

The Study of Women Entrepreneurship among the Middle Income Groups in Aizawl

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Abstract

Many Literatures has shown how female entrepreneurs are immensely affected by different facets like the traditional, sociocultural and economic context in which they function. Most of the time, especially in a close knitted society likesours they are required to work around patriarchal barriers with many domestic responsibilities.

A qualitative research approach is applied in this study to explore the different drives and impact, that is, social and economic aspects of female entrepreneurs, using online questionnaires for interpretation. We will analyse why they have chosen this field of work, look at the problems and constraints faced by them and their stand in the social structure as they take the risks of entering this field, and give suggestions as well.

Keywords: Women, Entrepreneurs, Unorganised Sector, Business, Finance

Date of Submission: 27-04-2020

Date of Acceptance: 10-05-2020

I. INTRODUCTION

Studies on women entrepreneurship have witnessed a rapid growth although the field is in an adolescence stage with a sizable number of literatures and journals on the subject. It is a fact that only with economically and socially empowered women can we have a growing development. It is with this in mind that women entrepreneurship has become a very important and relevant topic which is often understudied. However, its promotion would undoubtedly benefit women although there may be in many cases, existence of gender gaps.

As our state, Mizoram, is predominantly an agrarian economy, it is far behind in industries. The entire state is notified as backward if we look at the industrial sector per se with hardly any medium or large enterprises. However, micro, small and medium enterprises is slowly gaining momentum. Indian women participation in entrepreneurship is still very low if we look at the data. Unbelievably, north-eastern states like Manipur, Mizoram and Meghalaya are doing pretty well when it comes to women-run micro, small and medium enterprises (MSMEs). In India, as per the Second Census of Small Scale Industries (1990), women-owned enterprises comprise 7.69% of all the small scale enterprises, it was 12.5% in North Eastern Region (NER) (Lalhunthara, 2015).

Objective of the study

The aim of this paper is to contribute to the understanding of how female entrepreneurs can work within cultural constraints, in a relatively patriarchal society like ours, to achieve success within their own terms of reference. We will analyse why they have opted for this field of work, the problems and constraints faced by them and their stand in the social structure as they take the risks of entering this field and the prospects of future growth.

II. LITERATURE REVIEW

Who Constitutes Women Entrepreneurs?

Entrepreneurship is not confined to any particular echelon of society, sex or race (Manimekalai, 2002). The entrepreneurial women still constitute only a small percentage of the total self-employed population in developing countries. While many gaps in knowledge remain, it is known that women entrepreneurs constitute approximately one fourth to one third of the world's formal sector (UNCTAD, 2015). There are many literatures that studies how many female entrepreneurs are immensely affected by the traditional and sociocultural factors in which they function. While men normally do more hours of paid work, women have a much higher burden of unpaid work. That is, they spend twice as much time on household work and four times as much time on work like childcare and caring for the sick, disabled and the elderly (Dufflo, 2012).

There are still many gaps between male and females in areas such as education, employment and entrepreneurship despite developments made in gender equality. A focus group comprising a sample of 456 males and females entrepreneurs were surveyed in three developing countries (Brazil, Jordan and Uganda) and three developed countries (Sweden, Switzerland, the United States) by UNCTAD. It was found that several gender differences emerged from the responses of the entrepreneurs on how innovation is put into practice. Females seemed to be more active than their male counterparts in using Information and Communication Technology (ICT) tools including social media networking like face book and twitter to market products and services. Most of the women business owners interviewed stated that their motivations for starting enterprises included fulfilling a dream, realizing a passion or gaining independence.

An important factor, it is studied, is that they have to work around patriarchal barriers in order to succeed. Hence a study was conducted to understand how female entrepreneurs in a patriarchal African society in Zimbabwe can work within cultural constraints to achieve success. Very much like the Mizo society, Zimbabwe is a patriarchal society, with men having more (social) rights to ownership of resources and decision-making authority. A sample of 43 female entrepreneurs was purposively selected and interviewed in-depth, in face-to-face encounters. The attribute of 'hard work' was evident in all of the conversations with them. A strong work ethic was associated with being entrepreneurial. It is also found that in their quest to keep the family intact as well as continue to run their entrepreneurial endeavours, the female entrepreneurs were willing to bow to patriarchy (Mazonde & Carmichael, 2016). From various studies it was found that access to finance was one of the biggest barriers faced by entrepreneurs in general and more so in the case of women. It was stated that their gender placed them at a disadvantage when requesting financial aid or loans from commercial banks (UNCTAD, 2015).

General View of Women Development in Mizoram

The status of women in Mizoram has undergone huge changes with improvement in literacy and consciousness brought about by development. In Mizoram, Female population constitutes a large number and the proportion of female workers in work participation rate has shown an improving trend. According to a study on gender and entrepreneurship in Mizoram, 84.7% of entrepreneurs in Mizoram them were males and the remaining 15.3% of them were females (Lalhunthara, 2015). It was also found that handlooms are female dominated activity as majority of them (53.4%) were females in this sector. At the same time, the composition of females in tailoring is also significant as almost 34.5% of them were females.

III. METHODOLOGY AND DATA COLLECTION

An interpretive and qualitative research design was used to enable understanding of the background and the work environment of female entrepreneurship in the city of Aizawl.

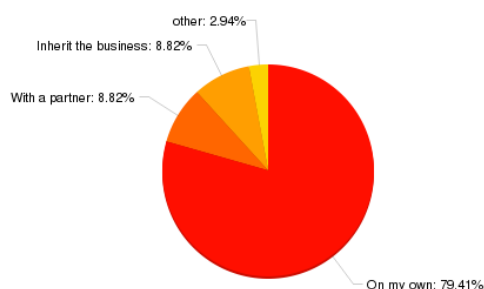
In this study, we conducted an online questionnaire survey using esurvey from 34 participants who are mostly highly educated, who have done at least part of their studies outside the state, have access to social media like Whatsapp and Instagram and have also made use of these apps in their business ventures. We can say that these samples are mostly privileged elite group of young women who have entered the line of entrepreneurships and small private business ownerships. Most of samples collected are newly emerged business women in the city of Aizawl who are doing quite well in the sphere of production and marketing, who are engaged in different fields of entrepreneurship such as handloom and weaving, fast food production, education sector, starting a small business or tie up with franchise etc.

IV. ANALYSIS AND DISCUSSION

Composition

55.88% of the sample is of the age group between 25-35 years while 41.18% are above 35 years old and only 2.94% are between 18-25 years of age. Hence what is clear is that the sample under study is still in their prime. Out of this sample, 58.82% are married and 50% have children. 67.6% of these women have worked elsewhere before entering this field. 79.4% started the business on their own while the rest either inherited the business from their fathers or started with a partnership, as seen from the pie chart below (Diagram 1).

Diagram 1: Ownership

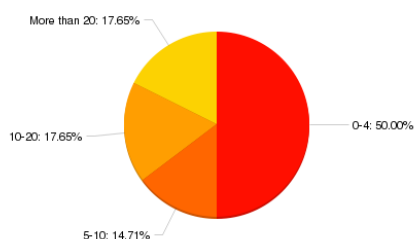


Structure of the Business

Most of the businesses and entrepreneurship in a state like Mizoram comes under the unorganised sector. We would also categorise them as self-employed. From our study, 82.35% of the women are the sole owner of their business while 14.7% of them run as partnership. Only 2.94% is a registered corporation which comes under the organised sector.

According to the study by UNCTAD, finding good employees and having a good support network is another important issue for growth oriented business women. From the respondents of our survey, we have learned that 50% of the women entrepreneurs have employees between 0-4 people while 17.6% of them have employed more than 20 people (diagram 2).

Diagram 2: Number of employees



55.9% of the respondents claim that the location of their business is based elsewhere while the rest have their establishments in their homes (diagram 3).

Diagram 3: Location of the business



Personal Problems faced by the entrepreneurs

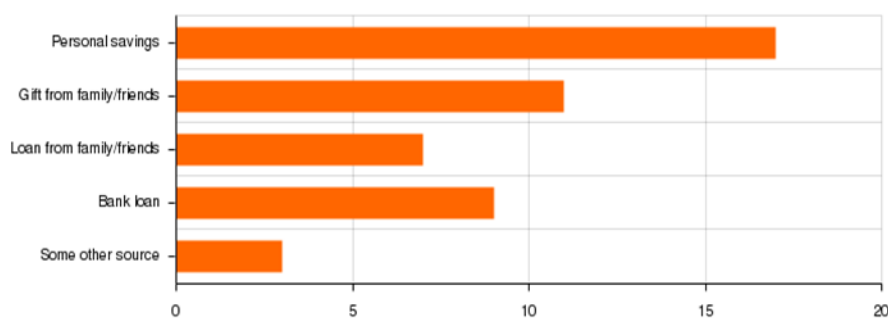
As women entrepreneurs, there are various social, economic and even cultural and traditional issues that are a hindrance for women as entrepreneurs. The three most challenging factors faced by the women entrepreneurs under study are as follows:

Role of Conflict: This role of conflict is in the form of their role as a wife, their role in the family or their social life in general.

Casual Perspective of Customers: There are problems in terms of how society perceives the unorganised sector entrepreneurship in a small state like Mizoram where there is usually a casual viewpoint where people's perception of the women entrepreneurship is casual in nature. Hence another important issue is gaining credibility and trust from others especially when their entrepreneur is first launched. Hence the issue of dealing with social and cultural issues and being taken seriously is an important concern since they are now growing an established business enterprise. What we have learnt is that for female entrepreneurs, their domestic role in the family is not at all negotiable. They are expected to carry a load of household responsibilities, which is associated duty towards the family.

Access to Finance: Access to finance is always one of the main problems faced by entrepreneurs, more so in the case of women. As we have mentioned earlier, it is also the key obstacle to the growth and innovation of business. As financing is important to business growth, a lack of financing not only obstructs business growth overall, but it impedes innovation in particular (UNCTAD, 2015). When asked if faced with any financial difficulties, 73.5% of the respondents gave an affirmative response while the rest of them did not seem to have any financial problems. 50% of them started their business from their personal savings. We can see the source of funding from the chart given below (Chart 1).

Chart 1: Source of Funding



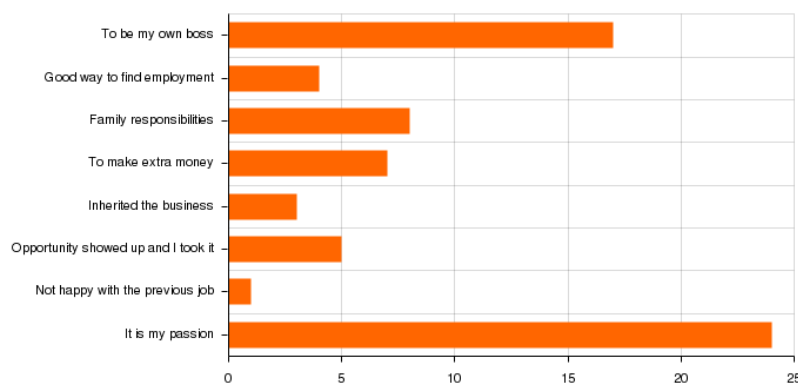
Other problems which they face, as rated by them in the survey are issues related to finding good employees, insufficient leisure time and inadequate possession of business knowledge.

Reasons for Opting Entrepreneurship as a Career

There are various reasons for opting this as their career. The respondents were asked to rate the three most important reasons why they have selected this venture. Apart from the idea of being one's own boss, most respondents cited passion as one of the main reasons for taking up entrepreneurship. This is quite similar to the study undertaken by UNCTAD which pointed out that most of the women business owners interviewed stated

that their motivations for starting enterprises included fulfilling a dream, realizing a passion or gaining independence (UNCTAD, 2015).

Chart 2: Top 3 reasons for initiation of entrepreneurship



A good number of them also cited family responsibilities as another reason. Opportunity to make extra cash also makes a common reason for opting this as a career.

67.65% of the women were previously employed elsewhere while 32.4% did not have any prior work experience. This implies that many of them have options of working elsewhere if not for following their passion. However, 8.8% of the women said they were in this business since they did not have other options.

V. SUGGESTIONS

In this study, we have simply looked at women's income generation within the activities under entrepreneurship in isolation among the higher middle income group, ignoring other issues like empowerment or role played by the government, in greater depth. It may be useful to consider research on an effective economic empowerment programs and policies to tackle underlying social and gender norms that might impact the wellbeing of women.

We can see that the problem related to entrepreneurship is the small size of firms. Lack of financial capital for funding the business as well as limited access to resources is another big issue. Hence, providing more loans or funds and other types of incentives to help innovative women firms to launch and develop new products and services.

Women business owners could benefit from programmes focusing on opportunity recognition and development as well as programmes that provide guidance in how to develop ideas into commercial opportunities.

VI. CONCLUSION

This study reveals that women tend to start companies with a smaller network and find it more difficult to access information. Although our samples comprises of the higher echelons of the society, we have seen that among many other problems, access to finance is one of the main problems faced by the entrepreneurs.

It is however evident from our study that, even though the majority of the women willingly demonstrate dedication to the traditional and social expectations of the various roles of women in the society, they nonetheless can display characteristics of confidence, boldness and assertiveness, working around the barriers to entrepreneurship of the cultural norms. Hence, we can more or less conclude that there is a long way to go to help promote women in establishing a career through entrepreneurship in our state.

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Rosie Lalrampuii. "The Study of Women Entrepreneurship among the Middle Income Groups in Aizawl." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 25(5), 2020, pp. 51-56.