

CAIRD *RESEARCH REPORT*

Challenges Facing Micro and Small Businesses Owned and Operated by Women in Bhutan

Lham Dorji, Cheda Jamtsho, Tashi Norbu and Cheku Dorji

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CAIRD Research Report

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This study drew the conceptual structure, ideas, and many excerpts from the previous study conducted by one of our research staff under the five-month Visiting Research Fellowship of the IDE-JETRO, Japan. The study titled 'Women-Owned Micro and Small Enterprises in Bhutan: What Major Obstacles Impede their Growth and Innovation?' is now published by the IDE-JETRO as a discussion paper (No.719) and can be read or downloaded from the ide.co.jp. The present study represents our effort to build upon the previous one to further broaden and deepen our understanding of the same issues using different datasets. In this context, we would like to express our deepest gratitude to IDE-JETRO and in particular, its President Mr. Kyoji Fukao for granting us the permission to use its study as our groundwork. Ms. Mayumi Muruyama (Research Counterpart for the previous study) deserves our deepest gratitude. Furthermore, we thank Ms. Yumiko Ishikawa, Ms. Atsuko Hirakata and Ms. Yoko Kobori for rendering their full support. It is our hope that this will encourage more new collaborations between IDE-JETRO and Bhutanese researchers in the future.

We are indebted to Mr. Chimme Tshering, NSB's Director. He has been the main motivating factor for the successful completion of this study and [its] report taking the present shape. We are delighted that the present research has enhanced our understanding of such an important issue. We know that successful businesswomen have high potential to reinvest back to families, communities and society. In the course of doing our fieldworks, we were inspired by many businesswomen who are able to reinvest their business income on their children's education, family welfare, and yet others serving as role models in their communities.

We thank Bhutan Chamber of Commerce and Industries (BCCI) and Ministry of Economic Affairs (MoEA) for their assistance during the data collection process in five major towns/trade regions of the country. In fact, the Regional Trade Officers, their other staff members and the regional BCCI staff proved very supportive in the fields.

We have also extracted some data from the MoEA's website. We thank, in particular, Department of Cottage and Small Industry (DCSI) for making their recent data (on micro and small enterprises) available online. We thank Ms. Dechen Dema, Labour Market Information & Research Division, MoLHR for making available to us the past Labour Force Survey data.

Importantly, we thank all the businesswomen participants. We are not able to mention their names individually because the list is too long. We hope this report will have some positive contributions towards the growth of business culture and entrepreneurship among Bhutanese women and positively impact the business goals, expectations and success of all our participants (businesswomen).

NSB's Research Team

Foreword

I am extremely pleased to present this report, titled 'Challenges facing Micro and Small Businesses Owned and Operated by Women in Bhutan'. It is the first issue of CAIRD Thematic Research and Analysis Series. The series seeks to cover the various themes apropos to Bhutan's socio-economic development. Lham Dorji (NSB's research staff) has completed the first research, entitled 'Women-Owned Micro and Small Enterprises in Bhutan: What Major Obstacles Impede their Growth and Innovation'? This study was done under the Visiting Research Fellowship (VRF) at the Institute of Developing Economies (IDE), JETRO, Chiba, Japan. Data constraint has limited the scope of the first research. This second research (hinged on the first research) represents an effort to broaden and deepen the understanding of the same theme and issues using different sets of data. In the present context, research questions have guided the collection of both quantitative and qualitative data.

The Royal Government of Bhutan (RGoB) has long acknowledged the significance of women's entrepreneurship, especially at micro and small levels for the nation's socio-economic development. Creating enabling business environment for Bhutanese women to succeed in their businesses holds a huge potential to address a horde of national development issues such as poverty, unemployment, inequitable distribution of wealth, imbalanced regional development, and challenges of gender mainstreaming. It is encouraging to note that many Bhutanese women are taking business and entrepreneurship. However, they still remain underrepresented among the top ranking businesspeople and entrepreneurs. This disparity is not just a gender issue; it is an issue of socio-economic growth. Therefore, explicitly or implicitly addressing the gender gap in business and entrepreneurship is very crucial for the country's development.

Women taking up the economic activities are not easy ventures; they face a host of challenges during business start-up, operation, and in trying to make their business grow and to innovate. This series deals with the challenges faced by Bhutanese women who are undertaking various businesses. I believe it is one of the few studies of its kind in our country. This report not only covers important research issues but comes at a very opportune time. Understanding the challenges that businesswomen in Bhutan face is critical to developing a roadmap for solving them. It is my sincere hope that this report will receive the attention of policymakers, NGOs, financial institutions, and other agencies and individuals working in the area of promoting entrepreneurship, especially among Bhutanese women.

The NSB's research team has put in a lot of effort to complete the research within a short time. I commend them for their effort and commitment. As this study has its basis in the IDE's research fellowship's report and represents an effort to taking the research to the next level, I thank the IDE for its generous fellowship support given to one of our research staff mainly on the theme of high relevance to our country. In using the first research's report as the groundwork for the present research, it is possible that our research team would have used many of its concepts, ideas, and findings for which I would like to acknowledge the IDE's contribution and sincerely wish it the success of its programmes in many developing economies. Finally, my deepest thanks go to all the businesswomen who were recruited as the study's subjects in both the survey (366 businesswomen) and in-depth interviews (142 businesswomen). They have put in their time and shared a lot of information to our research team. They are truly the main force shaping the present study.

Chimme Tshering

Director

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Section I

INTRODUCTION

Background of the Study and Rationale

This thematic research aims to obtain a better understanding of the numerous challenges that women in Bhutan who owns and operates micro and small enterprises face. The study is the continuation of the previous work titled 'Women-Owned Micro and Small Enterprises in Bhutan: What Major Obstacles Impede their Growth and Innovation'? Lham Dorji, Chief Research Officer (NSB) completed the first study during his five-month Visiting Research Fellowship (VRF) at the Institute of Developing Economies (IDE-JETRO), Chiba, Japan (2017-2018).

The Royal Government of Bhutan (RGoB) recognised the critical role of Cottage (micro) and Small Enterprises (MSEs) in the early nineties in bringing about Bhutan's holistic growth and development. However, despite being considered as one of the five jewels (priority growth areas) of the economy and accounting for more than 90% of all enterprises in the country (SYB, 2017, DCSI, Dorji, IDE, 2018), the MSEs had been contributing relatively a small share to GDP (EDP, 2016). The total contribution of micro, small and medium enterprises to GDP in 2014 was 4.4% (Business Bhutan, 2014). The sector accounted for 11.57% of the total employment in 2016 (66,000 out of 570,231 working age population).¹ This is much lower when compared to many developing countries where the Small and Medium Enterprises (SMEs) constitute about 60% of the total employment in the manufacturing sector (Beck *et al.* 2007).

Relatively low shares of the MSE sector to GDP and employment are manifestations of this sector's underdevelopment. The numerous challenges (structural, social/personal and technical factors) could be impeding the MSE sector (ADB, 2011) in terms of business start-up, growth, expansion, adaptation, innovation, and achieving higher business outcomes (Dorji, IDE, 2018).

While it is of paramount importance to understand the challenges facing micro and small enterprise sector in general, this research focuses on women doing business. The unit of analysis is a 'businesswoman' who

is defined as a woman who owns and manages micro and small businesses.

So much is said about the importance of Bhutanese women's entrepreneurship for poverty reduction, women empowerment, employment, and balanced regional development, but in reality, the success of women's MSEs appears to have come about more in terms of the gain in number of identical subsistence-based MSEs rather than the rise in the number of growth-oriented, transformative, and innovative women MSEs (ibid., 2018).

The number of registered micro and small enterprises rose at an astonishing rate from approximately 14,722 in 2012 to 19,395 in 2017. Micro enterprises alone make up 69.69% of the total registered enterprises, 20.05% are small enterprises, 7.84% medium enterprises, and 2.41% large enterprises (SYB, 2017, DCSI). The number of micro-enterprises in the informal economy cannot be accounted, but it is possible that the number is significant.

Data presented above suggests that the transformation from micro to small and then to large enterprises have remained nominal also indicating that multiple business challenges are thwarting the growth, innovation, and transformation of micro and small enterprises (Dorji, IDE, 2018).

Furthermore, ever since the government began to emphasise micro and small entrepreneurship in 1991 with the formation of the Entrepreneurship Promotion Centre (EPC), an increasing number of Bhutanese women have started to undertake micro and small businesses. This seems to have suppressed, to a certain extent, the negative attitude and belief against Bhutanese women doing things beyond their traditional reproductive and family roles. Many women have started their own businesses—some in response to the opportunity presented by business, others mainly out of the economic necessity (ibid., 2018).

In spite of a marked increase in the number of Bhutanese women participating in business and entrepreneurial activities, they still seem to straggle behind men. The Department of Cottage and Small Industries (DCSI) has reported that in 2016, men owned and operated 63% of the registered micro,

¹ In 2003, for example, the Small and Medium Enterprises (SMEs) constituted 99.4% of all enterprises in China, which contributed to 59% of GDP and 60% of total sales (Chen, 2003).

small and medium enterprises while 35.53% were owned and operated by women and 1.50% by others (non-nationals). More than 35% of these three categories of business enterprises being owned and operated by women was reportedly considered as a big achievement, but the fact that the majority of women-owned/operated businesses are subsistence-based, not transformative, one must look at this achievement with some prudence (Dorji, IDE, 2018).

Presumably, a huge number of women are doing micro businesses in the informal economy (without the business licences). They could imply that they are not able to invest and innovate in their businesses and make them grow and transform due to many business-related challenges.

Therefore, it is crucial to identify challenges faced by Bhutanese businesswomen, examine the nature of the challenges, and determine the factors influencing these challenges. Unfortunately, there is a limited research in this area in the country. This research is significant firstly because it is one of the few research in this area in Bhutan; and secondly and also importantly, it is expected to inform the policies and programmes and guide the stakeholders which challenges/ areas they need to give more priority.

Research Questions

The main decision problem as identified in the previous research is: 'How can Bhutan promote micro and small entrepreneurship among Bhutanese women'? Based on this decision problem, this study seeks to find answers to the following research questions:

- (1) What are the demographic and socio-economic characteristics of Bhutanese businesswomen involved in micro and small businesses?
- (2) What are characteristics of micro and small businesses that Bhutanese women own and operate?
- (3) What are the key motivations for Bhutanese women for undertaking micro and small businesses?
- (4) What are the key challenges micro and small businesswomen in Bhutan face in terms of business start-up, operation, growth, and innovation?
- (5) What needs to be done to minimise or addresses challenges facing Bhutanese

businesswomen doing micro and small businesses?

Research Aims and Objectives

The primary goal of the study is to generate evidence for the government, donors, NGOs and private sector for [re]formulating and effectively implementing policies and programmes related to women's business and entrepreneurship in Bhutan. It is aimed at providing evidence on the biggest/crucial challenges faced by Bhutanese businesswomen in micro and small enterprise sector—the challenges that prevent them from rising up on the business ladder. It further investigates the determinants that influence these business challenges.

The primary goal led to the following objectives:

1. To determine the motivations of Bhutanese women for engaging in economic activities in the MSE sector;
2. To identify and examine the major challenges facing micro and small businesswomen;
3. To determine the potential causes of these challenges; and
4. To draw policy implications from the findings and suggest appropriate policy and programme measures.

Incidentally, the research purpose is to identify and examine business challenges facing women in micro and small businesses by triangulating the findings of quantitative and qualitative approaches considered within the framework of a concurrent mixed method.

Research Methodology

The research design is 'concurrent mixed method' of enquiry with the combination of analysis of the questionnaire survey and qualitative data (and mix of explorative, description, and explanation).

The questionnaire survey and in-depth interviews were administered concurrently, within a four-week period (from 25 March to 21 April, 2018) with a sample of micro and small businesswomen in five major towns (thromde). The sampling design (non-randomised) was based on 363 businesswomen in micro and small enterprise sector selected for the survey out of which 60 businesswomen were selected

for the in-depth interviews, and another 81 businesswomen were interviewed last year (between September and December). The total sample size for the in-depth interviews was 142 businesswomen. Businesswomen were identified through purposive sampling while a wide range of business categories were included. The in-depth interviews provided rich narratives of their business ventures covering themes such as motivations for doing business, challenges, business aspirations, expectations, and suggestions for the promotion of business culture and growth among businesswomen. The narratives provided the ‘true voices’ of businesswomen.

Definitions

Prior to 2012, the Ministry of Economic Affairs (MoEA) used two definitions based on investment and turnover (MoEA 2011:83). This was leading to confusion, inconsistencies, and constraining policy making, implementation, and evaluation of the policy and programmes. The MoEA now uses an enterprise’s size of employment and investment to define four categories of enterprises. If any contradiction arises, investment is given the precedence over employment size. A micro or cottage enterprise is defined as an enterprise that employs 1-4 persons or has an investment of less than Nu. one million. A small enterprise is the one that employs 5-19 persons or with the investment of Nu. 1-10 million. A medium enterprise is defined as an enterprise employing 20-99 people or with an investment of Nu. 10-100 million while a large enterprise employs more than 100 employees or has the investment of more than 100 million (MoEA 2012: 5).

Scope and Limitation

The effort was made to minimise the ‘representation crisis’ by applying probability measurements (confidence interval and margin of error) to non-random sampling scheme. This pseudo design-based method was adopted to calculate sample size to increase the survey’s generalisability. However, since the survey was conducted in urban centres, the result may remain biased towards urban-based MSEs. This is one major limitation.

The survey and in-depth interviews targeted the formal/registered businesses and have ignored the informal businesses. This may also have biased the results towards business

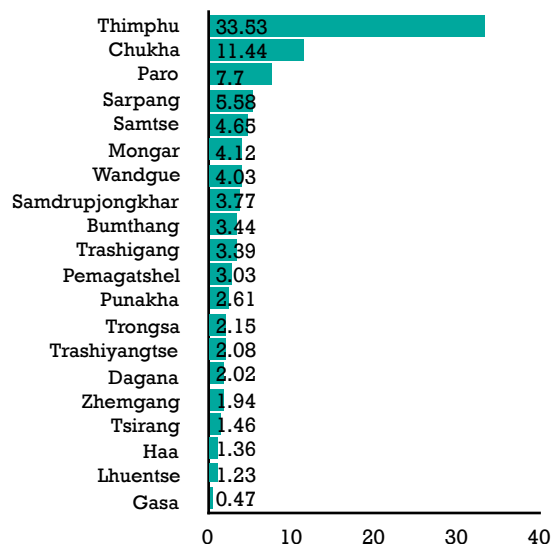
in the formal sector (to a certain extent) since the informal businesses are prevalent among women in developing countries, and Bhutan is no exception.

The scope of the research is limited to identifying major business challenges and examining each of these challenges affecting the business start-up, operationalisation, growth and innovation of micro and small businesses owned and operated by Bhutanese women.

Spatial Distribution of Micro and Small Enterprises in Bhutan

Examining data of registered MSEs available online on MoEA’s website (2017) shows the higher concentration of the MSEs in the capital district (Thimphu) as shown in figure 1.1, which represents 33.53% of all the MSEs in the country. This disparity could imply an imbalanced and unsystematic distribution of the MSEs across the country. In many developing countries, micro and small enterprises have contributed to balanced regional development (Amini, Tullavi, & Farmjam, 2011). Data indicates there is much to be done in other Dzongkhag (districts) to improve the business environment for the MSEs to flourish, even if it means in terms of number. This also suggests that the national acclaim of the MSEs sector’s potential to bring about balanced regional development should receive even more serious and practical policy consideration (Dorji, IDE-JETRO, 2018).

Figure 1.1: Distribution of MSEs in Bhutan based on DSCI, MoEA data (2017)



Box 1.1: Legal System, Policies, and Institutional Arrangement for the Promotion of Small and Micro Enterprises among Women in Bhutan

Article 7: 1 (Fundamental Rights) of the Constitution of the Kingdom of Bhutan ensures every Bhutanese citizen a right to life, liberty, and security. Every Bhutanese citizen has the right to conduct economic activity everywhere within Bhutan irrespective of his or her birthplace. Article 7:10 states: "A Bhutanese citizen shall have the right to practice any lawful trade, profession or vocation." Article 9: 7 (Principles of State Policy) mandates the state to develop and execute policies to minimise inequalities of income, the concentration of wealth, and promote equitable distribution of public facilities among individuals and people living in different parts of the Kingdom. This provision guarantees that every Bhutanese citizen is eligible for the state's policy support in their endeavour to earn income through a legitimate process. Article 9: 11 states: "The State shall endeavour to promote those circumstances that would enable the citizens to secure an adequate livelihood." This is relevant for micro and small businesswomen, as most of them run business enterprises to sustain and secure their livelihood. Article 9: 17 mandates the State to take measures to eliminate all forms of discrimination against women.

Bhutan's Vision 2020 Document identifies the development and promotion of cottage and small industries as a priority area and emphasises on the need to put various programmes in place that would enhance small-scale producers' and entrepreneurs' access to technology, credit, and markets to enable them to profitably produce goods and services for the domestic market (RGoB, Vision 2020, 1999: pp.26). It further states the government shall create opportunities for small businesses to sustain, flourish, and promote their linkages with larger enterprises to make the private sector a more active partner in the nation's future development.

The government has integrated development of micro, small and medium-sized enterprises into the Economic Development Policy, 2010. This has led to formulation and adoption of the Cottage (Micro), Small and Medium Industries (CSMI) Policy in 2012. This policy is implemented through CSMI Development Strategy (2012-2020) and Action Plan (2012-2014). The Department of Cottage and Small Industries was established as a result of the implementation of Economic Development Policy (EDP) in 2010. It is responsible for promoting the growth and

innovation of the country's micro and small enterprises.

The Royal Monetary Authority (Central Bank) has formulated a monetary policy for Priority Sector Lending (PSL) to enhance micro and small enterprises' access to credit. The policy mandates the commercial banks to start PSL targeted at agribusinesses and micro and small enterprises. The RMA mandates the commercial banks to provide collateral free and low-interest loans to micro and small businesses through a special window service at the banks.

A newly established Rural Enterprise Development Corporation (REDCL, erstwhile BOIC) provides low-interest credit without collateral requirements as a part of non-formal rural activities. The present government wants to make REDCL the first SME bank in the country. Bhutan Development Bank Limited (BDBL) is the primary financier of agribusinesses. It provides credit mainly to women-owned enterprises located in rural areas. It allocates a minimum of 10% of all credit to rural women entrepreneurs; about 36% of BDBL's loan borrowers constitute rural women micro-entrepreneurs. Two NGOs and one corporate body: RENEW, Loden Foundation, Bhutan Association of Women Entrepreneurs (BAOWE), and Rural Enterprise Development Corporation Limited (REDCL) function as micro-financing institutions. These micro institutions have sanctioned loans to 3151 clients (amounting to Nu.227.40 million) as of June 2017 (FPR Report, RMA, 2017).

BAOWE engages single businesswomen and marginalised youth through Women-Owned Open Market (WOOM) programme. WOOM provides spaces for women in micro-business to sell their homegrown and homemade products. BAOWE supports economically disadvantaged micro businesswomen build their business capability, diversify their products, and business networking through the development of women-owned cluster cooperatives; micro-financing; research, branding, packaging and marketing; and promotion of women's niche enterprises. The NGO supports agribusiness among women by providing business expertise, financial incentives, and technical know-how (BAOWE website, 2017).

Loden Foundation initiates a regular Loden Entrepreneurship Programme (LEP) to provide start-up funds to entrepreneurs without any interest and collateral. The projects that Loden supports covers entrepreneurial activities in culture, farming, IT, education, food, environmental waste management, medicines and production, and services. In addition, Loden promotes student's entrepreneurship programme to support student-led entrepreneurial ventures within an institute's campus (The Loden Report, 2015).

The National Commission for Women and Children (NCWC) implements the projects related to improving the socio-economic status of vulnerable women and girls in some selected rural communities by enhancing their capacity to access livelihood (including micro-enterprise) and employment opportunities.

Bhutan Chamber of Commerce and Industry (BCCI), a non-profit organisation and apex body of the private sector in Bhutan is responsible for the promotion of trade, investment, and business productiveness. BCCI carries out several activities to promote entrepreneurship especially among small and medium businesspeople and entrepreneurs. One of its projects initiated in 2016 that is relevant to the development and promotion of the MSE sector was the Green Public Procurement in Bhutan (GPPB). GPPB project aims at boosting demand for environmentally friendly and socially preferable goods and services produced by the MSE sector. The BCCI organises training on business management, business awareness campaigns, and trade fairs. One of its significant activities is its collaboration with BDBL on loan schemes for the MSE sector. Under this scheme, the clients form groups to avail loans instead of having to put their assets on loan collaterals (BCCI, 2017).

The Ministry of Economic Affairs (MOEA) has introduced annual Bhutan Enterprise Awards to promote innovation and creativity in the entrepreneurial sector in the country. The Department of Intellectual Property Rights works closely with the Royal University of Bhutan to initiate projects that could lead to innovation and new ideas, mainly in the business sector. The Ministry of Labour and Human Resources (MoLHR)

conducts entrepreneurship programmes mainly to tackle rising youth unemployment and reduce poverty. It has formulated its National Entrepreneurship Strategy (NES).

The Department of Agriculture Marketing and Cooperatives (DAMC) under the Ministry of Agriculture and Forestry facilitates its clients (mainly farmers) to transit from subsistence agriculture sector to a market economy. Its core activities are related to establishing efficient and effective domestic marketing systems and structures, institutional framework, value addition to the Renewable Natural Resources (RNR) products, dissemination of market information, risk management, promotion of export-oriented RNR products, and awareness, registration and capacity building of farmers' groups and cooperatives. Fifty farmers' groups and cooperatives are registered with the DAMC. It also provides toll-free mobile market information service. By and large, the beneficiaries of DAMC's activities are the small producers and entrepreneurs (DAMC, 2017).

Source: Discussion Paper (No. 719), Lham Dorji, IDE, Japan, 2018, pp. 11-13.

Box 1.2: Significance of Promoting Entrepreneurship among Bhutanese women

The MSE sector has a huge potential to contribute towards the nation's economic and social growth and development. The collective impact of the MSEs may be more significant than that of large companies and corporations, especially in the area of employment creation, poverty alleviation, balanced development, and gender mainstreaming. The RGoB recognises that micro-enterprises, largely belonging to the unorganised sector, are the source of employment in Bhutan only next to the agriculture sector (CMIS Policy, 2010).

The salient attribute of Gross National Happiness (GNH) Development Paradigm is to pursue holistic development approach that encompasses growth with equity and inclusion. To that extent, the development of the MSE sector as a whole and promoting women's economic participation in particular through this sector could provide a huge leeway for the pro-poor inclusive growth, poverty reduction, gender mainstreaming and fulfilment of GNH goals (CMIS Action Plan, 2012: 12).

There is now a heightened global awareness about the role women can play in economic development. In Bhutan as well, business and entrepreneurial interest among women is growing though relatively a fewer Bhutanese women own and operate medium and large enterprises. The CEDAW requires the governments to promote the role of women in development programmes and mandates the national governments to develop strategies for eliminating all forms of discriminatory practices against women. Women's participation in the MSE sector can serve as one avenue for women to serve as the social and economic agents in the societies and empower them.

All in all, supporting businesswomen in the MSE sector to help them grow, innovate, and transform their businesses is crucial for the following reasons based on the findings from the study done by Lham Dorji as a part of the fulfilment of his Visiting Research Fellowship at the Institute of Developing Economies, Japan (2018):

1. Micro and Small Enterprises (MSE) constitute the backbone of the private sector economy. The growth and transformation of the MSE sector is the key to the growth of the private sector and concomitantly the national economy;
2. Most businesswomen are into the business out of economic necessity— as a strategy to make additional earnings to supplement family income and support children's education (social benefit). The growth of women-owned micro and small business enterprises would augment the national effort to alleviate poverty.
3. The majority of Bhutanese women who take up micro and small businesses do so in absence of the opportunity for formal wage employment. The growth of the MSE has a huge potential to reduce unemployment, which is a growing national issue.

The economic empowerment of Bhutanese women is the key to their social and political empowerment.

Source: Discussion Paper (No. 719), Lham Dorji, IDE, Japan, 2018.

Section II

METHODOLOGY

Introduction

This methodological section elaborates on the methodology discussed briefly in the earlier section. It details out the entire research phase starting with the research design, sampling design (sampling scheme and sample size), design and pre-testing of data collection tools, data collection, steps taken to ensure data validity and credibility, analytical framework, data analysis and ends with the research ethics.

Research Design

The research design is a pseudo concurrent mixed method of enquiry with a separate analysis of the questionnaire survey data and qualitative data and triangulation of the key findings of each approach (complementarity). There are approximately 35 mixed methods research designs (Tashakkori & Teddlie, 2003), which differs in their levels of complexity. Most mixed method designs use 'time orientation' as the key foundation. By 'time orientation' it means whether the qualitative and quantitative data collection phases occur at the same time (concurrent) or they occur one after another (sequential). In a sequential mixed method, either quantitative or qualitative data is collected first such that the findings from either of this approach influence the other approach. In the present context, the questionnaire survey and in-depth interviews were conducted at the same time on the same participants. However, as an exception, the interviews that were conducted in 2017 were incorporated in the final analysis of the qualitative data. That is the reason for denominating the research design as 'pseudo concurrent mixed method'.

The advantage of a concurrent collection of quantitative and qualitative data at the same time is that researcher(s) seek to compare both forms of data to search for congruent and complementary findings. For example, the design of questionnaire for the quantitative data collection was based on the themes identified for the in-depth interviews (qualitative). In the analytical phases, the themes associated with the qualitative data were compared with the statistical results in the quantitative analysis through triangulation process.

Sampling Design: Sampling Scheme and Size

The research design has to take into consideration sampling design: sampling scheme (how participants are selected) and sample size. Generally, it is believed that random/probability sampling scheme is appropriate to the quantitative research paradigm and non-random/non-probability sampling scheme as most suitable to the qualitative paradigm. This is a false dichotomy of sampling (Onwuegbuzie and Leech, 2005), as in reality, one can use both random and non-random sampling schemes in quantitative and qualitative approaches. The choice of sampling scheme (i.e., random vs. non-random) is normally based on the type of generalisation of interest (i.e., statistical vs. analytic). There is no fixed rule that the qualitative research cannot use random sampling or quantitative research cannot involve non-random sampling (ibid, 2005).

Onwuegbuzie and Collins (2007) have classified four types of sampling scheme for a mixed method research as shown in figure 2.1. For the present study, Type IV (Non-Random sampling schemes for both quantitative and qualitative methods) was chosen. Type IV was preferred because the vast majority of the mixed method use non-random samples for both quantitative and qualitative components irrespective of research goal (Newman, Ridenour, Newman & DeMarco, 2003); research objective (Johnson & Christensen, 2004); research purpose (Greene et al., 1989); and research question.

The classification of sampling schemes for mixed method research was based on: (a) the time orientation of a study's components (i.e., whether the qualitative and quantitative components occur simultaneously or sequentially) and (b) the relationship of the qualitative and quantitative samples (e.g., identical, parallel, nested and multi-level).

Figure 2.1: Matrix crossing type of sampling scheme by research approach

		QUALITATIVE METHOD	
		Random Sampling	Non-Random Sampling
QUANTITATIVE METHOD	Random Sampling	Rare combination (Type I)	Occasional combination (Type II)
	Non-Random Sampling	Very rare combination (Type III)	Frequent combination (Type IV)

The choice of sample size is as important as the choice of sampling scheme, as it determines the extent to which the results can be generalised statistically and/or analytically. Like in the case of sampling scheme, sample size dichotomy exists—large sample size being associated with quantitative research and small sample size being considered desirable for the qualitative studies. However, Onwuegbuzie and Leech (2005 & 2007) and Curtis, Gesler, Smith and Washburn (2000) have noted that some level of generalising occur in both the quantitative and qualitative research. Although linking a larger sample size for the quantitative research paradigm is common, often it is appropriate to use small samples in quantitative research and larger samples in qualitative studies (Onwuegbuzie & Collins, 2007).

Though on the whole, the sampling design was non-randomised, the effort was made to use proper approach to calculate the sample size. Determining reasonably acceptable sample size for the questionnaire survey was considered important for achieving a certain level of generalisability. This involved some level of complexity because there was no valid sampling frame. The MoEA’s record showed 19,395 registered micro and small enterprises in Bhutan in 2017, but it was difficult to make out how many of these enterprises were owned and operated by women.

The sample size for the survey was determined by using target population of 6837 MSEs registered in women’s names with the Department of Cottage and Industry

(DSCI), MoEA. The record of MSEs registered in women’s names was available only for 12 Dzongkhags (as of 2016). For the other eight Dzongkhags, the record of the MSEs was available but not disaggregated by the sex of the owners. As a last option, the average of women-owned MSEs was taken for 12 Dzongkhags, which came to 35% and used this average to estimate women-owned MSEs in other eight Dzongkhags. The details are shown in table 2. 1.

The survey sample size was determined by taking into account confidence level of 95% (i.e., how sure one can be that the results are accurate) and margin of error of 5% (i.e., the range the result would fall if the confidence level is true). The required sample size was 365. The sample size is determined based on the formula formulated by Twuasi (1987).

The equation is:

$$n = N / 1 + N(e)^2$$

Where n=sample size, N=total population (estimated) and e= the confidence level.

The sample size (n) for this study based on 5% significant level taking N=6837 (estimated total population) was calculated as follows

$$n = 6837 / 1 + 6837(0.05)^2$$

$$n = 364$$

Calculating the sample size using a probability statistical measurements (margin of error and a confidence level) in a non-random sampling scheme is incorrect. That said, people often do it to increase a study's generalisability and credibility. Using the probability statistical measurements to estimate the sample size for the present study was an attempt to mediate between the practicality of a convenience sampling and the inferential capabilities of a probability sampling. It was more like adopting a pseudo design-based method that treats non-random sample as the probability sample (Elliott, 2009). Moreover, there is no single framework that adequately encompasses all of the non-probability sampling. There are a host of non-sampling methods, each with different approaches to sampling and estimation. Non-probability sample approaches fall on a continuum of expected accuracy of estimates of sample characteristics with the population characteristics (Brick and Bates, 2013).

Table 2.1: Target population of businesswomen (participants)

Dzongkhag	Total MSEs (Both sexes)	Women MSEs	% of Women MSEs
Thimphu	6504	2429	37.35
Chukha	2219	712	32.09
Paro	1493	447	29.94
Sarpang	1082	592	54.71
Mongar	799	220	27.53
Samtse	902	302	33.48
Tsirang	284	187	65.85
Wangduephodrang	781	252	32.27
Samdrupjongkhar	731	201	27.5
Bumthang	668	142	21.26
Zhemgang	376	130	34.57
Lhuentse	239	62	25.94
Trongsa	417	146	35.00*
Punakha	507	177	
Gasa	92	32	
Dagana	391	137	
Trashigang	657	230	
Trashiyangtse	403	141	
Pemagatshel	587	205	
Haa	263	92	
Bhutan	19395	6837	

* Taken as average percentage of women MSEs in 12 Dzongkhags for which record disaggregated by sex was available.

The sampling scheme was non-random only after taking a range of assumptions: (1) absence of a complete list of women MSEs in the country; (2) the available list (as provided by the DSCI) is based on the registration of business firms in women's names. It was not certain if every business registered in women's names were being operated by women; and (3) the survey was conducted in the major urban centres for convenience, low cost, and time efficiency. The MSEs are concentrated in urban centres, but there are MSEs in rural areas. Thus, survey was biased towards urban-based MSEs rendering it a non-random sampling scheme (i.e., the probability of selecting rural MSEs was virtually zero).

There is a misconception that sample size is not important for qualitative research for ensuring the sufficiency of a sampling strategy (Sandelowski, 1995). Some research methodologists have come up with guidelines for determining sample size in qualitative research based on the research design (interpretive-phenomenology, case study, ethnography, grounded theory, etc) and data collection procedure (interview, focus group, vignette, etc) (Onwuegbuzie & Collins, 2007). To the extent possible, the sample size in qualitative research should not be too small to make it difficult to achieve data saturation, theoretical saturation, or informational redundancy (ibid., 2007) and make it so large that it is difficult to carry out a deep, case-oriented analysis (Sandelowski, 1995).

As the interpretive-phenomenological framework for the analysis was used, it was ensured that the number of in-depth interviews was at least 12. This decision was made based on the minimum sample requirement of 10 interviews for interpretive-phenomenological qualitative research design given by Creswell (1998). Guest, Bunce, & Johnson, (2006) have suggested the minimum of 12 interviews if the data collection procedure is an interview.

Design and Pre-Testing of the Data Collection Tools

Dorji's (2018) study informed the designing of the questionnaire. The structured questionnaires was divided into five sections with 65 questions related to socio-economic characteristics of micro and small businesswomen, business start-up (motivations, financing, employees, and start-

up challenges), business operational challenges, businesswomen's future business goals/aspirations and their expectations of support from the government, NGOs, etc, and businesswomen's opinion about gendered business.

For the survey, the Survey Solutions—a free Computer-Assisted Personal Interviewing (CAPI) software developed by the Development Research Group of the World Bank in collaboration with the Food and Agriculture Organization (FAO) was used. The survey was pretested in Gyalpozhing Town following which some changes were made in the questionnaires.

For the in-depth interviews, the main questions that all researchers/interviewers asked uniformly were:

- (1) What are the key challenges women MSEs face in terms of business start-up, operation, growth, and innovation?
- (2) Why do these challenges prevail?

Three researchers who conducted the in-depth interviews agreed on the above common questions while probing were left to the individual researcher. The quality and reliability of interview data can depend so much on the internal, external and operational validity. Internal validity means avoiding any external factors that may influence the data reliability; external validity is related to generalisability of data, and operational validity is the ability to measure what is needed to measure (Brassard, 2015).

The interviews were conducted in their respective business establishments. This had to be the *modus operandi* because it was not possible to conduct interviews in other places, as doing so would have affected their daily business, and thus reduced their co-operation. Conducting survey and interviews in their own business establishments might have, to some extent, affected the internal validity of the research. However, every effort was made to ensure that no other persons around influenced the way an interviewee responded.

The sample size for the in-depth interviews was more than what is commonly required, and this is assumed to have minimised the issue of the analytical generalisability. The participants for the in-depth interviews were selected from all five major towns/ trade regions and from diverse trades. To maintain the operational validity, every researcher

agreed on the common questions, which were interpreted uniformly among them as well as between researchers and interviewees.

Data Collection

The survey and in-depth interviews were conducted concurrently in five major towns/ trade regions and some satellite towns under them (thromdes): Mongar, Samdrupjongkhar, Gelephu/Sarpang, Phuentsholing and Thimphu. Five major towns also represent the trade regions of the country, and thus, in this report, major towns and trade regions are used interchangeably.

Six researchers were involved. Three of them undertook questionnaire survey while other three conducted in-depth interviews between 24 March and 18 April, 2018.

Before each survey or an interview, a businesswoman was briefed about the study—its purpose and significance, and only when an interviewer felt she was convinced about the importance of the study, the survey or interviews was administered. Written consents were sought from the respondents.

Interviews were taped and then transcribed meticulously by translators who had gained sufficient experience in this area.

Data Analysis

A descriptive analysis was considered to interpret the survey data. Multiple response table analysis was used particularly in identifying the challenges and ranking them.

For the qualitative data, an interpretive-phenomenological analysis was used. The thematic content analysis (interpretive) that was used involved the process of analysing transcripts, identifying themes, and associating those themes together. MAXQDA software was used to analyse qualitative (text) data. This is a program designed for computer-assisted qualitative, quantitative and mixed methods data, text and multimedia analysis in academic, scientific, and business institutions. It is developed and distributed by VERBI Software based in Berlin, Germany.

In the thematic interpretive approach, the texts (or data) are organised or reduced to uncover the patterns of the views and meanings to objectively identify the characteristics of the messages, which are then coded thematically.

By looking into the frequency with which a particular word, phrase or concept appeared in the text, the frequencies were generated and often transformed into percentages (using coded segments). Wherever possible, percentages were transformed into infographics. Such quantitized frequencies can indicate particularly influential codes. In the process of coding, it appeared that some respondents were fixated on a certain concept or theme in the case of which the repetitive codes were coded not more than thrice to avoid confounding.

The other approach used was to quantise data by enumerating the frequency of concepts or themes within a sample, the percentage of themes associated with a given category of the respondents, or the percentage of people selecting specific themes (document segments). However, in the report, only the results of the coded segments (how many times the concept or themes repeated in the text data), not document segment (how many people talked about the same concepts or themes) were used.

The interpretive content analysis often may result in the texts losing their meanings when reduced to numeric forms. Hence the need for a phenomenological approach in which data were presented without being condensed by various sorting or coding operations. The results of the phenomenological analysis were presented as illustrative quotes, citations, and cases. This was done to complement the interpretive analysis.

Research Ethics

Conducting research with businesswomen did not involve much sensitivity. Even then, written informed consents were sought and their participation was voluntary. The study was designed to encourage women to speak more without hesitation. This was done firstly, by convincing them of the importance of their views to understand not only their own problems but that of other micro and small businesswomen; and secondly by guaranteeing them no harm for participating in the interviews. After data collection, a strict code of ethics was applied to ensure anonymity and confidentiality of the interviewees. For that reason, the quotations did not include businesswomen's names.

Section III

QUANTITATIVE ANALYSIS

Introduction

The purpose of the quantitative approach is to investigate the characteristics of businesswomen and their businesses (in micro and small enterprise sector), determine motivating/necessitating factors for undertaking business, examine their business startup and operational challenges, assess their perception on credit accessibility, ascertain their business aspirations and plans, assess their support expectations (from the government, NGOs, financial institutions and others), and examine their views on gender and business. A simple descriptive analysis was applied.

This section used survey data collected from 363 businesswomen from five major towns/trade regions and some satellites towns under them. These major towns also represent five regional trade jurisdictions: Mongar, Samdrupjongkhar, Gelephu/Sarpang, Phuentsholing and Thimphu. Table 3.1 presents the sample size of each major town/trade region. Three observations/cases had to be excluded from the analysis owing to some partial responses.

Table 3.1: Distribution of sample size by major trade region

Region	Number	Percent
Mongar	45	12.40
Samdrupjongkhar	40	11.02
Sarpang/Gelephu	30	8.26
Phuentsholing	33	9.09
Thimphu	215	59.23
Total	363	100

Business Characteristics and Businesswomen’s Socio-Demographic Profile

Figure 3.1 shows the percentage distribution of businesses corresponding to their operational bases. The overwhelming majority (81.8% of the sample) were found to be operating their businesses from rented houses/spaces. Only 11.8% were operating their businesses from their own houses, and rest (5.7%) operated in the public market. The fact that the majority of them were operating from the rented spaces mean much of their profit is gone to paying the house

rent rather than reinvesting on their businesses. Furthermore, businesswomen (sampled) were asked to provide the legal status of their businesses: 96% were registered under ‘sole proprietorship’; 2.2% were the family business; and 1.3% ‘partnership’ business. In addition, a huge majority (98%, n=356) were perennial and only 2% were seasonal.

Figure 3.1: Business locations

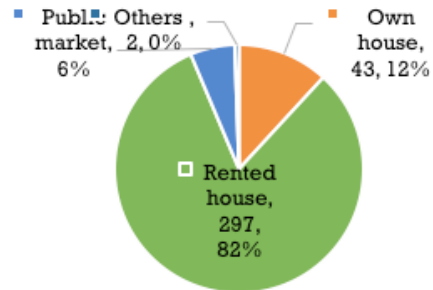


Figure 3.2 presents the types of business that the survey has covered. As many as 18 different types of business/trades were included. Among them, businesses such as consultancy services, ticketing (air), and labour recruitment agencies were combined under the category ‘others’. The grocery business made up the majority (n=81).

Figure 3.2: Type of Businesses

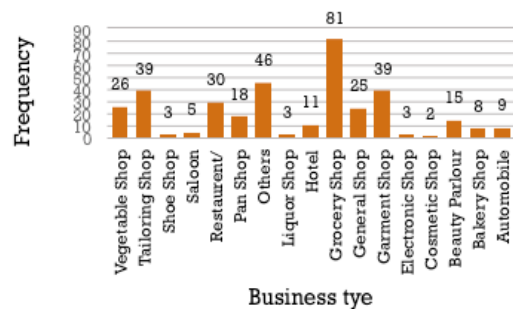


Table 3.2 shows the percentage distribution of businesswomen’s age. The mean age was estimated at 37 (minimum 18 years & maximum 84 years) with the majority (22%) falling under the age group 35-39 years (mid-age). The detail is presented in table 3.2.

Table 3.2: Percentage distribution of businesswomen's age

Age group (Years)	Bhutan	
	f	%
15-19	2	0.6
20-24	25	6.9
25-29	64	17.6
30-34	60	16.5
35-39	88	24.2
40-44	51	14.1
45-49	37	10.2
50-54	21	5.8
55-59	7	1.9
40-46	5	1.4
65 & above	3	0.8

Studies elsewhere have shown the importance of education for women's success in business. Budhwar and Bhatnagar (2005) identified education as the most important determinant of women's success in business in the Indian context. Highly educated women are more likely to take risks and succeed in business than women with low education.

Table 3.3: Education of businesswomen by major towns

Education by age (in percentage)							
Education level	Mongar	Sjongkhar	Gelephu	Pling	Thimphu	Overall	
None	46.7	42.5	13.3	27.3	28.8	31.1	
Non-formal education	13.3	7.5	10.0	0.0	10.7	9.6	
Primary	8.9	0	13.3	15.2	11.2	10.2	
Lower secondary	8.9	22.5	10.0	9.1	12.1	12.4	
Middle secondary	15.6	10	33.3	24.2	20.0	19.8	
Higher secondary	6.7	17.5	16.7	18.2	10.7	12.1	
Diploma	0.0	0	0.0	0.0	0.9	0.6	
Graduate	0.0	0	3.3	6.1	4.2	3.3	
Post graduate	0.0	0	0.0	0.0	1.4	0.8	

They have concluded that education can reduce the pressure against women to be confined to homes and increase their chances of overcoming social stereotypes and boost confidence in taking business risks.

Some studies show that a woman's fewer years of work experience and less formal education affects her entrepreneurial successes (Chaganti and Parasuraman, 1996; Robb, 2002). Van der Sluis *et al.* (2004) and Kolstad and Wiig (2013) have concluded that education and training improve management and business skills among businesswomen. Education and training further give businesswomen additional score to access credit from the banks (Parker & Van Praag, 2006).

Table 3.3 presents the education level of businesswomen. Over half of the businesswomen have formal education at varying level. However, over 31% of them has reported that they do not have any formal education; while 9.6% have attended Non-Formal Education (NFE). Among businesswomen with some formal education, the majority (19.8%) have the middle secondary level (class VII-VIII), and at least 4% the degree.

Low literacy/education among businesswomen not only seem to affect how they manage their businesses but also limit their ability to access information and training opportunities.

Table 3.4 presents the percentage distribution of respondents' family composition and characteristics. Over 85% reported having children while 14% did not have child/children.

The majority (76%) of them were married while divorced women also constituted a considerable proportion (10%) which may have compelled them to undertake business as self-employment.

Table 3.4: Businesswomen's marital status, number of children and family size

Characteristics	Mongar	Sjongkhar	Gelephu	Phuentsholing	Thimphu	Bhutan
Marital status						
Single	4.4	15.0	6.7	18.2	5.6	7.7
Married	75.6	65.0	73.3	66.7	79.5	75.8
Separated	0.0	0.0	0.0	3.0	1.4	1.1
Divorced	15.6	7.5	13.3	6.1	10.2	10.5
Widowed	4.4	12.5	6.7	6.1	3.3	5.0
Number of children						
One	9.5	24.2	39.1	21.7	23.2	22.5
Two	35.7	27.3	39.1	21.7	37.9	35.4
Three	21.4	27.3	8.7	47.8	23.2	24.1
Four	14.3	18.2	13.0	0.0	10.0	10.9
Five	14.3	3.0	0.0	8.7	4.7	5.8
Six	4.8	0.0	0.0	0.0	1.1	1.3
Total	100	100	100	100	100	100
Family size						
Single member	0.0	7.5	3.3	6.1	1.9	2.8
Two members	9.1	5.0	23.3	9.1	8.4	9.4
Three members	9.1	30.0	33.3	15.2	17.8	19.1
Four members	34.1	20.0	23.3	27.3	31.3	29.4
Five members	22.7	12.5	13.3	24.2	20.1	19.4
6-10 members	25.0	25.0	3.3	18.2	20.6	19.9
Total	100	100	100	100	100	100.0

Motivating/Necessitating Factors for Starting Businesses

Doing business by women is essentially about one's motivation to achieve personal goals and aspirations, which Lee and Venkataraman (2006:108) have defined as a composite of social, psychological, and economic factors. Motivational/necessitating factors tend to be influenced by their personal abilities, traits, skills as well as the external social, cultural and economic environments (Liao & Welsch, 2003). To understand the challenges businesswomen encounter in doing their businesses, it is crucial to examine what factors have motivated them to enter the world of business in the very first place.

One of the study's objectives was to investigate the motivating/necessitating factors (reasons for starting businesses) that have motivated or necessitated businesswomen to start businesses.

The survey had a question: "What motivated or required you to start a business?" They were given the choice to state one or more reasons for setting up their businesses (multiple responses). The motivational/necessitating factors differed considerably among businesswomen. These ranged from an unemployment, not being happy with the previous employment, divorce, personal interest, encouraged by others, no other source of income, to earn a supplementary family income. The results of multiple response analysis are summarised in table 3.5. The total percentage of cases is usually more than 100 in multiple responses analysis.

Among many motivating/necessitating factors, 'personal interest' (47.9%) and 'unemployment' (40.8%) were the major ones. About 38% of businesswomen stated the reasons 'to improve or supplement family income,' followed by other reasons such as 'to become self-independent' (33.1%), 'no other source of income' (27.6%), 'many children to

support' (25.6%), and 'to support parents and relatives' (23.1%).

Table 3.5: Business motivating/necessitating factors (total percent>100)

Motivating/Necessitating Factors	Monggar	Sjongkhar	Sarpang	Phuentsholing	Thimphu	Bhutan
Personal interest	35.6	45.0	56.7	54.6	48.8	47.93
Unemployment	22.2	22.5	33.3	24.2	51.6	40.77
Supplementary family income	37.8	30.0	43.3	33.3	40.0	38.29
To become self-independent	26.7	32.5	50.0	45.5	30.2	33.06
No other source of income	44.4	32.5	30.0	33.3	21.9	27.55
Many children to support	37.8	32.5	3.3	18.2	26.1	25.62
Support parents and relatives	13.3	17.5	10.0	18.2	28.8	23.14
Divorce	11.1	5.0	10.0	6.1	8.4	8.26
Encouraged by others	4.4	5.0	16.7	3.0	3.3	4.68
Others	2.2	5.0	6.7	15.2	2.3	4.13
Unhappy with previous employment	0.0	0.0	3.3	6.1	1.4	1.65
Total	235.6	227.5	263.3	257.6	262.8	255.1

About 2% attributed 'not happy with the previous employment'. However, if the factors such as unemployment, supplement the family income, no other source of income, many children to support, and the need to support ageing parents and relatives are categorised under the 'economic necessity,' then it becomes the most crucial reason for starting businesses. In most cases, the motive behind taking micro and small business was that they wanted to integrate with the market economy to improve their own situation and that of their children and other family members.

The reasons for starting businesses vary slightly across the regions. In Thimphu, 'unemployment' is the major motivating/necessitating factor (51.6%) while in Monggar, 44.4% reported 'no other source of income' as the main reason for starting businesses.

For businesswomen in other three majors towns of Samdrupjongkhar (45%), Sarpang (56.7%) and Phuentsholing (54.6%) 'personal interest' was the reason for starting the business.

Pearson chi-square test shows that the motivational/necessitating factors like unemployment ($p=0.000$); many children to support ($p=0.010$); encouraged by others ($p=0.028$); no other source of income ($p=0.026$); and to support parents and relatives ($p=0.034$) have a p-value less than 0.05 indicating these are significant motivating/necessitating factors for businesswomen to start their businesses.

Among different age groups, women (81.5%) in the age group 15-24 have started their businesses out of personal interest, while in the age group 25-34, unemployment was the motivating/necessitating factor. Furthermore, half of the women (50%) in the age group 45-54 have identified 'many children to support' as the motivating/necessitating factor. In other age groups: 55-64 (58.3%) and above 65 years (66.7%), most of them reported 'no other source of income'.

There were all three types of business seekers (as categorised by Helms, 1997): 'freedom seekers,' 'security seekers', and 'satisfaction seekers'. 'Freedom seekers' are those people who are not satisfied with their employment and desire for freedom to choose the works of their own choice; 'security seekers' (the majority) undertake business owing to their personal and family circumstances (low income), retirement or death of their spouses, and instances of divorce; and 'satisfaction seekers' are usually housewives and singles who want to become more productive and attain social and economic status and satisfaction (Helms, 1997 & Alam, S. Shah *et al*, 2012: 285).

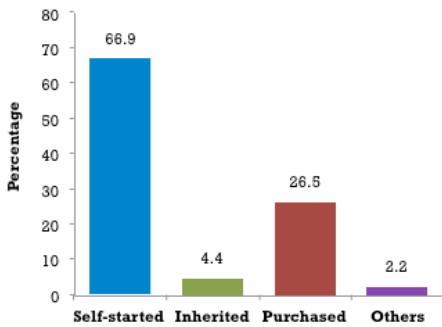
The necessity-driven businesswomen usually have no/low formal education, less managerial, financial and other business skills. Their business tends to remain rather small. Women are more pushed than men to undertake businesses due to family and work-related factors, as women are usually more responsible for the household management (Buttner 1993). They need flexibility in their working time which self-employment (business for example) provides

(Kuppusamy *et al.* 2010) and becomes an encouraging choice (Levent *et al.* 2003; Klaper and Parker 2011).

Business Start-up

Businesswomen were asked about their business start-up: “How did you acquire this business?” The majority of them (66.9%) reported they started businesses on their own. About a quarter (26.5%) bought businesses from others. Less than 5% were family-owned business or inherited (figure 3.3).

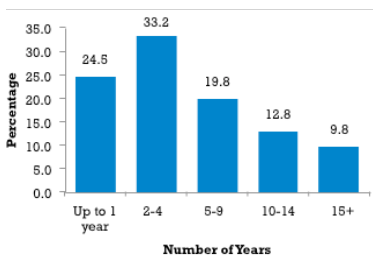
Figure 3.3: Percent of businesswomen, business start-up method



Age of Business Firms

In order to determine the number of years of business operation, sampled businesswomen were asked about the number of years their businesses were in operation. The majority of the businesses has been operating for 2-4 years and some for more than 15 years as shown in figure 3.4.

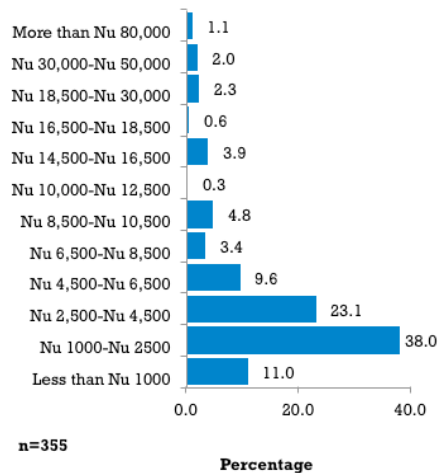
Figure 3.4: Number of years of business operation



Daily Turnover from the Business

The daily sale revenue or turn-over was determined. Only the estimates could be given owing to a poor financial literacy and book-keeping among the sampled businesswomen. Higher the sale values, more is the income and consequently more funds for the business (Yao, 2014). However, other than simply presenting the sale values, no in-depth analysis was done. About four-tenth (38%) of the businesses reported revenue between 1000-2500 Ngultrum in a typical day in a month, and about a quarter (23.1%) reported between 4,500-6,500. Ngultrum (see figure 3.5). Businesswomen earning revenue less than Nu 1000 accounted for 11%, while not more than 1.1% of the businesses earned revenue over 80,000 Ngultrum in a day.

Figure 3.5: Percentage of business sale turnover/revenue in a typical day



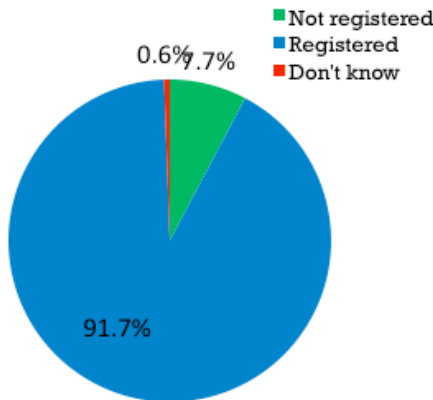
Business Registration

The national surveys so far would not have enumerated unregistered businesses operating in the informal economy. The World Bank’s Enterprise Survey, the only survey of its kind, has collected data from the registered firms in the formal sector. In the present case, we have ensured that some of the respondents were from the informal sector.

Of all businesswomen surveyed, almost 8% stated that they are not registered or do not have business licenses; thus, they belonged to the informal sector (figure 3.6). Furthermore, data shows that these businesses are mostly vegetable vendors

(including street vegetable sellers) and local *Tengma* (processed maize) sellers. In particular, around 92% of the businesses covered in the survey were registered and have business licenses.

Figure 3.6: Percentage of businesses with license/registration



Business Size (in terms of number of employees)

Ayyagari *et al.* (2014), Wang (2014) and Lee (2014) have associated the growth of a business with the number of employees after a certain number of years in operation. OECD (Organization for Economic Co-operation and Development) has given the definition of high growth firms as those which achieved a 20% employment growth within 3 years. A business firm creating more jobs over the years is an indicator that the business is expanding (Yao, 2014). Ayyagari *et al.* (2014) has used the increase in the number of employees of the business establishment over the years to measure the growth of SMEs. Lee (2013) used the change in growth of the number of employees to define the growth of the enterprises.

So there are studies to show that number of employees that any business firm employs could be used to determine the size of the business as well as the growth. The more people a business firm employ, the better it is for the economy, particularly in terms of generating employment.

The Ministry of Economic Affairs also uses employment size to categorise business into four types.

Figure 3.7 shows the percentage of businesses by a number of employees. The majority of the businesses (68.9%) had no

employees. In other words, businesswomen self-operated their businesses. This indicates that the micro and small business as a source of employment (as it is in other countries) has not been adequately exploited. Much needs to be done to promote micro and small enterprise as a source of employment in the country.

About 16% of the businesses had one employee and 8% had 2-3 employees. Less than 2% had more than ten employees.

Figure 3.7: Percentage of businesses by number of employees



The number of employees varied according to the size and nature of businesses. For example, businesses such as furniture house, hotels, arts and craft (Buddhist religious items), and cooperatives had more than ten employees. In contrast, the self-operated businesses generally were small grocery shops, garment shops, and *Doma-Pani* (areca nut and betel leaf) shops.

Business Start-up Investment

Table 3.6 presents the initial investment made by businesswomen. The results show that 42.7% of them had invested less than Nu 100,000 for their businesses, while 41.3% had made an investment between Nu 200,000 – 500,000.

About 16% of them had invested between Nu 600,000–1000,000. Furthermore, data shows that businesswomen undertaking automobile workshop business (66.7%) had invested between Nu 600,000–1000,000, while women in cosmetic, electronic, and shoe businesses had spent Nu 200,000 and more. The highest proportion of women (96.2%) with vegetable vending businesses had spent less than Nu 100,000 as their initial investment, followed by 88.9% of businesswomen with *Doma-Pani* (Areca nut and betel leaf) shops.

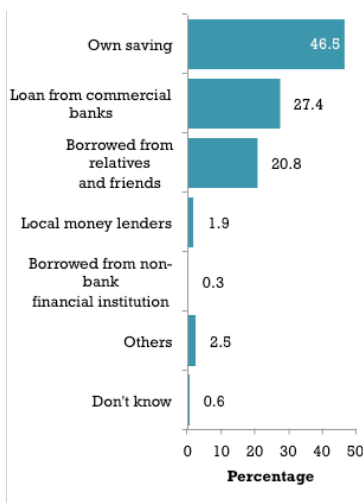
Table 3.6: Percentage of businesses according to start-up investment

Business Type	< Nu 100,000	Nu 200,00 - 5 00,00	Nu 600,000 -100,00
Automobile workshop	11.1	22.2	66.7
Bakery Shop	0.0	37.5	62.5
Beauty Parlour	26.7	66.7	6.7
Cosmetic Shop	0.0	50.0	50.0
Electronic Shop	0.0	33.3	66.7
Garment Shop	2.6	48.7	48.7
General Shop	44.0	44.0	12.0
Grocery Shop	48.2	45.7	6.2
Hotel	27.3	45.5	27.3
Liquor Shop	66.7	33.3	0.0
Others	39.1	34.8	26.1
Pan Shop	88.9	11.1	0.0
Restaurant	60.0	36.7	3.3
Saloon	20.0	80.0	0.0
Shoe Shop	0.0	100.0	0.0
Tailoring Shop	41.0	59.0	0.0
Vegetable Shop	96.2	3.9	0.0
Total	42.7	41.3	16.0

Main Source of Investment

The sampled businesswomen have reported different sources of money for the initial business set up: own saving (46.5%); loan from commercial banks (27.4%); borrowed from relatives and friends (20.8%); local money lender (1.9%); and borrowed from the non-financial institutions (0.3%). These results (figure 3.8) show that most businesswomen have established their businesses from their own saving. Other sources accounted for 2.5%, and less than 1% did not know how much they have initially invested.

Figure 3.8: Main source of investment (%)



The majority of businesswomen have started businesses from their own savings. This conforms to Treichel and Scott's (2009) findings that women are less likely to apply for bank loans even when the chance of getting their loan rejected is less. Coleman (2002) has concluded that women are less likely to seek capital from outside or scale down their expectations for business, owing to barriers in getting external credit or loans.

A huge percentage of businesswomen have borrowed money from their relatives, friends and informal money-lenders. In this line, Daynard, A (2015) shows that access to the formal credit has no positive effect on female entrepreneurship (with workers) across Indian states. Nonetheless, the researcher contends that this result can be attributed largely due to the existence of informal credit arrangements that are not reflected in the banks' data.

A substantial number of businesswomen in the present case have borrowed initial business fund from the informal arrangements such as family and friends (20.8%) and local money lenders (1.9%). This indicates that the financial inclusion programmes to promote business and entrepreneurship among women, which received a lot of attention in the recent years,

have not been able to benefit so much the micro and small businesswomen.

Business Start-up Challenges

One of the study's objectives was to identify the main challenges faced by businesswomen while starting a business. The survey allowed businesswomen to state multiple challenges [they face] using the multiple response questions. Out of 363 businesswomen, one woman did not respond to the question, and thus the following results are based on 362 businesswomen making up 868 responses. Since it is a multiple response question, the total percentage is over 100 (see table 3.7). On average, a respondent has stated more than two challenges (that is, $239.8/100 = 2.4$). In general, obtaining a

start-up financial capital (62.4%) came out as the main challenge. The second leading

challenge is the problem getting a good 'business space' with over one-quarter (26.2%) of the businesswomen stating this challenge. Other major challenges include 'lack of basic business skills' (12.2%); 'fear of business failure or lack of confidence' (11.9%); 'low/lack of education' (11.9%); 'informal competitions' (11.3%); and finding clients/market(10.8%). The least reported challenges are 'political instability', 'poorly educated labour force', 'access to electricity', and 'absence of the government business support schemes'.

Table 3.7: % distribution of respondents by business start-up challenges/regions

Business Challenges	Monggar	Samdrup Jongkhar	Sarpang	Phuentsholing	Thimphu	All Region
Obtaining start-up financial capital	40.0	45.0	56.7	81.8	68.2	62.4
Business space	20.0	30.0	33.3	30.3	25.2	26.2
Lack of basic business skills	13.3	5.0	10.0	21.2	12.2	12.2
Fear of business failure	15.6	5.0	3.3	15.2	13.1	11.9
Low/lack of education	28.9	10.0	10.0	12.1	8.9	11.9
Informal competitions	6.7	7.5	6.7	27.3	11.2	11.3
Finding clients/market	13.3	0.0	13.3	6.1	12.6	10.8
Market	13.3	0.0	3.3	0.0	12.6	9.4
Lack of basic business idea/skills	6.7	2.5	0.0	3.0	12.2	8.6
Networks and relationships	0.0	0.0	0.0	0.0	14.5	8.6
Labour regulations	8.9	17.5	16.7	9.1	2.3	6.6
Tax rates	6.7	20.0	3.3	9.1	4.2	6.6
Lack of variety of goods / services	2.2	10.0	6.7	0.0	6.5	5.8
Accessing raw materials	6.7	2.5	3.3	3.0	6.1	5.3
Transportation	8.9	7.5	0.0	3.0	3.7	4.4
Access to land	22.2	0.0	3.3	3.0	0.5	3.6
Crime, theft & disorder	6.7	5.0	3.3	6.1	2.3	3.6
Labour shortage	2.2	5.0	3.3	0.0	2.8	2.8
Shortage of technical skills	4.4	2.5	6.7	0.0	2.3	2.8
Customs & trade regulations	4.4	0.0	0.0	3.0	2.8	2.5
Lack of business support network	6.7	0.0	6.7	0.0	1.4	2.2
Lack of family support	4.4	2.5	6.7	0.0	0.9	1.9
Business licensing & permits	2.2	0.0	6.7	3.0	0.9	1.7
Tax administration	0.0	10.0	0.0	3.0	0.5	1.7
Obtaining technical skills	0.0	0.0	3.3	0.0	1.9	1.4
Government business support scheme	0.0	2.5	0.0	0.0	1.9	1.4
Access to electricity	4.4	2.5	0.0	0.0	0.5	1.1
Poorly educated labour force	2.2	2.5	0.0	0.0	0.5	0.8
Male domination	0.0	0.0	0.0	0.0	0.9	0.6
Political instability	2.2	0.0	0.0	0.0	0.0	0.3
Other	6.7	0.0	10.0	12.1	5.1	5.8
Don't know	4.4	10.0	10.0	3.0	1.9	3.9
Total	264.4	205.0	226.7	254.6	240.7	239.8
Number of Responses	119	82	68	84	515	868
Number of Cases (Respondents)	45	40	30	33	214	362

The chi-square test shows a statistically significant relationship between the challenges faced and the major towns/trade regions:

In Phuntsholing town, out of 33 businesswomen interviewed, as high as 81.8% of them considered lack of business start-up financial capital as the main business challenge. Other predominant challenges were: problem getting good business space (30.3%), informal competition (27.3%), lack of business skills (27.2%), and fear of business failure (15.2%).

In Thimphu town (region) (n=214), 68.2% of the businesswomen stated 'obtaining start-up financial capital' as their main business challenge followed by Sarpang region with 56.7%.

In Monggar and Samdrup Jongkhar towns, 40% and 45% of businesswomen respectively have identified lack of business start-up financial capital as their main challenge.

Businesswomen in all the major towns reported the 'problem of getting good business spaces' as their next major challenge, except businesswomen in Monggar town. In this region, the second major obstacle was 'lack of basic business skills' (28.9%).

The third major challenge varied across the major towns: for businesswomen in Thimphu, 'business networking and relationship' (14.5%) was the third major challenge.

Labour regulation (16.7%) was the third major challenge for businesswomen in Sarpang region. This could be due to the fact that most businesses in the South employ people across the borders. The access to land for construction (22.2%) was the third major challenge for businesswomen in Monggar and 'taxes' (20%) for businesswomen in Samdrupjongkhar town.

Current Challenges to Business Operation, Innovation and Transformation

This analysis represents the core objective of the present study. Businesswomen have identified thirty challenges they face while operating and trying to innovate and transform their businesses. This shows that micro and small businesswomen in Bhutan face multiple business challenges like businesswomen in other developing

countries. Studies in other developing countries have found that many specific challenges such as limited access to key resources, legal and regulatory frameworks, social-cultural environment, and limited mobility hinder women's business and entrepreneurial development (environment or situational factors). Many women than men lack the required level of resources, education, and training, including business and technical skills, and entrepreneurship training (individual factors) (Stevenson & St-Onge 2005).

The results of the multiple responses analysis are presented in table 3.8 (the total percentage is expected to exceed 100). The challenges are ranked in order of the significance—the ones at the top list being considered as the major challenges (that is, more businesswomen facing this challenge) and those in the bottom list as less severe ones.

The results show 'the lack of financial capital' (49.3%), 'difficulty attracting customers' (31.7%), 'informal competitions' (22.1%), 'problem getting good business spaces' (21.9%), and tax rates (15.7%) as the main business challenges. Just 0.3% of the businesswomen considered 'male domination in business' as a challenge.

Businesses in developing countries are usually starved for finance irrespective of whether they have sound business and expansion plans or not. Wanjohi & Mugure (2008) have concluded that a lack of access to finance is almost universally identified as the key challenge for micro and small businesswomen. Businesswomen in developing countries usually have lower growth and expansion possibilities due to lack of financial capital (Fairlie and Robb, 2008).

Muhammad Yunus's (1999) view was that there is no need to teach the poor new skills, but to give them the access to credit, which would allow them to immediately put into practice the skills they own (Banker to the Poor, 1999). Bank lending schemes for micro and small businesses are smaller and often operate as social programmes rather than financial projects. Businesswomen will remain marginalised as long as they hinge on the informal financial markets (Berger, 1989).

Table 3.8: Percentage ranking of current business challenges

Current Challenges	Percent
Low access to finance	49.3
Difficulty attracting customers	31.7
Informal competitions	22.1
Getting good business spaces	21.9
Tax rates	15.7
Market	14.0
Lack of variety of goods/services	10.9
Labour regulations	10.6
Fear of business failure	7.3
Lack/low education	6.9
Lack of basic business skills	6.9
Customs & trade regulations	5.2
Access to land	4.8
Business networks and relationships	3.1
Transportation	3.1
Lack of technical skills	2.2
Purchasing raw materials	2.2
Crime, theft & disorder	2.2
Govt. business support schemes	1.7
Business licensing/permits	1.4
Tax administration	1.4
Poorly educated labour force	1.1
Problem purchasing equipments	1.1
Low access to technology	0.8
Access to electricity	0.6
Male domination	0.3
Lack of family support	0.0
Others	5.6
Don't know	6.7
Total	239.2
Number of Responses	854
Number of Cases (Respondents)	357
Missing: n=6	

The second and third most important challenges are 'Difficulty attracting customers' (31.7%) and 'Competitions (22.1%) from the informal sectors'. The competition is not only from an increasing number of women doing similar businesses, but also from those businesses in the informal sector (unlicensed business), and recently, the online shopping business.

The fourth prevalent challenge is 'Getting a good business space'. Women who run their businesses from privately rented houses have to bear the brunt of exorbitant rents and bear with poor water and toilet facilities. The enterprises dealing with food processing, hotels and restaurants, saloons, and certain

small manufacturing units are severely affected by poor water and toilet facilities.

Some businesswomen operating their businesses from the spaces located in non-prime areas face a shortage of customers, and hence low sale and low income.

As the rents go up, some businesswomen reported they have to shift the location (which is again difficult to find) or quit the business. Some businesswomen reported such situation force them to conduct their businesses along the highway, in restricted zones and streets, sometimes putting them under the strict vigilance of city officials and other regulatory staff.

'Tax rates' is the fifth important issue facing businesswomen. Women who operate bars and restaurants, in particular, had critical or dissatisfactory views on tax rates. Bar operators stated they have to pay high bar license fee besides having to make an annual contribution to the Bhutan Chamber of Commerce and Industry (BCCI). Most women entrepreneurs in rural areas have identified business income tax as significantly high such that it is affecting their profitability.

Businesswomen have identified 'Low market' as the sixth significant challenge. While in general, the Bhutanese economy is small and has a low market base, the growing number of women entering business in recent years have increased the competitions and affected the market for veteran businesswomen. The worse is they compete to deliver similar products and services rather than developing new products and services through innovation. Businesses competing to provide similar products and services can benefit the consumers at large through price cut but can reduce the profitability and sustainability of the micro and small businesses even to the extent that some may run into bankruptcy.

The seventh common challenge is 'less variety of goods and services'. This concerns businesses not being able to provide diverse goods and services owing to lack of financial capital. This consequentially affects the sale, as the different customers have demands for diverse products and services.

'The fear of business failing' is in the eight place. This reflects businesswomen's low confidence in their business and it is likely caused by lack of or low education and business skills, low profitability of the business, and of course their high aversion to taking the risks.

The ninth challenge is 'labour regulations'. Labour regulation as an obstacle could mean some businesses face a shortage of labour due to labour regulations by the government. It is a common knowledge that the shortage of skilled labour and unwillingness of young people to take up menial jobs have many businesses/enterprises in the country recruit expatriate skilled workers from the neighbouring countries, and the restriction imposed on the recruitment of skilled labour from outside seem to affect the businesses like hotels, furniture house, small manufacturing units, etc.

Many businesswomen talked about the need for 'helping hands' to run their businesses, but they do not seem to favour recruiting labour/staff on account of their businesses being small and of low income. Hwang and Lockwood (2006) concluded that micro and small business owners face the challenge of hiring and retaining skilled employees owing to a lack of funds.

'Lack of or low education' and 'low business skills' came up in the tenth place. In fact, going by the socio-economic profiles of businesswomen, the majority of them had reported either to be uneducated or just attended primary level education. Lack of education/low education seems to impact on the success of their business. Perhaps, the low-profile nature of their businesses (subsistence business rather than a transformative business) could be due to lack/low education among the majority of businesswomen.

Most researchers examine just one component of the business process: either the characteristics and actions of individual businessperson or the external forces that affect the business and entrepreneurship. A focus given to either an individual businessperson or external factors has proven largely unsuccessful (Gartner, 1990; Shane, 2003) because the success of a business depends on an individual businessperson's capability as well as the environment within which her business operates (Dorji, IDE, 2018). Therefore, identifying and examining business challenges must take into account by studying both individual and external factors.

To do so, the survey has covered both individual and external factors. Challenges 1 through 8 are external factors indicating the dominance of the environment level challenges, challenge 9 to 11 are individual factors. The other challenges that businesswomen have identified and are of concerns are customs & trade regulations, access to land, business networks and relationships, transportation, lack of technical skills, purchasing raw materials, and crime, theft and disorder. Just 0.3% of the businesses reported 'male domination' as one of the business challenges, indicating there's not much social stigma and gender discrimination in doing business. This shows that Bhutanese women actually enjoy much liberal social norms when it comes to their partaking in business and entrepreneurship.

Access to Finance

Most businesswomen are ‘subsistence business’ rather than being ‘transformational business’. This could be for the reasons that businesswomen either lack sources of formal finance or they do not wish to take advantage of the existing financing opportunity. About 27.3% of businesswomen had borrowed initial investments from the banks and 0.3% from other financial institutions while 20.8% borrowed from relatives and friends and 1.9% from local money lenders. The latter two sources of credit are the informal sources. Women entrepreneurs will remain marginalised as long as they hinge on informal financial markets (Berger, 1989).

The common problem associated with accessing business loans from the commercial banks, according to businesswomen (respondents) was ‘high-interest rate for business loans’ (55.62%), ‘not taking a business loan out of apprehension of being defaulted’ (42.59%), and requirement as well as not being able to provide collateral’ (37.54%). Table 3.9 presents the detail.

Table 3.9: Problems associated with availing business loans

Problems accessing credit	Freq.	%
Interest rate too high	176	55.52
Fear of loan defaulting	135	42.59
Insufficient collateral or guarantee	119	37.54
Loan procedure complicated	53	16.72
No loan that suits micro/small business	36	11.36
Others	18	5.68
Reduced control over the business	2	0.63
Loan once rejected	1	0.32
Total	317	100

Business Loan: Demand and Supply

The paradox of the business financing is that despite the large majority of businesswomen having had noted lack of financial capital as the biggest challenge, at least 12.7% of businesswomen have reported ‘they do not want a loan’ (table 3.10). Among businesswomen who want to take business loans, half of them want to do so from the state-owned banks (50.5%); 6.9% from the private banks, and interestingly 2.5% from the micro-financing institutions. This shows

the micro-financing schemes have yet to emerge and become an important source of business financing for micro and small businesswomen.

Table 3.10: Percentage of businesswomen wishing to apply for business loans

External Financing	Freq.	%
No, I don't want loan	46	12.7
Yes, I want loan	317	87.3
Private commercial bank	22	6.9
State-owned/government banks	160	50.5
Micro-financing institutions	8	2.5
Don't know	126	39.8
Total	363	100.0

Among businesswomen who do not wish to avail bank loans, almost half of them do not prefer being indebted, probably out of fear of faulting on loans. This also manifest their high risk-aversion nature though business and entrepreneurship always involve some degree of risk-taking. As shown in table 3.11, 15.2% seem to have adequate financial capital while 28.3% have already taken loans and are under obligation to repay the loans.

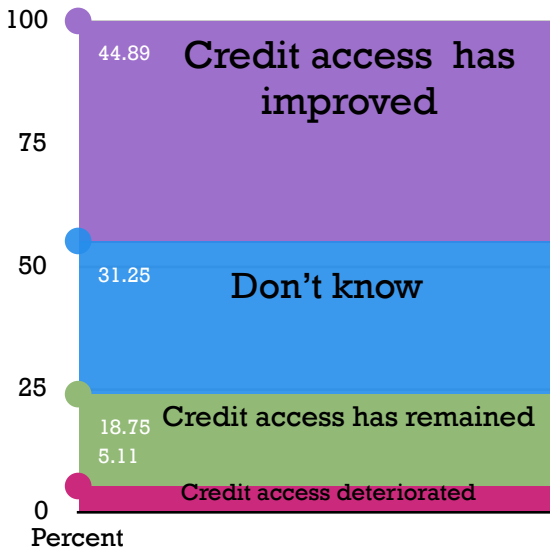
Table 3.11: Businesswomen not wishing to apply for business loans and the reasons

Reasons	% (Cases)
No need for a loan	15.2
I think I might be turned down	4.4
I already have outstanding loan	28.3
I don't prefer debt/external loan	50.0
Other (specify)	4.4
Don't know	4.4
Total	106.5
Number of Responses	49
Number of Cases (Respondents)	46

Business Financing Situation

The survey asked businesswomen to assess the situation of business credit in the last five years. Though the accessibility of credit for micro and small business is yet to improve, much has improved in the last five years (figure 3.9). However, 18.75% of them felt the credit access (especially from banks) has remained same while 5.11% felt it has deteriorated.

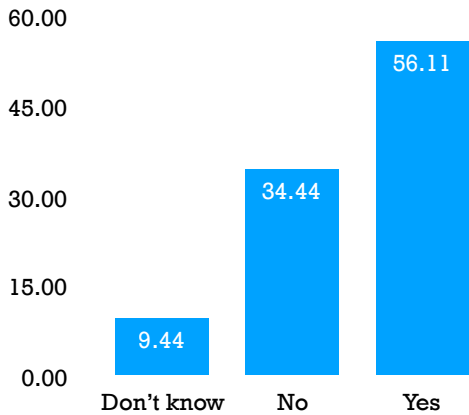
Figure 3.9: Situation of business credit within last five years (%)



Plan to Improve Financial Capital

Businesswomen were asked if they will be applying for a business loan in the next five years to fulfil their business growth ambition. As shown in figure 3.10, more than half of them plan to avail business loans.

Figure 3.10: Plan to avail/not avail business loans in five years

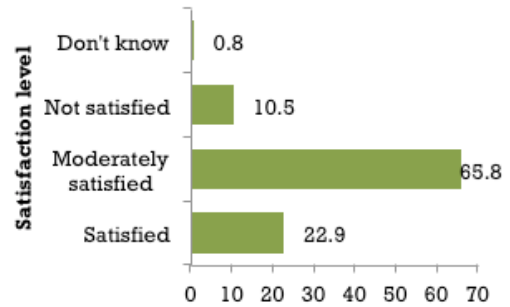


Business Operation and Self-Rating of Business Success

Businesswomen were asked to rate their business's success—profit satisfaction based on the three scale rating: satisfied, moderately satisfied, and not satisfied. Of 363 businesswomen, 65.8% reported that they

are moderately satisfied. About 23% were satisfied with their business profits, while 10.5% of them were not satisfied with their business profits (figure 3.11).

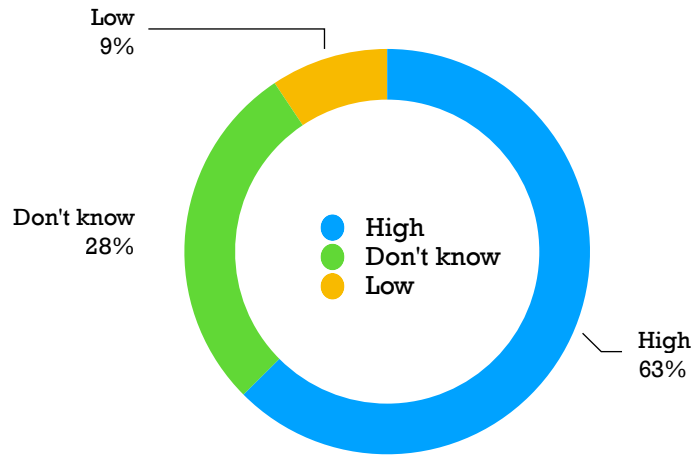
Figure 3.11: Business operation and self-rating of success



Business Goals

Regardless of one's education, skill and training, becoming a successful businesswoman largely depend on her business goals that would help her plan strategically ahead of time. As high as 63% of businesswomen has a high business goal (next five years) while 9% has low business goals (figure 3.12). More than 43% of businesswomen with low business goals have stated they are satisfied with their business, while 18.75% felt they can't have higher goals for the reasons that being women they cannot handle businesses bigger than their present ones. Some businesswomen preferred to quit their businesses rather than having bigger goals (18.75%) and many do not have business goals because they are aware that they won't get any external financing.

Figure 3.12: Business goals for next five years (%)



Reasons for low business goals	Percent
I am satisfied with the present level of business	43.75
I want to gradually quit my business	18.75
I may not get the required external financing	8.33
As a woman, I think I can handle only the present level of business	18.75

Business Aspirations and Motives (next five years)

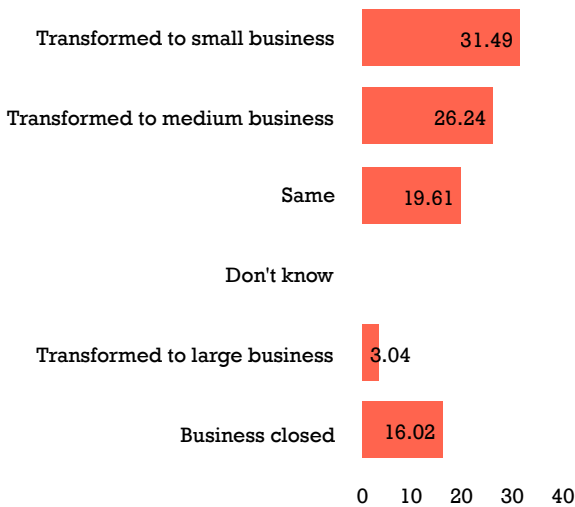
Entrepreneurship is a dynamic process of creating wealth in sustainable and accrued manner. According to Cason (1982), the typical attributes of successful businesspeople include the ability to take a risk, be innovative, can understand future market functions, and be able to sustain and grow the business amid numerous obstacles.

Sugaraj and Prasad (2014) have conducted a study of 250 women-run small enterprises in Pune using questionnaire survey and in-depth interviews. They have concluded that women entrepreneurs have a low level of aspirations due to lack of security and complicated procedures to obtain bank loans.

It is not only the lack of financial capital that limits business aspirations; a combination of factors influence the business aspirations and motives. Some businesswomen in the present study did not have big business aspirations, motives and expectations, possibly due to their low/lack of education and business skills.

As shown in figure 3.13, 31.49% of businesswomen aspire their businesses to get transformed into small businesses, 26.24% into a medium, and 19.61% expect their business to remain same. More than 16.02% think their businesses will get closed in the next five years.

Figure 3.13: Business aspirations and motives (next five years, in %)

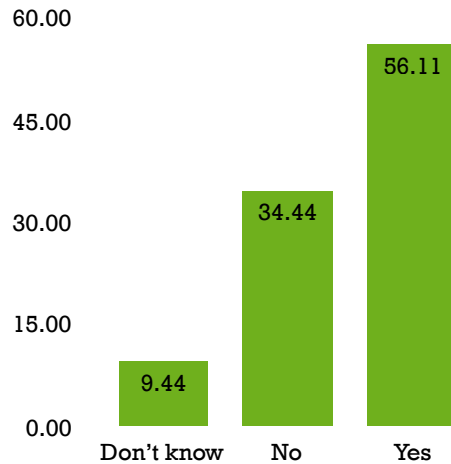


Innovation

Gray (2006), Lin & Chen (2007) and Aikaeli (2007) have highlighted that innovation is the key to business success for micro and small enterprises particularly in the context of a huge number of entrants and ensuing business competitions. In a transition economy like that of Bhutan, innovation in the business sector could mean milder than a grand Schumpeterian (1934) innovation. In the present context, an innovation is understood as the introduction of a product that is new to the market or the modification of the existing product or doing the business differently.

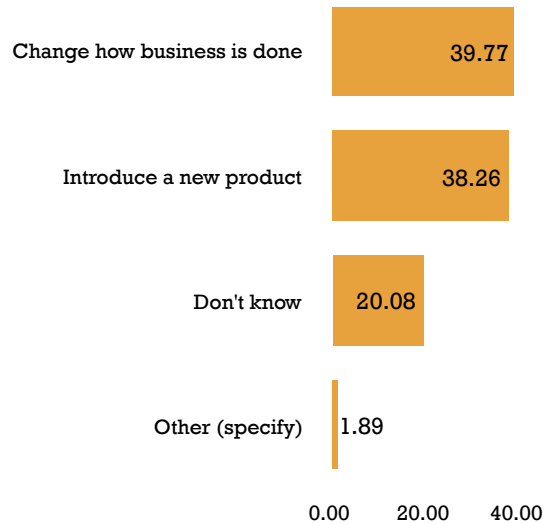
The survey asked businesswomen: “Would you want to innovate in your business?” The results in figure 3.14 show that more than half of businesswomen (56.11%) want to make some business innovation, though 34.44% of them explicitly mentioned they do not want to innovate and 9.44% simply did not know.

Figure 3.14: Businesswomen’s disposition to innovate



Asked about what innovations businesswomen want to make, the majority of them (39.26%) stated they want to change the way they conduct their business, 38.26% want to introduce new products not available in the market, and 1.89% want to make other innovations (figure 3.15).

Figure 3.15: Desired innovation (%)



The General Opinion of Respondents on Family Role Versus Doing Business

To examine businesswomen’s viewpoint on the women’s role in family versus business, they were asked if they ‘fully agree’ ‘agree’ and ‘don’t agree’ to the statement ‘Bhutanese women give more emphasis to their family role than to venturing on the career through entrepreneurship’.

In general, more than half of the businesswomen (54%) did not agree with the statement. This shows that Bhutanese women generally are now not fixated on their family role but are increasingly seeking to increase their engagement in business as means for self-employment outside their homes. On disaggregating by the major towns, more businesswomen in Thimphu agreed to the importance of their family role.

Furthermore, to investigate whether education influences their perception of agreement or disagreement with ‘women’s motherly/family role being more important than their business role,’ no significant difference was observed (Pearson $\chi^2 = 27.49, p = .037 > 0.005$). This means that while women generally consider undertaking business as important, more businesswomen with the lower and middle secondary education consider their family role and responsibility as even more important. Table 3.12 presents the percentage distribution of agreement/disagreement by education level. A fair number of uneducated businesswomen felt they have more role to play in the family than in their business.

Table 3.12: Participant’s pinion on women’s family role versus business by education

	Education level			Overall
	Fully agree	Partially agree	Don't agree	
Primary	10.0	11.0	9.2	10.3
Lower secondary	16.7	13.6	8.3	12.5
Middle secondary	13.3	20.9	21.1	19.7
Higher secondary	5.0	14.1	12.8	12.2
Diploma	1.7	0.5	0.0	0.6
Graduate	1.7	3.7	3.7	3.3
Post graduate	0.0	0.5	1.8	0.8
Non-formal education	16.7	5.8	11.9	9.4
None	35.0	29.8	31.2	31.1

On examining whether the family size influence businesswomen’s view on the importance of women’s family role than their business role, not much difference was observed (Pearson $\chi^2 (10) = 13.04, p = .221 > 0.005$). However, as shown in table 3.13, businesswomen with bigger family size tend to agree more on the importance of women’s family role than others.

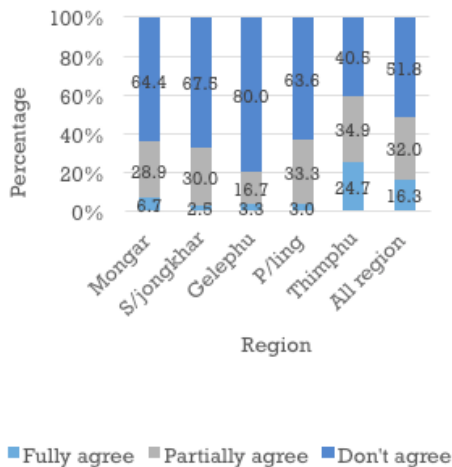
Table 3.13: Businesswomen’s option on women’s family role vs. Business by family size

Family size	Agreement/disagreement		
	Fully agree	Partially agree	Don't agree
Single member	4.8	1.7	2.0
Two members	6.7	11.7	10.2
Three members	14.4	18.3	21.8
Four members	35.6	20.0	28.9
Five members	15.4	21.7	20.8
6-10 members	23.1	26.7	16.2

Gender Biases on Availing Credit from Financial Institutions

Businesswomen were asked to agree or disagree with the statement: 'Financial institutions/banks are generally sceptical about the business seriousness and abilities of businesswomen'. Figure 3.16 shows that a vast majority of businesswomen across all major towns/trade regions did not agree with the statement (Pearson $\chi^2(8) = 40.25, p = .00 < 0.005$) indicating that the financial institutions do not discriminate against women when availing credit.

Figure 3.16: Discrimination against women in availing credit?

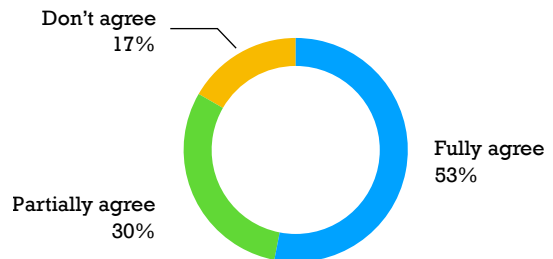


Businesswomen's Opinion about Women's Ability to take Risk

It important to evaluate the risk-taking ability of businesswomen. Studies in other countries have shown that women generally are risk averse which affects their success in business. Businesswomen were asked to give their opinion on whether high risk-avoidance characteristics of women affects the growth of their business. The results are presented in figure 3.17. The majority (53%) of them fully agreed that women are high risk-averse (meaning they do not want take risk/they want to avoid risk) while only 17% of them did not agree that women are risk-averse. Education seems to influence the risk-taking ability of women. The majority of uneducated businesswomen agreed that their high-risk aversion affects their business growth and success than the educated ones. However, there was not much difference between younger and older businesswomen on their

view about risk-taking or risk-aversion of businesswomen.

Figure 3.17: Opinion on women's risk-taking ability



In this context, Karlan and Valdivia (2008) showed that the primary barrier to female entrepreneurial success in India is not the limited credit supply, but limited demand from businesswomen. Kepler and Shane (2007: 9) used data from the Panel Study of Entrepreneurial Dynamics (PSED) and concluded that women are more risk-averse, especially when taking financial risk (Croson and Gneezy, 2009).

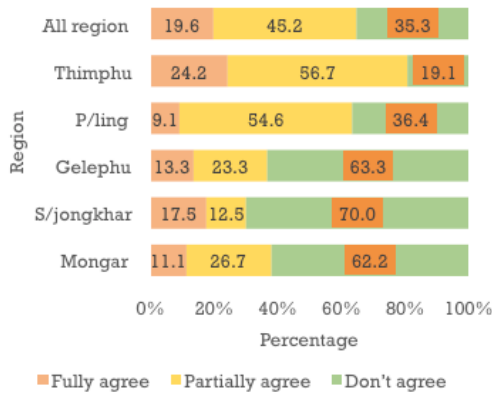
Businesswomen's' Opinion on External Business Support

Figure 3.18 presents the opinion of businesswomen on the government's and NGOs' support to women's business and entrepreneurship development in the country. The survey asked them: 'Government agencies/NGOs are doing little to promote entrepreneurship amongst women particularly' including the support in terms of business training and skill acquisition or up-gradation.

A significant (Pearson $\chi^2(8) = 75.23, p = .00 > 0.005$) difference was observed between those who 'fully agree' (19.6%), 'partially agree' (45.2%) and 'don't agree' (35.3%). Businesswomen in Thimphu and Phuentsholing towns/trade regions (where the majority of the businesses are concentrated) felt the need for the

government/NGOs to put more efforts in promoting women’s entrepreneurship. However, the majority of businesswomen in other major towns/trade regions like Mongar, Samdrupjongkar and Gelephu did not agree to the statement implying they are satisfied with what the government and NGOs are doing to support women’s business and entrepreneurship.

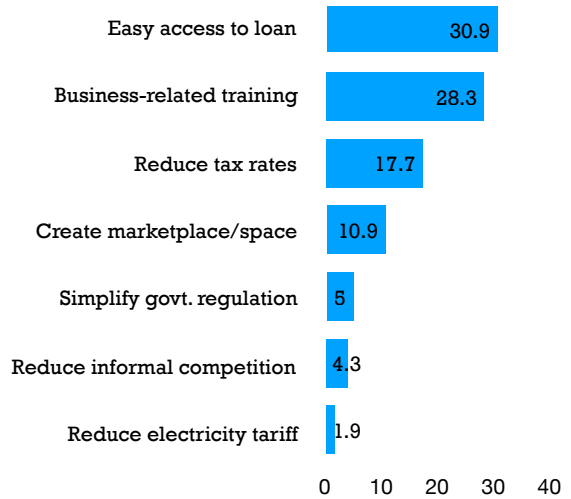
Figure 3.18: Opinion about the government’s and NGOs’ support



Businesswomen’s Suggestions

When asked ‘what suggestions do they have to the government/NGOs to promote business and entrepreneurship among women,’ they suggested the government and NGOs must promote women’s access to credit (micro-financing) and business-related training. One common observation of all the interviewers/enumerators was that by easy access to credit, they meant a micro-credit facility which could provide them business loans at ‘lower lending rates’ and ‘right amount needed’ without ‘hassles of complicated bank procedures’ and ‘collateral requirements’. Figure 3.19 illustrates their suggestions.

Figure 3.19: Businesswomen’s suggestion to promote business among women



Conclusion

The quantitative data analysis was premised on the perspective that economic empowerment of women is the key to promoting their social and economic status. The primary aim was to identify ways in which the government, donors, NGOs, and private sector can improve the prospects for women’s business and entrepreneurship in Bhutan. So crucial as it is to determine the challenges that hinder the growth and innovation of micro and small businesses for most appropriate policy responses, this analysis did aim at identifying and examining the key women business challenges. Top twelve challenges that businesswomen came up as per the analysis are lack of financial capital, a fewer customers, poor business spaces, informal competitions, tax rates, small market, lack of variety of goods and services, labour regulations, fear of business failure, lack/low education and lack of business skills. The other analysis related to socio-economic characteristics of businesswomen, business types, business goals, aspirations and motives, credit situation and accessing loans and businesswomen’s opinion about gender and business were covered. The next section deals with the qualitative data analysis to supplement the quantitative analysis’ findings.

Section IV

QUALITATIVE ANALYSIS

Introduction

The in-depth interviews investigate the socio-economic and demographic characteristics of businesswomen recruited for this study, their motivations and experiences in doing businesses, challenges they face in operating their businesses, and their views on promoting business among Bhutanese women.

The qualitative method was discussed in the methodology section (section II). In this section, text data of 142 semi-structured interviews were analysed and the results presented. The inductive approach [of analysis] was used in which the themes were considered as they emerged from data rather than any *a priori* consideration (biases). Using this approach, first, the actual data (transcripts) were observed to discern patterns, second, the themes were identified, third, these themes were objectively coded, and lastly, conclusions were done.

The following five themes were identified:

Theme 1: Business motivations (reasons for undertaking business).

Theme 2: Business start-up challenges.

Theme 3: Current business operational challenges for growth, transformation, and innovation.

Theme 4: Future business aspirations and plans.

Theme 5: External support expectations (from the government, NGOs and others).

The themes were limited to five though many other themes did emerge from data. The interviews had focused more on Theme 2 and Theme 3, as this research's aim was to identify the key challenges facing micro and small businesswomen. However, the other themes contribute towards answering the research questions and its primary goal.

Socio-Demographic Characteristics of the Sampled Businesswomen

Table 4.1 presents the socio-demographic characteristics of businesswomen recruited for the in-depth interviews. More than half of them are in the age group 18-40 and the maximum of them is in the age group 31-40. The mean age is 38 years. This is comparable to the age range considered for similar studies undertaken by Alam, S. Syed *et al.* (2012) in Malaysia and Hisrich and

Peters' (1996) research titled 'Entrepreneurship: starting, developing and managing a new enterprise'. The majority of businesswomen are married (66.9%) and a significant number of them are also divorced (21.13%).

In total, 26.76% of them are single mothers, indicating that one of the important reasons for undertaking micro and small businesses is to cope with the obstacles that single mothers usually face: economic hardship, dependency, and low social status. On average, these businesswomen have two children; 16.20% of them do not have children. In all, about 83.3% of them reported having at least one child. Having children to feed and educate could have been the purpose of their engagement in economic activities. The majority of businesswomen (40.14%) reported they did not have formal education. More than 11.96% of them had a primary level education. Just 3.52% of them are undergraduates.

Table 4.1: Socio-demographic characteristics of sample businesswomen.

Characteristics	Freq. (N=142)	Per cent
Age		
18-30	33	23.24
31-40	59	41.56
41-50	35	24.65
51-60	9	6.33
61-70	6	4.22
Mean=38, Std. Err. 0.89 [95% Conf. Interval 36-40]		
Marital status		
Divorce	30	21.13
Married	95	66.9
Single	9	6.34
Widow	8	5.63
Education		
None	57	40.14
Primary	17	11.97
Lower secondary	21	14.79
Middle secondary	27	19.02
Higher secondary	15	10.56
Degree	5	3.52
Number of children		
0	23	16.2
1	16	11.27
2	47	33.1
3	28	19.72
4	22	15.49
5	4	2.81
6	2	1.41

Business Characteristics

Table 4.2 presents the type of business/enterprise undertaken by women participants. These businesses are gendered (typical to women) and are comparable to the types of businesses that women in other developing countries undertake. The sample constituted the majority of women operating vegetable and fruits shop, (14.79%), general shop (7.75%), grocery (7.75%), restaurant (6.39%), fast food (6.34), and so on.

Table 4.2: Type of sampled businesses

Business type	Freq.	Percent
Vegetable, fruits & others	21	14.79
General shop	11	7.75
Grocery	11	7.75
Resturant	9	6.39
Fast food	9	6.34
Garments	8	5.63
Bar	6	4.23
Tailoring shop	5	3.53
Home-made food products	5	3.52
Hotel	5	3.52
Pan shop	5	3.52
Resturant & Bar	4	2.82
Beauty parlour	3	2.11
Diary products	3	2.11
Furniture shop	3	2.11
Handicraft	3	2.11
Local food products	3	2.11
Street vendor	3	2.11
Travel & air ticketing	2	1.43
Automobile workshop	2	1.41
ECCD	2	1.41
Liqour shop	2	1.41
Saloon	2	1.41
Bakery	1	0.7
Clearing agent	1	0.7
Consultancy	1	0.7
Contractor	1	0.7
Cosmetics	1	0.7
Doma & Pan retail	1	0.7
Dyeing & cloth design	1	0.7
Electronics shop	1	0.7
Floral shop	1	0.7
Labour agent	1	0.7
Local alcohol & snacks	1	0.7
Printing	1	0.7
Religious items shop	1	0.7
Resort	1	0.7
Taxi operation	1	0.7
Total	142	100

Taking into an account the legality of business, more than 72% of the businesses are formally registered (either had trade license or micro-trade registration certificates) while 27.46% did not have any business trade licenses. Some possessed BAFRA registration certificates and a few had BAOWE registration certificates (informal business).

The duration of business operation ranged from one month to 34 years. As shown in Table 4.3, more than half of the businesses were in operation for 1-5 years, 7.74% were relatively new business while 4.21% of the total businesses had been in operation for more than 20 years.

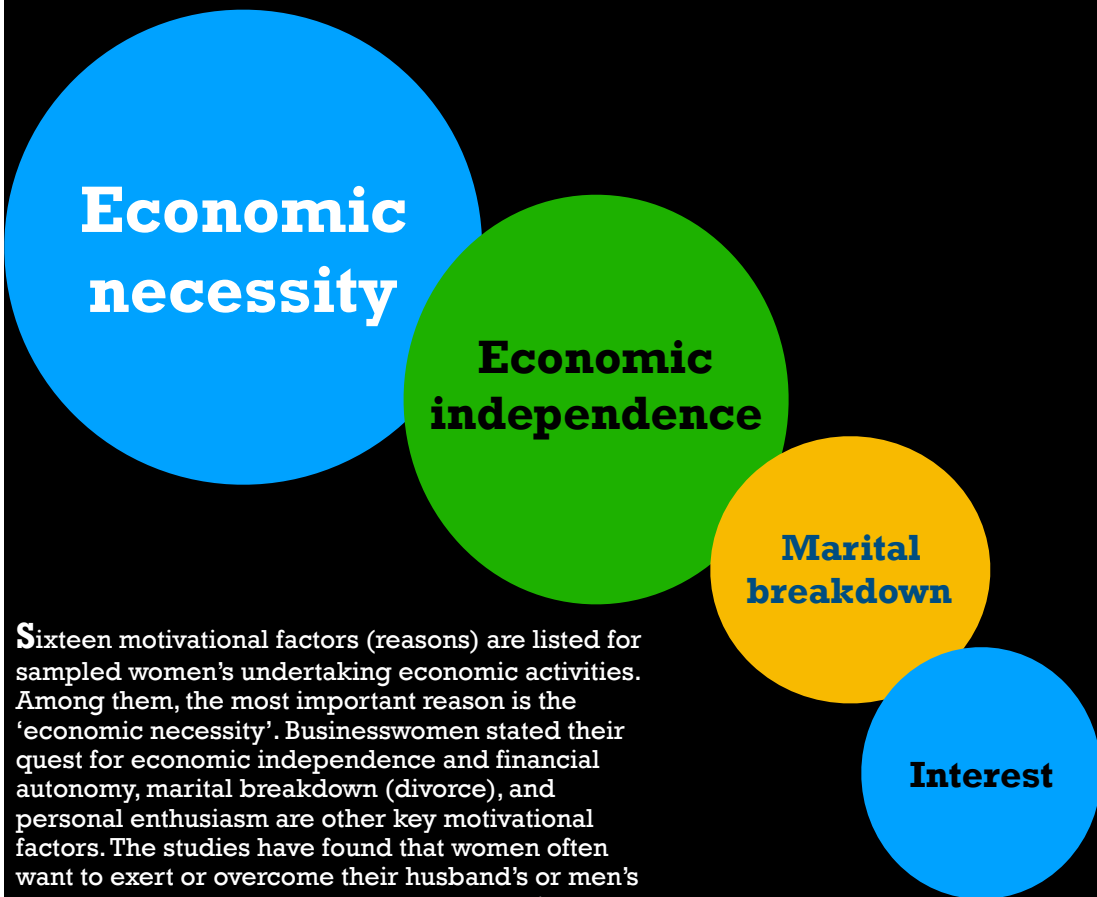
Table 4.3: Nature of women-owned business

Nature	Freq.	Per cent
Years in operation		
> One year	11	7.74
1-3 years	49	34.51
4-5 years	29	20.42
6-10 years	26	18.3
11-15 years	14	9.86
16-20 years	7	4.93
<20 years	6	4.21
	142	100
Mean= 6, Std. Err. 0.52 [95% Conf Interval 5-7]		
Legal status		
Licensed	103	72.54
Non-licensed	39	27.46

Motivations for Undertaking Business Enterprise

Figure 4.1 presents the infographics showing what actually have motivated women to venture into business. The infographics have been prepared based on the percentage derived using the coded segments (number of codes) rather than documented segments (number of interviewees/businesswomen recruited for the ind-depth interviews).

Figure 4.1: Motivations for undertaking business



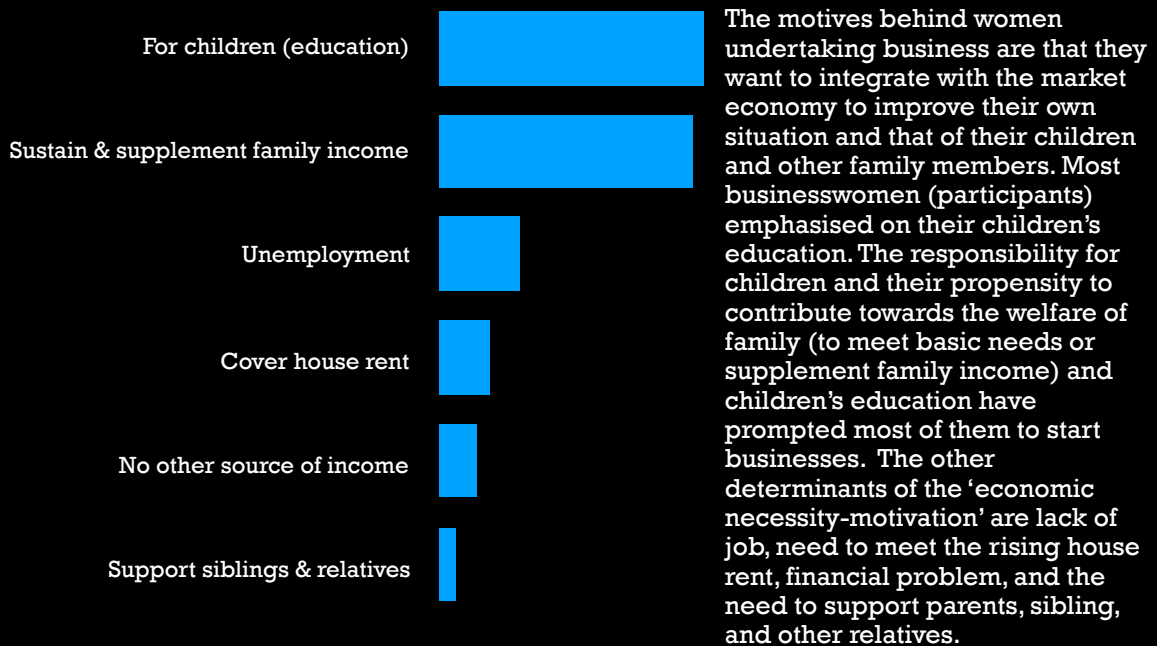
Sixteen motivational factors (reasons) are listed for sampled women's undertaking economic activities. Among them, the most important reason is the 'economic necessity'. Businesswomen stated their quest for economic independence and financial autonomy, marital breakdown (divorce), and personal enthusiasm are other key motivational factors. The studies have found that women often want to exert or overcome their husband's or men's control and dependence on others by starting a business (Carter *et al.*, 2003).

The other reasons are influence from other people (mainly spouses and parents), relatives and friends; business ideas gained from their previous work experiences; taking opportunity; inheriting parental business; wanting freedom; escaping boredom at home; creating employment for children; playing a role model; and promoting local production.

As categorised by Helms (1997), the majority of them are 'security seekers' (undertaking business due to individual's or family's economic circumstances); some are 'freedom seekers' (desiring for freedom to choose the works of their own choice), and others are 'satisfaction seekers' (housewives and singles who want to become more productive and attain social and economic status and satisfaction (Helms, 1997 & Alam, S. Shah *et al.*, 2012: 285).

"Once married, most Bhutanese women tend to stay back at home, simply doing the household chores. I was doing nothing productive at home other than just managing the family chores. At a certain point, I realised it is not good to be economically unproductive and rely on husband's income. I felt the uncertainty of marriage life given an increasing number of divorces taking place. So to gain economic independence, I started this gift shop" (DY, 30, Bumthang).

Figure 4.2: What constitute 'Economic Necessity'?



“ I started this business to become economically independent, sustain livelihood, and meet children's educational expense. As a single mother with many children, it was difficult for me to make both ends meet. I had to send my eldest son to study in one of the Indian Universities for which I needed extra money. This business helped me get that money” (NW, 37, Trongsa).

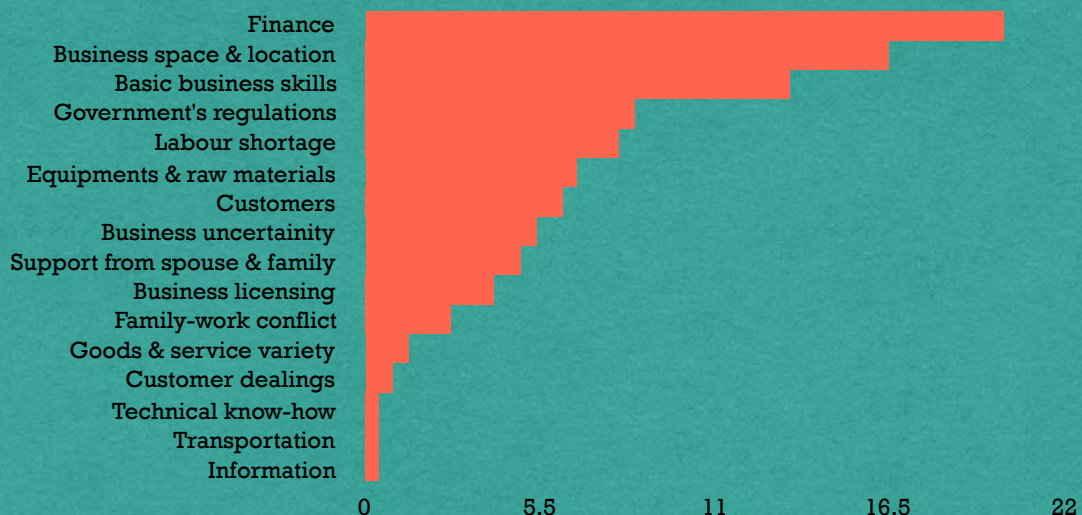
“ I sell fast foods, and it has been almost six years that I have been operating this small business. I started this business to supplement my family income. My husband's salary is low and not sufficient to even cover house rent and other household expenditure. Children's educational expenses are increasing year by year. Being less educated, I do not get any job, and running such small business has become the only option to earn a decent livelihood and bring up children” (KZ, 45, Paro).

“ I am doing this business to earn income and make myself more independent. I cannot go on depending on others, and in particular, my husband. Of course, my husband has a business of his own and is running well, but we never know what will happen in future. By chance, if we get divorced, it is always women who will have to look after children and suffer. For that reason, I thought I cannot remain at home without doing anything economically productive work. I thought I'd start my own business to be more independent and earn extra income when he [husband] was willing to support me” (SZ, 31, Pemagatshel).

Figure 4.3: Business start-up challenges

Most women participants had to face a combination of challenges during business start-ups, but the major hurdles were lack of financial capital, difficulty getting [good] business premise, and lack of business skills. Other major startup challenges are government's regulations, labour shortage, shortage of materials and equipment, low customer base, business uncertainty, lack of support from spouses and others, work-family conflict and others.

Figure 4.3: Business start-up challenges



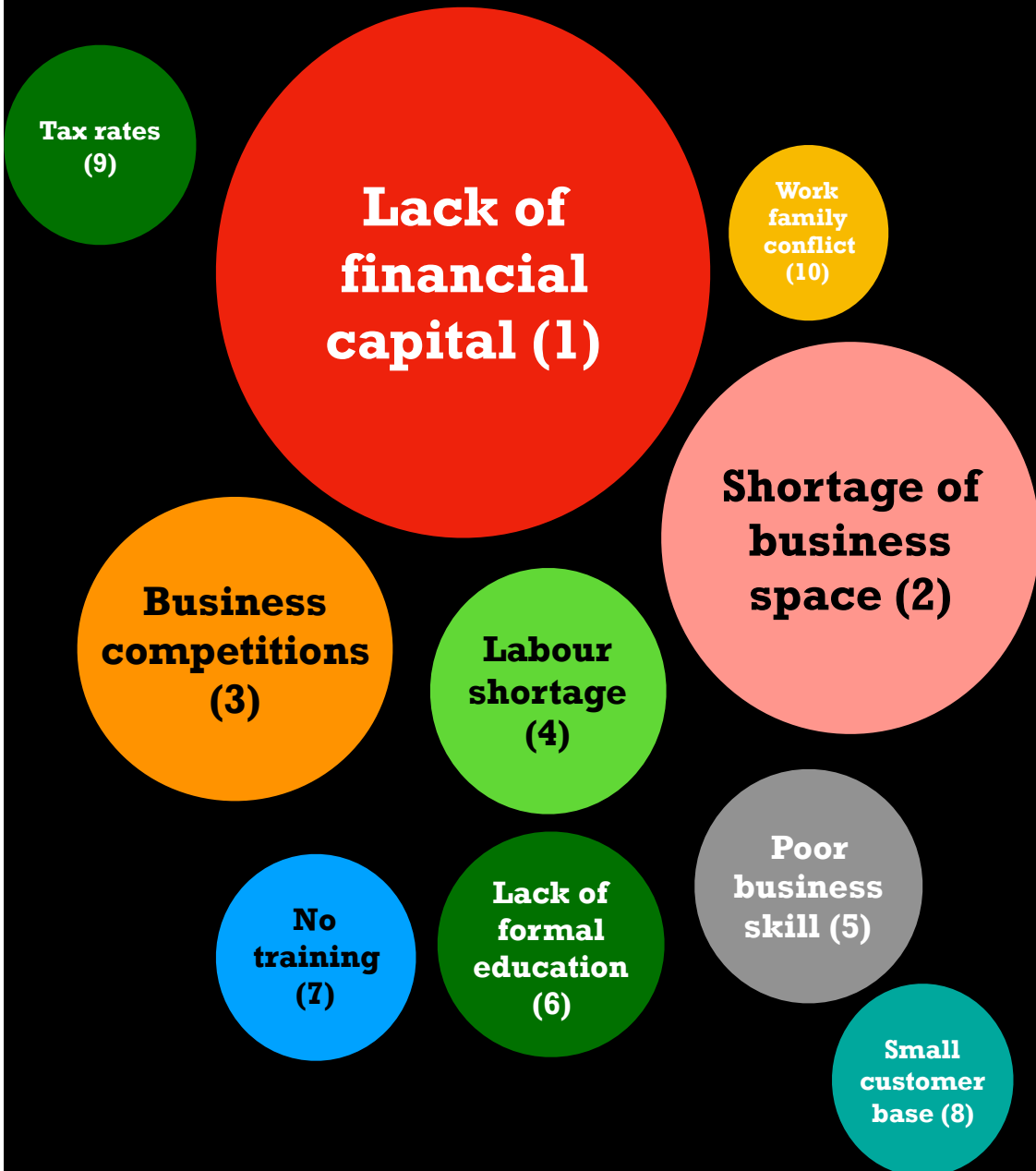
“ I had to face many obstacles during the business startup. First, it was very difficult to get a business space. After much struggle, I managed to get a small space in the central Lugar Theatre, but not long after, I had to vacate the premise when the major renovation works began. Second, I did not have enough money to start the business. I started selling *doma & pan* (betel nut and leaf) and other fast foods to generate some initial investment. Third, I did not know how to operate a bar, and my limited language proficiency added to the problem. I had a very low customer base in the beginning” (DM, 51, Trashiyangtse).

“ I had difficulty getting an initial finance. I borrowed money from informal moneylenders at 10% interest per annum. It was about Nu. 400,000. I tried to seek bank loan, but the procedure seemed to me too complicated so I did not go for a bank loan. I borrowed money from a moneylender at the same interest rate as offered by the banks, but with a fewer formalities to complete. I repaid Nu. 200,000, and I have requested him to let me pay the interest later. He is flexible, and I am sure the bank would not have been that flexible” (DT, 28, Pemagatshel).

“ At the start, I did not have much idea about the business. I was not even sure if my new business would go well. The need to make the financial decision, attract customers, ensure the products were diverse and of good quality were some of the difficult things I had to face. There were fewer customers in the beginning, but now with time, the sale has increased. I did not earn much in the beginning and often suffered loss. I was confused and worried, but now I am beginning to learn and get some confidence. I do not know other languages. This is the problem with me. I tried to learn from my children a basic calculation (financial skill)” (TW, 41, Haa).

Figure 4.4: Current business challenges: operation, growth, innovation, and transformation

Businesswomen (participants) in Bhutan face multiple challenges, which can be broadly categorised into structural and social/personal. During the interviews, they have identified thirty-one business challenges under two domains: structural/environment and individual agent. These challenges are shown below. Ranking of the challenges was based on the percentage of coded segments (1187 codes) in 142 activated documents. Larger the circle, bigger is the challenge.



The most prevailing challenges are associated with the environment: (1) lack of financial capital, (2) shortage of space to conduct business, (3) growing competitions among business entities, and (4) shortage of labour (skilled and non-skilled). The next common business challenges are at the individual level such as (5) poor business skills (managerial and financial), and (6) lack of education. The other challenges businesswomen have identified are (7) absence of training opportunities, (8) low customer base, (9) high tax rates, (10) work-family conflict, (11) business seasonality, (12) government's regulations, (13) low technical skill, (14) transportation issues, (15) scarcity of equipment and raw materials, (16) low spousal and facility support, (17) increasing price of goods, (18) lack of support from the government, (19) poor access to information, (20) lack of variety of products and services, (21) water problem, (22) problem of recovering credit sale, (23) crime, (24) process of business licensing, (25) storage problem, (26) poor toilet and sanitation, (27) poor business networking, (28) electricity tariff, (29) corruption, (30) poor policy and institution support, and (31) having to pay service charges.

Lack of Financial Capital

Environment-level challenges are more prevalent than individual-level challenges. This offers a higher possibility for policy interventions. In the sample, most women are 'subsistence businesswomen,' that is, they are operating a business just to meet their subsistence need. Their desires to innovate, expand and transform business are hindered by their lack of finance. Only a few of them could be considered as 'transformational businesswomen'.

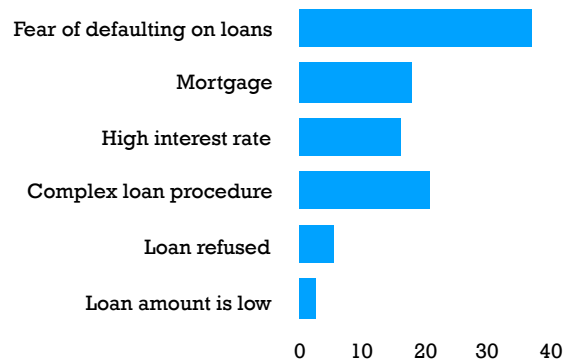
Some businesswomen have succinctly expressed the lack of finance as a major and the most common business challenge:

“ I feel I should expand the current business (bar and restaurant), but I don't have money. Little business income I earn I have to roll out to sustain the business and support my family. It is difficult to do business without an adequate financial resource. It looks like I don't have much scope in the business line. I simply wish to quit” (PC, 60, Trashigang).

“ I want to run a bigger tailoring unit, but I do not have an adequate financial capital to buy more sewing machines and recruit more tailors. The income I earn from this business is barely enough to meet the space rent and family expenses” (KB, 43, Thimphu).

Further enquiry into why the majority of businesswomen has identified the lack financial capital as a challenge revealed that they either lack sources of finance (supply) or they do not wish to take advantage of the existing credit schemes (demand). Businesswomen have reported several obstacles related to obtaining credit As shown in figure 4.5.

Figure 4.5: Commercial loans: reasons for low demand



One common premise for not availing credit is due to their inherent 'apprehension of being defaulted'. They need and desire for bank loans, but they lack 'risk-bearing' attribute—a necessary component of the entrepreneurial process to exploit the opportunities, which often tend to be unpredictable. They are not able to determine whether by taking bank loans they could profitably organise the resource. They have a strong sense of an unease that their business or mortgage (land and house) might get compromised in the event they default on loans. Taking this into an account, the issue then is not only about the underdeveloped micro-finance system in the country; it is also the lack of demand for credit from businesswomen.

High loan interest rates and the sine qua non of mortgage seem to further deter businesswomen from taking recourse to the

commercial loans. Therefore, businesswomen, who are mostly from low-income households, perceive borrowing and responsibility of loan repayment a huge risk and burden. Some businesswomen have expressed their disinclination to avail the credit:

“ I want my business to grow or expand, but I do not have enough money. I am afraid to take extra loans. My business is small and its sustenance is uncertain. In case I run at loss, I won't be able to repay the loan. I think business is an opportunity only for those who have sufficient financial resource” (TW, 41, Haa).

“ I want to avail loan, but I am not so confident. I am told that loan interest accumulates over the years leading to a financial crisis and business bankruptcy. I wish if the banks could simplify the loan procedure and make collateral requirement little relaxed. If we have collateral (assets), we won't be seeking loans even” (DD, 25, Samdrupjongkhar).

“ It is difficult to get a business loan without an adequate bond. What we get as a loan, we could use it to conduct only a small business. The problem with the existing loan product is that the amount is far less than what we actually need and we cannot use our trade license or business as the bond” (LD, 36, Trongsa).

“ Bank loans are not given based on whether we have a valid trade license or not. I heard that we have to mortgage our property. My small land (inheritance) has been mortgaged to set up business before I got divorced. My ex-husband is repaying the loan. I have no other asset to mortgage” (PC, 46, Paro).

“ I have applied for a credit to a micro-finance institution, but it refused

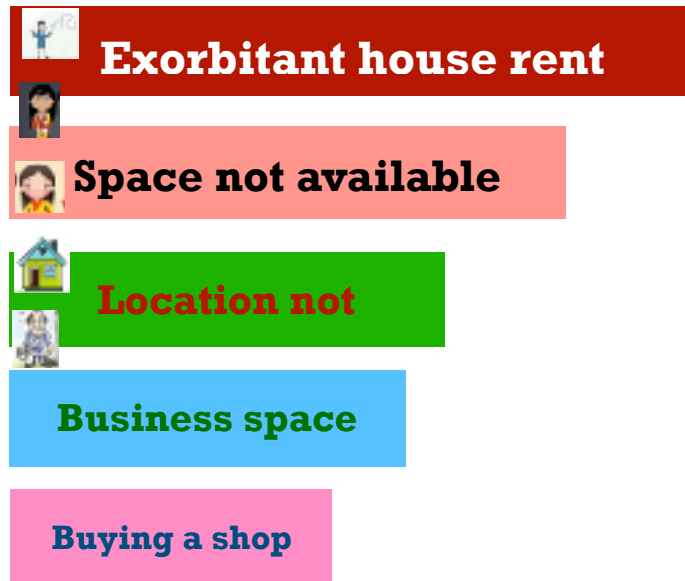
me a loan. I applied to the BOIC [erstwhile Business Opportunity and Information Centre), but it also refused my application. The justification they gave was that their focus is on young entrepreneurs, not old entrepreneurs [like me]. Of course, we have been able to overcome the startup challenges, but we need to grow and innovate for which we need new investment and support. If we can successfully expand our business with their support, we can as well employ younger people. In this way, we can support entrepreneurship among young people. Ultimately it is one and the same. The age bar for availing credit and business support needs to be reviewed to ensure equity in the business world” (KY, 62, Punakha).

Shortage of Business Space

The other common business challenge is a shortage of business space (market shed/house) and land (manufacturing or production). Some micro businesswomen operate their businesses along the roads and streets, and in restricted areas, often coming into conflict with the law enforcers. From their perspectives, the difficulty associated with accessing good business space include not getting the space in a strategic location (with a large workspace), high initial take-over cost, and rented space having no proper toilet, sufficient water supply, and access to electricity. They have reported that their business incomes are spent mainly on rental spaces. Many of them are operating their businesses from homes, open spaces, and other places where the rent is low but business is not so profitable.

Figure 4.6 presents the summary of what makes it difficult to access good business space. The majority of businesswomen have mentioned about the exorbitant rent levied on the business spaces, which in most cases are too small and located in non-prime areas. Setting up well-established businesses entails buying empty shops or semi-furnished shops at a very high price, which many micro and small businesswomen said they can't afford.

Figure 4.6: Reasons why getting good space is difficult



The difficulty associated with getting a good business space is obvious from the statements made by some women participants:

“The main problem is that the space is very small. I have to keep my vegetables outside—when it rains, vegetables get drenched and during sunny days vegetables get spoiled. I have to pay high house rent. It has increased from Nu. 6,600 to Nu. 8,000 within two years. We do not have a proper toilet. The house owner just converted the toilet into a shop. He could have kept toilet as toilet rather than being so insatiable. The government should regulate such practice. The toilet is a basic necessity. I have to go far places to use the toilet during which I have to close the shop” (DT, 28, Pemagatshel).

“Getting a suitable business space is a major problem. I have submitted several applications to the city office to allocate me a business space, but it never got approved. Across the river, those women doing business in the public market shed are the wives of armed force. They have husbands to support the families. Poor and single women like me cannot avail such public services. No one bothers to help us” (PD, 61, Punakha).

A drastic increase in the number of Bhutanese women undertaking economic activities over the years though is a big achievement has also led to overcrowding. Competition for space has hit hard some businesswomen, especially those who are in the agribusiness and informal sector. There is no question concerning the government’s effort to promote the agribusiness, but the growing space constraint prevails. The statements made by an agribusiness businesswoman reflect the severity of the situation:

“Being in the agribusiness, my main problem (and that of others like me) is the lack of good business space. We are allowed to sell our farm-

based products in the Farmers' Centenary Market (FCM), but there are many permanent businesswomen already occupying space at good locations. We do not get a space there. Within three days of the weekend that we are allowed to sell our products at the FCM, we cannot sell all produce as a result of which some of the vegetables perishes before the next weekend. Some of us try to sell the remaining vegetables in the main street, but the city inspectors prohibit us. I wish if the government could explore [for us] the possibility of setting up more market spaces in the core of the city with proper toilet facilities" (TG, 50, Punakha).

Business Competitions

Business competition is seen not in terms of innovation (introduction of new products or services), it is more in terms of the increase in the number of businesswomen doing the similar business. The catchphrase they used was 'there are more sellers than buyers'.

Some businesswomen have described the competitive business situation as:

“Business now is not good as it used to be. This is because many women are taking up micro-enterprises. Getting into micro business is not difficult; it just requires a small investment (low entry barrier). I have seen a drastic increase in the number of women undertaking vegetable, fast food, and retailing businesses. This has affected my business. Now customer from Olakha and Changzamtok do not come here; many women have started vegetable retails in those areas" (CZ, 25, Thimphu).

“I am thinking of doing other business, but every business (no matter how small) always have some obstacles. Many Bhutanese women have set up a similar business. There is a lot of competition. The competition negatively affects the business. I don't know what to do. Sometimes, I think of going back to

my own village, but then I have been used to a city life. It would be difficult for me to adapt to hard rural life. I am thinking of giving up bar and restaurant. I am sure there will be a lot of competition again even if I change the business" (LD, 36, Trongsa).

“Vegetable and fruits business is profitable, but then there are many informal sellers who do not have to be based in one particular place and pay rent. They can sell at lower rates and give us stiff competition" (DT, 28, Pemagatshel).

“The online business through medium such as Facebook, B-buying, E-bay, etc is giving us a stiff competition. They don't pay tax and rents, and so they could sell their products on discounted rates. This hampers our business. We have informed the tax official about such business practice" (PC, 31, Samdrupjongkhar).

Labour Shortage

Businesswomen (participants) who are running manufacturing businesses have identified a shortage of skilled labour as their main challenge. The situation is such that young TVET graduates are not able to match their skills with the requirement of businesswomen whose businesses tend to be unique such as manufacturing of food products, textile products, floriculture, etc. Such enterprises require different skills that the TVET institutes in Bhutan do not normally provide such training. Even if the business establishments recruit TVET graduates, their businesses being small can't afford to pay them attractive remuneration. Young recruits most often leave their job for the opportunities elsewhere when they gain sufficient experience and skills. This creates a huge skilled labour gap for the business firms.

In certain cases, women run their businesses independently, and as their businesses entail huge manual works, they find it difficult to cope with the absence of co-workers. The most affected ones are businesswomen running restaurant, hotel, and vegetable

business. Several businesswomen have related their problems:

“At present, while running the business, I face acute shortage of labour. I am alone to cook foods (for sale) and serve customers. At times, I have to fetch water from far places, and this is difficult considering I am alone in running this business. I can't afford to hire an extra labour” (TD, 34, Thimphu).

“I have to carry loads of vegetable to the marketplace. This requires a lot of energy—my husband hardly gets time to help me. On top of that, I have to look after the household works [work-family conflict]. Most of the time, I am alone doing this business. My children refuse to carry vegetable loads saying they are ashamed of doing it” (UL, 33, Chukha).

“Skilled labour shortage is the main challenge. The government does not allow us to employ Indian artisans or carpenters beyond a stipulated number (at the most two). I found the Indian carpenters more skilled than their Bhutanese counterparts. They are willing to work at lower wages. The labour regulation is strict and it affects our business. The in-country TVET graduates are not good at finishing the products. Moreover, they do not stay long with us and demand high wages. I think the government's labour regulation is befouling the creation of enabling business environment” (SW, 26, Trashigang).

Poor Business skills

The third major business challenge as reported by businesswomen is their lack of business skills. These include managerial and financial skills (accounting and bookkeeping), business competency, communication proficiency, and technical skills. Most businesswomen seem to conduct their business on trial and learning basis, as most of them did not have any formal education (or have a low formal education). Most of them stated that they did not get any business training opportunity. Some of them were not even aware of the training

opportunities; others felt there's a biased allocation of training.

Most businesswomen want to maintain the desired level of quality of their goods and services, and steer the growth of their businesses, but only to the extent that their business skills and other resources can accommodate. Lack of business skills seems to restrain many businesswomen from doing bigger businesses. How the lack of business skills hinders their business operation and outcomes are echoed in the statement given by some businesswomen.

“My business is poor that I hardly make enough money. After many years in this business, I have learned to prepare a variety of foods and to do some basic financial assessment. I am ill-equipped when it comes to higher business skills. I cannot even keep the records of the sales and profits. I just run the business on trial and error basis. The income that I earn I have to spend on house rent, restocking the restaurant, and on the family need. I cannot say how much is my daily profit” (TD, 34, Thimphu).

“I do not have any business management and financial skills. I am simply trying to learn through experience. I am an amateur vegetable retailer. I just know to sell. This is my only skill. Of course, I can deal with customers very well, but I find it hard to keep the sales and profit accounts” (SM, 40, Samtse).

Lack of, or lower education level

Formal education and skills are two personal level factors that influence business performance. The qualitative data reveals that businesswomen's competitiveness is impeded by their lack of, or relatively low education and skill levels, which also further limits their access to various business support services.

It is a common knowledge that despite the emphasis given on technical and vocational education in the country, the private sector is plagued with the shortage of skilled manpower. The general graduates are usually ill-equipped for employment in micro and small enterprises. There's a huge education-work mismatch. Though the gender gaps at

the primary and lower secondary education are closing, the gap remains high at the higher education levels. Moreover, lower education does not emphasise entrepreneurship.

Even when micro and small businesswomen have access to information related to financial services and market opportunities, being illiterate they are less equipped to use the resources. This situation is worsened by almost non-existence of training opportunity for women doing marginal businesses. The issue is reflected in the voices of some women participants:

“ At least I have some education, which proves useful while doing business. I can't imagine those illiterate women [here], who can't speak English or Hindi. Most Indian tourists come without personal guides, and that's when we face a lot of problems communicating with them. So having or not having formal education makes a lot of difference in the business world” (KZ, 26, Wangduephodrang).

“ I do not get any support from the government except that I got a bank loan (I guess banks are not even part of the government). I did not participate in any of the NGOs training programmes and activities. I wish if they could help us like they are helping others, but we do not know how to seek their support. I did not go to other places and I do not even know where these NGOs are located. I did not attend any kind of training so far. I wish to but I do not know where to apply. Some of my friends told me such business training and services are available only for entrepreneurs who come from Thimphu, not from other districts” (NW, 37, Trongsa).

“ I don't have any plan to diversify and expand the business. I am satisfied with the present business. That's because I know I can't fulfil even if I dream big because I am alone and I lack formal education. I do not have enough capability. It is important to do business according to one's own capacity. I won't be able to handle the business other than this

for the reason that I am illiterate” (DY, 34, Trashigang).

“ As a woman engaged in the agribusiness, I thought I would not consider myself illiterate and remain fixated on home-keeping and farm works. I wanted to do something different to make myself independent. But then, after migrating to town to set up a small business, I realised it is not an easy venture. Lack of formal education is one thing, but then not having an adequate finance to invest in business is another. Without formal education, it often becomes difficult to first know about various business and financial services offered to small businesses, and then secondly, accessing business and financial services itself is a challenge for uneducated businesswomen” (KP, 36, Punakha).

Lack of training opportunities

Training is necessary to impart and raise entrepreneurial knowledge, skill, and business productivity. Businesswomen have talked about non-availability of business training irrespective of the existence of several NGOs and government agencies that provide numerous training as their organisational mandates:

“ I am thinking of doing a saloon business; I have never tried it. I wish to get trained as a beautician in India, but I cannot afford the training fee. I want to request the government to support training such as this. It is my dream to attend the beautician course and start a saloon” (LD, 36, Trongsa).

“ I do not have a problem dealing with the customers. The problem is I cannot prepare variety of foods. This is because I did not attend any training on cuisine. The uniqueness about my business is that I serve customers in a buffet style. This is one idea to draw customers. The sale is just ok though it fluctuates. I earn just enough to manage living and pay house rent (rolling budget). I wish to avail training (cooking and

hospitality) but, firstly there is no such opportunity, and secondly, my concern is who will take my place when I attend a training” (TC, 38, Trashigang).

Tax rates

Some businesswomen, especially those who operate bars and big groceries have critical views on tax rates. They feel they are paying exceedingly high bar license fee besides having to make an annual contribution to the Bhutan Chamber of Commerce and Industry (BCCI) that has (according to them), no direct benefit [for them] so far. Most businesswomen operating general shops feel the tax officials come and tax them on the basis of the estimates of goods’ value in their shops. This, they think leads to higher tax rates. The statements made by a few businesswomen reflects discontent with the tax rates among some businesswomen:

“ I think paying tax is a problem, it is high. I paid Nu. 7000 as tax this year. This is little high for business such as mine. A high tax, house rent, BCCI annual fees, but no sales affects our profitability. Our business cannot grow. Many women I know have closed their businesses in this way” (PC, 31, Samdrupjongkhar).

“ Paying taxes is another major obstacle for me. I have to pay higher taxes. Last year alone, I had to pay Nu. 40,000. When we cater to the government offices, TPN facilitates tax deduction, but this incurs us a huge loss. In the past, I never had to pay so much tax. Sometimes, my business runs well and at other times not, and then I have to spend on children. That's where tax becomes a huge burden. I have to pay restaurant’s license fee and a separate bar license annual fee of Nu. 15,000. Then I have to pay Nu. 1500 to the BCCI, though I do not get any benefit from this organisation. Lot of taxes, fees and contributions, and high space rent—all my profits are gone in this way” (YL, 41, Mongar).

“ We pay a huge bar license tax. It is affecting my business. In one year I have to pay Nu. 15,000 bar license fee and then pay the BCCI contribution of

Nu. 1500. I do not know why BCCI is collecting Nu. 1500. I do not get any benefit from this agency. It is difficult to meet all these taxes and contributions. The house owner keeps on increasing the rent. Then, we have to renovate the house. I have to pay the house rent of Nu. 14,000. I think my main problems are high taxes and house rent. Within one year of doing this business, I have realised that there is a lot of competition and doing business is not an easy thing” (PZ, 23, Punakha).

Small customer-base

Besides the ‘crowding-out effect on business space,’ the increase in the number of businesswomen has led to an increased competition thereby aggravating an already low customer base. The catchphrase used by some businesswomen “business was good in the past, now it is not. There are more sellers than buyers in the market” indicate that everyone is going for a similar business with little or no innovation. The competitions are not through innovation but everyone doing the same thing, which is not a healthy trend. Competition to provide similar products and services can benefit the consumers at large (through price competition) but can reduce the profitability and sustainability of the MSEs even to the extent that some may run into bankruptcy due to the low customer base (low economy of scale).

Some businesswomen have stated how the rise in the number of similar business has affected the customer-base:

“Today, there are many vegetable vendors and a lot of competitions among us. Of course, I dream of doing bigger business, but I know it will just remain a dream. I see all the businesses are same— there are now more sellers than buyers. Everyone is doing the same business and competition for the same customers” (SG, 28, Trashiyangtse).

“The price of vegetables is rising and a number of women doing a similar business (vegetable vending) is growing. Many unemployed women (and even employed) seem to think doing business is better than taking up small paid jobs. I feel I won’t be able to sustain my business for long” (DT, 28, Pemagatshel).

Figure 4.7: Business aspirations



Larger an object, the most preferred the business aspiration is. Among seven aspirations, the majority of the businesswomen have reported that they aspire to run a bigger business in the future. However, a substantial number of them indicated that being subsistence entrepreneurs and given many business challenges like lack of finance, business premises, and business skills, etc, they would prefer to continue doing the same businesses rather than going for an expansion, innovation, and growth. They seem to lack confidence in doing bigger business, and this lack of confidence is engendered by the lack of financial resource and business skills. Nevertheless, many women want to avail loan to promote their businesses; some want to introduce/add new product/service or change business, and still, some want to shift the location. A few of them wants to quit their businesses.

Statements made by businesswomen reflects their differing business goals and plans:

“ I have no other business plans. I cannot save money either. The income from this business is just sufficient to meet our basic survival needs and fund children's education. You know that living standard in Thimphu is high. What I earn, I have to reinvest a part of it to keep the business rolling, and the rest I have to use to

“ I don't even think of expanding the business because I know I cannot do it, as I do not have formal education and adequate business skills. Rather I am planning to hand over the business to my daughter when she completes higher secondary education. I hope she can promote it” (SP, 38, Samdrupjongkhar).

“ I have business dreams but not a concrete plan. For some years I will continue running the same business, for I do not have enough money. As I earn and save more money, I will decide to either expand the present business or take up another business. One thing is very clear—we will face more competitions in future and I may have to either quit or do another business. I am just waiting to see what may

“ I want to take a business loan and run a bigger business (hotel) for the welfare of my children. I have undergone enough suffering in life working in other's hotel. Now, I have prepared the documents for a loan. After getting the loan, I want to shift the restaurant to the main town and do bigger hoteling business. I do not know if there is any support from the government, and I don't even know where to go and seek support. I hope to succeed; it is all about hard work and efficient management” (LM, 31, Wangduephodrang).

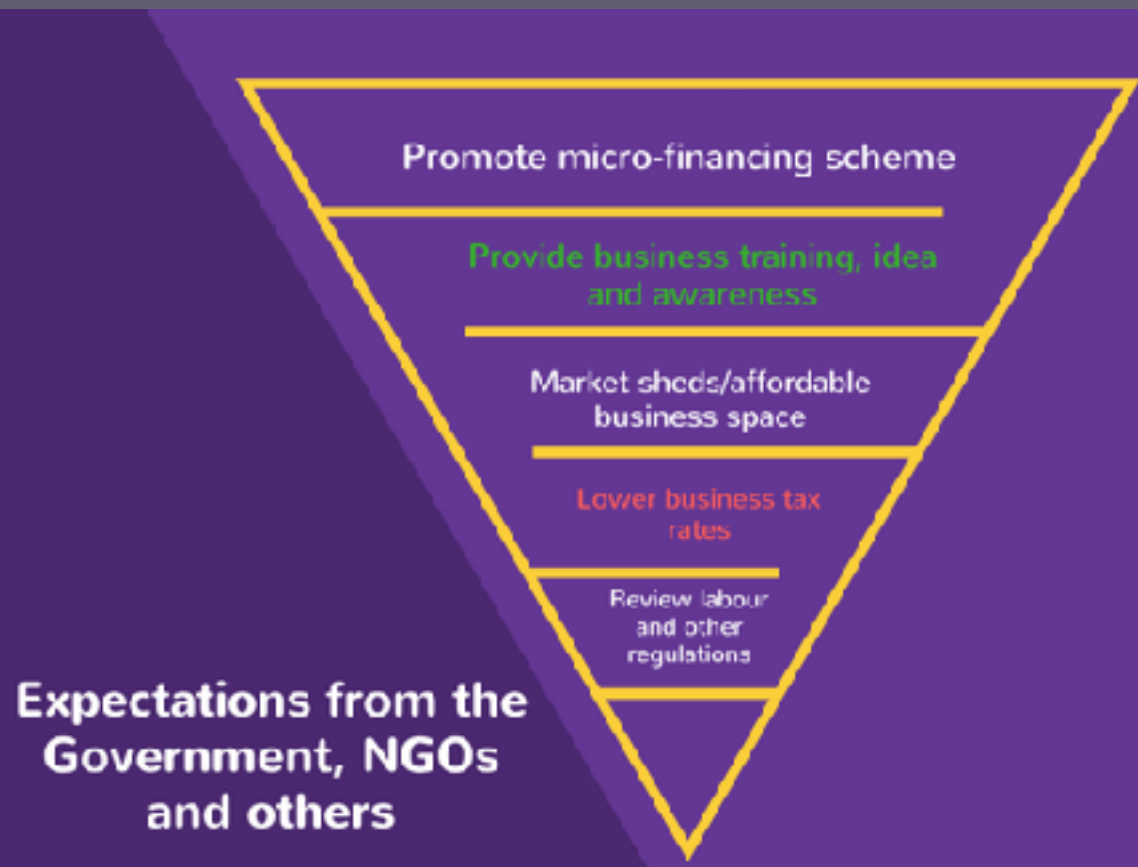
“ I don't think I can run a bigger business than this. I lack financial literacy. Though I am interested to do this business, I think I can run it only for next 4-5 years” (PM, 46, Lhuentse).

“ I have a dream to expand my business. I am not doing much of the preparation. I am saving a little during the tourist seasons. And moreover, this is the last year we will operate from this market. The government is constructing a building at the truck parking, and when completed, we might be asked to relocate to this new market place” (SW, 32, Thimphu).

Figure 4.8: Business support expectations from the Government, NGOs and others

During the interviews, businesswomen were asked to honestly state what business support they expect from the government, NGOs and others, which they feel could contribute towards the success of their businesses. While the majority of the businesswomen were not aware of the business support provided by the government, NGOs and other stakeholders, some of them felt that the government has done enough that they did not expect more support. Nevertheless, among those women who have responded to the question, the majority of them wants the micro-credit facility from which they could take collateral-free low-interest business loans. The other major expectations are the provision of the business premise at affordable rates, public market shed and regular business training and other business promotion programmes including the support in terms of packaging and marketing their products (mainly home-products). The other expectations are the lowering of business tax and reviewing labour laws and other business-related regulations.

“As you know very well that major obstacles facing most businesswomen are lack of finance and appropriate business premises. I wish if the government could help us get a business loan with low-interest rate, provide us with appropriate business premises and frequent business-related training. These three things, I strongly feel, the government should try to provide if the government is serious about promoting micro and small entrepreneurship and reduce poverty in the country” (CL, 33, Chukha).



Conclusion

The main objective of this qualitative study was to examine the major challenges that impede the growth, innovation, and expansion of women-owned micro and small enterprise. The specific objectives were to examine the motivations among businesswomen for starting their businesses, determine their business start-up challenges, identify their main challenges in operating, sustaining and promoting the growth and innovation of their businesses, ascertain their business aspirations and future business plans, and understand businesswomen's expectation from the government, NGOs, financial institutions and other stakeholders.

As far as the educational background of businesswomen is concerned, the majority of them was uneducated or had obtained a primary level education. A relatively substantial number of them were single mothers (divorcee, widowed, and single) with children. Most of the sampled enterprises were concentrated in five types: vegetables and fruits vending, general shop, grocery, restaurant, fast food and street vending, and processing of homemade food products. These businesses are characterised as low-investment and low-returns type of business. More than half of the women-owned enterprises were in operation for 1-5 years. Among these businesses, about 27.46% did not have valid trade license, suggesting they were operating at a small scale and in the informal sector.

Among sixteen business motivating/necessitating factors (both positive and negative), top factors were economic necessity, divorce, predisposition to secure social and economic independence, marital breakdown, personal interest, and personal satisfaction. The majority of women have undertaken entrepreneurship out of economic necessity: the need to earn the livelihood, sustains a family, and educate their children.

Out of sixteen business startup challenges, the major obstacles were lack of financial capital, inability to obtain good business premise, lack of business knowledge and skills, government's regulations and labour shortage. The business and entrepreneurial situation for micro and small businesswomen entrepreneurs in Bhutan manifests the interaction of structural/environmental factors. Businesswomen have identified thirty-one business challenges. The five

challenges non-availability of finance, business premise (location, size, suitability and cost), business competitions, labour shortage (both skilled and unskilled) and inadequate business skills (managerial, financial and technical skills).

The majority of businesswomen want to expand their businesses and almost equal number of them wants to continue running the same business, that is they want to remain as subsistence businesswomen and entrepreneurs rather than transforming their businesses.

Most businesswomen expect the external support in accessing micro-finance schemes—credit with low interest rates, right amount, less bureaucratic procedure, and non-requirement of collateral. They expect the government, NGOs and others to support them get access to good business premises (appropriate location and size, low rental fee, and the business space provided with basic sanitary facilities). Third, they expect the government to provide them with business training, marketing support, and business exposure trips.

SELF-EMPLOYMENT THROUGH ENTREPRENEURSHIP

The narratives of a local woman entrepreneur

Women in Bhutan do not capitalise on the priorities that the government accord to them and opportunities available to them. In this context, I am not so optimistic about achieving perfect 'gender equity' at least in my lifetime even if the government is putting in so much effort to empower women through various policies and gendered programmes. One thing I am sure about is that if ever we are to maximise gender equity, we must emphasise on the 'economic empowerment' of women through the promotion of entrepreneurship among them.

Whether or not a woman will be sufficiently motivated to undertake entrepreneurship depends mainly on how much she knows about the government policies and is exposed to new ideas and skills. I would like to thank the people of my gewog who had elected me and gave me the opportunity to serve them as their representative in the National Assembly in 2000. Being the people's representative in the highest decision-making body, I learnt so much about the government policies and got the opportunity to interact with diverse people and understand their distinctive problems. In addition, I got the opportunity to travel abroad many times, and most of these travels exposed me to different issues women in other countries face. The most important lessons I learnt from my trips abroad are the importance of entrepreneurship and group formation in empowering women and improving their lives.

I tried to put into practice what I learnt from the other countries. In 2000, I initiated a farmer's group, mainly comprising of women. The purpose of the group was to promote agriculture and horticulture production in the community. The group made a good stride between 2004 and 2007 and achieved good results. Unfortunately, some dissonance arose between the members in due course of time owing to the fact that most members were illiterate and were easily prone to misunderstand small issues that cropped up between them. The group began its gradual process of disintegration towards the beginning of 2008. The Agriculture Research Centre gave all its support to keep the group functioning by sending the group's chairperson and vice chairperson to Thailand to learn about horticulture.

Through a JICA project, I got the opportunity to travel to Japan in early 2006. We were taken to different places and showed us how to grow and manage flowers, vegetables, candies, cookies, and various other home products. I was feeling uniquely privileged to have got that opportunity to travel (thinking even the civil servants do not get such opportunity) and I wanted to make the best use of the lessons I learnt. Upon return, I started to work with other fellow villagers—we started a horticulture and floriculture project on a smaller scale. I began to make juice out of guava, but not really a good one. I gave up the idea of making guava juice and started to make cookies. That's when my entrepreneurship journey began. Now, I make cookies from *kharang* (maize). Maize being popular cereal in the eastern Bhutan (since ancient time), I thought why not I innovate and convert the raw cereal into biscuits and cakes. This innovation is paying off. I am also using sweet potatoes (cassava) to make cookies.

I am happy to be able to produce such unique products, but I have a long way to go before my products get through the market. I still face a huge challenge in packaging and marketing my candies and cookies. Being in a remote location where the population is small, marketing of home produce is a big issue. It is good that the Queen's One Gewog One Product (OGOP) project has now started to support me to market my products. I am now motivated enough to invest my time and energy to produce unique home foods no matter what comes in from other countries. The other major challenge is financing (of course I have many other challenges). I took loans from Bhutan Development Bank. I availed the loan six times the amount ranging from Nu. 20,000 to 300,000. Loden Foundation granted me an interest-free loan of Nu. 5,50,000. From hereon I am thinking of availing loan from REDCL to fund my projects.

Frankly speaking, it's presently easy to work on different entrepreneurial areas for the reason that we get all kinds of support from the government and NGOs. In that way, Bhutanese people are so lucky. Indeed, BAFRA, the food regulatory authority is not so strict about our venture though we know producing foods at homes for sale require stringent hygiene monitoring and regulation. May be they think we are just beginning and do not want to demotivate us. This may change as our business grow. For that reason, I am planning to set up a new processing unit very soon. By processing unit, I don't mean installing a sophisticated machine. I don't like using high-end machines because the tastes and texture of the foods get compromised. Besides, we also have to think about our local practice of producing foods and preserve it. When it comes to labour, there is not much problem, but I am sure it will become an issue when my firm grow. At present, we manage labour from within the family.

How much one can earn depends on one's propensity to work hard. There isn't any crop (fruits and vegetables) that cannot pullulate and grow in our village. From my present enterprise, I earn roughly Nu. 5000 to 6000 a month after taking into account all expenditure. I know the business startup was not easy for me. It was a relatively a new project that no one has ever tried in my community. I felt little misplaced as to who to approach with my business idea. I had all my plans and proposals prepared. I did not know from where to start and how to lay the business foundation. Of course, my enterprise is not well-established even now, but surely, I have come a long way. One tends to get experienced only by doing and facing up against numerous challenges that comes our way. I was lucky enough to get a lot of support from the Ministry of Agriculture, particularly in terms of training.

I talked about the entrepreneurial financing. It is not a problem as long as we have a good business idea and are willing to carry it through. Loden Foundation is one micro-financing agent which is willing to help us. However, often I sensed some discrimination when availing credit from some of our commercial banks. The bank staff often tend to discriminate between clients in higher and lower social groups. To cite one example, as a villager client, I went to one bank (not named) to seek credit amounting to Nu. 250,000. As I was approaching the bank branch, I met our Mangi Ap (local leader) who told me he got his loan processed within a short time. Expecting the same [prompt] service, I submitted my loan application over the counter. I saw a staff busy playing games on the computer, and that person took my loan with some lack of enthusiasm. He told me it would take more than two months to get my loan sanctioned, as the bank has temporarily suspended the loan. This irked me a little bit. I insisted on withdrawing my loan application and approached the manager. I was surprised that my loan got processed then. Such discrimination exists in most government offices. I called it a 'personality factor'—that is, our service providers provide services based on who a client is.

I believe the interest rate on loan is levied based on certain rules and regulation and formula. I am not in favour a discriminatory interest rate in favour of women. It would lead to more problems than good, and one thing is for sure—many men would take loans in women's names. It would be good if women are encouraged to take loans from the micro-finance institutions, which usually provide loans at lower interest rates.

On the gender equity, I think the pursuit to achieve it should be based on the understanding within a family. I mean understanding our own roles and responsibilities. It won't be logical to ask man to breastfeed a baby, and no wonder, man would not be that good to look after a child compared to a woman. We have our own roles to play, the roles that have been passed down for generations. I don't believe that women should do everything men does. There are certain things that women can't do that men can and vice versa. Everyone in the family must work on the basis of understanding. In our village, we have some women working from a dawn to dusk while their husbands spend time gambling and drinking. The same is the other way round. I am sure the same thing is happening in the other parts of the country. I don't have a concrete solution for this, but something must be done to control such practice. In certain cases, men are jealous when women travel far for business or to attend meetings. I have seen several of them in my own village.

Frankly speaking, our government officials who travel abroad for training do not do justice to their foreign trips and training . Most of them do not try to bring back ideas and lessons and transfer to our farmers. I realised this only after I made several trips to other countries during which I learnt so much that these lessons are worth replicating in our local communities. Sometimes, I feel that the government should send farmers rather than the government officials to other countries for training, especially in agriculture and related activities.

One critical challenge that local entrepreneurs face is marketing their products. We try to market our home products in the local market, and the buyers (middlemen) are usually the local shopkeepers. However, the problem is that they buy from us and sell at exceedingly higher rate indirectly affecting the saleability of our products. For example, I sell my home-made biscuit (500 grams) at Nu. 100. I found out the shopkeepers sell the same at Nu. 150 or more. I have submitted my concern to the agriculture marketing officer. To resolve this issue, the government should help the small entrepreneurs set up marketing outlets in the major towns, as they cannot afford to do so on their own. This will undoubtedly encourage more women to take up entrepreneurship, especially among young people.

To promote entrepreneurship among women, one recommendation I like to give is to organise an annual meeting for local entrepreneurs. This will provide a platform for them to showcase and exchange their ideas, products, and even create market opportunities. Through such platform, for example, what I produce shall be known by entrepreneurs from other parts of the country. But the problem is we Bhutanese people don't have the tendency to share with others what we know. On the training, whenever the government agencies and BCCI organise business trainings or any other business related awareness programs, they only focus on businesspeople from towns. The trainings are also usually given in English medium. I suggest such trainings be given in our local languages, and only then the purpose of the training will be served.

The interview was given by an ex-chimi, age 48 from Mongar. She studied up to class IV and is now a local entrepreneur.

Section V

RESULTS TRIANGULATION, DISCUSSIONS AND CONCLUSION

Introduction

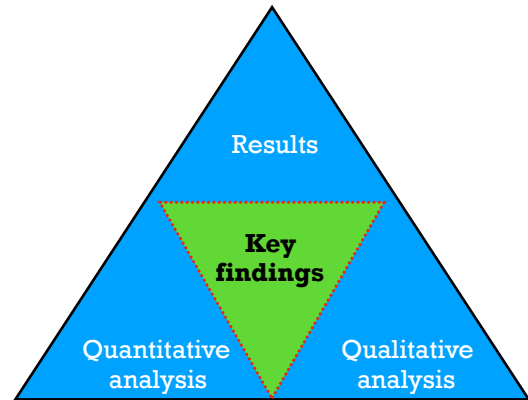
This section presents the triangulation of the key results from both the quantitative and qualitative analyses, discussion of the key findings, recommendations, and conclusion.

There are many types of triangulation methods (methodological, data, investigator, and theoretical triangulations). For the present purpose, results-triangulation was adopted because it is one of the most common and well-known approaches. If the researchers had time, data triangulation could have been possible in the case of which data are transformed and integrated during the analysis phase itself. Whatever, the choice of using triangulation was to enhance the quality, credibility, and validity of findings from each analytical approach.

Some researchers use the term 'integration' to mean 'convergence' between findings from quantitative and qualitative analysis of a research (O'Cathain, Murphy & Nicholl (2010). Campbell and Fiske (1959) developed the idea of 'multiple operationism' the concept that justifies the need to use more than one method to ensure the higher validity of research findings.

A simple framework (shown in figure 5.1) was used for the triangulation of results from two research methods. This represents the 'interpretation stage of the study'. The triangulation at the results level tries to consider the results of both the quantitative and qualitative analyses to see whether the findings from each method converge, complement or even contradict each other (dissonance). Even 'silence' and 'disagreement or contradiction' in such method are considered as an important part of the process because it doesn't mean something went wrong with the study. Instead, a 'silence or dissonance' (if present) may lead to a better understanding of the research questions.

Only the key findings from the quantitative and qualitative analysis were triangulated in accordance with the aim of this research project. Each analysis had several other findings that some readers/users might find useful.



Triangulation Matrix and Inferences

The triangulation of the results involved first identifying the key findings from each method (quantitative and qualitative), sorting them into similar categories, and then using a matrix table analysis to draw conclusions based on which the policy recommendations were made. The matrix table analysis for the socio-economic demographic characteristics of businesswomen of both quantitative and qualitative analysis and the characteristics of businesses are presented in table 5.1.

The businesswomen recruited for both studies belonged to mid-year (between 35 and 40 years). There were a substantial number of businesswomen who were divorced. Perhaps, this indicates that business in micro and small sector serve as one of the sources of self-employment for single mothers. Women with no formal or low formal education seem to dominate business at micro and small sectors. There were fairly a good number of women whose business were not registered and thus did not have business licenses. The majority of micro and small businesses owned by women were usually young with a maximum of them having had been in operation between one and five years.

Figure 5.1: Results Triangulation Framework

Table 5.1: Matrix table for socio-economic characteristics of business

Themes/issues	Quantitative approach	Qualitative approach	Conclusion
Socio-demographic characteristics of sample businesswomen			
Age	Mean age 37 (18-84 years)	Mean age 38 (18-70 years)	The mid-year and young women are dominate the micro and small business sector.
Marital status			
Divorce	10.5	21.13	Though the majority of businesswomen were married, undertaking business at micro and small scale is one of the important sources of employment and means to earn extra income for single mothers, especially for those who are divorced and have many children.
Married	75.8	66.9	
Single	7.7	6.34	
Widow	5.0	5.63	
Education			
None	31.1	40.14	Businesswomen with no formal/low education tend to dominate micro and small business sector. The fact that only a minority had degree education is an indication that the majority of young graduates have not yet found business and entrepreneurship as an attractive source of self-employment.
Primary	10.2	11.97	
Lower secondary	12.4	14.79	
Middle secondary	19.8	19.02	
Higher secondary	12.1	10.56	
Degree	3.3	3.52	
Business characteristics			
Business registration and legal status			
Licensed	91.7	72.54	Women entrepreneurs operate their enterprises in both formal and informal sectors. While licensing procedure was made easy, there are still a substantial number of women operating their businesses without trade license (informal sector).
No business license	7.7	27.46	
Number of years in operation			
<= 1 year	25.91	22.54	The majority of women-owned micro and small enterprises are young.
2-4 years	33.70	30.28	
5-9 years	19.78	22.54	
10-14 years	11.98	12.68	
15+ years	8.64	11.97	

Results triangulation, discussion and conclusion

The main findings are presented in table 5.2. Abbreviations used in table 5.2 heading are as follows: CV (Convergence), DS (Dissonance), F-CV (Full Convergence), P-CV (Partial Convergence), S (Silence). Full convergence means the findings from the quantitative and qualitative approaches converges/complements, dissonance means findings disagree and silence means the findings features in one but not in the other.

Table 5.2: Triangulation of results of the Quantitative and Qualitative analysis

Quantitative approach	Qualitative approach	Convergence (CV)/ Dissonance (DS)/ Silence (S)			
		F CV	P CV	DS	S
Theme 1: Business motivating/necessitating factors					
<p>-The main motivating/necessitating factors are personal interest, unemployment, and to improve or supplement family income;</p> <p>-The other reasons are to become self-independent, 'no other source of income', many children to support', and 'to support parents and relatives';</p> <p>-The factors like unemployment, supplement the family income, no other source of income, and many children to support, etc are the 'economic necessity'.</p>	<p>-The main motivating/necessitating factors is the 'economic necessity' (family sustenance, the need to support children's education, unemployment, and lack of other source of income);</p> <p>- The other reasons are getting divorced, other people's influence, personal interest and satisfaction, and for seeking opportunity.</p>	✓			✓
<p>Inference: Micro and small businesswomen in Bhutan are more likely to undertake business out of the economic necessity: to earn the livelihood, manage family, support children's education, and as a source of self-employment. These are the key motivating/necessitating factors that are common in both the approaches. The majority of them were 'security seekers'; some were 'satisfaction seekers'; and the least were 'freedom seekers'. Most women in the micro and small enterprise sectors are 'subsistence businesswomen' not 'transformational businesswomen'. The necessity-driven businesswomen seem to take up low-scale enterprises in absence of jobs, having to maintain family income, or educate their children.</p> <p>Note: The motivating/necessitating factors in both the study approaches are almost same. However, getting divorced, other people's influence and seeking opportunity are the reasons that are silent in the quantitative approach while 'personal interest' is silent in the qualitative approach. The reason 'personal interest' could have much deeper meaning which the quantitative approach has not revealed, but the qualitative approach has gone into depth and detail. Overall, the findings complement each other.</p>					

Results triangulation, discussion and conclusion

Quantitative approach	Qualitative approach	Convergence (CV)/ Dissonance (DS)/ Silence (S)			
		F CV	P CV	DS	S
Theme 2: Startup problems					
<p>-Obtaining a start-up financial capital, problem getting good business space, and lack of business skills are the major start-up challenges;</p> <p>-Other challenges are fear of business failure or lack of confidence; low/lack of education; informal competition; and difficulty finding clients/market;</p> <p>-The least reported challenges are political instability, poorly educated labour force, access to electricity, and absence of the government business support schemes.</p>	<p>-Major start-up challenges are lack of financial capital, difficulty getting [good] business premise, and lack of business skills;</p> <p>-The other challenges are government's regulations, labour shortage, materials and equipments, low customer base, business uncertainty, lack of support from spouses and others, work-family conflict and others.</p>	✓			✓
<p>Inference: Both the approaches have identified lack of financial capital, difficulty in getting good business premise, and lack of business skills as the major business start-up challenges. These are the combination of structural and individual-level challenges. There is some disagreement in the findings of the quantitative and qualitative approaches when it comes to the ranking of challenges. Nevertheless, this dissonance does not mean something went wrong in either of these two study approaches. It simply manifests the strength of each approach. Overall, there is the agreement in the findings of these two approaches.</p> <p>Note: One could make out that while the fear of business failure/business uncertainty is highlighted in both the approaches, lack of spousal support and work-family conflicts as business start-up challenges are silent in the quantitative approach.</p>					
Theme 3: Business operational challenges					
<p>-Top ten challenges are: (1) lack of financial capital, (2) problem getting good business spaces, (3) informal competitions, (4) difficulty attracting customers, (5) tax rates, (6) market, (7) inability to go for product variety & raw material scarcity, (8) labour regulations/shortage of labour, (9) and (10) fear of business failure/lack of confidence.</p> <p>-Lack/low education and lack of business skills are other challenges.</p>	<p>-Top ten challenges identified are: (1) lack of financial capital, (2) shortage of space to conduct business, (3) informal competitions, (4) shortage of labour (skilled and non-skilled), (5) poor business skills (managerial and financial), (6) lack of education, (7) absence of training opportunities, (8) low customer base, (9) high tax rates, (10) and work-family conflict.</p>	✓	✓	✓	✓

Results triangulation, discussion and conclusion

Quantitative approach	Qualitative approach	Convergence (CV)/ Dissonance (DS)/ Silence (S)			
		F CV	P CV	DS	S
<p>Inference: Both the approaches have identified the top three challenges as ‘lack of financial capital,’ ‘problem getting good business spaces’ and ‘informal competitions’. The other challenges that both the approaches have in common are: shortage of labour/labour regulations, tax rates, poor business skills, and lack of education.</p> <p>Note: The challenges that are more significant as identified by the quantitative approach are more at the structural/environmental level while the qualitative approach has identified relatively more individual level challenges within the top-ten. Overall, there is an agreement/complementarity in the findings though there are some dissonance in terms of ranking. Work-family conflict and absence of training opportunities are silent in the quantitative approach. These are more personal level factors, which one can expect the respondents to share/open up in the in-depth interviews.</p>					
<p>Theme 4: Problems availing business financing (mainly business loans)</p>					
<p>-The common problems of availing business financing are (1) high interest rate, (2) fearing of defaulting on loan, (3) inability to meet collateral, (4) complicated loan procedure, and (5) loan that do not suit micro and small businesses.</p>	<p>-The most common problems of availing business financing are (1) fear of defaulting on loan, (2) high interest rate, (3) inability to meet collaterals, (4) complex loan procedure, and (5) loan insufficient .</p>	<input checked="" type="checkbox"/>			
<p>Inference: Although women micro and small businesswomen are in need of finance to operate, innovate and expand their businesses, they don’t prefer bank loans mainly because they are high risk-averse and out of fear of defaulting on loans. High interest rate, complex loan procedures, and collateral requirements, and loan not suitable/insufficient/not customised to their need are other factors that make availing business loans difficult as well as serve as deterrence for women to avail loan (low demand for credit). The findings from both the approaches conform/complement.</p> <p>Note: The current business loan provided by the banks do not seem to suit the need of micro and small businesses. There’s no diversified loan products for small businesses.</p>					
<p>Theme 6: Business goals, aspiration and motives</p>					
<p>-The majority of businesswomen aspire to transform their businesses,</p> <p>-Some good number of businesswomen fear their business will get closed or they may be forced to quit,</p> <p>-The majority of businesswomen want to change the way they conduct their business and introduce new products.</p>	<p>-The majority of the businesswomen aspire and plan to operate bigger businesses,</p> <p>- Many businesswomen wants to avail business loans to expand their businesses; some want to add new products and services; others want to change their business type and location; and a few of them wants to quit their businesses.</p>	<input checked="" type="checkbox"/>			

Results triangulation, discussion and conclusion

Quantitative approach	Qualitative approach	Convergence (CV)/ Dissonance (DS)/ Silence (S)			
		F CV	P CV	DS	S
<p>Inference: Business goals, aspiration and motives among businesswomen are reasonably high, but there is a substantial number of them who thinks their businesses will remain same 'subsistence business' owing to numerous challenges and out of no choice. They think their business will remain just 'subsistence business' owing to lack of finance, difficulty getting good business premises, and lack of business skills to make their business grow, innovate and transform. Both the approaches have found that there are some businesswomen who wants to quit or who will be forced to quit their businesses.</p>					
<p>Theme 7: Expectations from the Government, NGOs and other business supporting agencies</p>					
<p>-Businesswomen expect/suggest the government/NGOs and others to promote entrepreneurship among women;</p> <p>-The majority of them expect the government/relevant agencies to promote micro-financing schemes, provide women business-related training, reduce business tax rates, create market place/access to proper business space, and relax labour regulation.</p>	<p>-The majority of businesswomen expect the government/agencies to come up with micro-financing schemes;</p> <p>- The other major expectations are the provision of the business premise at affordable rates, public market shed and regular business training, business promotion programmes, lowering of business tax, and reviewing labour laws and other business-related regulations.</p>		<input checked="" type="checkbox"/>		
<p>Inference: Both the approaches have revealed that businesswomen's greatest expectations is the strengthening and expansion of micro-credit schemes that suits the need of micro and small businesses. Businesswomen (sample) expects the government/stakeholders to support women in business in the following areas: access to proper business premises, marketing support, business-related trainings, lowering of tax rates (some refers it to Personal Income Tax), and reviewing/relaxing labour regulations.</p>					

Key Findings and Discussions

Among many development priorities, promoting self-employment among women through business and entrepreneurship might bring much higher social and economic returns that would not only benefit women themselves but their families, communities, and nation. Most women who have undertaken micro and small businesses have done so largely in the interest of family's economic security. This is what data has revealed, and this in itself is a sufficient evidence for a huge potential micro and small business sectors hold in reducing unemployment and poverty.

A strong government's impetus, as well as the practicality of policy support for business and entrepreneurship development, especially among women can ultimately benefit the nation as a whole. The main motivating/necessitating factors for Bhutanese women venturing into business enterprises have been found to be to earn a better livelihood, complement family's welfare (through self-employment) and to enhance their social and economic status. Specifically, the majority of businesswomen's main motive is to earn supplementary income, which in turn can reinforce their capacity to invest in the education of their children. Looking from a broader perspective, improving women's capacity to earn through business and entrepreneurship and boosting their capacity to invest in their children's education have a huge potential for positive chain effects on the quality of human resources, which in turn could contribute towards the nation's social and economic development.

In view of this, it is very crucial to identify and examine the challenges confronting micro and small businesswomen in order to inform the policy, strategies, and programmes that would drive their growth, innovation, and development. This research, based on the previous research under Institute of Developing Economies (IDE)-JETRO's Visiting Research Fellowship, is another modest step towards making those challenges visible to policy makers, development workers, and other stakeholders. The qualitative study, in particular, represent the 'true voices' and 'true stories' of businesswomen that the government, NGOs and other stakeholders cannot afford to brush aside.

The mix of quantitative and qualitative analysis and triangulation of the key results from each approach led to the following findings and recommendations:

Lack of financial capital is the most common challenge: Among many business challenges, shortage of financial capital for a business startup, growth, expansion, and innovation is the most significant challenge. This situation manifests underdevelopment of the micro-finance system in the country. The Cottage, Small, Medium Industry (CSMI, 2012) policy's strategic objective of facilitating business financing and incentives for micro and small businesses looks so promising. However, the recent evaluation of the implementation of its first action plan has found that the implementation of policy frameworks of Micro Finance Institutions (MFIs) and other forms of business financing and incentives including Public Private Partnership (PPP) was severely hampered by absence of policy and legal framework and lack of budget (CSMI Action Plan 2015-2018, DCSI, MoEA).

Bhutan Development Bank (BDBL) provides loans at relatively lower interest rates. It is the main provider of credit to rural enterprises. In fact, 36% of its borrowers until now were women. Nevertheless, the base interest rate remains more than 10%, its loan term is short (1 to 5 years), and the collateral requirement is high. Most businesswomen see these as the austere criteria. The BDBL and BCCI have initiated a group lending scheme, which no doubt has benefited many businesswomen. But, this study found out that many businesswomen do not favour group-lending scheme (though they have no other option) because it's very difficult to form the groups. Building trust among the group members of five in order to be eligible for a group lending is what deters many businesswomen from availing loans under this scheme. In the present day, according to many businesswomen, building trust even among siblings or between parents and children is difficult, and forming a group of five is as difficult as finding a loan collateral.

In the recent years, the Rural Enterprise Development Corporation Limited (REDCL), Loden Foundation, and RENEW have taken up the role of managing micro-finance schemes. The REDCL offers collateral-free loans at 4% interest rate, but REDCL remains an agency mired with some political controversy. Besides, the members of parliament have

already raised their concerns about its complicated loan procedure, its huge amount of non-performing loans, and its lack of proper monitoring system and efficient coordination with other stakeholders (BBS, December 9, 2017). Two other NGO-operated micro-finance schemes have limited fund and coverage. The Priority Sector Lending (PSL) Scheme has just kicked off, and its impacts on micro and small businesswomen are yet to be determined.

This evidence are sufficient enough to tell that there is so much to do to strengthen the institutional and structural mechanisms for micro-financing system in the country. There's no doubt that women have access to a credit equal to men. This study has confirmed this when most businesswomen (recruited for this study) did not feel any discrimination in this regard. However, women face several social and individual barriers that severely limit their credit access. As it is about the availability of credit supply that is customised to suit micro and small business owners, the issue is also about a low demand for credit. Some businesswomen do not want to avail commercial loans (though financial capital is regarded as their most critical challenge) due to their high risk-averse nature. The study has ascertained the presence of a high risk perception among the sampled businesswomen when it comes to taking business loans.

Then there is the issue of collateral, which most businesswomen asserted they cannot pledge as required by the banks. They maintained that if they had assets that can be placed as collateral (for a bank loan), they wouldn't even need to seek business loans. In addition, the collaterals that banks usually accept is the land or house, which again in many cases are hard to mortgage due to the institution of extended family and co-sharing of the family property [among the family members]. Businesswomen in general also felt that the value of the collateral is very high. Some women may have inherited assets and already transferred in their names, but they are not willing to risk their assets for loans due to the huge uncertainty involved and low-return nature of their businesses. The uncertainty is about whether taking loans could lead to a gainful investment. Some women desire to obtain bank loans (risk-takers), but they are daunted by high interest rates, low volume of a loan, and complicated loan formalities.

Lack of good business premises/space is the second most common challenge: The problem of getting good business premise/space was highlighted as the major business challenge. Over the years, the government has established a few business spaces and marketplaces, but with the increase in the number of the micro and small businesses of a similar kind, the available spaces have tended become overcrowded.

Data shows that except for about 12% of businesswomen who operates their businesses from their own houses, the large majority of them have to rent houses or business space by paying exorbitant rents such that in many cases the rents exceed more than half of their business income. Besides, in absence of a proper regulatory body and defunct tenancy act, these businesses have to be satisfied with poor water and toilet facilities. Some of them have to even bear undue harassment from the house owners.

Without a proper business space (besides lack of financial capital), businesses are characterised by high operational cost and location without much access to customers; and thus, the businesses tend to remain small. Due to these, some women end up doing their businesses along the streets, highways, and in other restricted zones often coming in direct conflict with the regulatory bodies (city officials). Other micro and small businesswomen end up running their businesses from remote locations with low access to customers.

Growing competitions and small market: Growing competition among micro and small businesses have now emerged as a critical challenge. This challenge results from the fact that many micro and small businesswomen are located in the low-value markets with low entry barriers, leading to market saturation. The catchphrase used by some businesswomen: "business was good in the past, now it is not. There are more sellers in the market [now] than the buyers" indicate that the competitions are not through innovation and product diversification, but through everyone doing the same businesses, which is not a healthy trend.

In such situation, businesswomen should have strong market orientation and ability to innovate and create new products and services, which most of them so far are lacking. Bhutanese businesswomen, in general, do not deal with long-term

marketing issues but are inclined to market similar products and services, that too on an ad hoc basis as a result of which most micro and small businesses tend to remain low-profile.

Such situation (competitions between increasing number of similar businesses) calls for the need to promote niche products. The government has initiated several programmes to promote niche products such as through the provision of vouchers, grants, Facility Cost Sharing, B2B trade fairs and exhibitions, standardisation of new products, and Brand Bhutan or seal of origin not only to create a market within the country but abroad as well. Even with all these initiatives, only a few businesswomen have successfully introduced specialised and unique products in the market like natural soaps, educational wooden toys, Bhutanese noodles, candle-making, etc, which operates at a very small scale.

To fulfil CSMI strategic objective of enhancing competitiveness and innovation of micro and small businesses, the government has established Business Development Service (BDS) infrastructure—industrial estates, parks, economic zones, business incubation centres, cooperatives and farmers' groups, e-business and e-commerce, intellectual property rights, and streamlining of licensing process, but so far no significant development of innovative products and services by micro and small businesses has been observed. The business growth has taken place more in terms of numbers of businesses dealing with similar products (DSCI Action Plan evaluation, 2017) rather than in terms of innovation and business transformation.

Moreover, the many initiatives that are in place seem to serve only a few businesswomen. This was evident during the field research. Out of 142 businesswomen interviewed, hardly 5-10 have claimed they benefitted from several of the government's initiatives of promoting business competitiveness. One reason for this could be that the majority of micro and small businesswomen are uneducated or have a low educational qualification that has rendered them less capable to take the opportunities.

The present study's findings and results of the evaluation conducted by an independent team for the implementation of the CSMI Action Plan (DSCI) show that more needs to be done to promote the competitiveness of

micro and small businesses by promoting innovation rather than being gratified by the sheer increase in the number of similar businesses.

Unless business competition is based on innovation and product diversification, the present trend of competition among micro and small businesses (similar products/services) is more likely to bring about overcrowding in the small market base (in terms of space and competition for customers) directly or indirectly affecting their growth, innovation and transformation.

Shortage of labour and problem of labour regulation: Shortage of labour and problem of labour regulation have taken prominent places in the ranking of challenges in both quantitative and qualitative approaches. The World Bank's Enterprise Survey (2015) has identified 'labour regulation' as a challenge to the business sector. Labour regulation as a problem could mean that it is one of the factors leading to a labour shortage in the business sector. It is known that the shortage of domestic skilled labour and highly unpredictable nature of local workers willing to work only on higher wages and in easy working conditions have many business firms in the country, especially in southern regions, recruit skilled workers from outside the borders. Businesses like hotels, restaurants, bars, food processing units, and furniture houses not only require manual efforts but certain skills. The problem seems to arise when the recruitment process, as well as the number of expatriates permitted by labour laws are not in conformity with the expectations of certain business firms.

Lack of, or low level of formal education and business skills: Being uneducated or lowly educated, most businesswomen showed an obvious lack of awareness about business opportunities, policies and business promotion activities initiated by the government and NGOs. They also showed the lack of business ideas for innovation. Businesswomen have identified lack of formal education and resulting lack of business skills as impediments to their business success, and thus, they have no other options than to keep their businesses at a subsistence level. Obviously, except for a few businesswomen, most of them have not received any kind of business training.

Going by the views of businesswomen, most of them were provided with no training, the opportunity to upgrade their business skills,

and support in marketing their products and services. Unless the government and NGOs undertake regular nation-wide business training, businesswomen in micro and small business sectors, particularly those businesswomen with no formal education are likely to remain marginalised, only being able to conduct their business for subsistence as usual.

The majority of businesswomen have expressed their desire to attend business-related training, but they seemed to be either unaware of those training or not able to take the opportunity. This implies that the business training organised by various government agencies and NGOs have not benefited the majority of micro and small businesswomen, more so those in the informal sector (without trade registration). The CSMI strategic goal of enhancing employment and developing a culture of entrepreneurship both in academia and among the unemployed youths seem to have remained much on the paper. This is obvious from the recent evaluation of the CSMI action plans. The evaluation states that despite various activities undertaken by many implementing agencies towards fulfilling this strategic goal, the success has been limited by lack of fund, poor coordination between the implementing agencies, and the shortage of competent professionals.

Tax rates: Both the quantitative and qualitative analysis have identified higher business tax as a challenge. Businesswomen who operate bars and restaurants felt business tax is high. Most businesswomen also considered Business Income Tax as significantly high thereby affecting their profitability. They also talked about all their profits going into paying taxes, BCCI fees and house rents, leaving with them little profit, which they have to use to supplement family expenses rather than reinvest on their businesses.

Government regulations: The CSMI strategic goal of strengthening the legislative framework and enterprise environment to foster the growth and development of micro, small and medium enterprises reflect the government's intention and commitment to creating an enabling environment for business in the country.

Bhutan Micro Trade Regulation 2006 has de-licensed micro enterprises to offer unrestricted opportunities for micro-entrepreneurs to engage in trading activities.

In its place, a simple registration system was instituted and under this system, micro enterprises are issued registration certificates renewable after three years after which they could renew or go for the licensing regime.

The G2C services have made it easier for micro and small businesswomen to apply for business licenses. Though there is not much hassle in getting business licenses, it has been found that many businesswomen operate micro businesses without business licenses. These businesses are not required to pay any business tax, but they cannot be considered as the legal business entities as a result of which they have to forego several benefits from the implementation of CSMI Policy.

The Enterprise Registration Bill (ERB) that could legalise 98% of business entities in the country did not get enacted. The National Assembly (Lower House) passed the Bill, but the National Council (Upper House) did not, and thus it remains inoperative.

In the World Bank's Ease of Doing Business ranking, Bhutan is not rated for resolving insolvency or bankruptcy and thus ended up at 168th position on this parameter. Bhutan ranked 71 out of 189 countries in 2017. The Bankruptcy Act (1999) has been amended and the draft was submitted to the Cabinet for deliberations in the National Assembly. The Insolvency Act remains dormant.

Some businesswomen had concerns over certain regulations like labour regulation, the timing of business operation (mainly bars), business restriction zoning, and customs regulation that affect their businesses. They felt that while implementing the Tenancy Act might benefit them by regulating house rent and its frequent raise, its implementation has remained ineffective. They felt there is the need to review how each of the government's regulation related to the private sector is impacting micro and small businesses.

There are multiple trade rules and regulations some of which have become obsolete, as they were framed more than a decade ago resulting in complication while implementing them. These trade rules and regulations are the Micro, Retail, and Wholesale Trade Regulations (2006), Rules and Regulations for Establishment and Operations of Commercial Ventures (1995), and Rules and Procedures for Imports from Third Countries (2002). These rules and

regulations are sometimes interpreted and implemented differently in the fields.

Business goals, aspirations and motives:

Overall business goals, aspirations and motives among businesswomen are reasonably high, but there was a substantial number of them who wants to keep their businesses same as at present. By doing so, they are bound to remain 'subsistence business,' which is not good for the economy and employment generation. These less enterprising businesses seem to lack strategic and long-term business vision, which can largely be ascribed to the relatively low level of education and business skills of the business owners further worsened by lack of financial capital and good business premise. Many businesswomen seem to be exposed to a relatively high level of worries and stress over the business uncertainty rather than planning to innovate and expand their businesses. Without a groundbreaking change in the way these businesswomen are motivated and supported in their business quests, it is more likely that most of the women-owned and operated businesses would continue to remain the survival-oriented than becoming the growth-oriented and some may even quit their businesses.

Recommendations

The recommendations given below are not based on the study's findings discussed earlier, the researchers' field experiences and businesswomen's suggestions. The research team had encouraged businesswomen to talk about their expectations from the government, NGOs, and other agencies dealing with the policies, strategies and programmes related to development and promotion of micro and small business sectors in the country.

The micro-finance system for micro and small businesses: The shortage of financial capital emerged as the most significant business challenge faced by businesswomen, and therefore, logically, the most important policy step has to be to develop and promote the growth and development of micro-financing system. The micro-finance arrangements are in place, though, at early stages. It would help more if the financing for micro and small businesswomen could be facilitated through innovative and tailor-made loan products and the financing arrangement that goes beyond the conventional approaches. The credit schemes

that would best suit micro and small businesses are the collateral-free loans with the low interest rate, right amount and long-term loan, and the loans that involve less complexity in the application procedures.

Despite the recent reduction in interest rate brought about by a new base rate policy, non-performing loans dominate the loan portfolio of the country's financial institutions. There is the need for the banks and other micro-finance institutions to introduce innovative lending schemes and diverse loan products for which the government has to rationalise its current policy on financial institutions and upscale fiscal incentives (ex: tax-holiday and tax waiver) to the banks. It is high time that the government not only develop a comprehensive financial inclusion and financial literacy policies but to put them into a serious practice. The key thing is that access to finance is made affordable and significantly easier for micro and small businesses. This would address the crux of the business problems faced by micro and small businesses, specifically those owned and managed by women.

No matter how attractive the business loan schemes are made, as long as businesswomen remain highly risk-averse, the demand for loans would remain low. It is important for the government and concerned institutions and NGOs to organise mass awareness campaigns and financial literacy education to make businesswomen not only aware of, but develop their risk-taking ability. Systematic and continuous awareness and financial literacy programmes needs to be organised, otherwise, there is enough evidence that ad hoc programmes won't prove that useful.

Business education and training: From the long-term perspective, it is important for the Ministry of Education and Ministry of Labour & Human Resources to adopt a curriculum suited to prepare young graduates with business and entrepreneurial skills. It may be worth considering for the education system to have supplementary subjects that would prepare students for self-employment in micro and small enterprise sector right from the lower classes. The Non-Formal Education (NFE) curriculum could underscore business and life skill modules.

From the short-term perspective and for the benefit of women who are already in the business, frequent training opportunities are critically necessary. Businesswomen with a

complete lack of, and low formal education must be given higher priority for business skills training and awareness programmes. The programmes for women must train them on business skills as well as inculcate in them the sense and awareness that business always involves a certain degree of calculated risks and develop in them the risk-taking ability. The training should be tailor-made to benefit businesswomen with different socio-economic characteristics.

Open up more market spaces: Most market spaces in the major commercial centres/towns are overcrowded. There are only a few agencies and initiatives to assist these businesswomen to deal with the shortage of marketplace and business space. Therefore, as a part of the government's effort to foster enabling business environment for women enterprises, there is the need to promote businesswomen's access to suitable premises for production and marketing of their products and services. More marketplaces in the suitable locations need to be set up especially in the context of growing number of women getting into the business. This will resolve, to a certain degree, most of the minor challenges like water scarcity, lack of toilet facilities, storage problems, failure to comply with city's regulations, and so on.

No one-size-fits-all policy and programmes: There is often a tendency among policymakers and implementers that the policies and programmes would work equally well for everyone. Among businesswomen, there is always the difference in their socio-economic characteristics according to which their capability to respond to various business support programmes or schemes may vary. The business support schemes that appeal to, and benefit women doing larger businesses may not equally benefit those women doing micro and small businesses. A one-size-fits-all approach is unlikely to work, and therefore, business support agencies must try to customise their training and schemes that best suit businesswomen from the different socio-economic background. For example, it has been found that most women who end up as single mothers after a dissolution of marriage take up micro and small business as means of livelihood and supporting children's education. The situations for single mothers are likely to be different from that of other women with stable families. Special business programmes must target single mothers, as the business among single

mothers come about largely due to a distinct necessity. Furthermore, on-the-job training opportunities are critical to upgrade the business knowledge and skills of women who have made a fairly good progress in their businesses.

It has been noted during the field research that most business training and educational courses are delivered in English medium. Illiterate businesswomen seem to find it hard to understand and benefit from the training or any other business courses (usually organised at regional levels). The agencies that deliver business training or courses may have to look into this issue.

Coordinated business support: There are a plethora of business support activities initiated by different agencies, often leading to confusion that could hinder awareness of and trust in those activities. In the recent years, many organisations and initiatives have emerged in the country to foster business and entrepreneurial growth and innovativeness. However, this does not necessarily imply that these organisations and their support initiatives are comprehensive and well-coordinated. The partial achievement of CSMI action plans (2012-2014) was largely due to lack of collaborative approach among different implement agencies. There is the need to improve collaborative working approach between public, NGOs, and private agencies.

Bottom-up planning for support schemes: The fact that most businesswomen (recruited for the study) were not aware of external support schemes shows that the government agencies, NGOs, banks and others need to regularly consult businesswomen or their representatives at various stage of designing and implementing their programmes/initiatives/schemes.

Promote women's access to associations and vital business information: The government's initiative of One-Stop Window Shop and Government-to-Citizen (G2C) do not seem to have benefitted much those businesswomen in marginal business sectors. By marginal, it implies those businesswomen who are illiterate/lowly educated and are not able to understand rules, policies, issues, etc as much as others could. The situation calls for the need to advocate and promote business associations and groups in order to promote advocacy and businesswomen's voices and to serve as a reliable source of business information. Media houses have a

critical role to play in providing business information to businesswomen.

Implementing business-enabling policies:

There's no doubt that the government has been able to formulate enough policies, strategies, and regulations for creating an enabling business environment. However, the results of their implementations have been mixed either due to lack of coordination between the implementing agencies or shortage of fund and manpower. It must be acknowledged that putting policies into practice to encourage business among women has a huge potential to help address the key national policy issues like unemployment, regionally imbalanced development, poverty, and gender-related problems. Given such national benefits, the cost factor should not deter the implementation of the policies, strategies, and regulations that are aimed at fostering business growth and transformation.

Review of certain legislation: There is a vast array of legislation that directly or indirectly concerns micro and small businesses—some beneficial and some burdensome. From the implementation point of view, some of the legislation like that of Ministry of Economic Affairs' are too many in numbers and outdated that the field implementers and regulators tend to often misinterpret and enforce in a discreet fashion. A legislation affecting businesswomen micro and small enterprise sector is that of Bhutan Food and Regulatory Authority's (BAFRA). Most businesswomen are not able to comply with BAFRA's food standards and quality control regulations mainly because most of them are not able to get affordable premises, which meet the food regulations. Labour regulations (recruitment of expatriate workers and child labour legislation) affects businesswomen's access to skilled manpower while municipality's restriction of their business in certain areas negatively impacts their businesses. There is no denying the fact that the legislation and regulations are intended for good outcomes, but it is equally important to make sure that these regulations are effectively implemented and are within the compliance capacity of women in marginal business sectors. There is the need to review many business-related legislation to provide 'level playing field' and make the business environment more conducive for women.

Promote innovative businesses: Over the years, so many initiatives have been made to promote business innovation, but there is still a long way to go before the innovation become a part of business culture. It is crucial and timely that priority is given to promote innovation among small and micro businesses at any cost. Lack of budget cannot be the excuse given the higher social and economic returns from the growth and development of micro and small enterprises to the country in the longer run.

Promote marketing support: Despite the government's effort to capture niche markets in the region, not many women in business were found to be niche players. This is because, firstly, they lack business ideas and skills, secondly, they are constrained by their business resources, and thirdly, the majority of them are not able to avail business support services. There is the need to revamp the effort to create a market within and support businesswomen in exploring external markets.

Supporting businesswomen to participate in trade fairs, international business expos, business awareness incursions, and market exploration could have positive impacts on women in micro and small businesses.

There is the need for the government and NGOs to extend their support to marginal businesswomen and encourage their participation in trade fairs and business exposure, and market exploration programmes.

Business statistics and research: This is a clear signal of lack of basic statistics for women's economic activities and entrepreneurship in the country, though they are vital not only for the research purpose but for policy and programme implementation, monitoring and evaluation. A simple thing such as maintaining basic trade records has not been done properly, as lots of inconsistencies were observed in the business registration records. The women-specific survey of entrepreneurship is absent. More specific studies need to be carried out in areas like business regulations, women's training needs, micro-finance, informal economy, business innovation, and social attitudes towards women's entrepreneurship to name a few.

Conclusion

This study, premised on the belief that the economic empowerment of Bhutanese women is the key to their social and political empowerments, have identified and examined various major challenges facing micro and small businesswomen in Bhutan. These challenges are both at the structural/ environment and individual levels.

The primary aim of the research was to identify ways in which the government, donors, NGOs, and private sector can improve the prospects for business among Bhutanese women.

Using the mix of quantitative and qualitative methods, the study has concluded that the major challenges facing businesswomen in micro and small enterprises are access to finance, lack of appropriate business premises, growing informal competitions, lack of business skills, labour shortage, government's regulation, and tax rates.

It is noted that Bhutanese women in the business have a huge potential to contribute to their individual well being and that of their families and communities. At the national level, these women can contribute towards alleviating the national problems like poverty, unemployment, imbalance regional development, gender-related issues, and inclusive socio-economic development. However, women's lack of productive resources for business startup, operation, growth, and innovation impedes the overall growth and success of their businesses. The policy and programmes that support micro and small business and entrepreneurship among women should consider various gender-related challenges. The most important thing is that while there is no dearth of policy pertaining to promotion of business and entrepreneurship among Bhutanese women, there is certainly is room to improve implementation of policy and programmes directed at businesswomen in micro and small business sector.

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