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Women Entrepreneurs in Emerging Markets

Managing Performance within
Ecosystems

Ananya Rajagopal

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International Marketing and Management Research

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To my beloved son Akhilesh

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Women entrepreneurship has been in the limelight of academics and social institutions since long. After attaining my doctoral specialization in entrepreneurship, I have been leaning to explore the gender perspectives in entrepreneurship. The principal insight in developing this book has emerged from the field studies of minority enterprises managed by women in Mexico such as ethnic pottery commonly known as Talavera. My research went deep into this theme, which motivated me to explore the entrepreneurial practices followed by women across developing economies including Mexico. My journey in exploring entrepreneurship across destinations in different regions has further strengthened my knowledge and insights on women enterprises. This book is an outgrowth of a long academic voyage in exploring women enterprises and finding social values associated with gender equality in economic, technological, and educational front.

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PRAISE FOR *WOMEN ENTREPRENEURS IN EMERGING MARKETS*

“Entrepreneurial ecosystems are rapidly changing with the growing awareness on gender equality and empowerment of women entrepreneurs as a global agenda. This book addresses a blend of conceptual and applied discussions on women entrepreneurs with learning experience across continents... A good read for managers and researchers.”

—Angappa Gunasekaran, *Director and Professor, School of Business
Administration, Penn State Harrisburg, PA*

“A woman with economic empowerment is, by definition, a strong woman. However, living the empowered journey is a major challenge. The author puts forth new concepts supported by the examples on women-led enterprises across developing economies, which makes this book a worth read...”

—Jose Balmori, *Associate Dean, Business and Economics School,
Universidades Anáhuac México, Mexico City*

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Ananya Rajagopal is Research Professor at Universidad Anáhuac Mexico. She has been conferred the membership of Level-I of National System of Researcher (SNI) under the aegis of National Council of Science and Technology, Government of Mexico.

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CHAPTER 1

Introduction

Abstract Women entrepreneurs in emerging markets are gaining increasing importance in changing economic ecosystems, which are supported by the political, economic, social, technological, and legal factors. The business potential of women entrepreneurs has grown over demographic and entrepreneurial domains driven by inclusive innovation and co-creation. It has been observed that the entrepreneurial growth in emerging markets is non-linear and complex due to social stigmas and work-family imbalances. However, changing social and cultural environment play significant role in empowering women entrepreneurs and narrowing down the socio-economic constraints to perform entrepreneurial activities within and beyond niche. The family networks and social ties also play significant role in developing women entrepreneurship and connecting to upstream markets to explore potential opportunities. The preface for the book titled ‘Women Entrepreneurs in Emerging Markets: Managing Performance within Ecosystems’ discusses core arguments by reviewing contemporary literature and identifying embedded gaps to provide new directions towards managing women-led enterprises.

Keywords Women entrepreneurs · Emerging markets · Innovation · Co-creation · Performance management · Family networks

Gender studies in entrepreneurship have been the center of academic and managerial attraction since the mid-twentieth century. The social empowerment of women has significantly contributed to the regional economic growth and social development. Consequently, social and women entrepreneurs¹ have become the critical players in under-explored entrepreneurial ecosystems and economic mainstay in the developing world. The social and economic potential spanning over demographic and entrepreneurial domains in the society have been identified as bottom of the pyramid² of the development perspectives. This philosophy has gained growing importance in the social entrepreneurship and inclusive innovation driven by women entrepreneurs who pioneered small-scale innovations within domestic economic field. Women entrepreneurs, who enable deprived populations not only to participate as potential customers, but also to serve as cocreators, suppliers, and producers, have emerged in the developing economies as frugal innovators for utilitarian products. Therefore, women entrepreneurs are considered as the key source of innovation and business growth. These entrepreneurs are active social agents, who gather weight in crowdsourced innovations, social capital formation, and in deriving business models from social networks.³

CORE ARGUMENTS

The journey of women entrepreneurs moves through four stages of entrepreneurial process comprising motivation (self, family, and peers), exploring opportunity (crowdsourcing and social recognition), acquiring resources (gender promotion programs and limited own capital), and market orientation. These stages are the influential factors combined with cocreation of workplace, family environment, and gender concerns of the society. Women entrepreneurs largely function within the social and

¹ Muntean, S. C., & Ozkazanc-Pan, B. (2016). Feminist perspectives on social entrepreneurship: Critique and new directions. *International Journal of Gender Entrepreneurship*, 8(3), 221–241.

² Bruggmann, J., & Prahalad, C. K. (2007). Cocreating business's new social compact. *Harvard Business Review*, 85(2), 80–90.

³ Si, S., Yu, X., Wu, A., Chen, S., Chen, S., & Su Y. (2015). Entrepreneurship and poverty reduction: A case study of Yiwu China. *Asia Pacific Journal of Management*, 32(1), 119–143.

cultural contexts that influence in recognizing market-oriented opportunity. However, women entrepreneurs face a wide gap between personal ambitions and self-conceived barriers toward entrepreneurship owing to the social values. During these stages, women are more prone to using personal funding, and are less influenced by the external resource environment.⁴ Entrepreneurial process among women entrepreneurs in emerging markets is nonlinear and complex due to the issues associated with work-family balance. However, women entrepreneurs undertake more creative and constructive opportunities than conventional and linear entrepreneurial patterns. Such behavior has been confirmed through various studies explaining effectuation theory, which focuses on social ventures built within subsistence economy.⁵

Social environment and cultural context play significant roles in exploring and recognizing opportunities among women entrepreneurs. However, self-perception and personal ambitions often raise self-conceived barriers toward entrepreneurial performance within social environment. The social status of women in various sociocultural environments affects entrepreneurial motivations and acquiring adequate resources to manage enterprises at the initial stage, and scaling of business in the latter.⁶ The social and economic constraints experienced by women entrepreneurs affect their innovation, entrepreneurial, and marketing skills. Entrepreneurial education in women is lower than men, which causes relatively lower self-esteem, lower social status, and lower cultural sensitivity affecting the empowerment of women in entrepreneurship activities in developing economies.⁷ In addition, family networks and social ties play significant role in nurturing women entrepreneurship in emerging markets, as these factors facilitate access to capital, infrastructure, human resources, and connectivity to markets. Some studies

⁴ Sullivan, D. M., & Meek W. R. (2012). Gender and entrepreneurship: A review and process model. *Journal of Managerial Psychology*, 27(5), 428–458.

⁵ Nahi, T. (2016). Cocreation at the base of the pyramid: Reviewing and organizing the diverse conceptualizations. *Organizational Environment*, 29(4), 416–437.

⁶ Katre, A. (2018). Facilitating affective experiences to stimulate women's entrepreneurship in rural India. *International Journal of Gender Entrepreneurship*, 10(3), 270–288.

⁷ Goyal, P., & Yadav V. (2014). To be or not to be a woman entrepreneur in a developing country? *Psychosociological Issues in Human Resource Management*, 2(2), 68–78.

have argued that women entrepreneurs contribute to socioeconomic development and uplift the quality of life at the bottom of the pyramid.

In view of the above discussion, this book includes entrepreneurial case studies of five major emerging economies (Brazil, India, Mexico, China, and Africa) to explore entrepreneurial attributes and practices among women entrepreneurs. A comparison of regional entrepreneurial ecosystems illustrates the commonalities and variations among the enterprises led by women in emerging economies. Accordingly, exploring and analyzing the impact of women entrepreneurship on various elements of ecosystem justifies the discussion in the book. The above focus illustrates the entrepreneurial practices within the changing socioeconomic trends in emerging markets.

In South Asia, the specific power relations associated with gender influence entrepreneurial opportunities which are culturally sensitive and hold a low level of economic growth. However, the support of public policies tends to empower women entrepreneurs through goal-oriented key programs on improving the quality of life.⁸ Some studies have identified environmental barriers comprising sociocultural, economic, political, legal, and technological complexities among women entrepreneurs in Sub-Saharan Africa. These entrepreneurs face negative social belief, low-entrepreneurial attitudes, and oppressive behavior. Such psychosocial attributes demotivate entrepreneurial process among women entrepreneurs.⁹ Women entrepreneurs in India perceive that social empowerment is the key for managing the enterprises successfully. The sociocultural constraints experienced by women entrepreneurs in this big emerging market include ambidextrous recognitions and adequate family support to carry out independent innovations and commercialization of entrepreneurial activities, and serve as an ambassador for social change. The women cooperatives in India have been successful as they adapt to integrated social and economic measures to implement the entrepreneurial business model. Among many women enterprises in India, the organizations supported by the government and self-help

⁸ Kantor, P. (2002). Gender, microenterprise success and cultural context: The case of South Asia. *Entrepreneurship Theory and Practice*, 26(4), 131–143.

⁹ Amine, L. S., & Staub K. M. (2009). Women entrepreneurs in sub-Saharan Africa: An institutional theory analysis from a social marketing point of view. *Entrepreneurship Regional Development*, 21(2), 183–211.

groups include women cottage industry cooperatives (Lijjat brand), self-employed women's association (SEWA), and regional women handloom development associations. In addition, National Repository of Information for Women (NARI), Ministry of Women & Child Development, Government of India also supports women entrepreneurship movement in India through public policies, which not only enables access to capital infrastructure but also provides structured marketplace for innovative products emerging from these enterprises.¹⁰ Women entrepreneurs play important role in creating social capital through cocreation and expansion of family networks in Islamic perspectives as well. Studies from Indonesia¹¹ and Pakistan¹² endorse the role of women entrepreneurs in stimulating social change and uplifting local economy.

Global Entrepreneurship Monitor (GEM) and World Bank have played motivating roles in local governments of Latin America and Caribbean (LAC) to evolve public policies to encourage women entrepreneurship. A study carried out by World Bank and International Finance Corporation reveals that more than 40% of businesses registered in LAC region are owned by women. However, women entrepreneurs face credit gap, managerial dominance, and social security in operating their ventures.¹³ Most women enterprises operate in the areas of microcredit and nonfarm businesses in the LAC region. The public policies in this region tend to focus on improving the quality of women enterprises with focus on poverty reduction, microenterprise credit, and the social norms that prescribe the conventional entrepreneurial opportunities for women.¹⁴ The public-private partnership and corporate social responsibility projects

¹⁰ Kothari, T. (2017). Women entrepreneurs' path to building venture success: Lessons from India. *South Asian Journal of Business Studies*, 6(2), 118–141.

¹¹ Anggadwita, G., Mulyaningsih, H. D., Ramadani, V., & Arwiyah M. Y. (2015). Women entrepreneurship in Islamic perspective: A driver for social change. *International Journal of Business Globalisation*, 15(3), 389–404.

¹² Lindvert, M., Patel, P. C., & Wincent J. (2017). Struggling with social capital: Pakistani women micro entrepreneurs' challenges in acquiring resources. *Entrepreneurship Regional Development*, 29(7–8), 759–790.

¹³ De Vita, L., Mari, M., & Poggesi, S. (2014). Women entrepreneurs in and from developing countries: Evidences from the literature. *European Management Journal*, 32(3), 451–460.

¹⁴ Fletschner, D., & Carter, M. (2008). Constructing and reconstructing gender: Reference group effects and women's demand for entrepreneurial capital. *The Journal of Socio-Economics*, 37, 672–693.