

## **Role of Women Entrepreneurs in Handicraft Small Enterprises and Sustainable Development Goals (SDGs) in Bangladesh**

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### **Abstract**

*Women's empowerment is a key factor in achieving sustainable economic and social development. As a result, promoting entrepreneurship and self-employment through innovation and multidimensional training in our country is necessary. This study aimed to determine the factors that motivate women to become entrepreneurs, the types of institutional barriers that hinder women's entrepreneurship in the handicrafts business and to identify how women's entrepreneurship supports achieving Sustainable Development Goals (SDGs). The study was conducted in Delduar Upazila under the Tangail District of Bangladesh. The participants of the study were women entrepreneurs who are directly involved with handicraft small enterprises business. For the study, the total sample size was 105. Quantitative data was gathered with the help of an interview based on a structured questionnaire. Moreover, for qualitative data, case studies, FDG and KII were conducted based on a checklist of key questions. It has been found that the main causes of becoming an entrepreneur are social status, the economic situation of the family, the opinion of the husband, own wishes etc. The study has identified some major challenges that women entrepreneurs face such as fewer opportunities for training for women entrepreneurs, the high interest rate for receiving new loans from banks and NGOs, poverty, local people's attitudes towards female participation in business, fewer marketing opportunities, lack of knowledge to get finance, lack of credit, lower social status, religious superstitions, etc. So, the government needs to take a more comprehensive policy decision to promote women entrepreneurs by providing better credit facilities, ensuring marketing opportunities, and good working conditions. Additionally, financial institutions should*

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*provide more loans with easy terms and conditions for female entrepreneurs to run smaller enterprises.*

**Key words:** Women Entrepreneurs; Employment; Small and Medium Business Ownership, Self Employment.

### **Introduction**

The development of women's entrepreneurship generally depends on the prevailing socio-economic and cultural background of the social structure. Bjerke stated that entrepreneurship has been approached from various perspectives by scholars of different disciplines, including economics, sociology, psychology, anthropology, history, and political science (Bjerke, 2007). Sultana (2006) agrees all developments cannot be achieved without women's participation in the development sectors of the country. The handicraft industry in Bangladesh provides huge employment opportunities for poor and vulnerable women in society. Presently the government of Bangladesh has given particular importance to ensuring women's participation in the formal economic sector, especially in the handicrafts small enterprise sector and attain SDGs 1 (No Poverty), SDGs 8 (Decent Work and Economic Growth) and SDGs 5 (Gender Equality).

Although diverse innovative programs have been taken by various organizations of government, the level of women's engagement in the area of handicrafts small enterprises is still not adequate. Women entrepreneurs face gender discrimination to start and expand their businesses. Women face problems and challenges in being entrepreneurs due to family issues, societal pressure, lack of technical know-how, less self-confidence and mobility constraints (Gaur Mamta 2020). Hisrich and Brush stated that women entrepreneurs make a substantial contribution to national economic growth through their participation in start-ups and their growth in small and medium businesses. But the operation of women's entrepreneurship involves substantial, hard work, huge sacrifice and sincerity. The risks, challenges and obstacles affect women entrepreneurs more than their male counterparts, making their chances of success considerably lower than men (Hisrich and Brush, 1986). Hossain and Rahman, (1999), Afrin et al (2008), and Tambunan (2009) argue that in Bangladesh women are victimized more because of their illiteracy, deprivation, lack of knowledge, unorganized, powerless or less political representation, rigid social customs, and injustice by their counter partners. Adki (2014) stated that women's entrepreneurship is a very crucial factor for achieving sustainable economic growth, social development and women empowerment. Another study by Meunier et al (2017) proposed that the elimination of disparities from legal, social, educational, financial and other sectors will alleviate the gender gap for

women entrepreneurs. This can eventually assist in achieving the Sustainable Development Goal (SDGs 5) that addresses all forms of discrimination against women and girls (Meunier, Krylova & Ramalho, 2017).

At present the cross-cutting issues taken by the Bangladesh government at the national level are sustained economic growth, reduction of poverty and inequality, earning more foreign currency through exports of goods, and creation of job opportunities for the youth and disadvantaged groups of society. In this line, the handicrafts small enterprise in Bangladesh is a key driver of economic growth because the Bangladeshi handicrafts industry is highly labour intensive. Bangladesh's handicrafts promise to increase not only foreign currency earnings through exports but also women empowerment. The workers of handicraft small enterprises are mainly un-skilled women, disadvantaged groups and children of our society. So, to achieve the Sustainable Development Goals (SDGs) of 2030, transformational economic growth, generation of more employment, alleviation of poverty and smooth and sustainable development the engagement of women entrepreneurs in the handicrafts industry has to increase. The aim of this study was to determine the factors that inspire women to become entrepreneurs, the types of challenges that are faced by women entrepreneurs in the handicrafts business and to identify the role of women entrepreneurs in achieving Sustainable Development Goals (SDGs).

## **Methodology**

### **Study Sites**

The study was conducted in Pathorail and Nolshoda village of Delduar Upazila under the Tangail District of Bangladesh. The participants of the study were women entrepreneurs who were directly involved with handicraft small enterprise businesses, small businessmen, traders, and other relevant populations.

### **Sampling and Data Collection**

In total 105 samples were purposively selected to collect quantitative information. Purposive sampling involves selecting participants based on specific criteria that are relevant to the research question and objectives. For qualitative data, 12 case studies were followed by the stakeholders based on a checklist of key questions. To enrich the qualitative data, 4 Focus Group Discussions (FGDs), and 5 Key Informant Interviews (KIIs) were conducted. The qualitative data was analyzed with the help of SPSS 17 programs. Besides, thematic analysis approach was used to analyze the qualitative information.

**Conceptual Framework of Women Entrepreneurship Development**

The conceptual framework for women's entrepreneurship development has been developed based on a related literature review, diverse approaches like social, psychological and economic to the development of female entrepreneurship, and collected data from the field level based on thematic analysis approach, case studies, KIIs and FGDs.

**Box-1: Conceptual Framework of Women Entrepreneurship Development**

<p>Sociological factors</p>	<p>Changing gender norms and attitudes regarding women’s participation in business.</p> <p>Women are playing particular socio-economic roles both in their families and communities.</p> <p>Gained family and government support.</p> <p>Women are empowered regarding decisions- making in family affairs and political policy-making.</p> <p>Women develop leadership, risk-taking innovativeness, confidence and self-esteem to manage any challenges.</p> <p>Women developed awareness through multiple training.</p>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Women Entrepreneurship Development</p> </div>
<p>Economic factors</p>	<p>Women developed market access opportunities and management capabilities.</p> <p>Introduction of new products and production methods in the market.</p> <p>Women entrepreneurs provide employment opportunities for other deprived rural women.</p> <p>Females were able to value-added to their products.</p> <p>Developed access to credit.</p>	
<p>Digital factors</p>	<p>Developed digital knowledge, skills and customer engagement.</p> <p>Mobile banking and financial services.</p> <p>E-commerce and online shopping, payment options and companions.</p>	
<p><b>Model of Women’s Entrepreneurship Development</b></p>		

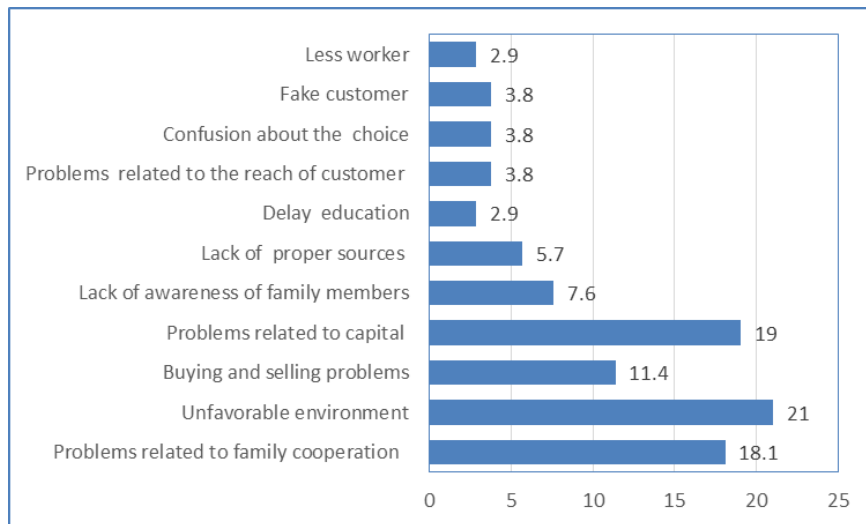
## Results

### Difficulties Faced by Women Entrepreneurs during Business

In the present study, the women entrepreneurs have faced multiple difficulties during the starting of business which include lack of family cooperation, unfriendly environment, lack of capital, religious trouble, lack of proper resources etc.

In Figure 1, it is found that out of total 105 respondents, as high as (21.0 %) per cent of the respondents attained an unfavorable environment during business and 18.1 % did not receive family support while starting up a business. The other difficulties they faced were capital support (19.0%) followed by buying and selling problems (11.4%), lack of awareness of family members (7.6%), lack of proper sources (5.7%), delayed education (2.9%), and confusion about the choice (3.8%), fake customer (3.8%), and less worker (2.9%) respectively.

**Figure 1: Percentage Distributions of Various Difficulties Faced by the Respondents during Business.**



### Problems Faced by Women Entrepreneurs after Establishing Business

In the study area, women entrepreneurs face huge problems after establishing their business such as monetary problems, lack of communication, continuous pressure, gaining people's trust, shortage of raw materials, insufficient facilities, worker mistakes, lack of access to information technology, communication problems, customer satisfaction problems, etc.

**Table 1: Percentage Distributions of Business Problems Faced by the Women Entrepreneurs**

Problems Related to Business	Number	Percentage
Severe Competition	9	8.6
Problems Related to Design	6	5.7
Monetary Problems	12	11.4
Lack of Communication	12	11.4
Continuous Pressure	13	12.4
Gaining People's Trust	7	6.7
Lack of Employees	7	6.7
Shortage of Raw Materials	11	10.5
Insufficient Facilities	10	9.5
Customer Satisfaction Problems	7	6.7
Problems Related to Getting Support	2	1.9
Lack of Proper Time	4	3.8
Worker Mistakes	5	4.8
Total	105	100

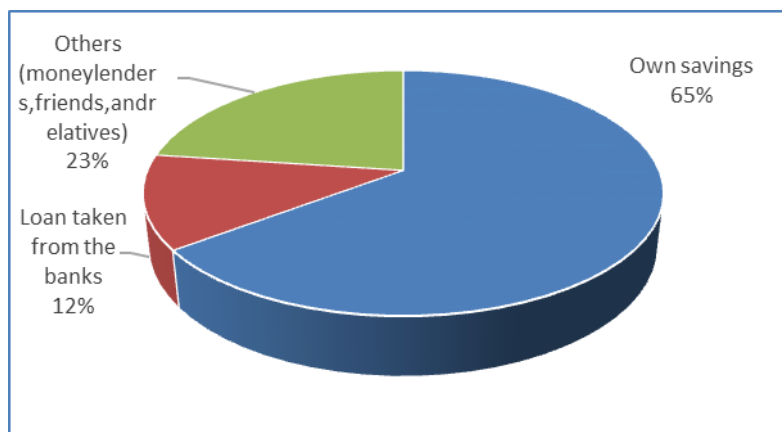
In Table 1, it is found that women entrepreneurs stated multiple factors that women entrepreneurs faced during the business and these are monetary problems 11.4%, lack of communication 11.4%, continuous pressure 12.4%, gaining people's trust 6.7%, and shortage of raw materials is 10.5%, insufficient facilities are 9.5%, and worker mistakes are 4.8%. The women entrepreneurs were asked to explain the core problems they faced after establishing a business by themselves. From FGD, KII and case study it is revealed that the main challenges for women entrepreneurs are copy design, lack of access to information technology, communication problems, lack of information on women entrepreneurship, proper raw materials, gaining customer satisfaction etc.

### **Sources of Capital**

Women entrepreneurs receive capital from various sources such as banks, NGOs, local moneylenders, friends, and relatives. During the data collection period, 64.8 per cent of the respondents were identified as having their own money to start their business, 12.4 per cent took out

loans from the bank, and 22.9 per cent took out loans from others like friends and relatives. It is clear that in the study area women entrepreneurs face huge difficulties in getting bank loans when they start their businesses. At the same time, it is found from FGD and case studies that most of the respondents were not interested in borrowing money. On the other hand, banks were not interested in giving loans to women entrepreneurs. It is also noticeable that they receive loans from banks with strict terms and conditions and also high interest.

**Figure 2: Percentage Distribution of The Major Sources of Money**



### **Family Support for Women Entrepreneurship Development**

Women's economic empowerment is a positive aspect of developmental discourse. Recently both in the rural and urban areas of Bangladesh a new women's entrepreneurs' class has emerged and they involved themselves in multidimensional business. It was found that out of the total 105 respondents, most of them (44.8) received strong support from their families for starting a business. At the same time, 19.0 per cent of women replied that they did not receive any support from their family.

**Table 2: Percentage Distribution of Family Support Received by the Women Entrepreneurs**

Family support	Number	Percentage
Strong support	47	44.8
Supportive	38	36.2
Not supportive	20	19.0
Total	105	100

**Discussion**

The study conducted 12 case studies and the participants were women entrepreneurs. All of them are married. Most of them completed secondary school education and only a few of them are graduates. They live with their husband and children. The single woman entrepreneur lives with their parents or siblings. The lowest family income of the entrepreneurs is Tk.6,000/- and the highest is Tk. 1,00,000/-. Most of the women entrepreneurs started their business with a capital of Tk.40,000 to Tk. 60,000 and their current business capital is Tk. 1.00 lac and monthly income is Tk.40000. Majority of the woman entrepreneurs are interested in taking innovative training in designing, fashion and making show pieces. They have some paid employees to buy business-related raw materials. Women entrepreneurs in the study area took loans from banks, and other friends and relatives. Women entrepreneurs always maintain coordination with other entrepreneurs to collect information related to market prices, new designs, fashion issues and also various policy support related to available resources (such as grants and loans) for increasing their professional matters. Now family members, neighbours, and friends have positive attitudes towards starting and growing their businesses. Most of the women operate their businesses online or home delivery basis. Women entrepreneurs stated that the important advantages of an online business are low overhead costs, increased sales, and easy customer service. Most of the women entrepreneurs are educated and they created employment opportunities for other unemployed women. Now women entrepreneurs are involved with income-generating activities and build their own identity in society.

It is found from Focus Group Discussions (FGDs), and Key Informant Interviews (KIIs) that in the present study, women stated multiple factors that influenced them to be women entrepreneurs. Mainly due to economic hardship, gaining financial freedom and security and also supporting their husband's work they decided to engage themselves in a small handicrafts business. Some women are crafts makers who make showpieces from the fibers of a banana tree and pineapple leaf. They received training from an organization namely 'Inspire Project' from Youth Development Training Institute' and 'Jubo Unnayan Training Center' where a large number of women also received training. This project mainly provides training to women on small handicrafts. Women also participated in 'Bureau Bangladesh' where 100 women are working. They make various showpieces like tissue boxes, penholders, ornament boxes, Nakshikantha and boutique, different kinds of toys, embroidered Katha, bed covers and salwar kamij, handmade bags, wall mats, key rings and other daily usable products from the fibers of banana tree and pineapple leaf as per the design of the customer.



They mainly sold their products at handicraft trade fairs in Dhaka and another divisional fair. Most of them replied that insufficient capital is the major problem for continuing the business. The ownership type of business is personal ownership. Women entrepreneurs procure raw materials from the wholesale market. During Eid and Pahela Baishak they are overloaded with their work. Mainly the price of their produced products is estimated based on the price of essential raw materials, labour fees, transport charges and utility charges. This business has made a positive change in their life. Most of the women entrepreneurs meet their family expenditures like educational expenses of their children and repay loans in installments with their earnings. Now they participate in all kinds of decision-making in the family and their opinion is always valued in their family, even before starting the business. At the same time, the women entrepreneurs faced many challenges from the beginning in their businesses. The main challenges faced by women entrepreneurs are lack of capital, lack of raw materials, lack of preservation system of raw materials, poverty, exploitation, local people's negative attitudes towards female participation in business, lack of training, lack of technology, lack of support from the family, household burden, lack of marketing opportunities due to unavailability of transport, low price, lack of knowledge to get finance (less know-how on project proposal writing), etc. Continuous competitive pressure is another challenge to run their business smoothly. On the other hand, most of the women entrepreneurs do not have proper information about available government and private banking support systems for them. Mainly they took loans from BRAC and Grameen Bank. But in most of the cases when women go to the bank for a loan, they face gender discrimination such as the bank authority seeking male support to endorse the loan.

By starting a new business, now women entrepreneurs contribute a lot to poverty reduction, and human resource development and encourage transformational economic development, which aligns with SDGs 1 (No Poverty) and SDGs 8 (Decent Work and Economic Growth). Encouraging female entrepreneurship promotes gender equality (SDGs 5 Gender Equality). At present, women entrepreneurs maintain collaboration with various government organizations, NGOs and donors to overcome the multifaceted challenges. These types of collaborative initiatives develop their strengths and courage.

### **Conclusions**

This study identified that the development of women entrepreneurship in the handicraft industry in Bangladesh mainly depends on some entrepreneurial capabilities and supportive conditions of the entrepreneurs such as economic and, motivational issues. In the study area, the main

causes of becoming a women entrepreneur are poverty, the economic situation of the households, the opinion of the husband, own wish etc. In the study area, they take loans from local NGOs like BRAC, and Grameen Bank and they use the loans especially for starting new businesses and also to extend their enterprise on a large scale. The study findings give new insight into the entrepreneurial features developed by women in the study area. Now females are opening up a new small handicrafts' enterprise in their locality. Women are now more empowered in the areas of making their own decisions on income spending and participatory decision-making at the family level. At the same time, the study has identified some major challenges that women entrepreneurs face while doing new business such as less opportunity for training for women entrepreneurs, the high-interest rate for receiving new loans from banks, poverty, lack of marketing opportunities, unavailability of transports, lack of credit, etc. Women's entrepreneurship is not just a source of income, but also a way to achieve multidimensional Sustainable Development Goals (SDGs) in Bangladesh such as ensuring gender equality, creation of jobs, poverty alleviation and economic growth. So the government has to make a comprehensive gender-disaggregated policy and programmes to promote women entrepreneurs by providing better credit facilities, ensuring marketing opportunities, and good working conditions. Moreover, women should be given more handicraft training and motivation to develop new entrepreneurship in a better way. Additionally, financial institutions should provide more loans with easy terms and conditions for female entrepreneurs to run their businesses.

### **Recommendations**

Based on the findings, the following recommendations were provided to support women entrepreneurs:

Establishing a credit guarantee scheme for workable women entrepreneurs who are capable of running independent businesses.

Regular monitoring of credit disbursement from public and private banks for women entrepreneurs.

Regular dissemination of gender-based data on credit opportunities.

Supporting credit for women entrepreneurs without collateral.

Encouraging female entrepreneurs through award given system

Regular arrangement of national and international trade fairs for women entrepreneurs.

Ensuring more participation of women entrepreneurs in national policymaking and financing.

Arrange more entrepreneurship development training programmes and incentive packages.

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