

The Role of Informal Women Entrepreneurs in Livelihood Development and Regional Development

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Abstract

This study focused to examine role of informal women entrepreneurs in livelihood development and regional development. Objectives of the study are, to identify the significance of informal women entrepreneur's role in livelihood development of family, to understand socio-economic potentialities of informal women entrepreneurs and to determine gender barriers in formation of women entrepreneurs. Study was carried out in Sella Kataragama in 2010. Data were collected through structured questionnaire and semi-structured interview. The study sample was consisted of 60 entrepreneurs. Study revealed that women are engaging in divers of business as informal entrepreneurs than men. More women entrepreneurs are performing their entrepreneur role parallel to domestic role and they generate additional income to the family. Study further revealed that women are motivated to entrepreneurship by several factors. Among them, easy to managing the domestic role and business, achieving social recognition, escaping from dependency, and satisfying with minimum profit and utilizing self knowledge and skills are significant. Traditional stereotyped gender role at home and the perception of lack of social security can be identified as major barriers that discourage women entrepreneurs.

Key Words: Gender, Informal Women Entrepreneurship, Small and Medium Entrepreneurship, Livelihood Development, Regional Development, Poverty Alleviation, Socio-economic Potentialities

1.1 Introduction

This paper attempts to engage in a sociological analysis of female entrepreneurship of the informal sector within the gender context. Entrepreneurship is often defined as an economic or commercial phenomenon. However, upon in-depth analysis, it is possible to see a sociological and psychological background within entrepreneurship. It is possible to identify a number of important aspects to which attention is drawn in sociological and psychological discourses on entrepreneurship. Those are namely; gender, ethnicity, social capital, willingness to take risk and motivation for the entrepreneurial task. Accordingly, entrepreneurship is an economic and commercial process as well as a socio-psychological process (Abayarathne, 2000; Kruger, 2004).

It is evident that greater attention is drawn to development of entrepreneurship within the contemporary interventions on international poverty alleviation carried out by the government as well as the non government sector. However, upon inquiring into the public sector activities for poverty alleviation and regional development which were carried out in the past and which are presently being carried out in Sri Lanka, it is evident that greater attention is drawn to Basic Need Approach and Improvement Approach rather than to Entrepreneur Approach. The attempt to fulfill the basic needs is the significant feature of welfare programmes practiced by the public sector after obtaining freedom. Through all these projects such as food subsidies programme, food stamps, *Janasaviya* programme, *Samurdhi* programme, the concept of *Udagam* and other housing development schemes, programme for providing school uniforms, books and lunch, and the nutrition programme for pregnant and nursing mothers, it was endeavored to fulfill the basic needs of the public.

On the other hand what is evident through the Integrated Rural Development Project implemented in the 1970s and various other attempts made by the state sector up to the contemporary times to develop health, education and infrastructure is the zeal to uplift the living standard of the community by focusing on Improvement Approach. Except in a few limited spheres such as *Mahaweli* Development Movement and Urban Housing Project, it is difficult to identify efforts for regional development that have a focus on Radical Model approach.

Entrepreneurship model is the model which is widely talked of in the contemporary society for poverty alleviation and regional development. It is evident that international donor communities including

International Labour Organisation do strive for entrepreneurship development. Especially after the 1990s, it is possible to see a greater interest in the development of Small and Medium Entrepreneurship (SME) with the attention that was drawn to micro finance services. Here, the influence of the Non-Government sector is quite outstanding than that of the Government sector. Greater attention has been drawn to female entrepreneurship especially in the development of SME. Efforts taken to develop small scale loan schemes for this purpose are essentially remarkable. Accordingly, this study attempts to come up with an analysis of entrepreneurship and gender, focusing on the group which is identified by the International Labour Organization as informal entrepreneurs perceptible in addition to the above mentioned categorization of formal group of entrepreneurs.

1.2 Objectives of the Study

The main objective of this study which is carried out on aspects of gender within informal entrepreneurship is to identify the significance of informal women entrepreneur's role in livelihood development of family, Furthermore, as sub-objectives, it is attempted to understand socio-economic potentialities of informal women entrepreneurs and to determine gender barriers in formation of women entrepreneurs.

1.3 Methodology

Sella Katharagama sacred area, which is located in the *Moneragala* District of the *Uva* Province in Sri Lanka, was selected as the study area. Stratified sampling method was used to select the sample. First, a sample survey was carried out and a sample frame was constructed after categorizing businessmen engaged in businesses in permanent boutiques in the research area into six groups according to the type of goods they sold and considering the sample interval to be ten from each group. Accordingly, the composition of the sample is as follows:

Table 01

Study Sample

Nature of the Business	Sample Size
Women engaged in small businesses of sweets	10
Women engaged in small businesses of items of offering and fruits	10
Women engaged in small businesses of ornamental items	10
Women engaged in small businesses of drinks	10
Women engaged in small businesses of medicine and types of grain	10
Women engaged in mixed type of business	10
Total	60

A structured questionnaire was mainly employed for collection of data. In addition, data was collected through semi structured interviews carried out with 20 individuals from the sample.

2. Theoretical and Conceptual Background

2.1 Entrepreneurship and Informal Entrepreneurship

There is no universal definition on entrepreneurship. The tasks and characteristics of the entrepreneur have become complicated over different eras and have expanded over a wide spectrum after being subjected to globalization (Abhyaratna, 2000: 40). In the 18th century, taking the risk related to the process of purchasing something at a definite price and selling it at an uncertain price was identified as entrepreneurship. Later on this was defined in a wider sense after adding up the factors of production (Maxfield, 2005). The term

"entrepreneur" originates from the French term "*entreprendre*". It means undertaking an obligation (Kruger, 2004: 22). Accordingly, an entrepreneur is a person who puts various resources together and takes up the responsibility of achieving targets taking full or partial risk related to those. According to Pritam, entrepreneurship is the ability to conduct a business; organizing and directing resources of production in a proper manner for the process of production bearing the risk and uncertainty (Priyanath, 2000: 87). Further, when a person, a group or an organization identifies a business opportunity and matches it with their talent and skill, it can be described as entrepreneurship (Abhyaratna, 2000: 42). According to Priyanath who is quoting Gough, entrepreneurship is a special creative ability which is inherent to the person (Priyanath, 2000: 87).

The nature and the tasks of entrepreneurship have changed with time and according to different contexts. According to the opinions of the scholars, the interest for entrepreneurship in the developed countries is greater than the interest in the developing countries. Some scholars indicate that the spirit of entrepreneurship has dampened down in colonial states and welfare states. According to Kruger (2004) entrepreneurship can be identified as a process under the following two attributes.

1. Identifying opportunities and exploring for information
2. Acquiring resources and business strategies (Kruger, 2004)

Hegan's opinion on entrepreneurship too is important for identifying the nature of entrepreneurship. According to him, a person who plans the business, organizes, gathers capital and deploys material and labour resources to establish connections between various planners, consumers and the state and executes business ideas successfully, is an entrepreneur (Buddhadasa, 2003: 2). When entrepreneurs approach production, the industry can be categorized according to the volume of production under three main categories.

1. Large scale industries
2. Medium scale industries
3. Small scale industries (Wijayaratna, 1997: 18).

In general, the small entrepreneur, the medium entrepreneur as well as the large entrepreneur do perform a decisive duty in obtaining economic growth. However, even in developed countries, it is the small scale industries and businesses which have been quintessential in developing employment rather than the large scale industries (Somasundara, 1991: 22). The foundation for rapid industrialization that took place in developed countries was based on the small industries that developed in those countries (Priyanath and Kodithuwakku, 2008: 10).

Small industries occupy an important role in economic development of the developing countries. In other words, solutions to a number of crucial and complex economic problems could be discovered through developing small industries (Priyanath and Kodithuwakku, 2008: 11). However, it is possible to see a certain amount of small scale business that is informal in nature which does not belong in the above categorizations within the hidden employment. International Labour Organization (ILO) has defined informal entrepreneurship as a special feature which does not belong in the above categorizations.

“The main objective of informal entrepreneurs in production of goods and services is to generate income and employment opportunities that are centered on the individual. These units have low level organization patterns on a small scale. They are carried out on a small scale with labour and capital as well as limited division of labour. The relations between the workers are temporary. Job opportunities depend on kinship relations and personal and social relations. The ownership of the units is not held by any other person than the informal entrepreneur. They do not have the ability to differentiate between production cost and household expenditure. When the activities that should be carried out by production units of informal sector are not carried out properly, production units of the informal sector function with the intention of purposefully avoiding the tax payments and contribution to social security, disregarding labour rights or

avoiding constitutional and administrative conditions or conditions included in the constitution” (Zuin, 2004: 12).

Accordingly, International Labour Organization indicates that informal entrepreneurship can be identified according to a number of characteristics. Those are,

1. Production of goods by the individual for the household needs
2. Production of goods and services for the purpose of earning profit
3. Utilization of family labour without pay
4. Relations between employee and employer being not resulted by laws and regulations
5. Payment of salaries to relatives of the family for their labour
6. Being maintained as partnership ventures
7. Obtaining workers from external sources.

The above characteristics can be seen in informal entrepreneurship and while such businesses are carried out at home or at a rented location, the location where it is established too tends to be informal in nature (Dissanayake, 2005: 27).

2. 2 Gender and Entrepreneurship

Gender has been defined by many scholars as a social construction. As depicted in the study called "Sex and Temperament in Three Primitive Societies" by Margaret Mead in 1935, differences between men and women are established through their socialization process (Liyana & Walakuluge, 2006: 5). Although it has been attempted to interpret entrepreneurship in a patriarchal manner from the traditional society up to the contemporary society, through studies conducted by anthropologists such as Mead it is possible to identify the manner in which women have actively contributed in economic activities in some simple societies¹ (Mead, 1977). Although economic function of the women in simple societies was not considered to be important, woman's role is a crucial factor in determining the economic growth in contemporary societies. In countries which are considered to be developed countries such as America, Canada as well as Britain, female entrepreneurs carry out a crucial function in the economy. However women have relatively less participation in entrepreneurship of the poor countries (Maxfield, 2005: 1). Especially in the developing countries, the socio-cultural factors have influenced to reduce participation of the women in entrepreneurial activities. That is because entrepreneurship has been integrated into the society as a male centered activity.

How the woman is excluded from it, is evident in the very attempt to define entrepreneurship. Male centered characteristics have been scrutinized as characteristics of an entrepreneur. The woman has been excluded from it (Desperak, 2008; Binns & Kerfoot, 2011; Fitzgerald, 2011). A number of characteristics which the entrepreneurs must possess if they are to maintain their entrepreneurial roles have been indicated. Those are;

1. The ability to identify business opportunities
2. The strength to face risks
3. Self confidence
4. Leadership
5. The ability to make split second decisions
6. Patience
7. Participation and cooperation with other entrepreneurs (Wijayarathna, 1997: 329).

In addition to the above, the group known as "Management System International" has identified ten personal characteristics of entrepreneurship. Those are;

¹ The woman of *Chambuli* tribe studied by Mead is an individual who economically contributed to the production. Economic activities of the simple society such as hunting and cultivation were carried out by women (Mead, 1977).

1. Opportunity seeking
2. Persistence
3. Commitment to work contract
4. Efficiency
5. Risk taking
6. Goal setting
7. Monitoring
8. Information seeking
9. Persuasion and networking
10. Self-confidence (Abhayaratna, 2000: 43-49).

Under general circumstances, the woman is identified as an individual who cannot take risks, does not have a vision for the future and does not possess the ability to achieve targets or leadership skills. Accordingly, when the above characteristics related to entrepreneurship are examined, it is clear that entrepreneurship has been identified along socially accepted characteristics of male centered society excluding the woman (Desperak, 2008).

On the other hand it is possible to notice that women are given tasks that are of less importance than that of the men in the production function (Bhasin, 1994 :13). According to Bhasin, the men determine the how to direct economic activities and the value of the production process. Most of the production activities carried out by women are not assessed and are not compensated as well. Kamala Bhasin indicates that this is called "invisible work" by Mareesa Mees (1994 : 13). Harriet Taylor who investigates economic potential of women says in her book "Enfranchisement of Women" (1853) that the status of the woman improves when she contributes to the family economically and that she must be given the right to engage in a profession even after marriage (Liyanaage and Walakuluge, 2006: 47). As indicated by Liyanaage and Walakuluge, one of the main objectives of liberal feminists is to create a situation where women and men are able to compete on equal grounds within the capitalist economic system, with the support of liberal states. Maxfield (2005) indicates that female entrepreneurs invest relatively less capital than the males when female entrepreneurship is discussed. He points out the lack of opportunities for women to source necessary capital as the reason for that. Further, female entrepreneurs do not expect loans in comparison to the male entrepreneurs. The reasons are;

1. The fear on the part of the financial institutions to grant loans to female entrepreneurs
2. The fact that the businesses which the females prefer to engage in, do not require much capital
3. The less willingness of the women to take risks (Maxfield, 2005: 02).

According to a study carried out by Norway, New Zealand and Britain on gender and unwillingness to take risks, the reason for unwillingness of the female to take risks is that women are generally able to perceive instabilities of the environment better than the men. Women are unwilling to take risks due to this fact (Maxfield, 2005). Through a study of informal entrepreneurs of England and their motivations, the fact that motivations may alter with time has been discovered. In addition majority of the women take to entrepreneurship not on their own choice or decision but through transferring of business ownership or through inheritance (Williams, 2009).

Women of medium income countries are relatively more reluctant than the women of high income countries when it comes to entrepreneurial activities. According to a Vietnamese study, it is further indicated that female entrepreneurs of low income countries have more faith in informal methods rather than formal legal agreements. Through a study conducted in South Africa the female has been identified as someone who stays in the background of the business as well as someone who provides necessary skill and labour (Maxfield, 2005: 1-2).

Sociological research carried out on gender and entrepreneurship in Sri Lanka is very limited. That could be because of the fact that entrepreneurship is often analyzed from economic or management perspectives. The main industries of the 11th century Sri Lanka were liquor and lace industry. Keeping behind the man, the woman actively engaged in these business activities which were male dominant. Two aspects were important in the class stratification of women at that time. Those were namely; the wives of the men who accumulated great wealth and the paid workers who were a result of capitalism (Jayawardhena, 2006). According to Jayawardhena, the basic foundation for the creation of female entrepreneurs of this era was through transferring of businesses owned by the husband to the wife after his demise. Through this, widows actively maintained massive properties inherited from the husband in the market structure (Jayawardhena, 2006). Female entrepreneurship which developed limitedly in the colonial era began to develop gradually after obtaining freedom. With the liberal economic policies of 1978, there were remarkable changes in female entrepreneurship of Sri Lanka (Jayawardhena, 2009: 10-11).

From the research ideas on gender and entrepreneurship discussed above, it is evident that the woman was considered to be in a secondary position when it comes to entrepreneurial activities. It is evident that entrepreneurship has been scrutinized as a male chauvinistic economic activity. Accordingly, attention of this study was focused on diverging from the presumption that entrepreneurship is a masculine activity and submitting an analysis on the potential of the woman in entrepreneurial activities through primary data.

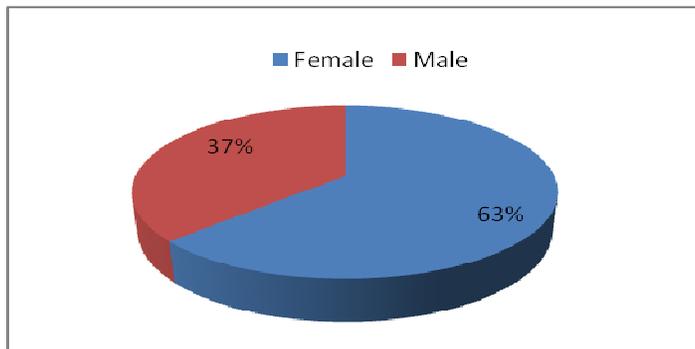
3. Results and Discussion

3.1 Gender and Informal Entrepreneurship

Figure 01 illustrates the male/female composition of the number of individuals who are engaged in informal entrepreneurship in the field as a percentage. An understanding of the room available for a woman to engage in informal entrepreneurship can be obtained through this.

Figure 01

Informal Entrepreneurship According to Male/Female Composition



(Source: Field Survey, 2010)

As per the above figure, it is evident that relatively more women are engaged in informal entrepreneurship than men. Many scholars point out that although activities such as management, leadership and entrepreneurship are often analyzed as masculine activities, the woman holds the capability to engage in these activities more successfully than the man in some occasions. Especially when the areas of small scale entrepreneurship and self employment are concerned, the women are more successful than the men (Billing & Alvesson, 2011; Binns & Kerfoot, 2011). The fact that women display more enthusiasm than the men for engaging in entrepreneurial activities of the informal sector was evident from this Study as well and through the observations, it was clear that women had been more successful than the man in business management.

The tendency of women to turn towards entrepreneurial activities in the informal sector than men can be identified through observing each age category as well (See table 02).

Table 02

The Age Structure of Informal Entrepreneurs according to Male/Female Composition

Age Group (Years)	Male		Female		Total	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
20 to 40	5	23	10	26	15	25
40 to 60	12	55	24	63	36	60
60 to 80	2	9	4	11	6	10
80 to 100	3	13	-	-	3	5
Total	22	100	38	100	60	100

(Source: Field Survey, 2010)

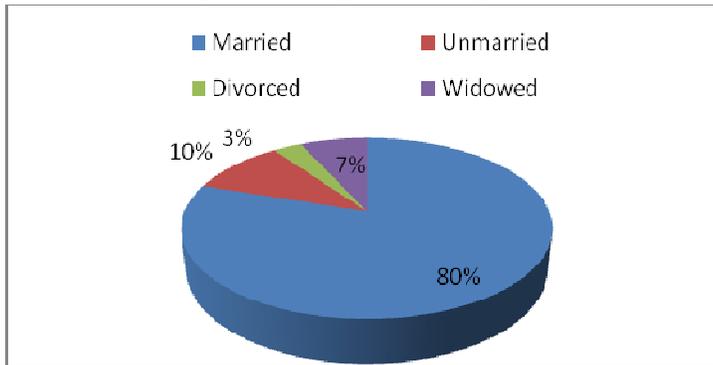
When the inclination towards entrepreneurship is considered according to the age structure, it is possible to see that those in the age group of 40-60 years have a greater tendency to engage in informal entrepreneurial activities. Furthermore, two main factors have influenced the reduction of the tendency of the groups 60-80 years and 80-100 years to engage in entrepreneurial activities. Those are namely; the fact that majority of the entrepreneurs belonging to these two groups have already handed over their businesses to the next generation and the fact that they stay away from entrepreneurial activities due to illnesses to which they often succumb. According to the age structure, the woman has taken the lead in comparison to the man in all age groups except in the 80-100 years group.

3.2 Civil Status and Informal Entrepreneurial Activities

It was revealed that the relationship between maintaining a business and marital status is important in this study due to two reasons. In a male dominant social order, it is normal for household activities to be dominated by the female. It is possible to observe that activities such as household chores, sexual satisfaction of the men, matters concerning the children and cooking etc are generally dominated by women. On the other hand, this very fact has been the reason to analyze the woman as a prisoner within the house and liberal feminists point out that the woman too must be given equal social opportunities as the man in political, social and economical spheres (Thiruchandram, 2007). The special feature visible in this study is that 80% of the 38 women subjected to this study, which amounts to 30, are married and are individuals who engage in all kinds of household chores including caring for the children. Accordingly they are engaged in both the tasks of maintaining the business as well as proper management of household work. This could be identified as a potential of the woman in relation to informal entrepreneurship.

On the other hand, 20% of the sample consisted of women who were unmarried, widowed and divorced. A general characteristic visible in the Asiatic society is the social exclusion of such women to a certain extent. The general social consciousness is that such women require the support of the society. However, the specialty noticeable in the Study is the attempt of such women to strengthen their economy by maintaining independent businesses having liberated themselves from the dependent mentality. This too can be identified as a potential that lies within the woman.

Figure 02
Informal Entrepreneurship according to Civil Status



(Source: Field Survey, 2010)

As per figure 02, it is clear that the woman has responded positively to marginalization by engaging in informal entrepreneurship in the field.

3.3 Education Level of the Entrepreneurs

The level of education of the female entrepreneurs engaged in entrepreneurial activities is relatively low. Among the entrepreneurs the number of individuals who received education from grade 5 up to grade 10, occupies a relatively higher value of the overall sample than the other education levels. as depicted (See table 02).

Table 03

Education Level of Small Scale Entrepreneurs

Education Level	Number of Entrepreneurs	Percentage (%)
Up to primary education	4	10.5
Up to grade 5-10	19	50
Up to G.C.E. (O/L)	8	21
Up to G.C.E. (A/L)	6	15.7
Never attended school	1	3.6
Total	38	100

(Source: Field Survey, 2010)

The number of individuals who have studied up to G.C.E. (O/L) and G.C.E. (A/L) are entrepreneurs of the second and third generation. However, entrepreneurs who have obtained higher education or have followed other entrepreneurial training courses are not found in the sample. Within these categories of small scale entrepreneurs, it is possible to observe that there is a group of entrepreneurs who have never attended school and this indicates that education is not a mandatory factor for taking to entrepreneurship. Furthermore, the group of entrepreneurs who have never attended school represents the first generation of entrepreneurs. However, this group had the capability to operate their businesses properly.

3.4 Initiating Business and Decision Making

Decision making too has been analyzed in a male dominant manner in management. The adverse judgment that the woman is weak when it comes to decision making is integrated into the society. The woman has

been analyzed as a weak individual or an individual who does not have administrative skills in decision making in the institutional and business sector (Helgesen, 1990). Although such is the attitude towards women when it comes to decision making, the group which made a decision on their own to start a business amounts to 78% of the total number of female entrepreneurs subjected to the study. Accordingly, it is clear that 27 out of the 38 female entrepreneurs subjected to study have made a direct decision to initiate a business. This situation indicates that adverse judgments on women regarding decision making have clearly been challenged here. Table 04 below indicates as to who made the decision to initiate the business.

Table 04
Decision to Initiate a Business

Decision Making	Number	Percentage (%)
By self	27	71
By the parents	3	7.8
By the husband	8	21
Total	38	100

(Source: Field Survey, 2010)

Study revealed That the women made direct decisions regarding the business when it comes to operating the business. The woman takes decisions when it comes to aspects such as ordering goods, transportation and sale of the stock. On the other hand the interviews indicated that their knowledge in business for maintaining the business is also at a high standard.

3.5 Sales Strategies

To be a successful entrepreneur, marketing skills are an important attribute to possess. Although a separate marketing mechanism is established by large and medium scale entrepreneurs, informal entrepreneurs do not use such mechanisms for marketing. Calling upon the customers and selling goods is used by them as the main strategy and some businessmen use their children to talk to the customer and to sell goods. It is used as a strategy to attract more customers. Following are the sales strategies of informal entrepreneurs. Eye contact with the customer is especially used as a strategy.

Table 05
Main Marketing Strategies of Small Scale Entrepreneurs

Strategies Used	Sample Units	Percentage (%)
Voice	29	76
Arranging goods in an attractive manner	3	7.8
Use of employees	2	5.2
Use of technological machinery	1	2.6
Using children to talk to the customers	3	7.8
Total	38	100

(Source: Field Survey, 2010)

The manner in which the women had been stationed to gain attraction to the informal businesses was evident through the observations. In response to the question raised by the researchers to a businessman as to the problems faced in carrying out a business as a female, a nearby entrepreneur stated that “the fact that you are a woman influences to increase your sales here...” Furthermore, use of the voice can also be identified as a special marketing strategy within the research area. Female entrepreneurs commonly make use of this strategy. They address the customers with phrases such as “please lease buy something from us as well...”. Here, it is possible to see that social attitudes such as the pleading nature within the woman as well as empathy towards her are being used in the market by the female. Through a study conducted in Peru regarding sales strategies of informal entrepreneurs, it was discovered that 6.5% make use of their voice as a marketing strategy (Zuin, 2004: 17). However in this study it is possible to see that 76% of the entrepreneurs are using their voice to conduct business.

3.6 Motivation for Entrepreneurship

Table Number 01 showed that the woman plays a special role within the *Sella Katharagama* entrepreneurial environment. Accordingly, it was possible to identify 10 motivational factors which draw the female towards entrepreneurship. They are;

1. The ability to work independently
2. The convenience to engage in business activities alongside the house hold work
3. The fact that a huge capital is not required
4. The ability to take part in income generating of the family
5. Rural poverty
6. Unemployment
7. Wish for collective risk taking
8. Receiving cooperation of the family
9. The opportunity to make use of one’s skills
10. The social power built within the female

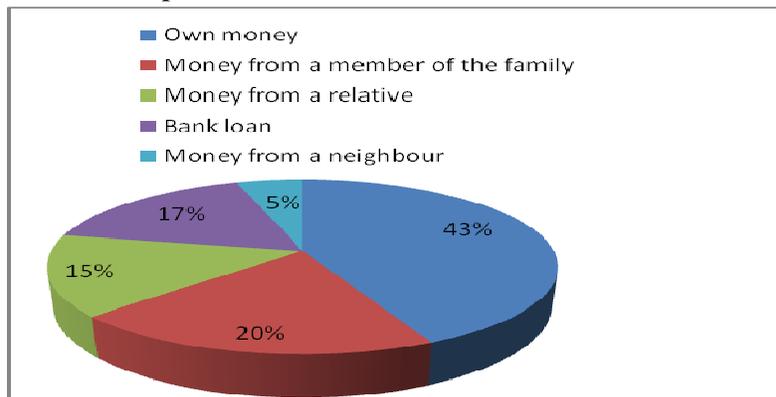
According to liberal feminists, the woman is equal to man therefore if equal education, employment and other opportunities are given, she too would work aptly like man. Then with the change of her status within the family and the society, the attitudes towards the woman too would change (Liyanage and Walakuluge, 2006: 49). If opportunities and spaces for women are created within the informal entrepreneurial environment under such circumstances, the status of the woman within the family and society would change and through that, informal entrepreneurship will have the potential to change the social perception on women.

3.7 Sourcing Initial Capital for Business

It is possible to notice that women entrepreneurs tend to use social capital² rather than going to the formal financial sector to source initial capital required for the business. Except for those who obtained bank loans to gain the initial capital, 83% have used social capital. Further, 20% had received initial capital from a member of the family. Capital is thus formulated through social relations as loans require the payment of interest and it is unnecessary to waste time going from pillar to post and as they fear to obtain loans. Figure 03 showed the manner in which initial capital is sourced by the small scale entrepreneur through social relations.

² Here, the term social capital has been used in the sense of social relations network.

Figure 03
The Manner in Which Initial Capital is Formulated

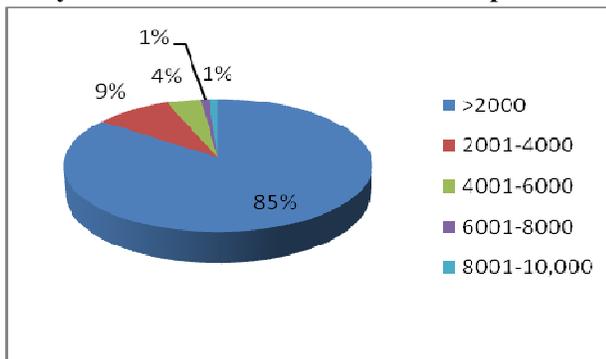


(Source: Field Survey, 2010)

3.8 Income of Small Scale Business

Although they were reluctant to give out exact information about the income of informal female entrepreneurs, it is possible to come up with a rough sketch of their income through the ideas expressed about their approximate income. The main problem faced when obtaining information about their income was that account books or sales figures had not been noted correctly. The amount of income earned on weekdays and weekend as well as on special holidays differs from day to day. That is because the number of customers who arrive at the sacred area takes a dynamic form according to the dates. Figure 04 below illustrates the average daily income of the business.

Figure 04
Daily Income of the Small Scale Entrepreneurs



(Source: Field Survey, 2010)

It is difficult to obtain a separate and clear understanding on the profit earned from the business and the amount spent for the consumption of the family. One special characteristic used by the International Labour Organization (ILO) to define entrepreneurship is the lack of clear understanding on the part of the informal entrepreneur as to the business profit and the amount spent for the consumption of the family (Zuin, 2004: 5). The important factor here, is the fact that 85% of the female entrepreneurs earn a daily business revenue of 2000.00 Sri Lankan Rupees. or less. However, it was revealed through interviews that they are quite satisfied with the small profit they make. They view it as an additional income added to the family by them while engaging in all the other household chores. On the other hand, in occasions where the husband maintained the business first and then handed it over to the wife, a number of women stated that he handed

over the business to her as he was not satisfied with the small profit earned daily. Another important fact is that all the businesses which were closed down at the time of the Study were the ones carried out by men.

3.9 Challenges Faced by the Women within Informal Entrepreneurship

The woman's role in relation to informal businesses can be identified under a few main aspects within the research area. Those are,

1. as an owner of the business
2. as a seller of goods
3. as a producer of goods
4. as an advisor to the business

Within informal entrepreneurship, the woman represents all these roles and she also represents a considerable role in the process of division of labour in business. However, the main issue faced by the woman engaged in entrepreneurial activities is the challenge of engaging in business activities while performing the duties at home. As a result of focusing more attention on the business, they are faced with issues such as lack of instances to look into the education of the children and lesser possibility of maintaining strong kinship relations. On the other hand, due to this double role, the woman is not inclined towards innovation or expansion of business and it is possible to observe "stagnation of business" arising as a result.

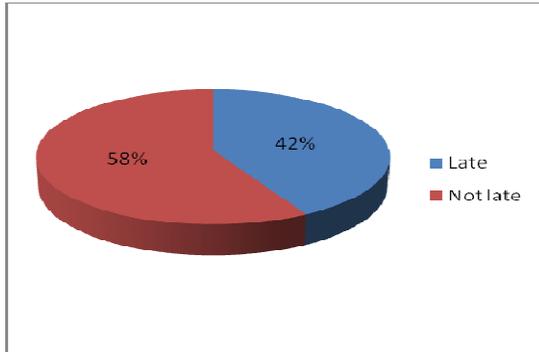
An understanding of the issues faced by women in maintaining businesses could be obtained from the table below. However, it is possible to see some instances where the women are rising up to these challenges and operating businesses within the competitive entrepreneurial environment.

Table 06
Challenges Faced by the Woman within Informal Entrepreneurship

Challenges Faced	Sample Units	Percentage (%)
No issues	4	11
Engaging in business activities alongside household chores	16	42
Engaging in business activities while caring for children and handling household chores	8	21
Issues faced when transporting goods	6	15
Effect of the large scale informal businesses	4	11
Total	38	100

(Source: Field Survey, 2010)

The woman faces a problematic situation when she has to operate the business while carrying out a number of household tasks such as cooking and cleaning, looking into the education of the children as well as participation societies and organizations. Under such circumstances, there is a group of female entrepreneurs who arrive relatively later than the others at the business premises (see Figure 06).

Figure 06**The Time of Arrival of Female Entrepreneurs at the Business Premises**

(Source: Field Survey, 2010)

Two reasons for such delays could be identified. They are;

1. The presence of a sick or an elderly member of the family at home
2. Not receiving and support for household tasks from the other members of the family.

While facing such challenges which are integrated into the society, the woman engaged in informal entrepreneurship has to face further challenges when transporting commercial goods. The challenges faced by them in transporting goods are the inability to lift and carry goods when a large quantity of goods are transported and inability of the woman to drive those even when there are vehicles at home. Further, the woman faces challenges regarding safety within the entrepreneurial process. During the period of time when the business premise is kept open, the woman faces two problematic situations.

1. Duties to be carried out at home
2. Issues related to safety

Issues related to safety arise when there is a greater distance between the business premises and the house and when women are scared to go home alone after business work. Because of this, the business has to be closed early.

4. Conclusion

According to the findings of the Study, it is revealed that informal female entrepreneurs carry out a remarkable amount of work for livelihood development of the family. The ability to initiate a business under low capital circumstances is an important factor related to female entrepreneurship. Factors such as low risk, the ability to utilize local resources, the ability to find a market at the local level and the ability to earn an extra income are outstanding among the factors that contribute to the strengthening of female entrepreneurship within the informal sector. On the other hand, most of the women obtain the labour necessary for the business on the basis of family and kinship, therefore, availability of the possibility to follow cost intensive methods and the development of collective bond towards the business has resulted in their success. Accordingly, there is a greater possibility for the family to be stronger as an economic unit through female entrepreneurship in the informal sector.

Women hold relatively greater potential to maintain small scale businesses than the men. There is a greater tendency of females to maintain a business as self employment, and their inherent ability for financial management, the need to add an extra income to the family, the need to be independent and the ability to obtain cooperation of the members of the family as well as the greater trust established in capital formulation directly influence the success of female entrepreneurship. Accordingly, focusing more attention on developing female entrepreneurship within poverty alleviation projects is a timely requirement.

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