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Women Entrepreneurs in Batticaloa District, Sri Lanka Problems and Solutions

J. Suresh, Department of Economics, Faculty of Commerce and Management,
Eastern University, Sri Lanka

K. Suresh, Discipline of Economics, Faculty of Arts and Culture,
Eastern University, Sri Lanka

ABSTRACT

Women enterprises are playing a vital role in regenerating the economy. Recently many new enterprises are founded by women; indeed women entrepreneurs have become a significant economic force. In the process of entrepreneurship, women are facing various problems. Thus, this study was conducted on one hundred women entrepreneurs selected through snowball sampling technique of Batticaloa district which has been affected by war for more than three decades. The aim of this study is to explore the problems of Finance or Funding, marketing, production problem of women entrepreneurs in Batticaloa district. The study reveals that lack of market facilities, less prices for the products, lack of capital, lack of finance, lack of training facilities and non-availability of raw material were the significant problems faced by entrepreneurs.

Keywords: Women Entrepreneurs, Enterprises, Problems, Solutions

Introduction

The small and medium sector plays an important position in any developing economy. This sector is particularly very important for these countries in terms of employment generation, local wealth creation, development of economically backward regions, development of local skills and resources leading to rise in the national income (Premaretne S.P., 2005). Nevertheless, unlike developed countries, SME development efforts in developing countries is hampered due to lack of quality and solid financial information.

Women entrepreneurship is a recent phenomenon and women have been recognized as successful entrepreneurs as they have qualities desirable and

relevant for entrepreneurship development. The term Women Entrepreneur refers to a woman who is running her own or family owned business. Women play a very important role in the economic development of Sri Lanka. Women have become the key contributors to the national economy. They play the lead role in industries such as tea, garment and also in foreign remittances. They are involved in business activities at all levels, in Sri Lanka. Many women are succeeding in

business in recent years. Women have shown a fondness toward taking self-oriented jobs and professions with their family support, financial assistance and industrial guidance. The entrepreneurship shows the path to women independence and in turn satisfies the needs and aspirations for better living standard.

While women are active in enterprises, they face several problems in many developing countries and Sri Lanka is not an exception particularly problems and challenges in developing their businesses. In addition to those problems faced by all small-scale entrepreneurs, it is commonly asserted that women frequently face gender bias in the socio-economic environment in which they operate. They face additional or at least different social, cultural, educational and technological challenges than men when it comes to establishing and developing their own enterprises, and accessing economic resources.

Batticaloa District had been affected by civil war during the last three decades. Recently the Tsunami also affected this district heavily. Due to these man-made and natural disasters, a number of women became widows and breadwinners of the family. Even though they are engaged in small enterprises, the income

they earn is not sufficient to fulfill their basic needs of the family. Since numerous studies have been undertaken on women entrepreneurs worldwide, none of them have focused on women entrepreneurs in Batticalao District. These women need to be recognized to highlight their constraints and needs.

Objectives

The main objective of this research will focus on the future development of these women entrepreneurs and the sub objectives will focus on the following:

- To develop a profile of women enterprises in Batticaloa District.
- To highlight the broader issues impacting upon women entrepreneurs' individual choice and performance as regards enterprise activities.
- To make suggestions for enhancing the capacities of entrepreneurs for a sustainable development in Batticaloa District.

LITERATURE SURVEY

A study conducted by Gamage (2003) regarding small and medium enterprises in Sri Lanka has mentioned that the SME sector has not achieved desired level of contribution when compared with other developed and developing countries in the region. He described a brief overview of the SME sector in Sri Lanka and made suggestions for enhancing the capacities of SMEs for the sustainable development in Sri Lanka in his study.

ILO (2003) carried out a study in Ethiopia; they found a large majority of the women entrepreneurs have had to depend on personal savings and family support for start-up finance. Issues of land title and lack of working premises featured prominently among the major barriers

experienced by women entrepreneurs in establishing and growing their enterprises. ILO also mentioned many of the women entrepreneurs complained of problems in finding or building their own working premises, and some 60 per cent have to rent at what they regard as a very high cost. Only

five per cent of the women sell outside of their immediate local markets, therefore much has to be done to improve access to wider and more lucrative markets.

According to Sujata Kumari et al. (2010), problems among women entrepreneurs can be concluded that probably availability of finance is not as difficult as repayment of it is. The repayments are problematic due to low paying capacity which is affected by lack of education, poor skills, and certain problems related to marketing viz. lack of mobility, prejudiced attitude towards women and caste to which they belong and poor infrastructural support. Further, they extended if the women are to be successful entrepreneurs, they are to be educated, skilled and trained sufficiently and to be supported rigorously by external environment to handle their entrepreneurial problems.

Ayadurai Selvamalar (2004) examined the demographic profile of Tamil women entrepreneurs

in the North East of Sri Lanka who became

entrepreneurs as a result of war. Five main areas of

interest was examined, namely, characteristics of these women entrepreneurs; factors that

spurred them into entrepreneurship; their challenges; their measures of success; and the demographic profile of these women entrepreneurs. Her findings indicated that a large percentage of these women were highly entrepreneurial and were motivated into entrepreneurship to get a better life, be self-reliant and support their families. Many of them went into business only after

having lost their husbands at war. Most of these women were married with children and business

was seen as a means to an end. These women were educated with a minimum secondary-level

education and were involved in businesses such as livestock farming, office services and craft/textile which did not require a high capital outlay and expert skills and knowledge of the

business. A large majority of these women were in business for the first time and most of allance between family and work.

Pooja Nayyar (2007) found out that poor location of unit, tough competition from larger and

established units, lack of transport facility, lack of rest and sleep and non-availability of raw

material were the significant problems faced by entrepreneurs. The factors causing these problems

were: difficulty in affording own vehicle, not being popular, heavy schedule of work and long

working hours. Common entrepreneurial problems can be dealt by formulating self-help mutually

aided groups. Support mechanism such as institutional credit needs to be strengthened to keep

entrepreneurs aware about loaning schemes/credit facilities for further expansion.

them rated

RESEARCH DESIGN

This study had been undertaken in Batticaloa district. The district has 14 divisional secretariat

divisions. The random and snowball sampling technique were adopted from all 14 D.S. divisions to

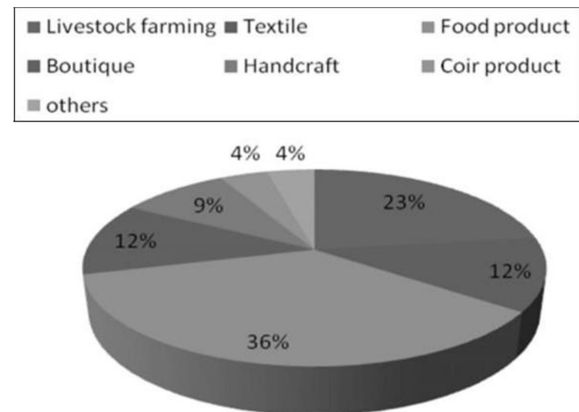
select samples. A sample of 200 women respondents (according to the population, sample were

proportionately divided among 14 D.S. divisions) had been taken on the basis of criterion that they

were running their enterprise independently and in partnership. The self- developed questionnaire

has been used for collecting primary data by survey method. Tabular analysis techniques such

as frequencies, mean were employed.



RESULTS AND DISCUSSIONS

Profile of Women Entrepreneurs in Batticaloa District

In order to analyze the profile of the women entrepreneurs; age, income, educational levels were identified.

Type of Business

The largest percentage of the women entrepreneurs were involved in livestock farming and food product (Figure 1). This indicates that the women entrepreneurs were involved in businesses which did not require high capital and businesses in which they had prior expertise and experience. These businesses were easy to start with minimum capital requirement.

Figure 1: Type of Business

Age of Women Entrepreneurs

The relationship between ages to the entrepreneurial career process has also been carefully researched. The theory says most entrepreneurs initiate their entrepreneur career between the ages of 20-45. Although a career can be initiated before or after these years, it is not as likely because an entrepreneur financial support and high requires energy level. In order to experience, launch and manage a new venture successfully. It correlates with our findings. It is in the Table

Table 1: Age of Women Entrepreneurs

<i>Age Level</i>	<i>Frequency</i>
Below 20	6
21-30	29
31-40	42
51-60	14
Above 60	3

Marital status of women entrepreneurs

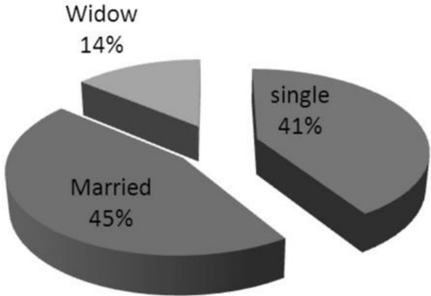


Figure 2 : Marital status of women

The Length of Time the Business has been Ongoing

The results indicated that more than 75 percent of the women entrepreneurs had been running their business for more than 5 years. It shows they have more experience in their business.

Table 2: The Length of Time the Business has been Started

<i>Years</i>	<i>Frequency</i>
Less than 1 year	05
1 to 5years	19
More than 5 years	37
More than 10 years	20
More than 20 years	19

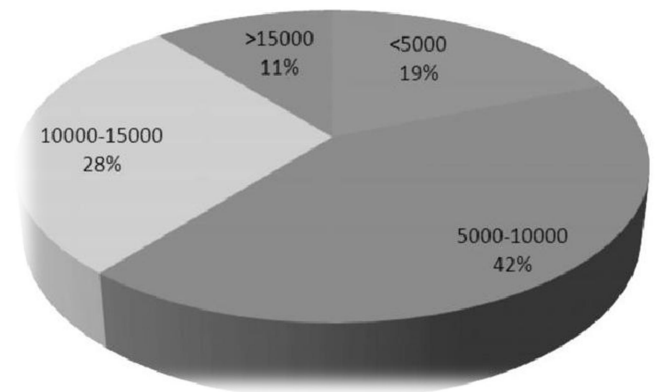


Figure 3: Income Level of the Women Entrepreneur

Income Level of the Women Entrepreneur

The distribution pattern of monthly income is represented by 100 samples showed in Figure 3. It reveals that a large number of families earned income below Rs. 10000. The general reason behind this is that their products do not have enough market facilities.

Educational Level of the Women Entrepreneur

The Women Entrepreneurs' educational

qualification was analyzed and the result was presented in the Table 3. The result shows most of the women entrepreneurs have less formal education but they have experience in their business. With the work experience in small enterprises, skilled workers tend to turn to large scale units, attracted by their high wages.

Table 3: Educational Level of the Women Entrepreneur

Level of Education *Frequency*

Primary Level	33
Ordinary Level	46
Advanced Level	19
University Education	02

Reasons for Involving in Business

72 percent of the women are engaging in entrepreneurship to generate income. This

indicated that women are a more vulnerable group and they look after their families.

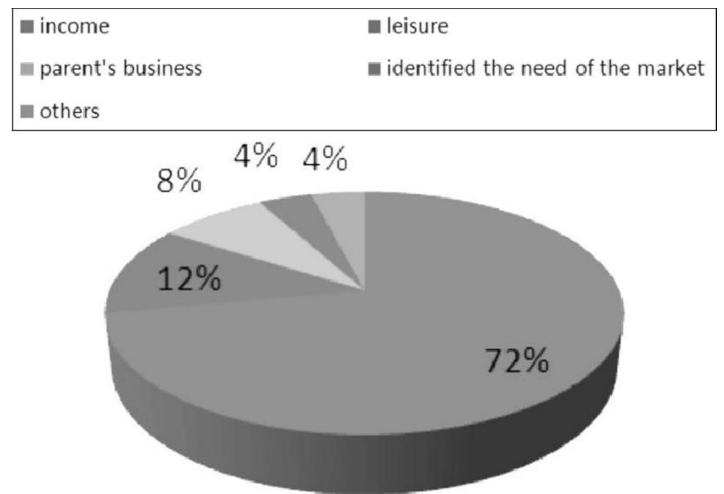


Figure 4: Reasons for Involving in Business

Problems of Women Entrepreneurs in Batticaloa District

The sample of 100 women entrepreneurs revealed some problems in the development of their enterprises in Batticalao District. The problems are summarized in this section.

Financial Problem

Finance is the most important aspect of any business. Table 4 gives the details of various financial problems, which are faced by entrepreneurial women. The mean value of all financial factors shows high score. This indicates that women entrepreneurs in the Batticalao District are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security. Very few women have tangible property in hand, to offer us security.

Table 4: Financial Problem:

<i>Financial Problem</i>	<i>Mean Value</i>
Inadequate capital	4.04
Non-availability of financial	3.38
Long procedure in getting financial	3.91

Note: Mean scores based on a From 1= strongly disagree five-point scale to 5 =

ranging;
strongly agree.

Marketing Problem

During the process of marketing of products women entrepreneur have been facing lots of problem. The high score mean was recorded for less demand, high competition and less price. This indicates that their product were not popular and they have lack of marketing information, marketing channel and transport cost. Problems also arise due to lack of standardization of conventional products.

Table 5: Marketing Problem

<i>Marketing Problem</i>	<i>Mean Value</i>
Poor Demand	3.96
Poor Transport	3.10
Inadequate Price	4.16
Poor Place/ Location	3.01
High Competition	4.12

Note: mean scores based on a five-point scale ranging. From 1= strongly disagree to 5 = strongly agree.

Production Problem

During the process of production of products women entrepreneur have been facing lots of

problems. According to most of the sample respondents, they use the traditional methods of

production technique. Women entrepreneurs except livestock farming have to depend on raw

material and equipments from outside. This causes wastages of time and cost in transport.

Table 6: Production Problem

<i>Production Problem</i>	<i>Mean Value</i>
Non- availability of raw material	3.12

Non- availability of machines and equipment	4.02
Training	2.59
Low technology-base	3.94
Help from informal groups	2.01
Experience	2.58

Note: mean scores based on a five-point scale ranging. From 1= strongly disagree to 5 = strongly agree.

1. Consider women as specific target group for all developmental programmes.
2. Better educational facilities and schemes should be extended to women folk by the government.
3. Adequate training programme on management skills to be provided to women community.
4. State finance corporations and financing institutions should permit, by statute, to extend purely trade-related finance to women

entrepreneurs.

5. Women's development corporations have to gain access to open-ended financing.

6. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.

7. Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.

8. Vocational training to be extended to women community that enables them to understand the production process and production management.

9. Training on professional competence and leadership skill to be extended to women entrepreneurs.

10. Setting up of raw material bank for materials and intermediate component of good quality from the open market on behalf of the institutions. It would then store them in central places. This measure would ensure a

smooth supply of raw materials.

11. Fairs and Exhibition should be conducted periodically so as to enable women entrepreneurs to market their products. Programmes for encouraging entrepreneurship among women are to be extended at local level.

12. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioral games.

13. More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.

CONCLUSION

The women entrepreneurs of the Batticaloa District are an undisclosed force; they are a powerful group of women who have experienced war. If trained and developed, these women could be transformed into dynamic women entrepreneurs. As we are well aware, entrepreneurs can be made and

these women entrepreneurs of the Batticaloa District can be developed to become a strong entrepreneurial force contributing to the economic development of the country. These women can play an important role in the socio-economic development of their country. They can be a major driving force in the rehabilitation and reconstruction of their country that has been ravaged by more than three decades of war.

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