



Final Report

**Anondomela for Women's Economic
Empowerment: Assessing Needs
and Priorities of Women
Entrepreneurs in E-Commerce**

Anondomela for Women's Economic Empowerment: Assessing Needs and Priorities of Women Entrepreneurs in E- Commerce

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Abbreviations and Acronyms

BB	Bangladesh Bank
BDT	Bangladeshi Taka
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
BIDS	Bangladesh Institute of Development Studies
BSCIC	Bangladesh Small and Cottage Industries Corporation
CDC	City Corporation Digital Centre
CHT	Chittagong Hill Tracts
CMSME	Cottage, Micro, Small and Medium Enterprise
E-CAB	E-Commerce Association of Bangladesh
GDP	Gross Domestic Product
GOS	Gross Operating Surplus
HSC	Higher Secondary School Certificate
ICT	Information and Communication Technology
IT	Information Technology
KII	Key Informant Interview
LIUPCP	Livelihoods Improvement of Urban Poor Communities Project
LoGIC	Local Government Initiatives on Climate Change
MDG	Millennium Development Goals
MFS	Mobile Financial Services
MS	Microsoft
MSME	Micro, Small and Medium Enterprises
NGO	Non-Government Organization
OECD	Organization for Economic Co-operation and Development
PDC	Pourashava Digital Centre
PMO	Prime Minister's Office
RMG	Ready Made Garments
SDG	Sustainable Development Goals
SME	Small and Medium Enterprises
SMEF	Small and Medium Enterprise Foundation
SSC	Secondary School Certificate
SWAPNO	Strengthening Women's Ability for Productive New Opportunities
TG	Transgender
TV	Television

UDC	Union Digital Centre
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
US	United States
USAID	U.S. Agency for International Development
USD	U.S. Dollar
VAT	Value Added Tax

Executive Summary

Background

The cottage, micro, small and medium-sized enterprises (CMSMEs) significantly generate employment, reduce poverty, and contribute to the economy. Internet technology has also become an essential tool in recent years as e-commerce allows entrepreneurs to quickly communicate with their customers and backward linkage entrepreneurs. In addition, internet technology has also opened up scopes for newer and more advanced business avenues. This business platform, popularly known as e-commerce, reduces transaction costs and facilitates linkages to supply chains.

Bangladesh is no exception in its attempt to exploit the potential of e-commerce. With the increasing trend of e-commerce, the government has started focusing on the inclusiveness of women entrepreneurs. The need for providing technical, financial, and training assistance to women entrepreneurs and the requirement to identify and resolve legal barriers hindering the development of women entrepreneurs has thus become a primary objective of government and non-government development institutions.

As women are more likely to be engaged in informal business activities than their male counterparts, e-commerce platform offers them prospects of achieving substantial gains towards empowerment. Therefore, an e-commerce platform is likely to boost business opportunities, especially for women entrepreneurs.

The ongoing covid-19 pandemic has also acted as a catalyst to induce many CMSMEs to adopt e-commerce for their survival. Further, most rural e-commerce transactions occur regionally or through hyper-local sales, hinting at challenges within the national logistic chain. Many CMSME entrepreneurs might also face entry barriers: lack of formal trade licenses, limited access to required technological and digital knowledge and logistics, legal bars on operating in a digital space, and financial capital constraints. Women entrepreneurs face these constraints even at a grander scale and resort to informal e-commerce. Therefore, it is essential to know the priority concerns of women entrepreneurs during the covid-19 pandemic and find feasible ways to overcome and support the sustainable growth of their business.

For the betterment of women entrepreneurs, UNDP Bangladesh has thus launched several projects. 'Anondomela,' an online e-commerce platform set up by UNDP Bangladesh, is a part of such an initiative, which directly connects buyers and sellers online and can also become a helpful platform for shopping, upholding public health advisories, and minimizing the risk of covid-19 transmission. In addition, Anondomela can also offer entrepreneurs an equal opportunity to sell or promote their products digitally, regardless of their socioeconomic background.

The main objectives of this study are to analyze and explore the challenges, needs, and priorities of women entrepreneurs of Anondomela members, with particular attention to their online business operations.

Research Method

This study first describes the summary statistics of their profiles, including their personal socio-demographic characteristics, business knowledge, and technological skill levels. The study then looks into their business ventures to see how it started and is doing in the current period. Finally, this study delves into the operational and management techniques to assess whether entrepreneurs can run smoothly without any external assistance. For that purpose, a mixed-method approach incorporating qualitative and quantitative methods has been applied. While quantitative data were collected using a structured questionnaire, the qualitative data and information were collected through the key informant interviews with the relevant stakeholders and case studies of successful entrepreneurs.

Sample Selection and Data Collection

As the main focus of the study is to identify the specific needs of the Anondomela entrepreneurs, the study categorizes the full sample of enterprises into two groups, namely Anondomela and non-Anondomela. The divide and consideration of including non-Anondomela members come from differentiating the needs of the two groups to see if Anondomela members need something in particular that the other UNDP Bangladesh beneficiaries do not. The beneficiaries in this study are working under the UNDP flagship programs, including a2i, Anondomela, SWAPNO, LOGIC, LIUPCP, and CHT. In addition, among the sample enterprises, 14 are run by transgender entrepreneurs and 13 by physically disabled entrepreneurs. However, no separate analysis was for the transgender and disabled entrepreneurs due to small size. Therefore, it does not draw any inferences on these entrepreneurs. The establishment areas of these enterprises sum up to 51 sub-districts. Most Anondomela members (56%) are located in the capital, whereas the non-Anondomela members (19.79%) are primarily established in Kurigram, Bandarban, Rangamati, and Khagrachari.

Key findings

Type of Products

The sample enterprises for this study encompass industrial and agricultural goods, and services. A significant number of enterprises also sell assorted products, including rice, pulses, flour, soaps, shampoo; beautification products and services (beauty parlor); tailoring services; and processed foods, including both traditional food items like pickles, jam, pitha, cakes, and non-traditional foods like Indian biriyani, Chinese, and Italian foods.

Ownership and Business Recognition

Approximately 94.59% of Anondomela and 96.82% of non-Anondomela members run under sole ownership. Most do not have any trade license or government approval and also did not apply for such documents as they thought their businesses were not very large. Despite most enterprises not having any trade license, they argue that they did not meet many business-related problems. One of the potential reasons for such an experience is that they do not try or apply for loans from a bank or a financial institution.

Personal Sociodemographic Characteristics

Most of the entrepreneurs are between 31 to 40 years. Most women entrepreneurs are married (60.32% of women in all enterprises, 70.27% of the Anondomela, and 50.12% of the non-Anondomela entrepreneurs). Women entrepreneurs in the Anondomela group have mostly completed graduation and post-graduation. In contrast, women in the non-Anondomela group have studied mostly up to the higher secondary certificate (HSC) level. Additionally, women of a particular educational qualification have similarly qualified spouses for both enterprise groups, bringing them to a specific social and familial standing. Approximately 88.86% of the women entrepreneurs are self-employed and rely solely on their business ventures. About 91.89% of Anondomela members and 87.28% of non-Anondomela entrepreneurs are involved in their businesses. Agriculture is the second prominent occupation among women, and very few entrepreneurs do non-government jobs, part-time jobs, and government jobs, while few are otherwise unemployed.

Technology Access and Efficiency Level

Each Anondomela member has either a simple or regular phone or a smartphone, while 4.24% of the non-Anondomela members have no phone. About 94.59% of the Anondomela members have smartphones compared to 29.68% non-Anondomela members. Approximately 92% of the Anondomela enterprise with smartphones use the internet. Though using a laptop is very low among all the entrepreneurs (14.85%), it is higher for Anondomela members than non-Anondomela members (39.19% versus 2.12%). Further, 34.57% of all entrepreneurs have a broadband internet connection at home, and 28.54% have this connection in their offices, shops, or working spaces. Again, in both cases, Anondomela have significantly higher percentage shares than the non-Anondomela members.

Business Profile of the Entrepreneurs

Approximately 11.62% of the Anondomela members and 12.13% of the non-Anondomela entrepreneurs started their businesses owing to relatively low investment requirement. For the Anondomela entrepreneurs, among many other factors, encouragement from their husbands (14.11% responses) and low capital investment opportunities were the most important motivations for starting their businesses. Primary target markets for Anondomela members are their own districts, and the main buyers are men and women.

Anondomela members mainly collect raw materials from their sub-districts and other sub-districts in their districts. Enterprises usually sell their products in-store and on other online platforms like Anondomela, Facebook pages, and websites. Facebook is the most used selling medium for Anondomela members to sell their products, while the selling from store is for non-Anondomela entrepreneurs. Very few of the enterprises in both groups sell products on their websites. Some entrepreneurs also prefer a different combination of marketing platforms.

Financial Transaction Modes

Most entrepreneurs report bKash as the most common mode for their monetary transactions. Approximately 47.99% of Anondomela members and 52.51% of non-Anondomela entrepreneurs indicate the same preference. Similarly, 39.56% of Anondomela and 30.17% of non-Anondomela entrepreneurs report that cash on delivery is their second most preferred

medium of exchange. Also, Anondomela members prefer banking transactions to their non-Anondomela counterparts.

Sales and Promotions

Women entrepreneurs also use different virtual and non-virtual advertising strategies to promote their products. For product promotions, various promotional methods like leaflets distribution, hanging signboards, posters or banners, Facebook and website advertisements, and product circulation among family and friends are used. It is also found that Facebook is the most preferred selling and promotional channel. The enterprises are run mainly by themselves with the help of some part-time employees.

Earning Flows

Earnings for entrepreneurs have decreased over the pandemic, but Anondomela members seem to have better earnings than non-Anondomela entrepreneurs. Compared to non-Anondomela, trends in earning structure imply that Anondomela members are more adversely affected during the covid-19 pandemic. However, the differences of gross operating surpluses between these two groups are higher for Anondomela in 2019 and 2021. One potential reason is that a relatively higher percentage of non-Anondomela enterprises close their business operations right after the pandemic hit.

Contribution of Anondomela Platform to Women Enterprises

Under the Anondomela platform, enterprises can enjoy many benefits that have help their growth and business operations. This venture includes customer care service for the women entrepreneurs, ekShop (a specialized online delivery system for the women-run businesses holding Anondomela membership), and a separate customer care service for ekShop. In addition, Anondomela is a platform that organizes training programs for them. The training programs include preparing them for business leadership, building confidence in themselves, practical training for skill development in the making, packaging, advertising, and marketing their products, and helping them to increase their managerial and financial business knowledge. Moreover, when deemed necessary, the entrepreneurs are also offered counselling to ensure their mental and family well-being.

About 54% of enterprises received assistance from the Anondomela platform in their business progression; 50% in getting more orders, 76% in expanding future business possibilities, 52% in family well-being through counseling, and 55% in overall business progression. In contrast, less than half of the enterprises received some assistance in the remaining three indicators. For instance, about 47% of enterprises received some level of support from the Anondomela platform in their sales process, 41% in reaching a broader range of customers, and 36% in processing product delivery.

However, the level of services the enterprises have received so far is skewed towards 'slight' or very minimal scale. As the Anondomela platform was established in 2020, the duration for explicitly arguing about the benefits in 2021 would be short. In addition, this duration is a transition from the pandemic to the new normal situation. The internet connectivity or

entrepreneur's skill also needs to be considered while arguing about the success of the Anondomela platform.

Needs and priorities

This study identifies the following needs for Anondomela entrepreneurs and offers recommendations to achieve their business outcomes.

1. It is found that laptops and laptop-use efficiency levels increase business earnings for Anondomela. Therefore, some policy initiatives need to be undertaken to ensure that at least entrepreneurs with excellent skills can have easy access to it.
2. As most entrepreneurs know about ekShop, its customer care service, and the Anondomela platform, UNDP Bangladesh needs to identify a strategy to communicate effectively with its members.
3. Anondomela entrepreneurs reported that they lack the confidence to run business ventures independently. As a lack of confidence is likely to result in insignificant business growth, UNDP Bangladesh could take a training program to boost confidence.
4. Most Anondomela entrepreneurs reported difficulties in storing business information and uploading the details of the product in the online interfaces. This implies that the level and extent of training appear inadequate; as a result, periodic follow-up training is required. In addition, a tailor-made training module can be included for the specific needs and requirements. This twin follow-up intervention is likely to help them achieve their business outcomes.
5. As Anondomela prefers online businesses, they face practical difficulties like bad reviews on online platforms, cyberbullying or harassment, negative customer responses, and raw material suppliers threatening their businesses. A social awareness program through electronic and print media may act as a preventive measure to such experiences.
6. Anondomela members mostly prefer online business. Therefore, training programs would enhance their knowledge of virtual dealings, including online searching, downloading, saving, uploading, editing, designing the online sale page or website, safety, and online security. In addition, as the Anondomela members prefer Facebook as a selling interface over shops and websites, they need to be trained to use advanced options in the Facebook marketplace. So, they may be offered a UNDP-supported opportunity to boost their Facebook page.
7. It was found that most of the training programs were minimal in improving the business outcome for most Anondomela members. It is also identified that a lack of follow-up practices in the training exercises is a potential reason for the limited effect of the training programs. Therefore, a monitoring system is needed until entrepreneurs become independent in their respective exercises.

8. As online business opportunities rapidly grow, transgender and disabled entrepreneurs want to utilize the platform using their labor and hard-working attitudes. Most of them pointed out that a program or platform is needed to attach them to online customers. A supportive policy through creating a working environment for both groups would help them lead a respectful life and contribute to the national economy.
9. A customer care service center could also address the follow-up problems. For example, virtual groups like chat boxes in social interfaces like WhatsApp, IMO, or instant messenger, including all entrepreneurs, would be significantly helpful. When some entrepreneurs discuss their problems in these media, other members can also assist by sharing their experiences and quickly helping them solve their problems. This platform would offer a common ground to connect with all stakeholders and beneficiaries.
10. This study finds that most trainees have minimal academic qualifications, which sometimes poses problems for the UNDP while training these entrepreneurs. One way to address the language issue the trainers face is that Anodomela central focal personnel first train and then appoint local people as trainers or keep a local person as an assistant with the trainers. This local person can also help them in gaining local trade-related knowledge.
11. The findings also reveal that the training centers' timing and distance could be significant issues for the trainees. Therefore, the most preferred and convenient time and location would be chosen following a wide circulation to the local community.
12. As many entrepreneurs face harassment, bullying, bad reviews, and false reviews by consumers and their competitors in the field, a counseling program with psychotherapies through the platform would be beneficial.
13. People living in remote areas are already familiar with UNDP programs and heavily rely on UNDP activities. Therefore, UNDP social awareness programs against cyberbullying and online harassment would have significantly positive impact on these vulnerable entrepreneurs.

Though Anodomela is relatively newer venture than other UNDP initiatives, it would significantly help enterprises, especially those living in backward and remote areas. With proper management, technical assistance, and monitoring, this women's development-oriented platform would help and play a vital role in changing these women and their respective families.

Chapter 1: Contextual Framework

1.1 CMSME, E-commerce, UNDP Bangladesh, and Women Entrepreneurs

The cottage, micro, small and medium-sized enterprises (CMSMEs) are considered as the powerhouse of an economy (Bauchet & Murdoch, 2013; Khazanchi, 2005; Kruetzer & Berger, 2018). These enterprises significantly generate employment and help reduce poverty (Beck, Demirguc-Kunt, & Levine, 2005; Nosratabadi, 2020; Tambunan, 2008). Further, E-commerce allows entrepreneurs to quickly communicate with the buyers of their products and services and suppliers of raw materials, thus creating backward linkage that ultimately accelerates efficiency.

Internet technology has become an essential tool in recent years. Since its inception, its rapidly growing diffusion has opened up new avenues for personal and business pursuits. This platform significantly contributes to the advancement of businesses across the globe (Molla & Licker, 2005; Tavengerwei, 2018). Ji, Chen, and Zhuo (2020), Wang et al. (2020), and Robey, Gupta & Rodriguez-Diaz (1990) show that e-commerce reduces transaction costs and facilitates linkages to the supply chains.

Bangladesh is no exception in its attempt to exploit the potential of e-commerce; it has experienced significant growth in the sector across the following popular categories: Business-to-Business (B2B), Business-to-Customer (B2C), Customer-to-Customer (C2C), and Business-to-Government (B2G). Despite the presence of these platforms, the country ranked 115th in the 2020 global e-commerce index as it slipped from the 103rd position in 2017 (UNCTAD, 2017; 2020). Be that as it may, according to the E-Commerce Association of Bangladesh (E-CAB), Bangladesh approximately Tk. 30 billion worth of business transactions took place during the 1st eight months of the covid-19 pandemic that causing a daily average of 100,000 product deliveries. All these developments have taken place amidst the promulgation of the National Digital Commerce Rules, 2018, which, among other things, focuses on the inclusiveness of women entrepreneurs operating in CMSMEs. Additionally, government initiatives to foster a dynamic environment for women entrepreneurs, especially SMEs, have steadily gained momentum in recent years. An integral standpoint against gender discrimination is also observed in the revised Article 28(2) of the Constitution of the Republic of Bangladesh (1972), declaring the importance of equal rights for women. The notions of equal rights for women entrepreneurs are also recognized in the Industrial Policy 2010 (Ministry of Industries, 2010), highlighting the importance of offering special incentives to foster women entrepreneurs. The Industrial Policy of 2016 (Ministry of Industries, 2016) emphasized the need for technical, financial, and training assistance to women entrepreneurs and the requirement to identify and resolve legal barriers hindering the development of women entrepreneurs. Similarly, promoting gender equality and empowering women have been emphasized through the Government's adoption of the Millennium Development Goals (MDGs, 2010-2015), followed by the Sustainable Development Goals (SDGs, 2015-2030). Despite these policy initiatives, women suffer from greater obstacles than their male counterparts in accessing bank credits, face rigid and non-

transparent regulatory barriers, institutional rigidities, and various policy-induced constraints resulting from gender bias (Ahmed, 2014; Ahmed, Hossain, & Hossain, 2019).

While women are more likely to be engaged in informal business activities than their male counterparts, e-commerce platform offers them prospects of achieving substantial gains towards empowerment. For example, access to information and technology provides an avenue to establish both backward and forward linkages with the suppliers of raw materials and customers of their goods and services while staying at home. Therefore, an e-commerce platform is likely to boost business opportunities, especially for women entrepreneurs.

Smartphone use, internet connectivity, and digital financial services have simplified and expedited the prospects of e-commerce in Bangladesh. According to a report by the e-CAB, approximately 500 e-commerce platforms and 2,000 Facebook e-commerce groups existed in the country in 2019.¹ As a result, women are now more capable of accelerating their business. In addition, although most e-commerce activities are urban-centric, the availability of cash on a delivery system makes business interactions easier and accessible for women living in even rural areas.

The covid-19 pandemic has acted as a catalyst to induce many CMSMEs to adopt e-commerce for their survival, although many of these ventures are primarily urban-based. Furthermore, most rural e-commerce transactions occur regionally or through hyper-local sales, hinting at challenges within the national logistic chain. Many CMSME entrepreneurs might also face entry barriers: lack of formal trade licenses, limited access to required technological and digital knowledge and logistics, legal bars to operating in a digital space, and financial capital constraints. Women entrepreneurs face these constraints even at a grander scale and resort to informal e-commerce. Therefore, it is essential to know the priority concerns of women entrepreneurs and find feasible ways to overcome and support the sustainable growth of their businesses.

Although the smartphone is one of the most convenient devices to adopt the e-commerce platform, many rural women entrepreneurs do not have smartphone and internet connectivity, let alone digital literacy, to exploit the maximum potential of e-commerce. Also, even women with access to internet facilities are more likely to use smartphones for entertainment. Another concern is the digital literacy of using online platforms to run a business. The development partners, especially UNDP Bangladesh, have taken several initiatives to achieve gender parity on several socioeconomic indicators through various income-generating programs. In many cases, they targeted nurturing women entrepreneurs in CMSMEs.

For the betterment of the women entrepreneurs, UNDP Bangladesh has thus launched several projects which encompass women in the Hill Tracts, women in hard-to-reach remote places, disabled women, transgender, and so on. For example, UNDP Bangladesh set up an online e-commerce platform, popularly known as 'Anondomela', to support the women entrepreneurs in the CMSMEs as an initial response to the covid-19 pandemic in 2020. Anondomela directly

¹ <http://e-cab.net/about-us/>

connects buyers and sellers online and has become a helpful platform for shopping, upholding public health advisories, and minimizing the risk of Covid-19 transmission. The platform can also offer entrepreneurs an equal opportunity to digitally sell or promote their products, regardless of location or socioeconomic background.

1.2 Objectives of the Study

The main objectives of this study are to analyze and explore the challenges, needs, and priorities of women entrepreneurs of Anondomela members, with particular attention to their online business operation under UNDP flagship projects. The specific objectives are as follows:

- a) Describing the profile of women entrepreneurs: The objectives are to briefly analyze the length and type of business, the target location of selling products, customers, turnovers, sources of the raw materials, and the number of employees;
- b) Understanding the business knowledge of women entrepreneurs depending on their level and extent of association with the Anondomela and ekShop platforms: Accordingly, the objectives are to briefly assess the business planning, sales revenues, cost of intermediate goods, operating surpluses, accounting methods, inventory management, business registration, and knowledge on taxes and VAT, membership of business associations, and their plans in the future;
- c) Understanding the perceived challenges or barriers among the heterogeneous women entrepreneurs: The objectives are to briefly describe the potential challenges that women entrepreneurs face related to the procurement of intermediate goods and supplies, marketing policy, and wages and salaries of the workers in their enterprises during the pre-and the covid-19 pandemic periods;
- d) Understanding the expectations of the entrepreneurs from Anondomela: The objectives are to assess what kind of financial and non-financial assistance, training, and facilities the women entrepreneurs can receive through Anondomela and similar other platforms; and
- e) Identifying the priorities of the entrepreneurs in the CMSMEs to keep their business functional during covid-19-induced crisis.

1.3 Organization of the study

The first chapter of this study describes the present contexts of women entrepreneurs in the cottage, micro, small and medium enterprises, the prevalence of e-commerce, and the contribution of UNDP Bangladesh in supporting and developing their business ventures and objectives. Following the introductory chapter, Chapter 2 describes e-commerce evolvement and UNDP-supported Anondomela programs. Chapter 3 describes the research method, including data collection and sampling. The primary characteristics of the sample firms are also discussed in this chapter. Chapter 4 presents the personal and business profiles of the sample women entrepreneurs. This chapter also includes the coping mechanisms of the women entrepreneurs in the covid-19 era. Chapter 5 then analyzes the business knowledge, such as management and operational abilities and skills of women entrepreneurs. This chapter also lists the women entrepreneurs' barriers to family, society, and business-related difficulties. The

contribution and recognition of Anondomela members to family expenditure and the decision-making process are described in Chapter 6. This chapter also analyzes the needs and priorities for entrepreneurs' training and assistance to operate their businesses smoothly. Finally, Chapter 7 summarizes the challenges for improvement, leading to concluding remarks and plausible suggestions.

Chapter 2: Background of CMSMEs and Anondomela

This chapter describes the evolvement of female enterprises and their contribution to the economy. The chapter also discusses the definition of the CMSMEs following the industrial policy in Bangladesh in 2016, then e-commerce evolvement across the country. Access to information and technology allows enterprises backward and forward linkages with the suppliers of raw materials and customers of their goods and services, even staying at home, which is likely to boost business opportunities, especially for women entrepreneurs. Finally, Anondomela and other UNDP Bangladesh-supported flagship programs are briefly discussed.

2.1 CMSMEs and women entrepreneurs in Bangladesh

Like the other countries, the CMSMEs in Bangladesh are recognized as important sources of income generation, employment, rural development, and poverty alleviation. For example, according to the Bangladesh Bureau of Statistics Economic Census, 2013, the total number of small and medium enterprises employing 10 to 250 persons was 7.81 million in 2013, while it was 3.71 and 2.17 million in 2001 and 1986, respectively. Compared to other Asian countries, the SME in Bangladesh contributes 25% of its GDP, whereas it is 29% for India and 52% for Sri Lanka.

The successive governments have always emphasized the development of the SME sector, considering it as the *driving force for industrialization* (Bangladesh Bank, 2019). Consequently, Bangladesh Small and Cottage Industries Corporation (BSCIC) was established in 1957, and the Small and Medium Enterprise Foundation (SMEF) in 2007 with the aim of eradicating extreme poverty and hunger, women empowerment, and improving gender inequality situations.

Bangladesh Industrial Policy 2016 provides a uniform national definition of small and medium-sized enterprises. The SME policy 2019 also follows the same approach. In manufacturing, the micro-industry includes enterprises with either the value, referred to as replacement cost, of fixed assets excluding land and building between Bangladeshi Taka one million and Taka 7.5 million or with employees between 16 and 30 or smaller. The small industry is defined as enterprises with either the value (replacement cost) of fixed assets excluding land and building between Taka 7.5 million and Taka 150 million or between 31 and 120 workers. The medium industry includes the enterprises with either the value or replacement cost of fixed assets excluding land and building between Taka 150 million and Taka 500 million or between 121 and 300 workers. The cottage industry defines enterprises with value or replacement costs lower than Taka one million or less than 15 workers. The small industry will correspond to enterprises with either the value or replacement cost of fixed assets between Taka one million and Taka 20 million or between 16 and 50 workers. The medium industry will correspond to enterprises with either the value or replacement cost of fixed assets between Taka 20 million and Taka 300 million or between 51 and 120 workers. Women entrepreneurship refers to a business owned or leased by a woman. Women entrepreneurship is a source of income generation for a woman and offers a way of achieving economic independence. There could be three types of women enterprises: i) owned by women, ii) managed by women, and iii) employing women. The National Industrial Policy 2016 considers a female an entrepreneur if she is the owner or

proprietor of a privately-run business or organization or owns at least 51% share in a joint venture or company. The Bangladesh Bank (BB) also follows a similar definition. However, women still own and manage significantly fewer businesses than men. According to the Economic Census (2013), women-managed enterprises were only 7.21% of the total 8 million enterprises.

Like other countries, covid-19 has hurt women enterprises in Bangladesh, exacerbating the challenges and difficulties of running their businesses. As a result, a high percentage of women entrepreneurs in the SMEs experienced falling sales, extensive employee layoffs, and newer obstacles to operating their businesses because of mainly insufficient financial capital and government restrictions.² During the pandemic, government restrictions like lockdown led more than 50% of women MSMEs to close their business premises to customers and continue operations by somehow managing from home (Asia Foundation, 2021). Approximately 17% of them had entirely closed their businesses.

2.2 E-commerce in Bangladesh

Like other countries, the internet has opened a newer avenue for trade and commerce in Bangladesh. The government has also initiated many programs to provide logistics for technology adoption in various sectors. For example, starting with the information communication and technology (ICT) Act of 2006, the government established the legal framework for digital transactions within comprehensive e-government, followed by the ICT Act of 2009 to permit online transactions. In 2013, international credit cards were formally allowed for online purchases with a conservative online transaction limit for outbound international transactions. Simultaneously, the government permitted the mobile financial service sector. Also, in 2009, the Prime Minister's Office (PMO) implemented the flagship program, access to information (a2i), with the involvement of UNDP Bangladesh to ensure access to information through electronic channels. The a2i mainly works to deliver government services through e-government and organize the processes and relationships between governments and citizens. In the past years, the a2i project established more than 5,200 *digital centers* that deliver (online) services so that a citizen does not have to travel more than four kilometers to reach one of the centers.³ These developments lead to enabling an environment for e-commerce within the country.

Although development in e-commerce in the country is in its early stage, its growth rate is rapid through the increasing number of operators with managerial and operational capabilities and fast-growing logistics services. Moreover, as of May 2020, according to Bangladesh Telecommunication Regulatory Commission, the total number of mobile phone subscribers is

² <https://asiafoundation.org/wp-content/uploads/2021/03/Covid-19-The-New-Normal-for-Women-in-the-Economy-in-South-Asia.pdf>

³ <https://wpmu.mah.se/nmict181group1/interview-a2i-bangladesh-and-empathy/#:~:text=By%20Christina%20B%C3%BCns%20March%209%2C%202018%20Access%20to,to%20ensure%20acces%20to%20information%20through%20electronic%20channels.>

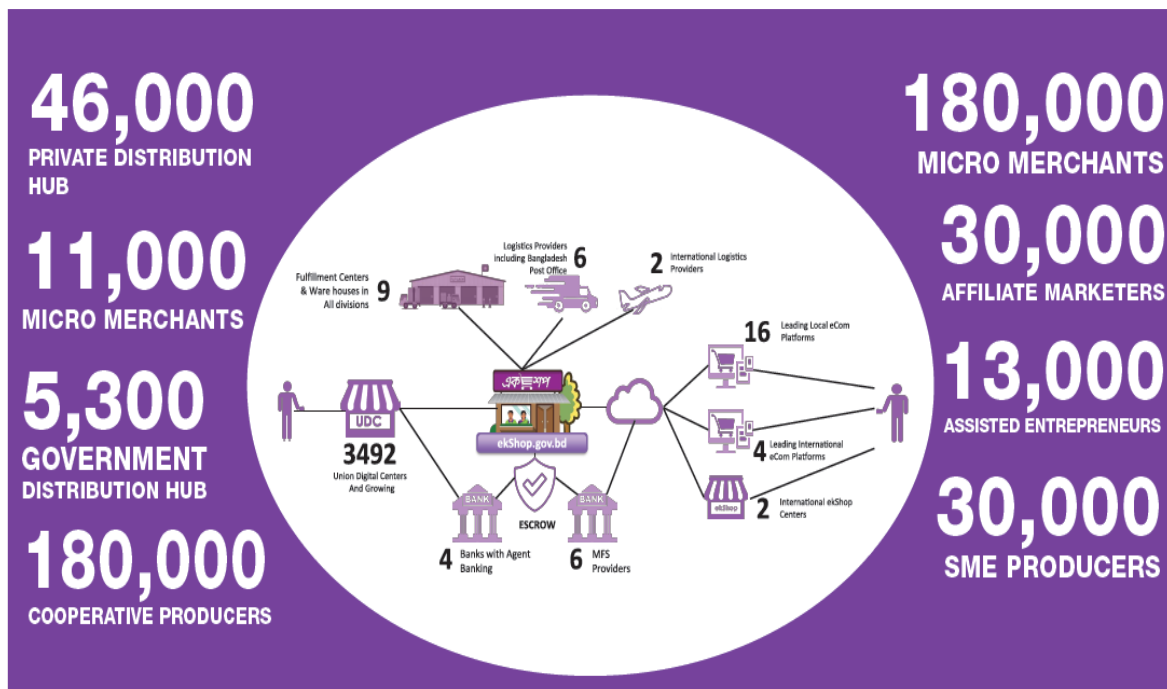
161.51 million, with 102.11 million internet subscribers. These statistics imply that e-commerce would offer a massive opportunity for Bangladesh.

At the end of 2018, the a2i started a project to groom some potential entrepreneurs following their achievements. Although more than 70% of the total population in Bangladesh live in rural areas, the top e-commerce firms are mainly urban-centric. People living in remote areas also do not know about e-commerce and its functions. However, there are demands for products in most remote areas that might not be available in the local markets.

Using the technical assistance of the a2i program, led by UNDP Bangladesh, a platform named *ekShop* was initiated, which understands the basic needs of the e-commerce companies and has offered a one-stop service for more than 1 million products. Customers can compare and pick their desired products connecting through digital centers, including Union Digital Center (UDC), City Corporation Digital Center (CDC), and Pourashava Digital Centre (PDC). Figure 2.1 shows a brief of activities offered by *ekShop*. The *ekShop* makes the business transaction process more reachable through the last mile delivery within 7-10 days. *ekShop* centers have also been expanded in other countries, including Malaysia, Australia, Singapore, England, Nepal, and Saudi Arabia.

The *ekShop* also offers single management for CMSMEs for selling to all e-commerce platforms. For example, it has 8,800 pickup points for products delivered through a single payment platform, even though the products are sold in multiple outlets. The *ekShop* mall is free of cost for SMEs and is available for online distribution all over the country. Using this portal, customers anywhere in the country can check and order products online and collect them from the drop-point. The *ekShop* also offers other types of assistance to individual entrepreneurs exhibiting their products - artisanal items and saris- at a UDC for online sale. This business model allows rural entrepreneurs and consumers to connect to a national end-to-end e-commerce backbone and participate in e-commerce, encouraging both buyers and sellers to make cross-border trade without facing any difficulty.

Figure 2.1: *ekShop* in 2020- A summary



Source: <https://www.ekshop.gov.bd/about-us>

With easy access, inclusion, and a consistently developing web population, e-commerce uses have been excellently growing over the years. For example, while rakomari.com uses the B2C platform, Bikroy.com uses the C2C platform, etc.⁴ The B2C websites have become popular in large urban areas because of the increasing demand for online food delivery sites like HungryNaki and Foodpanda. Poor driving conditions and highly congested roads also expedite home delivery services. Additionally, mobile commerce (M-commerce) has become popular in recent days.

As of 2019, with an increasing trend, there are approximately 2000 e-commerce sites and 50000 Facebook-based outlets delivering almost 30,000 products daily. According to the e-Cab report in 2017, the total transaction amount on e-commerce sites is approximately 10 billion Taka. Additionally, in 2020, the value of e-commerce rose to about 2.00 billion US dollars, which is expected to double by 2023.⁵

As covid-19 has played a significant role in altering behaviors and mindsets, it requires people to avoid crowded places as preventive measures. The whole situation eventually made online marketplaces popular. Furthermore, the *new normal* lifestyle resulting from covid-19 has led customers to explore more e-commerce platforms. With this added mileage, e-commerce platforms have also been working to provide exclusive deals to attract more customers. Overall, the dependency on online shopping has increased over the *new normal* period, ultimately benefitting healthy lifestyles and boosting the market opportunity for the e-commerce industry.

2.3 UNDP Anondomela Program

⁴ In Bangladesh, the B2G is sometimes referred to as e-governance.

⁵ <https://www.tbsnews.net/features/panorama/bangladesh-now-has-thriving-e-commerce-industry-daraz-cmo-299458>

As an initial response at the onset of the pandemic in 2020, UNDP Bangladesh set up the online e-commerce platform Anondomela with assistance from *ekShop*. This platform is a free-of-cost alternative marketplace. Anondomela allows buyers and sellers to meet virtually for business transactions. The platform mainly targets women entrepreneurs in the micro, small and medium enterprises to support them in selling their products. During the lockdown period, Anondomela provided an equal opportunity for rural and urban entrepreneurs to continue their business activities and survive.

Anondomela platform also aims for significant development of facilities to provide all the latest e-commerce amenities currently available in the country. In addition, the UNDP plans to design, develop and assist in launching this digital platform, integrating transport services of multiple commercial logistics companies (including but not limited to *ekShop* delivery, Bangladesh Post Office, and Post e-Center) in a single platform.

Anondomela also plans to improve the capacity of its members through different training programs. Furthermore, they target festivals like the Pahela Boishakh, Eid, Puja, and Christmas. In addition, Anondomela strategized to expedite the sale of products. Though the platform includes both male and female entrepreneurs, mostly women entrepreneurs do their online business on this platform.

As many women entrepreneurs lack digital and financial literacy, they require training to become aware of technological improvements and learn to adapt to digital business mediums. During interactions with Anondomela entrepreneurs, UNDP Bangladesh staff identified a need to provide some women entrepreneurs with smartphones because they could not participate in e-commerce activities and did not have smartphones. Furthermore, the UNDP believes that there is limited knowledge on the e-commerce platform usage by women entrepreneurs, their business practices, training requirements, and other needs to function efficiently. Therefore, UNDP wants to provide support (to the extent possible according to its program mandates) based on women entrepreneurs' needs. It also connects vulnerable women entrepreneurs to the Anondomela e-commerce platform by providing them with smartphones. The UNDP Bangladesh will also facilitate training on relevant skills for using e-commerce platforms based on their needs.

Chapter 3: Research Design: Data and Method

This chapter describes the research method, including data collection and sampling, percentage distribution of Anondomela and non-Anondomela enterprises, their current occupation, and establishment location. The study mainly uses a mixed-method approach using the UNDP-selected enterprises. This chapter also discusses the characteristics of the sample enterprises, including sector-wise products, legal business registration status, and potential reasons for not getting the trade licenses.

3.1 Research Method and Data Sources

The study mainly assesses women entrepreneurs' needs under UNDP flagship projects, specifically the Anondomela members. However, data were also collected from entrepreneurs under other UNDP Bangladesh-supported flagship programs. These groups are considered as non-Anondomela women entrepreneurs. Therefore, a comparative study between Anondomela and non-Anondomela members would allow inference about the needs of current and prospective Anondomela members. In doing so, this study first describes the summary statistics of their profiles, including their business knowledge and technological skill levels. The study then looks into their business ventures: how they started and are doing in the current period. Finally, this study delves into the operational and management techniques these enterprises follow to assess whether entrepreneurs can run smoothly without any external influence or assistance.

While the current view will delve into the needs and priorities for entrepreneurs' survival in the current situation, the prospective approach would look into the issues and preferences that are likely to arise in the short- to medium-term when the enterprises grow both at intensive and extensive margins. The study employed a mixed-method approach that involved both quantitative surveys and qualitative interviews. We used a structured questionnaire for the quantitative survey that includes detailed information on demographic and socioeconomic data of the entrepreneur, profile of the business enterprise, sales and cost structures, operational and management techniques, obstacles faced by the entrepreneur, dynamics in business, and involvement in household decision making by the women entrepreneur, and the contribution of Anondomela. The questionnaire also discusses the impact of the covid-19 pandemic on their business, their perspective on the training and other necessary supports provided by UNDP Bangladesh, and their future needs.

As the UNDP Bangladesh has different umbrella programs for disadvantaged groups, the questionnaire is also designed for the disabled and transgender entrepreneurs working under the UNDP Bangladesh program. This approach identifies and includes special or minority groups of entrepreneurs who are likely to face direct and indirect impediments in society. Therefore, it would explore the needs and priorities and identify the potential challenges women entrepreneurs face during their online business operations.

The qualitative part of the study includes key informant interviews (KIIs) with the relevant stakeholders and case studies of successful entrepreneurs. The KIIs were conducted through

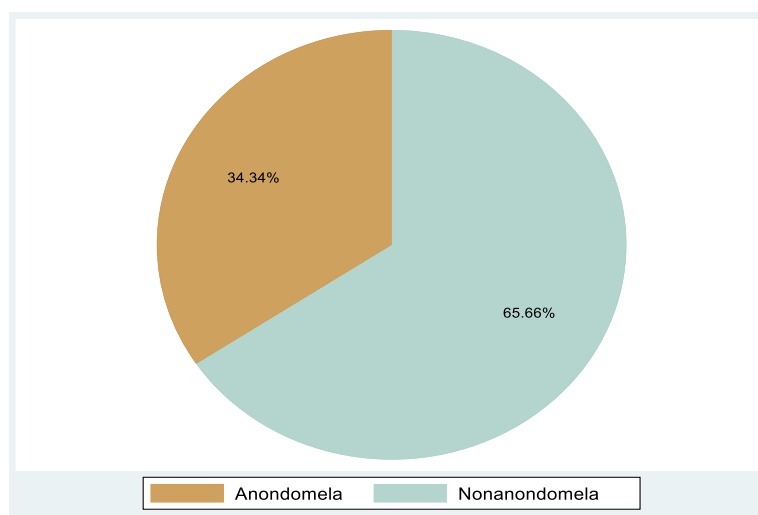
a checklist of questions to collect information on various business prospects and needs of Anondomela members and other UNDP beneficiaries.

The study then draws conclusions using basic statistics, occasionally comparing the indicators and outcomes between Anondomela and non-Anondomela entrepreneurs using basic statistical inference. The quantitative findings are also validated with KIIs and other secondary sources like the review of published documents and other research studies.

3.2 Sampling Framework and Field Work

This study uses a purposive sample technique on women entrepreneurs given by UNDP Bangladesh. We have validated the sampled enterprises, locations, products, and other business activities. As the main focus of the study is to identify the specific needs of the Anondomela entrepreneurs, the study splits the sample enterprises into two groups, namely Anondomela and non-Anondomela. Figure 3.1 shows the percentage distribution of the two groups of the 431 enterprises in the sample. The Anondomela enterprises are 148, approximately 34.34% of the enterprises; the rest 283, or 65.66% are non-Anondomela enterprises.

Figure 3.1: Distribution of the Anondomela and Non-Anondomela Enterprises



Source: BIDS Survey, 2021.

This study mainly considers the selected entrepreneurs working under UNDP flagship programs, including a2i, Anondomela, SWAPNO, LOGIC, LIUPCP, and CHT. Table 3.1 also shows the distribution of enterprises under different UNDP flagship programs. For example, a relatively low percentage of Anondomela members are transgender. On the other hand, the highest rate of non-Anondomela members is under LIUPCP. In addition, 14 enterprises are run by transgender entrepreneurs and 13 by physically disabled entrepreneurs. As the number of transgender and physically disabled entrepreneurs is low compared to the focus on Anondomela entrepreneurs, no separate descriptive statistics are computed for these groups.

Table 3.1: Distribution of enterprises under UNDP Bangladesh flagship programs

(in percent)

Project Name	Anondomela	Non-Anondomela
--------------	------------	----------------

Anondomela	96.66	
TG-Anondomela	3.38	
A2i		3.18
CHT		21.21
LIUPCP		32.86
LOGIC		11.66
SWAPNO		27.92
TG-HRP-UNDP		1.77
G-Transgender		1.41

Source: BIDS Survey, 2021.

Figure A.1 shows the district-wise locations of Anondomela and Non-Anondomela enterprises. The locations of these entrepreneurs sum up to 51 sub-districts (upazilas). While most of the Anondomela entrepreneurs (56%) are located in the capital, the non-Anondomela entrepreneurs (19.79%) are primarily located in Kurigram, Bandarban, Rangamati, and Khagrachari. Only 3.38% of the non-Anondomela enterprises are located in the capital. The district-wise percentage distribution given in Table A.3.1 in the Appendix shows that the women entrepreneurs are primarily located in lagging districts.

3.3 Basic Characteristics of the Enterprises

The sample enterprises sell a variety of products and services, including agricultural and industrial products and services. Table 3.2 shows that 44.55% of the sample enterprises are service-oriented, followed by industrial goods and services (34.11%). The Anondomela entrepreneurs are engaged either in services (50.68%) or a combination of industrial products and services (45.27%). The pattern is quite similar for the non-Anondomela enterprises: most of them (41.34%) are engaged in services, followed by industrial products and services (28.27%), agricultural products (10.60%), a combination of agriculture products and services (9.54%), only industrial products (9.19%).

Table 3.2: Sector-wise distribution of enterprises

Types of products	<i>(in percent)</i>	
	Anondomela	Non-Anondomela
Agricultural	--	10.60
Industrial	4.05	9.19
Services	50.68	41.34
Agricultural and industrial	--	0.71
Agricultural and service	--	9.54
Industrial and service	45.27	28.27
Agricultural, industrial, and service	--	0.35

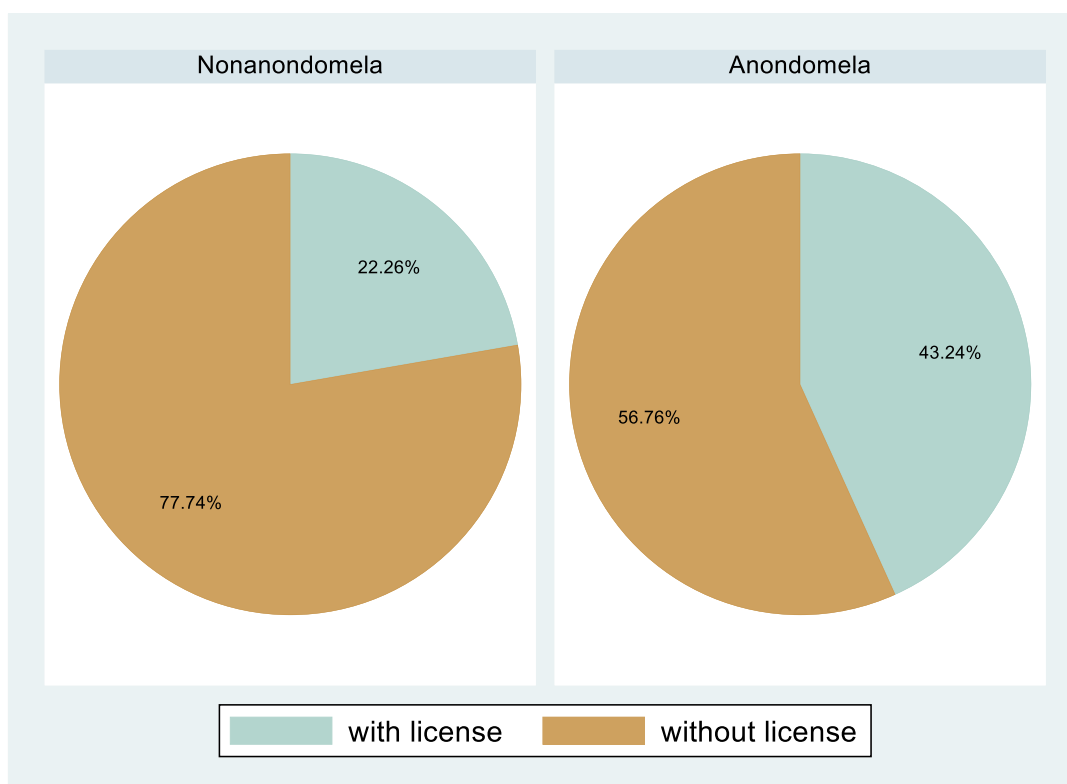
Source: BIDS Survey, 2021.

A taxonomy of products sold by the enterprises reveals that most of them are engaged in businesses related to clothing and household clothing accessories. Many traditional dresses like saree, thami (aboriginal clothing), scarf, salwar-kameez, kurti, punjabi, lungi, and specialized designed clothing (lingerie, batik, and block printed products) hand-painted clothes) are available in these enterprises. Bed covers, cushion covers, bed sheets, pillow covers, sofa covers, and drapes are also sold in these enterprises. A non-trivial number of enterprises are variety of stores selling rice, pulses, flour, soaps, shampoo; grooming products and services (beauty parlor); tailoring services; and processed foods, including both traditional food items like pickles, jam, pitha, cakes, biriyani, and non-traditional foods like Chinese, and Italian foods. Many enterprises sell vegetables, fruits, fish, and meat/poultry cultivated or reared on their own farms. A few enterprises are engaged in mobile financial services like bKash transaction shops, mobile balance recharge, processing and selling organic fertilizer, event management, and handicrafts. Some enterprises are engaged in stationeries and selling paper bags, shoes, bags, and cosmetics items, among the not-so-common practices.

The distribution of the enterprise by ownership is shown in Figure A.2 in Appendix. The ownership pattern shows that approximately 94.59% of Anondomela and 96.82% of non-Anondomela enterprises are sole proprietors. The rest are run jointly with partners. Using the difference in proportion test, we found no significant difference in the percentage of the sole ownership between Anondomela and non-Anondomela entrepreneurs.

Informality is a key feature of CMSMEs, especially in developing countries. As a result, these enterprises are unlikely to have a trade license or government approval, especially at the start of their business. Figure 3.2 shows that more than 77% of non-Anondomela enterprises run businesses without a trade license or other legal permission. The share is 56% for Anondomela entrepreneurs. Not surprisingly, the difference in the percentage of enterprises with trade licenses is statistically significant, meaning that these two groups differ in terms of running a business with a trade license or legal permission. Approximately 86% of the Anondomela entrepreneurs have taken trade licenses from municipalities or city corporations; only 14% have taken them from the union council offices. In contrast, 57% of non-Anondomela enterprises have taken legal permission from the union parishads.

Figure 3.2: Distribution of enterprises with trade license



Source: BIDS Survey, 2021.

We explored the main reasons for not getting legal permits. Table 3.3 shows that most entrepreneurs did not apply for or have no trade license as they thought their businesses were not ‘very large.’ This perception is probably valid as the sample enterprises were all small in size following the definition of the Industrial Policy 2016. Approximately 58.36% of Anondomela entrepreneurs and 61.18% of non-Anondomela entrepreneurs thought that their enterprise was not so large to get a permit.

Table 3.3: Reasons for not having a trade license

(in percent)

	Anondomela	Non-Anondomela
Have already applied	3.15	10.59
Long official procedure	4.42	4.71
Being a woman, afraid to go alone	2.52	--
Not so large business	58.36	61.18
License charges extra	1.26	--
Did not get it because as will have to pay VAT/Tax after getting the license	3.47	--
Thought license would not be needed	19.56	16.47
Did not know about trade license	3.47	--
Others	3.79	7.05

Source: BIDS Survey, 2021.

Approximately 19.56% of the Anondomela enterprises believe that they did not need a trade license or permit for their businesses, while it is 16.47% for the non-Anondomela enterprises. Table 3.3 shows that the perception of not requiring a trade license is the second most response for not having a permit. Approximately 4.42% of the Anondomela enterprises argue that the official procedure for a trade license is lengthy. Additionally, the knowledge of trade license and willingness to pay VAT/Tax charges is higher among the Anondomela enterprises

than the non-Anondomela enterprises. Although only 2.52% of the Anondomela enterprises think they are afraid to go alone for a trade license, none of the non-Anondomela enterprises responded the same. These non-Anondomela enterprises also do not respond to the additional license charge, pay the duty or know about the legal permit.

Given that most enterprises do not have legal trade permits, they will likely face difficulties in running their businesses. Table 3.4 shows the challenges they face for not having a trade license. Despite most enterprises not having any trade license, they argue they did not face any business-related problems. For example, more than 87% of the enterprises in each category reported that they had not encountered any trade-related issues. One of the potential reasons is that most of these entrepreneurs do not try to access any of those services from banks or financial institutions that require a trade license. However, a few mentioned not obtaining raw materials, difficulties getting large orders, bank loans, and disqualification for participating in trade fairs for not having a trade license.

Table 3.4: Problems encountered for not having a trade license

(in percent)

	Anondomela	Non-Anondomela
Faced no problems	92.18	87.06
Difficulties in getting a bank loan	1.95	3.53
No support from the government	0.33	1.18
No support from NGOs	0.33	--
Could not participate in any trade fair	0.65	1.18
Could not get any large order	1.63	3.53
Difficulties in obtaining raw materials	2.93	3.53

Source: BIDS Survey, 2021.

Most of the sample enterprises started their business operations in the year of their establishment. However, it took some time to run and sell their products smoothly for a few enterprises. While 61% of the enterprises began between 2019 and 2021, the remaining 39% of the enterprises started their business before 2018. Of the 431 enterprises, only 4 have more than one branch; only one enterprise has two units, others have three or more outlets, and all these enterprises are Anondomela members.

Only 22 enterprises have VAT registration, of which 18 are Anondomela members. Only two of the Anondomela enterprises with VAT registration charge VAT from their customers compared with one for the non-Anondomela members. The small number of VAT-registered enterprises indicates that these CMSMEs are still operating at the base level and have a long way to go in business entrepreneurship.

Chapter 4: Profile of the Entrepreneurs

This chapter describes the women entrepreneurs about their demographic and essential business profiles. It is necessary to learn basic information about the women entrepreneurs themselves and their businesses to identify their needs. The primary purpose is to understand where entrepreneurs stand as entrepreneurs. Initial financial capital, target markets, medium of sales, employment opportunities, costs, and earning structures are also discussed. This analysis would help identify their necessities to survive, if not thrive, in their businesses.

4.1 Personal Profile of the Women Entrepreneurs

4.1.1 Socio-demographic Characteristics

Table 4.1 shows the age distribution of entrepreneurs. Most of them are in the prime and productive age groups. For example, 37.84% of Anondomela entrepreneurs and 50.18% of non-Anondomela entrepreneurs are in the 30-40 age group, followed by 21-30 years (37.16% of Anondomela entrepreneurs and 26.50% of non-Anondomela entrepreneurs), and 41-50 years (18.92% of the Anondomela entrepreneurs and 16.96% of the non-Anondomela entrepreneurs). The average age is 35 years, with a maximum age of 72 and a minimum age of 18. Hence, only a few entrepreneurs are below 20 or above 50-year thresholds.

Table 4.1: Age structure of the women entrepreneurs

(in percent)

Age group	Anondomela	Non-Anondomela
Below 20 years	2.03	3.18
21 to 30 years	37.16	26.50
31 to 40 years	37.84	50.18
41 to 50 years	18.92	16.96
51 to 60 years	2.70	2.83
above 61 years	1.35	0.35

Source: BIDS Survey, 2021.

Most women entrepreneurs are married (60.32% of women in all enterprises, 70.27% of the Anondomela, and 50.12% of the non-Anondomela entrepreneurs). In contrast, only 21.62% of the Anondomela entrepreneurs and 15.19% of the non-Anondomela entrepreneurs are single. Furthermore, while 19.08% of the non-Anondomela entrepreneurs are widows, the share is only 2.03% among the Anondomela entrepreneurs. Finally, about 6.08% of the Anondomela entrepreneurs are separated or divorced compared to 10.60% of the non-Anondomela entrepreneurs.

Table 4.2 shows the educational qualification among entrepreneurs and their husbands. Women entrepreneurs in the Anondomela group have mostly completed graduate (22.97%) and post-graduate (53.38%) degrees. In contrast, women entrepreneurs in the non-Anondomela group have studied mostly up to the higher secondary certificate (HSC) level. For example, 27.92% of them studied up to the eighth grade, 18.02% up to the fifth grade, 17.31% up to the secondary school certificate (SSC), and 14.13% never went to school. These

estimates imply that the literacy rate among the Anondomela group is higher than their non-Anondomela counterpart. Additionally, women of a particular educational qualification have similarly qualified spouses for both enterprise groups, bringing them to a specific social and familial standing. These statistics imply that Anondomela entrepreneurs belong to households with better socioeconomic conditions.

Table 4.2: Educational attainment of the entrepreneurs and their husbands

(in percent)

Education Level	(1)		(2)		(3)		(4)	
	Anondomela				Non-Anondomela			
	Self	Husband	Self	Husband	Self	Husband	Self	Husband
No formal education	--	1.40	14.13	15.83				
Fifth grade or below	--	4.20	18.02	29.50				
Fifth grade ≥ eighth grade	0.68	4.90	27.92	19.06				
SSC	2.70	6.99	17.31	18.71				
HSC	14.19	8.39	9.54	6.47				
Diploma (business/engineering)	4.06	4.90	1.41	0.72				
Graduate	22.97	26.57	9.54	6.47				
Post-graduate	53.38	39.86	2.12	2.88				
Others	2.03	2.80	--	0.36				

Source: BIDS Survey, 2021.

We explored if some entrepreneurs simultaneously have a second professional status except for business operations. Table 4.3 shows the percentage distribution of occupational status. For example, approximately 88.86% of women entrepreneurs are self-employed and solely rely on their business ventures. About 91.89% of Anondomela entrepreneurs and 87.28% of non-Anondomela entrepreneurs are involved *only* in their businesses. Agriculture is the second prominent occupation among women—for example, 6.08% of the Anondomela entrepreneurs are engaged in agriculture. Few entrepreneurs do non-government, part-time, and government jobs, while few are unemployed. A significant change came in the occupational transition among entrepreneurs in recent years. Table A.3.2 in the Appendix shows the previous occupation status. Many self-employed entrepreneurs now have transitioned from being students, homemakers, non-government, and part-time job holders.

Table 4.3: Primary occupation of the women entrepreneurs

(in percent)

Primary occupation	Anondomela	Non-Anondomela
Self-Employed	93.24	93.99
Government and non-government jobs	6.08	3.18
Unemployed	0.00	0.35
Others	0.68	2.48

Source: BIDS Survey, 2021.

4.1.2 Access to Technology and Level of Efficiency

Small and medium enterprises usually relatively hardly pay attention to technology use. However, the pandemic forces them to rely on technology to operate smoothly. Table 4.4 shows the technological use status among enterprises. However, it is difficult to confidently argue whether enterprise owners use their phones or other technologies for business purposes or business phones for personal purposes. For example, the Anondomela entrepreneurs have either a simple/regular phone or a smartphone, while 4.24% of the non-Anondomela entrepreneurs have no phone. At the same time, 94.59% of the Anondomela entrepreneurs have smartphones compared to 29.68% non-Anondomela entrepreneurs.

In contrast, 66.08% of the non-Anondomela entrepreneurs have regular mobile phones. Approximately 92% of the Anondomela enterprises with smartphones use the internet, while it is only 27.92% for non-Anondomela enterprises. Though the use of computers/laptops is very low among all the entrepreneurs (14.85%), it is higher for the Anondomela group than the non-Anondomela group (39.19% vs. 2.12%). Furthermore, 34.57% of the entrepreneurs have a broadband internet connection at home, and 28.54% have this connection in their offices/shops or working spaces. In both cases, Anondomela entrepreneurs have significantly higher percentage shares than non-Anondomela entrepreneurs.

Table 4.4: Distribution of the enterprises with access to technology

(in percent)

Technology	Anondomela	Non-Anondomela
<i>Enterprises with mobile phone</i>		
Simple mobile	5.41	66.08
Smartphone	94.59	29.68
No phone	--	4.24
<i>Enterprises with laptop</i>		
Laptop or computers	39.19	2.12
<i>Enterprises with internet access</i>		
Uses mobile data	92.57	27.92
Has broadband connection at home	82.43	9.54
Has broadband connection at office or other places	66.89	8.48

Source: BIDS Survey, 2021.

Note. Figures show the percentage of enterprises that have the respective technology access.

The surge of internet availability has opened up new avenues to provide multiple business opportunities, especially for the CMSMEs, to sell their products worldwide than they could have been able to reach using the conventional methods. Table 4.5 shows the distribution enterprises with different internet speeds (very slow, fair, good, and excellent). Some entrepreneurs live in rural areas with lower academic backgrounds, so they might not be fully informed about the internet and its efficient uses. However, the average internet speed for the entrepreneurs is quite good as the reported speed ranges from being fair (from 256 Kbps to 512 Kbps) to being excellent (greater than one Mbps). Though Anondomela entrepreneurs reported having better internet speed (93.92% rated their internet speed from fair to excellent), most of the non-Anondomela entrepreneurs are not even aware of the range of their internet speed.

Table 4.5: Distribution of enterprises with internet speed

(in percent)

Speed level	Anondomela	Non-Anondomela
Very slow (below 256 Kbps)	3.38	2.12
Fair (from 256 Kbps to 512 Kbps)	45.27	12.01
Good (512 Kbps to 1 Mbps)	33.78	9.19
Excellent (greater than 1 Mbps)	14.86	6.01
Do not know	2.70	70.67

Source: BIDS Survey, 2021.

Note: The Kbps and Mbps represent kilobits and megabits per second, respectively.

As mobile phones, laptops, and internet use are the most common technological devices, entrepreneurs' skill levels may influence business performance. Also, family members can sometimes assist entrepreneurs in getting the maximum benefits from these technical uses; their skill levels could also play an important role in succeeding business operations. Table A.3.3, Table A.3.4, and Table A.3.5 in the Appendix show the distribution of skill levels among entrepreneurs and their family members. The efficiency of mobile phone use of women entrepreneurs ranges mostly among 'average,' 'more than average,' and 'excellent' based on their perceptions of the usage efficiency level. Regarding mobile usage efficiency, Anondomela entrepreneurs and their husbands are in better condition than non-Anondomela entrepreneurs. A higher percentage of non-Anondomela entrepreneurs have their expertise ranges from 'do not know' to 'more than average.' For laptop use, Anondomela entrepreneurs rank from 'average' to 'excellent' users along with their husbands' user efficiency. This statistic is not the same for non-Anondomela entrepreneurs who 'do not know' how to use laptops. More than half of the Anondomela entrepreneurs report being 'excellent' in using the internet, whereas non-Anondomela entrepreneurs 'do not know' or are 'slightly familiar' with using the internet. Additionally, in the case of using the internet, the women entrepreneurs of Anondomela are much better than their husbands!

4.2 Business Profile of the Women Entrepreneurs

4.2.1 Initial capital and inspirations for starting a business

Most women entrepreneurs started their ventures with low capital investment. For example, Table 4.6 shows that 11.96% of all entrepreneurs (11.62% of the Anondomela and 12.13% of the non-Anondomela entrepreneurs) started their businesses with a relatively low level of investment opportunities. Many are motivated after receiving training from different government and non-government agencies, while others think they have unique products that would be profitably sold in their locality. It is also observed that encouragement from their husbands, training received from the SME foundation, and support from NGOs prompted these women to start their business ventures. Lucrative profit opportunities, inspiration from the SME Foundation, being brought up in a business-oriented family, being married to a business-oriented family, and entrepreneurs' prior business experience have also played vital roles in motivating entrepreneurs to start their businesses. In Table 4.6, for the Anondomela entrepreneurs, encouragement from their husbands (14.11%) and low capital investment opportunities were the most significant drivers for starting their businesses. In contrast, low

capital investment opportunities, training received from the government or non-government agencies (11.51%), and support from NGOs (10.88%) are the most inspiring factors for the non-Anondomela enterprises.

Table 4.6: Distribution of enterprises with inspiration to start a business

(in percent)

Inspiration type	Anondomela	Non-Anondomela
No inspiration	4.45	4.56
SME Foundation	14.61	7.46
Encouragement from husband	9.04	14.11
Brought up in a business-oriented family	5.42	9.13
Married to a business-oriented family	3.2	2.9
Prior business experience	2.92	1.24
Easy access to SME loan	0.42	0.41
Chance of earning satisfactory profits	5.01	4.15
NGO Support	7.93	2.07
Training from government or non-government agencies	10.57	8.71
Low capital investment opportunity	11.96	11.62
Easy access to bank loan	1.39	1.66
Scope of better business in the locality	2.09	2.90
Convenient business for women	10.43	14.11
Others	10.57	14.94

Source: BIDS Survey, 2021.

The CMSMEs are more likely to start their businesses with lower capital as they could informally and quickly begin their business in many developing countries. Table 4.7 shows the amount of initial capital investment of the enterprises. The businesses started with investments ranging between Tk. 300 and Tk.1,500,000. In the full sample of enterprises, an average of Tk. 30,000 is their initial investment. While Anondomela enterprises have an average of roughly Tk. 39,000 compared to around Tk. 26,000 for non-Anondomela enterprises.

Table 4.7: Average level of initial investment enterprises

(Tk. '000)

Enterprise Type	Average	Standard Deviation	Minimum	Maximum
All	30.30	89.38	0.30	1500.00
Anondomela	39.00	135.00	0.00	1500.00
Non-Anondomela	25.87	51.42	1.20	500.00

Source: BIDS Survey, 2021.

4.2.2 Main targeted market of the enterprises

The enterprises deal with a wide range of products and mainly target the local market, own sub-districts, and district markets. Table 4.8 shows the distribution of markets that the enterprises mainly target to sell their products and services. For the Anondomela enterprises, their own district appears to be the primary target market (24.35%) compared to 49.54% for the non-Anondomela enterprises. Thus, the concerned local markets are the primary target for

these enterprises. Finally, the Anondomela enterprises appear to target divisional and nationwide markets, though these markets do not seem to be many tempting choices for non-Anondomela enterprises. Even though these enterprises are owned and operated by women entrepreneurs, the main buyers are men and women.

Table 4.8: Distribution of the primary targeted market of the enterprises

Target area	Anondomela	Non-Anondomela
Local	21.45	49.54
Own Sub-District level	13.04	28.55
Own District level	24.35	14.18
Divisional level	15.94	2.76
National level	16.81	2.21
International	6.96	0.92
Others	1.45	1.84

(in percent)

Source: BIDS Survey, 2021.

4.2.3 Main locations of sourcing raw materials

These CMSMEs procure raw materials from their own localities, sub-districts, or districts. Table 4.9 shows the distributions of locations from where the enterprises procure their raw materials. For example, Anondomela enterprises mainly procure raw materials from their sub-districts and other sub-districts in their respective districts. In contrast, most non-Anondomela enterprises procure their raw materials only from their sub-district markets. As a result, the proportion of raw material procurement from different districts by the Anondomela enterprises appears to be higher than that for the non-Anondomela enterprises. Import of raw materials from foreign markets exists, but the amount is insignificant, especially for the Anondomela enterprises. In contrast, no non-Anondomela enterprise reports importing the necessary raw materials.

Table 4.9: Distribution of the locations in sourcing raw materials

Sources	Anondomela	Non-Anondomela
Own sub-district	45.86	80.00
Other sub-districts within their district	32.48	13.00
Other districts	21.02	7.00
Import	0.64	0.00

(in percent)

Source: BIDS Survey, 2021.

4.2.4 Main Medium of Sales

The CMSMEs usually sell their products online and offline as most reach out to consumers through various platforms, especially in the current period. An offline business is a business outlet with a specific physical location, while online purchase and sale is a business model using an electronic network, mainly through the internet. In the conventional offline approach, the customer has to visit the store, check the product variety, and choose the necessary items.

In contrast, with the evolution of the online business, customers can buy goods and services with just one click to pay bills and transfer money.

Table 4.10 shows the distribution of the leading modes of sales. Enterprises usually sell their products in-store and on other online platforms like Anondomela, Facebook pages, and websites. Facebook is the most used selling mode for the Anondomela entrepreneurs, while in-person and in-store transactions are the dominant modes for the non-Anondomela enterprises. Very few of the enterprises in both groups sell products through websites. Some entrepreneurs also prefer a different combination of marketing platforms. For example, 14.36% of the Anondomela enterprises use both stores and Facebook as their selling platforms compared to 7.87% for the non-Anondomela enterprises.

Table 4.10: Distribution of the primary modes of sales

	Anondomela	Non-Anondomela
Only shop/store	12.71	57.02
Only Facebook	55.25	7.87
Only website	2.21	0.84
Shop/store and Facebook	14.36	7.87
Shop/store and website	1.66	0.28
Facebook and shop/store	2.21	0.28
Shop/store, Facebook, and website	2.21	2.81
Others	9.39	23.03

Source: BIDS Survey, 2021.

4.2.5 Main mode of payments for online transactions

With the spectacular growth of online business transactions in many countries, the electronic payment system offers more reliable platforms for CMSMEs. There are currently several trustworthy e-payment platforms that enable businesses to develop online stores quickly. While the dominant mode of collecting payment from product sales is a cash transaction, the online transaction can be completed using card payment and other online payment methods. Table 4.11 shows how enterprises complete their financial transactions. Most entrepreneurs report bKash as the dominant mode for their financial transactions. Approximately 47.99% of the Anondomela enterprises and 52.51% of the non-Anondomela enterprises revealed the same preference. Cash on delivery is the second preferred and followed medium for financial transactions.

Similarly, 39.56% of the Anondomela enterprises and 30.17% of the non-Anondomela enterprises report that cash on delivery is their second most preferred mode of payment. Also, Anondomela enterprises prefer transactions through banks to their non-Anondomela counterparts. Moreover, other modes like nagad, debit cards, and credit cards are also used to complete online payment transactions.

Table 4.11: Distribution of enterprises for the online mode of payment

	<i>(in percent)</i>	
Mode of online transactions	Anondomela	Non-Anondomela
Cash on delivery	39.56	30.17
bKash/mobile financial services	47.99	52.51
Banking transaction	3.74	6.91
Others	3.30	11.73

Source: BIDS Survey, 2021.

4.2.6 Main channels and devices for product advertisement

The CMSMEs use various advertising channels to grow their client base and boost sales and earnings. For example, they can use digital advertising platforms, including Facebook and YouTube, or choose more traditional advertising channels, including leaflets, newspapers, radio, and local TV. Investing strategically in advertising can result in a high return on investment, bringing higher brand values to the enterprises.

Women entrepreneurs also use virtual and non-virtual advertising strategies to promote their products. Table 4.12 shows the distribution of enterprises that mainly use product advertising modes. Approximately 88.51% of the Anondomela and 26.50% of the non-Anondomela enterprises report advertising for their products or services. Of the 431 enterprises, only 9 of them (2.09%) reported recruiting someone solely to advertise their products.

Table 4.12 shows that entrepreneurs use various promotional strategies like leaflets distribution, hanging signboards, posters or banners, Facebook and website advertisements, and product circulation among family and friends. Among all modes, Facebook is the most preferred selling and promotional platform. For example, 77.22% of the Anondomela enterprises report that Facebook advertising is the preferred mode. On the other hand, the publicity of the products and services through family and friends is the second most preferred mode of advertisement (13.33%). Approximately 79.44% of the Anondomela enterprises sell their products on Facebook. On the other hand, the non-Anondomela enterprises that primarily sell their products in shops or stores also favor Facebook advertisement (38.74%), followed by advertising through family and friends (36.04%) and hanging signboards (16.22%).

Table 4.12: Distribution of enterprises by primary channel of advertisement

	<i>(in percent)</i>	
Channel of product advertisement	Anondomela	Non-Anondomela
Leaflet/signboard/poster or banners	6.11	24.33
Facebook and website	79.44	39.64
Family and friends	13.33	36.03
Others	1.12	0.00

Source: BIDS Survey, 2021.

Table 4.13 shows the distribution of the most preferred devices for product advertisement. As Anondomela enterprises prefer to sell online rather than offline, they mostly prefer smartphones for advertising and business transactions. On the other hand, non-Anondomela entrepreneurs who find selling in shops or stores easier rely on themselves for business operations, indicating that they prefer to interact with the consumers/buyers face to face. It is

observed that 56.96% of Anondomela enterprises prefer smartphones, while 74.65% of non-Anondomela enterprises prefer self-interaction. Some also like to conduct business using laptops (19.13% of Anondomela enterprises and 7.16% of non-Anondomela enterprises). A few enterprises also use desktops or other methods for their business operations.

Table 4.13: Distribution of enterprises by the most preferred devices for advertisement

(in percent)

	Anondomela	Non-Anondomela
Self	23.04	74.65
Laptop	19.13	7.61
Smartphone	56.96	16.34
Desktop	0.43	0.56
Others	0.43	0.85

Source: BIDS Survey, 2021.

4.3 Business operations: employment, costs, and earnings

4.3.1 Employment in the enterprises

The CMSMEs usually start their businesses with limited capital investment. For example, only 12.84% of Anondomela enterprises start their businesses with paid employees, of which 63.16% are female. Similarly, only 5.65% of the non-Anondomela enterprises begin with employees, of which 56.25% are female. Most recruited employees are also part-time workers in both groups. Additionally, female employees are more likely to be recruited in both enterprise groups than their male counterparts and receive a relatively lower wage. One of the potential reasons is that male employees have more alternative employment opportunities in the market. Compared to non-Anondomela, Anondomela enterprises are more likely to employ a worker.

Table 4.14: Employment turnover in the last three months

(in number)

	Anondomela	Non-Anondomela
<i>Full-time employee turnover</i>		
New recruitment	0.73 (0.44) [23]	0.30 (0.23) [13]
Left or retrenched	0.66 (0.42) [36]	0.40 (0.33) [30]
<i>Part-time employee turnover</i>		
New recruitment	0.34 (0.22) [23]	0.23(0.16) [13]
Left or retrenched	0.25 (0.15) [36]	0.20 (0.12) [30]

Source. BIDS Survey, 2021.

Note: Figures in the parentheses and brackets are the standard errors and the total number of enterprises in each category.

The covid-19 pandemic adversely affected small businesses. As a result, it has hurt one of the most prominent sources of employment as these employees are the most vulnerable compared to those in government and non-government sectors. Additionally, as lockdown causes many CMSMEs enterprises to shut down or run with limited capacity, many employees in these sectors might have lost their jobs. Table 4.14 shows employment turnovers between July 2021 and September 2021. The results show that employee turnover in Anondomela enterprises is

higher than in non-Anondomela counterparts. However, the difference between these two groups is not statistically significant at the 10% level. Similarly, the difference between full-time newly recruited employees between Anondomela and non-Anondomela enterprises is also not significant.

4.3.2 Production-related cost and storage of raw materials

As the transactions of these enterprises consist of assorted products and services, this study mainly considers the total costs of raw materials and related expenses during the full cycle from procurement to sales. Table 4.15 shows the summary statistics for the last three years. In the case of Anondomela enterprises, the average cost increases gradually, while it decreases for non-Anondomela enterprises in 2020 than 2019 and then increases in 2021. A larger standard error in average income for each year implies huge variations in their cost structure. This statistic is apparent for both groups of enterprises. However, the difference in the average cost for each year between Anondomela and non-Anondomela is not statistically significant. In addition, production-related other expenses for Anondomela enterprises are higher than their counterparts, but the difference is still not statistically significant.

Table 4.15: Monthly average cost for raw material

Year	(in Tk.)	
	Anondomela	Non-Anondomela
2019	24510.92	23714.45
	(7103.26)	(10686.25)
2020	27937.53	19945.63
	(5941.13)	(6035.97)
2021	43056.46	33669.56
	(7731.15)	(11066.00)

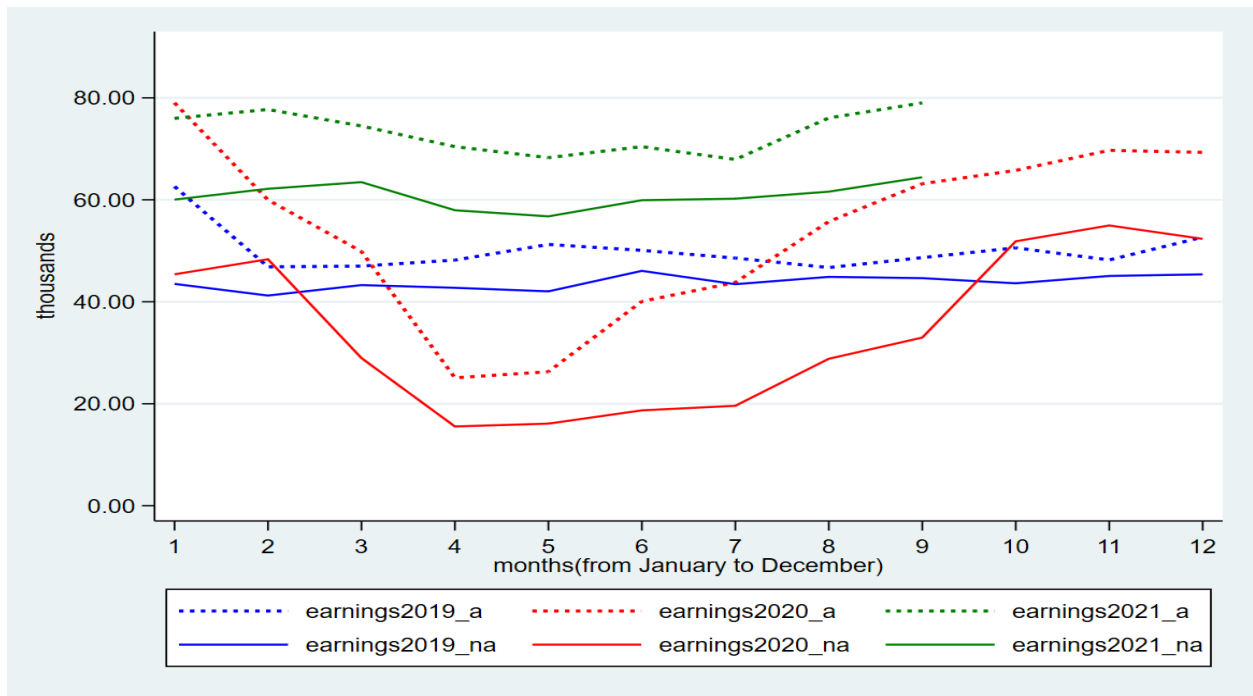
Source: BIDS Survey, 2021.

Notes: 1. The figures are the yearly average cost of the raw materials in Taka.
2. Figures in the parentheses are the standard errors

4.3.3 Earnings from business and inventory management

Although enterprises sell various products, good businesses run on a solid foundation of revenue streams. As the products sold or made by the CMSMEs are heterogeneous, it is difficult to identify the primary commodity among the sampled enterprises. This study, therefore, considers the monthly sales earnings each year. Figure 4.1 shows the trends of the average monthly-sales earnings. The earnings stream in 2019 is almost stagnant throughout the year for Anondomela and non-Anondomela enterprises, even though it is higher for the former group of enterprises. However, the earnings flow of Anondomela enterprises started to decrease at the beginning of 2020, and it sharply fell until April 2020.

Figure 4.1: Trends of average monthly sales earnings



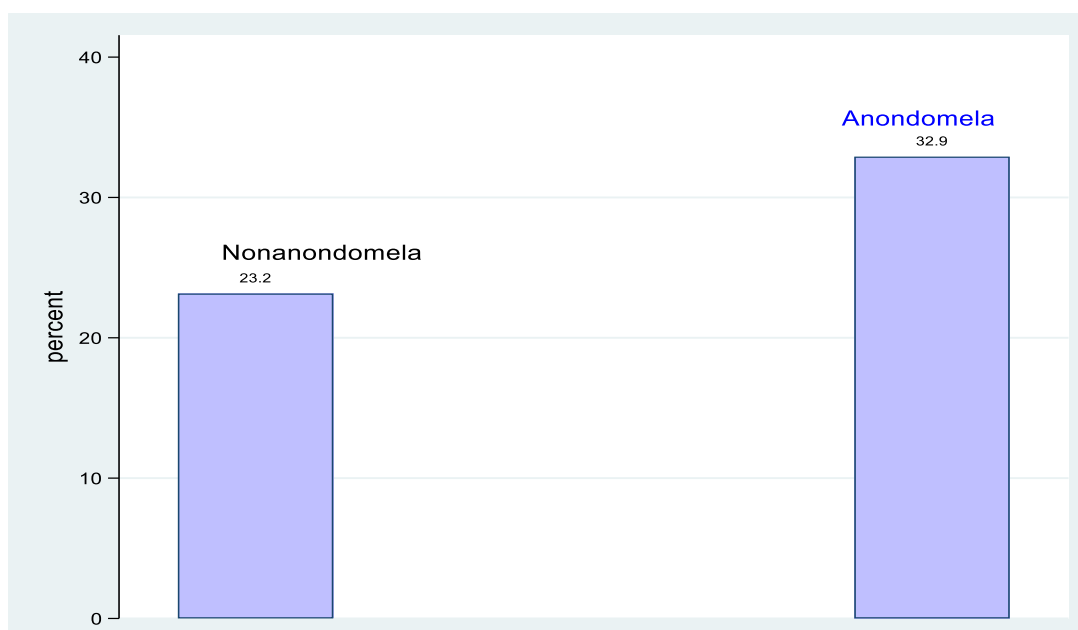
Source: BIDS Survey, 2021.

Notes. 1. The dotted and solid lines represent earnings for entrepreneurs of Anondomela and non-Anondomela, respectively. 2. The blue, red, and green colors indicate earnings in 2019, 2020, and 2021 respectively.

On the other hand, the non-Anondomela earnings began to fall from February 2020 to April 2020. However, the rate of decline in sales is higher for the former enterprise group. After May 2020, both groups started to recover their sales earnings. Anondomela enterprise caught sales earnings in 2019 in July 2020, while non-Anondomela did in September 2020. Afterward, both enterprise groups had higher earning flows than their 2019 level. In 2021, enterprises recovered from their pandemic situation and had a higher flow of earnings than in the previous two years. Likewise, Anondomela enterprises have higher sales earnings than its counterpart in the earlier periods.

Effective inventory management is an important strategy in running a business. The CMSMEs must face competition to survive the market and face dynamic demand from the customers and other unavoidable adverse situations. One of the most useful techniques to meet these challenges is effective inventory management. However, as most CMSMEs run small businesses and do not have proper business-related training, it is uncertain whether inventory management is executed as planned. Figure 4.2 shows the average percentage of the inventory compared to the total monthly sales or production. The inventory percentage for Anondomela enterprises (32.90%) is higher than its counterpart (23.20%). Only 4.73% of Anondomela enterprises do not have inventory compared to 13.25% for non-Anondomela enterprises. More than 82% of the Anondomela enterprises have inventory for at least 10% of their total monthly sales, while it is 54% for non-Anondomela enterprises.

Figure 4.2: Percent of inventory to the sales of the enterprises



Source: BIDS Survey, 2021.

4.3.4 Gross operating surplus

Gross operating surplus (GOS) is a rough proxy of the enterprise profit on the goods and services they sell after paying production-related costs. It is earnings from production or sales less the cost of raw materials, services, overheads, and compensation of employees. This difference is gross because it makes no allowance for using fixed capital. Table 4.16 shows the average surplus in 2019, 2020, and 2021, indicating that the surplus for Anandomela enterprises is higher than their non-Anandomela counterparts. However, the difference in GOS between these two groups is not statistically significant for 2019 and 2020.

Table 4.16: Average yearly gross operating surplus of the enterprises

(in Tk.)

Year	Anandomela	Non-Anandomela
2019	20091.17 (4084.27)	16387.94 (7226.31)
2020	18973.84 (3287.53)	10612.24 (2442.56)
2021	21243.83 (2919.49)	20153.16 (7231.62)

Source: BIDS Survey, 2021.

Note. Figures in the parentheses are standard errors.

Compared to non-Anandomela, trends in earning structure imply that Anandomela enterprises are more adversely affected during the pandemic. However, the differences between these two groups are higher for Anandomela enterprises in 2019 and 2021. One potential reason is that a relatively higher percentage of non-Anandomela enterprises closed their business operations right after the pandemic outbreak in the country.

Chapter 5: Business Skill and Challenges of the Entrepreneurs

This chapter analyzes enterprises' business knowledge, management, and operational skills. In addition, enterprises' locations, technological use or efficiency level, communication modes, decision-making approaches, and product-delivery modes are also discussed. This chapter also enlists the barriers from family, a society that women entrepreneurs encounter, and business-related difficulties. The impact of the pandemic on enterprises, including employment, earnings, and gross operating surplus, is also discussed. Finally, this chapter briefly discusses potential challenges faced by transgender and disabled entrepreneurs.

5.1 Business Knowledge and Women Entrepreneurs

5.1.1 Management and Operational Capabilities

Most of the CMSMEs considered in this study have registered remarkable growth, and a few are found well established. For example, only 12% of Anondomela enterprises were established before 2014, which is 14% for non-Anondomela enterprises. Furthermore, more than 64% of Anondomela enterprises started their business after 2017, while it is 70% of non-Anondomela enterprises. As most of these enterprises are recently established or just progressing in their business ventures, it is natural that only a few have separate offices or shops for their respective businesses. Table 5.1 shows the distribution of locations from where enterprises run their businesses. Approximately 79.33% of the total entrepreneurs run their businesses from their own houses, where they live with their families. The trend is also the same for most Anondomela and non-Anondomela entrepreneurs. However, the prevalence of separate business spaces is higher in non-Anondomela enterprises compared to their Anondomela counterparts.

Table 5.1: Distribution of locations of business operations

(in percent)

Place of Business	Anondomela	Non-Anondomela
Home	88.51	74.56
Office/ Store/ Separate Business Place	6.76	16.25
Home and Office/ Store/ Separate Business Place	4.73	7.77
Others	--	1.42

Source: BIDS Survey, 2021.

5.1.2 Entrepreneurial technological skills

Technology has become a universal tool in all types of enterprises, regardless of size. As a result, many entrepreneurs acknowledged the importance of adopting technologies to achieve sustainable business growth. The advent of low-cost, high-speed internet and affordable mobile-connected devices has changed how businesses run. However, for CMSMEs, adopting technologies for business growth remain a challenge. Besides the cost-related issues, enterprises often have difficulty identifying the right technology that suits their business needs with many solutions.

Table 5.2 shows the distribution of technological devices to run their businesses. Approximately 40% of women entrepreneurs use a mobile phone, with smartphone use as the

second preferred choice (30.63%). However, this statistic is different for the Anondomela and non-Anondomela entrepreneurs. Most of the Anondomela entrepreneurs use a smartphone (45.27%), followed by smartphones and laptops (30.41%), while non-Anondomela entrepreneurs mostly use mobile/telephone/land phones (60.42%), followed by smartphones (22.97%). For both groups, only laptop use seems to be nonexistent. Approximately 19.95% of all entrepreneurs conduct video meetings with clients or possible buyers or raw materials suppliers. Also, 41.89% of the Anondomela entrepreneurs conduct video meetings with their customers or buyers.

Table 5.2: Distribution of the technological device used for business

(in percent)

Use for business	Anondomela	Non-Anondomela
Mobile/Telephone/Land phone	2.03	60.42
Smartphone	45.27	22.97
Mobile Phone and Laptop	2.03	0.71
Mobile Phone and Smartphone	16.89	4.23
Smartphone and Laptop	30.41	0.71
Mobile Phone, Smartphone, and Laptop	3.37	0.71
None	--	10.25

Source: BIDS Survey, 2021.

5.1.3 Communication using the internet

Table A.3.6 in the Appendix shows the distribution of enterprises that use technological devices to communicate with customers and suppliers. Among all enterprises, approximately 13.40% use email, 25.40% use online platforms to buy products and services, 20.41% use for digital financial transactions, i.e., online banking, 10.05% use to submit tenders for orders (10.05%), and 31,10% for collecting business-related information on prices and products. Anondomela entrepreneurs use technology mainly to gather information (30.11%), to buy online products and services (24.40%), and for online banking (21.32%). They also use the internet to contact customers and retailers (13.85%) and submit tender applications (10.33%). Non-Anondomela entrepreneurs also follow the same route in internet use activities. 33.72% of them use the internet to collect information, 26.74% use it to buy products and services online, and 18.02% use it for online banking purposes.

Table 5.3 shows the distribution of enterprises that use the internet for business purchases. Approximately 42.57% of Anondomela enterprises use the internet to communicate with customers and suppliers, while it is only 7.42% for non-Anondomela enterprises. The results reveal that the percentage of Anondomela enterprises is also significantly higher for purchasing products, managing financial activities, and exploring business information than their non-Anondomela counterparts. Also, 31.76% of Anondomela enterprises reported using the internet for tender submission. Using the *test of difference*, we examined whether there is a difference in internet use between Anondomela and non-Anondomela enterprises. Our estimates show this difference is statistically significant at the 1% level. Similarly, the percentage difference in internet use for purchasing products, financial management, tender submission, and exploring more business-related information is also statistically significant.

Table 5.3: Specific use of the internet for business communication

(in percent)

Specific use	Anondomela	Non-Anondomela
To contact customers and suppliers	42.57	7.42
To purchase products	75.00	16.25
For financial management	65.54	10.95
For tender submission	31.76	5.65
For exploring business information	92.57	20.49

Source: BIDS Survey, 2021.

5.2 Business management decision-making process

Table 5.4 shows the distribution of enterprises taking managerial decisions for businesses. For example, 93.92% of Anondomela enterprises manage their business activities independently. This tendency declines slightly in the case of going to banks/NGOs or microfinance institutions (68.92%), moderately in managing employees (39.86%), and recruiting employees (38.51%), but sharply in the case of paying taxes (7.43%). However, the remaining proportions are not even delegated to the family members.

The trend is quite similar in the case of non-Anondomela enterprises, although on a muted scale. From collecting the raw materials to communicating with the consumers, recruiting and managing employees, arranging capital for investment, going to banks/ NGOs, paying taxes, fixing product prices, and spending business earnings are taken by women entrepreneurs. It is also observed that many do not exactly know whether they independently or jointly recruit and manage employees. The potential is that most of them do not have part-time or full-time employees.

Table 5.4: Distribution of business management decisions

(in percent across group)

Business Management	(1)	(2)	(3)	(4)	(5)	(6)
	Anondomela			Non-Anondomela		
	Self	With family	With other families	Self	With family	With other families
Managing business activities	93.92	1.35	4.47	85.87	2.12	12.01
Recruiting employee	38.51	1.35	4.05	21.91	2.47	5.30
Managing employees	39.86	0.68	3.38	22.26	2.47	5.65
Determining commodity price	94.59	0.68	4.73	83.04	4.59	12.37
Collecting capitals for business	86.49	6.08	7.43	81.63	6.36	12.01
Paying taxes	7.43	0.68	0.68	0.35	--	--
Communicating with raw materials suppliers	92.57	1.35	6.08	78.80	7.42	13.78
Taking decisions on expense from business income	91.87	1.35	6.76	81.98	3.89	14.13
Going to bank/ microfinance /NGO's office	68.92	7.43	10.81	48.76	16.96	9.19

Source: BIDS Survey, 2021.

Note. The row shows the percentage distribution of entrepreneurs making managerial decisions for businesses. The remaining percentage values are for entrepreneurs who do not precisely know their decision-making process.

5.3 Contribution of family members to business operations

5.3.1 Family contribution in collecting raw materials

As most enterprises run businesses at home, and their size is relatively small, family members like husbands, parents, and children can also contribute to business communication or other purposes. As collecting raw materials and communicating with consumers are essential parts of their business, it would significantly impact business performance. Table 5.5 shows the distribution of people collecting raw materials. Most women entrepreneurs mainly collect it by themselves. Approximately 92.95% of the Anondomela and 87.71% of the non-Anondomela women entrepreneurs reported collecting the raw materials for their businesses. These businesses also reported getting assistance from their husbands, office staff, and children. None of the Anondomela enterprises reported getting their raw materials through other family members.

Table 5.5: Distribution of person collecting raw materials

(in percent)

Who collects raw materials?	Anondomela	Non-Anondomela
Self	92.95	87.71
Husband	6.41	7.31
Office staff	0.64	2.99
Other family members	--	1.99

Source: BIDS Survey, 2021.

5.3.2 Family contribution in contacting customers and suppliers of raw materials

Table 5.6 shows the distribution of persons to contact customers and suppliers of the raw materials. Most women entrepreneurs mainly contact by themselves. For example, 87.06% of the Anondomela enterprises and 64.34% of the non-Anondomela entrepreneurs reported contacting customers or other agents by themselves. Also, a higher percentage of non-Anondomela entrepreneurs reported that their husbands also help them contact customers more than their counterparts in Anondomela. Children or other family members have a negligible contribution, while employees respond almost similarly to communicating with their business clients.

Table 5.6: Distribution of entrepreneurs contacting with customers

(in percent)

Person contacting with customers	Anondomela	Non-Anondomela
Self	87.06	64.34
Husband	8.82	15.62
Office staff	0.59	8.39
Other family members	3.53	9.79
Others	0.00	1.86

Source: BIDS Survey, 2021.

5.3.3 Medium of product delivery

Delivering products efficiently on time is not always easy, but it can help a business stand out from the competition. Currently, the digital ecosystem is changing from one-hour Amazon, as an example, delivery to Postmates. In Bangladesh, along with the standard delivery system, many logistics online delivery methods like Uber and Redex are growing with reliance. In our sample enterprises, the product is delivered by entrepreneurs, their husbands, children, and employee. In addition, some reliable delivery systems, like *ekShop*, Pathao, Uber, and Redex, are also used.

Table 5.7 shows the distribution of the medium of product delivery. The percentage of non-Anondomela women entrepreneurs making product delivery by themselves is higher than the Anondomela entrepreneurs (37.58% vs. 14.23%). However, most enterprises in both groups use many other product delivery methods. Among the delivery services provided, apart from *ekShop*, a privileged service by UNDP Bangladesh for the Anondomela members only, Redex is the most popular, followed closely by Pathao. The differences in the delivery choices are observed because of different preferred and practiced marketing modes. For example, Anondomela entrepreneurs usually prefer online selling, and non-Anondomela entrepreneurs prefer direct selling in shops and stores.

Table 5.7: Distribution of enterprises by primary medium of product delivery

(in percent)

Medium of product delivery	Anondomela	Non-Anondomela
Self	20.49	37.58
Husband	2.93	13.33
Children	0.42	4.85
Employee	3.77	3.03
<i>ekShop</i>	12.55	0.00
Pathao	7.53	2.42
Uber	1.26	0.00
Redex	10.88	1.21
Others	40.17	37.58

Source: BIDS Survey, 2021.

5.4 Challenges/Barriers for the Entrepreneurs

Although the women-led CMSMEs play a critical role in production, employment generation, contribution to exports, and facilitating equitable income distribution, they might face many challenges or barriers from different stakeholders. For example, they might face challenges at the beginning of the business, from increased competition and adaptability to rapidly changing market demand and technology and capacity constraints relating to knowledge, innovation, and creativity. This section describes the potential challenges or obstacles of the surveyed enterprises.

5.4.1 Challenges/barriers faced at the beginning of business

Usually, the entrepreneurs in CMSMEs start a business with insufficient capital, little market knowledge, managerial skills, and confidence. Though somehow, they try to operate their

businesses, they still feel these problems are detrimental to their business growth. Table 5.8 shows the distribution of the enterprises that face challenges and barriers at the beginning of their business ventures. Approximately 25.36% of the Anondomela members started with very little capital, which was a significant problem for them in that trying period. This percentage is 33.46% for non-Anondomela entrepreneurs.

Table 5.8 also shows how the market itself could cause a problem. For example, 18.57% of Anondomela enterprises report that they struggle because of the lack of required knowledge about the market, while it is 17.40% for non-Anondomela enterprises. Lack of managerial skills was a problem for 12.14% of the Anondomela and 9.18% of the non-Anondomela entrepreneurs. A significant percentage of the enterprises report that they faced difficulties in getting the raw materials during the initial business period. For example, about 7.50% of Anondomela and 13.38% non-Anondomela enterprises mentioned that they lack the confidence to run business ventures. Also, some enterprises in both the groups reported that managing time between business and family and a skilled labor shortage is also significant in starting periods. However, approximately 18% of both enterprises reported no problems initially.

Table 5.8: Distribution of enterprises facing barriers as a new entrepreneur

(in percent)

	Anondomela	Non-Anondomela
No problems	18.21	18.74
Lack of confidence	7.50	13.38
Lack of capital	25.36	33.46
Limited idea about market	18.57	17.4
Lack of managerial skill	12.14	9.18
Unavailability of skilled workforce/ labor force	2.50	1.34
Time management between family and business	4.29	2.29
Difficulties in getting raw materials	7.86	4.02
Others	3.57	0.19

Source: BIDS Survey, 2021.

5.4.2 Challenges/barriers from family

Given the social norms and customs, women entrepreneurs in Bangladesh usually go through an intricate path. In addition, from running the household to taking care of the elders and children of the families are predominantly managed by the women entrepreneurs by themselves. Table 5.9 shows the distribution of enterprises that have gone through such hardship from their families in establishing and running their businesses.

About 49.48% of the Anondomela members and 73.08% of the non-Anondomela entrepreneurs reported that they do not face any problems from their family members. However, the lack of sufficient funding support from the family is one barrier that discourages them from starting or running their business. For example, 10.84% of the Anondomela members and 13.31% of the non-Anondomela entrepreneurs report insufficient financial capital, followed by the disliking of the family members, especially the parents and in-laws. A business disliking mentality of husband and children also posed obstacles for some entrepreneurs.

Table 5.9: Distribution of enterprises facing barriers from family

(in percent)

	Anondomela	Non-Anondomela
No problems	49.48	64.47
Parents' disliking	9.79	5.45
Husband's disliking	8.25	3.38
Children's disliking	6.7	4.52
In-laws' disliking	9.79	7.14
Lack of sufficient funding for business	10.84	12.41
Others	5.15	2.63

Source: BIDS Survey, 2021.

5.4.3 Challenges/barriers from society

Besides their family members, society could sometimes create barriers for women-run enterprises. Table 5.10 shows the distribution of enterprises that face barriers from society. Approximately 46.81% of 431 entrepreneurs do not face any problems from the community in running their businesses. In comparison, it is lower at 38.21% for the Anondomela members but higher at 51.56% for the non-Anondomela entrepreneurs. In contrast to these responses, 19.97% of women CMSMEs (30.19% of Anondomela and 14.32% of non-Anondomela enterprises) report that the community members at large dislike their business ventures and themselves. Our estimates also reveal the most faced barriers to less felt barriers: negative impressions towards women, gender discrimination in the business sector, religious superstition, irregular payments for their products, and additional charges from the women work.

Table 5.10: Distribution of enterprises that face barriers from society

(in percent)

	Anondomela	Non-Anondomela
No problems	38.21	51.56
Community disliking	30.19	14.32
Negative impressions towards women entrepreneurs	16.98	9.37
Irregular payment of products/ services	1.42	5.47
Additional charges for materials/services	0.47	4.69
Gender discrimination	6.6	9.9
Religious superstition	3.77	4.69
Others	2.36	--

Source: BIDS Survey, 2021.

5.4.4 Challenges during business operations

Besides the societal, family, and initial problems, different problems would arise while conducting business. Table 5.11 shows the distribution of enterprises that face issues while running a business. Most entrepreneurs reported that they face difficulties in storing business information and uploading the details of the product in the online interfaces. These problems are greater for the Anondomela entrepreneurs (19.27%) than their non-Anondomela

counterparts (5.10%). One potential reason is that non-Anondomela mostly prefers in-store business, while Anondomela prefers online business.

Table 5.11: Distribution of enterprises facing problems in business

(in percent)

	Anondomela	Non-Anondomela
Negative responses	8.02	7.10
Harassment	8.78	8.87
Bad reviews in the online platform	9.16	13.75
Unhealthy market competition	4.39	11.09
Losing customers after the bad review	2.86	2.88
Higher charges by suppliers of raw materials	4.58	12.42
Customers' unwillingness for payment	3.82	15.96
Disliking for women entrepreneurs	16.79	11.2
Difficulties in online uploading	19.27	5.10
Storing business information in computer and mobile phone	19.85	9.31
Adverse effects of the misdemeanor of Evaly and Nagad	2.48	1.32

Source: BIDS Survey, 2021.

In addition, a significant ratio of enterprises of both groups reported that people dislike women-run businesses and hinder their business ventures. These statistics indicate a negative impression of women entrepreneurs in society. Also, bad reviews on online platforms, cyberbullying or harassment, and negative responses from customers and raw material suppliers pose severe threats to their businesses. Furthermore, the aggressive online behavior of business competitors, writing bad things in the review panel, and spying on the prices and models of the products could also adversely affect businesses. Finally, customers' unwillingness to make timely payments to the women entrepreneurs and suppliers' higher price charges hamper their business activities.

5.5 Women enterprises during the pandemic

This section briefly reviews the business closures due to the impacts of the pandemic, providing a set of stylized facts necessary for evaluating the situation and finding potential solutions. For example, this section discusses the likely reasons for closing their business, changes made, and their plans to face the possible challenges because of the pandemic.

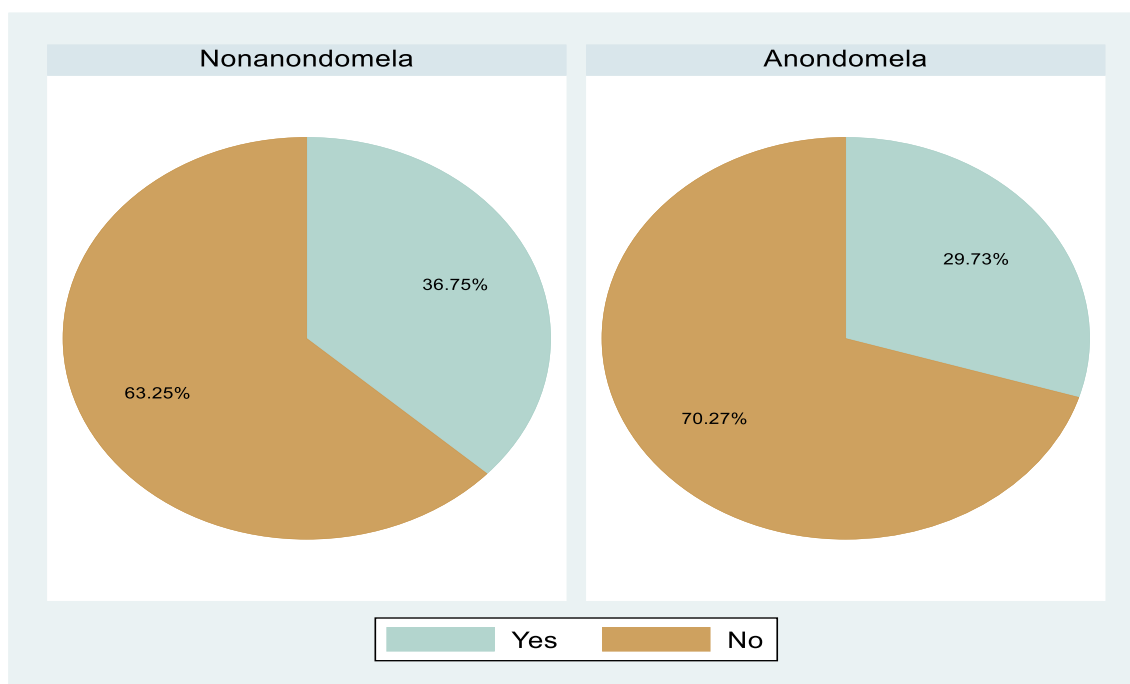
5.5.1 Closure of business during the covid-19 pandemic

Like other sectors, the covid-19 pandemic severely affects the CMSMEs, their growths, and employment by disrupting business networks, supply chains, and demand. For example, strict lockdown measures might cause many enterprises to shut down their business, while others could operate within a limited capacity. Figure 5.1 shows the percentage of SMEs closing their business because of the pandemic. For example, 36.75% of non-Anondomela enterprises closed their businesses compared to 29.73% of the Anondomela enterprises.

The enterprises considered in the study closed their business for an average of 143 days, while it is 177 days for Anondomela and 128 days for non-Anondomela enterprises. More than 50% of all enterprises closed their business for at least 130 days; it is 180 days for the Anondomela and 120 days for non-Anondomela enterprises. More than 25% of the enterprises closed their

businesses for at least six months, while it is 35% for Anondomela and 21% for non-Anondomela enterprises. Only 3.38% of enterprises closed their businesses for at least one year.

Figure 5.1: Percentage of enterprises shutting down business because of pandemic



Source: BIDS Survey, 2021.

Note. The “Yes” and “No” represent the business closing and operating status during the pandemic.

5.5.2 Reasons for closure of business during the covid-19 pandemic period

Table 5.12 shows the distribution of enterprises and their closing reasons caused mainly by the pandemic. For example, approximately 56.76% of the Anondomela enterprise closed their business because of the government lockdown. Similarly, about 57% of the non-Anondomela enterprises mentioned the same reason. In Bangladesh, the government imposed a strict lockdown in March 2020, which continued later at different times. Although the government and other organizations, including the World Health Organization, warned everyone to follow the health guidelines, only 2.70% of the Anondomela closed their business because of health issues compared to 8.82% of the non-Anondomela enterprises.

As the pandemic forces the government to impose a lockdown, the country's economic activities slow down. As a result, individuals' income flows decrease, causing a reduction in demand for some products and services. Only 6.76% of Anondomela enterprises closed their businesses because of demand for their products and services compared to 18.63% for non-Anondomela enterprises. Similarly, 5.41% of Anondomela enterprises report that the purchase order for their products decreased although their businesses were open, while it is 8.82% for non-Anondomela enterprises. Our estimates also reveal that a small proportion of both groups of enterprises closed their business because of insufficient labor supply. In addition, a significant proportion of Anondomela members closed their business for many other reasons, while it is very small at 1.96% for non-Anondomela enterprises.

Table 5.12: Distribution of reasons for closure of business during the pandemic

	<i>(in percent)</i>	
Reason for closing	Anondomela	Non-Anondomela
Government lockdown	56.76	50.49
Consideration of health-related issues	2.70	8.33
No demand for products	6.76	18.63
Fewer orders despite the business was open	5.41	8.82
Interrupted supply of raw materials	8.11	11.27
Insufficient labor supply	1.35	0.49
Others	18.92	1.96

Source: BIDS Survey, 2021.

5.5.3 Changes made to run the business during the pandemic

The covid-19 outbreak forced enterprises to change their operational modes unprecedentedly. As a result, enterprises had to implement massive organizational changes to stay afloat. For example, many companies across the globe shifted to full-scale working-from-home plans, and others went all-in on delivery.

Table 5.13: Changes made to run the business during the pandemic

	<i>(in percent)</i>	
	Anondomela	Non-Anondomela
No changes	55.31	57.54
Reduce salaries/other benefits	4.47	2.79
Reduce the number of employees	4.47	1.40
Reduce the working hours of an employee	5.03	2.51
Reduce non-labor expenditures	6.70	9.5
Selling the business properties	--	2.23
Receive government assistance	--	3.07
Receive other non-government	--	1.96
Receive loans from NGOs	--	3.91
Receive loans from financial institutions	3.91	4.19
Receive loans from relatives	2.23	4.19
Others	17.88	6.70

Source: BIDS Survey, 2021.

Table 5.13 shows the distributions of enterprises that changed their operational modes. More than 55.31% of Anondomela and 57% of non-Anondomela enterprises have made no change to adapt to the new normal economic life. Approximately 4.47% of Anondomela members reduce employees' salaries and other benefits or working hours, which is relatively insignificant for non-Anondomela enterprises. Nevertheless, a reduction in the non-labor expenses is observed; the percentage is higher in the non-Anondomela enterprises. While no Anondomela members received financial assistance from the government or other non-governmental agencies, 3.07% (1.96%) of non-Anondomela received such support. Some enterprises in both groups also took loans from relatives to run their businesses.

5.5.4 Self-assessment of the current business situation

Numerous enterprises across the country faced many challenges as customers stayed home during the pandemic situation. These enterprises had to remain afloat and find creative ways to change their operating models. As the covid-19 continues, albeit, in a less destructive form, it is essential to know how enterprises evaluate their business. A better understanding of enterprises' perceptions of consumer behavior and plans would allow policymakers to help them adapt to the new normal era.

Table 5.14 shows the percentage of enterprises with a self-assessment of their business. For example, 25% of Anondomela and non-Anondomela enterprises believe in closing their business. However, only a few proportions want to close the business temporarily. More than 94% of the enterprises believe that they would run businesses at the current scale. Approximately 60% of enterprises report that they need financial assistance to run their business at the pre-pandemic scale. However, more than 50% of them stressed that they would run the business at a lower scale. Overall, the Anondomela and non-Anondomela responses are almost similar in self-assessment about their business plans.

Table 5.14: Self-assessment of business adaptation in current times

Indicator	<i>(in percent)</i>	
	Anondomela	Non-Anondomela
Have to close the business	25.68	25.44
Temporarily close the business	2.03	1.41
Continue the business at the current scale	94.59	98.23
Continue the business at a lower scale	52.03	45.23
Need a loan to run the business at the current scale	59.46	63.96

Source: BIDS Survey, 2021.

5.6 Challenges of transgender and disabled entrepreneurs

The total number of transgender people in Bangladesh is about 13,000.⁶ Transgender people, locally known as *hijra*, often resort to begging as most of them are forced to flee their homes due to harassment and bullying. In 2013, Bangladesh began allowing transgender people to register as the third gender and has taken many initiatives to support the group. For example, social inclusion can involve this disadvantaged community in production-oriented occupations. The government also plans to offer a tax rebate or a refund of 75% on the total salaries of transgender employees if 10 percent of their total workforce, or 100 workers, are of the third gender.

Similarly, about 1.43% of the population in the country have some physical disability.⁷ They always face difficulties or limitations in their daily activities or movement. The government is

⁶ Preliminary Report of Population and Housing Census, 2020, Bangladesh Bureau of Statistics

⁷ *ibid*

sensitive to ensuring the rights of people with disability and has brought them under a dedicated social safety net program. The UNDP also works with Disability Network, a network of 25 national and international organizations.

Our sample includes a few transgender and disabled entrepreneurs to evaluate their business profiles. Only 2.09% of the total enterprises are run by transgender entrepreneurs, and 3.25% are by physically disabled entrepreneurs. In addition, approximately 85% of transgender entrepreneurs have a smartphone, while it is 55.56% of disabled entrepreneurs. These statistics may be compared to the remaining CMSMEs where 51% of entrepreneurs have a smartphone. About 50% of transgender entrepreneurs claimed that they have excellent mobile phone skills compared to 33% of physically disabled entrepreneurs. More than 21% of transgender entrepreneurs use a laptop, which reduces to 11% and 14%, respectively, for physically disabled and remaining CMSMEs entrepreneurs.

We attempt to identify the challenges that transgender and disabled enterprises face while running their business. For example, most transgender entrepreneurs mentioned that they face bullying, harassment, disliking from their family, and discriminating behaviors from their business stakeholders. They also report that customers, primarily females, usually do not like to shop in their stores after knowing their sexual orientation. Transgender entrepreneurs also struggle to rent an office space for business and an apartment for living. On the other hand, disabled people argue that societal values continually undermine them and frequently experience a discriminatory attitude in their daily lives. In addition, most of them face challenges in getting married, getting loans for business purposes from banks and other financial institutions, and getting rejection by the community.

Although the sample of the transgender and disabled enterprises is limited, this study also identifies potential solutions from their perspectives. Most argue that they need financial assistance, logistics support, smartphones, laptops, and long-term business training. As online business opportunities are rapidly growing, they want to utilize the platform using their labor and hard-working attitudes. Most also pointed out that a program or platform is needed to attach them to online customers. A supportive policy through creating a working environment for both groups helps them lead a respectful life and contribute to the national economy.

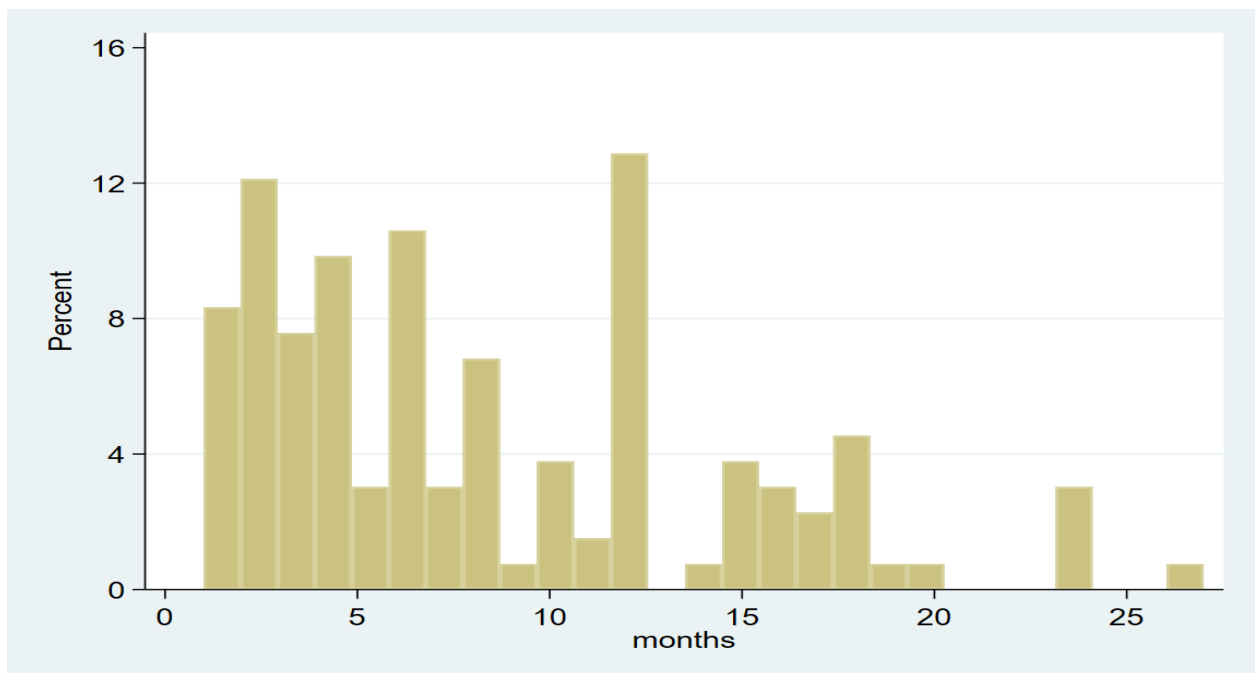
Chapter 6: Nature and Extent of Needs of Entrepreneurs

This chapter describes how the Anondomela platform help women entrepreneurs grow their business through various programs. In this platform, enterprises can directly connect buyers, sellers, and other stakeholders online for shopping, upholding public health advisories, discussing family issues, and minimizing the risk of covid-19 transmission. In addition, this chapter discusses whether the Anondomela platform offers entrepreneurs an equal opportunity to sell or promote their products, regardless of their locations (rural vs. urban) and socioeconomic backgrounds. The analysis, therefore, offers a better understanding of how the platform has helped enterprises since its inception. The following section discusses the needs of the Anondomela members and their assessment, compared with the non-Anondomela enterprises, to run a business.

6.1 Contribution of Anondomela platform for women entrepreneurs

Enterprises under the UNDP Bangladesh Anondomela flagship can enjoy many benefits that help their growth and business operations. This program is a new effort of UNDP Bangladesh to encourage and assist women in their businesses, especially to overcome the adverse effects of pandemics. The membership timespan, shown in Figure 6.1, presents the percentage of enterprises with their duration of memberships in months.

Figure 6.1: Percentage of Anondomela enterprises with duration of the membership



Source: BIDS Survey, 2021.

Since its inception into the lives of women entrepreneurs, this platform has had various effects on them and their businesses. This venture includes customer care service for the women entrepreneurs, ekShop, with a separate customer care service. In addition, Anondomela is a platform that organizes training programs for them. The training programs include preparing them for business leadership, building confidence in themselves, practical training for skill development in the making, packaging, advertising, and marketing of their products, and

helping them to increase their managerial and financial business knowledge. Moreover, when deemed necessary, the entrepreneurs are also offered counsel to ensure their mental and family well-being.

Table 6.1 shows the proportions of enterprises that rank the contribution of the Anondomela platform to their business, including sale progression and product delivery. The ranking ranged from ‘none’ (no contribution) to ‘excellent’ (extraordinary contribution). It seems that more than half of the members received some level of assistance from the platform in the six indicators assessed. For instance, about 54% of enterprises received assistance from the Anondomela platform in their business progression; 50% in getting more orders, 76% in expanding future business possibilities, 52% in family well-being through counseling, and 55% in overall business progression. In contrast, less than half of the enterprises received some assistance in the remaining three indicators. For instance, about 47% of enterprises received some level of support from the Anondomela platform in their sales process, 41% in reaching a broader range of customers, and 36% in processing product delivery.

Table 6.1: Perception of enterprises on Anondomela’s contribution to business

(in percent)

Indicator	(1)	(2)	(3)	(4)
	Slight	Average	Good	Excellent
Business progression	37.12	8.33	3.79	4.55
Getting more orders	35.61	10.61	3.03	0.76
Sales process	34.09	9.09	3.03	0.76
Reaching a broader range of customers	28.79	6.06	5.30	0.76
Product delivery	24.24	5.30	6.06	0.00
Extending future business possibilities	39.39	12.12	16.67	8.33
Well-being of their family through counseling	26.52	18.94	4.55	2.27
Psychological well-being through counseling	27.27	15.91	5.30	3.03
Overall business progression	32.58	15.15	4.55	3.03

Source: BIDS Survey, 2021.

Note. The percentage is measured considering each row (indicator) as 100%.

Even though Anondomela is not a panacea for nurturing the malaise of the women entrepreneurs in the country, the platform merits further scrutiny. From the disaggregated statistics, the level of services the enterprises have received so far is skewed towards ‘slight’ or very minimal scale. If not excellent, one would expect the scale to be tilted towards average or a good scale. As the Anondomela platform was established in 2020, the duration for explicitly arguing about the benefits in 2021 would be short. In addition, this duration is a transition from the pandemic to the new normal situation. The internet connectivity or entrepreneur’s skill also needs to be considered while arguing about the success of the Anondomela platform.

6.2 Training needs of the women entrepreneurs of the Anondomela platform

6.2.1 Educational qualification of the entrepreneurs and business outcome

Although business experience has been identified as an essential factor affecting many aspects of an entrepreneurial decision, many argue that entrepreneurs' educational qualifications could affect the business outcomes. Therefore, we assess whether academic status makes a difference in business outcomes. For this purpose, we use the gross operating surplus as one of the leading indicators for business outcomes. Table 6.2 reports whether educational level makes any difference in enterprises' gross operating surpluses based on four main academic groups, SSC, HSC, bachelor, and post-graduation programs. It then examines whether there is a difference in average gross operating surplus between a specific educationally qualified Anondomela member and their below-qualified counterparts. For example, Anondomela members with SSC and above educational status earn additional Tk. 5081 per month than their below-par counterparts.

Table 6.2: Gross operating surplus by entrepreneurs' educational qualifications

(in Tk.)

Educational status	(1) Anondomela		(3) Non-Anondomela	
	With qualification	Below qualification	With qualification	Below qualification
SSC and above	21381.15 (2996.83) [144]	16300.29 (5763.31) [4]	19777.47 (8257.26) [113]	20402.87 (10734.62) [170]
HSC and above	21349.81 (3063.83) [140]	19389.2 (6988.09) [8]	15318.03 (3393.78) [64]	21566.16 (9295.47) [219]
Undergraduate and above	19793.42 (3467.71) [113]	25926.58 (5205.20) [35]	16900.26 (4640.17) [33]	20582.54 (8165.38) [250]
Postgraduate and above	22194.21 (4738.59) [79]	20155.71 (3162.26) [69]	12107.38 (7178.06) [6]	20327.43 (7386.82) [277]

Source: BIDS Survey, 2021.

Note. Figures in the parentheses and brackets show standard errors and observations numbers, respectively.

Similar observations about the average GOS hold for non-Anondomela entrepreneurs. However, the differences are not statistically significant, which indicates that the SSC or above qualifications do not make any difference in the profits of the enterprises. One can draw the same conclusion for other educational qualifications in both groups of enterprises. These findings suggest that any assistance exclusively depending on education has limited effects on business outcomes.

6.2.2 Business-related training needs and business outcome

Table 6.1 shows that the Anondomela platform has not yet fulfilled the bare minimum expectation regarding its business needs for entrepreneurs. For that reason and further elaborating on their current expectations, the study investigates training and non-training business requirements. This analysis would help improve their business dealing capabilities and expand their businesses. Table 6.3 shows the distribution of enterprises and their perceptions of receiving managerial training, entrepreneurial training, accounting training, technical knowledge training, and internet use training. The results reveal that the Anondomela

entrepreneurs are mainly looking for entrepreneurial training (29.41%), accounting training (23.53%), and training on using the internet (23.53%). On the other hand, the non-Anondomela enterprises emphasized training in technical knowledge (34.78%), accounting (3.43%), and managerial training (16.30%).

Table 6.3: Perception of training needs by broad category

Name of training	<i>(in percent)</i>	
	Anondomela	Non-Anondomela
Managerial training	5.88	16.30
Entrepreneurial training	29.41	9.78
Accounting training	23.53	30.43
Training in technical knowledge	17.65	34.78
Training on internet use	23.53	8.70

Source: BIDS Survey, 2021.

This study assesses whether enterprises requesting business training have higher profits than their counterparts without looking for the same. Table 6.4 categorically shows the list and ranking of the requested training programs. The terminology “yes” represents enterprises looking for the respective training, while “no” is for those who do not want the same. The estimates show that the impact of these five training modules on their business outcomes positively affects the gross operating surplus for both groups of enterprises. Though training effects on gross operating surplus are positive for Anondomela members, these differences are not significant for any training except for accounting. This result indicates that only getting accounting training will positively and significantly affect the enterprises’ gross operating surplus. In other words, only accounting training will ensure greater profitability for the Anondomela members. For non-Anondomela members, accounting training, technological knowledge, and managerial training positively and significantly affect the enterprises. That means that if the entrepreneurs get these training programs are likely to earn a greater operating surplus.

Table 6.4: Business outcomes by broad category of business-related training

Requirement on training	<i>(in Tk.)</i>			
	(1)	(2)	(3)	(4)
	Anondomela		Non-Anondomela	
	Yes	No	Yes	No
Managerial training	22459.74 (3788.01) [57]	20482.21 (4127.05) [91]	50226.19 (25901.99) [78]	8710.73 (1056.45) [205]
Entrepreneurial training	17803.06 (4487.22) [63]	23794.05 (3843.74) [85]	11471.85 (1699.11) [115]	26095.71 (12119.77) [168]
Accounts training	53069.96 (25870.83) [78]	7628.71 (941.58) [205]	53069.96 (25870.83) [78]	7628.71 (941.58) [205]
Training on technical knowledge	23544.34 (4165.62) [75]	18880.29 (4099.34) [73]	49214.56 (22461.5) [90]	6601.20 (751.14) [193]
Training on internet use	21486.64	12502.64	21263.31	6982.63

(2997.36)	(3153.65)	(7837.09)	(1780.04)
[144]	[4]	[261]	[22]

Source: BIDS Survey, 2021.

Note. Figures in the parentheses and brackets show standard errors and observations numbers, respectively.

Though some training can be impactful for business enterprises, many of the enterprises have some preconceived notions, which makes them somewhat reluctant and uninterested in the training programs. Table 6.5 shows the distribution of enterprises with their perceptions towards participating in the training. Approximately 22.38% of the Anondomela and 35.42% of the non-Anondomela entrepreneurs reported not wanting to train during business hours. In addition, about 27.97% of the Anondomela and 20.83% of the non-Anondomela entrepreneurs are concerned about accommodation, transportation facilities, and training costs. A significant percentage of enterprises show their reluctance, including not knowing about training and the cost and lack of time for attending training.

Table 6.5: Proximate reasons behind reluctance about training

(in percent)

Proximate reasons for reluctance	Anondomela	Non-Anondomela
I know about training, but I do not want it after closing the store	22.38	35.42
I do not know about training	15.38	18.75
Training is costly	15.38	11.81
Training quality is low	0.70	1.39
Accommodation and transportation for training are very high	27.97	20.83
Training-related information seems unrealistic to me	3.50	2.43
Training does not seem highly qualified to me	1.40	1.74
I cannot arrange time following the training schedule	11.89	10.76
Lack of managerial skills in training for modern business management	4.20	8.68

Source: BIDS Survey, 2021.

6.2.3 Needs for other assistance and business outcomes

Other attributes, except business training, could also contribute to business development. However, the study reports the necessity of some additional requirements, including loans with a flexible collateral arrangement, extending the duration of loan repayment terms, availability of lower interest rates, availability of loans for new businesses, tax rebates, and reduction in the delivery charge. Table 6.6 shows the GOS differences between enterprises looking for each assistance and those who do not want the same. Although most entrepreneurs expect to get this assistance, the GOS differences are insignificant at 10% for both groups of enterprises. For example, enterprises looking for loans with flexible collateral arrangements make a higher average gross operating surplus than their counterparts for Anondomela (Tk. 21595.12 vs. Tk. 8597.29), but the positive difference is not statistically significant. Therefore, despite these positive differences, getting these facilities does not necessarily imply that the firms will make a higher profit from this non-business-related assistance.

Table 6.6: Business outcomes and needs for non-training assistance

(in Tk.)

	(1)	(2)	(3)	(4)
	Anondomela		Non-Anondomela	
Need indicators other than training	Yes	No	Yes	No
Loans with flexible collateral	21595.12 (2994.77)	8597.29 (2824.53)	21355.34 (2958.51)	13103.89 (1609.44)

	[144]	[4]	[146]	[2]
Increase term duration for loan payment	21355.34 (2958.51) [146]	13103.89 (1609.44) [2]	20446.67 (7360.66) [278]	3833.83 (1838.38) [5]
Loans with a lower interest rate	21388.29 (2957.56) [146]	10698.33 (4015.00) [2]	20344.23 (7308.38) [280]	2319.53 (1340.69) [3]
Loans for new business	21509.96 (2975.53) [145]	8381.02 (3221.97) [3]	20223.04 (7308.68) [280]	13630.63 (9227.82) [3]
Tax rebate	22235.94 (3130.10) [136]	9999.86 (5436.77) [12]	21289.42 (7837.80) [261]	6672.91 (1044.03) [22]
Reduce the delivery charge	21386.63 (2948.22) [146]	10819.17 (24543.05) [2]	20374.9 (7387.29) [277]	9915.96 (5067.02) [6]

Source: BIDS Survey, 2021.

Note. Figures in the parentheses and brackets show standard errors and observation numbers, respectively.

6.2.4 Need Assessment based on technological skills

Adapting to technology could offer a solid business foundation as technology changes rapidly. Technological advances enable small businesses to work more efficiently in many different ways. For example, communicating with distant customers using video-conferencing software, uploading products online to reach more customers, and sending emails to customers to request a review technology allow businesses to achieve their goals more effectively. However, success could depend on their skills in technological devices, such as phones and computers or laptops.

Whether internal or external, communication is essential to running a business. Nowadays, every business needs to use smartphones and computers to connect with customers and raw materials suppliers. Customers expect to find information about their desired product online and communicate in many ways. Social media, accessible through a computer or a smartphone, has become essential for communicating with customers. Many businesses find it valuable to maintain a presence on Facebook and other virtual platforms. Expertise in using smartphones and laptops helps enterprises utilize online platforms to run a business. Table 6.7 shows the needs assessment based on mobile phone and laptop expertise. For the assessment, we classified enterprises with 'excellent' and 'below excellent' skills in using mobile phones and laptops. The difference in GOS between Anondomela enterprises with excellent and below excellent mobile use skills is not statistically significant, while it is significant for laptop use skills. In contrast, it is significant for non-Anondomela enterprises for mobile and laptop uses. In addition, fair or above-average skills also do not significantly impact the business outcome for both groups.

Table 6.7: Business outcomes and technological skills

(in Tk.)

	(1)	(2)	(4)	(5)
	Anondomela		Non-Anondomela	
	Ranked excellent	Below excellent	Ranked excellent	Below excellent
Mobile phone use skills	22571.78 (3601.23)	19764.11 (4712.30)	212667.4 (120609.5)	8616.71 (870.72)

Laptop use skills	29560.72 (6102.73)	17837.86 (3230.77)	332029.6 (292020.3)	16811.62 (6565.06)
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Source: BIDS Survey, 2021.

Note. Figures in the parentheses show standard errors.

The number of internet users has been increasing phenomenally in recent years. According to the Bangladesh Telecommunication Regulatory Commission data, internet users increased dramatically in the last few years, from 58.31 million in February 2016 to 101.19 million in April 2019 to 112.45 million in January 2021.⁸ A web presence can reach out to these growing users quickly. For example, when someone wants to buy a product in the digital age, they look online and get the most information about product quality, prices, and alternative products at affordable prices. On the other hand, if a business unit does not exist online, its products mostly go unnoticed, no matter how excellent the quality is.

Additionally, detailed online information about a business unit, such as an address, mission, objectives, and product details, can gradually establish an enterprise's credibility. Customers could feel that the business might be smaller and deserve less attention without a credible website or other online pages. Therefore, access to the internet could play an essential role in developing business. Table 6.8 shows the gross operating surplus of enterprises with internet access and those without internet access.

Table 6.8: Business outcomes and internet access and location

(in Tk.)

	(1)		(2)		(3)		(4)	
	Anondomela		Non-Anondomela		Anondomela		Non-Anondomela	
	Yes	No	Yes	No	Yes	No	Yes	No
Need indicators other than training								
Broadband access at home	22576.11 (9309.62)	20959.9 (2956.63)	12168.72 (3641.17)	95857.45 (66848.15)				
Broadband access at business	17765.00 (5180.95)	22965.68 (3537.59)	9638.68 (979.70)	133621.80 (82661.66)				
Separate office location	7816.97 (877.19)	83711.3 (43453.76)	17278.15 (2242.07)	75970.14 (25446.59)				
Higher than 512 kbps	23341.16 (4898.49)	19029.99 (3063.48)	10920.16 (1477.66)	71686.15 (46551.42)				

Source: BIDS Survey, 2021.

Note. Figures in the parentheses show standard errors.

The difference in GOS between Anondomela enterprises with broadband internet access and those without the same is not statistically significant. The results reveal that enterprises with broadband internet connections at office locations do not necessarily have a higher gross operating surplus. Similarly, broadband internet connection at the business location and higher speedy internet connections do not significantly affect profit earnings for non-Anondomela groups. A separate office location for business makes a significant difference for Anondomela, but enterprises without looking for different business locations make a higher profit. The

⁸ <http://www.btrc.gov.bd/content/internet-subscribers-bangladesh-january-2021>

findings imply that the Anondomela enterprise does not exclusively need a separate business place to make a higher profit.

Chapter 7: Concluding Remarks and Challenges for Improvement

Cottage, small and medium enterprises play a significant role in economic progress, especially in developing countries. However, these enterprises also experience challenges in business operations successfully. Some enterprises even permanently closed their business during the pandemic. Women entrepreneurs face these constraints even on a grander scale. For the betterment of women entrepreneurs, UNDP Bangladesh set up an online e-commerce platform, popularly known as Anondomela, to support women entrepreneurs as an initial response to the covid-19 pandemic in 2020.

This platform is a free-of-cost alternative marketplace and allows buyers and sellers to meet online for business transactions, following public health advisories, thereby minimizing the risk of infection transmission. The UNDP Bangladesh is also concerned about the business progress of Anondomela members. It is thus imperative to know the priority concerns of women entrepreneurs caused by the covid-19 pandemic and find feasible ways to overcome and support the sustainable growth of their business. The study explores and analyzes the potential challenges, needs, and priorities of the Anondomela members compared to enterprises operating other UNDP Bangladesh flagship projects. Using a mixed-method approach, this study identifies the following needs for Anondomela entrepreneurs and offers recommendations to achieve their business outcomes.

1. It is found that laptops and laptop-use efficiency levels would increase business earnings for Anondomela entrepreneurs. Therefore, some policy initiatives need to be undertaken to ensure that at least entrepreneurs with excellent skills can have easy access to it.
2. As most entrepreneurs know about ekShop, its customer care service, and the Anondomela platform, UNDP Bangladesh needs to identify a strategy to communicate effectively with its members.
3. Anondomela entrepreneurs reported that they lack the confidence to run business ventures independently. As a lack of confidence is likely to result in insignificant business growth, UNDP Bangladesh could take a training program to boost confidence.
4. Most Anondomela entrepreneurs reported difficulties in storing business information and uploading the details of the product in the online interfaces. This implies that the level and extent of training appear inadequate; as a result, periodic follow-up training is required. In addition, a tailor-made training module can be included for the specific needs and requirements. This twin follow-up intervention is likely to help them achieve their business outcomes.
5. As Anondomela prefers online businesses, they face practical difficulties like bad reviews on online platforms, cyberbullying or harassment, negative customer responses, and raw material suppliers threatening their businesses. A social awareness program through electronic and print media may act as a preventive measure to such experiences.

6. Anondomela members mostly prefer online business. Therefore, training programs would enhance their knowledge of virtual dealings, including online searching, downloading, saving, uploading, editing, designing the online sale page or website, safety, and online security. In addition, as the Anondomela members prefer Facebook as a selling interface over shops and websites, they need to be trained to use advanced options in the Facebook marketplace. So, they may be offered a UNDP-supported opportunity to boost their Facebook page.
7. It was found that most of the training programs were minimal in improving the business outcome for most Anondomela members. It is also identified that a lack of follow-up practices in the training exercises is a potential reason for the limited effect of the training programs. Therefore, a monitoring system is needed until entrepreneurs become independent in their respective exercises.
8. As online business opportunities rapidly grow, transgender and disabled entrepreneurs want to utilize the platform using their labor and hard-working attitudes. Most of them pointed out that a program or platform is needed to attach them to online customers. A supportive policy through creating a working environment for both groups would help them lead a respectful life and contribute to the national economy.
9. A customer care service center could also address the follow-up problems. For example, virtual groups like chat boxes in social interfaces like WhatsApp, IMO, or instant messenger, including all entrepreneurs, would be significantly helpful. When some entrepreneurs discuss their problems in these media, other members can also assist by sharing their experiences and quickly helping them solve their problems. This platform would offer a common ground to connect with all stakeholders and beneficiaries.
10. This study finds that most trainees have minimal academic qualifications, which sometimes poses problems for the UNDP while training these entrepreneurs. One way to address the language issue the trainers face is that Anondomela central focal personnel first train and then appoint local people as trainers or keep a local person as an assistant with the trainers. This local person can also help them in gaining local trade-related knowledge.
11. The findings also reveal that the training centers' timing and distance could be significant issues for the trainees. Therefore, the most preferred and convenient time and location would be chosen following a wide circulation to the local community.
12. As many entrepreneurs face harassment, bullying, bad reviews, and false reviews by consumers and their competitors in the field, a counseling program with psychotherapies through the platform would be beneficial.
13. People living in remote areas are already familiar with UNDP programs and heavily rely on UNDP activities. Therefore, UNDP social awareness programs against cyberbullying and online harassment would have significantly positive impact on these vulnerable entrepreneurs.

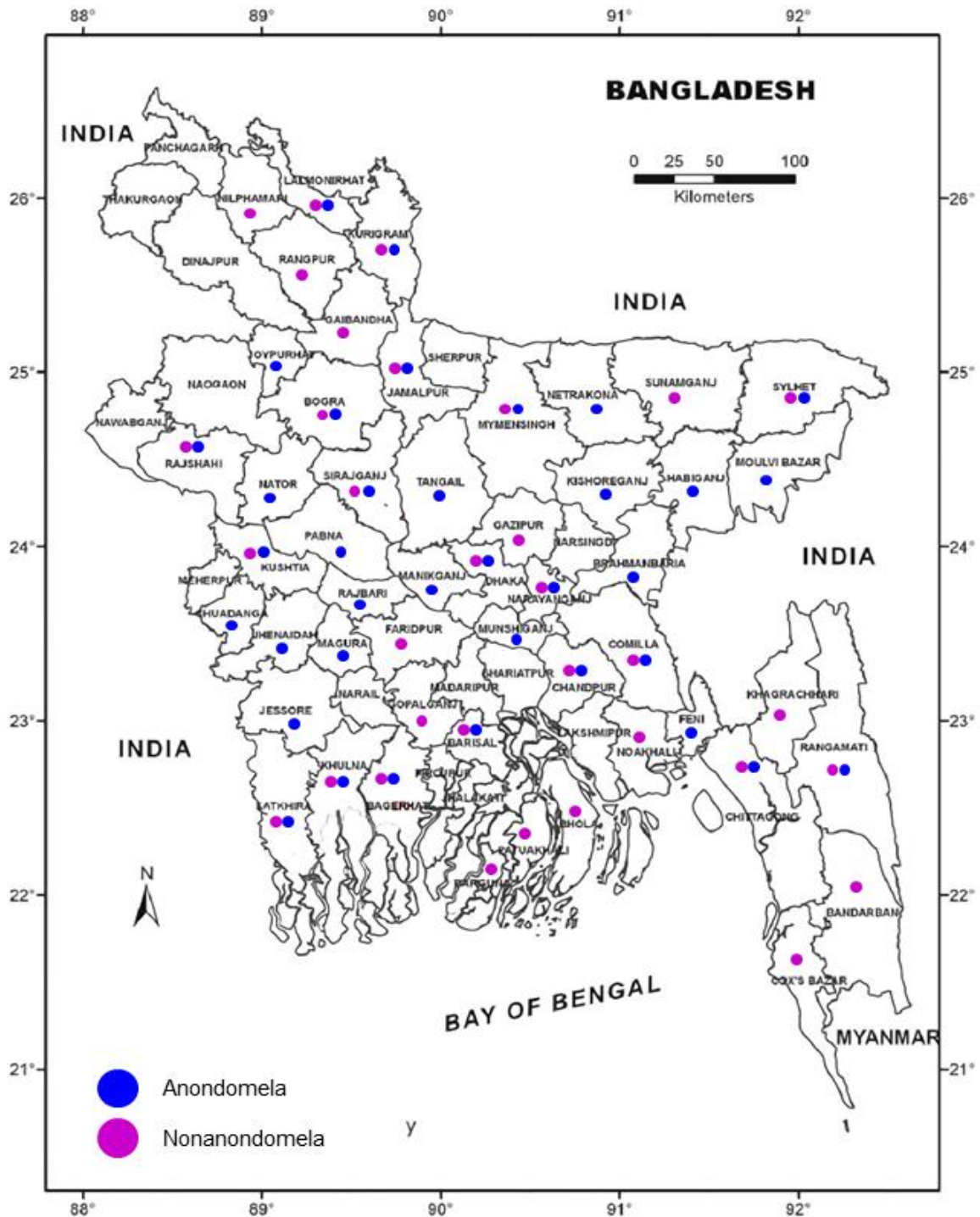
As a development partner, UNDP Bangladesh has significantly contributed to various socio-economic and financial issues for a long time. Anondomela venture for women entrepreneurs is such an initiative. Though it is relatively newer than other UNDP ventures, it would significantly help enterprises, especially those living in backward and remote areas. With proper management, technical assistance, and monitoring, this women's development-oriented platform would help and play a vital role in changing these women and their respective families.

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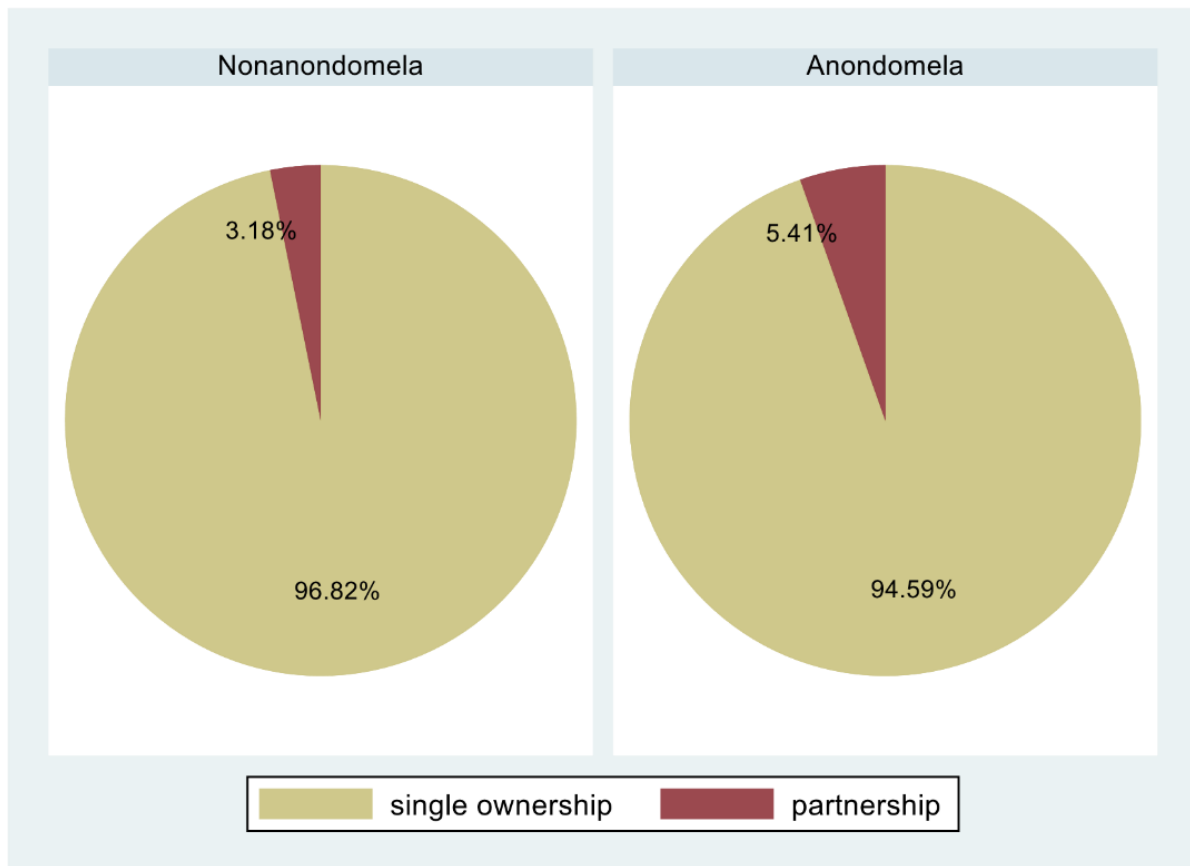
Appendix: Supplementary Materials

Figure A.1: District locations of Anondomela and Non-Anondomela Entrepreneurs



Source: BIDS Survey, 2021.

Figure A.2: Percentage distribution of enterprise ownership



Source: BIDS Survey, 2021.

Table A.3.1: District-wise distribution of enterprise

(1)	(2)	(3)	(4)	(5)	(6)
Anondomela			Non-Anondomela		
District	Frequency	Percent	District	Frequency	Percent
Bagerhat	1	0.68	Bagerhat	6	2.12
Bogura	5	3.38	Bandarban	20	7.07
Barishal	1	0.68	Barishal	1	0.35
Brahmanbaria	1	0.68	Bhola	6	2.12
Chandpur	2	1.35	Bogura	1	0.35
Chattogram	7	4.73	Barguna	4	1.41
Chuadanga	1	0.68	Chandpur	12	4.24
Cumilla	4	2.7	Chattogram	15	5.30
Dhaka	84	56.76	Cox's Bazar	5	1.77
Feni	1	0.68	Cumilla	5	1.77
Hobiganj	2	1.35	Dhaka	11	3.89
Jamalpur	1	0.68	Faridpur	5	1.77
Jhinaidah	1	0.68	Gaibandha	8	2.83
Jashore	4	2.7	Gazipur	4	1.41
Joypurhat	1	0.68	Gopalganj	5	1.77
Khulna	2	1.35	Jamalpur	14	4.95
Kishoreganj	1	0.68	Khagrachari	20	7.07
Kurigram	1	0.68	Khulna	7	2.47
Kushtia	3	2.03	Kurigram	36	12.72
Laksmipur	1	0.68	Kushtia	5	1.77
Lalmonirhat	1	0.68	Lalmonirhat	6	2.12
Magura	2	1.35	Mymensingh	6	2.12
Manikganj	1	0.68	Narayanganj	3	1.06
Maymensingh	2	1.35	Nilphamari	5	1.77
Munshiganj	1	0.68	Noakhali	4	1.41
Moulvibazar	2	1.36	Patuakhali	9	3.18
Narayanganj	1	0.68	Rajshahi	5	1.77
Natore	1	0.68	Rangamati	20	7.07
Netrakona	1	0.68	Rangpur	4	1.41
Pabna	1	0.68	Satkhira	22	7.77
Rajbari	1	0.68	Sirajganj	1	0.35
Rajshahi	4	2.70	Sunamganj	6	2.12
Rangamati	1	0.68	Sylhet	2	0.71
Rangpur	1	0.68			
Satkhira	1	0.68			
Sirajganj	1	0.68			
Sylhet	1	0.68			
Tangail	1	0.68			
	148	100.00		283	100.00

Source: BIDS Survey, 2021.

Table A.3.2: Previous primary occupation of the women entrepreneurs

(in percent)

Previous occupation	Anondomela	Non-Anondomela
Self-Employed	8.03	12.92
Government and non-government jobs	37.96	15.59
Unemployed	1.46	3.80
Others	52.55	67.69

Source: BIDS Survey, 2021.

Table A.3.3: Distribution of the efficiency level for mobile phone use

(in percent)

Efficiency level	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Anondomela					Non-Anondomela				
	Self	Husband	Father	Mother	Children	Self	Husband	Father	Mother	Children
Do not know	--	4.90	31.54	35.29	37.73	7.42	21.58	35.39	41.11	57.35
Slightly familiar	0.68	3.50	15.38	12.75	13.20	22.61	18.71	17.28	22.22	14.70
Average	10.81	10.49	12.31	12.75	11.20	38.87	31.65	24.69	20.56	11.76
More than average	35.81	30.77	19.23	20.59	18.86	25.44	19.78	15.64	11.67	13.23
Excellent	52.70	50.35	21.54	18.63	18.86	5.65	8.27	7.00	4.44	2.94

Source: BIDS Survey, 2021.

Table A.3.4: Distribution of the efficiency level for laptop use

(in percent)

Efficiency level	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Anondomela					Non-Anondomela				
	Self	Husband	Father	Mother	Children	Self	Husband	Father	Mother	Children
Do not know	11.49	21.68	55.38	59.80	71.69	80.92	84.17	88.89	87.22	69.85
Slightly familiar	12.16	6.99	10.00	6.86	5.66	5.30	2.52	4.12	3.33	2.20
Average	29.05	9.09	11.54	13.73	3.77	9.89	5.76	2.06	5.00	0.73
More than average	18.24	25.87	6.92	7.84	1.88	2.83	5.40	4.12	4.44	2.20
Excellent	29.05	36.36	16.15	11.76	16.98	1.06	2.16	0.82	--	0.73

Source: BIDS Survey, 2021

Table A.3.5: Distribution of the efficiency level for internet use

(in percent)

Efficiency level	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Anondomela					Non-Anondomela				
	Self	Husband	Father	Mother	Children	Self	Husband	Father	Mother	Children
Do not know	--	8.39	--	41.18	26.41	42.76	49.28	55.14	61.67	72.79
Slightly familiar	1.35	2.10	8.46	9.80	9.43	16.61	11.15	12.35	8.89	5.88
Average	11.49	9.09	12.31	14.71	9.43	15.90	22.30	15.64	13.89	10.29
More than average	31.08	29.37	20.00	14.71	16.98	15.19	8.99	12.76	11.11	5.14
Excellent	56.08	51.05	20.00	19.61	18.86	9.54	8.27	4.12	4.44	5.88

Source: BIDS Survey, 2021.

Table A.3.6: Internet used to communicate with customers and suppliers

(in percent)

	Anondomela	Non-Anondomela
Use emails to communicate with customers and suppliers	13.4	13.85
Use online platforms for buying products and other benefits	25.04	24.4
Use the internet for digital financial management: online banking	20.41	21.32
Use internet connections to submit business tenders	10.05	10.33
Use internet for collecting business-related information	31.1	30.11

Source: BIDS Survey, 2021.