



Mentoring and Connecting Potential Women Entrepreneurs in Southwest Bangladesh: A Stakeholder Workshop

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CSISA-BD Workshop Paper

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Cereal Systems Initiative for South Asia-Bangladesh (CSISA-BD)

CSISA-BD aims to test and disseminate new cereal systems-based technologies that will raise family income by at least US\$350 for 60,000 farming families. It is anticipated that a further 300,000 farmers will adopt new technologies by participating in field days and farmer-to-farmer information and technology transfer.

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I. Introduction and rationale

Bangladesh is an agrarian country with a large rural population engaged in agricultural production on increasingly fragmented landholdings. Agribusiness is considered a primary means to reduce poverty and achieve food security. Women contribute significantly to agricultural production and cottage and small-scale agro-enterprises, and are commonly employed in agro-processing enterprises. Micro and small and medium agro-enterprises have been recognized as a crucial way to promote women's economic empowerment while fighting poverty and gender inequity. There are multiple benefits to women's increased economic empowerment through the promotion of entrepreneurship. Women's entrepreneurship has also led to their increased mobility, the creation of women's networks, and building solidarity among them. Although rural women increasingly run their own enterprises, their real entrepreneurial potential remains largely untapped (FAO et al 2010) for three principal reasons: (1) social norms and traditional values, (2) poor access to financial services, and (3) the lack of business skills and access to markets. Providing effective support to women's businesses is crucial in promoting entrepreneurship among them. For instance, access to capital, resources, and government support makes it particularly challenging for women entrepreneurs. Women often cannot obtain loans for their businesses because of a lack of status and property rights.

Because of this, a stakeholder workshop for mentoring and connecting potential women entrepreneurs was organized on 15-16 November 2013 in Khulna, and about 50 women entrepreneurs participated from the southwest region of Bangladesh. More than 35 women entrepreneurs who attended were involved in individual/household-based businesses while also being involved in a group or association. The workshop was developed to bring together the Bangladesh Women Chamber of Commerce and Industry (BWCCI), Women Entrepreneurs' Association (WEA), commercial banks, supermarkets, and the agri-business sector. The objective is to assist potential women entrepreneurs who own small-scale agro-enterprises to grow their business by linking with and being mentored by women-led business associations. The program also facilitated open forums for networking and exchange of ideas. The expected outcomes of the workshop were:

1. To understand better the challenges faced by rural women entrepreneurs.
 2. To create business opportunities among potential women entrepreneurs. The workshop provided a forum for the exchange of knowledge on constraints, challenges, and experiences between potential women entrepreneurs and stakeholders.
 3. To link women entrepreneurs with women-led business associations. This workshop established and connected the two for the exchange and dissemination of knowledge and expertise in business management issues.
 4. To facilitate women entrepreneurs' access to financial resources and markets.
- The program covered and discussed three thematic areas—**Theme 1**: Scope of agricultural products in the market, **Theme 2**: Access to market for agricultural products, and **Theme 3**: Basic requirements for business establishments in financing women's enterprises and trade licenses.

In each thematic area, people from relevant organizations were invited to be resource persons and women entrepreneurs as participants from the Barisal, Jessore, Khulna, and Sathkhira hubs. The findings and discussions of the three thematic areas follow.

II. Findings and discussions from the workshop

1. Potential agro-enterprises and market situations: women entrepreneurs' perspective

For the group discussion, the participants were divided into five groups according to hub: Jessore, Khulna-1, Khulna-2, Barisal, and Sathkhira. Each group was tasked to discuss and identify (1) agricultural products based on potential enterprises and market situations and, (2) hindrances to being women entrepreneurs, using the SWOT (strengths, weaknesses, opportunities, and threats) analysis matrix.

It is interesting to note that, out of the five groups, four (Jessore, Khulna-1, Khulna-2, and Barisal) selected "rice and rice seed" as the number one potential opportunity for enterprise. Only the Sathkhira group selected nursery (e.g., plant) as a number one choice for enterprise activity. Although the four groups' choice was the same, their preference in rice variety varied by district. The Jessore group identified BRRI dhan28 as a potential variety for enterprise. The demand for BRRI dhan28 is high because it is considered a boro rice mega-variety and is cultivated in the district as well as in other neighboring districts. The group also identified BRRI dhan50 (known as *Banglamati*), which is an aromatic rice variety growing in popularity in the market. The participants revealed that they prefer a rice-based enterprise because rice is a staple food and thus is good for income generation. The second most-preferred agricultural enterprise among the five groups was aquaculture, mainly growing lobster/prawns, crab, white fish, and tilapia; and the third most-preferred was growing seasonal fruits, vegetables, and oilseeds (e.g., sunflower, pigeon-pea, sesame (*til*), and mustard).

Although selling agricultural products is a potentially good enterprise, the participants revealed that marketing is a major problem they face. They are currently selling rice and fish products through dealers and traders. Fruits, vegetables, legumes, and oilseeds (e.g., sunflower, pigeon pea, moonbeam, sesame (*til*), and mustard seed) are also being sold in the local market or "*hat bazaar*" or to villagers. However, none of the participants directly sell their agricultural products in the supermarket. The women sell their products at a lower price to local markets and villagers; they do not sell to distant markets because of limitations to mobility and sociocultural restrictions. Only participants from the Sathkhira group said that they sell nursery seedlings (floriculture plants) to a retailer from Dhaka as well as to middlemen locally known as *Faria/Bapari*.

2. Mapping the consumer demand from a supermarket perspective

One separate group was formed out of participants associated with supermarkets (e.g., Agora Supermarket in Dhaka, Meena Bazaar in Dhaka and Khulna, the Amar Desh Amar Gram project of Future Solution for Business Ltd. in Dhaka, and seed/flower associations from Jessore). The task given to them was to discuss consumer demand and the market chain of agricultural products from the supermarket perspective.

Mrs. Ambia Shafi is a seed entrepreneur and a member of the Small and Medium Seed Producers Association of Bangladesh (SMSPA) from Jessore. Mrs. Shafi participated on behalf of the SMSPA and did a presentation in this workshop. She shared that the association has about 120 members and around 825 contract farmers from 75 Upazillas of 7 districts in the region of Jessore.



In her presentation, Mrs. Shafi highlighted that the objective of the association is to develop a sustainable seed business for small and medium seed producers by producing and supplying quality seed to farmers on time at a reasonable price under the national seed policy. She said that the association produces boro rice seed more than T. aman rice seed and that production is increasing every year. Boro rice seed production increased from 2,930 tons to 3,400 tons and the area expanded from 730 ha to 850 ha between 2010-11 and 2011-12. On the other hand, T. aman rice seed production slightly increased from 235 tons to 273 tons and the area covered is about 71 to 79 ha from 2010 to 2011.



The group reported that the top three agricultural products that have a high demand in Dhaka are: (1) rice, (2) fish and fish products, (3) and fruits and vegetables. With rice, *Miniket* rice and *Nazirshail* (a local rice variety) are the most popular, having a high consumer demand in Dhaka, which is estimated to be about 60% and 40%, respectively. Other aromatic rice varieties (such as *Chinigudi*) are also popular and have a high demand mainly in festival seasons. Consumers demand for these kinds of fish: *bele*, *faisa*, *tangra*, *betki*, *hilsha*, prawns, and lobster. Fruits (e.g., *amra*, guava, and banana) and vegetables are also in demand, but the varieties depend on the season.

The supermarket buys rice from rice millers; these are branded and packaged before being sold in the supermarket. For fish and vegetables/fruits, the supermarket purchases them from suppliers, that is, middlemen/traders. During the discussion, participants from the supermarket group clarified that, so far, they do not have direct contacts among farmers or farmer groups to purchase these products from. This is mainly because of the quality and quantity of the products to be bought. A few supermarkets or agricultural companies have now started to deal directly with farmers through a contract farming system (e.g., PRAN-RFL group).

3. Basic requirements for business establishments

The basic requirements for business establishments were highlighted and discussed, that is, financing for women entrepreneurs and trade license issues. For the discussion, representatives of various relevant organizations from Khulna such as the Bangladesh Krishi Bank, the Bangladesh Bank, and City Corporation, and the Bangladesh Women Chamber of Commerce and Industry (BWCCI) from Dhaka, attended and shared their strategies on women's business and other related issues. In the group discussion, the participants shared their views on accessing loans and applying for trade licences.

Financing for women entrepreneurs: the banking sector's scheme and women entrepreneurs' experiences

Mr. Shamyol Kumar Das, general manager of the Bangladesh Bank, Khulna, and Mr. Nurul Amin, principal officer of the Bangladesh Krishi Bank (BKB) shared that the banks have given an overview of small and medium enterprises (SMEs). One of the objectives of SME loans is to provide more support to women entrepreneurs in industry and business. Mr. Amin further elaborated that, for women entrepreneurs, there is no need for property collateral up to a loan ceiling of Tk. 500,000 (US\$6,500). However, they would need to give a personal guarantee and an influential third party's personal guarantee and hypothecation on the business assets. The BWCCI and the Women Entrepreneurs' Association (WEA) mainly assist the Bangladesh Bank in Khulna in identifying prospective women entrepreneurs.

Participants from the districts of Khulna, Jessore, and Barisal reported that they have access to credit mainly from NGOs, Grameen Bank, Islami Bank, Agrani bank, and Pubali Bank. However, participants from Sathkhira and Khulna said that they have tried applying for loans but were unsuccessful in receiving credit because of the needed trade license documents and capital. Aside from that, participants also expressed that the paperwork is very complicated in applying for a loan.

Ms. Sadequa Hassan Sejuti, managing director of the Amar Desh Amar Gram project of Future Solution for Business Ltd., attended the workshop and presented about the project. The project aims to establish a holistic network of solutions online at a fair price for producers/farmers with direct access to the market and underprivileged people, especially women and other marginalized groups from rural areas. The project is currently working in the districts of Bagerhat, Jamalpur, Rangpur, Sylhet, Norshingdi, Tangail, and Sirajganj.



Ms. Sejuti said that the costumers can directly buy agricultural products from farmers at a fair price without middlemen. The project has now about 5,500 small entrepreneurs, mainly women, registered to sell their products through an online system. She said that this system has minimized the gaps of market linkages and selling products only to village-level farmers.



Importance of the trade license

It was found that most of the participants do not have trade licenses, though they own an agri-business small and medium enterprise. Among the participants, one woman entrepreneur from Barisal and five from Jessore have trade licenses. On the other hand, none of the participants from Khulna and Sathkhira have trade licenses. One reason for not having a trade license is that they were not aware of it. However, some of them also said that they knew about it but did not believe that it is important. They also added that they were afraid of approaching the officers at City Corporation. All of the groups mentioned that, after the presentations in this workshop, they understand better the importance of having a trade license. They realized that they needed it to run their business and obtain bank loans. The women entrepreneur participants recommended that the procedure should be easy if they could get the trade license from a union level.

III. Conclusions and recommendations

The objective of this workshop is to assist potential women entrepreneurs who own small-scale agro-enterprises in growing their business through linking with and being mentored by women-led business associations. The program also facilitates open forums for networking and exchange of ideas. The conclusions and recommendations of this workshop follow.

- The consumer demand of agricultural products from the supermarket perspective indicated that there are three main agricultural products in Dhaka that have a high demand: (1) rice, (2) fish, and (3) fruits and vegetables. In rice, Miniket and Nazirshail (local rice variety) varieties are the most popular and have the highest demand. They make up about 60% and 40% of daily consumption, respectively. Other aromatic rice varieties (such as Chinigudi) are also popular, especially during festival seasons. Consumer demand is also high for fish such as bele, faisa, tangra, betki, and hilsha, and for prawns and lobsters. Fruits (e.g., amra, guava, and banana) and vegetables are also in demand, but varieties depend on seasonal availability.
- The women entrepreneurs said that they are not engaged in selling products at long-distance markets or outside the village because of limitations to mobility and sociocultural restrictions. They further expressed that they don't have direct linkage and networking with marketing or business associations, except with middlemen or traders within the village or district. Because of the lack of market linkages and the restrictions mentioned, women entrepreneurs sell their products at a lower price in local markets. To address these issues, the Amar Desh Amar Gram project could be one of the options to introduce agricultural products sold directly by rural women entrepreneurs to end-consumers without involving middlemen/traders.
- In this workshop, the participants learned that a trade license is one of the important documents required to access loan/credit from banks; credit is important for agricultural production and establishing a business. The women entrepreneurs shared that they are obliged to sell their products, mainly rice, immediately after the harvest at a lower price to middlemen/traders. This is because they get the loans from them to whom they also have to sell the rice. According to women entrepreneurs, if they could have access to loans from banks or any other institutions, they could store the rice and sell it when the price is higher; thus, they could benefit more from the rice business. Therefore, one of the options to minimize this issue could be to link farmers/women entrepreneurs to BWCCI, particularly for credit and trade license purposes.

Ms. Selima Ahmad, president and founder of the Bangladesh Women Chamber of Commerce and Industry (BWCCI), attended this workshop. In her presentation, she shared that BWCCI is exclusively working on women's economic and social empowerment by supporting the women's business community. BWCCI provides training, management, financial resources, expertise, and support networks that enable small businesses to succeed and prosper. It serves all businesses with a special focus on rural women entrepreneurs of small and micro businesses. BWCCI now has 3,000 members across the country.



In her presentation, Ms. Ahmad said that the Bangladesh Bank had allotted US\$15.5 million (Tk 120 crore) for women entrepreneurs and distributed the amount among 14 banks on 14% interest. She further said that one desk is especially kept open in these banks for women entrepreneurs. Ms. Ahmad also shared how BWCCI assists its members in getting loans and licenses. BWCCI-Khulna has a hotline center to assist women entrepreneurs, especially those who want to be a part of the group.



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