

# Success of Women Micro-Enterprise Development

Dr. Henry James

Research Fellows in Department of Commerce and Management, Economics in Andhra University,  
Andhra Pradesh, India

**Abstract-** This paper demonstrates the success of women in microenterprise development to represent issues relevant to women's success in the sector. Researchers tend to use gender simply as a variable to explain success vis-avis relevant understanding of gender as a social construct. Such work disregards how culturally specific power relations influence women's opportunities for success. Gender and microenterprise development theorists do better at incorporating power relations into explanations of why women start microenterprises and why their performance differs from that of men. They also take a broader view of microenterprise success by combining economic and empowerment outcomes, recognizing the diverse roles self employment plays for women. The relevance of power issues to success and the need for cultural sensitivity in evaluating women's opportunities to achieve positive enterprise outcomes are highlighted through the example of women's involvement in the microenterprise sector in South Asia.

## I. INTRODUCTION

In evaluating microenterprise success, the microenterprise development literature in developed and developing countries has focused on economic outcomes such as profitability, turn over, sales and employment (Chaganti & Chaganti, 1983; Du Rietz & Henrekson, 2000; Hornaday & Wheatley, 1986). This literature also has focused on male entrepreneurs as the norm, developing concepts of success and norms of behavior based on a male model (Marlow & Strange, 1994). The male focus is currently changing but the economism of success measures is not. Both trends are reflected in the growing literature on women entrepreneurs in developed countries, their reasons for starting businesses and their relative economic success (Chaganti & Parasuraman, 1996; Fischer, Reuber, & Dyke, 1993; Goffee & Scase, 1983; Kalleberg & Leicht, 1991; Lee & Rogoff, 1997; Miskin & Rose, 1990; Srinivasan, Woo, & Cooper, 1994).

Within the field of development there is a sub-field focusing on microenterprise development and gender. The sub-field developed from earlier attention to women's income generation programs and over time changed its focus to women as micro-entrepreneurs. Much of this literature recognizes that concentrating only on economic outcomes to evaluate success is not sufficient within many cultural contexts where women's entitlements to income and abilities to convert access to income into power in the household, market and state are less than men's in practice if not by law (Chen, 1996; Carr, Chen, & Jhabvala, 1996; ILO, 1999; Mayoux, 1995). However, this literature has not taken the argument a step further to specifically discuss multidimensional measures of success.

Taken into consideration the recommendation that the concept of success used to design microenterprise promotion programs and evaluate microenterprise success be altered in

environments where women face socio-cultural constraints that limit their economic success and/or their ability to directly benefit from it. A narrow definition of success misses the influence of gendered power relations on opportunities for success and thus offers only a partial understanding of what the concept of success should include for women microentrepreneurs. Success for women in cultural contexts framed by gendered constraints on economic opportunities must include an empowerment as well as an economic dimension, and examination of the determinants of both dimensions of success must be sensitive to the influence of social norms on women's ability and willingness to achieve these outcomes.

Using the case of women's microenterprise development in South Asia as an example of a context in which a range of socio-cultural norms constrain women's opportunities for economic success and their ability and willingness to benefit from it, i.e. where national culture plays a role in women's success. The case highlights how incorporating an empowerment dimension of success and performing a more sensitive analysis of success determinants can lead to better interventions to improve both women's economic success outcomes and their ability to use these outcomes to improve their status in the household and beyond. Thus, the purpose of microenterprise development in such contexts is not only to increase women's access to income but also to motivate a process of empowerment for women through which they can gain power and status in the household, market, and community. Any analysis of the determinants of success for women must incorporate gendered structures of constraint to truly understand both how women's opportunities are more constrained than men's and the means of their improvement.

## II. INTEGRATION OF GENDER INTO MICRO-ENTERPRISE

There have been many studies of women's entrepreneurship and performance outcomes, some focusing only on women and others comparing outcomes for males and females (Chaganti & Parasuraman, 1996; Fischer et al, 1993; Kalleberg & Leiclit, 1991; Lee & Rogoff, 1997; Miskin & Rose, 1990; Smith & Stelcner, 1990; Srinivasan et al, 1994). These studies are influenced primarily by a market based justification of support to the microenterprise sector focused on individual entrepreneurialism, economic growth, and efficiency, with the latter two achieved through the market (Colcough, 1991). Markets are perceived as competitive, nondiscriminatory and the best mechanisms through which to allocate scarce resources. It is expected that the benefits of market-led growth will trickle down throughout the economy, raising living standards for all (World Bank, 1995). Some studies also incorporate the objectives of employment generation and poverty alleviation with economic

growth to justify their attention to the microenterprise sector (Lubell, 1991; Mayoux, 1995; Schmitz, 1982). In these cases, the state and the market both have a role in reducing poverty and fostering microenterprise development. While the two approaches differ in their development objectives and the mechanisms used to achieve them, they are similar in their use of economic measures of success and oftentimes in their simplistic method of integrating gender into studies of performance determinants. Neither approach tends to bring issues of power and inequality into theoretical and empirical analysis of success. This is a weakness that detracts from their ability to fully understand the dynamics behind women's entry into entrepreneurship, their success and differences in these issues across cultures.

Most studies of women enterprise performance measure success through economic outcomes alone (Chaganti & Parasuraman, 1996; Fischer et al, 1993; Kalleberg & Leicht, 1991; Lee & Rogoff, 1997; Miskin & Rose, 1990; Schutjens & Wever, 2000; Smith & Stelcner, 1990; Srinivasan et al, 1994). The measures include size of firm, change in number of employees, growth in sales or income, productivity, and returns. This narrow definition of success highlights only economic motivations for entering into self-employment, which tends to fit the male model of self-employment (Chen, 1996; Moore & Buttner, 1997). It does less well in reflecting women's motivations for starting a business, which include a desire for greater income as well as creating more opportunities for advancement than in the labor market, improving a family's livelihood position, self-fulfillment, and a greater ability to balance work and family roles; hence it also does less in capturing their success (Brush, 1992; Moore & Buttner, 1997). Amongst poor women in developed and developing nations, self-employment also is perceived as a means of empowerment through which women can reduce their dependence on the state or on male family members by gaining control over their own income (Chen, 1996; Mayoux, 1995). Thus, "use of traditional success measures including growth in sales or employees would present a one-sided view of female entrepreneurs' success" (Moore & Buttner, 1997, 166).

A second weakness in translating entrepreneurship theory into empirical studies of women's entrepreneurship and gender differences in performance involves the variables used to model the determinants of success. The variables generally include individual and enterprise characteristics and at times environmental factors (sector, economic conditions, etc), but generally do not include institutional or social factors specific to the culture that may influence success (see for example Lerner, Brush & Hisrich, 1997; Schutjens & Wever, 2000). Therefore the models tend to be reductionist due to their primary focus on economic and psychological determinants of success, missing how women's socio-culturally defined roles affect their economic roles and vice versa. Inattention to social roles is not just a simplification that eases operationalization of theory. It has real consequences for understanding how and why women and men perform differently in self-employment. Therefore, while gender is often included to explain performance differences, the sensitivity of analysis in most cases is weak, providing less than detailed knowledge of why gender differences do or do not exist in different contexts.

Gender is generally incorporated into empirical work as an indicator variable, with this variable representing all economic constraints and socio-cultural influences on women's relative success (see Schiller & Crewson, 1997; Srinivasan et al, 1994). Thus, researchers may recognize that women face resource constraints and in some cases socio-cultural constraints, but they make no effort to incorporate distinct measures of these factors into empirical work to detail their separate effects (Goedhuys & Sleuwaegan, 2000; Lerner et al, 1997; Schiller & Crewson, 1997; Srinivasan et al, 1994). Thus, the results might demonstrate that gender matters to success, but then provide little input as to how or why, limiting their policy relevance.

An example of one issue that crosses cultures, is likely to differentially influence success outcomes by gender, and would not be difficult to collect data about is the gender division of household labor. In some cases the effect of women's care work in the home on their choices of type of work and time available for work is recognized in the gender and entrepreneurship literature (Lee & Rogoff, 1997; Lerner et al, 1997). However, measures representing the burden of household work are not incorporated into empirical work or are not interpreted with any depth. For example, Lee and Rogoff (1997) conducted a study focusing on family businesses and raised the issue of family conflicts and time available to women for market work. However, no further analysis is done to determine if women spend less time in work and if this affects performance. The only factor examined in their empirical work is if family relations within family-owned businesses affect business outcomes. Thus, the concept of family work burden and conflict is operationalized in a non-gendered way, not examining the conflict between work and family in terms of women's care taking role but in terms of business relationships within the family. It is not surprising that no significant gender differences in family conflict were found. In the study by Lerner, Brush and Hisrich (1997), variables representing the number and age of children are incorporated into the empirical work, but their results are not discussed in relation to performance. They are labeled demographic variables and seem to be considered control variables versus potential contributing factors to entrepreneurial success.

Two studies that analyze gender differences with more sensitivity are by Smith and Stelcner (1990) and Kalleberg and Leicht (1991). Smith and Stelcner (1990) analyzed the relative performance of men and women in the retail sector of Peru's informal sector, using revenue as the measure of performance. The researchers divided the retail sector into female only, male only and mixed enterprises. The model included variables in a non linear form, reflecting the probability of making a sale. Some of the variables included were age of firm (to measure reputation and experience of firm), location of firm, value of capital, monthly operating expenses, hours of work per month by family workers (the study focused on family enterprises), total work experience and total education, both of the most experienced and most educated adult in the firm, respectively (Smith & Stelcner 1990). The study found that productivity differences between female, male and mixed firms in Peru's informal retail sector were influenced by the distribution of factors versus inherent disadvantages based on gender. Therefore, with access to the same factor endowments, gender disadvantages would markedly decline if not disappear.

Kalleberg and Leicht's (1991) study of male and female entrepreneurs in Indiana also used only economic measures of success and its determinants, but again applied a more sensitive method to analyze the data, incorporating interactions of performance determinants with gender to determine through what effects gender differences were found. As in the Smith and Stelcner (1990) study, no evidence of inherent gender differences in performance when using a more sensitive means of analysis was found. Thus, while the variables in both studies do not go so far as to incorporate the social, cultural and institutional factors that may differentially affect men and women, the results are analyzed and interpreted in a more sensitive manner than most studies, using interaction effect approaches to understand and control for the processes through which performance may differ. This approach is likely to lead to better direction for programming and policy making to support women's entrepreneurship.

While the examples of the latter two studies are improvements in the gender analysis done within studies of entrepreneurship performance, when examining questions related to the social construct gender, it is necessary to include variables representing the different roles and responsibilities ascribed based on gender in order to determine their effects. What these empirical studies lack are explanatory variables representing women's socio-economic reality. The gender and development literature on microenterprise development delves more sensitively into the motivations for women's entry into self-employment and the socio-cultural constraints on their success. It moves away from the economic focus of many current studies of microenterprise outcomes, and focuses attention on power and inequality not found in most orthodox approaches to microenterprise development.

### III. GENDER, POWER AND CULTURE

Within the gender and development literature there are three main criticisms of the economic measures of success. The first is that such measures concentrate more on access to economic resources versus control over them; second, they tend to define success as growth, dismissing other motivations for self-employment whose achievement may not be measurable by economic outcomes alone; and third, they ignore the effects of unequal market access on marginalized groups in society, making economic success a partial measure that misses the effects of culturally specific power relations.

Measures of economic success represent an economically vibrant enterprise but do not necessarily represent who benefits from that vibrancy. Thus, they represent only who has access to the economic resources flowing from the enterprise, not who actually controls them. This is a weakness in using only economic measures of women's enterprise success since in many cultures, improving only women's access to resources is insufficient as it ignores the influence of power relations on women's ability to maintain control over the resources earned by them and transform this control into increased status (Kabeer, 1997, 2000). Based on an assessment of economic measures of success, development practitioners tend to design programs providing women with direct productive assistance in accessing resources (McKee, 1989). While this is helpful to women in

increasing the economic feasibility of their enterprises, it ignores other equally important elements such as group formation and consciousness raising that can be used to work for changes in the power relations shaping women's economic opportunities (Mayoux, 1995; Piza Lopez & March, 1990). Thus, economic success alone is an insufficient measure to represent the desired outcomes of women's enterprises since microenterprise involvement also should address unequal societal power relations that constrain some women's ability to fully benefit from their economic success (Carr et al, 1996).

The second criticism of the use of economic measures of success is linked to the first. In many contexts, particularly in regions where patriarchy plays a strong role in the state, market and family, involvement in self employment is not just a livelihood strategy, but also a means of facilitating women's empowerment (Carr et al, 1996). This aspect of the purpose of self employment is ignored in orthodox measures of success. However, alternative motivations are mentioned in some discussions of the determinants of success. Some of the motives other than income and profit that are mentioned in the orthodox literature include work family balance, independence, and self-fulfillment (Fischer et al, 1993; Lerner et al, 1997). Some of these hint at the concept of empowerment, but do not explicitly bring in unequal power relations and the need for social change, nor are they then accounted for in conceptualizing and measuring success. Unequal power relations and social change are more the focus of gender and development literature on self employment, with access to self employment opportunities and the structure of these opportunities (group formation, leadership building) being a means of empowerment (Carr et al, 1996; Hays, 1999; Mayoux, 1995).

The final criticism of solely economic measures of success is that they privilege the market as an institution and appear to support a view of the market as an unproblematic, neutral mechanism. Issues of unequal access to the market due to discrimination are not often brought to the fore in orthodox examinations of gender differences in enterprise performance, except in the case of credit (see Chaganti & Parasuraman, 1996; Goedhuys & Sleuwaegan, 2000; Lerner et al, 1997; Lee & Rogoff, 1997). Thus, while some studies mention women's more difficult access to resources, there is little in depth review of why these differences exist (Lee & Rogoff, 1997; Srinivasan et al, 1994). Such a discussion could serve as an entry point for an assessment of how power relations within a society may impinge on market access and the functioning of the market as a neutral means of exchange. There is little recognition of the role of social and cultural norms in causing the constraints on the growth potential of certain marginalized groups. Thus, microenterprises unable to compete within the market are described as unsuccessful due to personal characteristics of the entrepreneurs, firm characteristics, or external factors related not to social or cultural norms, but to market and sector conditions (Lerner et al, 1997; Schutjens & Wever, 2000).

Those taking a more critical gender perspective recognize the problem of low growth, and therefore, lower economic success in women's microenterprises. However, they link lower potential not only to personal and firm characteristics but also to an inability to compete freely in the economic sphere due to policy, market and cultural constraints, expanding the scope of

external factors (Carr et al, 1996; Chen, 1996; Mayoux, 1995). They see the market as influenced by power relations that have an asymmetrical gender (and class, race, age, etc.) dimension (Bakker, 1994; Elson, 1994). In order to fully understand the processes by which men and women's self employment performance varies, the power relations constructing the market must be made explicit and women's perceptions of their rights to access increased. Thus, success is partially economic since the enterprise must be sustainable, but also is related to empowerment in order to show whether power relations shaping market and family relations are changing with women's entry into self employment.

The gender and microenterprise development literature also more fully develops the ideas of economic, social and cultural constraints on women's ability to achieve success. As mentioned in the previous section, some of the entrepreneurship literature recognizes these constraints, but does little to incorporate them into empirical work beyond including gender as an indicator variable, perhaps interacted with other explanatory variables. Gender and microenterprise development theorists better develop theory on gender constraints and strive to bring measures of constraints directly into empirical work (Carr et al, 1996; Chen, 1996; Grasmuck & Espinai, 1997; Kantor, 2000, 2002a; Mayoux, 1995). Some of the constraints discussed are those mentioned in more orthodox entrepreneurship literature, such as unequal access to capital, networks and technology, but more attention is given to why these inequalities exist, leading to an understanding of socio-cultural constraints as well as economic constraints (Carr et al, 1996; Downing, 1990; ILO, 1999; Kantor, 2002a; Mayoux, 1995; Punitha, Sangeetha & Padmavathi, 1999; Weidemann, 1995). Carr et al (1996) describe two sets of constraints, women intensive and women exclusive. Women intensive constraints are those affecting poor men and women due to their lack of economic power, but affecting women more due to unequal gender relations within class. Women exclusive constraints affect women through macro structures framing gender roles and responsibilities within a society. The women intensive constraints are those that have been documented in writing on gender differentials in microenterprise performance, while women exclusive constraints are generally found in more sophisticated gender analysis of economic opportunities. They will vary by culture and highlight how any gender analysis of women's microenterprise success must be informed by national culture.

The tendency for the entrepreneurship literature to focus attention on economic success and a narrow range of determinants is problematic for conceptualizations of women's success cross culturally, but to different extents in different cultures. National culture defines how institutions operate in relation to gender norms, thus defining women's opportunities and constraints. (1) For example, in many Middle Eastern, North African and South Asian nations, female seclusion norms are common, influencing women's access to the public sphere. The acceptance of early marriage in some cultures and consequent motherhood at young ages can affect women's ability to access education and market opportunities and can lead to health problems with productivity effects. Finally, norms of male headship and intra-household power can reduce women's ability to gain from the benefits of entrepreneurship in some cultures,

with men maintaining entitlement to all income earned in the family and, in some cases, women willingly relinquishing their economic entitlements for social entitlements (Kabeer, 2000). Thus, researchers must be sensitive to difference by gender and other forms of identity when applying entrepreneurship theory cross culturally. Care must be taken to understand how national culture affects institutions like the family and market, and then how these institutions influence women's economic and social lives.

The central criticism of much empirical work on gender differences in success outcomes in orthodox entrepreneurship literature is that success is defined only through economic outcomes with a narrow view of the mechanisms influencing success for women in this sector. Issues related to socio-culturally based gendered power relations are not incorporated, leading to a partial understanding of the purpose of self employment for women and the reasons why many women face more constraints than men. It thus becomes imperative to reconceptualize success to include issues of power and empowerment when evaluating microenterprise development, particularly in cultures where patriarchal systems have a strong influence on the institutions of the state, market, and family.

#### IV. INCORPORATING EMPOWERMENT

Incorporating social change and equity considerations into the sought after outcomes of microenterprise development places empowerment center stage in evaluating success. Microenterprise outcomes expand beyond profits, employment and turnover to include social issues such as increased status, control, and bargaining power within the range of institutions in which women act (Dignard & Havet, 1995; Weidemann, 1995). A multidimensional conceptualization becomes necessary to reflect microenterprise success accurately in environments where social norms intervene in the ability of some groups to both access resources and transform them into positive outcomes. So, it is a combination of economic and empowerment outcomes that best represents success, leading to the questions, what is meant by empowerment and how can it be operationalized?

The concept of control over one's life in terms of material and nonmaterial resources is central to many definitions of empowerment, as is the ability to make decisions (Hobcraft, 1997; Kishor, 1997; Moser, 1993; Sen & Batliwala, 1997; Wieringa, 1994). Empowerment involves a transformation of power relations so that the disempowered can achieve this increased control and choice. It also necessitates addressing the 'power within' of disempowered groups, facilitating the building of their inner strength and self-worth (Kabeer, 1994; Moser, 1993; Rowlands, 1997; Sen & Batliwala, 1997; Townsend, 1999).

Empowerment is best operationalized as both a process and an end product because it involves internal change and consciousness raising, both long term processes (Kishor, 1997). The end product aspect of empowerment focuses on finding evidence of empowerment--actual outcomes illustrating increased control, choice and decision making (Kabeer, 1999). Only assessing the end product misses progress made over time in converting sources of empowerment such as education,

income or assets into increased control and choice--the process of empowerment (Kishor, 1997).

Kabeer (1999) discusses three elements central to the operationalization of empowerment when it is used to evaluate the outcomes of women's involvement in economic activities. They are the extent of agency involved in the decision to enter the economic sphere, the extent of women's control over versus access to resources and women's involvement in decisions important to her life (Kabeer, 1999). Why women decide to work plays a role in how women and men perceive that work and the income and status flowing from it. Women actively choosing to work gain more from this participation in terms of status and power compared to those pushed into work by economic need or the desires of other family members (Grasmuck & Espinal, 1997; Kabeer, 1997, 2000). This is because they are more likely to ascribe positive meanings to the work and the resulting access to resources, and to see the potential for empowerment flowing from it. This idea can be extended to the choice to enter self-employment versus other forms of work. To the extent women make this choice from a wide range of good options, it has the potential to empower them to use the experience to maneuver for social change. But, if women become involved in self-employment due to social and cultural restrictions on opportunities outside this form of work, its empowerment potential may be limited.

In assessing the empowerment potential of resources a distinction must be made between access to and control over them. As discussed earlier, examining access to income alone is not sufficient since it does not illustrate whether the earner can use that access to increase the range of choices available to her or the control she achieves over her life (Kabeer, 1997, 1999; Mayoux, 1995). It does not show evidence of empowerment. Therefore, measures representing women's actual control over the use of enterprise resources are integral to the definition and measurement of the empowerment dimension of microenterprise success (Kabeer, 1999).

In incorporating decision making involvement into the operationalization of empowerment, one must take care in deciding which decisions provide evidence of empowerment. They must illustrate areas where the microentrepreneur achieves increased control over her life. Decisions that do this are those that have significance in women's lives and are not typically made by women within the relevant context (Kabeer, 1999). Thus, they show areas where women's control over resources generated through self-employment has expanded their decision making status beyond the norm. The decisions representing this are likely to change by region and culture, providing another justification for a culturally sensitive analysis of gender differences in entrepreneurial performance.

To develop a more holistic evaluation of microenterprise success sensitive to the effects of power relations, an assessment of traditional economic outcomes must be combined with measures representing evidence of empowerment. In particular, the standard measures of economic outcomes should be assessed along with measures of women's control over enterprise resources, particularly the income generated, and involvement in decision making in atypical spheres relevant to women in the culture of interest. These dimensions will illustrate how well

women's involvement in self employment has translated into both economic success and greater control over their lives.

## V. UNDERSTANDING GENDER AND MICROENTERPRISE SUCCESS IN SOUTH ASIA

The South Asian context provides an example of how focusing only on economic success provides a partial understanding of microenterprise success for women. Within the region, empowerment outcomes are important to many programs promoting women's microenterprise development, reflecting the multiple social and economic constraints influencing the quality of women's economic opportunities. Any microenterprise promotion strategy that is to have long term positive effects for women must address these constraints, as well as the larger context of female social dependency which makes women unable or unwilling to retain control of their resources to achieve better status within the household and other relevant institutional settings. Therefore, measures of program success and of women's enterprise success must reflect this diversity of goals where equity and empowerment are as important as economics.

One feature of gender relations in South Asia that demonstrates the limitations of focusing only on economic success relates to the lack of a direct relationship between access to economic resources and increased control over them. In South Asia, this direct relationship is often not found due to women's unwillingness and/or inability to use their economic resources to obtain empowerment outcomes. Even when women are able to support themselves economically, they may be unwilling to utilize their economic independence to gain power in the household or challenge the status quo due to the norm of female social dependence on men in South Asia (Carr et al, 1996; Kabeer, 2000). Women in this region rely on male family members to carry out many needed social roles and to give them status and protection in the community. Women who are alone may become socially isolated and open to harassment by males in the community. For these reasons, women often are reluctant to use increasing economic power to gain more status in the household, fearful that this could upset gender relations in the relationship and motivate husbands to leave. Thus, measuring success by economic outcomes alone, under the assumption that access leads to empowerment for women, would be misleading in this environment.

Kabeer (2000) documents these issues in case studies of Bangladeshi women in London who do home-based garment work. Many of the women were unwilling to convert their economic resources into empowerment outcomes within the family due to the threat of social isolation if their husbands should leave them. Kantor (2002b) also finds a complex relationship between economic and empowerment success outcomes in a study of home-based garment producers in Ahmedabad, India. Increased economic success led to declines in women's likelihood of controlling their income, and it was only those able to maintain control over increases in their income who achieved greater involvement in atypical decisions such as marriages, property transactions, and mobility of female family members (Kantor, 2002b). These results highlight the need to conceptualize success in a multidimensional manner in order to adequately understand the complex interrelations between economic and empowerment outcomes in this context. Only

measuring the economic outcomes would miss the complexity involved in who gains control over the proceeds and how this translates into decision making involvement for women.

Broadening the concept of success to include empowerment outcomes is clearly important in South Asia. Also important is incorporating socio-cultural constraints on women's efforts to achieve success into empirical work in order to document the sources of difficulty and guide program interventions. This brings me back to the women intensive and exclusive constraints discussed earlier. While women intensive constraints are mentioned in literature on women's microenterprise success across cultures, there are some regionally specific reasons behind the sources of these constraints in South Asia that researchers should take into account. In particular women's difficulty in gaining ownership of assets and limited access to human capital and market information can be traced back to culturally specific influences (Carr et al, 1996; Punitha et al, 1999; Weidemann, 1995). Women in South Asia have more limited ownership of assets and property that can be used as collateral due to both legal and traditional bars on female ownership. Lack of family support for women's economic roles also makes accessing capital difficult (Carr et al, 1996). Patrilocal residence upon marriage is common in many parts of South Asia, making parents invest less in daughters' human capital as they will not directly gain from it (Carr et al, 1996; Nussbaum, 2000; Papanek, 1990). Thus, women on average have less education, training, and experience upon entering self employment than men (Kantor, 2002a), with these being key inputs into entrepreneurial success. Finally, women also are less likely than men to have access to information about markets and nongovernmental organization or government schemes in support of microenterprise development due to restrictions on women's freedom of movement in the public sphere.

This brings to a women exclusive constraint that directly impinges on women's opportunities for success in South Asia. Female seclusion norms are common amongst both Hindu and Muslim families in the region (Carr et al, 1996). These norms constrain the spatial mobility of women and particularly circumscribe their access to markets. Due to the influence of these norms, many women 'choose' to work for income in the home as a means of maintaining seclusion norms and earning income (Kabeer, 2000; Shaheed, 1989). Female seclusion norms influence the economic dimension of success by limiting women's knowledge of the sector in which they work, making them less aware than men of the range of suppliers working in the sector and the range and quality of markets through which to sell their products or services (Agarwal, 1994; Shaheed, 1989). Thus, women may become involved in market relations of convenience due to their limited mobility, not able to access the best markets for inputs or final good sales.

Another women exclusive constraint of great relevance in South Asia and most other regions is the sexual division of labor in the home. Even when women work for income they do not lose responsibility for the majority of household tasks. They work a double day, unlike men who tend to focus only on market work and give fewer hours to household tasks. Data from India highlight this difference, with female homebased garment producers in Ahmedabad working on average 6.4 hours in market work and 5.9 hours in household work compared to male

producers who work on average 9.5 hours in market work and 1.6 hours in household work (Kantor, 2002a). Women's double duty can reduce their energy levels and concentration when performing both types of work, having detrimental effects on time in work, productivity, and earnings (ILO, 1999; MacIsaac, 1996).

This discussion highlights how the concept of success derived from orthodox microenterprise development theory would not represent well the microenterprise development goals of women entrepreneurs in India. The concept is too narrow to incorporate how inequality based in gender, which can change between contexts and even economic sectors in its effects, intervenes in access to resources and mediates women's abilities to utilize resources to gain the empowerment outcomes that are relevant to women. Therefore, in examining microenterprise success in South Asia and other regions, it is vital to measure success in a context- and gender-sensitive manner capturing not just economic feasibility but also how well the entrepreneurs achieve both control over their income and improved decision making status through their participation in the economy. Context- and gender-sensitivity also must influence how one conceptualizes determinants of success, again moving outside of economics to understand the linkages between social, cultural, and economic constraints on enterprise development. Only by assessing the two outcomes can a less partial understanding of success and its achievement be developed, aiding the process of women's economic empowerment.

## VI. ENABLING BUSINESS ENVIRONMENT

Interventions geared to support micro and small enterprises may not achieve much if they do not consider the business environment. Enterprises operate in a given environment that is shaped by the level of economic and social development, human and other resources, policies and regulations, etc. and by the local culture. When the environment is favourable to the development of enterprises, it is termed as enabling business environment.

Enterprises are not an homogeneous aggregate. They vary in size, sector, type of ownership, etc. Therefore it is necessary to have a good knowledge of the characteristics of enterprises and of entrepreneurs, the constraints they face in setting up, consolidating and expanding their businesses, in order to determine what could constitute an enabling business environment. The following components may be envisaged:

Policies: general development policies, regional development policies, sectoral and industrial development policies, trade policies, fiscal and monetary policies, educational policies, employment policies, especially those dealing with wages, working conditions and the social protection of workers, technology policies, etc. Some countries have adopted specific policies for micro and small enterprise development. In addition, policies geared to the promotion of equality of opportunity and treatment for women are particularly relevant for women's entrepreneurship development. Of utmost importance also is the consistency of the policy framework with respect to the development of women-headed micro and small enterprises;

supporting legal, regulatory and administrative environment: business registration and permits to operate a business, taxation,

labour and employment legislation, property rights, enforcement of contracts, investment code, price control, access to foreign exchange, access to public tendering, social and labour legislation, etc.; of crucial importance is the transparency of regulations towards micro and small enterprises and the way these regulations are enforced as well as the stability of the legal and regulatory environment;

- Institutions: the existence of efficient and effective intermediary organisations providing relevant financial and non-financial business development services;

- Infrastructure: transport, communication, water, power, etc.;

- Cultural environment: as was noted above, many of the constraints women face when establishing an enterprise outside their home have a cultural origin.

In many countries, policies have been formulated that are intended to enhance the development of the private sector. Unfortunately, in many cases, this has resulted in favouring large, capital intensive enterprises -most of the time owned and managed by men- sometimes at the expense of micro and small, often labour intensive enterprises -where women owners/managers are usually better represented.

Practical guidance/recommendations on how to integrate the gender perspective to the development of micro- and small enterprises

In general the issue of female entrepreneurship should not be treated as a "special" case. However, in some countries/sectors there is a need to evolve specific policies and programmes because the social position of women is utterly different to that of men. As the strategy should be mainstreaming women micro-entrepreneurs rather than segregating them, the focus should be on overcoming the constraints they face. Therefore, the strategy should combine policy and programme interventions related to micro-enterprise development per se as well as broader measures to tackle the socio-cultural barriers, such as:

- Demonstrate gender leadership by improving girls' access to education and to training in modern technical skills as well as in leadership;

- Generate pool of expertise by giving training to women to gain confidence in their own potential and, more generally, raise public awareness of women's economic role (i.e. through multimedia information dissemination, education, etc.);

- Advocate laws and policies by publicizing some role models of successful women entrepreneurs; and

- Promote micro-enterprises by improving women's access to and control over productive resources.

Programmes more directly related to the promotion of women's entrepreneurship should give importance to the following aspects:

- Give due attention to the characteristics of the target group (women entrepreneurs are an heterogeneous group) and to existing barriers and constraints when designing services directed at women entrepreneurs or potential entrepreneurs;

- Identify viable business opportunities and design support services based on them with sufficient flexibility to take into account new sectors, depending on changes in market demand;

- Enhance and develop accessible, relevant and effective training;

- Provide access to sustainable micro-finance schemes, based on savings mobilization, and with simplified procedures;

- Ease administrative procedures for the establishment and operation of enterprises;

- Identify and strengthen appropriate channels to deliver both financial and non-financial services to women-headed micro and small enterprises. These channels may be governmental or non-governmental organisations, business associations, chambers of commerce, common facility centres, etc., or even commercial firms, depending on their comparative advantage. In order to be efficient and effective, they should be decentralised (because women generally have limited mobility), specialised (rather than trying to cover the whole range of possible services), and demand-driven;

- Establish networks and ensure appropriate co-ordination between all relevant government and non-government departments and institutions in the field of business promotion and development (credit, technical and managerial training, choice of technology, input procurement, information, legal counseling, marketing, management, etc.);

- Training of officials (mostly male) in many public sector departments and in banks and other lending institutions to recognise the economic potential of women entrepreneurs;

- Strengthen data collection on the many aspects of women's participation in MSEs -nature and extent of women's participation as owners and managers of MSEs, their motivations, constraints, strong points, individual strategies, time allocation, stratification of women entrepreneurs, linkages between the various categories of women-headed enterprises and the rest of the private sector, effectiveness and efficiency of the existing assistance and support mechanisms, growth potential, etc. This could be done through household surveys or ad hoc surveys;

- Widely disseminate information on available business opportunities and support services through the above mentioned networks;

- Obtain male acceptance of the programmes geared to female entrepreneurs.

All the above mentioned components are important, even though their degree of priority may vary according to local conditions. The combination of these components - policy and regulatory framework for an enabling business environment and relevant programmes providing financial and non-financial business support services- may be termed as a holistic or integrated approach.

Since such interventions are carried out by local institutions, it is necessary to strengthen the local capacity to deliver support services to women micro-entrepreneurs. Good support services can only be provided by well trained, motivated professionals.

As it is not realistic to ask one single institution to carry out such an important agenda, networking should be the key. Such networking could take the shape of an inter-organisation committee to examine themes of common interest such as credit, training, etc. It could play a consultative part, lobby for the improvement of the legal framework, and act as an agent of change in the society in general. It could stimulate local initiatives and contribute to mobilise local and external resources for projects of common interest. In this respect, associations of

women entrepreneurs should be created or strengthened to fully play their role in such a network.

## VII. CONCLUSION

In order to adequately represent the aims of microenterprise development programs operating in regions where socio-cultural constraints on women's opportunities to participate in public life exist, and to represent the ability of women to benefit from their participation, the conceptualization of enterprise success must expand to include both economic and empowerment outcomes. Empowerment outcomes should include issues such as women's control over the benefits flowing from the activity and how her participation in the market translates into greater involvement in decisions in the household and other relevant institutional contexts. The actual measures of these outcomes should be developed within particular contexts to reflect variation by context in gender and other social relations. It is important to stress that empowerment outcomes are not only relevant within developing nations where gender and other forms of inequalities are often patent. Economic inequality and constraints on opportunities for marginalized groups also are common in developed nations, making a multidimensional concept of success relevant there as well. It is well-defined that women's opportunities and constraints also constitute within the context of culture, race, class and other socio-economic factors that determine the defining women's identity in micro-enterprises and development.

## REFERENCES

- [1] Bakker, I. (1994). Introduction: Engendering macro-economic policy reform in the era of global restructuring and adjustment. In I. Bakker (Ed.), *The strategic silence: Gender and economic policy: 1-29*. London: Zed Press.
- [2] Brush, C. G. (1992). Research on women business owners: Past trends, a new perspective and future directions. *Entrepreneurship Theory and Practice*, 16(4), 5-30.
- [3] Carr, M., Chen, M. & Jhabvala, R. (1996). *Speaking out: Women's economic empowerment in South Asia*. London: IT Publications.
- [4] Chaganti, R. & R. Chaganti. (1983). A profile of profitable and not-so-profitable small businesses. *Journal of Small Business Management*, 21(3), 43-51.
- [5] Chaganti, R. & S. Parasuraman. (1996). A study of the impacts of gender on business performance and management patterns in small businesses. *Entrepreneurship Theory and Practice*, 21(2), 73-75.
- [6] Chen, M. A. (1996). *Beyond credit*. Ottawa, Canada: Aga Khan Foundation.
- [7] Colcough, C. (1991). Structuralism versus neo-liberalism: An introduction. In C. Colcough & J. Manor (Eds.), *States or markets?: Neo-liberalism and the development policy debate: 1-25*. Oxford: Clarendon Press.
- [8] Dignard, L. & J. Havet. (1995). Introduction. In L. Dignard & J. Havet (Eds.), *Women in micro- and small-scale enterprise development: 1-21*. Boulder, CO: Westview Press.
- [9] Downing, J. (1990). Gender and the growth and dynamics of microenterprises. Gemini Working Paper No. 5. Washington DC.
- [10] Du Rietz, A. & M. Henrekson. (2000). Testing the female underperformance hypothesis. *Small Business Economics*, 14, 1-10.
- [11] Elson, D. (1994). Micro, meso, macro: Gender and economic analysis in the context of policy reform. In I. Bakker (Ed.), *The strategic silence: Gender and economic policy: 33-45*. London: Zed Press.
- [12] Fischer, E. M., A. R. Reuber, & L. S. Dyke. (1993). A theoretical overview and extension of research on sex, gender, and entrepreneurship. *Journal of Business Venturing*, 8: 151-168.
- [13] Goedhuys, M., & L. Sleuwaegen. (2000). Entrepreneurship and growth of entrepreneurial firms in Cote d'Ivoire. *The Journal of Development Studies*, 36(3), 122-145.
- [14] Goffee, R., & Scase, R. (1999). Business ownership and women's subordination: A preliminary study of female proprietors. In M.A. Yeager (Ed.), *Women in business, Vol. III: 649-72*. North Hampton, MA: Elgar.
- [15] Grasmuck, S. & Espinal, R. (1997). Gender, household, and informal entrepreneurship in the Dominican Republic. *Journal of Comparative Family Studies*, 28, 103-128.
- [16] Hays, M. (1999). From survivor to entrepreneur: Gendered dimensions of microenterprise development in Peru. *Environment and Planning A*, 14(1), 251-271.
- [17] Hobcraft, J. (1997). The consequences of female empowerment for child well-being. Seminar on Female Empowerment and Demographic Processes: Moving Beyond Cairo. Annexes to Seminar Report: Conference Papers. Options Consultancy Services Limited.
- [18] Hornaday, R. W., & Wheatley, W. J. (1986). Managerial characteristics and the financial performance of small firms. *Journal of Small Business Management*, 24(2), 53-67.
- [19] ILO. (1999). *Gender issues in the world of work: Gender issues in micro-enterprise development*. Geneva: International Labor Organization.
- [20] Kabeer, N. (1994). *Reversed realities: Gender hierarchies in development thought*. London: Verso.
- [21] Kabeer, N. (1997). Women, wages, and intra-household power relations in urban Bangladesh. *Development and Change*, 28, 261-302.
- [22] Kabeer, N. (1999). Resources, agency, achievement: Reflections on the measurement of women's empowerment. *Development and Change*, 30(3), 435-64.
- [23] Kabeer, N. (2000). *The power to choose*. London: Verso.
- [24] Kalleberg, A. L. & Leicht, K. L. (1991). Gender and organizational performance: Determinants of small business survival and success. *Academy of Management Journal*, 34(1), 136-161.
- [25] Kantor, P. (2000). Gender differentials in microenterprise success for homebased garment makers in Ahmedabad, India. Ph.D. diss., University of North Carolina-Chapel Hill, Chapel Hill.
- [26] Kantor, P. (2002a). A sectoral approach to the study of gender constraints on economic opportunities in the informal sector in India. *Gender & Society*, 16(3), 285-302.
- [27] Kantor, P. (2002b). Women's empowerment through homebased work: Evidence from India. unpublished paper. University of Wisconsin-Madison.
- [28] Kishor, S. (1997). Empowerment of women in Egypt and links to the survival and health of their infants. Seminar on Female Empowerment and Demographic Processes: Moving Beyond Cairo. Annexes to Seminar Report: Conference Papers. Options Consultancy Services Limited.
- [29] Lee, M., & Rogoff, E. G. (1997). Do women entrepreneurs require special training? An empirical comparison of men and women entrepreneurs in the United States. *Journal of Small Business and Entrepreneurship*, 14(1), 4-29.
- [30] Lerner, M., Brush, C. & Hisrich, R. (1997). Israeli women entrepreneurs: An examination of factors affecting performance. *Journal of Business Venturing*, 12, 315-339.
- [31] Lubell, H. (1991). *The informal sector in the 1980s and 1990s*. Development Center Studies. Paris: OECD.
- [32] MacIsaac, N. (1996). *Micro-enterprise support: A critical review*. Ottawa: The Canadian Council for International Cooperation.
- [33] Marlow, S., & Strange, A. (1994). Female entrepreneurs--Success by whose standards? In M. Tanton (Ed.), *Women in Management: A Developing Presence: 172-184*. New York: Routledge.
- [34] Mayoux, L. (1995). From vicious to virtuous circles? Gender and micro-enterprise development. Occasional Paper No. 1, Fourth World Conference on Women. Geneva: UNRISD.
- [35] McKee, K. (1989). Microlevel strategies for supporting livelihoods, employment, and income generation of poor women in the third world: The challenge of significance. *World Development*, 17(7), 993-1006.
- [36] Miskin, V., & Rose, J. (1990). Women entrepreneurs: Factors related to success. *Frontiers of Entrepreneurship Research. Proceedings of Babson College Entrepreneurship Research Conference: 27-36*.
- [37] Moore, D. P., & Buttner, E. H. (1997). *Women entrepreneurs: Moving beyond the glass ceiling*. Thousand Oaks, CA: Sage.

- [38] Moser, C. O. N. (1993). *Gender planning and development: Theory, practice and training*. New York: Routledge.
- [39] Nussbaum, M. (2000). *Women and human development: The capabilities approach*. New York: Cambridge University Press.
- [40] Papanek, H. (1990). To each less than she needs, from each more than she can do: Allocations, entitlements, and value. In I. Tinker (Ed.), *Persistent inequalities*: 162-181. Oxford: Oxford University Press.
- [41] Piza Lopez, E., & March, C. (1990). *Gender considerations in economic enterprises: Report of a workshop held in the Philippines*. Oxfam Gender and Development Unit, Women's Resources and Research Center. Oxford, UK: Oxfam.
- [42] Punitha, M., Sangeetha, S. & Padmavathi, K. (1999). Women entrepreneurs: Their problems and constraints. *Indian Journal of Labour Economics*, 42(4), 707-716.
- [43] Rowlands, J. (1997). *Questioning empowerment*. Oxford, UK: Oxfam.
- [44] Schiller, B. R. & Crewson, P. E. (1997). Entrepreneurial origins: A longitudinal inquiry. *Economic Inquiry*, 35, 523-531.
- [45] Schmitz, H. (1982). Growth constraints on small-scale manufacturing in developing countries: A critical review. *World Development*, 10(6), 429-440.
- [46] Schutjens, V., & Wever, E. (2000). Determinants of new firm success. *Papers in Regional Science*, 79(2), 135-153.
- [47] Sen, G., & Batliwala, S. (1997). Empowering women for reproductive rights--Moving beyond Cairo. Seminar on Female Empowerment and Demographic Processes: Moving Beyond Cairo. Annexes to Seminar Report: Conference Papers. Options Consultancy Services Limited.
- [48] Shaheed, F. (1989). Purdah and poverty in Pakistan. In H. Afshar and B. Agarwal (Eds.), *Women, poverty and ideology in Asia*: 1-16. London, MacMillan Press.
- [49] Smith, J. B., & Stelcner, M. (1990). *Modeling economic behavior in Peru's informal urban retail sector*. WPS 469. Washington DC: World Bank.
- [50] Srinivasan, R., Woo, C. & Cooper, A. (1994). Performance determinants for male and female entrepreneurs. *Frontiers of Entrepreneurship Research*. Proceedings of Babson College Entrepreneurship Research Conference, 43-56.
- [51] Townsend, J. (1999). Empowerment matters: Understanding power. In Townsend, J., E. Zapata, J. Rowlands, P. Alberti and M. Mercado (Eds.), *Women and power*: 19-36. London: Zed Books.
- [52] Weidemann, C. J. (1995). *Microenterprise and gender in India: Issues and options*. Gemini Technical Report No. 93. Washington DC.
- [53] Wieringa, S. (1994). Women's interests and empowerment: Gender planning reconsidered. *Development and Change*, 25(4), 829-848.
- [54] World Bank. (1995). *Workers in an integrated world*. Oxford: OUP.

#### AUTHORS

**First Author** – Dr. Henry James, The authors are the PhD Research Fellows in Department of Commerce and Management, Economics in Andhra University, Andhra Pradesh, India and Consultant respectively.