International Journal of Economics, Business and Management Research

Vol. 5, No.05; 2021

ISSN: 2456-7760

BARRIERS TO MICRO-ENTREPRENEURSHIP FOR LOW-INCOME WOMEN: A STUDY OF INDIA AND SUB-SAHARAN AFRICA

Kiara Jacob
Inventure Academy
Sarjapur Road, Karnataka 562125, India

Abstract
Micro-entrepreneurship is widely recognized as a catalyst of female empowerment and financial independence, particularly in low-income communities or regions. Yet, a number of women struggle to set up or expand their businesses. This paper aims to identify and examine the prevalence of economic and social barriers to micro-entrepreneurship for low-income women in India and regions of Sub-Saharan Africa. This paper finds that (1) there are many interconnected factors that interfere with micro-enterprise establishment and growth (2) the severity of each of these factors varies across regions and households

Keywords: Micro-entrepreneurship, Public Policy, Low-income Women, Female Entrepreneurship, Socio-economic Barriers, Skills, Training, Education, Financial Opportunity, ICT

Introduction

Entrepreneurs exist in an array of diverse business ecosystems and operate at different scales, the smallest of which is a *micro-enterprise.* While the reasons for which businesses remain at the 'micro' level are multifaceted, micro-entrepreneurs primarily struggle from the inability to expand. In many cases, they face tremendous barriers to successfully establishing themselves in the first place. This paper evaluates a phenomenon occurring in developing regions, specifically India and Sub-Saharan Africa, where low-income females, to a much larger extent than males, encounter these barriers. Secondly, this paper investigates whether barriers to micro-entrepreneurship and their prevalence differ not only based on gender but also regional and socio-economic characteristics. Consequently, the following questions will be addressed:

Q1: Do gender disparities exist in barriers to micro-entrepreneurship?

Q2: Do barriers to micro-entrepreneurship for low-income women vary between regions due to socio-economic characteristics?

Research Design and Methodology

For this paper, the researcher has chosen to compare and contrast barriers to micro-enterprise establishment and growth for low-income women in India and Sub-Saharan Africa. Although India is an individual nation while Sub-Saharan Africa is a broader geographical region, their populations are roughly 1.33 and 1.1 billion inhabitants respectively. Using a combination of primary and secondary data collection, the research process was organized in two distinct parts:

PART I – A comprehensive overview and analysis of existing literature that examines micro-entrepreneurship for low-income women, as well internationally accepted databases that highlight a variety of gender disparities that impact the ability to successfully run a business. The barriers to micro-enterprise were grouped in 5 broad categories – these categories were later used in part II.

PART II – A quantitative survey and a qualitative investigation aimed at recognizing the potential differences in barriers to female micro-entrepreneurship across different geographical regions. A set of 10 individuals who are associated with Non-Government Organizations (NGOs) working for the economic empowerment of low-income female micro-entrepreneurs in India & Sub-Saharan Africa were questioned on their extensive work experience in this field. They were asked to identify the most significant barriers as well as rank the 5 categories of barriers in order of prevalence specifically in the region their experience pertains to.

Threats to Validity

A potential validity threat of this study was the relatively small sample consisting of precisely ten respondents. However, the researcher addressed this by including a qualitative investigation rather than relying solely on quantitative responses. Moreover, since the respondents were individuals employed within or managing NGOs, their responses are representative of a large number of low-income women that they have personally worked with and supported, therefore improving generalizability. Moreover, eight respondents were situated in Sub-Saharan Africa, while the remaining were situated in India. This ratio was because the African respondents were distributed across four countries, whereas India is one country. However, it should be noted that the majority of the African respondents were from Kenya.

Hypothesis Development

H0: There is no difference in barriers to micro-entrepreneurship for low-income men and women

H1: Barriers to micro-entrepreneurship are more extreme for low-income women than men in India and Sub-Saharan Africa

H2: There is no variation in barriers to micro-entrepreneurship for low-income women across regions

H3: The severity and prevalence of each barrier to micro-entrepreneurship for low-income women vary based on the region and socio-economic ecosystem

PART I – *Analysis of Literature and Secondary data*

Defining 'micro-enterprise'

The concepts of *micro-enterprise* and microfinance were recognized in 1976 by Muhammad Yunus, founder of Grameen Bank, otherwise known as 'Bank for the Poor.' The definition of *micro-enterprise* varies across nations based on investment, legal status, employment, and production methods. However, the United Nations Industrial Development Organization defines micro-enterprises in developing countries to be firms with fewer than five employees. In India, 'micro-enterprise' is defined in terms of investment size. Whereas, in countries within the Sub-Saharan region, 'micro-enterprise' is generally defined in terms of employment.

Economic Sector	Capital Investment
Secondary Sector	> INR 25 lakh (approximately 34,000 USD)
Tertiary Sector	> INR 10 lakh (approximately 13,970 USD)

Figure 2.0 *(Micro-enterprise in India defined in terms of capital investment)*

Ghana	> 6 employees
Nigeria	> 9 employees
Kenya	> 10 employees

Figure 2.1 *(Micro-enterprise in Ghana, Nigeria, and Kenya defined in terms of employment – similar definitions have been adopted by other Sub-Saharan countries)*

Of these regions, none of the definitions are developed and detailed to the extent that they comprehensively take into account diverse factors that should be considered while defining a business: financial investment, sales, employment, and other qualitative measures. Therefore, there may be similarities in the barriers to establishing and growing micro-enterprises, small enterprises, and medium enterprises.

Barriers to micro-enterprise

A vast amount of existing research on the obstacles in low-income women's entrepreneurship is focused on *individual* business ecosystems. In an initial sample of 20 peer-reviewed studies, only 2 assessed women's micro-entrepreneurship through a universal lens. In comparison, the remaining 18 studies comprehensively analyzed female micro-entrepreneurship at local or regional levels. Barriers to women's entrepreneurship are interlinked at many levels. Therefore, it must be remembered that although the barriers to successful micro-entrepreneurship for women seem broadly similar, how they present themselves differ based on geographic region and sociocultural environments. Considering female entrepreneurs' performance requires a careful examination of the influences of structural factors, age, education, and industry. These factors are contextualized by region, sociocultural considerations, and ecosystem influences (Global Entrepreneurship Monitor, 2018-2019).

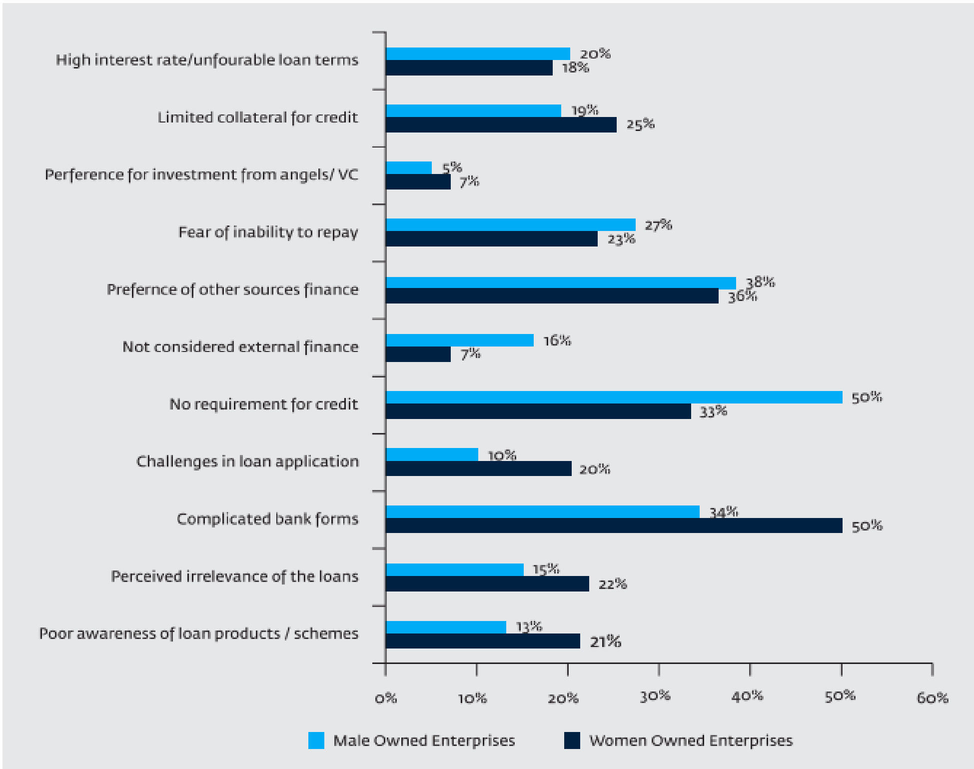
	Barrier	Summary
1	Finance and Costs	*Limited financial inclusion and access to loans which are inadequate to meet high production costs*
2	Access to Resources	*Limited access to consumer markets, raw materials, technology, and other assets required to improve entrepreneurial success*
3	Skills and Training	*Insufficient education starting at an early age, and little access to training which restricts the skills and managerial ability of entrepreneurs*
4	Household barriers, Cultural Barriers, and Societal norms	*Gender disparities that develop as a result of the socio-cultural standards and norms in particular regions and act as a barrier to entrepreneurship*
5	Business Ecosystems & Institutional Barriers	*Characteristics of business ecosystems that are disadvantageous for women*

Figure 1.0 *(For this paper, the barriers to micro-entrepreneurship for low-income women are categorized in the above manner. These are fundamental barriers, which in turn create other barriers such as low levels of confidence)*

Finance and Costs

Access to finance, and the lack thereof, largely influences the types of enterprises run by women and the sectors in which they operate. Insufficient access to capital restricts low-income females from setting up businesses, paying high operating costs, and expanding existing businesses. Whether female entrepreneurs have been underrepresented in access to finance is an essential factor to consider during a gender-based study of micro-entrepreneurship.

In India, only six in 10 women own savings accounts, leaving approximately 280 million unbanked women. Out of this figure, the majority women come from low-income backgrounds or marginalized communities. Unfortunately, only a select number of Indian banks – Canara Bank, SBI, SIDBI, and Punjab National Bank for example – offer financial services and products specifically tailored to women owned-enterprises; this is especially true for micro-enterprises and other small businesses.



Source: World Bank International Finance Corporation

Figure 2.0 *(Primary reasons for Indian female entrepreneurs not accessing bank loans – the sample for this survey consisted of micro-enterprise and other small/ medium enterprise owners)*

Across the world, Sub-Saharan Africa continues to have the second-largest gender gap in financial inclusion where approximately 35 million women are excluded form financial services. In several Sub-Saharan nations, women remain unable to open a bank account using the same processes as a man. Moreover, some countries legally require women to receive permission from their husbands before opening a bank account. As per the World Bank Gender Indicators Report 2019, the Sub-Saharan countries in which women cannot open a bank account in the same way a man can include: Cameroon, Chad, Democratic Republic of Congo, Equatorial Guinea, Gabon, Guinea-Bissau and Niger.

Access to women's financial resources is restricted by discriminatory lending practices that emerge when banks consider low-income females to be inexperienced and high-risk clients (Fletschner, 2009). A lack of collateral predominantly causes their minimal access to bank loans since many women do not have direct ownership over assets such as land. For example, Boeteng and Poku (2019) derived that in the Manya Krobo municipality of Ghana, collaterals do exist for small businesses, but women micro-entrepreneurs are discriminated against due to the community's patrilineal inheritance system.

Moreover, research finds that due to fewer female employees in banks, low-income women tend to perceive that commercial banks are unwelcoming to female customers. Specific trends show that while commercial banks mostly cater to males and formal businesses, and microfinance programs and institutions (MFIs) often target the low-income female segment (ILO, 2008). Simultaneously, the literature argues that most women still do not have access to microfinance institutions (Hammawa and Hashim, 2016).

Microfinance programs and institutions have increased outreach in recent years, their largest client segment being women (Arunachalam, 2007). 'Kiva' is a prominent example of an international microfinance organization primarily targeting female beneficiaries. Kiva and multiple other Micro Finance Institutions (MFIs) have recognized the importance of targeting female micro-entrepreneurs from the perspective of public welfare and empowerment.

Country	Female Borrowers *(% of Total Borrowers)*	Male Borrowers *(% of Total Borrowers)*
Ghana	*72%*	*28%*
India	*78%*	*22%*

Figure 3.0 *(Comparison of male and female borrowers of Kiva in India and Ghana)*

One of the conclusions that can be drawn from figures that show a majority of its microfinance recipients to be women is that microfinance has been the more suitable option for low-income female micro-entrepreneurs due to their limited support from commercial banks and similar financial institutions. In many cases, women undergo microfinance schemes before they are credible enough to engage in commercial banking. To summarize this situation's multifarious implications: while microfinance for women and targeted schemes have grown, they have not yet reached all low-income female populations.

Another significant issue occurs when women, despite being given access to finance, cannot control and capitalize on the same. In most Indian and Sub-Saharan households, males possess control over household financial assets, thus leaving women with little financial support to successfully run their business. For instance, evidence from India and Ghana shows that in households with both female and male-owned enterprises, financial grants are typically invested in the male-owned micro-enterprise despite the female being the loan recipient (Bernhardt, Field, Pande & Rigol, 2019). The gap between the availability of finance and access to finance exists mainly due to a lack of awareness about financial options. A prime example is a study by the IFC, which concluded that only 17% of women entrepreneurs in India were aware of public and private financing schemes.

Access to Resources

For the purpose of this paper, '*access to resources'* may be defined as the extent to which low-income female micro-entrepreneurs are able to utilize tangible and intangible resources and assets that enhance entrepreneurial success. This is inclusive of raw materials, technology, entrepreneurial networks, and new markets.

Access to resources is heavily impacted by ***entrepreneurial mobility***, which can be referred to as the ease with which entrepreneurs can move between geographic locations, as well as between occupations. Many female micro-entrepreneurs and their business operations have been negatively impacted due to their inability to travel from one location to another.

I. Market Access

The concept of market access is twofold; it refers to both the ability of entrepreneurs to enter markers as *sellers* and as *purchasers*. As mentioned earlier, market access for low-income females is often confined by entrepreneurial immobility, which prevents them from shifting their targets towards newly popular, high-demand markets with greater sales potential. Similarly, entrepreneurial immobility restricts women's access to markets for inputs such as labor and raw materials.

II. Raw materials

Although there is minimal research specifically tracking the supply chains of raw materials for low-income female micro-entrepreneurs, existing studies conducted within India and Sub-Saharan Africa provide reasoning for the lack of raw materials and the impact that this has on female-lead microenterprises.

Case studies of women entrepreneurs in Indian districts show that many undergo challenges in obtaining raw materials. A study in Tamil Nadu, India, shows that at times, raw materials are not available at the scheduled time of production. This leaves women to purchase raw materials at a higher price due to low local availability and defects due to transportation (R Avenar, 2013). A similar field study conducted in the Malappuram district indicated that the non-availability of raw materials at a cheap rate was a barrier for 29.79% of participants in the study, making it the dominant problem faced by women entrepreneurs in the area. While this is not a problem avoided entirely by males, it is often more prevalent for females due to their limited mobility.

The lack of access to raw materials was highlighted by May Nwoye in a study dedicated to the 'Gender Responsive Entrepreneurial Economy of Nigeria.' In most cases, however, the inaccessibility of raw materials is directly linked to the lack of finance. Moreover, several low-income female micro-entrepreneurs are situated in rural regions where there is little inflow from mainstream raw materials sources. This was called to attention by in a Zimbabwean study (Marcucci, 2001) wherein more women were seen to go to a supplier within the neighborhood while more men purchased their supplies from the main town.

III. Technology

For the purpose of this paper, and within the context of micro-enterprise, '*access to technology*' consists of access to machinery and access to Information Communication Technology (ICT). Technology is effective in helping female entrepreneurs compete successfully and improve productive efficiency. Literature assessing technology and entrepreneurship finds that by employing forms of ICT, businesses experience higher growth in sales than businesses not using ICT (Qiang et al., 2006). Technology not only plays a role in the productive efficiency of the business, but also has the ability to improve the financial inclusion of low-income female entrepreneurs. The Global Findex (2017) emphasizes the capacity of simple mobile phones in

Sub-Saharan Africa to power the spread of mobile money accounts. In fact, Sub-Saharan Africa includes all 10 economies - Burkina Faso, Chad, Côte d'Ivoire, Gabon, Kenya, Mali, Senegal, Tanzania, Uganda, and Zimbabwe - wherein a higher proportion of adults have mobile money accounts than those who have accounts in financial institutions.

Nevertheless, there is evidence of a *'gender digital divide'* where women entrepreneurs are restricted from the benefits of Information Communications Technology (Miroux et al. 2013). According to the UN Africa Renewal information programme, most businesswomen in Ghana remain at the 'micro' level and are unable to expand because they lack new technology.

Country	*Female mobile owners as a % of the total adult female population*	*Gender Gap in mobile ownership*
Côte d'Ivoire	82%	9%
Kenya	82%	6%
Mozambique	45%	24%
Nigeria	84%	5%
South Africa	83%	4%
Tanzania	77%	11%
India	59%	26%

Source: GSMA The Mobile Gender Gap Report 2019

Figure 4.0 (*Representation of female mobile ownership and the gender gap within mobile ownership in India and six members of Sub-Saharan Africa*

IV. <u>Entrepreneurial Networks and Beneficial Relationships</u>

Networking abilities and inclusion in entrepreneurial networks can significantly impact access to resources for entrepreneurs. An *'Entrepreneurial Network'* refers to the informal or formal association of entrepreneurs with the objective of improving the effectiveness and success of business activities for those involved. Through these networks, entrepreneurs may form mutually beneficial relationships that allow them to access opportunities and resources faster and more frequently. In fact, Bhattacharyya and Ahmad (2010) argue that apart from the fundamental factors of production in economic theory, any entrepreneurial venture involves using business networks, which may be for generating business or increasing the efficiency in business processes. Several researchers, including Hansen & Wernerfelt (1989) as well as Donckels and Lambrecht (1995) suggest that the success of small firms is reliant on third parties and individuals who can support them to improve their performance. Therefore, one may infer that entrepreneurial networking and support can be particularly beneficial in the context of micro-entrepreneurship growth and development.

However, entrepreneurial networks are strongly differentiated by gender, and low-income female micro-entrepreneurs in India and Sub-Saharan Africa are not benefiting from them to the extent that males are. The World Bank's 'Profiting from Parity' report indicates that men's networks are larger than women's, and they are more likely to provide opportunities for sharing equipment. Whereas, women on the other hand, often rely on their spouses. Overall, the gender-

Vol. 5, No.05; 2021

ISSN: 2456-7760

based differences in the size of entrepreneurial networks create a disparity in access to opportunities for men and women, wherein men often have more generous entrepreneurial support than women.

Skills and Training

'*Entrepreneurial skills'* are inclusive of skill sets ranging from technical skills, leadership and business management skills, communication skills, and creative thinking. The ability to develop these skills may be defined by '*entrepreneurial aptitude*', which can be heavily determined by training. A study on the outcomes of microenterprise training for low-income women found that business training empowers program participants to achieve economic independence by helping them start to adopt strong business and life management skills (Dumas, 2001). The numerous benefits created by training extend beyond traditional skills by also improving the confidence and self-esteem of female entrepreneurs. Moreover, there is evidence of strong linkages between specific entrepreneurial programs and the choice to become an entrepreneur (Dickson, Solomon & Weaver, 2008).

Although governments and policy-makers have begun to identify the inadequate skills and training possessed by most low-income female micro-entrepreneurs, skills and training still remain below the ideal level, especially in developing regions of Sub-Saharan Africa and India. As described in the OECD Policy Brief, traditional instruments such as training are being used in an attempt to overcome barriers to entrepreneurship, but these measures need to be expanded because have not had a "full reach" into the population.

I. <u>Insufficient Education</u>

It is important to consider that the lack of skills of low-income female micro-entrepreneurs often stems from the insufficient educational process beginning in the foundational years of their lives, this is because of the crucial role of education as a catalyst for innovative ideation and converting these ideas into functioning enterprises (Bhardwaj, 2014). Despite the importance of education being highlighted at an international level – *Article 26 of the United Nations Declaration of Human Rights* – there persists a significant gender gap, with only little progress over the years. The Gender Parity Index (GPI) shows that the gender parity in school enrollment is 1.1 and 0.9 for India and Sub-Saharan Africa respectively.

Reigon	*Adult female literacy rate (% of females aged 15 and above)*	*Adult male literacy rate (% of males aged 15 and above)*
India	65.80%	82.40%
Sub-Saharan Africa	58.80%	72.50%

Source: The World Bank Gender Indicators Report 2018

***Figure 5.0** (Difference between adult male and adult female literacy rates in India and Sub-Saharan Africa)*

Vol. 5, No.05; 2021

ISSN: 2456-7760

Education is a merit good, and based on economic theory, less-aware consumers may face information failure wherein they are not fully aware of benefits of education. Coupled with various burdens on low-income families, this can prevent them from perceiving education as a priority for women. Similarly, the correlation between primary or secondary education and successful entrepreneurship may be difficult for low-income women to foresee. Nevertheless, one must consider that various skills that have the ability to enhance entrepreneurialism can be fostered at younger ages, especially through the adequate schooling process. Moreover, Arenius and De Clercq (2005) found a positive correlation between years of education and opportunity recognition in entrepreneurs.

Household barriers, Cultural barriers, and Societal norms

This section aims to recognize and analyze gender inequality that is deep rooted in the Indian and Sub-Saharan socio-cultural environment – especially in rural regions that lack social and political progressiveness – and thus acts as a long-standing barrier to fair and successful entrepreneurship for low-income women.

In many low-income households of India and Sub-Saharan Africa, the *patriarchal system* wherein men hold more power and higher status than women, making them the dominant household figure has not been eradicated in any substantive way. Likewise, the traditional role of women is as *"homemakers"* with responsibilities including household chores, cooking, and caring for the family or children. In turn, women are expected to abide by household gender roles, evidence from Ghana for example shows that women micro-entrepreneurs sometimes explicitly limited business growth in order to reinforce their husband's position as primary provider (Friedson-Ridenour and Peirotti, 2019.) A number of studies in both the regions have identified a clear lack of familial support, which poses as an obstacle and a significant cause of demotivation for female micro-entrepreneurs. One study in particular (Adom, Asare-Yeoba, Quaye and Ampomah, 2018) found that within a Ghanaian sample, gender roles household responsibilities of women entrepreneurs have a negative impact on their business revenues and their willingness to expand business operations. A similar India-based study (Das, 1999) identified that balancing work commitments and family responsibilities leads to increased stress, work-family conflicts and decreased life satisfaction. Although there is little quantitative data providing reasoning for the lack of support from families, qualitative research suggests the traditional belief within certain households that entrepreneurship is conventionally a male prerogative.

Perhaps one of the largest cultural barriers to micro-entrepreneurship in India is caste *(hereditary classes of Hindu society)* and religion due to their influence on women's behavioral tendencies. In terms of religion, the Muslim community is known to face significant discrimination in India, and likewise research indicates that Muslim women face the greater restrictions in entrepreneurship. For instance, Indian traditional barriers that prevent women from leaving their homes to work are seen to be more specifically true within the Muslim community (Khatoon, 2015). For Hindu women on the other hand, Caste is a determinant of social standing, income, and thus the ability to access opportunities. Each category under the caste system possesses corresponding occupations, and although these have evolved, higher castes are more privileged

ISSN: 2456-7760

and enjoy better access to entrepreneurial activity (D'Souza, 2000). To truly understand the extent to which societal hierarchy affects women's micro-entrepreneurship, it must be noted that while the *'caste system'* itself is associated with Hinduism; numerous other religions in India do include some form of societal hierarchy (Deshpande, 2000). Similarly, tribal conflicts and norms are considered to pose an obstacle for female micro-entrepreneurs in both India and Sub-Saharan Africa. Although there is little research in the subject, Kitching, Beverly and Woldie (2004) indicated that according to African tribal tradition, women are regarded as subordinate to men.

Business ecosystems

Business ecosystems are networks of organizations including suppliers, distributors, competitors and government agencies; the complex dynamic of which may have a serious impact on micro-enterprises run by low-income women. To begin with, while support programs help women overcome financial risk, they still must face severe competition for business survival. In India, one of the identified reasons for the same is because low-income women entrepreneurs enter low-value markets with little to no barriers to entry, thus making them more susceptible to competition (Rajan and Panicker, 2015), this is true in the African context as well wherein low-income women primarily trade in domestic goods & services and face increased competition from men as well as other women who have lost their occupations (Spring, 2009.) Furthermore, due to a lack of experience and help, women micro-entrepreneurs rely on middlemen who often exploit them and take away a large margin of profits.

While governments have taken steps to support low-income entrepreneurship, there is a clear lack of adequate programs and legislation tailored for women micro-entrepreneurs. In addition to this, *institutional barriers* include complicated legal formalities and processes upon entering the formal sector. For instance, legal formalities become a daunting task in ecosystems that are characterized by corrupt practices in government offices that lead to multiple procedural delays (Vadivel, 2017.) Although exclusively women do not face this problem, it is enhanced when coupled with the various other barriers undergone by women micro-entrepreneurs.

PART II - *Quantitative Survey & Qualitative Investigation*

While the preliminary part of this paper is focused on examining various barriers to micro-entrepreneurship for low-income women in a broader context, the quantitative survey and qualitative investigation were used to further infer the extent to which each of these barriers is present in particular regions and communities of Zimbabwe, Zambia, Malawi, Kenya, and India, as well as identify key aspects and differences. In this study, the researcher considers Zimbabwe, Zambia, Malawi, and Kenya to represent Sub-Saharan Africa while also noting differentiation between the four countries. Respondents for this study are employed in or manage NGOs working to empower low-income female micro-entrepreneurs and help them overcome barriers. In total, the researcher received ten respondents to the study – while this sample is relatively small, the researcher focused on gaining more qualitative information by following up with each respondent through calls and messages. The results allow us to understand the barriers that have been deemed most common in each region's context by NGOs and individuals who have first-hand interactions and relationships with low-income female micro-entrepreneurs and thus understand their experiences to a suitable extent.

Respondent	*Region*
A	Zimbabwe
B	Zambia
C	Kenya
D	Malawi
E	Kenya
F	Kenya
G	Kenya
H	Kenya
I	India
J	India

Figure 7.0 *(Geographical distribution of respondents)*

Results and Findings

First qualitative question: *"Based on your experience, what do you think is the most significant barrier for low-income women when trying to set up and operate a micro-enterprise?"* – This was asked prior to introducing respondents to the five broad categories of barriers used in the study

Respondent A stated,

> *"Balancing home duties and running a business, as well as financing the business"*

Respondent B stated,

> *"The mindset that women fail to start a business because they have a certain class in society. They will feel shy to start small and are sometimes thinking they need huge amounts of money to start a business […] they fail to use the bootstrapping concept"*

Respondent C stated,

> *"Lack of capital"*

Respondent D stated,

> *"Lack of collateral or security"*

Respondent E stated,

> *"Inadequate education from an early age. If you ask one of the women my foundation works with what their biggest challenge is, they will say they don't have enough finance. But that is because they do not know the true importance of education"*

Respondent F stated,

> *"Low income earners are vulnerable women who live in poverty, so they try all means in the informal sector to be self-employed. Some are single, and some are divorced which causes poverty, so they lack funds and savings"*

Respondent G stated,

> *"Lack of funds and capital"*

Respondent H stated,

> *"Financial difficulties"*

Respondent I stated,

> *"Non-existence of an ecosystem for promoting women as entrepreneurs, almost no support is available and women are left with their drudgery"*

Respondent J stated,

> *"Low mobility and a poor understanding of market dynamics"*

With a few exceptions, almost all respondents from Sub-Saharan Africa identified the barriers associated with *Finance and High Costs*. On the other hand, the Indian respondents identified problems in relation with *Business Ecosystems and Institutional Barriers.*

First Quantitative Indicator: *"Based on your experience, do you think these barriers are more extreme for females than for males?"* – This question was a part of the survey and was asked after introducing respondents to the 5 categories of barriers identified by the researcher. When asked this question, respondents were given 3 options:

- Yes
- No, they are more extreme for males
- No, they are equal

All 10 respondents chose the option 'Yes', consequently supporting the first hypothesis (H1) that barriers to Micro-Entrepreneurship are more extreme for low-income woman than men in India and Sub-Saharan Africa.

ISSN: 2456-7760

Second Quantitative Indicator: *"Please rate the significance of these barriers to female micro-entrepreneurship in the region where your experiences lie"* - Respondents were asked to rate the 5 categories of barriers on a scale of 1 (lowest) to 5 (highest) based on how prevalent they deemed each one to be.

Respondent	*Finance & High Costs*	*Limited Access to Resources*	*Lack of Skills and Training*	*Household barriers, Cultural barriers, and Societal norms*	*Business Ecosystems and Insitutional Barriers*
A	5	5	4	4	4
B	5	4	5	3	2
C	5	3	4	3	2
D	4	4	4	5	4
E	4	4	5	3	5
F	5	5	5	3	3
G	5	5	5	2	3
H	5	5	5	2	4
I	4	4	5	3	5
J	4	4	5	3	5
Average Rating	4.6	4.3	4.7	3.1	3.7
Average Rating: Sub-Saharan Africa	4.75	4.375	4.625	3.125	3.375
Average Rating: India	4	4	5	3	5

Figure 0.8 *(Each respondent's rating of categories of barriers to low-income female micro-entrepreneurship on a scale of 1-5)*

As per the second quantitative indicator results, respondents in Sub-Saharan Africa rated *'Finance & Costs'* to be the most prevalent barrier, while respondents in India rated *'Business Ecosystems & Institutional Barriers'* and *'Lack of Skills and Training'* to be highly consequential. When considering both regions, *'Lack of Skills and Training'* is the highest-rated barrier on average. Moreover, the results convey variations in the magnitude of barriers between India and Sub-Saharan Africa, as well as within Sub-Saharan Africa. Therefore, these findings support the third hypothesis (H3) that the severity and prevalence of each barrier to micro-entrepreneurship vary based on the region and socio-economic ecosystem.

Conclusion

By illustrating the barriers faced by low-income women while establishing and expanding micro-enterprises, this paper contributes to our knowledge of gender-disparity in entrepreneurship. This paper recognizes and categorizes barriers in both areas while exhibiting differences in how the barriers present themselves based on the regional context. Indeed, this helps us recognize the fundamental factors of growth and survival that could be of immense advantage to female micro-entrepreneurs. The quantitative survey and qualitative investigation provide variations and specific testimony in accordance with the analysis of secondary data and support the idea that barriers to small business establishment cannot be generalized based on gender, economic background, or region.

Implications for Academia

This study in particular, includes a sample of individuals associated with relevant NGOs, and their experience equips them to formulate educated opinions on the barriers to the establishment and growth of micro-enterprises in their respective regions. Yet, to understand these barriers to a more precise extent, data can be collected directly from the subject of the matter – low-income entrepreneurial women – themselves. Future researchers would have to consider gathering data from a wide sample of low-income females who are actively engaged in entrepreneurship or desire to set-up a business. However, there are certain limitations to this approach. For one, it would require field research, as online communication may not be as effective. Secondly, the participants may be reluctant to provide comprehensive, accurate information to unfamiliar people.

Furthermore, there is a significant gap in the literature pertaining to cross-regional comparisons of gender-based micro-entrepreneurship. This is an important future course for academia, the reasons for which are highlighted in the following section.

Implications for Practice

As the findings of this study support the first hypothesis (H1), it is of foremost importance that government and private bodies place special emphasis on the economic empowerment of low-income women in respect of achieving gender equality in entrepreneurship and beyond *(UN Sustainable Development Goal 5)*. This is not only necessary for social progression but economic growth. Governments and NGOs should consider investing in the growth of finance, training, and empowerment schemes explicitly designed for women micro-entrepreneurs. Similarly, it is important to adopt legislation that allows equal and fair access to opportunities. The preliminary section of this paper (Part I) mentioned a lack of awareness about the support available for women micro-entrepreneurs, indicating that governments and NGOs should improve publicity amongst the target beneficiaries apart from increasing support.

By confirming the third hypothesis (H3), one can acknowledge the existence of regional variations in barriers to micro-entrepreneurship for low-income women. Using cross-regional comparisons, practitioners and policymakers can associate these barriers with certain characteristics within regional business ecosystems. Cross-regional comparisons can help identify the barriers that are being eradicated in certain regions, and those highly prevalent in some regions, thus allowing government bodies to adopt the systems and policies that have proven to be beneficial in other regions. Moreover, this makes it simpler to discern the features of a socio-economic environment that allows gender-equal micro-entrepreneurship to thrive. Hence, governments can make efforts towards establishing these features in environments where they currently lack.

Acknowledgments

The author of this paper, Kiara Jacob, recognizes and sincerely thanks Professor Ted D. Zoller, T.W. Lewis Distinguished Professor at the University of North Carolina Kenan-Flagler Business School, for his contributions and academic guidance.

Bibliography

Dasgupta, M. (2018). Literature Review on Micro Entrepreneurship development and Quality of Life improvement. *Research Review International Journal of Multidisciplinary*, 2455-3085.

Startiene, G. & Remeikiene, R. (2008) Gender gap in entrepreneurship. *Engineering Economics*, 1392-2785.

Chaudhuri, K., Sasidharan, S. & Raj, R.S.N. (2018) Gender, small firm ownership, and credit access: some insights from India. *Small Bus Econ 54***,** 1165–1181

Chhabra, M. & Yamini, K. (2017) Gender Gap in Entrepreneurship-A Study of Small and Micro Enterprises. *ZENITH International Journal of Multidisciplinary Research*, 2231-5780.

Liedholm, C., & Mead, D. (1999). Small enterprises and economic development. *London: Routledge & Kegan Paul*.

Bruhn, M. & McKenzie, D. (2014) Entry Regulation and the Formalization of Microenterprises in Developing Countries. *The World Bank Research Observer*, Volume 29, Issue 2, https://doi.org/10.1093/wbro/lku002

Singh, A., & Pareek, A. (2020). Poor Access to Finance for Women-owned Businesses in India: The Role of Financial Institutions. Retrieved from https://www.smefinanceforum.org/post/poor-access-to-finance-for-women-owned-businesses-in-india-the-role-of-financial-institutions

Friedson-Ridenour, S., & Pierotti, R. S. (2019). Competing priorities: Women's microenterprises and household relationships. *World Development*, 121, 53-62. doi:10.1016/j.worlddev.2019.04.008

Dasgupta, M. (2018). Literature Review on Micro Entrepreneurship development and Quality of Life improvement. *Research Review International Journal of Multidisciplinary*, 2455-3085.

Deshpande, A. (2000). Does Caste Still Define Disparity? A Look at Inequality in Kerala, India. *American Economic Review*, 90(2), 322-325. doi:10.1257/aer.90.2.322

Field, E., Jayachandran, S., & Pande, R. (2010). Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India. *American Economic Review*, 100(2), 125-129. doi:10.1257/aer.100.2.125

Das, M. (1999). Work-Family Conflicts of Indian Women Entrepreneurs: A Preliminary Report. *New England Journal of Entrepreneurship, 2*(2), 39-46. doi: 10.1108/neje-02-02-1999-b005

Khatoon, S. (2015). STATUS OF MUSLIM WOMEN ENTREPRENEUR IN INDIA: A MUSLIM MINORITY COUNTRY. *International Journal of Research in Commerce and Management, 6*(5), 0976-2183, 85-89.

Kaviarasu, J. (2018). Women Entrepreneurship Development In India:

Challenges And Empowerment. *International Journal of Scientific Research and Reviews, 7*(4), 2295-2303, 2295-2303.

Spring, A. (2009). African Women in the Entrepreneurial Landscape:

Reconsidering the Formal and Informal Sectors. *Journal of African Business, 10*(1), 11-30. doi:10.1080/15228910802701296

Adom, K. (2016). Recognizing The Contribution Of Female Entrepreneurs In Economic Development In Sub-Saharan Africa: Some Evidence From Ghana. *Journal of Developmental Entrepreneurship, 20*(01), 1550003. doi:10.1142/s108494671550003x

Policy Brief on Women's Entrepreneurship. (2017), *OECD.* Retrieved from https://www.oecd.org/cfe/smes/Policy-Brief-on-Women-s-Entrepreneurship.pdf

Bajpai, G. C. (2014). African Women Entrepreneur: Problems, Challenges and Future Opportunities. *International Journal of Managerial Studies and Research (IJMSR), 2*(5), 2349-0330, 17-22.

Small change, Big changes: Women and Microfinance. (2008*). International Labour Office.* Retrieved from https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/meetingdocument/wcms_091581.pdf

Marcucci, P. N. (2001). *Jobs, gender and small enterprises in Africa and Asia:*

Lessons drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe (Working paper No.18). Geneva: International Labour Office.

Musiitwa, J. M. (2018, October 12). Africa's banks must bank on women:

Offering gender-sensitive products would boost incomes and growth. *Financial Times*. Retrieved from https://www.ft.com/content/cf4e600c-cd6d-11e8-b276-b9069bde0956

Bhattacharyya, A., & Ahmad, M. U. (2010). Managing the Network: The Case of a Micro-Enterprise. *Vision: The Journal of Business Perspective, 14*(1-2), 85-92. doi:10.1177/097226291001400109

(2019) *Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa* (Vol. 1, Working paper No. 135420). World Bank Group. Dumas, C. (2001). Achieving Economic Self-sufficiency through

Microenterprise Training: Outcome-based Evidence from the Center for Women and Enterprise. *Contemporary Microenterprise, 6* (2), 97-128. doi:10.4337/9781849808040.00025

Dickson, P. H., Solomon, G. T., & Weaver, K. M. (2008). Entrepreneurial selection and success: Does education matter? *Journal of Small Business and Enterprise Development, 15*(2), 239-258. doi:10.1108/14626000810871655

Q.1. *What is the definition of MSME? | Ministry of Micro, Small & Medium Enterprises.* (2015). Retrieved from https://msme.gov.in/faqs/q1-what-definitionmsme#:~:text=The%20Government%20of%20India%20has,medium%20enterp rises%20is%20as%20under%3A&text=A%20medium%20enterprise%20is%20an,but%20does%20not%20exceed%20Rs.

Luetkenhorst, W. (2005). *Private Sector Development: The Support Programmes of the Small and Medium Enterprises Branch* (Tech. No. 15).

Bernhardt, A., Field, E., Pande, R., & Rigol, N. (2019). Household Matters: Revisiting the Returns to Capital among Female Microentrepreneurs. *American Economic Review: Insights*, *1*(2), 141-160. doi:10.1257/aeri.20180444

Gender Assessment (2019). Ghana: AFDB. Retrieved from https://www.greenclimate.fund/sites/default/files/document/gender-assessment-fp114-afdb-ghana.pdf

Singh, R., & Chhabra, P. (2008). *Financial Inclusion for Woman-Owned Micro, Small & Medium Enterprises (MSMEs) in India* (Rep.). International Finance Corporation (IFC).

Improving Access to Finance for Women-owned Businesses in India (Publication). (2017). Washington, DC: International Labour Office. Retrieved from http://microsave.net/files/pdf/Improving_Access_to_Finance_for_Women_owned_Businesses_in_India_IFC.pdf

World Bank. *Gender Data Portal*. Retrieved from https://datatopics.worldbank.org/gender/indicators

Kenton, W. (2020, August 28). Microenterprise. Retrieved from https://www.investopedia.com/terms/m/microenterprise.asp#:~:text=The idea of microenterprises and, people—many of them women

Global Entrepreneurship Monitor, *2018-2019 Global Report* (2019). Retrieved from https://www.gemconsortium.org/report/gem-2018-2019-global-report

Financial Inclusion for Women Expanding Mobile Financial Services in India's Garment Sector (Rep.). (2018). *BSR.*

Fletschner, D. (2009). Rural Women's Access to Credit: Market Imperfections and Intrahousehold Dynamics. *World Development*, *37*(3), 618-631. doi:10.1016/j.worlddev.2008.08.005

Boateng, S., & Poku, K. O. (2019). Accessing finance among women-owned small businesses: Evidence from lower Manya Krobo municipality, Ghana. *Journal of Global Entrepreneurship Research*, *9*(1). doi:10.1186/s40497-018-0128-0

Hammawa, Y.M., & Hashim, N.B. (2016). Women micro-entrepreneurs and economic development in Nigeria: characteristics for success.

Arunachalam, R. S. (2008). Micro-finance and Innovative Financing for Gender Equality: Approaches, Challenges and Strategies. doi:10.14217/9781848590274-7-en

Nwoye, M. (2007). Gender Responsive Entrepreneurial Economy of Nigeria:

Enabling Women in a Disabling Environment. *Journal of International Women's Studies*, *9*(1), 167-175.

D'Souza, C., Lim, S., & Hewarathna, R. (2000) Gender Impact on Women Entrepreneurs: A Cultural Analysis. *La Trobe University*.

Kitching, Beverly & Woldie, Atsese (2004) Female Entrepreneurs in Transitional Economies: A Comparative Study of Businesswomen in Nigeria and China. In Gregson, T (Ed.) *4th Annual Hawaii International Conference on Business.* 2004 Conference Proceedings.

Panicker, S., & Rajan, S. R. (2015). *The Role of Risk and Competition in Women MSME's- Literature Review and Implications, 2*(4), 43-53.

Vadivel, S. (2016). PROBLEMS FACED BY THE WOMEN ENTREPRENEURS IN INDIA *International Journal of Management Research & Review, 6*(3), 348-354.

Donckels, R., & Lambrecht, J. (1995). Networks and small business growth: An explanatory model. *Small Business Economics, 7*(4), 273-289. doi:10.1007/bf01108617

Bhardwaj, B. R. (2014). Impact of education and training on performance of women entrepreneurs. *Journal of Entrepreneurship in Emerging Economies, 6*(1), 38-52. doi:10.1108/jeee-05-2013-0014

Arenius, P., & Clercq, D. D. (2005). A Network-based Approach on Opportunity Recognition. *Small Business Economics, 24*(3), 249-265. doi:10.1007/s11187-005-1988-6

Hansen, G. S., & Wernerfelt, B. (1989). Determinants of firm performance: The relative importance of economic and organizational factors. *Strategic Management Journal, 10*(5), 399-411. doi:10.1002/smj.4250100502

Qiang, C.Z., Clarke, G.R. and Halewood, N. (2006) The role of ICT, Doing Business Information and Communications for Development – *Global Trends and Policies*, World Bank Ed., World Bank, Washington DC Rowntree, O. (2019). *The Mobile Gender Gap Report 2019* (Rep.). GSMA.