The Role of Micro-credit for women entrepreneurs: The Case of Bangladesh

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Abstract

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Aim/purpose: The aim of the study is to explore the factors behind women entrepreneurship in Bangladesh and identify the role of microcredit to expand and continue the entrepreneurial work.

Method: This research study was conducted by using questionnaires for collecting primary data. The study uses a qualitative research approach to analyse the empirical findings.
**Result:** The result of the study is to find out to what extent entrepreneurial skills and factors influence women entrepreneurs and help the growth of their business enterprises. At the same time the study also shows that a microcredit facility plays a vital role for business expansion and continuing of the entrepreneurial work. The study also identifies the role of microcredit and its impact on women entrepreneurs and their business expansion.

**Suggestions for future research:** The study revealed additional research topics that will be helpful for further investigation in the same field. In doing further research, this study also suggests a few options that could bring new information to the entrepreneurial world. These are:

- Older and younger women - attitudes toward entrepreneurship.
- Young women entrepreneurial opportunity- their characteristics and survival strategies.
- Microcredit and Social business growth and survival strategies.

**Contribution:** While the existing knowledge shows that credit facilities helped women start their businesses and made them entrepreneurs, this study shows that not only credit facilities but also entrepreneurial skills and factors force them to become entrepreneurs. This study added new knowledge for business women, that starting a new business is not fully dependent on money/credit facilities but also entrepreneurial factors and skills which drive them to be entrepreneurs.

**Key words:** Women Entrepreneur, Microcredit, Bangladesh, Entrepreneurial thought, Network.
Preface

This Master’s thesis has been the last assignment to achieve our Masters degree in Business Administration under the department of Business and Economic studies at The University of Gävle. The thesis was done during the spring semester, 2011. We would like to take this opportunity to thank our supervisor Dr. Maria Fregidou-Malama at university of Gävle.

We would also like to direct a special thanks to everyone in our department and our friends who have helped us to get information from Bangladesh while we were living in Sweden.

We would like to give our special thanks to Mr. Tarikul Islam Chowdhury who helped us by giving his valuable experience in the field of microcredit and our friend Md. Hasabuzzaman Sohel who translated the English questionnaire and for making it easy to survey and collect the information from those women that we selected for our survey.

Gävle, May 2011

Kamrun Nahar Munny
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Dedication

Our thesis is dedicated to our Mothers (Mazeda Chowdhury and Yanlan Fan) and also to those women who are fighting every moment to establish their right and have a dream to make an equal society for their new generation.

Kamrun Nahar Munny
Zhang Weiyu
23rd May, 2011
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**Acronyms**

ASA : Association of Social Advancement  
BD : Bangladesh  
BB : Bangladesh Bank (Central bank of Bangladesh)  
BSCIC : Bangladesh Small and Cottage Industry Corporation  
BRAC : Bangladesh Rural Advancement Committee  
BRDB : Bangladesh Rural Development Board  
BKB : Bangladesh Krishi Bank (Bangladesh Agricultural Bank)  
GB : Grameen Bank  
GS : Grameen Shikkha (Rural Education)  
LGRD : Local Government and Rural Development  
MFI’s : Micro Finance Institutions.  
NGO : Non Government Organization  
SME : Small and Medium Business  
SS : Safe Save  
SB : Sonali Bank  
UNDP : United Nation of Developing program  
WB : World Bank
CHAPTER-1

1.1 Introduction

Bangladesh is one of the most densely populated developing countries in the world, occupying 129th position in the United National Development Programme’s (UNDP) Human Development Index (UNDP, 2010). It is one of the 47 countries categorised as least developed countries and according to the human development index prepared by the UNDP in the year 2002 it has an estimated per capita GDP of US$363. The majority of the people are poor with 77.8% people earning less than US$2 per day and 44% earn less than US$1 per day. Furthermore 44.3% of rural and 52.5% of urban people are poor, while 18.7% and 25% urban population are hardcore poor respectively (UNDP, 2002). Although it has escaped the worst of the ravages of famine and disease in the past generation, struggling with poverty is still a very big challenge and more than 25% of people from the entire population are suffering from food insecurity and extreme poverty (Sachs, 2005). One of the distinguishing features of current poverty alleviation efforts in Bangladesh is the use of microcredit as a critical anti-poverty tool for the poorest, especially women (Micro credit summit, 1997). These programs extend small loans to poor people, mainly women, for income generating self-employment and work by lessening seasonal vulnerability through diversifying income generating sources, building assets, and teaching them crisis coping mechanisms, thus allowing the client to achieve a better quality of life (Hussain, 1998; Rahman, 1995). Such efforts enhance the income-earning potential of women and their role in non-traditional activities in the informal sector (Amin, 1993). These women earning enhance women entrepreneurship that assists women to find their identity in society. On the basis of this socio-economic situation it is important to be able to identify what is required to be a women entrepreneur; is it their entrepreneurial skill or the microcredit facility or the combination of both that would help to make an entrepreneur?

1.2 Microcredit in Bangladesh

Bangladesh is no different from any other developing country with the problems of poverty, corruption and exploiting the population. The country was becoming poorer even though they received billions of dollars each year in aid, and which vanished into thin air without any
production. Like other developing countries Bangladesh also wants to grow its economy. In order to improve the economic and social sectors the country recognises the importance of entrepreneurship, microcredit facilities, women empowerment and small and medium enterprises to create employment for income generation.

Mohammad Yunus, a man who has transformed the lives of thousands of impoverished people through the Grameen Bank, has turned the tables upside down by dominating the history of microcredit since 1973 (Pathania, 2003). The microcredit movement in Bangladesh is optimistic it will reduce poverty and increase the investment in small and medium industry (Hoque, 2004). Microcredit programmes in Bangladesh are implemented by various organizations, such as non-government organizations (NGOs), Grameen Bank and specialised programmes from ministries of the Government of Bangladesh. In the microfinance sector, the total loan amount outstanding is around TK$ 200 billion, including Grameen Bank which has TK 62 billion outstanding and savings of TK140 billion which is generated from 30 million poor people, including 8 million clients from Grameen Bank, which helps them to be self-employed and accelerates the overall economic development process of the country. Despite the fact that more than a thousand institutions are operating microcredit programs, 10 large microcredit institutions (MFIs) and Grameen Bank represent 87% of the total savings of the sector, around TK 122 billion, and 81% of the total outstanding loans of the sector, around TK 162 billion. Through the financial services of microcredit, these poor people are engaging themselves in various income generating activities and poor people are directly benefiting from microcredit programs (Microcredit regulatory authority). The credit services of microcredit sectors can be categorised into six groups. These are -

i) General microcredit for small-scale self-employment based activities;

ii) Microenterprise loans;

iii) Loans for the ultra-poor;

iv) Agricultural loans;

v) Seasonal loans and

vi) Loans for disaster management.

Loans are generally considered as microcredit up to BDT$ 30,000 (approximately USD417).

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1 TK = Taka (Name of Bangladesh currency)
2 BDT = Bangladeshi Taka.
1.3 Women Entrepreneurs in Bangladesh

Bangladesh is an overpopulated and resource limited country where opportunities and services are determined by gender, class and location. Women make up nearly half of the population which presents a huge potential for socio-economic development but in reality this does not occur. The ratio of the population of women to the ratio of women entrepreneurs is not at a satisfactory level. In the Appendix Table 1, the gap between these two ratios is shown and Table 2 shows the rate of participation of women entrepreneurs in different sectors.

Restrictions on the mobility of women in Bangladesh result in few women entering the formal labour market and at 11%, one of the lowest rates in South Asia. Only 4.5% of working women are employed in the formal sector, compared to 13.1% of men. Nearly 1 in 4 women with a university degree are unemployed (World Bank, 2003). Domestic service is the main occupation for many women. Surveys of employment patterns among women show that less than 5% of women were self-employed or working for the family business (Salway, Jesmin and Rahman, 2005).

Most women in the rural and urban sectors of Bangladesh are either self-employed or employed in family based enterprises that include both agricultural and non-agricultural sectors such as homestead agriculture, livestock and poultry rearing, fish farming, nursery and tree plantation, tool making, sewing, fish net making, food processing, tailoring, making garments and rice processing among others, and have been regular and invisible sources to family income supplementation.

1.4 Microcredit and women Entrepreneurs in Bangladesh

For more than two decades microcredit programs have been operated by Government and NGOs. Initially the main objective of this program was to enhance the rural family’s income generation. Later on it focused on the female members of rural and urban families and helping them to contribute to the socio-economic developments which were primarily home based.

Research shows that the sponsored micro credit programmes have created significant positive differences in the socio economic lives of the rural women (Hashemi, 1996).
Microcredit in Bangladesh helps the women, both rural and urban, to be involved in economic activities that helps income generation and creates a huge opportunity for them to be more independent and self-sufficient (Sharmina & Nazrul, 2008). However, it is also unclear as to whether they are becoming entrepreneurial through access to the credit or not (Hashemi, 1996).

It was claimed by the micro credit borrowers that the most important impact of microcredit programs is the sustainable development of the socio economic lives of rural women. However, the reality is that the developments are hardly prolonged. Research and observation shows that the women are unstable and not self-reliant, even though they have been involved in micro credit programs for a long period of time, up to 10 to 15 years. This indicates that the credit programs are making the women more dependent on the credit provider rather than making them independent. It is not making them self-reliant and self-sufficient. Therefore, concerns have been raised by researchers about the sustainability of socio-economic development of the women through microcredit programmes. These concerns are relevant to the development of rural women entrepreneurship in Bangladesh (Sharmina & Nazrul, 2008). For the development of women entrepreneurs in Bangladesh, stimulatory support is essential so that they can find their capabilities and become aware of their identity and ability.

Expert opinion shows that the development of the capabilities of borrowers can help to develop the entrepreneur. To develop entrepreneurship in a developing country like Bangladesh, three main activities could be performed such as, stimulatory activities, support activities, and sustaining activities. These activities are partially performed by the micro credit providers in Bangladesh (Rahman, 1979; Rahman 1999, Katz, 1991a).

1.5: Motivation to choose the topic

Microcredit programs are increasingly sought as a way to increase the income and employment opportunities of the poor who can become self-employed in a variety of informal activities (Hulme and Mosley, 1996; Yunus, 1983; World Bank,1994). The objective is to ease the credit constraint of households or to provide them with capital to initiate an activity, thereby increasing their income and consumption. Micro-credit programs are also being used to target the poor, especially women, to involve them in income-generating activities. In Bangladesh, for example, there are more than 750 organizations that are working in rural areas to provide credit and non-credit services to the target population of largely women from landless households (World Bank, 1996). Grameen Bank and Bangladesh Rural
Advancement Committee (BRAC) are two known programmes which provide microcredit facilities for women empowerment. But struggling with poverty is still a big challenge and more than 25% of the entire population is suffering from food insecurity problems and extreme poverty (Sachs, 2005). So there is a gap between the ratio of credit facilities for women and the ratio of women entrepreneurs. This gap raises the question of whether microcredit is playing the main role in creating women entrepreneurs or not, or are women entrepreneurs not fully dependent on microcredit. The argument is that there is something else which is needed besides the credit facility to mobilise women as entrepreneurs.

1.6: Aim and purpose of the study

The development of women entrepreneurs depends on socio-economic development. In a country like Bangladesh where the government is facing political and socio-economic problems, it is very difficult to create a stable socio-economic environment. For the development of women entrepreneurs, stimulatory support is essential because the women are unaware of their capabilities in the countryside of Bangladesh (Sharmina & Nazrul, 2008), but the situation is the same in both urban and rural areas. By getting microfinance and training from government and NGOs, women are empowered, even if they have to face social and family barriers. Providing microcredit is not the only factor in being an entrepreneur, interaction with the borrowers, with the people of microcredit providers, direct observation, education and training in selecting products, project and other techno-economic information help women to be entrepreneurial. This study will review what is most needed in becoming entrepreneurial. Besides the microfinance, what else do they need to be a women entrepreneur? Recently the economy of Bangladesh has been impacted by small and medium enterprises (SMEs) and most of those SMEs are owned by women. The research focuses on identifying the factors related to the development of entrepreneurship among women. The research analyses the socio-economic impact on women which swayed them to become productive. The specific purpose of this paper is-

- Identify and explain the factors related to women entrepreneurship development.
- Identify the start-up reason (motivation) of women owned enterprises.
- Identify the role of microcredit as a poverty alleviation or women empowerment tool.
1.7: Research questions

To reach the research goal we will find the answers in our research questions. These are-

1. What are the factors related to women entrepreneurs?
2. What is the role of microcredit in the growth of women entrepreneurs?
3. Does microcredit have a role in being an entrepreneur or is it just for survival?

1.8: Limitation

The study is focused on women entrepreneurs and microcredit in Bangladesh and the cases reviewed are located in Bangladesh which presents a location limitation. Because of the distance, we did not communicate with respondents frequently, and no face to face interviews were done.

The study focuses on a limited sample size with only 10 women. This is also a limitation because the result would be more constructive if we had a larger sample size.

1.9: Layout of the Study

This research study is carried out in order to study the impact of microcredit programmes on women entrepreneurs in Bangladesh. The work consists of six chapters.

The first chapter is the Introduction which gives an idea of the purpose of the study, the place and field of the research, the research problem, motivation and aim of the study with its brief limitation.

The second chapter focuses on the literature review where the research focuses on entrepreneurs, and the motivation and factors working for women entrepreneurs. This chapter also points out the model for involving the entrepreneurial activities. The role of microcredit is also discussed here from two perspectives, one from the perspective of alleviating poverty, and the other from the involvement of women in productive activities.

The third chapter presents the method used for collecting the primary data and explaining how the research information was analysed. This chapter deals with the research methodology which consists of research design, nature of data, method of data collection, data analysis, sample size, sampling method, and tools applied.
The fourth chapter gives information about the empirical study of our research. In this chapter we focus on the real situation of Bangladesh women entrepreneurs; their opportunities and barriers. It also provides knowledge about the micro finance institutes in Bangladesh and their procedures.

The fifth chapter contains the findings and analyses of the study which explains the various facts that have an impact on women entrepreneurs. It focuses on the role of microcredit and their contribution in reducing poverty rather than creating entrepreneurs. Here we submit our own model on the process of women entrepreneurs.

The sixth chapter includes the contribution, suggestions for further research and the final conclusion of the study.

**Conclusion**

In the first chapter the purpose, research question, and the aim and motivation were presented. At the same time the focus on our specific field which may help the reader to have an easier understanding.
Chapter 2 Theoretical Framework

2.1 Introduction

This chapter discusses the theory of entrepreneurship, microcredit and women empowerment for socio-economic growth. Furthermore, this chapter represents the microcredit industry in Bangladesh and focuses on the philosophical aspects and success factors behind women entrepreneurs.

2.2 Entrepreneurship and schools of entrepreneurial thought

The concept of entrepreneurship is a multi-faceted concept and thereby defined differently by different scholars. Thus, there is no single definition that is accepted by all scholars and different scholars define it from various aspects. That is why the definition and theory of entrepreneurship is dependent on the focus of the research undertaken (Verheul et al., 2001).

The general view of entrepreneurship is related to innovation and creativity. But Kuratko’s definition is that “Entrepreneurs are individuals who recognize the opportunity where others see chaos or confusion (Kuratko, 2009). Brooks (2009) also looks at it as a process that could be adopted. Another researcher defines it as recognising and exploiting the opportunity by reconfiguring the resources that could create advantages (Zahra, 2005).

Entrepreneurship is also viewed as a process of owning a business. At the same time a woman entrepreneur is defined as a woman who is forced to undertake the risk for better return. For developing these entrepreneurial processes and thinking Kuratko (2009) shows the school of entrepreneurial thought that defines the conceptual idea on entrepreneurship. Basically Kuratko (2009) describes the school of thought under the Macro and Micro view.

2.2.1: Macro view

Macro views of entrepreneurs are defined as entrepreneurial thoughts from a broad arena to identify the factors.

- **Environmental school of thought:** This school applies to the external and internal environment which surrounds the entrepreneur and basically this is one of the reasons to be an entrepreneur. If family and friends are the whole environment they affect the lifestyle of an entrepreneur and influence the desire to become an entrepreneur.

- **Financial/capital school of thought:** This school of thought is based on the capital
seeking process. Under this school, one can become an entrepreneur for growth of capital. This school of thought focuses on the factors for becoming an entrepreneur from the financial management point of view.

- **The displacement school of thought:** The displacement school of thought is based on the negative side of the group phenomenon. Sometimes people are suffering by been underestimated in the group or organisation. Later on as individual persons they seek their own motivation and become an entrepreneur.

### 2.2.2: Micro view

Micro view consists of the factors for becoming an entrepreneur from internal locus of control.

- **Entrepreneurial trait school of thought:** This is based on the common characteristics of entrepreneurship. For example, creativity, determination, achievement and technical knowledge are four factors that usually exist in a successful entrepreneur.

- **Venture opportunity school of thought:** This is based on the opportunity seeking by entrepreneurs. According to this school, choosing the right idea at the right time for the right market best describes this entrepreneur.

- **Strategic formulation school of thought:** This emphasises the planning process for successful venture development. This has 4 elements - unique market, unique people, unique product and unique resources.

### 2.3. Entrepreneurial Motivation

When considering why people want to start their own business and how they differ from others, then the motivation of entrepreneurial behaviour should be explained. Researchers also look for the entrepreneurial motivation as to why and how people become entrepreneurs. What affects them most and what is their motto. Motivation plays an important part in the creation of new organisations (Kuratko, 2009). In fact business creation and sustaining the venture, is directly related to entrepreneurial motivation. According to Kuratko, personal characteristics, personal environment, personal goals and business environment cause entrepreneurial behaviour. Kuratko shows how these motivational factors help to get the entrepreneurial outcomes.
Figure 2.1: Model of entrepreneurial motivation


PC- Personal characteristics
PE- Personal environment
PG- Personal goals
BE- Business environment

According to Kuratko (2009), the above factors are working as motivational factors to the entrepreneur.

2.4. Factors behind Women as entrepreneurs
With the significant increase in the number of women involved in entrepreneurship in the last 20 years, more and more scholars are exploring the reasons for women wanting to set up their own businesses. Carter and Cannon (1988) argued that most women are motivated by different reasons for starting a business. Most of these are related to social, cultural, political and economic factors (Turner, 1993). Turner shows that the personal factor is a strong motivational factor to starting one’s own business and he shows that this personal factor is divided into two categories:

- Pull Factors: Personal ambition, creativity, self-realisation, desire for independence
- Push Factors: lack of an alternative source of income, unemployment, unsatisfactory employment conditions

According to Bradley and Boles (2003) women have six motivational factors when entering entrepreneurship, which are also related to Turner’s Push and Pull factors. These motivate women to start their own business-

- Independence and Freedom
- Financial Rewards and Personal Fulfillment
- Flexibility of self-employment
➢ Prior work experience
➢ Employability
➢ Role Models.

Recently small business has expanded because of industrial structural development throughout the world. The small business sector lead the economic development and research shows that women entrepreneurs had a tendency to start small businesses. Most of the research has concentrated on male entrepreneurs as small business owners and the role of women as entrepreneurs has been neglected (Goffy and Scase, 1985). The participation of women entrepreneurs is increasing in the labour market (Karter & Cannon, 1992).

Schreier’s (1975) research on women entrepreneurs demonstrated that they have much in common with their male counterparts. Studies show that businesses developed by women are traditionally in the service sectors. Schwarts (1976), states that the motivation for women to start a business is the same as for men, the desire for independence and the challenges of ownership. For many it is to generate an income but the greatest barrier for their business success is lack of financial support, lack of training and business knowledge. The desire for job satisfaction, independence and achievement are the main motivation for women. As entrepreneurs, women have to overcome many problems, with the extra problem of social beliefs that women are not as serious about business as men (Hisrich and Brush, 1986). Despite the limitations, researchers show why and how women are entering the labour market as entrepreneurs, experienced on their problem specially the strategies that they adopt to succeed.

According to Karter & Cannon (1992), many women entrepreneurs report that they have a lack of skill in debt collection and sometimes feel that they are less assertive than their male counterparts. Some women may describe it as a gender problem and others may see it as a variation of aspiration which Karter summarises in terms of an entrepreneurial curve.

![Entrepreneurial curve](image)

Source: Karter & Cannon, 1992, Pp-59
The entrepreneurial curve was developed by Karter & Cannon (1992) to determine the different groups based on certain populations of women entrepreneurs. This curve also describes how women are affected by entrepreneurial behaviour and it also helps them to handle their problems.

The determined entrepreneurs are the smallest group, and are able to overcome any difficulties through the strength of their aspirations to own a business. Opportunistic entrepreneurs are the largest group and they will become business owners by exploiting opportunities. Both of these groups are pulled in to entrepreneurial behavior by opportunity.

Reluctant entrepreneurs are self-employed in order to improve their prospects if they get offer. Inheritors of a business are the most common in this group. Resistant entrepreneurs will only consider owning a business in extreme circumstances. These two groups push themselves into self-employment.

2.5. Types of Asian women involved in entrepreneurship

Dhaliwal (2000) has separated Asian women into two particular groups in order to illustrate the status of women in business, Independent Women and Hidden Women. Independent Women refers to those entrepreneurs who are independent and have their own right to take responsibility for themselves. Those working in a family enterprise, and most of them are running the family business, are referred to as Hidden Women.

Dhaliwal (2000) differentiates Independent Women from Hidden Women on three aspects: the background, the role in business, the experiences and the responsibilities. Based on Dhaliwal’s (2000) theories the two groups are summarised within the three aspects in table 2.1:
Table 2.1: the differences between Independent women and Hidden women:

<table>
<thead>
<tr>
<th>Types of Women</th>
<th>Background and Influences</th>
<th>The role in business</th>
<th>The experiences and the responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Women</td>
<td>Life-long study and wide horizon. Keeping a wish to provide a better life for their children. Family backgrounds are well educated.</td>
<td>Most of them were in business family, are more aware of their worth. Doing business is as a hobby or fulfillments of their financial and economic necessity.</td>
<td>Most of them are confident of their knowledge. And their experiences of entrepreneurship have varied greatly.</td>
</tr>
<tr>
<td>Hidden women</td>
<td>Been forced to work long hours spend most of their time in business. Children are neglected. Most of them are married young and into traditional families.</td>
<td>Working in family Enterprise play a small role in the business. Remain a housewife taking care of family and house, further education has not been encouraged.</td>
<td>Most of them made better contribution than their husband in business. But the husband totally controls the financial issue.</td>
</tr>
</tbody>
</table>

In Dhaliwal’s (2000) theories on these two types of women entrepreneurs, the table also shows that they are influenced to become entrepreneurs by the push and pull factors. Here pull factors represent the independent women and push factors represent the hidden women.

2.6. Women entrepreneurs and factors determining enterprise growth

The entrepreneurial factors and women entrepreneurs have been discussed above but there are other factors for determining their business growth. Evidence and research show that the main factor for business growth depends on the owner role and socio-demographic factors (Tundi, 2009). Karter & Cannon (1992) suggest factors that are similar to Tundi’s.
2.6.1.1 Business growth and role of owner.

Lerner & Almor (2002) argue that the owner is the most important factor in business management and identifies opportunities, makes strategies and implements them in order to get better outcomes. Consequently researchers consider the business owner as the most important asset of the business.

- **Prior experiences:** under the role of owner Karter & Cannon (1992) focus on prior experience and training in management skills. According to them this has a significant impact on the development of management for women business owners.

2.6.1.2 Management techniques.

A management function is concerned with people, time and finance (Karter & Cannon, 1992). Business growth is dependent on these three areas of management techniques.

**Socio-demographic factors**

Research has shown that socio-economic factors have an important role in determining the entrepreneurial behaviour and gender differences in small business performance (Langowitz and Minniti, 2007). Among these factors, the most influential business growth factors include gender, age of entrepreneur, marital status, and human capital. Networking is also included in these socio demographical factors (Karter and Cannon, 1992).

- **Gender of business owner:** Business performance is dependent on the gender of the business owner. Gender plays a role in business performance particularly access to networks and other resources needed for a business start-up. Apparently male and female business owners have different behaviors and different managerial styles which impact on management, operations and network (Steven, Lynda & Miller, 2002).

- **Age of entrepreneur:** The age of a business owner shows the experience and ability to face risks. This represents experience gained in managerial operations which have an impact on business growth (Coleman, 2007). Age reflects on judgment, maturity and financial capital accumulation.

- **Human capital:** Over time, research on the relationship of personal characteristics and entrepreneurship has shown that human capital is needed for achievement, affiliation and power in entrepreneurs, with other risk taking abilities and locus of control (Kuratko, 2009). Human capital consists of the education and experience of entrepreneurs with self-motivation and by using these factors entrepreneurs are able to conduct their employee which seems a mobilizing human capital (Tundi, 2009).
• **Network:** Networking is a common strategy for business development. For many women networking has played a major role in the pre-start strategy, collecting advice and information or market research (Karter & Cannon, 1992). Also this networking strategy allows business growth.

2.7: Microcredit, Women Empowerment and poverty alleviation

Chowdhury and Alam (1997) conceived poverty as a multi-dimensional term covered by various aspects including human, social, economic, psychological and more.

Hye (1996) defines poverty as people lacking sufficient ownership on economic, social, and psychological deprivation and the ability to maintain living resources is at the minimum level. Hye (1996) and Husain (1998) explain poverty as a lack of ability to provide basic living standards such as nutrition, health, education, shelter, security, leisure, and other aspects. He also gave a narrower definition of poverty which can be measured by using the percentage of the population which has an income less than the minimum standard to meet their basic needs (Food, Clothing, a Living Place, Medical and Educational access).

Burra et al. (2005), state that poverty is about vulnerable groups who are deprived and excluded rather than a lack of sufficient income. In the process of eliminating poverty these non-income issues also need to be addressed. Poverty can be analysed from two different approaches, income (economic) and non-income (non-economic). The economic approach to measure poverty focuses on the income and expenditure for basic living standards. On the other hand the non-economic approach analyses aspects of health, living environment, wages, freedom of speech, religious belief and so on (Husain, 1998). In this study poverty is measured from an economic aspect. An analysis of income and expenditure data is used to measure poverty.

Based on the data from the Bangladesh Rural Advancement Committee (BRAC) and Hoque (2002) the relationship between micro-credit and reduction of poverty is explored. Hoque (2002) shows that if credit is used in productive projects then micro-credit has a positive impact on the reduction of poverty.
2.8. Women empowerment and credit access in Bangladesh

Researchers believe that women who are granted a small loan to start a business creates women empowerment. Microcredit allows women to invest in income generating projects, rather than becoming an entrepreneur, where only the poorest can join and this helps them rid poverty (Women Aid International, UK). But at the same time the MFI gives training in specific areas that will help them start their own businesses in the future, when they have matured and gained experience in a certain product or service.

The MFI takes special care to empower women so that they are less dependent on their husbands. The MFI has a profitable savings scheme which helps women save a portion of their income so that they can start their own business. According to Pathania (2003) women have more than equal access to microcredit facilities and as a result their status is raised status, their independence improves their family life with a minimum standard and finally they can support themselves.

In the national constitution of the People’s Republic of Bangladesh, in Articles 26, 27 and 28, it clearly mentions the issues of equal economic opportunity of women entrepreneurs in Bangladesh.

The credit policies laid down by the central bank, Bangladesh Bank (BB), to all individual commercial banks and others financial institutions operating within the credit system are strictly regulated. On the other hand private organisations and NGOs have flexible terms and conditions due to getting the credit facility with certain conditions. The Industrial Policy of 1999 suggests that banks or other financial institutions must have special arrangements for women entrepreneurs. A special bank named BASIC (Bangladesh Small Industries and Commerce) bank was established in 1988 to provide credit facilities for small and cottage industries, it was not successfully managed so it operated through NGOs. But NGOs do not finance small and medium industry. In 1998, out of the 237 projects which received finance from BASIC Bank, there were only two projects related with women entrepreneurship. BASIC is not worthwhile in granting credit support for women entrepreneurs. The MFI does provide a credit facility but one which is not sufficient for establishing an enterprise.
2.9 Strategies for developing women entrepreneurs

There are certain strategies for developing the women entrepreneurs in Bangladesh. All these strategies originate from government and NGOs. These include:

- Ensure easy access to the markets for women.
- Train women to develop their entrepreneurial skills
- Increase infrastructural facilities.
- Provide the technical and technological knowledge to develop women entrepreneurs.
- Support the research and action oriented program.

Though government and NGOs have these strategies to develop and assist women entrepreneurs they still face the problem of start-up capital deficiency.

2.9: Factors limiting the effectiveness of microcredit and women empowerment

As previous studies show, microcredit does make great contributions in improving the economic situation of women and increase their empowerment (Pitt, et al., 2003). However there are some factors that limit the effectiveness of Micro-credit (Fernando, 1997; Pitt et al., 2003; Omorodion, 2007; Shang, 2009). Fernando (1997) noticed that the location of the lending institution implementing repayment is one of the important factors for the success of microcredit programs in empowering women. He also mentions the preferred outlet locations were close to market places and the communities. That could simplify the process of repayment for women. Similarly Petty (2002), shows that capital was important for the participants, especially when for some reason they could not make their repayments in time. Shang (2009) suggested that because of the lack of a unified credit authentication system, the state-led agriculture cooperatives prefer lending money to household who are able to make repayment faster, rather than poor farmers.

Three factors which limit the effectiveness of microcredit and women empowerment are:

Social factors

- Social Structures
  
  In the patriarchal traditional social structure in Bangladesh, women are still seen as men’s property. Women have no right to make daily decisions and they are dependent on their husbands. As Goetz and Gupta (1996) mentioned, the systems of patriarchy are not easily eliminated, although microcredit programs have helped to improve the position of women.
\textbf{Social Environment}

A negative social environment affects the credit cooperatives issuing microcredit. As Petty (2002) argues, capital is important to participants. Impacted by the negative environment, a number of participants were unwilling to make repayment or they were unable to make the repayment, under duress from their husbands to use the capital for reinvestment or other economic activities.

\textbf{Policy factors}

Bonat and Abdullahi (1989) argue that the negative economic policies impact the implication of microcredit as “the logical outcome of a development strategy designed to perpetuate dependence and underdevelopment rather than the genuine development powers of the society”. Other negative policies such as giving farmers of good financial standing preference over farmers of poor financial status, causes agricultural cooperatives to lend out the money to the people who are not really in need rather than poor farmers who really need the money.

\textbf{Literacy factors}

Petty (2002) argues that literacy is one of the important factors for the successful implementation of microcredit. Studies show that literate women are able to manage credit better than illiterate women.

\textbf{2.10: Barriers of women entrepreneur}

Although the number of women involved in entrepreneurship is significant increasing, still barriers exist to obstruct the developing of women entrepreneurship specially in the developing south Asian country like- Bangladesh, Pakistan, and India.

According to Bradley and Boles (2003) there are five barriers for women entrepreneur that he found in his research especially for south Asian women are as following:

- \textit{Family Responsibilities}
- \textit{Self confidence}
- \textit{Ethnic Specific Barriers}
- \textit{Education}
- \textit{Social constructions}.

Bradley and Boles (2003) mentions that in Asia, women wishing to start their own businesses
but the reaction from the local community affects their decision. Meanwhile the illiteracy and social construction is ubiquitous barrier for women entrepreneur in Asia.

2.11. Conclusion of Theoretical Framework

Theory describes the entrepreneurial skill from a philosophical perspective and from the practice. The social and family environment affects the entrepreneurial skill that is shown by the schools of entrepreneurial thought. Theory also discusses factors and types that could influences the Asian women towards entrepreneurship. At the same time theory also defines the factors that limit the effectiveness of microcredit and women empowerment.
Chapter 3 - Methodology

3.1. Introduction

The methodology chapter of this study presents the methods and the variables that we used. According to Walliman (2005) three perspectives can be used to present research methods.

The three perspectives are listed as:

- Data collection
- Data type (quantitative and qualitative research), and
- Research strategies.

These three perspectives examine the characteristics of research methods and describe how they interact and influence the study.

3.2. Study design

The study was designed on the base of the plan, act, observe and reflect. The research is not only based on the topic but also for future researchers, who need a scientific and informative paper for their future development.

3.3. Sample

The target population for the study is 10 women entrepreneurs in Bangladesh, based on urban area. The sample size for this study initially selected 5 women entrepreneurs who have accessed microcredit facility and 5 who have not. The sample provides the opportunity to make a meaningful comparison between these two groups.

Each group has five women and they are divided based on their microcredit access and
having their own business. All of them worked in their own business for more than one year. Respondents were selected who had managed their own business for more than one year, in order to know their experiences, decisions and discussions on credit facilities and business management.

The questionnaire was divided into three parts. The first part focuses on basic and personal information, the second part focuses on the enterprise level information and the third part focuses the enterprise experiences.

3.4. Data collection techniques

Yin (1994) mentions two types of studies, exploratory and descriptive case studies. For primary data collection the questionnaire was sent to the sample group and the literature and other theory was used as secondary data. Previous studies and internet resource also working as secondary data collection method along with the primary data; both of these primary and secondary data collection method help us to reach our purpose. For establishing the construct validity, and reliability of our case study, we follow Yin (1994) three principles of data collection:

- Principle 1: Use Multiple Sources of Evidence
- Principle 2: Create a Case study database
- Principle 3: Maintain a Chain of Evidence

The data collection approaches fulfill these three principles. Different kinds of scientific research papers, books and documentary papers were used.

**Questionnaire:** For getting the individual and personal characteristics of the entrepreneurs, their experience and opinion, a questionnaire was used, which is an important tool with which to ensure and refine the useful information.

**Documentary review:** Documentary review consists to gather and analyse the data. The information for women entrepreneurs, enterprises and microcredit was gathered from published and unpublished material such as journal, books, reports, conference papers, statistical abstracts from government ministries, credit unions, microfinance institutions and other sources.
Case Story method: The research project is an empirical study and the case study method was selected. Women entrepreneurs were selected and an informal interview done in order to assess the main purpose and reason for establishing their business, their understanding of a microcredit facility and their reason for being an entrepreneur. Their comments are evaluated in the context of their experience, successes and failures.

3.6. Quantitative and qualitative research

Two major types of research approach are quantitative and qualitative. In order to select one, it is necessary to understand the differences between both approaches, as shown in Table 3.1

Table 3.1: Differences between quantitative and qualitative research:

<table>
<thead>
<tr>
<th>Quantitative data</th>
<th>Qualitative data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Based on meanings derived from numbers</td>
<td>1. Based on meanings expressed through words</td>
</tr>
<tr>
<td>2. Collection results in numerical and standardised data</td>
<td>2. Collection results in non-standardised data requiring classification into categories</td>
</tr>
<tr>
<td>3. Analysis conducted through the use of diagrams and statistics</td>
<td>3. Analysis conducted through the use of conceptualisation</td>
</tr>
</tbody>
</table>


Hence, the differences between these two approaches are based on the collection of numeric data. Quantitative research focuses on the numeric approach and qualitative research expresses itself through words.

Qualitative research tends to involve the participants’ definitions of the situation by organising and explaining the data with in-depth interviews (Cohen et al., 2007; Walliman, 2005)

According to Cohen (2007), quantitative data analysis is a powerful research form which can be used for serving both large and smaller research as well social surveys and experimental investigations.

The data collection method for this study is qualitative, because all the facts associated with microcredit and entrepreneurship are qualitative. This exploratory study is based on a small sample, and the primary data was collected from this sample group while secondary data was collected from relevant documents. The collected data was not analysed by any mathematical equation but through comparison between two groups of the sample. This shows that the study is based on the qualitative research methodology.
3.7. Data presentation and analysis

The data was evaluated and analysed on the basis of the questionnaire. Furthermore, the analysis is based on crucial issues such as the reason behind starting the business, the motives for establishing the business, starting capital and present capital. The data from the two groups of women were divided into two groups, S1 and S2. S1 represents the group of women who have no credit access but are running a business. S2 represents the group of women who have credit access and are running a business. The analysis shows the differences and similarities between these groups, based on the primary data and the theory presented in Chapter 2.

3.8. Research Strategies with our own model

Yin (1994) states that research strategy is used in policy, political science, public administration, organisational and management research studies. Every research has its own strategy.

In using the questionnaire, case study and other sources the impact of microcredit on the growth of entrepreneurs was assessed.

A research strategy for this research study was developed and is reflected in Figure 3.1 below:

Figure 3.1: Research strategy model

Choose the Purpose

Qualitative Research

Documentary Review

Questionnaire

Evaluate and analyze the information (Data Analysis and findings)

Reflection of Outcome

Reach the Purpose

Sources: own construction
The research model is based on 6 bricks. It starts with the purpose of the research. After selecting the purpose, a qualitative methodology was selected as most suitable for this study. The data collection method selected was secondary document reviews and questionnaires. An informal interview was done while completing the questionnaire with the sample group in order to understand their thinking and opinions. An informal interview was also completed with a microcredit field officer who provided valuable information. The data was evaluated and analysed it based on our theory and empirical study. Also in this stage we focus on the two groups of our sample of population by analysing the similarities and differences between these two groups.

The findings were further analysed in the context of the theory and the model used in the theoretical framework.

3.9. Validity and reliability of the study

According to Sapsford & Jupp (1996) the definition of validity is the design of a research study with the purpose of giving trustworthy conclusions, and the results and evidence that a research study leads to will form a strong support for the interpretation being made.

A strong study was performed in order to find a research objective and aim that made it easier to design valid questions and help to find the answers. The study achieved its research objective and aim; that shows the validity of the study.

The reliability is assured by coherence in the responses. By selecting respondents who can provide the data from their available knowledge, makes the consistency of our study. Furthermore the questionnaire is also suitable for getting the information from the respondent, and that helps us to avoid research errors. This is an indicator of the study’s reliability by having a coherency with minimum errors.

3.10: Conclusion

This study is based on the questionnaire and case study. And this chapter shows the methodology and the strategy which achieves the research purpose. By using the abovementioned strategy and techniques, this research study achieves its goal.
Chapter 4 - Empirical Study

4.1 Introduction

This chapter consists of the empirical analysis of the study and presents the empirical findings of the study. This information also supports the main study. This chapter indicates what is happening in practice.

4.2 Microcredit industry and credit provision in Bangladesh

Though Bangladesh is known as the homeland of microcredit due to the Grameen Bank, there are other organisations that provide microfinance facilities among poor and rural people. Those organisations are known as MFIs (Microfinance Institutions) that make another financial industry in Bangladesh.

In 1970 Bangladesh started microcredit facilities using the renowned Comilla Model and has been very successful (Chowdhury, 1989). This model was able to diversify the village social structure and create an opportunity for poor villagers. That was the first step of the microcredit industry in Bangladesh, and before that there was no option for credit access as a poor villager. During the liberation war the Comilla Model also faced problems, and after the liberation war in 1971, Bangladesh suffered with famine. So in 1972 Fazle Hasan Abed established a non-profit organisation (NPO), Bangladesh Rural Advance Committee (BRAC), which provided small amounts of credit to the poor. Later, in 1976, Dr. Muhammad Yunus a renowned economist and Nobel laureate, started the microcredit scheme among a group of people, and was successful. After the successful pilot study, Grameen Bank was launched and is known as the home of microcredit.

However, not only Grameen Bank but BRAC, ASA, PROSIKA and other NPOs have given greater consideration to reducing poverty and making people self-employed. All of these organisations are known as MFIs and NGOs, but within this microfinance industry there are also some governmental organisations that also serve the poor people. Though all of these MFI’s offer credit facilities, some are simultaneously providing social and business related services. In order to represent the MFIs of Bangladesh, David Hulme and Karen Moore (2006) placed it on a matrix in which pure credit provision and broader financial service provision are shown in horizontal axes. In the vertical axes they show the credit or finance and business or social services.
Among the MFI’s in Bangladesh

BRAC is known as the Bangladesh Rural Advance Committee, and was established at 1972. BRAC provides financial and social programmes to people. It works within a large range of non-financial social programmes. It has the experience of training up thirteen million women for oral rehydration programmes and diarrheal diseases nationwide. Over the decade BRAC worked among 68000 villages with 5.45 million microfinance borrowers.

Among these approximately 2 million are getting support. More than 1 million children are enrolled in BRAC School for free education. Under the parent organisation it has:

- BRAC Bank Ltd.
- BRAC University with a research centre
- Delta BRAC housing finance corporation
- BRAC also operate in Afghanistan, Sri Lanka, Tanzania, Haiti, Pakistan, Liberia, South Sudan, Sierra Leon and Uganda (BRAC, 2011).

Grameen Bank: Grameen Bank is another giant microfinance organisation that provides a wide range of financial services with limited organisational services. It was established in 1976 under a successful experimentation within a small group of people. Later on it achieved world recognition and became a model for poverty alleviation. Grameen bank offers four
types of loan products; basic, housing, education and for beggars. This organisation has sister organisations which include Grameen Foods, Grameen Energy and Grameen Shiksha which was established in 1997 to expand the education system in remote areas. It works in 51000 villages in Bangladesh with 4.3 million members and cumulative disbursements are around US$5 billion (Grameen Bank, 2011).

Proshika also established in 1975 as a social service provider but from 1999 it also offered a microfinance facility to its clients. It trains up its borrowers by providing the appropriate technical knowledge on their field. But Proshika also moved into a wide range of social programmes rather than a microfinance facility. It has over 1.5 million borrowers in which 80% are extremely poor and among them 65% are women. It also provides advice and training to women entrepreneurs and tries to influence women to start up their own businesses (Microcredit Summit, 2004).

ASA: Association of Social Advancement established at 1978 for raising the consciousness, focuses on group farming, group development and training among rural people. It established a microfinance facility in 1991 and limited its social programme. Currently ASA is the third largest MFI in Bangladesh with 2.7 million active borrowers among which 2.4 million are women (Microcredit Summit, 2004).

SafeSave: SS was established in 1997 to give financial support to people, mainly women with low payment rates, in urban slums. At first it was an experimental organisation but later on they are became MFI.s. They focus on women and influence them to save and safely invest. Their most significant savings scheme is called Sohoj Sonchoy (Easy Savings) (SafeSave, 2011).

Besides these private and non-governmental organisations, the Bangladeshi Government has the Local Government and Rural Development (LGRD) ministry. This ministry operates the Bangladesh Rural Development Board (BRDB) which supports a large amount of borrowers and a wide range of development activities among rural people with the lowest interest rate of all the MFIs in Bangladesh. This organization also conducts training and technical education among poor people, with a preference for women and unemployed young people. The nationalised commercial Sonali Bank (SB) also provides microfinance facilities without any social program. Bangladesh Krishi Bank (BKB), the most renowned government financial organisation, especially for rural farming, offers a large range of financial services to influence people to invest in farming businesses.
In the following Table 4.1, the top 10 MFIs are displayed based on their services and their clients (Poorest + Women) at the Microcredit Summit in 2005.

Table 4.1: Top 10 MFIs in Bangladesh based on their poorest client

<table>
<thead>
<tr>
<th>MFI</th>
<th>Number of 'poorest' clients (31/12/04)</th>
<th>Number of active clients (31/12/04)</th>
<th>Proportion of active clients who are 'poorest'</th>
<th>Number of 'poorest' who are women</th>
<th>Proportion of 'poorest' who are women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grameen Bank</td>
<td>4,060,000</td>
<td>4,080,000</td>
<td>100%</td>
<td>3,897,800</td>
<td>96%</td>
</tr>
<tr>
<td>BRAC</td>
<td>3,630,000</td>
<td>3,980,000</td>
<td>91%</td>
<td>3,630,000</td>
<td>100%</td>
</tr>
<tr>
<td>Bangladesh Rural Development Board (BRDB)*</td>
<td>3,528,041</td>
<td>3,713,728</td>
<td>95%</td>
<td>2,398,068</td>
<td>66%</td>
</tr>
<tr>
<td>ASA</td>
<td>2,490,000</td>
<td>2,770,000</td>
<td>90%</td>
<td>2,390,400</td>
<td>96%</td>
</tr>
<tr>
<td>Proshika</td>
<td>1,236,104</td>
<td>1,545,130</td>
<td>80%</td>
<td>603,468</td>
<td>65%</td>
</tr>
<tr>
<td>Sonali Bank**</td>
<td>500,000</td>
<td>3,800,000</td>
<td>13%</td>
<td>365,000</td>
<td>73%</td>
</tr>
<tr>
<td>Caritas</td>
<td>251,273</td>
<td>284,947</td>
<td>88%</td>
<td>173,378</td>
<td>69%</td>
</tr>
<tr>
<td>Thenamara Mohila Sabuj Sangha (TMSS)</td>
<td>260,864</td>
<td>278,516</td>
<td>90%</td>
<td>238,131</td>
<td>95%</td>
</tr>
<tr>
<td>BURO Tangail</td>
<td>221,366</td>
<td>221,366</td>
<td>100%</td>
<td>219,152</td>
<td>95%</td>
</tr>
<tr>
<td>Rangpur Dinajpur Rural Service (RDRS)</td>
<td>175,713</td>
<td>228,199</td>
<td>77%</td>
<td>140,570</td>
<td>80%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16,343,161</strong></td>
<td><strong>20,891,886</strong></td>
<td><strong>78%</strong></td>
<td><strong>14,256,767</strong></td>
<td><strong>87%</strong></td>
</tr>
</tbody>
</table>

*BRDB- Gov. Organization **Sonali Bank- Nationalized Bank
Source: Hulme and Moore, 2006, Pp-9

4.2.2: Credit provision in Bangladesh:

Credit provision refers to the loan payment policy of MFIs. To receive microfinance, borrowers have to maintain regulations that are known as credit provisions. These provisions include interest rates and mortgage property with specific categories.

**Interest rate:** the interest rate of MFIs depends on their organisational structure. According to government regulations, interest rates generally range from 9% to 13%. But under certain conditions these rates can vary from 4% to 60%, based on the risk calculation of investments. Different organisations have different interest rates, and vary according to the date the transaction was concluded. Some organisations calculate the rate from the first week and some from the first month. All of the NGOs have almost identical regulations. Grameen Bank charge 12% interest, but the government organisations charge between 11% and 11.5%. Furthermore government organisations are taking longer to process applications than the NGOs. If the investment risk is high, then the interest rate may vary. This information was collected by talking with the client and the MFI’s field officer.
**Loan Guarantee:** Information collected from S1 and S2 revealed the following. Financial institutions always focus on loan guarantees when assessing loan applications. As an example, if a farmer wants to get credit to buy seeds and fertiliser then they have to use their land as security. But for the extremely poor and beggars, the credit is only provided for projects or group work, and then the financial institution observes the borrower very closely and require daily updates.

4.3: **Procedure of microcredit policy**

Information collected from S2 revealed the following (S2³). Microcredit was basically designed to help with the reduction of poverty. So, people who are poor and landless or very little land are able to access this credit facility. This microcredit was expanded for productivity purposes. A single person or group of people can get this microcredit under certain rules and subject to keen observation. People who basically have this credit facility have no assets or minimal assets, so they need to focus carefully otherwise the credit will not be used productively. Furthermore the credit is not all given at once and is given step by step based on borrower milestone successes. So if along the way the borrower fails or makes any mistakes, then the credit will be stopped.

4.4. **Data presentation and findings**

The survey was conducted according to the selected research methodology. In this research study the sample was divided into two groups and then analysed in order to assess the entrepreneurs’ reason for establishing their businesses, the groups they belong to, the entrepreneurial factors and the entrepreneurial types. These answers were due to the responses received for Questions 1, 2, 8, 9, 10, 11, 29 and 30.
### Table 4.2: Data summaries and presentation

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Reason to Start</th>
<th>Focus on</th>
<th>Group</th>
<th>Factors Belong to</th>
<th>Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebeka</td>
<td>27</td>
<td>Family needs / ambition</td>
<td>Network/ Financial aspects</td>
<td>S1</td>
<td>Push and Pull Factor</td>
<td>Hidden / Independent Entrepreneur</td>
</tr>
</tbody>
</table>

3. Who has microcredit facility
<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Motivation/Concern</th>
<th>Training/Experience</th>
<th>Pull Factor/Network</th>
<th>Entrepreneurship Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afia Khatun</td>
<td>26</td>
<td>Ambition</td>
<td>Training/Experience S1</td>
<td>Pull Factor</td>
<td>Independent Entrepreneur</td>
</tr>
<tr>
<td>Farida Akhtar</td>
<td>28</td>
<td>Family needs/Necessity for Earning</td>
<td>Training/Network S1</td>
<td>Push Factor</td>
<td>Hidden Entrepreneur</td>
</tr>
<tr>
<td>Sabina Yasmin</td>
<td>26</td>
<td>Ambition/Family Needs</td>
<td>Experience Financial Aspects S1</td>
<td>Pull and Pull Factor</td>
<td>Independent Entrepreneur</td>
</tr>
<tr>
<td>Nilufar Begum</td>
<td>21</td>
<td>Ambition</td>
<td>Training/Experience S1</td>
<td>Pull Factor</td>
<td>Independent Entrepreneur</td>
</tr>
<tr>
<td>Rehana Begum</td>
<td>35</td>
<td>Need for earning</td>
<td>Network/Financial aspects S2</td>
<td>Push factor</td>
<td>Hidden entrepreneur</td>
</tr>
<tr>
<td>Nurjahan Begum</td>
<td>40</td>
<td>Market demand/Family needs</td>
<td>Training and Finance S2</td>
<td>Pull Opportunistic Entrepreneur and Push</td>
<td>Hidden entrepreneur</td>
</tr>
<tr>
<td>Rowshana Jahan</td>
<td>42</td>
<td>Need For Earning</td>
<td>Training S2</td>
<td>Push factor</td>
<td>Hidden entrepreneur</td>
</tr>
<tr>
<td>Fatematz Zohora</td>
<td>38</td>
<td>Need For Earning</td>
<td>Financial aspects S2</td>
<td>Push factor</td>
<td>Hidden entrepreneur</td>
</tr>
<tr>
<td>Rahima Akhter</td>
<td>36</td>
<td>Market demand</td>
<td>Experience Financial aspects S2</td>
<td>Pull Opportunistic Entrepreneur</td>
<td>Hidden Independent entrepreneur</td>
</tr>
</tbody>
</table>

*S1* = who did not take microcredit facility  
*S2* = who took the microcredit facility.
The survey used 31 questions to reach the research objective.

**Summing up:** after analysis the data can be summarised as follows:

- Young group focus on opportunity and other skills.
- Reason behind the young group is mostly their ambition.
- Microcredit facility can solve financial problems but do not work the same as entrepreneurial factors which create women entrepreneurs.
- The impact of Push and Pull entrepreneurial factors on entrepreneurs.
- Groups S1 and S2 belong to at least one type of entrepreneur (hidden or independent).
- The aged group is focused on their financial aspects rather than young group. But at the same time they also focus on the network, experience and training like the young group.

### 4.5 Factors behind women entrepreneurs

The findings related to the factors driving women entrepreneurs are deduced from the responses to Questions 8, 9, 10 and 11. The findings were:

**Income generation (push factor):** 9 of the women entrepreneurs (S1+S2) stated that they started their business in order to generate income. Income generation was their main driver, and not a passion for the business. They stated that the passion from been successful in generating income.

Ambition: Only 1 woman was running her business because of ambition. It was her passion to manager her own business. She also stated that she never wants to earn a fixed amount of money and that is why she did not take a job, but rather start her own business.

Market demand: The data indicated that 2 women believed that market demand was an important factor in driving them to entrepreneurship.

**Others:** Other factors that the women mentioned as an influence on them to be entrepreneurs were:

- Giving family support.
- Better life style
- Less lonely.
4.6. Role of microcredit in becoming a woman entrepreneur and the growth of their enterprises

In order to investigate the role of microcredit in becoming a woman entrepreneur, the responses to Questions 10, 11, 14, 15, 16, 17, 29 and 30 were analysed.

Women entrepreneurs with microcredit

Women who have received microcredit for their business believe that it solved their financial problems and allowed them to focus on their businesses. They also stated that the business not only depends on microcredit, but also on funding from private savings, friends and family and others. However, they stated that microcredit was significantly important when expanding the business, the product range, getting bigger premises, or making new investments.

However, they also stated that the credit facility was insufficient for the business. They stated that they need training and education for themselves and their employees, and a strong network for marketing and developing their business.

The ages of the women in this group were between 30 to 40 years. They were considered to be the older women entrepreneurs group.

Problems they face

Getting microcredit is not very easy. They also did not get the full amount of the loan at once but rather in phases. So if at any stage they need more money they cannot get the loan. Furthermore, the loan facility can be stopped in any phase if they were not successful in a phase. To succeed they need training and education along with a strong network.

One of the women name, Nurjahan Begum, is doing her business on readymade cloth. She has been granted credit twice, once at the beginning of the business and later on when expanding the product range. However, her capital recently went into minus figures and she thinks it's her lack of market knowledge. She stated that beside the credit facility, they also need some direction in respect of marketing. They tend to depend on their own imagination, but not being market experts they need seminars and lectures about the products and markets.
**Women entrepreneur without microcredit**

Access to credit is now easier for women in comparison to a decade ago, but the women entrepreneurs believe that while credit may give some financial support, starting a new business is not fully dependent on the credit.

Women who do not have a microcredit facility also stated that money was a problem in their businesses, but they do not think that a big amount of money is needed for a start-up small business. Indeed, they believe that a business can be started up with a lesser amount of money. They believe taking a loan means paying additional costs. Furthermore, they also stated that experience with a good network and ambition to do the business has more strength rather than money.

The ages of the women in this group are between 21 and 30 years. They were considered to be the younger women entrepreneurs group.

**Problems they face**

Irrespective of whether the women are or are not getting microcredit, they share common problems in respect of finance. They do not consider their financial problems as a major problem. They would like to access finance through traditional banks, but the interest rates are prohibitive, so they often resort to friends and family for funds. They believe that training and experience are more important than the financial problems.

Furthermore, a lack of a network is also considered to be a large problem, and believe it is a very powerful marketing tool which they cannot access due to their lack of networks.

**Conclusion:**

- When starting a small business, MFIs are not able to solve all problems.
- Microcredit is useful for expanding the product line or business, rather than for starting a business.
- When starting a small business, knowledge, training and networks are more important than access to finance.
- Younger entrepreneurs tend to focus on all the issues in the business while older entrepreneurs tend to only focus on money related issues.
4.7. Microcredit and women entrepreneur

Based on the theory and the findings of this study, microcredit is undoubtedly an effective weapon for poverty alleviation. Though it is effective in reducing poverty levels, increasing self-employment and assisting new business start-ups, being an entrepreneur is also important. Microcredit programmes and MFI's do have certain schemes to train women and by gaining this knowledge advantage, women can start to think about their own business and seeking the opportunity to start. Questions 9, 11, 15, 16, 17, 26 and 27 provide the data for this section. Furthermore, women who did not take any credit in their business start-up phase believe they will need microcredit to expand their product range and working areas. So microcredit will also help to continue their entrepreneurial work.

While microcredit is the best weapon for getting rid of poverty, providing women who have entrepreneurial abilities with skills development and involving them in productivity training is likely to make a greater contribution to their success.

That means-

➢ Entrepreneurial abilities come from internal personality traits and social environments. Microcredit schemes are training poor and unemployed people who have no job and no land and helping them to start up their business by providing initial financial support.

➢ Microcredit fulfills the initial financial support as well as during business expansion phases, and it also aids entrepreneurial efforts by providing available financial support.

Microcredit clearly has a significant role for women entrepreneurs, and it is not only a weapon for survival but also able to mobilise the entrepreneur.

4.8: Barriers affecting women entrepreneurs

From this study information was uncovered about the barriers that women entrepreneurs face.

Almost all the respondents have the same opinion about the problems that they face. This information is summarised from Question 29 and 30.
Social problem

Most of the respondents claimed that the social problem is the highest one that they face. They cannot find male partners because they are female, and sometimes it is difficult to establish a business relationship with others only because there are only inexperienced females available.

One of the respondents, a tea supplier, stated that sometimes it hard to collect outstanding debtor balances from male client.

Another respondents who has an automobile service centre, claims that although she provides the best services with her employees, her male competitor has more clients despite providing a minimum quality of service, simply because of her gender.

Policy problem/repayment and interest rate

Women entrepreneurs are faced with the problem of getting credit and access to other business opportunities. The process of gaining access to microcredit is very complex and restricted. It always attempts to constrain its borrowers within certain sectors, so entrepreneurs who want to work without any command and restriction have a real problem working with microcredit. Both S1 and S2 have almost same opinion on this issue.

Most of the women in this research study stated that the repayment rate is not flexible. Women from group S1 stated that they try to avoid applying for credit even if they need it, because it is costly and takes a lot of time and effort to acquire.

Respondents were generally unable to make their repayments for two reasons. The first reason is the high interest rate. Some credit cooperatives only pay attention to earning profits instead of poverty alleviation. The participants are unable to afford the interest which impacts on the enthusiasm of the participants and also becomes a reason not to make the repayment. The other reason is the short loan period. The agricultural industry has the characteristic of a long cycle. Some agricultural production needs more than two years to create profits, such as establish an orchard. The loan period is limited and does not conform to agriculture production cycles, which creates difficulty for agricultural related entrepreneurs in making repayments.

Literacy problem

The rate of women literacy in Bangladesh is not high, so women are deprived of new
knowledge and opportunity. Although this is a problem women entrepreneurs do not treat it as an important problem. They think they overcome this because of other entrepreneurial skills.

**Lack of network and training**

Both S1 and S2 mentioned the problem of networking and training. Women have focused on the network problem as one of their major problem, albeit that we did not mention this in the questionnaire. They advised that sometimes their male competitors or suppliers do not want to network with them because of their gender.

As this information is collected from the primary data we think that it is a major problem which needs to be given attention. Women are facing these problems due to their gender, inappropriate policy and social norms.

**4.9. Extra findings**

Though the research was based on the role of microcredit for woman entrepreneurs and the impact of entrepreneurial factors on women, interesting findings were derived from the respondents and the man who helped us to reach them, Tariqul Islam Chowdhury. Chowdhury has 4 years of experience as a field officer in a microfinance institution. Chowdhury gave
eamples of unethical use of microcredit. Telephone conversations were also held with Mrs Rowshanara Jahan (S2), Nurjahan Begum (S2), Mrs Nilufar Begum (S1) and Sabina Yasmin (S1). They were selected based on their present financial condition and Questions 21 and 22 help us to identify them. Informal discussions were held about their opinions and present financial condition as described in the questionnaire responses. Later on some interesting issues were identified. These are:

**Business network:** though the networking problem was not mentioned in the questionnaire, the respondents put emphasis on networking. Business owners think that networking is one of the most important weapons in establishing and running their businesses. They focus on it as a marketing communication tool. This networking facility builds up the business relationships and it may help in several ways such as when buying or selling on credit, expanding the business and acquiring new customers.

**Illegal credit businesses:** Though the interest rate of microcredit is lower by comparison to other financial institutions in Bangladesh sometimes people can acquire credit from the microfinance institutions. However, there are other people who can acquire credit from an
MFI, and who do so and then lend it on to those cannot get credit at a much higher interest rate. This illegal credit business has had a negative impact on microcredit facility. This kind of business is increasing with institutions that are new in the MFI industry. One of the causes may be to increase the number of borrowers. If the institution shows that they have a large number of borrowers then it may increase the institution’s reputation. Also some cooperative society organisation also use the name of microcredit but do not comply with the rules and main purpose of microcredit.

Misuse of credit: To get the microcredit facility is comparatively easy for lower earners, but not for those who are destitute. Low earning people can get credit due to their monthly income, albeit low, as they can therefore pay the instalment every week/month because of their monthly income. But they are not using this credit in a productive way. They use the credit for buying new products such as televisions, refrigerators and similar items and they can pay the money back with a tolerable instalment. The credit provider see 100% credit repaid, but actually that credit was not used for the original purpose. Acquiring a normal consumer loan comes at a higher interest rate, so middle-class people use the microcredit for buying their consumer products thereby misusing the purpose of the credit.

Some research shows that microcredit is successful as a result of their high on-time repayment rate, but this study has highlighted that institutions do not follow the core value of microcredit, and use it for their own business purposes rather than its original purpose. The by-product of this is that sometimes credit is used in an illegal manner and it is increasing daily because there are no regulations to prohibit this hidden crime.

4.10. Summarizing the result

After analysing the empirical data, it is clear that entrepreneurial factors influence women to become entrepreneurs. There is no doubt that microcredit plays an important role. MFIs are providing the microcredit facilities and at the same time providing social and business development services to their borrowers, with a wide range of training programmers, along with government organisations, that help businesses in the expansion phase rather than in the start-up phase.
Chapter 5 - Data Analysis and Findings

5.1. Introduction
The respondents were split into two groups of people. The first group included those who had received microcredit to start their business, and the other group who had not.

5.2. Entrepreneurial thought from the perspective of Bangladeshi women Entrepreneurs

Entrepreneurial school of thought
As previously discussed under entrepreneurial thought in the theory section, there is evidence of this in the real world. The macro view of entrepreneurial thought described one of the factors as the Financial School of Thought (Kuratku, 2005). Seven of the ten women stated that they started their business because of their financial needs. They want to live a normal life and wanted to create a good future for their children, and because of their family needs they started their own business. Furthermore, the education level of these women is insufficient to get a good job, so they had no opportunity of getting a good job with a desirable salary.

At the same time it also true that the micro view of the Entrepreneurial School of Thought also holds true among these women (Kuratko, 2005). All of the women in the study can be deemed to be exhibiting the Opportunity seeking characteristics of an entrepreneur. They find the best opportunity for themselves. Furthermore, they also suggest that there are many opportunities to do something new and better in their own field.

Being a women entrepreneur from the perspective of Financial Thought and Opportunity Seeking are identified here, which is very important for women entrepreneurs. Because they live in a developing economy, they are living under uncertain conditions. So, their uncertain future drives them to behave entrepreneurially.

5.3: Proof of Women Entrepreneurial Curve
The Entrepreneurial Curve was developed by Karter & Cannon (1992). The empirical data indicated that most of the women are entrepreneurs due to the Push factor, some due to the Pull factors and a few who are opportunistic and influenced by Push and Pull factors are shown in Figure 5.1-
In this model the blue circle represents the number of women who are influenced by the Pull factors. The red circle represents the number of women entrepreneurs who are influenced by both Push and Pull factors. The green circle represents the number of women entrepreneurs who are influenced by Push factors and here the number of population is higher than other two circles because most of the women in Bangladesh are becoming entrepreneurs by the Push factors.

This model proves that Push and Pull factors are the main influences on women to be an entrepreneur.

By comparing the theory and the empirical data, it is clear that most of the women came to be an entrepreneur to support their families so that they could give them a chance to lead a better life. Although both Push and Pull factors are present, the Pull factors are a stronger influence.

5.4: Types of women entrepreneurs in Bangladesh

The empirical study shows that most of the women entrepreneurs in Bangladesh are hidden entrepreneurs, because they became entrepreneurs to fulfill their family or other needs. Dhaliwal (2000) also states that his research revealed that Asian women entrepreneurs are becoming entrepreneurs due to their family responsibilities, and do not have any prior
experience or ambition to be an entrepreneur. This study shows the same findings and 7 of the 10 women are hidden entrepreneurs and the other 3 are independent women entrepreneurs.

The graphical representations of the findings are shown below in Figure 5.2:

Figure 5.2: ratio of hidden and independent women entrepreneur. Number of women

Types of women

- **Blue** = Hidden women entrepreneur
- **Green** = Independent entrepreneurship.

The ratio between hidden and independent women entrepreneurs are presented here and it shows that most of the women in Bangladesh belong to the hidden entrepreneur group.

### 5.5. Factors behind the women entrepreneurs

Turner (1993), shows that there are two factors, push and pull, driving entrepreneurial behaviour in these women. This study’s empirical data also found these two factors to be playing an important role in Bangladeshi women becoming entrepreneurs. Most of them are pushed by their family needs and the need for income generation and few are mobilise by their ambition and passion. Some are seeking opportunities in conjunction with push or pull factors. The Entrepreneurial Curve indicates the role of push and pull factors with woman entrepreneur. This is summarised in Figure 5.3 below:

Figure: 5.3: Factors behind women entrepreneur.
Figure 5.3 shows the factors behind the women entrepreneurship for Bangladeshi women. These factors directly or indirectly influence women into becoming entrepreneurs as indicated by Turner (1993) and Karter & Cannon (1992). It is tough for microcredit scheme to create an entrepreneur if women are not driven by any of these factors.

5.6. Microcredit and the growth of women enterprises

Push and Pull are the main factors driving women entrepreneurs to start their own business but while financial is not necessary, starting a business is not so easy. Though S1 focuses on aspects other than finance, they did not deny the importance of this financial support. Furthermore they also mentioned that during the business expansion phase, the buying of new equipment or increasing working area, microcredit is useful. On the other hand group S2 stated the significant role of microcredit in their businesses. They stated that microfinance was critical during start-up and growth phases.

The empirical data showed the role of microcredit and the problems faced by these two groups, and what they think about business expansion. Almost the same answers were received from both groups.

In the theory Hussain (1998) and Hoque (2002) explain the role of microcredit for alleviating poverty and women empowerment. This study also shows the relationship between microcredit and women entrepreneurship. Microcredit plays a vital role for business growth/ expansion and being an entrepreneur.

5.7 Concluding the analysis

The findings and analysis are concluded below:

☐ Several factors are related to the entrepreneurial skill that helps women to be a successful entrepreneur. These are inclusive of Entrepreneurial Thinking, Push and Pull factors and the surrounding environment. The environment is a source of problems as well as a source of knowledge about market demand and contributes to the creation of creating networks. Most of the women in Bangladesh are becoming entrepreneurs in order to support their families, thereby defining themselves as hidden entrepreneurs.

☐ The role of microcredit in the making of women entrepreneurs is also significant as is its poverty alleviation contribution. Microcredit is for those who have less education
and fewer assets. Certain MFIs are also giving proper training and engaging poor people in a productive way. At the same time that women are working to be an entrepreneur, microcredit helps them by providing the credit they need for the business, product or service expansion. Microcredit is not only intended to alleviate poverty or to help people to survive, but also to give support to women entrepreneurs.

5.8. Own model of women entrepreneur

Shown below is a graphical model about women entrepreneurs and the process for being an entrepreneur in Bangladesh. This model can help to explain which factors affect entrepreneurs and how an ordinary person can be an entrepreneur.

It was deduced from the theory which factors are stimulating women entrepreneurs and from the empirical data how these factors function and impact on an entrepreneur’s life. In Figure 5.4 a graphical model is displayed that is started by entrepreneurial thought and surrounding environment. This entrepreneurial thought presents the macro and micro view of entrepreneur skill, and the surrounding environment presents the push factors, pull factors, training and education, and available microcredit facilities. All of these forces influence women to act entrepreneurially and start up their own business.

Figure 5.4: Process to be an entrepreneur

In this model entrepreneurial thought and the surrounding environment are working behind the entrepreneurial behavior. It also shows how these factors impact on the process of entrepreneur and what is the outcome. The outcome is not only women entrepreneur but also their identity as a business owner that some of the women are ambitious about their individual identity. And the business outcome means the business identity-product or services.

5.9: Conclusion

In this chapter the responses to the questionnaires were analysed, based on the theory and the primary data. The study reached its decision that entrepreneurial skills are mobilising women
to be entrepreneurs. Furthermore push and pull factors are also impacting on these women becoming an entrepreneur. The entrepreneurial curve model is based on these two factors. It was found that microcredit is working in a supporting role when entrepreneurs need financial support during the product or business expansion phase. Microcredit also gives support by training and credit but it is more effective for people trying to survive than for operating a business.
CHAPTER-6

6. Conclusion

6.1 Contribution of the study

Every study has its own purpose. The purpose of this study was to find the factors influencing women entrepreneurs, and the role of microcredit in their business growth. This study defines the role of microcredit beyond the women entrepreneur along with poverty alleviation. So the contributions of the study are:

Make a Clear Entrepreneurial thought: From the study readers can get an understanding about the School of Entrepreneurial Thought. This can help people to emphasise their entrepreneurial skills that could make them an entrepreneur. Entrepreneurship has an impact on the national economy. It can increase the growth of the economy and at the same time reduce unemployment. The new generation will be influenced by these entrepreneurial activities that could help to change the social economy as well. In all the developing countries women are the most deprived when they also have the ability to take part in national development. This study shows how entrepreneurial thought mobilises women, and how the entrepreneurial factors impact on an entrepreneur.

Understanding the theory and real situation: From this study readers can get the knowledge about the theory defining the entrepreneur and be able to understand the real situation. The study is based on a place where women are still suffering simply because they are women. They are treated as man’s property. By knowing the factors and the real situation, women can be encouraged to do more entrepreneurial activities. The study shows that while finance is one of the important aspects in starting up a business, it is not the main aspect. Theory also emphasises entrepreneurial behaviours and understanding this helps the Bangladeshi women to behave entrepreneurially.

Help Bangladeshi women entrepreneurs to think and start their own business: As this thesis is based on Bangladeshi women entrepreneurs and the sample of population is also from Bangladesh, it may help Bangladeshi women to think entrepreneurially and also help them by informing them on what they should focus on and why. Furthermore, it will also help women to think about the finance. Entrepreneurs who are already involved in business do not think only about the financial aspects but also the opportunity, training and networking. To solve financial problems they can always rely on
microcredit.

6.2 Further research
Based on this research, further investigation is possible. This study investigates the basic level of women entrepreneurship, their business expansion and growth in relation to microcredit. Two different types of women entrepreneur were identified, being an older and a younger group. The study found that younger entrepreneurs are more daring and less dependent on finance issues, so further study can investigate-

✓ Older and Younger women - attitudes toward entrepreneurship.
✓ Young women entrepreneurial opportunity - Characteristics and survival strategies.
✓ Microcredit and Social business growth with their survival strategy.

6.3 Suggestions from our study
From the study certain problems and misperceptions as well as barriers that are facing the women entrepreneurs of Bangladesh were identified. Suggestions were provided by the respondents. These suggestions and recommendations are those of the researchers as well as the respondents.

When starting a business, women entrepreneurs must focus both on the business sector and also on finance. Finance can be sourced from several sources, but losing an opportunity can never be recovered.

Before starting the business, entrepreneurs should evaluate their ability (training and education) and their network. These are important issues to consider when starting a business. Better training and experience may improve the entrepreneurial skills. There are some ways to misuse the microcredit facilities, and government should observe MFI's which are new and local but abuse the microcredit market.

Social structures are still not favourable for women entrepreneurs in Bangladesh, which is why male business owners and clients do not want to establish business relationships with women entrepreneurs. To reduce this problem government and NGOs have to work together because women can be efficient in their chosen market segment. Government should focus on the credit policy for women entrepreneurs in order to help women get finance. Furthermore government also needs to allow more financial institutions which provide financial support with a lower rate of payment.
Most of the women in our study gave emphasis to the importance of networking. Microcredit institutions provide financial services, but along with these services they should start to focus on establishing a network among the entrepreneurs. Also they should start to provide a service from which women entrepreneurs can get ideas about the present market situation and product information.

Private financial institution must take steps to develop the women entrepreneurs in Bangladesh rather than just offering attractive savings schemes.

**6.4 Conclusion of the study**

In recent years the microcredit has been implemented as an experiment in Bangladesh. However there has been controversy about microcredit being applied in Bangladesh as a poverty reduction policy. Recent studies based on household surveys showed that microcredit does have a significantly positive effect on poverty alleviation. Microcredit also has a role for providing support to the entrepreneur, by providing training and credit. On the other hand entrepreneurship, as evidenced in self-employment, contributes to job creation, economic growth, poverty alleviation, and represents an avenue to economic and social advancement. Researchers have also examined women entrepreneurship development in Asian developing countries including Bangladesh, and identified that the development of women entrepreneurship is important for the economic development of the country. So our study conclusion is-

**Entrepreneurial factor impact on women entrepreneurship:** from the study it can be concluded that entrepreneurial factors are making more impact than access to finance. Among the respondents, 7 out of 10 women entrepreneurs in the study concluded that credit is an extra burden. Furthermore, women are becoming entrepreneurs due to their entrepreneurial skills. Here push and pull factors are working as a driving force to get them to start their own business. So for women entrepreneurs, entrepreneurial factors are playing a significant role together with other supportive activities as coming as well.

**Microcredit and enterprise growth:** The study also comes up with a conclusion that for business enterprise growth or expansion, microcredit has a role. Entrepreneurs need money for new investment, buying new equipment or to expand their business premises, and microcredit can assist them. Results show that microcredit solves financial problems of business enterprises, if the entrepreneurs are motivated by their entrepreneurial skills. So here
microcredit comes up with its supportive activities in mobilising their entrepreneurial skills. The study also shows the supportive role of microcredit at the time of business and product expansion. So the role of microcredit for small business expansion or growth is considered as a supportive one after the entrepreneurial skills.

**Role of microcredit for being an entrepreneur:** In this research study microcredit is defined as one of the best weapons for poverty alleviation. At the same time microcredit also provides training and technical education to the poor and illiterate women. Although women in Bangladesh are facing barriers, by getting proper training and education they are encouraged to become involved in business activities. The study shows that group S1 focuses on aspects other than finance. They are focused on the business opportunity and market knowledge, but they did not deny the financial problem. To solve these financial problems they also think about microcredit first. On the other hand group S2 is focused on finance and in case of any financial problem they are used to solve it with microcredit. So from the both side, no one can deny the financial problem and microcredit support. Whether they will take it or not it depends on their own decisions. So the conclusion is that microcredit can play an important role in developing women entrepreneurs.

Summing up this study it can be concluded that entrepreneurial factors are the main contributory factor behind the women entrepreneurs and at the same time microcredit also has a significant role in enterprise expansion or business growth. So microcredit is not only a weapon for poverty alleviation but continues to have an impact on entrepreneurs.
Appendix- A

Questionnaire
(That we use for survey among the 10 women entrepreneurs)

(Approved By Maria Fregidou Malama)

Basic and personal information:
1. Name:
2. How old are you:
3. Education level:
   - Primary.
   - Secondary
   - Undergraduate
   - Graduate and above.
4. Marital status:
   - Married.
   - Single.
   - Widowed
   - Divorced
   - others
5. What is the economic activity of your spouse ( if have)
   - Business
   - Salaried employee
   - Farming
   - Others
6. How many people are in your family?
7. For how long have you been working for your business?
8. What is the reason for your business start up?
   - Ambition/achievement.
   - Market demand
   - Necessity for earning.
9. What was your source of advice to set up your own enterprise?
   - Gov.organization/financial institution
10. Are you borrowing money for your enterprise?

11. If yes, then from which sources-
   - Friends/family
   - Mortgage
   - Commercial bank/credit union
   - Microfinance institute/non gov. organization

**Enterprise level Information:**

12. What types of business do you have-
   - Sole proprietorship
   - Partnership
   - Company
   - Others.

13. What is your product/service?

14. Do you think you invest your loan into a productive activity?

15. Did you use any portion of your loan in to your household activity?

16. Has your overall enterprise income supported by loan -
   - Decreased
   - Increased
   - Stayed same.

17. If decreased then what the reason for that?

18. How many workers you have now?

19. Are you involved in any professional/organizational network?

20. Is it useful?

21. What was the size of your startup capital?

22. What is the size of your capital now?
Enterprise Experience:

23. Have you previously owned any business?

24. Was your previous business related with your current business?

25. Does your education relate with your present business?

26. Have you participated in any specialized training for your current business?

27. If yes then from which organization?
   - Commercial organization
   - Gov. organization
   - Non gov.organization
   - Others.

28. What is your next business expansion plan?
   - New investment
   - Increase the number of workers
   - Expand the range of product/service
   - Acquire new equipment
   - Acquire extra space.

29. Which one is most important you think starting and running the business-
   - Education.
   - Training
   - Experience
   - Financial aspect
   - others

30. What is the main problem that you face-
   - Family responsibility
   - Lack of education.
   - Lack of network
   - Lack of financial ability
   - Social structure
   - others

31. What do you advice women to do when they want to start business?

   (Thanks for your contribution)
Appendix-B

Table-1: Population Status of Bangladesh

<table>
<thead>
<tr>
<th></th>
<th>2009 Total</th>
<th>Male 81889085</th>
<th>Female 80331677</th>
<th>Share at Total Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51.48%</td>
</tr>
</tbody>
</table>

Source: World Bank, World Development Indicator, 2010

Table-2: Number and Type of Industries Owned and Managed by Women in Bangladesh

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Industrial Sector</th>
<th>No. of Enterprises Operating (No)</th>
<th>Non Operating/Sick (No)</th>
<th>Total (No)</th>
<th>Ownership Men (No)</th>
<th>Women (No)</th>
<th>Men and Women</th>
<th>Management Men (No)</th>
<th>Women (No)</th>
<th>Men and Women</th>
<th>Total (No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Food and Allied (%)</td>
<td>81 (72.3)</td>
<td>22 (19.6)</td>
<td>112 (100.0)</td>
<td>104 (92.8)</td>
<td>6 (5.4)</td>
<td>2 (1.8)</td>
<td>112 (100.0)</td>
<td>105 (93.8)</td>
<td>6 (5.4)</td>
<td>112 (100.0)</td>
</tr>
<tr>
<td>2.</td>
<td>Textile (%)</td>
<td>60 (83.3)</td>
<td>8 (11.1)</td>
<td>72 (100.0)</td>
<td>63 (87.5)</td>
<td>4 (5.6)</td>
<td>5 (6.9)</td>
<td>72 (100.0)</td>
<td>71 (98.6)</td>
<td>1 (1.4)</td>
<td>72 (100.0)</td>
</tr>
<tr>
<td>3.</td>
<td>Forestry (%)</td>
<td>6 (66.7)</td>
<td>1 (11.1)</td>
<td>9 (100.0)</td>
<td>8 (88.9)</td>
<td>-</td>
<td>1 (11.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9 (100.0)</td>
</tr>
<tr>
<td>4.</td>
<td>Printing and Packaging (%)</td>
<td>15 (83.3)</td>
<td>2 (11.1)</td>
<td>17 (100.0)</td>
<td>17 (94.4)</td>
<td>-</td>
<td>1 (5.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18 (100.0)</td>
</tr>
<tr>
<td>5.</td>
<td>Leather and Rubber (%)</td>
<td>7 (77.8)</td>
<td>1 (11.1)</td>
<td>9 (100.0)</td>
<td>9 (100.0)</td>
<td>-</td>
<td>-</td>
<td>9 (100.0)</td>
<td>9 (100.0)</td>
<td>-</td>
<td>9 (100.0)</td>
</tr>
<tr>
<td>6.</td>
<td>Chemical and Pharmaceuticals (%)</td>
<td>34 (64.2)</td>
<td>9 (17.0)</td>
<td>53 (100.0)</td>
<td>52 (98.1)</td>
<td>1 (1.89)</td>
<td>-</td>
<td>53 (100.0)</td>
<td>53 (100.0)</td>
<td>-</td>
<td>53 (100.0)</td>
</tr>
<tr>
<td>7.</td>
<td>Glass and Ceramic (%)</td>
<td>1 (55.6)</td>
<td>1 (11.1)</td>
<td>9 (100.0)</td>
<td>9 (100.0)</td>
<td>-</td>
<td>-</td>
<td>9 (100.0)</td>
<td>9 (100.0)</td>
<td>-</td>
<td>9 (100.0)</td>
</tr>
<tr>
<td>8.</td>
<td>Engineering (%)</td>
<td>72 (71.3)</td>
<td>11 (10.9)</td>
<td>101 (100.0)</td>
<td>92 (91.1)</td>
<td>4 (3.9)</td>
<td>5 (5.0)</td>
<td>101 (100.0)</td>
<td>101 (100.0)</td>
<td>-</td>
<td>101 (100.0)</td>
</tr>
<tr>
<td>9.</td>
<td>Electric and Electronic (%)</td>
<td>1 (33.3)</td>
<td>2 (66.67)</td>
<td>3 (100.0)</td>
<td>3 (100.0)</td>
<td>-</td>
<td>-</td>
<td>3 (100.0)</td>
<td>-</td>
<td>-</td>
<td>3 (100.0)</td>
</tr>
<tr>
<td>10.</td>
<td>Miscellaneous (%)</td>
<td>5 (71.4)</td>
<td>2 (28.6)</td>
<td>7 (100.0)</td>
<td>6 (85.7)</td>
<td>-</td>
<td>1 (14.3)</td>
<td>112 (100.0)</td>
<td>105 (93.8)</td>
<td>-</td>
<td>7 (100.0)</td>
</tr>
<tr>
<td>11.</td>
<td>Agro-based (%)</td>
<td>2 (100.0)</td>
<td>-</td>
<td>2 (100.0)</td>
<td>2 (100.0)</td>
<td>-</td>
<td>-</td>
<td>112 (100.0)</td>
<td>105 (93.8)</td>
<td>-</td>
<td>112 (100.0)</td>
</tr>
</tbody>
</table>

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4 BSCIC: Bangladesh Small and Cottage Industry Corporation
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