

“Dynamics of Women Entrepreneurship in the SME Sector”: -A Study on Rangpur Region

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Abstract:

For such a Developing Country like Bangladesh, Development of small and medium Enterprises (SME)s has been regarded as a burning instrument for generating employment and earnings. Development of SME helps to promote industrialization and directly or indirectly create opportunities for women entrepreneur. It is a creative sector where women can show their talent and can perform in better ways in their own interest. Now a days 3 out of 10 entrepreneurs are women. Women entrepreneurship is a very talked about issue. Women entrepreneurship largely promoted through SME. The definition of (SME) varies in different countries. We may define SMEs as legally independent company with no more than 500 employees.

The main objectives of this study is to have an overview of present status of women entrepreneurship generally in Northern Region and Particularly in Rangpur. We are interested in focusing northern region because here there is a lack of sufficient research on women’s role in the small and medium enterprises. Identifying the lack of required facilities and challenges faced by

the women entrepreneur of (SME)s in northern region is the main view of this article.

Currently they are facing many obstacles when they want to inaugurate a business. Like, lack of required fund, proper mentorship, peer network and know-how about business. In order to overcome this obstacles, Government should take necessary policies for the development of (SME)s, Which will greatly encouraged women involvement in (SME) sector, in Northern Region.

Key word:Women entrepreneur, entrepreneurship, (SME), Northern Region, Obstacles, Development.

Introduction:

In Bangladesh, Women constitute around 50%(2008)of the total population but their participation in the economic activities is only 10%.Nowadays 3 out of 10 entrepreneurs are women. Women entrepreneurs are often overlooked in key economic development. yet they make vital contribution to the global economy. Women entrepreneurs represent powerful untapped source of innovation, job creation, and economic growth in the developing country. small and medium enterprises(SMEs) is one of the imperative sector for improving the grievous situation of women entrepreneur. Through small and medium enterprises, there arises an stable environment in which women can run small business and can grow their firms. small and medium enterprises as an driving force of industrialization. In Bangladesh women entrepreneur constitute 10% of total share in the competitive world, people in the society do not cordially receive entrepreneurship as a profession and women are facing several challenges when they start a business and compete with others in the market. Women are facing with various kinds of obstacles that hampered women's power. Mainly lack of

accessing fund, peer networking, well-training etc. starting or opening a SME where women's involve require not only entrepreneur spirit but also managerial and logistic expertise. that's why opening or starting SME require a business person who have well connected to a bureaucrat to access network. expectation of women in the family as a wife, mother, homemaker etc limit their ability to pursue economic opportunity.

Objectives:

The general objectives of this study is to address the role of SME that facilitate the women entrepreneurs present condition in northern region. we generally tried to carry our discussion by answering the following three question-

- (a). How important are SME in the northern region
- (b). How representative are Women entrepreneur in the SME in the northern region
- (c). What are the main obstacles to existing women entrepreneur to grow in the region

Rationale for the study:

Women's are very much lagging behind in our society. Although they are most important part in our economy but they are no longer perform in a better way. when women are want to start a business it is not received positively by our

society. various complexities arise in case of business environment of women entrepreneur. Women entrepreneurship is so much challenging here.

Northern region specially Rangpur so much lag behind because several studies and discussions are going in another 6 region but Rangpur still now untouched. By considering all those matters there has absolutely been strong point to study with the topic “Dynamics of women entrepreneurship in the SME sector”-A study on Rangpur region.

Review of Literature:

A good number of studies have been done on women Entrepreneurship in Bangladesh. Different Researcher are carried on different perspective. Some Researcher shows the demographic changes of women worker and shows obstacles that initially facing by women entrepreneur. This study represents an outline of women entrepreneurs in Northern Region Showing their participation in business and find out their problems and Recommending suggestion and we try to focus Rangpur Region in this Research Study.

With respect to the SME sector of Bangladesh, Foreign and national experts undertook some studies.

Kashfia Ahmed (2009) in his work “Performance Evaluation of Small and Medium Enterprises of Bangladesh” shows the present situation of small and medium enterprises of Bangladesh. She identified some problems of SME in Bangladesh like poor physical infrastructure. Lack of information, financial problem, infrastructure, Lack of information, skills, financial problem etc.

Zohurul Anis (2013) describe in his work of “Women entrepreneur of SME in Rajshahi Area” try to discuss existing strength weakness and opportunity. it also focuses some challenges which are facing by women in Rajshahi Area. Fatema Khatun (2013-2014) addressed “Women SME entrepreneur in ensuring women employment in Bangladesh” his studies investigate the level of awareness of women about their right. Afiya Sultana in his “Promoting women entrepreneurship through SME” she analyses growth and development to women entrepreneur in Bangladesh Uddin (2008) has stated that the economic efficiency and overall performances of the SMES especially in the developing countries are considerably dependent upon macroeconomics policy environment and specific promotion policies pursued for their benefit. Some of the notable ones are, Chowdhury (2007) Miah (2007) Ahmed (2006)

Methodology:

This study has been carried out relying on secondary data. It is descriptive in nature. Both quantitative and qualitative research methods adopting. Secondary data are used to analysis the findings in qualitative manner for relevant secondary data are used to analysis the findings in quantitative manner for relevant secondary data from reputed journals, books related to women entrepreneur, BB. The method of descriptive analysis on related issues of women entrepreneur and development in the context of northern Region in Rangpur. Then it showing some industrial sectors of SMES easily affordable for women entrepreneur in the Rangpur area.

Then it studies the role of Bank on the amount of credit disbursement and then it discusses the problems/ obstacles. then its studies the present development status. The obstacles must be reduced for the development of the society as a whole.

Definition And Main Characteristics:

According to the European Union (2000) SME are defined as enterprises which have at most 250 employees and an annual turnover not exceeding 50 million Euros. Further there is the distinction of small entrepreneur- they have fewer than 50 staff members and less than 10 million Euros turnover – and micro – entrepreneur (Less than 10 person and 2 million entrepreneur)

According to the World Bank (2006) Medium entrepreneur are defined as entrepreneur which have at most 300 employees and an annual turnover not exceeding 15 million US dollars. There, is the distinction of small entrepreneur. They have fewer than 50 staff member and up to 3 million US dollar turnover and micro enterprise have up to 10 persons and 4100.000 turnover.

According to J.A. Schumpeter “Women who innovate, imitate or adopt a business activity is called women entrepreneur. Govt. has given a broader definition of the term women entrepreneur it defined “Women entrepreneur as an enterprise owned and controlled by women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women.

Different countries and organization define SME differently the govt. of Bangladesh has categorized SME into two broad classes.

1). Manufacturing Enterprise:

Manufacturing enterprises can be divided into two categories.

⇒ Small Enterprise:

We call it small Enterprise if in current market price the Replacement cost of plant, machinery and other parts/component, fixtures, support utility and associated technical services by way to capitalized cost etc. including land building were to up to Tk. 15 million.

⇒ **Medium Enterprise:**

An enterprises would be treated as medium if in current market price the Replacement cost of plant, machinery and other component, fixtures, support utility and associated technical services by way of capitalized cost etc. including land building were to up to tk. 100 million.

2). Non-Manufacturing:

Non-manufacturing activities can be devided into two categories.

⇒ **Small Enterprise:**

We call it small enterprise if it less than 25 workers (in full time equivalent).

⇒ **Medium Enterprise:**

An enterprise should be treated as medium if it has between 25 and 100 employees

According to BBS different Enterprise are difined as-

	No. of Employees
Micro	0 – 9
Small	10 – 49
Medium	50 – 99
Large	above 99

Role of Bank on the amount of credit Disbursement

There are some sections which are easy to maintain has woman E in Rangpur region .they can easily contribute in different private sector . A list are given below.

Opportunities for women entrepreneur of SMEs in Rangpur area.

Table 1: A table showing the industrial sector of SMEs easily affordable for women Entrepreneur in the area.

Name of SME s easily Maintainable by women entrepreneur

- Handicraft
- Silk enterprise
- Poultry farming
- Cattle rearing
- Parlor

There are various institution which provide Financial and logistic support and also ensure easily affordable training facilities. Here given such as institution.

Table 2: A table showing the financial help providers institution to Women entrepreneur of SME in the Rangpur area.

- BRAC BANK
- ISLAMI BANK
- RUKAB
- SONALI BANK
- PUBALI BANK
- AGRANI BANK
- JANATA BANK
- MUTUAL TRUST BANK
- AB BANK
- PREMIER BANK
- DUTCH BANGLA BANK LIMITED
- DHAKA BANK
- RUPALI BANK
- JANATA BANK

Now we show the Districts- wise role of various Banks in SME in Rangpur Region –
(April -June 2014)

Here we show only one quarter to identify the situation of SME loan disbursement in Rangpur

Name of Bank	Small				Medium				Total Entrepreneur	Total taka (lac)	
	District	Male	Amount of Taka	Female	Amount of Taka	Male	Amount of taka	Female			Amount of Taka
Agrani Bank	Rangpur	4942	17,332.57	269	830.64	5	1,099.48	1	100	5217	1,9402.69
	Lalmonirhat	12	77.10	-	-	-	-	-	-	12	77.10
	Kurigram	88	516.90	4	28.00	1	50.00	-	-	93	594.90
	Nilphamari	10564	3,762.43	148	620.67	15	937.00	-	-	1727	5,320.10
	Dinajpur	247	1,523.00	10	64.00	14	436.51	1	55	272	278.51
	Thakurgone	66	386.00	-	-	-	-	-	-	66	386.00
	Panchgarh	19	137.00	-	-	3	550.00	-	-	22	687.00
	Total	6938	23,775.00	431	1543.31	38	3,072.99	2	155.00	7409	28,546.30

Source : Bangladesh Bank

Agrani Bank –Provides SME loan in which there are 7409 women entrepreneur in 7 District where women play very minor role. Compare with male.

Name of Bank	Small				Medium				Total Entrepreneur	Total taka (lac)	
	District	Male	Amount of Taka	Female	Amount of Taka	Male	Amount of taka	Female			Amount of Taka
Islami Bank	Rangpur	22	50.00	6	5.00	-	-	-	-	28	55.00
	Lalmonirhat	7	170.00	-	-	-	-	-	-	7	170.00
	Kurigram	79	2,040.00	5	30.00	5	1,200.00	-	-	89	3,270.00
	Nilphamari	137	187.26	66	31.25	212	8,606.58	12	2,445.48	427	11,270.57
	Dinajpur	102	1,503.85	561	108.11	83	6,760.60	2	12.00	748	8,384.56
	Thakurgone	121	73.80	122	118.10	33	360.00	3	25.00	279	576.90
	Panchgarh	63	215.00	20	65.00	23	225.00	5	50.00	111	555.00
	Total	531	4,239.91	780	357.46	356	17,152.18	22	2,532.48	1689	24,282.03

Source : Bangladesh Bank

Islami bank –In Islami Bank if we consider Rangpur district then we see that there is 28 total entrepreneurs among women constitute only 6 in that quarter.

To increasing women entrepreneur in business for the purpose of promoting society and Dynamics of women entrepreneur specially in northern region. Govt. Need to establish separate specialized area with various Facilities. Govt. tries to set up industrial park. Expanding training facilities, creating awareness among women by several programs in northern Region. Because here women are live in information gap.

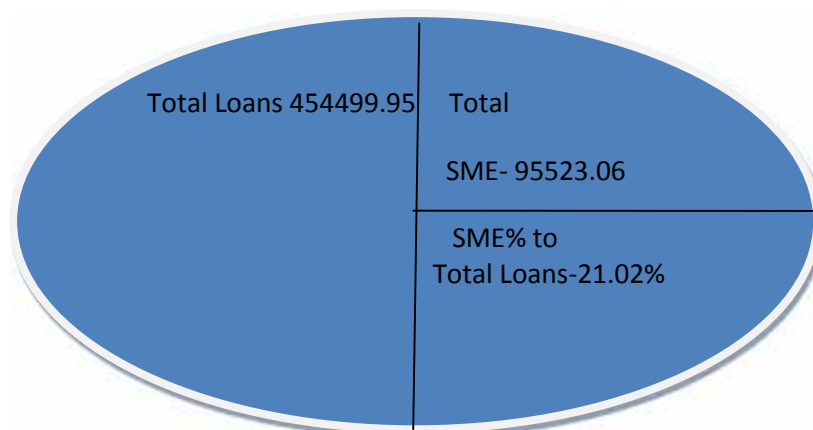
Table 1: Show the total Loans and Advances and SME outstanding as on 31-03-2013. This is 21.02% of SME% of total loan.

Total Loans and Advances and SME outstanding as on(31-03-2013)

Bank /Non-Bank	Total Loans	TotalSME	SME% to total Loan
State owned Banks	9020.07	12943.56	14.35%
Specialised Banks	28261.98	7557.98	26.74%
Private Banks	287193.55	69519.64	24.21%
Foreign Banks	23029.70	2221.62	9.65%
Banks Total	428693.30	92242.80	21.52%
Non Bank Fls	25806.65	3280.26	12.71%
Total of Financial Sector	454499.95	95523.06	

Source : Bangladesh Bank 2013

Total Financial sector



Pie chart

Table 2: Discusses about comparative position of SME loan outstanding .where SME outstanding growth is 7.73%.

Comparative position of SME loan outstanding as on 31-3-2012 and 31-3-2013

	31-3-12	31-3-13	Growth on 31-12-2013	
			Amount	%
Total loan outstanding	406674.56	454499.95	47825.39	11.76%
SME outstanding	88670.26	95523.06	6852.80	7.73%
% of SME TO Loan outst.	21.80%	21.02%		

Source : Bangladesh Bank 2013

Table 3: Show sector- wise comparative disbursement position of SME loan.

Sector	Disbursement		Growth		Percentage to Total	
	31-03-2012	31-03-2013	Amount	%	31-03-2012	31-03-2013
Service	826.89	1016.88	189.99	22.98%	5.79%	5.25%
Trade	8927.83	13006.69	4078.86	45.69%	62.52%	67.21%
Manufacturing	4525.94	5328.42	802.48	17.73%	31.69%	27.53%
Total	14280.66	19351.99	5071.33	35.51%		

Source : Bangladesh Bank 2013

Table 4: Show sector wise percentage of disbursement of SME loan to women entrepreneur against total SME loan which is 8.48% in service 57.07% in trade and 34.45% in manufacture.

Sector wise percentage of disbursement of SME loan to women entrepreneur against total SME loan (January to march 2013)

(Tk. In crore)

Banks/Non-Bank Fls	Service		Trading		Manufacturing		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total SME Loan disbursed	3864	1016.88	190716	13006.69	24117	5328.42	218697	19351.99
Disbursed to Women Entrepreneur	324	51.16	8412	344.08	1097	207.71	9833	602.95
Percentage of women Entrepreneur to total SME loan	6.08%	0.26%		1.78%		1.07%		3.12%
% of women Entrepreneur Loan to Total Women Entr. Loan		8.48%		57.07%		34.45%		

Source : Bangladesh Bank 2013

Table 5: We try to show comparative position of total SME loan and small entrepreneur (Jan-march, 2012 and 13.)

Banks/Non-Bank	Disbursed (January-March, 2012)			Disbursed (January-March, 2013)		
	Amount of SME Loan	Amount of Small Loan	% of Small Loan to	Amount of SME Loan	Amount of Small Loan	% of Small Loan to

Fls	disbursed	disbursed	SME Loan disbursed	disbursed	disbursed	SME Loan disbursed
State owned Banks	705.36	427.86	60.66%	1005.18	500.50	49.79%
Specialised Banks	856.94	334.94	39.09%	819.41	334.90	40.87%
Private Banks	11953.70	6609.23	55.29%	16652.33	8351.52	50.15%
Foreign Banks	395.33	167.32	42.32%	414.91	183.87	44.32%
Banks Total	13911.33	7539.35	54.20%	18891.83	9370.79	49.60%
Non Bank Fls	369.33	219.18	59.35%	460.16	321.91	69.96%
Total of Financial Sector	14280.66	7758.53	54.33%	19351.99	9692.70	50.09%

Source : Bangladesh Bank 2013

Table 6: Show SME loan disbursed to new entrepreneur January –March 2013 where private Bank provides a largest share.

SME loan disbursed to new entrepreneur January –March 2013

Banks/Non-Bank Fls	Number of Entrepreneur and amount of SME Loan disbursed to New Entrepreneurs						Total	
	Service		Trading		Manufacturing			
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
State owned Banks	142	20.09	1512	276.60	79	138.98	1733	435.67
Specialised Banks	23	7.52	366	169.38	106	54.82	495	231.72
Private Banks	525	175.77	9893	1895.68	1425	357.51	11873	2428.96
Foreign Banks	6	3.77	26	22.33	5	1.50	37	27.60
Banks Total	696	207.15	11797	2393.99	1615	552.81	14138	3123.95
Non Bank Fls	269	35.06	502	46.18	161	17.85	932	99.09
Total of Financial Sector	695	242.21	12299	2410.17	1776	570.66	15070	3223.04

Source : Bangladesh Bank 2013

Recent Development Status:

According to BSCIC (2009) small and cottage industries accounted for 90.91 percent of industrial establishment in 2008/2009 and about 90% of total Employment and more than 55% of total manufacturing value added originated from SMEs. There are around 66000 small industry unit and 611,612 cottage industry unit which provides employment of nearly 3.5 million people. When handlooms are added number of cottage industry unit alone shoots up above

700,000 (2009). SMEs worldwide are treated as the engine of growth, drivers of innovations. SMEs play a significant role in driving innovation. SMEs play a significant role in driving economic growth and generating employment. Private sector is the main driver of growth in the today's world and majority of the private enterprises are SMEs. In our country in fact, 99% of the private sector enterprises are MSMEs. MSMEs contribute up to 30% to GDP. MSMEs are providing employment to 25% of total labor force while 80% of industrial job come from MSMEs. The targeted credit initiatives of Bangladesh Bank have able to finance 1.9 million. MSMEs enterprises with 3.4 Billion USD While Bangladesh Bank have financed 90 thousand women owned enterprises with more than 1.2 billion USD. The share of credit to micro and small enterprises in total MSMEs has increased from 43 to 56 percent in five years. The Banking sector financed 0.25 million new business with 6.4 billion USD during 2009-2014 (June) while more than 1.5 million Jobs have been created by the MSMEs Enterprises due to five years due to the financing.

Obstacles facing Women Entrepreneur:

At present SME sectors facing a lot of problem / obstacles in Bangladesh. Some major problems are as follows.

⇒ **Lack of Any know-how:**

In northern Region, there is no any know – how among the women entrepreneur to carry out the enterprises successfully.

⇒ **Peer Networking:**

Network or Networking is one of the key issue to raising women enterprise is Bangladesh and our northern women generally face peer networking.

⇒ **Lack of Information:**

Miah (2006) has observed that SME have very limited use of information technology. Accounting package is used by 1-2 of the SMEs the less of computer is valued by 15% of the SME use of internet 8-10% of SMEs.

⇒ **Skill development training:**

Socio- economic development of Bangladesh largely depends on human resources development which can be accomplished by imparting training to our total entrepreneur partially women entrepreneur. But there is a lack of skill development training facilities exclusively for women. So its a big problem for growing women entrepreneurship in this reason.

⇒ **Women Development:**

To encourage our women society is developmental work there are no Handicraft training center in our division for women.

⇒ **Scarcity of Raw Materials:**

To continue the women business there is a lack of raw materials in small and medium enterprises.

⇒ **Lack of Training:**

Lack of training facilities is one of the most important obstacles facing by women entrepreneur when they are not well – trained they can't understand how to operate a business.

⇒ **Lack of Market Opportunity:**

Market is the main factor to selling the producing product by women entrepreneur. This obstacles hinder to achieved the success of business.

⇒ **Lack of Accessing Fund:**

One major obstacles of women entrepreneur is that they broadly facing the problem of accessing fund without fund women entrepreneur can't start their business.

Policy Recommendation:

Based on the study findings, the specific policy recommendations to ensure the women participation in northern region for policymakers and govt. which are important to improve the condition of SME entrepreneur.

1. It is need to establish separate economic zone for women entrepreneur with adequate power and gas supply to increase their presence in business activity.
2. Central bank need to take more expansion of SME credit policy focuses on promotion of women entrepreneur.
3. Northern region desperately need industrial park or Govt. should take steps to promote a industrial park in the northern region
4. Government should expand training facilities by various organization in Northern Reason.
5. Create awareness among women

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Conclusion:

Small and Medium enterprises (SMEs) act as a vital player for the economic growth, poverty alleviation and rapid industrialization of the developing countries like Bangladesh. SMEs are significant in underlying country's economic growth, employment generation and accelerated industrialization. Govt. of Bangladesh has highlighted the importance of SME in the industrial policy- 05. SME has identified by the ministry of industries as a “thrust sector”. As the SME sector is labor intensive, it can create more employment opportunities. For this reason, Govt. of Bangladesh has recognized SME as a poverty alleviation tool. SME also faster the development of entrepreneurial skills and innovation. Along with poverty alleviation SME can reduce the urban migration and increased case flow in rural areas. As a result it will enhance the standard of living in rural areas and facilitate the women.

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