

# Limitations encountered by women "petty traders" in urban areas of Penang

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# Limitations encountered by Women “Petty Traders” in Urban Areas of Penang.

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## **Abstract**

Poverty alleviation has been a major challenge for developing countries such as Malaysia. Despite of the successive implementation of the Five Year Plan, a slow pace of expansion of the formal economy has contributed to the low labour absorption in the country. As a result, the informal sector plays an important role in providing sustainable livelihood to the unemployed. In the recent era women are increasing their numbers in entrepreneurial activity, particularly in micro enterprise, but the question arises on how many of these women managed to sustain in their entrepreneurial journey. The main objective of this paper is to examine the limitations faced by women petty traders in the course of starting and operating their businesses and also examine the effects of these limitations on their business in Penang, Malaysia. The study is based on an aided questionnaire and in depth interviews with women petty traders drawn from a purposive sampling of 30 petty traders operating in the morning market located in the urban area of Penang. The findings showed that these women petty traders are facing limitations in the areas of finance (58%), education and training (13.7%), family responsibilities (21.3%) and unreliable suppliers (7%). Most of the respondents are unaware of the policies and programmes of the government regarding entrepreneurship. These limitations faced by the respondents are affecting their business growth and success. Considering the sample size and research context the generalisation of the findings may need to be applied with caution.

**Keywords:** *Micro-enterprise, Women Petty Trader, Poverty Alleviation*

## 1. INTRODUCTION

This article attempts to gauge the limitations faced by the women street traders who are located in urban areas of Penang, Malaysia. Thorough entrepreneurial literature has been done prior to this study, which had helped increase the understanding of entrepreneurs and the gender dynamics of entrepreneurship. However, many of these literatures are much focused on entrepreneurial issues in Western countries compare to developing countries, resulting to people having little knowledge about the nature of the challenges and limitations that woman entrepreneurs encounter in developing countries like Malaysia.

No doubt there has been a growing call by scholars like Gartner, 2005 and Carter, 2008 for country specific studies in non-Western contexts to give the insights on women entrepreneurship. These attempts have deepened people's knowledge on the nature, limitations and challenges that women entrepreneurs encounter in developing economies like Malaysia. Petty trading is one of the major part of micro entrepreneurship activity that seems to be employed by people in developing countries. In, Malaysia, this activity is recognised by the society and authorities although at times it is regarded as a social problem since traders normally clutter up streets and create congestions. A common sight in Malaysia's sprawling urban areas is the widespread proliferation of petty traders, hawking everything from garden produce to imported consumer goods.

According to 2011 Malaysian Census of Establishment and Enterprise, 97.3% business establishments are SMEs which records 74.9% as micro enterprises. It also revealed that 88% of these micro enterprises are women owned firms. This proves that micro enterprise activity is particularly an important source of employment for women (Lloyd-Evans, 2008). In a review of street trading in Asia, Bhowmik (2005, p. 2264) writes:

*“Women vendors form the lowest rungs amongst street vendors. In most case they take to this trade because of poverty and because the male members in the family do not have jobs”.*

Inadequate data seems to be the reason the challenges faced by these women are not thoroughly taken into consideration when developing policies. On top of that, very few women are appointed in the political positions of many countries including Malaysia. The main purpose of the study is to close the research gap by exploring the limitations faced by women entrepreneurs especially by the petty traders in the state of Penang, Malaysia. As such, the main objective of this study is to examine the limitations faced by women petty traders in the course of starting and while operating their businesses and it also examined the effects of these challenges on their businesses.

## 2. PROBLEM STATEMENT

Street trading is one of the major occupations of the urban informal sector and petty traders are its main streams of this type of occupation. They have become crucial within the distribution system, catering to the needs of particularly the lower middle class and the poor. It's an undeniable fact that this sector creates jobs to the jobless and offer fairly good remuneration to those largely unemployed. Nevertheless, this sector receives little attention from the policy makers and there exist serious limitations when it comes to accessing both formal and informal financial institutions. This paper thus examines the limitations encountered by women petty traders from the Central Seberang Perai District of Penang State. This paper aims to identify and highlights the other measures taken by these petty traders to overcome their limitations. Understanding the limitations can help in policy adjustments; understanding the measures taken to lessen their limitations and which will trigger to solutions that's favourable to women petty traders located in urban areas.

## 3. RESEARCH QUESTION

This paper explores the limitations that women petty traders face in the course of starting and operating their businesses and aims to answer the following questions:

- i. How do petty trading activity provide sustainable livelihood to poor urban women?
- ii. What are the limitations faced by women petty traders?
- iii. How these women manage to sustain their entrepreneurial journey?

#### **4. SIGNIFICANCE OF THE STUDY**

This research has been done in the state of Penang, Malaysia. Considering the demographic attributes of the state, there seems to be rapid urbanisation with diverse group ethnicity living in this state. This condition seems to be a challenge for survival of the urban poor especially women. In the midst of combating their livelihood the tendency to operate in the informal sector seems to be higher. However, there are so much of constraints and limitations that these women have to face for survival.

Microfinance institutions (MFI's) are formed with the objective of ensuring that micro-enterprises have access to financial services. MFI aims at ensuring that these enterprises are catered in terms of provision of financial services. It is therefore necessary for the MFI's to understand the perceptions of this group on the impact of the microfinance services that they are offering and the level of awareness of the public especially women who are operating in the informal sector on the existence of MFI's and their services. This information may be used by the management of the microfinance institutions in determining areas for improvement so as to ensure their success. Considering the benefits attributed to MFI's in economic development and the rapid development of these institutions, impact of microfinance has received attention of researchers and academicians.

The existing policy responses to growth of the informal sector have not been encouraging, despite of some policies for addressing the issues on informal sector growth have been proposed including policies to improve on legal environment of informal sector, productivity enhancing policies and welfare type policies. There seem to be an urgent need in financial and technical support in the informal sector activities. Serious call must also be made in providing an institutional base support which will facilitate government and NGO's to easier access to the informal sector in stimulating networking women petty traders in the informal sector and reducing the isolation which reinforces their vulnerability. Therefore, the information obtained from this study will form a basis for literature to other researchers and academicians who are willing to carry out studies in the same field in Malaysia.

#### **5. LITERATURE REVIEW**

Malaysia went through a hard economic condition due to the Asian financial crisis which took place in 1997-1998. During these years the country's investment was not able to cover the effects of the crisis. In this time people don't have jobs and find other ways to ensure their income for survival. Small business became handy in this time especially in the informal sector (Idris and Siwar, 2003). Business and entrepreneurial activities are vital for every country's economic development. Entrepreneurial activities are deep rooted in the formal and informal economies of developing nations (Olarenwaju and Olabisi, 2012).

Economic crisis in Malaysia also witnessed migration of people from rural to urban areas for survival. The post crisis effect has caused many people to lose their jobs and it drove most people to find an alternative livelihood by joining the informal sector to remove themselves from the bracket of poverty (Ahmad et al., 2011). The informal traders have to struggle in order to survive in the challenging urban environment. Urban modernization life style demands high cost of living. Certain cultural values such as lack of confidence, collectivism and power distance are believed to be some of the problems faced by minority owners in understanding the relevant legal rules to implement their rights in their business (Rachagan and Satkunasigam, 2009).

Everyone have their own constraints and limitations with that they have to decide on their priority in their life between family and employment. In this case, normally women entrepreneurs face difficulties in balancing their work and their responsibility toward the family (Kasseeah and Tandrayen, 2014). Half of the population in Malaysia is women and they too contribute to the informal sector in order to survive (Idris and Siwar, 2003). There are many kind of informal trades found in Malaysia in different places, selling different types of goods with different types of manufacturing items but they have the same license in doing business, such as people who sell at the stalls in night or day markets, from their home, doing online business and others. The CCM (2015) states that people who want to start businesses, whether small or large, need to register with them as the regulatory body. However, the informal entrepreneurs are only required to register with the district council in their states to obtain the license because CCM is only meant for formal business registration in Malaysia (Hansor, 2015).

There may be different reasons for people to engage in the informal sector and it also have different factors for both developed and underdeveloped economies. Those unskilled in their respective sectors lose jobs and due to their low skill levels and inability of being mobile to a new activity that requires training, they have moved away from the formal into the informal sector (Kasseeah and Tandrayen, 2014; Loayza and Rigoloni, 2011). Losby and Kingslow (2002), investigation showed that women are more likely to work in the informal sector than men

as of their double burden, particularly on their responsibilities on child and elderly care. The types of informal work women do as market or street vendors or hawkers or home workers, expose them to health and physical risks compared to men. This is where they are left with little or no access to social security or protection and limited ability to organize and to ensure the enforcement of international labour standards and human rights (Abramo, 2006).

Many countries are still unable to develop a modern economy that is capable of providing suitable employment opportunities in their rapid growth of population. As for Malaysia, there is still no proper data collection method developed for the informal sector. It can be summarized that the informal sector encourages people especially women for many reasons and most of the reasons are common among the developing countries.

## **6. METHOD**

This study used the phenomenological method, it aims to describe, understand and interpret the meanings of experiences of human life. It focuses on research questions such as what it is like to experience a particular situation. Phenomenology being a broad discipline and method of inquiry in philosophy was developed by German philosophers Edmund Husserl and Martin Heidegger (1959-1938). Van Manen (1990) highlighted two approaches in phenomenology (i) Hermeneutic Phenomenology and (ii) Transcendental or Empirical Phenomenology. Moustakas (1994) elaborates that the whole research starts by (i) identifying a phenomenon to study, (ii) bracketing out one's experiences, (iii) collecting data from several persons who have experienced the phenomenon. The researcher then analyses the data by reducing the information to significant statements or quotes and combines the statement into themes.

The data collection of this study employed the phenomenological qualitative research techniques. The main reason behind choosing this method is because it allows the researcher to gain valuable insights through the subjective narratives of the respondents. This method was also chosen because it provides an opportunity to the researcher to ask more questions when necessary, thereby enabling researcher to gather a detailed and quality data. Bryan and Burgess (1999) noted that one underlying attribute of the qualitative methodology is its strong adherent to viewing events from the viewpoints of the subjects. This did not only help the researcher to learn more about specific events concerning the respondents, it also helped the researcher to gain insight into the respondents' interior experiences, especially how they perceived and interpreted their perceptions, and how different events affected their thoughts and feelings (William, 2010). As a result of this, the researcher is able to understand the process of each event, instead of what just happened and how the respondents reacted to them.

The instrument that was employed to conduct this study is semi-structured in-depth interview with the aid of the interview guide that comprises of open-ended questionnaires. The intention was to get the respondents to talk in their own terms; hence questions tend not to be too specific allowing for a range of possible responses (Ely et.al, 1991). These were used as the preferred research instrument for studies of this kind (Davidson et al. 2010). The greatest advantages of these two instruments are that they are able to gather detailed and quality data from the respondents (Marley, 2013). Wellman (2001) described that in-depth interviews are very useful because highly specific data can be obtained in a very short space of time. The intent of the interviews were to obtain personal description of key limitations facing micro-enterprises (petty traders in this case), especially those owned and run by women. These instruments tend to lead to much clearer social cues while carrying out the research. Social cues, such as voice, intonation and body language of the respondents gave extra information that was added to their verbal answers.

The population of this study was mainly Penang women petty traders. Purposive sampling method was used to select sample, which is a form of non-random sampling. 30 women petty traders were selected as respondents for this study. Another reason is that purposive sampling reduces the amount of time necessary to search for appropriate respondents that meet the selection criteria required for the sample of a study (Sadan, 2011). Snowball sampling also know as chain referral sampling is considered as one type of purposive sampling used in this particular research. Here the respondents were given the opportunity to tell their stories in their own style and on their own time, as well to recommend others who may have similar experiences to share. In selecting the sample, no particular emphasis was placed on the nature of the businesses; these women were engaged in hawking food, drinks, groceries, fruits, vegetables, snacks, clothes and many others. On top of that, most of the micro-enterprises owned by women in this study are informal, because they are not formally registered with the Companies Commission of Malaysia (CCM).

## 7. DEMOGRAPHIC CHARACTERISTICS

The research area that was selected for this study is Seberang Jaya. A locality situated in the Central Seberang Perai District of the mainland of Penang state where many women micro entrepreneurs are seen taking up petty trading as main economic activities for survival. This facilitates an easy access to the respondents of this study without exposing their identity to the public. Another reason for choosing Seberang Jaya is due to the diverse ethnic groups of this area. As a result of this, the researcher was able to collect a data that reflects the opinions and challenges faced by women micro entrepreneurs from different ethnic groups in the state.

Out of the 30 women petty traders sampled, 24 are semi-static and 6 belong to the permanently located category. The 24 semi-static petty traders are those, whose stalls are removed usually at the end of the day of the business, these petty traders were mostly operating on the footpath platforms and public streets. Where else, the balance 6 petty traders are operating from fixed locations, located in a temporary structure or in a person's home or backyard in the form of a tent. Thus, the petty traders in the study belong mainly to the semi-static category whose stalls are usually removed at the end of the business day. The work schedule of petty traders is on an average 16 hours a day and mostly work 6 days a week.

The study showed that most of the respondents 78.7% only have formal education, while 21.3% of the respondents do not have any formal education as shown in Table 1. A similar trend was observed by Timothy (2007). In a study conducted in Malaysia, Timothy found that most women entrepreneurs, who own micro and small businesses, only have little formal education. As shown in Table 2, the age distribution of the respondents showed that most of them were between ages 46-58 (42.7%), followed by 41-45 years (18%). Also, about 16% of the respondents were between 36-40 years, while 12.3% of them were between 31-35 years, while 11% of them were between 26-30 years. As described in Table 3, the marital status of the respondents showed that 88.1% were married while 8.2% were single and 3.7% were widow. This is similar to the findings of the study conducted by Teslim (2008), which showed that most women entrepreneurs are married, while few of them are single. The study also showed that 57.8% of the respondents are Malay, while Chinese respondents accounted to 32.4% and 9.8% were Indian respondents.

Education Level	Percentage
Formal Education	78.7%
No Formal Education	21.3%

Table 1: Education level of women petty traders.

Age Distribution	Percentage
26- 30 years	11%
31-35 years	12.3%
36- 40 years	16%
41-45 years	18%
46-58 years	42.7%

Table 2: Age distribution of women petty traders.

Marital Status	Percentage
Married	88.1%
Single	8.2%
Widow	3.7%

Table 3: Marital status of women petty traders.

## **8. RESULTS**

Studies conducted in developing countries like Uganda, China, Indonesia, and India have shown that women micro-entrepreneurs face various limitations that are impeding the success of their businesses (Richard, 2013). Winn (2005) reported that two biggest hurdles women face in starting and running a company are funding and family support. Gundry et al., (2002) found that lack of access to capital has been a primary obstacle for women micro-entrepreneurs. Helm's (1997) study supported and also stated that, financial aspects of venture start-up and management are the biggest obstacles for women.

The study has identified the below listed limitations encountered by women micro-entrepreneurs which are explained further.

- i. Financial challenges.
- ii. Excess family obligations.
- iii. Education and training.
- iv. Unreliable suppliers.

### **i. Financial Challenges**

Ramasamy (2016) reported 80% of the respondents made reference to lack of finance as the main problem that's holding their business behind and very few of these women considered micro-finance institutions as a first choice of financial source for the development of their business. It is also noted that these women petty traders have inability to save up their start up fund to engage in business activities. This raises question on whether these women traders have adequate understanding and information on how to proactively seek financial sources to progress in their business.

Several studies have shown that women in developing and developed countries encounter serious difficulties when assessing finance especially for start-ups, but also for the expansion of establishment enterprises. Winn (2005) reported that the two biggest hurdles women face in starting and running their business are funding and family support. Gundry et al., (2002) found that lack of access to capital has been a primary obstacle for women entrepreneurs. Helm's (1997) study supported and stated that, financial aspects of venture start-up and management are the biggest obstacles for women. This is including start-up financing and credit, cash flow management in the early operation and financial planning. Women are normally collecting business funding through family loans, personal savings, credit cards, and home equity loans (Gundry et al., 2002).

### **ii. Overloaded with Family Obligations**

According to Richard (2013), women have higher labour burden (time poor) as opposed to men. He further maintains that family and community responsibilities take a lot of women's time that could be applied to improving their income generating efforts.

Indeed, it's a norm for women in countries like Malaysia to wake up as early as five o'clock in the morning and to work at least 16 hours a day, juggling both productive work and their responsibilities at home, their responsibility for child care and often caring for more than three or more children at a time which limits their mobility to generate income. Women's responsibilities for child care are often cited as reasons for women's low participation in skills training and literacy programs, which are crucial for building the business management skills of female enterprises (Richard, 2013).

Similarly, Starcher (1996) argued that women's family obligations often bar them from becoming successful entrepreneurs. He further argued that having primary responsibility for children, home and older dependent family members deprive women of the opportunity to devote more time and energy to their businesses.

### **iii. Education and Training**

Decal (2010) links the challenges faced by women who own micro and small businesses to low education and lack of training. He maintains that most of these women often embark on business activities as a result of their families' economic hardship. Hence, their economic participation is merely to support and ensure their families

wellbeing. This sum up to their family situation that compels them to operate micro or small businesses, it does not further encourage them to attend any training programs or even get educated. The reason is merely for survival.

This projects a clear correlation between poverty and dependency on women. The poorer the families the greater seem to be the dependence on women's economic productivity (Kabeer, 1992). Women in developing countries like Malaysia obviously needs the relevant education and skills in starting and managing a business successfully, and thus will increase the potential for success. Many of the respondents of this study have only obtained secondary education.

#### iv. Unreliable Suppliers

Women entrepreneurs operating in market settings, such as petty traders, face complex structural barriers such as discrimination from suppliers, buyers and even their business associates (Godwin, Stevens, & Brenner, 2006). This problem seems to be a challenge as it accounts to less bargaining and negotiation power among them towards their business growth. Since these women operate on a small scale they often find it difficult to bargain for competitive price to purchase the goods. At times the suppliers fail to supply them the quantity of goods they need on time, due to that the petty traders fails to satisfy their customers. Most existing supplier's network is male dominated and sometimes not welcoming to women.

## 9. DISCUSSION

### i. Problems Encountered by the Respondents and the Effects on their Businesses

Table 4 below describes the limitations faced by the respondents (petty traders). Majority of the respondents that is 58% stated that the biggest challenge they are facing in their business is financial limitations followed by family obligations is 21.3%, while education and training challenges accounts to 13.7% and finally the unreliable suppliers challenge constitutes to 7%. In addition, the findings showed that these challenges are negatively affecting the sales and profits of the respondents.

Limitations	Percentage
Financial Challenges	58.0%
Family obligations	21.3%
Education and training	13.7%
Erratic suppliers	7.0%

Table 4: Limitations encounter by the women petty traders.

The following was gathered, in order to clearly understand how these challenges are affecting the businesses of the respondents.

The majority challenge faced by the petty traders in this study is the financial limitations which is about 58%. One of the respondents, without any hesitation Kak Som petty trading vegetables in the market pointed out that;

*I am reluctant to grow my business by accessing support from financial institutions as I'm worried it would lead to losing her existing asset if she fails to repay the loan amount. She also fears being harassed by any possible legal battles should she not able to repay the loan amount (see also Ramasamy, 2016).*

Another respondent, Mrs. Meena who sells vegetables at the wet market described her bad experience while applying for business loan. According to her;

*I find it difficult to handle the bureaucratic procedures encountered when trying to apply for financial support from Micro Finance Institutions and banks. On top that, the increasing transportation cost and devaluation of the local currency has made goods much more expensive (see also Ramasamy, 2016).*

One of the respondents, Mrs. Lim who is also a vegetable retailer, said that;

*One of my biggest challenge is to have my customers to pay me timely, I supply to 2 different restaurants. These restaurants sometimes fail to pay me on the agreed dates and this causes me to have lack of money to re invest or buy more vegetables. This causes me not to able to supply my other customer's demands within a specific period of time, thereby losing some of my sales to my competitors.*

Another challenge mentioned by 21.3% of the respondents as another biggest challenge is the overloaded of family obligation that they have to meet. Kak Latifah, who is petty trading groceries, expressed her concern towards the aforesaid challenge by making the following remarks;

*I feel guilty most of the time and it seems to be a conflict in executing my role as a wife, mother and business. No matter how aggressive I am, as expected to be in business; I must always remember that my responsibility as wife and a mother. I have four children and three are school going.*

Also a similar comment made by another respondent Mrs. Chew who sells noodle soup in the morning market says;

*I find it difficult to balance my business and family responsibilities, because they are too much for me to handle. Selling noodles it not an easy work, the preparation of the soup and noodle takes a lot of time. I have four school going children, two in the morning session and another two in the afternoon session. Before going for business every day, I have to cook, clean and prepare my children for school. My husband only helps occasional basis, due to the nature of his job. I normally start business operation later than the other of my competitors; this in turn causes a decline in my sales and profit, and also negatively affects the productivity of my business.*

This study also identified the lack of education and training amongst women petty traders which accounts to 13.7%. These respondents also said that lack of education and training deprives their right to access to economic opportunities. The effect of the poor educational levels among women in small scale enterprises were their inability to keep proper records of business, misapplication and appropriation of fund among other things. Gaining relevant skills and knowledge can also be more difficult for these women, since they frequently have additional work burden. This has caused many women to start their businesses without adequate knowledge and skills.

Mrs Kalamah who is hawking Tosai and other Indian breakfast items, shared her experience;

*I was disappointed of not able to access to proper training due to her education level. I only have primary education but she is very much interested to learn on frozen food technology to bring about product innovation to Indian foodie items. With my level of education, I find it difficult to find information and this area and I don't know where and whom to approach.*

One more respondent, Mrs Gowri, a fish monger shared her opinion;

*This additional work burden makes me less able than men to attend formal and informal trainings. This is due to the fact that I am carrying out family responsibilities or sometimes the content and method of the training delivery may not be appropriate.*

The last but not least, challenge that was mentioned by the respondents was on the limitations of unreliable of suppliers. This problem accounts to 7% in this study. Some of them said that their suppliers fail to supply the goods on time which causes them to lose part of their sales.

Mrs Fatimah sell eggs and being the only egg seller in morning market puts her as the only egg seller. However, she faces challenges in the form of inconsistency supply.

*My suppliers sometimes fail to supply me enough eggs. Being the only egg seller in the morning market, I stand to have the monopoly selling power, but yet with inconsistency of supply. I sell 6 types (grades) of eggs including "Telur Kampong". Most of food hawkers in the market also buy eggs from me. I need to have enough stock of eggs to satisfy my customers. Egg prices are controlled item as such, my per egg profits are fixed. I don't have intention to change or divert to other suppliers, because the price that the current supplier offers me are lower from those offered by other suppliers. This unreliability of egg supply is obviously giving a negatively affect to the sales of my business.*

Mrs Beh, who sells grocery items, described how the abovementioned challenge affects her business. According to her;

*Some of my suppliers are unreliable and I cannot easily change them, because they supply goods on credit and it took me time to build a good relationship with them. They sometimes postpone the supply of certain goods for days, even after informing them that I am completely out of stock, lately I had terrible shortage on oil packets. I find that the suppliers tend to postpone the supply of certain goods with any logical reasons. This may have a bigger negative impact on my business as some of my customers are price sensitive and they can switch to within the location of my business.*

## 10. CONCLUSION

The rise in the number of petty traders and street vendors in most urban areas in Malaysia are largely due to the lack of employment and low income. As such, petty trading is taken up as mean of survival by this group of people. The purpose of this paper is to highlight some of the limitations facing women petty traders which was conducted in Seberang Jaya a locality situated in the Central Seberang Perai District of the mainland of Penang state, where many women micro-entrepreneurs are seen taking up petty trading as mean of survival. The limitations were confirmed through interviews, which were financial limitations, family obligations, education and training and finally unreliable suppliers.

It was also found that half of the respondents (58%) considered financial limitations as the biggest challenge they are facing in their businesses. Ironically, very few of these women considered microfinance institutes (MFI) as a first choice source of finance for the development of their business. This study also noted the lack of searching for microfinance, as most of these women exhibited a desire for other sources of finance such as borrowing from spouses, friend and family. This raises the question of whether these women have an adequate understanding of the benefits of microfinance and how to proactively seek out financial sources in order to advance their business.

## 11. RECOMMENDATIONS

Women have shown that they are strong entrepreneurs, borrowers and change agents through women's small medium enterprises (SME). This paper posits that the lack of access to credit promotes market exclusion and deepens the socio-economic vulnerability of women. One way microfinance assists them to diversify their household income and helps to alleviate their poverty. It also plays a central role in creating jobs for women especially those with low education.

Making sure access to microfinance and training to women is not the only solution to the growth of their businesses. The gender related challenges faced by women such as excess family responsibility must be taken into consideration by policy makers in Malaysia. Efforts should be made by the government for women empowerment through various business skill and leadership programs that will help women increase their ability to progress in different businesses. Beneficial informal associations and non-governmental organisations (NGOs) should be created as a strong support system for women entrepreneurs, who operate in the informal sectors. There are a number of associations of women small medium enterprises (SME) organisations in Malaysia. However, these organisations are not to their capacity to support the small and medium size enterprises, of that basically means that the micro-enterprises are underrepresented. This kind of support can help to enhance their capacity to express their common interests and advocate for improvement of policy environment and at the same time help to increase their investment in various sub-sectors that they operate. Many of these petty traders felt that they are lacked with the necessary negotiation skills associated with suppliers, and they also faced both practical and social problems in accessing local markets. This seems to an underlying gender issue that specifically affect women as some respondents described that suppliers preferred to negotiate with their husbands rather than them, even though if she is the owner of the business.

Lack of statistical data on informal businesses is a major problem for researchers, policy formulation, and program development. Gender statistics on the characteristics and business practices of female and male entrepreneurs are necessary for informed decision making and researches. Government statistical offices and their partners, such as the Companies Commission of Malaysia (CCM), are key players in collecting, analysing, and disseminating key information to the government, researchers, and the general public. Therefore, it is recommended that attention be paid to collect sufficient and detailed gender statistics on the country's micro and

small enterprises. This would help the government to develop policies also help researchers to easily access to information about women entrepreneurs who operate in both the formal and informal sectors.

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# Limitations encountered by Women Petty Traders: Evidence from urban areas in Penang, Malaysia.

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## Introduction: Context of Study

- In Malaysia SME → divided into three main streams of enterprise which are:
  - (i) Micro enterprise
  - (ii) Small enterprise
  - (iii) Medium enterprise
- Micro enterprise → turnover Rm300,000 or fewer than five full time employees.
- Street trading → major occupations of the urban informal sector (petty traders/hawkers).
- Micro entrepreneurship → creates jobs to the jobless and offer fairly good remuneration to those largely unemployed women.
- This sector → receives little attention from the policy makers and funding and training challenges from financial institutions.
- According to 2011 Malaysian Census of Establishment and Enterprise, 97.3% business establishments are SMEs which records 74.9% as micro enterprises.



## Research Objectives

- (i) To examine the limitations faced by women petty traders in their business.
- (ii) To examine the effects of the limitation to their business operations.

## Research Questions

- (i) How do petty trading activity provide sustainable livelihood to poor urban women?
- (ii) What are the limitations faced by women petty traders?
- (iii) How these limitations impede their entrepreneurial journey?



## Key Literature References

- Gartner, 2005 & Carter, 2008 → urged for country specific studies in non-Western contexts to give insights on women entrepreneurship.
- Malaysian Census of Establishment and Enterprise, 2011 → revealed that 88% of these micro enterprises are women owned firms.
- Lloyd-Evans, 2008 → Proves that micro enterprise activity is particularly an important source of employment for women.
- Bhowmik, 2005 → Women vendors form the lowest rungs amongst street vendors. In most case they take to this trade because of poverty and because the male members in the family do not have jobs”.

## Phenomenology Research Method

- Phenomenology study **solely** describes the **experiences** from the **perspectives of the participant**.
- Developed by Edmund Husserl (1859-1938) , who is know as the “Father of Phenomenology”.
- Van Manen (1990), highlighted two approaches in phenomenology;
  - (i) Hermeneutic Phenomenology
  - (ii) Transcendental/Empirical Phenomenology
- Moustakas (1994), elaborates that the whole research starts by (i) **identifying** a phenomenon to study, (ii) **bracketing** out one’s experiences, (iii) **collecting data** from participants who have experienced the phenomenon, (iv) **analysis** where researcher become fully immersed into the rich, descriptive data and using processes such as coding to develop theme, and (v) **description** is the last phase of the process, researcher will use his or her understanding of the data to describe and define the phenomenon and communicate it to others.

## Data Collection and Sampling

- The study employed the phenomenological qualitative research techniques.
- The semi-structured in-depth interview with the aid of interview guide was used as the data collection tool. The intention was to get the respondents to talk in their own terms, hence questions tend not to be too specific allowing for a range of possible responses (Ely et.al, 1991).
- The interviews were audio recorded and field notes were also taken. The field notes is maintained and secured in the similar manner to audio tapes and transcripts.
- The population of this study is mainly the Penang women petty traders and purposive sampling method was used to select the sample, which is a form of non-random sampling.



## Demographic Characteristics

Education Level	Percentage
Formal Education	78.7%
No Formal Education	21.3%

Table 1: Education level of women petty traders.

Age Distribution	Percentage
26- 30 years	11%
31-35 years	12.3%
36- 40 years	16%
41-45 years	18%
46-58 years	42.7%

Table 2: Age distribution of women petty traders.

Marital Status	Percentage
Married	88.1%
Single	8.2%
Widow	3.7%

Table 3: Marital status of women petty traders.

## Phenomenology Data Analysis

Step 1: **Building** on the **data** from the research questions, the researcher goes through the interview transcriptions.

Step 2: **Significant statements, sentences, or quotes** that provide an understanding of how the participants experienced the phenomenon were highlighted, Moustakas (1994) calls this step as **horizontalization**.

Step 3: The researcher **develops clusters** of meaning from these significant statements **into themes**.

Step 4: These significant statements and themes are then used to write a description of what the participants experienced which is known **individual textural description**.

Step 5: They are later used to write a description of an **integration** of all of the individual textural descriptions into a **group** which is called **structural description**.

Step 6: The textural and structural descriptions provide the researcher a **composite description** that aids to **cluster** the **structural qualities** into themes or also called as the **essence of the phenomenon**.

## Findings

Below table describes the themes that emerged from phenomenology data analysis process. The essence of the studied phenomena are the limitations faced by the respondents. Majority of the respondents stated that the biggest limitation they face in their business is **financial challenges** (58%) followed by **family obligations** (21.3%), **education and training challenges** (13.7%) and the final limitation was **unreliable suppliers** (7%). In addition, the findings showed that these challenges are negatively affecting the sales and profits of the respondents.

Limitations	Percentage
Financial Challenges	58.0%
Family obligations	21.3%
Education and training	13.7%
Erratic suppliers	7.0%

## Discussions

- **Financial challenges**

Several studies have shown that women in developing and developed countries encounter serious difficulties when assessing finance especially for start-ups, but also for the expansion of establishment enterprises. Winn (2005) reported that the two biggest hurdles women face in starting and running their business are funding and family support.

Respondent 1: A fish monger at the wet market described her bad experience while applying for business loan. According to her;

*I find it difficult to handle the bureaucratic procedures encountered when trying to apply for financial support from Micro Finance Institutions and banks. On top that, the increasing transportation cost and devaluation of the local currency has made goods much more expensive.*

## Discussions

- **Family obligations**

Another biggest challenge mentioned by 21.3% of the respondents is the overloaded of family obligation that they have to meet.

Respondent 2: Who sells noodle soup in the morning market says;

*I find it difficult to balance my business and family responsibilities, because they are too much for me to handle. Selling noodles it not an easy work, the preparation of the soup and noodle takes a lot of time. I have four school going children, two in the morning session and another two in the afternoon session. Before going for business every day, I have to cook, clean and prepare my children for school. My husband only helps occasional basis, due to the nature of his job. I normally start business operation later than the other of my competitors; this in turn causes a decline in my sales and profit, and also negatively affects the productivity of my business.*

## Discussions

### ● Education and Training

This study also identified the lack of education and training among women petty trader which accounts to 13.7%. These respondents also said that lack of education and training deprives their right to access to economic opportunities. The effect of the poor education level among women in small scale enterprises were their inability to keep proper records of business, misapplication and appropriation of fund among other things.

Respondent 3: Who is hawking Tosai and other Indian breakfast items, shared her experience;

*I was disappointed of not able to access to proper training due to her education level. I have only primary education but she is very much interested to learn on frozen food technology to bring about product innovation to Indian foodie items. With my level of education, I find it difficult to find information in this area and I don't know where and whom to approach.*

## Discussions

### ▪ Unreliable Suppliers

The last but not least challenge that was mentioned by the respondents was on the limitations of unreliable of suppliers. This problem accounts to 7% in this study. Some of them said that their suppliers fail to supply the goods on time which causes them to lose part of their sales.

Respondent 4: Sell eggs and being the only egg seller in morning market puts her as the only egg seller. However, she faces challenges in the form of inconsistency supply.

*My suppliers sometimes fail to supply me enough eggs. Being the only egg seller in the morning market, I stand to have the monopoly selling power, but yet with inconsistency of supply I'm unable to fully mobilize my monopoly status. I sell 6 types (grades) of eggs including "Telur Kampong". Most of food hawkers in the market also buy eggs from me. I need to have enough stock of eggs to satisfy my customers. Egg prices are controlled item as such, my per egg profits are fixed. I don't have intention to change or divert to other suppliers, because the price that the current supplier offers me are lower from those offered by other suppliers. This unreliability of egg supply is obviously giving a negatively affect to the sales of my business.*

## Conclusions

- The rise in the number of petty traders and street vendors in most urban areas in Malaysia are largely due to the lack of employment and low income, petty trading is taken up as mean of survival by this group of people.
- The purpose of this paper was to highlight some of the limitations facing women petty traders which was conducted in Seberang Jaya a locality situated in the Central Seberang Perai District of the mainland of Penang state where many women micro-entrepreneurs are seen taking up petty trading as mean of survival.
- The limitations were confirmed through interviews, which were financial challenges, family obligations, education and training and finally unreliable supplier are the main constraints faced by them.

## Recommendations

- Making sure access to microfinance and training to women.
- Gender related challenges faced by women such as excess of family responsibility must be taken into consideration by policy makers in Malaysia.
- Government and NGO should create a strong support system for women entrepreneurs in the informal sectors.
- Support can help to enhance their capacity to express their common interests and advocate for improvement of policy environment and at the same time help to increase their investment in various sub-sectors that they operate.
- Recommended that attention be paid to collect sufficient and detailed gender statistics on the country's micro and small enterprises.
- This would help the government to develop policies also help researchers to easily access to information about women entrepreneurs who operate in both the formal and informal sectors.
- The eradication of most of these societal constraints should be seen by all stakeholders, both **society** and **government** as a step towards lifting Malaysian women up from bottom of the pyramid.

**Thank you**

**Q & A**

