

CONTRIBUTION OF WOMEN ENTREPRENEURS IN SMEs AMONG SAARC COUNTRIES

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ABSTRACT

The present study examines the relationship between women entrepreneurs and SMEs (small and medium enterprises) in SAARC countries. The study of women entrepreneurs among micro, small and medium enterprises required to study separately for two different reasons. Number one is that the women entrepreneurs played very active and significant role during the last few decades, and the second reason is that female businessperson creates new employment opportunities, and solve the different problems of society through empowerment of female. Small and medium enterprises plying significant role as engines of economic growth in many countries, provide low cost employment opportunities with growth. The finding of the study shows the positive relation between SMEs and women entrepreneurs. The role of female business owner increases during 30 years in South Asia. Female entrepreneurship is considered a key tool in enabling female empowerment and liberation. It is better for developing countries, especially South Asian countries to start a business at small and medium scale because South Asian countries belong to the low income group facing problems of unemployment, poverty, the low saving rate, the low capital accumulation. Micro and Small scale business not required huge investment, it starts with limited capital.

KEYWORDS: Women Entrepreneurs, SMEs, SAARC

INTRODUCTION

Supportable economic growth at any levels required women joining in the labor force and complete use being made of their skillfulness and qualification. According to Global Gender Gap Report only below ten percent entrepreneurs are women in South Asia by contrast 38% to 47% female run business in Central Asia, Eastern Europe and East Asia. World Bank observed that women and men are not equal in any region of the world, but the result of discrimination can be very diverse in different region of the world, gender gap narrow in the some regions of the world and the other side the gap between female and male are wider.

Table 1: Gender Gap Report 2016

Region	Gender Gap
Western Europe, North America	Less than 30% to 25%
Latin America, Eastern Europe, Central Asia	Exactly 30%
East Asia, Pacific	31.7%
Sub Saharan Africa	32.1%
South Asia, Middle East	33%
North Africa	48%

Source: World Economic Forum

Women entrepreneurs remain a lesser in all economies. The region of South Asia is one of the dynamic in the World, 21% of the world population living in this region, but the majority of people facing poverty, unemployment, illiteracy, insufficient food, health facilities. In past era, female are facing discrimination in all sorts of life. Men have a superior role of women was limited, but from the last few decade mindset of society become change and people realize the fact that without women's participation they cannot achieve the goal of development, higher income, better living standard. Now a days female traditional role of women change all over the world, women participate in every field, they recognized as an entrepreneur, but in the region of South Asia women entrepreneur rate is still below 10% of the all enterprises. The Women Participation rate is now 11.8 in Pakistan, Indian women's participation rate is 10.7, Sri Lankan women entrepreneur rate is 26.1 Other side the rate of women entrepreneurs too much higher in East Central Asia and Eastern Europe 38 %to 47%.In India only 14% women enterprise is registered in SMEs (small, medium enterprises), only 10% female run own business k to Bangladesh, a similar situation can be seen in Nepal and Pakistan where 10% female run or managed micro, small and medium enterprises.

ENTREPRENURE

People utilize their knowledge and source to raise or create fresh business opportunities, actively run it. Whether formally registered or informally in a home setting, which are liable in some way for running of the business and have been in operation for longer than one year. According to EIP (entrepreneurship indicator programming) entrepreneurs are those persons who pursue to create value, through the creation or increase of economic activity, by recognizing and distributing new products process or markets. (OECD, 2011)

DEFINATION MICRO, SMALL AND MEDIUM ENTERPRISES

ACCORDING TO SMEs OF INDIA: Micro, small and medium enterprises development (MSMED) Act 2006

Table 2

Micro Enterprises	Does Not Exceed Twenty Five Lakh Rupees
Small Enterprises	More Than Twenty Five Lakh But Not Exceed Ten Thousand
Medium Enterprises	More Than Five Crore, But Not Exceed Ten Crore Rupees

DEFINATION OF MICRO, SMALL AND MEDIUM ENTERPRISES ACCORDING TO SMEs OF PAKISTAN

Table 3

Micro Enterprises	The Number of People Employed Is 10 and Productive Assets Limit PRS 2 Million
Small Enterprise	The Number of Employed and Productive Assets Limit PRS 20 Million
Medium Enterprises	An Enterprise Engaged 36 To 99 People and producing assets Limit PRS 40 Million

DEFINATION OF MICRO, SMALL AND MEDIUM ENTERPRISES ACCORDING TO SMEs OF BANGLADESH

Table 4

Small Enterprises	Those Enterprises Which are Not Public Limited Company, Having an Investment of Tk 50,000 to Tk 50,00,000 and Employed 25 Workers
Medium Enterprise	Which are Not any Public Limited Company, Investment Limit is Tk 50,00,000 To Tk 10,00,000

REVIEW OF LITRETURE

Women's entrepreneurs' plays significant role in poverty reduction, increase in employment and economic development of any country. According to Dr. Rashmi (2016), from the start of this century education change and the mind-set of peoples and traditional role of housewives, are gradually changed into women entrepreneurs and legislator. Hauma, Amani (2015) highlighted that age, education, marital status and family type are powerful factors that were considered in relation to their influence on economic, social and political and health and education enabling of women. W. Chughtai, Fazal (2015) suggested women empowerment can only happen when the regime empower women financially, with the appropriate support to the women NGOs can run labor section effectively. Syeda Nbahat (2014) examine the consistent be satisfied from method of payment, and utilized the loan for income activities, and receiving attractive earning. Tory Burch (2014) identified that, in only seven countries where women facing huge equality gap, other side females take part in business at similar rates as men's. Dhanlakshmi, Dr. Rajini (2013) expresses that, female business rapidly grows all over the world. After the utilization of Females hidden entrepreneurial potentially gradually be changing the role and status of women in society. Sara Isran, Dr Samina Isran (2013) mention that, Micro finance, micro credit supports women in all dimension but plays more influential role when they are provided with autonomous access to micro credit. Sulaiman, Ghazala (2012) analyzed that, Micro funding effect positively and women play better role as an entrepreneur a ND as a member of society. Moor (2011) observe that, women businessperson are more democratic as compared to male, through good management and proper communication with employees they built trust. Naimat and Ahmed (2011) discovered the environment for Pakistani female business persons they find that. role of networking is very essential for inspiring and improving women contribution.

According to them learning about networking process might be very important because aware about how to tackled cultural, legal, social and religious obstacle. It will be very useful to learn about networking and how this networking might support female entrepreneurs to overcome. Manisha Desai (2010) highlights several government best performs such as quota, cash transfer programs, and gender budgeting and open based micro enterprises. Okafor and Amula (2010) observed that, motivating women entrepreneurs and also study the problems facing by women entrepreneurs. They furthermore point out positive applied recommendations, for policy makers both government and women business persons. Jamali (2009) define that, in less develop countries earning of single person is not sufficient for entire family, so women take decision to participate in commercial activities to earn additional income. Talat, Rashid(2009)elaborate that societal and gender discernment, deficiency of admittance mechanism above resources, insufficient informative probabilities, financially not sound, nonappearance of self-actualization and minor business orientations have some weaknesses categorized as well as to the growth of inaccessible Pakistani female business persons. Ananya Wahid Kader, Mokena Mwiti (2008) elaborate that, advancing to women owned micro, small and medium enterprises (MSMEs), as a separate segment still unexplored, when compared to lending MSMEs in India. Sanyang and Haung (2008), stated the significant role of Taiwan in women entrepreneurs. Author also observed stories of different women's they were facing different challenges and difficulties. According to Gitle, Francis, Bertha (2008) defines the awareness and knowledge level of women entrepreneurs of Kenya is very low. The research planned to build on previous work.

They determine about women belong to Meru (Kenya) are still facing gender discrimination, directly or indirectly related to her business. Eshetu Zeleke (2008) suggests that, result oriented and measurable entrepreneurship development methodology is required to boost an entrepreneurial culture. Teoh and Chong (2007) studied the different elements that effect on the performance of Malaysian female entrepreneurs. The recommended for future analyzing the different factors like business management, motives and goals, strategies and business performance associated with women entrepreneurs. Sajjad and Raza (2007) reported that, usual source of capital for females businessperson are personal saving, returns from sale of own jewelry, or loan from family members and relatives. They pointed that while the growth potential of female-owned enterprises is forced by the lack of accessibility of proper finance. UN (2006) mentioned the some factors responsible for success and failures of women entrepreneurs, report point out that lack of management facility for money, shortage of administrative and skill persons, shortage of cash money, difficulties of marketing and sales with domestically low demand. Goher (2003) found that, gender related issues are more challenging for Pakistani female entrepreneurs. Herrington and Mass (2006) mention the different program me of South African government that starts for women, to create initiative and help the female business persons.

METHODOLOGY

The study is based on secondary collected from different published material and information's available on web sides of the World bank, Asian Development bank, International economic Forum, International labor organization, SMEs of SAARC countries, Various editions of Global Gender Gap Report, Various editions of UNO reports about women's, SDG report, State Bank of Pakistan.

ROLE OF SMEs IN THE ECONOMY

SMEs play vital role in economic growth, generate the earning opportunities, and increase the living standard of the people. The planned status of SMEs in the development of the economy is broadly recognized in both developing and developed countries (Abdullah 2000), similar SMEs have factually taken signify part in contributing to the economic advancement of several countries around the world (Kongolo, 210). There are 7.2 million SMEs working in Bangladesh and comprise over 90% of all industrial units. SMEs provide 85% of industrial employment and 1.3 million people are employed.

SME LENDING IN PAKISTAN AND SOUTH ASIA

Table 5

Country	SME with Bank Loans	SME Bank Loan as% of GDP
India	33%	6%
Bangladesh	32%	14%
Pakistan	6%	1.20%

Source: Global Findex & SBP 2014

Above mention data shows the SMEs loan given to different purpose, in India total 33% of total loan given by SMEs, is comprises 6% of GDP, as compare to Pakistan and Bangladesh is 1.2 % and 14%.In 1960s small and medium level business become more common and famous. Reasons of the popularity of SMEs are different, this type of enterprises work more efficiently and it's easier to adopt new and latest technology, increasing employment opportunities, easily meet demand, generate more income (Schumacher 1973).Another study by ILO (International Labor Organization) of 150

females businessperson in Pakistan found 39% of women involved in small business (engaging less than 100 workers) and only 9% women ran business in medium enterprise scale. (Goheer, 2003).

Table 6: SMEs Lending in Pakistan

Year	PKR Million
2003	210
2004	284
2005	361.3
2006	358.7
2007	385.2
2008	388.4
2009	345.1
2010	318.8
2011	295.5
2012	247.9
2013	233
2014	252.7
2015	260.8

Source: State Bank of Pakistan

SME of Pakistan given loan to business persons for the establishment, production and marketing purpose, above mentioned data shows the picture of total loan funding for the betterment of people and economy. Total amount increasing in during the years 2005, 2006, 2007, 2008, 2009, 2010 and then gradually decrease.

Table 7: SMEs Lending in India

Year	Indian Rupees (Cror)
2005	83,498
2006	1,01,285
2007	1,27,323
2008	2,13,538
2009	2,56,127
2010	3,64,001
2011	4,86,017
2012	5,28,617
2013	6,87,211
2014	8,50,469
2015	9,37,319

Source: Ministry of Micro, Small and Medium Enterprises

According to Ministry of micro, small and medium enterprises of India are lending to business persons gradually increase in during last ten years (2005-15) and its effect significantly on establishment of new business and give initiative to more people to start own business.

Why women become entrepreneurs? In the past, women's occupational choice were largely confined to traditional jobs, they are now choosing, in increasing numbers, to set up their own business.

Table 8: Female Labor Force (% of Female Participation)

Country	Year 1990	Year 2014
Afghanistan	16	16
Bangladesh	62	58
Bhutan	49	67
India	35	27
Nepal	80	80
Pakistan	13	25
Sri Lanka	36	35

Source: World Bank

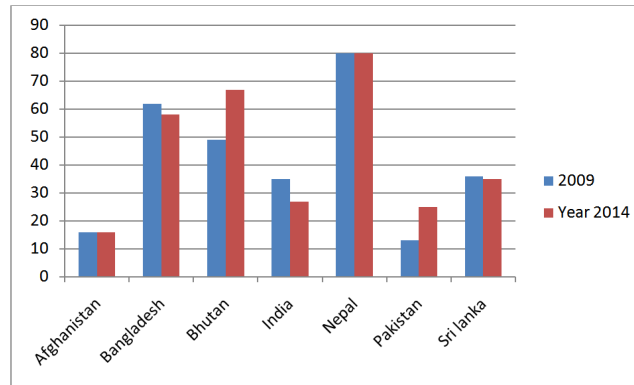


Figure 1

The table and graph show the difference of percentage of women’s participation of the labor force between 1999 to 2014, mostly female participation increases in all countries according to population and male, female ratio. Entrepreneurial progression effected by demand and supply sides, emphasis on the appropriate individuals, who available for occupying entrepreneurial role. Other hand demand side focuses on nature and required number of the entrepreneurial roles that can be filled. Women still haven the major responsibility for the children and family so women want to increase their income and they participate in the labor market, including entrepreneurship. Women usually start a home based business and them likely to start a part time business due to spend more time with children and family. The hidden entrepreneurial potentials of women have progressively been with the growing compassion to the role and economic position in the society.

Table 9: Firms with Female Participation in Ownership

Country	Year 2009-2015
Afghanistan	2.2
Bangladesh	12.7
Bhutan	45.4
India	10.7
Maldives	-
Nepal	21.8
Pakistan	11.b
Sri Lanka	26.1

Source: World Bank

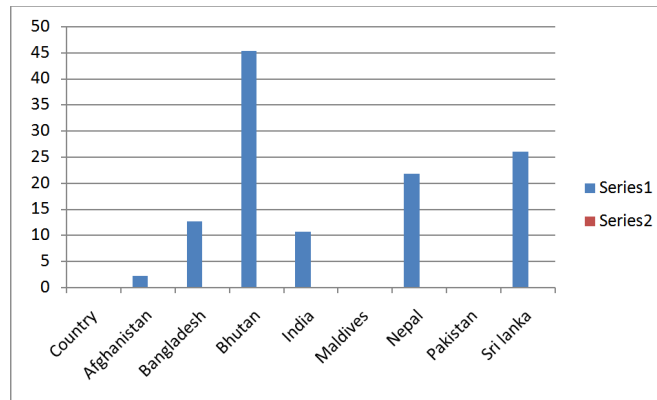


Figure 2

The number of women owning highly increases all over the world between last few decades, the region of South Asia is densely populated, and backward as compares to Europe, USA, and Australia even other countries located in the Asia like Japan, China, and Korea. But the mindset of South Asian people gradually changes about development, employment, trading and gender. Women Labor force participation increases as well as the total population. An overall scale, including health, education and politics, the gender gap could be closed in 83 years across Countries. (Global Gender Gap 2016). During 1997 and 2006, women owned business or business owned by women majority, grew at approximately twice in all U.S firms 42.3 vs. 23.3 (Lahle Wolfe 2016).

Categories of Women Entrepreneurship in South Asia: There are three Categories

1.
 - Start and run in large cities
 - They are educated and well aware about their business
 - Mostly they have a stable financial background
2.
 - Start and run in small cities
 - Most women have knowledge about their business
 - The majority of the female entrepreneurs is not having a sound financial position
3.
 - Start and run in backward areas
 - The majority of the women are illiterate
 - Women run family business like agricultural farming, poultry and dairy farming, handloom and power loom

PROBLEMS OF WOMEN ENTREPRENEURS

Women still face injustice and discrimination and not have right to make decision, they feel the fear of defaulting, high interest rate, societal obstacles and deficiency of an effective lobby, lack of awareness of economic schemes and high risk. South Asia is a region of the world facing different problems, Goheer (2003) mention that mostly the owner of small enterprise has a low level of literacy and decrees the opportunities for generating income.

Responsibility of Family

Generally, women are responsible to look after children and home, mostly time they engaged in a home with children's, and they don't have excess time to work outside of home so many educated, qualified, skill women prefer part time or home base activities.

Shortage of Finance

Women entrepreneurs in South Asia suffer from inadequate capital; the female rarely has property, family members not sure about women's ability to run a business. Mostly women depend on traditional source of funding e.g. lending from friends and relative or sold personal jewelry.

Lack of Expertise

Generally in South Asian peoples not like to women work outside of the house, when a woman start her own business they not have any example or expert to guide her.

Shortage of Raw Material and Power

The region of South Asia continuously faces, the energy shortage, the result of these crises affected the production process.

Marketing Problems

That entrepreneur belongs to small cities or town, not able to reach market, due to less information, lack of transportation facilities.

The Attitude of Society

Because of the low level of education or illiteracy, they don't expect equal rights of women and not willing to women become equal to men, and they don't give the permission to female can participate in economic activities.

SCHEMS FOR WOMEN ENTREPRENURS IN SAARC COUNTRIES

Women specific programs and schemes deliver valuable support for discovering economic opportunities. Some supporting programs started by various institutions.

- UNESCAP encouraging women entrepreneurs belong to the SAARC region for poverty reduction and generate new employment chances for female labor force at 30.6 percent in the sub region, according to world indicators. Lower as compare to other regions of the world excluding North America and Middle-East. `
- Asian Development bank (2016) delivers \$200 million for Small and medium enterprise in rural Bangladesh.
- SABAH (SAARC Business Association of Home Based Workers) association currently active in seven SAARC countries containing Pakistan. Bangladesh, Nepal, Buhtan, Maldive and Afganistan. For the progress of female entrepreneurs, SABAH and IDB (Industrial Development Board) start the diverse training program me to train the women in what way to increase their skills, managing and regulatory the domestic food industry, creative marketing, leadership abilities to run business more successfully and profitability.

- Bhahratya Mhila bank (BMB) landing for kitchen modification, setting up beauty parlors, health center, catering and some other purpose to become women empower.
- Financial training is much helpful to better understanding of business and marketing, Bangladesh Women's Chamber of Commerce (BWCC) ran a training programme project, in which 900 women were taught how to apply for a bank loan.

Table 10: Financing SMEs and Entrepreneurs in OECD

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015
Belgium	38.52	37.91	32.08	31.45	31.50	29.48	28.74	28.02	26.65
Denmark	64.7	74.57	78.79	64.73	70.53	51.49	38.95	11.98	-
France	27.20	25.69	22.70	22.08	22.04	21.90	22.64	22.54	22.32
Korea	75.01	73.42	70.28	68.72	66.32	63.89	61.89	59.35	56.35
Sweden	15.12	14.68	13.62	14.39	14.67	22.71	22.50	24.83	-
Canada	41.62	-	43.4	36.3	35.13	39	46	55.6	47.2

Source: OECD

Above data indicate the lending to small and medium enterprises in selected countries, all countries realizing the important role of SMEs and providing loans for business persons.

CONCLUSIONS

The analysis shows that financing for SMEs and other sources significantly effected on female entrepreneurs, landing of loan build women financially and economically strong, independent and grew their families, personal, political and social empowerment. Women entrepreneurs are found to have an important impact on the economy, both their ability to create jobs for themselves and to others. Women's entrepreneurship is demanded on both sides, on demand side influence family policy, market sources, political and institutional framework. On the supply side the availability of individuals to occupy entrepreneurial roles. Women still have the major responsibility for children and family, therefore they like to start a home based and part time business. The female facing the specific obstacles type of education, weak social status, lack of information about financing scheme and procedure, access to financial institutions. Policy maker must foster the networking of associations and encourage the partnership among national and international network and facilitate them.

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