

## MUSLIM WOMEN ENTREPRENEURSHIP IN SRILANKA- A STUDY OF WOMEN-OWNED/LED BUSINESSES IN EASTERN REGION

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### ABSTRACT

*Entrepreneurship plays prominent role in economic as well as social contribution towards the national economies. Women Entrepreneurship has become a protuberant part in any country's economy and government is viewing entrepreneurship the only solution of its increasing employment demand and upgrading living standards. Women entrepreneurs envisage many problems while operating their businesses. Lack of entrepreneurial qualities, dual role to play at business and at home, lack of awareness of facilities provided by the business development services institutions, competition with large scale units, problems related to marketing, lack of access to finance and lack of access to technology are some of them. Government has been taking multiple steps to promote women entrepreneurship in Sri Lanka too by means of providing financial and non-financial supports. There are government and non-governmental business development support service agencies are taking much effort to motivate women entrepreneurship since its necessity has been felt. But, still it is a question where the so called women have been empowered in proper way to nation's development. Though the Eastern Region in Sri Lanka consists of majority population as Muslim than Tamil and Sinhalese, the participation of Muslim women is relatively low as compared with other religious group. A number of research directions and questions are posed as a way of extending the knowledge in this area. This paper aims to identify the difference in entrepreneurial development by ethnicity wise since Sri Lanka has multi religious and multi ethnicity group in the society. For this purpose, women owned/ led businesses in Eastern region were focused. This was a descriptive study using semi-structured questionnaire and face-to-face interviews with 230 women entrepreneurs using simple random sampling technique. Findings suggest that, there is a significant difference between the ethnicity group – Muslims and non-Muslim (Tamils, and Sinhalese) with the mean business existence. It was also found that, there is an association between the ethnicity group and the intention to grow the business further. Muslim women entrepreneurs have relatively low mean in business existence rather than the other two ethnicity group such as Tamils and Sinhalese entrepreneurs. Islam also clearly support trade and commerce including women entrepreneurship through Al Quran (The Holy Book of Muslim). But Muslim women have lack of participation in the business sector since they face unique challenges. Eastern region in Sri Lanka has the majority of Muslim compared to other regions in Sri Lanka, and there is a great potential for Muslim women entrepreneurship. Thus, their role is being recognized and steps might have been taken to empower and promote Muslim women entrepreneurship which would lead to regional as well as national development in Sri Lanka. This study lapse the reasons why Muslim women entrepreneurs have lack of participation in the entrepreneurial development. Further studies might address this gap and find the factors behind the success of Muslim women entrepreneurship in Sri Lanka as well in all over the countries in order to promote Muslim women entrepreneurship.*

Key Words: Women-owned/led businesses, women entrepreneurs, Muslim women, ethnicity.

### Introduction

Entrepreneurship is increasingly recognized as a significant catalyst for economic growth in any country. Transforming ideas into capitalizing opportunities is the pivotal matter of entrepreneurship. History shows that economic progress has been significantly advanced by realistic people who are entrepreneurial and innovative, able to exploit opportunities and willing to envisage risks. In the West, women are increasingly turning to entrepreneurship as a way of coping with the 'glass ceiling' that appears to prevent them from reaching top managerial positions in organizations (Morrison et al., 1987). Others find that entrepreneurship provides them with greater satisfaction and flexibility (Belcourt et al., 1991). This trend has also been noticeable in several Asian countries (Licuanan, 1992). Women owned businesses in South Asia are growing rapidly, and in Sri Lanka (Moonasinghe, 2000), and entrepreneurship offers tremendous opportunities for women 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 (Estes, 1999). Thus, women entrepreneurship has become a prominent role in Sri Lankan Economy. Most of the women entrepreneurs in women headed families in Sri Lanka, are motivated by push factors such as inadequate family income, unemployment, death of the male family members due to the domestic war for entrepreneurship in micro businesses (Salfiya,Ummah & Gunapalan, 2012). Steps have been taken to promote women entrepreneurship in Sri Lanka too. Women entrepreneurs should be shaped properly with entrepreneurial qualities to meet the challenges in national and global markets and be competent enough to survive in the industry by means of showing the pull factors and positive sides of the entrepreneurship. Thus, women Entrepreneurship has become a pivotal role in Sri Lankan economy and there is an imperatives necessity to empower women through entrepreneurial development activities. Because of the domestic war and tsunami hit in 2004 which made more women separated and have become the bread winners of their families.

Sri Lanka's total population 20.27 million consists of 53% women according to Department of Census and Statistics, 2013. Labour force participation rate is still low in Sri Lanka 34.3% of female is half of 65.7 for male (Sri Lanka Labour force Survey, 2013). This implies that there is an unexploited reservoir of manpower that could be utilized for development of a country while empowering individuals and benefitting society as a whole by means of attracting to labour force or creating as women

entrepreneurs It's also acknowledged that women-owned Small and Medium Enterprises (SMEs) could well cater to the demands of the rising middle class – important to Sri Lanka now given the country's move towards an upper middle-income economy. Given the low female labour force participation in the country, fostering women entrepreneurs can be an effective way of capturing the potential of women in the development process of Sri Lanka.

Women entrepreneurs envisage many problems while operating their businesses. Lack of entrepreneurial qualities, dual role to play at business and at home, lack of awareness of facilities provided by the business development services institutions, competition with large scale units, problems related to marketing, lack of access to finance and lack of access to technology (Salfiya Ummah & Jamaldeen, 2015) and the most frequent challenges faced by women entrepreneurs are lack of finance, lack of demand, location problem (Ilhaamie, 2014). These might be common to Muslim women entrepreneurs. However, religion or culture can influence on business performance of women entrepreneurs. Government has been taking multiple steps to promote women entrepreneurship in Sri Lanka too by means of providing financial and non-financial supports (Institute for Policy Studies, 2011). There are government and non-governmental business development support service agencies are taking much effort to motivate women entrepreneurship since its necessity has been felt. But, still it is a question where the so called women have been empowered in proper way to nation's development. Though the Eastern Region in Sri Lanka consists of majority population as Muslim than Tamil and Sinhalese, the participation of Muslim women is relatively low as compared with other religious group. A number of research directions and questions are posed as a way of extending the knowledge in this area. This paper aims to identify the difference in entrepreneurial development by ethnicity wise since Sri Lanka has multi religious and multi ethnicity group in the society.

In Sri Lanka 90% SMEs represents the economy. Among the total employers in Sri Lanka, only 10% of them are women employers. Sri Lanka is primarily an agricultural country in which the Eastern Province consists of districts among twenty-five namely Ampara, Batticaloa and Trincomalee where multi ethnic people such as Sinhalese, Tamils, Muslims, live together. Over 90% of the populations in this region live in rural sector. Mainly agricultural sector such as paddy production, crop production, cattle farming, poultry farming are found in this district and Fishing and dried fish processing also is another source of income in the coastal area of Eastern Province. commercial places such as retail shops, restaurants, textile and footwear, dispensary and Pharmacy, wood and iron furniture, building material and paints jewelry, liquor shops Palmyra product, tourist based business are found in common. More women owned businesses found in Eastern region are handicraft, handloom, garments and textiles, retail business, food processing and other products crop farming, and poultry farming etc.

The role of women entrepreneurship is unavoidable in any country. Now a day, women enter in almost all the fields such as trade and industry, engineering, technology. They are willing to take up business and contribute to the nation's development. Islam also clearly support trade and commerce including women entrepreneurship through Al Quran (The Holy Book of Muslim); (Alina, 2013; Ullah et al.2013). But Muslim women have lack of participation in the business sector since they face unique challenges (Ilhaamie et al.2014). Hence there is a need to identify where there are differences in starting or operating a small and medium scale businesses. Thus, their role is to be recognized and steps should be taken to empower and promote Muslim women entrepreneurship. Problem lies from the above broad problem and the following objectives were focused in this study.

1. To test if business existence between different ethnicity category.
2. To find the association between the ethnicity category and intention to grow the business further

#### Methods And Materials

This was an analytical study using semi-structured questionnaire and face-to-face interviews with 230 women entrepreneurs using simple random sampling technique from three main ethnicity groups in the eastern region Final year undergraduates were used to collect the data. The interview for the focus group was individual and group. Since there is not a validated data base about the women entrepreneurs in this region, entrepreneurs were invited for a common gathering from the registered list available in the District Chamber of Industry and Commerce and the District secretariats though Development Officers. One way ANOVA and contingency tables were used to test the hypotheses using SPSS20.0 student version.

#### Hypotheses:

Two hypotheses were drawn to test the objectives of the research.

H1: There is difference between business existence and ethnicity categories.

H2: These is an association between ethnicity categories and the intention to grow the business further.

Business existence was operationalized the number of years operating the business by a women entrepreneur. And the intention to grow the business further was operationalized whether a women entrepreneur has intention continue the business further after five years from their start-ups or on-going operation of the business.

#### Discussion And Findings

##### A. Respondents Profile

In this study, frequency distributions and descriptive statistics were used to demonstrate information such as ethnicity, education, type of business, age, business experience.

Table-1 Respondents Profile

Variable	Frequency	Percentage	Mean±
Ethnicity			
Muslim	97	42.2%	

Tamil	82	35.6%
Sinhalese	51	22.2%
Education		
Below G.C.E (O/L)	96	41.7%
G.C.E (O/L)	87	37.8%
G.C.E (A/L)	45	19.6%
Degree and above	02	0.9%
Type of Business		
Handicraft& Handloom	34	15.6%
Tailoring and Garments	40	17.4%
Food processing	66	28.7%
Wholesale Retail Business	33	14.3%
Crop & poultry farming	44	19.1%
Others	13	5.6%
Business Experience		3.6 ± 3.1
Age		44.3 ± 6.2

Of the 230 subjects, 97(42.2%) are Muslims, 82(35.6%) are Tamils, and 51(22.2%) are Sinhalese.

Out of the 230 respondents, 96(41.7) obtain education below G.C.E. (O/L), 87(37.8%) have G.C.E (O/L), 45(19.6%) have G.C.E. (A/L), and only 2(0.9%) obtain higher Education.

From the respondents, 34(15.6%) are engaged with handicraft & handloom, 40(17.4%) are Tailoring& garments, 66(28.7%) are food processing, 33(14.3%) are in wholesale & retail businesses, 44(19.1%) are in crop & poultry farming, and 13(5.6%) are engaged with other types of businesses.

The mean business experience (known as business existence in this study) is 3.6 ± 3.1. The maximum and minimum values are 1 and 28 years.

## B. Testing hypothesis 1

**Objective 1: To test if business existence between different ethnicity category.**

**H1: There is difference between business existence and ethnicity categories**

**Table-2 Descriptive**

### Descriptives

Business Existence								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Muslim	97	2.6701	3.34079	.33921	1.9968	3.3434	1.00	28.00
Tamils	82	4.1951	2.52121	.27842	3.6412	4.7491	1.00	12.00
Sinhalese	51	4.2745	3.26085	.45661	3.3574	5.1916	1.00	20.00
Total	230	3.5696	3.13724	.20686	3.1620	3.9772	1.00	28.00

The sample mean of business existence for Muslims, Tamils, and Sinhalese are 2.7±3.3, 4.2±2.5, and 4.3±3.3 respectively.

**Table-3 Test of Homogeneity of Variances**

Business Existence			
Levene Statistic	df1	df2	Sig.
.239	2	227	.787

**Table-4 ANOVA**

Business Existence					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	135.909	2	67.954	7.283	.001

Within Groups	2117.978	227	9.330		
Total	2253.887	229			

From the tables 3 and 4, the following findings were drawn:

1. The p-value for the Levene's test for equality of variance is 0.787, which is more than 0.05. Thus equality of variances assumption is met.
2. The F-value is 7.283 and the degrees of freedoms are 2 and 227. The p-value of the test is 0.001, which is less than 0.05. Hence, at least one pair of means differ significantly.

To know which pair or pairs is/are difference, the post hoc test was performed to produce multiple comparisons between group means. Since the equality of variances was assumed, Tukey procedure was chosen in the post hoc test.

**Table-5 Multiple Comparisons**

Business Existence  
Tukey HSD

(I) Ethnicity	(J) Ethnicity	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Muslim	Tamils	-1.52502*	.45823	.003	-2.6061	-.4440
	Sinhalese	-1.60441*	.52833	.008	-2.8508	-.3580
Tamils	Muslim	1.52502*	.45823	.003	.4440	2.6061
	Sinhalese	-.07939	.54473	.988	-1.3645	1.2057
Sinhalese	Muslim	1.60441*	.52833	.008	.3580	2.8508
	Tamils	.07939	.54473	.988	-1.2057	1.3645

\*. The mean difference is significant at the 0.05 level.

In the table 4.5, the mean difference between the three compared ethnicity groups. As indicated in the footnote, the differences that are significant at 0.05 levels are marked with an asterisk sign.

The p-value for the mean difference are given in the column denoted by 'Sig' and the 95% confidence intervals for the mean difference are given in the last two columns.

In the table 4.5 there are 4 asterisk (\*) signs. So the number of pairs that differ =  $4/2=2$ . Those are Muslims and Tamils; Muslims and Sinhalese.

The mean Business existence among Muslims is significantly lower compared to that of Tamils and Sinhalese.

**B. Testing hypothesis 2**

**Objective 2: To find the association between the ethnicity category and intention to grow the business further**

**H2: There is an association between ethnicity categories and the intention to grow the business further.**

**Table 6 Ethnicity \* Intension\_to\_grow Crosstabulation**

			Intension_to_grow		Total
			Yes	No	
Ethnicity	Muslim	Count	29	68	97
		% within Ethnicity	29.9%	70.1%	100.0%
	Tamils	Count	51	31	82
		% within Ethnicity	62.2%	37.8%	100.0%
	Sinhalese	Count	40	11	51
		% within Ethnicity	78.4%	21.6%	100.0%
Total		Count	120	110	230
		% within Ethnicity	52.2%	47.8%	100.0%

According the Table-6, more than 78% are Sinhalese who have intention to grow further compared to Tamils and Sinhalese. Only 30% of the Muslims have intention to grow their business further.

Table-7 Chi-Square Tests

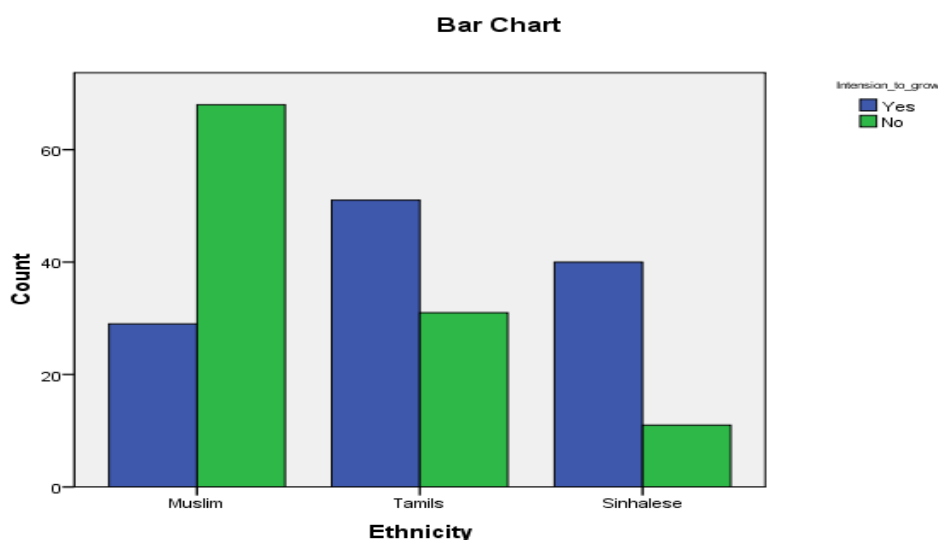
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.683 <sup>a</sup>	2	.000
Likelihood Ratio	38.144	2	.000
Linear-by-Linear Association	35.216	1	.000
N of Valid Cases	230		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 24.39.

According to the Table 7-Chi-square Test, the Pearson’s Chi-square statistic is 36.683 and the degree of freedom is 2. The p-value of the test is 0.000 which is less than 0.01. The minimum expected count is 24.39 which is more than 5 where the minimum expected count per cell must be 5 generally.

Therefore, there is an association between ethnicity categories and the intention to grow their business. Figure 1 shows it in the bar chart.

Figure-1 Bar chart



**Conclusion**

Women Entrepreneurship has become a protuberant part in any country’s economy and government is viewing entrepreneurship the only solution of its increasing employment demand and upgrading living standards. Thus, the role of women entrepreneurship is inevitable in any country. Nowadays women enter in almost all professions such as trade, industry, engineering, technology. They are willing to take up business and contribute to the nation’s development. There are government and non-governmental business development support service agencies are taking much effort to motivate women entrepreneurship since its necessity has been felt. But, still it is a question where the so called women have been empowered in proper way to nation’s development. In Sri Lanka, there are three major communities live such as Sinhalese, Tamils and Muslims. This paper aimed to identify the difference in entrepreneurial development by ethnicity wise since Sri Lanka has multi religious and multi ethnicity group in the society. For this purpose, 230 women owned/ led businesses in Eastern region were focused where Muslim community have at higher density.

Findings suggest that, there is a significant difference between the ethnicity group – Muslims and non-Muslim (Tamils, and Sinhalese) with the mean business existence. And also found that, there is an association between the ethnicity group and the intention to grow the business further. Muslim women entrepreneurs have relatively low mean in business existence rather than the other two ethnicity group such as Tamils and Sinhalese entrepreneurs. Islam also clearly support trade and commerce including women entrepreneurship through Al Quran (The Holy Book of Muslim). But Muslim women have lack of participation in the business sector since they face unique challenges. Eastern region in Sri Lana has the majority of Muslim compared to other regions in Sri Lanka and there is a great potential for women entrepreneurship in Sri Lanka. This study lapse the reasons why Muslim women entrepreneurs have lack of participation in the entrepreneurial development. Further studies might address this

gap and find the factors behind the success of Muslim women entrepreneurship in Sri Lanka as well in all over the countries in order to promote Muslim women entrepreneurship.

Thus, their role of Muslim Women entrepreneurship is being recognized and steps might be taken to empower and promote Muslim women entrepreneurship which would lead to regional as well as national development in Sri Lanka.

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