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# Micro Credit Operations and Women Entrepreneurship Development in Bangladesh : A Study of Grameen Bank

Miah, Md. Abdul Latif

University of Rajshahi

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**"MICRO CREDIT OPERATIONS AND WOMEN ENTREPRENEURSHIP  
DEVELOPMENT IN BANGLADESH:  
A STUDY OF GRAMEEN BANK"**



THESIS SUBMITTED FOR THE AWARD OF THE DEGREE OF  
MASTER OF PHILOSOPHY  
TO THE INSTITUTE OF BUSINESS ADMINISTRATION  
UNIVERSITY OF RAJSHAH  
RAJSHAH, BANGLADESH

BY

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INSTITUTE OF BUSINESS ADMINISTRATION  
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JUNE 2012

## DECLARATION

I, the undersigned, do hereby declare that this thesis entitled "Micro Credit Operations and Women Entrepreneurship Development in Bangladesh : A Study of Grameen Bank" submitted to the Institute of Business Administration, University of Rajshahi, Rajshahi, Bangladesh, for the Degree of Master of Philosophy in Accounting is an original work of mine. The materials used in this research work are original and the dissertation or any part of it has not been submitted earlier, either partly or wholly, to any other university or institution for any degree, diploma, studentship, fellowship or prize.



26/06/2012

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## CERTIFICATE

This to certify that the dissertation entitle "Micro Credit Operations and Women Entrepreneurship Development in Bangladesh: A Study of Grameen Bank" is an original work of Mr. Md. Abdul Latif Miah, a M.Phil research fellow in accounting of the session 2005-2006 at the Institute of Business Administration, University of Rajshahi, Rajshahi, Bangladesh. He has prepared the dissertation under our supervision and guidance. The dissertation is therefore recommended and forwarded to the University of Rajshahi through the Institute of Business Administration for necessary formalities leading to its acceptance in partial fulfillment of the requirements for the degree of Master of Philosophy in Accounting.



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## ABBREVIATION

A	:	Appendices
BARD	:	Bangladesh Academy for Rural Development
BASIC	:	Banks of Small Industries and Commerce (BD) Ltd.
BIBM	:	Bangladesh Institute of Bank Management
BKB	:	Bangladesh Krishi Bank
BKB	:	Bangladesh Krishi Bank
BMET	:	Bureau of Manpower Employment and Training
BRAC	:	Bangladesh Rural Advancement Committee
BRDB	:	Bangladesh Rural Development Board
BSB	:	Bangladesh Shilpa Bank
BSBL	:	Bangladesh Samabay Bank Limited
BSCIC	:	Bangladesh Small and Cottage Industries Corporation
BSRS	:	Bangladesh Shilpa Rin Sangsta
CIDA	:	Canadian International Development Agency
FAO	:	Food and Agricultural Organizations
GB	:	Grameen Bank
GDP	:	Gross Domestic Product
GGs	:	Grameen Generalized System
GO's	:	Government Organization's
GPS	:	Grameen Pension Scheme
GPS	:	Grameen Pension Scheme
i.e,	:	id est ( that is to say)
IBA	:	Institute of Business Administration
ICB	:	Investment Corporation of Bangladesh
IDA	:	International Development Authority
LIS	:	Loan Insurance Savings
LISF	:	Loan Insurance Savings Fund
MIADS	:	Micro Industries Development Assistance and Service
N/A	:	Not Available
NCB's	:	Nationalized Commercial Banks
NGO's	:	Non-Government Organization's
Prof.	:	Professor
SB	:	Sonaly Bank
SD	:	Standard Deviation
SPSS	:	Statistical Package for Social Sciences

# CHAPTER I

## INTRODUCTION

### 1.1 Statement of the Problem

Rural women constitute about 90 percent of total female population who remain as yet significantly untapped human resources (UNDP. Dhaka, 1989). In any country, the role of women in socio-economic development is immense. Many rural women in the developing countries need to work in order to survive but the rural wage-market and society are not prepared for them. (Moslehuddin and Kibria 1987). In developed countries, women have participated in all spheres of socio-economic development and brought about the instant development. Comparatively, women of Bangladesh are far behind which is undoubtedly an impediment to our total development.

After independence, Bangladesh government has taken various welfare programs with a large number of grant and subsidies to improve the women entrepreneurs but these program have not been fully successful in meeting their objectives. The common features of these programs were based on foreign aid and subsidy. These programs were not sustainable and perpetual. Extensive programs were taken during the Third Five Year Plan (1985-90) and Fourth Five Year Plan (1990-95) to ensure mass women participation by involving them into the mainstream of development through departments of women affairs. However, it has not reached the whole of the country, especially poor rural women.

Economic development of a country is largely dependent on the existence and growth of entrepreneurial class in that country (Rahman, 1995:67). The role of entrepreneur in the industrial development of a country is well recognized. Mostly male entrepreneurs have played this role over the past centuries. Women's participation in business was conspicuously insignificant for a very long period.

The women entrepreneurs have shown great enthusiasm to evolve into entrepreneurship, but retreated from the field on account of multiplicity of problems faced in leading the project to the final stage of production and continue commercial operation. As a result, many enthusiastic women entrepreneurs could not develop themselves as stable one due to lack of needed promotional assistance. The promotional agencies do not appear to have given adequate promotional support to the women entrepreneurs especially the rural poor women entrepreneurs due to lack of adequate collateral.

The potentialities are great for poor women entrepreneurs. Appropriate opportunities, congenial environment and collateral free credit assistance can only prove how rapidly such potentialities can be converted into the realities of developing poor women entrepreneurs. A large portion of the rural program women have benefited significantly from participation in the micro-credit programs of Bangladesh (Choudhury, 2001 & 2002: 28). Collateral free micro credit operations will be the appropriate key to the success of the poor women entrepreneurs at the grass-root level. Moreover, the micro credit approach may be one of the effective ways to reduce the difficulties of small business women entrepreneurs.

As a pioneer bank Grameen Bank has created a number of local revolving collateral free loan funds that extend credit to women entrepreneurs in low-income communities. The Grameen Bank credit programs have substantially improved the socio-economic conditions of its borrowers (Hossain, 1999 : 78). The Grameen Bank has been lending micro enterprise loan for the first moving members, especially the business run by women entrepreneurs. Grameen Bank has been running various operations through out the country through a set of well-defined guidelines with special reference to the objectives, assessments of credit needs and rate of interest, repayment period, security, and so on.

The present study is an attempt to evaluate the development of women entrepreneurship through micro credit operations by Grameen Bank.

### 1.2 Rationale of the study

Entrepreneur is an important agent of economic development of a developing country like Bangladesh. Women entrepreneurship development has recently gained considerable importance in the government policy making (Mohiuddin, Moniruzzaman and Mahmood, 1998: 47). Interest in women entrepreneurs as research subjects has developed very recently. Part of this interest is due to the tremendous growth in small business start-ups by females. The other major reasons for the interest arise from the assumption that women entrepreneurs encounter difficulties in starting and operating business which are different from those faced by male (Naider: 1987). In Bangladesh, there is a growing interest in the subject of women entrepreneurship in the wake of rapid socio-economic change.

Much progress has thus been made on the research on entrepreneurship in Bangladesh on different aspects like, financial assistance of entrepreneurship, problems of entrepreneurship, environment of entrepreneurship, entrepreneurship training, socio-economic background of entrepreneurs, entrepreneurship and economic development, entrepreneurship development and education, government policies and their impact on entrepreneurship etc. These are almost in regard to development of entrepreneurship in general. Although a few studies (Solaiman 1996, Saleh 1995, Nabi 1994, Rahman 1995, Karim 1995, Saha 1995) have been made on women entrepreneurship development in Bangladesh but are not exhaustive.

Financial institution in Bangladesh like Bangladesh Small and Cottage Industries Corporation (BSCIC), Nationalized Commercial Banks (NCB's), Banks of Small Industries and Commerce (BD) Ltd (BASIC), Micro Industries Development Assistance and Service (MIDAS), Bangladesh Rural Advancement Committee (BRAC), Bangladesh Krishi Bank (BKB) etc, do not extend their financial support for entrepreneurship development without collateral. So the poor women cannot avail themselves of the opportunity from these institutions only for lack of property as collateral. With this in mind Grameen Bank has introduced micro credit operations for the women entrepreneurs without collateral. To the best of my knowledge, no research has yet been conducted on micro credit operations and women entrepreneurship development in Bangladesh assisted by Grameen Bank.

This study of micro credit operations and women entrepreneurship development in Bangladesh is a pioneering attempt. It is hoped that this study would generate wide array of information related to the contribution of women entrepreneurs in the economy of Bangladesh.

### 1.3 Objectives of the Study

Women entrepreneurship is one of the most effective mechanisms for the participation in economic development. Grameen Bank is engaged in Women Entrepreneurship Development Program through Bangladesh.

The objectives of the present study are as follows:

- i. To analyze the development of women entrepreneurship through micro operations of Grameen Bank.

- ii. To identify the socio-economic factors influencing women entrepreneurship.
- iii. To evaluate the economic performance of women entrepreneurship in Bangladesh.
- iv. To examine the problems encountered by women entrepreneurs.
- v. To offer some suggestions for the women entrepreneurship in Bangladesh.

#### 1.4 Scope of the Study

Micro credit programs have made remarkable positive impact on women in all aspects of their lives (Choudhury, 2001 & 2002 :1). Taking the women entrepreneurship development program into account, an attempt has been made to make a quantitative and qualitative appraisal of the impact of different programs and policies of Grameen Bank relating to micro credit operations and women entrepreneurship development in Bangladesh.

The scope of the study is limited to Grameen Bank policy about micro credit operations and measure to develop women entrepreneurship in Bangladesh. The present study covers women entrepreneurs of Pabna and Jhenaidah Zones of Bangladesh engaged in business through micro credit operations of Grameen Bank irrespective of their ownership pattern and type of enterprise. Efforts have been made to identify personal, social, economic, entrepreneurial and influencing factors which facilitate or constrain women to emerge as entrepreneurs and succeed in entrepreneurship and determine their impact on women entrepreneurship.

The research specifically covers the role of Grameen Bank in relation to micro credit operations and women entrepreneurship development to measures the policy, credit, infrastructure, training, raw material procurement, production, marketing and technological assistance with regard to women entrepreneurship on priority basis. The study also covers lifestyle and saving habits of women borrowers and the problems faced in running their business.

#### 1.5 Limitations of the Study

There are some limitations in almost all of social studies. The present study is assumed not free from limitations. Although the researcher has taken adequate precautionary measures in collecting data for the purpose of the study, yet the researcher is not complacent in the matter of reliability of those data. The researcher

has collected data through verbal interrogation and personal observation. Therefore, the data collected may not have cent percent reliability. The present study suffers from the following limitations:

(1) Due to financial problem and time constraint, the present study could not cover a large sample, although it would be better, to collect data from a large sample. With a view to reducing the volume of work and expenditure, the study was conducted in specific area. The study therefore may not adequately represent the performance of GB as a whole. There are 36 Zones in Bangladesh where GB engaged through a network of 2,319 branches. The researcher has selected Pabna and Jhenaidah Zone of Grameen Bank. Again, covering all the branches of Grameen Bank would require more men, material and money which is beyond the capacity of an individual researcher.

(2) The researcher has taken data only from some of the GB financed entrepreneurial activities to reduce the volume of work and to minimize the expenditure on men and material. This is obviously a gap, which may invite criticism. Nevertheless, considering the present circumstances, the researcher may expect a reasonable excuse for the same.

(3) The inadequacy of data in specific fields and lack of cooperation from a few women entrepreneurs have, to some extent, made the scope of research investigation limited. However, the data collected from other women entrepreneurs have possibly minimized such limitation.

(4) The poor women entrepreneurs did not maintain proper accounts and as such, they had to provide memorized information. So the respondents were asked to provide information on their present condition as well as before and after joining the program. It was difficult for the respondents to call up the past information about their condition.

(5) The respondent was reluctant in providing information about investment, dues, income, expenditure, savings and their relationship with the bank employees.

(6) There are many factors, which should be considered to evaluate the women entrepreneurial performance. It may provide a better picture if all these are considered for analysis. However, due to different reasons only the most relevant factors have been taken into consideration.

(7) The researcher has collected data only from 200 sample women entrepreneurs. If the sample size were larger in comparison with time and financial capacity of the researcher, the researcher would have to spend a long period for data collection and analysis. In that case it would be very difficult for the researcher to complete the study in time.

The limitations discussed above are very common in case of any study. However, the researcher was aware of the limitations and tried his best to minimize the probability of errors. It may be assumed that those limitations would not affect the findings of the present study. Appropriate methodology, proper research design and appropriate statistical techniques have been used to overcome many of these limitations.

## 1.6 Some Definitions

Some terms are used for the study purpose. The definition of these terms is very much essential for the study. The following discussion presents the definition of those terms.

### 1.6.1 Credit

Credit refers to loan financing which may be grant/aid in addition to loan. Moreover, credit is always to be received from somebody else. It may be individuals or institutions (Murray, 1956). Credit is a borrowed fund, which is repayable with interest after a specific period or within the period. In our study, credit means the borrowed fund from Grameen Bank by the selected women entrepreneurs.

### 1.6.2 Micro Credit

The word "Micro credit" did not exist before the seventies. In the process, the word has been imputed to mean everything to everybody. The term "Micro credit" is used in various ways such as agricultural credit, rural credit, cooperative credit, consumer credit, credit from the savings or from credit unions and from money lenders (Yunus, 2006: 19). There is no appropriate definition of micro credit in economics. Micro credit programs provide small loans to the poor people for self-employment project that generate income and allowing them to care for themselves and their families (Micro Credit Summit, 2-4, February, 1997). It is seen that the term micro credit used by the micro credit institutions, which is small size of loan. The amount of micro credit

may be TK. 1000 to TK. 10000. The micro credit institutions disburse it for self-employment for the women mostly. Access to such loans prevents people from having to pay extortionate payments to moneylenders and thereby alleviates poverty and prompts income generation and broad –based economic growth (Wright *et al.* 1997).

### 1.6.3 Borrower

Borrower means a person who is a member of Grameen Bank by way of taking loan from it. The person may be men or women. In the present study, the women who have less than 0.50 acre of own land and become a member of Grameen Bank are regarded as borrowers.

### 1.6.4 Entrepreneur

The terms 'entrepreneur' has been taken from the French word "entreprendre" which means, "to undertake" (Ganguly, *et al.* 1977: 2). In the early 16<sup>th</sup> century, it was applied to those who were engaged in military expeditions. (Cochran, 1965: 25-37). In the 17<sup>th</sup> century, the meaning of entrepreneur was extended to cover civil engineering activities such as construction and fortification (Cochran, 1950: 304-307). It was only in the beginning of the 18<sup>th</sup> century, Richard Cantillon, a renowned economist, an Irish man living in France, was the first who introduced the term 'entrepreneur' and his risk-bearing function in economics. He defined entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future (Cantillon, 1755).

Since then, the term 'entrepreneur' is used in various ways and various views. Generally, a person who takes risk or has the capability of taking risk for developing or establishing new ventures is an entrepreneur. According to Webster's Dictionary the word "entrepreneur" means an organizer, owns, manages and assess the risk of a business.

McClelland define an entrepreneur as some one who exercises some control over the means of production and produces more than what he can consume in order to sell (or exchange) it for individual or house hold income (McClelland, 1971: 114).



Schumpeter is the only one who has produced a theory of economic development in which the role of innovating entrepreneur is clear and prominent. The Schumpeterian entrepreneur is an innovator, whose essential function is to carry out "new combination" of the means of production (Schumpeter, 1969: 74-75).

Entrepreneurs are as those individuals who successfully conceive of new ventures, organize and start them and manage them through their initial struggle for survival (Charles and Tucker 1973: 6). Udey Pareek and Manohar Nodkarni, define entrepreneur as same way. They defined 'entrepreneur' as a man who initiates and establishes an economic activity or enterprise is an entrepreneur (Udey and Nodkarni, 1978).

According to Evans (1949: 336), "Entrepreneurs are persons who take initiative, organize, manage and control the affairs of a business to supply goods and services, whether the business pertains to agriculture, industry, trade or profession".

Haggen (1982) described entrepreneurial functions in terms of creating opportunities for investment and production, establishing an organization capable of introducing new product process, accumulation of capital, collection of new materials, innovating new production technique and new products, searching for new sources of raw materials and above all selection of an efficient manager to run the day to day affairs of the organization.

Habibullah (1976) viewed that entrepreneur is not automatically born. They are to be developed, and they are developed in a society, where socio-economic conditions are favorable to their growth. Economic incentives and favorable economic environment can be regarded as a sufficient condition for the emergence of entrepreneurs. The appropriate support sustaining activities can facilitate the growth of entrepreneurs. Needless to say, that an entrepreneur has an important role in the economic development of a country. A country may have the abundant resources but the problem is to put those resources into the production process. This can only be made possible the through initiative taken by some individuals who are known as entrepreneurs. Their duties are to identify economic opportunities of resources, marshal resources to pursue those opportunities and combine the activities necessary to exploit them for productive purpose (Rahman, 1995)

Different authors have defined entrepreneur differently. The commonest definition of an entrepreneur is a person who organizes, manages and takes the risk of running an enterprise. Thus, an entrepreneur can be defined as a person who tries to create something new, organize production and undertake risks and handles economic uncertainty involved in enterprise. For the purpose of the present study entrepreneurs are defined as those poor women who take initiative for small business like Processing & Manufacturing, Agriculture & Forestry, Livestock & Fisheries, Services, Trading, Shop Keeping and Peddling by taking loan from Grameen Bank.

#### 1.6.5 Entrepreneurship

Entrepreneurship is considered as the task of an entrepreneur. Entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. A person, who initiates, plans, guides and controls a business is known as an entrepreneur. The whole job of doing this initiating, planning, guiding and controlling are called entrepreneurship or organization (Ahmed, 1998). An entrepreneur creates the force of change and utilizes the same in accelerating the socio-economic value addition of a country, through resources utilization, employment generation, capital accumulation and industrialization (Rahman, et al. 1979).

In a conference on Entrepreneurship held in United States, the term 'Entrepreneurship' was defined as "Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to function (Kao and Stevenson, 1984).

According to Schumpeter, "Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions" (Schumpeter, 1949).

In the opinion of A. H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services" (Cole, 1959: 44).

Ronstadt put it in a different way. He states "entrepreneurship is the process of creating wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment of providing value for some products and services. The product and service may or may not be new or unique but the entrepreneur must somehow infuse value by securing and allocating the necessary skill and resources (Ronstadt, 1984: 28).

Thus, Entrepreneurship is a function of an entrepreneur like, process to start an enterprise, creating something new, organization, management, risk taking, resource mobilization, employment generation, income generation, capital mobilization, creating wealth and so on.

#### 1.6.6 Women Entrepreneur

Women entrepreneurs may be defined as women or group of women who initiate, organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called "women entrepreneurs".

Thus, women entrepreneurs are those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risk and handle economic uncertainty involved in running a business enterprise. For the purpose of the present study women entrepreneurs are defined as a poor women who take initiative for small business like Processing & Manufacturing, Agriculture & Forestry, Livestock & Fisheries, Services, Trading, Shop Keeping and Peddling by taking loan from Grameen Bank.

#### 1.7 Chapter Plan

##### Chapter : I

Introduction chapter presents statement of the problem, rationale for the study, objectives of the study, scope of the study, limitations of the study, definitions and followed by chapter plan.

##### Chapter : II

This chapter covers the review of literature on micro credit and entrepreneurship development in Bangladesh.

### Chapter : III

Methodology chapter describes the research design which covers types and course of data, selection of study area and the respondents, methods of data collection, sample procedure, data analysis techniques and reliability of data.

### Chapter : IV

This chapter assesses the rationale of micro credit operations of Grameen Bank. A detailed account of social development program, economic development program, old system of Grameen Bank, Grameen generalized system, micro credit operation policy and expansion of the bank is given in this chapter. Besides, details amount of loan disbursed, recovery and growth of the borrowers from 1998 to 2007 are also presented in this chapter.

### Chapter : V

In this chapter, an attempt is made to show the socio-economic background of the entrepreneurs, motivational factor to enter into entrepreneurship.

### Chapter : VI

Assessment of entrepreneurial activities are made in this chapter. Experience of entrepreneur; sources of their capital, time spent in getting loan, sources of raw materials, income etc. are provided in the chapter.

### Chapter : VII

This chapter attempts to evaluate women entrepreneurship using correlation and multiple linear regression.

### Chapter : VIII

This chapter covers the problems faced by the women entrepreneurs as well as the bank officials.

### Chapter : IX

The summary of the findings are presented in this chapter. It contains some suggestions which should be helpful in improving the scope of women entrepreneurship.

## CHAPTER II

### REVIEW OF LITERATURE

#### 2.1 Introduction

Existing literature shows that micro credit can play a vital role in all spheres of development especially, in women entrepreneurship development. The financial institutions as well as Grameen Bank provide constant support to such development process. Micro credit operations is a novel scheme introduced by the Grameen Bank for the women entrepreneurs in Bangladesh. Literature on entrepreneurship development particularly on micro credit operations and women entrepreneurship development is limited. Therefore, this field has attracted the attention of the researchers. The present chapter attempts to review some of the important literatures relevant to the present study.

#### 2.2 Review of Related Literature

Anjum (1996) conducted a study to evaluate the background of entrepreneurs. Entrepreneur's background includes entrepreneurs' educational level, age, family background and desire. In his study found that most of the entrepreneurs are under graduate, business oriented family background, starting age 21 to 40 and willing to perform entrepreneurial jobs. He also found that entrepreneurs who come from business background have lower level of education, and who come from government service group has higher level of education and educated entrepreneurs are coming forward to take the initiatives. He suggested need to providing necessary environment and other facilities for the entrepreneurship development. He opines that training and counseling to the entrepreneur will be the more effective for entrepreneurship development.

Rahman, Al-Arif & Nuruzzaman (2004) made an attempt to identify the role of entrepreneurship in the process of industrialization and economic development of Bangladesh. They highlighted that entrepreneurship development; industrialization and economic development were complementary to each other in the development process. They pointed out that economic development of Bangladesh depends on the development of entrepreneurship, especially from the employment generation, and the generation of employment can be possible by establishing industries along

with agricultural activities, and industrialization depends upon the adequate supply of efficient and trained entrepreneurs and entrepreneurship development depends on the active participation of the Government and other institutions. They suggested that the new entrants may be encouraged to adopt entrepreneurship as a profession and among the prospective entrepreneurs; Government may offer the various incentives from time to time.

Rahman (2003) conducted a study on Rajshahi Kristi Unnayan Bank (RAKUB) and found that, RAKUB has mainly six collateral free micro credit/ poverty alleviation programs. These are (1) Swanirvar Credit Program (2) United Nations Credit Development Fund (3) Pilot Employment Generation Program for Rural Poor Women and Women Artisans (4) Women Entrepreneurship Development Program (5) Marginal and Small Farm Systems Crop Intensification Program and (6) RAKUB Self-help Credit Program. The study seeks to evaluate micro credit management of RAKUB. The impact of the different programs reveals that the clients had better clothing, food, shelter, education and health during post loan situation compared to that in pre-loan situation. Poverty alleviation has been easier and clients are more self-reliant. He found that the rural poor are interested to have loan for processing agricultural produces, horticulture and forestry, fisheries and livestock, rural trading, tailoring, weaving, preparation of bamboo cane products, poultry farming, small trading, rural transport, rice husking etc. He showed that the micro credit program of RAKUB is highly satisfactory in terms of recovery rate. The study is based mainly on the official records, statements, circulars and bulleting of RAKUB available in its head office. However, the studies do not provide any suggestions.

Moyeen & Huq (1994), in their study included a comprehensive literature review, followed by a survey to assess the nature of business, management skills, educational and occupational influences, demographic information and business problems of urban female entrepreneurs in the Dhaka metropolitan area. In this study, they found that majority of female entrepreneurs grew up in an upper-middle to upper class environments and the spouses of the women entrepreneurs were involved in business. Most of the women entrepreneurs started business in the service sector, only a few were engaged in manufacturing and none of the business was based on product innovation or product modification. The women entrepreneurs themselves made all major business decisions and they were skilled dealing with

people and idea generation. They also found that lack of business and financial training, lack of special business education, lack of education and experience, obtaining credit and personal problems are the major setbacks during startup of business. The other problem of the female entrepreneurs was the shortage of competent staff and attracting customers.

Mohiuddin, Moniruzzaman and Mahmood (1998) made an attempt through the study to assess the profile of small rural women entrepreneurs. In their study they found that, relatively young women and women having fewer children are more interested in starting business venture. Majority of the women entrepreneurs have been motivated to start their business mainly to gain more money and to have better economic condition. Trained women entrepreneurs are generating more income than untrained women entrepreneurs are. The study also found that inadequate credit supply, marketing problems, credit installment, institutional support services, lack of training, religion and social customs, marital and family problems etc. inhibit rural women entrepreneurship development. They suggested that young women should be targeted and trained and extension of existing credit limit to TK. 50,000 and installment period, marketing promotional activities, new channel of distribution for marketing, post training support facilities etc. should be utilized to overcome the inhibited problems in the way of developing women entrepreneurship.

Sultana, Rashid and Murshed (2004) conducted a study to measure the contributions of rural women to family income in farm and non-farm activities to determine the level of their participation in various family decisions and to identify the factors influencing the level of family income. They observed that women had relatively higher freedom in making farm decisions regarding post harvest operations; homestead gardening and rearing livestock and poultry. The overall women's participation rate in family and social affairs decisions was higher in high-income household than in medium and low-income households respectively. The study reveals that in participating farm and non-farm activities the most severe problem faced by the women was low salary and lack of capital. Low efficiency, lack of training, physical weakness and social attitude were also reported as serious problems. They suggested that training and credit facilities should be offered to rural women to improve and utilize their skill and efficiency. Discrimination in wages for male and female should be removed through intervention by the government and non-government organizations.

Saleh (1995), in his study showed that majority of the women entrepreneurs enter into business for increasing their income level although desire type of business and family reason are the strongest incitement for setting up business by women. It is observed that inadequate cash flow, obtaining adequate fund, problems of marketing goods and services and discriminated treatment from banks and other supportive service agencies were the major obstacles to women entrepreneurship development in Bangladesh. Majority of the women entrepreneurs depend heavily upon their business as their primary source of income. Although all the respondents received training, it was not much useful since the training was too general, theoretical and conceptual. The author also observed that majority of the women entrepreneurs had no business experience. The researchers suggested that special counseling should be provided to the women entrepreneurs by the supportive agencies that could help them to overcome the issues of adequate cash flow and marketing of the goods and services. Women entrepreneurs should be provided the need of adequate fund, more practical and need-oriented training, appropriate support services and fair treatment from bank and other supportive agencies for women entrepreneurship development in Bangladesh. Emphasis should be given on the improvement of personal capabilities and motivations of the women entrepreneurs. He also opined that the women entrepreneurs are influenced in engaging small business and self-employment by creating supportive environment.

Saha (1995), in her study pointed out that government and financial institutions should have special schemes for urban women entrepreneurs since employment opportunities for the educated women are decreasing. The author made an attempt to identify the possibilities of getting Bank loan, problem faced in getting Bank loan and the Bankers' limitations in granting loans to the women entrepreneurs on preferential terms and conditions. The author observed that the women entrepreneurs of Dhaka city are overall educated. She identified in her study those existing women entrepreneurs in the urban areas of the country are broadly classified into two groups. One elite women entrepreneurs emerging mainly from the business circle, who are highly connected in the government financial market and are not constrained to the access of support services presently existent in the country and another self-emerged group for whom these services are beyond reach due to lack of collateral, lack of knowledge about banking procedure and maltreatment by bank officials. The study revealed that the existing socio-economic, cultural, political



and legal environment is adversely affecting the emergence and success of female entrepreneurs. Most of the entrepreneurs have come with traditional product like tailoring, embroidery, handicraft etc. As a result, they are facing acute competition in the market. She gave suggestion to provide support services like Bank-loan, land-allotment, power, gas, telephone connections and enterprise registration procedures etc. She also proposed that special credit schemes without collateral up to certain limit and overall attitude of the bank officials towards women entrepreneurs are to be modified and ensured to accessibility of women in the banking services specially in providing credit services.

Rahman (1995), in his study on "Bank Credit for women entrepreneurship development in Bangladesh" showed that women entrepreneurs were suffering from some problems like personal guarantee, lack of knowledge about institutional credit facilities, complicated and lengthy procedures for loan disbursement, difficulties in providing collateral and problem of confidence. He recommended that women entrepreneurship development courses should be introduced at all levels of education system, training the emerging new women entrepreneurs before sanctioning loan and providing financial support and assistance by the financial institutions for developing training institutions in private sector for the development of women entrepreneurship. He suggested that government project should be designed and undertaken to develop trainers and limit of collateral free loan should be extended up to taka five lac. He also suggested undertaking a special project named "Entrepreneurship Development Training Program" for the promotion of women entrepreneurship in Bangladesh.

Karim (1995), in her study presented the background, obstacles and present status of the women entrepreneurship in Bangladesh. The researcher found that government and non-government organization has taken various programs to bring women entrepreneurs under the fold of credit, yet the credit extended so far is inadequate in terms of loan size as well as volume. She observed that shortage of working capital, excessive competition, excessive debt, excessive risk, lack of collateral, lack of awareness about credit sources, lack of knowledge about the loan procedure, lack of spouse's permission, distance of credit sources are the main constraints of women entrepreneurs in Bangladesh. The author recommended that separate credit facility and marketing system, designing and ensuring supply of credit, other complementary support services, collateral free special credit scheme

without husband's consent, special and separate credit fund allocation and establishment of a separate bank for women in Bangladesh. The attitude of the bank officials towards women entrepreneurs should also be changed through motivation and training.

Hossain (1999), in his study found that Grameen Bank has achieved a remarkable success in terms of physical expansion, disbursement and recovery of loans and generating rural savings. Grameen Bank credit programs have substantially improved the socio-economic conditions, employment, income, health and hygienic, housing and social status of its borrowers. However, the Grameen Bank is not as much cost effective as the borrowers expect. He suggested that it should increase the volume of housing loan and the average loan size so that they can cross the poverty line within a shorter period.

Saha, Siddique and Chowdhury (2001), in their paper discusses the issue of women entrepreneurship development in different dimensions, existing policies/programs and organizations for developing women entrepreneurs, the role and activities of bank etc. It also identifies some major issues and problems in developing women entrepreneurs and their family. They revealed that many enterprises, starting well, met immature death subsequently, because of lack of non-financial entrepreneurial development services. Without establishing or ensuring other influencing factors, bank finance alone cannot ensure the development of women entrepreneurs and without entrepreneurship, development for overall economic growth is not possible. The authors put forward a good number of recommendations:

- 1) A strong reinforcing interaction between the operation of banks and other micro credit giving agencies should exist for sustainable entrepreneurship development, specially for women;
- 2) Collateral free women friendly special credit schemes should be introduced by banks;
- 3) Programs and projects should be taken from experiences in the developed world, to assess their replicability in our countries;

- 4) Adequate training and counseling service should be provided to financial institutions and entrepreneurs and appropriate research, monitoring and evaluation and its impact assessment must be undertaken;
- 5) Our national policy and program should be directed towards supporting and encouraging the potential female entrepreneurs through introducing different incentive packages.

Momen and Rahman (1990) opined that insufficiency and absence of stimulatory, supportive and sustaining services were seriously hindering the process of entrepreneurship development in Bangladesh. Their study is based on sample survey of the entrepreneurs operating in the industrial investment venture within the radius of 35 kms from the Dhaka city. The study presented the factors determining the entrepreneurship development in the country indicated the measures, the success of entrepreneurs and evaluated the correlation between different factors and the success of entrepreneurship. Even some of the services that were offered then, were not working well because they were not offered in a package form. The author showed the negative correlation between investment and success and pointed out that the cause was attributed to the small market, high overhead cost, high rate of interest on borrowed funds, and capacity utilization induced by small market. The author showed that inadequate government effort for identifying potential entrepreneurs, inadequacy of incentives for entrepreneurial development, environmental difficulties for survival of the enterprises and poor assistance offered by the different agencies were the problem of entrepreneurship development in Bangladesh. Bank assistance in feasibility study, project preparation, selecting machinery etc. did not help much in entrepreneur's success. The success of an entrepreneur depends more on non-bank assistance, most of which was from own sources. Bangladesh can do better if it puts emphasis on less capital intensive, labour oriented, improved indigenous technology based industries.

Anwar (1992) conducted a study to assess the enterprise profitability and sustainability of a group of women entrepreneurs supported by non-government organizations (NGO's) and identifying the main factors constraining the performance of the entrepreneurs. He found that social norms restricting women's mobility and her "double" responsibility as a homemaker and a businessperson are the main

constraints for women to sustain their entrepreneurial activity. A number of other factors relating to planning and management capacity, training, credit and market condition could be identified which affect the sustainability of the small-scale enterprise. He recommended the need for providing non-financial assistance beyond credit, such as management and marketing technology to enable the women to extend their enterprise. The management module oriented towards income generation and enterprise development in combination with business skills, group dynamics and leadership should be developed. Management training should distinguish the difference between individual and group based enterprises. There is a need to design two level program of entrepreneurship management for women. The first level should include social management and the basics of management, which would be translated to women who have had little experience in a market economy. The second level or the advance module should include the complex management issues and be offered to women who are willing to invest in higher return but possibly risky commercial enterprise. He also recommended that careful monitoring and evaluation is needed to assess the significance of training and designing the overall management package for rural women entrepreneurs of Bangladesh.

Khan (1980), in his study examined 67 rejected loan applications submitted to BSCIC for financial accommodation. The author identified that marketing problem, did not comply with the priority list, already sufficient capacity in the area, due to developed area, product not attractive, service type of industry, high import liability and due to incomplete application were the main causes of refused institutional loans to small entrepreneurs. The author recommended that effective entrepreneurial training covering all the aspect of product development, market development, financial techniques, use of funds, procurement and maintenance of equipments, development of skills motivation etc. should be given before a man is allowed to start an enterprise. Simple but effective pre-investment counseling should be given to the entrepreneurs making them knowledgeable regarding the filling up of an application, submission of support papers and documents, identifying industrial sector, unit, location, size, machinery and equipments etc The potential entrepreneurs should practically help in preparing a bankable project which the financing agencies will find economically viable and commercially profitable.

Rahman (1981), in his study examines the potentiality of entrepreneurship in Bangladesh and also to identify problems in the growth. He observed from the recent studies that the potentialities are great, but only appropriate opportunities and congenial environment can prove how rapidly such potentialities can be converted into the realities of developing small industries. Many enthusiastic entrepreneurs could not develop themselves as stable ones due to lack of needed promotional package assistance. Existing enterprises are found to be operated in many cases below capacity level due to non-availability of adequate raw materials and other support assistance. Absence of clear-cut policy decisions, lack of adequate financial support, lack of awareness of the facilities and incentives, lack of intensive campaign, lack of training facilities, lack of institutional arrangement for providing training, absence of integrated package assistance were the major problems of entrepreneurship development.

He suggested that entrepreneurial development program must be carefully designed and the course content should include the knowledge of entrepreneurial motivation, essentials of management techniques and practices. Fundamentals of a project feasibility study, organizing and operating a business are some practical training to accelerate rural entrepreneurship. Entrepreneurship development course should be incorporated in the primary, secondary, college and university education and in vocational and professional course. A specific program may be launched to accelerate rural women entrepreneurship by identifying potential entrepreneurs from different parts of the country and developing them. A task force may be formed to help the entrepreneurs in the preparation of feasibility studies, in selecting and installing machinery etc. and so on. Necessary institutional arrangement should be made to provide credit and technical and marketing services to the new entrepreneurs. Apart from these, a comprehensive followed up supervision and assistance should be provided as indicated in entrepreneurial development cycle assistance. Indeed, the role of promotional institutions would be to provide integrated package assistance so that the entrepreneurs can survive, prosper and contribute to employment generation and economic development of the country.

Rahman (1990), prepare a paper on the basis of published and unpublished materials. It is an overview of findings from empirical research on income generating projects for rural women sponsored by foreign development agencies in developing

countries. The aim of the project in making rural women self-reliant and economically solvent with the help of training and other facilities is not fulfilled. The study of existing literature on this subject found that the lack of marketing outlook and marketing efficiency is largely responsible for the failure of rural women. Moreover, low income from the activities and insufficient or irregular demand of these products are the main factors, which ultimately discharge the women from carrying out the activities. Lack of appropriate marketing program is the main cause to make this potential and novel effort a failure. The author recommended that any economic activities for rural woman should be suggested after careful consideration of the market demand and socio-economic conditions and status of the rural woman. Development of systematic marketing programs with proper product selection criteria can make these project areas successes and only market research can be helpful to increase the marketing efficiency of these projects.

Chowdhury (2002), in his study found that micro credit programs have made remarkable positive impact on the program women in all aspects of their lives. The rural women of micro credit programs women have benefited more than non-program women in matter of increase income, mobility, land ownership, literacy and education of children, health and sanitation, food intake and clothing and improvement in overall quality of life. Program participants are found to get involved more in self-employment than non-program participants do. In addition, they provide employment to male members of the family by investing loan money. It is found that mobility of program women has encouraged non-program women also to increase their mobility. Impact studies find that women are gaining greater control over household income and expenditure decisions. Several negative impacts of micro-credit programs are also seen. Paying relatively high rate of interest, therefore, the credit programs bring in additional work for women even through sharing of family work responsibilities by the other members of the family takes place to some extent.

The author suggested that micro credit programs for rural women have to continue as poverty continues. MFIs have to attain financial sustainability and consolidate gains achieved so far. There is an emerging need for innovation and diversification in delivery method and introduction of a new micro-credit program products particularly suited to the rural women.

Chowdhury (2001) in his paper provides an overview of targeted micro credit initiatives for poverty reduction by the Government, the Bank and NGO-MFIs operating in Bangladesh. It discusses about the major on-going micro-credit initiatives in the formal and semi-formal sectors. The paper brings out that the Government is playing a prominent role in development of the micro-credit sector by way of such initiatives as operating its own micro credit programs, creating micro credit support institutions, encouraging the bank to undertake their own micro credit schemes. The author observed that the proceeds of micro credit are used the borrowers for rapid income generating activities. Government and Bank programs had lower interest rates compared to MFI rates; on the other side recovery rates were the highest for the MFI programs and the lowest for the Government programs. He would find support in the following: (a) there is a substantial unmet demand. (b) Micro credit models are undergoing changes and modifications in response to demand, (c) there is a growing demand for more and better service products from the MFIs, (d) a decline in direct donor funding to MFIs, (e) there is a potential for larger involvement of commercial banks in micro credit, (f) increasing need is for transparency and industry based practices, (g) increasing felt requirement for an enabling legislation and (h) need and eagerness of the MFIs to attain institutional identity.

Bakar (1996) examines some selected special credit programs targeting women in Bangladesh. The findings reveal that weak organizational structure and poor loan supervision, low rate of return on certain activities financed by the program and high cost of credit operation are highlighted as potential constraints in expending credit to women. The author recommended that strengthening of credit delivery and recovery mechanism, group formation and extension of non-credit activities would minimize these constraints. The additional cost of strengthening non-credit activities such as training and social development activities could be recouped by reducing the large subsidy to better-off entrepreneurs who now default on their loans. Experience of NGO's should be utilized in government programs to adopt simpler procedures and format for application and for repayment of loans. Collective savings as in the case of Grameen Bank are highly desirable to act as insurance and guard against unforeseen situation. In order to improve manageability, the credit groups should be kept small.

Akter (1996) worked on the participation of rural women in micro credit programs for poverty alleviation. The analysis shows that female share in the group membership and loan disbursement in such programs increases satisfactory. But the rise in the productivity is not so satisfactory due to lack of technologically higher productive activities, limited marketing facilities, small amount of investment, lack of education and training, lack of information and they engaged mostly low return activities due to socio-cultural constraints. Their average net return is much lower than that of their male counterparts. The present study also identifies the lack of empirical evidence regarding the changes in wages rates and the gender dimension of such changes due to women focused micro credit programs. The author recommended that marketing facilities, productivity of women activities through technological innovation, education and training facilities should be increased for the poor women at a satisfactory level. But the studies on credit programs are inadequate to draw a clear conclusion regarding this issue.

Ahmed (1987) opines that entrepreneurs are indispensable for the development of our economy. The lack of entrepreneurs with right attitude is responsible for our slow-growing economy. According to this view, it is the entrepreneurs who promote enterprises where jobs are created, goods and services are produced. He does not believe that the people of Bangladesh are neither innovators nor risk takers. On the contrary, he observed that there are quite a good number of persons in the country who are risk taking and innovative. He argued that our national policy had not been able to attract the people with right attitude to emerge as entrepreneur. He also mentions that entrepreneurship was hindered due to our social attitude discouraged towards entrepreneurship. Now a good number of highly educated young men have come forward to take up business as a career. The attitude of new generation is changing from old generation. The new generation seems to be more dynamic, courageous and challenging. Although the old generation want to remain in trading business, which is less risky, but the new generation want to be innovative in more challenging manufacturing business. He emphasized that training is essential for entrepreneurship development. For this training to entrepreneurs, it is necessary to train the trainers of entrepreneurs and give loan to those entrepreneurs who pose the right attitude towards entrepreneurship.



Farouk (1987) observed that lack of government policy to encourage competition and protection of industry, inadequate infrastructure facilities, absence of proper industrial policy and license were the main obstacles to industrial and entrepreneurship development although young entrepreneurs of Bangladesh have all the qualities needed for quick industrialization of the country. He opine that loan needed not be concession, but money is lent them on usual terms for small venture, it should be collected regularly; seem to be right steps in the direction of entrepreneurship development. He suggested that train the entrepreneurs, provide necessary financial assistance in small business, maintenance the law and order and the building of infrastructures are the necessary conditions for entrepreneurship development.

Khondkar (1992), in her study on "Entrepreneurship Development and Economic Growth: the Bangladesh case" mentioned that entrepreneurship is one of the essential factors for economic development of a country. It is not enough for a country to have land, labour, capital and natural resources. A nation needs the talent, ability and drive of the entrepreneurs to turn these resources into productive and profitable enterprises. To stimulate entrepreneurship in a country is influenced by its social, cultural, environmental, motivational factor and the educational backgrounds of its people and appropriate organizational support. He argued that entrepreneurship development in Bangladesh is in infant stage and very little care has been taken and a small amount of money has been spent on entrepreneurship development in this country. However nationalized commercial banks and other financial institutes of the country are undertaking schemes and training programs with a view to promoting entrepreneurship in the small-scale industries. To developed entrepreneurship, she suggested the following;

- 1) Prospective entrepreneurs must be motivated to overcome two major deficiencies prevalent in our traditional society i.e. fatalism about their own destiny and lack of orientation towards the future.
- 2) The attitude and behavior patterns of individual should be changed.
- 3) The government needs to take clear-cut policy decision regarding entrepreneurship of self-employment.

- 4) The government should consider the point of availability of required labour while designing program to assist the entrepreneurs.
- 5) Use of local technology should be encouraged.
- 6) The potential entrepreneurs should be identified, selected and given a well-coordinated assistance in a package form.
- 7) Arrangement should be made to provide necessary training to potential entrepreneurs.
- 8) Establishment of small enterprises introducing more machine operations and utilizing labour that is more skilled should be encouraged.
- 9) The government should assure essential support consisting financial, technical as well as physical facilities and services.
- 10) The government should provide internal security, maintain law and order, ensure enforcement of contracts and provide efficient administrative machinery to support industrial operations, give fiscal, tax incentives and maintain a sound and stable currency.

Habibullah (1987) mentioned training as an effective tool for entrepreneurship development in Bangladesh. He believed that Bangladesh has many entrepreneurial timbers. Young men with potentiality can be groomed as entrepreneurs if favorable environment is created and necessary incentives are provided. He observed that previous experience in trade; industry and service were the most significant factors of entrepreneurship development. Successful entrepreneurs of Bangladesh are hard working, trustworthy, alert, careful and smart in taking advantage of the opportunities created in 1947 and 1971. He studied the attitude of bureaucrats, politicians. Union representatives and social leaders and strive to show such attitude were conducive to entrepreneurship development in the country. Their tactics of changing their political allegiance to parties in power for enjoying political patronage and economic concessions show intelligence. It is not necessary to develop all the entrepreneurial qualities in one individual. He hinted that the entrepreneurial quality is not hereditary. Entrepreneurial quality like self-confidence, self-control, and competitiveness develops early in life and can be changed through training and learning.

Solaiman (1996) conducted research on a sample of 100 rural women entrepreneurs in Chittagong District of Bangladesh and found that lack of adequate information and marketing skills, inadequate fund and instability of government policy were the major causes behind unhealthy growth of rural women entrepreneurship. He suggested introducing formal and informal educational institutions like a 'Center for Rural Women Entrepreneurship Development' for the women entrepreneurs and training them, which would enhance their skills. He also suggested to ensure necessary financial assistance and simplified red-tapism of bank officials for the development of women entrepreneurship in Bangladesh. The study covered a limited area, which could not give a complete idea of the problem.

Khan and Khatun (1994), in their study mentioned that huge market, skilled labour force and vast capital were required for establishing large-scale industry in a country, which was inadequate in Bangladesh. For this reasons, they proposed in their study small-scale industries as an alternative avenue to employ its huge under utilized or unemployed labour force. They observed that the traditional financial institutions were not suitable for small-scale industrial financing of the country. Bank for Small Industries and Commerce (BASIC) and Micro Industries Development Assistant and Services (MIDAS) were the two specialized small-scale industrial financing institution in the country, which were not adequate for small-scale industrial financing. Therefore, they suggested establishing more financial institutions that are specialized for small-scale industries, which would accelerate the development of small-scale industries of Bangladesh. Government should also take initiative for establishing a separate cell in traditional financial institutions for providing necessary assistance for small-scale industries. They opined that BSRS, BSB, NCB's, FCB's, PCB's and leasing companies should come forward for financing small-scale industry development in the country.

Chowdhury and Shahid (1993) in their study viewed that small-scale industries could create employment opportunities for the large number of unemployed and under employed people of the country through bank finance. They observed that, the problems of transport and communication, inadequate supply of power, fuel, water and electricity, anomalies in the tariff structure for raw materials and finished goods, delay in sanctioning loans, inadequate amount of loans, inadequate monitoring and supervision by banks and repayment of loan installment before commercial

production of a unit were the major hindrances to the way of fostering growth of small-scale industries in Bangladesh. They recommended that taking appropriate policies in respect of importing machinery, raw materials, improvement of infrastructure facilities, appropriate technology to improve quality of small-scale industries (SSIs) products and proper marketing of SSI products both in domestic and foreign markets, They also recommended for strengthening entrepreneurship development programs of BSCIC, Chambers of Commerce and Industries and other organizations of the country.

Chowdhury and Nurunnahar (1993) conducted a study on crafts women engaged in different crafts drawn from Comilla and Noakhali District. Only who initiated their enterprises by their own effort are considered as sample crafts women. However, the crafts women engaged in hereditary occupation were excluded from the study. In this study, the author tried to identify factors responsible for emergence of rural women as entrepreneurs and the problem faced by the women entrepreneurs and assess the socio-economic impact of entrepreneurship on their life. They observed that illiterate and less educated women prefer the bamboo and cane work and paper packet making but the other women like sewing garments making and embroidery work. Most of the women emerged as entrepreneurs because of the compulsion to find out some sources for their living and they gathered initial experience about the craft either from their families or from neighborhood. Majority of the women entrepreneurs controlled their income and a few of their husbands controlled their income. The other also observed that some women entrepreneurs faced resistance from the villagers and neighbors and some from their husbands and husband's family at the time of setting up enterprises. Social stigma, lack of accessibility to the financial institutions and marketing of the product were also the main constraints of the women entrepreneurs.

Begum (1992) examined the potentiality of entrepreneurship development through business education in Bangladesh. In her study, she also tried to identify present policy and programmes of entrepreneurial training, its problems and future plans. She observed that existing training institutions offered the training to in-service executives rather than prospective new entrepreneurs. Running enterprises are benefited for this programme but not encourage the new enterprises activities and self-employment of the educated youth. For this reason, business education should

be made more effective to the realities of business and industry. She pointed out that people not need to be born with entrepreneurial qualities but it can also be developed and this must be the basic philosophy behind entrepreneurial development programs. Through entrepreneurial education, students should be motivated to start an industrial venture as an alternative source of employment. She recommended that short-term training program should be organized through institutional arrangement for the encouragement entrepreneurship among the educated youth, unemployed and targeted groups. Government can contribute necessary funds, if lack of funds of educational institute for this purpose. She suggested that research is needed to identify new project opportunities, which the entrepreneurs can take up without spending much time on feasibility study.

Rahman (1988) made an attempt in this paper to examine the issue how entrepreneurship education can be used in motivating the youth towards self-employment activity as a career. In this study he pointed out that unemployment problem among the youth's particularly educated ones is most crucial in our country. Of all the factors that contribute towards this situation reluctance of the graduates to take self-employment as an alternative to wage employment is most significant. From the recent studies relating to educated unemployed youth and job market in Bangladesh, he observed some interesting factors. First, the contents of education in this country have been such that the product of the system can only cater to the needs of small modern sector in the economy. Second, the present education system makes a student more dependent on the employment in government service instead of going for self-employment. Third, the growth of enrolment in various tiers of education has been quite unbalanced and in no way reflects the growth in demand for a particular category of educated manpower. Fourth, there has been nothing like manpower planning in the country. He recommended that entrepreneurship education for preparing youth for self-employment should from a part of education curriculum in our country. It should be introduced at various levels of education system. The students should be motivated and supported to start a small venture by support and sustaining assistance to become successful in their pursues. In addition, training of the trainers of entrepreneurship education, effective co-operation among the promotional agencies involved in entrepreneurship education and self-employment would play important role in achieving this objective.

Bakht (1984) attempts to evaluate the role of entrepreneurship and the factors, which have influenced its supply in the rural industries sector of Bangladesh. He observed that entrepreneurial supply situation in the rural industries sector of Bangladesh is not very satisfactory. Lack of employment opportunities in other sectors' people has forced to venture in agriculture sector into these activities, but they have not demonstrated much entrepreneurial traits. The performance of the entrepreneurs with respects to innovativeness seems least encouraging. Lack of training facilities, inadequate finance, illiteracy and low geographical mobility are the major constraints of the entrepreneurial supply although no social and religious barrier was found. Majority of the entrepreneurs seems to have their origin in either agriculture trade or rural industry. The rate of return in most rural industrial activities has been found to be rather low. He suggested attempts towards raising both entrepreneurial ability among rural people and their willingness to enter into this sector. Industrial training facilities, provision of credit, dissemination of information etc. will contribute towards raising the ability of the people to respond to opportunities.

Raqub (1990 & 1991) observed that lack of productive employment opportunities for the huge number of unemployed work force is the main cause of poverty in Bangladesh which is tremendously increasing and posing serious problem for the country. The employment opportunities in rural agriculture are seriously constrained due to the scarcity of land. The scope of potentiality of salaried and wage based job creation in the government sector and in the public and private industrial sector is very much limited. He pointed out that self-employment creation through a credit led strategy in the rural area could play a significant role in reducing the rural unemployment and acute poverty. The project oriented lending programs and policies of rural credit project department in Bangladesh could play a crucial role in creation of self-employment opportunities in the country. He also observed that the Grameen bank has been making unique contribution in the creation of productive self-employment for the poorest of the poor in the rural area of the country. The model of Grameen Bank is being imitated and replicated in a number of developed and developing countries as an effective vehicle for reduction of poverty through self-employment generation. He further pointed out that there is a crying need to innovate and develop similar institutions in order to cater to the credit needs of the multitude employment seekers both in the urban and rural areas in the country. Bangladesh

Bank can take further initiative to promote and patronize the growth of similar banking institutions like Grameen Bank. He recommended that (i) Self-employment creation rather than costlier wages employment should be given top priority in employment policies and strategies. In addition to Grameen Bank, BRACK, PROSHIKA and Swanirvar Program may also intensify and expand their credit training and extension to cover each village of Bangladesh. (ii) The vocational and training institutions at the Upazela level should be strengthened and modernized under the auspices of Youth Ministry and BSCIC to promote skill and technological knowledge among the educated unemployed youths for their gainful employment both within rural areas as well as in the urban centers also abroad. (iii) Self-employment program under Youth Ministry and other organizations should be activated and expanded with adequate credit, training and extension support. (iv) The NCB's, BKB and BRDB should take up the model and spirit of Grameen Bank to improve their performance in dispensation and realization of rural credit for employment generation in the rural areas. (v) The Small Enterprise Development Pilot Project assisted by NORAD if implemented as designed can play a significant role in rural employment generation and can set up a model for its wider replication in the country.

The study of Hossain (1984) is based on the information provided in the Monthly Statements and Annual Reports, and the primary information collected by the BIDS from 612 randomly selected loanees during 1982-83 for evaluation of the initial experience on the Grameen Bank and shows the achievement of the Grameen Bank in expanding the coverage of its credit program to poor women and analyses the performance of the women in repayment of the loan and shows the impact of GB on employment of the women and evaluates the impact of GB on productivity of women labour and income of the loanee households.

He observed that the coverage of women was faster rate than the male loanees are. The poor women have however, come forward in large numbers to take loans from the GB and engage themselves in income earning activities. They also have an excellent repayment record, better than their male counterparts do. The GB loan is generating new employment for the female. More than 80 percent of the women had no productive occupations before joining the GB. Grameen Bank has generated new employment for women, which increased the labour force participation rate in the

area of its operation. The income from activities financed by GB is about 35 percent higher for households in which both men and women members have taken loans compared to only male loanee households. With regard to clothing, health and education, the condition of the women member households is better compared to the male members. He suggested that in-depth investigations into these social and demographic aspects are needed for a full assessment of the impact of GB on women.

Ahmad (1989) prepared a research report focusing on based on the loan operation of Grameen Bank and its socio economic impact sponsored by Agrani Bank. In his study, he found that the GB intervention in the rural credit market has drastically reduced the dependence of the rural poor on the informal credit market. Occupational changes among the GB loanees in selected areas have occurred for trade and business, and domestic work. The GB credit has increased the number of income earners and helped in increasing income from the non-farm activities in the loanee households. It has increased the productive employment of the rural poor through providing loans to the poor. He also found that there is a positive relationship between the loan size and income level of the loanees. He reveals that the proportions of total expenditure on food have declined; but those on clothes, education and health have increased. Improvement in the educational achievement has observed of the GB loanees. He further reveals that the GB loan has positive impact on income, poverty eradication, productivity, level of living, educational achievement and socio economic condition in the rural Bangladesh. He pointed out that GB loan could be expanded to a wide enough scale to have a significant impact on alleviation of rural poverty of the whole nation.

Mamun, Haque & Ahmad (2002), in their paper have tried to identify the methodological aspects of replicating Grameen approach outside Bangladesh. The role of Grameen Trust in replicating Grameen Bank Financial System has been assessed in this study. The paper also tries to identify some strengths, weaknesses, threats and opportunities associated with replicated projects. They observed that GB approach has been replicated to 259 projects in 59 countries. The degree of vulnerability of the replicated projects will be a significant factor in determining their long-term success. The projects replicating GB approach have substantial strengths in increase in family income, mobilization of savings, positive social impact,



development of leadership quality among poor women and increased environmental awareness in the respective countries. The replicators of GB approach should consider threats of mishandling of the programme, corruption, governmental prohibitive regulations, politicization and adverse environmental consequences at the time of replication. Lack of trained staff, high operating cost and low interest rate is the major weakness of Grameen Bank replicated projects. They pointed out that the success of GB attracts other countries to replicate this collateral-free and group based lending proved that GB approach could be replicated out side of Bangladesh. They made the following suggestions;

- (i) The replicators should start in a small way.
- (ii) High stand of political neutrality should be maintained.
- (iii) Changes to Grameen Bank practice should be made with great care.
- (iv) Interest charged on loan has to be more than the rate of inflation.
- (v) Replicators should highlight the borrower's socio economic changes.
- (vi) Government policy should be favorable towards replication.

A study by Rahman (1999) is based both on primary and secondary data. A total of 300 entrepreneurs from 15 bank branches and 48 bank personnel were interviewed for the study from three areas of Grameen Bank. In his study, he observed that majority of the entrepreneurs fell within the age group of average 34 years. The study has revealed that 34 percent of the entrepreneurs have so far received help from their husbands for building up their occupational carrier as entrepreneurs. After the utilization of GB loan, the financial conditions of the entrepreneurs have improved. The financial assistance made by the bank not only results in creating a positive impact on generating additional employment opportunities and increasing the earning capacity of the rural entrepreneurs but also supports to help cross the poverty line. After using the bank credit, the standard of living, income, and expenditures of the entrepreneurs have increased. The recovery performance of loans is very satisfactory. The results of correlation and regression analysis implied that expansion of business, innovation, new line of business, employment generation and technological changes were significant positive correlated and highly dependent with income respectively. Shortage of capital, inadequate working capital, disorganized and poor marketing facilities, lack of education and training, natural calamities and

under developed infrastructural facilities was the major problems of entrepreneurship development. On the other hand, the bank officials stated that social customs and religious barriers, illiteracy of the respondents, poor managerial and technical skill of the entrepreneurs, diversion of loan for unproductive purposes, overlapping, political influence, interference of the village moneylenders, paucity of work force, natural calamities and poverty sometimes create problems for the smooth functioning of the bank's loan disbursement and realization activities. He made the following suggestions;

- 1) The required amount of loan should be disbursed accordingly for the expansion of business. The credit limit should be adequate enough to the short and long-term financial requirements of the loanees.
- 2) The GB may sometimes arrange exhibition to extend the market for processing and manufacturing products. The best producer should be rewarded with prize so that others may be encouraged.
- 3) The GB may extend short-term seasonal financial support against pledge of the products so that the entrepreneur's may not sell their crops just after harvesting period.
- 4) The entrepreneurs should be provided with sufficient informal training to improve their skills to take care of their poultry and fisheries.
- 5) The GB may arrange adult education centers like some other NGOs and practical need-based training should be provided to the entrepreneurs to innovate new ideas.
- 6) Sound credit supervision system should be imposed to solve the problem of diversion of fund and improper utilization of money.
- 7) To save the entrepreneurs from natural calamities GB will provide crop insurance, poultry insurance, dairy insurance and other manufacturing and processing products insurance, and services insurance to protect the entrepreneurs against natural calamities and hazards.

- 8) Number of bank officials should be increased to cope with the increasing volume of works.
- 9) The Government should take necessary initiative to improve the infrastructural facilities such as communication, electricity and utility services.
- 10) Entrepreneurship courses may be introduced in the informal educational institutions in Bangladesh, so that unprivileged women and men are exposed to possibilities of job creators instead of job seekers.

Majumder (2004), in his study reveals that farming is the dominant factor for rural entrepreneurship development. Most of the rural entrepreneurs' family background is farming. The study shows that most of the rural entrepreneurs are of local origin, Muslims and the founders of the enterprises themselves. Sixty three percent opined that training programme is more useful to them. Eighty three percent of entrepreneurs have no relation with the education and the nature of business and 44 percent with the occupational background and the nature of business. Rural entrepreneurs of Bangladesh are most interested in locating their enterprises in the home or near about place whether the place is suitable. Market demand of product is the first reason for choosing a particular product line and margin of profit is second. Most of the rural entrepreneurs are self-motivated and have taken training before starting the enterprises and the enterprises are sole proprietorship. He observed that the financial parameters prepared by BKB officials are based on wrong assumptions. So they did not reflect the realistic field situations. The rural entrepreneurs face different problems like delay disbursement of loan, absence of pragmatic attitude in evaluating proposed agro based industrial projects, improper interference in the selecting machinery and poor follow up activities of BKB officials. The agro based industrial projects are delay implemented and delay income generated and also heavy cost of burden by the entrepreneurs. Total time taken from application to disbursement of loan is 28.8 months. As a result entrepreneurs have taken loan from other sources like moneylenders, friends and relatives etc. The rural entrepreneurs feel difficulties for obtaining loan, such as too much formality, late disposal of loan, waiting for a long time after submitting the application, lack of co-operation of bank officials and lack of proper knowledge about project. Eighty five per cent entrepreneurs have utilized the loan amount for the proposed purpose. Lacks of

proper supervising and monitoring, the rural entrepreneurs have taken opportunities to divert the loan amount for other purpose. The study reveals that the average total capital of the enterprises is TK. 19 lac and average employee size 19 persons. The manufacturing sector is creating highest employment generation.

He made the following suggestions and recommendations;

- 1) BKB should follow integrated and specific procedure for identification of potential rural entrepreneurs.
- 2) The procedures of sanctioning loan should be simplified and the delay in processing loan should be reduced and the specific time limit of loan processing should be fixed.
- 3) Banks should not insisted collateral security for working capital loans to rural entrepreneurs.
- 4) The interest rate should be reduced and the repayment period of loans to working capital should be extended.
- 5) To establish Rural Entrepreneurship Development Institution (REDI) in each Thana to provide well designed training program for the rural entrepreneurs and training may be imparted to the owners and workers in rural business management.
- 6) The Government should take necessary initiative to improve the infrastructure facilities such as communication, electricity and utility services and reduce the cost of electricity and utility services.
- 7) Government should stop smuggling goods in the market and the import of foreign products should be restricted in view of promoting rural entrepreneurs.
- 8) A high power advisory committee on rural entrepreneurship development should be set up with the representatives of all the agencies involved in the development.
- 9) Annual fair and exhibition of products can be arranged in regional, national and international levels.

- 10) Rural entrepreneurs should be offered integrated package assistance to be successful and sustaining.
- 11) BkB borrowed capital, entrepreneurs own capital and their educational qualification should be increased for the increasing of net profit margin, sale volume and employment generation.
- 12) The rural entrepreneurs should be encouraged to register their enterprises for designing any effective policy.
- 3) Rural entrepreneurs should be organized together for the exchange of ideas regarding different problems faced by them.

### 2.3 Conclusion

In Bangladesh, there is a growing interest in the subject of women entrepreneurship in the wake of rapid socio-economic change. Entrepreneurship development helps to increase income and to create employment generation. From the study of previous related literature and research work review it can be stated that much progress has been made on the research on entrepreneurship in Bangladesh on different aspects. These are financial assistance of entrepreneurship, problems of entrepreneurship, environment of entrepreneurship, entrepreneurship training, socio-economic background of entrepreneurs, entrepreneurship and economic development, entrepreneurship development and education, impact on government policies of entrepreneurship etc. These are almost concerning development of entrepreneurship in general. Grameen Bank has introduced micro credit operation for the women entrepreneurs. A few studies have been made on the various aspects of the Grameen Bank and women entrepreneurship in Bangladesh, but no study has been conducted on micro credit operations of Grameen Bank and women entrepreneurship development in Bangladesh.

## CHAPTER III

### METHODOLOGY

#### 3.1 Introduction

The present study, based on primary and secondary data, is empirical in nature. The main objective of the study is to analyze the development of women entrepreneurship through micro credit operations of Grameen Bank in Bangladesh. Research design, types and sources of data, selection of study areas, selections of respondents, methods of data collection, sample procedure, data analysis techniques and reliability of the data have been discussed in this chapter. The data analysis techniques such as descriptive analysis which includes the percentage, mean, compare mean, standard deviation, ratio analysis and graph etc. were followed and multiple correlation and multiple linear regression techniques are done for empirical analysis.

#### 3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Claire, Selltitz and others, 1962: 50). In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. Research methodology, on the other hand, is a way to systematically solve the research problem. It may be understood, as a science of studying how research is done scientifically (Kothari, 2006: 8). The methodology of the study in social science demands a specific procedure of work from the researcher. The research work in social science branch perhaps requires a well-defined approach. All this means that it is necessary for the researcher to design his methodology for his research problem as the same may differ from problem to problem. In this section, researcher tries to follow the appropriate methodology to obtain the necessary primary and secondary data and analyze them in the light of the desired objectives of the study.

There are several methods of collecting data for conducting socio-economic research. For instance, for the collection of data most important and popular method like the interview method, observation method, desk method, case study method,

historical method, Library work method and statistical method may be mentioned. More than two of such methods may be combined together to form the basis of the study to be conducted. In this study, the researcher has followed a combination of Library Work Method, interview method and observation method. All these methods have been followed primarily to have knowledge about the selected samples and areas of the study and to get the first hand information from the respondents. The observation method has been adopted to verify the authenticity of the answers to the questions given by the respondents.

### 3.3 Types and Sources of Data

The source of data can be of two types such as primary source and secondary source. When data is collected from the specific person(s) or actual situation, it is called primary source. On the other hand, in a study various documents are used as secondary source. Both the primary and secondary data were used for the purpose of the study. The necessary primary data have been collected through a field survey of the selected women entrepreneurs and the GB officials. The secondary data have been obtained from the head office and sample branches of the study areas of GB. Moreover, related books, journals and publications of the GB, government, non-government and international organization were used for collecting secondary data. Different types of data and their source are discussed under the following heads.

#### 3.3.1 Primary Data

The women entrepreneurs are the major primary source in this study. The primary data were collected through two sets of questionnaire. One set of questionnaire was used for the selected women entrepreneurs related to personal information, socio-economic background, micro credit operation, production activities, marketing activities, economic activities, supporting activities of GB and so on. On the other hand, another set of questionnaire was used for the GB officials, relating to micro credit operation policy and supporting activities of GB about women entrepreneurship development. To collect the necessary primary data thorough a field survey, an elaborate interview schedule was designed in Bangla. The English version of the interview schedule has been presented in Appendices. During the survey, 200 women entrepreneurs and 10 bank officials were interviewed. The women entrepreneurs were interviewed directly by the researcher at the weekly meeting or

individually. The GB officials were interviewed through questionnaire filled by the respective bank officials.

### 3.3.2 Secondary Data

The secondary data have been taken from the publication of government, Bangladesh Bank, GB Head Office, official records of sample branches, related books and journals. Moreover, data have been collected from the web site of various national and international organizations.

#### 3.3.2.1 Publications of Government

The government publication such as different Five-Year Plans, Annual Development Plans, Economic Surveys and Statistical Yearbooks etc. were used as the source of secondary data for the study. The data were also taken from the sources related to the entrepreneurship development program of the government and the role of GB in this respect set by the government. The data have been gathered from the different publications of the government about micro credit operation policy and incentives provided for GB by the government.

#### 3.3.2.2 Publications of Bangladesh Bank

Different publications such as annual reports, annual accounts, bulletins, bank statistics, various circulars and office orders of the Bangladesh Bank were used as the source of secondary data.

#### 3.3.2.3 Publications of Grameen Bank

Collection of information has been made possible by conducting and examining annual reports, circulars and various publications relating to the women entrepreneurship development program from GB Head Office for the purpose of the study. The data relating to the loan disbursement, recovery, economic and social development program undertaken by the GB for women entrepreneurship development have also been collected for the study.

#### 3.3.2.4 Official Records of Sample Branches

Official records of sample branches are also used to obtain detailed information concerning the formulation of policy, management and strategies of GB. The name of the women entrepreneurs, name of the centers, center number, amount of loan



sanction, loan disbursement, Micro credit operation, repayment records etc. have been collected from the selected GB branches.

#### 3.3.2.5 Web Site

The data that could not be collected from the above sources have been obtained through web site. The data relating to the women entrepreneurship development activities of different GO's and NGO's have been collected through web site.

#### 3.4 Selection of Study Area

Grameen Bank is a large organization engaged in micro credit operation. To collect primary data, selection of study area is indispensable. Pabna and Jhenaidah Zones have been selected out of 36 Zones of Grameen Bank in consultation with the high official of Grameen Bank for obtaining the most representative data. Among the branches of Pabna and Jhenaidah Zones four branches have been selected for our study. Two branches from each Zone and five centers from each branch have been selected for the purpose of the study. In order to select the branches and centers, in most cases old branches and centers have been selected in consultation with the Zonal Managers for obtaining the most representative data. Name of branches, center numbers and members of our selected areas are shown in table-3.1

Table-3.1 Name of Selected Branches, Centers and Respondents for the Study

Name of branches	Name of centers	Center number	Total members of selected centers	Number of selected respondents	Total respondents
1. Shahpur, Pabna	1. Rup pur	22	78	10	50
	2. Baghail	28	58	10	
	3. Laxmikunda	35	33	10	
	4. Shahpur	50	48	10	
	5. Charrup pur	63	63	10	
2. Jathsakina, Pabna	1. Ahmad pur	14	56	10	50
	2. Raghunath pur	16	70	10	
	3. Horidev pur	22	62	10	
	4. Noyabari	28	64	10	
	5. Khash Amin pur	35	55	10	
3. Harinarayanpur, Jhenaidah	1. Laxmipur	6	65	10	50
	2. Purbo Afjalpur	12	70	10	
	3. Jangoli	20	70	10	
	4. Dhal nagor	35	70	10	
	5. Kusholi basha	74	56	10	
4. Barokhada, Jhenaidah	1. Jugia	5	74	10	50
	2. Gabinda pur	43	53	10	
	3. Jugia Rashta para	17	54	10	
	4. Barokhada	19	66	10	
	5. Barathi	64	56	10	
Total			1221	200	200

Source: Filed survey

It presumed that those areas would represent the whole of Bangladesh. With the consultation of Zonal Managers, a representative sample has been taken for our purpose after taking into consideration the variation in the nature and character of the branches. Moreover, easier communication facilities and nearness to the residence of the researcher have also influenced to select these areas for the study. Further, coverage of all areas of the country obviously demands more money, material and men, which an individual researcher could not afford. The selection of study area has been guided more by practical consideration than by methodological reasons. To

avoid practical constraints including time and resources, the study area is selected purposively. However, we took all possible cares and steps to insure the quality of the data for the desired objectives of the study.

### 3.5 Selection of the Respondents (Women Entrepreneurs and GB Officials)

The GB disburses its loan to the women entrepreneurs in seven broad categories of entrepreneurial activities viz. Processing & Manufacturing Sector, Agriculture & Forestry Sector, Livestock & Fisheries Sector, Services Sector, Trading Sector, Shop Keeping Sector and Peddling Sector. A total of 200 women entrepreneurs were selected from 4 GB branches, of which 30 women entrepreneurs from Processing & Manufacturing Sector, 29 women entrepreneurs from Agriculture & Forestry Sector, 61 women entrepreneurs from Livestock & Fisheries Sector, 20 women entrepreneurs from Services Sector, 33 women entrepreneurs from Shop Keeping Sector, 23 women entrepreneurs from Trading Sector and 4 women entrepreneurs from Peddling Sector. The questionnaire is designed for two categories of respondents viz. women entrepreneurs and GB Officials. Including 10 GB Officials a total of 210 respondents have been selected for the study.

Table 3.2 Selection of Women Entrepreneurs

Business Sectors	Sub sectors	Respondents	Total Respondents
1. Processing & Manufacturing Sector	1. Cloth manufacturing	8	30
	2. Handicraft	4	
	3. Timber processing	4	
	4. Rice husking	3	
	5. Quilt stitching	1	
	6. Twisting	1	
	7. Tonga (a carton made of paper) manufacturing	1	
	8. Sweet meat & curd manufacturing	3	
	9. Furniture manufacturing	3	
	10. Battery manufacturing	2	
2. Agriculture & Forestry Sector	1. Banana cultivation	5	29
	2. Paddy / Rice cultivation	14	
	3. Betel leaf cultivation	3	
	4. Vegetables cultivation	2	
	5. Sugar cane cultivation	2	
	6. Onion, garlic etc cultivation	3	
3. Livestock & Fisheries Sector	1. Milch cow	29	61
	2. Cow fattening	18	
	3. Poultry rearing	7	
	4. Goat rearing	2	
	5. Pisciculture	5	
4. Services Sector	1. Rural transport	3	20
	2. Village phone	2	
	3. Tailoring	5	
	4. Rickshaw van renting	6	
	5. Rickshaw van repairing	1	
	6. Power tiller	1	
	7. Tea Stall	2	
5. Shop Keeping Sector	1. Cloth ( sheet, sarry, lungy) shop	9	33
	2. Medicine shop	2	
	3. Betel leaf shop	2	
	4. Fruit shop	2	
	5. Grocery shop	16	
	6. Vegetable shop	2	
6. Trading Sector	1. Cloth ( sheet, sarry, lungy) trading	2	23
	2. Fruit trading	1	
	3. Timber trading	13	
	4. Rice trading	5	
	5. Fish trading	1	
	6. Onion, garlic etc. trading	1	
7. Peddling Sector	1. Nut peddling	2	4
	2. Vangry	1	
	3. Grocery peddling	1	
	Total Women Entrepreneurs	200	200

Source: Filed survey

Table- 3.3 Selection of Grameen Bank Officials

Category of Grameen Bank officials	Respondents	Total Respondents
1. Branch Managers	4	10
2. Area managers	4	
3. Zonal Managers	2	
Total GB Officials	10	10

Source: Filed survey

In Processing & Manufacturing Sector, women entrepreneur's are involved in 10 broad categories of entrepreneurial activities viz. Cloth Manufacturing, Handicraft, Timber Processing, Rice Husking, Quilt Stitching, Twisting, Tonga (a carton made of paper) Manufacturing, Sweet-meat & Curd Manufacturing, Furniture Manufacturing and Battery Manufacturing. In Agriculture & Forestry Sector, women entrepreneurs are involved in 6 broad categories of entrepreneurial activities viz. Banana Cultivation, Paddy/Rice Cultivation, Betel Leaf Cultivation, Vegetable Cultivation, Sugar Cane Cultivation and Onion, Garlic etc. Cultivation. In Livestock & Fisheries Sector, women entrepreneurs are involved in 5 broad categories of entrepreneurial activities viz. Milch Cow, Cow Fattening, Poultry Rearing, Goat Rearing and Pisciculture. In Services Sector, women entrepreneurs are involved in 7 broad categories of entrepreneurial activities viz. Rural Transport, Village Phone, Tailoring, Riskshaw Van Renting, Riskshaw Van Repairing, Power Tiller and Tea Stall. In Shop Keeping Sector, women entrepreneurs are involved in 6 broad categories of entrepreneurial activities viz. Cloth (seet, sarry, lungi) Shop, Medicine Shop, Betel Leaf Shop, Fruit Shop, Grocery Shop and Vegetable Shop. In Trading Sector, women entrepreneur's are involved in 6 broad categories of entrepreneurial activities viz. Cloth (seet sarry, lungi) Trading, Fruit Trading, Timber Trading, Rice Trading, Fish Trading and Onion, Garlic etc. Trading. In Peddling Sector, women entrepreneur's are involved in 3 broad categories of entrepreneurial activities viz. Nut Peddling, Vangry Peddling and Grocery Peddling. The women entrepreneurs of Manufacturing & Processing Sector are 8 in Cloth Manufacturing, 4 in Handicraft, 4 in Timber Processing, 3 in Rice Husking, 1 in Quilt Stitching, 1 in Twisting, 1 in Tonga (a carton made of paper) Manufacturing, 3 in Sweet-meat & Curd Manufacturing, 3 in Furniture Manufacturing and 2 in Battery Manufacturing. The women entrepreneurs of Agriculture & Forestry Sector are 5 in Banana Cultivation, 14 in Paddy/Rice

Cultivation, 3 in Betel Leaf Cultivation, 2 in Vegetable Cultivation, 2 in Sugar Cane Cultivation and 3 in Onion, Garlic etc. Cultivation. The women entrepreneurs of Livestock & Fisheries Sector are 29 in Milch Cow, 18 in Cow Fattening, 7 in Poultry Rearing, 2 in Goat Rearing and 5 in Pisciculture. The women entrepreneurs of Services Sector are 3 in Rural Transport, 2 in Village Phone, 5 in Tailoring, 6 in Rickshaw Van Renting, 1 in Rickshaw Van Repairing, 1 in Power Tiller and 2 in Tea Stall. The women entrepreneurs of Shop Keeping Sector are 9 in Cloth (sheet, sarri, lungy) Shop, 2 in Medicine Shop, 2 in Betel Leaf Shop, 2 in Fruit Shop, 16 in Grocery Shop and 2 in Vegetable Shop. The women entrepreneurs of Trading Sector are 2 in Cloth (sheet, sarri, lungy) Trading, 1 in Fruit Trading, 13 in Timber Trading, 5 in Rice Trading, 1 in Fish Trading and 1 in Onion, Garlic etc. Trading. The women entrepreneurs of Peddling Sector are 2 in Nut Peddling, 1 in Vangry Peddling and 1 in Grocery Peddling. Out of 10 GB Officials 4 are Branch Managers, 4 are Area Managers and 2 are Zonal Managers.

### 3.6 Methods of Data Collection

The suitable method for a particular research work depends on the source of data, time needed and quality or quantity of data. The required data for the study have been collected both from primary and secondary sources. In keeping conformity with the objectives of this study and required data, only three of all the commonly used methods have been selected by the researcher. These are Library Work Method, Interview Method and Observation Method.

#### 3.6.1 Library Work Method

The library work has been limited to only study purpose relating to different aspects of bank finance for women entrepreneurship development. The researcher has read different journals, periodicals, related books, theses to meet the objectives of the present study.

#### 3.6.2 Face to Face Interview Method

As usually, an interview is always considered pseudo conversational by nature. So it is called an oral exchange of information. It is an important method for obtaining facts, which may help us supplement personal information (Gopal, 1970: 142). Without establishing personal relationship with the respondents, required data

collection is not so possible. Therefore, the researcher has followed face-to-face interview method to establish personal contact with the respondents, as it is easy to make personal relationship with them. In this study, data have been collected from the respondents through interview schedule. Schedule is the name usually applied to a set of questions, which are asked and filled in by an interviewer in a face-to-face situation with another person (Goode and Halt: 119). Since all the respondents are female and female members are reluctant to come before an unknown person or outsider, the researcher himself has collected data by employing a pre-tested interview schedule, to make sure the reliability of data. Initially two sets of interview schedules are prepared in the light of the objectives of the study. A pilot study was carried out in various villages under Pabna and Jhenaidah Zones in order to test the suitability and reliability of the interview schedule drafted. The pilot study was carried out through interviewing 20 women entrepreneurs during the month of March 2007. When the pilot study was over, the interview schedule was again modified in the light of practical difficulties and inconveniences. In addition, the researcher has also consulted with the bank officials, academicians and resource persons before finalizing the interview schedule. Women entrepreneurs were initially suspicious about the purpose of the study but the researcher was able to convince them by expounded the purpose of interview, gave the assurance of confidentiality and sought their spontaneous co-operation.

### 3.6.3 Observation Method

The observation method is the most common method especially in studies relating to behavioral science. Observation method is also considered as one of the most important methods in collecting data. This is a specific process of scientific investigation for collecting necessary information by the observer (Stay and Margaret, 1970: 51). Observation becomes a scientific method of data collection for researcher, when it is systematically planned and recorded and is subject to checks and controls on validity and reliability. Under the observation method, the information is sought by way of investigator's own direct observation without asking the respondents. The success of this method depends largely upon the experience and capacity of the researcher. Therefore, the researcher is expected to record the relevant data as soon as those come to his notice. For this purpose, a notebook is maintained to take note of some pertinent information from the very beginning of the

study. Information revealed through observation has been noted down in the notebook. Further, the researcher has visited many villages to meet the prospective women entrepreneurs as well as the women entrepreneurs who have taken loan from different branches of GB. Experience obtained during the interview of women entrepreneurs on their life, culture, character, behavior and attitude has been recorded in brief in the note book. The researcher has also observed the activities of the women entrepreneurs and their dealings with the bank officials. It has helped to collect a lot of related information, which would not be possible through the prepared questionnaire. Information gained through notebook has also helped to verify the answer of the question given by the respondents.

### 3.7 Sample Procedure

Two types of sampling have been adopted in this study such as purposive sampling and simple random sampling.

#### 3.7.1 Purposive Sampling

To collect primary data from the women entrepreneurs, only five centers have been selected from each selected branch of GB. Twenty centers have been selected from four selected GB branches through purposive sampling in consultation with the Zonal Manager for obtaining the most representative data. On the contrary, women entrepreneurs with experience not more than two years from GB have been excluded from the list.

#### 3.7.2 Simple Random Sampling

The selection of respondents is based on random sampling technique. Data were collected through interviews with the selected GB members covering information on socio-economic background of the member's households, their credit history, income and investment. To obtain the most representative data, at first, the researcher has collected the name and address of the women entrepreneurs from the selected centers. Then the researcher has selected 10 women entrepreneurs from each center as respondents through simple random sampling. In this way, 200 women entrepreneurs were selected from 20 centers.



### 3.8 Procedure

For collecting data, written permission was taken from the Head Office of GB. Data were collected from two branches of each Zone and also from the Head Office of GB. Data were collected during the period of July to December 2007 by the researcher himself. Data were collected individually from each of the interviewers. The collected data were thoroughly checked by the researcher to find out the data gap. Then the researcher himself tabulated the raw data. Before tabulation, code plan was prepared and data were transferred into code sheet.

### 3.9 Data Analysis Technique

The collected data from both the primary and secondary sources are carefully tabulated, processed and analyzed under the proper statistical tools and techniques, considering the nature of data collected and keeping in view the objectives of the present study. The descriptive and empirical analysis is done by SPSS (Statistical Package for Social Sciences) to meet the objectives of the study. The descriptive analysis like percentage, mean, compare mean, standard deviation, ratio and graph is used for analyzing the women entrepreneur's profiles, socio-economic influencing factor, entrepreneurial activities, evaluation of micro credit operation policies of Grameen Bank and changes in life style and savings of women entrepreneurs. The empirical analysis like multiple correlation and multiple linear regression is used for the study.

### 3.10 Selection of Variables

The correlation and regression analysis is done for identifying the influencing factors in explaining entrepreneurship development of women entrepreneurs. In this study, multiple correlations are done for determining the relationships between or among the dependent with independent variables. Multiple linear regressions are used for evaluating the factors affecting in entrepreneurship development of women entrepreneurs in the selected areas. Four components have been chosen to identify the determinants of entrepreneurship development such as present total capital, present monthly income, employment generation and present borrowed capital. Each component has been measured by 1 to 5 points-scale ranging from zero to maximum achievement and the aggregate number of each component is called entrepreneurship development. The nine independent variables

are selected for the study such as; age of respondents ( $X_1$ ), education of respondents ( $X_2$ ), husband's education ( $X_3$ ), husband's occupation ( $X_4$ ), number of family member ( $X_5$ ), number of children ( $X_6$ ), family structure ( $X_7$ ), involvement in GB (year) ( $X_8$ ) and experience in business ( $X_9$ ).

### 3.11 Reliability of the Data

The accuracy and correctness of outcome of any study depends on the reliability of obtained data. Reliability of data, on the contrary, depends on honesty, impartiality and sincerity of the researcher. The reliability of data also relies on the actual observation and proper analysis. Socio-cultural norms and values, belief, customs etc. are different from society to society and that is why data collected from the individuals may vary from the real situation. Therefore, the measure of reliability also varies from observation to observation, and from time to time. From the very outset, the researcher is careful about the reliability of the data, which have been collected and used for the purpose of the study.

When the researcher collects the primary data, the researcher has adopted cautions about the errors that usually occurs during the time of the interview. All pre-cautionary measures have been taken to minimize the chances of errors in such cases. The interview schedules have been designed in such a manner that mainly to verify the authenticity of those items that have been filled up through verbal interrogation.

From the very beginning of the study, the researcher maintains a note book to note down the information revealed through the observation of the women entrepreneurs and other related persons has further helped the researcher to go through cross-checking on the primary data.

The secondary data has been used for the study purpose, which is pointed out earlier. The secondary data have been obtained from the published annual reports of the GB, official records of selected branches of GB, government and non-government financial institutions and Bangladesh Bank. The governments bodies accept and use some of those data normally. These may be considered as reliable for the study purpose.

## CHAPTER IV

### GRAMEEN BANK AND PROGRAMS FOR WOMEN ENTREPRENEURSHIP

#### 4.1 Introduction

The Grameen Bank, the world famous innovative micro credit institution created and being operated under the dynamic and committed leadership of professor Md. Yunus for the poor particularly poor women in the rural area of the country. The main objective of the Grameen Bank is to extend credit facilities to 'poor men and women' for creating opportunities for self-employment for the vast unutilized and underutilized manpower resources (Yunus, 1982, p-9). The Grameen Bank was set up to organize the rural poor women through micro credit program. Micro credit programs provide scope for employment and income generation to program women. A large portion of the rural program women have benefited significantly from participation in the micro credit programs of Bangladesh (Choudhury, 2001 & 2002, p-28)

#### 4.2 A Brief Discussion of Grameen Bank

A Brief discussion of Grameen Bank has included historical background, objectives, sixteen decisions, management and supervision unit, organizational structure and organizational chart of Grameen Bank. Grameen Bank was briefly discussed in the following sections.

##### 4.2.1 Historical Background of Grameen Bank

Grameen Bank is the pioneering micro credit organization. It is a rural bank in Bangladesh that provides credit to the rural poor, who own less than 0.50 acre of land or whose assets do not exceed the value of one acre of medium quality land. It was established to challenge the existing system of collateral based financing. It serves the landless poor who are not covered by the traditional collateral based banking system and helps them to establish micro-enterprises for self-employment in order to lift them out of poverty.

In 1974, a terrible famine gripped Bangladesh and skeleton like people began to flood into the capital Dhaka. This caused Professor Yunus to feel empty inside. He used to get excited about teaching how economic theories provided answers to economic problems of all types. But what were the uses of theories when all around

him, people were dying of starvation. So Professor Muhammad Yunus, Head of the Rural Economics Program at the University of Chittagong, decided to take a 'worm's eye view' of local village Jobra adjacent to Chittagong University. One day he met Sufia Begum, working to weave bamboo stools, morning to night whilst living in utter destitution. The next day, he had made a list of forty-two people in Jobra like Sufia and lent them TK. 856. But it was only a personal and emotional solution. He feels to need provide institutional solution. Then he initiate as an action research project to examine the possibility of designing a credit delivery system. The program was launched in 1976 with the cooperation of Janata Bank. The action research demonstrated its strength some of the neighboring villages of Jobra during 1976-1979. The initial success of Jobra and some neighboring villages made Muhammad Yunus pursue Deputy Governor of Bangladesh Bank and Managing Directors of several banks to visit Jobra. After visiting Jobra, they decided that the experience of Jobra could be extended and given more formal support from the banking system. With the sponsorship of Bangladesh Bank and support of the nationalized commercial banks and Bangladesh Krishi Bank, the project was extended to Tangail District in 1979. With the initial success in Tangail, the project was extended to Dhaka, Rangpur and Patuakhali Districts in 1982.

Finally, Grameen Bank was established as a body corporate under the Grameen Bank Ordinance 1983 with a authorized capital of TK. 100 million and a paid up capital of TK. 30 million. At the end of 2007, its authorized capital was TK. 500 million and paid up capital was TK. 318 million. (GB, Annual Report, 2007: 58.) Grameen Bank is a specialized bank owned by the rural poor borrowers who are mostly women. Initially they owned 40 percent of the shares. Of the remaining, 40 percent were owned by the Government, 10 percent by Sonali Bank and 10 percent by Bangladesh Krishi Bank (Rahman, 1999: 67). At the end of 2007, the members of the Grameen Bank hold 94.34 percent shares whose men members were 4.28 percent and women members were 90.06 percent. Of the remaining, 3.78 percent was held by the Government of Bangladesh, 0.94 percent by Sonali Bank and 0.94 percent by Bangladesh Krishi Bank. (GB, Annual Report, 2007: 71) In 1995, GB decided not to receive any more donor funds. Since then, it has not asked for any fresh funds from donors. Last installment of donor fund, which was in the pipeline, was received in 1998.

Grameen Bank attracts other countries to replicate this collateral-free, group. based lending. Grameen Bank Replication Project is the largest of all programs at present. Under this program, Grameen Trust supports and promotes Grameen Bank Replication Projects all over the world. Now GB approach has been replicated to 259 projects in 59 countries.

Grameen Bank operates its activities through Branch Offices. Zonal and Area Offices supervise the Branch Offices and Head Office co-operates, co-ordinates and guides the Zonal, Area and Branch Offices.

#### 4.2.2 Objectives of Grameen Bank

The origin of Grameen Bank can be traced back to 1976 when Professor Muhammad Yunus, Head of the Rural Economics Program at the University of Chittagong, launched an action research project to examine the possibility a credit delivery system to provide banking services targeted at the rural poor. The Grameen Bank initiated its micro credit operations with the following objectives: (A Short History of Grameen Bank. Access on 18/03/2008 Available at <http://www.grameen.com>)

1. To extend banking facilities to poor men and women;
2. To eliminate the exploitation of the poor by moneylenders;
3. To create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh;
4. To bring the disadvantaged, mostly the women from the poorest households, within the fold of an organizational format which; they can understand and manage by themselves; and
5. To reverse the age-old vicious circle of "low income, low saving & low investment" into virtuous circle of "low income, injection of credit, investment, more income, more savings, more investment, more income".

#### 4.2.3 The Sixteen Decisions of Grameen Bank

The "Sixteen Decisions" are the integral part of Grameen Bank. The borrowers of Grameen Bank were engaged in a series of weeklong intensive dialogues at the village-level to reflect on their lives during a five-year period, 1980-84. Some of these

dialogues generated “decisions”, which are circulated among others who did not get a chance to participate in the dialogues. There were four decisions in 1980. In subsequent years, more decisions added. In 1984, it stopped at sixteen, to give more attention to implementation of these decisions, rather than adding more. The decisions covered many subjects, but gave high priority to health. These are mentioned below: (Yunus, 2007: p. 45)

1. The four principles of Grameen Bank-- Discipline, Unity, Courage and Hard work- we shall follow and advance in all walks of our lives.
2. We shall bring prosperity to our families.
3. We shall not live in dilapidated house. We shall repair our houses and work towards constructing new houses as soon as possible.
4. We shall grow vegetables all the year round. We shall eat plenty of them and sell the surplus.
5. During the plantation seasons, we shall plant as many seedlings as possible.
6. We shall plan to keep our families small. We shall minimize our expenditures. We shall look after our health.
7. We shall educate our children and ensure that they can earn to pay for their education.
8. We shall always keep our children and the environment clean.
9. We shall build use pit latrines.
10. We shall boil water before drinking or use alum to purify it. We shall use pitcher filter to remove arsenic,
11. We shall not take any dowry at our sons’ weddings; neither shall we give any dowry in our daughter weddings. We shall keep the center free from the curse of dowry. We shall not practice child marriage.
12. We shall not inflict any injustice on anyone; neither shall we allow anyone to do so.

#### 4.2.4.2 Area Office

An Area Office is constituted by six staff such as a Area Manager, a Program Officer, a Senior Assistant, a Typist, a Driver and a Peon-cum-guard. (Fuglesang, *et al.* 1993: p. 57). An Area Office supervises about 10 to 15 branch offices in turn. Usually, an Area Office is located in a small town and it serves an approximate area of 400 square miles. Both the Area Manager and Program Officer, use motorcycle for transportation, which is purchased by the officer himself through loan from GB. They are very intensively engaged in supervising Branch Offices and their centers. A Program Officer supervises around eight Branch Offices well. The Area Office approves loan proposals based on the recommendation of the Branch Manager. The officers of the Area Office also consolidate or control accounts, statistics and other data before forwarding to the Zonal Office. Trainers who are posted to the Area Offices are often participating in the work. All Area Officers and Program Officers were Branch Managers formerly and therefore they know the ins and outs of the operations in the villages. Areas Managers are authorized to handle all decisions for their areas, but they are free to consult the Zonal Manager in case of need for advice. Grameen Bank has granted the high level of autonomy to the field units by characteristic. The Area Office is managed by itself. It is accountable to the Zonal Office for its reporting procedures. At the end of 2007, 257 Area Offices were at work.

#### 4.2.4.3 Zonal Office

The Zonal Office is the Head Office for a zone, which makes all administrative decisions except major disciplinary actions against any staff. It supervises twelve area offices. The zonal office is located in the district town and has one vehicle for transportation. Thirty nine Zonal Offices are covering all the districts in Bangladesh located in Chittagong, Tangail, Rangpur, Manikganj, Patuakhali, Bogra, Sylhet, Rajshahi, Dinajpur, Faridpur, Comilla, Mymensingh, Munshiganj, Khulna, Noakhali, Jamalpur, Nilphamari, Hobiganj, Pabna, Barisal, Jhenaidah, Cox's bazar, Gaibandha, Noagaon, Jessore, Chandpur, Kishoreganj, Bhola, Rangamati, Gazipur, Madaripur, Thakurgaon, Perojpur, Sunamganj, Feni, Narsingdi, Kurigram, Netrokona and Sirajganj. (GB, Annual Report 2007: p. 16)

The Zonal Offices are highly independent, almost autonomous units. A Zonal Office has a staff around thirty-five- a Zonal Manager, a Principal Officer, nine Senior Officers, three Officers, seven Senior Assistants, seven bank workers, two Typists, two Drivers and three Peon-cum-drivers. A Zonal Manager works in close contact with the Area Managers who all attend management meetings once or twice every month in his office.

#### 4.2.4.4 Head Office

The Head Office is the central unit of Grameen Bank. It is located in the capital city Dhaka. The whole administrative tires are controlled by the Board of Directors as stipulated in the Grameen Bank Ordinance of 1983. A Chairman, a Managing Director and Ten Directors- six are appointed by the government constitute the Board of Directors and four are from the borrowers/shareholders. But in the spirit of empowerment, this number of representative has been changed. Now, the government nominates only three directors while nine others represent the landless, all of which are women. Thus, the landless have a majority vote in the Board of Directors. According to the Grameen Bank Ordinance revised in 1986 and 1990 fifty percent of shareholders would be women but in reality, female members hold 92 percent of the shares. Moreover, women may not transfer their shares to men, but the opposite is allowed. (Fuglesang, *et al.* 1993: p. 58). The Board of Directors executes and supervises the whole affairs of the bank through a high-powered Managing Director who is assisted by a host of Deputy Managing Directors, General Managers and Deputy General Managers. The Deputy Managing Director, or General Manager or Deputy General Manager is assisted by a number of staff and officers represented by different service departments or sections (Rahman, 1999: p. 77).

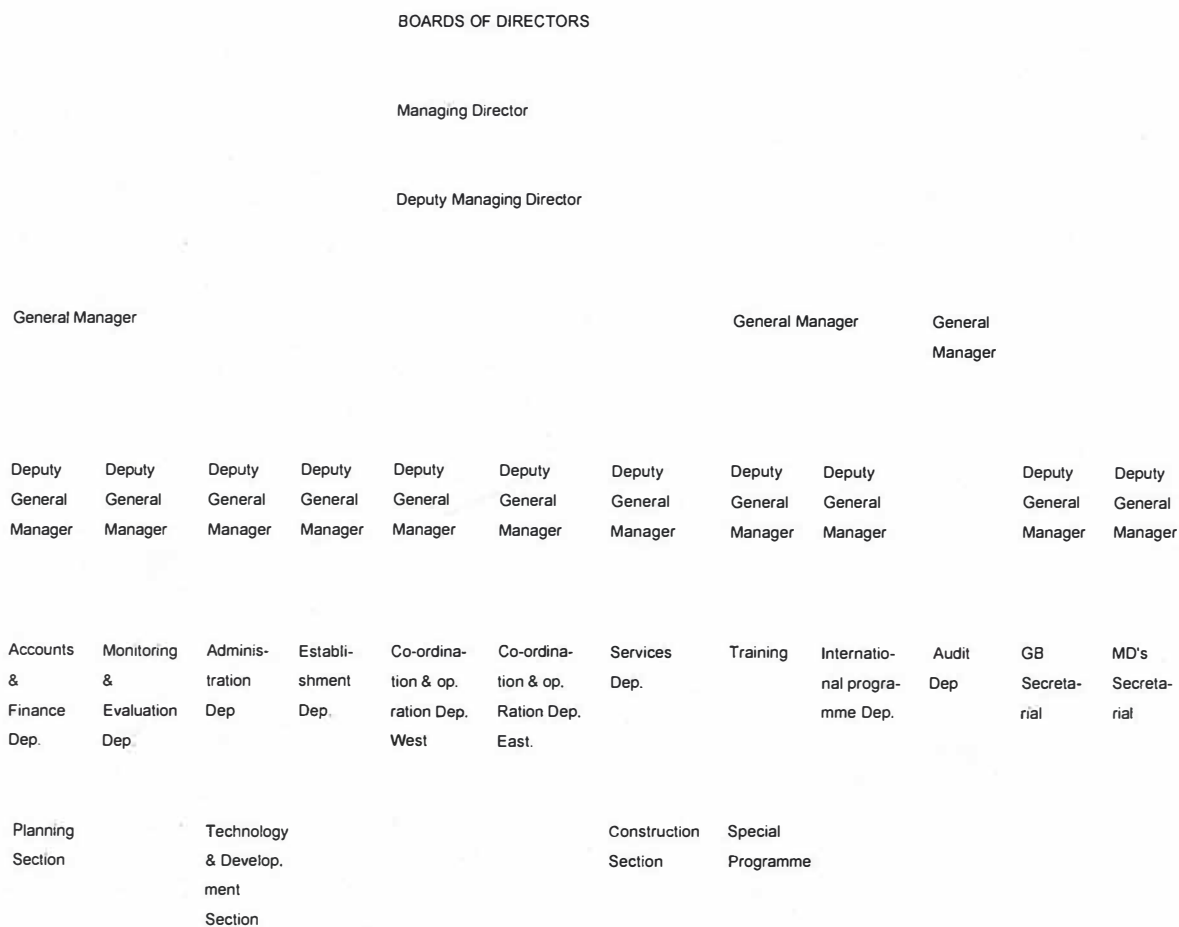


## 4.2.5 Organizational Structure of Grameen Bank

Unit	Number	Organizational structure	Responsibilities
Head office (Located at Mirpur-2, Dhaka)	1	Chairman and directors; 13 Government; 3 Managing Director; 1 Elected Landless Borrowers Share Holders; 9	Policy and decision making, link with government organization.
Zonal office	18	Zonal Manager; 1 Principal Officer; 1 Senior Officer; 9 Officer; 3 Senior Assistant; 8 Bank Worker; 7 Typist; 2 Driver; 2 Peon Cum Guard ; 3	Supervise 12 area offices, Account supervision, Loan Approval and Development activities.
Area office	125	Area Manager; 1 Program Officer; 1 Senior Assistant; 1 Typist; 1 Driver; 1 Peon Cum Guard ; 1	Supervise 10-15 branches, loan approval, trains officers.
Branches	1735	Branch Manager; 1 Second Officer ; 1 Center Manager ; 6 Peon Cum Guard ; 1	Lowest Administrative unit: Supervises about 60 centers.
Centers	99502	Center Chief; 1 Deputy Center Chief; 1 (honorary) Elected by the chairman and secretary of the groups for one year.	Work as the core of all Grameen Bank activities and has (2-8) groups. Loan dispensation and recovery are made at the weekly meeting presence of all members is obligatory
Groups	877142	Chairman ;1 Secretary; 1 (honorary) Elected by the concerned group members for one year.	5 members in each group work as the collateral of loan to the members.

Source: Grameen Bank : Grameen Bank Diary-2004, (Dhaka : Grameen Bank, 2004), np

## 4.2.6 Organizational Chart of Grameen Bank



## 4.3 Micro Credit Operation Policy

Grameen Bank organized the rural poor through micro credit program. Methods and techniques of micro credit operations are discussed in this section. Performances of micro credit operations are also discussed in this section.

### 4.3.1 Group Formation

The poor people who own not more than half an acre of cultivable land and whose total assets do not exceed the market value of one acre of medium quality land in the area is eligible for being a member of a group. The bank encouraged the landless to form groups by five members who are not the member of the same household, have similar socio economic status, equal bargaining strength, enjoy mutual trust and confidence, and live in the same village. Relatives are not allowed to join the same group. If other persons of a family want to join the bank, they must join the different groups in the center. Men and women constitute separate group.

Each group elects a chairperson and a secretary for one year only. They can not be re-elected until all other members hold these positions. The group chairperson is responsible for the discipline in the group. Members conduct their business with the bank through chairperson at weekly meetings. All members are obliged to attend these meetings and to be fully aware of the rules governing the activities and procedures of the group. The Grameen Bank's group formation comprises a training program of seven days, orientating the members concerning the rules and regulations of the bank, assisting them to learn by heart the sixteen decisions and instructing them how to write their names (Chowdhury, 2006: 69). Emphases are also given to weekly savings and regular attendance at weekly meetings during the training period. Although, the minimum group-training period is seven days, there is no upper limit of this period. More often two weeks are required but in some cases it may continue for a few months.

When a new group is formed, it is kept under close observation for a month or two by bank workers and other staff to see if the members are conforming to the discipline of Grameen Bank. In the first stage, only two of them are eligible for receiving a loan and they are observed for a month or two. If they pay their installments regularly, then the other two members become eligible for the loan. At last, the group chairperson of a group will receive her or his loan. Because of these restrictions, there is substantial group pressure to keep individual records clear. In this sense, the collective responsibility of the group serves as the collateral on the loan.

The group makes decisions on all bank matters on a consensus basis. The chairperson voices the group consensus at the center meetings as spokesman. Initially, loans were given to individuals, but this procedure quickly proved itself uncontrollable for bank staff. Then the idea of peer control was introduced and groups of ten or more were organized. However, these were found too large to be effective. The necessary self-discipline did not emerge and the meetings became clumsy to conduct. At the end, through trial and error, the bank has settled on a group of five members (Fuglesang, *et al.* 1993: p. 44). A member may leave the group at any time by fully repaying her loan. If a member leaves without repaying the entire loan, the responsibility for paying the balance falls to the remaining group members. Any person may join the group if the existing group members unanimously agree and the person fulfills the qualifying criteria set by the bank.

It is observed from the table A-1 that up to 1998, the number of group formed by GB is 486,870. In 2007, this figure stood 1,168,840. It represents an increase of 140.07 percent from 1998 to 2007. The average numbers of group formed by the GB from 1998 to 2007 was 689,740 and the average growth rate of groups was 10.66 percent. The highest growth rate was 28.03 percent in 2005 and lowest growth rate was 0.33 percent in 2001.

#### 4.3.2 Center Formation

Grameen Bank conducted its all activities by forming center. It is usually composed of eight small groups (Chowdhury, 2006: 81). Under a center, the entire member dwells in the same villages. Each center has a "Center Chief" and a "Deputy Center Chief". The group chairpersons of all the groups in the center elect a center chief and a deputy center chief from among themselves. The center chief and the deputy center chief shall be elected in the month of Asharh every year. They shall assume their offices on the first day of shraban (Fuglesang, *et al.* 1993: p. 261). They are elected for one year. The center chief conducts the weekly meetings. In absence of him/her, the deputy center chief takes over the responsibility.

The center chief shall ensure attendance of the group members at the meetings, payment of installments and overall discipline and order. The center chief helps the center manager to carry out his duty smoothly. Loan disbursement and loan repayment are carried out openly and publicly in the center meetings. There is no hide and seek policy in this respect. Loan sanctions are discussed at center meetings. Center chief and group chairpersons jointly monitor loan utilization on daily basis.

If a center chief remains absent from half or more of the weekly meetings held during any three consecutive months and fails to maintain discipline or acts anything against the interest of the members as well as the banks or becomes a defaulter at any time, the post of the center chief shall be declared vacant. In such cases, a new center chief shall be elected to replace him.

It is observed from the table A-1 that up to 1998, the number of center formed by GB is 66,712. In 2007, this figure stood 136,619. It represents an increase of 104.79 percent from 1998 to 2007. The average number of Center formed by the GB from 1998 to 2007 was 85,638 and the average growth rate of Centers 8.59 percent. The highest growth rate was 22.36 percent in 2006 and lowest growth rate was 0.18 percent in 2001.

#### 4.3.3 Policy for Opening New Branches

Grameen Bank launched its policy for establishing new branches. A new branch cannot borrow from the Head Office of the bank to undertake on-lending activities. New branches will have to carry out their lending program with the money mobilized through deposit collection or loans from the Zonal Office. This must be repaid within six months. They will also have to reach break-even point within a year of operation. If this succeeds, it will become another landmark in micro credit operation.

Table-4.1 Year Wise No. of New Branch Open of Grameen Bank from 1998 to 2007

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total	Average	SD
No. of new branches	32	12	11	13	5	17	163	377	584	162	1376	138	197

Source: Grameen Bank, Annual Report from 1998 to 2007

The above table shows the year wise new branch opened by the Grameen Bank. It is seen that 1376 new branches were opened during 1998 to 2007. Here the average and SD of new branches were 138 and 197 respectively. The highest number of new branches was 584 in 2006 followed by 377 in 2005, 163 in 2004 and 162 in 2007 and the lowest was 5 in 2002 followed by 11 in 2000, 12 in 1999, 13 in 2001, 17 in 2003 and 32 in 1998.

#### 4.3.4 The Mode of Operation of Grameen Bank

A Grameen Bank branch is set up with a branch manager and a number of center managers and covers an area of about 15 to 22 villages. The manager and the workers start visiting villages to familiarize themselves with the local milieu in which they will be operating and to identify the prospective clientele, as well as explain the purpose, the functions, and the mode of operation of the bank to the local population. Groups of five prospective borrowers are formed; in the first stage, only two of them are eligible for, and receive a loan. The group is observed for a month to see if the members are conforming to the rules of the bank. Only if the first two borrowers begin to repay the principal plus interest over a period of six weeks, do the other members of the group become eligible themselves for a loan. Because of these restrictions, there is substantial group pressure to keep individual records clear. In this sense, the collective responsibility of the group serves as the collateral on the loan. (Credit delivery system. Access on 18/03/2008 Available <http://www.grameen.com/bank/cds.html>)

Loans are small, but sufficient to finance the micro-enterprises undertaken by borrowers: rice-husking, machine repairing, purchase of rickshaws, buying of milk cows, goats, cloth, pottery etc. The interest rate on all loans is 10 per cent. The repayment rate on loans is 98.90 per cent due to group pressure and self-interest, as well as the motivation of borrowers. Although mobilization of savings is also being pursued alongside the lending activities of the Grameen Bank, most of the latter's loanable funds are increasingly obtained on commercial terms from the central bank, other financial institutions, the money market, and from bilateral and multilateral and organizations.

#### 4.3.5 Micro Credit Operation Performance of Grameen Bank

Grameen Bank provides credit to the rural poor particularly poor women for their socio-economic development. The women borrowers of GB take credit to invest in seven broad categories of income generating activities such as Processing & Manufacturing Sector, Agriculture & Forestry Sector, Livestock & Fisheries Sector, Services Sector, Trading Sector, Peddling Sector and Shop Keeping Sector.

Credit disbursement and recovery performance of GB from 1998 to 2007 are shown in the table A-3. The table shows that the average of loan disbursement and recovery of GB during this period were TK. 26,654.53 million and TK. 24,131.80 million respectively. The standard deviation of loan disbursement and recovery was TK. 14,340.95 million and TK. 12,271.38 million respectively. The average rate of recovery was 92.80 percent during the period. The highest amount was disbursed in 2007 and lowest amount was disbursed in 2000, which was TK. 50,429.59 million and TK. 13,961.40 million respectively. The highest recovery rate was 108.29 percent and lowest was 78.25 percent, which were held in 1999 and 2005 respectively. The highest growth rate of loan disbursement was 52.38 percent in 2005 and lowest was -17.90 percent in 1999. The highest growth rate of recovery was 44.69 percent in 2006 and lowest was -14.24 percent in 2000. The annual loan disbursement increased from TK. 19,119.40 million in 1998 to TK. 50,429.59 million in 2007.

During 2000 to 2007 annual average outstanding and overdue loan per borrowers were TK. 525.63 million and TK. 362.75 million respectively (Table A-9). At the same time annual average outstanding loan by type were basic loan TK. 21,393.40 million, Flexible Loan TK. 1790.13 million, Housing Loan TK. 882.66 million, Others Loan TK.

300.64 million and total loan TK. 24366.82 million (Table A-10) and Overdue Loan were Basic Loan TK. 151.27 million, Flexible Loan TK. 269.79 million, Housing Loan TK. 70.77 million, Others Loan TK. 0.25 million and total loan TK. 492.08 million (Table A-11).

During this time average balance of deposits were members' deposits TK.18006.74 million, non-members' deposits TK. 10464.73 million and total deposits TK. 28471.47 million. The average percentage of total deposits over outstanding loan and loan disbursement were 107.83 percent and 78.91 percent respectively (Table A-13).

During 2002 to 2007 the average annual disbursement of Basic Loan, Flexible Loan, Housing Loan and Others Loan were TK. 34406.46 million, TK. 1171.24 million, TK. 166.94 million and TK. 241.64 million respectively and the average amount of recovery were TK. 27996.38 million, TK. 1033.49 million, TK. 469.14 million and TK. 94.80 million also. The average percentage of recovery was 78.66 percent, 120.62 percent, 290.43 percent and 94.80 percent. The highest recovery percentage was 290.43 percent in Housing Loan and lowest in 78.66 percent in Basic Loan (Table A-8).

The average loan disbursement listed under broad categories of business activities from 1998 to 2007 were Processing & Manufacturing Sector TK. 4,140.35 million, Agriculture & Forestry Sector TK. 4,232.10 million, Livestock & Fisheries Sector TK. 8,038.27 million, Services Sector TK. 1,078.35 million, Trading Sector TK. 5,140.62 million, Peddling Sector TK. 299.71 million, Shop Keeping Sector TK. 3,377.51 million and total TK. 26,306.90 million. The leading position acquired by Livestock & Fisheries Sector followed by Trading Sector, Agriculture & Forestry Sector and Processing & Manufacturing Sector and the lower were Peddling Sector followed by Services Sector and Shop Keeping Sector (Table A-4).

The average annual disbursement of Micro-enterprise loan listed under broad categories of business activities from 2001 to 2007 were Processing & Manufacturing Sector TK. 548.44 million, Agriculture & Forestry Sector TK. 285.80 million, Livestock & Fisheries Sector TK. 722.96 million, Services Sector TK. 393.55 million, Trading Sector TK. 796.22 million, Peddling Sector TK. 285.89 million and Shop Keeping Sector TK. 905.89 million. It is observed from above that the annual average highest disbursement was occurred in Shop Keeping Sector followed by Trading Sector, Livestock & Fisheries Sector and Processing & Manufacturing Sector and lowest were Agriculture & Forestry Sector followed by Peddling Sector and Services Sector (Table A-6).

The average annual loan disbursement by gender from 1998 to 2007 was women TK. 24,905.73 million and men TK. 1401.16 million. Average amount per loan were women TK. 6514.02 and men TK. 7544.12 (Table A-5). It is observed from above that priority was given to men from women to disburse the more amounts.

The average annual disbursement of Micro-enterprise loan by gender from 2001 to 2007 was women TK. 3761.57 million and men TK. 177.27 million. Average amount per loan were women TK. 20,330 and men TK. 18,749.71 (Table A-7). It is observed from above that priority was given to women from men to disburse the more amounts of Micro-enterprise loan.

The average percentage of borrowers member over total members during 1998 to 2007 were 87.89 percent (Table A-2) which was lower the average rate in 1999, 2000, 2001, 2002, 2006 and 2007 and higher the average rate was 1998, 2003, 2004 and 2005. Non-borrowing members are those who are not interested to take further loan but retain their membership in Grameen Bank. The average percentage of female member over the total member during 1998 to 2007 was 95.56 percent (Table A-2).

#### 4.3.6 Interest Rates

Government of Bangladesh has fixed interest rate for government-run micro credit programs at 11 percent at flat rate and 22 percent at declining basis. Grameen Bank has four interest rates for loans from its : 20 percent (declining basis) for income generating loans, 8 percent for housing loans, 5 percent for student loans, and 0 percent (interest-free) loans for Struggling Members (beggars). All interests are simple interest, calculated on declining balance method.

Grameen Bank also offers minimum 8.5 percent and maximum 12 percent interest rate for its deposits.

#### 4.4 Expansion of Grameen Bank

Expansion of Grameen Bank means expansion of employee, expansion of branches, villages, areas and zones, expansion of groups and centers and expansion of membership. Expansion of Grameen Bank from 1998 to 2007 is briefly discussed in this section.



#### 4.4.1 Expansion of Employee

Year-wise expansion of employees are shown in the table A-1. The table shows that up to 2002, the number of employees was 11,709 and at the end of 2007, it was 25,283. It represents that an increase of employees was 115.93 percent. From 2002 to 2007 the average growth rate of GB's employees was 17.09 percent. In 2002 to 2007, the highest growth rate of employees was 29.38 percent in 2006. Table A-1 also shows the average number of GB's employees from 2002 to 2007 were 16,487.

#### 4.4.2 Expansion of Branches, Villages, Areas and Zones.

The establishments of bank branches for the women of specific area are necessary to provide banking facilities to poor women of these areas at the right time and place. The establishment of bank branches for the women of every part of the country is the most appropriate step to make the poor women bank minded. So the bank's branch expansion policy is one of the most important factors for women entrepreneurship development. It appears therefore that rapid expansion of branch banking policy for the women is a pre-requisite for rapid women entrepreneurship development. In 1976 Grameen Bank started its function in one village in one district, but the program has been spread in 61 districts covering 80,678 villages by December 2007. Now the total number of branch is 2,481. Year-wise expansion of branches, villages, areas and zones are shown in the table A-1. The table shows that up to 1998, the number of Branches, Villages, Areas and Zones were 1,137, 39,045, 121 and 15 respectively. At the end of 2007, the total 2,481 branch of Grameen Bank were operations in 80,678 villages, which were supervised by the 257 Area Offices and 39 Zonal Offices. It represents that an increase of Branches, Villages, Areas and Zones was 118.21 percent, 106.63 percent, 112.40 percent and 160.00 percent respectively. From 1998 to 2007 the average growth rate of GB's Branches, Villages, Areas and Zones was 9.37 percent, 8.73 percent, 9.59 percent and 12.94 percent respectively. In 1998 to 2007, the highest growth rate of Branches was 33.66 percent, Villages was 24.29 percent, Areas was 43.37percent and Zones was 71.43 percent, which were held in 2006. Table A-1 also shows the average number of GB's Branches, Villages, Areas and Zones from 1998 to 2007 was 1,489, 50,826, 153 and 21 respectively.

#### 4.4.3 Expansion of Groups and Centers

It is observed from the table A-1 that up to 1998, the number of Groups and Centers formed by GB was 486,870 and 66,712 respectively. In 2007, this figure stood 1,168,840 and 136,619. It represents an increase of 140.07 percent and 104.79 percent from 1998 to 2007. The average number of Groups and Centers formed by the GB from 1998 to 2007 was 689,740 and 85,638 and the average growth rate of Groups and Centers was 10.66 percent and 8.59 percent respectively. The highest growth rate of Groups was 28.03 percent in 2005 and lowest growth rate was 0.33 percent in 2001. The highest growth rate of Centers was 22.36 percent in 2006 and lowest growth rate was 0.18 percent in 2001.

#### 4.4.4 Expansion of Membership

Table A-2 shows the year wise growth rate of member of Grameen Bank from 1998 to 2007. It is seen that up to 1998, the total members of Grameen Bank were 2,368,347 of which female members were 2,243,726 and male members were 124,621. At the end of 2007 the total members of Grameen Bank were 7,411,229 of which female members were 7,177,516 and male members were 233,713. It represents an increase of total member 212.93 percent, female member 219.89 percent and male member 87.54 percent, where the average growth rates were female member 15.83 percent, male member 6.59 percent and total member 14.35 percent during the ten-year period. The highest growth rate were female members 38.31 percent in 2005, male members 23.73 in 2004 and total members 37.44 percent in 2005 and lowest growth rate were female member -4.25 percent in 1999, male member -8.71 percent in 2001 and total member -0.48 percent in 1999. The SD of growth rate was female member 14.52, male member 11.43 and total member 15.02 during the period, which indicates the difference of the growth rate of members. The average of female and male members during 1998 to 2007 was 3,744,840 and 159,996 respectively. The table also shows that the average number of female members was 95.56 percent of the total members.

#### 4.5 Social Development Program

The most striking characteristic of Grameen Bank's social development program is its enlightened concern with a long-term perspective. Certainly it deals with

immediate needs, which benefit both members and the bank, but they are incorporated into an overall approach, which is educative, qualitative and responsive. The social development program of Grameen Bank comprises three main components, which distinguish the bank as a socio-economic formation rather than a strictly economic development enterprise. Generating or supporting participation differently, these components are: a Workshop Program, a Center School Program and the availability of Supplies and Skill Training.

#### 4.5.1 Workshop Program

The zonal, area or branch offices are carrying out the major responsibility for planning and implementing most workshops according to the types of workshop. The zonal office provides the essential coordinating function required among the different level in order to administer the workshops effectively. At Head Office, the Special Program Unit within the Training Department is tasked with the overall development of the workshop program at the field level. A package of seventeen different workshops focused on the borrowers takes place in each zone. Bank staff themselves on social suggests many of the ideas for these workshops, technical and economic issues faced by the members. At least another four workshops each addressed to different levels of field staff are also arranged in the zones per year. Nine percent of the workshops take place at the branch level. Normally, workshops for women take place for one to seven days while for men one to four days. Some of the major training workshops offered by the program are; the 7-day workshop, Follow-up workshops – 1 day, 1-day workshops for women, Exchange visits, Area workshop, Zonal workshops, National workshops, 4-day male workshop, 1-day workshops for men, Family workshops, A one-day Teacher's workshop, Mother and Child Gathering, Birth Attendant workshops, Mother and Girl-child workshops, A Gotcha workshop, The Cluster workshop and Skill-training workshop etc. The bank organizes these workshops in order to train its members in bank operations, nutrition, livestock and poultry care and other social aspects.

#### 4.5.2 Center School Program

Center school program is one of the best appreciation works of the bank of a long-term perspective. Starting very tentatively with a few experimental schools in Tangail in 1980, the program really got off the ground in 1982 and continued to accelerate.

The rationale for the center school is; the children are the future of their parents and the future of the bank (Fuglesang, *et al.* 1993: p. 128). In the culture of poverty, the child has a role in the economy of the family. Each child contributes to survive through her or his own work. The center school holds its classes from 0700 to 0900 in the morning or from 1700 to 1900 in the evening, six days a week. The members of the center contribute for the school's operation with the savings accumulated in their Children's Welfare Fund. The salary of the teachers is paid by the private arrangement between the teacher and the center. All classes are arranged in the center house. The banks also supply the textbooks at cost price and the bank workers give assistance and guidance when required. Parents are urged to send their children of three year to center schools. Center schools meet a very real need for the older children who have not had any opportunity for education. Many ten to twelve year old children of bank members who feel awkward about starting school so late can receive at least the first two years of primary education through the center schools. Often older children will use the center schools as a place to do their homework and receive a little extra help and encouragement. Teachers introduce dances, exercise drills, plays, games, songs and even poetry recitals. Sports competitions are an annual event in the branches or zones and prizes awarded to the best students. Prizes are also given to the center school which performs the best exercise drill. These competitions are an occasion for fun and pride and are attended by bank workers and branch managers. Visits by other field level staff are quite common. The center house and the center school quickly become the social center in people's lives.

#### 4.5.3 Supplies and Skill-training

With the many initiatives in the centers and the increasing number of joint enterprises, there is a growing demand for supplies and skill acquisition of various kinds. At first, the bank met these demands as special requests from the centers, and this continues to be the practice. The overall coordination and continued development of these program is the responsibility of the Special Program Units of the Training Department. The bank either supplies or assists the centers in obtaining supplies of items such as cement slabs for pit latrines, tube-well equipment, water

pumps, power tillers, roofing, beehives, pigeon houses, incubators, chicks and ducklings, iodized salt and alum for water purification.

Specialized Skill-training is arranged for members only when the need for it clearly emerges and the borrowers directly request it. The policy is adopted when center members are ready for it. For example, if the center invests in rice husking machinery but is not able to maintain the equipments, Grameen Bank arranges a mechanic to spend a few days for training members at their center. This type of training is handled by the center itself and the bank facilitates the arrangements. It is important to note that Grameen Bank does not pre-decide or predetermine skill training needs. But the member can easily acquire and use productively the skills people provided by the Grameen Bank.

#### 4.6 Economic Development Program

A major factor behind the low per capita income in Bangladesh is the high dependency ratio resulting from a very low participation of women in economic activities (Hossain 1984: 3). Due to non-participation of women in the economic activities, a major part of our human resources are left idle and inactive. Grameen Bank set up a set of Economic Development Program for economically strengthen the women borrowers of its.

##### 4.6.1 Group Fund

Every group member deposited one taka each week in an account called, the Group Fund Account as personal savings. The group of five on a consensus basis managed the account. Except this, the members would pay a group tax for enjoying the financial services coming to them through the group. When a group member received a loan from the bank, this obligatory deduction was made at the rate of 5 percent of the loan amount. The group tax was also deposited in the Group Fund Account (Fuglesang, *et al.* 1993: p. 103). The individual members did not have any claim for to the group tax. It was given up to the group and belonged to all members. The Group Fund was explained to the members as being their own "Little Bank". It protected them from resorting to the moneylender when they urgently needed small amount of money. Any group member could borrow from the group fund for any purpose, investment or consumption. Specifically, group fund loans were granted for a cattle shed, cloths, a niece's wedding, nobanna festival, pond registration,

medicine, cart repairing, tools for welding, bamboo groves, bamboo for ice-cream sticks, yarn purchase, goat raising, betel leaf trading, seeding purchase, and a collective enterprise in market leasing. This limited selection revealed the spectrum of the needs met by the Group Fund and that it was used for investment was quite significant. If a member left her/his group, she/he was entitled to withdraw only the personal weekly savings from the Group Fund. When a newly formed group was officially recognized, all members had to sign a declaration to that effect. If, unanimous decision, a group imposed a fine on a member for subverting discipline and the money received from the fine was deposited in the Group Fund for the benefit of all. A member could borrow from group funds as individual loan most often range from TK. 200 to TK.1000 and a group could borrow only up to half the amount of paid-up savings (Fuglesang, *et al.* 1993: p. 104). From a participatory perspective, the group fund was an exciting mechanism. It immediately allocates people a vital resource they could make use of it only through a collective decision-making process that was entirely independent of the bank. After 2000, GB does not maintain the Group Fund Account.

#### 4.6.2 Emergency Fund

The Emergency Fund was basically a solid insurance coverage for the landless in case of default, death, disability and other accidents. It also offered protection against theft and loss or damage to livestock or crops and meant as a reserve for quick access in case of major crises such as cyclones, flood or drought. It was mandatory that a borrower had to pay a fee of five taka per thousand for loans in excess of TK.1000 (Fuglesang, *et al.* 1993: p. 106). Center members would operate the Emergency Fund and they were also responsible for recommending who was entitled to an emergency fund disbursement. To make the fund operative, it requires the joint signature of the center chief, deputy center chief and the branch manager. The disbursement is made in the presence of all the center members. After 2000, the Emergency Fund is not maintained. On the contrary, the Grameen Bank maintained Loan Insurance Fund.

#### 4.6.3 Special Savings Fund

Special Saving Fund was another part of the economic development program of Grameen Bank, which was to offer the members an opportunity to move on from individual loans to joint enterprises. It was a voluntary fund and was operated at the center level. The special savings contribution money varied from one to five taka per

member per week, depending on center wishes. If the members of a center wished to start a joint enterprise such as fishpond cultivation, rice husking mill or leasing a field, they must first prove that they could save the money together for that purpose. Then the bank provided loan as the supplement of the fund. Generally, the bank extended loan up to but not more than ten times the size of the member's savings. The center collectively repaid the loan. The members of center were responsible for an equal portion of the total loan amount. The special savings fund was also called the Center Fund. After 2004, the Grameen Bank does not maintained the Special Savings Fund.

#### 4.6.4 Children's Welfare Fund

The Grameen Bank for the welfare of its member's children created the fund. It was mandatory when a borrower took her/his second loan. Members had to contribute one taka per week. The money was used for building or making arrangements for a modest schoolroom, which usually functioned as the center house too, for paying a teacher or purchasing schoolbooks at cost from Grameen Bank. Similar to the group fund, the children's welfare fund was a source of small loans, but for the specific purpose of promoting small income-generating activities among children themselves, which would aid in their continuing education (Fuglesang, *et al.* 1993: p. 107). After 2004, the Grameen Bank stops the children welfare fund.

#### 4.6.5 Individual Savings Deposits

Grameen Bank is encouraging its members to strengthen their economic condition by keeping extra income in Personal Savings Accounts. The bank mobilizes deposits on savings accounts and current accounts from member and non-member. It also offers both deposit and savings services, like any other commercial bank in Bangladesh. The bank also pays very attractive rates of interest against the savings and deposits. Minimum interest offered is 8.5 percent. Maximum rate is 12 percent (Yunus, 2007: p. 6). At the end of 2007, the balance of total deposits TK. 51,918.71 million, which is members' deposits TK. 29,533.51 million and non-members' deposits TK. 22,385.20 million (GB Annual Report, 2007: p. 33).

#### 4.6.6 Shareholding Scheme

The poor borrowers of the bank who are mostly women own Grameen Bank. At present (end of 2007), the borrowers of the Grameen Bank hold 94.34 percent shares of which 4.28 percent is owned by men borrowers and 90.06 percent is

owned by women borrower. Of the remaining, 3.78 percent is held by the Government of Bangladesh, 0.94 percent by Sonali Bank and 0.94 percent by Bangladesh Krishi Bank ( GB, Annual Report, 2007: p. 71). Grameen Bank has done mandatory for each group to buy its share for, ensuring ownership of the bank remains in the hands of the poor, and ensuring capital for future growth. When the savings in a group fund have reached 600 taka, the group concerned is obliged to buy shares in the amount of 500 taka, i.e. 5 shares @ 100 taka (Fuglesang, *et al.* 1993: p. 108). Each member can buy only one share. At the end of 2007, the bank has a share capital of TK. 500 million of which TK. 318 million are paid up (GB, Annual Report, 2006: p. 74).

#### 4.7 Old system of Grameen Bank in Credit Disbursement

Credit should be accepted as a human right (Yunus, M. 2003). Credit is so important for a person who is looking for earn. Women in Bangladesh, have less options or opportunity to work and earn. Credit can play a significant role in small-scale enterprise development and operation. Before introducing Grameen Generalized System, Grameen Bank developed different types of loans with a view to enhancing the socio-economic condition of its borrowers. Those are as follows:

##### 4.7.1 General Loan

General loan was the mainstay of Grameen Bank. Every member took general loan for the first time after joining Grameen Bank. She/he could move for other loans after taking general loan two times. The upper limit of this loan varied in different branches, but it was usually TK. 10,000 (Chowdhury, 2006: 81). General loan was generally used in eight broad categories such as Processing and Manufacturing, Agriculture and Forestry, Livestock and Fishery, Services, Trading, Peddling, Shop Keeping and Collective enterprises. The rate of interest of this loan was 20 percent. Now it is transformed in to "Basic Loan" from 2002.

##### 4.7.2 Seasonal Loan

Grameen Bank introduced seasonal Loan in January 1992. It was very popular among loanees. Seasonal loan was disbursed for the seasonal cultivation. A member might borrow up to a maximum of TK.3000.00, which was to be repaid at the time of harvest or for a period not exceeding six months. This loan tended to protect the



general loan and to keep members from reverting to the moneylender. The rate of interest of this loan was 20 percent.

#### 4.7.3 Seasonal Collective Loan

Seasonal Collective Loan was provided under similar conditions of Seasonal Loan. Loan amounts up to 10,000 taka were available for a group of five and 45,000 taka for a center wishing to cultivate together. For collective loans, borrowers could decide if the repayment period was six months or one year. It depended on their loan proposal.

#### 4.7.4 House Loan

Grameen Bank introduced a very attractive Housing Loan Program for the poor borrowers in 1984. It is a part of the bank's Social Development Program as well as a part of its economic one. Under Housing Loan Program, a member can borrow up to TK. 15,000 for constructing a simple tin-roof house at an interest rate of 8 percent to be paid back over a period of five years (GB, Annual Report, 2006: p. 15).

Housing Loans are provided for improving the living standard of the landless, their shelter and place of income generating activities of the GB members. Like the general loan, Housing Loans do not require collateral. A member, who has received general loan for at least second time and shown an excellent record in repaying installments regularly and has also a perfect loan utilization record, he/she is eligible for the House Loan. The member also requires his own land on which the house would be built. Preference is given to the members facing the most difficult living conditions. It is required that a center has functioned for two years before House Loans are issued to any of its members. Also, the branch should be two years old with a good record in their accounting procedures and centre discipline (Fuglesang, *et al.* 1993: p. 110). At the end of 2007 GB disbursed TK. 8,472.51million as House Loan and built 650,839 houses (GB, Annual Report, 2007: p. 38 &41).

Table A-12 reveals the housing loan disbursement, number of house built and recovering performance of GB during 1998 to 2007. The table shows that the average of house loan disbursement, number of houses built and recovery during the period were TK.232.78 million, 24,809 and TK. 529.38 million respectively. The standard deviation of house loan disbursement, number of houses built and recovery

were TK. 269.51 million, 28,628 and TK. 167.29 million respectively. The average growth rate of housing loan disbursement, number of house built and recovery were - 4.17 percent, 23.78 percent and -5.91 percent respectively and the standard deviations were 63.55 percent, 126.40 percent and 30.63 percent respectively. The highest amount of housing loan TK. 973.90 million was disbursed in the year of 1998 and the lowest TK. 56.30 million was in the year of 2001. The highest number of houses (103,933) was built in the year of 1998 and the lowest (4,903) in the year of 1999. The average housing loan recovery rate during the period was 378.14 percent and the standard deviation was 249.18 percent.

#### 4.7.5 Leasing Loan

Leasing loans were disbursed for the purchase of new or higher technology instruments such as power pump, tractor, power tiller, rice mills, mobile phone etc. The amount of this loan was usually from TK. 20,000 to TK. 40,000.

#### 4.7.6 Sanitation Loan

From the viewpoint of health, sanitation loans were sanctioned to the rural poor. To ensure better sanitation for the landless, the bank disbursed up to TK. 1,000 to set up sanitary latrine for their family. The loan was to be paid within two years with an interest rate of 8 percent.

#### 4.7.7 Tube-well Loans

To ensure the supply of pure drinking water, Grameen Bank disbursed up to TK. 3,000 for sinking a tube-well. It was very essential for a healthy life. The tube-well loan was repaid within 2 years with 20 percent interest rate.

#### 4.7.8 Family Loan

The Family Loan was another innovation of Grameen Bank, which was introduced in January 1992. It was very popular addition among loanees. The Family Loan was taken by the family as a whole through the women who were the legal recipient and pays the installments over one year. The upper limit of Family Loan was TK. 30,000; generally such was range between TK.10000 to TK.15000 (Fuglesang, *et al.* 1993: p. 109). To qualify, the recipient might be at least a four-time loanee of good standing recommended by the center members who also proposed the distribution of the loan within the family. It might involve the husband, wife and adult children as well. The

family was a social entity exhibiting stronger cohesion than a group of people who had joined together on a voluntary basis. The demand for the loan indicates also that it responds to the psychology of a family where the wife had been economically successful and the husband was lagging behind. It included the husband at the same time as it empowered the woman further. After 2000, Grameen Bank does not disburse this type of loan (Chowdhury, 2006: 84).

#### 4.7.9 Micro-enterprise Loan

Grameen Bank provides larger loans, called Micro-enterprise Loans, for the fast moving members. There is no restriction on the loan size. Micro-enterprise Loans are given for the purchase of truck, power-tiller, irrigation pump, transport vehicle, river-craft, fishing, grocery shop, medicine shop, dairy farm, baby-taxi and stone business. At the end of 2007, 1,271,660 members took Micro-enterprise Loans. A total of TK. 28.38 billion has been disbursed under this category of loans. Average loan size was TK. 23,320 (Yunus, 2007: 8). Maximum loan taken so far is TK. 1.2 million for truck purchase, which is operated by the husband of the borrower.

Table A-6 shows the Micro-enterprise Loan disbursement listed under broad categories of business activities from 2001 to 2007. The table reveals that the average loan disbursements during this period of Processing and Manufacturing, Agriculture and Forestry, Livestock and Fisheries, Services, Trading, Peddling and Shop Keeping were TK. 548.44 million, TK. 285.80 million, TK. 722.96 million, TK. 393.55 million, TK. 796.22 million, TK. 285.89 million and TK. 905.89 million respectively. The table A-6 also shows that the average of all categories loan disbursement was TK. 3938.84 million during this period. Another table, table A-7 shows that during this period the average loan disbursement to women was TK. 3761.57 million and to men was TK. 177.27 million. The average number of loans to women was 174816.1 and to men was 9720 and the amount of per loan to women was TK. 20330 and to men was TK. 18749.71.

#### 4.7.10 Joint Enterprise Loan

The Joint Enterprise Loans were granted to centers which, over a period of three or four years, demonstrated that they were well managed, observed the bank's rules and regulations and accumulated substantial fund in a collective Special Savings

Account. Joint Enterprise Loans were given for agricultural purposes such as leasing of land for joint cultivation, investment in shallow tube wells or the purchase of power tillers, small fishpond leasing, livestock and trading in paddy. The loans were also given for oil mills, rice-husking machines and aquaculture initiatives. Joint Enterprise Loans disbursed usually from TK. 50,000 to TK. 100,000, with a few approved for amounts up to TK. 500,000 were disbursed (Fuglesang, *et al.* 1993:150).

#### 4.8 Grameen Generalized System

Grameen Bank brings radical changes in the well-established rules and procedures in its Methodology. GB has advanced much after its beginning through micro credit operation in the village of Jobra of Chittagong District in 1976. It has gained a lot of experience through its success and failure of this time. Meanwhile, GB undertook many new features in its methodology from time to time to address various crisis and problems or to discard and modify the unnecessary or less effective features. At the middle of 2000, GB designed new methodology, incorporating all the lessons learnt and the wishes and desires of the borrowers, which it accumulated during the time of operation. The authority tested the new system during 2000 to 2002. The process was complete with the architecture of a new system, which called Grameen Generalized System. Every single branch of GB came under the new system by August 2002. The GGS offers four types of loan products: 1) the basic loan, 2) the housing loan, 3) the higher education loan, which runs parallel to the basic loan, and 4) the struggling members (beggars) loan programme (GB, Annual Report, 2006: p. 15).

##### 4.8.1 Basic Loan (One Loan One Installment)

Grameen Generalized System has been built around one prime loan product called Basic Loan. In Bangla it is called "Shohoj Reen" or "Easy Loan". In addition, there are two other loan products: 1) the housing loan, and 2) the higher education loan, which run parallel to the Basic Loan ( Hai and Wahab, 2003: p. 2). All borrowers start with the Basic Loan and will continue with the Basic Loan, cycle after cycle, without difficulty, and meet all their credit needs in the most satisfactory manner. The advantage of Basic Loan is as follows (Hai and Wahab, 2003: p. 9);

- 1) All the loans merge into a single loan for removing the complexities in record keeping.

- 2) The loan size of an individual borrower depends according to her loan repayment and attendance record.
- 3) The borrower has the freedom to choose her installments sizes within the loan period. She can repay more in peak season and less in dull season of her business.
- 4) The borrower can withdraw the loan amount from her loan account in trenches, according to her investment plane.
- 5) The borrower can repay any extra amount, at any time, including the option of repaying the entire amount in one go.
- 6) Cruising on the "Grameen Micro-credit Highway" with comfort and safety will become habit-forming with the borrowers.
- 7) Overdue loans will write off regularly as a part of financial prudence. It will treat all written off loans as recoverable loans.
- 8) The borrowers can get a loan of any duration (3, 6, 9, or 12 month or more than 12 months), as per their need.
- 9) The staff can design their loan product to make it the best fit for their every individual client in terms of duration, timing of the loan, scheduling the installment etc.
- 10) There is a bridge loan system for borrowers where loan ceiling is fixed according to her savings deposit. If a borrower needs additional money at any time, she can take a bridge loan for 3 or 6 months duration.

Basic Loan usually has near hundred percent repayments. At the end of 2007, GB disbursed TK. 207,178.43 million as Basic Loan and repaid TK. 174237.36 million (GB, Annual Report, 2007: p. 38). The table A-8 reveals the Basic Loan disbursement and recovery from 2002 to 2007. It is observed from the table that average Basic Loan disbursement and recovery were TK. 34406.46 million and TK. 27996.38 million respectively. The average recovery rate was 78.66 percent during the period.

#### 4.8.2 Grameen Micro-credit Highway

It has regarded the Basic Loan as “Grameen Micro-Credit Highway”. When a borrower starts with a Basic Loan, which can be treated as starting a journey through the “Grameen Micro-Credit Highway”. If a borrower cannot repay according to the Repayment Schedule of the Basic Loan, she/he can change it into the Flexible Loan with a small installment and longer repayment schedule. When the borrowers repay the Flexible Loan, she/he can move back to a Basic Loan as well as “Grameen Micro-Credit Highway”.

#### 4.8.3 Flexible Loan (Slower Road or Detour)

GB develops a new Flexible Loan system by the bank staff and management after a long period of preparation that was introduced at the end of 2000. In Bangla it is called “Chukti Reen” or “Negotiated Loan”. Flexible Loan is not an independent loan. It is only a temporary detour from the Basic Loan. If a borrower faces trouble for some reasons (business slow-down or failure, sickness, family problems, accidents, thefts, natural disaster, etc) and cannot pay the Basic Loan installments the borrower can change the loan installment schedule with the negotiation of bank staff and take detour of the slower road called “Flexible Loan”. If the borrowers succeed to repay according to this new schedule, she/he can go back to the “micro-credit highway” (basic loan).

The basic features of Flexible Loan are as follows:

- 1) If a borrower faces some problems in paying the installments according to the repayment schedule. She can move to a flexible loan and convert a one year loan into a three year loan.
- 2) Under a flexible loan, a borrower can take a fresh loan after completing each six monthly segment repayment successfully. After the first six months, she/he can borrow a maximum of twice as much she/he has paid (principal and interest) during the six months.
- 3) The amount of installment may be big or small depending on the ability of the borrower.
- 4) If a borrower comes under a flexible loan she is no longer treated as a borrower with overdue loan. She becomes a regular borrower.

- 5) Flexible loan creates a scope to recover the written off loans because even the written off loans can be brought under the flexible loans.

At the end of 2007, nearly five percent of the borrower was on Flexible Loan and GB disbursed TK. 9679.15 million as Flexible Loan and repaid TK. 7283.46 million (GB, Annual Report, 2007: p. 38). From the table A-8, it is observed that the average disbursement, recovery and recovery rate over disbursement of Flexible Loan was TK. 1171.24 million, TK. 1033.49 million and 120.62 percent respectively. The recovery of Flexible Loan was lower than 80 percent during this period with exception in 2003 (340.05 percent) and in 2005 (127.88 percent).

#### 4.8.4 Repayment Procedure

Under GGS, a borrower can choose her installment sizes. GB staff made a separate loan repayment schedule for every individual borrower in consultation with her/his for fixing up the amount of installments. The borrower can repay more in the peak season and repay less in the dull season of their business.

#### 4.8.5 Loan Ceiling

Each borrower has her/his own loan ceiling. The loan ceiling may increase or decrease. It depends on her/his repayment performance, attendance record and deposited savings as well as on the performance of the group and the center. After every 45 weeks, the loan ceiling is re-fixed under the following procedure (Hai and Wahab, 2003: p. 19).

Loan ceiling goes up:

- 1) If a borrower repays the loan without missing any installment, without skipping savings, without absence at the weekly centre meeting, her loan ceiling may be increased up to 10 percent.
- 2) If a borrower repays her loan with some missing installments and some absence at the centre meetings, her loan ceiling may be increased up to 5 percent.
- 3) If the center's repayment rate is 100 percent on the week of making loan proposal her ceiling may be increased up to 10 percent.

- 4) If the center's repayment rate is less than 100 percent on the week of making loan proposal but her own group's repayment rate is 100 percent then her ceiling may be raised by 5 percent.
- 5) If there is an incomplete group in a centre on the week of making loan proposal having 100 percent repayment record, the ceiling may be increased up to 5 percent. On the other hand, if only her group's repayment rate is 100 percent then it may be increased up to 2.5 percent.

(In all the cases percentage will be calculated on the amount of loan repaid during last 45 to 52 weeks.)

Loan ceiling goes down

- 1) For every missing installment ceiling will be decreased by 2 percent of ceiling.
- 2) For each day of absence at meeting ceiling will be decreased by TK. 50/- for per thousand taka of loan and maximum decrease will be TK. 500/-.
- 3) If interest is not paid-up within specified time ceiling will be decreased by 2 percent of loan per week late.

#### 4.8.6 Group Fund

Grameen Bank has been maintaining a Group Fund Account since its inception as a Joint Savings Account. Currently, it has substituted for three individual obligatory savings accounts: (a) Personal Savings Account, (b) Special Savings Accounts and (c) Pension Savings Account.

#### 4.8.7 Weekly Savings

Within the GCS, the amount of weekly personal savings was uniform, but in the generalized system, the amount of weekly personal savings varies from the sizes of loan. The bigger the loan, the more weekly savings are produced. The amount of loan and weekly savings are given bellow (Hai and Wahab, 2003: p. 15).



Table-4.2 Loan Size and Weekly Savings

Loan size (TK.)	Weekly savings (TK.)
Up to-15,000	5.00
15001-25000	10.00
25001-50000	15.00
50001-100000	25.00
More than100000	50.00

According to above table, if the loan size was up to TK. 15,000 the weekly savings will be TK. 5.00 per week and loan size TK. 15001-25000 weekly savings TK. 10.00, loan size TK. 25001-50000 weekly savings TK. 15.00, loan size TK. 50,001-100000 weekly savings TK.25.00 and loan size more than TK. 100000 weekly savings TK. 50.00.

#### 4.8.8 Fresh Loan after Every Six Months

A borrower can take a fresh loan after every six months. Under the Basic Loan System, a borrower can borrow exactly the same amount that she paid out during the last six months excluding interest. Under the Flexible Loan System, a borrower can take a fresh loan after six months; this may be the double the previous six month's repayment.

#### 4.8.9 Full Repayment Opportunity

Under GGS, a borrower can repay the full amount of Basic or Flexible loan at any time within the loan period. If a borrower repays the total loan, she can take a fresh loan at any time.

#### 4.8.10 Terms of Loan

Under GGS, a borrower can take loan of any duration such as 3 months, 6 months, 9 months or 3 years or even longer. The loan repayment schedule will be fixed according to the borrower's repayment ability, type of project etc.

#### 4.8.11 Loan Disbursement Plan

The borrower can withdraw the approved loan amount by a single or several installments according to an agreed schedule with the bank. The borrower can prepare this schedule as per her/his investment plan.

#### 4.8.12 Interest Payment Times

Under GGS, interest must be paid with weekly installment (a minimum of 3 taka per thousand taka loan) or at the time of taking every new loan and at the time of full repayment. Interest is calculated for each loan at the time of annual closing.

#### 4.8.13 Grameen Pension Fund

It is another attractive feature of Grameen Generalized System for the borrower. Grameen Bank started "Grameen Pension Scheme" of 5 years and 10 years on 30 August 2000 for the financial assurance of their member and employees. Under this scheme Grameen Bank motivates their members and employees to small savings by opening "GPS Account" in the respective branches whose rate of interest is 10 percent for 5 years and 12 percent for 10 years. Both are payable yearly basis (GB, Annual Report, 2006: p. 72).

Now it is generating a huge cash in-flow for the bank. Each month it is depositing over TK. 100 million as pension savings. The borrower who receives loans about TK. 8,000 has to deposit TK. 50 each month in a Pension Deposit Account. After 10 years a borrower will receive a guaranteed amount, which is almost double the amount to her/his deposited money during 120 months. Many borrowers save more than TK. 50 each month. Now Grameen Bank has enough of its own money to expand its micro credit operation in future by this deposit program. At the end of 2007, balances of deposits under Grameen Pension Schemes were, members deposit for 10 years TK. 1,529,719,653, for 5 years TK. 973,914 and GPS for staff for 10 years TK. 39,906,680, for 5 years TK. 520,008.

#### 4.8.14 Overdue of Loan Re-defined

Overdue Loan is defined in a very sharp manner. If a borrower fails to pay back the installments of Basic Loan for 10 consecutive weeks and is unwilling to go in to the Flexi-loan, she/he becomes a willing defaulter. If a borrower takes the Flexi-loan

option and fails to pay back, she/he becomes an unwilling defaulter. Any amount of Flexi-loan, which is not getting paid back within two years it becomes overdue.

If a borrower becomes a defaulter, 100 percent provision is made for that amount and the amount must be written off after one year. Any overdue amount will be written off in the month when it completes one year since it become overdue or wait for the annual account closing.

At the end of 2007, total Overdue Loan amount is TK. 1023.29 million (GB, Annual Report, 2007: p. 38). Table A-9 shows the Number of Loanees, Outstanding Loan and Overdue Loan from 2000 to 2007 of Grameen Bank. The table reveals that average Overdue Loan was TK. 949.10 million and Overdue Loan per Loatee was TK. 362.75.

#### 4.8.15 Loan Insurance Fund /Loan Insurance Savings Fund

In classic system, if a borrower had died within her/his loan period her/his bank liabilities were paid by her/his heirs and it was a burden for them. Under GGS, to overcome this problem, a "Loan Insurance Savings Fund" (LISF) has been formed at branch level with the "Loan Insurance Savings" (LIS) which is collected from borrowers. Centrally, at Head Office Loan Insurance Fund (LIF) has been formed with the interest of LISF of branches (Hai and Wahab, 2003: p. 21).

It is a very simple program. Under this system, the borrower deposits 3.00 percent of the outstanding money once a year in a Loan Insurance Savings Account on the last day of the year. The amount is calculated on the outstanding loan and interest of the borrower on that day. In the second year, the borrowers do not need to deposit any extra money in the Loan Insurance Savings Account, if the outstanding amount remains the same. However, if the outstanding amount is more than the last year balance, the borrower has to pay enough money to make up it. If a borrower dies any time during the next year, her/his entire outstanding amount will be paid by the insurance fund, which is created by the interest income of the Loan Insurance Savings Account and her/his family given back the amount the borrowers saved in the Loan Insurance Savings Accounts.

Balance of deposits under Loan Insurance Program stood at TK. 3,897.23 million (US\$ 56.79 million) as on December 31, 2007. Up to that date, 80,012 borrowers

died and a total outstanding loans and interest of TK. 535.17 million (US\$ 8.33 million) remain unpaid and it was paid off by the bank under this program (GB, Annual Report, 2007: p. 10).

#### 4.8.16 Gold Member

Under GGS, Grameen Bank has created an opportunity for the borrower to achieve "Gold Member" status. It is a very respectable status for a member. If a borrower can maintain 100 percent repayment record for seven consecutive years, he can attain the status of a "Gold Member". A Gold Member gets loan enhancement opportunity alongside special honors and privileges.

#### 4.8.17 Destitute Member

Grameen Bank relaxes all its basic rules to encourage a destitute person to join their activities. A destitute person does not need to be in any group, no savings are necessary, no weekly repayment is necessary, her/his loan terms are decided by her/him, in consultation with the authority the center (Hai and Wahab, 2003: p. 7).

Grameen Bank encourages the center to make a list of destitute families in their respective areas and it also inspires the groups to take destitute members "under their wings". It motivates them to take up income generating activities to overcome their fears and inhibitions. Center and Group will be given special awards, privileges and honors, if they can bring a destitute member to the level of a regular member of a group.

#### 4.8.18 Star for Achievements

Under the Grameen Generalized System, a branch is honored with a color-coded Star for one particular achievement in a specific field. A branch can achieve maximum five Stars. It is the most exciting challenge for the Grameen Bank staff to create "Five Star Branches" starting from 2001. If a branch has 100 percent repayment record, the branch is awarded a Green Star. If a branch earns profit, the branch is awarded a Blue Star. A branch having more deposits than their outstanding loans gets a Violet Star. If all the children of the borrowers are in school or complete at-least primary school, the branch gets a Brown Star. If all the borrowers of a branch cross over the poverty line, the branch gets a Red Star. Achievement of Star at the end of 2007 is presented in following table:

Table-4.3 Achievement of Star at the end of 2007

Area	Color	Total branch	Qualified branch
100 percent repayment	Green	2481	1855
Earning profit	Blue	2481	1840
More deposit than loan	Violet	2481	1603
100 percent literacy of children of the borrowers	Brown	2481	346
100 percent of the borrowers over the poverty line	Red	2481	56

Source: Grameen Bank, Annual Report, 2007, Dhaka: Grameen Bank, 2007 p. 11 &13

The table shows that at the end of 2007, out of 2,481 branches, 1,855 branches got Green Stars for maintaining 100 percent repayment record. 1,840 branches received Blue Star for earning profit. 1,603 branches earned Violet Stars by meeting all their financing out of their earned income and deposits, 346 branches have achieved Brown Stars for ensuring education for 100 percent children of Grameen families and 56 branches have obtained Red Stars for taking all its borrower's families over the poverty line. The Stars are confirmed only after the verification procedure is completed.

#### 4.8.19 Leave for Member

Under GGS, a borrower can go on leave at any time for any duration keeping up her/his membership. However, the borrowers need to pay off her/his loan fully and she/he can take away all her/his savings except the special savings. After the leave period is over, she/he can usually resume as a Basic Loan borrower.

#### 4.8.20 Retirement for Member

Under GGS, a borrower can go on retirement, if she/he wishes, after the completion of membership for 10 years. After retirement, she/he will be considered as a life long member. She is not under compulsion to attend the center meeting and there is no obligation to deposit weekly savings and GPS. It depends on her/his wish. After retirement, if she/he dies, her/his nominee will get financial benefit from Life Insurance Fund as per prevailing rules.

#### 4.8.21 Tension Free

Tension free micro credit is a great gift of GGS. Both the staff and the borrowers remain totally tension free, because of the interlocking system of GGS. Under GGS, a borrower fails to pay; GB will not treat her/him as a "trouble-maker". On the other hand, the staff has not turned unfriendly to her.

#### 4.9 Other programs of Grameen Bank

Others programs of Grameen Bank have included Struggling (Beggars) Members Program, Scholarship Program, Higher Education Loans and Flexi-load Program. These are the out of principal program of Grameen Bank.

##### 4.9.1 Struggling (Beggars) Members Program of Grameen Bank

Grameen Bank has started an exclusive program focusing on the beggars called Struggling Members Program from July 2002. Begging is the last resort for survival for a poor person, unless he/she turns towards crime or other forms of illegal activities. Some of the beggars are the disabled, blind and retarded people as well as old people with ill health. The objective of the program is to provide financial services to the beggars to help them find a dignified livelihood; send their children to school and enable them to regular member of Grameen Bank. Grameen Bank wishes to make sure that no one in the Grameen Bank Village has to beg for survival. The basic features of the program are as follows; (GB, Annual Report 2005: p. 24).

1. Existing rules of Grameen Bank do not apply to beggar members; they make up their own rules.
2. All loans will be interest-free. Loans can be of a very long term, in order to make repayment installments very small. For example, for a loan to buy a quilt or a mosquito-net, many borrowers are paying TK. 2.00 (3.4 cents US) per week.
3. Beggar members covered under life insurance and loan insurance program without incurring any cost.
4. Groups and Centers are being encouraged to become patrons of this type of members.

5. Each member receives an identity badge with her picture and name, and Grameen Bank logo. She can display this as she goes about her daily life, to let everybody know that she is a Grameen Bank member and this national institution stands behind her.
6. Members are not required to give up begging, but are encouraged to take up an additional income-generating activity like selling popular consumer items door to door, or at the place of begging.

Grameen Bank gave them the idea to carry small merchandise such as snacks, toys for kids or household items for the housewives, while begging from house to house. There are now 85000 beggars in the program. They are now selling commodities from house- to- house instead of begging. About 5000 of them have already stopped begging completely. Typically a loan to a beggar is \$12 (Yunus, M. 2006: p. 9). At the end of 2006, Grameen Bank disbursed TK. 79.42 million among 79,847 beggars; Out of them 75987 were women (GB, Annual Report 2006: p. 32).

#### 4.9.2 Scholarship Program

Grameen Bank launched a scholarship program in 1999 for talented students. Scholarships are given every year to create better educational opportunities for the children of Grameen borrowers. Up to December 2007 TK. 56.38 million (US\$ 0.87 million) was distributed among 51,726 students as scholarship (GB, Annual Report, 2007: p. 26). The program has been under taken with the following objectives ( Hai and Wahab, 2003: p. 25):

- 1) To encourage the student to cut a good figures in the examination.
- 2) To rear and develop their merit.
- 3) To pave the way of higher education.

GB provides the following amount of money as scholarship in each level of education.

Table-4.4 Amount of Scholarship Money and Level of Education

SL. No.	Level of education	Amount of monthly scholarship	
		Area committee	Zonal committee
1	Primary	50.00	100.00
2	Lower Secondary	75.00	125.00
3	Secondary	150.00	200.00
4	Higher Secondary	200.00	250.00
5	Cultural	200.00	250.00

Source: Hai and Wahab, Introduction to Grameen II, Grameen Bank, Mirpur Two, Dhaka 1216, January, 2003. p. 28

Two scholarships are given to the GB borrowers' children of each branch of which one is for girls and another is according to merit among from girls and boys. The Area Office and Zonal Office declare scholarship. Grameen Bank Head Office also declares scholarship for most the talented students in five categories from all zones. In all levels 50 percent scholarship is for girls and remaining 50 percent is awarded to girls and boys according to merit. Scholarship is given annually.

The performance of GB in Scholarship Program is shown in the following table;

Table-4.5 Scholarship Awarded from 1999 to 2007

SL. No.	Categories	Numbers		Total
		Girls	Boys	
1	Primary	7,965	4,429	12,394
2	Junior Secondary	6,782	3,609	10,391
3	Secondary	9,271	8,854	18,125
4	Higher Secondary	4,946	4,163	9,109
5	Cultural	1,242	465	1,707
Total	Total	30,206	21,520	51,726

Source: Grameen Bank, Annual Report, 2007, Dhaka: Grameen Bank, 2007. p. 27

Above table shows that at the end of 2007 GB awarded scholarship to the 51,726 students of which girls were 30,206 and boys were 21,520.

#### 4.9.3 Higher Education Loans

Grameen Bank introduced the higher Education Loan Program in 1997 for the children of Grameen families so that they can prosecute education at the highest level. GB provides loan for preparing the next generation and a hope for good future of Grameen families. Loans are given to the children of borrowers who enroll in



Medical Schools, Engineering, Honours and Masters Degree programs, Agriculture Colleges, Textile Engineering and other higher education programs. The loans cover all expenses incurred by students from the beginning of their respective courses until completion, including admission fees, course fees, required stationery, food and accommodation and other related necessary expenses. Year wise budget allocation of the courses is given below.

Table-4.6 Year Wise Budget Allocation of the Courses

Name of courses	Year wise budget (Taka)					
	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year	Total
M.B.B.S	24,000	19,000	19,000	19,000	19,000	1,00,000
B.D.S (Dental course)	24,000	19,000	19,000	18,000	-	80,000
B. Sc. Engineering. (Including Textile, Marine & Leather Technology)	19,000	19,000	19,000	18,000	-	75,000
Honours, B. A.G. & B.B.A.	19,000	18,000	18,000	18,000	-	73,000
Masters (Including M.A.G & B. B. A.)	18,000	18,000	-	-	-	36,000

Source: : Hai and Wahab, Introduction to Grameen II, Grameen Bank, Mirpur Two, Dhaka 1216, January, 2003. p. 32 & 33

Table 4.6 shows that the total amount of the loan is TK. 1,00,000, TK. 80,000, TK. 75,000, TK. 73,000, and TK. 36,000 for the courses of M.B.B.S, B.D.S (Dental course), B.Sc. Engineering (Including Textile, Marine & Leather Technology), Honours, B.A.G. & B.B.A and Masters (Including M.A.G & BBA) respectively.

Only the students of government institutions are given the higher education loan. During 1997-2007 course wise loan disbursement is given below;

Table-4.7 Disbursement of Higher Education Loans Up to December 2007.

SL. No.	Degree/Discipline	Number	Amount (in taka)
1.	Masters (General)	960	18,835,488
2.	Bachelor degree (Honours)	18,664	566,235,905
3.	MBA	50	1,188,925
4.	BBA	203	5,318,800
5.	B. Sc (Engineering)	420	11,264,305
6.	M. Sc. (Agriculture)	63	1,709,600
7.	B. Sc. (Agriculture)	292	8,465,925
8.	Degree in Medicine	234	8,405,375
	Total	20,886	621,424,323

Source: Grameen Bank, Annual Report, 2007, Dhaka: Grameen Bank, 2007 p. 23

Table 4.7 shows that the highest amount of the loan disbursement is TK. 566,235,905 among the 18,664 students for the Bachelor degree (Honours) courses. At the end of 2007, total amount was disbursed TK. 621,424,323 among the 20,886 students. The privileged students will start to repay the loan installment after one year of publication of result. The Branch Manager fixes the amount of monthly installment for maximum five years in consultation with the student. The rate of interest of education loan is basically 12 percent. But the students will pay 5 percent as service charge from the date of completion of the course and Grameen Kallyan (Welfare), a subsidiary organization of GB paid the remaining 7 percent interest as subsidy. Grameen Kallyan will also give 12 percent subsidy up to the completion of the course (publication result) with effect from disbursement. In case of discontinuation of study or dissatisfactory progress report, the loan will be stopped and service charge will be charged from the date of delivering the last installment. GB loan is also given to pay coaching fees for getting admission into higher studies course.

#### 4.9.4 Flexi-load Program

Grameen Bank started Flexi-load program in April 2006 in Tangail and Comilla Zone as a ROSA pilot project. The agreement between Grameen Bank and Grameen Phone was to sell the airtime in rural areas through GB members. The program was going on successfully. Finally the agreement was set up on November 06, 2006 to expand the program in other zones. In this program Grameen Phone is the first party and GB acts as a distributor of Flexi-load.

Selected GB members are the sales agents who get load from GP through GB and sell it to the lower end. GB's commission is 1.135 percent and sales agent's commission is 2.75 percent. Up to December 31, 2007 GB creates 1,000 sales agents in 39 zones, who transacted TK. 366.00 million. GB and agents received commissions amounting TK. 4.30 and 10.00 million respectively. Now every week GB agents are transacting TK. 10.00 million. GB plan is to make 4,000 GB agents very soon. GB hopes that this program will develop and reinforce strategies, which will bring high economic benefits to GB members.

#### 4.10 Summary

Grameen Bank is the pioneering micro credit organization in Bangladesh, which was established in 1976. It serves the landless poor who own less than 0.50 acre of land or whose assets do not exceed the value of one acre of medium quality land. It was established with five objectives but its main objectives are to challenge the existing system of collateral based financing and help to establish micro-enterprises for self-employment.

At the end of 2007, its authorized capital was TK. 500 million and paid up capital was TK. 318 million and the members of the Grameen Bank hold 94.34 percent shares. Of the remaining, 3.78 percent was held by the Government of Bangladesh, 0.94 percent by Sonali Bank and 0.94 percent by Bangladesh Krishi Bank.

In 1976, Grameen Bank started its function in one village in one district, but the program has been spread in 61 districts covering 80,678 villages by December 2007. At the end of 2007, the total 2,481 branch of Grameen Bank were operations in 80,678 villages, which were supervised by the 257 Area Offices and 39 Zonal Offices. From 1998 to 2007, the average growth rate of GB's Branches, Villages, Areas and Zones was 9.37 percent, 8.73 percent, 9.59 percent and 12.94 percent respectively. 1376 new branches were opened during this period. From 2002 to 2007, the average growth rate of GB's employees was 17.09 percent and at the end of 2007, the number of employees was 25,283. The average number of Groups and Centers formed by the GB from 1998 to 2007 was 689,740 and 85,638 and the average growth rate of Groups and Centers was 10.66 percent and 8.59 percent respectively. At the end of 2007, the total number of groups and center formed by GB was 1,168,840 and 136,619 respectively.

At the end of 2007, the total members of Grameen Bank were 7,411,229 of which female members were 7,177,516 and male members were 233,713. The average of female and male members during 1998 to 2007 was 3,744,840 and 159,996 respectively and the average number of female members was 95.56 percent of the total members.

Grameen Bank brings radical changes in the well-established rules and procedures in its Methodology. The authority tested the new system during 2000 to 2002. The

process was complete with the architecture of a new system, which called Grameen Generalized System. Every single branch of GB came under the new system by August 2002. The GGS offers four types of loan products: 1) the basic loan, 2) the housing loan, 3) the higher education loan, which runs parallel to the basic loan, and 4) the struggling members (beggars) loan program.

Grameen Bank provides credit to the rural poor particularly poor women for their socio-economic development. The women borrowers of GB take credit to invest in seven broad categories of income generating activities such as Processing & Manufacturing Sector, Agriculture & Forestry Sector, Livestock & Fisheries Sector, Services Sector, Trading Sector, Peddling Sector and Shop Keeping Sector.

The average loan disbursement and recovery of GB during the period of 1998 to 2007 were TK. 26,654.53 million and TK. 24,131.80 million respectively and average rate of recovery was 92.80%. A borrower can take loan of any duration such as 3 months, 6 months, 9 months or 3 years or even longer. The loan repayment schedule will be fixed according to the borrower's repayment ability, type of project etc. At the end of 2007, the total loan disbursement and recovery of GB was TK. 356,798 million and TK. 320,462 million respectively.

During 2000 to 2007 annual average outstanding and overdue loan per borrowers were TK. 525.63 million and TK. 362.75 million respectively and average outstanding loan TK. 24366.82 million (Table A-10) and Overdue Loan were TK. 492.08 million (Table A-11). During this time average balance of deposits were TK. 28471.47 million and the average percentage of total deposits over outstanding loan and loan disbursement were 107.83 percent and 78.91 percent respectively (Table A-13).

Grameen Bank provides larger loans, called Micro-enterprise Loans, for the fast moving members. Micro-enterprise Loans are given for the purchase of truck, power-tiller, irrigation pump, transport vehicle, river-craft, fishing, grocery shop, medicine shop, dairy farm, baby-taxi and stone business. At the end of 2007, 1,271,660 members took Micro-enterprise Loans. A total of TK. 28.38 billion has been disbursed under this category of loans. Average loan size was TK. 23,320.

Grameen Bank has started an exclusive program focusing on the beggars called Struggling Members Program from July 2002. There are now 85000 beggars in the

program. They are now selling commodities from house-to-house instead of begging. About 5000 of them have already stopped begging completely. Typically a loan to a beggar is \$12. At the end of 2006, Grameen Bank disbursed TK. 79.42 million among 79,847 beggars out of them 75987 were women.

The member of the Grameen Bank has to deposit some money as weekly personal savings. The amount of weekly personal savings varies from the sizes of loan. The bigger the loan, the more weekly savings are produced.

Grameen Bank started "Grameen Pension Scheme" of 5 years and 10 years on 30 August 2000 for the financial assurance of their member and employees. Each month it is depositing over TK. 100 million as pension savings. The borrower who receives loans about TK. 8,000 has to deposit TK. 50 each month in a Pension Deposit Account. Now Grameen Bank has enough of its own money to expand its micro credit operation in future by this deposit program. At the end of 2007, balances of deposits under Grameen Pension Schemes were, members deposit for 10 years TK. 1,529,719,653, for 5 years TK. 973,914 and GPS for staff for 10 years TK. 39,906,680, for 5 years TK. 520,008.

A "Loan Insurance Savings Fund" (LISF) has been formed at branch level with the "Loan Insurance Savings" (LIS), which is collected from borrowers 3.00 percent of the outstanding money once a year in a Loan Insurance Savings Account on the last day of the year. If a borrower dies any time during the next year, her/his entire outstanding amount will be paid by the insurance fund. Balance of deposits under Loan Insurance Program stood at TK. 3,897.23 million (US\$ 56.79 million) as on December 31, 2007. Up to that date, 80,012 borrowers died and a total outstanding loans and interest of TK. 535.17 million (US\$ 8.33 million) remain unpaid and the bank under this program paid it off.

At the end of 2007, the balance of total deposits TK. 51,918.71 million, which is members' deposits TK. 29,533.51 million and non-members' deposits TK. 22,385.20 million.

To ensure better sanitation for the landless, the bank disbursed up to TK. 1,000 to set up sanitary latrine for their family. The loan was to be paid within two years with an interest rate of 8 percent. Grameen Bank introduced a very attractive Housing Loan Program for the poor borrowers in 1984. It is a part of the bank's Social

Development Program as well as a part of its economic one. Under Housing Loan Program, a member can borrow up to TK. 15,000 for constructing a simple tin-roof house at an interest rate of 8 percent to be paid back over a period of five years. Housing Loans are provided for improving the living standard of the landless, their shelter and place of income generating activities of the GB members. At the end of 2007 GB disbursed TK. 8,472.51million as House Loan and built 650,839 houses.

Grameen Bank has four interest rates for loans from its: 20.0 percent (declining basis) for income generating loans, 8.0 percent for housing loans, 5.0 percent for student loans, and 0.0 percent (interest-free) loans for Struggling Members (beggars). All interests are simple interest, calculated on declining balance method. Grameen Bank also offers minimum 8.5 percent and maximum 12.0 percent interest rate for its deposits.

The most striking characteristic of Grameen Bank's social development program is its enlightened concern with a long-term perspective. The social development program of Grameen Bank comprises three main components, these components are: a Workshop Program, a Center School Program and the availability of Supplies and Skill Training.

The Grameen Bank has four administrative tiers, each with a distinct set of functions: Head Office, Zonal Office, Area Office and Branch Office.

Grameen Bank launched a scholarship program in 1999 for talented students. Scholarships are given every year to create better educational opportunities for the children of Grameen borrowers. Up to December 2007 TK. 56.38 million (US\$ 0.87 million) was distributed among 51,726 students as scholarship.

Grameen Bank introduced the Higher Education Loan Program in 1997 for the children of Grameen families so that they can prosecute education at the highest level. Loans are given to the children of borrowers who enroll in Medical Schools, Engineering, Honours and Masters degree programs, Agriculture Colleges, Textile Engineering and other higher education programs. At the end of 2007, total amount was disbursed TK. 621,424,323 among the 20,886 students.

Grameen Bank attracts other countries to replicate this collateral-free, group. based lending. Under this program, Grameen Trust supports and promotes Grameen Bank Replication Projects all over the world. Now GB approach has been replicated to 259 projects in 59 countries.

## CHAPTER V

### PROFILES AND SOCIO-ECONOMIC INFLUENCING FACTORS OF THE WOMEN ENTREPRENEURS

#### 5.1 Introduction

The profiles of the women entrepreneurs are essential factor for the women entrepreneurship development. This chapter is devoted to the personal and social profiles and socio-economic influencing factor of the selected women entrepreneurs of the Grameen Bank based on primary information collected through field survey.

#### 5.2 Profiles of the Women Entrepreneurs

Profiles of the women entrepreneurs are comprised personal and social profiles. The personal and social profiles have included age of women entrepreneurs, marital status, religious, place of origin, educational status, husbands' education, number of children, number of family member and family structure of women entrepreneurs

##### 5.2.1 Age of the Women Entrepreneurs

Entrepreneurs are need to hard working for succeeding their business venture. The age of an entrepreneur is a vital factor for entrepreneurship development. More than young and energetic women entrepreneurs are working hard and can continue business longer.

Age of women entrepreneurs means the present age of the women entrepreneurs during the survey period. Age of women entrepreneurs has been collected from field survey of the individual women entrepreneurs. Age wise distribution of the women entrepreneurs is shown in bellow.

Table-5.1 Business Sectors and Age of the Women Entrepreneurs

Age group	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
16-25	1 (3.3)	1 (3.4)	7 (11.5)	3 (15.0)	2 (6.1)	2 (8.7)	1 (25.0)	17 (8.5)
26-35	11 (36.7)	9 (31.0)	25 (41.0)	8 (40.0)	11 (33.3)	7 (30.4)	1 (25.0)	72 (36.0)
36-45	9 (30.0)	13 (44.8)	18 (29.5)	8 (40.0)	13 (39.4)	9 (39.1)	1 (25.0)	71 (35.5)
46-55	6 (20.0)	4 (13.8)	9 (14.8)	1 (5.0)	7 (21.2)	5 (21.7)	1 (25.0)	33 (16.5)
56-65	3 (10)	2 (6.9)	2 (3.3)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	7 (3.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	39.83	39.24	36.13	33.70	37.70	38.04	35.00	37.35
Standard deviation	10.30	8.21	9.00	8.57	8.50	8.18	10.00	8.96

Source: Field survey, figures in parenthesis indicate column percentage.

Table-5.1 shows that the 36.0 percent and 35.5 percent of total women entrepreneurs take up managing enterprises in the age group between 26-35 and 36-45 years respectively. So 71.5 percent are between 26-45 years of age that is, most of the women entrepreneurs are young business women. The average age of all sectors is 37.35 years and standard deviation is 8.96 years. This suggests that the present age of the majority of the women entrepreneurs varies between 28 years to 46 years. This study support other study such as Majumder (2004), in his study shows that the average present age of all sectors is 36.21 years. Rahman, (1999), shows that the average age of entrepreneurs is 34.77 years. Hussain (2000), shows that the present mean age of women entrepreneurs is 36.01 years.

Sector wise average age is 39.83 years in Processing & Manufacturing Sector, 39.24 years in Agriculture & Forestry Sector, 36.13 years in Livestock & Fisheries Sector, 33.70 years in Services Sector, 37.70 years in Shop Keeping Sector, 38.04 years in Trading Sector and 35.00 years in Peddling Sector. Therefore, women entrepreneurs of Services Sector are very young and energetic (33.70) followed by Peddling Sector (35.00), Livestock & Fisheries Sector (36.13) and Shop Keeping Sector (37.70) than



those of Processing & Manufacturing Sector (39.83), Agriculture & Forestry Sector (39.24) and Trading Sector (38.04).

Table-5.2 Locality and Age of the Women Entrepreneurs

Age group	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
16-25	18	18.0	23	23.0	41	20.5
26-35	34	34.0	40	40.0	74	37.0
36-45	38	38.0	27	27.0	65	32.5
46-55	8	8.0	9	9.0	17	8.5
56-65	2	2.0	1	1.0	3	1.5
Total	100	100.0	100	100.0	200	100.0
Average	38.55		36.15		37.35	
Standard deviation	8.55		9.24		8.96	

Source: Field survey, Freq.=Frequency, %=Percentage

In case of the women entrepreneurs of Pabna Zone, the mean age of 38.55 along with standard deviation of 8.55 suggests that the present age of the majority of the women entrepreneurs of Pabna Zone varies between 30 to 47 years. In case of the women entrepreneurs of Jhenaidah Zone, the mean age of 36.15 years along with standard deviation of 9.24 years suggests that the present age of the majority of the women entrepreneurs of Jhenaidah Zone varies between 27 to 45 years. Therefore, the women entrepreneurs of Jhenaidah Zone are younger than those of the women entrepreneurs of Pabna Zone are.

### 5.2.2 Marital Status of the Women Entrepreneurs

Women in Bangladesh, they always must do according to their parents before marriage. After marriage, they have to obey the decision of their husbands or in laws. Therefore, attempt was made to show the marital status of the women entrepreneurs. Table-5.3 shows the marital status of the women entrepreneurs.

Table-5.3 Business Sectors and Marital Status of the Women Entrepreneurs

Marital status	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Married	29 (96.7)	25 (86.2)	58 (95.1)	17 (85.0)	29 (87.9)	22 (95.7)	3 (75.0)	183 (91.5)
Unmarried	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Divorced	0 (.0)	0 (.0)	0 (0.0)	0 (.0)	1 (3.0)	0 (.0)	0 (.0)	1 (.5)
Widow	0 (.0)	4 (13.8)	3 (4.9)	3 (15.0)	3 (9.1)	1 (4.3)	1 (25.0)	15 (7.5)
Separated	1 (3.3)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	1 (.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

In respect of marital status, the classified data exposes that 91.5 percent of the women entrepreneurs are married; none unmarried, 0.5 percent divorced, 7.5 percent widows and 0.5 percent are separated. This study agrees with other study such as, Rahman (1999), in his study shows that 95.67 percent of the women entrepreneurs were married. Saleh (1995), shows that 95.0 percent of the women entrepreneurs participated in this study were married. This study does not agree with other study such as, Hussain (2000), in her study shows that 81.4 percent of the women entrepreneurs were married.

From this data, it is clear that unmarried women entrepreneurs are not in a position to conduct enterprises because they have no need to earn money for the family or they have to abide by the cultural and religious practices of the society. Before marriage, they are restricted by social customs to go out side and undertake public activity freely. The above table shows that women entrepreneurs of all sectors more than 85.0 percent are married except services sector 85.0 percent and Peddling sector 75.0 percent are married. Therefore, married women entrepreneurs are the dominant factors of women entrepreneurship development in Bangladesh through Grameen Bank micro credit operation.

### 5.2.3 Religions of the Women Entrepreneurs

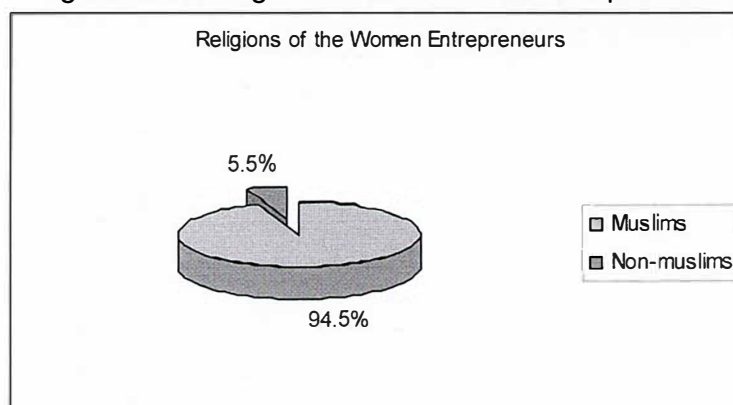
In Bangladesh, women are more religious, in general, than men. Women have to obey the religious customs more than men do. Therefore, attempt is made to show the religious status of the women entrepreneurs.

Table-5.4 Business Sectors and Religions of the Women Entrepreneurs

Religions	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Muslims	24 (80.0)	29 (100.0)	59 (96.7)	20 (100.0)	30 (90.9)	23 (100.0)	4 (100.0)	189 (94.5)
Non-muslims	6 (20.0)	0 (.0)	2 (3.3)	0 (.0)	3 (9.1)	0 (.0)	0 (.0)	11 (5.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure 5.1 : Religions of the Women Entrepreneurs



The majority of the women entrepreneurs (94.5%) belongs to Muslim family; the rest (5.5%) belong to non-Muslim family. This study does not agree with other study such as, Hussain, (2000), in her study shows that the majority of the women entrepreneurs (66.8%) belong to Muslim family; the rest (33.2%) belong to non-Muslim family.

In case of Agriculture & Forestry sector, Services Sector, Trading Sector and Peddling Sector, 100.0 percent of the women entrepreneurs belong to Muslim family, followed by Livestock & Fisheries Sector 96.7 percent, Shop Keeping Sector 90.9 percent and Processing & Manufacturing Sector 80.0 percent belong to Muslim family. Only 20.0 percent in Processing & Manufacturing Sector, 3.3 percent in Livestock & Fisheries Sector, 9.1 percent in Shop Keeping Sector, women

entrepreneurs are non-Muslim. Therefore, women entrepreneurs having Muslim faith are dominant factors for encouraging the women entrepreneurship development in Bangladesh through micro credit operation of Grameen Bank.

#### 5.2.4 Place of Origin of the Women Entrepreneurs

Normally, women move from father's origin to husband's origin after her marriage in our country. In our study, we observed that most of the women entrepreneurs migrate from one district to another because of marriage. Table-5.5 shows the place of origin of the women entrepreneurs.

Table-5.5 Business Sectors and Place of Origin of the Women Entrepreneurs

Place of origin	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Own locality	23 (76.7)	26 (89.7)	51 (83.6)	18 (90.0)	27 (81.8)	21 (91.3)	3 (75.0)	169 (84.5)
Other district	7 (23.3)	3 (10.3)	10 (16.4)	2 (10.0)	6 (18.2)	2 (8.7)	1 (25.0)	31 (15.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Table-5.5 reveals that 84.5 percent women entrepreneurs are at their own locality and 15.5 percent are migrated from other districts of the country. Table-5.5 also shows that in Trading Sector 91.3 percent of women entrepreneurs are from own locality followed by Services Sector 90.0 percent and Agriculture & Forestry Sector 89.7 percent and other Processing & Manufacturing Sector, Livestock & Fisheries Sector, Shop Keeping Sector and Peddling Sector under the total average of own locality. Whereas the migrated from other districts are just opposite figure, to what the result shows.

#### 5.2.5 Educational Status of the Women Entrepreneurs

Education is an important element for developing a human being. Education can play an important role in the development of the entrepreneurs. Papanek (1967) observed that although education appears to be important for the development of modern outlook, which is considered an important determinant of entrepreneurial supply, there is a little empirical support in favour of education as causal factor. The educational status of the women entrepreneurs has been analyzed in the terms of

level of education under the different categories. The table-5.6 shows the sector wise educational status of the women entrepreneurs.

Table-5.6 Business Sectors and Educational Status of the Women Entrepreneurs

Educational status	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Illiterate	12 (40.0)	16 (55.2)	21 (34.4)	6 (30.0)	7 (21.2)	11 (47.8)	4 (100.0)	77 (38.5)
Primary level	9 (30.0)	8 (27.6)	21 (34.4)	8 (40.0)	10 (30.3)	9 (39.1)	0 (.0)	65 (32.5)
Secondary level	9 (30.0)	5 (17.2)	18 (29.5)	6 (30.0)	14 (42.4)	3 (13.0)	0 (.0)	55 (27.5)
Higher secondary & above	0 (.0)	0 (.0)	1 (1.6)	0 (.0)	2 (6.1)	0 (.0)	0 (.0)	3 (1.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

The majority of the women entrepreneurs (71.0%) is illiterate and has education up to primary level. Out of 71.0 percent of the women entrepreneurs 38.5 percent, are illiterate and rest 32.5 percent are up to primary level. 27.5 percent, of the 29.0 percent, women entrepreneurs are secondary level and only 1.5 percent are higher secondary level & above. National adult (15 years and over) female literacy rate of population is 44.2 percent (Statistical Yearbook of Bangladesh, 2005. p: 626). So the literacy rate of women entrepreneurs in study area is higher than that of national literacy rate. This study does not support the study of Rahman (1999), in his study shows that 61.67 percent entrepreneurs were illiterate, 30.33 percent completed primary level. This study agree with the study of Mohiuddin, Moniruzzaman and Mahmood (1998), in their study shows that 63.33 percent of women entrepreneurs had education up to class five and 33.32 percent secondary level. Hussain (2000), in her study shows that 45.6 percent of the women entrepreneurs were illiterate and 26.1 percent have education up to primary level.

In case of Manufacturing & Processing Sector, highest number of women entrepreneurs (40.0%) are illiterate, followed by 30.0 percent are both up to primary and secondary level and none are higher secondary level & above. In case of Agriculture & Forestry Sector, highest number of women entrepreneurs (55.2%) are illiterate, followed by 27.6 percent up to primary level, 17.2 percent up to secondary

level and none are higher secondary level & above. In case of Livestock & Fisheries Sector, highest number of women entrepreneurs (34.4%) is both illiterate and up to primary level, followed by 29.5 percent up to secondary level and 1.6 percent higher secondary level & above. In case of Services Sector, highest number of women entrepreneurs have education up to primary level (40.0%), followed by 30.0 percent are both illiterate and up to secondary level and none are higher secondary level & above. In case of Shop Keeping Sector, highest number of women entrepreneurs (42.4%) having education up to secondary level are, followed by 30.3 percent up to primary level, 21.2 percent illiterate and 6.1 percent higher secondary level & above. In case of Trading Sector, highest number of women entrepreneurs (47.8%) are illiterate, followed by 39.1 percent up to primary level, 13.0% up to secondary level and none are higher secondary level & above. In case of Peddling Sector, all of the women entrepreneurs (100.0%) are illiterate. This shows that the average education level of the women entrepreneurs engaged in Peddling Sector, Agriculture & Forestry Sector, Trading Sector and Processing & Manufacturing Sector are lower than the women entrepreneurs engaged in Shop Keeping Sector, Services Sector and Livestock & Fisheries Sector.

Therefore, women entrepreneurs both illiterate and lower educated are dominant factor for women entrepreneurship development in Bangladesh who are taking loan from Grameen Bank.

Table-5.7 Locality and Educational Status of the Women Entrepreneurs

Educational status	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Illiterate	32	32.0	45	45.0	77	38.5
Primary level	30	30.0	35	35.0	65	32.5
Secondary level	36	36.0	19	19.0	55	27.5
Higher secondary & above	2	2.0	1	1.0	3	1.5
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of women entrepreneurs of Pabna Zone, 32.0 percent are illiterate, 30.0 percent have an education up to primary level, 36.0 percent up to higher secondary level and only 2.0 percent up to higher secondary level & above. In case of women entrepreneurs of Jhenaidah Zone, 45.0 percent are illiterate, 35.0 percent have an education up to primary level, 19.0 percent up to higher secondary level and only 1.0 percent up to higher secondary level & above. This shows that the average education level of the women entrepreneurs of Jhenaidah Zone is lower than those of Pabna Zone.

### 5.2.6 Husbands' Educational Status of the Women Entrepreneurs

Since long Bangladesh is, a male dominated patriarchal society. The illiterate poor women always must do according to their husband. Literate husband are more cooperative than illiterate. Here an attempt is made to show the husbands educational status of the women entrepreneurs. Table-5.8 shows the husbands' educational statuses of the women entrepreneurs.

Table-5.8 Business Sectors and Husbands' Educational Status of the Women Entrepreneurs

Educational status	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Illiterate	6 (20.0)	13 (44.8)	15 (24.6)	7 (35.0)	3 (9.1)	4 (17.4)	2 (50.0)	50 (25.0)
Primary level	5 (16.7)	9 (31.0)	15 (24.6)	5 (25.0)	4 (12.1)	8 (34.8)	0 (.0)	46 (23.0)
Secondary level	19 (63.3)	6 (20.7)	25 (41.0)	8 (40.0)	23 (69.7)	11 (47.8)	2 (50.0)	94 (47.0)
Higher secondary & above	0 (.0)	1 (3.4)	6 (9.8)	0 (.0)	3 (9.1)	0 (.0)	0 (.0)	10 (5.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

The education of the majority of the husbands of the women entrepreneurs (52.0%) is secondary level and higher secondary level & above. Out of 52.0 percent husbands of the women entrepreneurs, 47.0 percent are secondary level and rest 5.0 percent are higher secondary level & above. 25.0 percent, of the 48.0 percent, women entrepreneurs are illiterate and 23.0 percent are up to primary level. It is observed from the table 5.7 and 5.8 that husbands are more educated than the women entrepreneurs. The highest number of husbands of the women entrepreneurs in all sectors has education up to secondary level except Agriculture & Forestry Sector. In case of Shop Keeping Sector 69.7 percent are secondary level, followed by Processing & Manufacturing Sector 63.3 percent, Peddling Sector 50.0 percent, Trading Sector 47.8 percent, Livestock & Fisheries Sector 41.0 percent, Services Sector 40.0 percent has education up to secondary level except Agriculture & Forestry Sector 44.8 percent are illiterate. This shows that the average education level of the women entrepreneurs is lower than the education level of their husbands.

Table-5.9 Locality and Husbands' Educational Status of the Women Entrepreneurs

Educational status	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Illiterate	18	18.0	32	32.0	50	25.0
Primary level	22	22.0	24	24.0	46	23.0
Secondary level	53	53.0	41	41.0	94	47.0
Higher secondary & above	7	7.0	3	3.0	10	5.0
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of husbands of the women entrepreneurs of Pabna Zone 18.0 percent are illiterate, 22.0 percent have an education up to primary level, 53.0 percent up to secondary level and only 7.0 percent up to higher secondary level & above. In case of husband of the women entrepreneurs of Jhenaidah Zone 32.0 percent are illiterate, 24.0 percent have an education up to primary level, 41.0 percent up to higher secondary level and only 3.0 percent up to higher secondary level & above. This shows that the average education level of husband of the women entrepreneurs of Jhenaidah Zone is lower than that of the husband of the women entrepreneurs of Pabna Zone.

### 5.2.7 Number of Children of the Women Entrepreneurs

Women having fewer children are much more interested and have ample opportunity to initiate and manage a new venture. They have adequate time to develop their business. On the other hand, women with higher number of children are always busy with nursing their children (Mohiuddin, Moniruzzaman and Mahmood (1998). Therefore, attempt is made to show the number of children of the women entrepreneurs.



Table-5.10 Business Sectors and Number of Children of the Women Entrepreneurs

Number of children	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
0-2	11 (36.7)	11 (37.9)	21 (34.4)	11 (55.0)	13 (39.4)	8 (34.8)	1 (25.0)	76 (38.0)
3-5	15 (50.0)	16 (55.2)	38 (62.3)	9 (45.0)	19 (57.6)	13 (56.5)	2 (50.0)	112 (56.0)
6 & above	4 (13.3)	2 (6.9)	2 (3.3)	(.0)	1 (3.0)	2 (8.7)	1 (25.0)	12 (6.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	3.30	3.03	3.16	2.50	3.03	3.00	3.50	3.07
Standard deviation	1.88	1.18	1.45	1.05	1.42	1.62	2.08	1.48

Source: Field survey, figures in parenthesis indicate column percentage.

An analysis of the data on the present number of children of the women entrepreneurs reveals that the average number of children of the women entrepreneurs is 3.07 and standard deviation is 1.48. This suggests that the number of children of the majority of the women entrepreneurs varies "between" 1 to 5. The table-5.10 reveals that the number of children of 56.0 percent women entrepreneurs is ranging from 3 to 5, followed by 38.0 percent ranging from 0 to 2 and the number of children of only 6.0 percent of the women entrepreneurs are above 5. Mohiuddin, Moniruzzaman and Mahmood (1998), in their study show that the number of children of 80.0 percent of the women entrepreneurs is ranging from 1 to 4. Sector wise, it shows that average number of children in all sectors is 3 and above, only in Services Sector it is less than 3.

Table-5.11 Locality and Number of Children of the Women Entrepreneurs

No of children	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
0-2	28	28.0	48	48.0	76	38.0
3-5	62	62.0	50	50.0	112	56.0
6 & above	10	10.0	2	2.0	12	6.0
Total	100	100.0	100	100.0	200	100.0
Average	3.39		2.74		3.07	
Standard deviation	1.66		1.19		1.48	

Source: Field survey, Freq.=Frequency, %=Percentage

In case of the women entrepreneurs of Pabna Zone, the average number of children is 3.39 and it is 2.74, in case of women entrepreneurs of Jhenaidah Zone. Suggesting that the average number of children of the women entrepreneurs of Jhenaidah Zone is lower than that of the children of women entrepreneurs of Pabna Zone.

#### 5.2.8 Number of Family Member of the Women Entrepreneurs

Bangladesh is one of the highly populated countries in the world. Government is trying to control population boom because it has positive impact on the socio-economic condition as well as the economic development of the country. Women with a small family are happy in their personal life and have ample time to spend in their business (Mohiuddin, Moniruzzaman and Mahmood, 1998). Therefore, attempt is made to show the number of family member of the women entrepreneurs.

Table-5.12 Business Sectors and Number of Family Member of the Women Entrepreneurs

Family member	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
1-3	5 (16.7)	1 (3.4)	8 (13.1)	4 (20.0)	3 (9.1)	11 (47.8)	1 (25.0)	33 (16.5)
4-6	18 (60.0)	23 (79.3)	41 (67.2)	14 (70.0)	24 (72.7)	10 (43.5)	3 (75.0)	133 (66.5)
Above-6	7 (23.3)	5 (17.2)	12 (19.7)	2 (10.0)	6 (18.2)	2 (8.7)	0 (.0)	34 (17.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	5.10	5.34	5.31	4.50	5.27	4.13	4.75	5.05
Standard deviation	1.90	1.97	2.20	1.79	1.66	1.58	1.26	1.94

Source: Field survey, figures in parenthesis indicate column percentage.

The average number of the family member of women entrepreneurs is 5.05 along with a standard deviation of 1.94 that represents a range of 3 to 8 of total family member of the women entrepreneurs. The range of the majority of the women entrepreneur's (66.5%) family member is 4 to 6, followed by 17.0 percent above 6 and only 16.5 percent of the women entrepreneurs family member range is 1 to 3. In Bangladesh, the average number of family member is 5.18 person per family (Statistical Yearbook of Bangladesh, 2005. p: 680). So, average number of family member is lower than that of national average.

Sector wise, it shows that the average family member of Processing & Manufacturing Sector, Agriculture & Forestry Sector, Livestock & Fisheries Sector and Shop Keeping Sector is more than 5 and less than 6 and Services Sector, Trading Sector and Peddling Sector it is more than 4 and less than 5.

Table-5.13 Locality and Number of Family Member of the Women Entrepreneurs

Family member	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
1-3	12	12.0	21	21.0	33	16.5
4-6	68	68.0	65	65.0	133	66.5
above-6	20	20.0	14	14.0	34	17.0
Total	100	100.0	100	100.0	200	100.0
Average	5.45		4.65		5.05	
Standard deviation	2.15		1.62		1.94	

Source: Field survey, Freq.=Frequency, %=Percentage

In case of women entrepreneurs of Pabna Zone, the average number of family member is 5.45 and it is 4.65, in case of the women entrepreneurs of Jhenaidah Zone. This shows that the average family member of the women entrepreneurs of Jhenaidah Zone is lower than that of the women entrepreneurs of Pabna Zone.

### 5.2.9 Family Structure of the Women Entrepreneurs

The structure of the family also has a motivational role to the performance of women entrepreneurs. It is known to all that there may be nuclear family consisting of husband, wife and unmarried sons and daughters, extending family comprising nuclear family plus unmarried relatives and joint family composed of two or more nuclear families (Rahman, 1999). In this respect, the following table-5.14 shows the family structure of the women entrepreneurs.

Table-5.14 Business Sectors and Family Structure of the Women Entrepreneurs

Family structure	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Nuclear family	20 (66.7)	23 (79.3)	39 (63.9)	16 (80.0)	20 (60.6)	19 (82.6)	3 (75.0)	140 (70.0)
Extended family	5 (16.7)	1 (3.4)	11 (18.0)	1 (5.0)	5 (15.2)	1 (4.3)	0 (.0)	24 (12.0)
Joint family	5 (16.7)	5 (17.2)	11 (18.0)	3 (15.0)	8 (24.2)	3 (13.0)	1 (25.0)	36 (18.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure-5.2: Family Structure of the Women Entrepreneurs

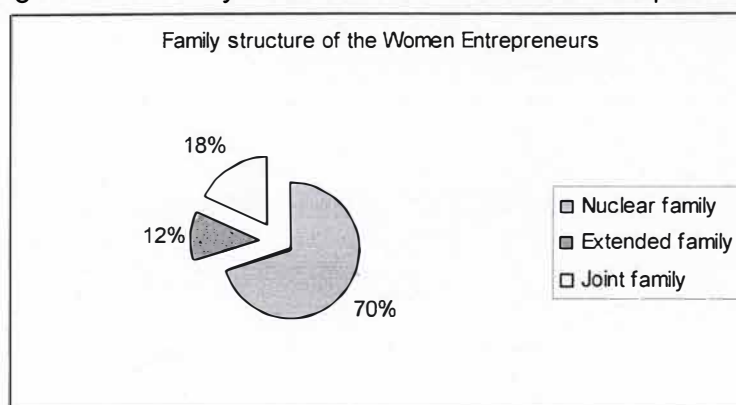


Table-5.14 shows that the majority of the women entrepreneurs (70.0%) belonged to nuclear family, followed by 18.0 percent of the women entrepreneurs belonged to joint family and the remaining 12.0 percent of the women entrepreneurs belonged to extended family. Thus, nuclear family is the dominant in the sample group as well. Rahman (1999), in his study shows that 85.0 percent entrepreneurs belonged to nuclear family, 7.0 percent were the members of extended family and the remaining 8.0 percent hailed from joint families.

Sector wise, it shows that above 60.0 percent of the women entrepreneurs belongs to nuclear family in all sectors. It may be noted here that the majority of the women entrepreneurs belong to nuclear family irrespective of the business sector.

### 5.3 Socio-Economic Influencing Factors of the Women Entrepreneurs

This part of the chapter is devoted by the socio-economic factors, which are influence the women entrepreneurs to enter into entrepreneurship. Socio-economic influencing factor have included sources of information about Grameen Bank, inspiration factor to enter into business, reasons for entry into entrepreneurship, husbands' occupation, house loan taken and higher education loan taken by the women entrepreneurs.

#### 5.3.1 Sources of Information about Grameen Bank

The Grameen Bank, the world famous innovative micro credits institution. Some persons and incident are influencing the women entrepreneurs for joining Grameen Bank. Therefore, attempt is made to find out the sources of information about Grameen Bank of the women entrepreneurs.

Table-5.15 Business Sectors and Sources of Information about Grameen Bank

Source of information about GB loan	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Bank personnel	9 (30.0)	12 (41.4)	23 (37.7)	9 (45.0)	10 (30.3)	12 (52.2)	2 (50.0)	77 (38.5)
Neighbor	9 (30.0)	13 (44.8)	20 (32.8)	7 (35.0)	11 (33.3)	5 (21.7)	1 (25.0)	66 (33.0)
Husband	5 (16.7)	2 (6.9)	6 (9.8)	2 (10.0)	4 (12.1)	3 (13.0)	1 (25.0)	23 (11.5)
Others	7 (23.3)	2 (6.9)	12 (19.7)	2 (10.0)	8 (24.2)	3 (13.0)	0 (.0)	34 (17.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

The table-5.15 shows that 38.5 percent of the women entrepreneurs have come to know the information about Grameen Bank from Bank personnel, 33.0 percent from neighbor, 11.5 percent from husband and only 17.0 percent from other (i.e. relatives, father-in-law, father, mother, brother etc) sources. Rahman (1999), in his study shows that 52.67 percent of the entrepreneurs have come to know the information about Grameen Bank from Bank personnel, 24.66 percent from neighbor, 6.67 percent from husband and only 16.0 percent from other. Therefore, it suggests that Bank personnel are the major media of information about Grameen Bank.

In case of Processing & Manufacturing Sector Bank personnel (30.0%) and neighbors (30.0%) are the major media of information about Grameen Bank whereas in case of Livestock & Fisheries Sector (37.7%), Services Sector (45.0%), Trading Sector (52.2%) and Peddling Sector (50.0%) only the Bank personnel are the major media of information about Grameen Bank. However, in case of Agriculture & Forestry Sector (44.8%) and Shop Keeping Sector (33.3%), neighbors are the major media of information about Grameen Bank. Therefore, it can be said that Bank personnel and neighbors are the major media of information about Grameen Bank.

### 5.3.2 Inspiration Factors for the Women Entrepreneurs to Enter into Business

The poor women entrepreneurs are inspired by some person or factors under this study came to the field of entrepreneurship. Table- 5.16 shows the inspiration factor of the women entrepreneurs to enter into entrepreneurship.

Table-5.16 Business Sectors and Inspiration Factors to Enter into Business

Inspiration factors to enter into business	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Husband	19 (63.3)	15 (51.7)	25 (41.0)	9 (45.0)	18 (54.5)	12 (52.2)	2 (50.0)	100 (50.0)
Own self	7 (23.3)	4 (13.8)	20 (32.8)	3 (15.0)	6 (18.2)	4 (17.4)	0 (.0)	44 (22.0)
Bank personnel	1 (3.3)	4 (13.8)	9 (14.8)	3 (15.0)	5 (15.2)	4 (17.4)	1 (25.0)	27 (13.5)
Neighbor	3 (10.0)	4 (13.8)	5 (8.2)	4 (20.0)	1 (3.0)	1 (4.3)	0 (.0)	18 (9.0)
Others	0 (.0)	2 (6.9)	2 (3.3)	1 (5.0)	3 (9.1)	2 (8.7)	1 (25.0)	11 (5.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Table-5.16 exhibits that husband's inspiration has been considered the most favored factors (50%) for the women entrepreneurs to enter into entrepreneurial activities. In the next stage, the factors like respondents' own-self 22.0 percent, Bank personnel 13.5 percent, neighbors 9.0 percent and the remaining which inspired them to enter into business was others (i.e. relatives, father-in-law, father, mother, brother etc) constituting 5.5 percent of the respondents. Rahman (1999), in his study shows that husbands inspiration 34.0 percent, respondents' own-self 21.67 percent Bank personnel 20.0 percent, neighbors 11.0 percent and other 13.33 percent.

It was mentioned earlier that all the respondents are females. Therefore, the role of husbands was important to the women entrepreneurs to earn income to their families as well as to themselves. Sector wise, it shows that the most favorable factor is husbands' inspiration in Processing & Manufacturing Sector 63.3 percent, in Agriculture & Forestry Sector 51.7 percent, in Livestock & Fisheries Sector 41.0 percent, in Services Sector 45.0 percent, in Shop Keeping Sector 54.5 percent, in Trading Sector 52.2 percent and in Peddling Sector 50.0 percent. In case of Livestock & Fisheries. Sector self motivated are women entrepreneurs are 32.0 percent, followed by Processing & Manufacturing Sector 23.3 percent, Shop Keeping Sector 18.2 percent, Trading Sector 17.4 percent, Services Sector 15.0 percent, Agriculture & Forestry Sector 13.8 percent and none is in Peddling Sector.

### 5.3.3 Reasons for Entry into Entrepreneurship of the Women Entrepreneurs

Some times women are compel to do any one than she is not desire. The women entrepreneurs under this study came to the field of entrepreneurship for any one of the factors that compel her mentioned in table-5.17.

Table-5.17 Reasons for Entry into Entrepreneurship of the Women Entrepreneurs  
N=200

Reasons	Respondents	Percentage
Moneymaking	37	18.5
Family business	49	24.5
Family economic need	152	76.0
Gain independence	26	13.0
Others reasons	6	3.0
Total	270	

Source: Field survey

Most of the women entrepreneurs (76.0%) have entered into entrepreneurship to contribute to their family economic need, 24.5 percent to help family business, 18.5 percent to make money, 13.0 percent to gain independence and only 3.0 percent to other reasons. Saleh (1995), in his study shows that 60.0 percent women entrepreneurs had entered into entrepreneurship to do a desired type of work, 40.00 for money making and 35.0 percent for family reason. Mohiuddin, Moniruzzaman and Mahmood (1998), in their study shows that majority of the women entrepreneurs have been motivated to start their business mainly to gain more money and to have better economic condition. It suggests that family economic need is the major reason for entering into entrepreneurship.

### 5.3.4 Husbands' Occupation of the Women Entrepreneurs

Husband's occupation may influence the women entrepreneurs' occupation. In Bangladesh, women are bound to obey the husband's decision, in general, the rural illiterate and poor women in particular. Saha (1995), in his study opine that husbands played a big role by providing fund and giving inspiration. Here attempt is made to show the husbands occupation of the women entrepreneurs. The table-5.18 shows the husbands present occupation of the women entrepreneurs.

Table-5.18 Business Sectors and Husbands' Occupation

Husbands occupation	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Agriculture	2 (6.7)	12 (41.4)	15 (24.6)	3 (5.0)	4 (12.1)	2 (8.7)	1 (25.0)	39 (19.5)
Business	20 (66.7)	2 (6.9)	14 (23.0)	7 (35.0)	22 (66.7)	17 (73.9)	3 (75.0)	85 (42.5)
Service	4 (13.3)	6 (20.7)	16 (26.2)	2 (10.0)	7 (21.2)	2 (8.7)	0 (.0)	37 (18.5)
Day labor	2 (6.7)	8 (27.6)	13 (21.3)	6 (30.0)	0 (.0)	2 (8.7)	0 (.0)	31 (15.5)
Other	2 (6.7)	1 (3.4)	3 (4.9)	2 (10.0)	0 (.0)	0 (8.7)	0 (.0)	8 (4.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

It is evident from the above data that the majority of the husbands of women entrepreneurs (62.0%) involve in business and agriculture and the rest 38.0 percent are involved in service (18.5%), day labour (15.5%) and other occupations (4.0%). Out of 62.0 percent of the husbands of women entrepreneurs, 19.5 percent are involved in agriculture and 42.5 percent are in business. Rahman (1999), in his study shows that 61.67 percent of the husbands of entrepreneurs are presently engaged in business and agriculture and 38.33 percent engaged in other profession.

In case of Peddling Sector, the highest numbers of the husbands of women entrepreneurs (75.0%) are involved in business followed by 73.9 percent in Trading Sector, 66.7 percent in each of Processing & Manufacturing Sector and Shop Keeping Sector and 35.0 percent in Services Sector. Whereas, only the highest number, husbands of women entrepreneurs (41.4%) of Agriculture & Forestry Sector are involved in agriculture and 26.2 percent husbands of the women entrepreneurs of Livestock & Fisheries Sector are involved in service. It indicates that husband's occupations influence to a great extent the occupation of the women entrepreneurs.

### 5.3.5 Housing Loan Taken by the Women Entrepreneurs

Grameen Bank introduced Housing Loan in 1984. A member can borrow up to TK. 15,000.00 to construct a simple Tin-roof House at an interest rate of 8 percent to be repaid over a period of five years. Over 650,839 houses have been constructed with the Housing Loans averaging TK. 13,165.00. (G. B, Annual Report, 2007, p. 9). The



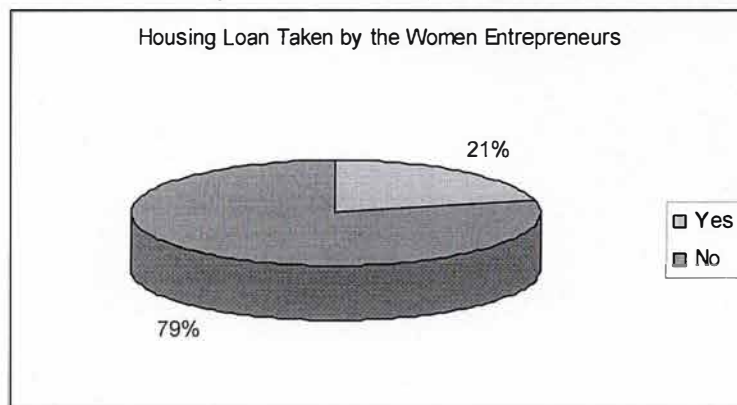
researcher try to examine the housing loan may or not influence the women entrepreneurs to start enterprises. The table-5.19 shows the housing loan taken by the women entrepreneurs.

Table-5.19 Business Sectors and Housing Loan Taken by the Women Entrepreneurs

House loan taken	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Yes	9 (30.0)	5 (17.2)	9 (14.8)	5 (25.0)	5 (15.2)	9 (39.1)	0 (.0)	42 (21.0)
No	21 (70.0)	24 (82.8)	52 (85.2)	15 (75.0)	28 (84.8)	14 (60.9)	4 (100.0)	158 (79.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage

Figure 5.3 : Housing Loan Taken by the Women Entrepreneurs



From the above table, it is shown that the majority of the respondents (79%) have not taken Housing Loan and the remaining respondents (21%) have taken Housing Loan. Sector wise, in Trading Sector highest number of women entrepreneurs (39.1%) received Housing Loans, followed by Processing & Manufacturing Sector (30.0%), Services Sector (25.0%), Agriculture & Forestry Sector (17.2%), Shop Keeping Sector (15.2%) and Livestock & Fisheries Sector (14.8%) have taken Housing Loans to improve of their livelihood. Only in Peddling Sector, none has taken Housing Loan. Therefore, the findings of this table lead to a general conclusion that the majority of those not obtained Housing Loan to improve their livelihood.

Table-5.20 Locality and Housing Loan Taken by the Women Entrepreneurs

house loan taken	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
yes	31	31.0	11	11.0	42	21.0
no	69	69.0	89	89.0	158	79.0
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of Pabna Zone, 31.0 percent of the women entrepreneurs have taken Housing Loan, whereas in case of Jhenaidah Zone, it is only 11.0 percent, suggesting that the women entrepreneurs of Pabna Zone are far ahead for a better life than those of Jhenaidah Zone.

### 5.3.6 Higher Education Loan Taken by the Women Entrepreneurs

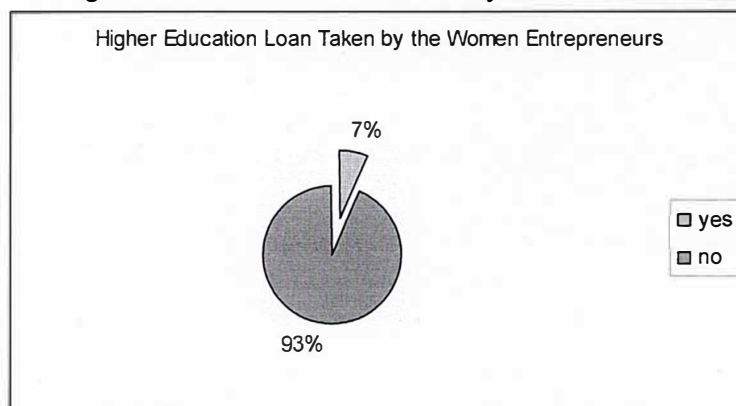
In 1997, Grameen Bank introduced the Higher Education Loan Program, to make an effort to provide new opportunities for the talented children of its borrowers to receive higher education. Till the end of the year 2007, 20,886 students from various disciplines have so far received loans under this program (G. B, Annual Report, 2007, p. 22). Table-5.21 indicates the higher education loan taken or not taken by the women entrepreneurs from Grameen Bank for their children's higher education.

Table-5.21 Business Sectors and Higher Education Loan Taken by the Women Entrepreneurs

Hire education loan taken	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Yes	2 (6.7)	4 (13.8)	3 (4.9)	0 (.0)	3 (9.1)	2 (8.7)	0 (.0)	14 (7.0)
No	28 (93.3)	25 (86.2)	58 (95.1)	20 (100.0)	30 (90.9)	21 (91.3)	4 (100.0)	186 (93.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure 5.4 : Higher Education Loan Taken by the Women Entrepreneurs



The data reveals that only 7.0 percent of respondents have taken Higher Education Loan and other 93.0 percent respondents have not taken Higher Education Loan. The data also reveals that Services Sector and Peddling Sector cent percent of women entrepreneurs have not taken Higher Education Loan. In case of Agriculture & Forestry Sector the highest number of women entrepreneurs (13.8%) have taken Higher Education Loan, followed by Shop Keeping Sector (9.1%), Trading Sector (8.7%), Processing & Manufacturing Sector (6.7%) and Livestock & Fisheries Sector (4.9%), suggesting that it is a little achievement to prepare the next generation of the women entrepreneurs. However, it is a good start by Grameen Bank for the preparation of next generation of the women entrepreneurs.

#### 5.4 Summary

The profiles of the women entrepreneur include age, marital status, religions, place of origin, educational status, husbands' educational status, number of children, number of the family member and family structure. The study shows that the average age of the women entrepreneurs in all sectors is 37.35 years and standard deviation is 8.96 years, the average number of children is 3.07 and standard deviation is 1.48 and the average number of family member is 5.05 along with a standard deviation of 1.94.

The majority of the women entrepreneurs (70.0%) belonged to nuclear family, 94.5 percent are Muslim, 91.5 percent are married and 84.5 percent are native inhabitation. Most of the women entrepreneurs (71.0%) are illiterate and have education up to primary level. The education of the majority of the husbands of the women entrepreneurs (52.0%) is secondary level and higher secondary level & above.

Most of the women entrepreneurs (71.5%) have come to know the information about Grameen Bank from Bank personnel and neighbor. Most of the cases (50%), husbands inspire them to enter into entrepreneurial activities and the majority of the husbands of women entrepreneurs (62.0%) involve in Business and Agriculture. The majority of the women entrepreneurs (76.0%) have entered into entrepreneurship to contribute to their family economic need. Only 7.0 percent of the women entrepreneurs have taken Higher Education Loan and 21 percent have taken Housing Loan.

## CHAPTER VI

### ASSESSMENT OF ENTREPRENEURIAL ACTIVITIES AND CHANGES OF LIFE STYLE AND SAVINGS OF THE WOMEN ENTREPRENEURS

#### 6.1 Introduction

The performances of the women entrepreneurs are assessed with the help of descriptive analysis. The descriptive analysis like percentage, mean, compare mean, standard deviation, ratio and graph is used for assessing entrepreneurial activities and changes of life style and savings of the women entrepreneurs.

#### 6.2 Entrepreneurial Activities of the Women Entrepreneurs

This portion of the chapter is consisted to entrepreneurial activities of the women entrepreneurs.

##### 6.2.1 Locality of the Women Entrepreneurs

For the evaluating of sector wise distribution with their locality of the women entrepreneurs, this attempt is taken by researcher. The table-6.1 shows the business sector and locality of the women entrepreneurs in this study.

Table-6.1 Business Sectors and Locality of the Women Entrepreneurs

Locality	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Pabna Zone	17 (17.0)	10 (10.0)	35 (35.0)	8 (8.0)	19 (19.0)	10 (10.0)	1 (1.0)	100 (100.0)
Jhenaidah Zone	13 (13.0)	19 (19.0)	26 (26.0)	12 (12.0)	14 (14.0)	13 (13.0)	3 (3.0)	100 (100.0)
Total	30 (15.0)	29 (14.5)	61 (30.5)	20 (10.0)	33 (16.5)	23 (11.5)	4 (2.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate row percentage

The above table reveals that women entrepreneurs taking business as the occupation Livestock & Fisheries Sector (30.5%) is the main choice and it is followed by Shop Keeping Sector (16.5%), Processing & Manufacturing Sector (15.0%), Agriculture & Forestry Sector (14.5%), Trading Sector (11.5%), Services Sector (10.0%) and last choice is Peddling Sector (2.0%). Rahman (1999), in his study shows that Livestock & Fisheries (27.33%) is the main choice of the entrepreneurs taking up business as occupation and the next Agriculture & Forestry Sector 27.0

percent, Trading 25.0 percent, Processing & Manufacturing 10.67 percent, Peddling and Services 6.34 percent and Shop Keeping and collective enterprises 3.66 percent.

This table further reveals that in case of the women entrepreneurs belonging to the Pabna Zone, Livestock & Fisheries Sector is the main choice (35.0%), followed by Shop Keeping Sector (19.0%), Processing & Manufacturing Sector (17.0%), Agriculture & Forestry Sector (10.0%), Trading Sector (10.0%) and Services Sector (8.0%). Only 1.0 percent is engaged in Peddling Sector. So, women entrepreneurs of the Pabna Zone have an equal choice for both Agriculture & Forestry Sector and Trading Sector. In case of women entrepreneurs belonging to Jhenaidah Zone, Livestock & Fisheries Sector (26.0%) is their main choice, followed by Agriculture & Forestry Sector (19.0%), Shop Keeping Sector (14.0%), Processing & Manufacturing Sector (13.0%), Trading Sector (13.0%) and Services sector (12.0%). Only 3.0 percent are engaged in Peddling Sector. Therefore, women entrepreneurs of the Jhenaidah Zone have an equal choice for both Processing & Manufacturing Sector and Trading Sector.

Table-6. 2 Rank of Various Business Sectors as per Distribution of the Number of Women Entrepreneurs.

Rank	Location		Total
	Pabna Zone	Jhenaidah Zone	
1	Livestock & Fishery Sector	Livestock & Fishery Sector	Livestock & Fishery Sector
2	Shop Keeping Sector	Agriculture & Forestry Sector	Shop Keeping Sector
3	Processing & Manufacturing Sector	Shop Keeping Sector	Processing & Manufacturing Sector
4	Agriculture & Forestry and Trading Sector	Processing & Manufacturing and Trading Sector	Agriculture & Forestry Sector
5	Services Sector	Services Sector	Trading Sector
6	Peddling Sector	Peddling Sector	Services Sector
7			Peddling Sector

### 6.2.2 Ownership Pattern of Enterprises of the Women Entrepreneurs

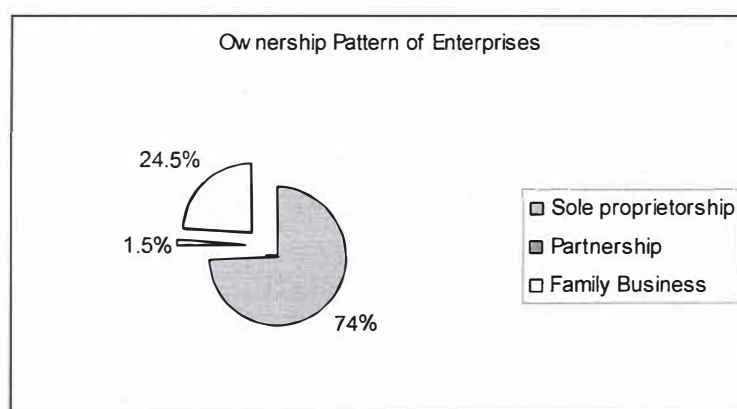
The women entrepreneurs are engaged three types of business enterprises viz: Sole proprietorship, Partnership and Family business. The following table exhibits the business sectors and ownership pattern of enterprises of the women entrepreneurs.

Table-6. 3 Business Sectors and Ownership Pattern of Enterprises

Ownership pattern	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Sole proprietorship	16 (53.3)	18 (62.1)	57 (93.4)	18 (90.0)	20 (60.6)	16 (69.6)	3 (75.0)	148 (74.0)
Partnership	3 (10.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	3 (1.5)
Family business	11 (36.7)	11 (37.9)	4 (6.6)	2 (10.0)	13 (39.4)	7 (30.4)	1 (25.0)	49 (24.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure 6.1 : Ownership Pattern of Enterprises



The above table shows that 74.0 percent of the enterprises owned by women entrepreneurs are of sole proprietorship type and 24.5 percent are family business and only 1.5 percent is partnership type. The partners are other women of the same village who are member of the same center. Proprietorship type of business is the highest (93.4%) in case of Livestock & Fisheries Sector, followed by Services Sector (90.0%), Peddling Sector (75.0%), Trading Sector (69.6%), Agriculture & Forestry Sector (62.1%), Shop Keeping Sector (60.6%) and the lowest is in case of Processing & Manufacturing Sector (53.3%). Family business is the highest in case of Shop Keeping Sector (39.4%), followed by Agriculture & Forestry Sector (37.9%), Processing & Manufacturing Sector (36.7%) and Trading Sector (30.4%) and the least is in case of Livestock & Fisheries Sector (6.6%), followed by Services Sector (10.0%) and Peddling Sector (25.0%).

Table-6.4 Locality and Ownership Pattern of Enterprises

Ownership pattern	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Sole proprietorship	70	70.0	78	78.0	148	74.0
Partnership	2	2.0	1	1.0	3	1.5
Family business	28	28.0	21	21.0	49	24.5
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of the enterprises of Pabna Zone, 70.0 percent are sole proprietorship, 28.0 percent family business and only 2.0 percent partnership type. In case of the enterprises of Jhenaidah Zone, 78.0 percent are sole proprietorship, 21.0 percent family business and only 1.0 percent is partnership type. Sole Proprietorship type is the most popular form of business irrespective of localities.

#### 6.2.2 Ownership Pattern of Enterprises and Average Present Monthly Income

Ownership pattern	Frequencies	Average Present Monthly Income
Sole Proprietorship	148 (74.0)	4,264.86
Partnership	03 (1.5)	4,666.67
Family Business	49 (24.5)	4,618.37
Total	200 (100.0)	4,357.50

Source: Field survey, figures in parenthesis indicate column percentage

The above table shows that the women entrepreneurs who are involved in partnership type of business generated the highest average present monthly income (TK. 4,666.67), followed by family business type of enterprises TK. 4,618.37 and the sole proprietorship type of enterprises generated the lowest average present monthly income (TK. 4,264.86).

#### 6.2.3 Inheritance Pattern of Enterprises of the Women Entrepreneurs

Some of the women entrepreneurs inherited their business either from their father-in-law or from husband and some of them newly established their business. Table-6.6 reveals the inheritance pattern of enterprises of the women entrepreneurs.

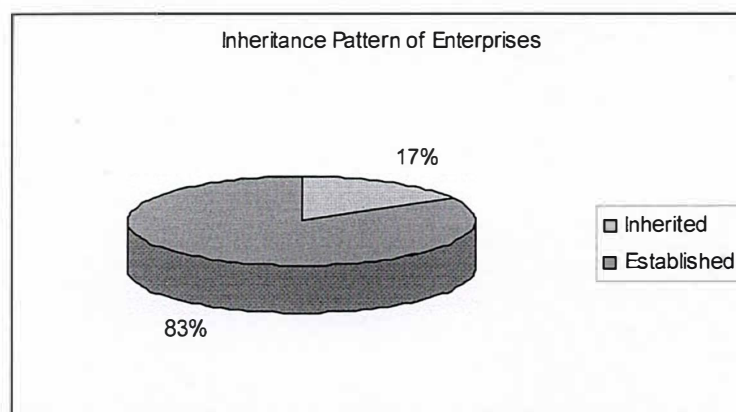


Table-6.6 Business Sectors and Inheritance Pattern of Enterprises

Inheritance pattern	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Inherited	8 (26.7)	3 (10.3)	12 (19.7)	2 (10.0)	6 (18.2)	3 (13.0)	0 (.0)	34 (17.0)
Established	22 (73.3)	26 (89.7)	49 (80.3)	18 (90.0)	27 (81.8)	20 (87.0)	4 (100.0)	166 (83.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure 6.2 : Inheritance Pattern of Enterprises



It is noted that most of the women entrepreneurs (83.0%) newly established their business. Only 17.0 percent of the women entrepreneurs inherited their business either from their father-in-law or from husband. In case of women entrepreneurs who have inherited their business, 26.7 percent are engaged in Processing & Manufacturing Sector followed by 19.7 percent in Livestock & Fisheries Sector, 18.2 percent in Shop Keeping Sector, 13.0 percent in Trading Sector, 10.3 percent in Agriculture & Forestry Sector, 10.0 percent in Services Sector and none engaged in Peddling Sector. In case of women entrepreneurs who have established their business, cent percent engaged in Peddling Sector followed by 90.0 percent in Services Sector, 89.7 percent in Agriculture & Forestry Sector, 87.0 percent in Trading Sector, 81.8 percent in Shop Keeping Sector, 80.3 percent in Livestock & Fisheries Sector and 73.3 percent engaged in Processing & Manufacturing Sector.

Table-6.7 Locality and Inheritance Pattern of Enterprises

Inheritance pattern	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Inherited	25	25.0	9	9.0	34	17.0
Established	75	75.0	91	91.0	166	83.0
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

The majority of the women entrepreneurs (25.0%) who inherited their business belong to the Pabna Zone and majority of the women entrepreneurs (91.0%) who established their business belong to the Jhenaidah Zone.

#### 6.2.4 Involvement in Grameen Bank of the Women Entrepreneurs

To measure the stability of the women entrepreneurs in Grameen Bank an attempt was made to know involvement in Grameen Bank of the women entrepreneurs. Table-6.8 shows the business sectors and involvement in Grameen Bank of the women entrepreneurs.

Table-6.8 Business Sectors and Involvement in Grameen Bank of the Women Entrepreneurs

Involvement in GB (year)	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
2-5	9 (30.0)	6 (20.7)	21 (34.4)	5 (25.0)	9 (27.3)	5 (21.7)	1 (25.0)	56 (27.0)
6-9	7 (23.3)	11 (37.9)	12 (19.7)	4 (20.0)	12 (36.4)	3 (13.0)	0 (.0)	49 (24.5)
10-13	5 (16.7)	6 (20.7)	11 (18.0)	4 (20.0)	8 (24.2)	9 (39.1)	2 (50.0)	45 (22.5)
14-17	9 (30.0)	6 (20.7)	17 (27.9)	7 (35.0)	4 (12.1)	6 (26.1)	1 (25.0)	50 (25.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	9.23	9.28	9.30	9.95	8.45	10.22	11.25	9.36
Standard deviation	4.88	4.07	4.89	4.22	4.13	4.41	4.35	4.50

Source: Field survey, figures in parenthesis indicate column percentage.

The average total involvement in Grameen Bank of the women entrepreneurs is 9.36 years along with a standard deviation of 4.50 years representing a range of 5 to 14 years of total involvement. The maximum of the women entrepreneurs (51.5%) have

2 to 9 years' of involvement in Grameen Bank; out of whom 27.0 percent have 2 to 5 years' and 24.5 percent have 6 to 9 years'. About 22.5 percent of women entrepreneurs have 10 to 13 years' of involvement in Grameen Bank and 25.0 percent have 14 to 17 years'.

Table-6.9 Locality and Involvement in Grameen Bank of the Women Entrepreneurs

Involvement in GB (year)	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
2-5	22	22.0	34	34.0	56	28.0
6-9	21	21.0	28	28.0	49	24.5
10-13	25	25.0	20	20.0	45	22.5
14-17	32	32.0	18	18.0	50	25.0
Total	100	100.0	100	100.0	200	100.0
Average	10.20		8.51		9.36	
Standard deviation	4.55		4.30		4.50	

Source: Field survey, Freq.=Frequency, %=Percentage

The average involvement of the women entrepreneurs in Grameen Bank in Pabna Zone is 10.20 years along with the standard deviation of 4.55 years representing a range of 5 to 15 years of total involvement. In case of Jhenaidah Zone, the average involvement of the women entrepreneurs in Grameen Bank is 8.51 years along with the standard deviation of 4.30 years representing a range of 4 to 13 years of total involvement. So, women entrepreneurs of Pabna Zone can involve longer in Grameen Bank than the women entrepreneurs of Jhenaidah Zone.

#### 6.2.5 Experience in Business of the Women Entrepreneurs

Experience can play a vital role for succeeding of an entrepreneur. Experienced persons are more enterprising than inexperienced ones. Table-6.10 shows the experience in business of the women entrepreneurs.

Table-6.10 Business Sectors and Experience in Business

Experience in business (year)	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
1-5	11 (36.7)	11 (37.9)	26 (42.6)	8 (40.0)	12 (36.4)	7 (30.4)	1 (25.0)	76 (38.0)
6-10	9 (30.0)	14 (48.3)	23 (37.7)	9 (45.0)	13 (39.4)	11 (47.8)	1 (25.0)	80 (40.0)
11-15	5 (16.7)	4 (13.8)	11 (18.0)	1 (5.0)	3 (9.1)	4 (17.4)	2 (50.0)	30 (15.0)
16-20	4 (13.3)	0 (.0)	1 (1.6)	1 (5.0)	4 (12.1)	0 (.0)	0 (.0)	10 (5.0)
21-25	1 (3.3)	0 (.0)	0 (.0)	(5.0)	1 (3.0)	1 (4.3)	0 (.0)	4 (2.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	9.67	7.28	7.07	7.30	8.91	8.22	10.75	8.02
Standard deviation	5.82	3.16	3.76	5.87	5.71	4.85	5.68	4.83

Source: Field survey, figures in parenthesis indicate column percentage.

The average total business experience is 8.02 years along with a standard deviation of 4.83 years' representing a range of 3 to 13 years of total business experience of women entrepreneurs. The majority of the women entrepreneurs (78.0%) have up to 10 years' business experience; out of which 38.0 percent have up to 5 years' business experience and 40.0 percent have experience 6 to 10 years'. About 15.0 percent of women entrepreneurs have 11 to 15 years experience and only 7.0 percent have more than 15 years' business experience. The highest average business experience is 10.75 years, it is in case of women entrepreneurs of Peddling Sector followed by 9.67 years in Processing & Manufacturing Sector, 8.91 years in Shop keeping Sector, 8.22 years in Trading Sector, 7.30 years in Services Sector, 7.28 years in Agriculture & Forestry Sector and 7.07 years in Livestock & Fisheries Sector. So women entrepreneurs in Peddling Sector, Processing & Manufacturing Sector, Shop Keeping Sector and Trading Sector are more experienced than those of the women entrepreneurs of Services Sector, Agriculture & Forestry Sector and Livestock & Fisheries Sector.

**Table-6.11 Locality and Experience in Business of the Women Entrepreneurs**

Experience (year)	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
1-5	25	25.0	51	51.0	76	38.0
6-10	43	43.0	37	37.0	80	40.0
11-15	18	18.0	12	12.0	30	15.0
16-20	10	10.0	0	0.0	10	5.0
21-25	4	4.0	0	0.0	4	2.0
Total	100	100.0	100	100.0	200	100.0
Average	9.56		6.48		8.02	
Standard deviation	5.51		3.43		4.83	

Source: Field survey, Freq.=Frequency, %=Percentage

The average business experience of the women entrepreneurs of Pabna Zone is 9.56 years along with a standard deviation of 5.51 years representing a range of 4 to 15 years of total business experience. In case of Jhenaidah Zone, the average business experience of the women entrepreneurs is 6.48 years along with a standard deviation of 3.43 years representing a range of 3 to 10 years of total experience.

In case of women entrepreneurs of Pabna Zone, 78.0% have up to 10 years' business experience, 18.0 percent 11 to 15 years and only 15.0 percent more than 15 years' business experience. In case of women entrepreneurs of Jhenaidah Zone, 88.0% have up to 10 years' business experience, 12.0 percent 11 to 15 years' and none more than 15 years' business experience. The women entrepreneurs of Pabna Zone are more experienced than the women entrepreneurs of Jhenaidah Zone, suggesting that women entrepreneurs of Pabna Zone can continue longer in business than the women entrepreneurs of Jhenaidah Zone.

#### 6.2.6 Training of the Women Entrepreneurs

Begum (1993) found that entrepreneurial training is useful for developing women entrepreneurs' skills and efficiency. Training makes a man perfect. Entrepreneurs are not born they are developed. They acquire and enhance their skill and business knowledge through training and guidance. They can utilize their money in proper way and control cost effectively by having proper training (Mohiuddin, Moniruzzaman and Mahmood 1998). The following tables exhibits the relevant observation.

Table-6.12 Business Sectors and Training on Any Subject

Training any subject	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Yes	4 (13.3)	4 (13.8)	13 (21.3)	6 (30.0)	5 (15.2)	3 (13.0)	0 (.0)	35 (17.5)
No	26 (86.7)	25 (86.2)	48 (78.7)	14 (70.0)	28 (84.8)	20 (87.0)	4 (100.0)	165 (82.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Table-6.13 Business Sectors and Training Related to Business

Training related to business	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Yes	2 (6.7)	0 (.0)	6 (9.8)	5 (25.0)	1 (3.0)	0 (.0)	0 (.0)	14 (7.5)
No	28 (93.3)	29 (100.0)	55 (90.2)	15 (75.0)	32 (97.0)	23 (100.0)	4 (100.0)	186 (93.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Training any subject means training whether related to present business or not related to present business. The majority of the women entrepreneurs (82.5%) did not receive any kind of training. Only 17.5 percent received training indicating a very low level of training for the women entrepreneurs (Table-6.12). However, only 7.5 percent had training related to their present business (Table-6.13). Lack of access to training for new skills is compelling women entrepreneurs to run traditional business, which not only has high risk but also low profitability.

Table-6.14 Locality and Training on Any Subject

Training any subject	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Yes	23	23.0	12	12.0	35	17.5
No	77	77.0	88	88.0	165	82.5
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

Table-6.15 Locality and Training Related to Business

Training related to business	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
Yes	10	10.0	4	4.0	14	7.0
No	90	90.0	96	96.0	186	93.0
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of women entrepreneurs of Pabna Zone, only 23.0 percent had training on any subject, whereas it is 12.0 percent in case of women entrepreneurs of Jhenaidah Zone (Table-6.14). However, who had training, in case of women entrepreneurs of Pabna Zone only 10.0 percent had training related to their present business. Whereas it is only 4.0 percent in case of women entrepreneurs of jhenaidah Zone (Table-6.15), revealing that the women entrepreneurs of Jhenaidah Zone are of lower skill than those of the women entrepreneurs of Pabna Zone.

Table-6.16 Training and Average Present Monthly Income

Any Training	Frequencies	Average Present Monthly Income
Yes	35 (17.5)	5,037.14
No	165 (82.5)	4,213.33
Total	200 (100.0)	4,357.50

Source: Field survey, figures in parenthesis indicate column percentage

The table-6.16 reveals that the women entrepreneurs who have any training and who did not take any training was generated TK. 5,037.14 and TK. 4213.33 average present monthly income respectively. Therefore, it is evident that the women entrepreneurs who took any training generated more average present monthly income than those of the women entrepreneurs who did not take any training.

### 6.2.7 Business Starting Time of the Women Entrepreneurs

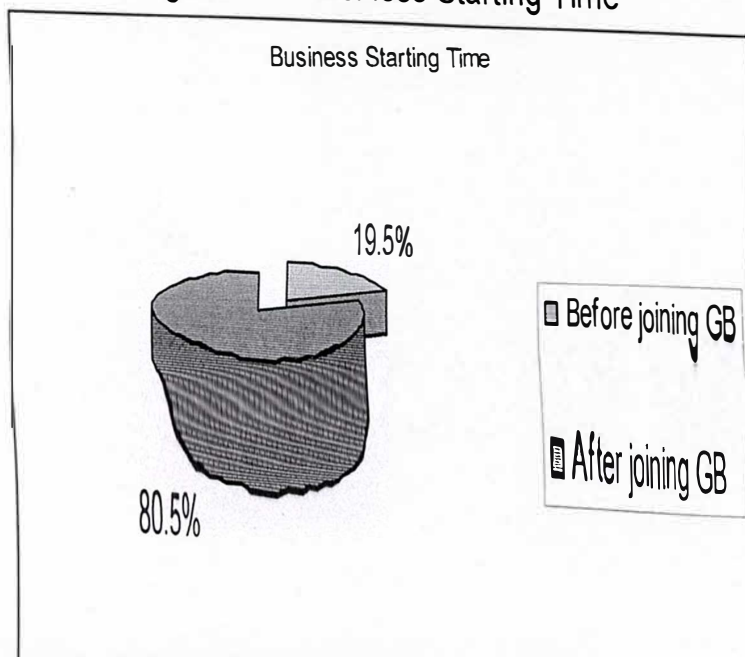
For the evaluating the contribution of Grameen Bank to introduce into entrepreneurial activities of the women entrepreneurs an attempt was made to know the business starting time. The results in the table-6.17 indicate the involvement of the women entrepreneurs in business either before or after joining Grameen Bank.

Table-6.17 Business Sectors and Business Starting Time

Business starts before or after joining GB	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Before	7 (23.3)	4 (13.8)	9 (14.8)	3 (15.0)	12 (36.4)	3 (13.0)	1 (25.0)	39 (19.5)
After	23 (76.7)	25 (86.2)	52 (85.2)	17 (85.0)	21 (63.6)	20 (87.0)	3 (75.0)	161 (80.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

Figure 6.3 : Business Starting Time



It can be observed from the above table that out of 200 women entrepreneurs, only 19.5 percent are involved in business before joining Grameen Bank and the majority of the respondents (80.5%) are involved in business after joining Grameen Bank. Sector wise observation shows that before joining Grameen Bank, women entrepreneurs have involved themselves in business only 23.3 percent in Processing & Manufacturing Sector, 13.8 percent in Agriculture & Forestry Sector, 14.8 percent in Livestock & Fisheries Sector, 15.0 percent in Services Sector, 36.4 percent in Shop Keeping Sector, 13.0 percent in Trading Sector and 25.0 percent in Peddling Sector. However, after joining Grameen Bank, women entrepreneurs have involved themselves in business 76.7 percent in Processing & Manufacturing Sector, 86.2 percent in Agriculture & Forestry Sector, 85.2 percent in Livestock & Fisheries Sector, 85.0 percent in Services Sector, 63.6 percent in Shop Keeping Sector, 87.0 percent in Trading Sector and 75.0 percent in Peddling Sector. So it can be concluded that movement to business is significant after joining Grameen Bank.

Table-6.18 Locality and Business Starting Time

Business starts before or after joining GB	Locality				Total	
	Pabna Zone		Jhenaidah Zone		Freq	%
	Freq	%	Freq	%		
Before joining GB	25	25.0	14	14.0	39	19.5
After joining GB	75	75.0	86	86.0	161	80.5
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of women entrepreneurs of Pabna Zone, 25.0 percent are involved in business before joining Grameen Bank, whereas in case of women entrepreneurs of Jhenaidah Zone, it is 14.0 percent. In case of women entrepreneurs of Pabna Zone, 75.0 percent are involved in business after joining Grameen Bank, whereas in case of women entrepreneurs of Jhenaidah Zone, it is 86.0 percent.



of women entrepreneurs of Jhenaidah Zone, it is 86.0 percent suggesting that the involvement in business in Jhenaidah Zone is more than that of Pabna Zone after joining Grameen Bank.

Table-6.19 Business Starting Time and Present Monthly Income

Business Starting Time	Frequencies	Average Present Monthly Income
Before joining Grameen Bank	39 (19.5)	5,069.23
After joining Grameen Bank	161 (80.5)	4,185.09
Total	200 (100.0)	4,357.50

Source: Field survey, figures in parenthesis indicate column percentage

The table-6.19 reveals that the women entrepreneurs who started business before joining Grameen Bank and who started business after joining Grameen Bank was generated TK. 4,185.09 and TK. 5,069.23 average present monthly income respectively. The analysis of the above data shows that the women entrepreneurs who started business before joining Grameen Bank generated more income (TK. 5,069.23) than those of the women entrepreneurs who started business after joining Grameen Bank.

#### 6.2.8 Sources of Raw Materials of the Women Entrepreneurs

Raw materials are major factor for entrepreneurship development. Availability of raw materials in local market with reasonable price is helpful to women entrepreneurs. So attempt was made to know the sources of raw materials of the women entrepreneurs.

Table-6.20 Business Sectors and Sources of Raw Materials

Source of raw materials	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Local market	23 (76.7)	18 (62.1)	46 (75.4)	20 (100.0)	32 (97.0)	19 (82.6)	4 (100.0)	162 (81.0)
Neighbors	0 (.0)	5 (17.2)	4 (6.6)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	9 (4.5)
Other districts	6 (20.0)	1 (3.4)	11 (18.0)	0 (.0)	1 (3.0)	4 (17.4)	0 (.0)	23 (11.5)
Own self	1 (3.3)	5 (17.2)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	6 (3.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

The majority of the women entrepreneurs (81.0%) purchase raw materials from local market, followed by 11.5 percent from other Districts, 4.5 percent from their neighbors and only 3.0 percent either produce or get the same from their own houses.

The majority of the women entrepreneurs (76.7%) in Processing & Manufacturing Sector purchase raw materials from local market, followed by 20.0 percent from other Districts, 3.3 percent produce the same and none buys from the neighbors. In case of the women entrepreneurs engaged in Agriculture & Forestry Sector, a majority (62.1%) purchase raw materials from the local market, followed by 17.2 percent from neighbors, 17.2 percent produced the same and 3.4 percent who buy it from other District. In case of the Livestock & Fisheries Sector, the majority of the women entrepreneurs (75.4%) purchase raw materials from the local market, followed by 18.0 percent from other Districts, 6.6 percent collect it from neighbors and none produces the same. In case of the Services Sector and Peddling Sector, all the women entrepreneurs (100.0%) purchase raw materials from the local market. In case of the women entrepreneurs engaged in Shop keeping Sector, a majority (97.0%) purchase raw materials from the local market, followed by 3.0 percent from other District and none collect it from neighbors and produced the same. In case of the women entrepreneurs engaged in Trading Sector, a majority (82.6%) purchase raw materials from the local market, followed by 17.4 percent from other District and none collect it from neighbors or produced the same. It suggests that local market is the main source of raw materials irrespective of their business sectors.

#### 6.2.9 Distribution Channel

Marketing is a very important aspect of the women entrepreneurs to achieve success in the enterprises. The table-6.21 shows the distribution channel of product and services of the women entrepreneurs.

Table-6.21 Business Sectors and Distribution Channel

Distribution channel	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Direct to customer	16 (53.33)	16 (55.2)	32 (52.5)	14 (70.0)	24 (72.7)	21 (91.3)	3 (70.0)	126 (63.0)
To retailer	16 (53.33)	27 (93.1)	42 (68.9)	0 (.0)	9 (27.3)	14 (60.8)	0 (.0)	108 (54.0)
Both	4 (13.3)	16 (55.2)	20 (32.8)	0 (0.0)	0 (.0)	13 (56.5)	0 (.0)	53 (26.5)
Other	2 (6.7)	2 (6.9)	7 (11.5)	6 (30.0)	0 (.0)	1 (4.3)	1 (25.0)	19 (9.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

The women entrepreneurs sell their products and services directly to the customers 63.0 percent, to retailers 54.0 percent, both directly to the customers and to retailers 26.5 percent and to other channels only 9.5 percent. It is noted that 26.5 percent are included to both directly to the customers (63.0%) and to retailers (54.0%).

Table-6.21 reveals that the majority of the women entrepreneurs (91.3%) engaged in Trading Sector sell their products and services directly to the customers, followed by Shop Keeping Sector (72.7%), Services Sector (70.0%) and Peddling Sector (70.0%), Agriculture & Forestry Sector (55.2%), Processing & Manufacturing Sector (53.33%), Livestock & Fisheries Sector (52.5%). The data further reveals that the majority of the women entrepreneurs (93.1%) engaged in Agriculture & Forestry Sector sell their products and services to the retailers, followed by Livestock & Fisheries Sector (68.9%), Trading Sector (60.8%), Processing & Manufacturing Sector (53.33%), Shop Keeping Sector (27.3%), but none of the Services Sector and Peddling Sector sells their product and services to the retailers.

#### 6.2.10 Time Needed to Get Loan for the Women Entrepreneurs

For the effective utilization of credit, it is necessary to use the required amount of credit in time. When a borrower needs funds for investment in a particular scheme, she/he wants to obtain the required volume of money within necessary time for the purpose. Therefore, an attempt has first been made to find out the time gap between submissions of loan proposal and receiving the amount of loan.

Table-6.22 Business Sectors and Time Needed to Get Loan

Time needed	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
One week	26 (86.7)	29 (100.0)	55 (90.2)	19 (95.0)	31 (93.9)	22 (95.7)	4 (100.0)	186 (93.0)
Two week	4 (13.3)	0 (.0)	4 (6.6)	1 (5.0)	2 (6.1)	1 (4.3)	0 (.0)	12 (6.0)
Above two week	0 (.0)	0 (.0)	2 (3.3)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	2 (1.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

It is exhibited from the above table that 93.0 percent of the women entrepreneurs get loan within one week after submission of loan proposal and the rest 7.0 percent get it within two or more weeks. Rahman (1999), in his studies shows that 90.0 percent of the entrepreneurs get loan within one week after submission of loan proposal and the rest 10.0 percent get it within two or more weeks. Therefore, the short period for payment of loan from Grameen Bank is much favorable for the women entrepreneurship in Bangladesh.

#### 6.2.11 Working Days Lost to Get Loan for the Women Entrepreneurs

Further attempt was made to know the working days lost for taking the loan from Grameen Bank of the women entrepreneurs. Days were lost receiving loan from the Grameen Bank but not for the attendance in the weekly meeting during observation periods and the discussion with Bank Field Worker for getting the loan. Thus, it is revealed that working days lost vary from 1 to 3 days & above. The table-6.23 represents the facts to this context.

Table-6.23 Business Sectors and Working Days Lost to Get Loan

Working days lost (days)	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
one days	24 (80.0)	27 (93.1)	54 (88.5)	20 (100.0)	32 (97.0)	23 (100.0)	4 (100.0)	184 (92.0)
Two days	6 (20.0)	1 (3.4)	5 (8.2)	0 (.0)	1 (3.0)	0 (.0)	0 (.0)	13 (6.5)
more than two days	0 (.0)	1 (3.4)	2 (3.3)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	3 (1.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	1.20	1.10	1.15	1.00	1.03	1.00	1.00	1.10
Standard deviation	0.41	0.41	0.44	0.00	0.17	0.00	0.00	0.34

Source: Field survey, figures in parenthesis indicate column percentage.

It is evident from the above table that working days lost for the majority of the women entrepreneurs (92.0%) were only one and the rest 8.0 percent of the women entrepreneurs lose two or more working days to get loan. Rahman (1999), in his studies shows that 84.0 percent of entrepreneurs lost working days 1 to 3 to get loan and the rest 16.0 percent 4 or more days. That means the time lost was less significant.

#### 6.2.12 Sources of Initial Capital of the Women Entrepreneurs

The sources of initial capital are two types as own sources and Grameen Bank sources. Own sources are called own capital and Grameen Bank sources are called borrowed capital. Own capital means capital other than Grameen Bank sources, it may be personal savings, husband's savings, sales of other family assets, relatives, friends, moneylenders and others supporting agencies. On the other hand, borrowed capital means loan from only Grameen Bank sources. The table-6.24 reveals the sources of initial capital of the women entrepreneurs.

Table-6.24 Sources of Initial Capital of the Women Entrepreneurs

Capital	Own Capital		Borrowed Capital	
	Number of respondents	Percentage	Number of respondents	Percentage
No capital	117	58.5	39	19.5
Up to-5000	34	17.0	89	44.5
5001-10000	36	18.0	66	33.0
10001-15000	10	5.0	6	3.0
Above-15000	03	1.5	00	0.0
Total	200	100.0	200	100.0
Average	3,087.50		4,795.00	
Standard deviation	4,458.47		3,340.10	

Source: Field survey

The table-6.24 shows the sources of initial capital of the women entrepreneurs. The amount of initial capital reveals that the average initial borrowed capital from Grameen Bank Sources is TK. 4,795.00 with a standard deviation of TK. 3,340.10. This suggests that the contribution of Grameen Bank to initial capital of the majority of the women entrepreneurs varies between TK. 1,455.00 to TK. 8,135.00. Whereas, the average initial own capital is TK. 3,087.50 representing that the contribution of Grameen Bank Sources (Borrowed Capital) in initial capital is more than own capital. Table-6.24 shows that the majority of the women entrepreneurs (58.5%) had no own capital in initial capital. The rest 41.5 percent of the women entrepreneurs had own capital in initial capital. Table-6.24 further reveals that only 19.5 percent of the

women entrepreneurs had not borrowed capital from Grameen Bank sources for their initial capital and the rest 80.5 percent of the women entrepreneurs had borrowed capital from Grameen Bank sources for their initial capital. The analysis of the data shows that 22.0 percent of the women entrepreneurs use both the sources of their initial capital. Therefore, most of the women entrepreneurs (80.5%) were dependent on Grameen Bank (Borrowed Capital) for their initial capital.

#### 6.2.13 Sources of Present Capital of the Women Entrepreneurs

Sources of present capital mean own sources and Grameen Bank sources. Own sources are called own capital and Grameen Bank sources are called borrowed capital. Own capital means capital other than Grameen Bank sources, it may be personal savings, husband's savings, sales of other family assets, relatives, friends, moneylenders and others supporting agencies. On the other hand, borrowed capital means loan from Grameen Bank sources. The table-6.25 reveals the sources of present capital of the women entrepreneurs

Table-6.25 Sources of Present Capital of the Women Entrepreneurs

Present Capital	Own Capital		Borrowed Capital	
	Number of respondents	Percentage	Number of respondents	Percentage
No Capital	44	22.0	17	8.5
Up to-5000	15	7.5	14	7.0
5001-10000	25	12.5	47	23.5
10001-15000	30	15.0	23	11.5
15001-20000	26	13.0	35	17.5
Above-20000	60	30.0	64	32.0
Total	200	100.0	200	100.0
Average	16,170.00		23,205.00	
Standard deviation	14,069.86		25,276.62	

Source: Field survey

The amount of present capital reveals that the average present borrowed capital from Grameen Bank sources is TK. 23,205.00. Whereas, the average present own capital is TK. 16,170.00 representing that the contribution of Grameen Bank sources (Borrowed Capital) in present capital is more than own capital. Table-6.25 shows that 22.0 percent of the women entrepreneurs has no own capital in their present capital. The rest 78.0 percent of the women entrepreneurs has own capital in their present capital. Table-6.25 further reveals that only 8.5 percent of the women entrepreneurs has no borrowed capital in their present capital and the rest 91.5 percent of the women entrepreneurs has borrowed capital in their present capital. The analysis of

the data shows that 69.5 percent of the women entrepreneurs use both the sources of their present capital. Therefore, most of the women entrepreneurs (91.5%) were dependent on Grameen Bank (Borrowed Capital) for their present capital.

#### 6.2.14 Total Capital of the Women Entrepreneurs

Total capital of the enterprises are both own capital of women entrepreneurs and borrowed capital from Grameen Bank. The total initial and present capital of the women entrepreneurs is given in table-6.26.

Table-6.26 Total Capital of the Women Entrepreneurs

Capital	Initial		Present	
	Number of respondents	Percentage	Number of respondents	Percentage
Up to-10000	154	77.0	23	11.5
10001-20000	40	20.0	39	19.5
20001-30000	5	2.5	44	22.0
30001-40000	1	0.5	30	15.0
Above-40000	0	0.0	64	32.0
Total	200	100.0	200	100.0
Average	7,882.50		38,610.00	
Standard deviation	5,808.50		31,535.06	

Source: Field survey

The amount of average initial total capital is TK. 7,882.50 and average present total capital is TK. 38,610.00 suggesting that a substantial improvement is made in their total capital after joining Grameen Bank. The analysis of data reveals that the total capital of the women entrepreneurs has changed. It is found that the percentage increase of the level of capital from initial to present is TK. above-40,000 level from 0.0 percent to 32.0 percent, TK. 30,001-40000 level from 0.5 percent to 15.0 percent and TK. 20,001-30,000 level from 2.5 percent to 22.0 percent. Whereas, the percentage decrease of the level of capital from initial to present is TK. up to-10,000 level from 20.0 percent to 19.5 percent and TK. 10,001-20,000 level from 77.0 percent to 11.5 percent. It may be concluded that the average capital level has substantially increased.

#### 6.2.15 Repayment Status of the Women Entrepreneurs

The repayment of borrowed money along with interest, according to the agreed schedule, is an index about the improvement in the financial health of the women entrepreneurs. Therefore, attempt was made to find out the loan repayment status of the women entrepreneurs.

Table-6.27 Business Sectors and Repayment Status of the Women Entrepreneurs

Repayment Status	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Regular	30 (100.)	29 (100.0)	59 (96.7)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	198 (99.0)
Irregular	0 (.0)	0 (.0)	2 (3.3)	0 (.0)	0 (.0)	0 (.0)	0 (.0)	2 (1.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.

From the above table, it is shown that most of the women entrepreneurs (99.0%) are found to be very much sound in loan repayment culture, only 1.0 percent of the women entrepreneurs is found to be irregular in loan repayment culture. Rahman (1999), in his studies shows that 99.33 percent of entrepreneurs are found to be very much sound in loan repayment culture, only 0.67 percent is found to be irregular.

In respect of Grameen Bank, most of the business sectors proved 100.0 percent loan repayment culture except Livestock & Fisheries Sector, it is 96.7 percent. The women entrepreneurs reported that in case of failure to repay their loan, they take loan for a few days from their relatives or moneylenders or other NGO's and pay back the loan taken from Grameen Bank. Other reason may be, GB staff made a separate loan repayment schedule for every individual borrower in consultation with her/him for determining the amount of installments. The above data provide an index that there is a positive influence of Grameen Bank micro credit operation on improving the credit repayment ability of the women entrepreneurs through a noticeable improvement in their income.

#### 6.2.16 Micro-enterprise Loan Taken by the Women Entrepreneurs

Grameen Bank provides larger loans, called Micro-enterprise loans for the borrowers who are moving ahead in business faster than others are. There is no restriction on the loan size. Therefore attempt was made to identify the Micro-enterprise loan taken or not taken by women entrepreneurs.

Table-6.28 Business Sectors and Micro-enterprise Loan

Micro-enterprise loan taken	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Yes	20 (66.7)	10 (34.5)	25 (41.0)	7 (35.0)	18 (54.5)	13 (56.5)	1 (25.0)	94 (47.0)
No	10 (33.3)	19 (65.5)	36 (59.0)	13 (65.0)	15 (45.5)	10 (43.5)	3 (75.0)	106 (53.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)

Source: Field survey, figures in parenthesis indicate column percentage.



The above table shows that 47.0 percent women entrepreneurs have taken Micro-enterprise loans. The highest percentage of women entrepreneurs (66.7%) of Processing & Manufacturing Sector have taken Micro-enterprise loans, followed by Trading Sector (56.5%), Shop Keeping Sector (54.5%), Livestock & Fisheries Sector (41.0%), Services Sector (35.0%), Agriculture & Forestry Sector (34.5%) and Peddling Sector (25.0%). So the women entrepreneurs of Processing & Manufacturing Sector, Trading Sector, Shop Keeping Sector are moving faster in business than the women entrepreneurs of Livestock & Fisheries Sector, Services Sector, Agriculture & Forestry Sector and Peddling Sector.

Table-6.29 Locality and Micro-enterprise Loan

Micro-enterprise loan taken	Locality				Total	
	Pabna Zone		Jhenaidah Zone		Freq	%
	Freq	%	Freq	%		
Yes	56	56.0	38	38.0	94	47.0
No	44	44.0	62	62.0	106	53.0
Total	100	100.0	100	100.0	200	100.0

Source: Field survey, Freq.=Frequency, %=Percentage

In case of Pabna Zone, 56.0 percent, women entrepreneurs have taken Micro-enterprise loans, whereas in case of Jhenaidah Zone, it is 38.0 percent, suggesting that the women entrepreneurs of Pabna Zone are moving faster in business than the women entrepreneurs of Jhenaidah Zone.

Table-6.30 Micro-enterprise Loan and Average Present Monthly Income

Micro-enterprise Loan Taken	Frequencies	Average Present Monthly Income
Yes	94 (47.0)	6,117.02
No	106 (53.0)	2,797.17
Total	200 (100.0)	4,357.50

Source: Field survey, figures in parenthesis indicate column percentage

The table-6.30 reveals that the women entrepreneurs who took Micro-enterprise loan and who did not take Micro-enterprise loan TK. 6,117.02 and TK. 2,797.17 generated average present monthly income respectively by the women entrepreneurs. Therefore, it is evident that the women entrepreneurs who took Micro-enterprise loan generated more average present monthly income than those of the women entrepreneurs who did not take Micro-enterprise loan.

### 6.2.17 Present Monthly Income of the Women Entrepreneurs

It is usually claimed that Grameen Bank has been working in Bangladesh to improve the economic condition of the rural disadvantaged group. In this view of this assertion, attempt was made to know the Present Monthly Income of the women entrepreneurs. The table-6.31 shows the Present Monthly Income of the women entrepreneurs.

Table-6.31 Business Sectors and Present Monthly Income of the Women Entrepreneurs

Monthly income	Business Sector							Total
	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
Up to-3000	10 (33.3)	22 (75.9)	27 (44.3)	11 (55.0)	10 (30.3)	6 (26.1)	1 (25.0)	87 (43.5)
3001-6000	15 (50.0)	6 (20.7)	23 (37.7)	8 (40.0)	17 (51.5)	12 (52.2)	3 (75.0)	84 (42.0)
6001-9000	4 (13.3)	0 (0.0)	6 (9.8)	0 (0.0)	0 (0.0)	2 (8.7)	0 (0.0)	12 (6.0)
9001-12000	1 (3.3)	1 (3.4)	5 (8.2)	0 (0.0)	5 (15.2)	2 (8.7)	0 (.0)	14 (7.0)
12001-15000	0 (0.0)	0 (0.0)	0 (0.0)	1 (5.0)	1 (3.0)	1 (4.3)	0 (0.0)	3 (1.5)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	4,666.67	2,572.41	4,375.41	3,475.00	5,439.39	5,347.83	4,500.00	4,357.50
SD	2,102.27	2,053.38	2,760.05	3,209.67	3,266.20	2,932.71	1,290.99	2,841.52

Source: Field survey, figures in parenthesis indicate column percentage.

The average score of Present Monthly Income is TK. 4,357.50 along with a standard deviation of TK. 2,841.52 depicted that the majority of the women entrepreneurs Present Monthly Income ranges from TK. 1,516.00 to TK. 7,199.00 and the majority of the women entrepreneurs (85.5%) Present Monthly Income varies from TK. 500.00 to TK. 6,000.00. Out of 85.5 percent women entrepreneurs, 43.5 percent earn monthly up to TK. 3,000.00 and the rest 42.0 percent monthly TK. 3,001.00 to TK. 6,000.00. National average monthly income is TK. 5,841.88 per household (Statistical Yearbook of Bangladesh, 2005. p: 680). In terms of Present Monthly Net Income, women entrepreneurs engaged in Shop Keeping Sector earned highest (TK. 5,439.39) per month. Out of the seven sectors, most profitable sector in terms of average Present Monthly Income was Shop Keeping Sector (TK. 5,439.39), followed by Trading Sector (TK. 5,347.83), Processing & Manufacturing Sector (TK. 4,666.67), Peddling Sector (TK. 4,500.00), while the least profitable sector was Agriculture & Forestry Sector (TK. 2,572.41) and followed by Services Sector (TK. 3,475.00) and Livestock & Fisheries Sector (TK. 4,375.41).

Table-6.32 Locality and Present Monthly Income of the Women Entrepreneurs

Income group	Locality				Total	
	Pabna Zone		Jhenaidah Zone		Freq	%
	Freq	%	Freq	%		
Up to – 3000	32	32.0	55	55.0	87	43.5
3001-6000	47	47.0	37	37.0	84	42.0
6001-9000	9	9.0	3	3.0	12	6.0
9001-12000	10	10.0	4	4.0	14	7.0
12001-15000	2	2.0	1	1.0	3	1.5
Total	100	100.0	100	100.0	200	100.0
Average	5,130.00		3,585.00		4,357.50	
Standard Deviation	2,875.69		2,599.00		2,841.52	

Source: Field survey, Freq.=Frequency, %=Percentage

In case of the women entrepreneurs of Pabna Zone, the average Present Monthly Income is TK. 5,130.00 whereas it is TK. 3,585.00 in case of the women entrepreneurs of Jhenaidah Zone. The above data reveals that the average Present Monthly Income of women entrepreneurs of Jhenaidah Zone is lower than that of women entrepreneurs of Pabna Zone suggesting that financially, the households of the women entrepreneurs of Jhenaidah Zone are worse than those of the women entrepreneurs of Pabna Zone.

#### 6.2.18 Employment Generation

The main objectives of the Grameen Bank is to extend credit facilities to 'poor man and women' for creating opportunities for self-employment for the vast unutilized and underutilized manpower resources (Yunus, 1982). Employment generation is an important factor for the economic development of a country. Table-6.33 shows the employment generation position of the women entrepreneurs in this study.

Table-6.33 Business Sectors and Employment Generation

Employment generation	Business Sector							Total
	processing & manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Shop Keeping	Trading	Peddling	
0-1	6 (20.0)	19 (65.5)	51 (83.6)	9 (45.0)	24 (72.7)	16 (69.6)	4 (100.0)	129 (64.5)
1-2	16 (53.3)	10 (34.5)	9 (14.8)	9 (45.0)	7 (21.2)	7 (30.4)	0 (.0)	58 (29.0)
2-3	2 (6.7)	0 (0.0)	1 (1.6)	2 (10.0)	2 (6.1)	0 (0.0)	0 (0.0)	7 (3.5)
4 & above	6 (20.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	6 (3.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	4.83	1.34	1.18	1.65	1.33	1.30	1.00	1.84
Standard deviation	8.59	.48	.42	.67	.60	.47	.00	3.55

Source: Field survey, figures in parenthesis indicate column percentage.

The average number of personnel employed in the women entrepreneurs is 1.84 including her, suggesting that enterprises owned by the women entrepreneurs are comparatively very small in size and have very limited scope for generating employment. The above table shows that 64.5 percent of the enterprises run solely and the rest 35.5 percent of the enterprises generate employment scope for one, two or more. Out of 35.5 percent enterprises, 29.0 percent generate employment scope for only two including her, 3.5 percent generate for 3 and only 3.0 percent generate for four and more.

The Manufacturing & Processing Sector generated the highest number of employment i.e.4.83 persons per unit, followed by Services Sector 1.65 persons, Agriculture & Forestry Sector 1.34 persons and Shop Keeping Sector 1.33 persons. The Peddling Sector generates the lowest number of employment i.e. 1.0 person per unit, followed by Livestock & Fisheries Sector 1.18 persons, Trading Sector 1.30 persons. All reveals that women entrepreneurs engaged in business have very limited scope for generating employment especially for other women but Manufacturing & Processing sector have a positive impact on generating employment.

Table-6.34 Locality and Employment Generation

Employment generation	Locality				Total	
	Pabna Zone		Jhenaidah Zone			
	Freq	%	Freq	%	Freq	%
0-1	67	67.0	62	62.0	129	64.5
1-2	24	24.0	34	34.0	58	29.0
2-3	3	3.0	4	4.0	3	3.5
4 & above	6	6.0	0	0.0	6	3.0
Total	100	100.0	100	100.0	200	100.0
Average	2.25		1.42		1.84	
Standard Deviation	4.96		.57		3.55	

Source: Field survey, Freq.=Frequency, %=Percentage

Table-6.34 reveals that in case of Pabna Zone, women entrepreneurs generate employment scope on an average of 2.25 persons per enterprises, and in case of Jhenaidah Zone, it is 1.42 persons. Therefore, women entrepreneurs of Pabna Zone generate more employment scope than those of the women entrepreneurs of Jhenaidah Zone.

### 6.2.19 Problems in Running Business for the Women Entrepreneurs

Women are bound to follow cultural codes and religious practices, social norms and traditional customs. These are not helpful for success of women entrepreneurship development in Bangladesh. Therefore, attempt was made to find out the problems of women entrepreneurs in running their business.

Table-6.35 Problems in Running Business for Women Entrepreneurs

N=200

Problems	Respondents	Percentage
Working capital	146	73.0
Credit Installment	103	51.5
Marketing problem	14	7.0
Family problem	32	16.0
Religious and social customs	11	5.5
Other problems	5	2.5
Total	311	

Source: Field survey

Table-6.35 shows that the majority of the women entrepreneurs (73.0%) suffer working capital problem, followed by 51.5 percent credit installment problem, 16.0 percent family problem, 7.0 percent marketing their products, 5.5 percent religious problem and social customs and 2.5 percent other problems. The other problems are bad communication, deteriorated law and order situation and shortage of electricity and capital in running their present business. Rahman (1999), in his studies shows that 70.33 percent of the entrepreneurs suffer working capital problem in their business. Therefore, it is evident from the above table that the majority of the women entrepreneurs are face with working capital and credit installment problem in running their present business.

### 6.3 Changes in Life Style and Savings of the Women Entrepreneurs

Grameen Bank loan operation has positive impact on levels of living of the poor loanees (Ahmad, 1989). Therefore, in this section, researcher try to identify the changes have taken place in life style and saving of the women entrepreneur due to their participation in business activities.

#### 6.3.1 Sources of Drinking Water of the Women Entrepreneurs

Pure drinking water is very much needed for safe living. Attempt was made to know the sources of drinking water of the women entrepreneurs before and after joining Grameen Bank for assessing the changes in life style. Table-6.36 reveals the sources of drinking water of the women entrepreneurs.

Table-6.36 Sources of Drinking Water before and after Joining Grameen Bank

Source of drinking water	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
Own tube-well	72	36.0	151	75.5
Other's tube-well/public tube-well	128	64.0	49	24.5
Total	200	100.0	200	100.0

Source: Field survey

The data analysis shows that before joining Grameen Bank 36.0 percent of the women entrepreneurs used own tube-well water and 64.0 percent were dependent on other's tube-well or public tube-well water. It was changed through the Grameen Bank micro credit operation. After joining Grameen Bank, the users of own tube-well water increased from 36.0 percent to 75.5 percent and percentage of other's tube-well or public tube-well water users decreased from 64.0 percent to 24.5 percent, suggesting that it increased the qualitative sign development in the living standard of the women entrepreneurs. Rahman (1999), in his studies shows that before joining Grameen Bank 13.0 percent of the entrepreneurs used own tube-well water and 75.0 percent were dependent on other's tube-well or public tube-well water. After joining Grameen Bank 54.0 percent of the entrepreneurs used own tube-well water and 46.0 percent were dependent on other's tube-well or public tube-well water.

### 6.3.2 Electricity Facility of the Women Entrepreneurs

Electricity is an essential requirement to ensure better living. Therefore, attempt was made to know the electricity facilities of the women entrepreneurs before and after joining Grameen Bank. The table-6.37 shows the electricity facilities of the women entrepreneurs.

Table-6.37 Electricity Facility of the Women Entrepreneurs before and after Joining Grameen Bank

Electricity connection	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
Yes	61	30.5	166	83.0
No	139	69.5	34	17.0
Total	200	100.0	200	100.0

Source: Field survey

The data analysis reveals that the majority of the women entrepreneurs (69.5%) had no electricity facilities and remaining 30.5 percent had electricity facilities before joining Grameen Bank. This position was changed through the Grameen Bank micro

credit operation. After joining Grameen Bank, the users of electricity facilities increased from 30.5 percent to 83.0 percent and percentage of non-users decreased from 69.5 percent to 17.0 percent. This reveals that the qualitative sign development increased in the living standard of the women entrepreneurs.

### 6.3.3 Nature of Latrine of the Women Entrepreneurs

In order to facilitate healthy living standard, the Grameen Bank sanctioned sanitation loans to the rural poor. To ensure better sanitation for the landless, the bank disbursed up to TK. 1,000.00 to set up sanitary latrine for their family. The loan was to be repaid within two years with an interest rate of 8 percent. The table-6.38 shows the nature of latrine of the women entrepreneurs.

Table-6.38 Nature of Latrine of the Women Entrepreneurs before and after Joining Grameen Bank

Nature of latrine	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
Sanitary latrine	39	19.5	192	96.0
Other latrine	161	80.5	8	4.0
Total	200	100.0	200	100.0

Source: Field survey

As regards the nature of latrine used, it is found from the above table that the majority of the women entrepreneurs (80.5%) used other latrine (not scientific latrine), and only 19.5 percent of the women entrepreneurs used sanitary latrine before joining Grameen Bank. However, this has changed after joining Grameen Bank. The use of sanitary latrine by the women entrepreneurs increased from 19.5 percent to 96.0 percent, whereas the use of other latrine decreased from 80.5 percent to 4.0 percent. Rahman (1999), in his studies shows that before joining Grameen Bank 16.0 percent of the entrepreneurs used sanitary latrine and 84.0 percent were used other latrine. After joining Grameen Bank, 73.0 percent of the entrepreneurs used sanitary latrine and 27.0 percent were used other latrine. Thus, the joining of the women entrepreneurs to Grameen Bank appears to have made favorable impact on health consciousness due to the use of sanitary loan by the respondent women entrepreneurs.

### 6.3.4 Family Land Ownership of the Women Entrepreneurs

The researcher try to measures the improvement of family land ownership of the women entrepreneurs due to participation in business activities, The result in the table-6.39 indicate the family land ownership of the women entrepreneurs before and after joining Grameen Bank.

Table-6.39 Family Land Ownership of the Women Entrepreneurs before and after Joining Grameen Bank

Land ownership group (decimals)	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
No land	6	3.0	02	1.0
Up to-10	74	37.0	73	36.5
11-25	42	21.0	52	26.0
26-50	36	18.0	28	14.0
51-100	23	11.5	26	13.0
101 & above	19	9.5	19	9.5
Total	200	100.0	200	100.0
Average	35.11		37.71	

Source: Field survey

It is seen from the table-6.39 that before joining Grameen Bank the average family land of the women entrepreneurs had 35.11 decimals, whereas it is 37.71 decimals after joining Grameen Bank. The above table further reveals that 3.0 percent of the women entrepreneurs had no family land, 37.0 percent up to 10 decimals, 21.0 percent 11 to 25 decimals, 18.0 percent 26 to 50 decimals, 11.5 percent 51 to 100 decimals and 9.5 percent women entrepreneurs more than 100 decimals family land. This was the position of the women entrepreneurs before joining Grameen Bank. It is found that this position has changed after joining Grameen Bank. This data reveals that no changes had occurred in case of more than 100 decimals of family land of the women entrepreneurs. Land ownership increased in case of 51 to 100 decimals level from 11.5 percent to 13.0 percent and 11 to 25 decimals level from 21.0 percent to 26.0 percent. In addition, land ownership of 26 to 50 decimals level decreased from 18.0 percent to 14.0 percent, up to 10 decimals level from 37.0 percent to 36.5 percent and no land ownership decreased from 3.0 percent to 1.0 percent. This reveals that improvement of family land ownership is less significant.

### 6.3.5 Non-land Assets of the Women Entrepreneurs

The researcher tries to asses the financial changes of the women entrepreneurs due to participation in business activities. Therefore, attempt has been taken to know the



non-land assets of the women entrepreneurs. The result in the table-6.40 indicates the non-land assets of the women entrepreneurs before and after joining Grameen Bank.

Table-6.40 Non-land Assets of the Women Entrepreneurs before and after Joining Grameen Bank

Non-land Assets (TK)	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
Up to TK. 5000	10	5.0	04	2.0
5001-10000	41	20.5	32	16.0
10001-15000	84	42.0	60	30.0
15001-20000	31	15.5	44	22.0
20001-25000	22	11.0	39	19.5
25001 & above	12	6.0	21	10.5
Total	200	100.0	200	100.0
Average	14,347.5		19,800.0	

Source: Field survey

It is seen from the table-6.40 that before joining Grameen Bank the average non-land assets of the women entrepreneurs had TK. 14,347.5, whereas it is TK. 19,800.00 after joining Grameen Bank. The above table further reveals that 5.0 percent of the women entrepreneurs had non-land assets up to TK. 5,000, 20.5 percent TK. 5001 to TK.10000, 42.0 percent TK. 10001 to TK.15000, 15.5 percent TK. 15001 to TK.20000, 11.0 percent TK. 20001 to TK.25000 and 6.0 percent women entrepreneurs had non-land assets more than TK. 25000. This was the position of the women entrepreneurs before joining Grameen Bank. It is found that this position has changed after joining Grameen Bank. Non-land assets increased in case of TK. 15001 to TK. 20000 level from 15.5 percent to 22.0 percent, TK. 20001 to TK. 25000 level from 11.0 percent to 19.5 percent and TK. 25001 & above level from 6.0 percent to 10.5 percent. In addition, non-land assets of up to TK. 5000 level decreased from 5.0 percent to 2.0 percent, TK. 5001 to TK. 10000 level from 20.5 percent to 16.0 percent, TK. 10001 to TK. 15000 levels from 42.0 percent to 30.0 percent. This reveals that improvement of non-land assets is significant.

### 6.3.6 Condition of Dwelling Houses of the Women Entrepreneurs

To measure the changes in lifestyle of the women entrepreneurs the researcher try to identify the condition of dwelling houses before and after joining Grameen Bank. The condition of dwelling houses of the women entrepreneurs is exhibited in table-6.41.

Table-6.41 Condition of Dwelling Houses of the Women Entrepreneurs before and after Joining Grameen Bank

Condition of dwelling houses	Before Joining Grameen Bank		After Joining Grameen Bank	
	Number of respondents	Percentage	Number of respondents	Percentage
Kacha	170	85.0	93	46.5
Semi-pacca	26	13.0	102	51.0
Pacca	4	2.0	5	2.5
Total	200	100.0	200	100.0

Source: Field survey

Table-6.41 shows that the majority of the women entrepreneurs (85.0%) were living in kacha (clay-made) house, followed by 13.0 percent were using semi-pucca (semi-brick-built) house and 2.0 percent were residing in pucca (brick-built) house before joining Grameen Bank. It is found that this position has changed after joining Grameen Bank. Subsequently, it is observed that the number of women entrepreneurs living in kacha house declined from 85.0 percent to 46.5 percent, whereas the number of women entrepreneurs using semi-pucca houses increased from 13.0 percent to 51.0 percent and the number of women entrepreneurs living in pucca houses increased from 2.0 percent to 2.5 percent. Rahman (1999), in his studies shows that the entrepreneurs were living in kacha houses 84.67 percent, semi-pacca houses 7.33 percent and pucca houses 3.33 percent before joining Grameen Bank. After joining Grameen Bank the entrepreneurs were living in kacha houses 48.67 percent, semi-pacca houses 47.33 percent and pucca houses 3.33 percent

This implies that the condition of dwelling houses of the women entrepreneurs showed a marked improvement in semi-pacca houses due to using Housing Loan and a rise in income level of the concerned women entrepreneurs.

#### 6.3.7 GPS Accounts of the Women Entrepreneurs

Grameen Bank started "Grameen Pension Scheme" for 5 years and 10 years dated 30 August 2000 for the financial security of their members and employees. Under this scheme, Grameen Bank motivates their members and employees to make small savings by opening "GPS Account" in the respective branches with a rate of interest is 10 percent for 5 years and 12 percent for 10 years. Therefore, an attempt was made to find out the saving condition of women entrepreneurs under GPS account in Grameen Bank.

Table-6.42 Business Sectors and Grameen Pension Scheme of the Women Entrepreneurs

GPS	Business Sector							Total
	Processing & manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	shop keeping	trading	peddling	
No GPS	4 (13.3)	5 (17.2)	7 (11.5)	2 (10.0)	5 (15.2)	4 (17.4)	1 (25.0)	28 (14.0)
Up to-250	16 (53.3)	20 (69.0)	45 (73.8)	14 (70.0)	17 (51.5)	13 (56.5)	3 (75.0)	128 (64.0)
251-500	9 (30.0)	4 (13.8)	7 (11.5)	4 (20.0)	10 (30.3)	4 (17.4)	0 (0.0)	38 (19.0)
Above-500	1 (3.3)	0 (0.0)	2 (3.3)	0 (0.0)	1 (3.0)	2 (8.7)	0 (0.0)	6 (3.0)
Total	30 (100.0)	29 (100.0)	61 (100.0)	20 (100.0)	33 (100.0)	23 (100.0)	4 (100.0)	200 (100.0)
Average	213.33	120.69	144.26	155.00	212.12	250.00	50.00	173.75
Standard deviation	193.84	119.91	143.21	146.81	230.84	302.64	40.82	191.39

Source: Field survey, figures in parenthesis indicate column percentage.

The analysis of data reveals that after joining Grameen Bank, 14.0 percent of respondents cannot credit to GPS Accounts of Grameen Bank. However, 86.0 percent of respondents made deposits under GPS Account in Grameen Bank and average monthly deposits were TK.173.75. It is seen from the above table that out of 86.0 percent women entrepreneurs, the majority (64.0%) enable to make monthly deposits ranging TK. 50.00 to TK. 250.00, followed by 19.0 percent make monthly deposits ranging TK. 251.00 to TK. 500.00 and only 3.0 percent above TK. 500.00. Thus, after joining Grameen Bank appears to have made a favorable impact on savings by the respondents.

Sector wise, it reveals that the average monthly highest (TK. 250.00) deposits are made by Trading Sector, followed by TK. 213.33 by Processing & Manufacturing Sector, TK. 212.12 by Shop Keeping Sector, TK. 155.00 by Services Sector, TK. 120.69 by Agriculture & Forestry Sector and the lowest TK. 50.00 by Peddling Sector.

Table-6.43 Locality and Grameen Pension Scheme of the Women Entrepreneurs

GPS group	Locality				Total	
	Pabna Zone		Jhenaidah Zone		Freq	%
	Freq	%	Freq	%		
No GPS	15	15.0	13	13.0	28	14.0
Up to-250	60	60.0	68	68.0	128	64.0
251-500	21	21.0	17	17.0	38	19.0
Above-500	4	4.0	2	2.0	6	3.0
Total	100	100.0	100	100.0	200	100.0
Average	191.00		156.50		173.75	
Standard deviation	210.38		169.62		191.39	

Source: Field survey, Freq.=Frequency, %=Percentage

In case of locality, women entrepreneurs of Pabna Zone made more average monthly deposits (TK.191.00) than those of the women entrepreneurs of Jhenaidah Zone (TK. 156.50).

#### 6.4 Summary

The majority of the enterprises owned by women entrepreneurs (74.0%) are of sole proprietorship type and 83.0 percent of the women entrepreneurs newly established their business. The average total involvement in Grameen Bank of the women entrepreneurs is 9.36 years. The majority of the respondents (80.5%) are involved in business after joining Grameen Bank and the average total business experience is 8.02 years. The majority of the women entrepreneurs (82.5%) did not receive any kind of training. However, who are received training; only 7.5 percent had training related to their current business.

93.0 percent of the women entrepreneurs get loan within one week after submission of loan proposal and working days lost for this purpose the majority of the women entrepreneurs (92.0%) were only one. Most of the women entrepreneurs (99.0%) are found to be very much sound in loan repayment culture. The average initial investment from Grameen Bank Sources is TK. 4,795.00 and other than Grameen Bank Sources is TK. 3,087.50. The average present investment from Grameen Bank Sources is TK. 23,205.00 and other than Grameen Bank Sources is TK. 16,170.00. It is representing that the contribution of Grameen Bank Sources in initial and present investment is more than other than Grameen Bank Sources. The amount of average initial total investment is TK. 7,882.50 and average present total investment is TK. 38,610.00 suggesting that a substantial improvement is made in their total investment after joining Grameen Bank.

The majority of the women entrepreneurs (81.0%) purchases raw materials from local market and sells their products and services directly to the customers (63.0%) and to retailers (54.0%). Most of the women entrepreneurs suffer working capital problem (73.0%) and credit installment problem (51.5%) in running their business.

After joining Grameen Bank, the average score of Present Monthly Income of the women entrepreneurs was TK. 4,357.50. The average number of personnel employed in the women entrepreneurs is 1.84 including herself and 47.0 percent of

the women entrepreneurs have taken Micro-enterprise loans. The women entrepreneurs are generated the highest average Present Monthly Income; who are involved in Shop Keeping Sector (TK. 5,439.39), who are involved in Partnership type of business (TK. 4,666.67), who started business before joining Grameen (TK. 5,069.23) and who took Micro-enterprise loan (TK. 6,117.02)

After joining Grameen Bank the position of the women entrepreneurs was changed through micro credit operation; the users of own tube-well water increased from 36.0 percent to 75.5 percent; the users of electricity facilities increased from 30.5 percent to 83.0 percent and the use of sanitary latrine by the women entrepreneurs increased from 19.5 percent to 96.0 percent. The number of using semi-pucca houses increased from 13.0 percent to 51.0 percent and the number of living in pucca houses increased from 2.0 percent to 2.5 percent. Before joining Grameen Bank the average family land of the women entrepreneurs had 35.11 decimals, whereas it is 37.71 decimals after joining Grameen Bank. Before joining Grameen Bank the average non-land assets of the women entrepreneurs had TK. 14,347.5, whereas it is TK. 19,800.00 after joining Grameen Bank. After joining Grameen Bank, 86.0 percent of respondents made deposits under GPS Account in Grameen Bank and average monthly deposits were TK.173.75. So a substantial improvement is made after joining Grameen Bank of the women entrepreneurs.

## CHAPTER VII

### MEASURES OF ENTREPRENEURSHIP DEVELOPMENT

#### 7.1 Introduction

This chapter is devoted to estimate the causal relationship between selected dependent and independent variables by using well-known statistical techniques named correlation and regression analysis for measuring the entrepreneurship development. In order to get the solution of the analyses, statistical package for social sciences (SPSS) software has been used. The correlation and regression analysis is done for identifying the influencing factors in explaining entrepreneurship development of women entrepreneurs. In this study, multiple correlations are done for determining the relationships between or among the dependent with independent variables. Multiple linear regressions are used for evaluating the factors affecting in entrepreneurship development of women entrepreneurs in the selected areas. Four components have been chosen to identify the determinants of entrepreneurship development such as present total capital, present monthly income, employment generation and present borrowed capital. Each component has been measured by 1 to 5 points-scale ranging from zero to maximum achievement and the aggregate number of each component is called entrepreneurship development. Based on the field experience, as many as nine independent variables have been considered for the analysis.

#### 7.2 Define the Variables of Correlation and Regression Analysis

Correlation and regression analysis are concerned with the study of dependence of a variable called "dependent variable" on one or more other variable called the "independent variables".

The researcher has considered the following dependent and independent variables to perform the study.

Table-7.1: Dependent and Independent Variables Specification.

Dependent Variables	Independent Variables
$Y_1$ = Present total capital	$X_1$ = Age of respondents
$Y_2$ = Present monthly income	$X_2$ = Education of respondents
$Y_3$ = Employment generation	$X_3$ = Husband's education
$Y_4$ = Present borrowed capita	$X_4$ = Husband's occupation
$Y_5$ = Entrepreneurship development	$X_5$ = Number of family member
	$X_6$ = Number of children
	$X_7$ = Family structure
	$X_8$ = Involvement in GB (year)
	$X_9$ = Experience in business

### 7.3 Results and Discussions

The result of the Multiple Correlation and Multiple Linear Regression analysis are determining the relationship between or among the dependent and independent variables. Five dependent variables, such as Present Total Capital ( $Y_1$ ), Present Monthly Income ( $Y_2$ ), Employment Generation ( $Y_3$ ), Present Borrowed Capital ( $Y_4$ ) and Entrepreneurship Development ( $Y_5$ ) and nine independent variables are selected for the study.

#### 7.4 Present Total Capital ( $Y_1$ )

Multiple correlation is done, to explain the relationships between and among the dependent variable i.e., Present Total Capital with independent variables. Multiple linear regression technique is used for measuring the entrepreneurship development of the women entrepreneurs.

##### 7.4.1 Correlation Analysis

The multiple correlation shows the relationship of Present Total Capital with the selected independent variables like, age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business are given in table-7.2.

Table-7.2: Correlation Between Present Total Capital and Other Variables

Variables	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	Y <sub>1</sub>
Age of respondents (X <sub>1</sub> )	1.000		-	-	-	-	-	-	-	-
Education of respondents (X <sub>2</sub> )	-.237**	1.000	-	-	-	-	-	-	-	-
Husband's education (X <sub>3</sub> )	.003	.446**	1.000	-	-	-	-	-	-	-
Husband's occupation (X <sub>4</sub> )	-.271**	.075	-.055	1.000	-	-	-	-	-	-
Number of family member (X <sub>5</sub> )	.301**	.030	.019	-.086	1.000	-	-	-	-	-
Number of children (X <sub>6</sub> )	.530**	-.165*	.011	-.142*	.596**	1.000	-	-	-	-
Family structure (X <sub>7</sub> )	.303**	.066	.151*	-.061	.723**	.455**	1.000	-	-	-
Involvement in GB (X <sub>8</sub> )	.347**	-.190**	-.040	-.094	.050	.240**	.037	1.000	-	-
Experience in business (X <sub>9</sub> )	.285**	-.041	.009	-.141*	.043	.149*	.093	.572**	1.000	-
Present total capital (Y <sub>1</sub> )	.137	.158*	.272**	-.055	.191**	.289**	.249**	.251**	.259**	1.000

\*\* Correlation is significant at the 1 percent level (2-tailed).

\* Correlation is significant at the 5 percent level (2-tailed).

Table-7.2 shows that Present Total Capital is significant positive correlation with education of respondents ( $r=.158$ ), husband's education ( $r=.272$ ), number of family member ( $r=.191$ ), number of children ( $r=.289$ ), family structure ( $r=.249$ ), involvement in GB (year) ( $r=.251$ ) and experience in business ( $r=.259$ ). Although age of respondents ( $r=.137$ ) is also positive related but its value is not high. On the other hand, husband's occupation ( $r= -.055$ ) has negative correlation with the Present Total Capital. The table-7.2 also shows that inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children and family structure ( $r=.455$ ) and experience in business and involvement in GB (year) ( $r=.572$ ). Other relationship with dependent and independent variables or relationships among the independent variables are shown in table-7.2.

#### 7.4.2 Regression Analysis

It has been shown using the multiple linear regression analysis result in this study. The regression co-efficient of variables measures the elasticity of these variables depicting responsiveness of women entrepreneurship development in Present Total Capital (Y<sub>1</sub>).



Table-7.3 : Estimated Values of Co-efficient and Related Statistics when Present Total Capital = $Y_1$  is the Dependent Variable

Selected variables	Regression Coefficients	Value of t
$X_1$ = Age of respondents	-0.105	-1.292
$X_2$ = Education of respondents	0.120***	1.592
$X_3$ = Husband's education	0.200*	2.751
$X_4$ = Husband's occupation	-0.004	-0.054
$X_5$ = Number of family member	-0.072	-0.695
$X_6$ = Number of children	0.275*	3.056
$X_7$ = Family structure	0.150***	1.583
$X_8$ = Involvement in GB (year)	0.168**	2.072
$X_9$ = Experience in business	0.144**	1.827
$R^2$	0.242	
$R^{-2}$	0.206	
F-value	6.729*	

“\*” Significant at 1 percent level

“\*\*” Significant at 5 percent level

“\*\*\*” Significant at 10 percent level

It demonstrates from the table-7.3, out of nine independent variables, six are found to be significant. Among these variables education of respondents ( $X_2$ ), husband's education ( $X_3$ ), number of children ( $X_6$ ), family structure ( $X_7$ ), involvement in GB ( $X_8$ ) and experience in business ( $X_9$ ) have statistically significant effect on Present Total Capital ( $Y_1$ ). The regression co-efficient of husband's education and number of children are 0.200 and 0.275 respectively. The co-efficient are statistically significant at 1 percent level. It implies that holding all other variables constant, 1 percent increase in husband's education and number of children will lead to an increase in present total capital ( $Y_1$ ) by 0.200 percent and 0.275 percent respectively. The regression co-efficient of involvement in GB (year) and experience in business are 0.168 and 0.144 respectively. The co-efficient is statistically significant at 5 percent level. It implies that holding all other variables constant, 1 percent increase of involvement in GB (year) and experience in business will increase present total capital ( $Y_1$ ) by 0.168 percent and 0.144 percent respectively, keeping other factors constant. The regression co-efficient of education of respondents and family structure are estimated 0.120 and 0.150 respectively. The co-efficient are statistically

significant at 10 percent level. It implies that holding all other variables constant, 1 percent increase in education of respondents and family structure will lead to an increase in present total capital ( $Y_1$ ) by 0.120 percent and 0.150 percent respectively. The regression co-efficient of age of respondents, husband's occupation and number of family member are estimated at -0.105, -0.004 and -0.072 respectively and the co-efficient are not all statistically significant.

The estimated value of the co-efficient of determination ( $R^2$ ) is 0.242, which implies that about 24 percent of the variation in Present Total Capital ( $Y_1$ ) is explained by the set of explanatory variables included in the model. The value of  $R^{-2}$  is 0.206. It indicates that after taking into account the degree of freedom (d.f) the nine explanatory variables included in the model still accounted for 20 percent of the variations in the Present Total Capital ( $Y_1$ ). The F-value stands at 6.629. It is significant at 1 percent level. It measured the overall goodness of fit of the estimated regression model.

#### 7.5 Present Monthly Income ( $Y_2$ )

From the estimated result of the multiple correlation is done, to explain the relationships between and among the dependent variable i.e., Present Monthly Income with independent variables. Multiple linear regression technique is used for measuring the entrepreneurship development of the women entrepreneurs.

##### 7.5.1 Correlation Analysis

The multiple correlation shows the relationship of Present Monthly Income with the selected independent variables like, age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business are given in table-7.4.

Table-7.4: Correlation Between Present Monthly Income and Other Variables

Variables	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	Y <sub>2</sub>
Age of respondents (X <sub>1</sub> )	1.000	-	-	-	-	-	-	-	-	-
Education of respondents (X <sub>2</sub> )	-.237**	1.000	-	-	-	-	-	-	-	-
Husband's education (X <sub>3</sub> )	.003	.446**	1.000	-	-	-	-	-	-	-
Husband's occupation (X <sub>4</sub> )	-.271**	.075	-.055	1.000	-	-	-	-	-	-
Number of family member (X <sub>5</sub> )	.301**	.030	.019	-.086	1.000	-	-	-	-	-
Number of children (X <sub>6</sub> )	.530**	-.165*	.011	-.142*	.596**	1.000	-	-	-	-
Family structure (X <sub>7</sub> )	.303**	.066	.151*	-.061	.723**	.455**	1.000	-	-	-
Involvement in GB (X <sub>8</sub> )	.347**	-.190**	-.040	-.094	.050	.240**	.037	1.000	-	-
Experience in business (X <sub>9</sub> )	.285**	-.041	.009	-.141*	.043	.149*	.093	.572**	1.000	-
Present monthly income (Y <sub>2</sub> )	.114	.121	.240**	-.159*	.187**	.271**	.249**	.259**	.292**	1.000

\*\* Correlation is significant at the 1 percent level (2-tailed).

\* Correlation is significant at the 5 percent level (2-tailed).

Table-7.4 shows that Present Monthly Income is significant positive relationship with husband's education ( $r=.240$ ), number of family member ( $r=.187$ ), number of children ( $r=.271$ ), family structure ( $r=.249$ ), involvement in GB (year) ( $r=.259$ ) and experience in business ( $r=.292$ ). Although age of respondents ( $r=.114$ ) and education of respondents ( $r=.121$ ) are also positive related but its value is not high. On the other hand, husbands occupation ( $r= -.159$ ) has negative correlation with the Present Monthly Income. The table-7.4 also shows that inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children and family structure ( $r=.455$ ) and experience in business and involvement in GB (year) ( $r=.572$ ). Other relationship with dependent and independent variables or relationships among the independent variables are shown in table-7.4.

### 7.5.2 Regression Analysis

It has been shown using the multiple linear regression analysis result in this study. The regression co-efficient of variables measures the elasticity of these variables depicting responsiveness of women entrepreneurship development in Present Monthly Income ( $Y_2$ ).

Table-7.5: Estimated Values of Co-efficient and Related Statistics when Present Monthly Income =  $Y_2$  is the Dependent Variable

Selected variables	Regression Coefficients	Value of $t$
$X_1$ = Age of respondents	-0.175**	-2.156
$X_2$ = Education of respondents	0.081	1.086
$X_3$ = Husband's education	0.175**	2.410
$X_4$ = Husband's occupation	-0.121**	-1.832
$X_5$ = Number of family member	-0.070	-0.672
$X_6$ = Number of children	0.254*	2.832
$X_7$ = Family structure	0.174**	1.846
$X_8$ = Involvement in GB (year)	0.162**	1.999
$X_9$ = Experience in business	0.183**	2.336
$R^2$	0.246	
$R^{-2}$	0.210	
F-value	6.876*	

\*\* Significant at 1 percent level

\*\*\* Significant at 5 percent level

It demonstrates from this model, out of nine independent variables, seven are found to be significant. Among these variables age of respondents ( $X_1$ ), husband's education ( $X_3$ ), husband's occupation ( $X_4$ ), number of children ( $X_6$ ), family structure ( $X_7$ ), involvement in GB ( $X_8$ ) and experience in business ( $X_9$ ) have statistically significant effect on Present Monthly Income ( $Y_2$ ). The regression co-efficient of age of respondents, husband's education, husband's occupation, family structure, involvement in GB (year) and experience in business are -0.175, 0.175, -0.121, 0.174, 0.162 and 0.183 respectively. The co-efficient are statistically significant at 5 percent level. It implies that holding all other variables constant, 1 percent increase in age of respondents, husband's education, husband's occupation, family structure,

involvement in GB (year) and experience in business will lead to an increase in Present Monthly Income ( $Y_2$ ) by -0.175 percent, 0.175 percent, -0.121 percent, 0.174 percent, 0.162 percent and 0.183 percent respectively. The regression co-efficient of number of children is 0.254. The co-efficient is statistically significant at 1 percent level. It implies that holding all other variables constant, 1 percent increase of number of children will increase Present Monthly Income ( $Y_2$ ) by 0.254 percent, keeping other factors constant. The regression co-efficient of education of respondents and number of family member are estimated at 0.081 and -0.070 respectively and the co-efficient are not all statistically significant.

The estimated value of the co-efficient of determination ( $R^2$ ) is 0.246, which implies that about 25 percent of the variation in Present Monthly Income ( $Y_2$ ) is explained by the set of explanatory variables included in this model. The value of  $R^{-2}$  is 0.210. Its indicates that after taking into account the degree of freedom (d.f) the nine explanatory variables included in this model still accounted for 21 percent of the variations in the Present Monthly Income ( $Y_2$ ). The F-value stands at 6.876. It is significant at 1 percent level. It measured the overall goodness of fit of this estimated regression model.

### 7.6 Employment Generation ( $Y_3$ )

From the estimated result of the multiple correlation is done, to explain the relationships between and among the dependent variable i.e., Employment Generation with independent variables. Multiple linear regression technique is used for measuring the entrepreneurship development of the women entrepreneurs.

#### 7.6.1 Correlation Analysis

The multiple correlation shows the relationship of Employment Generation with the selected independent variables like, age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business are given in table-7.6.

Table-7.6 Correlation Between Employment Generation and Other Variables

Variables	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	Y <sub>3</sub>
Age of respondents (X <sub>1</sub> )	1.000	-	-	-	-	-	-	-	-	-
Education of respondents (X <sub>2</sub> )	-.237**	1.000	-	-	-	-	-	-	-	-
Husband's education (X <sub>3</sub> )	.003	.446**	1.000	-	-	-	-	-	-	-
Husband's occupation (X <sub>4</sub> )	-.271**	.075	-.055	1.000	-	-	-	-	-	-
Number of family member (X <sub>5</sub> )	.301**	.030	.019	-.086	1.000	-	-	-	-	-
Number of children (X <sub>6</sub> )	.530**	-.165*	.011	-.142*	.596**	1.000	-	-	-	-
Family structure (X <sub>7</sub> )	.303**	.066	.151*	-.061	.723**	.455**	1.000	-	-	-
Involvement in GB (X <sub>8</sub> )	.347**	-.190**	-.040	-.094	.050	.240**	.037	1.000	-	-
Experience in business (X <sub>9</sub> )	.285**	-.041	.009	-.141*	.043	.149*	.093	.572**	1.000	-
Employment Generation (Y <sub>3</sub> )	.077	.063	.087	-.001	.139	.108	.130	.166*	.260**	1.000

\*\* Correlation is significant at the 1 percent level (2-tailed).

\* Correlation is significant at the 5 percent level (2-tailed).

Table-7.6 shows that Employment Generation is significant positive relationship with involvement in GB (year) ( $r=.166$ ) and experience in business ( $r=.260$ ). The other independent variables, which have positive correlation with Employment Generation are age of respondents ( $r=.077$ ), education of respondents ( $r=.063$ ), husband's education ( $r=.087$ ), number of family member ( $r=.139$ ), number of children ( $r=.108$ ) and family structure ( $r=.130$ ). On the other hand, husband's occupation ( $r= -.001$ ) has negative correlation with the Employment Generation. The table-7.6 also shows that inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children and family structure ( $r=.455$ ) and experience in business and involvement in GB year ( $r=.572$ ). Other relationship with dependent and independent variables or relationships among the independent variables are shown in table-7.6.

### 7.6.2 Regression Analysis

It has been shown using the multiple linear regression analysis result in this study. The regression co-efficient of variables measures the elasticity of these variables depicting responsiveness of women entrepreneurship development in employment generation (Y<sub>3</sub>).

Table-7.7: Estimated Values of Co-efficient and Related Statistics when Employment Generation =  $Y_3$  is the Dependent Variable

Selected variables	Regression Coefficients	Value of $t$
$X_1$ = Age of respondents	-0.034	-0.380
$X_2$ = Education of respondents	0.037	0.449
$X_3$ = Husband's education	0.068	0.855
$X_4$ = Husband's occupation	0.042	0.576
$X_5$ = Number of family member	0.120	1.060
$X_6$ = Number of children	0.013	0.127
$X_7$ = Family structure	0.013	0.129
$X_8$ = Involvement in GB (year)	0.043	0.485
$X_9$ = Experience in business	0.243*	2.832
$R^2$	0.096	
$R^{-2}$	0.053	
F-value	2.232**	

\*\*\* Significant at 1 percent level

It demonstrates from this model, out of nine independent variables, only experience in business ( $X_9$ ) has statistically significant effect on employment generation ( $Y_3$ ). The regression co-efficient of experience in business is 0.243. The co-efficient is statistically significant at 1 percent level. It implies that holding all other variables constant, 1 percent increase in experience in business will lead to an increase in employment generation ( $Y_3$ ) by 0.243 percent. The regression co-efficient of age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure and involvement in GB (year) are estimated at -0.034, 0.037, 0.068, 0.042, 0.120, 0.013, 0.013 and 0.043 respectively and the co-efficient are not all statistically significant.

The estimated value of the co-efficient of determination ( $R^2$ ) is 0.096, which implies that about 9 percent of the variation in employment generation ( $Y_3$ ) is explained by the set of explanatory variables included in this model. The value of  $R^{-2}$  is 0.053. It indicates that after taking into account the degree of freedom (d.f) the nine explanatory variables included in this model still accounted for 5 percent of the variations in the Employment Generation ( $Y_3$ ). The F-value stands at 2.232. It is significant at 5 percent level. It measured the overall goodness of fit of this estimated regression model.

## 7.7 Present Borrowed Capital (Y<sub>4</sub>)

Multiple correlation is done, to explain the relationships between and among the dependent variable i.e., Present Borrowed Capital with independent variables. Multiple linear regression technique is used for measuring the entrepreneurship development of the women entrepreneurs.

### 7.7.1 Correlation Analysis

The multiple correlation shows the relationship of Present Borrowed Capital with the selected independent variables like, age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business are given in table-7.8.

Table-7.8: Correlation Between Present Borrowed Capital and Other Variables

Variables	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	Y <sub>4</sub>
Age of respondents (X <sub>1</sub> )	1.000	-	-	-	-	-	-	-	-	-
Education of respondents (X <sub>2</sub> )	-.237**	1.000	-	-	-	-	-	-	-	-
Husband's education (X <sub>3</sub> )	.003	.446**	1.000	-	-	-	-	-	-	-
Husband's occupation (X <sub>4</sub> )	-.271**	.075	-.055	1.000	-	-	-	-	-	-
Number of family Member (X <sub>5</sub> )	.301**	.030	.019	-.086	1.000	-	-	-	-	-
Number of Children (X <sub>6</sub> )	.530**	-.165*	.011	-.142*	.596**	1.000	-	-	-	-
Family structure (X <sub>7</sub> )	.303**	.066	.151*	-.061	.723**	.455**	1.000	-	-	-
Involvement in GB (X <sub>8</sub> )	.347**	-.190**	-.040	-.094	.050	.240**	.037	1.000	-	-
Experience in business (X <sub>9</sub> )	.285**	-.041	.009	-.141*	.043	.149*	.093	.572**	1.000	-
Present Borrowed Capital (Y <sub>4</sub> )	.122	.086	.174*	-.060	.209**	.276**	.282**	.260**	.259**	1.000

\*\* Correlation is significant at the 1percent level (2-tailed).

\* Correlation is significant at the 5 percent level (2-tailed).



Table-7.8 shows that Present Borrowed Capital is significant positive correlation with husband's education ( $r=.174$ ), number of family member ( $r=.209$ ), number of children ( $r=.276$ ), family structure ( $r=.282$ ), involvement in GB year ( $r=.260$ ) and experience in business ( $r=.259$ ). Although age of respondents ( $r=.122$ ) and education of respondents ( $r=.086$ ) is also positive related but its value is not high. On the other hand, husband's occupation ( $r= -.060$ ) has negative correlation with the Present Borrowed Capital. The table-7.8 also shows that inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children and family structure ( $r=.455$ ) and experience in business and involvement in GB year ( $r=.572$ ). Other relationship with dependent and independent variables or relationships among the independent variables are shown in table-7.8.

#### 7.7.2 Regression Analysis

It has been shown using the multiple linear regression analysis result in this study. The regression co-efficient of variables measures the elasticity of these variables depicting responsiveness of women entrepreneurship development in Present Borrowed Capital ( $Y_4$ ).

Table-7.9: Estimated Values of Co-efficient and Related Statistics when Present Borrowed Capital =  $Y_4$  is the Dependent Variable

Selected variables	Regression Coefficients	Value of $t$
$X_1$ = Age of respondents	-0.142	-1.700**
$X_2$ = Education of respondents	0.069	0.898
$X_3$ = Husband's education	0.113	1.525***
$X_4$ = Husband's occupation	-0.019	-0.287
$X_5$ = Number of family member	-0.074	-0.697
$X_6$ = Number of children	0.234	2.538**
$X_7$ = Family structure	0.229	2.368**
$X_8$ = Involvement in GB (year)	0.184	2.216**
$X_9$ = Experience in business	0.140	1.738**
$R^2$	0.207	
$R^{-2}$	0.169	
F-value	5.512*	

\*\*" Significant at 1 percent level

\*\*\*" Significant at 5 percent level

\*\*\*\*" Significant at 10 percent level

It demonstrates from the table-7.9, out of nine independent variables, six are found to be significant. Among these variables age of respondents ( $X_1$ ), husband's education ( $X_3$ ), number of children ( $X_6$ ), family structure ( $X_7$ ), involvement in GB ( $X_8$ ) and experience in business ( $X_9$ ) have statistically significant effect on Present Borrowed Capital ( $Y_4$ ). The regression co-efficient of age of respondents, number of children, family structure, involvement in GB and experience in business are -0.142, 0.234, 0.229, 0.184 and 0.140 respectively. The co-efficient are statistically significant at 5 percent level. It implies that holding all other variables constant, 1 percent increase in age of respondents, number of children, family structure, involvement in GB and experience in business will lead to an increase in Present Borrowed Capital ( $Y_4$ ) by -0.142 percent, 0.234 percent, 0.229 percent, 0.184 percent and 0.140 percent respectively. The regression co-efficient of husband's education is 0.113. The co-efficient is statistically significant at 10 percent level. It implies that holding all other variables constant, 1 percent increase of husband's education will increase Present Borrowed Capital ( $Y_4$ ) by 0.113 percent, keeping other factors constant. The regression co-efficient of education of respondents, husband's occupation and number of family member are estimated at 0.069, -0.019 and -0.074 respectively and the co-efficient are not all statistically significant.

The estimated value of the co-efficient of determination ( $R^2$ ) is 0.207, which implies that about 21 percent of the variation in Present Borrowed Capital ( $Y_4$ ) is explained by the set of explanatory variables included in this model. The value of  $R^{-2}$  is 0.169. Its indicates that after taking into account the degree of freedom (d.f) the nine explanatory variables included in this model still accounted for 17 percent of the variations in the Present Borrowed Capital ( $Y_4$ ). The F-value stands at 5.512. It is significant at 1 percent level. It measured the overall goodness of fit of this estimated regression model.

### 7.8 Entrepreneurship Development

Multiple correlation is done, to explain the relationships between and among the Entrepreneurship Development with independent variables. Multiple linear regression technique is used for measuring the entrepreneurship Development of the women entrepreneurs.

### 7.8.1 Correlation Analysis

The multiple correlation shows the relationship of entrepreneurship development with the selected independent variables like, age of respondents, education of respondents, husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business are given in table-7.10.

Table-7.10 Correlation Between Entrepreneurship Development and Other Variables

Variables	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	Y <sub>2</sub>
Age of respondents (X <sub>1</sub> )	1.000	-	-	-	-	-	-	-	-	-
Education of respondents (X <sub>2</sub> )	-.237**	1.000	-	-	-	-	-	-	-	-
Husband's education (X <sub>3</sub> )	.003	.446**	1.000	-	-	-	-	-	-	-
Husband's occupation (X <sub>4</sub> )	-.271**	.075	-.055	1.000	-	-	-	-	-	-
Number of family member (X <sub>5</sub> )	.301**	.030	.019	-.086	1.000	-	-	-	-	-
Number of children (X <sub>6</sub> )	.530**	-.165*	.011	-.142*	.596**	1.000	-	-	-	-
Family structure (X <sub>7</sub> )	.303**	.066	.151*	-.061	.723**	.455**	1.000	-	-	-
Involvement in GB (X <sub>8</sub> )	.347**	-.190**	-.040	-.094	.050	.240**	.037	1.000	-	-
Experience in business (X <sub>9</sub> )	.285**	-.041	.009	-.141*	.043	.149*	.093	.572**	1.000	-
Entrepreneurship development	.115	.063	.169*	-.062	.149*	.242**	.192**	.296**	.310**	1.000

\*\* Correlation is significant at the 1 percent level (2-tailed).

\* Correlation is significant at the 5 percent level (2-tailed).

Table-7.10 shows that entrepreneurship development is significant positive relationship with husband's education ( $r=.169$ ), number of family member ( $r=.149$ ), number of children ( $r=.242$ ), family structure ( $r=.192$ ), involvement in GB (year) ( $r=.296$ ) and experience in business ( $r=.310$ ). Although age of respondents ( $r=.115$ ) and education of respondents ( $r=.063$ ) are also positive related but its value is not high. On the other hand, husbands occupation ( $r= -.062$ ) has negative correlation with the entrepreneurship development. The table-7.10 also shows that inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children

and family structure ( $r=.455$ ) and experience in business and involvement in GB year ( $r=.572$ ). Other relationship with dependent and independent variables or relationships among the independent variables are shown in table-7.10.

### 7.8.2 Regression Analysis

It has been shown using the multiple linear regression analysis result in this study. The regression co-efficient of variables measures the elasticity of these variables depicting responsiveness of women entrepreneurship development in Entrepreneurship Development ( $Y_5$ ).

Table-7.11: Estimated Values of Co-efficient and Related Statistics when Entrepreneurship Development=  $Y_5$  is the Dependent Variable

Selected variables	Regression Coefficients	Value of $t$
$X_1$ = Age of respondents	-0.138***	-1.648
$X_2$ = Education of respondents	0.046	0.591
$X_3$ = Husband's education	0.134**	1.789
$X_4$ = Husband's occupation	-0.016	-0.234
$X_5$ = Number of family member	-0.052	-0.488
$X_6$ = Number of children	0.220**	2.370
$X_7$ = Family structure	0.122	1.255
$X_8$ = Involvement in GB (year)	0.189**	2.262
$X_9$ = Experience in business	0.198**	2.443
$R^2$	0.197	
$R^{-2}$	0.159	
F-value	5.167*	

\*\*\* Significant at 5 percent level

\*\*\*\* Significant at 10 percent level

It demonstrates from the table out of nine independent variables, five are found to be significant. Among these variables age of respondents ( $X_1$ ), husband's education ( $X_3$ ), number of children ( $X_6$ ), involvement in GB ( $X_8$ ) and experience in business ( $X_9$ ) have statistically significant effect on Entrepreneurship Development. The regression co-efficient of husband's education, number of children, involvement in GB (year)

and experience in business are 0.134, 0.220, 0.189 and 0.198 respectively. The co-efficient are statistically significant at 5 percent level. It implies that holding all other variables constant, 1 percent increase in husband's education, number of children, involvement in GB (year) and experience in business will lead to an increase in Entrepreneurship Development by 0.134 percent, 0.220 percent, 0.189 percent and 0.198 percent respectively. The regression co-efficient of age of respondents is -0.138. The co-efficient is statistically significant at 10 percent level. It implies that holding all other variables constant, 1 percent increase in age of respondents will increase Entrepreneurship Development by -0.138 percent, keeping other factors constant. The regression co-efficient of education of respondents, husband's occupation, number of family member and family structure are estimated at 0.046, -0.016, -0.052 and 0.122 respectively and the co-efficient are not all statistically significant.

The estimated value of the co-efficient of determination ( $R^2$ ) is 0.197, which implies that about 20 percent of the variation in Entrepreneurship Development is explained by the set of explanatory variables included in this model. The value of  $R^{-2}$  is 0.159. Its indicates that after taking into account the degree of freedom (d.f) the nine explanatory variables included in this model still accounted for 16 percent of the variations in the Entrepreneurship Development. The F-value stands at 5.167. It is significant at 1 percent level. It measured the overall goodness of fit of this estimated regression model.

### 7.9 Summary

The important determinants of Entrepreneurship Development are identifying by the overall findings of this chapter. Entrepreneurship development is decomposed into four elements namely, Present Total Capital, Present Monthly Income, Employment Generation and Present Borrowed Capital. Two techniques are used for the analysis namely, correlation and regression, For the sake of ease of presentation, only the significant positive results are presented in Table -7.12.

Table-7.12: Overall Result

Determinants			X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>
Entrepreneurship Development	C	-	-	.169	-	.149	.242	.192	.296	.310	
	R	-	-	.134	-	-	.220	-	.189	.198	
Present Total Capital	C	-	.158	.272	-	.191	.289	.249	.251	.259	
	R	-	.120	.200	-	-	.275	.150	.168	.144	
Present Monthly Income	C	-	-	.240	.159	.187	.271	.249	.259	.292	
	R	-	-	.175	-	-	.254	.174	.162	.183	
Employment Generation	C	-	-	-	-	-	-	-	.166	.260	
	R	-	-	-	-	-	-	-	-	.243	
Present Borrowed Capital	C	-	-	.174	-	.209	.276	.282	.260	.259	
	R	-	-	.113	-	-	.234	.229	.184	.140	

Note: C= Correlation analysis

R= Regression analysis (beta value recorded)

Correlation analysis shows in table 7.12 that Entrepreneurship Development is highly positively related to husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business of the women entrepreneurs. Among the nine variables, six of them show significant positive relationship with Entrepreneurship Development. However, regression analysis shows only four of these variables i.e., husband's education, number of children, involvement in GB (year) and experience in business have significant positive impact on Entrepreneurship Development.

It is observed that Present Total Capital, one of the component of entrepreneurship development, is positively correlated with education of respondents, husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business. While, regression analysis reveals only six of these variables that is education of respondents, husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on Present Total Capital.

As regards Present Monthly Income, correlation analysis gives that it has significant positive relationship with husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business. However, regression analysis shows only five of these variables i.e., husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on Present Monthly Income.

In the case of Employment Generation, correlation analysis shows only involvement in GB (year) and experience in business have significant positive relationship with Employment Generation. Whenever, regression analysis exhibits only one of these variables i.e., experience in business have significant positive impact on Employment Generation.

As regards Present Borrowed Capital, correlation analysis gives that it has significant positive relationship with husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business. However, regression analysis shows only five of these variables i.e., husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on Present Borrowed Capital.

## CHAPTER VIII

### PROBLEMS OF WOMEN ENTREPRENEURS

#### 8.1 Introduction

This chapter is devoted to problems of women entrepreneurs. It is divided into two parts i.e. Problems faced by the women entrepreneurs and problems faced by the bank personnel.

#### 8.2 Problems faced by the Women Entrepreneurs

The women entrepreneurs of study areas are face many problems against the many favorable factors. Our study identifies a number of problems in the smooth running their business and women entrepreneurship development in Bangladesh through micro credit operations of Grameen Bank. The major problems in this field are as follows:

1. Most of the women entrepreneurs of study area are first generation entrepreneurs and lack of knowledge to identify the profitable and appropriate project and they face tremendous problem in running their business. They generally depend on some other persons who also lack of adequate knowledge to identify the same. The available consultancy services are not developed in our country and beyond the reach of small women entrepreneurs. Grameen Bank does not provide consultancy services to identify the appropriate project for the women entrepreneurs.
2. Lack of training is one of the problems for women entrepreneurship in Bangladesh. Grameen Bank as well as Government does not provide proper training facilities to women entrepreneurs. The majority of the women entrepreneurs (82.5%) did not receive any kind of training. Only 17.5 percent received training indicating a very low level of training for the women entrepreneurs (Table-6.12). However, only 7.5 percent had training related to their current business (Table-6.13). Lack of access to training for new skills is compelling women entrepreneurs to run traditional business, which not only has high risk but also low profitability.



3. The necessary capital to initiate a business is great problem of women entrepreneurs. Grameen Bank offer credit to landless and destitute poor women. Maximum limit of such credit is TK. 2000.00 to TK 5,000.00 in initial stage, which is too little to start and to expand any business. Moreover, they have to repay this money by installment of 7 days. The amount of average initial total investment is TK. 7,882.50 (Table-6.1.25) and the average initial investment from Grameen Bank Sources is TK. 4,795.00 with a standard deviation of TK. 3,340.10. The contribution of Grameen Bank to initial investment of the majority of the women entrepreneurs varies between TK. 1,455.00 to TK. 8,135.00. Whereas, the average initial investment from other than Grameen Bank Sources is TK. 3,087.50 (Table-6.26). So a small amount of initial investment is the great problem to start a business for women entrepreneurs.
4. Most of the women entrepreneur's opined that they are not getting their desired amount of loan from Grameen Bank. Thus finance is the core problem for women entrepreneurship development. However, the existing loan systems, the assistance's that have been granted to the women entrepreneur's are inadequate. During the field study we have come to know that the low level of financial assistance that have been sanctioned by the Grameen Bank could fulfill their needs only partially. This phenomenon has therefore resulted into a low level of income generation and creation of poor employment generation.
5. A good number of women entrepreneurs reported that poor and disorganized market is also a major problem for women entrepreneurship. In Bangladesh, in most of the cases women entrepreneurs are dependent on their male relatives in marketing their products. 63.0 percent of the women entrepreneurs sell their products and services directly to the customers, 54.0 percent to retailers, 26.5 percent both directly to the customers and to retailers and only 9.5 percent to other channels. It is noted that 26.5 percent are included to both directly to the customers (63.0%) and to retailers (54.0%) (Table-6.21). So marketing goods is one of the major problems for the women entrepreneurs.
6. Social norms restricting women's mobility constrain her from getting accurate information about the demand and prices of the raw materials and output. Her inability to explore different market compels her to sell her goods either to the

middlemen or at the nearest village market where she may not get the right prices. She has to depend on the buyer for information regarding price. So lack of accurate information regarding market conditions adversely affect the viability of the enterprise.

7. Supply of raw materials is also a problem to women entrepreneurship development in Bangladesh. The majority of the women entrepreneurs (81.0%) purchase raw materials from local market, followed by 11.5 percent from other Districts, 4.5 percent from their neighbors and only 3.0 percent either produce or get the same from their own houses (Table-6.20). So local market is the main source of raw materials for the women entrepreneurs and their business depends on the availability of raw materials in local market.
8. Lack of education is another barrier for women entrepreneurship in Bangladesh. The women entrepreneurs are less educated and lower level of education constraints the women entrepreneurship development in Bangladesh. The majority of the women entrepreneurs (71.0%) is illiterate and has education up to primary level. Out of 71.0 percent of the women entrepreneurs, 38.5 percent are illiterate and rest, 32.5 percent are up to primary level. 27.5 percent of the 29.0 percent women entrepreneurs are up to secondary level and only 1.5 percent are higher secondary level & above (Table-5.6). Therefore, women entrepreneurs, both illiterate and lower educated, are dominant factor in women entrepreneurship development in Bangladesh who are the borrowers of Grameen Bank.
9. Women are more religious, in general, than men in Bangladesh. Women are bound to follow the religious and social customs, which are not helpful to women entrepreneurship development in Bangladesh. 5.5 percent of the women entrepreneurs suffer religious problem and social customs (Table-6.35). So religious and social customs is also a problem of the women entrepreneurs.
10. The activities performed by women entrepreneurs are traditional in most of the cases. During the field investigation we have come to know that most of the women entrepreneurs are in the practice of using traditional technology which ultimately result into augmenting costs and increasing inefficiency. The majority of the activities cannot be organized on a large scale due to the limited

marketing scope for these goods. With these activities, it is difficult for women to increase their income.

11. The majority of the women entrepreneurs (73.0%) suffer working capital problem (Table-6.35). Grameen Bank does not sanction working capital loan but they have to repay loan money by installment of 7 days. For lack of working capital facilities the women entrepreneurs face tremendous problem in running their business.
12. Credit installment is also a problem to women entrepreneurship development in Bangladesh. The majority of the women entrepreneurs (51.5%) suffer credit installment problem (Table-6.35). They have to repay loan money by installment of 7 days. So they depend on moneylenders for their installment money at higher interest rate.
13. Women have little perception about competition. It has however observed that for some of their products have faced competition from cheaper substitutes. In such case women entrepreneurs may need to be aware about the market conditions so that they can adjust their production to alternative activities in order to minimize losses.
14. Micro credit operations provide scope for employment and income generation to women. But these brings a additional work for women. Because of, there has been no change in the women's household responsibilities even though she needs to spend substantial amount of time in running the business. This "Double burden" of women have been mentioned as a constraint in their business operation.
15. Anther factor which hinders the women entrepreneurship is natural calamities. A few women entrepreneurs mentioned that under developed infrastructural facilities also affect the women entrepreneurship.

### 8.3 Problems faced by the Bank personnel

The Bank personnel are stated some problems of entrepreneurship development and smoothly running their business of the women entrepreneurs as well as banking activities. Some of these problems mentioned below:

1. The Bank personnel cannot run their banking duties smoothly because of some social, religious and cultural habits and customs, which restrict the women entrepreneurs to work freely and independently with the bank personnel.
2. Most of the women entrepreneurs are illiterate in the selected study areas. The low rate of literacy of women entrepreneurs is a problem for Bank personnel. Illiterate women entrepreneurs cannot handle their business transactions smoothly with the Bank personnel and cannot utilize the Bank facilities and limited resources properly.
3. The insufficiency work force cannot smoothly perform their increasing and overloading works. So it is difficult for a few Bank personnel to render satisfactory services to the women entrepreneurs regarding credit, supervision, loan recovery and training needs.
4. Another problem identified by the Bank personnel is overlapping. Different NGO's are also disbursing loan and the same women entrepreneur is taking loan for different sources and diverting the loan money to unproductive purpose. So she cannot repay the loan money. So overlapping is create a vital problem for the smooth operation of banking activities.
5. It is noted here that a borrower diversifies her loan to another purpose-like marriage of daughter, religious festival and so on. So she cannot repay the loan as the capital is not utilize or is not bring any return to her.
6. Loans are sanctioned to women entrepreneurs who apply for without considering entrepreneurial skill ness. So some women entrepreneurs without skill may not make profit and they cannot repay the loan. So lack of skill of the women entrepreneurs is a hindrance to the banking functions.
7. Sometimes natural disasters like flood, cyclone, drought and severe illness of the borrower or her family member hinder the smooth functioning.
8. The Bank personnel identified another problem of women entrepreneurs is poor production and marketing efficiency. Many of them suffered problem to marketing goods because of outdated production technology, low quality of raw materials and traditional production process.

#### 8.4 Summary

Grameen Bank has been playing a vital role in women entrepreneurship development as well as economic development of the country. The poor women entrepreneurs can play a positive role in our economic development if they can run their business without barriers.

Small amount of initial capital is the great problem to start a business for women entrepreneurs. Lack of knowledge to identify the profitable and appropriate project and consultancy services and they face tremendous problem in running their business. Marketing of goods, supply of raw materials, lower level of education, lack of access to training to new skills, religious and social customs are the major problems faced by the women entrepreneurs.

The Bank personnel stated that social culture and religious customs, illiteracy of the women entrepreneurs, shortage of work force, overlapping, diversion of loan for unproductive purpose, loan sanction without considering entrepreneurial skills, poor production and marketing efficiency, natural disaster, severe illness of the women entrepreneurs and their family member and influence of village money lenders some time create problem for the smooth functioning of the Grameen Bank loan disbursement and recovery activities.

## CHAPTER IX

### FINDINGS AND RECOMMENDATIONS

#### 9.1 Findings of the Study

The analysis shows that women entrepreneurs of Grameen Bank play an important role in families' economic need and self-employment after joining Grameen Bank. The findings of the present study reveal that performance of women entrepreneurs in different business activities as well as families economic needs and self-employment are substantial. This is particularly true for landless or low-income household. The findings of the study are given below:

##### 9.1.1 Profiles of the Women Entrepreneurs

1. The study shows that the average present age of the women entrepreneurs of all sectors is 37.35 years and standard deviation is 8.96 years suggesting that the present age of the majority of women entrepreneurs varies between 28 to 46 years. Sector wise observation shows that the lowest average age is 33.70 years in Services Sector and the highest average age is 39.83 years in Processing & Manufacturing Sector. In case of the women entrepreneurs of Pabna Zone, the average age is 38.55 years and it is 36.17 years in case of the women entrepreneurs of Jhenaidah Zone. So, the women entrepreneurs of Jhenaidah Zone are younger than those of the women entrepreneurs of Pabna Zone.
2. Most of the women entrepreneurs (91.5%) are married, none are unmarried, 0.5 percent is divorced, 7.5 percent are widows and 0.5 percent are separated. Sector wise, it shows that women entrepreneurs of all sectors more than 85.0 percent are married except Services Sector 85.0 percent and peddling Sector 75.0 percent are married. Therefore, married women entrepreneurs are the dominant factors of women entrepreneurship development in Bangladesh through Grameen Bank micro credit operation.
3. Most of the women entrepreneurs (94.5%) belong to muslim family and the rest, 5.5 percent belong to non-Muslim family. Sector wise, it shows that Agriculture & Forestry Sector, Services Sector, Trading Sector and Peddling Sector, 100.0 percent of the women entrepreneurs belong to Muslim family and Livestock &

Fisheries Sector 96.7 percent, Shop Keeping Sector 90.9 percent and Processing & Manufacturing Sector 80.0 percent of the women entrepreneurs belong to Muslim family.

4. Most of the women entrepreneurs (84.5%) are at their own locality and 15.5 percent are migrated from other District of the country.
5. The majority of the women entrepreneurs (71.0%) are illiterate and up to primary level and the rest, 29.0 percent are up to secondary level and higher secondary level & above. Sector wise, it shows that the average education level of the women entrepreneurs engaged in Peddling Sector, Agriculture & Forestry Sector, Trading Sector and Processing & Manufacturing Sector is lower than that of the women entrepreneurs engaged in Shop Keeping sector, Services Sector and Livestock & Fisheries Sector. Therefore, women entrepreneurs both illiterate and lower educated who are taking loan from Grameen Bank are dominant factors for women entrepreneurship development in Bangladesh. In case of the women entrepreneurs of Pabna Zone, the majority (62.0%) is illiterate and up to primary level and it is 80.0% in case Jhenaidah Zone. So, the average education level of the women entrepreneurs of Jhenaidah Zone is lower than that of women entrepreneurs of Pabna Zone.
6. The education of the majority of the husbands (52.0%) of the women entrepreneurs is secondary level and higher secondary level & above and the rest, 48.0 percent are illiterate and up to primary level. Sector wise, it shows that the highest number of husbands of women entrepreneurs in all sectors has education up to secondary level but in Agriculture & Forestry Sector the highest number (44.8%) is illiterate. This shows that the average education level of the women entrepreneurs is lower than the education level of their husbands. The majority of the husbands of the women entrepreneurs (53.0%) of Pabna Zone have education up to secondary level and it is 41.0 percent in case of Jhenaidah Zone. So, the average education level of the husbands of the women entrepreneurs of Jhenaidah Zone is lower than that of the husbands of the women entrepreneurs of Pabna Zone.
7. The average number of children of women entrepreneurs is 3.07 and standard deviation is 1.48. It suggests that the number of children of the majority of the

women entrepreneurs varies between 1 to 5. Sector wise, it shows that the average number of children in all sectors is 3 and above, only in Services Sector it is less than 3. The women entrepreneurs of Pabna Zone, average number of children is 3.39 and it is 2.74 in case of the women entrepreneurs of Jhenaidah Zone. So, the average number of children of women entrepreneurs of Jhenaidah Zone is less than that of the children of women entrepreneurs of Pabna Zone.

8. The average number of the family member of women entrepreneurs is 5.05 and standard deviation is 1.94. It represent that the range of the family member of the women entrepreneurs is 3 to 8. Sector wise, it shows that the average family member of Processing & Manufacturing Sector, Agriculture & Forestry Sector, Livestock & Fisheries Sector and Shop Keeping Sector is more than 5 and less than 6 and Services Sector, Trading Sector and Peddling Sector it is more than 4 and less than 5.

In case of the women entrepreneurs of Pabna Zone, the average number of family member is 5.45 and it is 4.65 in Jhenaidah Zone. So, the average family member of the women entrepreneurs of Jhenaidah Zone is less than that of Pabna Zone.

9. The majority of the women entrepreneurs (70.0%) belonged to nuclear family, 18.0 percent to joint family and 12.0 percent to extended family. Sector wise, it shows that above 60.0 percent of the women entrepreneurs belong to nuclear family in all sectors. So, nuclear family is the dominant factor in the sample group as well.

#### 9.1.2 Socio-Economic Influencing Factors of the Women Entrepreneurs

1. The study shows that 38.5 percent of women entrepreneurs have come to know the information about Grameen Bank from Bank personnel, 33.0 percent from neighbors, 11.5 percent from husbands and only 17.0 percent from other (i.e. relatives, father-in-law, father, mother, brother etc) sources. Sector wise, it shows that bank personnel and neighbors are the major media of providing information about Grameen Bank.
2. Husband's inspiration has been considered the most favored factors (50%) for the women entrepreneurs to enter into entrepreneurial activities. In the next



stage, the factors, which inspired are respondents' own-self (22%), Bank personnel (13.5%), neighbors (9.0%) and others (i.e. relatives, father-in-law, father, mother, brother etc) (5.5%).

3. Most of the women entrepreneurs (76.0%) have entered into entrepreneurship to contribute to their family economic need, 24.5 percent to help family business, 18.5 percent to make money, 13.0 percent to gain economic independence and only 3.0 percent to other reasons. Therefore, family economic need is the major reason for entering into entrepreneurship.
4. The majority of the husbands of women entrepreneurs (62.0%) are involved in business and agriculture and the rest 38.0 percent are involved in service (18.5%), day labour (15.5%) and other occupations (4.0%). Out of 62.0 percent of the husbands of women entrepreneurs, 19.5 percent are involved in agriculture and 42.5 percent are in business. Sector wise, it shows that in Peddling Sector, the highest number of the husbands of the women entrepreneurs (75.0%) are involved in business followed by 73.9 percent in Trading Sector, 66.7 percent in each of Processing & Manufacturing Sector and Shop Keeping Sector and 35.0 percent in Services Sector. Whereas, only the highest number, (41.4%) husbands of women entrepreneurs of Agriculture & Forestry Sector are involved in agriculture and 26.2 percent husbands of the women entrepreneurs of Livestock & Fisheries Sector are involved in service. It indicates that husbands' occupations influence to a great extent, the occupations of the women entrepreneurs.
5. The majority of the respondents (79%) have not taken Housing loan and the remaining respondents (21%) have taken Housing loan. Sector wise observation shows that in Trading Sector, the highest number of women entrepreneurs (39.1%) received Housing loans, followed by Processing & Manufacturing Sector (30.0%), Services Sector (25.0%), Agriculture & Forestry Sector (17.2%), Shop Keeping Sector (15.2%) and Livestock & Fisheries Sector (14.8%) have taken Housing loans to improve their livelihood. Only in Peddling Sector, none has taken Housing loan. Therefore, the findings lead to a general conclusion that the majority did not obtained Housing loan to improve their livelihood.

6. The study shows that only 7.0 percent of respondents have taken higher education loan and other 93.0 percent respondents have not taken. Out of seven sectors, in Agriculture & Forestry Sector the highest number of women entrepreneurs (13.8%) have taken Higher Education Loan, followed by Shop Keeping Sector (9.1%), Trading Sector (8.7%), Processing & Manufacturing Sector (6.7%) and Livestock & Fisheries Sector (4.9%), and Services Sector and Peddling Sector no women entrepreneurs are taken Higher Education Loan. So it is a little achievement but a good start by Grameen Bank for the preparation of next generation of the women entrepreneurs.

#### 9.1.3 Entrepreneurial Activities of the Women Entrepreneurs

1. Out of 200 women entrepreneurs, Livestock & Fisheries Sector (30.5%) is the main choice of the women entrepreneurs taking up business as occupation, and it is followed by Shop Keeping Sector (16.5%), Processing & Manufacturing Sector (15.0%), Agriculture & Forestry Sector (14.5%), Trading Sector (11.5%), Services Sector (10.0%) and the last choice is Peddling Sector (2.0%). Both in Pabna Zone and Jhenaidah Zone, Livestock & Fisheries Sector is the main choice of the women entrepreneurs.
2. The study shows that 74.0 percent of the enterprises owned by women entrepreneurs are of sole proprietorship type and 24.5 percent are family business and only 1.5 percent is partnership type. Sole proprietorship type of business is the highest (93.4%) in case of Livestock & Fisheries Sector, followed by Services Sector (90.0%), Peddling Sector (75.0%), Trading Sector (69.6%), Agriculture & Forestry Sector (62.1%), Shop Keeping Sector (60.6%) and the lowest is in case of Processing & Manufacturing Sector (53.3%). So, sole proprietorship type of business is the main choice of the majority of the women entrepreneurs irrespective of their business sectors. The women entrepreneurs who are involved in partnership type of business generated the highest average present monthly income (TK. 4,666.67), followed by family business type of enterprises TK. 4,618.37 and the sole proprietorship type of enterprises generated the lowest average present monthly income (TK. 4,264.86).

3. Only 17.0 percent of the women entrepreneurs inherited their business from either their father-in-law or husband and most of the women entrepreneurs (83.0%) newly established their business.
4. The average involvement in Grameen Bank of the women entrepreneurs is 9.36 years along with a standard deviation of 4.50 years representing a range of 5 to 14 years of total involvement. The majority (51.5%) of the women entrepreneurs have 2 to 9 years' involvement in Grameen Bank
5. The average total business experience is 8.02 years along with a standard deviation of 4.83 years representing a range of 3 to 13 years of the total business experience of women entrepreneurs. The majority of the women entrepreneurs (78.0%) have up to 10 years' business experience. The highest average business experience is 10.75 years, in case of women entrepreneurs of Peddling Sector. It is followed by 9.67 years in Processing & Manufacturing Sector, 8.91 years in Shop keeping Sector, 8.22 years in Trading Sector, 7.30 years in Services Sector, 7.28 years in Agriculture & Forestry Sector and 7.07 years in Livestock & Fisheries Sector. So women entrepreneurs in Peddling Sector, Processing & Manufacturing Sector, Shop Keeping Sector and Trading Sector are more experienced than the women entrepreneurs of Services Sector, Agriculture & Forestry Sector and Livestock & Fisheries Sector.
6. The majority (82.5%) of the women entrepreneurs did not receive any kind of training. Only 17.5 percent received training indicating a very low level of training for the women entrepreneurs. However, only 7.5 percent had training related to their current business. The lack of access to training for new skills is compelling women entrepreneurs to run their traditional business, which has not only high risk but also low profitability. The only 23.0 percent of the women entrepreneurs of Pabna Zone had training on any subject and 10.0 percent related to their business. Whereas only 12.0 percent of the women entrepreneurs of Jhenaidah Zone had training on any subject and 4.0 percent related to their business. So women entrepreneurs of Jhenaidah Zone are of lower skill than those of the women entrepreneurs of Pabna Zone.
7. Out of 200 women entrepreneurs, only 19.5 percent are involved in business before joining Grameen Bank and the majority of the respondents (80.5%) are

involved in business after joining Grameen Bank. So it can be concluded that movement to business is significant after joining Grameen Bank. The women entrepreneurs who started business before joining Grameen Bank and who started business after joining Grameen Bank was generated TK. 5,069.23 and TK. 4,185.09 was generated average present monthly income respectively. The analysis shows that the women entrepreneurs who started business before joining Grameen Bank generated more (TK. 5,069.23) income than those of the women entrepreneurs who business started after joining Grameen Bank.

8. The majority of the women entrepreneurs (81.0%) purchase raw materials from local market, followed by 11.5 percent from other Districts, 4.5 percent from their neighbors and only 3.0 percent either produce or get it from their own houses. All of the women entrepreneurs of Services Sector (100.0%) and Peddling Sector (100.0%) purchase raw materials from local market followed by Shop keeping Sector (97.0%), Trading Sector (82.6%), Processing & Manufacturing Sector (76.7%), Livestock & Fisheries Sector (75.4%) and Agriculture & Forestry Sector (62.1%). It suggests that local market is the main source of raw materials irrespective of their business sectors.
9. The women entrepreneurs sell their products and services directly to the customers 63.0 percent, to retailers 54.0 percent, both directly to the customers and to retailers 26.5 percent and to other channels only 9.5 percent irrespective of their business sectors.
10. The majority (92.0%) of the women entrepreneurs lost only one day and the rest of the women entrepreneurs (8.0%) lost two or more working days to get loan. That means the time loss was less significant.
11. The average initial investment from Grameen Bank Sources is TK. 4,795.00 and other than Grameen Bank Sources is TK. 3,087.50 representing that the contribution of Grameen Bank Sources in initial investment is more than that of the other than Grameen Bank Sources. The majority of the women entrepreneurs (58.5%) do not utilize other than Grameen Bank Sources as initial investment. The rest of the women entrepreneurs (41.5%) utilize the other than Grameen Bank Sources as initial investment. Only 19.5 percent of the women entrepreneurs do not utilize Grameen Bank Sources as their initial investment

and the rest of the women entrepreneurs (80.5%) utilize the Grameen Bank Sources. The analysis of the data shows that 22.0 percent of the women entrepreneurs use both the sources of their initial investment.

12. The average present investment from Grameen Bank Sources is TK. 23,205.00. Whereas, the average present investment from other than Grameen Bank Sources is TK. 16,170.00 representing that the contribution of Grameen Bank Sources in present investment is more than other than Grameen Bank Sources. Only 22.0 percent of the women entrepreneurs do not utilize other than Grameen Bank Sources as present investment. The rest of the women entrepreneurs (78.0%) utilize other than Grameen Bank Sources. Whereas only 8.5 percent of the women entrepreneurs do not utilize Grameen Bank Sources as present investment and the rest of the women entrepreneurs (91.5%) utilize Grameen Bank Sources. The analysis of the data shows that 69.5 percent of the women entrepreneurs use both the sources of their present investment.
13. The average initial total investment is TK. 7,882.50 and the average present total investment is TK. 38,610.00 suggesting that there is a substantial improvement in their total investment after joining Grameen Bank. The percentage increase of the level of investment from initial to present is TK. above-40,000 level from 0.0 percent to 32.0 percent, TK. 30,001-40000 level from 0.5 percent to 15.0 percent and TK. 20,001-30,000 level from 2.5 percent to 22.0 percent. It may be concluded that the average investment level has substantially increased.
14. Most of the women entrepreneurs (99.0%) are found to be very much sound in loan repayment culture, only 1.0 percent of the women entrepreneurs is found to be irregular. In respect of Grameen Bank, most of the business sectors proved 100.0 percent loan repayment culture except Livestock & Fisheries Sector (96.7%). So, there is a positive influence of Grameen Bank micro credit operation in improving the credit repayment ability of the women entrepreneurs through a noticeable improvement in their income.
15. The study shows that 47.0 percent women entrepreneurs have taken Micro-enterprise loans. The highest percentage of women entrepreneurs (66.7%) of Processing & Manufacturing Sector have taken Micro-enterprise loans, followed by Trading Sector (56.5%), Shop Keeping Sector (54.5%), Livestock & Fisheries

Sector (41.0%), Services Sector (35.0%), Agriculture & Forestry Sector (34.5%) and Peddling Sector (25.0%). So the women entrepreneurs of Processing & Manufacturing Sector, Trading Sector, Shop Keeping Sector are moving faster in business than the women entrepreneurs of Livestock & Fisheries Sector, Services Sector, Agriculture & Forestry Sector and Peddling Sector. The women entrepreneurs of Pabna Zone 56.0 percent have taken Micro-enterprise loan whereas it is 38.0 percent in case of the women entrepreneurs of Jhenaidah Zone. So the women entrepreneurs of Pabna Zone are moving faster in business than the women entrepreneurs of Jhenaidah Zone. The women entrepreneurs who took Micro-enterprise loan and who did not take Micro-enterprise loan was generated TK. 6,117.02 and TK. 2,797.17 average present monthly income respectively. It is evident that the women entrepreneurs who took Micro-enterprise loan generated more average present monthly income than the women entrepreneurs who did not take Micro-enterprise loan.

16. The average score of present monthly income of TK. 4,357.50 along with a standard deviation of TK. 2,841.52 depicted that the majority of the women entrepreneurs present monthly income ranges from TK. 1,516.00 to TK. 7,199.00 and the majority of the women entrepreneurs (85.5%) average present monthly income varies from TK. 500.00 to TK. 6,000.00. Out of the seven sectors, most profitable sector in terms of average present monthly income was Shop Keeping Sector (TK. 5,439.39), followed by Trading Sector (TK. 5,347.83), Processing & Manufacturing Sector (TK. 4,666.67), Peddling Sector (TK. 4,500.00), while the least profitable sector was Agriculture & Forestry Sector (TK. 2,572.41), followed by Services Sector (TK. 3,475.00) and Livestock & Fisheries Sector (TK. 4,375.41).
17. The average number of personnel employed in the women entrepreneurs is 1.84 including herself. The study shows that 64.5 percent of the enterprises run solely and the rest 35.5 percent of the enterprises generate employment scope for either one, two or more. Out of 35.5 percent enterprises, 29.0 percent generate employment scope for only two including her, 3.5 percent generate for 3 and only 3.0 percent generate for four and more. The Manufacturing & Processing Sector generated the highest number of employment i.e.4.83 persons per unit, followed by Services Sector 1.65 persons, Agriculture & Forestry Sector 1.34

persons and Shop Keeping Sector 1.33 persons. The Peddling Sector generates the lowest number of employment i.e. 1.0 person per unit, followed by Livestock & Fisheries Sector 1.18 persons, Trading Sector 1.30 persons. It suggests that entrepreneurs owned by the women entrepreneurs is comparatively very small in size and have very limited scope for generating employment except Manufacturing & Processing Sector have a positive impact on generation of employment.

18. The majority of the women entrepreneurs (73.0%) suffer working capital problem, followed by 51.5 percent credit installment problem, 16.0 percent family problem, 7.0 percent marketing their products, 5.5 percent religious problem and social customs and 2.5 percent other problems. It is evident that the majority of the women entrepreneurs are faced with working capital and credit installment problem in running their present business.

#### 9.1.4 Changes in Life Style and Savings of the Women Entrepreneurs

1. The study shows that before joining Grameen Bank 36.0 percent of the women entrepreneurs used own tube-well water and 64.0 percent were dependent on other's tube-well or public tube-well water. It was changed through the Grameen Bank micro credit operation. After joining Grameen Bank, the users of own tube-well water increased from 36.0 percent to 75.5 percent. It is evident that the living standards of the women entrepreneurs have improved after joining Grameen Bank.
2. The majority of the women entrepreneurs (69.5%) had no electricity facilities and remaining 30.5 percent had electricity facilities before joining Grameen Bank. This position was changed through the Grameen Bank micro credit operation. After joining Grameen Bank, the users of electricity facilities increased from 30.5 percent to 83.0 percent. So, the living standards of the women entrepreneurs are improved after joining Grameen Bank.
3. The majority of the women entrepreneurs (80.5%) used other latrine (not scientific latrine), and only 19.5 percent of the women entrepreneurs used sanitary latrine before joining Grameen Bank. However, the use of sanitary latrine by the women entrepreneurs increased from 19.5 percent to 96.0 percent

after joining Grameen Bank. Thus, the joining of the women entrepreneurs to Grameen Bank appears to have made favorable impact on health consciousness due to the utilization of Sanitary loan by the respondent women entrepreneurs.

4. The study shows that before joining Grameen Bank the average family land of the women entrepreneurs had 35.11 decimals, whereas it is 37.71 decimals after joining Grameen Bank. This data reveals that no changes had occurred in case of more than 100 decimals of family land of the women entrepreneurs. Land ownership increased in case of 51 to 100 decimals level from 11.5 percent to 13.0 percent and 11 to 25 decimals level from 21.0 percent to 26.0 percent. And land ownership of 26 to 50 decimals level decreased from 18.0 percent to 14.0 percent, up to 10 decimals level from 37.0 percent to 36.5 percent and no land ownership decreased from 3.0 percent to 1.0 percent.
5. Before joining Grameen Bank the average non-land assets of the women entrepreneurs had TK. 14,347.5, whereas it is TK. 19,800.00 after joining Grameen Bank. It is found that after joining Grameen Bank, Non-land assets increased in case of TK. 15001 to TK. 20000 level from 15.5 percent to 22.0 percent, TK. 20001 to TK. 25000 level from 11.0 percent to 19.5 percent and TK. 25001 & above level from 6.0 percent to 10.5 percent. In addition, non-land assets of up to TK. 5000 level decreased from 5.0 percent to 2.0 percent, TK. 5001 to TK. 10000 level from 20.5 percent to 16.0 percent, TK. 10001 to TK. 15000 levels from 42.0 percent to 30.0 percent. This reveals that improvement of non-land assets is significant.
6. Most of the women entrepreneurs (85.0%) were living in katcha (clay-made) houses, followed by 13.0 percent were using semi-pucca (semi-brick-built) houses and 2.0 percent were residing in pucca (brick-built) houses before joining Grameen Bank. This position has changed after joining Grameen Bank. Subsequently, the number of women entrepreneurs living in katcha houses declined from 85.0 percent to 46.5 percent, whereas the number of women entrepreneurs using semi-pucca houses increased from 13.0 percent to 51.0 percent and the number of women entrepreneurs living in pucca houses increased from 2.0 percent to 2.5 percent. This implies that the condition of dwelling houses of the women entrepreneurs showed a marked improvement in



semi-pacca houses due to utilising Housing loan and a rise in income level of the concerned women entrepreneurs.

7. The study shows that 86.0 percent of respondents made deposits under GPS account and the rest 14.0 percent cannot credit to GPS account of Grameen Bank and the average monthly deposits were TK. 173.75. Out of 86.0 percent women entrepreneurs, the majority (64.0%) are able to make monthly deposits ranging TK. 50.00 to TK. 250.00, followed by 19.0 percent make monthly deposits ranging TK. 251.00 to TK. 500.00 and only 3.0 percent above TK. 500.00. Sector wise observation reveals that the average monthly highest deposits (TK. 250.00) are made by Trading Sector, followed by TK. 213.33 by Processing & Manufacturing Sector, TK. 212.12 by Shop Keeping Sector, TK. 155.00 by Services Sector, TK. 120.69 by Agriculture & Forestry Sector and the lowest TK. 50.00 by Peddling Sector. Thus, after joining Grameen Bank appears to have made a favorable impact on savings by the respondents.

#### 9.1.5 Measures of Entrepreneurship Development

1. The multiple correlation analysis shows that entrepreneurship development is highly positively related to husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business of the entrepreneurs. Among the nine variables, six of them show significant positive relationship with entrepreneurship development. However, regression analysis shows only four of these variables i.e., husband's education, number of children, involvement in GB (year) and experience in business have significant positive impact on entrepreneurship development.
2. It is observed that present total capital, the component of entrepreneurship development, is positively correlated with education of respondents, husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business. While, regression analysis reveals only six of these variables that is education of respondents, husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on present total capital.

3. As regards present monthly income, correlation analysis gives that it has significant positive relationship with husband's education, husband's occupation, number of family member, number of children, family structure, involvement in GB (year) and experience in business. However, regression analysis shows only five of these variables i.e., husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on present monthly income.
4. In the case of employment generation, correlation analysis shows only involvement in GB (year) and experience in business have significant positive relationship with employment generation. Whenever, regression analysis exhibits only one of these variables i.e., experience in business have significant positive impact on employment generation.
5. As regards present borrowed capital, correlation analysis gives that it has significant positive relationship with husband's education, number of family member, number of children, family structure, involvement in GB (year) and experience in business. However, regression analysis shows only five of these variables i.e., husband's education, number of children, family structure, involvement in GB (year) and experience in business have significant positive impact on present borrowed capital.
6. The multiple correlation analysis also shows that the inter strongly significant positive correlation among the independent variables are age of respondents and number of children ( $r=.530$ ), education of respondents and husband's education ( $r=.446$ ), number of family member and number of children ( $r=.596$ ), number of family member and family structure ( $r=.723$ ), number of children and family structure ( $r=.455$ ) and experience in business and involvement in GB (year) ( $r=.572$ ).

#### 9.1.6 Problems of Women Entrepreneurs

1. Most of the women entrepreneurs of study area are first generation entrepreneurs and lack of knowledge to identify the profitable and appropriate project and they face tremendous problem in running their business. Grameen Bank as well as Government does not provide proper training facilities to women

entrepreneurs. Lack of access to training for new skills is compelling women entrepreneurs to run traditional business. Small amount of initial investment is the great problem to start a business for women entrepreneurs. Maximum limit of Grameen Bank credit is TK. 2000.00 to TK 5,000.00 in initial stage, which is too little to start and to expand any business. Marketing of goods is one of the major problems for the women entrepreneurs. In Bangladesh, in most of the cases women entrepreneurs are dependent on their male relatives in marketing their products. Supply of raw materials is also a problem to women entrepreneurship development in Bangladesh. Local market is the main source of raw materials for the women entrepreneurs and their business depends on the availability of raw materials in local market. The women entrepreneurs in study area are less educated and lower level of education constraints the women entrepreneurship development in Bangladesh. In Bangladesh, women are bound to follow the religious and social customs, which are not helpful to women entrepreneurship development in Bangladesh. The majority of the women entrepreneurs suffers working capital and credit installment problem. Grameen Bank does not sanction working capital loan but they have to repay loan money by installment of 7 days. So, they depend on moneylenders for their installment money at higher interest rate.

2. The Bank personnel stated that social culture and religious customs, illiteracy of the women entrepreneurs, diversion of loan for unproductive purpose and poor production and marketing efficiency is the great problem of women entrepreneurship development in Bangladesh. Another problem identified by the Bank personnel is overlapping. The same women entrepreneur is taking loan for different sources. Shortage of work force, loan sanction without considering entrepreneurial skills, natural disaster, sever illness of the women entrepreneurs and their family member and influence of village money lenders some time create problem for the smooth functioning of women entrepreneurs as well as loan disbursement and recovery activities of Grameen Bank.

## 9.2 Recommendations

From our brief discussion, it is observed that the women entrepreneurs of Grameen Bank are facing some problems in running their business. Therefore, necessary integrated efforts should be taken for women entrepreneurship development in

Bangladesh. In order to improve the women entrepreneurship development in Bangladesh the following specific recommendations are suggested:

1. The study shows that unmarried women are not engaged in business in the sample area. So Grameen Bank should emphasis to introduce unmarried women in business. That is why; they can involve in business in the early age and can continue the business longer.
2. Our study shows that illiterate and lower educated women entrepreneurs are dominant in the women entrepreneurship development in Bangladesh in the study area and they earn less than those of the higher educated women entrepreneurs. So informal education should be introduced for the women entrepreneurs so that they can smoothly handle their business activity and can earn more.
3. The average number of children of the women entrepreneurs is more than two in study area. The Government should strengthen the family planning activities.
4. The business of the majority of the women entrepreneurs depends on the availability of raw materials in local market. So Grameen Bank as well as Government should make necessary raw materials available in the local market in time at reasonable prices.
5. Extensive training program is needed for women entrepreneurship development in Bangladesh. Grameen bank as well as Government should introduced training program to improve the skill and efficiency of the women entrepreneurs. Unmarried women should be targeted and they should be motivated to be more interested in business.
6. Investment should be increased and Grameen Bank should increase its loan money so that the women entrepreneurs may easily serve their purpose.
7. Shop Keeping Sector, Trading Sector and Processing & Manufacturing Sector are generating more income. So more emphasis should be given on these sectors than other sectors.

8. The study shows that Processing & Manufacturing Sector is generating more employment scope than other sectors. So priority should be given to disburse loan on the Processing & Manufacturing Sector.
9. Emphasis should be given on the next generation of women entrepreneurs. With this end in view not only higher education loan but school level loan too should be sanctioned so that the children of the women entrepreneurs may take basic education.
10. The Grameen Bank officials should give effective pre-investment counseling to the women entrepreneurs so that the women entrepreneurs may identify the profitable business opportunities and run it well.
11. Grameen Bank both the number and amount of Housing Loan should increase to facilitate them better living standard.
12. The findings of the study indicate that a good number of women entrepreneurs are facing problems in obtaining working capital to run their business. The Grameen Bank should introduce Working Capital Loan Scheme in order to enable women entrepreneurs to run their business well.
13. Installment period may be extended from 7 days to 15 or 30 days and in case of some special project installment may be allowed to repay after the completion of the project.
14. Marketing support should be built up for selling the products of women entrepreneurs and the need for it is a vital factor. Therefore, the Grameen Bank should increase marketing facilities with Government assistance.
15. Productivity of women entrepreneurs should be improved through increasing education and training facilities.
16. Government should introduce Women Entrepreneurship Development Institute in each Upazila to provide need based training program for the women entrepreneurs.
17. Grameen Bank should initiate inter-bank marketing facilities for selling the products of the women entrepreneurs.

18. Proper measures should be taken by the Government to develop the infrastructure facilities like communication, electricity, utility services etc, to improve the socio-economic conditions of the women entrepreneurs and the cost of utilities services too should be reduced.
19. Government should take legal measures to sell native products in the market by decreasing the import from other countries.
20. Government should take initiative to introduce various income-generating project for the women entrepreneurs.
21. Grameen Bank should try to increase not only its efficiency in recovery of loan but also to build up the repayment ability of the women entrepreneurs.
22. Grameen Bank should identify both the appropriate technological needs and process for women entrepreneurs and try to introduce their enterprises.

### 9.3 Suggestion for Future research

The measures suggested that the following areas may be conducted in future research;

1. "Employment problems for the women of Bangladesh and Grameen Bank micro credit program"
2. "Grameen Bank program and income generating activities for the women of Bangladesh"
3. "Comparative study of micro credit programs of Grameen Bank and other micro finance institutions".

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Table A-1: Expansion of Employees, Groups, Centers, Villages, Branches, Areas and Zones of Grameen Bank from 1998 to 2007

Year	No. of employees	No. of groups	No. of centers	No. of Villages Covered	No. of Branches	No. of new branch	No. of Areas	No. of Zones
1998	N/A	486,870	66,712	39,045	1,137	32	121	15
1999	N/A	494,044 (1.47)	67,492 (1.17)	39,706 (1.69)	1,149 (1.06)	12	122 (0.80)	15 (0.00)
2000	N/A	503,001 (1.81)	68,467 (1.45)	40,225 (1.31)	1,160 (0.96)	11	122 (0.00)	15 (0.00)
2001	N/A	504,651 (0.33)	68,591 (0.18)	40,447 (0.63)	1,173 (1.12)	13	122 (0.00)	15 (0.00)
2002	11,709	513,141 (1.68)	70,928 (3.41)	41,636 (2.86)	1,178 (0.43)	5	123 (0.80)	15 (0.00)
2003	11,855 (1.25)	577,886 (12.62)	74,703 (5.32)	43,681 (4.91)	1,195 (1.44)	17	125 (1.63)	18 (20.00)
2004	13,049 (10.07)	685,083 (18.55)	81,609 (9.24)	48,472 (10.97)	1,358 (13.64)	163	130 (4.00)	18 (0.00)
2005	16,142 (23.70)	877,142 (28.03)	99,502 (21.93)	59,912 (23.60)	1,735 (27.76)	377	166 (27.69)	21 (16.67)
2006	20,885 (29.38)	1,086,744 (23.90)	121,755 (22.36)	74,462 (24.29)	2,319 (33.66)	584	238 (43.37)	36 (71.43)
2007	25,283 (21.06)	1,168,840 (7.55)	136,619 (12.21)	80,678 (8.35)	2,481 (4.27)	162	257 (7.98)	39 (8.33)
Average	16,487 (17.09)	689,740 (10.66)	85,638 (8.59)	50,826 (8.73)	1,489 (9.37)	137.60	153 (9.59)	21 (12.94)
SD	5530.56 (11.30)	261,315 (10.62)	25,212 (8.63)	15,477 (9.27)	514.39 (12.86)	196.76	51.99 (15.43)	9.10 (23.30)

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 1998-2007



Table A-2: Expansion of the Member of Grameen Bank from 1998 to 2007

Year	Female Member	Male Member	Total Member	% of Female Member over total member	Number of borrowers member	% of borrowers Member over total member
1998	2,243,726	124,621	2,368,347	94.74	2,199,008	92.85
1999	2,234,181 (-4.25)	122,902 (-1.38)	2,357,083 (-0.48)	94.79	2,065,850 (-6.06)	87.64
2000	2,255,699 (9.63)	122,657 (-1.99)	2,378,356 (0.90)	94.84	2,056,836 (-0.44)	86.48
2001	2,257,012 (5.82)	121,589 (-8.71)	2,378,601 (0.01)	94.89	2,057,795 (0.05)	86.51
2002	2,363,812 (4.73)	119,194 (-1.97)	2,483,006 (4.39)	95.20	2,080,204 (1.09)	83.78
2003	2,981,357 (26.12)	142,445 (19.51)	3,123,802 (25.81)	95.44	2,870,737 (38.00)	91.90
2004	3,883,383 (30.26)	176,249 (23.73)	4,059,632 (29.96)	95.66	3,696,812 (28.78)	91.06
2005	5,371,156 (38.31)	208,243 (18.15)	5,579,399 (37.44)	96.27	4,984,162 (34.82)	89.33
2006	6,680,555 (24.38)	228,149 (9.56)	6,908,704 (23.83)	96.70	5,962,269 (19.62)	86.30
2007	7,177,516 (7.44)	233,713 (2.44)	7,411,229 (7.27)	96.85	6,157,929 (3.28)	83.09
Average	3,744,840 (15.83)	159,996 (6.59)	3,904,816 (14.35)	95.56	3413160 (13.24)	87.89
SD	1,958,529 (14.27)	47,306 (11.54)	2,005,371 (14.81)	.79	1687116 (17.11)	3.32

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 1998-2007

Table A-3: Credit Disbursement and Recovery of Grameen Bank from 1998 to 2007

(TK. In million)

Years	Disbursement	Growth rate	Recovery	Growth rate	% of recovery
1998	19,119.40		17,481.50		91.43
1999	15,697.90	-17.90	16,999.30	-2.76	108.29
2000	13,961.40	-11.06	14,578.40	-14.24	104.42
2001	15,979.10	14.45	15,441.70	5.92	96.64
2002	15,748.04	-1.45	15,470.64	3.00	98.24
2003	21,289.09	35.19	17,650.00	14.09	82.91
2004	25,591.43	20.21	21,882.73	23.98	85.51
2005	38,996.41	52.38	30,513.5	44.01	78.25
2006	49,732.95	27.53	44,148.81	44.69	88.77
2007	50,429.59	1.40	47,151.39	6.80	93.50
Average	26,654.53	13.41	24,131.80	13.94	92.80
SD	14,340.95	22.86	12,271.38	20.18	9.43

Source: Grameen Bank Annual Report from 1998-2007.

Table A-4: Annual Disbursement of Loans Listed under Broad Categories of Business Activities from 1998 to 2007  
(Amount in million taka)

Year	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Trading	Peddling	Shop Keeping	Total
1998	3,183.82	5,044.01	5,666.12	383.55	3,265.42	144.05	1,432.42	19,119.38
1999	2,418.89 (-24.03)	4,117.04 (-18.38)	4,546.76 (-19.75)	310.66 (-19.00)	3,050.22 (-6.59)	105.41 (-26.82)	1,148.90 (-19.79)	15,697.88 (-17.90)
2000	2,496.11 (3.19)	3,001.15 (-27.10)	4,578.62 (0.70)	305.40 (-1.69)	2,339.50 (-23.30)	118.62 (12.53)	1,121.93 (-2.35)	13,961.33 (-11.06)
2001	2,763.02 (10.69)	2,508.64 (-16.41)	6,373.65 (39.20)	340.30 (11.43)	2,443.73 (4.46)	171.87 (44.89)	1,387.91 (23.71)	15,989.12 (14.52)
2002	2,506.48 (-9.28)	1,887.24 (-24.77)	5,080.74 (-20.28)	338.70 (-0.47)	2,577.53 (5.48)	192.55 (12.03)	1,431.20 (3.12)	14,014.44 (-12.35)
2003	3,336.79 (33.13)	2,965.59 (57.14)	6,108.44 (20.23)	776.64 (129.30)	3,951.40 (53.30)	221.91 (15.25)	2,141.50 (49.63)	19,502.27 (39.16)
2004	4,221.59 (26.52)	3,774.35 (27.27)	7,463.43 (22.18)	1,374.28 (76.95)	4,839.51 (22.48)	321.76 (45.00)	3,589.85 (67.63)	25,584.77 (31.19)
2005	6,045.37 (43.20)	4,761.32 (26.15)	11,951.44 (60.13)	2,035.72 (48.13)	8,177.82 (68.98)	468.57 (45.63)	5,547.24 (54.53)	38,987.48 (52.39)
2006	7,115.24 (17.70)	6,722.60 (41.19)	14,376.81 (20.29)	2,489.93 (22.31)	10,149.41 (24.11)	644.53 (37.55)	8,368.82 (50.86)	49,867.34 (27.91)
2007	7,316.22 (2.82)	7,539.03 (12.14)	14,236.65 (-9.75)	2,428.31 (-2.47)	10,611.65 (4.55)	607.79 (-5.70)	7,605.37 (-9.12)	50,345.02 (0.96)
Average	4,140.35 (11.55)	4,232.10 (8.58)	8,038.27 (12.55)	1,078.35 (29.39)	5,140.62 (17.05)	299.71 (20.04)	3,377.51 (24.25)	26,306.90 (13.87)
SD	1,954.08 (21.14)	1,822.34 (31.28)	3,933.75 (27.26)	923.25 (47.67)	3,254.48 (29.00)	203.16 (25.50)	2,801.84 (32.32)	14,585.89 (25.26)

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 1998-2007

Table A-5: Annual Disbursement of Loan by Gender from 1998 to 2007

(Amount in million taka)

Year	Amount of loans (in million taka)			Number of loans			Amount per loan (in taka)		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
1998	17,994.59	1,124.78	19,119.37	3,282,474	179,233	3,461,707	5,482.02	6,275.52	5,523.10
1999	14,920.22 (-17.08)	777.66 (-30.86)	15,697.88 (-17.90)	2,817,304 (-14.17)	129,353 (-27.83)	2,946,657 (-14.88)	5,295.92	6,011.92	5,327.35
2000	13,339.34 (-10.60)	621.98 (-20.02)	13,961.32 (-11.06)	2,596,312 (-7.84)	119,972 (-7.25)	2,716,284 (-7.82)	5,137.80	5,184.38	5,139.86
2001	15,290.89 (14.63)	698.22 (12.26)	15,989.11 (14.45)	2,552,176 (-1.70)	101,056 (-15.77)	2,653,232 (-2.32)	5,991.31	6,909.24	6,026.28
2002	13,269.75 (-13.22)	744.69 (6.66)	14,014.44 (-12.35)	2,005,544 (-21.42)	109,229 (8.09)	2,114,773 (-20.29)	6,616.53	6,817.69	6,626.92
2003	18,366.17 (38.41)	1,136.10 (52.56)	19,502.27 (39.16)	2,850,400 (42.13)	148,752 (36.18)	3,099,152 (46.55)	6,443.37	7,637.54	6,292.78
2004	24,011.29 (30.74)	1,573.47 (38.50)	25,584.76 (31.19)	3,379,568 (18.56)	189,547 (27.42)	3,569,115 (15.16)	7,104.84	8,301.21	7,168.37
2005	36,709.34 (52.88)	2,278.14 (44.78)	38,987.48 (52.39)	4,852,716 (43.59)	239,678 (26.45)	5,092,394 (42.68)	7,564.70	9,505.02	7,656.02
2006	47,349.39 (28.98)	2,517.94 (10.53)	49,867.33 (27.91)	6,174,848 (27.25)	272,112 (13.53)	6,446,960 (26.60)	7,668.11	9,253.34	7,735.02
2007	47,806.37 (0.97)	2,538.65 (0.82)	50,345.02 (0.96)	6,101,193 (-2.32)	265,957 (-2.26)	6,367,150 (-1.24)	7,835.58	9,545.36	7,907.00
Average	24,905.73 (13.97)	1,401.16 (12.80)	26,306.90 (13.86)	3,661,254 (9.34)	175,488.9 (6.51)	3,846,742 (9.38)	6,514.02	7,544.12	6,540.27
SD	13,824.88 (25.23)	775.13 (28.36)	14,585.89 (25.26)	1,505,144 (24.25)	64,728.95 (51.53)	1,562,111 (24.58)	1,014.50	1,556.69	1,040.02

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 1998-2007

Table A-6: Annual Disbursement of Micro-enterprise Loans Listed under Broad Categories of Business Activities from 2001 to 2007

(Amount in million taka)

Year	Processing & Manufacturing	Agriculture & Forestry	Livestock & Fisheries	Services	Trading	Peddling	Shop Keeping	Total
2001	0.34	0.03	0.18	7.53	0.20	0.04	0.32	8.64
2002	0.33	0.05	0.08	5.43	0.42	0.08	0.60	6.99
2003	0.25	0.25	4.01	163.70	0.99	0.31	1281.97	1451.48
2004	475.00	316.14	845.59	557.45	960.33	68.09	1055.89	4278.49
2005	810.27	724.01	1556.34	843.44	2189.78	138.32	1658.34	7920.50
2006	1973.30	185.88	1316.39	825.57	628.04	1701.85	818.25	7449.28
2007	579.56	774.22	1338.15	351.73	1793.80	93.19	1525.86	6456.51
Average	548.44	285.80	722.96	393.55	796.22	285.89	905.89	3938.84
SD	707.87	338.22	707.35	358.27	902.93	626.66	678.45	3457.45

Separate data from 1998 to 2000 were not available

Source: Grameen Bank, Annual Report from 2001-2007

Table A-7: Annual Disbursement of Micro-enterprise Loans by Gender from 2001 to 2007

(Amount in million taka)

Year	Amount of loans (in million taka)			Number of loans			Amount per loan (in taka)		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
2001	8.38	0.26	8.64	398	11	409	21053	23304	21113
2002	6.84	0.15	6.99	482	9	491	14194	16889	14244
2003	1316.74	134.74	1451.48	62858	8462	71320	20948	15923	20352
2004	4045.63	232.86	4278.49	197511	13995	211506	20483	16639	20229
2005	7553.13	367.37	7920.50	332644	19444	352088	22706	18894	22496
2006	7180.33	268.95	7449.28	357512	15468	372980	20084	17387	19972
2007	6219.94	236.57	6456.51	272308	10651	282959	22842	22212	22818
Average	3761.57	177.27	3938.84	174816.1	9720	184536.1	20330	18749.71	20174.86
SD	3325.40	138.48	3457.45	153653.2	7493.21	160516.1	2903.87	2901.56	2843.25

Separate data from 1998 to 2000 were not available

Source: Grameen Bank, Annual Report from 2001-2007

Table A-8: Disbursement and Recovery Performance of Grameen Bank by Types of Loan from 2002 to 2007

(Amount in million taka)

Year	Basic loan			Flexible loan			Housing loan			Other loan		
	Disbursement	Recovery	% of recovery over disbursement	Disbursement	Recovery	% of recovery over disbursement	Disbursement	Recovery	% of recovery over disbursement	Disbursement	Recovery	% of recovery over disbursement
2002	26735.5	12635.1	47.26	1995.4	1212.2	60.75	120.6	498.3	413.18	N/A	N/A	N/A
2003	20760.5 (-22.35)	15995.1 (26.59)	77.05	473.4 (-76.28)	1609.8 (32.80)	340.05	177.7 (47.29)	432.6 (13.18)	243.44	55.2	45.1	81.70
2004	24,406.9 (17.56)	20,628.1 (22.46)	84.52	1102.8 (132.95)	699.0 (-130.30)	63.38	282.1 (58.76)	541.5 (25.17)	191.99	81.7 (48.01)	14.2 (-68.51)	17.38
2005	38,177.6 (56.42)	29,624.2 (43.61)	77.60	671.1 (-39.15)	858.2 (22.78)	127.88	187.0 (-33.67)	707.8 (30.71)	378.34	147.7 (80.78)	31.1 (119.01)	21.06
2006	47,890.02 (25.44)	42,880.35 (44.75)	89.54	1,340.51 (99.75)	1,044.37 (21.69)	77.91	138.18 (-26.13)	457.28 (-35.39)	330.91	502.52 (240.23)	224.08 (620.51)	44.59
2007	48,468.26 (1.21)	46,215.40 (7.78)	95.96	1,444.21 (7.74)	776.46 (-25.65)	53.76	96.03 (-30.52)	177.36 (-61.21)	184.71	421.10 (-16.20)	159.53 (-28.81)	37.88
	34406.46 (15.66)	27996.38 (29.04)	78.66	1171.24 (25.00)	1033.49 (-15.74)	120.62	166.94 (3.15)	469.14 (-5.61)	290.43	241.64 (88.21)	94.80 (160.55)	40.52
	12155.73 (29.22)	14074.13 (15.49)	16.98	552.13 (89.32)	338.49 (67.94)	110.78	66.00 (45.79)	173.01 (40.79)	97.48	205.81 (109.06)	92.10 (317.08)	25.66

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Separate data from 1998 to 2001 were not available

Source: Grameen Bank, Annual Report from 2002-2007

Table A-9: Outstanding and Overdue Loan of Grameen Bank from 2000 to 2007

(TK. In million)

Year	Number of loanees	Outstanding loan		Overdue loan	
		Amount (in million taka)	Per loanee (in taka)	Amount (in million taka)	Per loanee (in taka)
2000	2,056,836	12,605.5	4,706.00	3,143.3	1,528.22
2001	2,057,795	12,733.5	5,353.00	1,497.0	727.48
2002	2,080,204	12,633.3	6,067.00	115.8	55.28
2003	2,870,737	16,017.4	5,580.00	371.3	129.34
2004	3,696,812	20,008.2	5,412.00	368.5	99.68
2005	4,984,162	27,970.3	5,612.00	479.00	96.10
2006	5,962,269	33,235.46	5,574.00	594.61	99.73
2007	6,157,929	36,336.30	5,901.00	1,023.29	166.17
Average	3,733,343	21,442.50	5,525.63	949.10	362.75
SD	1,752,863	9,758.09	407.30	987.94	519.41

Data on 1998 and 1999 were not available.

Source: Grameen Bank, Annual Report from 2000-2007

Table A-10: Outstanding Loans of Grameen Bank by Type from 2002 to 2007

(TK. In million)

Year	Basic Loan	Flexible Loan	Housing Loan	Other Loans	Total
2002	8580.96	2351.44	1648.37	52.50	12,633.27
2003	13346.33 (55.53)	1215.04 (-48.33)	1393.43 (-15.47)	62.61 (19.26)	16,017.42 (26.79)
2004	17,125.26 (28.31)	1618.86 (33.24)	1133.95 (-18.62)	130.11 (107.81)	20,008.18 (24.92)
2005	25,678.54 (49.95)	1431.80 (-11.56)	613.25 (-45.92)	246.72 (89.62)	27,970.31 (39.79)
2006	30,688.22 (19.51)	1727.94 (20.68)	294.15 (-52.03)	525.16 (112.86)	33,235.46 (18.82)
2007	32941.07 (7.34)	2395.69 (38.64)	212.81 (-27.65)	786.72 (49.81)	36,336.30 (9.33)
Average	21393.40 (32.13)	1790.13 (6.53)	882.66 (-31.94)	300.64 (75.87)	24366.82 (23.93)
SD	9851.25 (20.33)	484.58 (36.34)	596.32 (16.33)	295.60 (40.19)	9605.13 (11.18)

Data on 1998 to 2001 were not available.

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 2002-2007

Table A-11: Overdue Loans of Grameen Bank by Type from 2002 to 2007

(TK. In million)

Year	Basic Loan	Flexible Loan	Housing Loan	Other Loans	Total
2002	3.72	66.41	45.72	0.00	115.84
2003	107.54 (2790.86)	137.67 (107.30)	125.99 (175.57)	0.13 ()	371.33 (220.55)
2004	70.14 (-34.78)	196.37 (42.64)	101.80 (-19.20)	0.13 ()	368.45 (-0.78)
2005	104.41 (48.86)	307.22 (56.45)	67.33 (-33.86)	0.00 ()	478.95 (29.99)
2006	143.77 (37.70)	401.56 (30.71)	48.21 (-28.40)	1.07 ()	594.61 (24.15)
2007	478.03 (232.50)	509.52 (26.89)	35.57 (-26.22)	0.18 ()	1023.29 (72.09)
Average	151.27 (615.03)	269.79 (52.80)	70.77 (13.58)	0.25 ()	492.08 (69.20)
SD	166.91 (1220.32)	167.60 (32.58)	35.78 (90.71)	0.41 ()	304.73 (88.57)

Data on 1998 to 2001 were not available.

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years

Source: Grameen Bank, Annual Report from 2002-2007

Table A-12: House Loan Disbursement, Recovery and Number of Houses Built by Grameen Bank from 1998 to 2007  
(TK. in million)

Year	Disbursement	No. of Houses Built	Recovery	% of Recovery over Disbursement
1998	973.90	103933	684.80	70.32
1999	222.70 (-77.13)	4903 (-95.28)	753.30 (10.00)	338.26
2000	73.29 (-67.09)	21458 (337.65)	575.11 (-23.65)	784.60
2001	56.30 (-23.18)	12080 (-43.70)	465.70 (-19.02)	827.18
2002	120.62 (114.25)	12934 (7.07)	498.30 (7.00)	413.18
2003	177.66 (47.29)	20477 (58.32)	432.60 (13.18)	243.44
2004	282.05 (58.76)	28883 (41.05)	541.5 (25.17)	191.99
2005	187.08 (-33.67)	19643 (-31.99)	707.80 (30.71)	378.34
2006	138.19 (-26.13)	14038 (-28.53)	457.28 (-35.39)	330.91
2007	96.02 (-30.52)	9,743 (-30.60)	177.36 (-61.21)	184.71
Average	232.78 (-4.17)	24809.20 (23.78)	529.38 (-5.91)	378.14
SD	269.51 (63.55)	28628.23 (126.40)	167.29 (30.63)	249.18

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years  
Source: Grameen Bank, Annual Report, 1998-2007 Dhaka: Grameen Bank

Table A-13: Balance of deposits of Grameen Bank from 2002 to 2007

(TK. In million)

Year	Members deposits	Non-members deposits	Total deposits	Total deposits as percentage of outstanding Loan	Total deposits as percentage of total disbursement
2002	7305.08	1646.61	8951.69	71	56.84
2003	9972.15 (36.51)	3334.46 (102.50)	13306.61 (48.65)	83	62.50
2004	13793.14 (38.32)	6924.65 (107.67)	20717.79 (55.70)	104	80.96
2005	20138.37 (46.00)	11521.19 (66.38)	31659.56 (52.81)	113	81.19
2006	27298.19 (35.55)	16976.28 (47.35)	44274.47 (39.85)	133	89.02
2007	29,533.51 (8.19)	22,385.20 (31.86)	51,918.71 (17.27)	143	102.95
Average	18006.74 (32.91)	10464.73 (71.15)	28471.47 (42.86)	107.83	78.91
SD	9171.43 (14.42)	8083.89 (33.35)	17209.22 (15.50)	27.87	17.01

Data on 1998 to 2001 were not available.

Note: Figures in parentheses are percentage growth rate for the respective figures over the preceding years  
Source: Grameen Bank, Annual Report from 2002-2007

**QUESTIONNAIRE**

**INSTITUTE OF BUSINESS ADMINISTRATION RAJSHAHI UNIVERSITY, RAJSHAHI**

**THESIS TITLE: MICRO CREDIT OPERATIONS AND WOMEN ENTREPRENEURSHIP  
DEVELOPMENT IN BANGLADESH:**

**A STUDY OF GRAMEEN BANK**

**CATEGORY-1: INTERVIEW SCHEDULE FOR WOMEN ENTREPRENEURS OF GRAMEEN BANK**

Sample No.....

Place of interview.....

(please put tick (√) marks where necessary)

**1. Personal and Family Information :**

1.1 Name : .....

1.2 Father's Name : .....

1.3 Husband's Name : .....

1.4 Address : .....

1.5 Age : .....

1.6 Name of center : ..... Center no.....

1.7 Place of birth/origin : a) Own locality [ ] b) From other district [ ]

1.8 Nationality : .....

1.9 Religious background : a) Muslim [ ] b) Non-muslims [ ]

1.10 Educational qualification of the women entrepreneur:

a) Illiterate [ ] b) Primary level [ ]

c) Secondary level [ ] d) Higher secondary & above [ ]

1.11 Marital status of the women entrepreneur:

a) Married [ ] b) Divorced [ ]

c) Widow [ ] d) Separated [ ]

1.12 Family structure of the women entrepreneur:

a) Nuclear family [ ] b) Extended family [ ] c) Joint family [ ]

1.13 Number of family members: .....

1.14 Occupation of your husband:

a) Agriculture [ ] b) Business [ ] c) Service [ ]

d) Day labor [ ] e) others [ ]

1.15 Who take decision in your family affairs?

- a) Husband [ ]      b) Own self [ ]  
 c) Jointly [ ]      d) Others [ ]

1.16 Husband's education:

- a) Illiterate [ ]      b) Primary level [ ]  
 c) Secondary level [ ]      d) Higher secondary & above [ ]

1.17 Number of children of the women entrepreneur: .....

2. Enrolment with Grameen Bank and loan operation:

2.1 When did you join the Grameen Bank? .....

2.2 Who inspire you to joining Grameen Bank?

- a) Own self [ ]      b) Neighbor [ ]  
 c) Bank personnel [ ]      d) others [ ]

2.3 Sources of information about Grameen Bank:

- a) Bank personnel [ ]      b) Neighbor [ ]  
 c) Husband [ ]      d) Others [ ]

2.4 Do you start business before taking loan from Grameen Bank? a) Yes [ ] b) No [ ]

2.5 Amount of last credit that you are taken from Grameen Bank?.....

2.6 Who select the field of investment of Grameen Bank loan?

- a) Self [ ]      b) Husbands [ ]      c) Bank personnel [ ]      d) Others [ ]

2.7 Mention the amount of money that you deposited in Grameen Bank before getting loan: .....

2.8 Do you face any problem at the time of getting loan from Grameen Bank?

- a) Yes [ ]      b) No [ ]

If 'Yes', Mention the nature of problem?.....

2.9 Do you need working capital each year? a) Yes [ ] b) No [ ]

2.10 Did you obtain additional loan facilities for the working capital from Grameen Bank?

- a) Yes [ ]      b) No [ ]

2.11 Do you know the rate of interest of your loan? a) Yes [ ] b) No [ ]

2.12 Give your opinion about the rate of interest.

- a) Reasonable [ ]      b) Unreasonable [ ]      c) High [ ]  
 d) Low [ ]      e) Not aware [ ]

- 2.13 Can you pay the installment money regularly? a) Yes [ ] b) No [ ]
- 2.14 State another loan that you are taken from Grameen Bank:
- (i) Micro-enterprise loan: a) Yes [ ] b) No [ ]
- (ii) Higher education loan: a) Yes [ ] b) No [ ]
- (iii) House loan: a) Yes [ ] b) No [ ]
- 2.15 How many amount you deposited every month in GPS account?.....
- 2.16 How many times needed to get loan after submitting the loan proposal?
- a) One week [ ] b) Two week [ ] c) Above two week [ ]
- 2.17 How many working days lost to get loan?.....
3. About Business Affairs:
- 3.1 What type of business you are doing now? .....
- 3.2 What are you doing before starting this venture? .....
- 3.3 When did you start the business?
- a) Before joining GB [ ] b) After joining GB [ ]
- 3.4 How many years did you involved with business? .....
- 3.5 Where did you get the fund for starting your first business? .....
- 3.6 How did you become the owner of the present business?
- a) Inherited [ ] b) Established [ ]
- 3.7 What was the start up capital of your business? .....
- 3.8 Please state the Grameen Bank contribution at your start up capital.....
- 3.9 Please state the total investment/capital at present of your business:.....
- 3.10 Please state the Grameen Banks contribution at present of your business.....
- 3.11 What are major problems in running your business?
- a) Working capital [ ] b) Credit installment [ ] c) Marketing problem [ ]
- d) Family problem [ ] e) Religious and social customs [ ] f) others [ ]
- 3.12 Why do you enter into entrepreneurship?
- a) Money making [ ] b) Family business [ ] c) Families economic need [ ]
- d) Gain independence [ ] e) others [ ]
- 3.13 Who inspire you to enter into business?
- a) Husband [ ] b) Own self [ ] c) Bank personnel [ ]
- d) Neighbor [ ] e) Others [ ]



3.14 Ownership pattern of the business:

- a) Sole proprietorship [ ] b) Partnership [ ] c) Family business [ ]

3.15 Who makes decision in your business affairs?

- a) Husband [ ] b) Own self [ ] c) Jointly [ ] d) Others [ ]

3.16 How far did your present business help you to be self-reliant?.....

3.17 How do you procure raw materials?

- a) Local market [ ] b) Neighbors [ ] c) Other districts [ ] d) Own self [ ]

3.18 How do you market your product?

- a) Direct to customer [ ] b) To retailer [ ] c) Both [ ] d) Other way [ ]

3.19 How many persons are engaged in your activities (including you)? .....

3.20 Do you maintain written accounts of your business? a) Yes [ ] b) No [ ]

If 'Yes', then who keeps the written accounts?

- a) Self [ ] b) Husbands [ ] c) Others [ ]

3.21 Do you get help in your works from your husband? a) Yes [ ] b) No [ ]

3.22 Who are helping you in your business affairs from your family members?.....

2.23 Do you have any training? a) Yes [ ] b) No [ ]

If 'yes', then mention the subject of training. ....

3.24 Do you have any training related to your business?

- a) Yes [ ] b) No [ ]

3.25 Have you got any training from the Grameen Bank before and after starting your venture?

- before: a) Yes [ ] b) Not [ ] after: a) Yes [ ] b) No [ ]

4. Socio-economic changes of women Entrepreneurs

4.1 What is the amount of your monthly income? .....

4.2 Family land before and after joining Grameen Bank:

- (i) Before joining GB.....decimals (ii) After joining GB.....decimals

4.3 Condition of dwelling houses:

(i) Before joining Grameen Bank:

- a) Kacha [ ] b) Semi-pacca [ ] c) Pacca [ ]

(ii) After joining Grameen Bank:

- a) Kacha [ ] b) Semi-pacca [ ] c) Pacca [ ]

## 4.4 Condition of latrine:

(i) Before joining Grameen Bank:

a) Sanitary latrine  b) Other latrine 

(ii) After joining Grameen Bank:

a) Sanitary latrine  b) Other latrine 

## 4.5 Electricity facilities:

(i) Before joining Grameen Bank: ... a) Yes  . b) No (ii) After joining Grameen Bank: a) Yes  b) No 

## 4.6 Sources of drinking Water:

(i) Before joining Grameen Bank:

a) Own tube-well  b) Others tube-well/public tube-well 

(ii) After joining Grameen Bank:

a) Own tube-well  b) Others tube-well/public tube-well 

## 4.7 State the amount of your capital:

a) At the time of starting your business:

(i) Own capital..... (ii) Loan capital.....

b) At present in your business:

(i) Own capital..... (ii) Loan capital.....

I am great full to you for find cooperation by providing information to the above questions. The information will be kept secret that provide by you and used only the purpose of research.

Thank you very much

Signature of the interviewer

Date.....

Signature of the respondent

CATEGORY-2: INTERVIEW SCHEDULE FOR OFFICIALS OF GRAMEEN BANK

Sample No.....

Place of interview.....

(Please put tick (√) marks where necessary)

1. Name officials : .....
2. Name of Branches : .....
3. Present Designation : .....
4. Experiences (Total) : .....
5. Experience in this branches : .....
6. Educational qualification of the officials : .....
7. Year of establishment of the branches : .....
8. Total number of staffs (including you) : .....
9. Active member of the branches : Male :..... Female :.....
10. Number of group and unit : Group :..... Unit :.....
11. Total village covered : .....
12. Number of borrowers of the branches : .....
13. Total loan disbursement of the branches : .....
14. Total savings accumulated at the branches : .....
15. Total amount of savings returned/withdraws from the branches :.....
16. What types of difficulties do you face in running banking activities?:.....
17. What are the suggestions that you can offer to solve these problems?:.....
18. What factors are to be considered for sanctioning loans to an applicant?:.....
19. How are you measures the credit worthiness of a women entrepreneur? :.....
20. In what types of loan applications are usually rejected?.....
21. Do you relax any formalities for the successful women entrepreneurs? :.....
22. How many amount of money are needed to deposit into GPS accounts in before getting loan of a women:.....
23. State how many types of loan that are sanctioned from Grameen Bank:.....
24. What are the major problems you generally face in disbursing the loans?
25. What are your suggestions to solve those problems?.....
26. What is your opinion about working capital loan?.....
27. What is the rate of interest of Grameen Bank loan? .....
28. Do you ever offer any interest remission in case of failure entrepreneurs?
29. How do you ensure the utilization of loan on the specific field?

30. What are the different steps that you are generally taken to recover the installment?.....
31. What are the problems generally face by branch manager in fulfilling his target of recovery?
32. What are your suggestions to solve those problems?
33. Mention the defaulter loanees of your branch.  
a) Number of defaulter loanees: ..... b) Amount of default loan:.....
34. What is your opinion are the reasons of default?
35. What are major problems you think, for a member in running their business?
36. Do you ever help them to procure raw materials? a) yes [ ] b) No [ ]
37. Do you ever help them to sell their product? a) Yes [ ] b) No [ ]
38. Have Grameen Bank imposes any training before and after starting their venture?  
before: a) Yes [ ] b) Not [ ] after: a) Yes [ ] b) No [ ]
39. What are your suggestion for better performance and achievement of the women entrepreneurs?
40. What step does the bank taken in case where a particular project in turned into a loosing concern?
41. What is your opinion about the failure of women entrepreneurs?
42. What are the main obstacles of women entrepreneurship development in Bangladesh? :.....

I am great full to you for find cooperation by providing information to the above questions. The information will be kept secret that provide by you and used only the purpose of research.

Thank you very much

Signature of the interviewer

Date.....

Signature of the respondent

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