

# Advancement of Rural Poor Women through Small Entrepreneurship Development: The Case of Bangladesh

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## Abstract

The present paper deals with the performance and role of small entrepreneurship in socioeconomic development of rural poor women. The selected households for the study divided into three categories of enterprises, namely livestock and poultry, nursery & handicraft making. The sample size for this study was 90. Findings revealed that the average annual income generation per household of livestock and poultry, nursery, and handicraft enterprise groups were Tk 55080, Tk39558 and Tk35630 respectively. Average change in annual income was 110.74 percent after being involved with different small enterprises. Findings also showed significant development indicators revealed that most of the respondents of all three enterprises reported “high” in different indicators. The different aspects of health status, sanitation awareness increased to expected level. Change in housing units after involvement is quite reverse to that of before involvement. There has been great change in the number of own tube-well after involvement with enterprise and 100 percent households used the sanitary latrines whereas it was only 24 percent before involvement. And 138 per cent increase in working days; this positive change indicates that the small enterprise has generated new self employment activities for the rural poor women. The analysis revealed that different small enterprise activities contributed significantly to livelihood development of the household in general and increased participation of rural poor women in economic activities and household decision making in particular.

**Keywords:** Rural poor women, Advancement, Small entrepreneurship

## 1. Introduction

Women in Bangladesh have always been intimately involved in the agricultural activities. The majorities of the women in Bangladesh work for long hours compared to men and contribute significantly to agricultural production and family income, although this fact is not generally recognized and is not reflected in official statistics. Therefore, it is important to have a thorough understanding about the status of women, particularly rural women and their level of involvement in income generating activities. The agricultural sector contributes to overall economic growth as well as providing the poor with opportunities for socio-economic development activities (Timmer, 2005).

Bangladesh is an agro based developing country in the south Asian region. It encompasses an area of 1, 47,570 square kilometers with a total population of 129.25 million of which 65.84 million are males and 63.41 million are females. The overall male female ratio is 104:100. The current population growth rate is about 1.47 percent per annum. (Population census, 2001).

Rural women play a very important part in the highly labor intensive production process, but within the confines of their own front yard. They are responsible for storing the seed and checking its germination quality before man go out to sow the crop. Besides these, a village woman has to cook for the laborers working in the fields for her husband.

In Bangladesh, poverty has become a common as well as major problem. It is a concern of both Government and Non- government organizations to alleviate poverty. GO, NGO and private owner has taken different projects \ activities In agrarian and largely subsistence economy of Bangladesh, poultry, dairy, nursery, rice husking, fisheries & handicraft enterprises play a crucial role to supply nutritious food and to generate income and employment. Poultry farming has a great potential for providing additional income to our farming community and educated unemployed persons, widows of the rural areas through creating self employment opportunities (Ahmed and Hamid, 1991). A separate consideration of employment of women is necessary because historically women have not got equal access to employment opportunities in Bangladesh. It is universally recognized that without women’s development, no development can be meaningful. The activities of women are mainly restricted within the household, especially in taking care of children and other family members, preparing and serving food to family members and washing and cleaning.

The role of women is strongly affected by social and religious norms, such as the selection of women, the veiling of women in public and the segregation of male and female. The restrictions constrain women's involvement outside home. In order to improve this position of women in Bangladesh a large number of NGOs are now working in the country. They initiated projects emphasizing on health and nutrition, family planning, education, agriculture, livestock, poultry, fisheries, house credit and saving etc. The findings of the study is therefore, expected to benefit the administrative and policy makers of both GO and NGOs who are concerned with the socioeconomic improvement and social development of the rural women. Entrepreneurship is generally accepted to be a necessary condition for sound long-term economic development (Carree & Thurik, 2003). Women in Asia are a significant entrepreneurial force, contributing to local, national and regional economics and to poverty reduction, but they face different constraints and opportunities from those experienced by men.

The main objectives of any program to any social unit are to improve the living condition. The participation of household is income generating activities employment opportunities provide by different NGOs has made favorable impact on improving the socioeconomic condition of the family in general and women status in particular.

The result of the study may be helpful to the policy makers and planners in formulating plans for national development. An overall objective of the study to find out the impact of the small enterprises in income generating activities and overall development of women in rural area. The Rural women entrepreneurship and Enterprise development program is unique and vitally important to the future of many rural communities and their economies.

## **2. Methodology of the study**

Survey method was followed in order to collect data from the respondents to fulfill the objectives of the study. A preliminary survey was conducted in three enterprise namely livestock & poultry, nursery, and handicraft making under the Mymensingh district to understand and broad socioeconomic characteristics of the respondents. On the basis of preliminary information, some village namely Radakanai, dhanikohola, kajersimla under Trishal upazila Rahimganj, payari, and bastala under phulpur upazila and Satrasia, kumarghata, montala under Muktagachha upazila in mymensingh district were selected as the study area.

Memory recall method was used to collect data before and after involvement in enterprise. Ninety women respondents thirty from livestock and poultry, thirty from nursery, and thirty from handicraft were randomly selected as a sample unit. The author himself collected data through personal interview with the selected women respondents. Data were collected during March-May 2009. The impacts of different enterprises were examined by making 'before' and 'after' comparison. Some statistical measures like average, percentage and ratio were calculated to arrive at expected findings.

## **3. Result and discussion**

### *3.1 Income generation*

Own income is the sole key to the economic empowerment. Different NGOs provide micro credit to the rural poor women so that they can earn and raise their income level to be economically empowered by using those credits.

The table (1) reveals that the highest income-earning sector was livestock and poultry enterprise. Average yearly income per respondent was Tk 55080 from this sector. This sector was very gainful and suitable for women entrepreneurs.

But handicraft enterprises lagged behind the other two in terms of average yearly income. This is because of the fact that prior experience and technical knowledge are very important for handicraft making. Due to lack of experience and technical knowledge, women do not have free access to this sector, although it can be very profitable for rural women.

### *3.2 Change in income*

The change in income was determined by computing percentage of difference of income of the respondents' family between 'Before' and 'After' involvement with small enterprises.

A beneficiary's family income was measured in taka on the basis of her and other family members' total yearly earnings from agriculture and other sources like fisheries, livestock, poultry, nursery plantation, service, handicrafts, business, etc.

Table(2) reveals that for all groups there has been change in income at a rate of 110.74 per cent after being involved with different enterprises. Maximum income change was evident for nursery enterprise, which was at a rate of 117.92 per cent and the minimum change was for handicraft enterprise at a rate of 97.38 per cent.

### *3.3 Advancement of socioeconomic condition and women status*

The status of women in the family and society is important consideration of relative power in the family, contribution of women in household earning is supposed to pave their way for decision making in household affairs and empower them significantly.

Changes in socioeconomic status of households: Table(3) reveals nine indicators which related with consumption of basic needs, which shows the changes of socioeconomic status of the respondent's family. The findings imply that consumption of basic need items has increased in sample households. In short, it may be noted that enterprise profit has made crucial impact on having better food, Medicare and health facilities, which can ensure human resource development and economic growth through increasing productivity of the participant households.

### *3.4 Development Indicators*

The term "development" implies a qualitative growth in the social and economic areas, which ultimately should result in the process of a qualitative change reflecting improvement in the condition of living of the people. That is, development is a process to which both social and economic elements would jointly and / or individually contribute.

The main objectives of any programme to any social unit are to improve the living condition of the individuals and also to improve their social status. Seven concepts were considered as important components of development indicators of a respondent's family. Therefore, they were asked to indicate if their conditions in each of these components were 'high' 'medium' and 'low' as a result of their involvement with enterprise activities and economic status.

Table (4) reveals that most of the respondents of all three enterprises reported 'High' development in different indicators. For example 65.56 per cent reported high development in increased knowledge & skill, 70 per cent in improved food and nutritional condition, 78.89 per cent in change in food habit, 70 per cent in improved family health and sanitation, 81.11 per cent in increased savings and 72.22 per cent in increased recreational facilities. But only 61.11 per cent in High category for increased social prestige reveals the fact that change in value system towards women's prestige & status in society does not occur very quickly, as it does in case of health, income, nutritional status etc.

Among the different aspects of health status and sanitation awareness increased to the expected level. Most of the respondents received either training consultation or group discussion on the issues like group management, leadership development, awareness on family health care and family planning, family rights, awareness on dowry, micro credit management etc. all these lead them to be empowered economically and socially. These sorts of activities might one-day lead them to earn hand some living in the society.

### *3.5 Impact on women's contribution to family expenditure*

Women's contribution to their family expenditure is an important indicator of economic empowerment. In rural Bangladesh, women generally do not have any direct contribution to family expenditure. Women who are in service are exceptions. But the small entrepreneur women contribute to their family expenditure.

In the study area all women spent their income on life sustaining articles such as food, clothes, health care and children's education. Table (5) shows that women's contribution on food items and clothing increased by 334.57 percent and 968.82 percent respectively after involvement with different small enterprises. But contribution on children education and health care had very high increase and total contribution to family expenditure increased from Tk. 3241.30 to Tk. 18937.35, which was 484.25 percent. The table also shows that about 84.34 percent of total expenditure was spent on food items before involvement with small enterprises and about 66 percent of total expenditure spent on the same after involvement with different small enterprises. Therefore, expenditure on food items reduced with women's increased contribution to the family expenditure and expenditures on clothing, children education, and health care increased remarkably. This expenditure pattern indicates a shift of attitude towards life and improvement in the standard of living due to women's contribution to family expenditure. In this connection most of the respondents in the study area expressed their opinion as follows: "We had always a great desire for colored and printed sarees. But at that time we did not have any income, we could not materialize our desires. But after involvement with different enterprises and NGO groups we have our own income. Now we can buy sarees, pay children's education fees."

### *3.6 Changes in some basic needs of the respondents households*

This is important for women's emancipation to socioeconomic development.

The table (6) reveals that there has been significant change in source of drinking water after involvement with enterprises. There has been great increase in the numbers of own tube well (97) percent. and there has been a sharp change in sanitation condition while (76 per cent) used katcha latrine (ordinary toilet) and (24 per cent) used sanitary before, there was none in that category after involvement & 100 percent households used sanitary latrine data after involvement shows is quite opposite to that after involvement (87 per cent) tin and 13 per cent half building with no straw or tale houses.

### *3.7 Impact of employment*

Small entrepreneurs are free to select their income earning activities. Based on their knowledge and personal skill the members themselves selected income-generating activities and prepared the NGOs loan utilization plan. In this study major factor behind the growth of income of entrepreneur is increased self – employment.

These entrepreneurs usually remained highly unemployed or underemployed before taking the NGOs credit for self-employment. Table (7) depicts that the entrepreneur on an average worked 136 days in a year before involvement with small enterprises for self-employment. But after involvement with different enterprises, they on an average worked for 324 working days to their self-employment activities. Thus there was 138 per cent increase in working days; this positive change indicates that the small enterprise has generated new self – employment activities for the rural poor women.

### *3.8 Change in Decision Making Status*

Women traditionally played passive role in decision-making even about household affairs. Women are found to participate actively in the household decision making process. In fact, women's contribution in increased household employment and income paved the way for their respectable position in decision making.

Some aspects of household decision making are reported to have changed as a result of women's access to earning opportunities and their contribution to family income as well as family expenditure after involvement with enterprises.

The findings in Table (8) shows that women have noticeable influence in decision making on taking credit 99 per cent in comparison with 23 per cent), family planning and marriage of adult children 98 per cent, construction of dwelling house 97 per cent, entertainment 96 per cent etc. They play lesser role in making decision about making and buying furniture only 87 per cent after involvement with small enterprise.

### *3.9 Problem faced by women entrepreneurs*

Historically, Bangladesh is a male dominated society. Women are generally viewed in nonproductive members of the family, have little access to education especially in poor families and are given a subsidiary status as economic dependents. Women have to abide by the cultural and religious practices. They are restricted to undertake public activity freely. Table (9) recognizes that limit women to achieve their full potential. The statistics reveal that traditional socio-cultural practices limit their opportunities in skill development, employment and participation in the overall development process. According to Table (10), women entrepreneurs face difficulty in obtaining capital to initiate a business. The research shows factors with percentage such as insecurity, in adequate supply of products, less knowledge in technology and marketing etc. are also constraints to women entrepreneurship development.

## **4. Conclusion**

Women of today are surely more conscious, alert and active about their duties, rights and freedom, and educational attainment is assisting the process. The Major reason for women's subordinate status is the fact that they are not only economically exploited but also socio-culturally oppressed. Subordination of women in all walks of life manifests itself the marginalization of women in the economy.

On the other hand, what we need today is socioeconomic development of the country with women. For this the potentialities and capabilities of women have to be fully tapped. So it is essential to create conditions for women to be self – reliant and self- confident. To improve position and status of women in the society the major responsibility lies with the public at large. On the basis of findings of the study it may be concluded that adoption of comprehensive approach of socioeconomic development through involvement of rural women with small enterprise led to increase income, higher level of employment and increased participation of women in decision making process. From the findings of the study it may be concluded that by practicing different enterprises, the rural women were able to contribute additional income to their families. With the assistance of different government and non-government organizations they got some financial and technical support to carry out their enterprises

The respondents were found to be able to realize their problems and suggest probable solutions. Those problem areas and suggested solutions were very important in policy making both at household and national levels.

## **5. Recommendations**

To ensure the proper role of women advancement through small entrepreneurship development the following policies are suggested for consideration of the concerned institutions including the government.

I) Govt agency and NGO's should provide necessary training to the women members so as to make the credit programme viable and to bring about a sustained development.

Supervision of the activities of the different NGO's programmes of the respective organization should be intensified.

II) Appropriate technology for women who work in the villages should be hunted so that they do not get fed up with monotonous work and give more working time in production and income earnings.

III) Women entrepreneurs are still backward in the field of management and marketing. Training arrangement with a view to improving the situation is to be made. Duration of training periods should be sufficient so that woman can get appropriate knowledge about enterprise development technique

IV) Credit is an important input, which supports other inputs for higher production and raising income of the women. It is therefore recommended to supply sufficient amount of credit which must be provided timely to the entrepreneurs at low interest rate, with simple terms and conditions.

V) Recognition of participation of rural women in income earning activities must be ensured nationally so that the women become encouraged to contribute more.

VI) People should reject their superstition and negligible attitude towards the working women. For the employed women a secured and satisfactory working environment and facilities should be ensured.

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Table 1. Average income generation from different enterprises per year

Name of enterprises	Total amount (Tk)	Average amount (Tk)
Livestock & poultry (30)	1652420	55080
Nursery (30)	1186750	39558
Handicrafts(30)	1068900	35630
All groups (90)	3908070	43423

Source: Sample survey, 2009

Table 2. Changes in average annual income after involvement with different enterprises (Tk)

Name of the enterprises	Before	After	Change in %
Livestock & poultry	55124	119543	116.86
Nursery	61979	135063	117.92
Handicrafts	58494	115454	97.38
All groups	58532	123353	110.74

Source: Sample survey, 2009.

Table 3. Average per month per family change in basic needs consumption of the respondent households

Items	Unit	Before	After	% change
Rice consumption	Kg.	51	70	37
Vegetables consumption	Kg.	36	56	56
Pulses consumption	Kg.	4.3	7.3	70
Meat consumption	Kg.	2.02	4.8	137
Fish consumption	Kg.	3.5	6.25	78
Eggs consumption	Piece	18	27	50
Milk consumption	Liter	15	26	73
Use of cloths	Tk.	150	315	110
Cost of Medicare	Tk.	75	187	149

Source: Sample survey, 2009

Table 4. Development indicators

Development indicators	All group		
	High	Medium	Low
Increased knowledge & skill	59(65.56)	25(27.78)	6(6.66)
Improved food & nutrition	63(70)	18(20)	9(10)
Change in food habit	71(78.89)	17(18.89)	2(2.22)
Improve family health and sanitation	63(70)	24(26.67)	3(3.34)
Increased savings	73(81.11)	12(13.33)	6(6.65)
Increased social prestige	56(61.11)	30(33.34)	5(5.56)
Increased recreational facilities	65(72.22)	18(20)	7(7.78)

Figures in the parentheses indicate percentages

Source: sample survey, 2009.

Table 5. Respondent women's contribution to yearly family expenditure

Heads of expenditure	Before involvement with small enterprises (Tk.)	After involvement with small enterprises (Tk.)	Change in percent
Basic food items	2860.50 (84.34)	12430.90 (65.56)	334.57
Clothing	380.80 (15.66)	4070.09 (20.60)	968.82
Children's education	0	1540.76 (12.45)	Infinity
Health care	0	895.60 (1.39)	Infinity
Total contribution to family expenditure	3241.3 (100)	18937.35 (100)	484.25

Figure with in the parentheses indicate percentage

Source: Sample survey, 2009.

Table 6. Change in drinking water, sanitation, housing status of household after joining different enterprises

Some basic needs	All groups	
	Before	After
Drinking water	77(85)	3(3)
-Neighbor tube well	14(15)	87(97)
-Own tube well		
Sanitation	68(76)	0(0)
-katcha latrine	22(24)	90(100)
-sanitary latrine		
Housing status	41(46)	0(0)
-straw house	44(49)	0(0)
-Tale house	4(4)	78(87)
-Tin house	1(1)	12(13)
-Half building		

Figure with in the parenthesis indicate percentage

Source: sample survey 2009.

Table 7. Average change in employment generation

Time period	Average working days a year	Change in working days	Change in percent
Before involvement with different enterprise	136	188	138
After involvement with different enterprises.	324		

Source: Sample survey, 2009.

Table 8. Average Change in decision-making status of women

Matters of Decision making	Respondent women = 90				
	Before	Percent	After	Percent	Change %
Giving and taking land lease	24	27	85	94	67
Buying and selling of land	21	23	83	92	69
Tutoring young children	19	21	80	89	68
Construction of dwelling house	17	19	87	97	78
Buying other valuable things	23	26	83	93	67
Making and buying furniture	20	22	79	87	66
Marriage ceremony of adult children	22	24	88	98	73
Social and religious functions	25	28	81	90	62
Taking credit	21	23	89	99	76
Entertainment	25	28	86	96	68
Family planning	30	33	88	98	64

Source: Sample survey, 2009.

Table 9. Problems of socio-psycho system of women entrepreneurs

problems	Mean score	Rank
Lack of motivation from family and society	0.50	I
Lack of confidence in women's ability	0.42	II
Male dominance	0.40	III
Non-Consistent to traditional norms	0.36	V
Conflict due to dual responsibility	0.38	IV
Overall mean score	2.06	

Source: Sample survey 2009

Table 10. Problems of resources system of women entrepreneurs

problems	Mean score	Rank
Financial		
Limited working capital	0.80	I
Constant need of finances	0.78	II
Lack of collateral security	0.65	III
Technical:		
Lack of technical knowledge	0.70	I
Lack of modern technologies	0.40	II
Marketing:		
Lack of marketing experiences	0.62	II
Competition from large units in the production line	0.80	I
Lack of supply raw materials	0.47	III
Variation of raw material price	0.45	IV
Overall mean score	5.67	

Source: Sample survey 2009