

Survival Through Entrepreneurship: Determinants of Successful Micro-enterprises in Balik Pulau, Penang Island, Malaysia

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Abstract

Like in any developing countries, micro enterprises have developed as a means to respond to growing poverty particularly in generating income to supplement household income. This study will examine several key success determinants for micro-enterprises in Penang. The success factors will be examined based on the determinants that have been identified as framework of the study. Several studies on SMEs in Penang have been done but mostly focusing on the challenges and struggles faced by small and medium enterprises, concentrating more on the manufacturing sector. More studies are still needed on micro enterprises in Penang particularly looking at the success factors, motivations, challenges and struggles. This in-depth study of the performance of micro-enterprise in Balik Pulau area, where most of the Malay ethnic group is concentrated, will provide an insight into the challenges and struggles in their business performance. Findings have shown that there is a significant different between those micro-entrepreneurs in formal business (registered company) than those informal micro-enterprises. Informal micro-entrepreneurs are mostly survivalist, have limited access to capital, low level of knowledge in business marketing whereas formal micro-entrepreneurs are more inspired and aggressive in expanding their business operations. This study also reveals the important role of government agencies such as the State Agricultural Department and local Farmer's Organization in assisting women micro-entrepreneurs in Balik Pulau, particularly during their business initial development.

Keywords: Micro-enterprise, indicators of success, Balik Pulau, women entrepreneurs

1. Introduction

In Malaysia, Small Medium Enterprises (SMEs) consists of three different category of enterprise: micro, small and medium enterprise. The definition of each category is based on its size, turnover and activities (Sin, 2010; Chong 2010). Micro-enterprise is defined by the sales turnover of less than RM250,000 or fewer than five full-time employees. Like in any developing countries, micro enterprises have developed as a means to respond to growing poverty particularly in generating income to supplement household income. These micro-enterprises who are mostly run by women are more likely to be home-based, given that they are responsible for domestic labour (Thompson, 2009) According to him, these micro-enterprise provides flexibility for women in terms of balancing their home and work responsibilities. In this case, these women entrepreneurs are mostly involved in small-scale food processing. In Asia, rural-based food processing industry constitutes almost 70 per cent of the companies in the rural areas (Hicks, 2001).

Based on the 2005 Census of Establishment and Enterprise, almost 99% of business establishments are SMEs and out of that number, 80% are micro enterprises. SMEs is considered the backbone of the economic growth of Malaysia where in 2005, SMEs contributed 32 percent of GDP and 19% of the total exports of Malaysia (Census of Establishments and Enterprises, 2005). 95% out of 9000 food processing factories in Malaysia is in the category of micro-enterprises (Chee, 1986). According to him, these enterprises have a significant role in the Malaysian economy, particularly in generating better income distribution and employment and also as a platform for small entrepreneurs to enhance their skills before investing in larger enterprises. However, various challenges have been identified faced by SMEs in Malaysia particularly small businesses in rural areas such as low level of productivity, among the problems are inconsistent supply of raw materials, low and inefficient production level, outdated processing methodology and equipments, poor quality of food products and product packaging, poor hygiene and sanitary practices, lack of product development and marketing know-how (Hicks, 2001). In Penang, it has been reported that micro-entrepreneur operators have minimal knowledge in marketing and packaging process¹. However, while a large number of women are involved in micro-enterprises, only a small number of these women are successful at generating a sustainable living from their businesses. Several studies on SMEs in Penang have been done but mostly focusing on the challenges and struggles faced by small and medium enterprises (Chin, 1997) and concentrated more on the manufacturing sector (How, 2001; Cheng, 2002). More studies are still needed on micro enterprises in Penang particularly looking at the success factors, motivations, challenges and struggles.

Therefore, this paper will be assessing the indicators of successful micro-enterprise and examining the challenges and struggles faced by micro entrepreneurs in Balik Pulau, Penang. There has been a substantial study on assessing the success determinants for micro-enterprises particularly in the African region (Okurut, 2008; Adekunle 2011; Schiebold, 2011). By adapting a similar framework from previous literatures, this study on performance of micro-enterprises in Balik Pulau area, where most of the Malay ethnic group is concentrated, will provide an insight into the challenges and struggles of their business performances.

2. Literature Review

2.1 Women Micro-entrepreneurship and Survival

In developing countries, the motivation for entrepreneurship is often for survival and not business opportunity. According to the Global Entrepreneurship Monitor in 2006, it is argued that "early-stage entrepreneurial activity is generally higher in those countries with lower levels of GDP due to the fact that many "are pushed into entrepreneurship because all other options for work are either absent or

unsatisfactory (necessity entrepreneurs) ⁱⁱ " As for women, entrepreneurship is a gateway for women to generate income so that a more sustainable livelihood can be achieved (Spevaek, 2011). Based on the UNECE report, entrepreneurship has improved women's employability in the Europe and Euroasia region and that many women in this region turn to self-employment and entrepreneurship as means of survival (UNECE, 2004) and women business's owners become a role models for younger generation for potential female entrepreneur to start businesses (Friederike et.al, 2004). Study by Pingle (2005) found that the micro-entrepreneurs who are also the users of micro-credit seem to be in the category of 'survivalist'. Her study also suggests that successful performers that provide sustainable livelihood to their owners constitute only a small percentage of the users of micro-credit. In Malaysia, literature on the performance of micro enterprises has described the various challenges and problems faced by micro-entrepreneurs that has an implications on their business productivity and the fact that majority of them are survivalist (Chong, 2010; Nurbani et.al, 2011). Therefore, micro-enterprise is often sought after by those in poverty and marginal category such single women, "easy poor" group. For immigrants and refugees, micro-enterprise provides sustainable income and have the advantage of easy entry and exit, due to the flexibility of not needing the necessary certification, licenses, languages skills or network. For many people with lower incomes, microenterprise provides the opportunity for individuals to develop their talents and skills and use them to improve their financial wellbeing.

2.2 Determinants of Microenterprise Performance

From the literature, various determinants of microenterprise performance have been proposed and identified. Okurut (2008) proposed that the returns in micro-enterprises are positively and significantly influenced by education level, experience and business assets but negatively influenced by being female-owned and rural-based. He argues that other than improving the level of education, the improvement of rural infrastructure is very crucial in enhancing the performance of rural-based microenterprises. In Nigeria, Ajibefun and Daramola (2003)'s study also support some of Okurut's findings. He contended that the level of education of enterprise owners is highly significant in affecting the level of efficiency of the microenterprises. This implies that education is an important policy variable to improve both technical and allocative efficiency. However, he also reveals that that rising age of enterprise owners has led to the decline in the mean efficiency, suggesting that more young entrepreneurs should be encouraged to put more efforts and therefore later would raise the level of efficiency.

A later study by Kirubi (2006) suggests that modern energy (such as access to electricity, markets roads, communication and school has contributed to the growth of microenterprises in rural Kenya). Adekunle (2011) provides a different perspective by examining the business performance of those micro-entrepreneurs who became a member of Cooperative Thrift and Credit Societies (CTCS). He suggests personal agency belief is a significant predictor of business performance. The member's entrepreneurial ability is also improved by being the member of the group.

In Malaysia, Che Rose, Kumar and Lim (2006) contended that personal initiative as the major key to success in SMEs industry. They argue that entrepreneurs with high personal initiative will naturally overcome the disadvantages or weaknesses in them with their self-starting and proactive attitude. They also provided similar evidence to that of previous studies that level of education has also contributed to the business growth. Nurbaini et.al (2010) argues that micro entrepreneurs in Malaysia are generally having financial difficulties particularly during the start up. Even access to financial credit scheme does not normally guarantee the success of these micro businesses.

A more recent study on the determinants of micro-enterprises performance has been carried out by Schiebold (2011). He proposed a framework with seven determinants such as informality, institutional environment, entrepreneurial characteristics, socio-cultural environment, financing, petty trading and infrastructure. The framework is used as a tool for development project that is trying to distinguish settings that favor micro-entrepreneurs and maximize their chances for succeeding. This is

the framework that will be applied in the analysis of this paper with some modification so that it will be more locally contextualized. The new framework will be discussed in the next chapter.

3. Conceptual Framework

The conceptual framework for this study is based on previous studies on determinants of microenterprise performance (Shaw, 2002; Okurut, 2008; Adekunle, 2011; Schiebold, 2011). For the purpose of analysis, we adapted Adekunle (2011) and Schiebold's (2011) framework to analyse the success determinants for micro-entrepreneurs. Within this framework, several determinants are identified to categorize success enterprise based on informality, institutional environment, entrepreneurial characteristics, socio-cultural environment, financing, petty corruption and infrastructure.

This framework was developed by Schiebold (2011) as a tool for development projects in finding the suitable setting for micro-entrepreneurs that can maximize their chances of succeeding. However, for the purpose of this study, slight modification has been made to accommodate the local context. Only 6 determinants are selected for this study that is informality, institutional environment, entrepreneurial characteristics, social cultural environment, financing and infrastructure. Table 1 illustrates the conceptual framework for the study.

Table 1: A Framework of Success Determinants for Micro-enterprise in Penang

1. Informality

Informality referred to the legal status of business owners' enterprise. In many cases, micro-enterprise operated without legal registration and mostly just referred to as "informal sector". According to Schiebold (2011), unregistered business has an implication on the business success in a number of ways. Due to its informal status or non registered, they are unable to conduct business with official institutions or large formal businesses. Furthermore, they are excluded from exporting their products and therefore this could give them problem in raising money through official channels. They have no access to judicial system, limited access to financing mechanism.

2. Institutional Environment

Institutional environment refers to the official and unofficial rules and constraints that surround an entrepreneur and which shape the business operated (Schiebold, 2011). This institution consists of both written and formal constraints where the former may relate to legal matter while the informal constraints are being associated with norms, conventions and self-imposed codes of conduct (Shirley, 2008).

3. Entrepreneurial Characteristics

This item refers specifically to the characteristics of an entrepreneur and their implications to the business success. An entrepreneur is defined as an individual who develops and owns his own enterprise, risk taker, innovative, motivated, persistent and creative in converting a situation into opportunity¹. Successful entrepreneurs should have a unique set of personal characteristics, including: inspiration, creativity, direct action, courage and fortitude as these characteristics are fundamental to the process of innovation (Martin and Osberg,

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2007). They should also have a certain set of capacities, mindset, (Schiebold, 2011), cognitive ability, motivation, competitive attitude (De Mel, Mckenzie and Woodruff, 2010). Entrepreneurial characteristics have a significant indicator in determining the success of micro-entrepreneurs. Cognitive ability can be influenced by the level of education. It is argued that entrepreneurs with an elementary school education tend to be less receptive to new technologies compared those who have a college education (Ghani, 1995) . This situation is difficult to apply new technology and improve productivity.

4. **Socio-cultural environment**

This item refers to rules, shared values, beliefs, norms and code of conduct that is culturally rooted. The difficulty in changing these values and its significant impact on the socio-cultural environment can influence the level of success of entrepreneurs (Schiebold, 2011). In Malaysian context, it has been debated how Malay culture which is translated under the concept of *Adat* is very much intertwined with Islam, the official religion of Malaysia (Wazir Jahan, 1992). Study by Wan Nurhasniah (2011) on the concept of *Budi* and Muhammad (2009) have shown how Malay traditional culture, belief and practices of Islamic cultures were practiced by Malay women businessperson in Kelantan, Malaysia. This item is used to examine whether or not these values are adapted in the respondent's business activities and its influence on the business growth.

5. **Financing**

Financing mechanism is important for investment and stimulating business productivity which is the main objectives for any businesses. This item is used to examine the challenges faced by respondents in getting access to micro-credit financing schemes and the reason they avoided these schemes. Various studies have documented the difficulties faced by micro entrepreneurs to get financial assistance from local micro-credit schemes which include the lack of knowledge in loan application and high legal documentation (Nurbani et.al, 2010).

6. **Infrastructure**

Infrastructure refers to both physical and non-physical. Physical infrastructure consists of roads, modern energy and non-physical item such as market structure. Location, according to Shaw (2002), which includes reliable power, communication, water and transport service will facilitate technological innovation and better access to inputs, markets and information. Furthermore, sound infrastructure will provide rural entrepreneurs to have access to urban markets.

4. **Research Methodology**

The data used for this paper were gathered through qualitative approach. A series of in-depth interviews were carried out with the participants to document their involvement in the micro-enterprises. The women entrepreneurs interviewed were identified in the following way. Firstly, five villages were identified and then through the assistance of the Chief village, the Village Committee and with the help of community members, micro-enterprise operators in each village were identified either through personal visit or contacted by telephone. The identification is not a straight forward process as

some of the small businesses are not known by the Village Committee as there is no local business directory kept by the Chief Village or the Village Committee. These five villages were selected because they were considered to have the largest concentration of small-businesses in Balik Pulau.

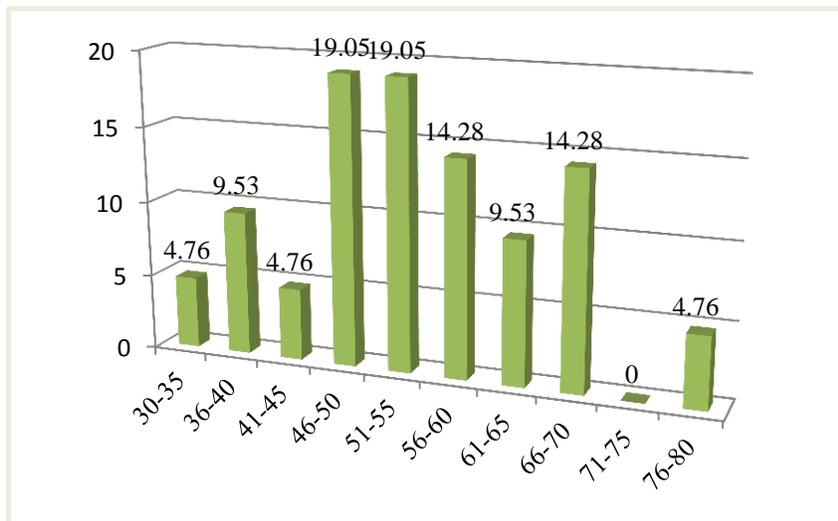
For this study, we decided to select only women micro-entrepreneurs with the total number of 21 respondents, representing 50% of micro-entrepreneurs from these villages. A series of in-depth interviews were carried out with the respondents focusing on the demographic profile, motivations, perception on the indicators and challenges faced by them. Most of the interviews were held either at the participants' business workshop, premises or in their houses. All the interviews were tape-recorded with the permission of the respondents and later transcribed before going through the coding process using *Emergent Coding* (Stemler, 2001). The transcription also leads to the development of detailed case study write-ups for each respondent.

5. Research Findings and Case Studies

5.1. Demographic Profiles

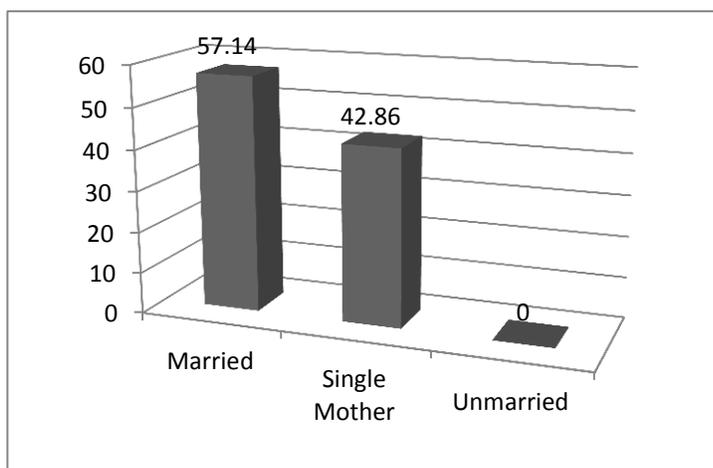
Majority of respondents were between the ages of 46 – 55. The oldest respondents were between the age of 76 – 80 (4.76%). All of the respondents were involved in food processing industry.

Figure 1: Age of Respondents



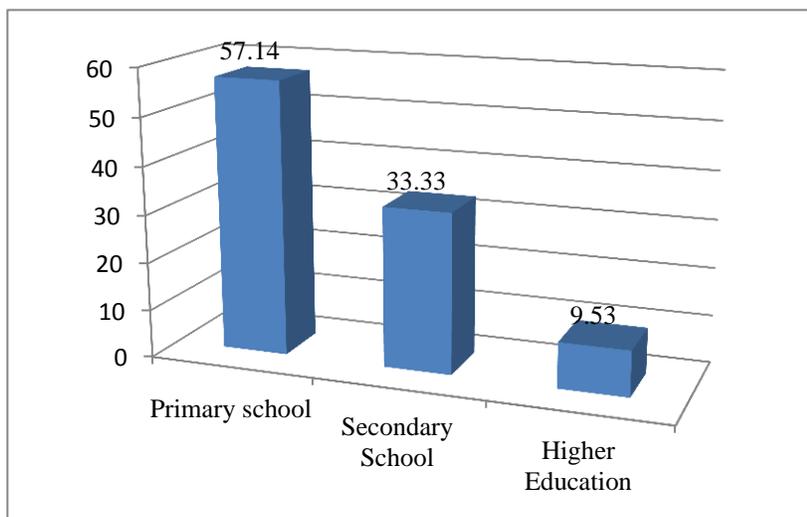
More than half of the respondents (57.1%), were married while the rest of them were single mother (42.9%). Interestingly, no single women were involved in micro-enterprises in these five villages.

Figure 2: Marital Status



With regard to educational level, 57.1% of the respondents had primary education, 33.3% were secondary education and 9.53% graduated from higher education (college and university). This finding shows that all the respondents have at least received formal education.

Figure 3: Level of Education



All of the respondents were involved in food processing businesses. There were 9 different types of small-businesses identified, of which, 13 (69.9%) were traditional food making businesses such as the making of spinach crisp, banana crisp and the rest of the businesses were 1 (4.7%) modern cookies, 1 (4.7%) Nutmeg Juice, 1 (4.7%) Fruits pickles, 1 (4.7%) Dried Jelly, 1 (4.7%) Chili sauce, 1 (4.7%) cupcakes, 1 (4.7%) salted fish, followed by handcraft making 1 (4.7%). Table 4 shows the type, number, and percentage of small businesses surveyed.

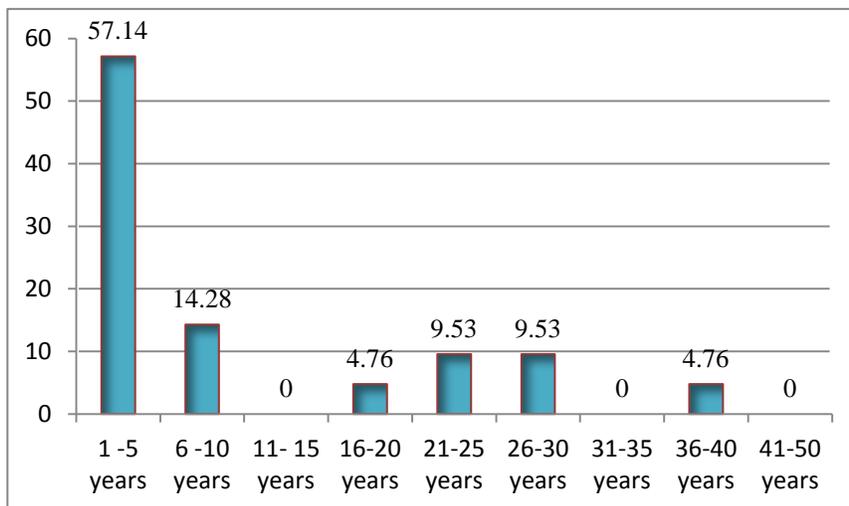
Table 2: Type of Businesses

Type of Businesses	No of Respondents	(%)
Modern Cookies	1	4.7
Cordial drink (Nutmeg Juice)	1	4.7
Fruits pickles and soup paste	1	4.7
Dried Jelly	1	4.7
Chillie Sauce	1	4.7
Traditional <i>kuih</i> (delicacies)	13	61.9
Handcraft (decorated gift box from recycled newspaper)	1	4.7
Cupcakes and Cakes	1	4.7
Salted fish	1	4.7
Total	21	100

Majority of the respondents have been in the business less than 5 years (57.1%), 2011 and more than 38% of them have been in the business for over 30 years. Only 1 respondent was in the business for 40 years.

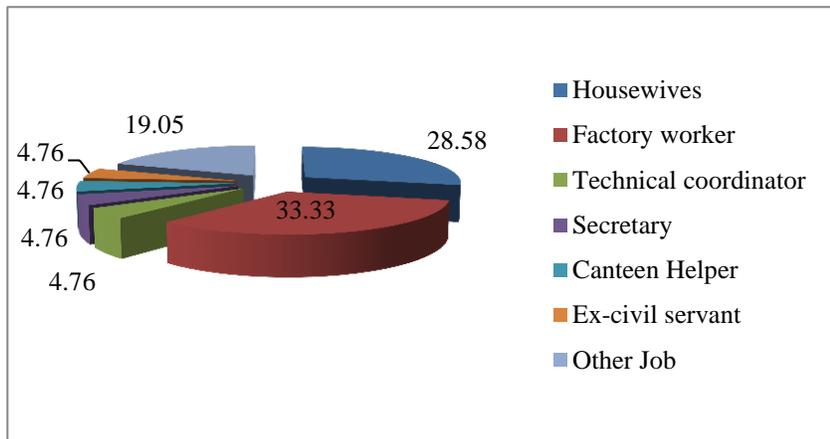
respondents have been in the business

Figure 4: Period of Operation



Respondents were asked whether they had any working experience before embarking into business. All of them said that they had been working in various types of income generation activities and the last work before going into business were civil servant, (33.3%), 28.6% were housewives, factory worker (4.8%), Technical coordinator (4.7%), secretary (4.7%), canteen helper (4.7%) and 19% were doing other than the mentioned job.

Figure 5: Occupation Involving in Business



5.2. Qualitative Analysis

This section will be focusing on the analysis of determinants of success micro-enterprises based on the framework that has been proposed in the earlier section.

5.2.1 Informality

Based on the number of respondents interviewed, only 8 out of 21 is registered enterprise. Less than 40% the micro enterprises are registered. This is the real representation of micro-enterprise business in Balik Pulau. The main factor that keeping their business informal is because they do not feel that their businesses deserved to be legal because it is small, of inconsistent demand and do not have intention to expand and they could not see the potential of expanding their business due to old age. Mostly, those entrepreneurs who are involved in the making of traditional *kuih* (delicacies) are in their 50s – 70's. Many of their children do not involved at all in the business and they do not have any interest in inheriting the skills from their mothers. This phenomenon has raised certain concern over the dying art of traditional *kuih* making as the younger generations prefer to make modern cookies for *hari raya*. They argued that they cannot formalize their business as they still cannot see how the product can be marketed. The food processing business is considered as “low-entry barriers” because it does not require a lot of capital and skill. Most of the skills are acquired throughout their lives, inherited from grandmother and mothers.

In Balik Pulau, the status of registration of micro-enterprise in Balik Pulau will also determine the production strategy that they employed. Majority of the informal enterprise do not produced daily compared to their counterpart in the formal enterprises. The production of most informal enterprise is based on orders. Usually, orders will increase significantly during festive season such as *Hari Raya* celebration (*Eid-ul-Fitr*) and school holidays where wedding feast and special functions are usually held. Traditional cookies are the most sought after items during *Hari Raya* while cupcakes, dried jelly and various types of crisp are the popular items for wedding feast as part of its wedding gift.

5.2.2 Institutional Environment

As discussed earlier, this institution consists of both written and formal constraints where the former may relate to legal matter while the informal constraints are being associated with norms, conventions and self-imposed codes of conduct (Shirley, 2008) and this constraints will definitely shape the business operation (Schiebold, 2011). Due to its informal status, majority of micro-enterprise operators resort to the simplest type of marketing strategy compared to those formal enterprise which is

employing a more aggressive approach. Based on the interviews, in terms of marketing, respondents from informal enterprises preferred the market to “coming to them” rather than those respondents from formal enterprises who emphasized that “we need to get out and sell”. The former strategy is highly dependent on customer to “come to them” either making orders through the phone or home visit. Therefore, majority of customers are mainly from the local villagers, schools and a number of government agencies nearby. Connections of friends and relatives are utilized, acting as middle person, to sell their products particularly at local factories. According to respondents, those in informal enterprises admitted that the informal status has created various legal constraints including the limitation of connections and networking and this has significantly impacted on the marketing strategy. That would explain that those who have limited connections and networking will mainly involved in food enterprises because the business require a low capital investment and a low level of technology (Ghani, 1995).

In the case of Balik Pulau micro-enterprises, the important role of government agencies such as State Agricultural Department, Penang Development Corporation (PDC) and local Farmer’s Organization in giving assistance and advice to these micro-entrepreneurs particularly during the start-up process is undeniable. For example, State Agricultural Department and PDC have assisted almost all of the respondents in various aspects such as providing equipments and machines, business premises or workshop (all the materials and cost of construction are paid for, land is provided by the business owner), packaging and product label. These items have helped the respondents tremendously in their business production. Usually, the assistance gained either through the application made by the business owner to the department directly or the offer came after observations made by the Department officers during several exhibition and functions participated by the business operators. This aspect will be discussed again in the infrastructure section.

5.2.3 Entrepreneurial Characteristics

Based on a bigger study that has been conducted in Balik Pulau recently, involving 12 villages, 41 micro-entrepreneurs have been identified and all of them are Malay women. Therefore, it can be argued that this number indicates that the Malay women of Balik Pulau are very entrepreneurial in nature. However, the study revealed that this characteristic does not indicate the level of motivation and creativity in bringing their businesses into a higher level. The finding also shows that there are differences of characteristic between micro entrepreneurs in informal business and their counterpart in the formal business. Generally, those in informal business do not seem to possess a burning desire or “competitive attitude”, considered as one of the important characteristics in generating inspiration and motivation for business expansion. This phenomenon can be explained by several factors.

The low level of motivation is due to the age factor. Based on the earlier discussion, majority of respondents are in the range between 46 to 55 years old and only in the business for less than five years. They argued that they are not that young anymore and business expansion needs a lot of physical and mental energy of which they no longer possess. Furthermore, with little experience they have in the business and the fear of no one taking over the business has made them realized that they should just maintain what they are doing now as long as the income can sustain their lives. As one respondent narrates, “little is better than nothing, for me, that is okay...not that rich but [I] can live comfortably”.

The fear of venturing into a bigger operation due to lack of confidence and technological knowledge has also implicated on their business production. In this case, level of education is important. In the earlier section, majority of respondents were only attending primary school which indicates the low level of technology, communication skill and confidence particularly in dealing with people in the business industry. Previous study has shown that entrepreneurs with an elementary school education tend to be less receptive to new technologies and therefore made it difficult to transfer new technology and improve productivity (Ghani, 1995).

Interestingly, the entrepreneurs interviewed in formal enterprise are much more motivated, have a clear vision in business expansion and more knowledgeable. Although, all of the respondents do not deny the tough challenges that they faced, but “*we need to ‘get out’ and sell our products*”. One respondent who is in the business of making nutmeg juice for 11 years and has been travelling throughout the country to promote her products emphasized that “*...we have no choice, [in order] to succeed, we must be brave, hardworking and to compete...otherwise, we will be left behind*”. These different attitudes towards business performance between formal and informal entrepreneurs can be put in two different categories. The informal group prefers to “wait and see” or would rather taking the position of just “staying as it is” whereas the formal group is having an aggressive attitude to ensure that they could compete in an industry that is considered as competitive in the Malaysian SMEs.

5.2.4 Socio-Cultural Environment

Studies have shown how traditional Malay and Islamic values are playing important role in constructing the identity of the Malay people (Karim, 1992; Wan Norhasniah, 2011) and its impact on the Malay's character, traits and behaviours during their interactions within and outside their community. The values of *budi*, tolerance, forgiveness and patience are very much observed by the respondents. According to the respondents who are all Malay Muslim women have to negotiate their cultural expectations and business cultural expectations because their involvement in business requires them to meet various people from different walks of life, travelling and dealing with the male counterparts. One respondent said that “*...no matter how aggressive we are, as expected in business industry, we must always remember our responsibility as wife and a mother to our children*”. However, based on the study, we found that majority of their husbands are very supportive towards his wives' businesses. One respondent argued that cultural and Islamic values should not be wrongly used. For example, she said that many Malay entrepreneurs are having a low level of confident because they are “shy” (*malu*) (See Peletz, 1996; Phillipson, 2007). She argues, as a Malay Muslim woman, “shy” should be used as a prevention mechanism in making any wrongdoings. However, in business industry, she said “*...we cannot be shy, we should not be shy in selling our product, in asking “direction” [for business expansion purposes]*. Other cultural issue that has identified is the responsibility in taking care of grandchildren. In Malay community, the culture of babysitting grandchildren is quite common especially those in low-income families where sending children to nursery is beyond their means. Therefore, it is common for the married daughter or son who usually live and work in urban area, leaving their mothers in the village as they could not afford to send their children to nursery or babysitter. One respondent expressed her disappointment for having to take care of her granddaughter and two unemployed sons who are newly married. She argues that “*...it's not that I don't love my granddaughter, but I have been working in my entire life, I am exhausted and now I want to focus on my business, after all, I am the one paying the house expenditure*”. The commitment has indeed affected her productivity but she cannot stop as the income earned from the business are used for the ?. Even though she earned much higher than other micro-entrepreneurs but the responsibility has put her in the survivalist group.

5.2.5 Financing

One of the challenges of analyzing this item is that majority of the respondents is very open in discussing topic related to income and financing. It is not so much about hiding information but they could not give an exact number because of no proper documentation of product sold or the amount of capital used for the monthly transactions. A few respondents were willingly produced their business log book, documenting the daily orders made but most of the months were left empty. So, data gained is mostly by observing the size of production and the amount sold. Majority of respondents interviewed are mainly from low-income families. This indicates that many of them do not much capital, mostly used own saving to start the business and utilizing the equipments they have for the production. After

operating for several months, some of them would apply assistance from local government agencies, either directly or through their Chief Villages. For example, Siti who produces salted fish, started the business by using her skills and her fisherman's husband will supply the fresh fish. Since she does not have money to buy freezer to storage the product, Siti's mother decided to give her old and rusty refrigerator for that purpose. This findings has supported Gani (1995)'s suggestion that majority of small scale food processing enterprises use traditional methods of processing such as pickling because of financial constraints and therefore could not afford sophisticated machinery and lack of technical information.

Financing mechanism is important for investment and stimulating business productivity which is the main objectives for any businesses which has led to the setting up of various funds by the Malaysian government for start up and business expansion such as TEKUN and *Amanah Ikhtiar Malaysia (AIM)*. Although the efficiency of these micro finances has been proven in empowering Malaysia women entrepreneurs to be more confident in connecting with other entrepreneurs and suppliers (UNDP, 2008) but micro entrepreneurs interviews are reluctant to apply due to lack of knowledge, fear of debt in case if business cannot be sustained and lack of confidence to apply.

5.2.6 Infrastructure

In terms of business structures, most of respondents interviewed do receives various aspects of assistance from local agencies such as business premises, equipments including machine, packaging and product label/sticker. In this case, the significant role of government agencies such as the State Agricultural Department, Penang Development Corporation (PDC) and Local Farmer's Organization in assisting these entrepreneurs is undeniable. Agricultural Department for example has provided business premises/workshop to a few respondents so that they can have a spacious and comfortable space for the operation. However, the fund is for the material and construction cost whereas the business owners need to provide the land. Therefore, most of the workshops built are in the compound of owner's house (mostly inherited land) or attached to their houses, often refer as "backyard industries".

Other respondent also received machine and other related equipments donated by the Agricultural Department which has increased their production significantly. Those who do not have workshop are usually in informal business where production is smaller in quantity and will use their houses for the business operation. However, there is one respondent who owns an enterprise, producing modern cookies, do not have land although the Agricultural Department is willing to built a workshop for her. During one of the field visits which was two weeks before Hari Raya feast (the busiest month of the year), the authors observed that there were 8 to 9 part-time women workers cramped in a small space of her kitchen area, with two giant ovens in the middle. The space of the house is too small that the packaged boxes have to be piled up in the living room and also in her own bedroom.

Other than land space, another challenges faced by these micro-enterprises are the location of Balik Pulau which is quite far from the urban markets. Although the road system from Balik Pulau to the other areas has improved, according to respondents, the location does not provide a bigger market for their products. As discussed earlier, majority of customers are mainly from the local villagers, schools and a number of government agencies nearby. They used the network of friends, relatives and agents who lives in the urban areas or outside Penang to sell their products. The discussion reveals that

the physical and business structures do have an impact on the production and marketing of their business products.

6. Conclusion

Based on the discussion above, food production in Balik Pulau has become part of the daily lives of the local villagers. Almost 90% of micro enterprises in Balik Pulau is concentrating on the food production activities. These enterprises become the means for the villagers to build and improve their economic sustainability particularly for the poorest and the most vulnerable people. To those involved, micro enterprises is not just a means of income generation but also a tool of survival. The success determinants analyzed above highlighting the challenges and difficulties faced by the majority of Malay women entrepreneurs in Balik Pulau. Financial constraints and the lack of strong business structures seem to be the main obstacles for these micro entrepreneurs to expand their businesses. However, the entrepreneurial traits of an entrepreneur should also not to be taken lightly because these characteristics have in many ways become an essential force in the business growth.

In relation to that, this study also revealed that the success in generating sustainable livelihood through this micro enterprise is largely dependent on the entrepreneurs' effort in establishing network with institution, association and local agencies within or outside their communities. In the case of Balik Pulau, the local government agencies have played an active role in providing assistance in terms of motivation, technical assistance, marketing and most importantly funding machines and equipment which is too costly for these entrepreneurs to own it. Finally, the study suggests that knowledge such as technical know-how, marketing strategy, communication skills and financial skills is a crucial element in empowering these micro entrepreneurs to maneuver their businesses venture.

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