

## Prospects and Threats of Women Entrepreneur in SME Sectors in Urban Area Bangladesh- A Study on Sylhet City.

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**Abstract :** The aim of this paper is to explore the challenges faced by the women entrepreneur in Sylhet city as well as also exploring their prospects. Women also play a vital role for the growth of the economy especially in small and medium sector. The SME sector has higher growth rate than the industrial sector. It contributes big role for developing entrepreneurship and labor absorption. It also plays a vital role in economy and social development. it's contribute significantly for entrepreneurship development, employment generation and utilize the potentiality. Women in Bangladesh are still remaining vulnerable to poverty and social deprivation. Although the situation is now changing. A woman has to invest a lot of time for household work and child rearing but they are investing the extra time to business sector to support their family and also utilizing their hidden potentiality. A structure questionnaire has been used to collect data by survey and the target population is women entrepreneur in Sylhet city. This city has been choosing because a huge amount of remittance comes from abroad. In this study also try to find out the motivational factors that induce them to be entrepreneur. finally put some suggestion to minimize the challenges.

**Keywords:** Problems, Threats, Women, SME, Urban

### I. Introduction

In the era of globalization it is not possible to be succeed alone for a men or women. Men and women are now not competitor rather than ally. They act as parallels. Like man women also plays a significant role for the development of GDP in our country. In the traditional society women are confined in four walls but now a day's women have to play dual role as house wife and as an earner. They are more concern their rights as well as they want to be more independent. They do not want to rely on male. Although in Bangladesh society is male dominant. But situation is not the same now. Attitude of men is changing towards the working women. After the liberation war women participation in every area is increasing.

### II. Definition of SME

The definition of SME varies from country to country. But some countries define SME according to the amount invest and the number of employees work. Ministry of industry and Bangladesh bank define SME in the following way.

#### 2.1 Definition of Small Enterprise

Small Enterprise refers to the firm/business, which is not a public limited company and complies the following criteria:

Serial No.	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,000-50,00,000	25
02.	Business	50,000-50,00,000	25

#### 2.2 Definition of Medium Enterprise:

Medium Enterprise refers to the establishment/firm, which is not a public limited company and complies the following criteria:

	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,00,000-10,00,00,000	50
02.	Business	50,00,000-10,00,00,000	50

### III. Concept Of Women Entrepreneurs

Women entrepreneur may be defined "A women or group of women who allocate the resources, organized the resources and take initiatives to run an enterprise". If a woman is the proprietor of a proprietary business or the owner of at least 51 percent of a partnership or a private company registered under joint stock companies, then she would be considered a woman entrepreneur.

#### IV. Problem Statement

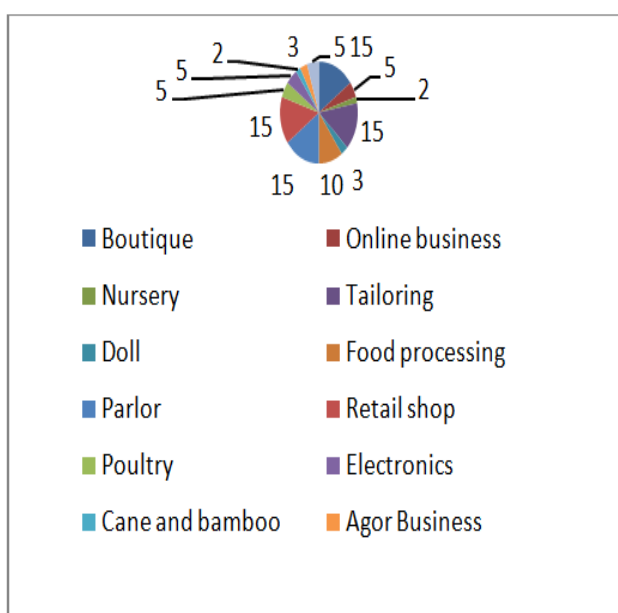
Many research works have been done on women entrepreneur. Different worked carried on different perspective, some tries to identify factors influencing on women entrepreneurship successful, some tries to emphasis on contribution of women entrepreneur on economic development. Some studies also tried to focus on barriers and give some suggestion to overcome the problem. This paper tries to focus on impediments on the success of women entrepreneur in SME in Urban area and Sylhet city has been chosen. Some suggestions are given to minimize the problem. And also find out the factors that influence on to be women entrepreneur.

#### V. Methodology

This study has been conducted through extensive survey throughout Sylhet city. Both primary and secondary data has been collected. Primary data has been obtained from 100 respondents involving in SME sector using a structured questionnaire. Both open ended and close ended questions were used for collecting data. The secondary information were collected from various source e.g. articles, publications, books, websites and magazines.

Total respondents are 100. The following table shows and categorized the entrepreneur. Among these respondents mostly involve in boutique, parlor and retail shop. They cover 15% each among 100 respondents. Interestingly some women enter new business like online, IT products. Although their involvement is very low. But it is very hopeful that the field is potential and in future it will increase.

Category	Respondents	%
Boutique	15	15
Online business	5	5
Nursery	2	2
Tailoring	15	15
Doll	3	3
Food processing	10	10
Parlor	15	15
Retail shop	15	15
Poultry	5	5
Electronics	5	5
Cane and bamboo pro.	2	2
Agor Business	3	3
Room decoration item	5	5



#### VI. Objectives

- To reveal the problems faced by the women entrepreneur in SME at Sylhet city.
- To show the current status of women entrepreneur in SMS sector.
- To explore the potential sectors for women entrepreneur.
- Recommend some suggestions for overcoming the problem.
- To explore the factors that influencing women to be entrepreneur.

#### VII. Literature Review

The comprehensive literature substantiate that SME is essential for stable economic growth and development for any developing country including Bangladesh. To justify this following literature has been reviewed.

1. Tambunan, (2009), found that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious barriers.
2. Cohoon, Wadhwa & Mitchell, (2010), identifies top five financial & psychological factors motivating women to become entrepreneurs. These are craving to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them
3. Singh, 2008, explores the reasons & influencing factors behind entry of women in entrepreneurship. He explained the features of their businesses in Indian context and also obstacles & challenges.

4. Debra Efroymson, Buddhadeb Biswas, and ShakilaRuma (September 2007) in their research attempted to quantify what work women do and the amount of time they spend working, estimate the economic value of that work, and thereby assess the contributions women make to the country's social development through their unpaid work
5. G. Palaniappan, C. S. Ramanigopal, A. Mani (19 March 2012) in their article explain that women have been successful in breaking their barriers within the limits of their homes by entering into varied kinds of professionals and services
6. Syed Shah Alam, Mohd Fauzi, Mohd Jani, Nor Asiah Omar (May 2011) focused on the key factors which affects the success of women entrepreneurs in Southern region in Malaysia. The results suggested that family support, social ties and internal motivation affect positively and significantly to the success of women entrepreneurs in the small business.
7. Rahman, Hossain, & Miah, (2000) identifies in their studies that women have shortage of knowledge measure the risk associated with business which is the key indicator of women entrepreneurship development
8. Ahktaruddin, (1999) the success and failure of entrepreneurs are affected by personal attributes Self-confidence, Dynamism, Ambition and Adaptability.
9. According to Nawaz, (2009) innovativeness and risk taking behavior features of entrepreneurship plays significant role to the success of women entrepreneurs.
10. al, 1990; Winn, 2005). (Naser et al., 2009) identified some success factors like Self-fulfillment, knowledge; skills and experience, including relationship to spouse/father business are all important in the development of women entrepreneurs
11. According to (Brindley, 2005), the important support is from family and friends and close people as well-wishers who play a very leading responsibility in the success of business.
12. The remarkable ambitions identified in other researchers are money making ( Saleh [1995], Mohiuddin et.al. [1998], Akhtaruddin [1999]), independent career (Akhtaruddin [1999]), to gain social recognition (Akhtaruddin [1999])
13. Chowdhury. S and Rahman. M. Identifies industriousness, self-confidence, dynamism and adaptability are the essential factors for potential women entrepreneurs.

### **VIII. Growth Rate Of Women Based SME In Sylhet City**

Women entrepreneur are gradually increasing every year. But it is very insignificant compare to men based enterprise. Information is found from Sylhet Chamber of Commerce that is, in the year 2015 the total number of entrepreneur is 2500 in which 70 registered members are women having SME business and its percentage is 2.8%. In 2014 total member was 2100 including 61 and its percentage is 2.9%. In 2013 its percentage was 1.8%. This rate is increasing because Sylhet Chamber of Commerce and Sylhet Women's Chamber of Commerce are providing free training and distributing machineries to the participants and many facilities regarding loan are given by bank.

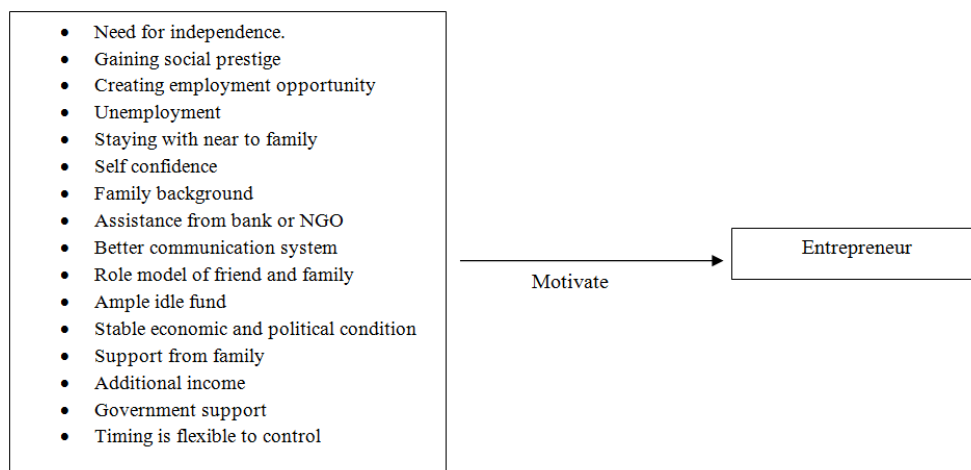
### **IX. Characteristics Of Women Entrepreneur In Sylhet City**

From the survey of women entrepreneur in SME sector following demographic characteristics have been found

- Age distribution: In terms of age level 35% women whose age was between 30 to 40 years. And 25 % women whose age was 41 to 50 years.
- Marital status: in terms of marital status it has been found that 50% women were married 45% were unmarried and the rest 5% were divorced.
- Level of education: It was interesting that 35% women have completed secondary level. 15% women do not have any education level.
- Organizational type: in case of organizational type it has been found that maximum numbers of women do not want to take risk alone. For this they start business in a partnership basis.
- Sources of fund: for collecting fund maximum number depends on loan from friends and relatives after that they try to collect money through loan from bank.
- Purpose of starting business: from study it has been revealed that most of the women start their business for supporting their family. Besides this others reasons are profit making, self-achievement, social status etc.
- Time dedicated to business: basically it depends on the nature of business. The women who are doing business from home like online business they can give more time than others.

### **X. Motivational Factors For Entrepreneur Of SME In Sylhet**

From this survey it has been found that there are some factors that motivate women to do business. Main motivational factors are given below.



### XI. SWOT Analysis

A SWOT analysis indicated Strength, Weakness, Opportunities and Threat. SWOT analysis of Sylhet women based SME find out through the survey.

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>✓ Ample idle money</li> <li>✓ Increased educated women</li> <li>✓ Change the mentality.</li> <li>✓ Good contact</li> <li>✓ Easy loans</li> <li>✓ Commitment and dedication</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>✓ Lack of prior experience</li> <li>✓ Lack of family support.</li> <li>✓ Lack of own fund to start the business</li> <li>✓ Illiteracy and old value of family</li> <li>✓ Lack of mobility</li> <li>✓ No calculated risk</li> <li>✓ Cannot handle crisis well</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>✓ Large market</li> <li>✓ Good communication and transportation system.</li> <li>✓ Government and other institutional support</li> <li>✓ Free entry</li> <li>✓ Conductive atmosphere</li> </ul>	<p><b>Threat</b></p> <ul style="list-style-type: none"> <li>✓ Competitors enter from outside of Sylhet.</li> <li>✓ Problem of infrastructure.</li> <li>✓ Religious hinderers.</li> <li>✓ Raw materials unavailability</li> <li>✓ Shifting the place</li> <li>✓ Less demand</li> </ul>

### XII. Major Threats Faced By The Women Entrepreneur

The major challenge faced by the women entrepreneur from our survey that creates impediments in their growths is:

- Women entrepreneurs have to face tough competition with male entrepreneur who can easily roam anywhere for promoting their product.
- They are reluctant by the family member and society to stand beside their growth.
- Most women entrepreneurs are not aware about the financial assistance offered by the bank, NGO and various financial institutions.
- High production costs of some businesses have a significant impact on their growth. For example; rent, price of raw materials, increase of wages, high transportation cost discourage them to expand the venture.
- Women give more priority to family ties and relationship. Specially married women have to maintain work life balance. As a result they cannot give adequate time to the business.
- Some financial institutions do not give interest on women entrepreneur because they think that any time women may quite from the business.
- In Sylhet it is not so easy to do business for the women. Because most family follow the old custom where women are not treated equal to men. Outdated social look also creates impediments for them to enter in the business.
- Lack of education is another factor for them to succeed in business. They have a little knowledge on English as an international language.
- Lack of prior experience, access to latest technology and communication services also creates problem for them. Their absence creates a hindered o their success.
- In Sylhet, although it is common in whole Bangladesh that threaten women as “Oshohay or Durbal”. These types of negative attitude sometimes create a barrier for their success.
- Most of the women do not have knowledge of marketing. Lack of promotional knowledge makes a barrier on their success.

### **XIII. Prospects Of Women Entrepreneur**

- A lot of remittance received each year in Sylhet. At least one member lives in abroad.
- Plenty of idle money in hand of the people of Sylhet area. So it is not so difficult to invest.
- Gradually day by day people become more educated, fashion awareness and sincere than past. It helps the entrepreneur to produce new product.
- Now a day's communication systems are very good. Women easily can promote their product by sitting at home by using different social site.
- Government, different NGO and SME foundation also take different initiatives to promote women entrepreneur in Urban area.
- Bangladesh bank gives instruction every bank to encourage women entrepreneur by giving loan facilities without pledge.
- Different chamber of association, support service organizations form to

### **XIV. Government Initiatives**

Women entrepreneurs need a lot of support especially in SME sector. They need infrastructure facilities, counseling, training, information, market promotion, loan facilities etc to start and conduct their business. For smooth operation these help is very essential. Here given the list of various institutional supports for women entrepreneurial development.

- Board of investment
- Bangladesh small and cottage industries corporation
- Export promotion bureau
- SME foundation
- Small and Cottage industries training institutions
- Bangladesh industrial technical assistance centre
- Micro industries development assistance and services
- Women Entrepreneur Association in Bangladesh

### **XV. Recommendation**

It is difficult to eliminate all barriers at a time that our women faced but here given some recommendation that will help to minimize the challenge that they faced.

1. The prime requirement is increase the awareness of women, how they contribute to the economic and social development in our country.
2. Infrastructure plays an important role for any business. Government although set up some plot putting emphasis on women entrepreneur.
3. Bribes are a common scenario in our country. Women become frustrated to get the trade license. Government should take necessary steps on it.
4. Training program: Although SME foundation gives a lot of training but these are not enough. It is difficult to participate training program for all women. So government should come forward to setup training program at Thana level.
5. Arranging trade fair: Although SME foundation held trade fair every year but this is not enough. Many women entrepreneur do not have prior information when and how they will participate. So government should increase more trade fair to encourage them.

### **XVI. Case Study On Women Entrepreneur In Sylhet City**

#### **Case Study 1:**

Fatema Chowdhury and Shorna Dey, the owner of Women Fashion World & Beauty Parlor engaging in boutiques and beauty parlor with own showroom. There are 35 employees working this firm, and they design their own product. They started the business with Tk. 8-9 lac (own finance, no loan) and now their investment is Tk. 15 laks and not yet no loan is taken. In the near future, they try to expand the business. They already received —Onnodin Magazine- Shressto Sharee award for their success in business. Their success rate 15-20% with profit and both upper class and middle-class people are listed as their customer. Creativity were the main factors that was inspired her to do such kind of business.

#### **Case Study 2:**

Shumoti Sinha the owner of Rumki Manipuri Shareeghar engaging business in Manipuri Handloom with own showroom. There are a few employee works in this firm, and they design their product. They started the business with Tk. 5,0000 with own finance, no loan and now their investment is above Tk. 2 lac, loan taken from BRAC Bank and Bangladesh Krishi Bank. In the near future, she will try to expand the business. The

available products are-own sewing dresses, handicrafts, bed sheets, mufflers, shawls, etc. In this firm product, price is fixed and demand increase in winter season. She received full family support for her business. Both upper-class and middle-class people are listed as her customer. Tradition, creativity and financial independence were the main factors that were inspired her to do such kind of business.

### **Case Study 3:**

Sarifa Begum engaged business in farm and poultry. There are 25 employee works here. They started the business with Tk. 30,000 with own finance, no loan, and now their investment is above Tk. 2 lakh, loan taken from Bangladesh Krishi Bank. In the near future she will try to expand the business. The available products are - milk and Ox. She received full family support for her business. Different types of business (new business in this region) was the main factor that was inspired her to do such kind of business.

### **Case study 4:**

Daisy chowdhury start online product sale investing 1 lac taka initial. She buy different women and baby product from abroad and sale these through online. Her success rate is 30% after 1 month. Now she is thinking to home service delivery of her product after recruiting sale personnel.

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