



An Analysis of Institutional Credit Pattern of Women Entrepreneurs

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Source of Support: None

No Conflict of Interest: Declared

ABSTRACT

This is an analytical paper. The aim of this paper is to find out which patterns of credit are frequently used by the women entrepreneurs. The result of this paper will help the policy makers of financial institutions to decorate their schemes, especially for the women entrepreneurs. The researcher has used simple percentage analysis and graph to present the information with the help of Microsoft Excel 2007. The major findings of this paper are most of the women entrepreneurs are pleased to use institutional credit and they prefer private bank to get their credit. Most of them prefer to withdraw three hundred thousand to five hundred thousand taka as credit, interest rate nine percent to eleven percent, credit period two years to five years, installment monthly and the preferable monthly amount is five thousand to ten thousand taka.

Keywords: Women, entrepreneurs, credit, institutions, pattern

INTRODUCTION

There have huge works on women entrepreneurs in the world. But there have a few works on women entrepreneurs' institutional credit pattern, obviously in the Sylhet city in Bangladesh. For this reason, the researcher has chosen this topic.

The significance of the study: The findings of this study will help the policymakers of the financial institutions to formulate their policy. The normal people or the researchers or research fellow will have specific knowledge on women entrepreneurs' credit pattern.

The objectives of the study: To analyze the pattern of institutional credit and to find out which patterns of credit are frequently used by the women entrepreneurs.

Limitations: This study is based only in the Sylhet city, so it may not be represented all over Bangladesh. Sometimes women entrepreneurs are unwilling to provide the information. Some women entrepreneurs are conservative minded, so it is difficult to collect the information from them.

Previous Study

The researcher has studied several articles, journals, books, and magazines to develop the basic idea regarding the women entrepreneurs' institutional credit patterns. Most of the articles are about the business of the women

entrepreneurs, the challenges of women entrepreneurs, venture capital of women entrepreneurs, use of microcredit of women entrepreneurs, etc. But a very little study is related to the institutional credit pattern of women entrepreneurs. So, here has given a brief of that previous study.

METHODS OF THE STUDY

Data collection period: Data collection period is August 2017 to January 2018.

Data collection area: Sylhet city, Bangladesh

Population: All the women entrepreneurs in the Sylhet city address as the population in this paper.

Sample size: The sample size of this study is 53. The researcher has collected data from 91 entrepreneurs in Sylhet city. But here has considered only 53 data as because they use only institutional credit to run their business.

Sampling procedure: The researcher has used a random sampling procedure to represent the population.

Instruments: In this paper, the researcher uses full structured, close-end questionnaire to collect the data from the women entrepreneurs in the Sylhet city in Bangladesh. The researcher has used percentage analysis and graph with the help of Microsoft Excel 2007 to present the information.



Table 1: Previous Study

Year	Author(s)	Topic(s)	Major Finding(s)
1993	Auken et al.	Acquisition of Capital by Women Entrepreneurs: Patterns of Initial and Refinancing Capitalization	a) Opening debt capital was obtained mainly from lending institutions. b) Short-term borrowing was familiar. c) Almost 20 percent of the women-owned firms refinanced both the principal and interest on the short-term loan at maturity. d) The new long-term capital was acquired principally from lending institutions.
2006	Constantinidis et al.	Financing of Women-Owned Ventures: The Impact of Gender and Other Owner- and Firm-Related Variables	Women's financing patterns a) Less significant initial capital. b) Using personal savings, credit cards or loans from family and friends more than men do. c) Near to the ground use of institutional loans. d) Using bank loans or commercial credit much less than men do.
2006	Sreedharan	A study of micro enterprises under self-help groups, with special reference to Kudumbashree mission Kerala	a) Negative attitude of banks towards them, b) Delay in sanctioning loans, c) Insufficient size of the loan, d) Lack of ability of collateral securities, e) Strict repayment schedule, f) Ignorance of banking procedure etc. g) Institutions and banks do not come forward to lend loan to women entrepreneurs who are basically housewives, with less exposure to business. h) They do not have collateral securities, and so they were unable to get financial assistance from the financial institutions easily. i) Banks also take a negative attitude while providing finance to women entrepreneurs, thinking they leave their business at any time. j) The banker treats the women entrepreneur as a mobile-citizen, whenever woman married they may move to their husband's place.
2011	Halkias et al.	Challenges facing women entrepreneurs in Nigeria	a) They use microcredit from micro financial institutions.
2013	Chander & Arora	Study of Financial Problems of Women Entrepreneurs	a) The reluctance of officials to finance women entrepreneurs are the main problems.
2014	Kuchnur	Women Entrepreneurs: Classification, Problems, and Remedies	a) Inability to provide tangible security. b) Banks have also taken a negative attitude while sanctioning financial assistance to women entrepreneurs.
2015	Gedion et al.	Effects of Women Enterprise Fund Loan on Women Entrepreneurs a Survey of Small and Medium Enterprises in Eldoret Town, Kenya	a) Long procedures involved in the application and long processing, b) Delay in loan disbursement, c) Lack of security/ collateral, d) The high cost of acquiring the loan.
2015	UNIDO	Access to finance for youth and women entrepreneurs in Myanmar	a) They often have difficulties to meet collateral requirements for formal loans; b) Women, compared to male counterparts, have a relatively better loan repayment rate.
n.d.	Swaniti Initiative	Women Entrepreneurship in India	a) Lack of collateral.

Source: Author's Compilation based on research data, 2018

ANALYSIS AND FINDINGS

Personal Information of Women Entrepreneurs

Table 2: Personal Information of Women Entrepreneurs

Age (Years)		Religious	
Less than 25	00.00%	Muslim	94.34%
26 to 30	03.77%	Hindu	01.89%
31 to 34	39.62%	Christian	00.00%
Over 35	56.60%	Buddhists	03.77%
Education		Marital Status	
Below SSC	07.55%	Married	92.45%
SSC	11.32%	Unmarried	07.55%
HSC	16.98%	Divorced	00.00%
Bachelor	33.96%		
Masters	30.19%		
Others	00.00%		

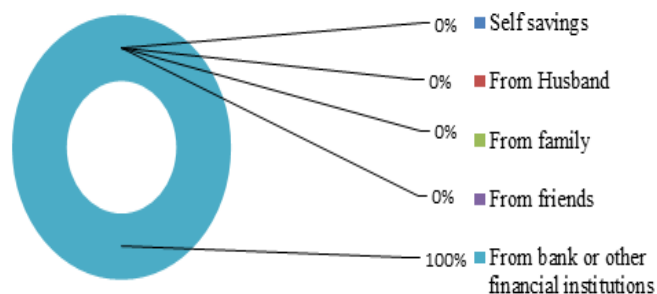
Source: Author's Compilation based on research data, 2018

From the table it is seen that most of the women entrepreneurs are middle-aged, i.e., over the age of 35 years is 56.60%, the rest age group is 31 years to 34 years (39.62%). Most of them are Muslims in religious (94.34%), and married (92.45%). In the terms of education, most of the entrepreneurs in the Sylhet city are the well educated person. 33.96% has the bachelor degree and 30.19% has the master degree. So they are the first class citizen in the country.

Institutional Credit Analysis

Sources of Capital

Figure 1: Sources of Capital



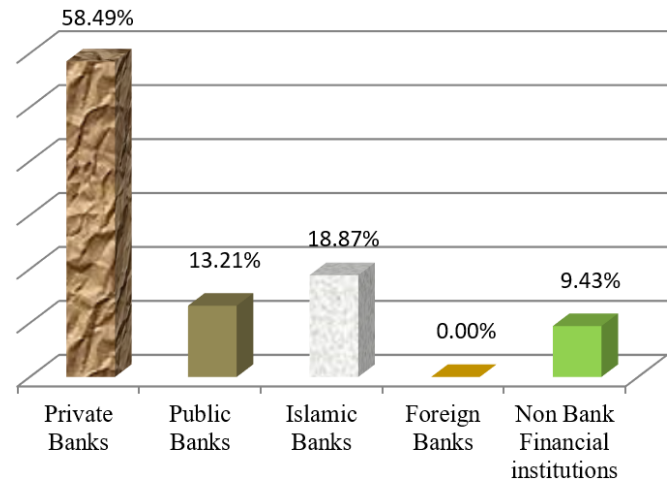
Source: Author's Compilation based on research data, 2018

The research is about the analysis the institutional credit, so it is very simple that all the information is related to this matter and the above figure shows that statement.

Types of Financial Institutions

From the figure 2, it is seen that most of the women entrepreneurs (53.49%) take credit from private commercial banks. Then they choose Islamic commercial banks (18.87%), Public commercial banks (13.21%), and nonbank financial institutions (9.43%). It seems that they prefer private commercial banks to take credit.

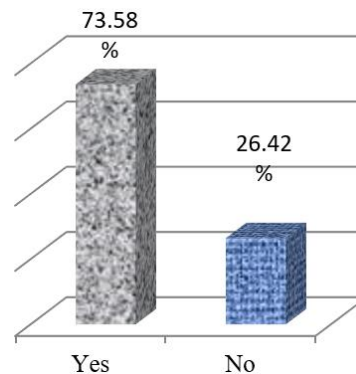
Figure 2: Types of Financial Institutions



Source: Author's Compilation based on research data, 2018

The Bank asks husband's permission

Figure 3: The Bank asks husband's permission

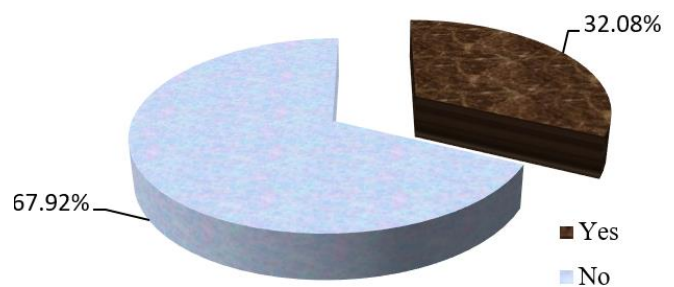


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (73.58%) argued that bank asks them to get husband's permission to get the credit. It is not a good sign for them. It seems that they are not still free to get the credit. The researcher thinks that it should be changed because the society wants them to be free entrepreneurs.

Required any Experience

Figure 4: Required any experience



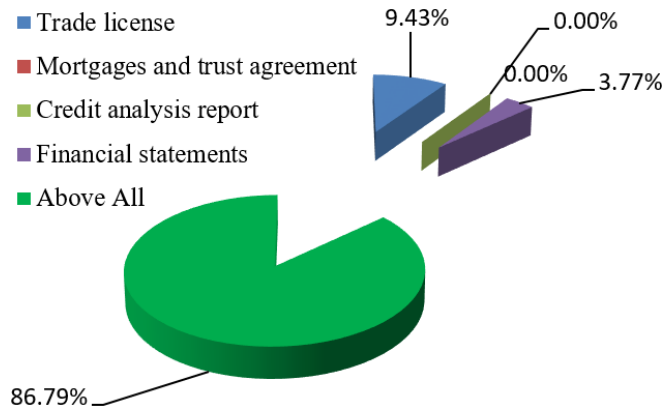
Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (67.92%) have said that they need not

require any experience to get the credit. On the other hand, 32.08% argued they need previous experience to get the credit. Actually, this depends on the financial institution's credit policy. But the researcher thinks that it should be flexible for women entrepreneurs.

Documents are needed to get Credit

Figure 5: Documents are needed to get Credit

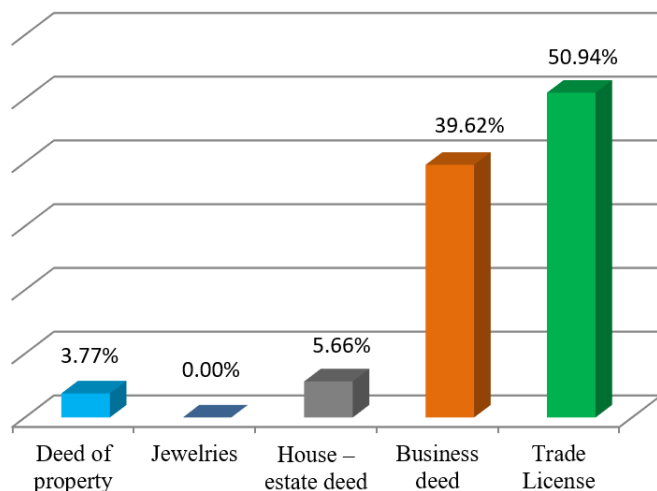


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (86.79%) have said that they need trade license, mortgage and trust agreement, credit analysis report and financial statement to get credit from the financial institutions. That means most financial institutions asked to show these documents to sanction of that credit for the women entrepreneurs. Only 9.43% women entrepreneurs have said they need only trade license to get the credit.

Security against the Credit

Figure 6: Security against the Credit

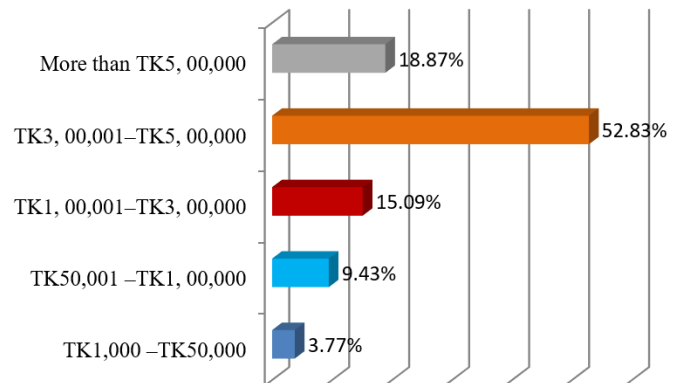


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (50.94%) submit trade license to get the credit and 39.62% women entrepreneurs submit business deeds to get the credit.

Beginning Credit to Start a Business

Figure 7: Beginning Credit to Start a Business

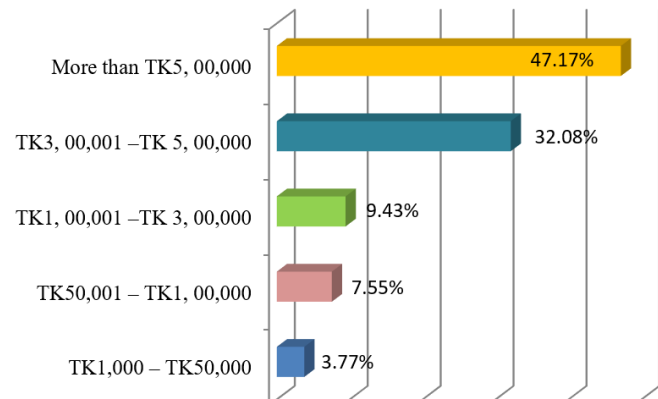


Source: Author's Compilation based on research data, 2018

From the above figure, it is seen that most of the women entrepreneurs (52.83%) start their business with the credit of three hundred thousand to five hundred thousand taka. 18.87% women entrepreneurs start their business with the credit of more than five hundred thousand taka. 15.09% women entrepreneurs start their business with the credit of one hundred thousand to three hundred thousand taka and then taka fifty thousand to one hundred thousand is 9.43% , and less than fifty thousand is 3.77%.

Applied for Credit

Figure 8: Applied for Credit



Source: Author's Compilation based on research data, 2018

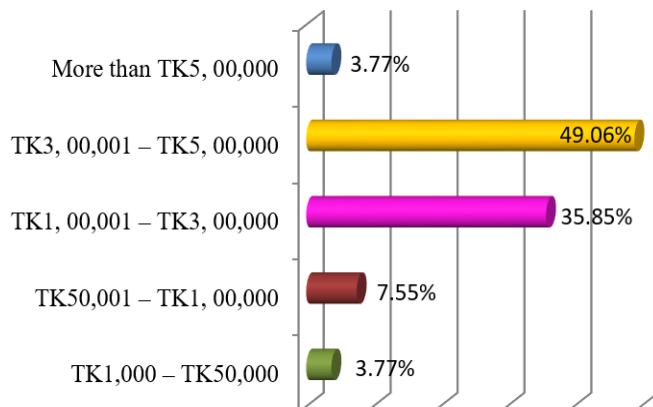
From the data analysis, it is seen that 47.17% women entrepreneurs applied for more than five hundred thousand taka as a credit to their respected institutions and 32.08% women entrepreneurs applied for three hundred thousand to five hundred thousand take as a credit.

Sanctioned Credit

From the data analysis in Figure 9, it is seen that most of the women entrepreneurs (49.06%) got three hundred thousand to five hundred thousand taka as a credit from the respected financial institutions. 35.85% women entrepreneurs have got one hundred thousand to three hundred thousand taka and only 3.77% women

entrepreneurs have got more than five hundred thousand taka as a credit from the financial institutions.

Figure 9: Sanctioned Credit (they have got)

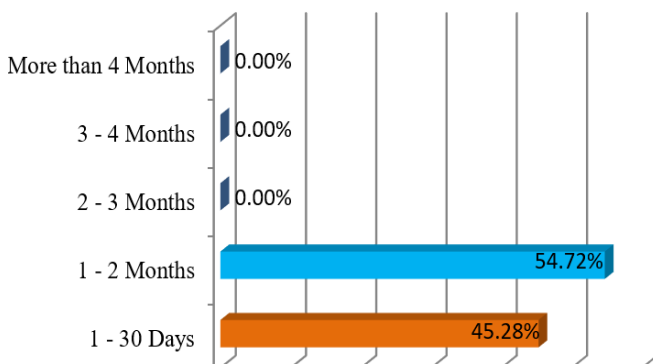


Source: Author's Compilation based on research data, 2018

The researcher has a desire to find out there has any deviation between the applied amount of credit and the sanction of credit. The researcher has found a little bit difference between these two. Most of the women applied for more than five hundred thousand taka as a credit but most of them have got three hundred thousand to five hundred thousand taka as a credit. The researcher has asked this matter to them why have some this deviation. Most of them argued the matter is 'security'. On the other hand, those who applied for one thousand to fifty thousand and those who have applied for fifty thousand to one hundred thousand taka they have got a full amount of credit. It seems that financial institutions prefer a small amount of credit, especially for the women entrepreneurs, and the research shows that the range of that credit is one thousand taka to five hundred thousand taka. That is SMEs Credit schemes for the women entrepreneurs.

Waiting Time to Get the Credit

Figure 10: Waiting Time to Get Credit

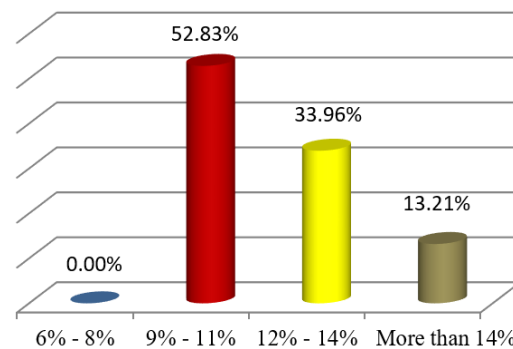


Source: Author's Compilation based on research data, 2018

Form the figure it is seen that most of the women entrepreneurs (54.72%) have to wait one month to two months to get the credit. On the other hand, 45.28% women entrepreneurs have to wait one day to 30 days to get the credit.

Interest Rate

Figure 11: Interest Rate

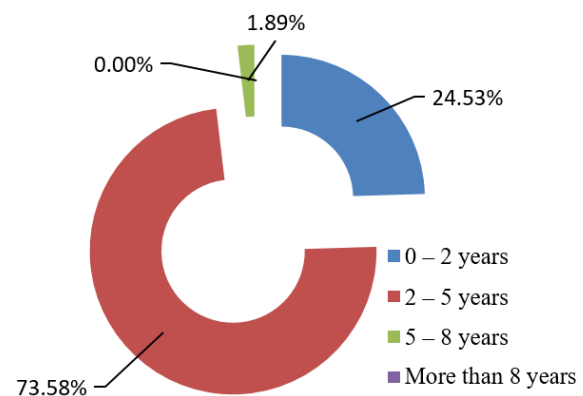


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs have said that they prefer nine to eleven percent interests on their credit, and no one has said that they have below nine percent interests on their credit. 33.96% women entrepreneurs have said they have to pay twelve to fourteen percent of interest on their credit.

Credit Period

Figure 12: Credit Period

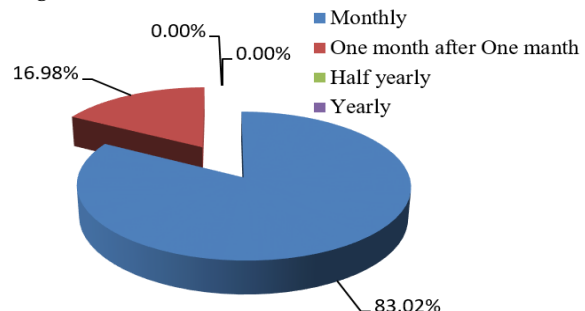


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (73.58%) take credit for the period of two years to five years. 24.53% women entrepreneurs have drawn their credit for the period of less than two years.

Installment

Figure 13: Installment

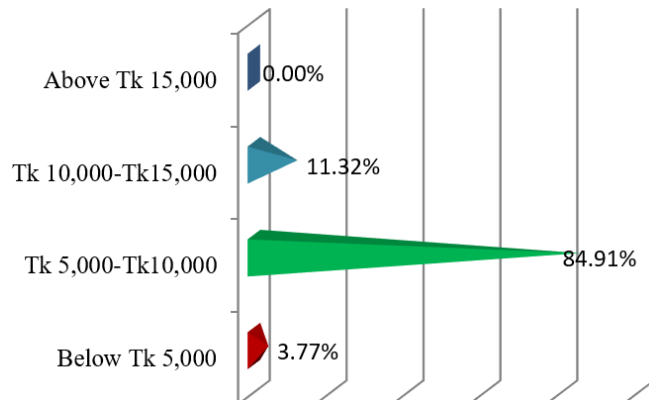


Source: Author's Compilation based on research data, 2018

From the figure 13, it is seen that most of the women entrepreneurs (83.02%) pay their installment monthly basis and rest of them (16.98%) pay one month after one month basis.

Preferable Installment Amount

Figure 14: Preferable Installment Amount

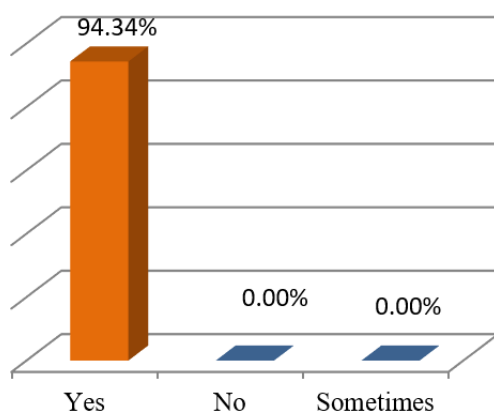


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (84.91%) prefer to pay installment between five thousand taka to ten thousand taka. Only 3.77% prefers below five thousand and 11.32% prefers ten thousand to fifteen thousand taka as installment. Here the researcher has asked preferable installment amount instead of the women entrepreneurs' installment. Because it will be the guidelines for the policy maker of women entrepreneurs credit schemes.

Pay in Time

Figure 15: Pay in time



Source: Author's Compilation based on research data, 2018

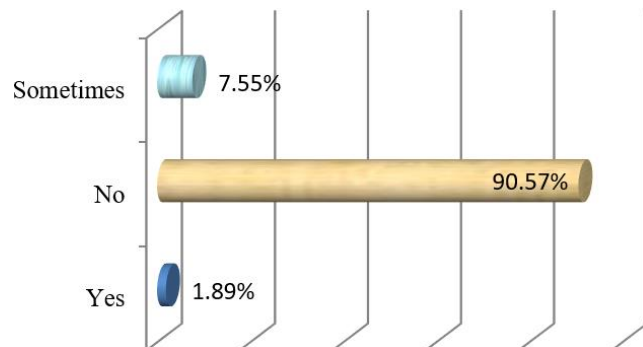
From the figure, it is seen that 94.34% women entrepreneurs pay their credit installments in time and rest 5.66% did not say anything about this matter.

If delayed to pay in time, any problem

From the figure 16, it is seen that most of the women said that they face no problem if the payment is delayed. It is also a good sign of well entrepreneurial in the city because

the institutions provide support to the women entrepreneurs. It is very nature to delay payment sometimes, it is needed that support for them.

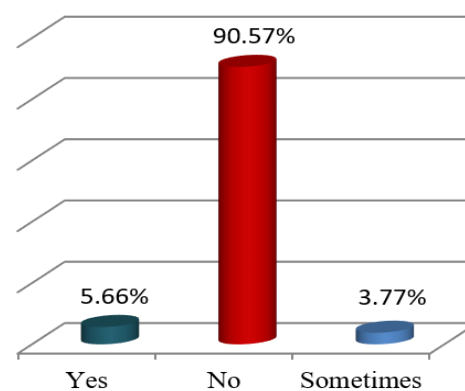
Figure 16: If delayed to pay in time, any problem



Source: Author's Compilation based on research data, 2018

Any phone call about the credit Installment from Institutions

Figure 17: Any phone call about the credit Installment from Institutions

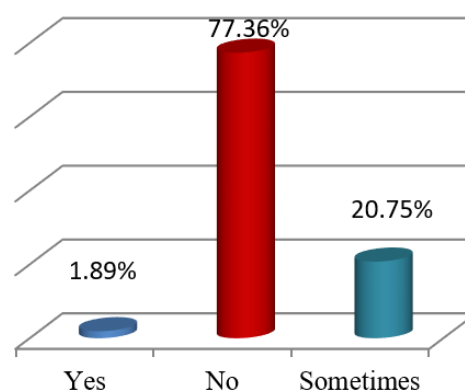


Source: Author's Compilation based on research data, 2018

From the figure, it is clear that they pay in time, so, the institutions didn't call them regarding the credit. 90.57% women entrepreneurs have said they didn't get any phone call from their institutions.

Any problem to pay the credit installments

Figure 18: Any problem to pay the credit installments

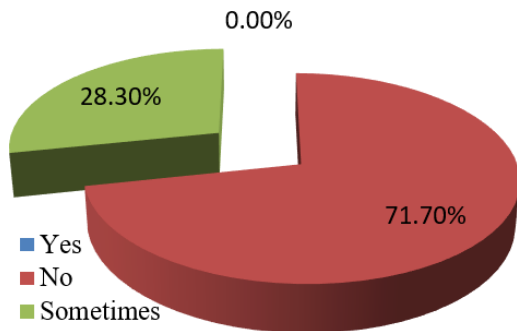


Source: Author's Compilation based on research data, 2018

From the figure, it is seen that most of the women entrepreneurs (77.36%) are not facing any problem to pay the installments. It is shows that in here they do their business well and run their family well. It is good sign of well women entrepreneurial in this city. Society takes it positive.

Installments are higher than expectations

Figure 19: Installments are higher than expectations

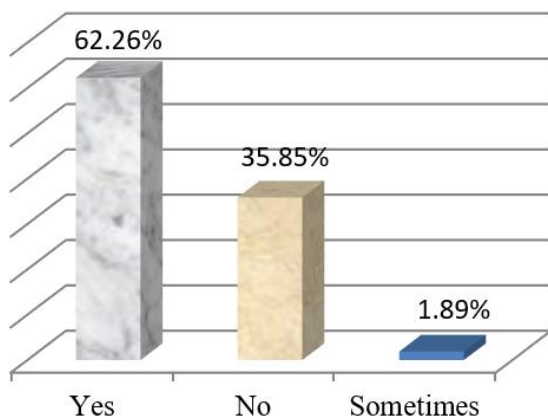


Compilation based on research data, 2018

From the figure, it is seen that, most of the women entrepreneurs (71.70%) are satisfied the amount of their credit installments. The rest of them said it is higher for sometimes.

Family support to pay the credit

Figure 20: Family support to pay the credit



Source: Author's Compilation based on research data, 2018

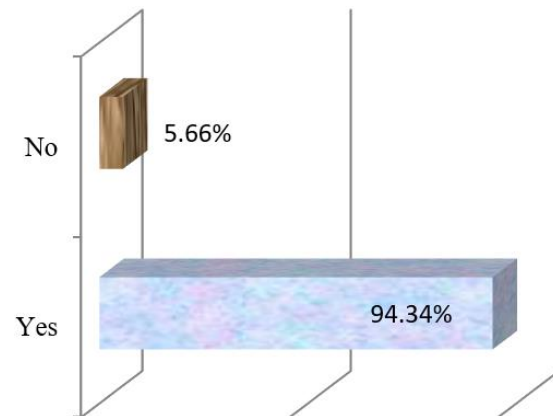
From the figure, it is seen that most of the women entrepreneurs (62.26%) have the family support to pay the credit. Obviously, it is a good sign to enhancement of women entrepreneurs.

Satisfied with the behavior of personnel

From the figure 21, it is seen that most of the women entrepreneurs are pleased with the behavior of bank personnel. So, it is good sign that they will go again in that institutions for credit. The researcher has also asked such type of questions. That is here:

If the financial institution gives an opportunity to take credit, do you take? The answer is *yes*, because they are happy to use institutional credit.

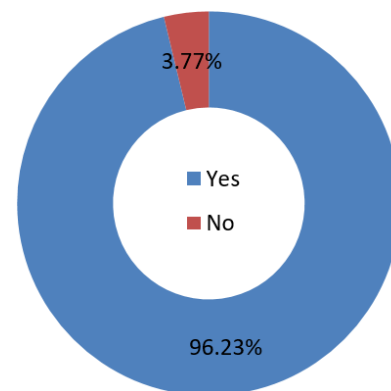
Figure 21: Satisfied with the behavior of personnel



Source: Author's Compilation based on research data, 2018

Again Credit

Figure 22: Again Credit



Source: Author's Compilation based on research data, 2018

From the figure, it is clear that most of the entrepreneurs are willing to take credit again. So, it is a good sign for the institutions.

CONCLUSIONS

From the previous study it is seen that the women entrepreneurs are facing different problems to get credit from the financial institutions. As like collateral problem, negative bankers' attitudes, and loan sanction delay, etc. But the researcher has found different results from them.

At the time of conclusion, the researcher would like to discuss in a nut shell of this research paper:

The Précis			
	Items	Conditions	Comments
01	Sources of Capital	100% - institutional credit	The research is about this matter.
02	Types of Financial Institutions	53.49% - private commercial banks	It seems that they prefer private commercial banks to take credit.
03	The Bank asks	73.58% - Yes	It seems that they are not still free to get the credit,

	husband's permission		as like men in the society.
04	Required any Experience	67.92% - No	It is a good sign for the women entrepreneurs for the institutional credit because it is beneficial for the new business women.
05	Documents are needed to get Credit	86.79% - trade license, mortgage agreements, etc	It will give a basic idea for the new women entrepreneurs about the necessary documents.
06	Security against the Credit	50.94% - trade license	Most of the women entrepreneurs use their trade license as collateral for the financial institutions.
07	Beginning Credit to Start a Business	52.83% - three hundred thousand to five hundred thousand taka	Their initial capital is supplied by the institutions. It is a good sign of good environment of women entrepreneurial.
08	Applied for Credit	41.17% - more than five hundred thousand taka	Most of the women entrepreneurs applied more than five hundred thousand taka for credit. If they have got, it will be very helpful for them to run their business well.
09	Sanctioned Credit	49.06% - three hundred thousand to five hundred thousand taka	There has a deviation application of credit and sanctioned of credit. It may be the matters of institutions regarding their policy or the matters of collateral. It is the high time to think it again for the institutional credit.
10	Waiting time to get Credit	54.72% - one month to two month to get the credit	If the financial institutions wish to deliberate their credit within 30 days, it is not impossible. It will be better for the women entrepreneurs.
11	Interest Rate	52.83% - nine to eleven percent interests on their credit	Interest rate for the women entrepreneurs should be lower, because they take struggle in their life. It is a struggle to pay 9% to 11% interest rate on their credit amount.
12	Credit Period	73.58% - take credit for the period of	Most of the women entrepreneurs have taken their credit for the two to five years. That means they uses SMEs

		two years to five years	loan from the institutions.
13	Installment	80.02% - pay their installment monthly basis	Most of the women entrepreneurs pay their installment monthly basis.
14	Preferable Installment Amount	84.91% - pay installment between five thousand taka to ten thousand taka	It is a good message for the policy maker to decorate their policy.
15	Pay in time	94.34% - pay their credit installments in time	It is a good sign that about all the women entrepreneurs pay their installment in time; it is also a good sign that they do their business well.
16	If delayed to pay in time, any problem	90.57% - No	It is a good sign of good institutions. They pay in time always. If sometimes delayed to pay, the institutions consider that matter.
17	Any phone call about the credit Installment from Institutions	90.57% - No	They didn't get any phone call about installment from their institutions. It seems the institutions trust them very much.
18	Any problem to pay the credit installments	77.36% - No	It is also a good sign that they do their business well.
19	Installments are higher than expectations	71.70% - No	It means that the installments are suitable for them to carry their business.
20	Family support to pay the credit	62.26% -Yes	It means that the women entrepreneurs are getting support from their family to pay the credit.
21	Satisfied with the behavior of personnel	94.34% -Yes	It is a good sign that the bank personnel have a positive attitude towards them.
22	Again Credit	96.23% - Yes	As they are happy to use institutional credit, so they take it again. So it is good sign for the women entrepreneurs.

The researcher has found positive environment for women entrepreneurs in Sylhet city, Bangladesh. The bank personnel have a positive attitude towards them. The family has a good support for them. Payment period and installment amount are enough for them. They will be more pleased if interest rate is lower than now. It is recommended for the policy makers. Now, though the

limitation of limited data, the information is enough to deliberate a formative decision. Finally it may be said that the financial environment is well to be become a woman entrepreneur in the Sylhet city in Bangladesh. The policy maker may consider the above matters to formulate credit policy for the women entrepreneurs.

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How to Cite: Ahsan, M. (2019). An Analysis of Institutional Credit Pattern of Women Entrepreneurs. *American Journal of Trade and Policy*, 6(1), 23-32.

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