

Women Entrepreneurs in Kathmandu Valley

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Abstract: Women entrepreneurship entails business ownership and business creation that empowers women economically. It increases their economic strength as well as position in the society. Women entrepreneurs face number of problems to start and sustain business enterprises. They lack access to capital, training, technical and financial knowledge. This research looks at the personnel characteristics of women entrepreneur in Kathmandu valley and their motivational factor to start a business. It also looks at some of the problems faced by women entrepreneur in relation to capital formation and technical knowhow. This study used primary data and it was collected through a set of questionnaire and interviews of women entrepreneurs registered with the DSCI, FNCCI, FWEAN and Nepal Chamber of Commerce within Kathmandu valley.

Key words: Women entrepreneurship, Motivational factors.

I. INTRODUCTION

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantage from new opportunity (Bhardwaj, 2009). Entrepreneurship is the process of exploring the opportunities in the market place and arranging resources required to exploit these opportunities for long term gain (Deshpande & Sethi, 2009). Entrepreneurship is a creative and innovative skill. It requires planning and organizing opportunities, assuming risk and adapting to an ever changing political, social and economic environment (Deshpande & Sethi, 2009). It has been accepted that entrepreneurship is an economic venture which helps to uplift the economic condition of people within a short period of time, especially from the point of view of employment generation. Woman entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life (Rao, 2012).

In Nepal women entrepreneurship is a new concept and has recently gained recognition. In developing country like Nepal micro and small scale enterprises can contribute significantly

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in the economic development. Most of the women are engaged in micro cottage and small scale enterprises (MEDEP, 2010). As per Population Census 2011, the total population of Nepal was 26,494,504 out of which 48.50% (12,849,041) were male and 51.50% (13,645,463) were female (CBS, 2011). So women constitute more than half of the total population out of which 89% live in rural area and 17.1% in urban areas (CBS, 2011). Most of the women are engaged in household and farming activities and only 10% women of economically activate population are in SME (MEDEP, 2010). These enterprises are the backbone and foundation of economic development where resources are limited.

In Nepal, very few women have control over resources and even lesser have opportunity to engage into income generating activities. Almost in all household, men make decision in the family and men always hold a higher status in the family. Property, expenditure and education are men's business and it is thought that they are not matters of concern for women (MEDEP, 2010). In this context, women have to engage themselves in entrepreneurial activities and prove their worth to their husbands, fathers, brothers and sons. They must also prove themselves as capable, resourceful and innovative.

The general scenario indicates that women's participation in entrepreneurship development is quite low mainly because of socio-economic and cultural structure of the country (Tuladhar, 1996). Exposure of women in Nepal is still not permitted by socio-cultural norms and they are confined in nourishing the domestic activities only. Various studies have showed that women are better managers if they get opportunity, they can create jobs for themselves and others (Shah, 1987). But it may not be true unless we mobilize and motivate them properly, encouraging them to undertake the role of entrepreneurship in economic activities. There are legal obstructions which discourage women's leadership in running the enterprises. The laws and regulation generally cover only industrial enterprises and do not cover enterprises in other sectors especially for women entrepreneur. Bajracharya, Maharjan and Parajuli (2003) had explicitly stated that acts and policies do not ensure smooth establishment and operation of business if there is lack of clarity and adequate transparency.

Nepal's sociological set up has been traditionally men dominated one. Women are considered as a weaker gender and executor of the decision made by the male member. So, entrepreneurship has been traditionally seen as a male dominance. It is thought that women cannot do it. These prevailing social value, culture and perception to some extent have restrained the growth of women entrepreneurs in Nepalese society (Khatiwada, 2001). But there are certain communities, especially the Newars, Sherpas, Gurungs, Thakalis where women are traditionally involved in small business enterprises. It is only within last few decades that the concept of women entrepreneurship has got some acceptance in Nepalese society. However, it is very difficult for women entrepreneur to meet both of their entrepreneur demand and family responsibility. This has resulted in various conflicts within the family which can sometime result on many women giving up their entrepreneurial role and devoting themselves to family responsibility (Adhikari, 1997). So this study is confined to research on: the personal characteristics of women entrepreneurs (age, education, and training), their sources of inspiration, and resources

for starting up the businesses. Basically the study seeks answers to the questions - what types of women are attracted toward entrepreneurship? What factors motivate and hindrance them for it? From where do they get the resources to start up the business? And what type of ownership they prefer?

II. REVIEW OF LITERATURES

Personal characteristics like age, education, family background, and training can have some influence in choice of business, legal ownership status of business, means of obtaining funds and means of getting support. Some researchers had attempted to study the relationship between education and entrepreneurial success. According to Bates (1990), highly educated entrepreneurs were likely to create firms that remained in operation. Osirim (1990) cited similar results that high levels of educational attainment led to successful entrepreneurship.

A study done by Rajani and Sarada (2008) in Andra Pradesh, India, found out that generally women think of business ideas in their years of thirties. During their thirties women entrepreneur think that they are capable of managing family and business. Most of the women entrepreneurs are married and they receive most help from their husbands. A study done by Sinha (2003) also supports this finding. Sinha (2003) revealed that majority of women entrepreneur seek guidance from their parents or husbands to start their business. Rajani and Sarada (2008) also found out that most of the women entrepreneurs were involved in business like purchase and sales of product. Many women were involved in service sector and only few were involved in manufacturing sector.

Many researchers have suggested that most of the women entrepreneur tends to run small business in retail and service sector (Collerette & Aubry, 1991; Lee-Gosselin & Grise, 1990). Majority of them chose the type of business which they “know the sector well” and “interested in” (Collerette & Aubry, 1990) or in which they have prior experience in (Steward & Boyd, 1988). Lappen (1992) reported that only 10% of women business owners had run their business for more than 12 years while Collerette and Aubry (1990) cited that half of the women had been in business for less than 5 years.

Collerette and Aubry (1990) noted that the main factor that had motivated women to go into business was the desire for autonomy (such as desire to be own boss, desire to be financially independent and desire to increase self-esteem). Capowski (1992) felt that a strong desire to control their future and financial destinies had motivated women to start their own business. He stated that other motives for business ownership included self-determination, financial independence and belief in a “better way” of doing things.

Similarly, Heilman and Chen (2003) as well as Botha, et al. (2006) argued that various push-and-pull factors exist that can motivate women to start their own businesses. Maas & Herrington (2006) defined push factors as the more negative factors, such as unemployment and retrenchment, which force people to become entrepreneurial in order to survive. They regard pull factors to be the more positive factors, such as government support and role models, which might influence people to choose entrepreneurship as a career option.

Objective

The objectives of this study are to:

- find out personal characteristics of women entrepreneurs;
- assess the ownership status of business operated by women entrepreneur and the source of their startup capital, and
- identify the purpose of starting the business and the source of inspiration to start a business.

III. METHODOLOGY

This study has used primary data. Primary data has been collected through a set of questionnaire and interviews from women entrepreneurs. The results of the study are based on descriptive analysis of data collected from sample of 368 (out of a target of 400) women entrepreneurs registered as members of women entrepreneurs with the Department of Cottage and Small Industry (DSCI), Federation of Nepalese Chambers of Commerce and Industry (FNCCI), FWEAN (Federation of Woman Entrepreneur Association of Nepal (FWEAN), Nepal Chamber of Commerce, Trade Association. The study covered only the women entrepreneurs of micro, small and medium enterprises of Kathmandu valley. Data has been processed in the computer using SPSS.

VI. RESULT AND DISCUSSION*Age Distribution*

Table 1 shows the distribution of women age groups in five different categories. It shows that most of the women entrepreneurs were matured women having age of 36 and above. This finding is in line with the study done by Rajani and Sarada (2008) in Andra Pradesh, India. They found that generally women think of business ideas in their thirties. Marriage, lack of support from family, lack of confidence in owns ability, involvement in other jobs, child care etc. may be reasons for it.

Table 1: Age Gzroup of Women Entrepreneurs

Age of Respondents	Frequency	Percent (%)
Below 25 years	10	2.70
26 to 35 years	68	18.50
36 to 45 years	164	44.60
46 to 55 years	80	21.70
Above 56 years	46	12.50
Total	368	100.00

Source: Field Survey, 2013

Education Status of Women Entrepreneur

Table 2 breaks down the education level of the women entrepreneurs into five categories i.e. just literate, SLC, Intermediate, Bachelor, Master and above.

Table 2: Academic Qualification of the Women Entrepreneurs

Education Level	Frequency	Percent (%)
Just literate	10	3
SLC	65	18
Intermediate (+2 level)	137	37
Bachelor	111	30
Master and above	45	12
Total	368	100.00

Source: Field Survey, 2013

Among the 368 respondents, 10 respondents are just literate, 65 respondents had studied up to SLC, 137 respondents had qualification equivalent to Intermediate (+2), 111 respondents had academic qualification of Bachelors and 45 respondents had academic qualification of Masters and above. Most of the entrepreneurs in Kathmandu valley were intermediate pass (37%) graduates.

Various Training Taken by Women Entrepreneurs

Table 3 indicates the various types of training received by women entrepreneur before starting their business. It shows that 80% took training before starting and during the operation of business and remaining 20% have not undergone any training. Out of total respondents, 44% have taken business related Skill Development Training followed by Marketing and Sales Training, Entrepreneurship Development Training, Computer and IT Training.

Table 3: Types of Training Taken by Women Entrepreneurs

Training types	Frequency	Percent (%)
Training not taken	72	20
Business related skill development	162	44
Entrepreneurship development	31	8
Finance and accounting	9	2
Marketing and sales	47	13
Business administration	10	3
Computer and IT	27	7
Other	10	3
Total	368	100.00

Source: Field Survey, 2013

Very few have training on Finance and Accounting as well as on Business Administration which are very essential for the successful implementation of the business.

Ownership Status of Business

The legal ownership status of business run by women entrepreneurs is shown in Table 4. Women entrepreneurs are involved in various business like sole ownership, partnership, corporative etc. But majority of them own Sole ownership type of firms (62%) then followed by Partnership (26%) and Cooperatives (11%).

Table 4: Ownership Status of Business Run by Women Entrepreneurs

Ownership Status	Frequency	Percent (%)
Sole ownership	229	62
Partnership	96	26
Cooperatives	39	11
Others	4	1
Total	368	100.0

Source: Field Survey, 2013.

Source of Startup Capital

Startup fund are very crucial to start a business for any entrepreneur. Therefore, it was enquired to know how those funds were managed by women entrepreneurs.

Table 5: Sources of Startup Fund

Start-up fund	Frequency	Percent (%)
Personal saving	52	14
Family saving	112	30
Borrowed from relatives or friends	134	37
Financial institutions	66	18
Others	4	1
Total	368	100

Source: Field Survey, 2013

As shown by table 5, majority of the Nepalese women entrepreneurs started their business by borrowing from relatives or friends (37%) and family saving (30%). Only 18% respondents reported that they had borrowed money from financial institutions, and 14% had used their personal saving. This shows that Nepalese women entrepreneurs are still lagging behind in terms of taking financial support from financial institutions rather they are more comfortable in using household funds or borrowing from people they know. Lee-Gosselin et al. (1990) also supported to this fact. His study found out that start-up capital was most likely to come from personal and family savings, investors, partners and bank.

Source of Vision to Start a Business

Table 6 shows the motivational factors that inspired the women entrepreneurs to start up their business. Majority (38 %) of the women entrepreneur gathered information and developed vision after attending industrial seminar. Similarly, around 34% of women

entrepreneur were helped by family members including husband, parents to develop a vision for business. Self confidence in own ability and inspiration by other successful entrepreneur in the field of business also helped women entrepreneur to develop a vision to start their own business. Internal curiosity also helped to operate a business.

Table 6: Source of Vision to Start a Business

Choices	Frequency	Percent (%)
Internal curiosity	54	15
Self confidence	92	25
Participating in industrial seminar	139	38
Inspiration from family members	127	34
Inspiration from other persons involving in business	85	23
Intension to use technical knowledge owned by oneself	35	10
Total	532	100

Source: Field Survey, 2013

Purpose of Starting a Business

Every entrepreneur that starts a business has some goals that he/she wants to accomplish after starting a business. Table 7 shows some of the goals that women entrepreneurs had in mind before starting their business.

Table 7: Purpose of Starting a Business

	Frequency	Percent
To make a large profit	157	43%
To be star in the business field	103	28%
To get involved in some tasks	168	46%
Other objectives	82	22%
Total	368	100%

Source: Field Survey, 2013

Forty-six percent of the respondents stated that they started business to get involved in some tasks instead of remaining idle. Another 43% of the respondents wanted to earn large profit and become self-sufficient. Twenty-eight percent wanted to become renowned in their field of business. Remaining 22% respondents have other objectives like to make enough to run their house, make profit, utilize their educational experience, get involved in something they love to do, etc. Collette and Aubry (1990) noted that the main factor that had motivated women to go into business was the desire for autonomy (such as desire to be own boss, desire to be financially independent and desire to increase self-esteem). Capowski (1992) felt that a strong desire to control their future and financial destinies had motivated women to start their own business. Many international researches have shown that women entrepreneurs get involve in business to get financial independence or to improve their self esteem by becoming a know personality in their respective field.

V. DISCUSSION AND CONCLUSION

The study has found out that the most women entrepreneurs are above the age of 35, most of them have +2 education and have taken some kind of business related training. Very few women entrepreneurs have training on Financing and Accounting. The study also found out that the main reason for women entrepreneurs to start their own business was to get involved in some economic activity instead of just staying at home. This might have been one of the reasons why most women entrepreneur chose to open up sole proprietorship. Most of the women entrepreneur got their vision or inspiration to start their own business after visiting some industrial seminar. Many women entrepreneurs were also inspired by the members of the family who were successful in business or some other profession. Household saving or money borrowed from friends or relatives were the major source of capital for most of the women entrepreneurs. Very few entrepreneurs got their capital from banks or other financial institution. Therefore, it is suggested that women entrepreneurs must be motivated by banks and other financial institutions by making easy procedures to get the loan.

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