

CHAPTER 1

INTRODUCTION

1.1 Background of the study

(Premuzic, 2013) have described that the works that compiled over female entrepreneurs' personality motivators and drivers are not yet enough. Having needs for independence, achievement, self-fulfillment, social status and power are continually ranked among the first motivators of female self-employment. If women are important for growth and entrepreneurship is important for growth, it is particularly important that we understand what factors mobilize or prevent women from starting new businesses, thus, failure to understand these factors may result in the underutilization of women's human capital and, as a result, in the perpetuation of lower living standards and in the implementation of costly and ineffective policies (Orser & Carrington, 2010). Many Economists including Adam Smiths, Alfred Marshall, Lionel Robbins etc had cited in their writings as early as 1776s that the fundamental of human "economic problems" is the scarcity of resources which. However, former women in last decades entrepreneurship have been an untapped or little tapped human resources of many nations especially, developing and low or middle income countries (Arhin, 2019). As observed by Julie Weeks, the Director of Research National Foundation for Business Owners in Jalbert (2000:14): 'Entrepreneurship offers tremendous opportunities for women across the world by opening doors to greater self-sufficiency, self-esteem, education, and growth – not only for the women themselves but also for their families and their employees.

And women are opening the new page of business world; between one-quarter and one-third of the world's businesses are owned by women. As their numbers grow and as their businesses prosper, they will change the way the world does business.

Since SMEs are also considered as the major drivers of economic growth in developing countries, it makes it even more interesting to look at women entrepreneurship in developing countries. Many developing countries, especially from low-income countries, women often show marked differences from their men counterpart in many characteristics that influenced their decision to run own businesses or to become entrepreneurs. Such age, work status, education, income, social ties, cultural norms or customs or tradition, family background, marriage status, family obligations, discrimination against women in many aspects of life (which is often the result of gender beliefs inherent in a culture or society), disproportionate bargaining power against men, and public/community perceptions are all significant social, economic and institutional factors are among key characteristics which determine a woman's decision to start a business (Tambunan, 2008). As female society in developing countries are not that welcomed to start and conduct with businesses as they are not well educated and acknowledged enough of running a business by own is a precious thing. Many previous studies also stated that women in developing and low-income countries are mostly not brave and confident enough to be the entrepreneurs in some ways. Most of them are forced to choose the career asserted by the society and some even possess the stereotypic thoughts of spending life as the low-class beings in the family or simple housewives. During recent years, women entrepreneurs tends to be popular among

those countries and the rate of female entrepreneurs are rising continuously. Thus, how they overcome the mental and social barriers and what motivate them to become women entrepreneurs has also become an attraction topic.

During recent years, the rate of new business formation by women has obviously caught up the rate of new business formation by men around the world. However, as far as it can be seen women still own and manage fewer businesses or enterprises than men especially in developing countries with strong tradition and cultural bonds. To explain this situation that the behavior of female entrepreneurs in terms of traits, motivations, and success rates, and their gender-related distinctiveness are complex and multifaceted. Although the previous great works of various researchers, it still need more research on female entrepreneurship—particularly in developing countries where we are seeing a growing number of initiatives aimed at promoting and motivating female entrepreneurship and empowering women in the process. Women have been allotted a special role not only because they stand to benefit from entrepreneurship being the poorer and more discriminated against gender, but also because they are seen as a unique operator of entrepreneurship accordance to their unique role in the household and the rise in the developing world.

According to the rapid developing of SMEs and foreign investments in Myanmar during recent years, the country's economy also developed a lot. As one of the most developed regions in Myanmar, SMEs in Mandalay also become blossom. Nevertheless, entrepreneurship also become an attractive thing among the citizens. According to the report from SMEs Development Department in

Myanmar, the rate of small and medium enterprises in Mandalay has been visibly increased during these recent years. There are about 12000 enterprises in Mandalay region and it is the number of registered enterprises in Mandalay region. According to Myanmar Women Entrepreneurs' Association, the association was established in 1995 and it was about 24 years now, with about over 2300 active members. In last decades, Myanmar was under the inconvenient situation due to the pressure of the military government. And as Myanmar are mostly serious in stereotypic cultures and traditions that are practically useless but widely accepted by the society. Among those, being the historical and cultural city, female entrepreneurs in Mandalay have encountered discrimination for breaking out the cultural perspectives and build up their own business and keep abreast of men in the business market. Every year, we could find the awarded women entrepreneurs in both local and international, it always includes entrepreneurs from Mandalay. Following the rise of entrepreneurship, the motivations of women entrepreneurs become attractive as motivation is the reason why they take this action and willingness to their goal. Motivations of women entrepreneurs in Myanmar are not yet deeply studied by any researchers and the literature to mentioned are still little. Thus, the author decided to conduct with the deep study on motivations of women entrepreneurs in Myanmar, a developing country, emphasizes on Mandalay region.

Table 1.1 SME Member list from Department of SME Development Myanmar

Sr No.	State/Region/Union Territory	Small	Medium	No. of Enterprise	Remark
1	Kachin	1973	19	1992	
2	Kayah	648	28	676	
3	Kayin	1130	10	1140	
4	Chin	1743	13	1756	
5	Sagaing	6056	63	6119	
6	Tanintaryi	3064	34	3098	
7	Bago	5911	162	6073	
8	Magway	5713	138	5851	
9	Mandalay	10649	551	11200	
10	Mon	3265	163	3428	
11	Rakhine	2980	2	2982	
12	Yangon	8549	2018	10567	
13	Shan	6573	373	6946	
14	Ayarwaddy	7370	561	7931	
15	Union Territory ,Nay Pyi Taw	1028	79	1107	
Total		66652	4214	70866	

Source: Myanmar SME Development Agency

The Small and Medium Enterprises Development Law (SME Development Law) enacted in April 2015 (Pyidaungsu Hluttaw Law No. 23, 2015) defines Small and Medium-Sized Enterprises, SMEs, by the number of employees, sector, and capital or turnover of the enterprises. No specific definition for microenterprise is provided in this law; microenterprises are apparently included in “small” enterprises. The table below shows the definition of SMEs in Myanmar stated in the SME Development Law(Agency, 2016).

Table 1.2 Definition of SMEs Provided in the SME Development Law

Size	Sector	Number of Employees	Capital (a and b) Turnover (c-f) (MMK Million)
SMALL	a) Manufacturing sector, Mining sector, Construction sector	Up to 50	Up to 500
	b) Labor intensive manufacturing sector	Up to 300	Up to 500
	c) Wholesale business	Up to 30	UP to 100
	d) Retail business	Up to 30	Up to 500
	e) Service business	Up to 30	Up to 100
	f) Other than the above business	Up to 30	Up to 50
MEDIUM	a) Manufacturing sector, Mining sector, Construction sector	Up to 300	More than 500 up to 1,000
	b) Labor intensive manufacturing sector	Up to 600	More than 500 up to 1,000
	c) Wholesale business	Up to 60	More than 100 up to 300
	d) Retail business	Up to 60	More than 50 up to 100
	e) Servicing business	Up to 100	More than 100 up to 200
	f) Other than the above business	Up to 60	More than 50 up to 100

Source: The Small and Medium Enterprises Development Law, 2015

Entrepreneurs are agents who perform a vital role in the economic development of a country and are linked to the overall industrial development of a nation. Despite the emergence of women entrepreneurs, the contribution to the national economy by the women is much less compare to men (Geetha & Rajani, 2017). We all know that significantly men own and manage businesses more than women worldwide. The reason may be due to women fail or not motivated enough more often than men or because fewer women than men start businesses or manage it. However, some evidence exists that, after correcting for factors such as size of the business and sectoral distribution, women's failure rates are not that significantly different from those of men. So, at least a portion of the difference between genders must be due to the fact that fewer women than men are dare to

start a business or enterprise. Evidence to date suggests that a variety of reasons contribute to explaining observed differences in entrepreneurial behavior across genders, and that such differences have significant implications at the macroeconomic level. Perhaps women and men have different socioeconomic characteristics and, if we were to correct for factors such as education, wealth, family and work status, those differences would disappear and also the stereotypic aspects of the society that discriminate women in making important decision and managing or running business. There are also researches and descriptions that women tend to possess fewer years of experience than men and tend to concentrate in different sectors. In addition, the propensity of women to become an entrepreneur may differ from that of men due to cultural reasons such as discrimination and stereotypic concept of life. The businesses owned and managed by men and women are also different. We already known that, mostly women's businesses dispose to be not as huge as men and to grow less than those owned by men. Also, women's businesses are considered to be less profitable than those of men and more likely to make lower sales turnover than men, even in same industry comparisons or business trends. Although the relationship between entrepreneurship and gender-specific traits was first explored by McClelland, it was not further analyzed till the late 1990s, when feminist theoretical and empirical studies arose as an attempt to explain how female entrepreneurship was linked to variables such as the allocation of family resources, childbearing decisions, opportunity perceptions, self-confidence and poverty (Premuzic, 2013).

Larger gender gaps in start-up activity are found in middle-income countries, whereas they tend to be narrower in lower-income countries probably because many women start businesses out of necessity. Surprisingly, women in poorer countries tend to be more self-confident about their abilities (skills and knowledge) to become entrepreneurs and less afraid of failure compared to women in middle and high-income countries, notwithstanding subjective and possibly biased perceptions about self-confidence, fear of failure, and existence of opportunities or significant and systematically associated determinants of the gender gap across all countries. Women in developing countries, like their counterparts in more developed ones, rely more than men on extended families which, in many rural settings are often their only or major social network. This is often constraining since women's marriage status, and the assets and incomes brought to their marriages, emerge as important determinants of their entrepreneurial decisions. Married women with young children are more likely to enter entrepreneurship than waged labor, and are more likely to be entrepreneurs than non-married women—although they are also more likely to quit a business voluntarily.

As far as female entrepreneurs' firm performance is concerned, the evidence from developing and developed countries is somewhat similar. Women tend to have lower growth expectations and their firms tend to grow slower in both sales and employment than those of men even if one controls for sectors. Some evidence suggests that women's primary concern in many developing countries is not with growth but rather with survival. This may be a reason for the finding that habitual

female entrepreneurs in developing countries tend to be portfolio rather than serial entrepreneurs, as they attempt to diversify income sources and survival chances.

The development of a country is built with multi dimensions. However, economy growth plays a vital role in developing a country. In this section, the three main resources; human, physical and financial resources. Nevertheless, human resource is the most important and rich resources for developing countries, especially, Myanmar. Being a developing country in Asia with rich cultures and traditions, Myanmar had suffered the impact of close and tight perceptions of cultures on every fields. In the field of economy and business, Myanmar women were not treated equally and welcomed in previous decades. The greatest deterrent for women entrepreneurs is being women, that is, most of the women in Myanmar grow up in male-dominant family and it block them in their way to business success. For those women who are encouraged to start business may also face the problem of financial institutions. In order to develop SMEs, Myanmar ministry of SMEs gives a hand to entrepreneurs to get loan from government. But the bankers and responsible departments consider women loonies as higher risk than of men. Sometimes, family obligations also bar women from entering the enterprises. They are tie with the responsibility of home, family, children and husband. Only few women are encouraged and get the chance to run their own business. Next is the discriminative argument on women that they have low-level management skills. In Myanmar culture, the stereotypic people always hold the fact that women tend to be more emotional on dealing with problems. Then, the gender gap is one of the main problems as mostly, male is the priority or dominant to female in Myanmar.

Thus, turn to competition among male and female entrepreneurs, despite the service and productivity, women are considered to lack organizational skills than men and have to face constraints from competition. Finally, risk taking, confidence and level of knowledge or education also impact on level of achievement and motivation of women entrepreneurs.

Being the major trading and communication center in northern and central Myanmar, Mandalay is Myanmar's second largest city with a max population of over 1.2 million. It is situated on a conscious and convenience area along the bank of important Ayeyarwady River and connects to India and China, Thailand and other parts of Southeast Asia via land routes. Located in central Myanmar, Mandalay Region is bordered by Sagaing Region to the north, Sagaing and Magway Regions to the west, the Union Territory of Nay Pyi Taw to the south, and Shan State to the east. With the area of over 11,925 sq. miles, Mandalay Region is the 11th largest constituent unit of Myanmar. The Region occupies the eastern parts of the central lowlands, and has only few areas of higher elevation towards its eastern boundary with Shan State. Most of the Region belongs to the 'Dry Zone' due to its relatively low rainfall patterns compared to other regions. Mandalay City and its surrounding districts have always played an important role in the political, economic and cultural history of Myanmar. It is also considered as one of the most developed among the states and regions of Myanmar socially and economically. It is the economic hub of Upper Myanmar and considered as the center of Myanmar culture. Despite Nay Pyi Taw being the country's capital, Mandalay still remains Upper Myanmar's main commercial, educational and health center. Mandalay is the

major trading and communications center for northern and central Myanmar. Most of Myanmar border trade to China and India goes through Mandalay. Furthermore, there are many industrial zones such as Mandalay industrial zone 1 and 2, and Myotha industrial zone in Mandalay region. Due to strategically located in the heart of central Myanmar, it becomes one of the country's main centers of commerce and investment, contributing in generating employment and economic development. The region has a mixed economy with agricultural production being the primary livelihood source for the majority of its population, combined with industrial production, trade and tourism.

Myanmar Women Entrepreneur

Being the unique image of one of the women entrepreneurs in Myanmar, Daw Khin Khin Kyi who become an entrepreneur breaking all the limitations, obstacles and stereotypic view. A woman from Chaung U, the dry zone of Myanmar, lived a normal life same to those women in villages of middle Myanmar. Chaung U is known for its fertile soil, paddy, peanuts and vegetables; which is all about agriculture. But it was hit by flood in 1995 and crops were destroyed seriously and the fields were in hardship too. Thus, local population suffered hardship as all of them are farmers. At that time, Daw Khin Khin Gyi was 25 years old and there was no obvious way for her to make earning. But, after visiting the exhibition in the nearby village, she got the idea that she could try making pottery herself for making earning. But she was totally new to that and so she practiced again and again until the good quality clay pots were made. Only the pots she made were very common in the market and so it was a problem to find a reasonable market. Then, she grabbed

the opportunity by pursuing some women neighbors to take the training of producing clay cookstove that provided by the Forest Research Institute of Yezin.

After the training, they keep on improving the quality of the cookstoves until they made the A1 quality cookstoves which are the best in the market. Then they also decided to make it bigger and so accepted the support from United Nations Development Program for the first set. Then they gradually produce cookstoves and even hands the opportunity to women by providing training and works. Now, almost all the women around that region are on business with the lead of Daw Khin Khin Kyi.

For the entrepreneurship motivation, she answered that it was mainly by “necessity breeds resilience” and “independent”. she said that economic necessity drives us along the time to make us move forwards and breaks the obstacles for surviving and living. And most of the women with low education and capital were only become peasants. Thus, she broke the stereotypic society of women’s lower living standard and change their life to become the main income source of the family and help them to be in business.

1.2 Problem Statement

Based on the problems and enhancements mentioned in the background of the study, women entrepreneurs in Myanmar are considered to be motivated by different factors to undertake entrepreneurship or start a new business. Although Mandalay is the second most developed city in Myanmar and the most developed in upper Myanmar, it is also the city with rich cultures and traditions. The rate of

small and medium enterprises is also found to be the highest in Myanmar. Nevertheless, the number of women entrepreneurs is also high in Mandalay. Motivation has become the hot topic recently, especially women entrepreneurship motivation has also become interested by various researchers. The motivation of women entrepreneurs in developing countries is also worth to be conducted as studies described there are differences with women entrepreneurs in developed countries. Through the observation that until now, there is no the exactly similar topic was conducted on this topic, focus on SMEs in Mandalay, Myanmar, a country with many changes in economy and politic, and still on the road of changes. And the previous researchers had proof that motivational factors of women entrepreneurs vary according to the development of the country; developed and developing countries. So, this study aims at investigating motivation or motivational factors of women entrepreneurs in SMEs of Mandalay, Myanmar.

1.3 Research Question

Entrepreneurship motivation has become the active topic of interest to study between the scholars and researchers. It was still new to adapt the motivational factors of women entrepreneurs in Myanmar, with unique traditions and economic stream, as only few researchers conducted, although it was done by many researchers internationally. This study seeks to explore the entrepreneurial motivation of the women entrepreneurs in order to improve understanding of entrepreneurship. Leading from these motivations and objectives the central research question of my thesis is:

“How motivational factors influence on women entrepreneurs in Mandalay in starting and managing small or medium enterprises?”

1.4 Research Objectives

The objective of the research in this study is to identify the motivations of women in starting their own business and undergoing it in small or medium enterprises in Mandalay, Myanmar.

1.5 Benefits of the research

Based on the formulation and objectives of this study, the benefits that can be drawn from this study are as follows:

1. Academically can contribute scientifically to the study of the science of Human Resource Development, especially in the field of the study on motivation and women entrepreneurship.
2. Practically can provide input to the government and local governments in the development of women entrepreneurship and bring the information in developing of women entrepreneurs in SMEs.