

# Chapter 40

## Women's Entrepreneurship Development in Bangladesh

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### ABSTRACT

*Women's entrepreneurship is important for women's position in society and for economic development of a country. It opens up new avenues for creating employment opportunities for women and men. It is a matter of encouraging that a good number of women are contributing in the economic progress of Bangladesh, making them involved in medium and small enterprises. In this process, policy-related factors and institutional factors play a vital role. Government agencies provide policy, legal, and financial support, taking active support from non-state actors. Specially, NGOs have been working in Bangladesh from 1980s to create a viable social environment for business women. Though more women are now involved in economic activities than in the past, women constitute less than 10 percent of the country's total business entrepreneurs. Women do business in a masculine society where they encounter policy-related problems, and they do not get proper supports from all respective institutions because of corruption and lack of information. It is assumed that combined initiatives of government and non-government institutes will be successful in encountering the changes of business women in Bangladesh.*

### INTRODUCTION

Women in Bangladesh face many challenges in doing business when their traditional roles make them responsible for preparing food to feed their families and supplying household needs. The opportunity to expand their work beyond a household level or develop other kinds of businesses is often hindered because of the dominance of

patriarchy. Also, they do not get the same access to training, services, equipment, and financing as men. Women are also often constrained by laws or social discrimination that prevent them from owning property, borrowing money, and gaining access to land and natural resources. Despite these obstacles, many women are involved in income-generating activities, particularly small-scale business activities. Recently, that an increasing

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trend has been found in the involvement of women in small business is well-recognized in Bangladesh. In this article, we would like to identify the factors, with special attention to policy- and institution-related factors, which play important roles in the progress of women in small enterprise development in Bangladesh.

Women's entrepreneurship is important for women's position in society, and for the economic development of a country. It opens up new avenues for creating employment opportunities for women and men. Increased participation of women in the labour force is considered a prerequisite for improving the position of women in society because women can begin to contribute economically in their families. From the broader perspective, empowering women in economic activity is essential for building just societies, for achieving internationally-settled targets for development, sustainability and human rights; and for improving the quality of life for women, men, families and communities (ILO, 2007)

Contribution of women's business to a national economy has been well-documented in different countries of the world. In Canada, the Prime Minister's Task Force on Women Entrepreneurs (2003) reported that more than 821,000 Canadian women entrepreneurs were engaged in economic activities and that their contribution to the economy of Canada is in excess of CAD 18.109 billion annually. In the United States, the female-owned and -managed firms represent 28% of total firms and these firms created employment opportunities for 9.2 million people. In Germany,, women-owned entrepreneurship have a good share in the business having annual turnover of at least Euro 16.620 billion per year and provide jobs for 2 million employees. In the United Kingdom and Korea, a growing trend of self-employment was found among women (26% of all self-employed in the UK in 1999 and 36% of all firms in Korea in 2001) (OECD, 2004).

Business women are also contributing in the national economy of Bangladesh. According to

the Bangladesh Economic Review 2009, around 6 percent of the country's \$ 90 billion economy comes from SMEs, which is also the largest sector in terms of employment generation. (Daily Star December 29, 2009). Women's involvement in small and medium business is increasing day-by-day in Bangladesh. It is heartening to note that, despite many barriers, a new women's entrepreneur class has risen in the country, taking on the challenge to work in a male-dominated, competitive and complex economic and business environment. Not only has their entrepreneurship improved their living conditions and earned them more respect, in their families and in the society generally, but they are also contributing to business and export growth, supplies, employment generation, productivity and skills development in Bangladesh. A recent United Nations report concluded that the economic development of Bangladesh is closely linked to the advancement of women (Cited in, SMEF and MIDAS, 2009).

A survey found that a woman first established business in Bangladesh (then East Pakistan) in 1954. Although women first established enterprises in the mid-fifties, most woman-owned enterprises were developed after the independence of Bangladesh was declared in 1971. A sample survey found that 14 enterprises were established between 1976-1980, 24 during 1981-1985, 43 during 1986-1990, 85 enterprises were established during 1991-95, 195 during 1996-2000 and 78 between 2006 and 2009. After 2000, Bangladeshi people observed a different scenario in the case of women's involvement in small business: nearly 50% of enterprises established in between 2000 to 2010 were owned by women (SMEF, 2009) (For more details, see Table 3 in the Appendix). Another recent report revealed that, from 1996 to 2005, about two-thirds of the women entrepreneurs surveyed started their business (BWCCI, 2008: 8). This trend is not only increasing from the previous level in Bangladesh, but it is also comparatively better than in some countries of the South Asia region (For more details see Table

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