

Offering support where it matters most: Insights from assessing ecosystem needs and their impact on women entrepreneurs

December 2024





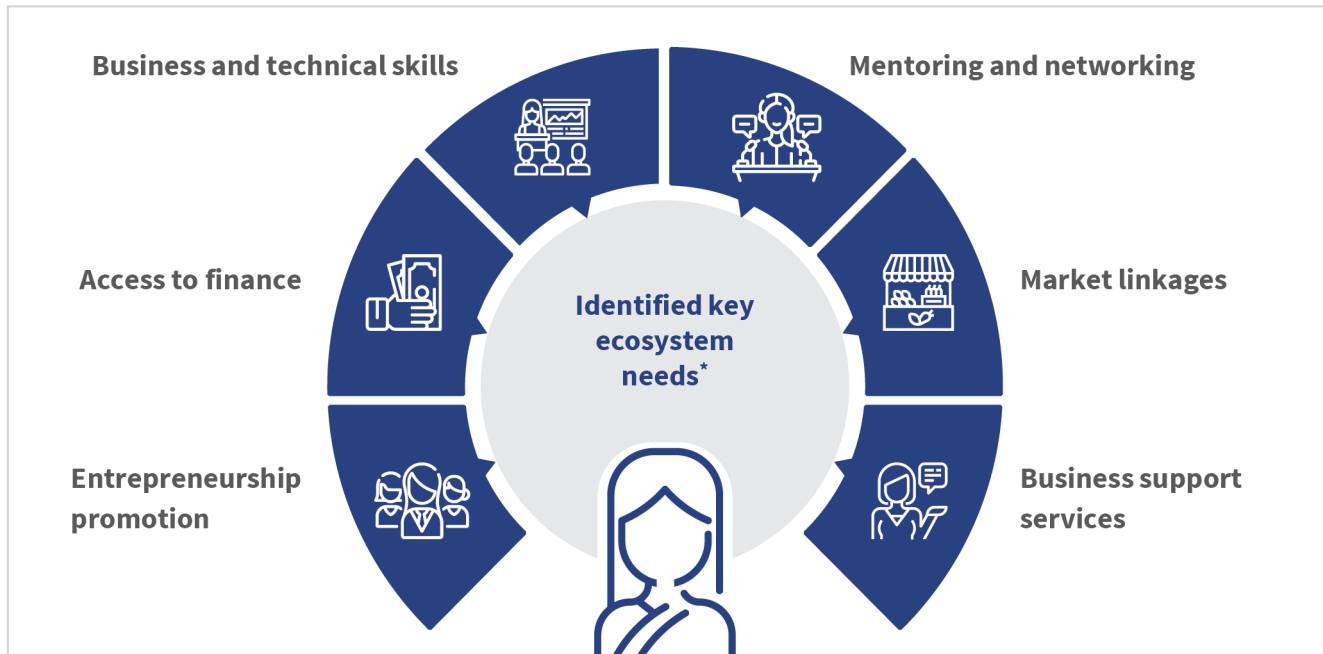
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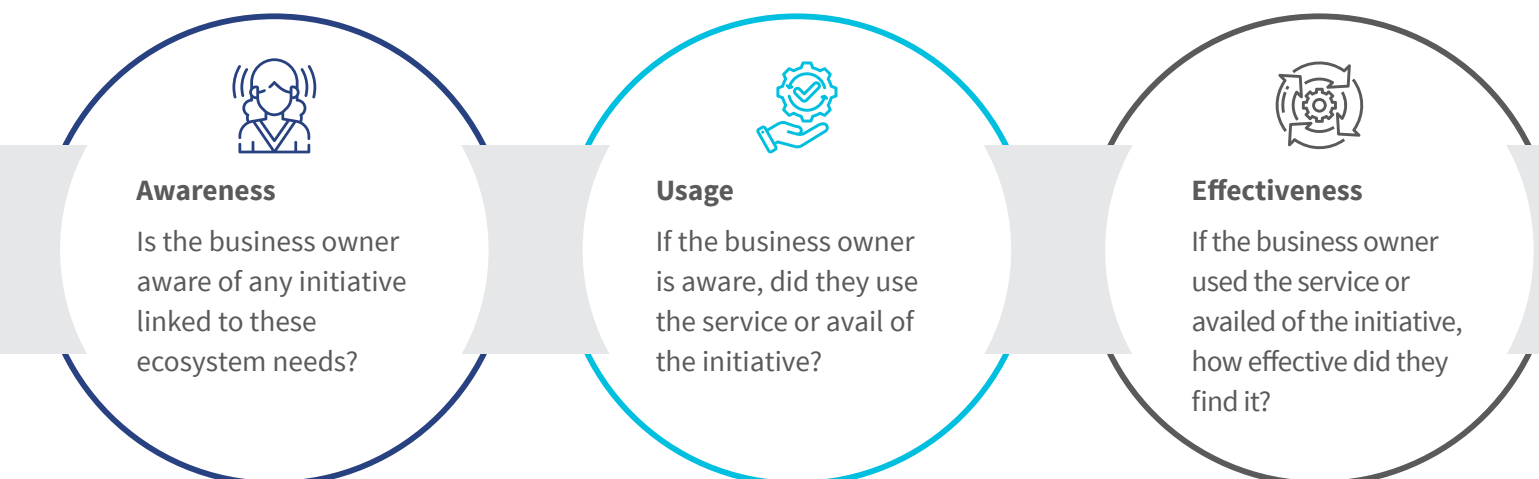
Study background

We assessed the fulfillment status of the six ecosystem needs among women business owners* through a cross-sectional survey



MSC has identified six ecosystem needs that are critical for an entrepreneur's or an enterprise's growth

We evaluated each need based on:



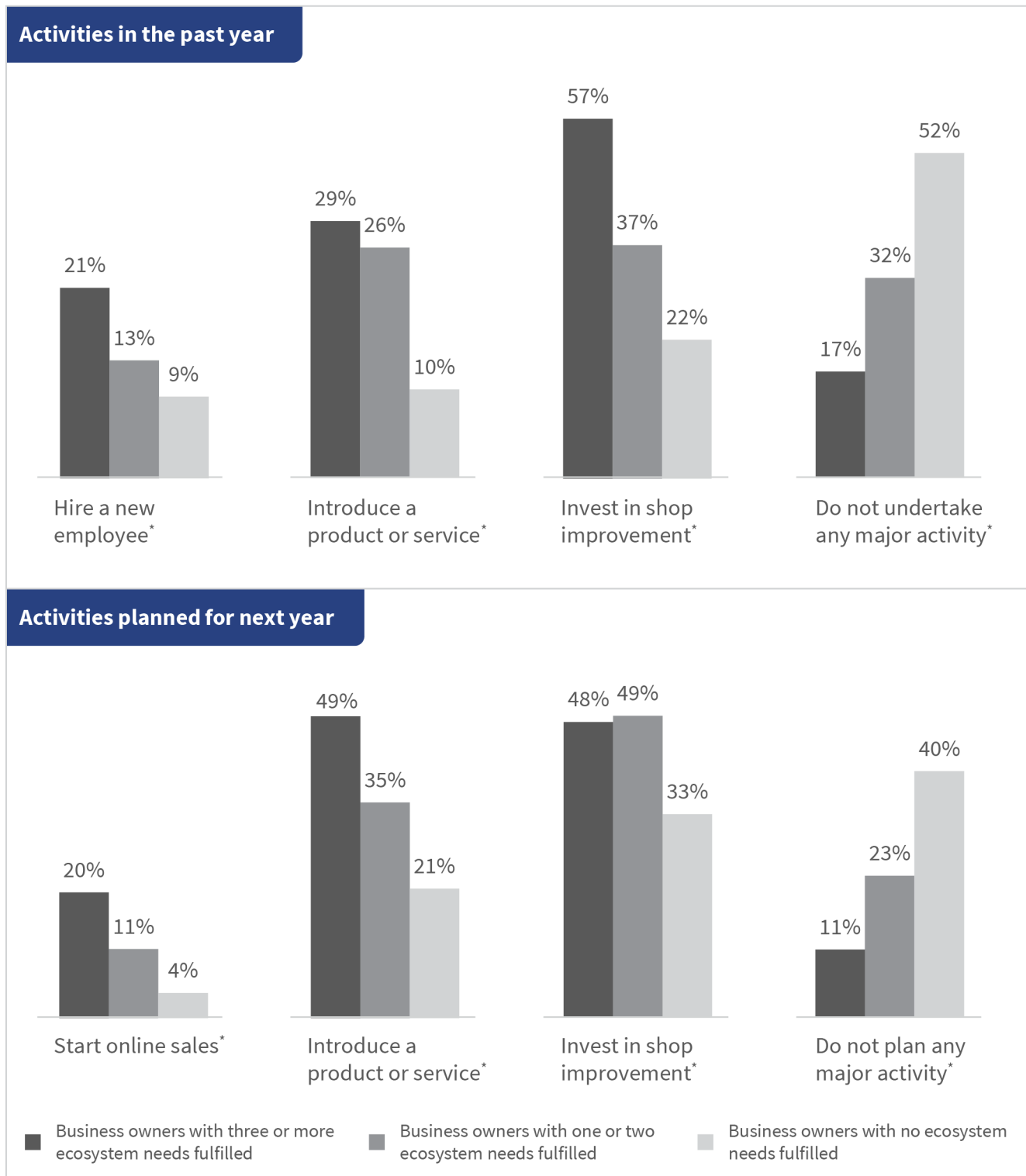
*These entrepreneurs are part of MSC's Women Business Diaries project in Bangladesh, funded by the BMGF.

A business owner's ecosystem need is met if they were aware of an initiative, used it, and found it effective.



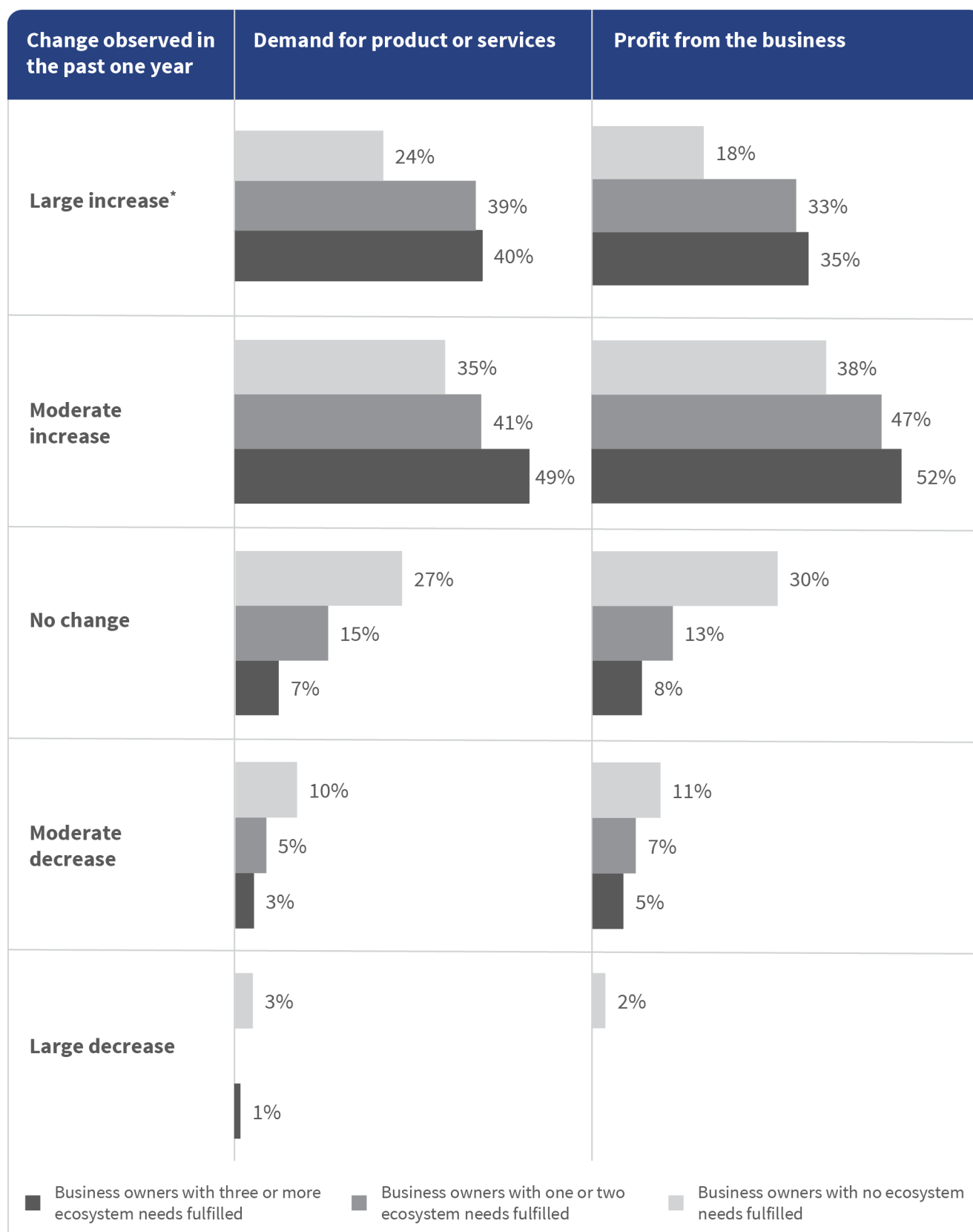
Key findings

Business owners whose ecosystem needs are met are more likely to take growth-oriented actions, whereas those with unmet needs report lower levels of such activity



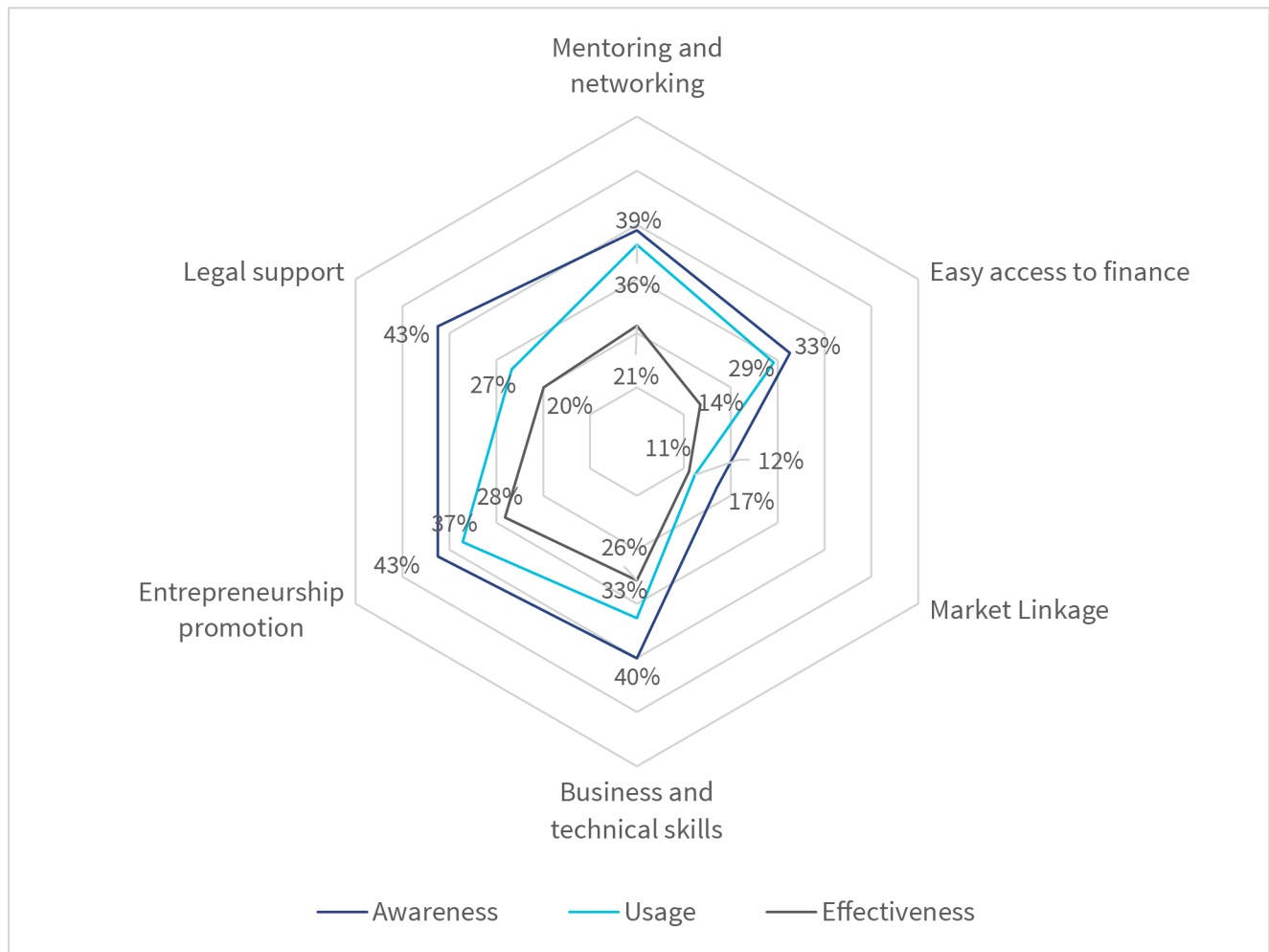
*The comparison is significant based on the chi-squared test, which was significant at the 0.05 level.

Business owners with more ecosystem needs met experience higher sales and profits



*The comparison is significant based on the chi-squared test, which was significant at the 0.05 level.

Two in 10 business owners can effectively fulfill their ecosystem needs



N = All respondents (412 women and 76 men)

1. Awareness of ecosystem needs remains a challenge across the six ecosystem components. Four in 10 business owners are aware of initiatives related to ecosystem needs.
2. People who are aware of different initiatives, except for legal support, are likely to participate in them.
3. The gap between the use of the initiatives and their reported effectiveness is the highest for “easy access to finance” and “mentoring and networking, which indicates an opportunity to strengthen these programs.

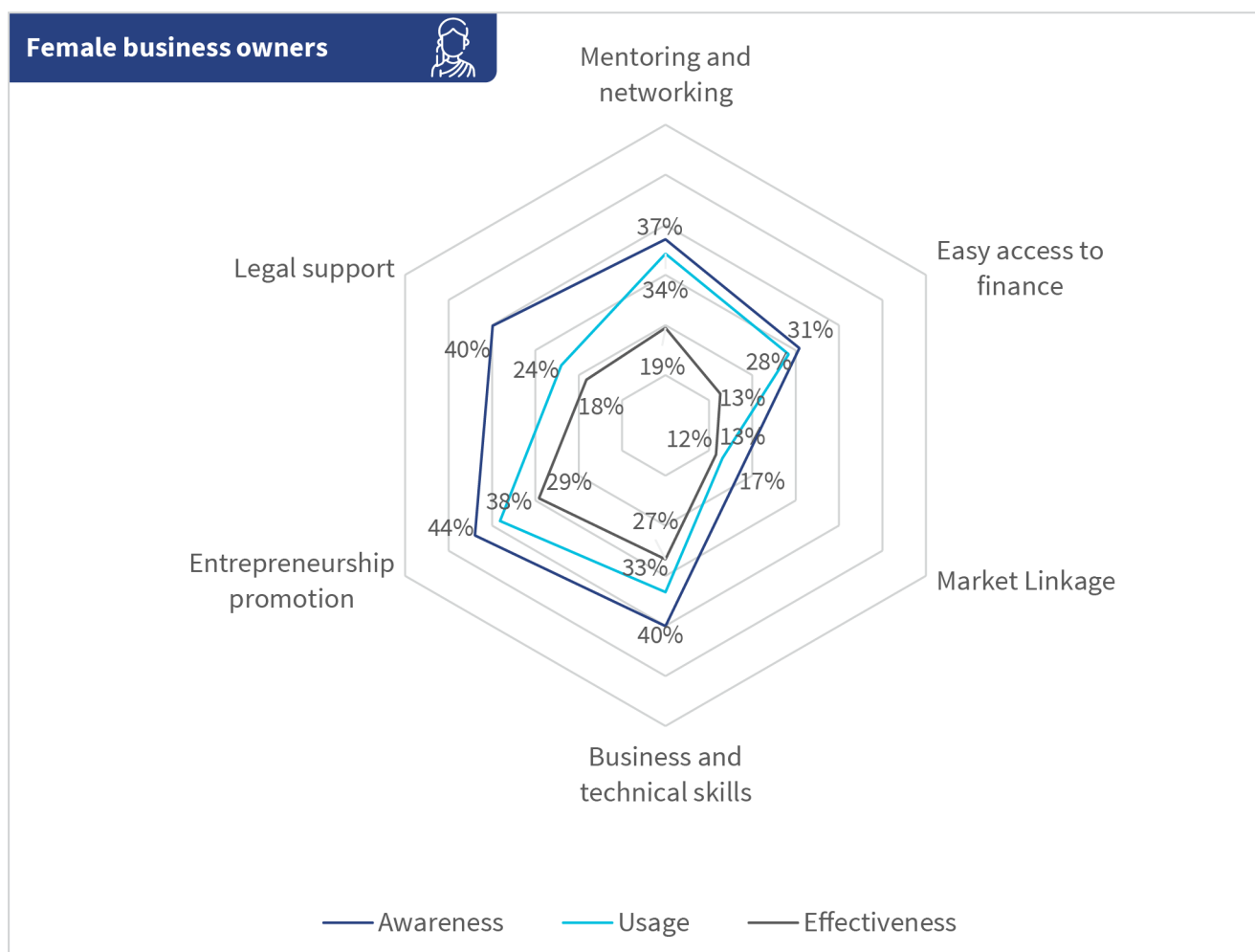
Awareness: This refers to the proportion of respondents who reported that they were aware of any initiative for a given ecosystem component;

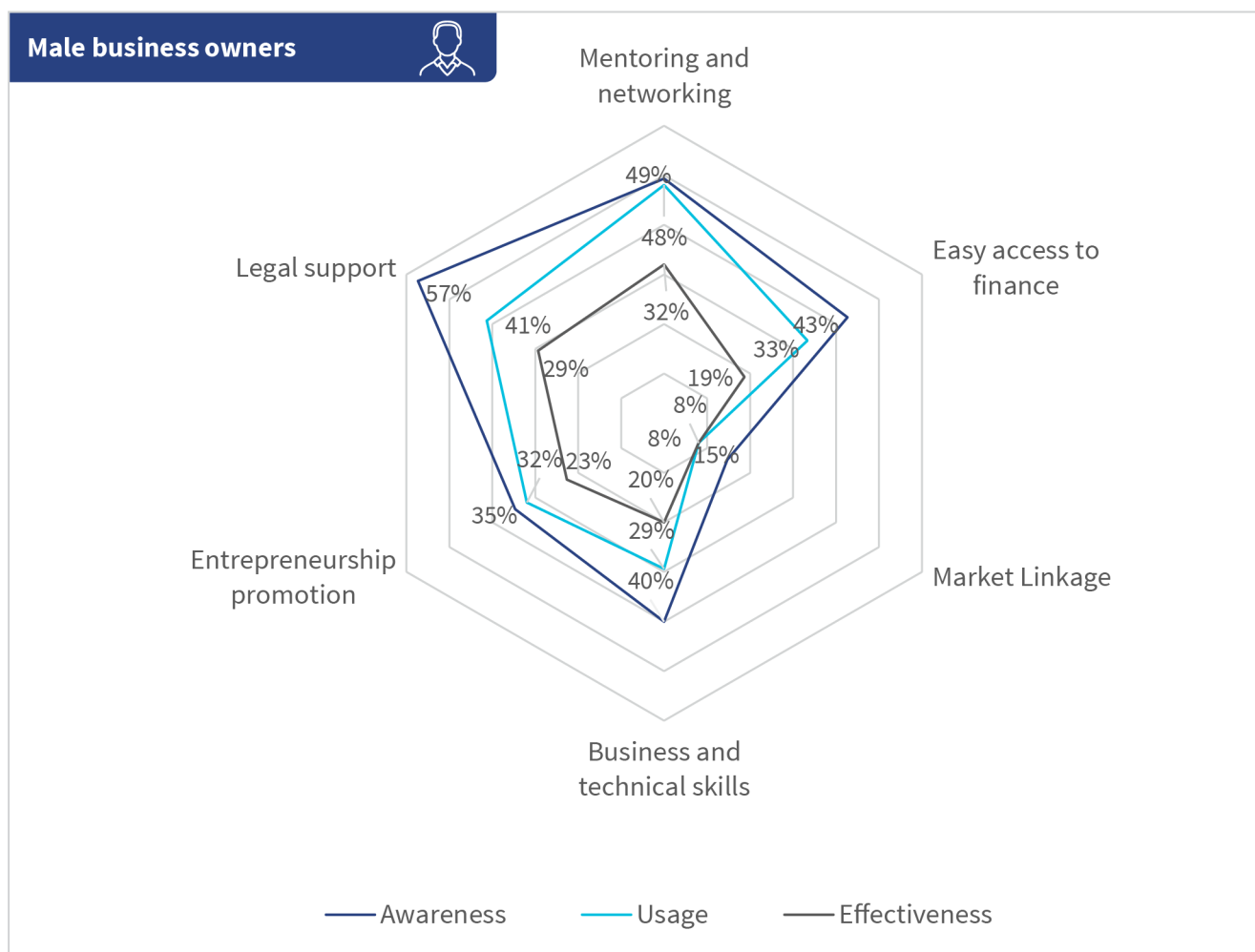
Usage: This refers to the proportion of respondents who reported that they availed of an initiative for a given ecosystem component;

Effectiveness: This refers to the proportion of respondents who reported that they availed of an initiative and found it very effective.

More male business owners are able to meet their needs around “legal support,” “mentoring and networking,” and “easy access to finance”

Gender parity is observed in market linkages, training or skilling, and entrepreneurship promotion.





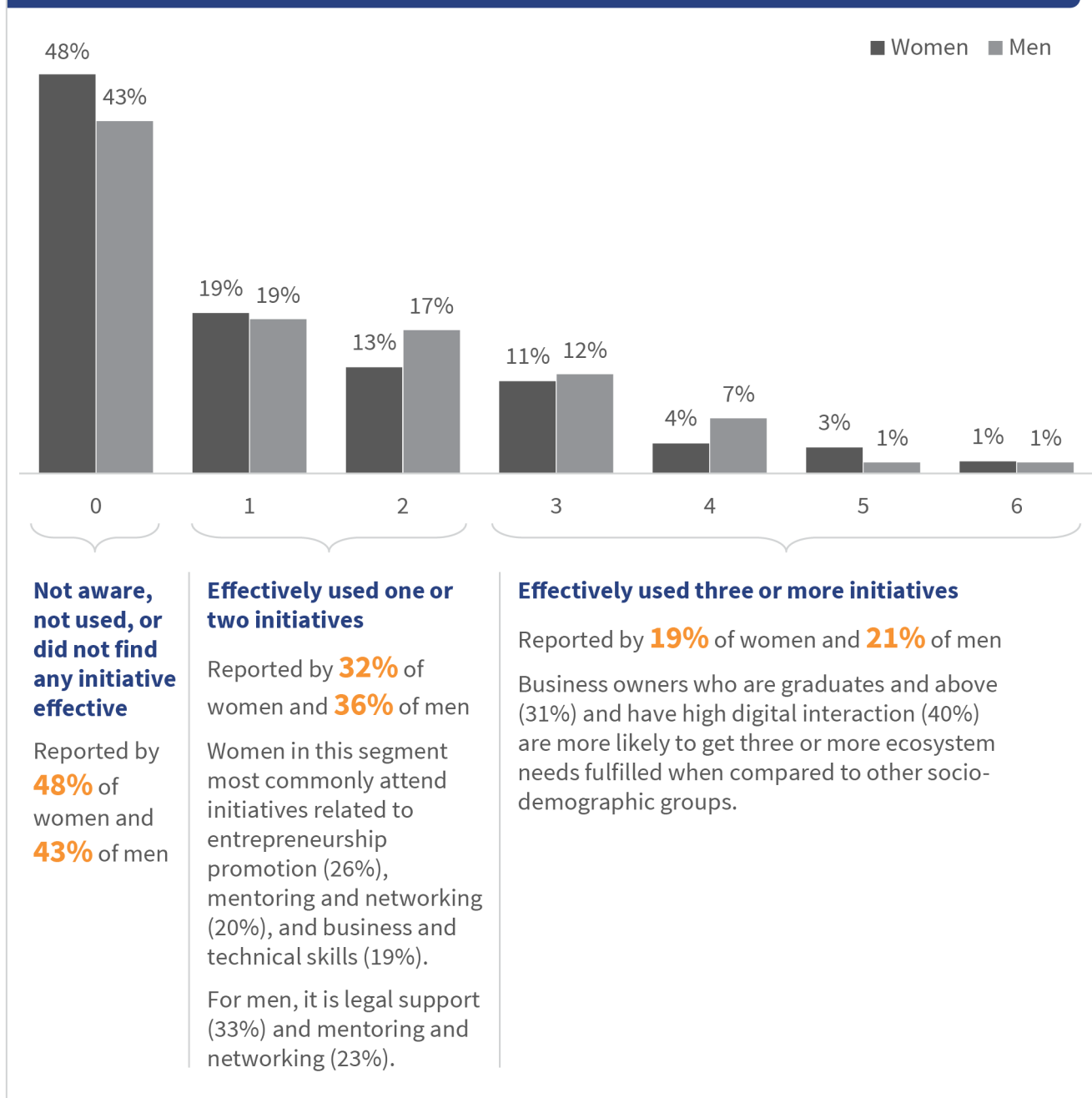
N = All respondents (412 women and 76 men)



1% of the business owners have all of the six needs met

1. At least three ecosystem needs are met effectively for one in five business owners.
2. Business owners who are graduates or have higher qualifications have an average monthly revenue greater than USD 840, and those who engage extensively in digital interactions have more ecosystem needs met.
3. Half of the business owners and a higher proportion of women than men do not get any of their ecosystem needs fulfilled.

Distribution of number of ecosystem needs fulfilled among business owners (in percentage)

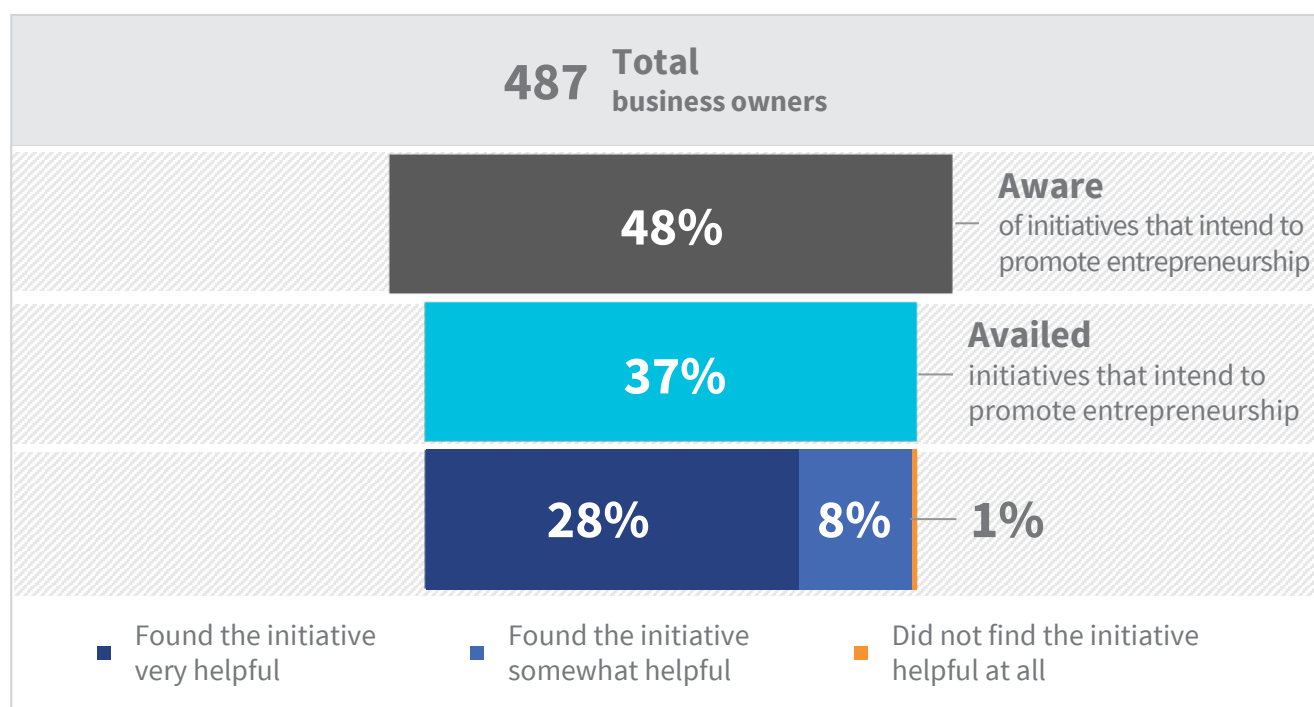


N = All respondents (412 women and 76 men)

Detailed findings for each of the six ecosystem needs components

Almost half of the business owners are aware of initiatives on entrepreneurship and self-employment opportunities

A little more than one in three business owners availed of such initiatives*.



Entrepreneurship promotion

Higher education levels and higher digital interaction lead to enhanced levels of awareness.



Only 34% of retail or wholesale sector business owners are aware of initiatives, while awareness is higher among business owners in other sectors: 44% in the agriculture and allied sectors, 62% in manufacturing, and 52% in the service sector.



Graduate business owners are more aware. 58% of them demonstrate awareness of such initiatives. In contrast, awareness levels dip to 40% for owners with secondary school education, 37% for primary school education, and 30% for no formal education.



Business owners with high digital interaction are more likely to be aware of entrepreneurship promotion. 62% of them show awareness. In contrast, awareness is lower among those with medium digital interaction at 37% and those with low digital interaction at 22%.

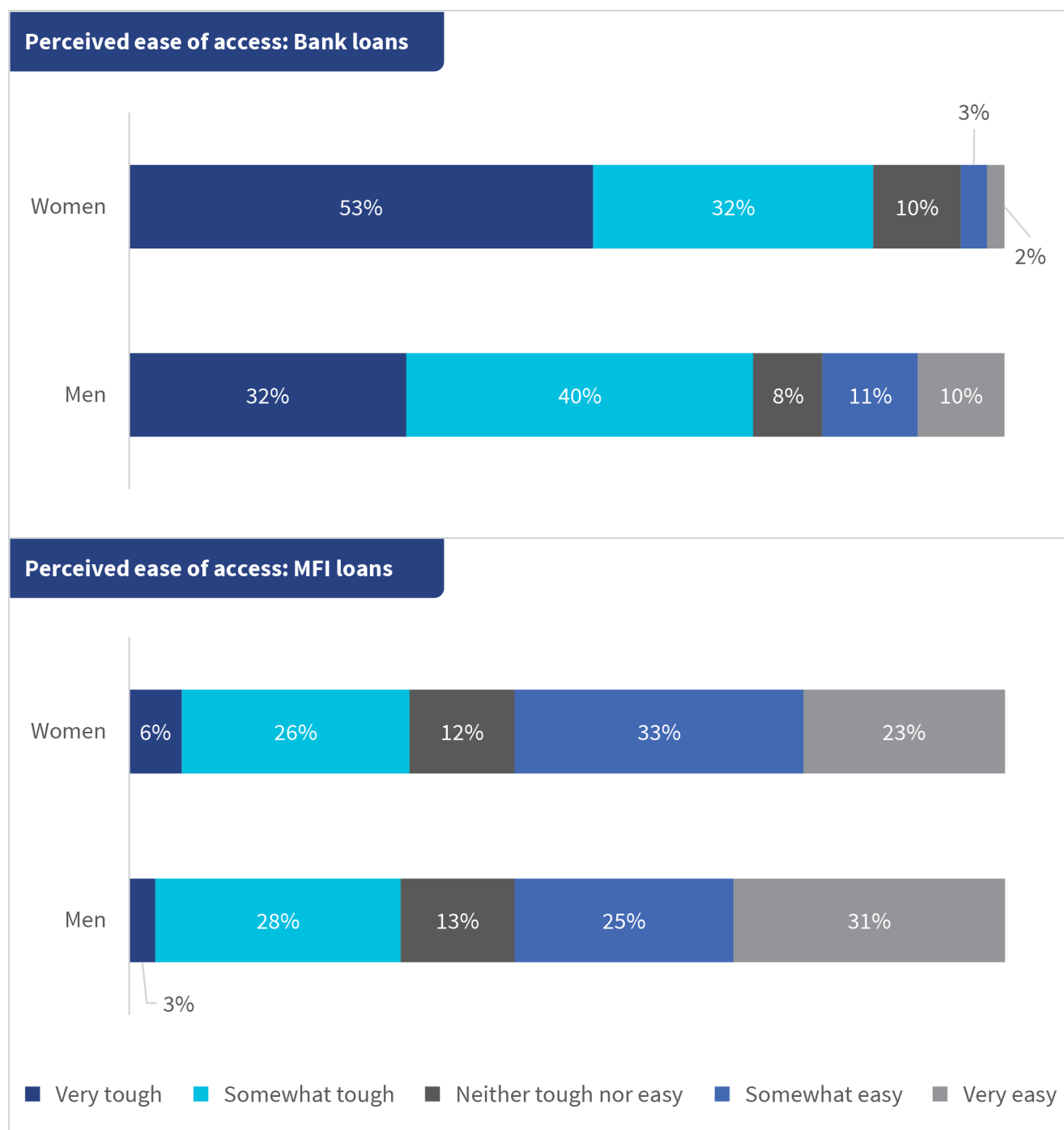
No significant differences are seen based on gender, revenue categories, or business location.

*Initiatives = government or private training, seminars, workshops, or campaigns to set up a new business

The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

Small business owners continue to face challenges when they seek easy access to finance

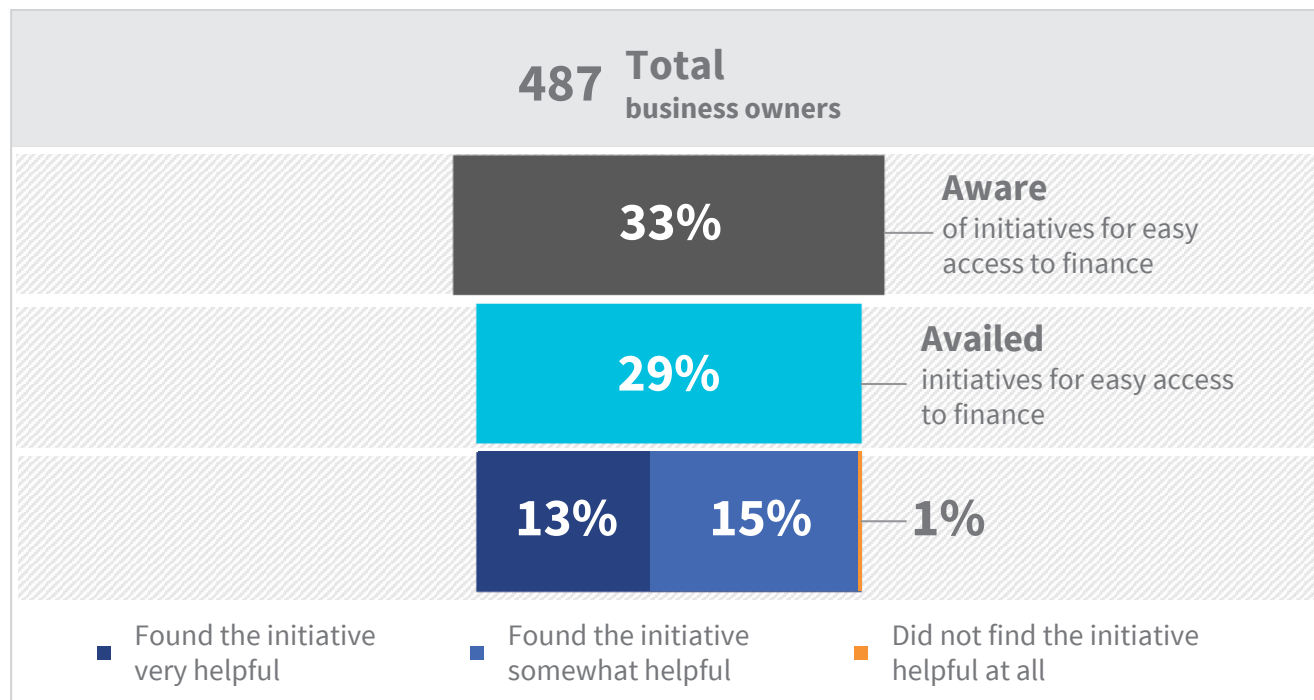
Most business owners believe obtaining a bank loan would be challenging. Notably, more female business owners than their male counterparts express this perception. Although access to MFI loans is considered easier than bank loans, almost one in three business owners still find MFI loans difficult to obtain.



N = All respondents (412 women and 76 men)

Only one in three business owners is aware of initiatives on easy access to finance for business

Only close to three in 10 business owners availed of such initiatives.



Access to finance

Business owners with greater revenues and those in agri and allied businesses display higher levels of awareness.



Business owners with average monthly revenues above BDT 100,000 (USD 836) are more likely to be aware of access to finance initiatives, with 43% being aware. Awareness is lower for those with monthly revenues between BDT 50,000 and BDT 100,000 (32%), BDT 25,000 and BDT 50,000 (33%), and below BDT 25,000 (23%).



Business owners in agriculture and related sectors are more likely to be aware of initiatives, with 57% being aware. In comparison, awareness is lower for business owners in the service sector (24%), followed by manufacturing (38%) and other sectors (31%).

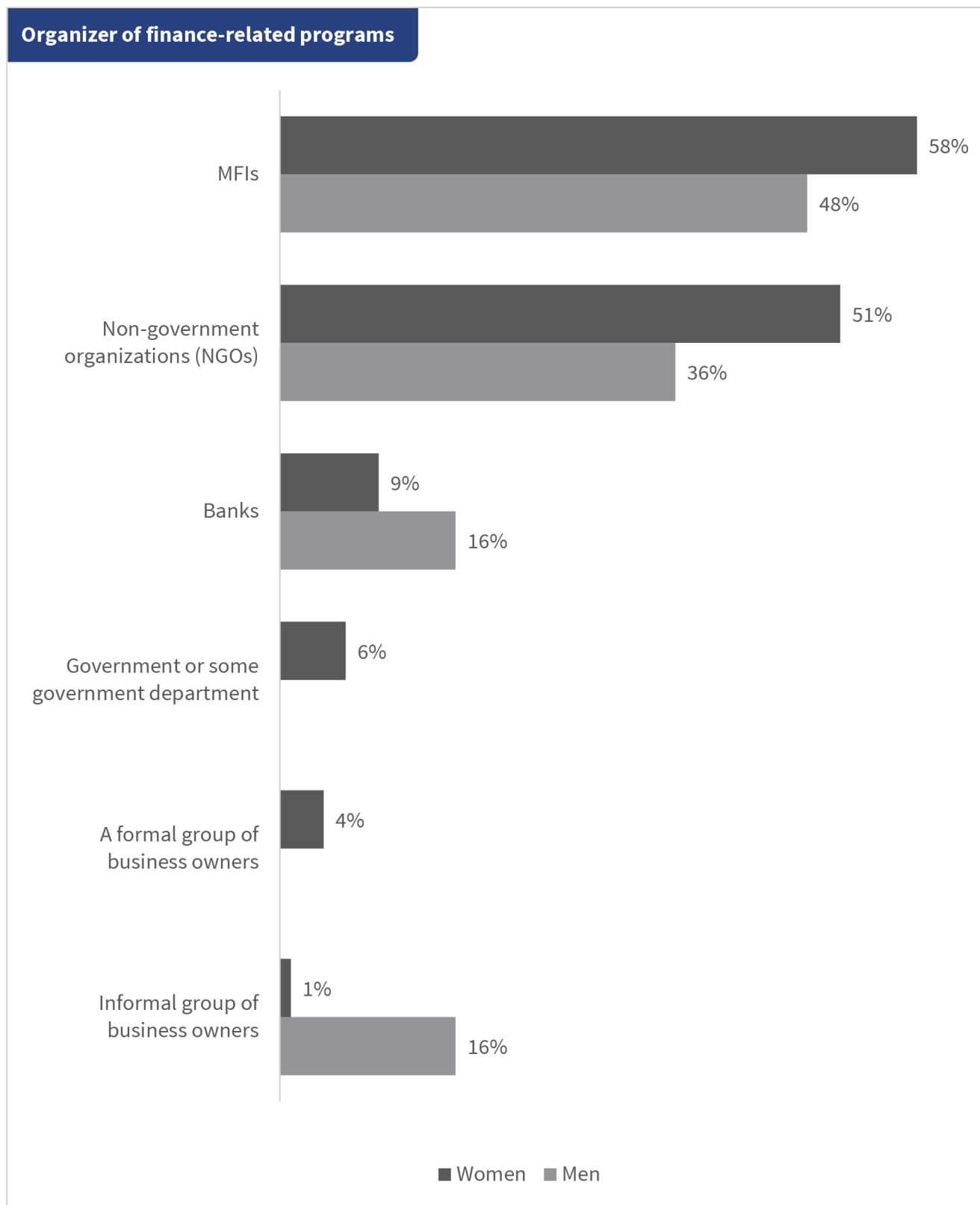
No significant differences are seen based on gender, revenue categories, or business location.

Access to finance: This refers to services or programs that help business owners receive funds from banks or other sources easily. This may include the provision of information about financial products, provision of support to complete formalities, preparation of documents, helplines, financial aid, interest subsidies, and loan guarantees, among others.

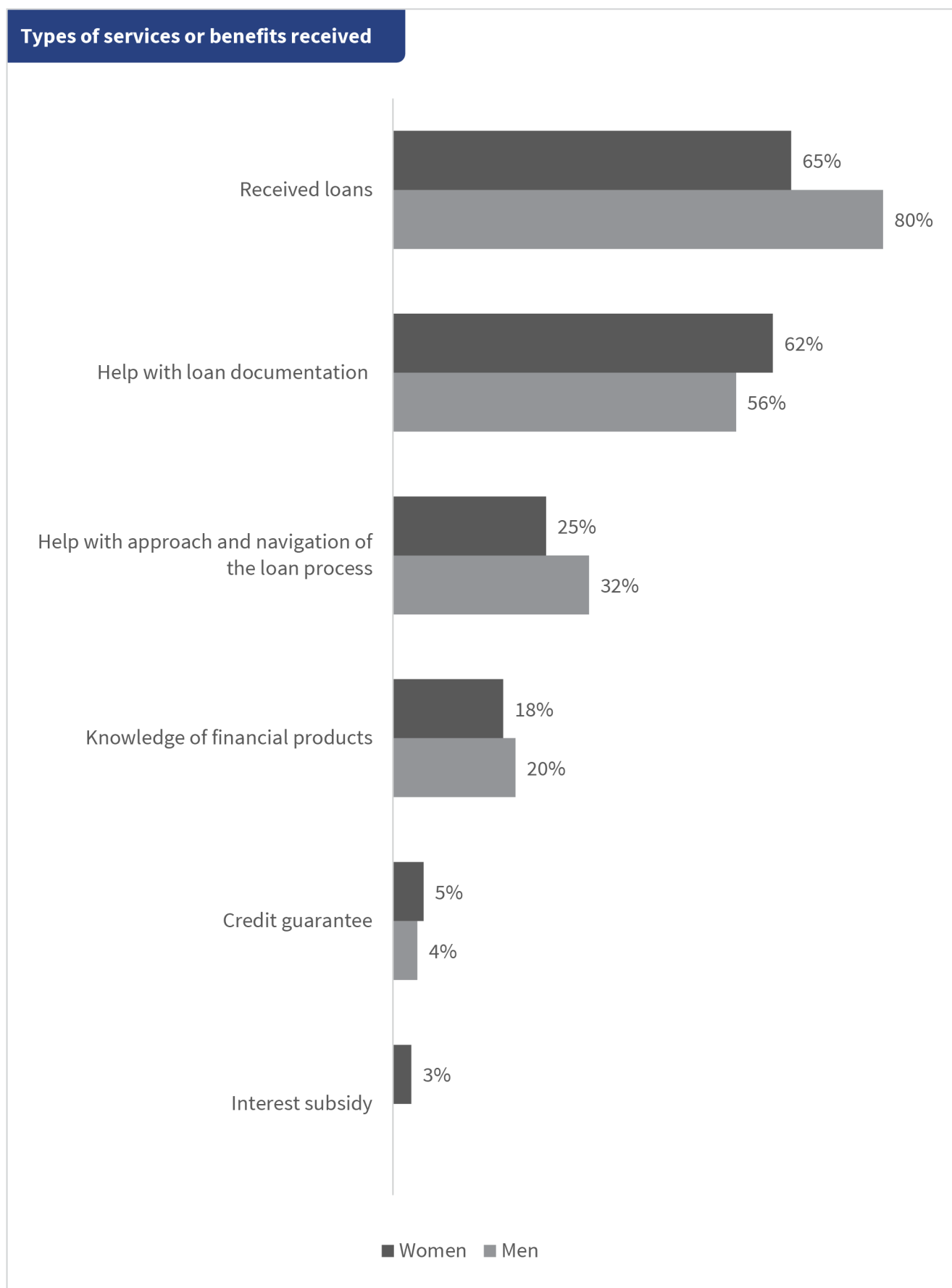
The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

MFIs or NGOs organize most finance-related programs that business owners attend

Credit and help with documentation are the most reported benefits from these programs.



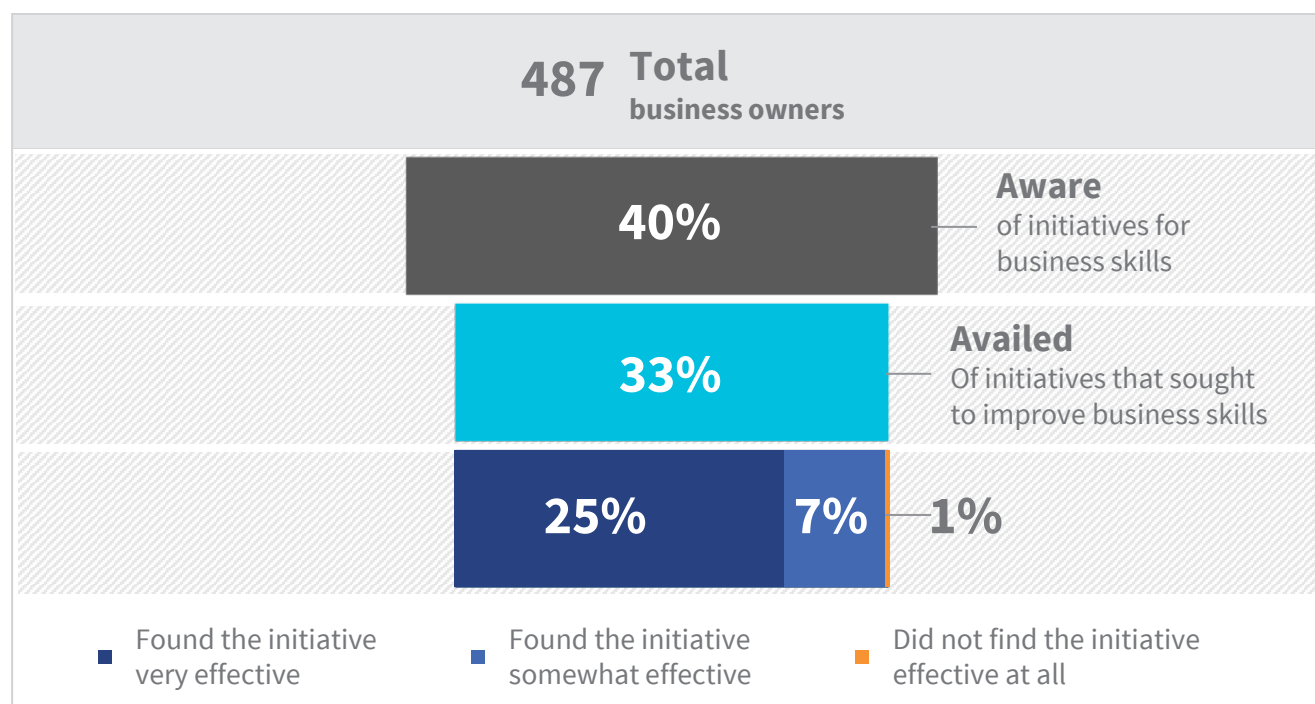
N = Respondents who attended finance-related initiatives (117 women and 25 men)



N = Respondents who attended finance-related initiatives (117 women and 25 men)

Four in 10 business owners are aware of technical or soft skills initiatives

One in three business owners availed of such initiatives.



Business and technical skills

Business owners with higher education levels and more digital interaction have higher levels of awareness.



Business owners with a graduate degree or additional qualifications are more likely to be aware of training and skilling initiatives, with 52% being aware. Awareness is lower among those with secondary school education (40%), primary school education (36%), and no formal education (25%).

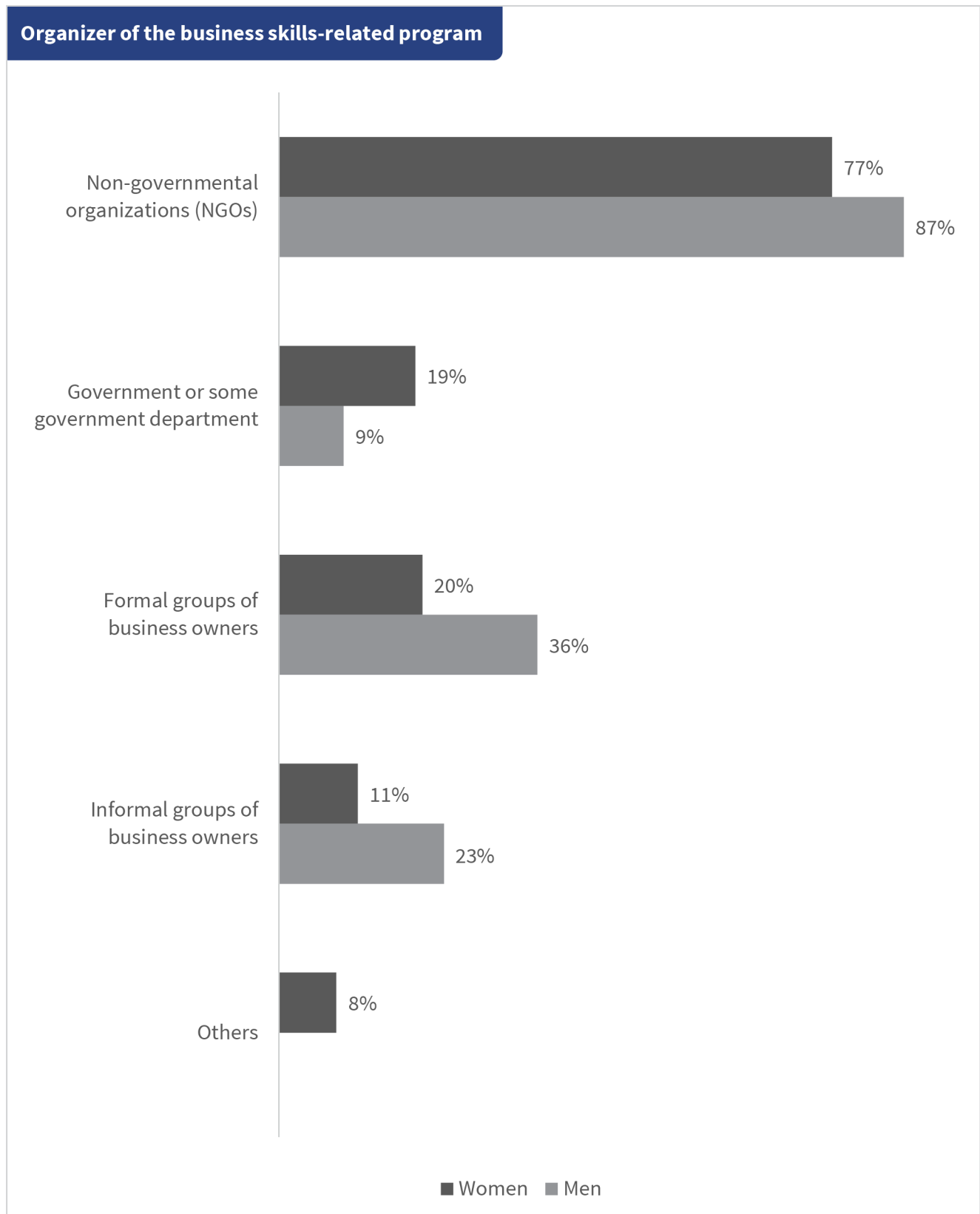


Business owners with high digital interaction are more likely to be aware, with 55% being aware. In comparison, 36% of those with medium interaction and 20% of those with low interaction are aware.

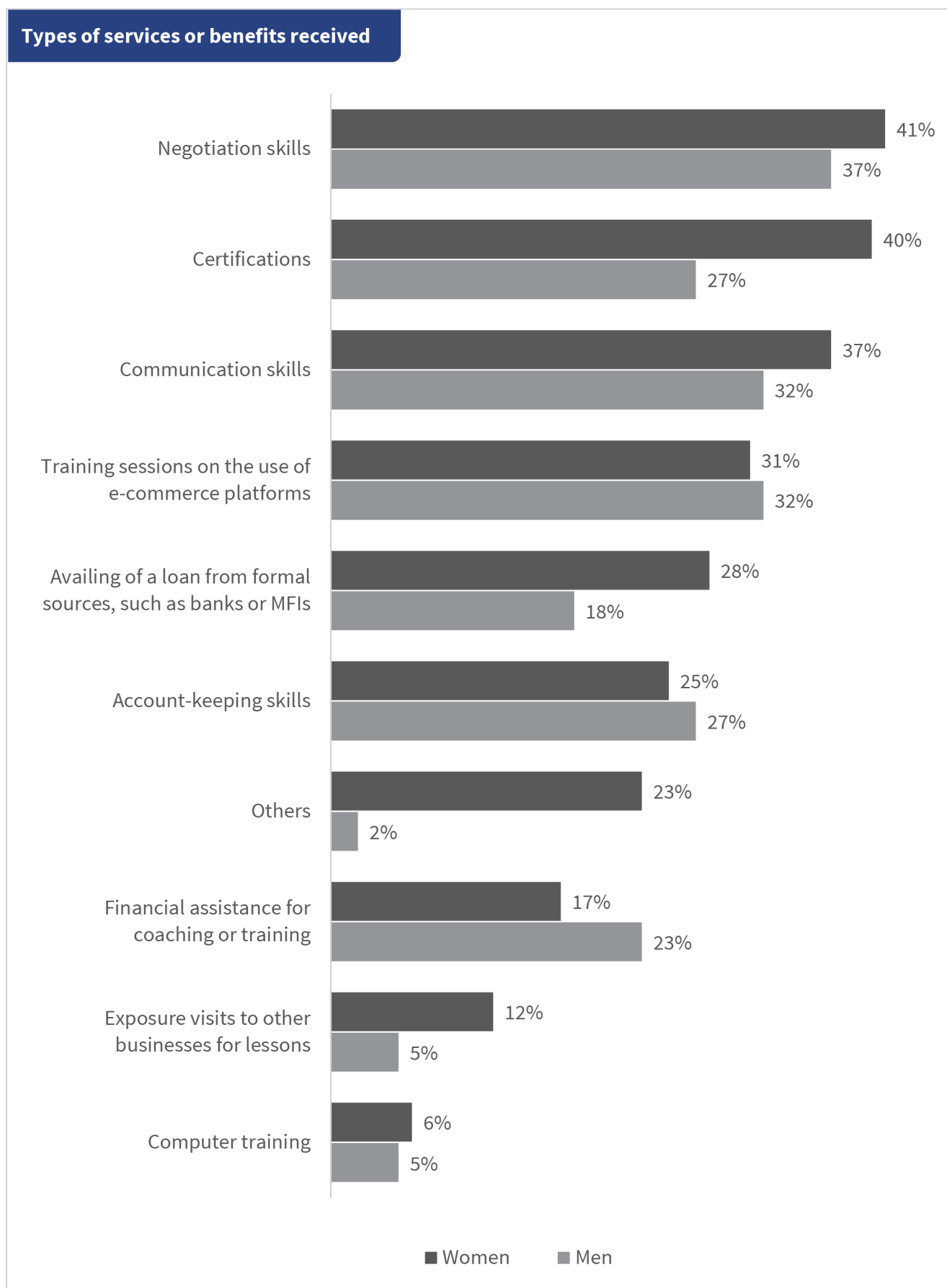
No significant differences are seen based on gender, revenue categories, or business location.

The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

NGOs organize most skill-related programs that are attended by business owners



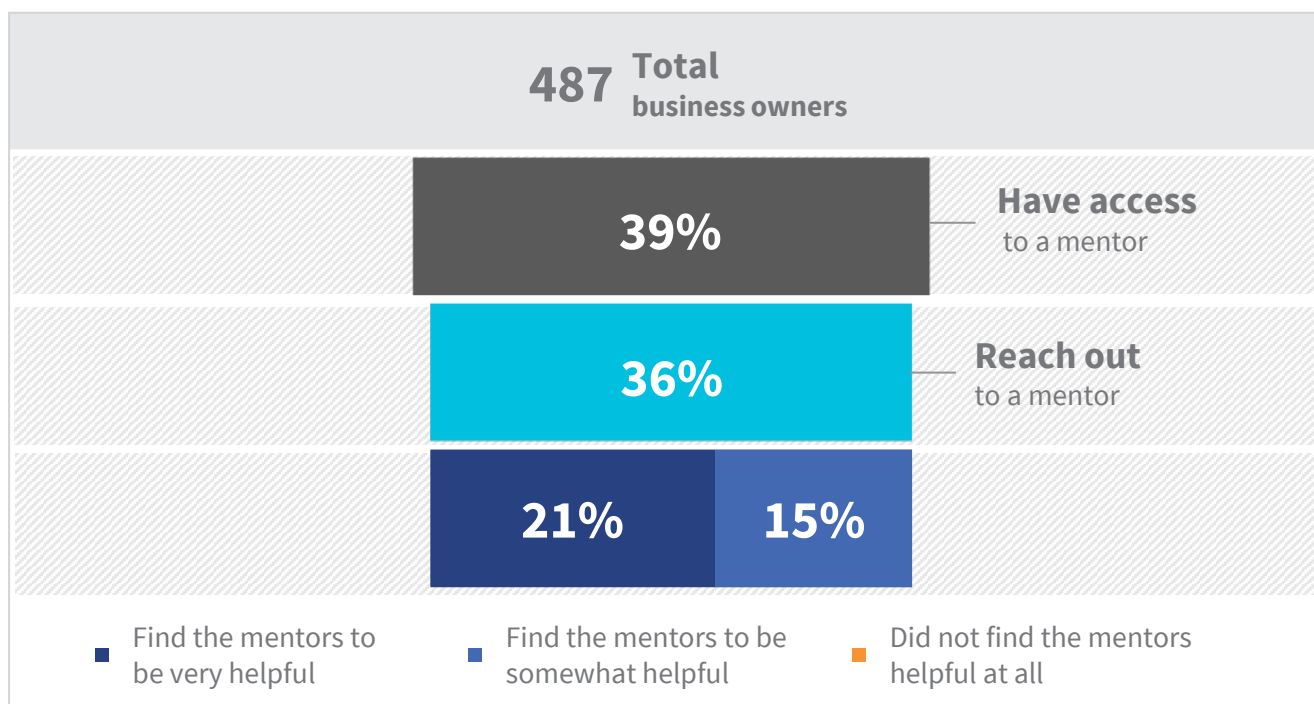
N = Respondents who attended business skills-related initiatives (137 women and 22 men)



N = Respondents who attended business skills-related initiatives (137 women and 22 men)

Four in 10 business owners have access to a mentor

A little more than one in three business owners reach out to mentors to seek business-related guidance.



Mentoring and networking

Agriculture and allied business owners with high digital interaction have better access.



Business owners in agriculture and allied sectors are more likely to have access to mentorship and networking, with 63% having access. In comparison, 48% in manufacturing, 36% in retail or wholesale, and 30% in services have access.



Business owners with high digital interaction also have more access, with 54% having access, compared to 32% with medium or low digital interaction.



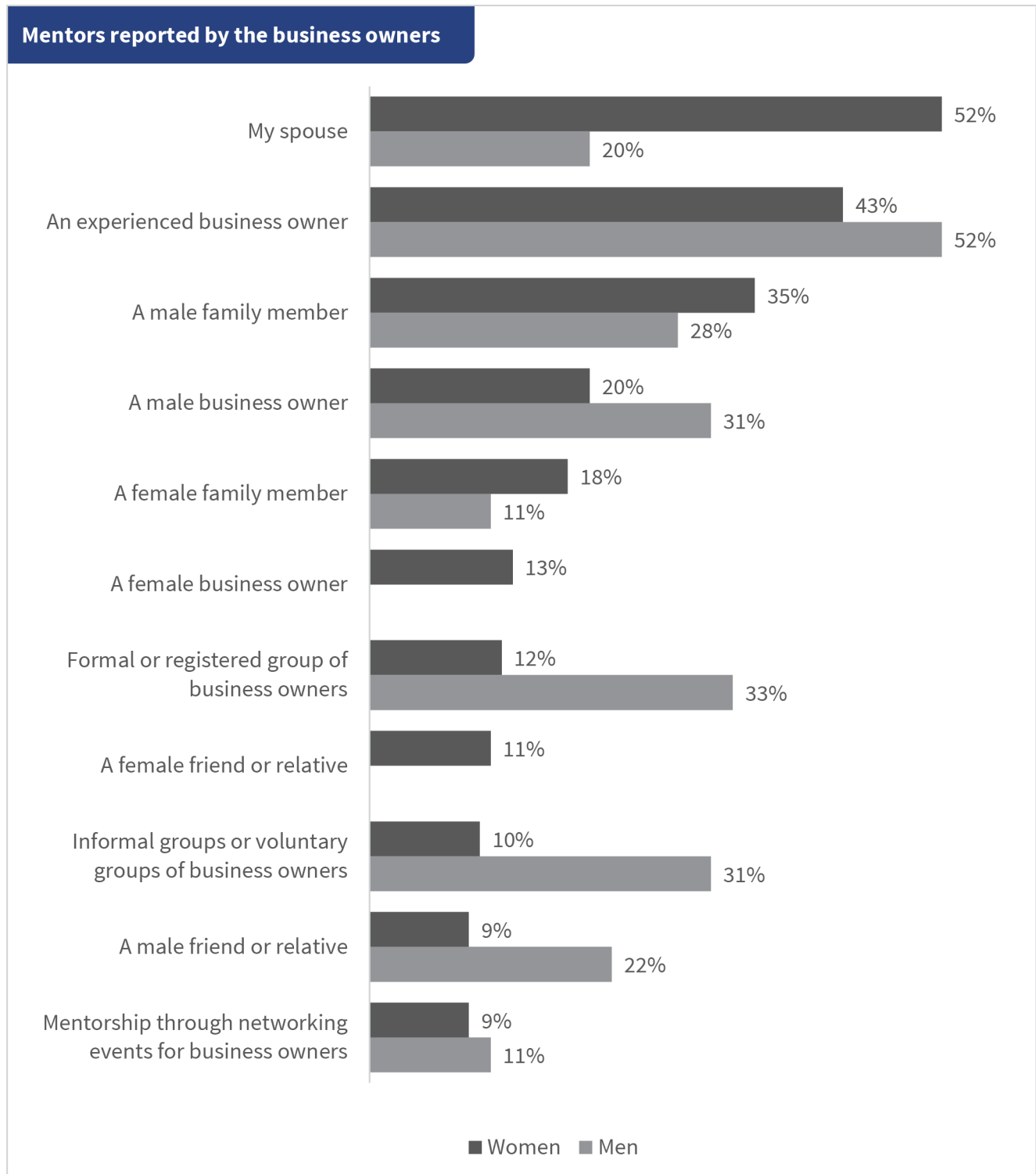
Business owners with monthly revenues of USD 209 or less are less likely to have access to mentorship, with only 27% having access. In contrast, 42% of those with revenues between USD 210-420, 37% with revenues between USD 421-840, and 48% with revenues above USD 840 have access to mentorship.

No significant differences are seen based on gender, revenue categories, or business location.

The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

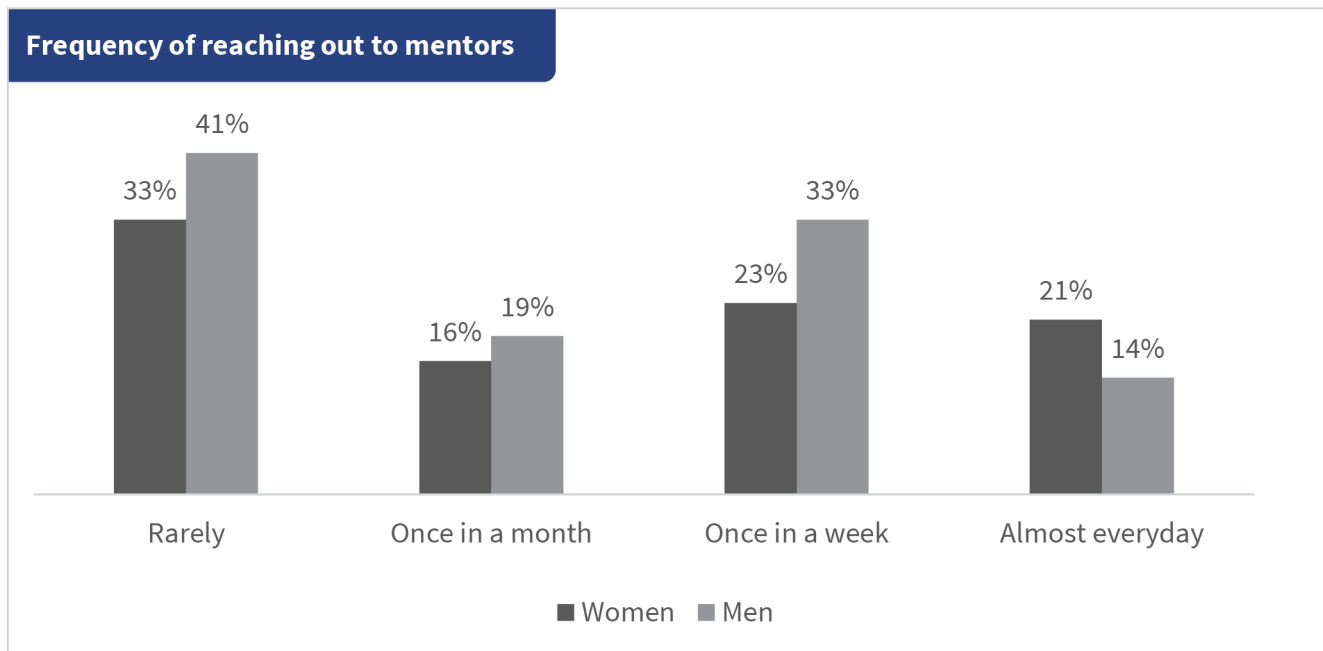
Family and friends lead as mentors, with half of women relying on spouses

More male business owners than female business owners report having access to a group of business owners for mentorship.

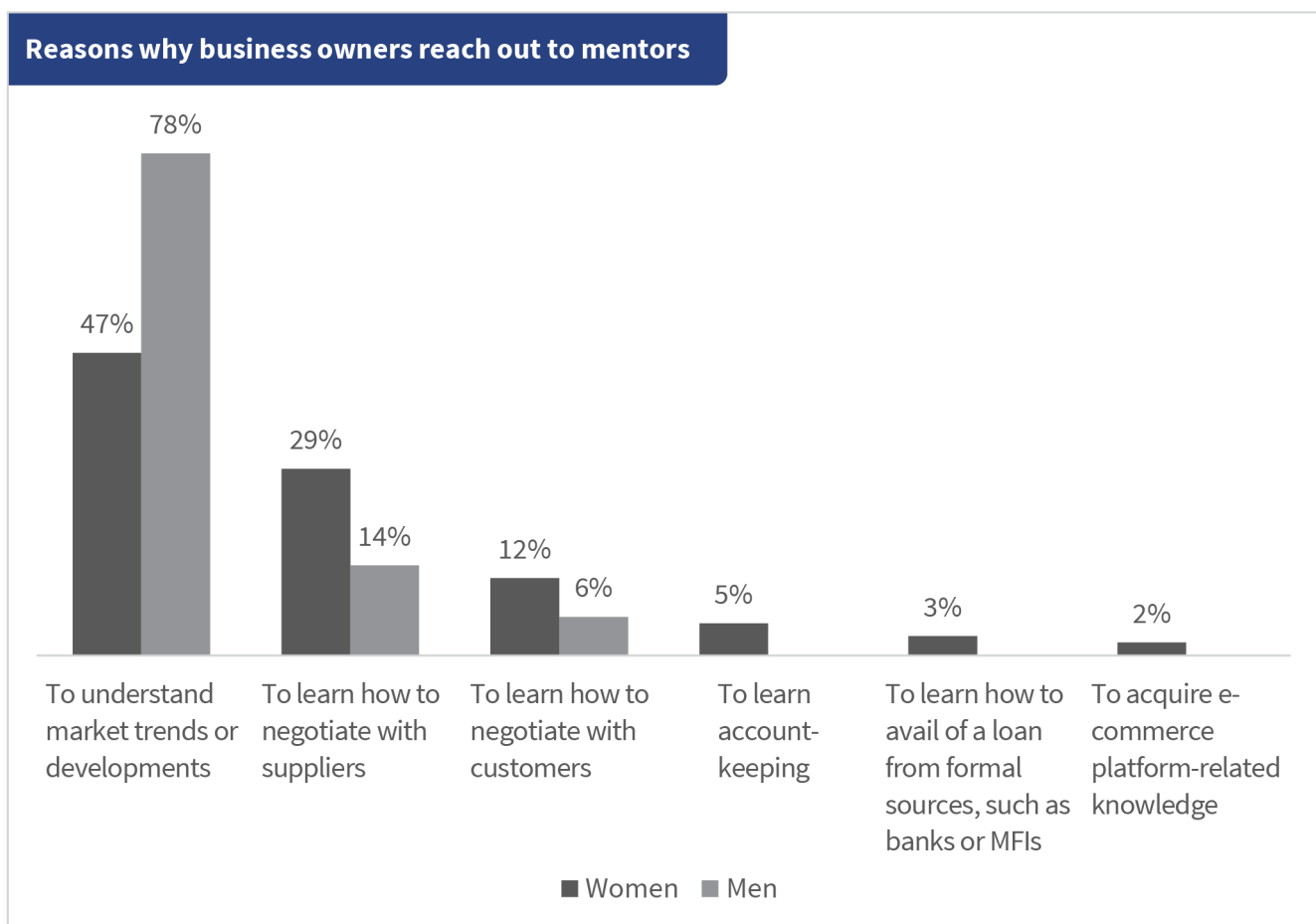


N = Respondents who reported that they reached out to a mentor (141 women and 36 men)

One in three business owners seldom contact their mentors, with women doing so more often



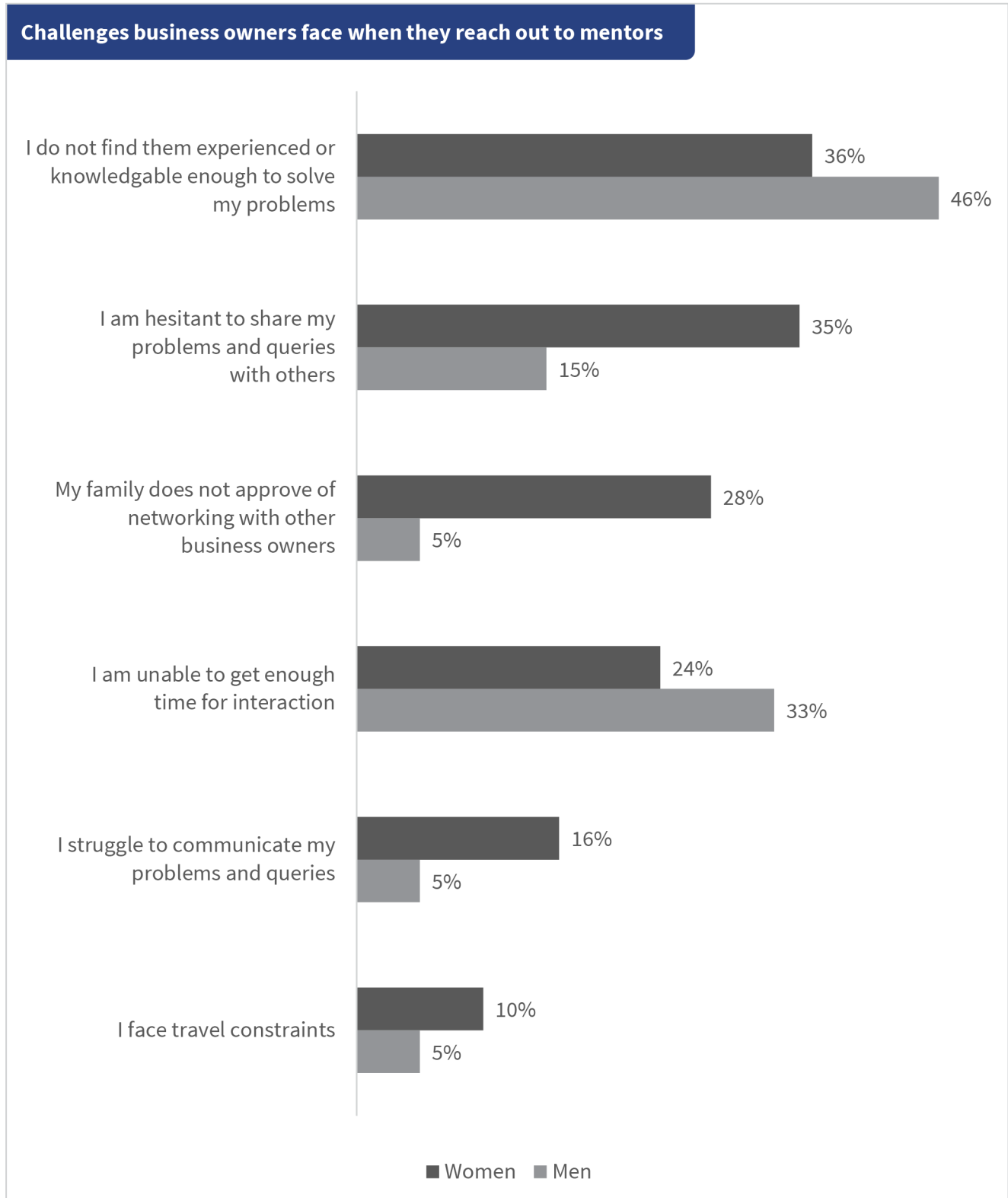
N = Respondents who reported that they reach out to a mentor (141 women and 36 men)



N = Respondents who reported that they reach out to a mentor (141 women and 36 men)

Four in 10 business owners lack faith in their mentor's abilities

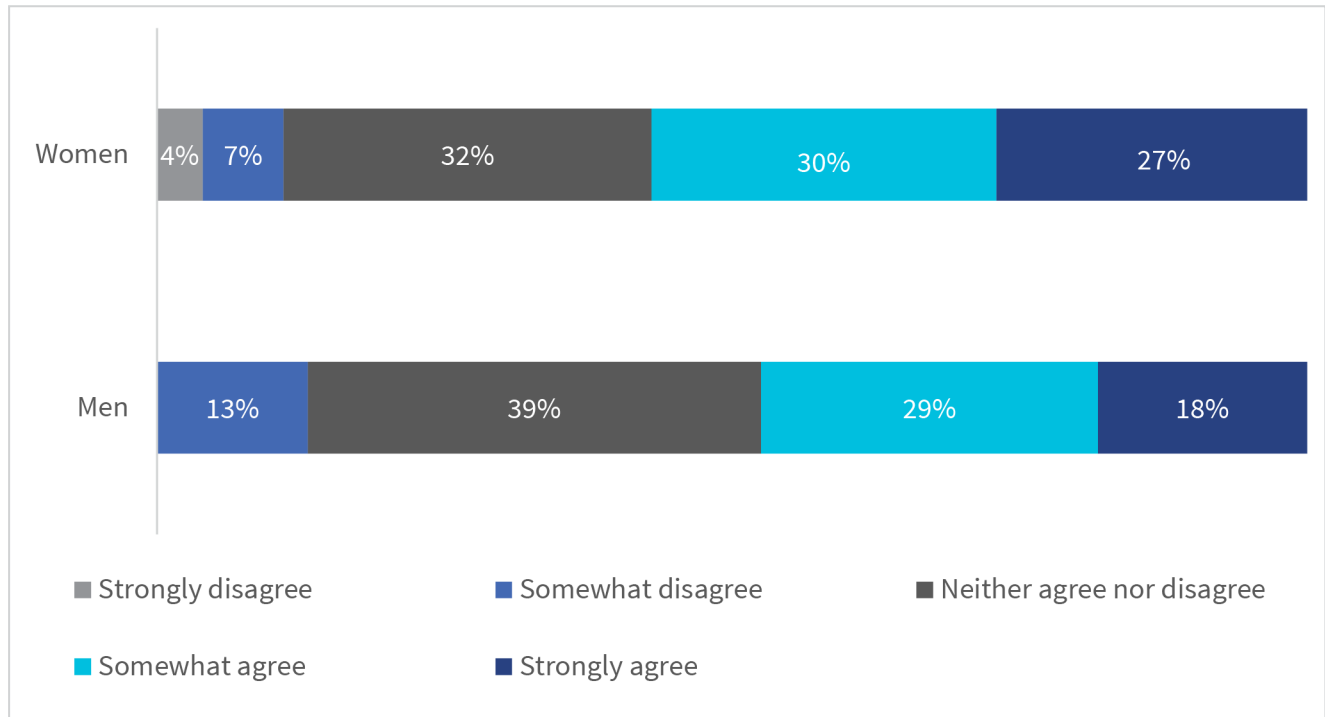
More female business owners than male business owners feel hesitant or struggle to share their problems. Additionally, one-third report that their families do not approve of networking.



N = Respondents who reported that they could not reach out to a mentor (271 women and 39 men)

50% of the business owners acknowledge that having access to a business mentor would have made a positive difference in their business performance

More female business owners than male business owners believe having a mentor would have positively impacted their business.



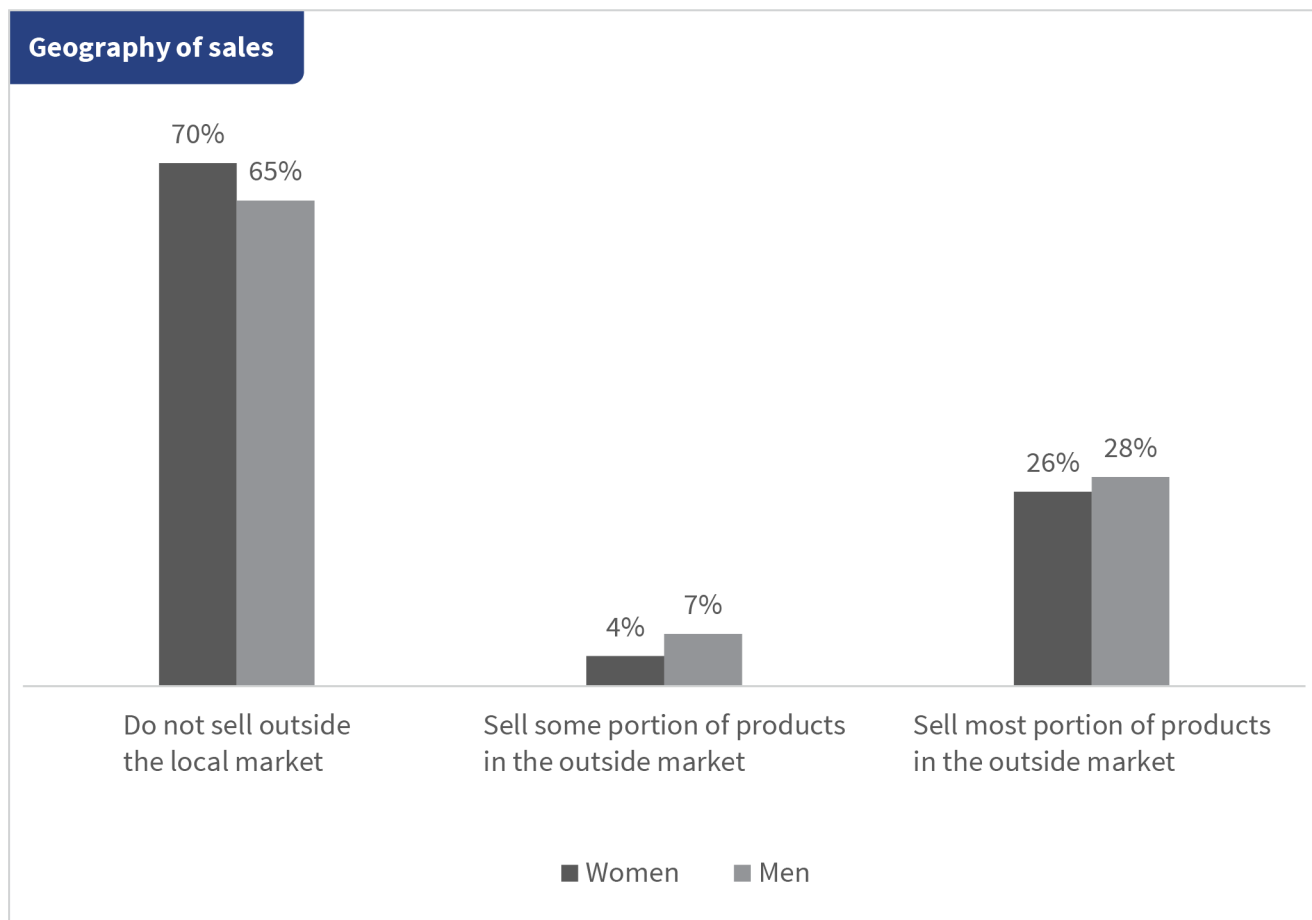
N = All respondents (412 women and 76 men)



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My business would have grown positively over the years if I could have access to a business mentor

Seven in 10 business owners sell their products solely in the local markets

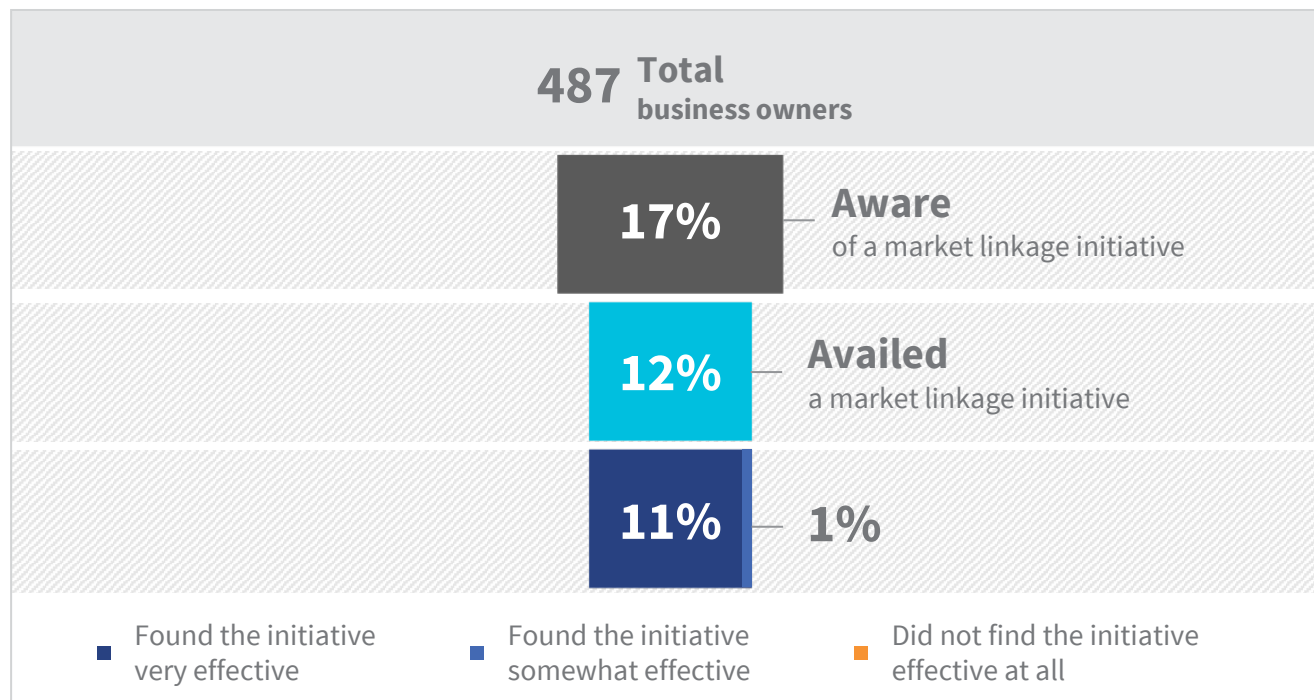


N = All respondents (412 women and 76 men)



Less than two in 10 business owners are aware of any market linkage initiative

And more than one in 10 business owners availed of any such initiative.



Market linkages

Business owners in manufacturing businesses, with high digital interaction, and higher levels of education have better access.



Business owners in the manufacturing sector are more aware of market linkages, with 38% being aware, compared to 8% in agriculture, 16% in retail or wholesale, and 20% in services.



Business owners with high digital interaction are also more aware, with 41% being aware, while only 6% of those with medium interaction and 3% with low interaction are aware.



Graduates and those with additional qualifications are more likely to be aware, with 30% being aware, compared to 16% with secondary school education, 10% with primary school education, and 4% with no formal education.



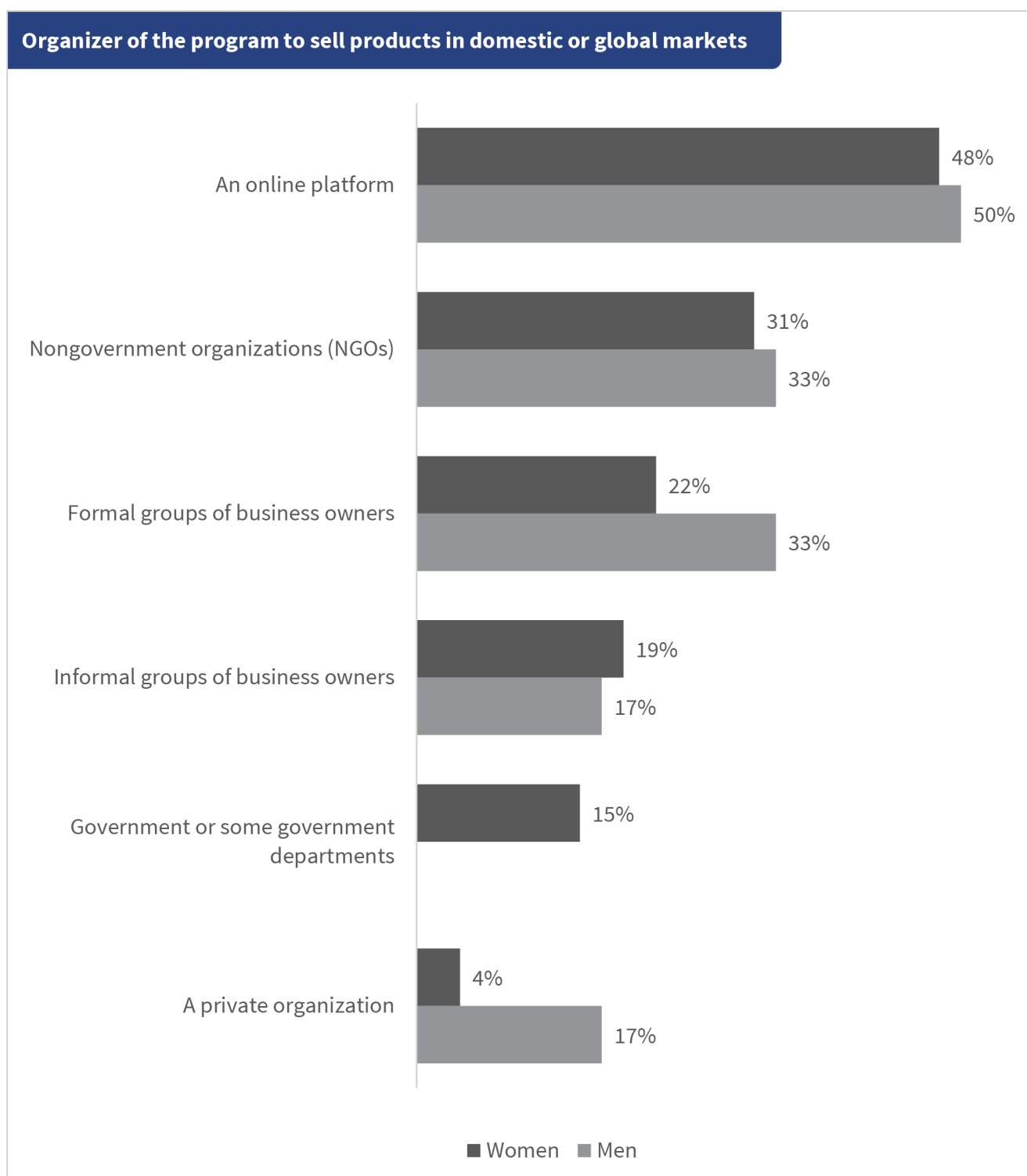
Business owners with monthly revenues of USD 209 or less are less aware, with only 6% awareness, while 23% of those with revenues of USD 210-420, 13% with USD 421-840, and 20% with revenues above USD 840 are aware.

No significant differences are seen based on gender and business location.

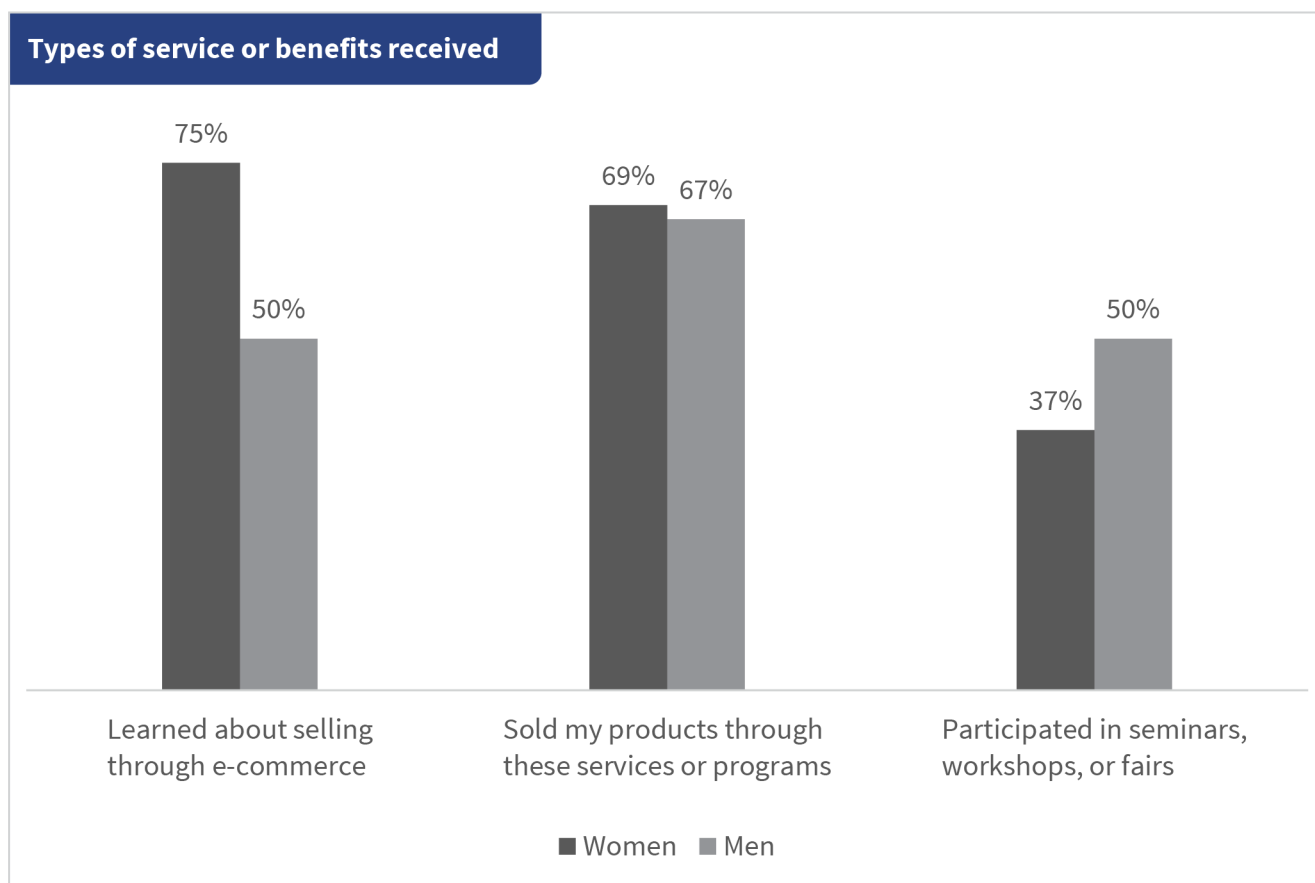
The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

Online platforms or NGOs organize most market linkage-related programs attended by business owners

Learning about selling through e-commerce and market linkage-related programs are the most popular services.



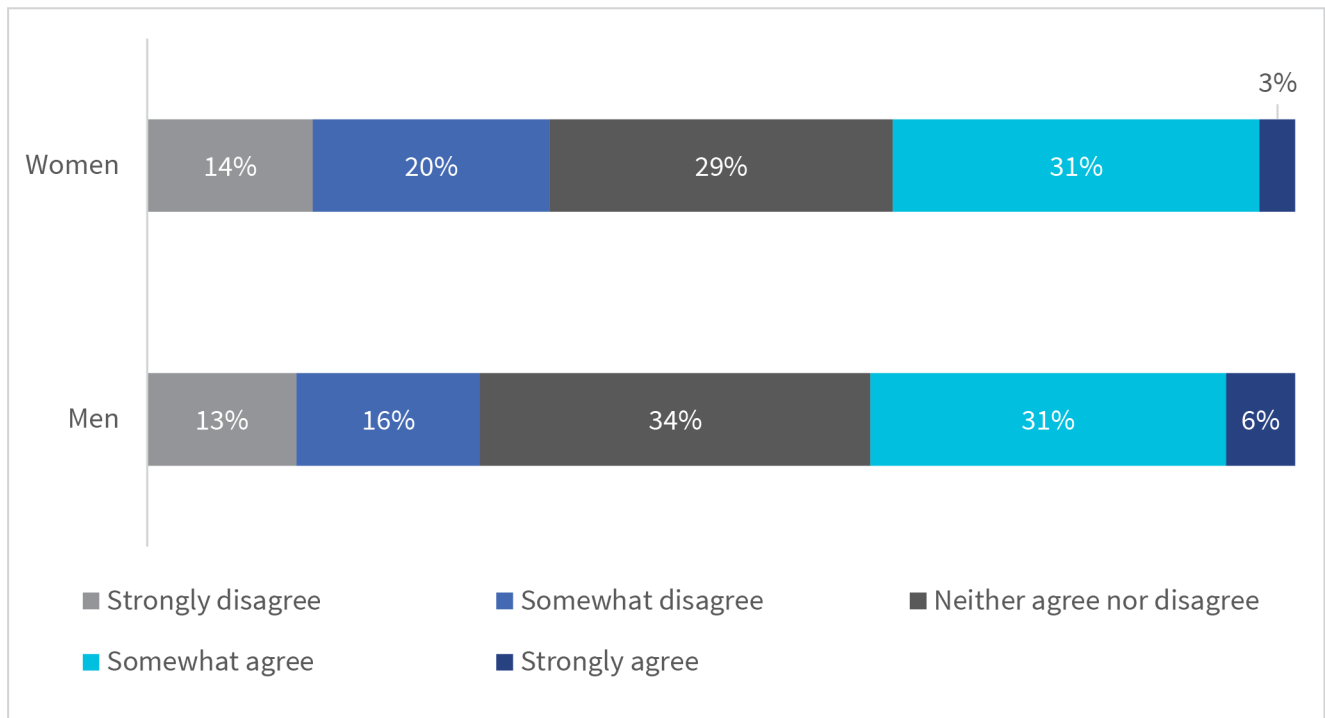
N = Respondents who availed of a market linkage initiative (54 women and six men)



N = Respondents who availed of a market linkage initiative (54 women and six men)



Most business owners are unsure if selling their product services outside their currently served markets would offer any benefits



N = All respondents (412 women and 76 men)

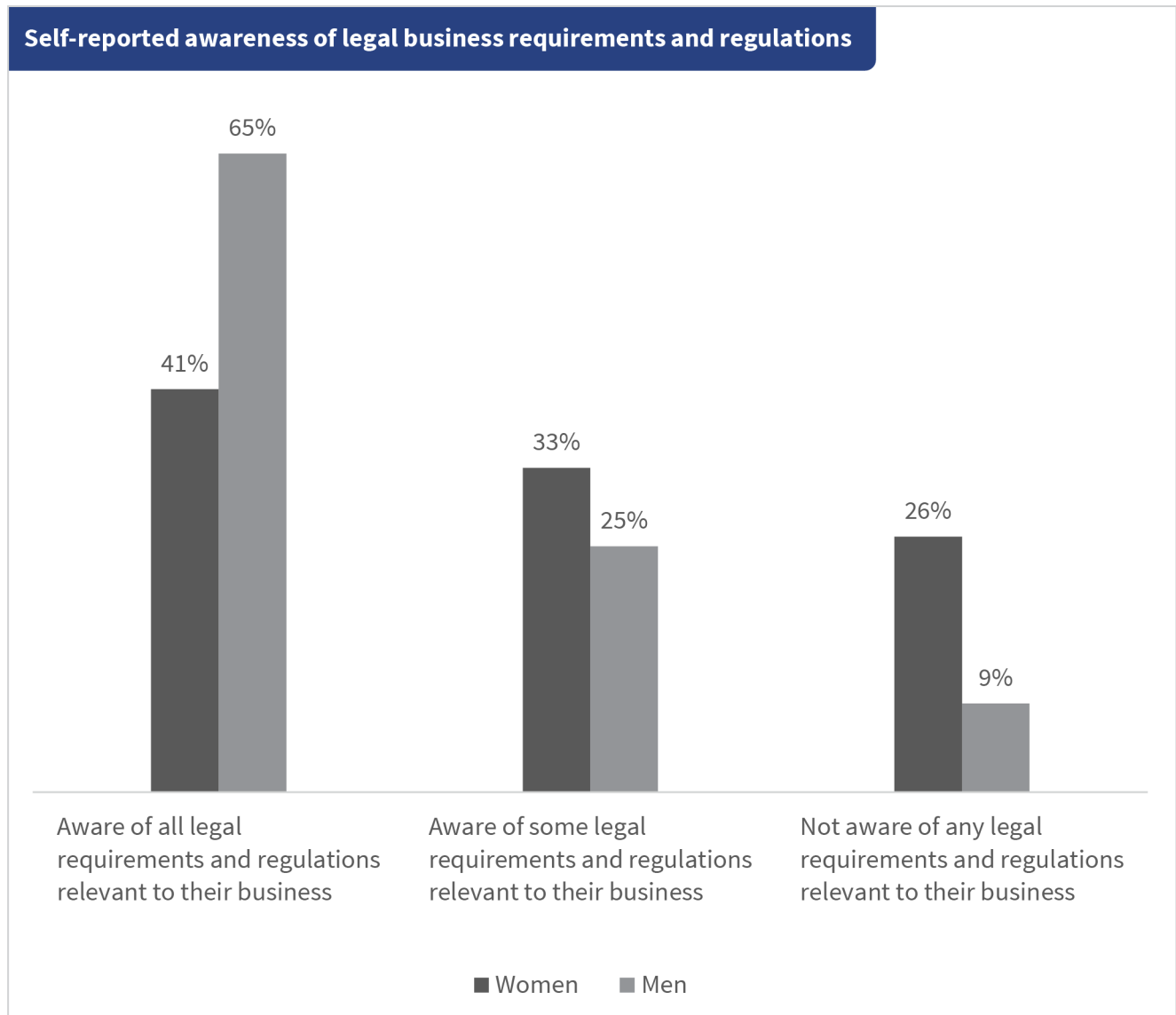
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I do not think selling my product or services outside my currently served markets will offer any benefits.



More male business owners feel confident about their knowledge of legal requirements than female owners

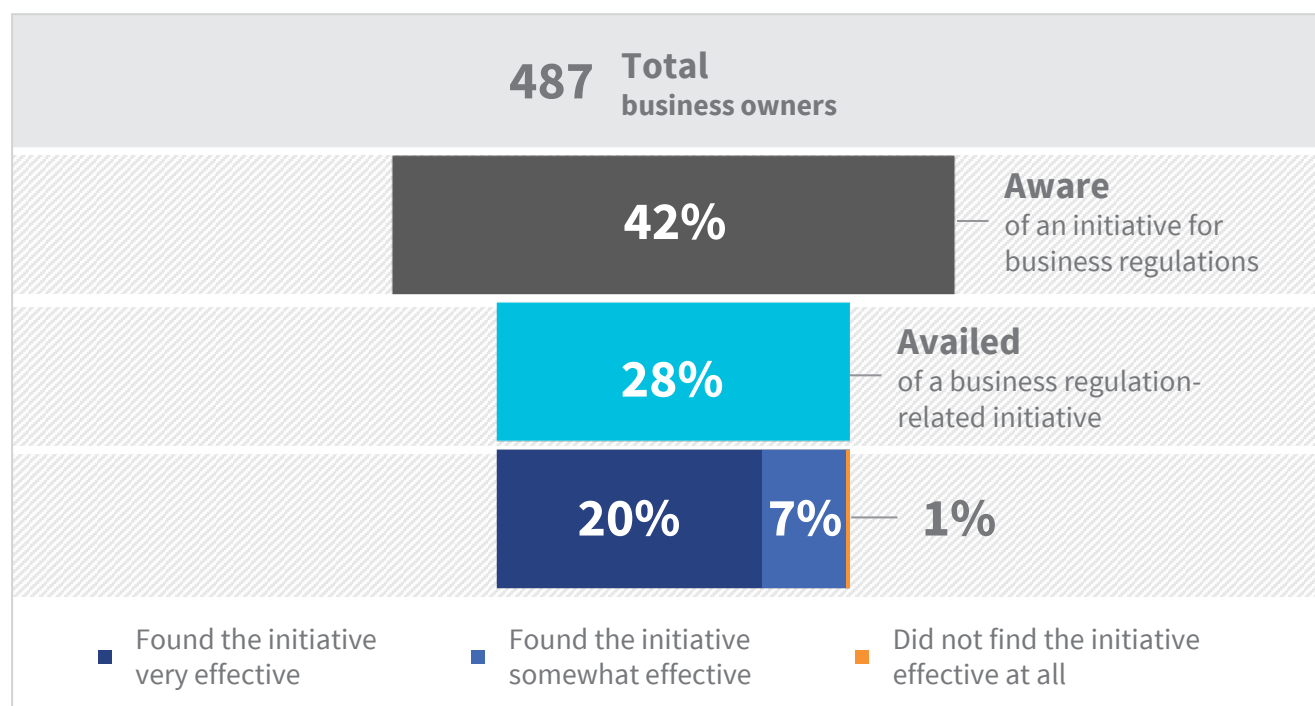
One in four female business owners feel they are completely unaware of legal requirements and regulations for their business.



N = All respondents (412 women and 76 men)

More than four in 10 business owners have access to any initiative that provides information related to business compliances and legal requirements

Approximately one in three business owners availed of any such initiative.



The category-wise comparison presented above is based on the chi-squared test, which was significant at the 0.05 level.

Access to support services

Male business owners and business owners with high digital interaction, higher levels of education, and higher revenue have higher levels of awareness.



Female business owners (41%) are less aware of support than male business owners (58%).



Business owners with high digital interaction are more likely to be aware, with 62% being aware, compared to 39% with medium interaction and 18% with low interaction.



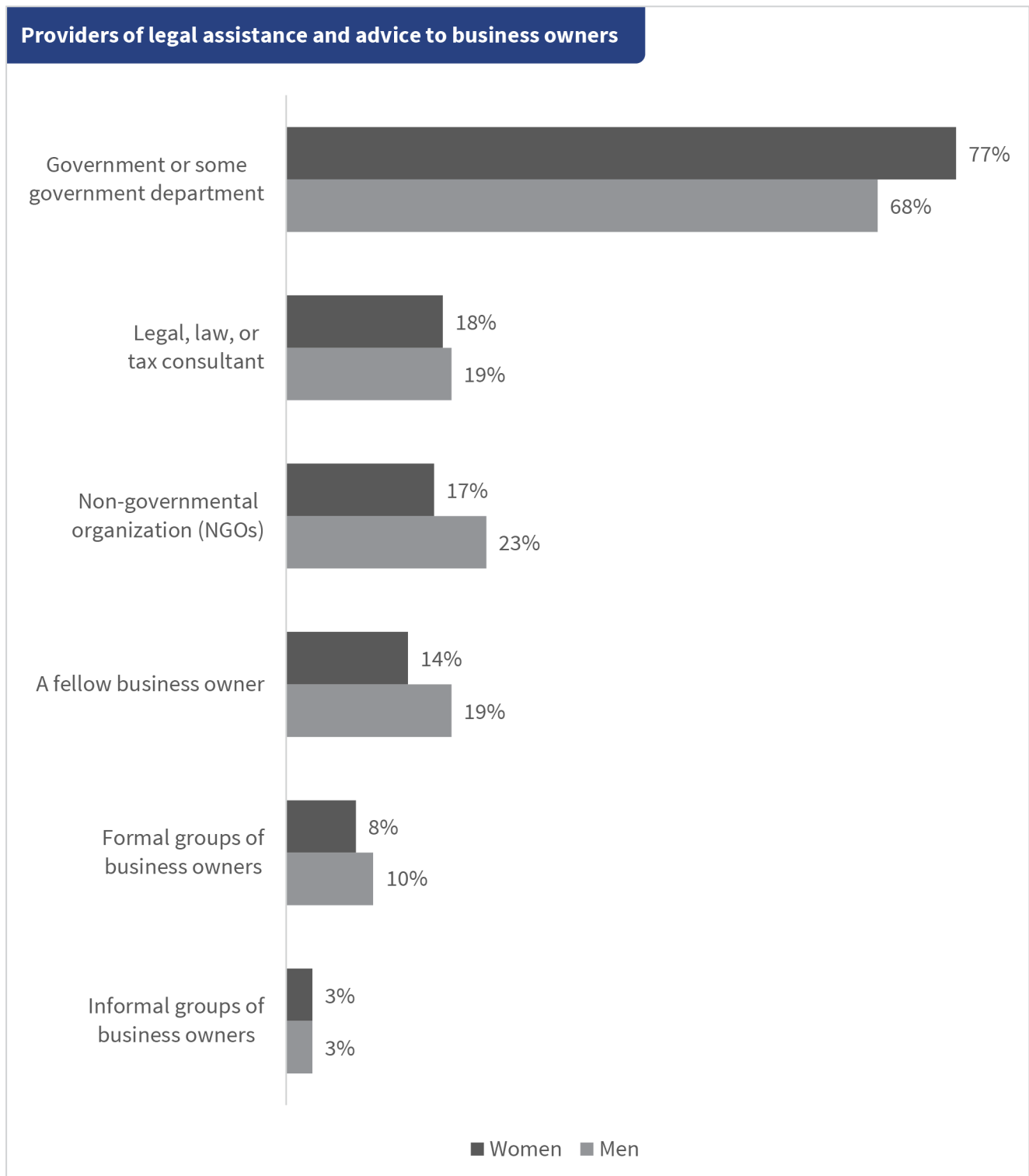
Graduates and those with additional qualifications are more likely to be aware, with 61% being aware, while 43% with secondary school education, 32% with primary school education, and 34% with no formal education are aware.



Business owners with monthly revenues of USD 209 or less are less likely to be aware, with only 28% being aware. In comparison, 61% of those with revenues above USD 840 are aware, while 37% with USD 210-420 and 48% with USD 421-840 are aware.

No significant differences are seen based on the type of business and business location.

The government organizes most programs related to business regulations or legal processes and information



N = Respondents who reported that they availed of a service from an individual or organization for legal assistance (99 women and 31 men)

Takeaways for stakeholders

Key takeaways for stakeholders

The findings suggest that policymakers should revisit their efforts to address the ecosystem needs of business owners effectively.

Boost awareness of existing government-led and private-sector ecosystem support initiatives, with a special focus on underserved groups



- Conduct service mapping of different stakeholders with the six ecosystem needs to identify gaps and opportunities for collaboration
- Package the initiatives and interventions for the six ecosystem needs into a unified support framework.
- Promote a comprehensive strategy for business owners to understand and access the full range of available resources
- Engage stakeholders to build partnerships with NGOs and grassroots organizations so they can provide hands-on support at the community level
- Use diverse strategies, including workshops and digital outreach, to ensure effective last-mile delivery and better penetration of support initiatives

Strengthen gender-inclusive support

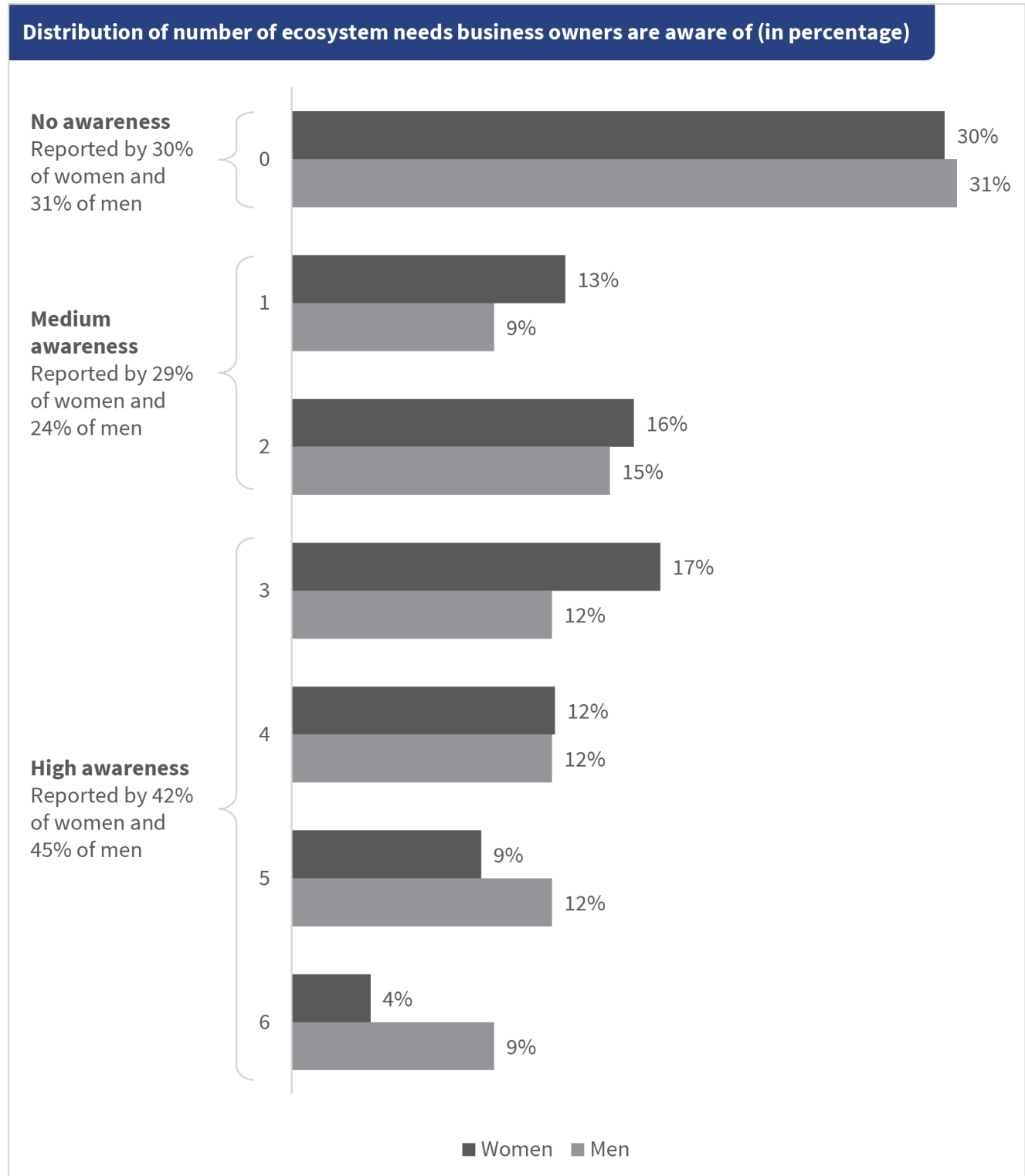


- Develop gender-sensitive programs, especially in mentoring and access to finance, to ensure cultural and social relevance and inclusivity
- Use the unified support frameworks to create targeted gender transformative toolkits (GTTs) and increase adoption of initiatives by women business owners



Annexes

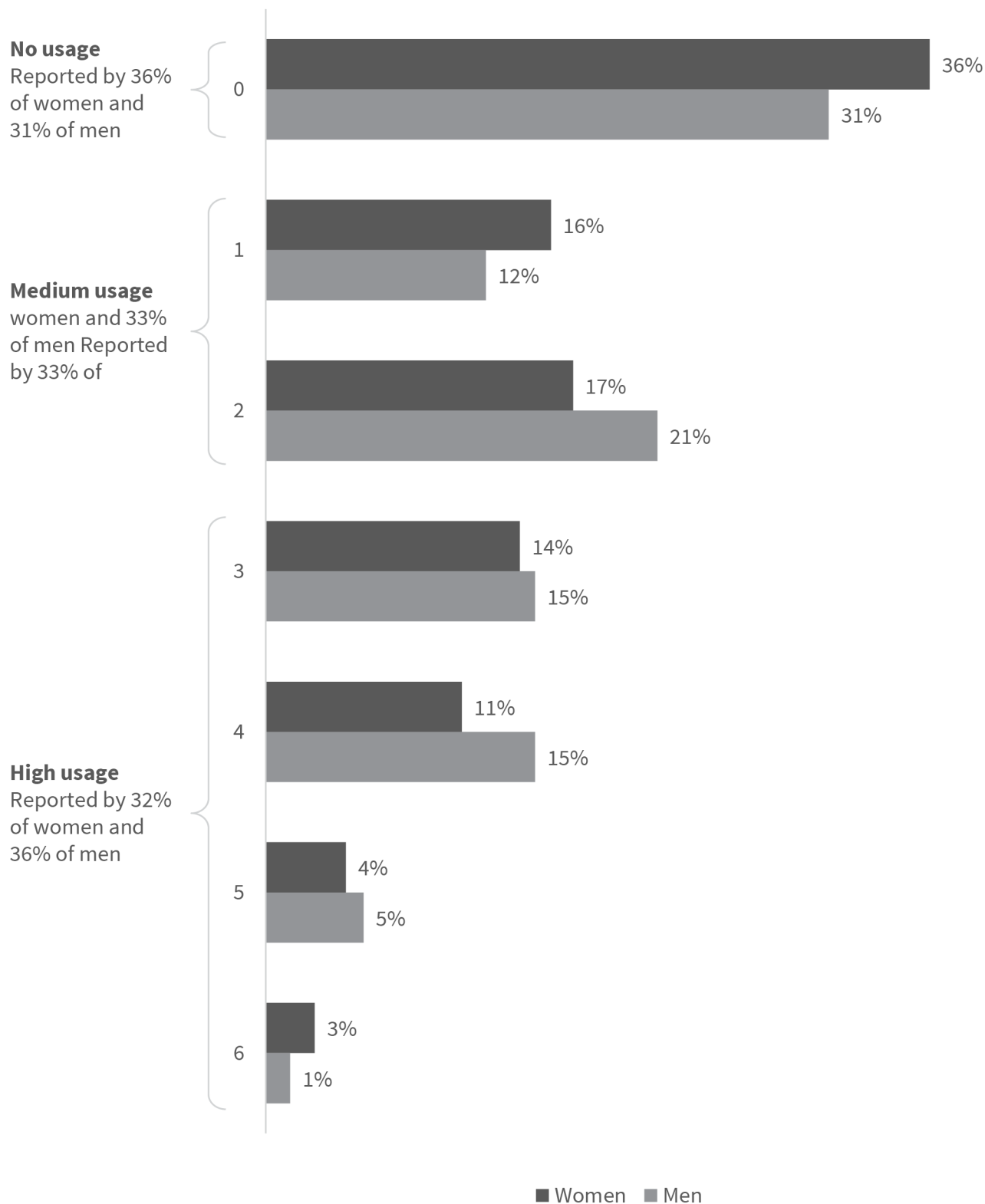
The proportion of business owners and the number of ecosystem needs components they are aware of through any initiative



N = All respondents (412 women and 76 men)

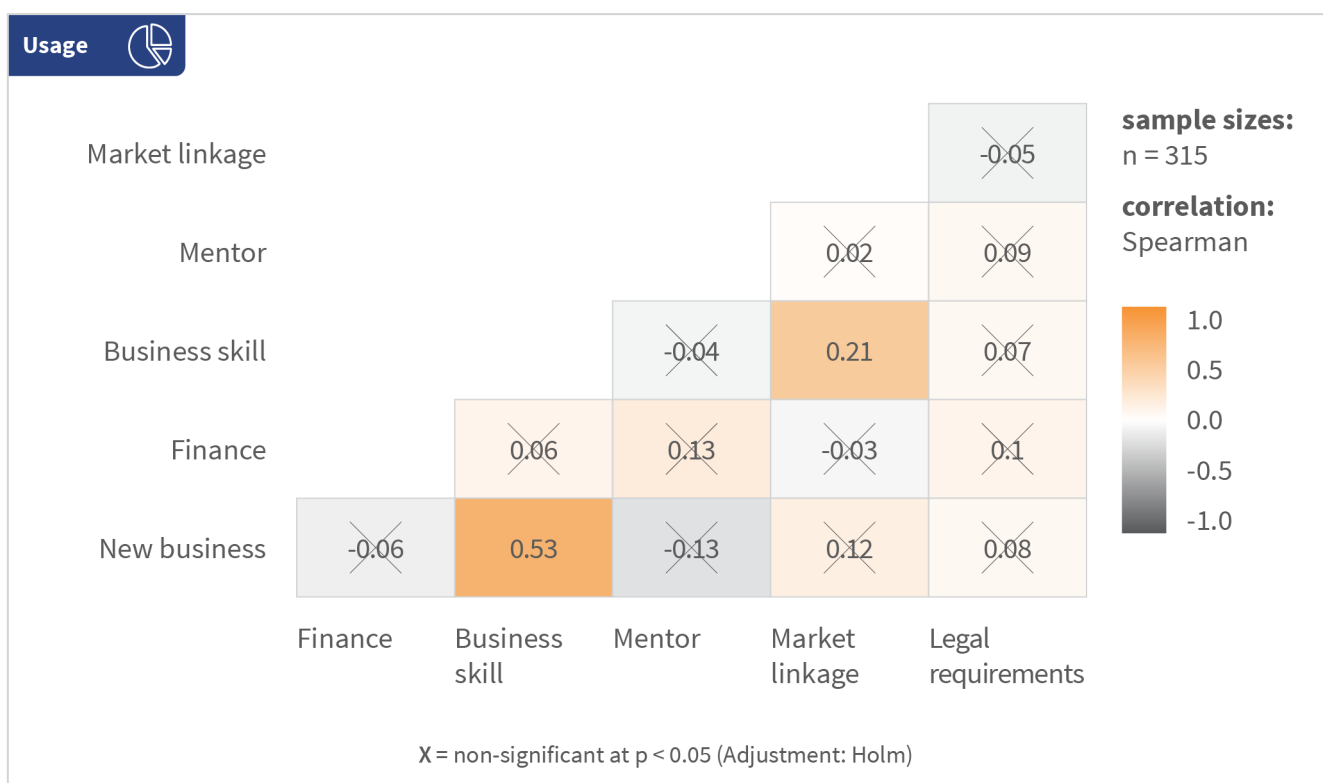
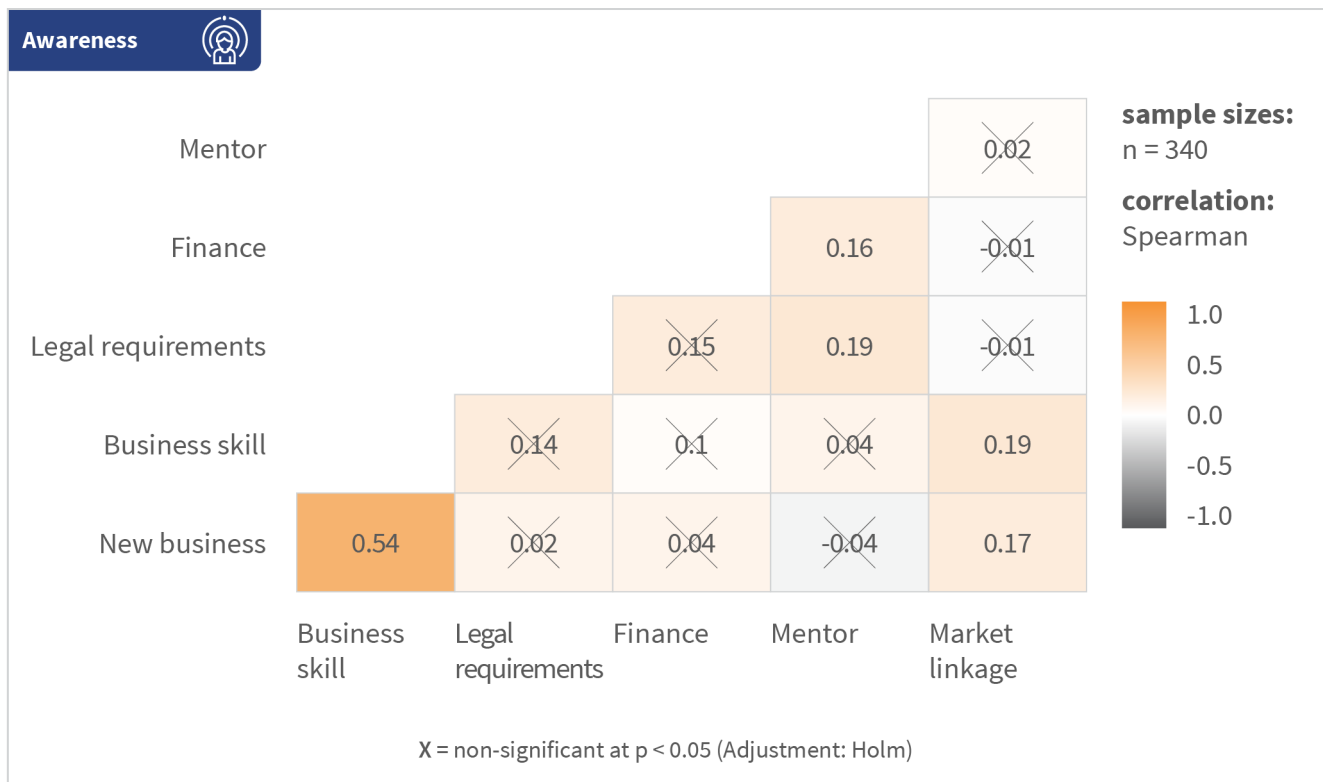
The proportion of business owners and the number of ecosystem needs components they availed of through any initiative

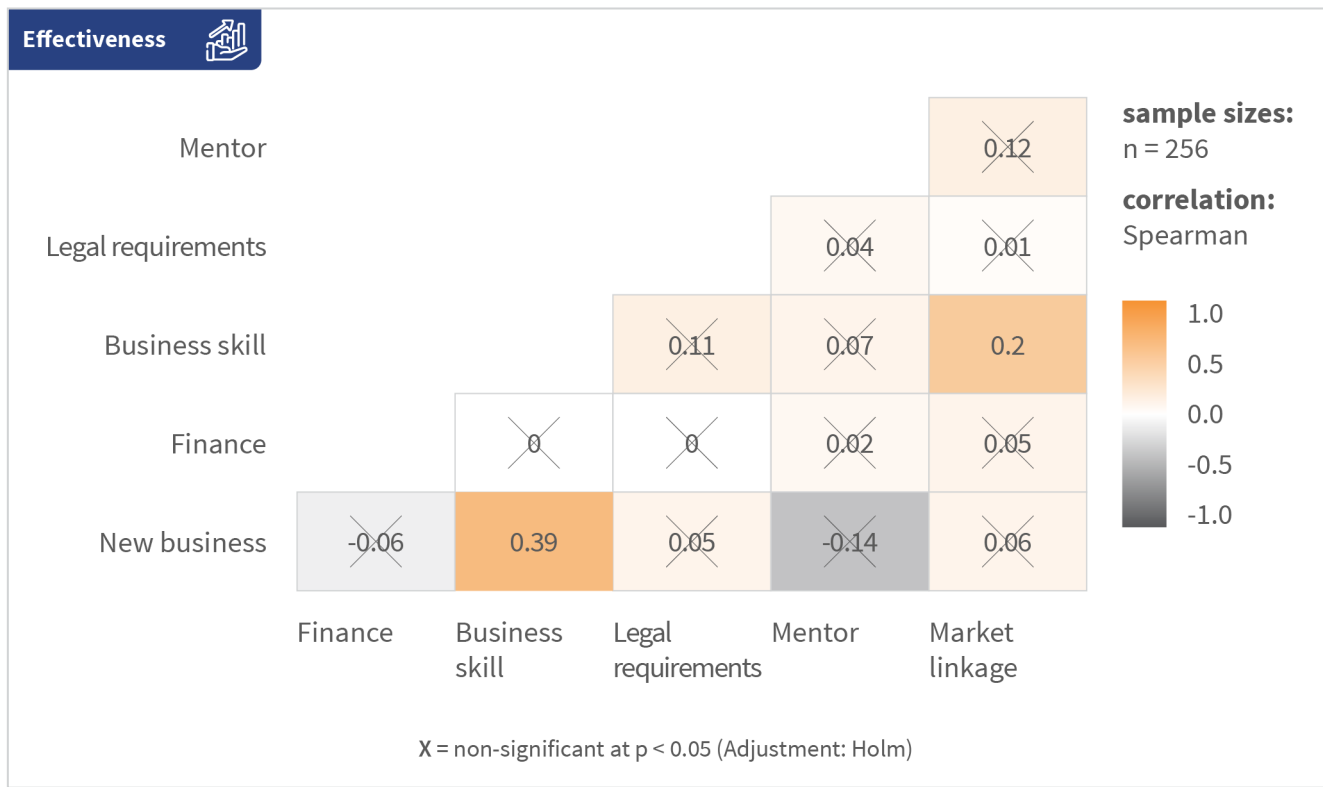
Distribution of number of ecosystem needs initiatives used by business owners (in percentage)



Low to no association exists between the awareness, use, and effectiveness of the six ecosystem needs

The six ecosystem components are largely independent of each other, except for entrepreneurial promotion and business skills.





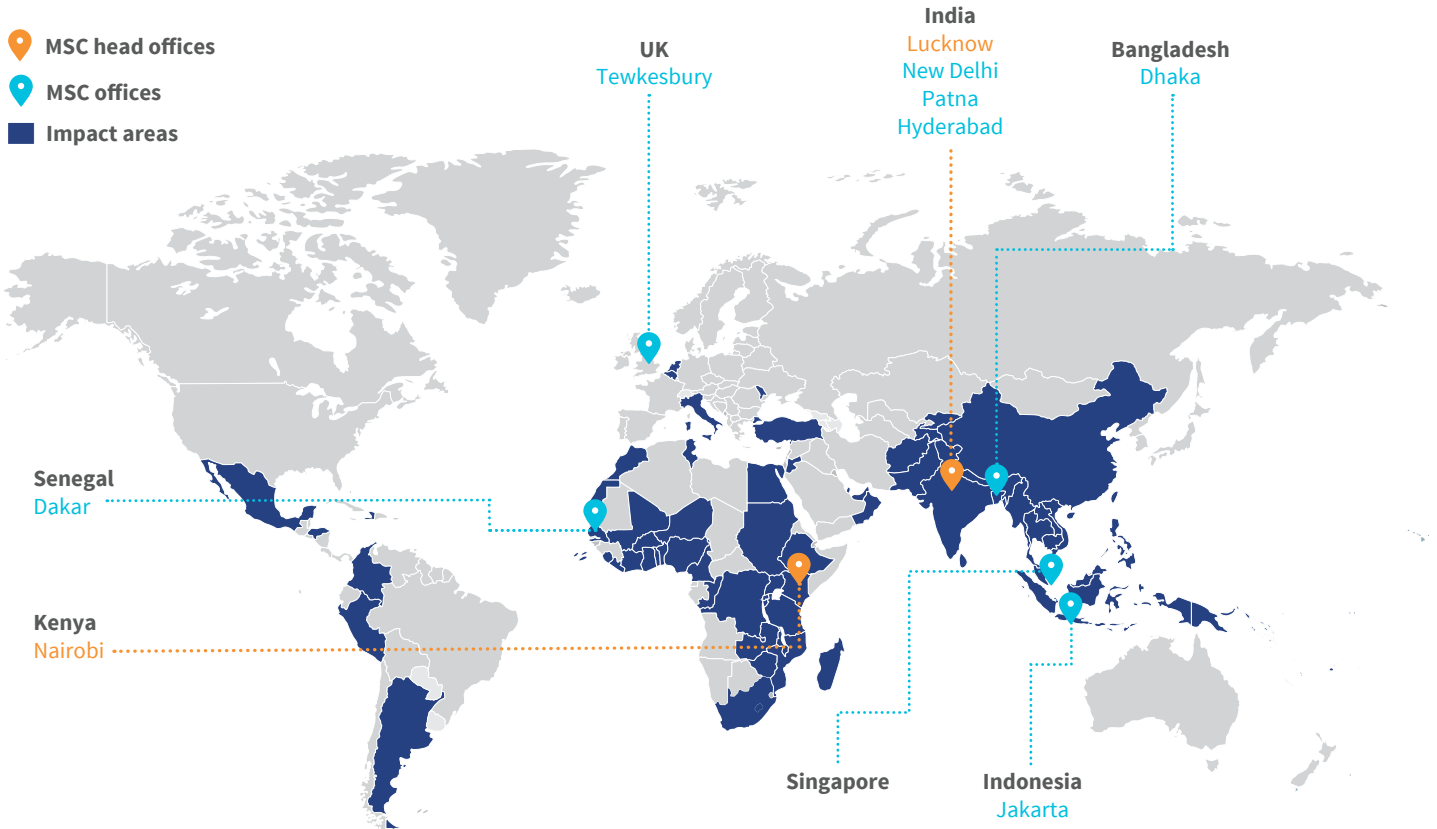
We used the Spearman correlation to calculate the association between the six ecosystem needs.



📍 MSC head offices

📍 MSC offices

■ Impact areas



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