

The Role of Social Capital and Microcredit on Female Entrepreneurship in Bangladesh



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Registration no: 138

Session: 2014-2015

**A Thesis Paper Submitted to the University of Dhaka, Bangladesh for
the Degree of Master of Philosophy**

Under the Supervision of

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November, 2020

Declaration

I hereby declare that the thesis entitled “**The Role of Social Capital and Microcredit on Female Entrepreneurship in Bangladesh**” submitted to the University of Dhaka, Bangladesh for the degree of Master of Philosophy is based on my research work carried out under the supervision of Dr. Monirul Islam Khan, Professor, Department of sociology, University of Dhaka. The material embodied in this thesis is original and has not been submitted in part or in full for any other degree, diploma, or title recognition of any university

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Master of Philosophy

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CERTIFICATE

This is to certify that the thesis entitled “**The Role of Social Capital and Microcredit on Female Entrepreneurship in Bangladesh**” is hereby submitted by Md. Shahidul Islam, student of M. Phil, Department of sociology, and University of Dhaka in partial fulfillment for the requirements of the degree of Master of Philosophy. It is also certified that the research work embodied in this thesis is original and carried out by him under my supervision. No part of the work has been submitted for any other degree.

He is permitted to submit the thesis.

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LIST OF ABBREVIATIONS

| | |
|------|------------------------------------|
| FGD | Focus Group Discussion |
| IDI | In-depth Interview |
| KII | Key informant interviews |
| NGO | Non-governmental organization |
| SMBs | Small and medium-sized businesses |
| SMEs | Small and medium-sized enterprises |
| SSS | Society for Social Service |
| MI | Microfinance Institution |
| BDT | Bangladesh taka |
| MSE | Micro and Small Enterprises |

ACKNOWLEDGEMENT

At first, I would like to express my utmost gratitude to almighty Allah for providing me the opportunity to study at this level and also to conduct this research successfully.

Then, I would like to acknowledge gratefulness and indebtedness to my research guide and supervisor, Dr. Monirul Islam Khan, Professor, Department of Sociology, University of Dhaka, for whom these few words of acknowledgement would be too little. He taught me the theories and applications of social research. His intellectual supervision made me highly confident to articulate the desired outcome of the research.

I am indebted to the Department of sociology, University of Dhaka for giving me the opportunity to carry out MPhil study successfully. I have learned a lot from this department and I will remain grateful forever.

Md. Shahidul Islam

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Abstract

Objectives: Social capital and microcredit have significant effects on female entrepreneurship. This study aims to explore the role of social capital and microcredit in female entrepreneurship in Bangladesh.

Methods: Both quantitative and qualitative methods were used to achieve the objectives of the study. The methodological triangulation (social survey and case study, key informant interview, and focus group discussion) was used. A total of 235 sample was selected by using a simple random sampling method. Likert scale was used to measure social capital. Cross Tabulation and Chi-Square tests were applied to measure the relationship between social capital and women entrepreneurship status.

Results: The results show that the majority (89.0%) of the respondents were currently entrepreneurs, while 11% were not entrepreneurs.

The majority (42.9%) of the entrepreneur were found to be involved in small business, followed by livestock and poultry (28.1%), fishery (7.6%), agriculture (9.0%), handicraft and cottage industry (7.6%), mini-factory (1.4%), direct service (1.0%), and others (2.4%). Regarding social capital, 51.1% of the respondents had high social networks, followed by high civic participation (43.4%) and high reciprocity norms (79.1 %).

The results reveal that microcredit has significantly increased the income and expenditure of women borrowers.

The Chi-Square tests showed that the social networks, reciprocity norms, and civic participation were significantly associated with women entrepreneurship in the study area. The lack of women's social capital is one of the constraints to be a successful entrepreneur in the study area.

Conclusion: The results show that microcredit have positively affected on entrepreneur household income, expenditure, and saving. Regarding social capital, not all of the social capital components have affected on entrepreneur success. Microcredit institutions should provide entrepreneurial training to facilitate female entrepreneurship.

Chapter One: Introduction

1.1 Background of the Study

Credit is one of the useful tools for business development. Access to credit can also expand existence venture with the adoption of modern technology(Balogun et al., 2013). With a small credit, people can self-employed, starting a small business like livestock, fisheries, and street vendors (McKeever et al., 2014). Recently, women's participation as entrepreneurs has increased in Bangladesh, where microcredit is a potential source to access credit for this female entrepreneur (Kabir, 2014).

The traditional banking system cannot provide credit to the poor because there is needed to mortgage similar property (Zohir, 2004). Moreover, conventional banking systems are not interested in lending to the poor because they are not suitable for their commercial purpose (Daniel et al., 2013). Thus, access to credit is the major constraint for economic development and the establishment of small and micro enterprises (Mwangi & Ouma, 2012). The microcredit scheme has targeted women to provide credit and other supports. Furthermore, this credit has been providing to the poor women with the less restrictive process without any collateral.

In Bangladesh, the social environment has a significant effect on engaging in any entrepreneurship of women. However, females have more considerable difficulties than males to be entrepreneurs, especially lack of venture capital, financial resources, and skills. Moreover, females have less informal support and networks than males. In traditional gender roles, females are less likely to engage in economic activities outside of family in Bangladesh (Rahmatullah & Zaman (2014). Almost half of populations of Bangladesh are women, and they are an essential part of socioeconomic development (Kabir et al., 2014). However, the female labour force participation rate is lower than the male in Bangladesh. Similarly, less than ten percent of women are an entrepreneur in Bangladesh. Despite limitations, women entrepreneurship has been increasing in Bangladesh by credit support from the microcredit provider.

Social capital largely influences the individual's entrepreneurship process by providing them with current market situations, knowledge about the specific venture, and social and physiological support. Similarly, social capital plays a vital role in overcoming resource constraints in rural communities and gaining market information access. In this regard, social network influences make decision to be an entrepreneur. Networking is a crucial instrument for achieving business goals and monitoring business progress (Lee, 2009).

1.2 Rationale of the Study

Social networks, individual and community level, helps to access entrepreneurial knowledge and resources. Similarly, networks also provide information about the feasibility and opportunity of a particular business. In a similar vein, family member, relatives and close friends are potential sources of economic support and emotional support for the entrepreneur (Ito, 2013).

However, there is a significant gap in the previous literature that the roles of women entrepreneurial networks in home-based economic activities and women's market sphere. In addition, the linkage between social network and entrepreneurial activities are very complex in Bangladesh because the cultural norms of the '*porda*' is the constraints in the economic activities of women. Furthermore, the role of social networks and their role in the female entrepreneurship process at home-based and marketplaces are not clear in the Bangladesh context. This study will focus on the relational and individual social capital level on how they use these types of capital to access resources and what type of benefit they expect from this reciprocal relation.

Although there have been many types of research in microcredit and women entrepreneurship over the last decades, there has been a limited number of relevant empirical investigations into the link between social capital and microcredit in female entrepreneurship in Bangladesh. In Bangladesh, as per as known, few studies explore the role of social capital and microcredit in female entrepreneurship. This study examined how social capital and microcredit facilitates female entrepreneurship.

1.3 Study Objectives

The main objective of this study is to explore the role of social capital and microcredit in female entrepreneurship in Bangladesh.

Along with the main objective, some specific objectives are also included in this study:

- To examine the role of social capital in female entrepreneurship status in Bangladesh.
- To investigate whether the women borrowers are becoming an entrepreneur by their involvement in the microcredit program.

1.4 Thesis Organizations

There are six chapters in this thesis. Chapter one describes the background of the study, the rationale of the present study, and the objectives of the study.

Chapter two provides the theoretical frame of entrepreneurship development and the theoretical linkage between social capital and female entrepreneurship. After that, the theoretical development of the social capital theory has been discussed with highlighting three prominent sociological authors: Bourdieu Coleman and Putnam. Previous literatures have been analyzed and identified the gap of them.

Chapter three presents the methodology of the study. Details data collection methods, sampling procures, the conceptualization of the variables, research methods, and data analysis procurers has been described in this chapter.

Chapter four deals with the results of the study. The results of the study present in several subsections: First, backgrounds of the respondents; Second, Entrepreneurs related information: Third, Social capital of the respondents; Fourth, effects of the microcredit on respondents household income, expenditure and saving; Fifth, bivariate association and hypothesis test, Six, qualitative findings like case study of the successful and successful entrepreneurs test, key results of the KII and IDI and findings of the FGDs.

Chapter five discusses the findings of the study and compares the study findings with previous studies.

Chapter six concludes the study that social capital and microcredit have significant effects on female entrepreneurship development in the study area. This study provides some recommendations on how microcredit and social capital contributes to female entrepreneurship development.

Chapter Two: Review of Literature

2.1 Theoretical Perspective of the Entrepreneurship

2.1.1 Economic Perspective of the Entrepreneurship

Entrepreneurship development is essential for economic development. The economic perspective of entrepreneurship mainly focuses on how does entrepreneurship lead to economic development. The classical theory decorated the virtues of free trade, specialization, and competition. The theory resulted from Britain's industrial revolution, which took place in the mid-1700s and lasted until the 1850s. This theory focuses on the entrepreneur's role in the production process and distribution in the competitive market place. In this theory, land, capital, and labour are the main components. However, this theory neglected the business process dynamics in the modern age (Simpeh, 2011). Therefore, the new classical model emerged as a reaction to the classical theory. They claimed that the economic model reflects the participants' replacement, exchange events, and the impact of exchange results on other market actors (Simpeh, 2011). There is some criticism of the classical model:

1. The new classical model focuses on collective entrepreneurship, ignoring the individual level entrepreneurship.
2. Innovation for the next future does not depend on the exchange value and efficiency based performance.
3. It is tough to measure the inputs and outputs in the modern market (Simpeh, 2011).

However, Australian Market Process (AMP) theory emphasis on human action in the context of knowledge and economy. Here, an entrepreneur is a driver market system. Any product or venture is established according to the demand of the market process. In this context, knowledge plays an essential role in the market system, such as price information, innovation, and change in the market system. An entrepreneur can create new product based on his knowledge. Profit-making is also the aim of any entrepreneurship (Simpeh, 2011). Likewise, in the opportunity-based entrepreneurship model, entrepreneurs seek the opportunity in the market situation. Entrepreneurs change their business processes according to change in technology and consumer preferences (Simpeh 2011).

According to resource-based entrepreneurship theories, access to financial, social, and human resources is the basis for any venture creation. Entrepreneurs who use their

resources appropriately have a higher opportunity to succeed than others who cannot use them (Simpeh 2011). Similarly, financial capital/liquidity theory assumes that access to credit is the prerequisite for establishing a new firm. This model suggests that people who have financial capital can establish a new form than others who have constraints to access financial capital. However, recent studies demonstrate that some entrepreneurs are more able to succeed than their competitors because they have better access to advanced technology, information, and practical knowledge (Simpeh, 2011).

2.1.2 Feminist Perspective of Entrepreneurship

Feminist approaches discuss the challenges of the women entrepreneurship process as well as disparities between men and women. Therefore, liberal feminist wants to remove all barriers for women's equal opportunity. They think that man and women are equal, but man is the hidden constraint about female entrepreneurs. Further, liberal feminist perspectives seek the removal of all kinds of gender inequalities at home and abroad. Similarly, socialist feminists think that it is a lifelong socialization process to be equal as a man (Ali, 2016). Moreover, unequal economic power relations are the hidden constraints of female entrepreneurship (Muntean & Ozkazanc-Pan, 2015).

Similarly, Marxist feminist wants the payment for the unpaid labour at the household like for child care and domestic/ household work. Marxist feminism gives more emphasis on workers' and employers' relationship than individual entrepreneurs. However, the Marxist feminism approach acknowledges increasing female entrepreneurship consequences (Ali, 2016). Poststructuralist feminism thinks that entrepreneurship assumes the ideal masculine type based on the male mentality and experience (Muntean & Ozkazanc-Pan, 2015). According to radical feminism, man and women are inherently different, but man uses these differences to exploit women for their hegemony perspective. There have been development toward propelling female-only incubators, quickening agent programs, informative workshops, strategy pitch challenges, and systems, which adjusts well to radical women's activist point of view (Ali, 2016).

However, both two approaches, economic and feminist, do not give more emphasis on the social context of the entrepreneurship process. Individual's characteristics, their social interactions, community's characteristics largely influence the entrepreneurship process. For instance, the social networks help the entrepreneur build a social relationship and promote trust by which benefit can be obtained. Entrepreneurship success also depends on

the level of keeping faith in their social networks (Ali, 2016). In addition, the main weakness of the feminist perspective is that women's autonomy is not increasing, although the economic activities of the women are evolving.

2.1.3 Developing Social Capital Theoretical Framework for Female Entrepreneurship

Entrepreneurship analysis mostly focuses on the individual, such as the cognitive model or analysis of traits. However, the importance of social context and social networks has been acknowledged and recognized since 1980s. Social capital can provide information, economic support, and create the environment for mutual benefit. An entrepreneur's network may be helpful to gain other experience and also the opportunity of their venture (Cope et al., 2007). The individual connection is not enough for business success; there needs more comprehensive external network support. This external network would help one individual for strategies development with other companies and entrepreneurs. Contact with the outside network may increase the probability of getting more comprehensive information. This network facilitates connecting with other economic and social associations, such as trade associations, exhibitions, and trade shows (Cope et al., 2007).

A person may have economic support but due to lack of social network he may be unable to start business, but access to a strong social network might useful to overcome this problem. In an exceedingly similar vein, strong connection with the resources providers facilitates to access resources and increase the possibility to proper uses of the business prospect (Simeh, 2011). Both individual and community level social capital are useful to gain economic benefits. Individual social capital depends on how an individual uses their personal social networks.. For example, a person can use his social network to find a better market knowledge. Community level social capital, capital can be a collective asset that contributes to creating a group identity, solidarity, and mutual trust.

The presence and absence of social capital could result in the entrepreneurship nature and its outcomes. Social capital is the connection with others, which can act as networking capital because it can obtain resources. Access to social network and mutual trust and reciprocal norms will help obtain the benefit, especially in formal organization and government agencies (Cope et al., 2007). Social capital formation is a dynamic process, and it also increases the reputation of the entrepreneurs. Family-based bonds help to startup entrepreneurship, and this supports contribute to shifting for the next generations.

(Cope et al., 2007). Informal contacts can bring long and short term benefit (Cope et al., 2007). Individual social capital can increase the probability of receiving those essential for their ventures, such as business facilitators, access to credit, customers, and suppliers.

2.2 Social Capital: Theoretical Concept and Discussion

Social capital has frequently been used in many disciplines. Social capital is an old concept, but in modern time three authors: Bourdieu, Coleman, and Putnam were described comprehensively. In general, social capital is the social relationship which can be used for positive outcome (Bhandari & Yasunobu, 2009). Similarly, interpersonal networks and social interactions are the core of social capital (Birungi and Hassan, 2011). Bourdieu defined social capital as: "*the aggregate of the actual or potential resources that are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition...which provides each of its members with the backing of collectively-owned capital*" (Bourdieu, 1997: 51). Social capital forms in social relationship, and can be used when it is necessary. A relationship contains trust and status in the group, and this stable and robust relationship produced and reproduced many kinds of investment. If any person wants to benefit from social capital, he needs to learn how social capital can be used and transfer social to economic prosperity.

According to Bourdieu, social relation increases the ability of an actor to fulfill his/her interest. Social capital can be considered as resources that use in a social struggle that is built in a different social aspect. However, his social capital cannot build naturally; instead, an actor needs to invest some strategy to connect with other people. The actor needs to maintain regular social interaction and trust-building behaviour with other people. An actor needs many years to build social capital, but this social capital can be destroyed more easily than to build up (Grootaert and Bastelaer, 2002).

Table 1. Contemporary Level of Study of Social Capital

| Levels of analysis | Bourdieu | Coleman | Putnam |
|-------------------------------|-----------------|-------------------------------------------|----------------------------------------|
| Individual / class faction | Titles / names | | |
| | Friendships / | | |
| | Associations | | |
| | Memberships | | |
| Family / community | | Family size | |
| | | Parents' presence in the home | |
| | | Mother's expectation of child's education | |
| | | Family mobility | |
| | | Church affiliation | |
| Community region | | | Memberships in voluntary Organizations |
| | | | Voting participation |
| | | | Newspaper Readership |

Sources: Claridge (2004)

Coleman described social capital as "*Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure*" (1990: 302). According to Coleman, social capital is people's ability to work in groups (Fukuyama, 2002). He emphasizes that social capital is a resource in kinship and family networks that help create human capital. He mentions that trust is essential for any economic transaction. Social capital arises in a social structure favorable for action in actors in this structure (Häuberer, 2011).

Human and physical capital is private goods, but social capital is public goods: thus, the benefits of the social capital are received by both investing actors and other actors in the social structure, which arises not from a purposeful choice but also in social interaction (Häuberer, 2011). Likewise, human and physical capital rise due to an intentional and purposeful intention, but social capital is not a result of an intentional and purposeful choice instead of a result of actions occupied for other purposes (Field, 2005). Similarly, social capital cannot create individually like human capital, and the stock of social capital increases by using this (Grootaert and Bastelaer, 2002).

Putnam (1995) defined social capital as "*features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions*" (Putnam, 1995:167). Putnam's social capital related to political participation and the relationship between people (Häuberer, 2011). Putnam describes that social capital enhances the outcomes of individuals and groups.

World Bank defines social capital "*the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development*"(World Bank, 2000). According to the World Bank, social capital is an essential element to local development. Pennar defines social capital as "the web of social relationships that influences individual behaviour and thereby affects economic growth" (1997: 154). Families with active participation in credit societies, churches, farmers' organizations, and burial societies are better off than those who are not involved in that group (Pennar, 1997).

Portes(1998) defines social capital as "*the ability of actors to secure benefits by membership in social networks or other social structures*"(1998:6). He describes that social capital can be used as terms:

1. A source of social control,
2. A source of the family supported benefits, and
3. Sources of benefit from not mainly network (Portes, 2000)

Social capital has three types: bonding, bridging, and linking (Derso and Varda, 2007.283). Bonding social capital consists of horizontal ties and social interaction within a homogenous group (Derso and Varda, 2007.283). This capital is strong ties among close friends or immediate family members with similar interests. Bridging social capital is vertical ties and connections in the heterogeneous group with different social characteristics. Bridging social capital is the weak ties,like workmates and member of voluntary organizations (Derso and Varda, 2007).Linking social capital refers to individual connection in different groups whose members have power and wealth (Derso and Varda, 2007).This types of social capital is very useful to access resources outside of their community (Ferlander,2007).

Social capital has two other characteristics, structural and cognitive. Structural social capital refers to social networks or social interactions and cognitive social capital refers to common norms, values, and beliefs (Krishna and Uphoff, 2002).

Social capital concept can be categorized into three levels: micro (individual), meso (community/group), macro (national/ societal). Micro-level social capital is the personal social network to gain resources, but the meso-level social capital refers to connections in different groups and the local community. In contrast, macro-level social capital is the connection more than the border area than meso-level, which can be created collective assets (Ferlander, 2007).

2.3 Review of Literature

2.3.1 Social Capital and Entrepreneurship

Bauernschuster & Heblich (2010) examined the effects of social capital on entrepreneurship development and how social capital reduces the barriers in the entrepreneurship process. This study explored that social capital plays a imperative role in entrepreneurship development in the small community. They found that club membership increases 2.6 percentage points larger propensity to be an entrepreneur than who have not club membership in a small community.

Kaber et al. (2014) described how entrepreneurship increases social capital in the rural area of Bangladesh. They revealed that interaction with other entrepreneurs and participation in NGO's group meetings were played a significant role in increasing their social capital. Some types of entrepreneurship significantly increase the social capital of the women in a rural area of Bangladesh. However, rural entrepreneurs have inefficient training opportunities due to a lack of institutional support from both the public and private sectors.

Kontinen & Ojala (2012) examined the social capital formation in the small and medium-sized family enterprises (family SMEs) in the international linkage. They find that family network has played a vital role in developing networks in the international arena.

Lee & Tuselmann (2013) examined the role of occupational division on social capital formation and access to resources. They found that a higher level of professionalism has more bridging social capital than non-professional entrepreneurs. An entrepreneur from disadvantaged areas has a lower level of social capital compared with non-disadvantages areas.

Mavi & Afshar (2017) examined the role of relational, structural, and cognitive social capital on entrepreneurship. They revealed that social capital is significantly associated with organizational entrepreneurship. Further, they confirmed that relational and structural social capital are significantly associated with organizational entrepreneurship; in contrast, there is no positive association between cognitive social capital and organizational entrepreneurship.

Piran et al. (2015) investigated the effects of an organization's social capital on corporate entrepreneurship among middle management. Their results suggested that social capital has positive effects on corporate entrepreneurship.

Poon et al. (2012) explored how social capital is facilitated in female entrepreneurship in Northern Ghana. Using logistic regression, they found that family social capital is positively associated with self-employment; on the contrary, institutional social capital decreases the likelihood of self-employment. Family social capital, namely children and male family members, gives female entrepreneurs free labor support in the entrepreneurship process. However, access to credit from microfinance has positive effects on female entrepreneurship.

Roessingh & Smits (2009) investigated the role of the social capital in the daily activity of a member of the Mennonite organization of Circle R. They found that social capital is a vital instrument to open and change their organization. They also claimed that religion is the fundamental basis of social capital because it can create common thought. By using potential social capital, entrepreneurs can enhance their activities.

Roxas & Azmat (2014) examined the role of community social capital to be an entrepreneur in the Philippines' rural area. They found that social capital significantly increases entrepreneurial intentions, and a high level of social norms towards entrepreneurship would influence entrepreneurship intention.

Tundui & Tundui (2013) explored how does of social capital enhances economic performances in Tanzania. Their results showed that social capital has a significant effect on the business performance of the female-owned venture because they use their social network to get advice and information in their business which in turn increases their business profit. Their results suggest that the entrepreneur's bridging social capital was more helpful than linking social capital for business success. To enhance their business performance, they need to develop social capital, especially women entrepreneurs, to increase their neighborhood network.

Zhao et al. (2011) examined the relationship between social capital and tourism business development in Guangxi, China. They found that structural social capital is helpful to establish a tourism business.

2.3.2 Social Capital, Microcredit, and Entrepreneurship

Abdulkadir et al. (2012) investigated the impacts of microfinance banks (MFBs) on women's economic and financial sustainability. They found that MFBs also have positive effects on increasing the socioeconomic status of women entrepreneurs.

Afrin et al. (2010) investigated microcredit's role on women entrepreneurship development in rural Bangladesh. They found that financial organization skills and group identity were significantly associated with women entrepreneurship development in Bangladesh.

Epo (2010) investigated the effects of microcredit and social capital in female entrepreneurship in Cameroon's rural area. They revealed that both microcredit and social capital increases the likelihood of being an entrepreneur of the female. Literacy, health and household members, and access to electricity were also factors related to women entrepreneurship.

Mahmood & Mohd (2013) found that microcredit is positively and significantly associated with micro and small enterprises (MSE) development and performance. However, entrepreneurial skills are also a vital factor in firms' performances.

Mahmood (2011) investigated the impact of microfinance on female entrepreneurship and women empowerment in Pakistan. This study reveals that access to credit from microcredit is vital to startup ventures in rural areas. Lack of training is the primary constraint for entrepreneurship development.

Rakhal (2016) examined the role of microcredit on female entrepreneurship. They found that women could become successful entrepreneurs if they had access to credit. This study found that microcredit helps entrepreneurs by providing credit, training, and advice to develop entrepreneurship.

Rathirane and Semasinghe (2016) investigated microfinance on female entrepreneurship performance in Northern Sri Lanka. They found that due to lack of infrastructure facilities, microfinance has positive effects on female entrepreneurship. They suggest that there is needed for proper monitoring and skills training facilities to increase and nurture the business.

Yogendrarajah & Semasinghe (2015) explored the impact of microcredit on entrepreneurship development in Sri Lanka. They revealed that access to microfinance had been a crucial factor for entrepreneurship development.

2.3.3 Summary of the Literature Review

Previous studies explore the link of the microcredit and female entrepreneurship development, but the effects of social capital have slightly presented. Positive results of the microcredit in socioeconomic development have been explored and proved by the previous studies. However; most of the studies did not explore the role of the social capital in female entrepreneurship among the microcredit borrowers. The mediating role of the social capital has been ignored in the previous studies. This study aims to understand the role of social capital and microcredit in female entrepreneurship in a rural setting of Bangladesh.

Chapter Three: Methodology

3.1 Study Method

Both quantitative and qualitative methods were applied to achieve the objectives of the study. The methodological triangulation (social survey, case study, key informant interview (KII) and FGDs) was used.

3.2 Research Design

This is a descriptive cross-sectional study. This cross-sectional study is conducted at a particular point of time on an observational basis and explored the association among the phenomena (Creswell, 2002).

3.3 Study Area

The study conducted in Amirganj union Parishad in Raipura Upazila in Narsingdi district, Bangladesh. Society for Social Service (SSS) was selected for this study. The key program of SSS is to supply financial services to alleviate poverty.

3.4 Desk Review of Secondary Data

Secondary data was also collected from different sources in this study. The following types of sources were used for secondary data like journal articles, international and national NGOs reports, books, government documents, and newspapers, etc.

3.5 Study Site and Sample Design

All borrowed people from SSS in the Amirganj union Parishad were population of this study. At first, Four villages namely, Piriz Kandi, Merathol, Dokhin Para, and Pathar Khata were randomly chosen. Then simple random sampling was used in this study.

The SSS's total microcredit borrowers in the study area were approximately 600; among them, 235 units were picked up for making a simple randomized sample from the total population by using Cochran's sample size formula (Cochran's (1977)).

$$n_o = \frac{(t)^2 * (p) (q)}{(d)^2}$$
$$n_o = \frac{(1.96)^2 (.5) (.5)}{(0.05)^2} = 384$$

Where $t =$ value for selected alpha level of .025 in each tail = 1.96.

Where $(p)(q) =$ estimate of variance = .25.

Where $d =$ acceptable margin of error for proportion being estimated = 0.5

Therefore, for a population of 600, there required sample size is 384(Cochran's (1977). correction formula has been used to calculate the final sample size. These calculations are as follows:

$$n1 = \frac{n_0}{(1 + n_0 / \text{Population})}$$
$$n1 = \frac{384}{(1 + 384/600)} = 234.11 = 235$$

Where population size = 600

Where $n_0 =$ required return sample size according to Cochran's formula= 384

Where $n1 =$ required return sample size because sample > 5% of population.

3.6. Qualitative Investigations

Key Informant Interview (KII): KII method was used to get in-depth information regarding social capital and women entrepreneurship issues. A total of 3 key informant interviews (KIIs) was conducted with microcredit provider.

In-depth Interview (IDI): IDI was used to get in-depth information regarding the assessment of the present for condition of women entrepreneur in selected area.

Case Study: Nine (9) case studies were conducted to understand the impacts of microcredit and social capital in entrepreneurship success.

FGD: Two FGDs have conducted to understand the impacts of microcredit and social capital in entrepreneurship success.

Table 2. Method of primary data collection and sample size of the study

| SN | Methods | Respondents | Sample Size | Tools Used |
|----|---------------------------------|-------------------------------------------------------------------|-------------|------------------------------------------------------------|
| 1. | Individual Interview | All borrowers | 235 | Structured and standardized questionnaire (well pretested) |
| 2. | Key Informant Interviews (KIIs) | ▲ Microcredit provider (3) | 3 | Use semi-structured open ended questionnaire |
| 3. | In-depth Interview (IDI) | ▲ Women entrepreneur (2) ▲ Women unsuccessful entrepreneur (2) | 4 | Use semi-structured open ended questionnaire |
| 4 | Case study | Women entrepreneur and non-entrepreneur | 9 | Case study guide line |
| 5 | FGD | Micro credit borrowers | 2 | FGD guide line |

3.7 Justification of the Study Method

This study is designed to explore the effects of social capital and access to microcredit in female entrepreneurship in Bangladesh. Both qualitative and quantitative techniques, i.e. mixed method, has been applied to fulfill the objective of the study. For this purpose, 235 households have been targeted to collect primary data by survey method. Furthermore, information was collected by taking key informant interview from 3 respectable persons who have relevant knowledge and insight. For an in-depth understanding and gather knowledge about the issue, 4 IDI were conducted. Also, information has been collected from different secondary sources. Thus, this study has been involved in using more than one kind of methods. These mixed methods have been beneficial in confirming findings, and increasing the validity of the data. Finally, this mixed method, the methodological triangulation, ensured the ‘truth value’, ‘applicability’, ‘consistency’ and ‘neutrality’ of the research finding.

3.8 Data Collection Methods

Primary data were collected through face to face interview, IDI, KIIs, FGDs, and case study.

3.8.1 Data Analysis

Descriptive analysis and inferential analysis was used in this analysis.

3.8.2 Descriptive Analysis:

Univariate analysis: frequency distribution and percentage analysis were used.

3.8.3 Inferential Analysis:

Bivariate analysis: Bivariate analysis such as cross tabulation was used to presentation of the data.

3.8.4. Test of Hypothesis

Hypothesis No. 1

- Null hypothesis (Ho): There is no significant relationship between social networks and women entrepreneurship.
- Alternative hypothesis (H_a): There is a significant relationship between social networks and women entrepreneurship.

Hypothesis No. 2

- Null hypothesis (Ho): There is no significant relationship between norms of reciprocity and women entrepreneurship.
- Alternative hypothesis (H_a): There is a significant relationship between norms of reciprocity and women entrepreneurship.

Hypothesis No. 3

- Null hypothesis (Ho): There is no significant relationship between social trust and women entrepreneurship.
- Alternative hypothesis (H_a) There is no significant relationship between social trust and women entrepreneurship.

Hypothesis No. 4

- Null hypothesis (Ho): There is no significant relationship between civic participation and women entrepreneurship.
- Alternative hypothesis (H_a): There is no significant relationship between civic participation and women entrepreneurship.

Hypothesis No. 5

- Null hypothesis (Ho): There is no significant relationship between size of microcredit loan and women entrepreneurship.
- Alternative hypothesis (H_a): There is a significant relationship between civic participation and women entrepreneurship.

3.8.5 Conceptualization of the Variables:

Women entrepreneur: Women entrepreneur is a woman who is currently operating a business or independently involve in income generating activities. Generally, she plans for a business, initiates it, organizes it and run it by the women entrepreneur. In rural area, this variable is measured whether women is currently an entrepreneur or not.

Social Capital: Social capital is used by following dimensions and indicator.

Table 3. Measuring social capital

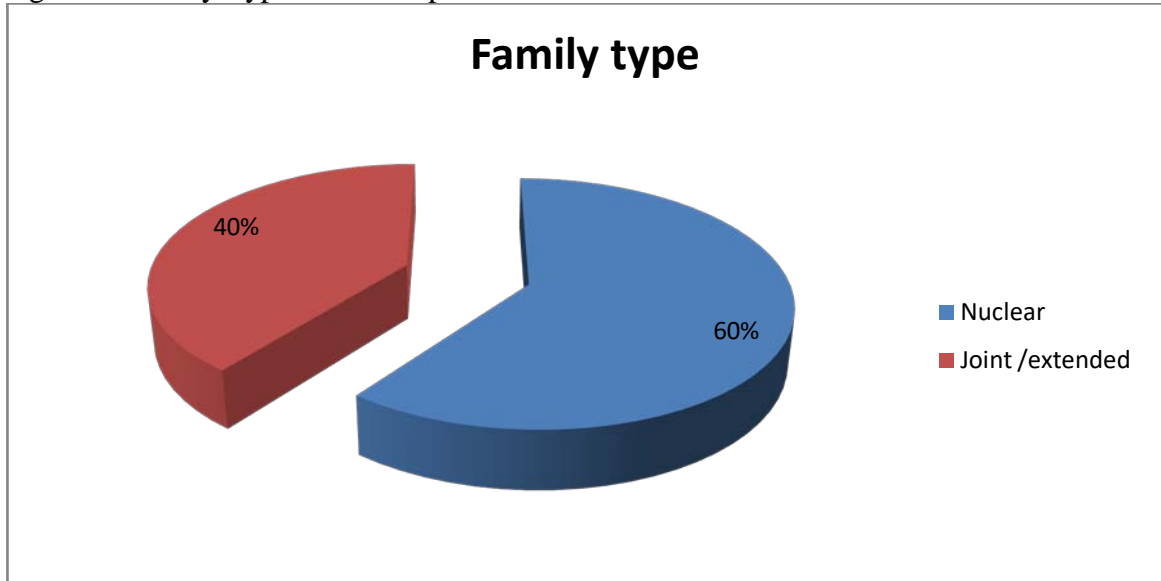
| | Social Capital Indicator | Corresponding Scores |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Civic participation | <p>In the last 12 months,</p> <ul style="list-style-type: none"> • Active member or participated in meeting in any groups like voluntary organization, saving groups, political groups, religious group. • Received any psychological support from any groups in your area. • Received economic support from any group • Worked to identify or solve any problem jointly with other people in this area. • Talked or contacted local government/authority to solve any problem | This variable was measured by a 5-point Likert scale (strongly agree=5, agree=4, neither agree nor disagree=3, disagree=2, strongly disagree=1).The scores were summed together resulting in a score of from 5–25 (the score was classified as low (5–8), medium (9-16), and high (17-25) civic participation. |
| Norms of reciprocity | <ul style="list-style-type: none"> • Having many people when need more than ten thousand taka. | This variable was measured by a 5-point Likert scale (strongly agree=5, agree=4, neither agree nor disagree=3, disagree=2, strongly disagree=1).The scores were summed together resulting in a score of from 5–25 (the score was classified as low (5–8), medium (9-16), and high (17-25) norms of reciprocity. |
| | <ul style="list-style-type: none"> • Having support from family members, relatives, neighbor, and close friends in business process. | |
| | <ul style="list-style-type: none"> • Ability to collaborate with other when necessary | |
| | <ul style="list-style-type: none"> • Having support when | |

| | | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>need personal problem or practical help (like housekeeping, child-rearing, small job).</p> <ul style="list-style-type: none"> • Lending money to someone more than five thousand taka. | |
| Social Trust | <ul style="list-style-type: none"> • Community people are trustable and do not take advantage of if they get the chance. • Trust the people who are related to your business or have trustable people. • Trust family members, friends, and relatives in economic matters and personal life (lending money, take care of the business when you go outside). • Ability to establishing relationship with other people in order to improve business and trust them. | <p>This variable was measured by a 5-point Likert scale (strongly agree=5, agree=4, neither agree nor disagree=3, disagree=2, strongly disagree=1). The scores were summed together resulting in a score of from 5–20 (the score was classified as low (5–7), medium (8–14), and high (15–20) social trust.</p> |
| Social network | <ul style="list-style-type: none"> • Having many close friends. • Having close people with government, NGOs, local authority, political party. • Having close relatives. • Having many close people without friends and relatives. | <p>This variable was measured by a 5-point Likert scale (strongly agree=5, agree=4, neither agree nor disagree=3, disagree=2, strongly disagree=1). The scores were summed together resulting in a score of from 5–20 (the score was classified as low (5–7), medium (8–14), and high (15–20) social networks.</p> |

Chapter Four: Results of the Study

4.1 Background Characteristics of the Respondents

Figure1. Family Type of the Respondents



Source: Field Survey, 2018

Family type is an essential factor for women entrepreneurship because it determines the entrepreneurs' values, beliefs, and attitude in the entrepreneurship process. From this table, almost 60.0 % of respondents were from the nuclear family, and 40.0% were from joint /extended families. Family motivation is also a significant driver for women to start their own venture because this would allow them to enjoy the flexibility to start a new business.

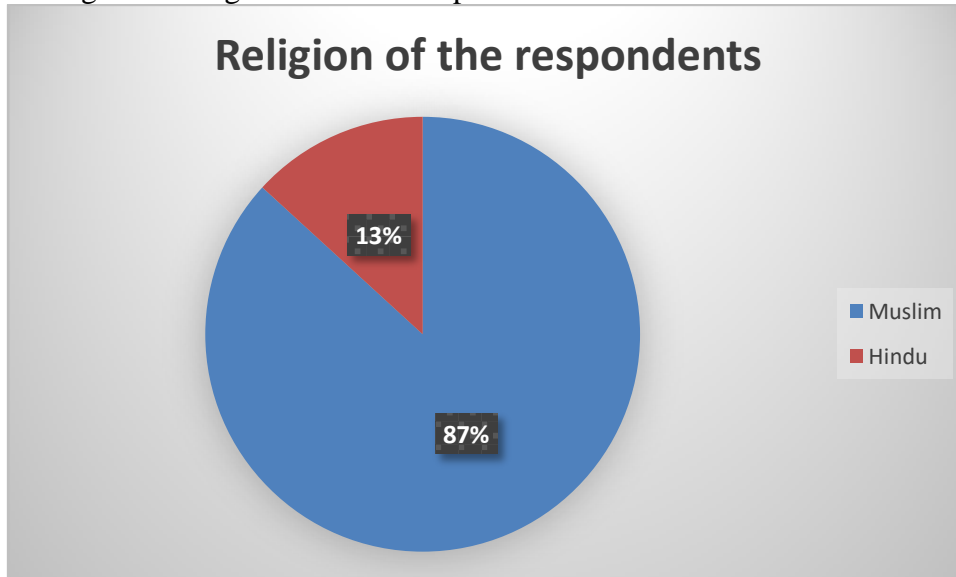
Table 4. Age of the Respondents (years)

| Age | Frequency | Percent |
|-------|-----------|---------|
| >30 | 52 | 22.1 |
| 30-39 | 110 | 46.8 |
| 40-49 | 54 | 23.0 |
| 50-59 | 19 | 8.1 |
| Total | 135 | 100.0 |

Source: Field Survey, 2018

Among the respondents interviewed, 22.1% of respondents had age less than 30 years, 46.8% of respondents were aged 30- 39 years, and only 8.1% of respondents were in the age group between 50 and 59 years. From this data, it is clear that the majority of the entrepreneur were younger.

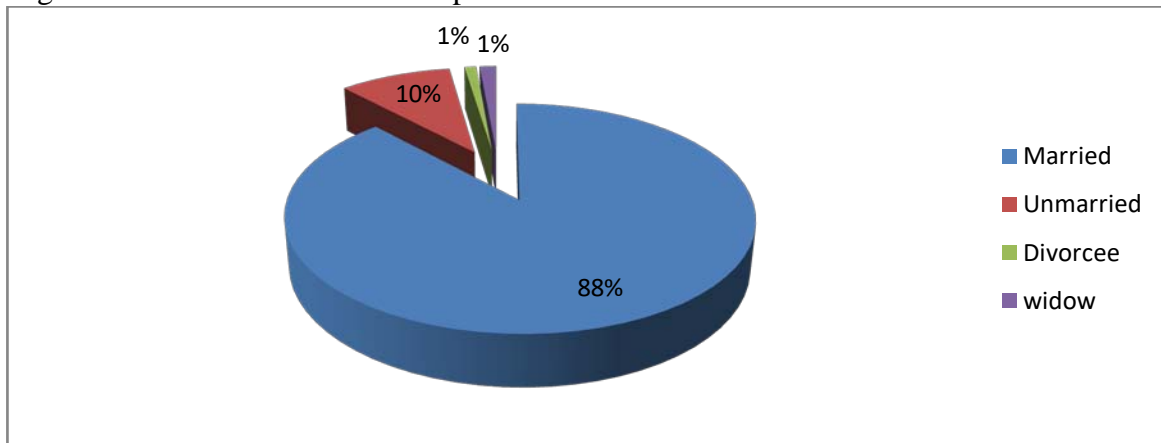
Figure 2. Religious Background of the Respondents.



Source: Field Survey, 2018

According to religion, the majority (87.0%) of the respondents were Muslim, and the rest of them, only 13.0% belonged to the Hindu religion. In this study area, there was no respondent from other religions.

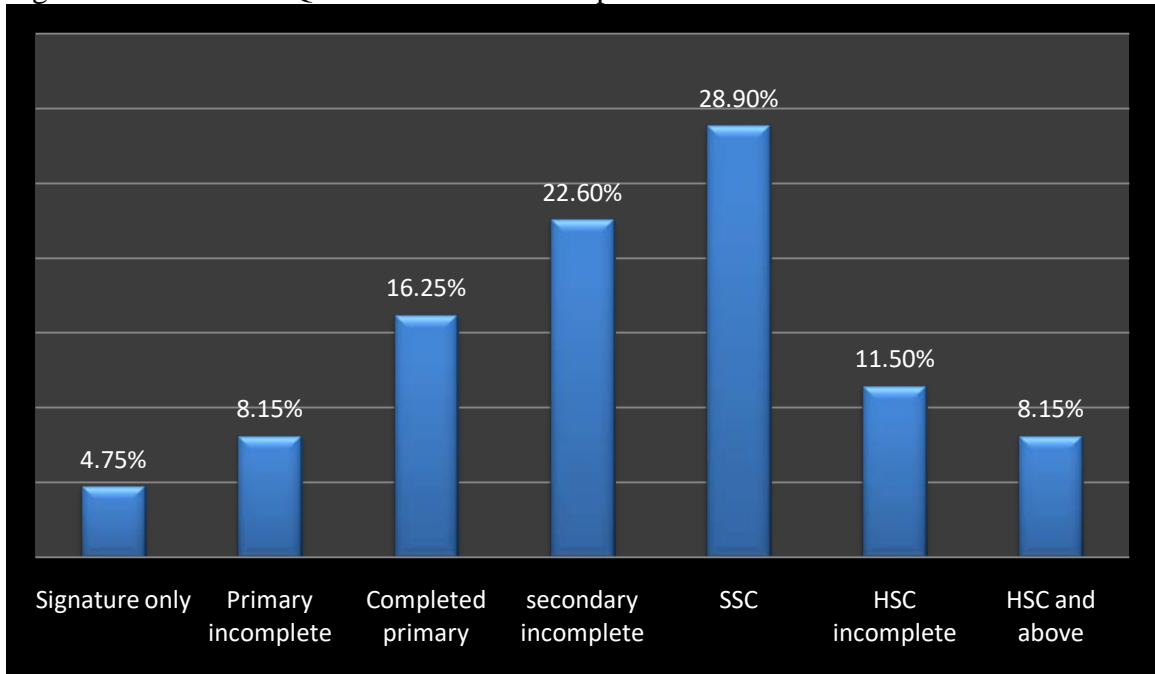
Figure 3. Marital Status of the Respondents.



Source: Field Survey, 2018

Women's marital status, have significant influences in their socio-economic life. Among the respondents interviewed, 88.0% were married, followed by unmarried (10.1%), divorce (1.0%), and widow (1%). Most of the respondents engaged in business because they had significant responsibility in the family. Some widow or divorced women had to start a business because they had no other economic support.

Figure 4. Educational Qualification of the Respondents.



Source: Field Survey, 2018

In terms of the educational level of women respondents, 8.1% had HSC and above degree, 11.5% were admitted into HSC but did not complete, 28.9% had secondary education, 22.6 % have completed secondary level education, and 16.2% have completed primary education. Only 4.4% of women respondents had no formal education, but some mentioned that they could only make a signature. This data reveals that most respondents have not higher education, which is the prerequisite for successful business operation and management. A KII report indicated that these respondents were doing business because they did not have adequate qualifications to engage in formal employment.

Table 5. Number of Dependents.

| | Frequency | Percent |
|-------|-----------|---------|
| 0 | 12 | 5.1 |
| 1-3 | 136 | 57.9 |
| 4-6 | 85 | 36.2 |
| 7+ | 2 | .9 |
| Total | 210 | 100.0 |

Source: Field Survey, 2018

Only 5.1% of the entrepreneur had no dependent family members. The majority (57.1%) of the entrepreneur had between 1 and 3 dependent family members.

Table 6. Year of Membership.

| | Frequency | Percent |
|-------------|-----------|---------|
| less than 1 | 59 | 25.1 |
| 1-3 | 130 | 55.3 |
| 4-6 | 44 | 18.7 |
| 7+ | 2 | .9 |
| Total | 235 | 100.0 |

Source: Field Survey, 2018

This table represents the year of memberships of the SSS. About 18.6% of respondents were new SSS members, and their membership's duration was less than one year. The majority (59.5%) of the entrepreneurs' memberships belonged to one to three years. A small number of entrepreneurs were members of this SSS for more than seven years; they took loans regularly and considered trustful.

Table 7. Number of Loans Received.

| | Frequency | Percent |
|-------|-----------|---------|
| 1-3 | 192 | 81.7 |
| 4-6 | 43 | 18.3 |
| Total | 235 | 100.0 |

Source: Field Survey, 2018

Credit is essential for any kind of business. This table represents that entrepreneur took loans from SSS in many times. The majority (81.7%) of the entrepreneurs took a loan between 1 and 3 times. About 18.3 % of respondents have taken loans ranges from 4 to 6 times. They had more relationships with SSS and have a long time adjacent to SSS.

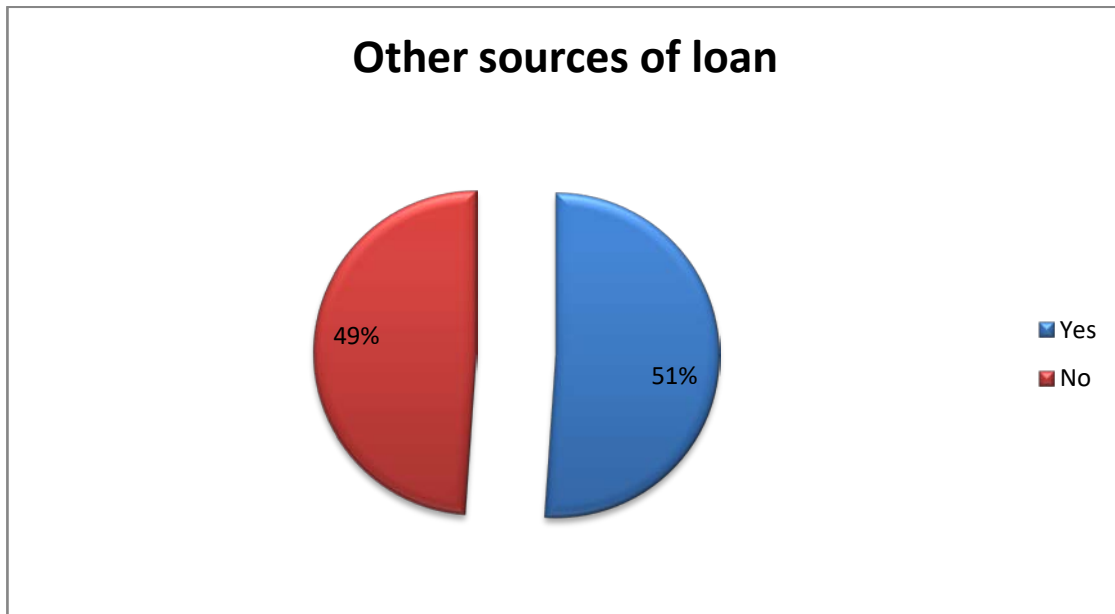
Table 8. Size of Microfinance Loan (BDT).

| | Frequency | Percent |
|-------------------|-----------|---------|
| Less than 50,000 | 141 | 60.0 |
| 50,001-1,00,000 | 47 | 20.0 |
| 1,00,001-1,50,000 | 36 | 15.3 |
| 1,50,001-2,00,000 | 11 | 4.7 |
| Total | 235 | 100.0 |

Source: Field Survey, 2018

Access to credit is an essential factor in starting a new business. At most, 60.0% of entrepreneurs reported that their loan size was less than BDT 50,000. It seems that entrepreneurs were more likely to take loans of small size, or credit providers do not provide enormous credit due to the risk of the return. Among the respondents, 15.3% reported that their loan size was between BDT 50,001 and 1, 00,000. Only 4.7% of entrepreneurs' loan size ranged from BDT 1, 50,001 to 2, 00,000, assuming that they were operating large business compared to others.

Figure 5. Other Sources of Loans

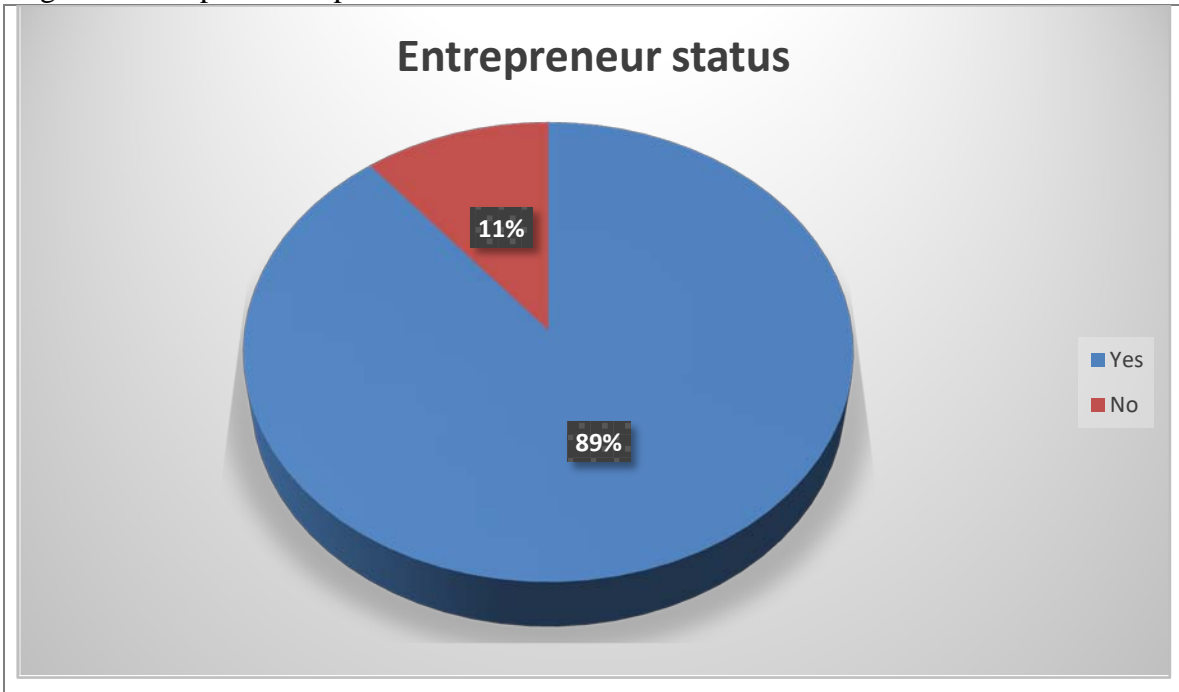


Source: Field Survey, 2018

Figure 5 represents that more than half (51.9%) of the respondents received loans from any other microfinance institutions, and the rest were received loans only from SSS. One explanation was that the loan size that was provided by one institution was not enough for their business running so that they might take a loan from other institutions. Even institutions were less likely to give a large amount of money to the entrepreneur for the first time, but if they pay their installment regularly and return without any delay, they can receive a large amount of credit at the second time.

4.2 Entrepreneur Related Information

Figure 6. Entrepreneurship Status



Source: field survey, 2018

The figure illustrates that among the loan's borrowers, the majority (89.0%) of the respondents were currently a successful entrepreneur, while 11% were not entrepreneurs.

Table 9. Sector-Wise Classifications of the Enterprises.

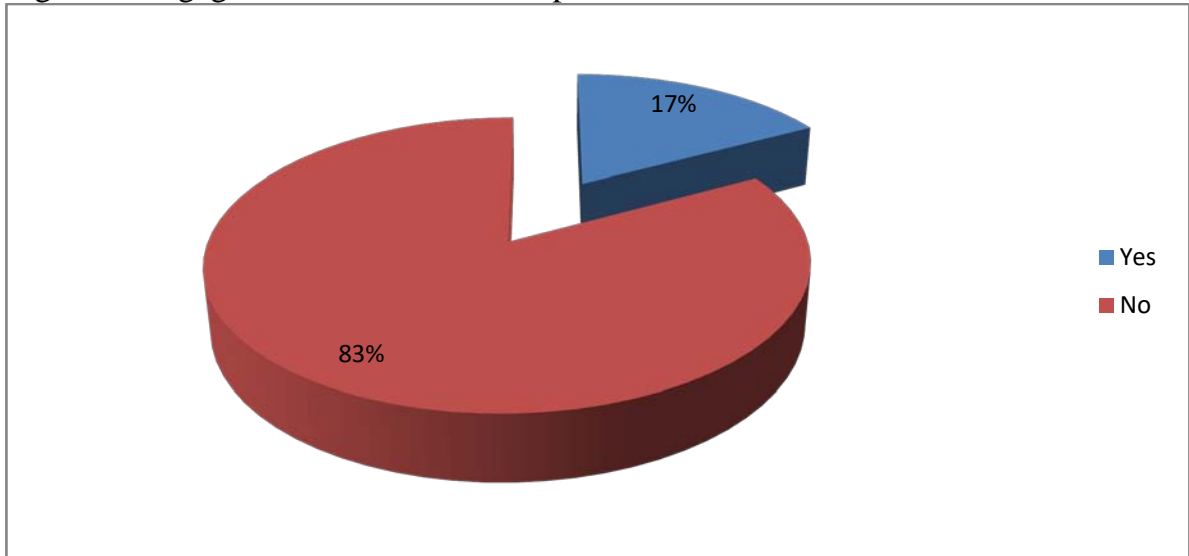
| Sector | Frequency | Percent |
|---------------------------------|-----------|---------|
| Agriculture | 19 | 8.1 |
| Fishery | 16 | 6.8 |
| Livestock and poultry | 59 | 25.1 |
| Handicraft and cottage industry | 16 | 6.8 |
| Small business | 90 | 38.3 |
| Direct service | 2 | .9 |
| Mini-factory | 3 | 1.3 |
| others | 5 | 2.1 |
| Total | 210* | 100.0 |

Source: Field Survey, 2018; *only entrepreneur

The majority (42.9%) of the entrepreneur were found to be involved in small business, followed by livestock and poultry (28.1%), fishery (7.6%), agriculture (9.0%), handicraft and cottage industry (7.6%), mini-factory (1.4%), direct service (1.0%), and others (2.4%).

It also noted that most of the entrepreneurs were not registered, even though most have no idea about the registration system or did not meet the requirement.

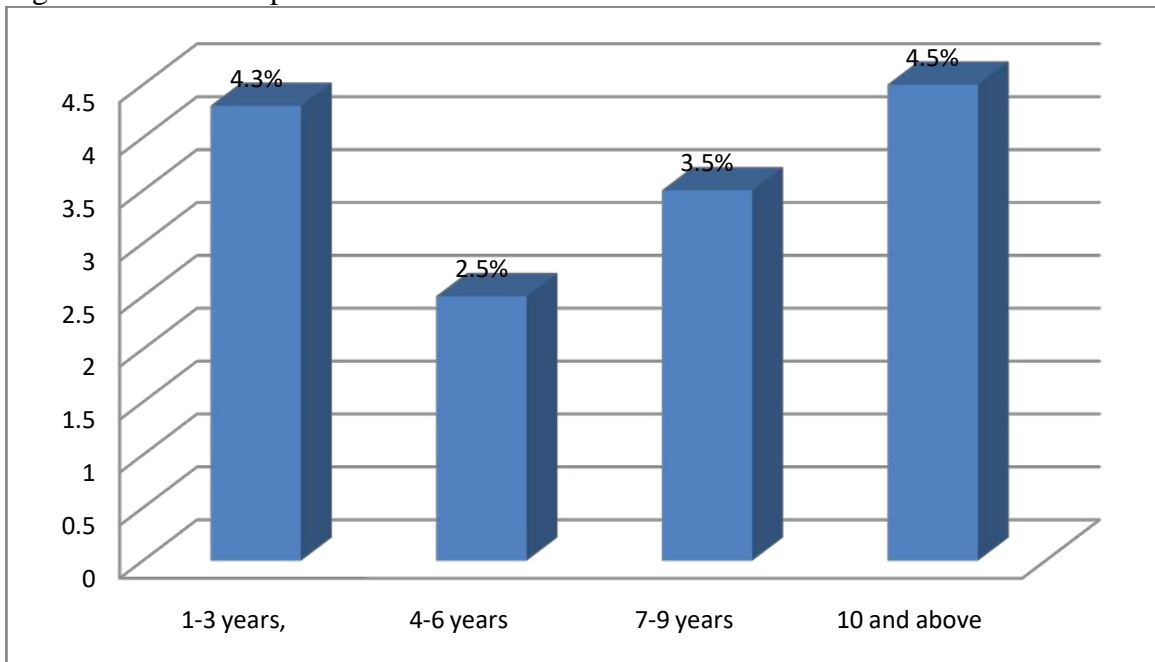
Figure 7. Engagement with Other Occupations.



Source: Field Survey, 2018

Entrepreneurs are also involved in other types of income-generating activities along with their business. This above figure represents that 17% of entrepreneurs had other secondary occupation types, while the majority, 83% had not.

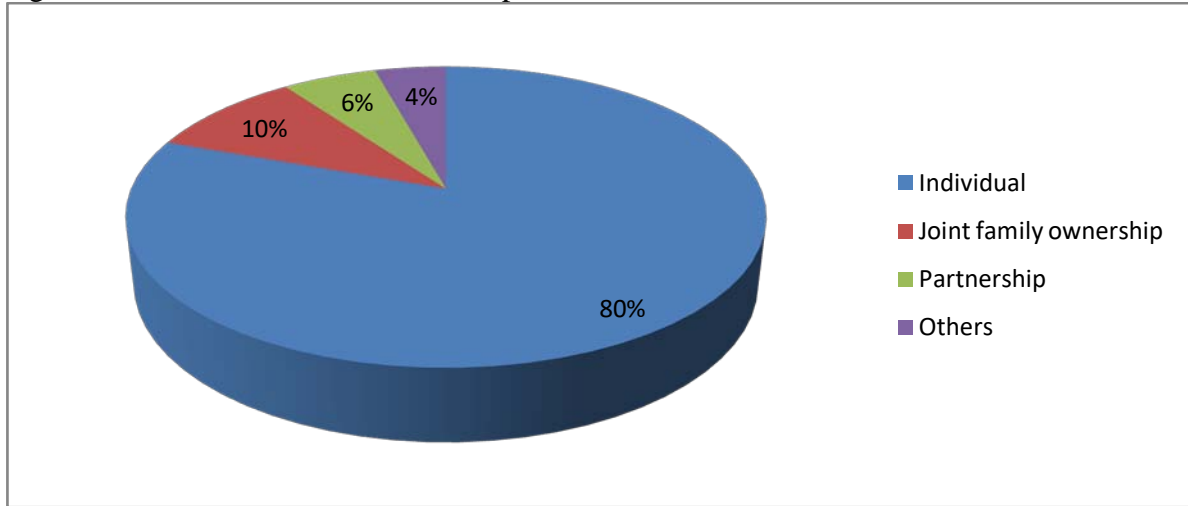
Figure 8. Year of Experience.



Source: Field Survey, 2018

Figure 8 represents that most of the respondents had a three-year experience, which represents that they were not new in business activities. The majority (62.4%) of the respondents had experienced between 1 and 3 years, while only 1.4% had experienced ten years or more than ten years in business.

Figure 9. Nature of Business Ownership.



Source: Field Survey, 2018

This figure shows that the majority(80.5%) of the business was owned by individual, 9.5% were owned by family member and only 5.7% business were run in partnership with others (outside of family member).

Table 10. Training Activity of the Entrepreneur.

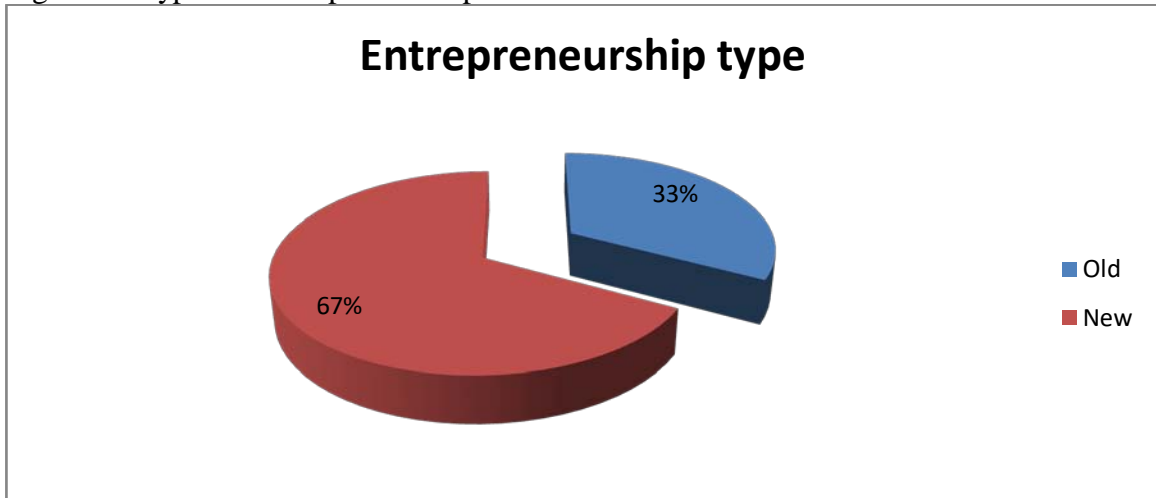
| Training activity | Frequency | Percent |
|------------------------------------|-----------|---------|
| Before Entrepreneur | 53 | 25.2 |
| After Entrepreneur | 90 | 42.9 |
| Both before and after Entrepreneur | 22 | 10.5 |
| Having no Training | 45 | 21.4 |
| Total | 210* | 100.0 |

Source: Field Survey, 2018;*only entrepreneur

Training is crucial to run any entrepreneurship. Almost one fourth (25.2%) of the entrepreneurs had received any skills or business-related training before they started their business. It seems to clear that training skills lead them to state their own business. However, 42.9% of entrepreneurs received training after starting their own business to increase their skills and capacity to run their business more successfully. It is more optimistic that 10.5% of entrepreneurs received training before and after starting their business, representing that they are serious about promoting their business. However,

21.4% of the entrepreneurs did not receive any training related to their business, operating their business with self-experience and knowledge. Many entrepreneurs have lacked abilities, skills, and expertise in their business, which may hinders their ability to run their business, which, in turn, hampers the profitability

Figure10. Types of Entrepreneurship.



Source: Field Survey, 2018

The majority (32.9%) of the entrepreneurs started their business with a microcredit, but 32.95 entrepreneurs received loan to invest their business expansion.

4.3 Social Capital of the Entrepreneurs

Table-11. Indicators of the Social Networks.

| Indicators | Strongly Agree (%) | Agree (%) | Neutral (%) | Disagree (%) | Strongly Disagree (%) |
|-----------------------------------------------------------------------------|--------------------|-----------|-------------|--------------|-----------------------|
| Having many close friends | 20.9 | 31.2 | 33.2 | 13.6 | 1.3 |
| Having close people with government, NGOs, local authority, political party | 14.9 | 31.9 | 31.1 | 8.1 | 14.0 |
| Having close relatives | 20.0 | 31.9 | 33.6 | 8.1 | 6.4 |
| Having many close people without friends and relatives | 19.6 | 32.2 | 33.2 | 13.6 | 1.3 |

Source: Field Survey, 2018

There are four indicators to measure the social network. It can be seen from the table that more than one-third (31.2%) of the respondents agreed and strongly agreed (20.9% that they had many close friends. However, 36.2% remained neutral about this. Only 1.3% strongly disagreed that they had many close friends.

For the statement “Having close people with government, NGOs, local authority, political party,” about 14.9 % were ‘strongly agree’, and 31.9% were ‘agree’ with this statement. More than one third (31.1%) of the respondents remained indifferent about this.

For the statement “Having close relatives,” 20.6% of the respondents strongly agreed with the statement, while 6.4 % strongly disagreed. More than one third (33.6%) of respondents have remained indifferent about this.

Regarding the response statement, “Having many close people without friends and relatives,” about 32.2 % of respondents were ‘strongly agree’, and 19.6% were ‘agree’. In comparison, 33.2% remained neutral on this statement.

Table-12. Indicator of the Norms of Reciprocity.

| | Strongly Agree (%) | Agree (%) | Neutral (%) | Disagree (%) | Strongly Disagree (%) |
|-------------------------------------------------------------------------------------------------------------|--------------------|-----------|-------------|--------------|-----------------------|
| Having many people when need more than ten thousand taka | 16.6 | 10.6 | 35.3 | 14.5 | 27.7 |
| Having support from family members, relatives, neighbor, and close friends in business process. | 24.7 | 50.2 | 5.1 | 8.9 | 11.1 |
| Ability to collaborate with other when necessary | | | | | |
| Having support when need personal problems or practical help (like housekeeping, child-rearing, small job.) | 60.3 | 16.2 | 5.1 | 5.1 | 12.8 |
| Lending money to someone more than five thousand taka. | 20.4 | 48.9 | 11.1 | 8.9 | 10.6 |

Source: Field Survey, 2018

For the statement, “Having many people when need loan more than more than ten thousand taka”, 16.6% of the respondents agreed with this. In contrast, more than one-third of (27.7 %) of the respondents strongly disagreed with this. Among the respondents, 35.3% remained neutral about this.

In response to the statement, “Having support from family members, relatives, neighbor, and close friends in business process,” the majority (50.2%) agreed, and (24.7) % strongly agreed with this statement. Only 11.1% of respondents strongly disagreed with this statement.

For the statement, “Ability to collaborate with other when necessary,” about 21.4% strongly agreed, and 61.0% agreed with this statement.

In response to the statement, “Having support when need personal problem or practical help (like housekeeping, child-rearing, small job.),” the majority 60.3.0% strongly agreed with this statement whereas 12.3% disagreed this statement that had had support from my family, close friends and relatives in the stages of initiating and maintaining the business.

In response to the statement “Lending money to someone more than five thousand taka”, the majority (48.9%) agreed and 20.4% strongly agreed with this statement. Only 3.3% of the respondents strongly disagreed with this statement.

Table 13. Indicator of the Civic Participations.

| Indicators | Strongly Agree (%) | Agree (%) | Neutral (%) | Disagree (%) | Strongly Disagree (%) |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------|-------------|--------------|-----------------------|
| Active member or participated meeting in any groups like voluntary organization, saving groups, political groups, religious group | 42.6 | 18.3 | 11.5 | 20.9 | 6.8 |
| Received any psychological support from any groups in your area. | 38.3 | 17.4 | 6.8 | 9.8 | 27.7 |
| Received economic support from any group | 46.4 | 14.0 | 10.2 | 8.9 | 20.4 |
| Worked to identify or solve any problem jointly with other people in this area. | 41.7 | 11.9 | 6.8 | 17.4 | 22.1 |
| Talked or contacted local government/authority to solve any problem | 18.3 | 6.0 | 13.2 | 15.3 | 47.2 |

Source: Field Survey, 2018

About the statement “In the last 12 months, active member or participated meeting in any groups like voluntary organization, saving groups, political groups, religious groups”, about 42.6% were ‘strongly agree’ whereas 18.3% were ‘strongly disagree’. However, 6.8 % were neutral about this statement.

About the statement “Received any psychological support from any groups in your area”, more than half (38.3%) of the respondents were ‘strongly agree’ and 17.4% of the respondents were ‘agree’ while 27.7% of were strongly disagreed.

About the statement “received economic support from any group”, most of the respondents 41.7 % were ‘strongly agree’ whereas’ 21.1% of the respondents were ‘strongly disagree’. However, 6.8% of respondents remain neutral about this statement.

About the statement “Worked to identify or solve any problem jointly with other people in this area”, most of the respondents 47.2 % were ‘strongly disagree’ and while 18.3% of the respondents were ‘strongly agree’.

About the statement “Talked or contacted local government/authority to solve any problem”, most of the respondents 18.3 % were ‘strongly agree’ whereas 47.2% of the respondents were ‘strongly disagree’. However, 13.2% of respondents remain neutral about this statement.

Table-14. Indicators of the Social Trust.

| Indicators | Strongly Agree (%) | Agree (%) | Neutral (%) | Disagree (%) | Strongly Disagree (%) |
|------------------------------------------------------------------------------------|--------------------|-----------|-------------|--------------|-----------------------|
| Community people are trustable and do not take advantage if they get the chance. | 28.9 | 17.0 | 17.0 | 18.3 | 18.7 |
| Trust the people who are related with your business or have many trustable people. | 28.6 | 15.4 | 27.4 | 9.4 | 19.2 |

| | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|-----|------|
| Trust family members, friends, and relatives in economic matters and personal life (lending money, take care the business when you go outside) | 29.4 | 14.5 | 25.5 | 9.8 | 20.0 |
| Ability to establish relationship with other people in order to improve business and trust them. | 10.2 | 19.6 | 7.2 | 8.9 | 54.0 |

Source: Field Survey, 2018

For the statement, “Community people are trustable and do not take advantage if they get the chance,” about 28.9 % strongly agreed, and 17.0% agreed with that statement.

In response to the statement, “Trust the people who are related with your business or life,” the majority (15.4%) agreed, and 28.6%strongly agreed with this statement. Only 19.2 % of the respondents strongly disagreed with this statement.

In response to the statement “Trust family members, friends, and relatives in economic matters and personal life (lending money, take care the business when you go outside”, the majority 69.0% strongly agreed with this statement whereas 20.0% disagreed.

For the statement, “Ability to establish relationship with other people’ in order to improve business and trust them”, 54.4 % disagreed with this, whereas 10.2 % strongly agreed with this. Among the respondents, 7.2% remained neutral about this.

Table 15. Level of Social Capital

| Dimensions level | Frequency | Percentage |
|-----------------------------|------------------|-------------------|
| Social network | | |
| Low | 31 | 13.2 |
| Medium | 82 | 34.9 |
| High | 122 | 51.9 |
| Total | 235 | 100.0 |
| Civic Participations | | |
| Low | 55 | 13.3 |
| Medium | 84 | 35.7 |
| High | 101 | 43.0 |
| Total | 235 | 100.0 |
| Social trust | | |
| Low | 47 | 20.0 |
| Medium | 86 | 36.6 |
| High | 102 | 43.4 |
| Total | 235 | 100.0 |
| Norms of reciprocity | | |
| Low | 19 | 8.1 |
| Medium | 30 | 12.8 |
| High | 186 | 79.1 |
| Total | 235 | 100.0 |

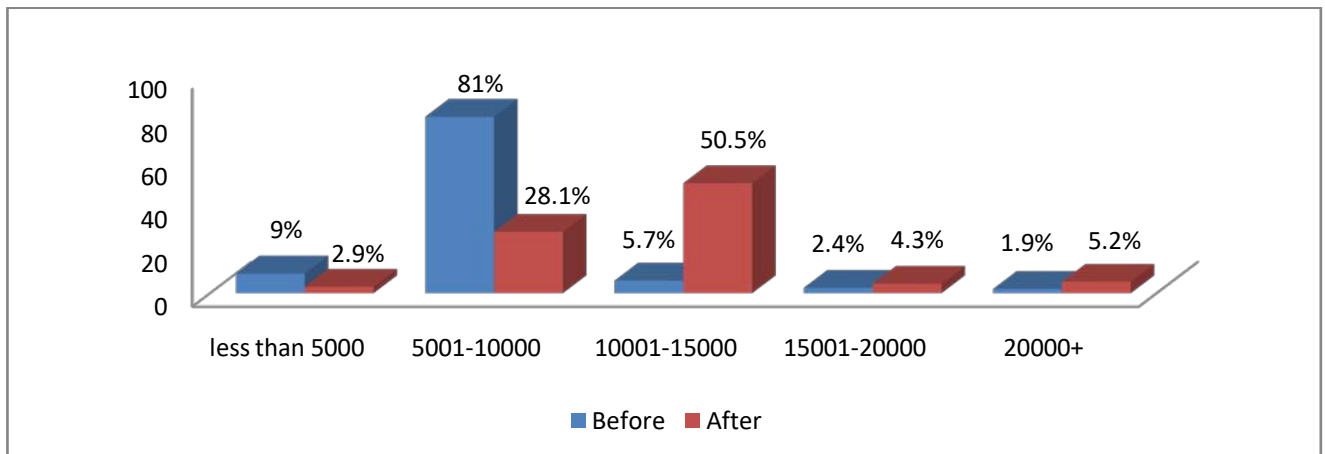
Source: Field Survey, 2018

This table shows the level of social capital of the female entrepreneur. Regarding social networks, 51.9% respondents had high social network, whereas 13.2% had low social networks. It can be assumed that entrepreneurs generally interact with many people for their business purpose, increasing their social network. It can be seen from this table that 79.1 % of entrepreneurs had a higher level of norms of reciprocity, whereas 8.1% had a lower level of norms reciprocity. One-fifth (20.0%) of entrepreneurs had low social trust, while 79.1% had high social trust. Regarding entrepreneurs' civic participation, 13.3% had lower civic participation levels, and 43.4% had higher participation levels.

4.4 Effects of microcredit program on entrepreneur success

4.4.1 Effects of household income

Figure 11. Household Income of the respondents before and after Taking Loan.

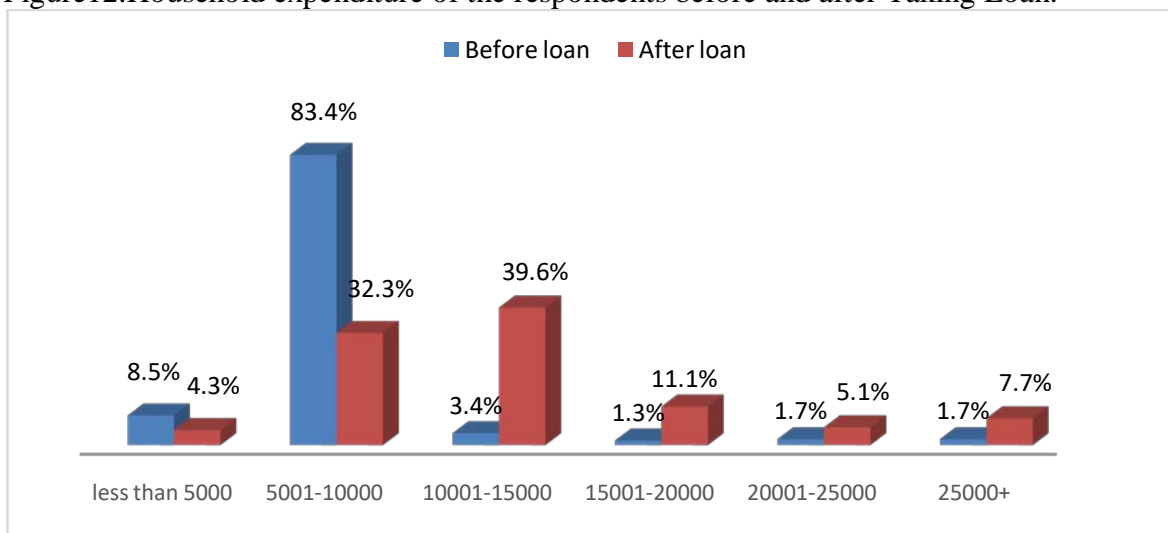


Source: Field Survey, 2018

This figure shows the household income of the entrepreneurs before and after joining the microcredit program. About 9% of the respondents' household income was less than BDT5000 before receiving the credit from SSS, but this percentage decreased to 2.9%, representing that entrepreneur household income increased after joining SSS. The majority (81.0%) of the entrepreneur's household income was between BDT 5001 and 10000 before they get credit, but it was fallen to 28.1% after they get credit from SSS. Only 1.9% entrepreneur's income was more than BDT 20000 before they joined in the microfinance program, but this percentage increased to 5.2% after them joining the microcredit program.

4.4.2 Effects on Household Expenditure

Figure 12. Household expenditure of the respondents before and after Taking Loan.



Source: Field Survey, 2018

This figure represents the household expenditure patterns of the entrepreneur before and after they joined SSS. From this figure, it is clear that entrepreneurs' household expenditure has increased after joining the SSS. The majority (81.4%) of the respondent's household expenditure was between BDT 5001 and 10000 before joining microcredit program, but after they joined SSS, 32.3% of the entrepreneur household expenditures ranged from BDT10001 to 15000. Before joined SSS, 1.7% of entrepreneur's household expenditure was more than BDT 20000, which increased to 7.7% after they joined SSS.

4.4.3 Effects of Household Saving

Table16. Household Saving of the respondents before and after Taking Loan.

| | Before microcredit loan | | After microcredit loan | |
|---------------|-------------------------|---------|------------------------|---------|
| | Frequency | Percent | Frequency | Percent |
| less than 500 | 139 | 59.1 | 33 | 14.0 |
| 500-1000 | 79 | 33.6 | 19 | 8.1 |
| 1001-2000 | 11 | 4.7 | 159 | 67.7 |
| 2001-3000 | 6 | 2.6 | 14 | 6.0 |
| 3000+ | 0 | 0 | 10 | 4.3 |
| Total | 235 | 100.0 | 235 | 100.0 |

Source: Field Survey, 2018

This table represents that before they received microcredit the majority (59.1%) of the respondent's household saving was less than BDT 500 per month and only 2.6% had saving between BDT2001 and 3000. In contrast, after joining microcredit program, their monthly household income has increased than before and around 67.0% respondents' monthly saving was ranged from BDT 1001 to 2000.

4.5 Bivariate Analysis:

4.5.1. SocialNetwork and Women Entrepreneurship

Table 17.Social Network and Women Entrepreneurship.

| entrepreneurshipstatus | Social Network | | | | | | Total | |
|------------------------|----------------|-------|--------|-------|------|-------|-------|-------|
| | Low | | Medium | | High | | | |
| | n | % | n | % | n | % | n | % |
| Yes | 17 | 60.7 | 89 | 94.7 | 104 | 92.0 | 210 | 89.4 |
| No | 11 | 39.3 | 5 | 5.3 | 9 | 8.0 | 25 | 10.6 |
| Total | 28 | 100.0 | 94 | 100.0 | 113 | 100.0 | 235 | 100.0 |

$\chi^2=27.819$, degrees of freedom (df)=2, $p<0.001$

Table 17 shows the relationship between social networks and women entrepreneurship. When the social network was high, the entrepreneurship status was also high (92.0%), but the entrepreneurship status was 60.7% when the social network was low. This result indicates that women who had high social networks were more likely to engage in earning activities. The Chi-square test shows that there was a positive association between social network and women entrepreneurship status.

4.5.2 Norms of Reciprocity and Women Entrepreneurship

Table 18. Norms of Reciprocity and Women Entrepreneurship.

| Norms of reciprocity | | | | | | | | |
|-------------------------|-----|-------|--------|-------|------|-------|-------|-------|
| Entrepreneurship status | Low | | Medium | | High | | Total | |
| | n | % | n | % | n | % | n | % |
| Yes | 12 | 63.2 | 24 | 75.0 | 174 | 94.6 | 210 | 89.4 |
| No | 7 | 36.8 | 8 | 25.0 | 10 | 5.4 | 25 | 10.6 |
| Total | 19 | 100.0 | 32 | 100.0 | 184 | 100.0 | 235 | 100.0 |

$\chi^2=25.907$, degrees of freedom (df)=2, $p<0.001$

Reciprocity norms were also associated with entrepreneurship status. Women entrepreneurship status was higher (94.6%) who had high reciprocity norms, but 63.2% of women were not entrepreneurs who had high norms of reciprocity. So, women entrepreneurship status increases with the increases reciprocity norms of the respondents. The Chi-Square test revealed that the association between reciprocity norms and entrepreneurship status was significant.

4.5.3 Civic Participants and Women Entrepreneurship

Table 19. Civic Participations and Women Entrepreneurship.

| Entrepreneurship status | Civic Participation | | | | | | Total | |
|-------------------------|---------------------|-------|--------|-------|------|-------|-------|-------|
| | Low | | Medium | | High | | n | % |
| | n | % | n | % | n | % | | |
| Yes | 34 | 70.8 | 79 | 95.2 | 97 | 93.3 | 210 | 89.4 |
| No | 14 | 29.2 | 4 | 4.8 | 7 | 6.7 | 25 | 10.6 |
| Total | 48 | 100.0 | 83 | 100.0 | 104 | 100.0 | 235 | 100.0 |

$\chi^2=27.819$, degrees of freedom (df)=2, $p<0.001$

Table-19 shows the relationship between civic participation and women entrepreneurship status. The majority (93.3%) of the women were entrepreneurs when the civic participation was high, but the entrepreneurship rate was (70.8%) if the women had low

civic participation. From the Chi-Square test, it was clear that was a positive significant association between the norms of reciprocity and entrepreneurship status.

4.5.4 Social Trust and Women Entrepreneurship

Table-20. Social Trust and Women Entrepreneurship.

| Entrepreneurship status | Social Trust | | | | | | | |
|-------------------------|--------------|-------|--------|-------|------|-------|-------|-------|
| | Low | | Medium | | High | | Total | |
| | n | % | n | % | n | % | n | % |
| Yes | 41 | 89.1 | 84 | 94.4 | 85 | 85.0 | 210 | 89.4 |
| No | 5 | 10.9 | 5 | 5.6 | 15 | 15.0 | 25 | 10.6 |
| Total | 46 | 100.0 | 89 | 100.0 | 100 | 100.0 | 235 | 100.0 |

$\chi^2=4.36$, degrees of freedom (df)=2, p -value=0.111

Table 20 shows the association between social trust and women entrepreneurship. The majority of 94.4% of entrepreneurs had the medium social trust, followed by low 89.1% and high (85.0) social trust. From the Chi-Square test, it was found that that there was no significant relationship between social trust and entrepreneurship status.

4.5.5 Size of Microcredit Loan and Women Entrepreneurship

Table-21 Size of Microcredit Loan and Women Entrepreneurship.

| Entrepreneurship status | Size of microfinance loan (BDT) | | | | | | | | Total | |
|-------------------------|---------------------------------|-------|--------------|-------|---------------|-------|---------------|-------|-------|-------|
| | ≤ 50000 | | 50001-100000 | | 100001-150000 | | 150001-200000 | | | |
| | n | % | n | % | n | % | n | % | n | % |
| Yes | 130 | 92.2 | 37 | 78.7 | 32 | 88.9 | 11 | 100.0 | 210 | 89.4 |
| No | 11 | 7.8 | 10 | 21.3 | 4 | 11.1 | 0 | 0.0 | 25 | 10.6 |
| Total | 141 | 100.0 | 47 | 100.0 | 36 | 100.0 | 11 | 100.0 | 235 | 100.0 |

$\chi^2=8.33$, degrees of freedom (df)=3, $p<0.05$

Table 21 shows that size of the microcredit loan and women entrepreneurship. From the table, it can be seen that women 92.2% of the respondents were entrepreneurs, and only 7.8% of respondents were not entrepreneurs while they get loan less than and equal to BDT 50,000. All the borrowers were entrepreneurs while they took BDT 1,50,001-2,00,000 loan. The Chi-Square test showed that there was significant association between the size of the microcredit loan and entrepreneurship status.

4.6 Results from the Qualitative Method

4.6.1 Case Study

4.6.1.1 Case Study of the Successful Entrepreneur

Case Study 1: With the Support of Family Member and Microcredit, Amana Begum Start a Dairy Business

Amana Begum (35years) was a housewife and had three children. Her husband was a farmer. It was very hard for her to meet her household expenditure with only her husband's income. Three years ago, she took BDT 100000 loan from SSS to start-up new business. By receiving SSS money, she bought two cows, giving 10 to 12 litter milk per day. Her family members and husband have also been supporting her since she started this business. Now, she has seven cattle, from these two are giving a substantial amount of milk, which helps him support his family. After receiving microcredit, she is now self-solvent person.

Case Study 2: Expanding Old Business with the Help of Social Networks and Microcredit

Salma Akter(35) is an old entrepreneur in the Handicraft business. She has been operating a handicraft business for the last four years. She has produced simple basked with bamboo. At first, she started his business with limited resources and had an acute shortage of capital. Then, she received a loan BDT 200000 from SSS. At the same time, she got several pieces of training from NGOs on handicrafts. Now, four women are working with her, so can be considered a successful entrepreneur in the handicraft business.

She is producing many types of baskets, especially palm leaf basket, cane basket, Hogla, Jute Basket, Kaisa, and color cotton weaved plate. She has been selling their product to directly local market. She has also developed a business network with some renowned handicrafts businessmen. Thus, she can sell their product at a bulk rate to them. On average, depending on the product amount, she can earn more than twenty thousand from this business. In any business necessary, she can get support from their neighbor and her close relatives.

Case Study 3: With the Support of the Family Members, Neighborhood and Microcredit Loan, Lima Akter Become a Good Fisheries

Lima Akter(45) has been a renowned person in her area for the successful fishery business. Her husband is a farmer and cultivates various vegetables and rice. However, he had four ponds that remained unused. Lima Akter wanted to cultivate fish in these ponds, but her husband disliked this because he was busy in agriculture. Then, Lima Akter received BDT 1000000 loan from SSS for starting the fishery. After that, she received training from NGOs about pond management and fish culture. Now, she has been cultivating various types of fish in her four ponds. There were four workers who has been working under her fishing activities. Her husband, sons, is now helping her fishery services. When any urgency, or emergency, her neighbor would come forward to helping her, ranging from catching fish from ponds to assists in sales in the market. Her average monthly income is more than twenty thousand per month.

Case Study 4: Needs More Microcredit for Expanding Business

Maksuda was 40 years old. Her husband died five years ago. She has two girls and one son. She had opened a small, grocery shop in front of his house. However, she had limited capital, and she had a shortage of product in her grocery. Then, she received a loan from SSS. With this money, she purchased a refrigerator and an increased amount of products in grocery. Thus, she has been selling various necessary products, including some cold products like as cold drinks and ice cream. Her average monthly income is approximately BDT 7000. Now, she has applied for additional BDT200000 loan in SSS. If she receives the loan, she can expand her business. She is now self-sufficient and can avail to maintain her family expenditure, especially the education cost of her children.

Case Study 5: Social Networks and Social Trust Helps to Entrepreneur Success.

Nadiar Akter was 35 years old. She worked as a tailor in her house. Only her known person, relatives, friends, and a neighbor came to her house to make and repair clothes. Then, she wanted to set up a tailoring shop. At that time, she had no additional capital for setting up a tailoring shop. She received BDT 1000000 for establishing a small tailoring shop. Now, her tailoring shop is prevalent in her village. She maintains good relations with her client. Her neighbor and neighbor from another village is now her regular customer. More women are now working in her shop than before. Her average monthly income is now twenty thousand taka.

4.6.1.2. Case Study of the Unsuccessful Entrepreneur

Case Study 1: No Intention to Be an Entrepreneur

Ratna Akter(pseudo name) is one of the microcredit receivers from SSS who are not now an entrepreneur. Although she took a loan for business purposes, unfortunately, he has no intention of starting up a venture. He used his loan to recover from a family crisis and to build a new house. Her husband was making a new house, but she cannot complete this due to a shortage of money. She took a loan from SSS, which was used to complete the house. She provided the false document to SSS personnel that the money would be invested in the agriculture sector. Their family is renowned in this village, so the manager approved her loan because there was no risk of repayment. However, she has no intention and motivation to be an entrepreneur.

Case Study 2: Lack of Support from Social Network

Bina Begum (45) (pseudo name) had a poultry farm while he was granted a loan from SSS. His business had been operating for six years. He was a regular microcredit receiver from SSS and she took loan three times to expand her farm. She worked inside the poultry firm's activity, and her husband was working outside activities like as selling poultry in the village market, buying food, and other peccary materials related to poultry. Everything was going in his favour, but his lousy situation has been evolving while his husband has died. She did not find a support network to run this poultry. Although she has two daughters and one son, they are living very far from her house. In the beginning, she hired two workers to continue, but it increased the cost, reducing the profit. Finally, she closed the poultry farm one year ago because of inability of support networks. Bina Begum is one of the examples who cannot continue her business without networks support.

Case Study 3: Lack of Social Network That Can Help Entrepreneurs Acquire the Necessary Information

Sharmin (45)(pseudo name) produced handicraft products for the last three years, mostly bamboo craft and baskets. It was his family business where her sons and their wives had worked before this business closed. She does not sell the product in the local market. She had two buyers who collected product from him in a wholesale. However, in recent times,

the buyers told that product needs to variety and upgrade its quality. However, they cannot do this because they do not know where to take advanced training on handicrafts.

Moreover, she could not manage new buyers to sell his product. Further, some buyers are collecting handicraft products, but she did not collect their information. Thus, she had to stop making handicrafts products on a large scale, except for some bamboo box-basket to sell in a local market.

Case study 4: Due to Family “Honor” and Her Husband's Disapproval, Nahar Do Not Continue Her Business.

Nahar(24) (pseudo name) was running tailoring in her house to support her family economically. She is using a separate room for her business. She had two people to help her business. She can independently go to market place to buy necessary clothes, sewing materials, and other logistic items. However, Six months ago, she got married in the same village, not far from her farther house, so she wanted to run her same business in her husband's house. She was starting tailoring in her husband’s house, but she felt many constraints; thus, she had to stop business. Her husband family members think that this business was against their family ‘honor’. She had no permission to go outside of the family alone. At this stage, she did not continue her tailoring business in her husband house. However, she hopes that he will start this business in future.

4.6.2 FGD Key Findings

FGD-1

FGD// 02.02.2020

Village: Pirriz Khandi, Thana: Raypura , Dist.: Narsingdi.

Respondents said that they have difficulty accessing credit to startup their own business and income-generating activities. The SSS is their vital source of capital. Rehana said that she wanted to establish his own business, but he could not manage this massive amount of money. Although her relatives helped him, this amount was not enough to run a business. There were some money lenders in the village, but it was not wise to lend money because of high interest. SSS provided her money with a lower interest than the local moneylender. Respondents said that their relatives and family member helps them to operate their business. If they have no support from family, it would very hard to continue their business. They think that their neighbour is also very supportive. One female respondent said that he has a very close relationship with her neighborhood. As a result, most of the tailoring and dresmaking orders come from her neighbour.

“I always make good contact with my neighbour. Indeed, my neighbour is my main client. as I am a sewing dress in my house, not in a village market, i do not expect that an unknown person comes here”. Nurun Nahar, age 34,

Respondents said that their clients trust them; that is why they can running their business. One respondents said that customers come to me because they trust me that I would give them a good quality of product.

*“I sell every day more than twenty liters of milk is not only my neighbour but also the village market. They believe that i do not like to mix water with milk.”*Fatematuz Zhohora, age 44,

All the participants state that their income increases after they invest their money in business. However, income increase is not an immediate outcome; it will take some time. Regarding saving, participants said they do not have much savings because they have to pay the installments every week. However, they hope that they will be able to save after completed their instalment.

FGD-2

FGD// 03.02.2020

Village: Dokhin Para, Thana: Raypura, Distt.: Narsingdi.

Respondents said that family members' support is crucial for their business because their business runs in the family. Indeed, family members and relatives help them in every process of the entrepreneurship process. For example, family support is very crucial at the entry stage of the entrepreneurship process. A few said that they could manage the requirement of the entrepreneurship, but their family members always supportive. Family support is the only dependable and strong support when the startup venture. When the entrepreneur faced any difficulties, the family member could help to mitigate the problem. They are very supportive in marketing their business. When planning for entrepreneurship, entrepreneur first discusses this with their family members about its risk and opportunity. Family member provided mental and emotional support to reduce stress during the initial stage of the entrepreneurship process. Some respondents reported that family members provided information, market information, and the operational process of business. However, the entrepreneur has a fragile connection outside of their kin network. Most of them only connected with different microcredit groups like Grameen Bank, BRAC, Proshika. These NGOs also provided training on beef fattening, milk cow rearing, beekeeping, fisheries, goat rearing, and specific skills. However, respondents state that they depend primarily on family members, and their circle is minimal.

All the respondents agreed that microcredit loan has substantially increased their income through the entrepreneurship.

One respondent said, *“My grocery shop was tiny: thus, the selling amount was very tiny. When I invest huge capital in this grocery, increasing the amount and variety of the products, the per day selling is increasing. Now, most of the customers have not been refused because of the inability of the product.”*

4.6.3 Results from KII and IDI

Establishment of entrepreneurship: Capital is essential for start-up in any enterprise. In rural areas, some potential women have the intention to become self-reliant and want to provide financial support to her family. Most of them have indigenous knowledge about various kinds of income generation activities such as cattle rearing, poultry, farming and fishery etc. In this study area, some NGOs also provide training to women about various professional skills such as poultry, handicraft, tailoring etc. These women are very interested in starting-up new income generation activities, but most of them have financial crises. SSS provides loan these types of women who have the capacity and intention to become an entrepreneur. One respondent said,

“From NGO, I have learned tailoring, especially making, mending, or altering of clothes. But I have no money to buy a sewing machine. I requested to SSS to provide me loan and convince them of the tailoring's profitability and get a substantial amount of loan by which I bought a sewing machine, embroidery machine, and other tools”.

Expanding business: In rural areas, most of the entrepreneurs have financial crises, thereby constraining their performance. Most of them have no proper idea of taking loan from a formal bank and even have no collateral or property for a mortgage to take the loan. Some local money lender is available in this area, but their interest rate is very high, and they dislike giving loan to the poor entrepreneur.

Similarly, some entrepreneurs had the capacity, and their business environment was suitable for expanding their business, but they did not have additional capital to invest in the business. SSS microfinance loan was very suitable for these entrepreneurs who were wanted to expand their business.

Some entrepreneurs faced financial constraint while they were operating their business. Their household expenditure was higher than their household income. So, they had to spend their profit from business and spent some amount of main capital, which resulted in a shortage of capital. This entrepreneur takes loan from SSS, and most of them successfully overcome their crisis. One respondent said,

“I have faced acute financial crisis with running my business. I needed a large amount of money to re-invest my business; otherwise, I had to shut down this. SSS provided me a large amount of loan with simple conditions for expanding my business.”

The household level income: Entrepreneurs' household income has been increased since they joined the SSS. Sometimes entrepreneur husband and children also help in entrepreneur business. Some entrepreneurs also take loans to invest her husband business, even some of them jointly running their business. Women can earn additional money beyond their husbands' income which increases the household income of the entrepreneur. One respondent said,

“My husband was only one earning member in my household. It was tough for him to maintain the expenditure of this large family. I started a poultry firm near my house, which makes an additional income to my family.”

Health status: Entrepreneur household expenditure also increases with the increase in income. Therefore, they can now more able to spend more money to maintain their health. They can now eat a balance diet and healthy food than before. They are now able to get access to the better health care facility. Finally, entrepreneur income supports their family member to improve their health status as they can now fulfill the requirements of their health expenditures. Some entrepreneurs reported that they are more often visited private health clinics than the public hospital.

Education of the children: Entrepreneurs' income increase the liquid flow of money in their family so, they can now invest more money in their children's education. Entrepreneur income not only increases the children enrollment in school but also reduces numbers of the dropout student from school because of lower credit constraint.

The results of KII and IDI reveal that entrepreneurs are more likely to invest more money on their children's education because their financial status is uplifted. Entrepreneurs can now enroll their children in good school, keep private teachers at home, and spend more money in educational purposes.

Saving: Entrepreneurs' saving also increases before they get microcredit loans. With this money, they can expand their business, which increases their income. However, results from IDI also reveal that some entrepreneurs cannot save during the time of loan

repayment period. Regular installment throughout the repayment period expected to might have decreased the household saving because sometimes installment is also higher than business profit, even have to pay from running capital.

Household assets and buying lands: Entrepreneur also uses their business profit for buying land. The entrepreneurs who are doing business for a long time are more likely to buying land than a new entrepreneur. Similarly, entrepreneur household assets also increase who have long term relation with SSS. It is also noticeable that old entrepreneurs have built decent house for living compared to new entrepreneurs.

Chapter Five: Discussion

This study explored the relationship between social capital, microcredit, and female entrepreneurship in a rural setting of Bangladesh. This study finds that the size of the microcredit loan significantly increases the likelihood of the women engagement in entrepreneurship. Previous studies also confirmed that microcredit had considerably associated with women entrepreneurship development (Afrin et al., 2008; Ahmed, 2008; Akter et al.,2018). It can be assumed that a larger microcredit amount is more useful than a small amount. Therefore, larger loan size also plays a significant role in increasing entrepreneurship performances because small amount of loan is insufficient for many ventures. It also seems that a small amount of loans have a higher risk of not using in entrepreneurship purposes.

Although there is a debate whether the microcredit have effects on women entrepreneurship or not, but this study confirmed that SSS's microcredit program has a constructive effects on women entrepreneurship in rural area of Bangladesh. Also, microcredit is also helpful for entrepreneurs who have credit crises and want to expand in their existing business. However, the easy repayment scheme of the SSS attracts female entrepreneurs to take a loan. After that, this credit has been invested in many income-generating activities, thus increasing income and profit from their venture (Adhikari & Shrestha, 2013). Even though microcredit credit officer ensures that their borrower uses their money in business, but some borrowers uses their loans in others purpose (Terano & Jusri, 2015).

This study explored that SSS provides loans to new and old entrepreneur. Similar results found in Bangladesh that microcredit institutions provides loans to those borrowers who suffer from a cash crisis regarding their existing businesses and capital for starting-up their new businesses (Haque & Rahman, 2017).In addition, microcredit program helps in various income-generating training like sewing, agriculture, and poultry which could significantly increase income and, therefore, expenditures (Haque & Rahman, 2017).This study finds that microcredit program is being able to stare up entrepreneurship on a small scale, which is nascent for further development. Furthermore, some studies proved that microcredit program increases social capital (Terano & Jusri, 2015).

Many constraints have been faced by women when they want to start up business and its operation. This study reveals that social capital is instrumental in overcoming the entrepreneurial barriers. These findings are supported by previous research that social capital helps to reduce the constraints of entrepreneurship (Anderson & Jack (2002).

This study reveals that social networks facilitate entrepreneurs' success by providing economic and physical support. Similarly, entrepreneur social networks are also useful to access to business-related information, especially information on customers and market situations (Tundui & Tundui,2013). This study finds that the female entrepreneur has developed a reciprocal relationship among their social networks, which is useful when they need any support in their business. Also, women's civic participation represents that they can independently move outside from their house. Likewise, level of civic participation also represents the level of entrepreneur' interaction in their community which is a significant indicator of their empowerment.

Chapter Six: Conclusion and Policy Implications

This study reveals that most entrepreneurs had low-level qualifications and were involved in traditionally businesses such as poultry, tailoring, and agriculture. However, most of the female entrepreneur has been running their business less than three years which means that female entrepreneurship has been increasing in recent time. This also indicates that financial and cultural constraints have been reducing.

Regarding social capital, not all of the social capital variables have effects on female entrepreneurship. Social network is the most influential factor for entrepreneur success. This study shows that social capital and microcredit substantially increase the entrepreneur's income and saving. However, most of the entrepreneurs cannot create an effective business network because they are not able to travel far, or they have a responsibility to maintain their family. Their business networks are confined to their personal friends, relatives, neighbours, and colleagues.

This study found that the both social capital and microcredit have significantly improved the income, saving and the household expenditure of the entrepreneur's household. From all these, the study conclude that microcredit and social capital are useful in female entrepreneurship.

Policy implications: This study reveals the positive impacts of social capital and microcredit in women entrepreneurship in Bangladesh. This study also recommended some policy:

1. Microcredit institutions should provide entrepreneurial training to their borrowers. Some market driven training like dress making and tailoring, beauty care, block, batik and embroidery should be provided.
2. Microcredit provider needs to increase screening who have true intention to be an entrepreneur when they giving loan.
3. Field officer of the microcredit should monitoring that credit is used in entrepreneurship purpose.
4. Women entrepreneurs should develop and use their social capital in their business process. Microcredit program should be design to assist and build social capital among their borrowers, especially beyond their immediate neighborhoods.

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Appendix 1: Questionnaire
Survey Questionnaire for

The Role of Social Capital and Microcredit on Female Entrepreneurship in Bangladesh

Name of the Respondent:

Questionnaire ID:

Cell number:.....

| | | | | |
|-----------------------------|---------|-------|--------------|-------|
| Name of Investigator | : | | Cell: | |
| Date of Interview | : | | | |
| Time of Interview | :Start: | am/pm | End: | am/pm |

Study Conducted by:

University of Dhaka

Department of Sociology.

My name is _____. I am currently doing M.Phil at University of Dhaka. I am conducting *Study “Social capital and microcredit on female entrepreneurship in Bangladesh”* which I invite you to participate in.

This research is on behalf of University of Dhaka. If you agree to participate; I will conduct a short interview with you. The interview will include simple questions about you, your household, and microcredit related information. The interview will take about 30-40 minutes to complete.

Consent Form

1. I have been informed about the specified and additional purpose(s) for which my personal data will be collected, used and disclosed, as described above.
2. I understand that my personal data may be used and disclosed for secondary purposes that are necessary to achieve the above described specified purpose(s).
3. I declare that the information I have provided is true and correct to the best of my knowledge.
4. I understand the contents of this informed consent form after:
 - (a) Having read the above clauses: YES/NO
 - (b) The above clauses have been translated or read to me: YES/NO

Signed _____ **at** _____ **(place)**.....**on**
(date).....

INTERVIEWER: I certify that on date _____ in place
 _____ I conveyed the content of this form to the person, for
 permission to obtain and use photographs and information.

Confidential: The information collected in this survey will be confidential and individual
 level information will not be disclosed to any person or other agency.

Section I: Background Information

| No | Question | Code and Response |
|----|----------------------------------------------------------|----------------------------------------------------------------------------------|
| 1 | Sex | 1.....Male, 2.....Female, 3.....Other |
| 2 | Age |Years |
| 3 | Village/Para | |
| 4 | Ward/Union | |
| 5 | Upazila | |
| 6 | District | |
| 7 | What is your religion? | Islam.....1 Hindu.....2 Buddhist.....3 Christian.....4 Others.....99 |
| 8 | Do you have any educational qualification? | 1.....Yes 2.....No |
| 9 | If yes, what class do you read in or have you completed? | 1..... Signature only |
| | | 2..... Admitted to primary but not completed |
| | | 3..... Completed primary |
| | | 5..... Admitted to secondary but completed |
| | | 6..... SSC |
| | | 7..... Admitted to HSC but not completed |
| | | 8..... HSC |
| | | 9..... Honors |
| | | 10.....Masters |
| | | 99.....Others |
| 10 | Type of family | 1..... Nuclear 2.joint/extended |
| 11 | What is your marital status? | 1.....Married |
| | | 2.....Unmarried |
| | | 3.....Divorcee |
| | | 99.....Others |
| 12 | How many children do you have? | 1.....One |

| | | |
|----|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| | | 2.....Two |
| | | 3..... Three |
| | | 4..... Four |
| | | 5.....More than four |
| | | 6.....Do not have any children |
| 13 | Any secondary occupation | 1.....Yes 2.....No |
| 14 | Do you involve in any kinds of income generating activities? | 1.....Yes 2.....No |
| 15 | If yes, then what kinds of? | 1..... Farming 2..... Business 3..... Day labor 4..... GO/ NGOs employee 99.....Others..... |
| 16 | What is your monthly income? | 1..... Less than 5000 2.....5001-10000 3..... 10001-20000 4..... 20001-30000 5..... Above 30 000 |

| 17. | Household assets | Number | Estimated value (in Tk.) |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------|
| 17.1 | Electronics assets (Radio, TV, Mobile phone, Fridge, Fan, VCD/DVD, Tab, Computer, etc.) | | |
| 17.2. | Transport (Bicycle, Motorcycle, Rickshaw, Van, Easy Bike, Auto Rickshaw, CNG driven vehicle, etc.) | | |
| 17.3 | Household furniture (Bed, Chair, Table, Wooden tool, Almirah, Ware drove, Show-case, Dressing table, Wall watch, Shelf) | | |
| 17.4 | Utensils (Cooking Stove, Pot, Bowl, Spoon, Water Pot/Jar/Drum, Glass and Cup, Ceramic Plate, Bucket, etc.) | | |
| | Fishing net, Small fishing boat, Fishing trap, etc. | | |
| 17.5 | (Agriculture tools (Hoe, Spade, Axe, Ladder, Slasher, Ox-Plough, Plough/Leveler, Tractor, Power Tiller, Thrasher, Power Pump (LLP), DTW, STW, Spray Machine, Drum Seeder, etc.) | | |
| 17.6 | Domestic animals (Cow, bull, goat, sheep, etc.) | | |
| 17.7 | Poultry assets (Hen, duck, pigeon, etc.) | | |
| 17.8 | Jewelry assets (gold, silver) | | |
| 17.9 | Land title deed, bank, insurance, savings documents, etc. | | |
| 17.10 | Trees (fruit trees, timber trees, herbal | | |

| | | | |
|-------|------------------|--|------------------------|
| | trees, etc.) | | |
| 17.11 | Others (specify) | | |
| | Total: | | Amount.....T.k |

Section II: MICROCREDIT RELATED INFORMATION

| | | |
|----|-----------------------------------------|----------------------------------------------------------------------------------------------------------|
| 18 | Size of microcredit loan (BDT) | BDT |
| 19 | Number of microcredit loans |no. |
| 20 | Other sources of loans | 1.....Yes 2.....No |
| 21 | Where you take loan | |
| 22 | Rate of interest |percent |
| 23 | Where do use of loan | |
| 24 | The loan interest is reasonable | 1..... Strongly agree 2..... Agree 3.....Neutral 4.....Disagree 5.Strongly disagree |
| 25 | The loan obtaining procedure is simple | 1..... Strongly agree, 2..... Agree, 3.....Neutral. 4.....Disagree. 5.Strongly disagree |
| 26 | The loan amount is sufficient | 1..... Strongly agree, 2..... Agree, 3.....Neutral. 4.....Disagree. 5.Strongly disagree |
| 27 | The loan repayment period is sufficient | 1..... Strongly agree, 2..... Agree 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| 28 | The loan repayment procedure is easy | 1..... Strongly agree, 2..... Agree, 3..... Neutral. 4.....Disagree 5.Strongly disagree |

Section III: Entrepreneurs related information (basic)

| | | |
|----|--------------------------|-------------------------|
| 29 | Type of you Entrepreneur | 1..... New, 2. Old |
| 30 | Age of Entrepreneurs | years |

| | | |
|----|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31 | Savings mode | 1..... Formal 2..... Informal 3..... Others |
| 32 | Savings regularity | 1..... Daily 2..... Weekly/ 3..... monthly days 99.....Others (Please specify)..... |
| 33 | Total number of employees |no |
| 34 | Business experience | (no. of years) |
| 35 | Who help you in business (information source, advice and support) | 1Family member 2..... Friends 3.Neighbor 3..... Informal networks 4..... Financial institutions |
| 36 | Nature of business ownership | 1..... Primarily owned by the owner 2.....Primarily a household enterprise 3.....Partnership with others not in the household |
| 37 | Business age | (no. of years) |
| 38 | Types of entrepreneur | 1.....Agriculture 2Fishery 3.....Livestock and poultry 4Handicraft and cottage industry 5.....Small business 6.....Direct service 7.....Mini-factory 8. Dress making and tailoring 9. Beautification 10. Others |
| 39 | Number of Dependents |no |
| 40 | Year of membership | (no. of years) |

| | | |
|------------------------------------|-------------------------------|----------|
| 41 | Number of Loans Ever Received | no |
| Factor for entrepreneurship | | |
| 42 | Pull factor | |
| 43 | Push factor | |

| Questionnaire for old entrepreneurship | | | |
|----------------------------------------|-------------------------------|----------------------------|---------------------------|
| | | before microcredit loan | After microcredit loan |
| 44 | Entrepreneurship income | | |
| 45 | Household expenditure | | |
| 46 | Profit | | |
| 47 | Cost of education of children | | |
| 48 | Turnover of the business | | |
| 49 | Number of employees | | |
| 50 | Number of product | | |
| 51 | Household assets | | |
| 52 | Household saving | | |

Questionnaire for new entrepreneurship

| | |
|-----------|-------------------------------|
| 53 | Entrepreneurship income |
| 54 | Household expenditure |
| 55 | Profit |
| 56 | Cost of Education of children |
| 57 | Turnover of the business |
| 58 | Number of employees |
| 59 | Number of product |
| 60 | Household assets |
| 61 | Household saving |

| Civic Participation | | | |
|---------------------|----|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| C1 | 62 | Active member or participated meeting in any groups like voluntary organization, saving groups, political groups, religious group | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree 5.Strongly disagree |
| C2 | 63 | Received any psychological support from any groups in your area. | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree 5.Strongly disagree |
| C3 | 64 | Received economic support from any | 1..... Strongly agree |

| | | | |
|----------------------|----|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| | | group | 2..... Agree 3.....neutral 4.....Disagree 5.Strongly disagree |
| C4 | 65 | Worked to identify or solve any problem jointly with other people in this area. | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree 5.Strongly disagree |
| C5 | 66 | Talked or contacted local government/authority to solve any problem | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree 5.Strongly disagree |
| Norms of reciprocity | | | |
| N1 | 67 | Having many people when need loan more than more than ten thousand taka | 1..... Strongly agree 2..... Agree, 3..... Neutral 4.....Disagree 5.Strongly disagree |
| N2 | 68 | Having support from family members, relatives, neighbor, and close friends in business process. | 1..... Strongly agree 2..... Agree 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| N3 | 69 | Ability to collaborate with other when necessary | 1..... Strongly agree, 2..... Agree 3.....Neutral 4.....Disagree 5.Strongly disagree |
| N4 | 70 | Having support when need personal problem or practical help (like housekeeping, child rearing, small job.) | 1..... Strongly agree 2..... Agree 3.....neutral. 4.....Disagree 5.Strongly disagree |
| N5 | 71 | Having people when need emergency loan more than ten thousand | 1..... Strongly agree 2..... Agree 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| Trust | | | |
| T1 | 72 | Community people are trustable and do not take advantage if they get the chance. | 1..... Strongly agree 2..... Agree 3.....neutral. 4.....Disagree 5.Strongly disagree |
| T2 | 73 | Trust the people who are related with your business or have trustable people. | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree |

| | | | |
|------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| | | | 5.Strongly disagree |
| T3 | 74 | Trust family members, friends, and relatives in economic matters and personal life (lending money, take care the business when you go outside) | 1..... Strongly agree 2..... Agree 3.....Neutral 4.....Disagree 5.Strongly disagree |
| T4 | 75 | Ability to establishing relationship with other people in order to improve business and trust them | 1..... Strongly agree 2..... Agree 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| Social networks | | | |
| SN1 | 76 | Having many close friends | 1..... Strongly agree 2..... Agree 3..... Neutral 4.....Disagree 5.Strongly disagree |
| SN2 | 77 | Having close people with government, NGOs, local authority, political party | 1..... Strongly agree, 2..... Agree, 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| SN3 | 78 | Having close relatives | 1..... Strongly agree, 2..... Agree 3.....Neutral. 4.....Disagree 5.Strongly disagree |
| SN4 | 79 | Having many close people without friends and relatives. | 1..... Strongly agree 2.....Agree 3.....Neutral 4.....Disagree 5.Strongly disagree |

Appendix 2: In depth interview guide

| | | |
|----|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1 | Questionnaire Serial No | |
| 2 | Name of the respondent: | |
| 3 | Respondent's mobile number | |
| 4 | Village | |
| 5 | Union | |
| 6 | Upazila | |
| 7 | District | |
| 8 | Father/ Husband's Name | |
| 9 | Sex | Male-----1, Female-----2, Others-----99 |
| 10 | Religion | Muslim-----1, Hindu-----2, Buddhism-----3, Christian-----4, Others-----99 |
| 11 | Educational qualification | Illiterate---1; Primary---1, Secondary---3, Higher Secondary---4, Honors (BSc)---5, Masters-----6, Others (specify)-----99 |
| 12 | Marital status | Unmarried-----1; Married-----2; Widow-----3; widower.....4; Divorced.....5; Separated-----6 Others (specify)-----99 |
| 13 | Present monthly income (before joining microcredit) | |
| 14 | monthly income (after joining microcredit) | |
| 15 | What types of problem did you face during the time of the entrepreneur process? | |
| 16 | How does your friend, family member, neighbour help you in your business | |
| 17 | How does microcredit loan help your business startup and at the time of an extension? | |
| 18 | How does your business help your livelihood, education of children, health, household assets, saving etc.? | |

Appendix 3: Key Informant Interviews (KIIs) guide

1. What kinds of support do your organization provided to the borrower?
2. How does microcredit of your organization help to an entrepreneur?
3. Is there outstanding support for an entrepreneur? If yes describe elaborately?
4. What types of positive change do you observe in this area after providing loan?
5. From your observation, what are the significant barriers of women to become a successful entrepreneur in this area?

Appendix 4: FGD guideline

The Role of Social Capital and Microcredit on Female Entrepreneurship in Bangladesh FGD Guideline

Attendance Sheet

| Name | Sex | Age | Education | Occupation |
|------|-----|-----|-----------|------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Place:-----Village:-----Union-----Upazila:-----

:

:

:

Time of Interview : Start: am/pm End: am/pm
Date : / /

December, 2019

| Question | Answer |
|---------------------------------------------------------------------------------------------------|--------|
| 1. How does microcredit help you in your entrepreneurship process? | |
| 2. How does microcredit help you to expand your business? | |
| 3. How does your social networks, friends, family member and relatives help you in your business? | |
| 4. When you face problems in your business, how does you overcome? | |
| 5. What are the problems you face in your business? | |

Thank you very much for your time

Appendix 5: Interview Checklists for Case Studies

1. Details about the use of the microcredit.
2. Details about the use of the social capital in business process.
3. Details about the constraints in the business process.
4. Details about the outcome of the social capital and microcredit in entrepreneurship process.