessions, role plays, dramatic programmes, etc. Arrange and conduct film showings. Disseminate information through newspapers and magazines.	All over Bangladesh Women throughout Bangladesh	Enhanced knowledge regarding socio-economic issues related to women and development is leading to changing attitudes and behaviour.	Ministry of Information and Broadcasting	USAID
12.	Promotion of Self-employment Program (1987 – 1994)	Create opportunities for self-employment among 49,000 women.	Provide cash loans to assetless men and women in rural areas in backward thanas. Distribute tool kits for the small entrepreneurs and home workers development programme in semi-urban and urban areas.	128 thanas in 4 districts Educated but unemployed women, widows, and people with disability, women who are holding less than 0.40 acre of land	The programme led to 16,100 landless poor women becoming self-employed.	Bureau of Manpower, Employment and Training (BMET) Ministry of Labour & Manpower	GOB, ILO, UNDP
13.	Comprehensive Village Development Program (1995 – 1995)	Involve rural women in the process of comprehensive development of their community by enhancing their knowledge and skills, creating opportunities for them and empowering them to undertake greater responsibility in society.	This program has been implemented through comprehensive village cooperative societies in selected villages.	40 villages: 10 villages in Sylhet Sadar, 7 villages in Narayanganj District, and 23 villages in Comilla Sadar and Burichang Thana of Comilla District	As of December 1994, the following had been achieved: Skills-oriented training for 287 persons in different trades for creation of self-employment such as sewing, cottage crafts, health workers, TBAS, and poultry raisers; Formation of Tk.2,800,000 in capital through weekly savings and shares; Tk.1,537,000 in seed money disbursed to 933 beneficiaries against IGA during the last financial year.	Bangladesh Academy for Rural Development (Ministry of Local government, Rural Development & Cooperatives)	GOB

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
14.	Urban & Rural Development Program (Ongoing program)	Alleviate poverty by undertaking IGAs. Create employment opportunities. Provide vocational training in various trades for the target women.	Formation of groups.	400 thanas Destitute people, especially women and children	A total of 55,677 beneficiaries have been covered under this programme.	Dept. of Social Welfare (Ministry of Social Welfare)	GOB, NORAD, UNICEF, EDM
15.	Agriculture based project for rural women (1984 – 1988)	Provide theoretical and practical training in poultry, agriculture, and fisheries. Train women in adult education, family planning, health and nutrition, mother and child care, etc. Rehabilitate distressed women after completion of training	Provide training. Buy chickens. Repair poultry sheds and workers' houses. Re-excavate a pond.	Jirani, Gazipur 275 rural women	Training target completed. The rehabilitation programme is unsatisfactory.	Department of Women Affairs	DHAKA
16.	Reorganization of 27 weaving schools (1994 – 1996)	Develop skilled manpower for the textile and garment industries. Create opportunities for self-employment among both male and female unemployed youth. Expand and develop cottage industries. Involve both male and female unemployed youth in mainstream rural and socio-economic development, and alleviate poverty through human resource development. Improve existing curricula in weaving schools. Strengthen institutional capacity through recruiting teachers, arranging space, and assembling necessary equipment.	Conducting training	23 districts Both male and female youth	The project has had a positive impact on self-reliance among the target group. The rehabilitation programme is unsatisfactory.	Ministry of Textile	GOB

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome			Implementing agencies	Funding agencies
1	2	3	4	5	6			7	8
17.	Skill Development Program (Ongoing program)	Create better awareness among women in all spheres of life. Train women in technical and vocational trade. Help women to achieve self-reliance. Assist women in upholding their rights. Motivate women to accept family welfare activities.	The National Women's Organization selects lower class and lower middle-class women from different areas of Dhaka City and 64 district branches of the Organization through advertisements and personal contacts. Provide training in trades such as weaving, leathercraft, poultry, cooking, soap making, spice processing, computers, etc. Involving target group in income-generating activities for attaining self-reliance. Provide training for adult literacy, family welfare, social awareness, etc. Provide credit for income-generating activities.	Dhaka city and 64 district branches of Jatiya Mahila Sangstha (National Women's Organization) Lower class and lower middle-class women About 3,000 beneficiaries per year	After training, the beneficiaries are engaged in the following IGAs to increase their family income. A number of beneficiaries started small business such as tailoring, embroidery, soap making, bamboo crafts, knitting, and leather crafts. Some are employed in garment factories. Others are engaged in producing goods for domestic purposes.			Jatiyo Mahila Sangstha (National women's Organization)	GOB
18.	Women's vocational Training for Population Activities (1990 – 1995)	Raise socio-economic status of women of lower income family to make them self-reliant through various income-generating activities.	Conducting training on different trades. Provide credit. Support afforestation programme.	40 thanas and 320 union centres under these thanas	Item	Target	Achievement	Dept. of Women's Affairs	CIDA, IDA
					1. Vocational Training (person)	13,720	11,588		
					2 Mobile training (person)	28,800	19,200		
					3 Staff training (person)	309	174		
					4 Loan distribution (person)	8,341	4,860		
					5 Daycare Centre (No)	40	30		
					6 Daycare Centre (Children)	3,600	2,400		
					7 Afforestation program (Nos.)	140,800	15,600		

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies
1	2	3	4	5	6	7	8
19.	Socio-economic Development Project for Women (July 85 – June, 88)	Develop the social, economic, educational, and cultural quality of life by providing training in different trades.	Provide training. Organize in-service training. Distribute a revolving fund. Buy furniture, equipment, etc.	38 selected unions centres in different districts 8, 835 women	Of 8,835 women, 7,280 (83%) have been trained. Among these 2,117 women improved their quality of life through employment.	Directorate of Women's Affairs	GOB
20.	Socio-economic Development Program for Women (Jan. 1989 – June, 1990)	Organize 250 cooperative societies for women. Improve the socio-economic condition of women through income-generating activities.	Provide training in different trades. Provide training for the revolving fund.	30 thanas 37,512 rural women	Of 250 planned cooperatives, 192 (77%) have been established. About 4,500 women have been trained in IGAs. Awareness among 16,612 women was raised regarding health, nutrition, and family planning activities. Awareness among 10,543 women was raised regarding legal aid.	Department of Women's Affairs	NORAD
21.	The Agriculture Training for Women in Bangladesh (1992 – 96)	Provide basic knowledge and skills in vegetable production, poultry raising, pisciculture, etc. to rural women. Develop skills of women leaders in the fields of agriculture and rural development. Improve the technical skill of instructors. Strengthen the institutional capabilities of the Dept. of Women's Affairs in providing agro-based training with improved techniques.	Provide training.	Narshingpur (Zirabo, Savar, Dhaka) 660 rural women	A total of 660 women were trained in agriculture.	Dept. of Women's Affairs	OISCA/IDA (Japan)

S. No.	Project name	Objectives	Implementation	Project area/target group/number	Outcome	Implementing agencies	Funding agencies																					
1	2	3	4	5	6	7	8																					
22.	Youth Development Program (1990 – 95)	Organize and mobilize the youth to enable them to participate effectively in national development. Specific objectives include: Increasing the participation of women as much as 50% in the Youth Development Program; Alleviating poverty among youth through increased self-employment programmes; and Equipping youth with suitable technical, vocational, and professional training.	Conduct group training for unemployed youths in different trades and provide follow-up credit facilities for IGAs. Involve 50% of women trainees in all training programmes to ensure equal participation. Provide credit for self-employment in both rural and urban areas. Motivate youths to participate in community development.	All over Bangladesh 302,541 males and females	Until September 1994: <table border="1"> <thead> <tr> <th>Item</th> <th>Target</th> <th>Progress</th> </tr> </thead> <tbody> <tr> <td>1) Training</td> <td>67,541</td> <td>53,925</td> </tr> <tr> <td>2) Self-employment</td> <td>192,000</td> <td>71,874</td> </tr> <tr> <td>3) Loan holder</td> <td>192,000</td> <td>71,874</td> </tr> </tbody> </table> Female: <table border="1"> <tbody> <tr> <td>1) Training</td> <td>24,347</td> <td>45.15%</td> </tr> <tr> <td>2) Self-employment</td> <td>16,414</td> <td>43.77%</td> </tr> <tr> <td>3) Loan holder</td> <td>24,388</td> <td>33.93%</td> </tr> </tbody> </table>	Item	Target	Progress	1) Training	67,541	53,925	2) Self-employment	192,000	71,874	3) Loan holder	192,000	71,874	1) Training	24,347	45.15%	2) Self-employment	16,414	43.77%	3) Loan holder	24,388	33.93%	Directorate of Youth Development	GOB
Item	Target	Progress																										
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Note: "Thana" is the sub-division of a district and an administrative unit.

ANNEX 4

Overview of major micro-enterprise and entrepreneurship development training programmes in Bangladesh

Programme	Sponsor(s)	Participants	Description	Additional assistance	Comments
Small & Cottage Industries Training Institute (SCITI)	Bangladesh Small & Cottage Industries Corporation (BSCIC)	From June 94-March 95, 132 individuals trained (9% female, 91% male)	Entrepreneurship Development: The course is designed to improve the management skills of SCI sector entrepreneurs. Topics include sources of entrepreneurial finance, management, production, marketing, and industrial relations. Trainers are SCITI faculty members and resource persons from other organizations such as BMDC, IBA, BUET, EPB, and private and public banks. A second programme is entitled "Starting a Small Business".	Arranging credit for entrepreneurs through commercial banks. Identification of potential entrepreneurs.	A nationwide programme, although it serves only a limited number. Course duration is quite short (2 weeks). Participants pay a nominal fee.
Women Entrepreneurship Development Program (WEDP)	Bangladesh Small & Cottage Industries Corporation (BSCIC) supported by USAID	Rural disadvantaged women	Purpose: poverty alleviation for rural disadvantaged women. Started in 1982 with 4 thana centres, and operated 37 centres by June 1997. Major activities include identification of individuals with potential to develop as independent business women, provision of pre-investment counselling, assistance in project appraisal, and assistance in making arrangements for micro-credit loans. WEDP has developed a 3-day workshop that includes information regarding management, accounting, marketing, quality control, credit, banking, and loan (repayment) procedures. Other topics include training in health and nutrition, child care, family planning and group formation procedures.	Micro-credit programme, Tk.878,000 dispersed to date. Additional assistance includes post-investment counselling, regular supervision, modern design and prototypes, marketing, and technical assistance where needed.	WEDP had developed 4,417 entrepreneurs and created 60,370 employment opportunities as of March 1997.
Bangladesh Management Development Center (BMDC)	Autonomous organization under Ministry of Industries	Courses open to anyone who applies and pays the enrolment fee	Offers over 100 short courses per year. Courses related to entrepreneurship include Starting a Small Business, Establishing New Industry, Women Entrepreneurship Development Program, Starting and Managing Small Business, and Training the Trainers for Women Entrepreneurship Development. BMDC also offers a special programme in Entrepreneurship Development for Self-employment of Educated, Unemployed Youth.	No follow-up assistance provided	
Women's Development Program	Department of Women Affairs	Primary focus is on rural poor, illiterate and semi-literate women. Nearly 50,000 women had received training as of 1995	Purpose is to impart nonformal vocational, technical, and other skill development training to women interested in self-employed income-generating activities. Specific development projects include an Agriculture Training Center for Women in Bangladesh; a Women's Vocational Training for Population; and Technologies for Rural Employment with Special Reference to Women.		

Programme	Sponsor(s)	Participants	Description	Additional assistance	Comments
Bangladesh Rural Advancement Committee (BRAC)	BRAC is a private sector development organization	Landless villagers (particularly women) in the RDP, teachers in the nonformal education programme, traditional birth attendants, and village health workers. BAC programmes cover 36,999 villages, benefiting more than 1 million people.	Primary goals are poverty alleviation and empowerment of the poor. Training programmes focus on two areas: human development and management, and occupational skills development. Human development programmes include training in leadership, management, credit management, skill development, livestock development, fisheries, irrigation, afforestation, vegetable cultivation, and sericulture. Programmes vary in length from 1 to 30 days, depending on their nature.	BRAC provides an integrated package of assistance including training, credit, and follow-up support. BRAC has also developed a number of standard income-generating projects that can be readily established by trainees.	
Micro-Industries Development Assistance Services (MIDAS)	MIDAS training is financed by donor agencies such as USAID, CTZ, or requesting agencies.	Participants are selected on the basis of goal clarity, financial need, entrepreneurial history, entrepreneurial characteristics, and need for financial support.	Two courses are offered: New Business Creation; and Creation of Enterprises and Formation of Entrepreneurs (CEFE). Topics include achievement motivation, business mathematics, project identification, and marketing.	MIDAS has several credit programmes that operate independently.	
Bangladesh Rural Development Board (BRDB)	Bangladesh Government	Landless and assetless rural men and women	Training programmes focus on skills development, leading to self-employment.		

ANNEX 5

Overview of major micro-credit programmes

Micro-credit programme	Description	Additional support	Impact
<p>Bangladesh Rural Advance Committee (BRAC)</p> <p>Funds come from three primary sources: donors and international agencies (55%), a loan from the Government of Bangladesh (2%), and internal operations (43%).</p>	<p>Under its Rural Credit Project (RCP), BRAC offers three types of credit: short-term (to 12 months), medium-term (to 3 years), and long-term (more than 3 years).</p> <p>Loan size: Tk.500 to Tk.800 Tk.1,000- to Tk.10,000- (one family)</p> <p>Collateral free; however, when a loan is granted to procure an income-generating asset, the asset is mortgaged until the loan is recovered. Disbursed from a revolving loan fund and repayable in weekly installments. For Tk.1,000 the repayment rate is Tk.25 per week, with the full amount due within 46 weeks.</p> <p>Interest rate: 15%</p> <p>Process time, including RDP infrastructure development, ranges from 2.5 to 4.5 months.</p>	<p>BRAC's Rural Development Program (RDP) precedes implementation of the Rural Credit Project in any given area. The RDP is designed to develop a self-sustaining credit infrastructure (usually takes 1.5 to 3 months). RDP activities include forming village organizations (45,055 members), encouraging savings (members deposit a minimum of Tk.2 per week), conducting training courses and group meetings, and administration of a life insurance policy.</p>	<p>Credit disbursed: Tk.202,614,554 as of April 1997.</p> <p>Outstanding loans Tk.35,665,114 as of April 1997</p> <p>Recovery rate: 98%</p> <p>Cost of loan operation: 14%</p> <p>A 1988 survey found the per capita income of households (81%) borrowing RDP credit was 26%, above non-borrower households</p> <p>Group members 1,1968,543</p>
<p>Grameen Bank</p> <p>Major fund sources include government allocation grants and contributions from donor agencies.</p>	<p>GB was founded in 1983 by Dr. Yunus to provide credit to the poor. The bank provides loans to individuals and groups for self-employment and income-generating activities.</p> <p>Individuals owning less than 5 acres (total family assets not exceeding value of one acre of medium-quality land) are eligible.</p> <p>Upper limit is Tk.15,000- for income generation & Tk.25,000 for housing.</p> <p>Interest rate: 20% For housing: 9%</p> <p>Repayment in weekly installments (each installment = 2% of loan) over 50 weeks.</p> <p>Housing loan is for maximum 10 years.</p>	<p>Bank officials facilitate institution building and group formation. Group members are required to deposit Tk.2 per week in a group fund account. Group members also generate an emergency (insurance) fund to address the risk of default, death, or accident. Savings requirement of the bank has become an important source of capital for lending operations.</p>	<p>12 years of operation</p> <p>Tk.7,507,100,000 disbursed as of March 1997</p> <p>Overall recover rate: 98%</p> <p>Cost of operations: 25% (includes training costs as well as costs of delivering funds to recipients and collecting repayments)</p>
<p>Micro-Industries Development and Assistance Services (MIDAS)</p>	<p>MIDAS disburses loans under two credit programmes: Small and Medium Enterprise (SME) Development, and the Micro Enterprise Development Initiative (MIDI) Program.</p> <p>Under its Micro-enterprise Development Initiative (MIDI), MIDAS provides short-term loans on easy terms to existing entrepreneurs for further development of their micro-enterprises. Special emphasis is on providing credit to women entrepreneurs.</p> <p>Loan size: Tk.50,000 to Tk.500,000</p> <p>Term: 1-3 years</p> <p>Project size must have maximum total investment of less than Tk.1.5 million. Maximum debt-to-equity ratio is 80:20.</p> <p>Legal status of enterprise must be that of a proprietorship, partnership, or private limited company.</p> <p>Interest rate: 14% (rebate of 10% on interest for timely repayment)</p> <p>No collateral required on loans up to Tk.200,000. MIDAS does hold a mortgage on project assets, however.</p>	<p>MIDAS offers two entrepreneurial development training programmes that operate independently. Pre-investment counselling is offered to borrowers.</p>	<p>Overall loan situation as of 30 June 1996:</p> <p>569 projects financed Recovery rate: 97.61% Jobs created: 11,529 (males 2,033/females 4,978) Women owned 35% of funded projects Tk.386.8 million disbursed Loans recovered: Tk.132.2 million In 1995-96, 202 MIDI loans amounting to Tk.36.03 million were provided and Tk.24.04 million (including service charges) was recovered, compared to 176 loans amounting to Tk.26.24 million and recovery of Tk.9.40 million in 1994-95. As of 30 June 1996, MIDI had disbursed 435 loans with a value of Tk.69.1 million.</p>

Micro-credit Programme	Description	Additional support	Impact
<p>Bureau of Manpower, Employment and Training (BMET) Credit Programs</p>	<p>BMET offers three credit programmes:</p> <ol style="list-style-type: none"> 1. Credit Program for Landless People. This scheme is operated in association with Sonali Bank, and is designed to further the goals of self-employment of landless poor through provision of credit. <ul style="list-style-type: none"> • Maximum loan size is Tk.10,000, although the largest granted to date has been Tk.5,000. • The interest rate began at 13%, but has been reduced to 8.5% commensurate with Government interest rate policy. • The repayment schedule is based on projected cash flow of the enterprise. 2. Micro-enterprise Scheme. This programme, operated in association with Agrani Bank, was designed to promote entrepreneurship among educated youth and women and the skilled establishment of workshops. <ul style="list-style-type: none"> • Maximum loan size is Tk.50,000. The average has been Tk.25,000. • Term: 1-3 years, repaid in equal monthly installments. • Interest rate: 16%, with a 2% penalty for late payment. • No collateral is required. 3. Tool Kits Programs. Designed to provide unemployed technicians with a set of tools if they were willing to be self-employed for a period of time by BMET, this programme was discontinued due to lack of success. 	<p>With these programmes, BMET is responsible for identifying beneficiaries, forming groups, offering motivational training, and creating group savings.</p>	<p>Credit Program for Landless People</p> <ul style="list-style-type: none"> • 28,773 loans disbursed (41% women) • Tk.96.88 million disbursed • Recovery rate: 84.3% • Micro-enterprise Loan Scheme: 548 loans issued (18% to women) • Tk.10.87 million disbursed • Recovery rate: 37.6% • Tool Kits Program: <ul style="list-style-type: none"> • 253 loans disbursed • Tk.4.82 million disbursed • Recovery rate: 68.4% (Low loan recovery rates reflect lack of motivation on the part of BMET field offices, and the high cost of recovery relative to the total loan amount.)
<p>Bangladesh Small & Cottage Industries Corporation's (BSCIC) Women Entrepreneurship Development Program (WEDP) Credit Program</p> <ul style="list-style-type: none"> • 75% of funding comes from USAID • 25% of funding comes from the Government and BKB 	<p>BSCIC was initiated with the objective of distributing approximately Tk.71.2 million in credit (revolving fund) to entrepreneurs between 1992 and 1997. By June 1994, WEDP was operating in 32 thana. Operations in 8 additional thana were added since 1997.</p> <ul style="list-style-type: none"> • Maximum loan size: Tk.50,000 • No collateral required for loans up to Tk.20,000. Raw materials and finished products are pledged as security. • Term: maximum of 5 years, with 1 year grace period (no installment payments required) for fixed capital. • Repayment on a monthly or semi-annual basis, depending on projected cash flow of the enterprise. 	<p>WEDP provides extensive assistance in setting up credit infrastructure, providing investment counselling, organizing entrepreneurship development workshops, and supplying on-going assistance.</p>	<p>As of March 1997:</p> <p>40,204 beneficiaries</p> <p>Recovery rate: 97%</p> <p>An evaluation study revealed that WEDP not only provided employment opportunities for women, but also changed their behaviour in family management and family planning practices.</p>

Micro-credit Programme	Description	Additional support	Impact
<p>ADB Credit (No. 1067 Ban SF): Employment Generation for Rural Women.</p> <ul style="list-style-type: none"> • Funded by ADB • Administered through the Directorate of Women's Affairs and affiliated NGOs 	<p>This programme is designed to promote micro-enterprises and income-generating employment opportunities for women in non-farm activities.</p> <ul style="list-style-type: none"> • Three types of loans are offered: micro-credit (up to Tk.10,000), line of micro-credit (up to Tk.35,000), and enterprise credit (up to Tk.60,000) • Interest rate: 15% (subject to change as per rates fixed by banks within interest rate band for small industry) • No collateral for micro-credit. Hypothecation or personal collateral is required for the line of micro-credit. For enterprise credit 6.5% of the total capital has to serve as equity along with hypothecation, commitment and personal collateral. • Training is obligatory if one is to apply for the loan. • Mandatory savings requirements during training and loan repayment. 	<p>Successful loan applicants must first complete a training course. Motivation training is also provided.</p>	<p>As of April 1995:</p> <p>Tk.80.16 million loans disbursed to 22,278 borrowers</p> <p>Recovery rate: 96.6%</p> <p>(Note: an NGO is appointed on a commission basis to operate and recover the loans at the field level.)</p>
<p>Prime Minister's Welfare Fund</p>	<p>Prime Minister Begum Khaleda Zia has allocated Tk.2,000,000,000 for poverty alleviation and opening new avenues of income generation for poor landless women in rural areas. The fund aims to meet its objectives by providing loans and introducing income-generating activities</p> <ul style="list-style-type: none"> • Size of loan: Tk.1,000 to 10,000 • Interest rate: 10% • 6-month grace period before repayment begins. 		
<p>Sonali Bank credit programmes</p>	<p>1. Special Investment Scheme: The programme is designed to promote and provide credit for farmers in pisciculture, dairy, poultry, and cow fattening.</p> <p>Maximum loan: Tk.500,000 (although Tk.50,000 is the individual loan ceiling without collateral. Landless individuals may circumvent this ceiling by forming groups. For more than Tk.50,000, individuals are required to have 50% collateral.</p> <p>Offered through 175 designated branch offices Provision of interest rebate for good borrowers Flexible repayment schedule Simplified application process and loans are approved at the local level.</p> <p>2. Special Credit Program: This scheme promotes small and cottage industries in selected areas.</p> <p>Maximum amount: Tk.400,000 Interest rate: 9% for project loans, 12% for working capital loans Term: 5 years for project loans, 3 years for working capital Follow-up and monitoring system exists.</p>	<p>The bank provides an extension programme to train its people to facilitate these programmes.</p>	<p>As of March 1995:</p> <p>1) Tk.352.05 million loaned to 5,092 entrepreneurs</p> <p>Recovery rate: 79%</p> <p>2) Tk.141 million disbursed</p> <p>Recovery rate: 54%</p>

ANNEX 6

Loans disbursed by BSCIC as of June 1999

Project name	No. of industrial units	Loans disbursed (Tk. in 100,000s)
Women Entrepreneurship Development Program (WEDP)	83 740	4 657.54
Entrepreneur development	16	79.92
Self-employment	9 145	2 036.29
Poverty alleviation	2 540	160.15

Source: *MIS Report 1998-99*, BSCIC

Loans disbursed under WEDP, July 1998-June 1999

	Number	Loans disbursed (Tk.in 100,000s)
Cottage industries (new)	5 590	452
Cottage industries (existing)	8 640	685

Source: *MIS Report 1998-99*, BSCIC

Distribution of loans and employment generation under self-employment through small and cottage industries

Division	No. of industrial units	Loans disbursed (Tk .in 100,000s)	Employment generation
Dhaka	43	19.91	1 142
Chittagong	11	3.96	1 416
Rajshahi	39	19.16	1 178
Khulna	18	7.28	919

Source: *MIS Report 1998-99*, BSCIC