

Exploring the constraints of women entrepreneurs in developing countries: Evidence from the literature

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Abstract

The tourism industry is one of the fastest-growing economic spheres in many developing countries. Women entrepreneurs in this industry have opportunities to enhance their economic independence, empower themselves, and improve their social standing through their businesses. However, while previous studies have focused on in-depth, microscopic views of the challenges faced by women entrepreneurs, few have sought to understand the macroscopic factors that empower women's entrepreneurship in the developing world (Panda, 2018). To address this research gap, this paper reviews previous studies and identifies microscopic and macroscopic constraints that women entrepreneurs are facing. Based on this, a framework of micro- and macroscopic constraints faced by women entrepreneurs will be developed. Utilizing the framework, this paper offers recommendations to support national tourism development committee officers, local government staff, and business-related stakeholders in developing countries, enabling stakeholders to promote sustainable solutions for tourism development and assist the countries in meeting Sustainable Development Goals (SDGs).

Keywords

Women entrepreneurs
Women empowerment
Microscopic constraints
Macroscopic constraints
Developing countries

Introduction

One of the 17 Sustainable Development Goals (SDGs) launched as part of the United Nations 2030 Agenda for Sustainable Development is to “achieve gender equality and empower all women and girls (Goal #5)” (United Nations, 2018). Empowering women in developing countries is a critical issue because it not only improves household welfare but also has a positive impact on the social and fiscal health of nations (Crittenden et al., 2019). The tourism industry is one of the fastest-growing economic spheres in many developing countries and provides highly accessible opportunities for self-employment, especially for women (Kimbu & Ngoasong, 2016). Entrepreneurship, therefore, is believed to be one of most effective ways to empower women.

The gender factor has received significant attention in the academic literature on entrepreneurship since the late 1970s, with particular focus given to women entrepreneurs' personal characteristics in developed countries (De Vita et al., 2014). With the emerging economic growth in developing countries, women's entrepreneurship has increasingly been placed in the spotlight in the recent decade. According to De Vita et al. (2014), studies about women entrepreneurs published in international journals focus largely on countries in Sub-Saharan Africa, followed by East Asia and the Pacific, Europe and Central Asia, South Asia, Latin America, and Caribbean, with the least attention given to the Middle East. However, women's entrepreneurship remains challenging in developing countries because women's opportunities are often constrained by resources (Panda & Dash, 2016). To tackle this problem, previous country-specific research has typically taken an in-depth, microscopic view of the sociocultural, economic, and political challenges faced by women entrepreneurs (Panda,

2018). Nevertheless, an understanding of the macroscopic factors that empower and limit women's entrepreneurship in the developing world is still lacking (Panda, 2018).

This paper, therefore, aims to identify the key constraints faced by women entrepreneurs in developing countries by reviewing the academic literature. To fill the research gap identified by Panda (2018), mentioned above, this paper highlights not only the microscopic constraints but also the macroscopic constraints that women entrepreneurs encounter. This paper also provides the theoretical foundation of the research project “Empowering Women Entrepreneurs in Developing Countries' Tourism Industries through a Tourism Business Ecosystem.” In addition, based on the literature review of both microscopic and macroscopic constraints faced by women entrepreneurs in developing countries, the framework will be leveraged to implement the exploratory research.

Microscopic constraints faced by women entrepreneurs in developing countries

Panda (2018) states that women entrepreneurs in developing countries are negatively influenced by both external and internal factors. In the current paper, internal factors refer to constraints related to personal limitations from a microscopic perspective, whereas external factors are defined as economic, social, political, and cultural constraints from a macroscopic perspective. The personal constraints that negatively affect women's entrepreneurship can be categorized as work-family conflict (Loh & Dahesihsari, 2013; Panda, 2018), lack of training and education (Gentry, 2007; Omang et al., 2020; Panda, 2018), personality differences (Katongole et al., 2013; Loh & Dahesihsari, 2013; Mozumdar et al., 2020; Panda,

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2018; Yoopetch, 2020), ability to use modern technology (Crittenden et al., 2019), and self-efficacy (Crittenden et al., 2019; Yoopetch, 2020).

Among these microscopic constraints, work-family conflict and personality differences have been given the most attention in previous studies. Loh and Dahesihsari (2013) point to work-family conflict as a significant constraint to women empowerment in Indonesia. Gender discrimination makes it difficult for women to work outside the family, causing women to be torn between the roles of wife, mother, and business owner. Regarding personality differences, Katongole et al. (2013) focus on the concept of business enterprise success and the influence of personality traits on the success of women entrepreneurs in business. Applying the Ten-Item Personality Inventory (TIPI) outlined by Gosling et al. (2003), Katongole et al. (2013) suggest that women entrepreneurs' success in business is significantly affected by their extraversion, openness, conscientiousness, and emotional stability. More recently, the personality of women entrepreneurs has also been approached in terms of risk-taking attitude. For example, Mozumdar et al. (2020) empirically analyzed the risk-taking attitude of 211 Bangladeshi women entrepreneurs engaged in handicraft businesses and found that such an attitude positively influenced their success. Similarly, Yoopetch (2020) conducted a quantitative examination of 416 women employees in the hospitality industry in Bangkok, Thailand, and concluded that attitude toward risk-taking is the most crucial factor affecting entrepreneurial intention.

Macroscopic constraints faced by women entrepreneurs in developing countries

To research on women's entrepreneurship, microscopic constraints have received more attention than macroscopic constraints, resulting in the lack of a comprehensive analysis of women empowerment. Social constraints are the most critical factor hindering women's entrepreneurship (Panda, 2018). Studies have highlighted numerous detailed aspects of social constraint, such as gender discrimination (Gentry, 2007; Kimbu & Ngoasong, 2016; Loh & Dahesihsari, 2013), the bridging and bonding of social capital (Crittenden et al., 2019), external communication and network constraints (Chatterjee et al., 2018; Kimbu & Ngoasong, 2016; Kimbu et al., 2019; Lim & Bouchon, 2020; Mozumdar et al., 2020), and social structure, norms, beliefs, customs, and values (Oman et al., 2020). Specifically, the constraints of external communication and networks need further investigation. Chatterjee et al. (2018) address the sustainability issue of self-help groups (SHG) in relation to the development of small businesses in India, finding that a lack of external communication and networks is the largest barrier to women's entrepreneurship. Similarly, Kimbu and Ngoasong (2016) examine small tourism firms across the tourism sector and highlight the importance of external communication and networks in women empowerment from the lens of social entrepreneurship. Extending this research, Kimbu et al. (2019) consider how policy support for collaborative networks can enhance women entrepreneurs' human capital management, thereby increasing their resilience and that of their tourism businesses. In addition to external communication and network constraints, social structure, norms, beliefs, customs, and values also deserve mention. Using both qualitative and quantitative methods, Oman et al. (2020) explore restrictions to women empowerment in rural villages in Nigeria. In their study, the patriarchal social structure that favors men over women is identified as an

essential factor working against the empowerment of women. While this social constraint is seldom mentioned in other studies in this field, it significantly influences whether women's entrepreneurship is accepted by society.

Economic constraints are often related to women's challenges in raising capital (Panda, 2018), which is closely related to political constraints, such as an unstable business, economic, and political (BEP) environment (Mozumdar et al., 2020; Panda, 2018). According to Panda (2018), women entrepreneurs often face greater difficulty in raising capital than men because of weaker credit records resulting from inconsistent work histories, low compensation, and inadequate savings caused, in turn, by government financial policies that tend to prefer male-owned firms. Therefore, the government must provide a favorable BEP environment for women entrepreneurs to support their businesses.

Finally, cultural constraints also play a role in women entrepreneurs' success. Loh and Dahesihsari (2013) examine the challenges women entrepreneurs encounter daily in Indonesia and how culture affects women's experiences of business ownership. While the paper of Loh and Dahesihsari (2013) highlight culture as a constraint for the women entrepreneurs in Indonesia, the research by Faud and Bohari (2011) proves otherwise. The success of women entrepreneurs in Malaysia were deeply shaped by Islamic influence such as having confidence to control and success in life (Faud & Bohari, 2011).

Conclusion

This paper has identified both microscopic and macroscopic constraints faced by women entrepreneurs in developing countries through a systematic literature review. Empowering women entrepreneurs is a complex process that requires taking into considerations about the barriers that are not only personal but also economic, social, political, and cultural. More importantly, microscopic, and macroscopic constraints closely relate to each other in inseparable ways. For example, work-family conflict has been shown to be an essential microscopic constraint in previous studies, but this conflict is born of gender discrimination, gender segregation, and the 'housewifization' of labor, which are macroscopic constraints (Gentry, 2007). Furthermore, a lack of training and education, as a microscopic constraint, can be attributed to an unfavorable BEF environment and, in some cases, is affected by cultural constraints.

The tourism industry in developing countries provides excellent opportunities for women's entrepreneurship. Because microscopic and macroscopic constraints interact with each other, it is necessary to develop a comprehensive framework for women's entrepreneurship. To understand the interrelated network system, the framework will be proposed based on the literature review of microscopic and macroscopic constraints faced by women entrepreneurs in developing countries. Therefore, as its framework, the project "Empowering Women Entrepreneurs in Developing Countries' Tourism Industries through a Tourism Business Ecosystem" applies the concept of the tourism business ecosystem (TBE), which is a holistic and systematic business approach to cocreate and co-deliver sustained value for all network partners (Pechlaner et al. 2014). In the following steps, this project aims to launch an entrepreneurship framework for women by applying the TBE concept, which combines microscopic and macroscopic perspectives to consider value cocreation among all stakeholders (Lemmetynen & Go, 2009). This project is expected to extend the TBE concept found in women's

entrepreneurship literature and to outline interrelationships among different network parties.

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