# ENTREPRENEURSHIP AMONG STREET VENDORS OF VEGETABLES IN AIZAWL, MIZORAM

Thesis Submitted for the Award of the Degree of MASTER OF PHILOSOPHY IN COMMERCE

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DEPARTMENT OF COMMERCE
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## MIZORAM UNIVERSITY DEPARTMENT OF COMMERCE AIZAWL-796004, MIZORAM



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#### **CERTIFICATE**

This is to certify that the thesis entitled 'Entrepreneurship among Street Vendors of Vegetables in Aizawl, Mizoram 'submitted to the Mizoram University for the award of the degree of Master of Philosophy in Commerce, is a record of research work carried out by Rodi Lalremruati under my supervision.

She has fulfilled all the requirements laid down in the M.Phil regulations of Mizoram University. The thesis is the result of her investigation into the subject. Neither the thesis as a whole nor any part of it was ever submitted to any other University for any research degree.

Dated:

Place: AIZAWL (Dr. RAMA RAMSWAMY)

Supervisor

**DECLARATION** 

I Rodi Lalremruati, hereby declare that the subject matter of this thesis is the

record of work done by me, that the contents of this thesis did not form bias of the award of any previous degree to me or to the best of my knowledge to anybody

else, and that the thesis has not been submitted by me for any research degree in

any other University/Institute.

This is being submitted to the Mizoram University for the degree of Master

of Philosophy/Doctor of Philosophy in Commerce Department.

Dated:

Place: AIZAWL

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#### CHAPTER - 1

## STREET ENTREPRENEURSHIP

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#### CHAPTER - 1

#### STREET ENTREPRENEURSHIP

Entrepreneurship is the propensity of mind to take calculated risks with confidence to achieve a predetermined objective. It is a process undertaken by an entrepreneur to augment his/her business interest; an exercise involving innovation and creativity that will go towards his/her enterprise. It is a human activity which plays an important role in economic development. Researchers down the ages have extolled, the role of entrepreneurs as catalysts of economic development.

In this chapter, the researcher has presented a conceptual framework and a theoretical perspective of street entrepreneurship. An overview of *Thakthing* market has been described and its history has been traced. Further, available literature on street entrepreneurship has been reviewed, with a view to find out the gap in literature if any; and the methodology of the present study has been spelt out.

#### 1.1 INTRODUCTION

Entrepreneurship in India has traversed a long journey since the early vedic times to the emergence of manufacturing enterprises in the pre-independence times followed by the successful entrepreneural pursuits of the doyens of Indian Industry viz Birlas, Tatas, Dalmias, Thapars, Ambanis and so on of the twentienth century to the global players of recent times in the post liberlisation era. It is commendable that 48 Indians have made it to the Forbes Worlds' billionaires list in 2012 with a combined net worth of 194.6 billion dollars (www.forbes.com).

However, today India presents a picture of contrasts where a majority of her population is living on low incomes and has low quality of life. According to the Human Development Report (HRD) (2013) of the United Nations Development Programme (UNDP), India ranked 136th among 186 countries in the Human Development Index (HDI). The HDI is a comparative measure of life expectancy, literacy, education and standard of living of 186 countries worldwide. Further, the fact that India has also scored a low rank (105th among 135 countries) in the Global Gender Gap Report (2012) is particularly of great concern. The Global Gender Gap Index examines the gap between men and women in four fundamental categories: economic participation and opportunity, educational attainment, political

empowerment and health and survival. It is distressing to note that India is far behind even her neighbour Bangladesh, which was ranked 86<sup>th</sup> in the Report.

In this context, 'inclusive growth', which brings into its ambit, the development of the people at large especially underpriviledged sections of the population such as women, Scheduled Castes (SCs), Scheduled Tribes (STs) and other backward communities (OBC) assumes significance.

It is widely recognised today that informal sector is a and expanding feature of the contemporary global economy (Colin and Gurtoo 2011). It is estimated that out of a global working population of about three billion, nearly two thirds (1.8 billion) are informal workers (Jutting and Laiglesia, 2009). The informal sector is largely comprised of the self employed. According to the (ILO 2000a), the self employed in the informal sector account for 93 percent of the total workforce in India, 70 percent in Latin America and 59 percent in Asia. The self employed in the informal sector in India evidently contribute to 60 percent of the Net Domestic Product and 68 percent of the total income earned by adults (ILO 2002).

Notably, one third of the informal sector workforce comprised of women and these women contributed to 20 percent of the GDP of India (National Sample Survey, 2005). It is evident that the informal sector entrepreneurs are hence not at the fringe of the economy but in fact play a significant role in inclusive development of the economy. In this backdrop, it is important to transcend the demarcated boundary of 'formal' and 'informal' and find ways to allow 'space' for the development of informal entrepreneurs. According to Cross and Morales (2007), policy makers should create ways in which these systems (distinct) can in resect while existing side-to-side.

In refutation of the early views on informal entrepreneurship as simply a residue or leftover from an earlier mode of production and as a disappearing phenomenon, research studies in recent times have depicted them as entrepreneurs possessing entrepreneural attributes, traits and qualities (ILO 2000; Small Business Council, 2004; Venkatesh, 2006; Volkov, 2002; Webb et al, 2009; Williams 2006; Williams and Round, 2007).

## 1.2 ENTREPRENEURSHIP IN THE INFORMAL SECTOR: A CONCEPTUAL FRAMEWORK

Entrepreneurship is an evolving and elusive concept, defined in many hues by different researchers, encompassing varied thoughts and

perceptions into its ambit. The word entrepreneur is derived from the root French word 'entreprendre', which means, 'to undertake'. The meaning of the word dates back to Cantillon (1775). Some important contributors to the evolution of term were Say (1942), who referred to an entrepreneur as an organiser, Knight (1942) who described him or her as a risk bearer, Cole (1959) who defined entrepreneurship as the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and service. Schumpeter (1934) and Drucker (1985) referred to an entrepreneur as an innovator and McClelland (1961) emphasized on the need for achievement.

Small Business Council (2004) defines informal work "as work which involves the paid production and sale of goods and services which are unregistered by or hidden from the state, for tax and/or benefit purposes, but which are legal in all other respects."

Small Business Council (2004) extended this definition to bring out the meaning of informal micro entrepreneurs "as those starting-up fledgling business ventures, using the informal economy, primarily as a short-term risk taking strategy to enable them to 'get ahead' in the establishment of their growth-oriented and wealth-enhancing business enterprises." According to William and Gurtoo (2011), informal entrepreneurship refers to the situation where somebody is actively involved in starting a business or who is the owner/manager of a business, engages in monetary transactions not declared to the state for tax and/or benefit purposes but which are legal in all the aspects.

There is a clear distinction between informal entrepreneurship being legal in all aspects (other than registration and payment of taxes) and business activities that are illegal in itself, such as, human trafficking, drugs and prostitution (Small Business Council, 2004).

In the words of Well et al (2009), informal activities may be conducted illegally but with legitimacy. It contains the activities to recognize and exploit opportunities occurring outside formal institutional boundaries, but within informal institutional boundaries. An entrepreneur in the informal economy may use illegal yet legitimate means to produce legal, legitimate products. Legality is specified by norms, values and beliefs of the society (Dowling and Pfeffer 1975; Scott, 1995).

Portes and Castells (1989), defined informal entrepreneurship as an activity that produces or distributes legal goods while avoiding regulatory controls.

The features which distinguish informal enterprises from formal enterprises are: case of entry into markets, reliance or indigenous resources, family ownership, small scale operations, skills acquired outside the formal school system, unregulated and competitive markets, labour intensive, and using adopted technology (ILO 1972, RSIE, 1988).

Most are micro-sized having upto five employees and, in developing countries, many operate at or around subsistence level, meaning that they generate meagre, if any, surplus for their owners (Nelson and De Bruijn2005). However, Castells and Portes (1991), observed that the informal sector is hetrogenous and not all the informal enterprises exhibit the same characteristics.

The above definitions clearly describe informal entrepreneurs as conducting small business which are unregistered and not regulated but adhering to legitimate values and beliefs set by the society.

## 1.3 ENTREPRENEURSHIP IN THE INFORMAL SECTOR: A THEORETICAL PERSPECTIVE

The term informal entrepreneurship has undergone a transformation from the "modernist" theory which depicted the informal entrepreneurs as a residue of the old economic order to the 'post modern' view as a source of growth and flexibility. The major schools of thought on informal entrepreneurship throws light on the evolution of term through the times.

1.3.1 Modernist View: The advocates of modernity, both socialists and capitalists, viewed informal entrepreneurship as a disorderly and superflous activity; that would wane and disappear eventually. To them, the presence of large street markets was the clearest sign of the 'disorder' and wilfullness' of the informal economy that needed to be stamped out.

Geertz (1963) believed that street markets and bazaars were part of a romantic past that had little place in the "modern world". It was considered the irrational vestige of pre-modernism by analysts (Lewis, 1959; Bairoch, 1973). In fact Bairoch (1973) viewed informal entrepreneurship as undermining development plans by placing a drag on the economy. The modernists viewed informal entrepreneurship as an antithesis to everything modern which was reflected in the super markets, departmental stores etc and predicted their survival only in the less industrial countries until these economies adopted modern practices.

However, numerous studies (De Soto 2001; Perry and Maloney 2007. Small Business Council, 2004; Venkatesh, 2006; Volkov, 2002; Ebb et al, 2009; Williams, 2006; Williams and Round, 2007 and William et al, 2009) in recent

decades have observed that informal entrepreneurship is extensive, persistent and growing in many economies.

Two schools of thoughts; the 'structuralist' and the 'neo-liberalist' emerged to explain this continuance, growth and persistence of the informal entrepreneurship.

1.3.2 The Structuralist Theory: The structuralist school of thought viewed informal entrepreneurship as an outcome of the bane of deregulated open economy, where marginalized sections of the populations were excluded from the labour market and hence forced them into informal entrepreneurship as the last resort (Amin et al 2002; Castells and Portes, 1989; Hudson, 2005; and Portes, 1994).

Informal entrepreneurship was depicted as a low paid, insecure work conducted under poor conditions and a form of employment opted as a mere survival strategy (Izigsohn, 2000; Otero, 1994; Rokowski, 1994). Informal entrepreneurship was portrayed as unwilling and unfortunate pawns within an exploitative global economic even more precarious and poorly paid (Williams and Gurtoo, 2011).

Rogerson (1997) observed that, in South Africa, the limits on formal employment have led to an informal sector that has long been seen as

survivalist, with little capital invested by the entrepreneurs with low income potential.

Several studies conducted in Dominican Republic (Itzigsohn, 2000), Somalia (Little, 2003), Phillipines (Doane et al 2003), Mexico (Staudt, 1998) and India (Bhatt, 2006; Bhowmik, 2007) have confirmed to this view. The structuralist have viewed informal entrepreneurship as work conducted by entrepreneur in developing economies and depicted as highly insecure and unstable work conducted for long hours in poor conditions with no legal or social protection, limited access to credit and very limited bargain power (ILO 2002; Lund and Srinivas 2000; Kapoor 2007).

1.3.3 The Neoliberal Perspective: The neoliberalists challenged the the structuralist perspective of informal entrepreneurship falling in the realm of involuntary exclusion. In fact, they postulated that informal entrepreneurship was the outcome of voluntary decisions of workforce in the economy to 'exit' the formal economy (Cross, 2000; Maloney, 2004; Perry and Maloney, 2007; and Snyder, 2004).

De Soto (1989) an advocate of the neoliberal view contended that the unregulated, untaxed sector (informal sector) is often the only avenue for small entrepreneurs activity in many developing economies, because of the limitations of the high 'costs' of formality. Gerxhani (2004) observed that

informal sector entrepreneurs "choose to participate in the informal economy, because they find more autonomy, flexibility and freedom in this sector than in the formal one."

De Soto (2001) asserted that "the real problem is not so much informality as formality". In fact, it is the peoples "spontaneous and creative response to the states' incapacity to satisfy the basic needs of the impoverished masses." This form of business activity is adopted by micro entrepreneurs to operate off-the-books in order to avoid the costs, time and effort of formal registration and in preference to formal employment (Cross and Morales, 2007; De Soto 1989; Perry and Maloney 2007 and Small Business Council, 2004).

More recently Otoo et al (2010), based on their study in the Cowpea street food sector in West Africa observed that women entrepreneurs engaged in this sector earned incomes which were significantly higher than the minimum legal wage is Niamer and Kumasi, the largest cities in Niger and Ghana respectively. A comparative study (William & Gurtoo, 2011) on formal women entrepreneurs and informal waged workers (women) conducted in seven cities in India, revealed that the income of the women entrepreneurs in the informal sector was significantly higher than the women waged workers employed in the informal sector. They concluded

that women informal entrepreneurs, therefore, could not necessarily be depicted as low paid. Whereas this could be valid for the women informal waged workers. They viewed these women entrepreneurs decision as a rational, economic and voluntary choice contrary to the structuralist depiction; the informal sector women entrepreneurs were relatively much better off than their counterparts informal economy in terms of their living conditions and positive experience of their work as compared to their waged counterparts. However, they observed that the structuralist view appropriately typefied the informal waged workers.

#### 1.4 STREET ENTREPRENEURSHIP: A CONCEPTUAL FRAMEWORK

Street vending is one of the world's oldest and most widespread occupations (Cross and Karides, 2007) observed that though the microbusiness operated by street vendors are struggling, they are not at the fringe of the society. Rather, street vendors not only participate in commercial exchange and urban politics, but also shape the spatial organisation of cities.

Street vending as a profession has been in existence in India since time immemorial. However, the number has increased manifold in recent years. According to 'National Policy of urban Street Vendors', Mumbai has the largest number of street vendors numbering around 2,50,000 while Delhi has around 2,00,000, Kolkata more than 1,50,000 and Ahmedabad has around 1,00,000 street vendors.

Researchers have found that street vending, despite the problems it faces, is a growing phenomenon in both developed and developing economies; Monnet (2005) points out that street vending exists because street markets are able to capitalize on the geographic elements of proximity and centrality. He further argued that it also responds to the very mobility required of the modern urbanite as he rushes from home to work to entertainment. The streets offer the consumer during his multiple trips a wide range of products and services ranging from information (newspapers), communication (cell phone cards), car services, refreshment and various other products and services.

In most Indian cities, the urban poor survive by working in the formal sector. Poverty and lack of employment in the rural areas and smaller towns drive large numbers of people to the cities for work. These people generally possess low skills and lack the education required for better-paid jobs in the formal sector. In fact, permanent protected jobs in the formal sector are declining; hence even those having the requisite skills are

often unable to find proper employment. For those people, work in the informal sector is the only means for survival. Street vending is an important option for these people, as it requires minor financial input and basic skills, though the income is low (Bhowmik 2007).

According to Cross and Morales (2007), street vending minimizes overhead costs of rent and utilities is ideally suited for low-skilled employment and fits with a new ideology of independence and entrepreneurship.

Street entrepreneur has been defined as a person who offers goods for sale to the public at large without having a permanent built-up structure from which to sell. Street vendors may be stationary in the sense that they occupy space on the pavements or other public / private spaces or they may be mobile (Bhowmik, 2007). According to Kathleen Staudt (2007) street vendors use public space for commerce and trade. The cost of doing business and the credentials for their work are minimal, they require mainly people skills and math. Many people can do this sort of income generating work without degrees and large amount of capital.

There has been a considerable increase in the number of street vendors across the globe. Bhowmik (2005) observed a growth of street

vendors in the cities of Thailand, Singapore, Phillipines, Bangladesh, Malaysia, Sri Lanka, Cambodia, South Korea and India.

The National Policy for Urban Street Vendors/ Hawker estimated that the street vendors constitute about two percent of the population of a metropolis in India - with a total number of about 10 million, Dhaka, the capital city of Bangladesh has around 90,000 street vendors, Colombo (Sri Lanka) has around 8,000 - 10,000; 20,000 in Bangkok (Thailand), 50,000 in Singapore; 35,000 in Kuala Lumpur (Malaysia), 15,000 in Manila (Phillipines) and 8,00,000 in Seoul (South Korea) (Bhowmik, 2005).

#### 1.5 MIZORAM: A PROFILE

Mizoram is a mountainous region which became the Indian Union in February, 1987. It was one of the district of Assam till 1973 when it became a Union Territory. Sandwiched between Myanmar in the east and south an Bangladesh in the west, Mizoram occupies an area of great strategic importance in the north eastern corner of India. It has a total of 722 km boundary with Myanmar and Bangladesh.

Mizoram has the most variegated hilly terrain in the eastern part of India. The hills are steep and are separated by rivers which flow whether to the north or south creating deep gorges between the hill ranges. The average height of the hill is about 1000 metres. The highest peak in Mizoram is the Blue Mountain (Phawngpui) with a height of 2210 metres.

Mizoram has a pleasant climate. It is generally cool in summer and not very cold in winter. During winter, the temperature varies from 11°C to 21°C and in summer in varies between 20°C to 29°C. The entire are is under the direct influence of the monsoon. It rains heavily from May to September and the average rainfall is 254cm per annum. The average rainfall in Aizawl in 208cm, and Lunglei has 350cm. Winter in Mizoram in rain free and is very pleasant: the skies are wonderfully blue, and in the morning the mist formed between the hills gives an enchanting view of wide stretches of a vast lake of cloud. Mizoram has great natural beauty and endless variety of landscape and is also very rich in flora and fauna. Almost all kinds of tropicals trees and plants thrive in Mizoram. The hills are marvelously green.

#### THE PEOPLE

Historians believe that the Mizos are a part of the green wave of the Mongolian race spilling over in to the eastern and southern India centuries ago. Their sojourn in western Myanmar, into which they eventually

drifted around the seventh century, is estimated to last about ten centuries. They came under the influence of the British Missionaries in the 19<sup>th</sup> Century, and most of the Mizos are Christians. One of the beneficial result of Missionary activities was spread of education. The missionaries introduced the Roman script for the Mizo language and formal education. The cumulative result is the present high percentage of literacy of 88.49% which is considered to be the second highest India.

The Mizos are distinct community and the social unit was the village. Around it revolve the life of a Mizo. Mizo village was usually set on top of a hill with the Chief's house at the centre and the bachelor's dormitory called *Zawlbuk* prominently located in the central place. In a way of the focal point in the village was the *Zawlbuk* where all young bachelor's of the village slept. Zawlbuk was the training ground, and indeed, the cradle wherein the Mizo youth was shaped into a responsible adult member of the society.

#### **SOCIAL LIFE**

The fabric of social life in the Mizo society has undergone tremendous change over the year. Before the British move into the hills, for all practical purposes, the village clan formed unit's of Mizo society The

Mizo court of ethics or *Dharma* move around *Tlawmngaihna*, and untranslatable term meaning on the part of everyone to be hospitable, kind, unselfish and helpful to others. *Tlawmngaihna* to a Mizo stands for that compelling moral force which finds expression in self sacrifice for the services of others. The old belief, *Pathian* is still in use to term God till today. The Mizo's have been enchanted to their entire social life and thought process have been altogether transformed and guided by the Christian Church Organisation's directly or indirectly and their sense of values has also undergone drastic change.

Mizo's are close-knit society with no class distinction and no discrimination on grounds of sex. Ninety percent of them are cultivators and the village exists like a big family. Birth of a child, marriage and death of a person in the village are important occasions in which the whole village is involved.

#### **FESTIVALS**

Mizo's practice what is known as Jhum cultivation. They slash down the jungle, burn the trunks and leaves and cultivate land. All their other activities revolve around Jhum operation and their festivals are all connected with such agricultural operation. *Mim Kut* or Maize Festivals is usually celebrated during the month August and September after the

harvest of maize. *Mim Kut* is celebrated with great fanfare by drinking ricebeer, singing, dancing and festing samples of the year's harvests are consecrated to the departed souls of the community.

Chapchar Kut is another festival celebrate during March after completion of their most arduous task of Jhum operation i.e. jungle clearing. This is a spring festival celebrated with great fervor and gaiety.

Pawl Kut is harvest Festival - celebrated during December when the harvests are over. It is perhaps the greatest festival. With plenty of grains in the barn all the labours of the year over, what better time is there than this is to have a grand festival.

Mizo's are fast giving up their old customs and adopting the new mode of life which is greatly influenced by the western pattern of life. Music is a passion for the Mizos and the young boys and girls to take the western musics avidly and with commendable skill. The fascinating hill and lake of Mizo land literally pulsate and resound with the rythm of the sonorous songs of the youth and the twang of guitars of everywhere.

#### **DANCE**

**Cheraw:** The most colourful and distinctive dance of the Mizo is called Cheraw Long Bamboo staves are used for this dance, therefore, many

people call it Bamboo Dance. Originally, the dance was performed to wish a safe passage and victorious entry into the adobe of the dead called *Pialral* for the soul of a mother, who died at childbirth. Cheraw is a dance of skill and alert minds.

**Khuallam:** This is a dance performed by a group of dancers, the more the merrier, in colourful profiles to the tune of gongs and drums. Originally it was a dance performed by honoured invitees while entering into the arena where community feast was held. To attain a position of distiction, a Mizo had to go through a series of ceremonies are always accompanied by a feast where friends from nearby villages are invited-hence, Khuallam is the dance of visitors or guests.

**Chheihlam:** It is the dance over a round of rice-beer in the cool of the evening. The lyrics in triplets are normally fresh and spontaneous on-the-spot compositions, recounting their heroic deeds and scapades and also praising the honoured guests present in their midsts.

#### **ADMINISTRATION**

As a sequel of the singing of the Historic Memorandum of Settlement between the Government of India and the Mizo National Front in 1986, Mizoram was granted Statehood on February 20, 1987 as per Statehood Act of 1986 and Mizoram became the 23<sup>rd</sup> State of the Indian Union.

The capital of Mizoram is Aizawl. The Mizoram State Legislative Assembly has 40 seats. Mizoram is now represented at the Parliamentary by two members, one in the Lok Sabha and the other in the Rajya Sabha.

Mizoram has witnessed vast constitutional, political and administrative changes during the past years. The traditional chieftainship was abolished and the District and regional councils created under the Sixth Schedule of the Constitution of India, give a substantial measure of local control. Today, the Lais, Maras and the Chakma's have separated Autonomous Districts Councils. The village Councils are the grassroots of democracy in Mizoram.

Mizoram is divided into Eight (8) Districts: Districts Headquarters Aizawl, Champhai, Mamit, Lunglei, Lawngtlai, Saiha, Kolasib, Serchhip.

Area of Population : Area- 21,087 sq.kms, Literacy - 88.49%, Population - 8,91,058 (Males-4,59,783 & Females - 4,31,275)

#### BRIEF PROFILE OF AIZAWL

Aizawl is the capital of Mizoram. It is located North of the Tropic of Cancer in the Northern part of Mizoram and is situated on a ridge 1132 meters above sea level, with the *Tlawng* river valley to its east. In the summer the temperature ranges from 20-30 degrees Celcius, and in the winter 11-21 degree Celcius. It is a beautiful place that offers plenty of

tourists and inhabitants alike. Besides its breathtaking beauty, Aizawl is the storehouse of all important Government Offices, State Assembly House and Civil Secretariat. It also embraces different communities of Mizo wherein they maintain Peaceful co-existence as the main theme. Various varieties of jungle products, monuments and memorials connected with legends and folklores are also available. This lively and bustling city is definitely enchanting and worth visiting. The population of Aizawl is 3,25,676 (2001 Census) and the range of temperature in Summer is 20C-30C, in Winter it goes down to 11C-12C. The principal language is Mizo and English. The main shopping centres in Aizawl is Bara Bazar. Here all kinds of wears from farments, cosmetics, shoes to vegetable, poultry are available. This is the main shopping centres for Handicraft, Zohanco in Zarkawt has shawls, puan, bags and woven bamboo cap are available at MKVI, Sales Emporium, Zarkawt. Besides, Solomon's Cave and Millenium Centre are the shoppers paradise for imported garments, cosmetics and shoes. The Street Vegetable Market in Aizawl are Thakthing Market, Treasury Market, Bara Bazar Market, Vaivakawn Market, Bawngkawn Market. Taxis are the chief mode of transport in the city rates negotiable. Buses ply on route within the states.

Place to visit within Aizawl are :-

1) Bara Bazar : The main shopping centre

with stalls selling garments and

othercommodities

2) Mizoram State Museum: This museum is situated at

Mac Donald Hill in the town centre. It

has an interesting collection of historical

relics, ancient costumes and traditional

implements.

3) Durtlang Hills : These beautiful, craggy hills

offer a good view of Aizawl.

4) Mini Zoo : Home to species of animals

and birds found only in the hills of

Mizoram.

5) Berawtlang Tourist Complex: This is a recreational centre

situated 7 kms away from Aizawl city

centre. These are facilities of Restaurants

as well as Tourist Cottages.

## Thakthing 'Zing Bazar':

The history of Thakthing bazaar can be traced to the early 80's when around 20 street vendors sold vegetables on the pavements of the road from

Sikulpuikawn to Thakthing. The Saturday market popularly known as the 'Zing Bazaar' extends from Sikulpuikawn to Thakthing Tlang. All kinds of products from clothes, toiletries, household electrical appliances, footwear, vegetables, fruits, cereals etc are sold on the pavements by street vendors. A few Manipuri are also seen selling cooked food products. The market is dominated by women entrepreneurs, often seen with their minor children. The word 'Thakthing' means Cinnamon, denoting that cinnamon was widely grown in this hill. They lay their products for sale on the pavement in the designated place from the early hours of Saturdays. Vendors from far flung villages arrive in the market on Friday night and stay on the pavements often with their minor children.

The customers start streaming from the wee hours of Saturday morning. The peaks hours of the market are from 7 – 11AM when the street becomes crowded with customers.

The street from Thakthing to Thakthing Tlang is closed for vehicular traffic from the early hours of Saturday to 7:30PM. About 400 entrepreneurs sell vegetables in the Zing bazaar. There are others also who sell other consumer products. The vendors are provided with cereals and cups of tea to sustain the day.

They converse in the Mizo language, but the occasional 'Now Mizo' customer manages to converse with them.

They mainly sell fresh vegetables both seasonal and non-seasonal.

Onions, garlics, potatoes, spices are also sold.

Local street markets play a central role in livelihood security and are at the epicenter of local commerce. This study begins by demonstrating the conceptualization of street entrepreneurship, literature has been reviewed extensively with a view to identify gaps in literature, the socio- ecomomic origins of the entrepreneurs are their motivational factors business operations and problems have been studied and finally; suggestions are presented.

Pic : Vegetable sellers in Thakthing Zing Bazar





## CHAPTER-2

## THE PRESENT STUDY

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#### CHAPTER - 2

#### THE PRESENT STUDY

This chapter has focussed on the research problem. Need for the study, the statement of the problem, a review of literature covering the areas of informal entrepreneurship and street entrepreneurship, the research design which includes the objectives of the study, the methodology adopted and the limitations of the study are covered in this section.

#### 2.1 NEED FOR THE STUDY

55 percent of India's population is rated as poor as per the Multidimensional Poverty Index (MPI) and India ranks 122 among 138 countries on the Global Gender Inequality Index (GII), according to the Human Development Report, UNDP (2010). Moreover of the total poor in India, 47 percent are tribal. In this context, 'inclusive growth' becomes imperative to curb the widening inequality and bring the under privileged sections of the population especially, Scheduled Castes (SC's), Scheduled Tribe (ST's) people and women, into the mainstream of economic development of the country. Mizoram is a predominantly tribal inhabited

state ensconed in the north eastern corner of India and industrially backward with more than 60 percent of the population dependent on agriculture as their occupation.

Research evidence shows that these small street business (mainly run by the under privileged sections of the populations) result in significant cash flows, though the individual transactions may be small. In the city of Ahmedabad for example, street vendors turn over more cash than the textile industry (the city's major industry). In Mumbai they turn over more money than Hindustan Lever and in New Delhi hawkers and vendors contribute more than 50 percent of the city's GDP (Bhowmik, 2007). The street market in Aizawl, the capital city provide a wide array of goods. The markets on Saturday are particularly spread out on the street. Some roads are blocked for vehicular traffic to enable smooth selling of goods on the streets. Saturdays are popularly known as "Zing Bazar" in Mizoram when people usually shop for vegetables, as Sundays are reserved for Church and religious activities for a large section of the Tribal population of Aizawl. The market comprises predominantly tribal women selling their wares on the busy street of the city. Often products from Myanmar and Bangladesh are also visible in this market.

It is expected that this piece of work will go a long way in plugging the gap in the existing body of knowledge relating to the street entrepreneurs. In the context of 'inclusive growth', it is important to understand the business processes of these micro-enterprises, to study their entrepreneurial motivations and problems faced by their business. Further, the present study may enable the policy maker to develop relevant policies for the development of street entrepreneurship among the under privileged sections of one populations.

#### 2.2 REVIEW OF LITERATURE

In this section literature is reviewed on entrepreneurs in the informal sector, in general and street entrepreneurs in particular with a focus on women.

The word entreprenuer has been defined down the ages by Cantillon (1755), Say (1942) as an organiser, Cole (1959) as a profit seeker, Schumpeter, (1934) as an innovator and Mc Clleland (1961) as an n-achiever. In later years Drucker (1985) also defined an entrepreneur as an innovator who always searches for change, responds to it and exploits it as an opportunity.

Street entrepreneurship has always been subsumed under the realm of informal economy and till recent times ignored and disdained. The researchers has made an attempt to trace the 'prevalence' and 'recognition' accorded to street entrepreneurship by literature through the premodernists, modernists and neo liberals. A beginning is hence made by reviewing literature on informal entrepreneurship.

#### 2.2.1 STUDIES ON INFORMAL ENTREPRENEURS

# 2.2.1.1 A Conceptual Framework

Small Business Council (2004) defined micro entrepreneurs as those starting up fledgling business ventures using the informal economy primarily as a short term risk taking strategy to enable them to 'get ahead' in the establishment of their growth-oriented and wealth-chancing business enterprises.

According to William and Gurtoo (2011) informal entrepreneurship refers to the situation where somebody actually involved in starting a business or who is the owner/manager of a business engages in monetary transactions not declared to the state for tax and/or benefit purposes but which are legal in all other aspects.

Webb et al (2009) defined informal entrepreneurial activity as constituting the activities that recognize and exploit opportunities occuring

outside the informal institutional boundaries. He clarified that an entrepreneur in the informal economy may use illegal means but they were legitimate. Dowling and Pfeffer (1975) and Scott (1995) have further made a distinction between legality as being specified by laws whereas legitimacy adheres to norms, values and beliefs specified by the society at large.

Research studies in recent times have depicted the participants of the informal economy as entrepreneurs possessing entrepreneurial attributes, traits and qualities (ILO 2000a; Small Business Council 2004; Venkatesh 2006; Volkov 2002; Webb et al 2009; Williams 2006; Williams and Round 2007).

William (2008) in his study analysed the nature and characteristics of informal entrepreneurs. He observed that there were socio-spatial variations in the nature of informal entrepreneurship and the rationales and characteristics of informal entrepreneurs across the different countries. In fact, he observed that some populations that were usually seen as lacking in entrepreneurial spirit were perhaps more entrepreneurial than how they are perceived. And hence, legitimising such entrepreneurial culture could augment, the growth of enterprises and economic development of such economics.

Gurtoo and William's (2009) study on 1518 informal workers in India found that a large proportion of these workers work on their own account as informal entrepreneurs and not all of such work is the outcome of economic necessity in the absence of alternative means of livelihood. They asserted that wider recognition should be accorded to their entrepreneurial activities.

Williams and Round's (2009) study on informal entrepreneurs in Moscow revealed that the prime motives of the informal entrepreneurs were necessity and opportunity driven and there was a veritable shift in the motives toward opportunity as the enterprise grew.

ILO (1972) and RSIE (1988) distinguished informal enterprises from the formal enterprises on the basis of its characteristics, the resources it attracts (capital, labour and technology); the markets it seek to exploit and the attributes of informal entrepreneurs.

Nelson and De Bruijn (2005) in their study on informal entrepreneurs in Tanzania focussed on the formalization process of these informal enterprises and concluded that policies should be initiated to formalize these enterprises that would focus on mutual benefits and reduce the risk of damaging these fragile enterprises that are livelihood options.

Woodward et al (2011) conducted a study on 449 owners of informal retail establishments in different regions of South Africa to examine the income determinants of these enterprises and assess their viability. They observed that initial capital and urban externalities had a strong influence on the sustainability of informal enterprises.

Small Business Council (2004) examined the extent and nature of the informal sector; the reasons behind businesses operating in the informal sector and identified the factors that encouraged the process of transformation of these enterprises to the formal sector.

# 2.2.1.2 Relevance of Informal Entrepreneurs

The informal sector has been widely recognised today as a sizeable and expanding feature of the contemporary global economy (William & Gurtoo 2011). Research evidence shows that the informal sector is playing a significant role, particularly in the developing economics.

Jutting and Laiglesia (2009), estimated that out of a global working population of about 3 billion, nearly two thirds (1.8 billion) comprised of the informal workforce. According to the ILO(2000a), the self employed in the informal sector account for 93 percent of the workforce in India, 70 percent in Sub-Saharan Africa, 62 percent in North Africa, 60 percent in Latin America and 59 percent in Asia. Williams and Gurtoo (2011) observed that

though conventionally, this informal sector was widely assumed to be composed of waged work, a large proportion of this work is conducted on self-employed basis. The self-employed in the informal sector in India evidently contribute to 60 percent of the Net Domestic Product and 68 percent of the total income earned by adults. According to the National Sample Survey (2005), about one third of this informal sector workforce comprised of women who contributed to 20 percent of the GDP.

Maxwell et al (2000) estimated that the informal sector generates 60 percent of total female employment in the majority of West Africa.

In another similar study conducted by Tinker (2003) in his study in West Africa observed that informal food trade is a universal and a growing phenomenon in West Africa.

Schneider (2002) estimated that informal economy activities account for about 17 percent of Gross Domestic Product (GDP in developed economics and about, 40 percent of the GDP in developing economics.

Martins and Ligthelm (2004) estimated that 38 percent of retail sales were channeled through informal outlets in South Africa. Ibiara (1991) and Republic of Kenya (1986) observed that the informal sector in Kenya has significantly grown over time and plays an important in job creation, reducing income inequalities, conserving foreign exchange, tapping small

and individual and family savings for investment and creation of industrial skills at a little cost.

Studies in the recent decades have recognised informal entrepreneurs as a sizeable and expanding sphere of the contemporary global economy (Charmes 2009; Feige and Urban 2008; Rodgers and Williams 2009 and Schneider 2008).

According to an estimate, 48000 street vendors known as 'buhoneros' make a daily living on the streets of Metropolitan Caracas, Venezuela. They sell fruits, vegetables, pirated CDs and DVDs, the latest fashions in shirts and Jeans, toys, cosmetics and other "Made in China" products (for ref, see book p.36, Fernando Rincon second para)

## 2.2.1.3 A Theoretical Background

The term informal entrepreneurship has undergone a transformation from the "modernist" theory which depicted the informal entrepreneurs as a residue of the old economic order to the 'post modern' view, as a source of growth and flexibility. The major schools of thought or informal entrepreneurship throws light on the evolution of the term through the times.

Modernist View: The advocates of modernity, both socialists and capitalists, superfluous viewed informal entrepreneurship as a disorderly and superflous activity; that would wane and disappear eventually. To them, the presence of large street markets was the clearest sign of the 'disorder' and wilfullness' of the informal economy that needed to be stamped out.

Geertz (1963) believed that street markets and bazaars were part of a romantic past that had little place in the "modern world". It was considered the irrational vestige of pre-modernism by analysts (Lewis, 1959; Barioch, 1973). In fact, Bairoch (1973) viewed informal entrepreneurship as underming the development plans by placing a drag on the economy. The modernists viewed informal entrepreneurship as an antithesis to everything modern which was reflected in the super markets, departmental stores etc and predicted their survival only in the less industrial countries, until these economies adopted modern practices.

Two schools of thoughts; the structuralist and the neo-liberalist emerged to explain the continuance, growth and persistence of the informal entrepreneurship.

The Structuralist Theory: The structuralist school of thought viewed informal entrepreneurship as an outcome of the bane of deregulated open

economy, where marginalized sections of the populations were excluded from the labour market and hence forced them into informal entrepreneurship as the last resort (Amin et al 2002; Castells and Portes, 1989; Hudson 2005 and Portes, 1994).

Informal entrepreneurship was depicted as a low paid, insecure work conducted under poor conditions and a form of employment opted as a mere survival strategy (Izigsohn, 2000; Otero, 1994; Rokowski, 1994). Informal entrepreneurship was portrayed as unwilling and unfortunate pawns within an exploitative global economic even more precarious and poorly paid (Williams and Gurtoo, 2011).

Rogerson (1997) observed that, in South Africa, the limits on formal employment have led to an informal sector that has long been seen as survivalist, with little capital invested by the entrepreneurs and with low income potential.

Several studies conducted in Dominican Republic (Itzigsohn, 2000), Somalia (Little, 2003), Phillipines (Doane et al 2003), Mexico (Standh, 1998) and India (Bhatt, 2006; Bhowmik, 2007) have confirmed to these views. The structuralist have viewed informal entrepreneurship as work conducted by entrepreneur in developing economies and depicted as highly insecure and unstable work conducted for long hours in poor conditions with no legal or

social protection, limited access to credit and very limited bargain power (ILO 2002; Lund and Srinivas 2000; Kapoor 2007).

The Neoliberal Perspective: The neo-liberalists challenged the structuralist perspective of informal entrepreneurship, falling in the realm of involuntary exclusion. In fact, they postulated that informal entrepreneurship was the outcome of voluntary decisions of workforce in the economy to 'exit' the formal economy (Cross, 2000; Maloney, 2004; Perry and Maloney, 2007 and Snyder, 2004).

De Soto (1989) an advocate of the neo-liberal view contended that the unregulated, untaxed sector (informal sector) is often the only avenue for small entrepreneurs' activity in many developing economies, because of the limitations of the high 'costs' of formality. Gerxhani (2004) observed that informal sector entrepreneurs "choose to participate in the informal economy, because they find more autonomy, flexibility and freedom in this sector than in the formal one."

De Soto (2001) asserted that "the real problem is not so much informality as formality". In fact, it is the peoples "spontaneous and creative response to the states' incapacity to satisfy the basic needs of the impoverished masses." This form of business activity is adopted by micro entrepreneurs to operate off-the-books in order to avoid the costs, time and

effort of formal registration and in preference to formal employment (Cross and Morales, 2007; De Soto 1989; Perry and Maloney 2007 and Small Business Council, 2004).

More recently Otoo et al (2010), based on their study in the Cowpea street food sector in West Africa observed that women entrepreneurs engaged in this sector earned incomes which were significantly higher than the minimum legal wage is Niamee and Kumasi, the largest cities in Niger and Ghana respectively.

A comparative study (William & Gurtoo, 2011) on formal women entrepreneurs and informal waged workers (women) conducted in seven cities in India, revealed that the income of the women entrepreneurs in the informal sector was significantly higher than the women waged workers employed in the informal sector. They concluded that women informal entrepreneurs, therefore, could not necessarily be depicted as low paid. Whereas this could be valid for the women informal waged workers. They viewed these women entrepreneurs decision as a rational, economic and voluntary choice. Contrary to the structuralist depiction; the informal sector women entrepreneurs were relatively much better off than their counterparts in the informal economy, in their living conditions and positive experience of their work as compared to their waged counterparts.

However, they observed that the structuralist view appropriately typified the informal waged workers.

Gurtoo and Williams (2009) conducted a study on 1518 informal workers in India and found that a large proportion were working on their own account as informal entrepreneurs and not all of them were doing such work purely out of economic necessity an in the absence of alternative means of livelihood. This study called for a wider recognition of informal entrepreneurs as an opportunity driven entrepreneurial endeavour.

# 2.2.1.4 Women Entrepreneurs in the Informal Sector

Several studies have been conducted on women entrepreneurs in the informal sector highlighting the significant role played by them in the economies of many countries.

According to the National Sample Survey, 2005 (cited in Williams and Gurtoo, 2011), about one third of the informal sector workforce comprised of women who collectively contributed to 20 percent of India's GDP.

Several other studies have identified the significant role played by women as entrepreneurs in the informal sector (ILO, 2006a; Bhatt 2006; Mehrotra and Bigger 2002).

Schneider and Bajada (2005), observed that the women operated at low levels of scale and their greatly rely on day-to-day profits for survival /win very little access to institutional credit.

Studies (Bhatt 2006; Charmes 2009; Nelson 1997) on informal women entrepreneurs revealed that they lacked formal space and very often harassed by local authorities. (Bhatt 2000 and Charmes 2009) studies also revealed that women entrepreneurs were usually pursuing conventional roles of selling flowers at the temple or selling a basket of fruits. Further, their mobility to better locations is restructed due to taking care of children.

Ogutu (1985) in his study on women in Western Kenya found that they were involved in the exchange of goods such as pottery, basketry, grains and fish.

Sithole et al (1995) observed that women were active participants in the informal sector and constitute a large share of micro small scale enterprises.

Interesting Kemlo's study (1990) observed that the governments' policy in supporting the activities in the informal sector were men oriented and hence did not make an impact on women.

Otunga et al (1998) conducted a Study on the Socio-economic background and business performance of women entrepreneurs in the

informal sector in Eldoret, one of the fastest growing urban areas in Kenya. They found that the informal sector in Eldoret was dynamic and evolving in nature and absorbing a large number of unemployed women. These women were strongly motivated entrepreneurs and their socio economic background played a vital role in the success and performance of their enterprises.

According to Maxwell et al (2000) informal sector is the sole option for African women who have low educational levels and other challenges that result in them having fewer wage earning opportunity in the formal sector than men.

It has been observed that women entrepreneurs in the informal sector face gender discrimination in by formal lending institutions in Africa, Asia, Latin America and other developing countries (Hiemstra et al 2006; Richardson et al 2004; Ostgaard and Birley 1996; Honig 1998 and Acho-chi 2002).

Williams and Gurtoo (2011) conducted a study on 323 women entrepreneurs operating in the cities of Mumbai, Bangalore, Delhi, Nagpur, Jhansi, Jodhpur and Gulbarga. The study made a comparison between women entrepreneurs in the informal economy and waged women workers in the informal economy to critical evaluate the validity of the structuralist

view as against the neo-liberalist view. The structuralist theory views entrepreneurship in the informal sector as low quality work conducted under poor conditions for low pay out of necessity in the absence of alternative livelihood whereas the neo-liberalist view it as a more rational choice.

They observed that not all informal entrepreneurship in the informal sector in India is a low paid, necessity oriented pursuit carried out as a last resort. They observed that these women entrepreneurs have turned marginalisation into an economic opportunity whereby they are doing better than their counterparts and are happy to be in their profession.

#### 2.2.2 STUDIES ON STREET ENTREPRENEURSHIP

# 2.2.2.1 A Conceptual Framework

Street vending one of the world's oldest and most widespread occupations (Cross and Karides, 2007 pp32) observed that though the micro-business operated by street vendors are struggling, they are not at the fringe of the society. Rather, street vendors not only participate in commercial exchange and urban politics, but also shape the spatial organisation of cities.

Street vending as a profession has been in existence in India since time immemorial. However, the number has increased manifold in recent years. According to 'National Policy of urban Street Vendors', Mumbai has the largest number of street vendors numbering around 2,50,000 while Delhi has around 2,00,000, Kolkata more than 1,50,000 and Ahmedabad has around 1,00,000 street vendors

In most Indian cities, the urban poor service by working in the formal sector. Poverty and lack of employment in the rural areas and smaller towns drive large numbers of people to the cities for work. These people generally possess low skills and lack the education required for better-paid jobs in the formal sector. In fact, permanent protected jobs in the formal sector are declining; hence even those having the requisite skills are often unable to find proper employment. For those people, work in the informal sector is the only means for survival. Street vending is an important option for these people, as it requires minor financial input and basic skills, though the income is low (Bhowmik 2007).

According to Cross and Morales (2007), street vending minimizes overhead costs of rent and utilities is ideally deadly suited for low-skilled employment and fits with a new idealogy of independence and entrepreneurship.

Street entrepreneur has been defined as a person who offers goods for sale to the public at large without having a permanent built-up structure

from which to sell. Street vendors may be stationary in the sense that they occupy space on the pavements or other public/private spaces or they may be mobile (Bhowmik, 2007). According to Kathleen Staudt (2007) street vendors use public space for commerce and trade. The cost of doing business and the credentials for their work are minimal. They require mainly people skills and math. Many people can do this sort of income generating work without degrees and a large amount of capital.

There has been a considerable increase in the number of street vendors across the globe. Bhowmik (2005) observed a growth of street vendors in the cities of Thailand, Singapore, Phillipines, Bangladesh, Malaysia, Sri Lanka, Cambodia, South Korea and India.

The National Policy for Urban Street Vendors/Hawker estimated that the street vendors constitute about two percent of the population of a metropolis in India - with a total number of about 10 million. Dhaka, the capital city of Bangladesh has around 90,000 street vendors, Colombo (Sri Lanka) has around 8,000 - 10,000; 20,000 in Bangkok (Thailand), 50,000 in Singapore; 35,000 in Kuala Lumpur (Malaysia), 15,000 in Manila (Phillipines) and 8,00,000 in Seoul (South Korea) (Bhowmik, 2005).

#### 2.2.2.2 Women Street Entrepreneurs

Several significant studies have been conducted across the globe on women street entrepreneurs.

Cohen et al (2000) examined the experience of women working and organising as urban street vendors. It explored how economically marginalised women are pursuing income generating activities amidst growing global competition for access to markets; low cost commodities and low wages workers.

Hernandez et al (1996) conducted a survey on female street vendors in Mexico City and observed that they faced many constraints regarding child care. They found that many mothers are for at least one of their child on the job i.e. on the street. These children get exposed to unsanitary conditions in the market and very often suffer from diseases.

Noritake's (2008) study examined the inter relationship between spatial, social and gender relations of female street entrepreneurs in the traditional market place (*Chairaeshijang*) in Central Seoul, Korea. She found that the street market attracted many female street entrepreneurs, predominantly mothers. These female entrepreneurs have developed the desires of self identity such as becoming autonomous, developing a collective identity as members of a street vendor's community. These female

entrepreneurs emerged as soul agents who created their own self identity in the market and the society at large.

Otoo et al (2010) conducted a study on women entrepreneurs in the Cowpea street food sector in Niger and Ghana, West Africa. Their study focused on determining the importance of the Cowpea street food sector, evaluate the determinants of successful enterprises and ascertain the impact of economic, religious and geographic differentials between street enterprises is Niame, Niger and Kumasi, Ghana. They found that the women entrepreneurs engaged in the Cowpea street food sector earned substantially higher incomes than the minimum legal wages in both the cities and; income earned from these entrepreneurial activities contributed directly to health, education and needs of their families. Comparisons between the two cities revealed enterprises in Kumasi, Ghana to the larger and more successful than those in Niame, Niger.

Cohen et al and Tinker (1985) observed that religious beliefs have a strong influence on the operation of women enterprises in the informal sector.

# 2.2.2.3 Street Entrepreneurship in India

Several significant studies conducted on street entrepreneurship have been reviewed in this sector.

Bhowmik (2007) EPW observed that the number of street vendors in Indian cities had increased sharply after 1991.

He reviewed the studies conducted on hawkers in seven cities which included Mumbai, Kolkata, Bangalore, Bhubaneshwar, Patna, Ahmedabad and Imphal. another study conducted in 1998 by NASVI (cited in Bhowmik 2005) conducted a census of hawkers in the municipal lands of Mumbai.

A study conducted by the National Institute of Public Health and Hygiene found that the street food sold by street vendors in Kolkata were both cheap and nutritious (cited in Bhowmik 2005) EPW. Bhowmik 2000; Bhowmik and More (2001) and Breman (2001) studies on street entrepreneur found that workers engaged in the formal sector in India have also taken to street vending book pg.96.

According to Bhowmik (2000) the street entrepreneurs or their spouses were formerly engaged in the textile mills in Ahmedabad and Mumbai and in engineering firms in Kolkata had to take up street entrepreneurship due to large scale unemployment as a consequence of drastic retrenchment as cut back measures in these industries. The study showed that 30 percent of the street vendors in Ahmedabad and Mumbai and 50 percent in Kolkata were once engaged in the formal sector.

Bhowmik (2007) book estimated that there had been a substantial increase in the number of street vendors in the major cities of Mumbai. Mumbai had the largest number of street vendors numbering around 2,50,000, Kolkata - 1,50,000, Ahmedabad and Patna - 80,000 each and Indore, Bangalore and Bhubaneshwar around 30,000 street vendors each.

Bhowmik (2000) found that lower income groups spent a higher proportion of their income on purchase from street vendors, mainly because their goods are cheap and affordable. In the absence of street vendors, the light of the urban poor would have been worse.

A significant work was conducted in Mumbai, Ahmedabad and Patna on the number of street vendors, their earnings, conditions of work and time spent on business (SNDT Womens' University - ILO 2001).

## 2.2.2.4 Street Entrepreneurship Abroad

Some significant works on street entrepreneurship the world over are reviewed in this section. (Qaiz, 2000) studied the socio economic profile of street vendors in the cities of Bangladesh and observed that they provide beneficial services to the urban population at low price. He also observed that these businesses provide employment to women with low literacy rates.

Another study conducted by Intermediate Technology Development Group on food vendors in Bangladesh and Sri Lanka profiled the socio economic characteristics of the street entrepreneurs. The researchers observed that these entrepreneurs were pushed into street food business due to unemployment—and the contribution of women to business was significant in an indirect way by contributing at the household level in preparation of the items of sale. A study in Thailand revealed that mainly slum dwellers were engaged in street food—hawking and the number of street vendors has risen since the monetary crisis of 1998 (Bhowmik, 2005).

A study in Hanoi revealed that women are largely involved in street vending in Hanoi and half the women vendors were less than 29 years of age. Most of them were poor and educated up to 12 years, which was not sufficient to get secure employment (Bhowmik, 2005).

In Cambodia, Street vending was an important source of employment for the poor urban women. The study analysed the socio economic conditions, motivating for women to enter the business, access to credit and time spent on the business (Francesca and Moller, 2003 and Kusakabe, 2003).

A study in Los Angeles, California it was observed that flatly prohibiting all sidewalk vending failed to stop it because the city by and

large (and correctly) did not aggressively and pro-actively enforce the law. Instead Los Angeles enacted reform legislation failed to move many illegal vendors into newly minted legal vending zones (Kettles, 2004).

In Caracas, vendors have physically appropriated public space in an attempt to secure a living. In this context, public space is a contested site of interaction between vendor's right to work and the state's attempt to keep public space cleared. Space is a material stage where tension, conflict, appropriation, and negotiation are played out between state and non-state actors (Garcia Rincon, 2004).

Some other significant works were conducted in New Zealand (De Bruin and Dupuis, 2007), Ethiopia (Companion, 2007), Kumasi in Ghana (Lyon, 2007) and Santiago in Chile (Stillerman and Staudt, 2007).

Research on street entrepreneurs has been largely ignored and neglected in India. A significant work was conducted in Mumbai, Ahmedabad and Patna on the number of street vendors, their earnings, conditions of work and time spent on business (SNDT Women's University - ILO, 2001). Bhowmik (2000) discussed the significant of the informal sector in India, the policies for street vending in India and the role of street vending in the economy. Vengotanako and Chozhule (2006) conducted a study on women vegetable vendors in four villages in Nagaland namely;

Khonoma, Tsiese Basa, Merema and Pholami and suggested better implementation of policy and development plans for tribal women.

Bromley (2007) observed that in the midst of global economic changes, the street entrepreneurs have continued to innovate and grow in numbers. They should no longer be forgotten, condemned, ignored or bundled into some larger section (informal sector). The occupation is economically, socially and politically very important to ignore.

Noritake (2008) studied the female street entrepreneurs in the Tongdaemun market in central Seoul in South Korea and observed that street entrepreneurship in contemporary Seoul continues to be a form of work which offers people, especially women who have limited access to formal income opportunities, a viable physical and social place. She further observed that in addition to having an economic need to work, pleasure in and desire for business success urged them to continue their business activity.

Fernando and Rincon (2007) (book) conducted a study in Caracas, Venezuela on street vendor and discussed the issues of policy, regulation and appropriation of public space. The research was based on data collected from 366 garment traders, the most crucial areas of trading by conducting in depth interviews.

Kettles (2007) (book) made a comparative study of illegal and legal street vending in Los Angeles, California and observed that street vending offers the society a number of benefits and hence advocated a relaxation of regulatory controls on them.

Stillerman and Staudt (2007) explored the entrepreneurial strategies developed by licensed and illegal vendors in several street markets (ferias) and flea markets of Santiago in Chile and observed that vendors used embedded networks with peers and suppliers in order to enhance sales and manage risks.

Brujin and Dupius (2007) explored the dynamics of the largest street market in New Zealand, the Otara Flea Market. The examined the complex social and economic dynamics of the street market; the transaction costs and the problems faced by the street entrepreneurs. Some other significant works were conducted in Ethiopia (Companion 2007) and Kumasi, Ghana (Lyon 2007).

### 2.2.2.5 Street Entrepreneurs in North East India

There is dearth of research on informal entrepreneurs in the North Eastern states of India. A few significant works were conducted in Nagaland, Manipur and Guwahati.

Vengotanakro and Chozule (2006) conducted a study on women vegetable vendors in four villages in Nagaland namely; Khonoma, Tsiese, Basa, Merema and Pholami and suggested better implementation of policy and development plans for tribal women.

The National Alliance of Street Vendors in India (NASVI) organised a study in 2000 on hawkers in seven cities in India including Imphal, Manipur. It was observed that in Imphal, all the street vendors were women and they had gained some legal rights. Imphal is perhaps the only city which gas clearly states rules for street trading. The Manipur Town Planning and country Planning Act, 1975 provides that in residential areas (which include privates as well as government housing) there should be provisions for 4 to 6 shops and 10 hawkers per 1000 people (Bhowmik 2005).

Thakur (1997)( for see ref. see Bhowmik EPW 2005) conducted a study on street food vendors in Guwahati and highlighted their role in providing cheap food to the people and the employment potential. She observed that the vendors faced the problem of capital. They depended mainly on loans from friends, family or money lenders to run their business. Even those that are licensed rarely approach banks because of the huge paper work involved.

### 2.2.3 Research Gap.

In order to allow spaces and massive micro-business incubators in which those overlooked by the formal sector can develop their own solutions to the circumstances of their lives, their aspirations and the larger political economic context they face, more research is necessary about the political, economic and social reality of street markets (Cross and Morales 2007) book.

Stillerman and Staudt (2007) reiterated that the study of street vending should move on from developing overacting definitions of the informal sector as a whole to exploring the complex and diverse strategies street vendors use to survive and thrive.

Ray Bromley (2007) aptly observed "street vendors were not studied in their own right, but because of their capacity to illustrate features of the overall economic system. Most researchers preferred to focus on other small-scale participants in the system peasant, farmers, artisans and small industries - activities which seemed more "productive". Amidst all the Ecopolitical global changes that have ensued in the last decades, vendors have continued to innovate and grow in numbers. They should no longer be forgotten, condemned, ignored or bundled into some much longer "sector".

The population of vendors, customers and their dependents is too large to ignore.

Evidently there is dearth of studies on street entrepreneurship - their dynamics, processes and problems in India and particularly in the North Eastern states.

There is no substantial evidence of research work done in Mizoram, a tribal state of the North East. The present study seeks to remedy this gap and enrich the literature on street entrepreneurship.

#### 2.3 STATEMENT OF THE PROBLEM

In the present study, the term 'street entrepreneur' includes only stationary vegetable vendors who offer goods for sale in open streets without having a permanent built-up structure from which to sell. The words street entrepreneurs and street vendors are used interchangeably in the study. The study has focused only on street entrepreneurship among vegetable vendors. The proposed study intends to study, the socioeconomic characteristics of the entrepreneurs motivational factors that have spurred the entrepreneurs to conduct street business, their operations and the problems faced by the entrepreneurs. As noted earlier, the relevant literature reviewed as above would lead to a conclusion that there is not

much evidence of research on entrepreneurship among vegetables vendors in Mizoram.

# 2.4 OBJECTIVES

- 1. To study the socio-economic origins and characteristics of tribal street entrepreneurs in Aizawl.
- 2. To ascertain the motivational factors that spurred the tribal entrepreneurs to start their street business.
- 3. To understand the backward and forward linkages of their micro business and the problems faced by their business.

#### 2.5 RESEARCH METHODOLOGY

The present study covers the *Thakthing* market street, located in the southern part of Aizawl city. The market on this street extends from *Kulikawn* to *Sikulpuikawn* on saturdays. The vegetable street entrepreneurs operating on Thakthing Vegetable Street market (without permanent built-up structures for selling vegetables) on Saturdays was studied.

Sampling and data collection: Out of about 400 entrepreneurs selling vegetables in the street market of Thakthing on Saturdays, 196

respondents (based on formula developed by Krejcie and Morgan, 1970) was randomly selected to collect primary data.

The researcher relied on primary data as well as secondary data.

The primary data was collected through field research and intense interaction with the respondents.

Structured questionnaires/schedules in Mizo language was administered to the sample respondents.

This was supplemented by employing the methods of unstructured interviews and participatory observation with the sample entrepreneurs by visiting them in the streets.

The secondary data was collected by consulting relevant reports, journals, magazines, books, newspapers and websites.

Some of such data was collected from the following institutions:

- A. Indian Institute of Entrepreneurship, Guwahati.
- B. Central Library, Mizoram University
- C. Directorate of Urban Development and Poverty Alleviation (UD&PA), Govt. of Mizoram

**Tools to be applied for data analysis:** relevant statistical devices with SPSS package were used to interpret and analyse the data collected. Factors

motivating and facilitating entrepreneurship and problems faced by entrepreneurs will be analysed with Likert scales.

# 2.6 CHAPTER PLAN

- 1. Street Entrepreneurship
- 2. The Present Study
- 3. Socio-economic origins of street entrepreneurs
- Motivational factors of street entrepreneurs and their Business
   Operations
- 5. Problems and Suggestions

# CHAPTER -3

# SOCIO ECONOMIC CHARACTERISTICS OF STREET ENTREPRENEURS

# **CONTENTS:**

3.1		INTRODUCTION
3.2		SOCIAL FRAMEWORK OF THE ENTREPRENEURS/COMMUNITY
	3.2.1	RELIGIOUS COMMUNITY AND CASTE ENTREPRENEURS
	3.2.2	GENDER AND ENTREPRENEURSHIP
	3.2.3	EDUCATION
	3.2.4	AGE AND SEX OF ENTREPRENEURS
	3.2.5	COMMENCEMENT OF BUSINESS
	3.2.6	MARITAL STATUS OF THE ENTREPRENEURS
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3.3		MAIN OCCUPATION OF THE FAMILY
	3.3.1	INCOME FROM ALL SOURCES
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		CONCLUSION

#### **CHAPTER-3**

# SOCIO ECONOMIC CHARACTERISTICS OF STREET ENTREPRENEURS

This Chapter proposes to study the socio economic background of the street entrepreneurs with a view to understand the socio economic factors that determined their entry into entrepreneurship. The present study has examined the socio economic characteristics viz religion, caste, family structure, educational background, the marital status and earnings of the entrepreneurs.

#### 3.1 Introduction:

The socio economic milieu plays an important role in the emergence and development of entrepreneurship. In fact, entrepreneurship is largely a socio economic phenomenon as entrepreneurs are embedded in socio economic systems such as caste, income, age, parental occupation which mould their entrepreneurial attitudes. Street entrepreneurs earn income, but that act takes place within complex social and household dynamics (Cross and Morales, 2007).

Although a lot of research has been conducted on various facets of entrepreneurship there is a dearth of academic research on street entrepreneurship in tribal areas of the country which are represented by sociological variables that capture the nature of livelihood systems of Scheduled tribes. Vendors and their ability to adjust to local stressors are not emphasized in community assessment (Companion, 2007 pp 223). A study of the socio economic environment of street entrepreneurs in Thakthing may provide a clue to the emergence of street entrepreneurship in tribal areas in the North East.

Colin and Gurtoo (2011) in their study on women entrepreneurs in India exemplify the informal entrepreneurs' trait; of willing to engage with the socio-cultural and economic factors of working in the informal economy. They averred that conceptualization of street entrepreneurs must transcend the typical definition that highlights entrepreneurship as merely possessing motivational factors, to the concept of willingness to operate in a unique and challenging socio- economic spectrum.

The main objective of this section is to the study socio-cultural characteristics viz. tribal origin, religion, caste, gender, family structure, family size, educational qualifications and marital status of the street entrepreneurs in Thakthing market only. The Market has around 450

vegetable vendors. The present study has covered 196 of such entrepreneurs. The study is mainly based on primary data collected through field research by administering a structural questionnaire to a sample of about 50 percent of the entrepreneurs. The data was collected through personal interview during February to July 2012. An attempt was made to cover the entire Thakthing market namely, Sikulpuikawn, Mission Veng and Thakthing Tlang. The maximum number of entrepreneurs surveyed (14.29 percent) belonged to Salem Veng, followed by Lungleng (7.14 percent) and Tlangnuam Veng (6.63 percent).

The 'zing bazar' in Thakthing market has the highest percentage of the street vegetable vendors in the whole state of Mizoram. The present studies covers the Thakthing street located in the southern part of Aizawl city. The vegetable street entrepreneurs operating on Thakthing vegetable street market (without permanent buildings structure for selling vegetables) on Saturday have been studied.

# 3.2. Social Framework of the Entrepreneurs' Community:

In this section, the researcher has examined the socio-economic characteristics of the entrepreneurs viz religion, caste, marital status, income and so on.

# 3.2.1. Religous Community and Caste of Entrepreneurs :

Setty (2000) observed that in tribal societies, the family is bound by the kin group with a set of constangenious and affinal kin, shaping and influencing the individuals—decision making and behaviour. Most of the respondents belonged to the Mizo Community. It is observed that there were a few entrepreneurs from the neighbouring country Myanmar and neighbouring state of Manipur. Most of these entrepreneurs from Mizoram belonged to the Scheduled Tribe category and all of them were Christians. Interestingly, women are larger in number that shows women dominate this business activity in Aizawl.

All the entrepreneurs in the present study were Christians. Cohen and Tinker (2013), Women Entrepreneurship in West Africa observed that religious, cultural and traditional values and prejudices are key determinants to the success of women enterprises. In particular, Cohen (2000), further observed that, religious beliefs set the boundaries within which street food vendors operated in Tunisia, Bangladesh and Egypt. A similar study (Otoo et al 2010) on women entrepreneurs in the street food sector in West Africa observed that religion played a significant role in determining the operation and success of enterprises. They observed that

Christian entrepreneurs were more successful than Muslim entrepreneurs who observed seclusion in Kumasi, Ghana.

Social relationships are not dominated by caste dimensions in the Mizo Community as observed in most parts of India. The Mizo Community is comprised of different tribes, sub-tribes and their clans. The British variously referred to them as Lushai's or Kukis and Chins in Myanmar; despite the limited recorded history, most researchers concluded that they descended from the east, China. Mizo tribe adopted and practised heredity chieftainship in pre-independent India, which was later changed to a system of administration introduced by the British. The Christianity brought by those British Missionaries enlightened the political, economical, socio-culture and especially living trends of the Mizos society.

The State of Mizoram is inhabited by a number of tribes which may be broadly divided into nine major and 13 minor tribes and sub-tribes (Varghese & Thanzawna 1997). These tribes and sub-tribes are further divided into a number of clans. The major tribes of Mizoram are: Lushai or Lusei, Pawi or Lai, Hmar, Lakher or Mara, Paihte, Ralte, Chakma, Riang or Tuikuk. The sub-tribes are Chawngthu, Ngente, Khawlhring, Khiangte, Pautu, Rawite, Renthlei, Tlau, Vangchhia, Zawngte, Pang and Bawng.. The Lusei consists of 10 commoners and six chief clans. The commoners clans

include Pachuau, Chhangte, Chawhte, Hauhnar, Chuango, Hrahsel, Tochhawng, Vanchhawng and Chhakchhuak and the six Chief clans are Zadeng, Palian, Rokhum, Sailo, Thangluah, Rivung.

Table gives the details of the different tribes/clans/ sub-clans of the respondents in the study. As indicated by the table, thirty nine different type/clans were involved in the study of entrepreneurship among vegetable street vendors including the chief's clans such as Sailo, Zadeng and others which are traditionally represented by the chief of the tribe. Fanai is the largest tribe represented in the entrepreneurs (15.31 percent) followed by Chawhte clan (12.76 percent) which is again followed by Sailo clan (7.14 percent).

TABLE - 3.1

The Distribution of Tribes/Sub-tribes/Clans of Entrepreneurs

Sl.No	Clans	Numbers	Percentage
1	Bawitlung	2	1.02
2	Bawlte	2	1.02
3	Boitlung	13	6.63
4	Chawhte	25	12.76
5	Chawngthu	1	0.51
6	Chhakchhuak	11	5.61
7	Chhangte	7	3.57
8	Chhunthang	1	0.51
9	Chinzah	9	4.59
10	Fanai	30	15.31
11	Fanchun	9	4.59
12	Guite	12	6.12
13	Hauhnar	5	2.55

14	Hlawndo	13	6.63
15	Hmar	1	0.51
16	Hnamte	2	1.02
17	Hrahsel	2	1.02
18	Kawilam	1	0.51
19	Kawlni	4	2.04
20	Khawlhring	1	0.51
21	Khiangte	1	0.51
22	Lai	2	1.02
23	Ngente	2	1.02
24	Pachuau	2	1.02
25	Paite	1	0.51
26	Pautu	1	0.51
27	Ralte	2	1.02
28	Renthlei	2	1.02
29	Sailo	14	7.14
30	Tlau	3	1.53
31	Tochhawng	1	0.51
32	Vangchhia	3	1.53
33	Varte	1	0.51
34	Vuite	1	0.51
35	Zadeng	1	0.51
36	Zahau	2	1.02
37	Zote	1	0.51
38	Jongte	2	1.02
		193	100.00

It was observed that out of 196 of the sample entrepreneurs, three persons belonged to Gurkhali community of Nepal.

# 3.2.2 Gender and Entrepreneurship:

Women play a significant role in the informal sector particularly in the third world countries. However, it was rightly observed by UNDP (1993) their contribution often goes unnoticed, undocumented or just ignored. In India the informal sector self employed account for about 93 percent of the total workforce. (ILO 2000)

According to the National Sample Survey (2005), Women comprise about one third of the sizeable informal workforce in India and contribute to 20 percent of the GDP of India. In the third world countries about 80 percent of the buying and selling activities of basic commodities, especially in the informal sector are performed by women (Sithole et al 1995). UNIDO (2001) observed that womens' entrepreneurial activities, whether in the informal or formal sector are not only a means for their economic survival but also have positive repurcusions for themselves and their environment. Entrepreneurship represents an appropriate opportunity for women all over the world as it is flexible to entry, change and innovation.

Street entrepreneurship has attracted marginalised women as an income earning activity world over. Several studies conducted in Bangladesh (Qaiz, 2000), Srilanka (Bhowmik 2005), Cambodia (Francesa and Mollov 2003 and Kasake 2003), Seol (Noritake, 2008) and in other cities in India (Bhatt, 2006; Carr and Cheu, 2002; Mehotra and Biggeri, 2002; Collin and Guerdo, 2011) have shed light on the fact that women play a significant role in street entrepreneurial activities. In Ghana and many African

countries (Home 1994, Forte 1988, Sudarkara, 1973 pg 164 last para companion 2007, pp223) also women play an important role in street entrepreneurship. Lyon (2007) observed the predominance of women in street vending of vegetables in the Kumasi market in Ghana.

Interestingly studies conducted in some NE States in India identified the predominance of women in street entrepreneurial activities. In a study conducted in Manipur (Bhowmik, 2007) all the street entrepreneurs were found to be women. A study conducted in Nagaland in four villages (Vegotanakro, 2006) underlined the importance of women entrepreneurs in the vegetable vending business activities in Nagaland.

The present study enquired into the gender composition of the street entrepreneurs operating in Thakthing market. This market presents a similar picture with 95 percent of the entrepreneurs studied being women. Table 2 shows that out of 196 street entrepreneurs interviewed 187 were women. It is evident that street entrepreneurship offers income earning opportunities to the marginalized tribal women in the capital city of Aizawl. It is a common sight to find women predominantly conducting business activities in Mizoram. the shops, bazaars and markets are represented by women sellers in Aizawl.

TABLE - 3.2 Gender of Entrepreneurs

Gender	No. of Entrepreneurs	Percentage
Female	187	95.41
Male	9	4.59
	196	100

Table 3.2 shows that 187 entrepreneurs were women out of the total of 196 respondents. This speaks of the predominance of women entrepreneurs in street vending in Aizawl. .

3.2.3 Education: The researcher has further probed into the educational background of the entrepreneurs to understand the social factors that determined the entry of these women into street entrepreneurship.

According to the Census Report 2011, Mizoram ranks among the top states in terms of literacy with a literacy rate about 91.6 per cent, of which was much above the national average of 74.04 per cent.

However, literature on street entrepreneurship reveals that street entrepreneurs have low levels of education. In fact, this is a significant 'push factor' that very often compels them into this form of economic activity as the last option as lack of higher education restrains their entry into formal sector jobs.

Bhowmik (2007), observed that in most Indian cities, the urban poor survive by working in the informal sector. Poverty and lack of employment in the rural areas and smaller towns drive large numbers of people to the cities of work. These people generally possess low skills and lack the education required for better-paid jobs in the formal sector. In fact, permanent protected jobs in the formal sector are declining; hence even those having the requisite skills are often unable to find proper employment. For these people, work in the informal sector is the only means for survival. Street vending is an important option for these people, as it requires minor financial input and basic skills, though the income is low. However, street vending has been systematically ignored by academicians and considered as of nuisance value by policy makers.

TABLE – 3.3 Entrepreneurs Education Level

Education	No. Entrepreneurs	Percentage
Illiterate	20	10.20
Primary School	98	50.00
Secondary School	58	29.59
College Degree	17	8.67
Any other	3	1.53

Table 3.3 shows that among the entrepreneurs illiterates comprise 10.20 percent and the vendors who attended primary school was 50%, secondary school was 29.59 percent and the vendors who attended College degree was 8.67 percent. It shows that most of the entrepreneurs do not have higher levels of education. This findings conform with the results of several studies conducted in other cities in India, Bangladesh, Nepal, Cambodia, Vietnam and African countries where the educational levels of street entrepreneurs were found to be at low levels.

Otoo et al's (2010) study on street entrepreneurs in West Africa observed that self employment in the informal sector was the sole option for African women having low educational levels.

Bhowmik (2007) observed that street entrepreneurs generally possess low skills and lack the level of education for better paid jobs in the formal sector. A similar study conducted (Otunga et al 1998) on 304 women street entrepreneurs engaged mainly in the sale of vegetables, fruits, fish, seasonings and other agricultural produce in Eldoret, Kenya observed that 10% of the respondents were illiterate, about 50 percent had only primary education and about 40% had secondary level education. They observed that these levels of education provided the basic skills of communication

and numeracy in both English and the local language "Kiswahilu". Almost all the entrepreneurs perceived that this education helped them in socialisation, communication, giving correct change and predicting the business environment. Research studies conducted in Phnom Penh (Kusakabe), India, Bangladesh, Nepal, Cambodia (Bhowmik, 2005) Vietnam (Tantiwaramond), observed that most of the street entrepreneurs had low levels of education.

Noritake (2008) observed that street business created opportunities for those with low educational qualification and limited access to capital. Lack of gainful employment coupled with poverty and low levels of education force them to settle for self employment in informal sector.

Tantiwaramond's study also observed that low levels of education among street entrepreneurs in Hanoi impeded their employment opportunities in the formal sector and forced them to take up street vending as a means of survival. Though research evidence (Ayadurai 2004; Ostgard and Birly, 1996) have associated higher levels of education with greater success of any business, Honig (1998) argued that for street food enterprises, basic literacy and numeracy are sufficient for day to day operation. Otoo et al 2010 also contradicted this literature and concluded that higher educational levels are not necessarily associated with more

successful enterprises in the case of street food entrepreneurs. The entrepreneurs in Thakthing 'Zing' bazaar conversed in the local Mizo language and were very articulate in their communication with the customers. They were not fluent with the national language 'Hindi' but managed to communicate the price by gesturing with their fingers to the rare non-local customer who could not converse in Mizo language.

### 3.2.4 Age and Sex of Entrepreneurs:

TABLE - 3.4

Age of the Entrepreneurs

Age	Year	Percentage
Below 30	23	11.73
Between 31 - 40	89	45.41
Between 41 - 50	55	28.06
Between 51 - 60	17	8.67
More than 60	12	6.12
	196	100.00

Age of the entrepreneurs is shown in Table 3.4. From the table, it can be observed that women in the age bracket below 30 years constituted only 11.73 percent. However, 73.47 percent women were between the age 30-50 years and 45.41 percent were in the age bracket of 31-40 years. There were fewer women entrepreneurs beyond the age of 51 years. It appears that this business does not attract young persons below the age of 30 years.

An enquiry into the marital status also revealed that unmarried girls do not prefer this business. Interestingly only 6 percent of the entrepreneurs beyond 60 years of age were found to be engaged in street businesses. It appears that the business is dominated by married woman.

#### 3.2.5 Commencement of Business:

TABLE - 3.5
Year of Commencement of Business

S1.	Commencement	No. of	Percentage
No.	Year	Entrepreneur	
1	2010 - 2012	19	9.69
2	2010 - 2005	44	22.45
3	2005 - 2000	56	28.57
4	2000 - 1995	32	16.33
5	1995 - 1990	19	9.69
6	1990 - 1985	10	5.10
7	1985 - 1980	9	4.59
8	1980 - 1975	2	1.02
9	1975 - 1970	3	1.53
10	1970 - 1965	1	0.51
11	1965 - 1960	1	0.51
	Total	196	100

Table 3.5 shows the date of commencement of business by the sample entrepreneurs. About 9.69 percent entrepreneurs commenced business before 1985. Gradually there has been a spurt of enterprises since 1990. The period between 1995-2000 has witnessed the beginning of 16.33 percent of the enterprises. Mizoram underwent political turmoils during the

1960's due to *Mautam* or famine caused due to proliferation of rats which led to economic scarcities and resulted in a violent secessionist movement led by Mizo National Front (MNF) led by Shri Laldenga. However, the organisation after a violent struggle entered into negotiations with the government of India and signed an accord, which is known as the peace accord, with the Government of India in 1986. Mizoram attained statehood on 20<sup>th</sup> Feb 1987 and become the 23<sup>rd</sup> State of the Union of India. Today, Mizoram has emerged as the most peaceful state in the troubled North East. In this backdrop, it may be inferred that condusive political environment has played a vital role in development of street entrepreneurship in Aizawl.

3.2.6 Marital status of the entrepreneurs: Marital status of the entrepreneurs hasbeen enquired into to understand the support and encouragement provided by the family to the entrepreneurs. Table 3.6 shows the marital status of the sample street entrepreneurs in Aizawl. It was observed that 63.78 percent of the entrepreneurs were married, while 8.67 % of the entrepreneurs were not yet married. Almost all the married women were augmenting the income of the family by street entrepreneurship. A large majority of women engaged in street entrepreneurship, underlines the fact that they were augmenting the income of the family. Moreover their entry

into street entrepreneurship may be attributed to support from the spouse. Lalrinawma (2005) in his study observed that it is common in many of the families in Mizoram that married women contribute to the family income and in some cases are sole contributors to the family income.

TABLE - 3.6 Entrepreneurs Marital Status

Marital Status	No. of Entrepreneurs	Percentage
Unmarried	17	8.67
Married	125	63.78
Divorced or Separated	32	16.33
Widowed	22	11.22
	196	100

Table 3.6 shows that married people were the highest among the 196 sample it comes to 63.78 percent people, divorced or separated 16.33 percent and widowed persons 11.22 percent. Interestingly only 8.67 percent of entrepreneurship were single.

A similar study (Otunga, 1998), in Eldoret shows that about 25 percent of the entrepreneurs were single (un-married) and about 45 percent were married.

It appears that single women abstain from engaging in street business. Street entrepreneurship seems to be also supporting a large number of divorced and widowed women (27.5 percent of respondents).

**3.2.7. Family Structure and Size**: Traditionally, the Indian society followed the joint family system, but as a consequence of growing industrialization and

urbanization joint family system is slowly disintegrating, giving way to the independent family system.

Lalrinawma (2005), observed that joint family system was still prevailing in Mizoram. This is also evident in the present study as shown in table 3.7, a high proportion 85.20 percent of the entrepreneurs in Thakthing were living in joint familes. Only 14.80 percent of the entrepreneurs were living in nucleus families.

TABLE - 3.7
Entrepreneurs Family Structure

<b>Family Structure</b>	No. of Entrepreneurs	Percentage
Joint family	167	85.20
Nuclear family	29	14.80
	196	100

Table 3.7 shows the family structure of the entrepreneurs. Most of the vendors are from joint family (85.20 percent), 14.80 percent belonged to nucleus families. It shows that among the 196 entrepreneurs the joint family system was predominant among the entrepreneurs.

TABLE - 3.8 Entrepreneurs Family Size

Family size	No. of Entrepreneurs	Percentage
Upto 5	99	50.51
6 to 10	90	45.92
11 to 15	6	3.06
Above 15	1	0.51
	196	100

Table 3.8 shows the family size of the entrepreneurs. It may be observed that 50.51 percent of the entrepreneurs belonged to families of upto five members, 45.92 percent from families of 6-10 members, 3.06 percent from families of 11-15 members, and 0.15 percent of entrepreneurs had come from families of above 15 members. Notably, though joint family system dominantly prevailed among the sample entrepreneurs, the size is mostly restricted to less than 10 members.

# 3.3. Main Occupation of the Family:

The study enquired into the main occupation of the sample entrepreneurs to understand the extent of dependence of the entrepreneurs families on street entrepreneurship.

TABLE - 3.9 Main Occupation of the Entrepreneurs' Family

Sl.No	No. of Family	Occupation	Percentage
1	117	Trading	59.69
2	57	Agriculture	29.08
3	10	Job	5.10
4	12	Others	6.12

196	100
-----	-----

Notably, for 29.08 percent of the sample entrepreneurs farming was the main occupation of the family, 59.69 percent of the sample entrepreneurs depended on buying and selling of vegetables and only 5.10 percent of the sample entrepreneurs depended mainly on jobs in the informal sector as the main source of income earning activity. 6.12 percent of the entrepreneurs family depended on the other occupation. Interestingly, 29 percent of the sample entrepreneurs were small farmers cultivating vegetables and selling surplus vegetable in the Zing Market. (Table 3.9)

These farmer entrepreneurs cultivated vegetables in the hinterland hamlets of Aizawl viz. Lungleng, Muallungthu, Melriat, Hualngohmun, Kelsih, Tachhip, Sesawng, Falkawn, Sateek, Sihphir and Muthi. Most of these hamlets were at a distance of about 15 - 20 kilometres from Aizawl. However, some of them came to sell vegetables from farflung hamlets of Lungleng, Sesawng and Sateek which were at a distance of about 34 - 45 kilometres from Thakthing Bazar.

Agriculture is the mainstay of 60 percent of the population of Mizoram and notably 30 percent of the sample entrepreneurs operating in Thakthing Bazar were small farmers. 61 percent (120) of the sample entrepreneurs derived this main source of income from selling vegetable in this market. They bought the vegetables from farmers, wholesalers or traders and sold it in the open market. Only a small proportion (5.6 percent) of the sample entrepreneur depended on informal jobs as a main source of income earning activity for their families. Evidently, about 90 percent of the entrepreneurs were solely dependent on the Thakthing market for their livelihood. It is also pertinent to note that 96 percent of these entrepreneurs were women which signifies the role of women in sustaining their families.

Table 3.9 shows the average annual income of the sample entrepreneurs from street business. Notably two third of the respondents earned less than `.`40,000 annually, and one third earned between `. 40,000-80,000. Only 5.61 earned between `. 60,000-80,000. However, none earned more than 80,000 annually from this business. It is evident that street entrepreneurship is providing a source of persons below the poverty line. The average profit margin of the respondents was about `. 12 per kg of vegetables sold. It also shows that street business is an important source of income to persons

below poverty line. The entrepreneurs were merely eking out a living from this business.

#### 3.3.1 Income from all Sources:

TABLE - 3.10 Main Occupation of the Family

Sl.No	No. of Family	Percentage	Income (in `.)
1	53	27.04	Below 20000
2	85	43.37	20000 - 40000
3	42	21.43	40000 - 60000
4	12	6.12	60000 - 80000
5	4	2.04	80000 - 10000
	196	100	

27.04 percent entrepreneurs earned income below `. 20000 from all sources. Entrepreneurs who earned below `. 40000 were 43.37 percent and below `. 60000 is 21.43 percent; and the 6.12 percent entrepreneurs earn around `.60000 to 80000. The entrepreneur whose income from all sources around

`. 80000 to 100000 is 2.04 percent only. This business seem to be only source of livelihoods for the entrepreneurs. (Table 3.10) These entrepreneurs who sell to produce vegetable produce by them in the zing market. The others income is supplemented by husbandjob, business etc.

**3.4. Income from the Enterprise :** Income from any business sustains it and stimulates its growth and development. Table 3.11 shows the annual average income of the sample entrepreneur from street entrepreneurship.

TABLE - 3.11 Income of the Entrepreneurs from this business

Sl.No	No. of Family	Percentage	Annual Income (in`)
1	64	32.65	Below 20000
2	80	40.82	20000 - 40000
3	41	20.92	40000 - 60000
4	11	5.61	60000 - 80000
	196	100	

The Table shows that none of the entrepreneurs earn more than `. 80,000, 5-5.61 percent earn `. 60,000 - 80,000, 20.92 percent earn `. 20,000 - 40,000 and 32.65 percent earn up to `. 20,000 annually from this business activity. Evidently, a huge majority of street entrepreneur at 76.47 percent entrepreneurs from all sources. It is observed that a marginal proportion of

entrepreneurs (2.04) earn `. 80,0000 - 1,00,000, 6.12 percent earn `. 60,000 - 80,000 and 21.43 percent earn `. 40,000- 60,000. About 71 percent earn upto 20,000 - 40,000 with 27.04 earning upto 20,000 only. As noted earlier, about 90 percent of the entrepreneurs are solely dependent on cultivating and trading in vegetables, this throws light on the fact that these entrepreneurs are eking out a living by engaging in the activity of selling vegetables in the open market.

A comparison with earnings of street entrepreneurs in other cities such as Mumbai and Bangalore presents a similar picture. A study conducted on women entrepreneur in the informal sector in Mumbai, Bangalore, Delhi, Nagpur, Jhansi, Jhodpur and Gulbarga (Williams & Gurtoo, 2011, pp. 356) observed that 24 percent of the entrepreneur earned upto `. 14,400, 36.68 percent earned `. 14,401 - 30,000 and 39.18 percent earned above `. 30,000 annually (pp.359).

A similar study conducted in seven ciities in India observed that the average annual earnings of street entrepreneur range between `. 14,400 - 28,000 (Bhowmik, pp10, Urban responses to Street Trading in India). Noritake's (2008, pp10) study on female street entrepreneur in Seoul, South

Korea observed that their earnings ranged from 30,000 - 7,00,000KRW( South Korean Won ) annually `. 1,80,000 - 4,20,000) which was much higher than their counterparts in India. However, street entrepreneurs in Eldoret in Kenya observed that the street entrepreneurs engaged monthly in sale of fruits, vegetables, foods, cereals, fish and gil earned upto Kenya shillings 40,000 (7680 in Rupees) annually. These earnings compare unfavourably to the street entrepreneurs in Thakthing Bazar.

conclusion: The Street markets in Aizawl, the capital city provide a wide array of goods. The markets on Saturday are particularly spread out on the streets. Some roads are blocked for vehicular traffic to enable smooth selling of goods on the streets. Saturdays are popularly known as "Zing Bazar" in Mizoram when people usually shop for vegetables, as Sundays are reserved for Church and religious activities for a large section of the tribal population of Aizawl. The market comprises predominantly of tribal women selling their wares on the busy street of the city. Often products from Myanmar and Bangladesh are also visible in these markets. Women entrepreneurs were playing a dominant role in the zing bazar comprising 95.41 percent of the sample entrepreneurs. Though the literacy rates were high (90 percent), 50 percent of the respondents attained only primary level education, about 30 percent completed secondary education and only 8

percent possessed college degrees. A majority of the entrepreneurs were in the age bracket of 31-40 years and joint family system dominated the family structure of 85.20 percent of entrepreneurs. Most of the entrepreneurs earned less than `. 60,000 annually and barely sustained their livelihood from this form of business activity. Interestingly, the present study observed that street entrepreneurship is an important avenue for women with low educational qualifications. In the absence of gainful employment in the formal sector, this form of business activity has significant implications for poverty alleviation for the under priviledged tribal women in Mizoram.

# CHAPTER -4

# MOTIVATIONAL FACTORS OF STREET ENTREPRENEURS AND BUSINESS OPERATION

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#### CHAPTER - 4

# MOTIVATIONAL FACTORS OF STREET ENTREPRENEURS AND BUSINESS OPERATIONS

**4.1 ENTREPRENEURIAL MOTIVATIONS**: Motivation, which originate from the Latin word 'movere' is an inner urge in an individual that spurs him/her towards the achievement of a certain goal.

Research on entrepreneurship has focused on many motivational factors such as Achievement motive (Mc Clelland, 1961), Power motive (Mc Clelland, 1961 and Burnham, 1976), Self efficacy (Baum, 1994), Locus of control (Mc Clelland, 1961 and Rotter, 1966), Desire for autonomy (Burtner and Moore, 1997), Independence (Hiseuch, 1985 and Hornaday and Aboud 1973, and Aldridge, 1997), Drive (Shane et al, 2003) and Passion (Baum et al, 2001 and Shane et al, 2003). Research has also focus on the environmental characteristics influencing

the founding of a join (Alrich, 2000) & the characteristics of entrepreneurial opportunities (Christiansen, 1997).

Literature on informal entrepreneurship in the 20th century dispelled street entrepreneurship as a symptom of backwardness and under development and predicted their disappearance with economic industrialization and development (Geertz, 1963; Lexis, 1959). However, these views were refuted in the early decade of this millenium by numerous studies that revealed that informal entrepreneurship is exclusive, persistent and a growing phenomenon in many countries (De Soto 2001, Venkatesh 2006, Williams 2006, Perry and Maloney, 2007; Webb et al.,2009, Williams et al, 2009; Charmes 2009; Volkove,2002 and ILO,2002).

As an outcome, distinct theories emerged to examine and explain the continuance and growth of informal entrepreneurs. The structuralist perspective explained this persistence and growth as 'survivalist' or necessity driven in the absence of alternative means of livelihood (Anien et al 2002, Castells & Porter 1989; Davis 2006, Hudson 2005; Porter 1994, Sassen 1997). They viewed informal entrepreneurship as a fallout of globalised economy which has forced the marginalised sections of the economy, excluded from the formal labour market to undertake business activities in the informal sector as the only option open to them. However, advocates of the informal entrepreneurship (neo-liberals)

contend that informal entrepreneurship is a rational decision voluntarily taken by the entrepreneurs to unshackle from a burden on state (Sauvy 1984, De Soto 1989). According to De Soto (1989),"The informal entrepreneurship is the people spontaneous and creative response to the states incapacity to satisfy the basic needs of the impoverished masses. They viewed such work as undertaken largely by micro-entrepreneurs as a choice to operate off-the books to avoid the costs, time and effort of formal registration (Cross and Morales 2007; De Soto 1989,2001, Perry and Maloney 2007). According to Williams and Gurtoo (2011), although some studies have evaluated the validity of these theories in relation to western economies and transition economies such as Central European Nations, there is a dearth of research on evaluating the validity of these theories on developing nations and especially in relation to women informal entrepreneur in developing countries.

Williams & Gurtoo (2011), conducted a study on women entrepreneurs in the informal in seven cities of India; and found that the women informal entrepreneurs displayed elements of the rational economic choice. They observed that there were significant differences between the women informal wage earners and entrepreneurs. The earnings of informal entrepreneurs were relatively high and though they entered into informal entrepreneurship due to absence of alternative opportunities, they were positive about the future and were happy with their work.

The present study has enquired into the motivational factors that urged the street entrepreneurs to engage in street business in Thakthing market. Based on literature on entrepreneurial motives (Mc Clelland 1961; Burtner and Moore, Hisrich and Hornaday; Baum et al; Aldrich, Christiansen, Khanka (2009); of Williams and Gurtoo 2011). Ten statements were put forth to the respondents to understand what factors motivated them to start street business. The entrepreneurs were asked to mark the appropriate slots on a five points Likert scale ranging from strongly disagree to strongly agree, reflecting their views on the factor that motivated them. Further the study has grouped the farmer entrepreneurs and the entrepreneurs engaged in trading to find out distinctions in their entrepreneurial motives.

TABLE : 4.1

Motivational Factors of Entrepreneurs

FACTORS		MEAN SCORE	
		Farmer Entrepreneurs	Trader Entrepreneur
Ι	I started the business to earn a livelihood	3.81	3.61
II	Unemployment	3.51	3.48

III	Money/Economic motive "to earn money"	3.28	3.37
IV	Enjoyable work	3.12	2.65
V	Desire for independence	2.79	2.58
VI	Desire to give financial security to family	2.77	2.73
VII	To make use of idle funds	2.68	2.73
VIII	To gain social prestige	2.67	2.58
IX	Influenced by success stories of other street entrepreneurs	2.83	2.88
X	To diversify economic interest	2.79	2.87

# I. <u>Earning a livelihood</u>:

Earning a livelihood emerged as the significant motivational factors for the farmer entrepreneur (with a mean of 3.81 and for the trader entrepreneur with a mean of 3.67. Research evidence shows that 'making a living' has ben a prime motivator for entrepreneurs (mainly women) in transitional economies (Bewayo 1995; Mishra 2000; Baruah 2000).

Gray et al 2006 and Chu et al 2007 also observed that income and jobs were primary motives for entrepreneurs in Kenya and Ghana.

The Present study confirms to the structuralist theory which depicts informal entrepreneurship as a survivor tactic and the only alternate source of

livelihood. However, in this context the significance of street entrepreneurs in addressing poverty alleviation cannot be ignored.

Tinker 2000, observed in his study on street food vending in African cities that it was an important entrepreneurial activity and income source for both the urban poor, particularly women who were often the first victims of heightened poverty. Otoo et al 2010, observed that many west Africans women generate significant income through informal entrepreneurship and actively operate and pursue these opportunities to generate a sustainable livelihood and this business had significant poverty alleviation implication for West Africa.

Studies on street sellers in the Dominican Republic (Itztqsohn,2000), Somalia (Littlelois), informal entrepreneurship in garment business in India (Das 2003, Unm & Ram 2000) and home based micro business in Mexico (Staudt, 1998) observed that entrepreneur engage in these business out of a necessity and as a survival strategy. Pertinently, 68 percent of entrepreneurs in the present study depend on their business for sustaining a livelihood.

# II. <u>Unemployment:</u>

Unemployment emerges as the second most important motivating factors that has determined their entry into entrepreneurship with a mean of 3.51 for

farmers and a mean of 3.48 for traders. As discussed earlier, the entrepreneurs had low levels of education which restricts gainful employment in the formal sector and appears to have compelled them to engage in street business.

The structuralist have observed that informal entrepreneurship is an absorber of surplus labour and provider of income earning opportunities for the poor (Gurtoo 2011). Informal entrepreneur in other words are portrayed as unwilling and unfortunate pawns within an exploitative global economic system in which work is becoming precarious and poorly paid (Williams & Gurtoo 2011). This view is relevant to the informal economy in India which engage 93 percent of the country's working population comprising mainly self employed person (ILO 2002).

#### III. Earning money:

Research evidence confirm that economic considerations have been the major motivation for women to take up entrepreneurial career (Khanka 1990, Das 1999). Although the ambition of livelihood and making money may seem similar, there is inevitability in the choice of livelihood, whereas making money gives impression of progression in the motivational theory propounded by Marlone (1954), that human needs follow a hierarchical order from lower to higher order needs, namely; physiological, security, social, self esteem and self actualization

in that order. Although the need at the time of inception of the enterprise for the entrepreneurs, was to 'make a livelihood', 'making money' has emerged as an underlying motive.

William and Gurtoo, 2011 in their comparative study on women informal wage earners and women informal entrepreneurs discerned that though the women entrepreneurs engage in activities that absorb surplus labour, the typical depiction of these informal the structuralist entrepreneurs in perspective(comprising highly insecure work with no formal legal or social protection and limited bargaining power may not quite so much valid. In fact, they observed that the women informal entrepreneurs were well paid relation to women informal waged workers and have more positive experiences of their working conditions. According to them the women informal entrepreneurs were perceptible in their business because such work offers potential benefits not found in the formal economy, such as flexible working hours, opportunity for non educated, opportunity for economic independence & opportunity for earning better wages. They observed that although the social rule have push the informal sector towards marginalization and lack of job choices, the rules governing entrepreneurship have help them to strategies and turn this marginalization into an economic opportunity where they are doing better than waged informal workers and are happy in their profession. Another similar

study conducted on women entrepreneurs in the informal sections in West Africa (Otoo et al. 2010), observed that street food entrepreneurs are viable business providing income to women entrepreneurs significantly higher than the average minimum wage and as an activity has significant implication for poverty alleviation. Other studies (Cohen & Tinker, 1998; Fulton, 2006) observed in their studies the street food sector enable poor urban households to maintain a basic standard of living and ward off poverty by creating employment for women and generating income in West African cities. They observed that although these business are views through the structuralist lens, the informal women entrepreneurs in the food sector in West Africa generate significant income; operate successful business with a potential for growth and pursue these opportunities to generate a sustainable livelihood.

### IV. Enjoying the work:

Enjoyable work falls within the purview of nature of work . It implies one's intrinsic interest in his/her work. For example, job enrichment may make the work enjoyable and interesting to the entrepreneurs. This factor is suggestive of

the fact that achievers like to engage in those tasks they like and enjoy, and not just the task assigned to them (Khanka, 2009).

This motive was accord a higher importance by the farmer entrepreneurs with a mean of 3.12. However, the trader entrepreneurs have assigned a mean of only 2.65.

This could stem from the fact that the farmers nurture the vegetables themselves and take joy in selling those vegetables grown and nurtured by them in the markets. The selling of the vegetables grown by them and their family is the culmination of the ardous tasks undertaken from them from sowing/planting to nurturing to collecting the vegetables at the appropriate level of growth. However in contrast to the traders simply buy the vegetables from the farmers/whole seller and sell them to the final customer in the market; which is by far a more tasks of selling.

Williams & Gurtoo (2011), in their studies on informal entrepreneurs in Indian cities observed that in comparison to waged informal employees, women informal entrepreneur are happy doing their job which forms one of the basis of their distinction from the typical structuralistic view to that of the voluntarism perspective. Over 2/3 of the women informal entrepreneur were happy with their jobs as against 1/3 informal wage farmers. In the present study the high

rank accorded to this motives reflect a sense of happiness with their works, although their primary motivation was to earn a livelihood, employment and earning money in that order. A similar study (Noritake, 2008) conducted on women entrepreneur on a Chaeraeshiang (traditional market place) observed that in addition to having an economic need to work, happiness and pleasure in their work was a predominant motive to engage in street business.

The present study, confirms to William & Gurtoo (2011) study as far as the farmers are concerned, making a clear distinction from the structuralist view and leaning towards the voluntarism perspective. This motive was further tested by chi square as there was a significant difference in the mean scores (refer Table 4.5, page 111).

# V.<u>To gain an independent living :</u>

Independent entails taking the responsibility to use one's own judgement as opposed to blindly following the assertions of others. It also involves taking responsibility for one's own life rather than living off the efforts of others (Shane et al., 2003). Several researchers (Hiseuch, 1985; Hornaday & Aboud, 1973; Aldridge, 1997; Khanka, 2009) have observed that 'gaining independence' has been a dominant motivator in the emergence of entrepreneurship.

In the present study the farmers entrepreneur have accorded a high importance (Rank  $5^{th}$ ) to this motivational factors with a mean of 2.79. But the traders have relegated this motivational factors to relatively less importance with a mean of 2.58.

It appears that for the farmers entrepreneurs though the immediate and predominant urges for engaging in vegetable business was to 'make a living', 'unemployment', 'making money' and 'enjoying work'. In that order the motive 'to gain independent living' was an underlying motive that has played a significant role in their becoming entrepreneurs. Desire for independence is an important component of Autonomy and Power motive (Khanka, 2009). Noritake (2009) in her study on female street entrepreneurs in Seoul, South Korea observed that the desire to be economically independent and autonomous was a predominant motive for engaging in street business. However for the traders entrepreneurs this factor is relatively at a lower priority with a mean of 2.58.

### VI. Financial security:

Financial security emerged as the next motivating factor for farmers with a mean of 2.77 whereas trader entrepreneurs accorded a higher rank to other motive along with the "making use of idle funds".

#### VII. Make use of idle funds

The trader entrepreneurs have accorded a relatively higher priority to this motive with a mean of 2.73 as compared to the farmers entrepreneurs with a mean score of 2.68.

Pertinently, 20 traders have previously been engaged as wage employees in the informal sector and appear to have invested the little savings they might have earned into this micro-business. Whereas for the farmers this occupation is a logical end to their engaging farming activities.

## VIII. <u>To gain social prestige:</u>

Gaining social prestige is not a significant motive for both the traders and farmers, notwithstanding the fact that the traders have accorded a marginally higher priority to this motive with a mean score of 2.58 only.

# IX. <u>Influenced by the success stories of others street entrepreneur:</u>

Here again there is no significant difference in the priority accorded by the farmers and traders to their motive. The farmers have accorded a mean score of 2.83 as compared to the traders with a mean score of 2.88.

# X. To diversify economic interest:

Diversifying economic interest has been a significant motives after economic consideration for the traders entrepreneurs with a high mean score of 2.87. Apparently many of the traders have opted out of informal sector jobs to pursue this business which is reflected in their choice of the motive as the fourth most important motivational factor.

However the farmer do not appear to have any other occupation and hence this motive scored lowest among their choices with a lower mean score of 2.79 only.

For testing the significance between farmers and non farmers, Chi Square test method is used.

To establish level of significance

α is a predetermined value

The Convention

 $\alpha = .05$ 

a = .01

a = .001

To Determine the Hypothesis

Whether there is an Association or not

H<sub>o</sub> - The two variables are independent

H<sub>a</sub> - The two variables are associated

**Calculating Test Statistics** 

$$x^2 = E\left[\left(\frac{\mathbf{F_o} \mid \mathbf{F_e}}{\mathbf{Fe}}\right)^2\right]$$

here  $F_o$  = Observed frequencies

Fe = Expected frequency

To Determine Degree of freedom

$$d_f = (R-1) (C-1)$$

Where R = Row C = Column

To establish level of Significance : Alpha of .05

To determine the Hypothesis:

H<sub>o</sub> - There is no difference between farmer and non-farmer

 $H_{\text{a}}$  - There is an association between responses to the farmer and non-farmer

To determine Degrees of Freedom 
$$d_f = (R-1) (C-1) = (2-1) (3-1) = 2$$

Compare computed test statistic against a tabled/critical value

The computed value of the Pearson chi- square statistic is compared with the critical value to determine if the computed value is *improbable* 

The critical tabled values are based on sampling distributions of the Pearson chi square statistic

If calculated  $\chi^2$  is greater than  $\chi^2$  table value, reject H<sub>o</sub>

Table 4.2
Chi Square Distribution Table

Probability level (alpha)

Df	0.5	0.10	0.05	0.02	0.01	0.001
1	0.455	2.706	3.841	5.412	6.635	10.827
2	1.386	4.605	5.991	7.824	9.210	13.815
3	2.366	6.251	7.815	9.837	11.345	16.268
4	3.357	7.779	9.488	11.668	13.277	18.465

5	4.351	9.236	11.070	13.388	15.086	20.517

Table 4.3

Bivariate Frequency Table or Contingency Table

Farmers	23	20	14	57
Non Farmers	45	30	64	139
f Column	68	50	78	n=196

Table 4.4

Calculating Test Statistics

$\chi^2$	Farmers	f <sub>o</sub> =23 fe=57x68/196	f <sub>o</sub> =20 fe=57x50/196	f <sub>o</sub> =14 fe=57x78/196	57	=
	Non- Farmers		f <sub>o</sub> =30 fe=139x50/196	,	139	8.4
	F Column	68	50	78	n=196	

Compare computed test statistic against a tabled/critical value

 $\alpha = 0.05$ 

df = 2

Critical tabled value = 5.991

Test statistic, 8.4, exceeds critical value

Null hypothesis is rejected

Farmers & Non-farmers differ significantly.

### **4.2** OPERATION OF BUSINESS ENTERPRISES:

The Vegetable vendors in the Thakthing Bazar occupied the pavements from Sikulpuikawn to Thakthing Tlang. The market space on the pavements of the roads from Thakthing to Thakthing tlang were closed for vehicular traffic from 5.00am to 7.00pm on Saturdays. But the arterial road from Khatla to Kulikawn was open to traffic and is congested with vehicular traffic and people shopping for vegetable and other items on Saturdays popularly known as the 'Zing' Bazar.

The Vegetable vendors usually sell their vegetable on the pavements of he arterial road from Sikulpuikawn to Mission veng Bus Stop on all days of the week except Sunday. However, the number of vegetable vendors were substantially more in number on Saturdays than on other days of the week. The present study was conducted on a Zing Bazar day.

# 4.2.1 Number of Days of Business Operation

**Table - 4.5** 

Sl. No.	No. of Entrepreneurs	Percentage	Results
1	87	44.39	Only Saturday
2	89	45.41	Everyday
3	2	1.02	5 Days
4	4	2.04	4 Days
5	10	5.10	3 Days
6	4	2.04	2 Days
	196	100.00	

Table

shows the number of days the entrepreneurs sell their vegetables in Thakthing Market. 45-41 entrepreneur sold vegetables everyday except Sundays in Thakthing Bazar. 44.39 percent entrepreneur sold vegetables on Saturdays only. Notably the farmers preferred to sell their vegetables only on Saturdays (57 in numbers). 1.02 percent operated their business five days a week, 2.04 percent for 4 days a week, 5.10 percent for 3 days and 2.04 percent for 2 days in a week. However, all the vegetables vendors sold their vegetables in the Zing Bazar on Saturdays. Notably, all the farmers (29.08 percent) sold their vegetables only on Saturdays whereas vendors traded in vegetables on Saturdays and other days of the week as mentioned in Table No. 4.3.

It was observed that the farmers from far flung villages arrived in the market late in the night around 10.30pm on Fridays and slept overnight on the

streets or garages sometimes with their minor children. They unloaded their vegetables from the Tata Sumo vehicles and piled to them on the pavements or outside the shutters of shops or parking spaces of residences. They usually huddled together with their children in the nights. Some of the farmers sold their vegetables to traders on Friday night.

In the absence of any designated sheltered place for them, weather condition posed many hardships on them.

The vegetables vendors operated high business from 5.00am in the morning upto 6.00pm in the evening on Saturday.

### Location:

Table - 4.6
Fixed Location for Businesses

Sl.No	No. of Entrepreneurs	Percentage	Results
1	90	45.91	YES
2	106	54.09	NO
	196	100.00	

45.91 percent of the entrepreneur had a fixed location in the market whereas 54.09 percent did not have any fixed place in the market to sell their vegetables.

They used to sit together with their friends, relatives and some used to sit on the corridors of their relatives.

# 4.2.2 Choice of Location of Business

Table - 4.7
Choice of Location

Sl. No	No. of Entrepreneurs	Percentage	Results
1	55	28.06	Close to customers
2	47	23.98	Convenient place
3	33	16.84	No choice
4	61	31.12	Any other
	196	100.00	

28.06 percent selected a place on the basis of proximity to customers whereas 23.98 percent selected a place convenient to them to sell the vegetables.16.84 percent did not particularly have any choice of place, whereas 31 percent had other consideration for selecting the place such as sitting together with friend and relatives or sitting on the corridors of their relative's or friend homes.

### 4.2.3 Assets owned:

Table- 4.8
Assets owned by the Entrepreneurs

Sl.No	Choice by entrepreneurs	Percentage	Results
1	110	39.71	weights
2	123	44.40	plastic sheets
3	27	9.75	mizo basket
4	17	6.14	sacks
	277	100.00	

It was distressing to note that only 110 (39.71 percent) entrepreneurs owned weights to measure vegetables. The other usually placed stones or other measures to measure the weights of vegetables to be sold.123 (44.40 percent) entrepreneurs owned plastic sheets to shield them from rains. Mizo Baskets are the traditional baskets woven in cane and are usually carried on the backs of women with a sling of cane over the head facilitates the Mizo women to carry heavy luggage over her back in the hilly terrain. The Mizo Basket is a prized possession of every Mizo woman and priced at around `. 400/-. Only 9.75 percent of the street entrepreneurs owned these basket. About 6.14 percent owned other assets such as sacks to pack the vegetables.

# **4.2.4** Do you produce the vegetable you sell?

Table- 4.9

Do you produce the vegetable you sell?

Sl.	No. of		
No	Entrepreneurs	Percentage	Answer

1	57	29.08	Yes
2	122	62.24	No
3	16	8.16	No Response
4	1	0.51	Don't Know
	196	100.00	

As mentioned earlier 29.08 percent of the entrepreneurs are farmers and the remaining trade in vegetables bought from farmers/traders/wholesaler.

# 4.2.5 Procurement of vegetables:

Table- 4.10 From whom do you buy the vegetables?

Sl.No	No. of Entrepreneurs	Vegetables bought from	Percentage
1	73	Farmers	37.24
2	45	Wholesalers	22.96
3	78	Traders	39.8
4	196		100

37.24 percent enterprises source the vegetables from farmers, 22.96 percent from wholesaler 39.80 percent from traders.

Notably, Thakthing market is the varieties outlet for a majority of vegetables produced in Mizoram. Vegetables from outside Mizoram are also finding a market in Thakthing market. Some vegetables such as Garlic and Onions from Bangladesh are sold in Thakthing. Seasonal fruits such as Apples,

Pineapples, Cereals, Rice and other food products from Myanmar and Bangladesh are sold in Thakthing market. Mizoram shares a border with Bangladesh and Myanmar and is isolated from mainland India. Due to the proximity of these countries, the vegetables from there finds their way to Thakthing bazaar.

# 4.2.6 Source of production of vegetables:

Table 4.11

Are the vegetables produced in Mizoram?

Sl. No.	No. of Entrepreneurs	Percentage	Results
1	131	66.84	YES
2	65	33.16	NO
	196	100.00	

The customers usually paid in cash, about 84.18 percent are paying in cash whereas 14.29 percent offer a credit of one week to the customers. 1.53 percent do not give any response to the question. As they trade in perishable products and in small quantities, they depend mainly on cash transactions. However, 14.29 percent offer credit sometimes to maintain regular customers.

# 4.2.7 Terms of Sales:

**Table 4.12** 

**Terms of Sales** 

Sl. No.	No. of Entrepreneurs	Percentage	Terms of Sales
1	165	84.18	Cash
2	28	14.29	Credit
3	3	1.53	No Response
	196	100.00	

# 4.2.8 Average earning per Kg:

The average profit earned per kg is `. 12/-.Some unseasonal vegetables produced outside earn average profit of `. 20/- per kg

# CHAPTER -5

# PROBLEMS AND SUGGESTIONS

C	O	N	Т	ΕN	V٦	ГS	

5.1	PROBLEMS RELATING TO INFRASTRUCTURE
5.2	PROBLEMS RELATING TO MARKETING
5.3	PROBLEMS RELATING TO FINANCE
5.4	CONCLUSION
5.5	SUMMARY OF FINDINGS

### CHAPTER - 5

### PROBLEMS & SUGGESTIONS

After evaluating the motivational factors and business operations of the street enterprises, this chapter has attempted to make an appraisal of the problems confronting the street enterprises.

The problems that may be encountered by the enterprises have been broadly classified into three categories viz; problems relating to infrastructure, marketing and finance.

A self assessment of the problems faced by the sample entrepreneurs was sought and they were clearly requested to specify the problems encountered under each major head by giving a rank to the problems on the basis of the magnitude of the problem. The first ranking problem carries three points, the second problem two points and the third, one point. On the basis of the percentage

of the total weighted scores for each problem, overall ranking has been made. Only first three ranks have been considered and ranking beyond these have been discounted as insignificant. A choice of any other was given to them in order to ensure that their choices were not restricted to only the ones given in the questionnaires.

# 5.1 PROBLEMS RELATING TO INFRASTRUCTURE

Table 5.1 indicates the problems relating to infrastructure faced by the sample street entrepreneurs viz; lack of transportation, high cost of transportation, lack of shelter during extreme climatic conditions, interference from local government, lack of space for selling, traffic problems, lack of facilities and lack of storage facilities.

Table - 5.1
Problems Relating to Infrastructure

S/No	Nature of Problems	Entrepreneur's Ranking of Problems	S				
		No.1	No.2	No.3	Weighted Score	Rating (percent)	Rank
	Lack of						
1	Transportation	75	1	34	261	23.62	1
	High cost of						
2	Transport	31	43	7	186	16.833	3

	Lack of Shelter						
	during extreme						
	climatic						
3	condition	21	55	19	192	17.376	2
	Interference						
4	from local Govt	17	20	11	102	9.2308	4
	Lack of space						
5	for selling	39	29	11	186	16.833	3
	Traffic						
6	problems	9	10	11	58	5.2489	7
	Lack of						
	facilities e.g						
7	toilet etc	0	20	19	59	5.3394	6
	Lack of storage						
8	facilities	4	3	43	61	5.5204	5
9	No response	0	15	41			
	Total	196	196	196	1105	100	

Transportation has emerged as the most significant problem with the entrepreneurs according them the first and third rank.

110 entrepreneurs have mentioned 'lack of transportation' as the most significant infrastructural constraint with the highest rating of 23.62 percent. Most of the entrepreneurs come to Thakthing Bazaar to sell their vegetables from other localities. Almost all the farmer entrepreneurs dwell in far flung hamlets in the hinterland of Aizawl city and transport their produce from these areas to Thakthing market.

Some of these hamlets are at a considerable distance from Aizawl city namely: Sateek (29 kms); Sesawng (45 kms), Tachhip (23 kms) whereas some of the hamlets are relatively closer namely: Samtlang, Melthum, Melriat and Hualngohmun which are at an average distance of 8 - 12 kms from Aizawl city.

The farmers transport their produce from these places on Friday night by private transport vehicles (Tata Sumo) and pay a fare of about `. 200/- per head. They usually bring their children along (almost all are women) with them. These vehicles usually arrive at Thakthing around 10:30 – 11:00pm on Friday and after offloading their vegetables at late night around 11:30 to 12pm, the vendors segregate their vegetables and rest for a short while on the streets or in the verandahs of relatives or friends and in the parking areas of government buildings. The vegetables are sorted, cleaned, bundled and weighed in the early hours of Saturday to enable them display their vegetables on the street by 4:30am on Saturday.

Notably, there are few government run Mizoram State Transport buses plying on these routes and after long intervals. No buses ply on these routes after 6:00pm or early in the morning before 6:00am.

The farmers particularly are constrained by the lack of transport facilities as they live in far flung hamlets. As the traders also prefer to start their business activities early in the morning, they face the constraint of lack of public transport facilities in the early hours of Saturday.

The second ranking problem was 'the lack of shelter in extreme climate conditions'. This problem stems from 'the lack of transportation' which compels

the vendors to arrive at the market late night on Friday and seek shelter in the open street or under the roof of government offices and private residential areas.

Mizoram receives heavy rainfall. It falls in the region that gets an average rainfall of about 3000mm annually. The rainfall occurs during May – July and usually extends up to the month of September. Transportation also gets affected during the monsoon months. As the terrain is hilly, the area is wrought by frequent landslides in the rainy season.

Winter generally sets in the month of November and extends up to February. December and January are the coldest months of the year, when the minimum average temperature dips to below 10°C. Moreover, strong winds are a common occurrence in Mizoram due to its mountainous terrain and geo-climatic conditions.

The entrepreneurs have to face the travails of the heavy rainfall and falling temperatures prevalent in Mizoram. They usually huddle together with their family and friends under rooftops on Friday nights. In such circumstances, it becomes impossible for them to sleep on the open roads with their stock of vegetables. During the monsoon months, they resort to spreading plastic sheets over the areas slotted for selling their vegetables. In such circumstance, withstanding the extreme conditions, particularly at night becomes a veritable problem.

Interestingly, 'high cost of transportation' has been cited as the third important problem faced by the entrepreneurs with a rating of 16.83 percent. In fact, these problems faced by the street entrepreneurs are inter-related. Many entrepreneurs, particularly the farmer entrepreneurs come to the market from far flung hamlets as mentioned earlier.

These problems stem from the fact that there are no transport facilities available to the entrepreneurs early in the morning (about 3:00am) and hence they arrive at the market late Saturday nights around 10:30 – 11:00pm. The only means of transport available to them even at that time is privately run Tata Sumo vehicles wherein they load their vegetables at a fare of `. 200/- per head.

The entrepreneurs (mostly women) arrive with their children and it takes at least half an hour for them to offload their vegetables. They further spend a couple of hours to clean, sort and bundle their vegetables and usually start displaying their vegetables on the roads in their slotted spots by 4:00 – 4:30am on Saturdays.

'Lack of space' was also cited as the third problem with a rating of 16.83 percent. The 'Thakthing zing bazaar' stretches from Sikulpuikawn to Thakthing Tlang covering a distance of about one kilometer. Vehicular traffic is blocked in the stretch from Thakthing Tlang to the main road at Thakthing bus stop from early morning to 5:00pm on Saturdays. The stretch from Kulikawn Church to Thakthing L.A.D Office is blocked for vehicular traffic till 11:00am on Saturday morning.

Hence, after 11:00am the vegetables vendors from this stretch crowd on Thakthing – Kulikawn main road. This also may be aggravating the problem of space for selling as about 500 street entrepreneurs sell vegetables in the open street markets of Thakthing zing bazaar on Saturdays.

The other problems cited were 'interference from local government' (9.23 percent rating), 'lack of storage' (5.52 percent rating), 'lack of facilities (5.33 percent rating) and 'traffic problems' (5.25 percent rating).

The predominant problems of 'lack of transport', lack of shelter during extreme climatic conditions' and 'high cost of transport' appear to be inter-related and can be tackled by providing cheap transport facilities at the timings required by the entrepreneurs. On Saturdays, special city buses can ply in the early hours to facilitate transportation to Thakthing Bazaar from other localities in Aizawl city.

There is a need to provide transportation to the farmer entrepreneurs from the hamlets in the hinterland to safely transport their vegetable produce and the entrepreneurs to the market every Saturday and facilitate their return in the evening. Special Mizoram State Transport Buses should be arranged to ply the farmer entrepreneurs on the routes of Sateek, Sesawng, Tachhip, Samtlang, Melthum, Melriat, Hualngohmun, Muallungthu, Sihphir and Muthi to Aizawl city on Saturday morning at subsidized fares. This would solve the problems of 'lack of transportation', 'lack of shelter during extreme climatic conditions' and 'high cost

of transportation' which have emerged as the most significant problems of the entrepreneurs.

# 5.2 PROBLEMS RELATING TO MARKETING:

The marketing practices followed by these entrepreneurs were conventional to cater to the local markets. The street entrepreneurs were enquired about the problems that confronted them in this regard. On the basis of their answers, ranks were accorded to the problems based on a weighted score. Table 5.2 lists out the problems

Table 5.2

Lists out the problems relating to marketing.

	Nature of Problems		Entrepreneur's Ranking of Problems				
SI.N o		No 1	No 2	No 3	Weighte d Score	Rating (Percent )	Ran k
1	Irregular Supply	64	2	42	238	22.1395	1
2	Terms of payment to suppliers	13	29	7	104	9.67442	5
3	Vegetable supply not fresh	22	49	11	175	16.2791	3
4	Vegetable spoilt in transit	32	38	13	185	17.2093	2

	Low margin for						
5	vegetable	37	25	9	170	15.814	4
	Competition from						
6	other market	13	8	11	66	6.13953	7
	Distress selling in						
7	the evening	4	15	18	60	5.5814	8
8	Low sales	11	8	28	77	7.16279	6
9	No response		22	57	1075	100	
		19					
		6	196	196	1075	100	

The highest ranking problem was 'Irregular supply of vegetables' with a rating of 22.13 percent. As discussed earlier in Chapter No.4 (refer Table 4.9), 66.84 percent entrepreneurs procure vegetables produced in Mizoram whereas 33.16 percent entrepreneurs procure vegetables produced outside Mizoram i.e. the vegetables are produced in Silchar, Shillong and Bangladesh. 29 percent of the entrepreneurs were farmers who sold the vegetables cultivated by them but 71 percent of the entrepreneurs were traders who procured the vegetables sold by them from farmers, wholesalers and traders.

Perceptibly, the irregular supply of vegetables is related to the transportation problem referred to in Table No. 5.1. The supply of vegetables from outside Mizoram also depends on transportation. Silchar is at a distance of about 170 kms, whereas Shillong is a distance of 428 kms and the only means of transport is road transport. Mizoram being a hilly terrain does not have any access to railway lines. Transportation within the state to far flung villages which produce vegetables for the market is also not regular.

The second significant problem cited by them was 'Vegetables get spoiled during transit' with a rating of 17.20 percent followed by 'vegetable supply not fresh' with a rating of 16.27 percent. These problems are again connected to the transportation problem. Lack of efficient and regular transport is the major cause for spoilage of vegetables and the vegetables not retaining their freshness. Moreover, the packing materials used are conventional sacks which lead to more damage of the vegetables in the process of transportation. It is evident that these marketing problems are related to the infrastructural problems which can be tackled by providing efficient transportation facilities.

The fourth ranking problem was 'low margin for vegetables' with a rating of 15.81 percent. Interestingly, 'terms of trade', 'low sales', 'competition from other markets', 'distress selling' did not seem to be significant problems faced by the entrepreneurs.

### 5.3 PROBLEMS RELATING TO FINANCE:

Finance is the lifeblood of any business and lack of financial resources can affect the survival of the business. The entrepreneurs were enquired about the most important problems they face regarding finance (Table 5.3)

Table 5.3
Problems Relating to Finance

					Weighted		
	Nature of Problems	No 1	No 2	No 3	Score	Rating	Rank
1	Lack of working capital	100	1	46	348	33.6883	1
2	Lack of Fixed capital	14	64	5	175	16.9409	3
3	High rate of interest	15	37	14	133	12.8751	5
	Banks don't give us						
4	loan	28	44	13	185	17.909	2
	Meager assistance from						
5	Govt.	24	13	49	147	14.2304	4
6	Any other problems	14	3	3	51	4.93708	6
7	Problems from society	1	0	0	3	0.29042	7
8	Problems from family	0	0	0	0	0	8
9	No Response		34	66			
		196	196	196	1042	100.871	

As indicated in the table 5.3 the first ranking problem cited by them was 'Lack of working capital' (33.69 percent rating), followed by 'Banks don't give us loans' (17.9 percent rating) and 'lack of fixed capital' (16.94 percent rating).

The first rank was accorded to 'lack of working capital' with the highest rating of 33.69 percent with 147 out of 196 entrepreneurs marking this as one of the three problems confronted by them. The need for higher levels of working capital is imperative for such business enterprises dealing with perishable goods. Moreover, the entrepreneurs are largely depending on cash transactions rather

than credit for purchase as well as sales. The enterprises are 'cash strapped' and the absolute lack of storage facilities further aggravates their working capital problem. Further, there are no facilities for storing their vegetables. To add to all the problems, no credit facilities are available to any of the entrepreneurs from the formal banking system.

El Namaki (1990) observed that women enterprises in developing countries typically commence with under capitalization and continue with bad management of working capital (especially inventory and receivables).

The second rank was accorded to "Banks don't give us loans' with a rating of 17.9 percent. External factors affecting business success are associated with access to capital (Daniels, 2003). Banks are usually reluctant to disburse credit to micro-business due to lack of collateral security. Otoo et al (2010) observed that lack of financial credit to small enterprises may be attributed to the aversion of formal lending institutions to finance smaller loans because of the relatively high administration and information costs in the absence of collateral.

Literature also suggests that there is gender discrimination in formal lending to small women enterprises by financial institutions. Mayoux (1995), found that the aversion of formal lending institutions to small enterprises in developing countries is often compounded by gender discrimination in sub-Saharan African countries. Studies on women entrepreneurs engaged in informal

activities in Africa, Asia, Latin America and other developing countries have confirmed to this finding (Hiemstra et al, 2006; Richardson et al, 2004; Ostgaard and Bruiley, 1996 and Acho Chi, 2002).

Women entrepreneurs are hence left to rely on informal sources of finance such as money lenders and pawn brokers, rotating savings and credit associations, and friends, relatives, suppliers and shopkeepers (Akoten et al, 2006 and Gray et al, 2006).

Williams and Gurtoo's (2011) study on informal women entrepreneurs in seven cities in India found that these women entrepreneurs had no access to funds from any bank or government lending institutions and hence they depended on friends and informal money lenders. They also observed that none of the benefits of several economic schemes promoted by the government of India for the informal since 1990's had reached the informal women entrepreneurs of their study.

In the absence of credit from formal institutions, micro finance could fulfill the needs of the vegetable vendors. Cohen et al observed that micro finance was well suited to the working capital requirements of vendors. They cited the case study of SEWA (Self Employed Women's Association) Bank which had 55,000 members.

### 5.4 CONCLUSION:

Transportation related problems were the most significant problems faced by the entrepreneurs which led to their marketing maladies as well. Lack of access to credit and aversion of financial institution to extend credit to these small businesses emerged as the main finance related problems.

There is a need to provide efficient, regular subsidized transportation to the entrepreneurs and formulate strategies to deal with their financial constraints by promoting micro finance schemes among the vegetable vendors. As observed by Cohen et al; the global success of micro finance programs have demonstrated that economically active, low income women like street vendors are credit worthy and can effectively use credit and savings services to improve their lives.

### 5.5 SUMMARY OF FINDINGS:

- 1) All the entrepreneurs in the present study were Christians.
- 2) 187 entrepreneurs were women out of the total of 196 respondents.
- 3) Among the entrepreneurs illiterate comprise 10.20 percent and the vendors who attended primary school was 50 percent, secondary school was 29.59 percent and the vendors who attended college degree was 8.67 percent.

- 4) It can be observed that women in the age below 30 yrs constituted only 11.73 percent. However, 73.47 percent women were between the age of 30 50 yrs and 45.41 percent were in the age bracket of 31 40 yrs. There were fewer women entrepreneurs beyond the age of 51 yrs.
- 5) It was observed that 63.78 percent of the entrepreneurs were married while 8.67 percent of the entrepreneurs were not yet married.
- A high proportion of 85.20 percent of the entrepreneurs in Thakthing were living in joint families. Only 14.80 percent of the entrepreneurs were living in nucleus families.
- 7) 29.08 percent of the sample entrepreneurs, farming was the main occupation of the family. 59.69 percent of the sample entrepreneurs depended on buying and selling of vegetables and only 5.10 percent of the sample entrepreneurs depended mainly on jobs in the informal sector as the main source of income earning activity. 6.12 percent of the entrepreneurs family depended on other occupation.
- 8) Earning a livelihood emerged as the significant motivational factors for the farmer entrepreneur with a mean of 3.81 and for the trader entrepreneur with a mean of 3.67.

- 9) 45.41 entrepreneurs sold vegetables every day except Sunday in Thakthing Bazar. 44.39 percent entrepreneurs sold vegetables on Saturday only.
- 10) 45.91 percent of the entrepreneur had a fixed location in the market whereas 54.09 percent did not have any fixed place in the market to sell their vegetables.
- 11) 28.06 percent selected a place on the basis of proximity to customers whereas 23.98 percent selected a place convenient to them to sell their vegetables.
- 12) 39.71 percent entrepreneurs on waged to measures vegetables. The other usually place stones or other measures to measures the weights of vegetables to be sold.
- 13) 37.24 percent enterprises source the vegetables from farmers, 22.96 percent from wholesalers, 39.80 percent from traders.
- 14) 66.84 percent enterprises sell the vegetables which are produced outside Mizoram. The vegetables produce in other states such as Assam and Shillong and neighbouring Bangladesh are sold by these vendors.
- 15) The average profit earned per Kg is Rs. 12. Some unseasonal vegetables produce outside earned average profit of Rs. 20 per Kg.

- 16) 110 entrepreneurs have mentioned 'Lack of Transportation' as the most significant infrastructural constraint with the highest rating of 23.62 percent.
- 17) Relating to Marketing the highest ranking problem was 'Irregular Supply of Vegetables' with a rating of 22.13 percent.
- 18) Relating to Finance the highest ranking problem was 'Lack of

# 5.6 SUGGESTIONS:

The local street market of *Thakthing* plays a central role in livelihood security. It should no more be considered as at the fringe of society. This section has chalked out suggestions to enable the entrepreneurs of Thakthing market to sustain and develop.

- 1) Street entrepreneurship in Aizawl has emerged as an important occupation for alleviation of poverty and the government should recognize and provide support to such entrepreneurs.
- 2) Street entrepreneurship in Aizawl is an important occupation for alleviation of poverty and the Government should recognise and provide support to such entrepreneurs.
- 3) Transportation emerged as the most significant problem relating to infrastructure. Special buses, Mizoram State Transport (MST) should be

- provided for the farmers staying in far flung villages to transport their vegetables in the early hours of Saturday.
- 4) This will solve the problem of shelter which is the second most significant problem faced by them.
- 5) More space can be provided for selling by extending the market from Thakthing Tlang to Kulikawn.
- 6) The entrepreneurs are facing problems of working capital and fixed capital. As it is observed that many of them don't own weights, plastic sheets etc. Small bank loans to them will help them procure these assets.
- 7) Cold storage facilities should be provided.
- 8) Toilets should be provided to them, particularly as 96 per cent entrepreneurs are women.
- 9) The farmers and traders can organise themselves into a cooperative society. These will help them increase their bargaining power.
- 10) A place can be provided to them by Young Mizo Association (YMA), the leading NGO in Mizoram, to conduct meetings at least once in a month.
- 11) The flagship programme of the Government of Mizoram New Land Use Policy (NLUP) which targets the poor in the State with a view to provide

sustainable self employment to the under priviledged population in the state should include programs for street entrepreneurship to support their activities.

In conclusion, Thakthing zing bazaar plays a central role in livelihood security. It is at the epicenter of local commerce and become a hub of information exchange and socialization and is embedded in socio-cultural tribal systems. It meets the weekly needs of the people in Aizawl.

The street entrepreneurs of vegetable provides an outlet for small growers and farmers of vegetables to directly market their produce with high transaction cost. Thakthing Bazaar create important market linkages through promotion of domestic agriculture. It is functioning as an economic outlet for locally produced vegetables and ideally suited for low skill employment. It has demonstrated a capacity to absorb excess unemployment and these entrepreneurs should not anymore be considered as at the fringe of society.

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# Appendix-I: QUESTIONNAIRE (IN ENGLISH)

## A. Socio economic origins and characteristics

- (I) Identification Particulars:
- A.1 Name of the Entrepreneur
- A.2 Name and Address of the unit with ph No:
- A.3 Year of Commencement of business
- A.4 Age:
  - a) Below 30
  - b) 31-40
  - c) 41-50
  - d) 51-60
  - e) Above 60
- A.5 Sex:
  - a) Male
  - b) Female

## A.6Highest completed level of education:

- a) Illiterate
- b) Primary school
- c) Secondary school
- d) College degree
- e) others
- A.7 Marital Status:
  - a) Unmarried
  - b) Married
  - c) Divorced or separated

	a) wiaowea
A.8	Religion and Caste:
A.9	Community/ Tribe:
A.10	Family Structure:
A.11	a) Joint b) Nuclear Family Size:
	<ul><li>a) up to 5</li><li>b) 6-10</li><li>c) 11-15</li><li>d) Above 15</li></ul>
A.12	Native place:
A.13	If migrated to Aizawl, year of migration
A.14	Reasons for migration:
	a. for livelihood
	b. for more income
	c. for children's education
	d. for better living standards
	e. other reasons (Pl specify).
A.15	Main occupation of the family at present
	<ul><li>a) Agriculture</li><li>b) Trade</li><li>c) job</li></ul>

d) Others (Please specify)

A.16	Total family annual income from all sources (Rs)				
	a) Up to Rs 20,000 b) Rs 20001 – 40,000 c) Rs 40001 – 60,000 d) Rs 60,001 – Rs 80,000				
	e) Rs 80,001 - Rs 1,00,000 f) Above Rs 1,00,00				
A.17	Annual income from this business (Rs)  a) Up to Rs 20,000 b) Rs 20001 - 40,000 c) Rs 40001 - 60,000 d) Rs 60,001 - Rs 80,000 e) Rs 80,001 - Rs 1,00,000 f) Above Rs 1,00,000				
A.18	What are your work timings in the market on Saturdays?				
<b>(I)</b>	Motivational factors:				
B.1	Would you like your children to become entrepreneurs in the same				
	occupation?				
	a) Yes				
	b) NO				

a) Children may not be interested

B.2 If No, give reasons:

- b) This occupation is not profitable
- c) There is no future for this occupation
- d) Any other reason( please specify)
- B.3 Are you willing to adapt new ideas for your business?
  - a) Yes
  - b) No Don't know
- B.4 Please circle O the most appropriate numbers for each statement

	Statement	Strongly Disagree	Disagree	Neither Agree nor Disagre	Agree	Strongly Agree
1	I started this business to earn a livelihood	1	2	3	4	5
2	I started this business to earn money	1	2	3	4	5
3	I started this business to gain an independent living (self employment/ be my own boss)	1	2	3	4	5
4	I started this business to gain social prestige	1	2	3	4	5
5	I stared this business because I was unemployed	1	2	3	4	5
6	I stated this business to make use of idle funds	1	2	3	4	5
7	I started this business to diversify my economic interests	1	2	3	4	5
8	I stared this business as I was influenced by the success stories of other street entrepreneurs	1	2	3	4	5
9	I started this business because I enjoy the work	1	2	3	4	5
10	I started this business to give financial security to my family	1	2	3	4	5

# **C.** Business Practices:

d. Sacks

e. Any other (Pl Specify)

1. How many days do you sel	l vegetables in the market in a week?
a. Only Saturdays	
b. Every day (except Sunday)	
c. 5 days	
d. 4 days	
e.3 days	
f. 2 days	
2. (A) Do you select a fixed pl	ace in the market
a.	Same place
b.	Change
(B) Why did you select this place	
a. Close to customers	
b. Convenient place	
c. No choice	
d. Any other	
4. What are the assets you ow	n
a. Weight	
b. Plastic sheets	
c. Mizo basket	

# D. **Backward linkages** A. Do you produce the vegetables you sell a) Yes b) No B. If **No**, from whom do you buy? Please ✓ a. Farmer Miram/Silchar/Shillong/Myanmar/Bangladesh M:¬oram/Silchar/ Shillong/Myanmar/ Bangladesh b. wholesaler Mizoram/Silchar/Shillong/Myanmar/Bangladesh 2. Are the vegetables you sell produced in Mizoram, India, Bangladesh Myanmar or 3. Margin of profit per kg? 4. Terms of payment cash/ credit 5. If credit how many days credit and Percentage of transactions on credit basis? 6. Capital Invested: f. Initial year Latest year g. 7. Sources of Capital: Details of sources of seed capital:

S1 No	Sources of capital (income from)	Percentage to total capital
1	Agriculture	
2	Trade	
3	Salaries	
4	Sale of land	

5	Sale of other properties (please specify)	
6	Sale of business	
7	Borrowings from Commercial banks	
8	Borrowings from Co-operative banks	
9	Borrowings from Govt agencies	
10	Borrowings from relatives and friends	
11	Any other sources ( please specify)	

E. Problems faced/ encountered: What are the major problems faced by your enterprise? (Please ✓ three problems in the order of importance)

### I. Infrastructure

- 1. Lack of transport
- 2. High cost of transport
- 3. Lack of shelter during extreme climatic conditions (Rains, winter)
- 4. Interference from local government
- 5. Lack of space for selling
- 6. Traffic problems
- 7. Lack of facilities such as toilets, drinking water etc
- 8. Lack of storage facilities

## II. Marketing

1. Irregular supply of vegetables 2. Terms of payment to suppliers 3. Vegetables supplied not fresh 4. Vegetables spoilt in transit 5. Low margin for vegetables 6. Terms of payment to suppliers 7. Vegetables supplied are not fresh 8. Vegetables spoilt in transit 9. Other Problems III. Finance 1) Lack of working capital 2) Lack of fixed capital 3) High rates of interest 4) Banks don't give us loans 5) Meager assistance from government agencies 6) Any other problems (please specify)

APPENDIX -II: QUESTIONNAIRE (IN MIZO)

# A) Socio economic origins and characteristics

(I)	Identif	fication of Particulars :		
	A.1	Sumdawngtu hming		
	A.2	Hming ,Chenna bial leh Phone Number :		
	A.3	Sumda	awnna tan kum	
	A.4	Kum z	ah	
		a)	Kum 3o hnuailam	
		b)	Kum 31 leh 40 inkar	
		c)	Kum 41 leh 50 inkar	
		d)	Kum 51 leh 60 inkar	
		e)	Kum 60 chunglam	
	A.5	Sex		
		a)	Mipa	
		b)	Hmeichhia	
	A.6	Zirna t	thlen chin :	

Ziak leh chhiar thiam lo

a)

A.7	Marita	al Status (Kawppui dinhmun) :
	a)	Nupui/Pasal la nei lo
	b)	Nupui/Pasl nei tawh
	c)	Nupui/Pasal then tawh
	d)	Nuthlawi/Pathlawi
A.8 A.9	J	on & Caste (Sakhua leh Hnam/Chi) : nunity/ Tribe :
A.10	Chhui	ngkaw dinhmun :
	a)	A huho a cheng
	b)	A huho a cheng lo
A.11	Chhui	ngkaw Member zat :
	a)	5 leh a hnuai lam
	b)	6 leh 10 inkar
	c)	11 leh 15 inkar

Primary school

College degree

A dang

Secondary school

b)

c)

d)

d)

A.12	Pian l	eh murna :
A.13	Aizav	vla pem lut a nih chuan,engtik kumah nge a pem :
A.14	Pemlı	uhna chhan :
	a)	Eizawnna/Khawsak awlsam nan
	b)	Sum tam zawk hmuh nan
	c)	Fate lehkhazir nan
	d)	Khawsak tih changkan zawk nan
	e)	Thildang vang(sawifiah ni se)
A.15	Tuna	Chhungkaw eizawnna ber :
	a)	Huan/ Lo neih
	b)	Sumdawnna
	c)	Hna nghet
	d)	Thildang (sawifiah ni se)
A.16	Kum	khat chhunga Chhungkaw sum lakluh zawng zawng :
	a)	20,000 hnuai
	b)	Rs.20,001 – 40,000
	c)	Rs.40,001 - 60,000

d)

15 chung lam

	d)	Rs.60,001 - 80,000
	e)	Rs.80,001 - 1,00,000
	f)	Rs.1,00,000 chunglam
A.17	Tuna s	umdawnna atanga kum 1 chhunga lakluh :
	a)	Rs.20,000 hnuai lam
	b)	Rs.20,001- 40,000 inkar
	c)	Rs.40,001 - 60,000
	d)	Rs.60,001 - 80,000
	e)	Rs.1,00,000 chung lam
A.18	Inrinni	i ah eng hunah te nge i inzawrh?
Motiva	ational	factors:
B1.	I fate'n	he i sumdawnna hi rawn ti ve se i duh em?
	a)	AW
	b)	AIH
B2.	AIH i t	tih chuan, a chhan chu
	a)	Ka fate he thilah hian an tui ve lo mai thei
	b)	He eizawnna hi a hlawk teh chiam lo
	c)	Hmalam hun atan innghahna tham a tling lo

Thildang vang a nih chuan (tihlan ni se)

He sumdawnna hmasawnna atana hmachhawp thar te i nei em?

B)

d)

В3.

- a) AW
- b) AIH
- c) Ka Hre Lo

B4. Bawm chhunga number awmte hi i chhanna mil tur ber i kualkhung(0) dawn nia

Sl.	Statement	Strongly	Disagr	Neither	Agree	Strongly
No.		Disagree (Teuh lo mai)	ee (Ka awih lo?)	Agree nor Disagree (Ka hrethiam bik lo?)	(A nia lawm?)	Agree (Tehreng mai?)
1	He sumdawnna hi khawsaknan/eizawn nan a ka tih a ni	1	2	3	4	5
2	He sumdawnna hi pawisa hlawhchhuah nana ka tih a ni	1	2	3	4	5
3	He sumdawnna hi keimah tan liau liau a bultan nana ka tih a ni	1	2	3	4	5
4	He sumdawnna hi mite zah kai ve nan a ka tih a ni	1	2	3	4	5
5	He sumdawnna hi hna nghet ka hmuh loh vang ti ka ni	1	2	3	4	5
6	He sumdawnna hi a hlawkna thildang atana ka duh vanga ti ka ni	1	2	3	4	5

7	He sumdawnna hi sumdehchhuah thila huang ka zauhna atana ti ka ni	1	2	3	4	5
8	He sumdawnna hi midang lo hlawhtling tawhte sulhnu vang a ti ka ni	1	2	3	4	5
9	He sumdawnna hi ka tuina lam anih vanga ti ka ni	1	2	3	4	5
10	He sumdawnna hi ka chhungte tana sum dahthat ka duh vanga ti ka ni	1	2	3	4	5

## C. Business Practices:

C1. Kar 1 chhungin ni engzahnge i thlaite i zawrh thin?

- a) Inrinni ah chauh
- b) Nitin (Chawlhni tiam lo in)
- c) Ni 5
- d) Ni 4
- e) Ni 3
- f) Ni 2

C2. A) Bazarah Thutna engtiangin nge i neih?

- a) Awm hmun nghet
- b) Awm hmun nghet lo

B) Engvanga hmun nghet thlang nge i nih?

	a)	Dawrtu an tam vang	
	c)	A hmun a rem vang	
	d)	Hmun dang thlan tur awm loh vang	
	e)	Thil dang vang	
C3. Eng bungrua/hmanrua te nge i neih?			
	a)	Bukna leh Buk lung	
	b)	Sarang	
	c)	Mizo basket	
	d)	Sacks(Ip dangte?)	
	e)	Thil dang (sawilan ni se)	
Backv	vard l	linkages :	
D1.	A)	I thlai hralh te nangma thar chhuah ani em?	
	a)	AW	
	b)	AIH	
	,	A nih loh chuan, khawi atanga lak nge? Bawm chhungah hian i thai $(\checkmark)$ dawn nia	
	a)	Huan/Loneitu	
		Mizoram/Silchar/Shillong/Myanmar/Bangladesh	
	b)	A hlawma hralhtu	
		Mizoram/Silchar/Shillong/Myanmar/Bangladesh	

D)

	c)	Kharchhawng
		Mizoram/Silchar/Shillong/Myanmar/Bangladesh
		1
D2.		hralhte Mizoram/Silchar/Shillong/Myanmar/Bangladesh huah te an ni em?
	a)	AW
	b)	AIH
D3.	Engzal	h vel nge Kg 1 ah i hlep?
D4.	Eng Da	an in nge an in dawr thin?
	a)	A pawisa hlawm in
	b)	A ba in
D5.	A ba a	indawr a nih chuan Ni engzah chhung nge tih leh chumi
chhun	gin za a	h thena engzahnge pawisa pek ngai?
D6.	Sumhl	awm in pek dan
	a)	Kum tirah
	b)	Kum tawpa
D7.	Sumhl	awm hmuhna hnarte

Sl	Sources of Capital (income from)	Percentage to total capital
No.		
1	Huan,Lo,Ram	
2	Sumdawnna	
3	Hlawh	
4	Ram hralhna	
5	Thildang hralhna	
6	Business hralhna	
7	Commercial banks atanga pawisa puk	
8	Cooperative banks atanga pawisa puk	
9	Govt Agencies atanga pawisa puk	
10	Chhungte leh Thiante atanga pawisa puk	
11	Thil dang	

# E. Harsatna tawhte: Eng harsatna lianthamnge i sumdawnna ah i neih?

(A hnuaia harsatna 3 te hi a pawimawh dan in dawt in i thai  $(\checkmark)$  dawn nia

#### I. Infrastructure:

- 1. Veivahna a harsa
- 2. Veivahna man a sang
- 3. Sik leh Sa nasa hnuaia intuamhlawmna tlakchham vang
- 4. Ramchhung sawrkar in rawlh ve vang
- 5. Inzawrhna hmun awm lo
- 6. Traffic lama harsatna

- 7. Nitin mamawh thil tuiin tur thianghlim,ekin,zunin etc. Awm lo
- 8. Bungraw vawn thatna awm lo

### II. Marketing:

- 1. Chatlak lo a thlai lak tur awm lo
- 2. Bungraw lakna te nena indawrna
- 3. Thlai lak chhawn te a thar tawk lo
- 4. A phurhna a thlai chhia
- 5. Thlai man bituk chin a hniam
- 6. Hmundanga bazaar tenena in el
- 7. Tlai/zan lama inzawrh buaithlak
- 8. Hralh tlem
- 9. Thil dang vang

#### III. Finance:

- 1. Sumhlawm hlawhchhuah harsa
- 2. Sumhlawm nghet lo
- 3. Pawisa punna sang lutuk
- 4. Bank in pawisa puktir thei lo
- 5. Gov't. Agency lam atangin puihna hmu lo
- 6. thildang vang