



Development of a strategy for the promotion of mountain women's entrepreneurship

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Summary

Although Bhutan's socioeconomic development, beginning in the 1960s, opened doors to both men and women without a distinct gender bias, women face certain difficulties. Education for both sexes might have been instituted as a core principle, but girls were more useful doing domestic and farm work. Thus, fewer girls attended school, and more girls dropped out, and, not surprisingly, men hold higher/better positions in government, professional areas, and the private sector.

This paper looks at ways to strengthen the existing programmes and spur initiatives of Bhutanese women entrepreneurs and their enterprises by focusing on institutions and policy framework, training, as well as the credit and market support required. Although the importance of the private sector in the development of enterprises is widely recognised and acknowledged by the Bhutanese Government, the sector is at a relatively early stage of development.

In the author's view, the arrival of modern education in Bhutan and the lack of a need to venture into new (including business) activities hampered industrialisation and the growth of private ventures. Consequently, the present business owners are first-generation entrepreneurs who rely on their own instincts rather than on any formal training. Little formal guidance is available to encourage young would-be entrepreneurs. Another major impediment has been the low absorptive capacity of the market. Because of a very small domestic market, there is a concentration of businesses in the small and cottage industries' sector rather than in large or heavy industry.

In the business sector, traditionally, barter was carried out by a few enterprising men until currency notes were introduced and motor travel facilitated business with bordering Indian towns. Businesswomen are often first-generation entrepreneurs or those helping family-owned businesses. But their problem is that they are often saddled with dual, often triple, responsibilities, namely, reproductive work – dealing with the home, family, and children; productive work – relating to production of goods at home or outside for consumption and/or income; and *community responsibilities* – concerned with social tasks for the benefit of the community. These activities are not recognised and valued in economic terms so that women's contributions to the national economy often remain un-quantified and invisible.

In spite of these drawbacks, argues the author, Bhutanese women entrepreneurs have fewer disadvantages than most others in the Hindu Kush-Himalayan region. The matrilineal pattern of inheritance is prevalent throughout the kingdom and the law ensures equal rights, including property rights, for women and girls. Marriage is sacred, but divorce is common and carries no social stigma. Many women entrepreneurs interviewed in the agricultural sector were, in fact, widows, divorcees, or single mothers.



Initially, the government focused on the small number of large 'real' businesses although it is the informal and less organised sector of small and mini/micro enterprise activities that forms the backbone of the country's private enterprise. The Ministry of Trade and Industry has, in its Eighth Five-Year Plan, stressed the creation of an enabling environment for the private sector, industrial estates and infrastructure, the continuation of private sector support and privatisation, the provision of industrial incentives making optimal use of indigenous raw materials, and the promotion of cottage and small enterprises.

International and national development organisations have also contributed to enterprise development through direct and focused interventions and programmes for capacity building. The UNDP/UNIDO support to the Entrepreneurship Promotion Centre – Ministry of Trade and Industry (EPC-MTI) programme for Comprehensive Entrepreneurship Development obliged the financial institutions to participate and share responsibility. SDC/Helvetas continues to support skill-based human resource development in collaboration with EPC-MTI. The Education Department and the Royal Bhutan Polytechnic are promoting vocational education that encourages self-employment and incorporates entrepreneurship and awareness about business ownership in their courses. The Non-Formal Education (NFE) national programme has benefited rural women who did not go to regular school so that 74% of participants in the NFE programmes are women.

The Bhutan Development Finance Corporation (BDFC) was set up in 1988 to provide credit and credit-related services for agricultural and industrial

development. The Ministry of Trade & Industry created the Entrepreneurship Promotion Centre to support and provide training and other related services to existing and potential entrepreneurs. The National Women's Association of Bhutan (NWAB), established in 1981 for the development and empowerment of women, has been active in mobilising and training women in income-generating activities such as handloom and handicrafts.

Despite these efforts, the obstacles are significant. Bhutan is a small, predominantly mountainous country with a mainly agrarian population. Little land is available for non-agricultural activities and industrial development, and transporting raw material and products is difficult and expensive as is importing industrial machinery and raw materials into the country. The domestic market for consumer goods is limited (pop. approx. 650,000) and free trade with India makes Indian consumer goods much cheaper. Given that 90% of its people are engaged in agriculture, and a large number of the remaining work force are drawn to civil service, only a small number of people are available to enter the private sector. There is an acute shortage of technical, professional, and managerial manpower. The absence of industrial sheds, a well-developed road network, telecommunication, postal facilities, water and power supply, and other social amenities are also hampering factors.

Reforms urgently needed include training programmes for 'commercial' craft workers as well as for family operations, with a need for greater awareness of the importance of tourist and export markets and quality control. The craft sector needs wide dissemination of improved technologies to increase productivity and improve quality. Micro-credit must be available for the further development of the craft sector in expanding craft production for tourists and for export.

In the tourism sector, the minimal infrastructure and policies are being reviewed and re-oriented to suit the future. Because of the inability of tour operators to do adequate marketing, the Department of Tourism (DOT) in the Ministry of Trade & Industry and tourism-related enterprises must take on this role through frequent participation in regional and international trade fairs. The scope for market diversification is almost non-existent, with too many agents in a small market. Further, the policy of 'elite tourism' has led many tour operators to close down their operations. Other constraints include poor infrastructure, the unavailability of hotel rooms during festive seasons, inadequate attention to services, lack of training, and a shortage of knowledgeable guides. Lack of new modes of travel such as helicopter services, the government's imposition of hire rates for vehicles, and the lack of an alternative to Druk Air with its inadequate sales system for air travel to Bhutan are further constraints.



The predominantly mountainous environment has a wide range of agro-climatic and soil conditions allowing varied cultivation, but the topography, diversity of ecology, and inaccessibility pose more problems than opportunities. Providing research and extension services is relatively costly. There is an acute labour shortage and rapid land fragmentation occurring, with increasingly shorter fallow periods. Although women have traditionally provided almost all agricultural labour and are the primary managers of natural resources including forests, agricultural extension support and services tend to be male-oriented as male farmers head households and are readily available in terms of labour. Furthermore, women find it difficult to undertake out-of-home and out-of-farm activities because of the heavy workload at home and on the farm.

Agricultural development packages (including technological ones) are conceived mainly with male farmers in mind. Tools and technologies that would reduce women's drudgery and workloads are too few. The inaccessibility of the terrain and difficulty of transportation impede women in agricultural marketing and entrepreneurship, added to which vegetable-growing villages are often far away from motor road heads. Most women still carry vegetables to the market on their backs or with the help of mules or ponies. Women's weaving and knitting, aside from their farm work, have no ready market outlets, so what they produce is a part-time business or for self-consumption.

Women's ownership of land and property and registration records in theory make them eligible for participation in the credit programmes offered by financial institutions and the local district administration. Local public representatives are, however, apprehensive about endorsing loan application requests from landless persons, particularly women. Women are not judged by their capacity for hard work but by their lesser physical strength than men. Rural women are often illiterate and not aware of the utility and benefits of a loan or the procedures for obtaining it, or they lack business ideas. A key impediment is that women continue to lag behind in literacy, with 24% literacy compared to 54% male literacy. Credit procedures and formalities are often difficult and cumbersome. Due to their limited knowledge of credit and of English (the language of most correspondences of financial institutions), rural folk, including women, are often unable to meet the basic requirements of financial institutions.

Conclusion

The author maintains though that, on the whole, Bhutanese women entrepreneurs have more strengths and opportunities than weaknesses or threats to development. But the following considerations are important in the strategy for enterprise development in Bhutan: focus on products for enterprise development has to be based on the comparative advantage offered by Bhutan's natural resources and the skills of its workforce.

Given the diversity of resource potential and skills available in different regions, attempts should be made to emphasise regional specialisation. Emphasis should be given to improving the capacity of entrepreneurs, particularly women, and of the existing institutions rather than to introducing new and unfamiliar activities and institutional arrangements. The focus should be on up-grading skills, product development and diversification, entrepreneurship development, access to credit, streamlining of and continuation of support services, and marketing. A special focus on women is required, in view of the disadvantages they face in entering enterprise-based activities. It should include a careful selection and promotion of those activities in which women tend to specialise and place an emphasis on women's needs in programmes and the provision of inputs and support services.

To facilitate and promote women's ventures and women-run enterprises, information packages on technologies and products and marketing linkages should be among the key services to be provided to women in a simple and integrated manner. The package should be made available through a 'single window' service and include information on licensing, training, credit, product upgrading and development technologies, marketing etc. Training courses should be specifically targeted at and based on the needs of rural women. They should aim to upgrade the product lines and skills with which women are familiar and emphasise management with a focus on marketing and marketability to assist product diversification for the tourist and export market.

Licensing procedures need to be simplified, given the low levels of literacy among women. Awareness and information on/about credit packages need to reach a wider cross-section of women. These should be made more suitable for women-run enterprises. The language for any information dissemination must be Dzongkha as rural women are not comfortable with English. Most importantly, labour-saving technologies and options should be developed and initiated to reduce the drudgery of women from their 'triple roles' and to gain time for entrepreneurial activities.

