

Alternative Approach to Women Economic and Social Development

Journal of Small Business and Enterprise Development Vol.1, 2020

By Tessema Bekele (Ph.D.)

May 2020

IJSER

Alternative Approach to Women Economic and Social Development

Abstract

Studies on women entrepreneurship have witnessed rapid growth over the past 30 years. The field is in an adolescence stage with a considerable number of journal articles, literature reviews, and books being published on women entrepreneurs. The article seeks to draw and shed light on the work of women in the community to set out an activity theory framework for the analysis of entrepreneurs engaged in the creation of new business ventures by women groups that are mediated through a range of strategies, initiating different business models implemented by women-led groups to ensure sustainable economic activities. Key stakeholders, women-led associations, corporate ventures, business development practitioners, civil society leaders, and local government officials are involved in brainstorming and discussion sessions to validate data and information.

Keywords: Entrepreneurs, Corporate ventures, Business development, Sustainable Economic activities,

Introduction

Studies on women entrepreneurship have witnessed rapid growth over the past 30 years. The field is in an adolescence stage with a considerable number of journal articles, literature reviews, and books being published on women entrepreneurs. Historically, the literature on mainstream entrepreneurship primarily focusing on the male entrepreneur emerged in the 1930s. The late 1970s witnessed the emergence of an explicit sub-domain of women entrepreneurship (Jennings and Brush, 2013). Much of the extensive literature on small business and entrepreneurship focuses on the key issue of business start-up. Yet any understanding of what is involved in creating new ventures and managing the threats to their early survival remains patchy. While several authors propose frameworks for analyzing the process of new venture creation (Gartner, 1985; Greenberger and Sexton, 1988, Katz and Gartner, 1988; Van de Ven et al., 1989, Vesper, 1990) there is little evidence to suggest a common pattern of events.

Traditional thinking in business and development may not be the only solution to bring economic change and lasting positive impact in the lives of society. Disparities and exclusive development approaches have created gaps to address marginalization and equity. Scholars and practitioners strongly believe that community to set out an activity theory framework for the analysis of entrepreneurs engaged in the creation of new business ventures by women groups that are mediated through a range of strategies. The action could be materialized by initiating different business models to implement by women-led groups to ensure sustainable economic activities. The practice of the traditional development approach and lack of good governance in the society created unequal opportunities for women in developing countries. However, women were

characteristically seen as resources, and their contributions were sought to enhance the development process and make it more efficient (Pietilä, Vickers, NMDC 1990).

For example, the civil society organizations such as Emmanuel Development Association (EDA) is committed from its inception to address the issue of gender inequalities, (equal opportunities for men and women) in its development philosophy. As a learning development organization's EDA internalized and institutionalized inclusion development approaches at all levels that is right-based grassroots development programs to children and women/men have become a cross-cutting intervention in the organization since 2002. The EDA strategy stipulates in detail in its operational document, for example, that 60% of the target community should be female beneficiaries to balance the existing gender disparities in its operation areas. Currently, all our development activities in the EDA program are monitored and evaluated based on the aforementioned development policy/strategy and guidelines. For example, to mention few there are women-led projects in EDA such as Self -Help Groups (SHG), Saving & Credit Associations, Village Saving Loan Association (VSLA), and other women-led small businesses activities are the most profound projects that positively impact the economic and social problems of the local communities. One of the strategies of EDA is to strengthen the capacity of the women-led groups and closely working with the grassroots community to ascertain sustainable development at all levels in its long-range development strategy in Ethiopia.

The practitioner and researcher Mclean depicted that internationally the women's movement has given birth to many non-governmental organizations (NGOs) and groups that continue to challenge many of the implied and stated assumptions of the traditional feminist movement. These NGOs and groups offer indigenous approaches to solving women's problems in their particular environments. The focus of many NGOs is action, developing programs and

institutions to improve the daily lives of women in their communities (McClean, 1992). On the other hand, involving women groups in real-world development interventions as described in the EDA program could comprehend the alternative approach for women in development in the community. Based on observation and general belief among women-led programs and other international development institutions such as (UNDP 1990, World Bank, 1990, The Netherlands Minister for Development Cooperation's (NMDC n.d.) reports have ascertained that the concepts of modernization and development have often led the primary international agencies to effectively ignore the plight of women in the societies they target and, in many instances, make the women worse off. The failure of their programs has forced indigenous NGOs and other entities to develop their solutions. The majority of leaders, practitioners, and scholars, fully agree with Nancy Barry's statement, (President of Women's World Banking) remarked in her speech (Howells 1993, p. 22) "initiatives to improve women economic situations demonstrate the need for indigenous solutions to women's problems. What has become very clear is that what women need is access, not subsidies. They need opportunities, not paternalism." From the above-mentioned philosophical perspectives, contributors, scholars, and practitioners complement the current women-led economic and social development concept to be implemented at all levels to balance equal opportunities for men and women in the society.

Purpose of the Study

The purpose of this exploratory qualitative research was to explore and discover the impact of women-led entrepreneurs that influence different entrepreneurial opportunities and approaches which focus on either the individual's psychological/cognitive attributes or the external environment typified by economic perspectives. Besides, to assess the creation of new business ventures by women groups that are mediated through a range of strategies, initiating different business models implemented by women-led groups at grassroots level to ensure sustainable

economic activities. On the other hand, the study investigated the practice of civil society organizations to empower women by engaging different local actors to mobilize women groups to benefit the poor, particularly, the women-led groups for sustainable economic and social development.

Literature Review

Opportunity Identification

According to Shane and Venkataraman (2000), any understanding of entrepreneurship has to include an examination of the opportunity-individual nexus. Shane (2000) argues that research dealing with the discovery of entrepreneurial opportunities falls into three categories. First, neoclassical equilibrium theories are based on assumptions related to profit-maximizing agents and equal access to knowledge and information. Hence, entrepreneurship is explained not by an individual ability to identify unique opportunities, but by those who have a preference for becoming entrepreneurs (Khilstrom and Laffont, 1979). Second, psychological theorists argue for a stable set of characteristics including the need for achievement, propensity for risking-taking, self-efficacy, and internal locus of control (McClelland, 1961). In this case, researchers concentrate on the decision to exploit opportunities rather than their discovery. Third, in Austrian economic theory equilibrium is rejected in favor of a system in which markets are composed of individuals who possess idiosyncratic information (Hayek, 1945). In this perspective, there is a much greater emphasis on information about opportunities rather than the attributes of individual entrepreneurs (Shane, 2000, p. 449).

Shane and Venkataraman (2000) claim that their framework, which concentrates on the discovery of entrepreneurial opportunities, is different from other approaches which focus on either the individual's psychological/cognitive attributes or the external environment typified

by economic perspectives. For example, Shane (2000, p. 465) demonstrates that entrepreneurs have “prior knowledge” which gives them the ability to recognize new opportunities:

Consequently, individuals who have developed particular knowledge through education or work experience will always be more likely than other people to discover entrepreneurial opportunities.

The need for Research and Evidence-based Action

According to the (UN,1991) report, research should inform both theorizing and policy-making, to make these credible. The women's movement and the various national and international institutions involved in development have recognized the importance of research and data, as illustrated in the foreword to the United Nations document (*The Worlds Women 1970,1990 Reports*). For many years, women advocates have challenged stereotypes depicting women as passive, dependent, and inferior to men. But efforts to reinforce their challenges with hard evidence have been undercut by serious limitations in available statistics and analysis, including a male bias in the definition and collection of many statistics and indicators. Practitioners and researchers should put this kind of numerical and analytical spotlight on the needs, the efforts and the contributions of women is one of the best ways to speed the process of moving from agenda to policy to practice to a world of peace, equality, and sustained development (Braidotti et al. 1994). To support our argument for alternative approaches to women and development, the creation of Development Alternatives with Women for a New Era (DAWN) and DAWNs stated objectives are evidence that NGOs emphasize research and evidence-based intervention at all levels in the society. Research is a critical activity of NGOs and women-led organizations to measure the impact of any projects and initiatives to share knowledge and learn to scale up to address the development gap in society (Moser, C.O.N. 1987, Peake, L. 1987, UNDP, 1990, and UN, 1991).

To support our argument, for example, Women's World Banking (WWB) is a nonprofit financial institution created in 1979 to give poor female entrepreneurs access to financing, market information, and training. It grew out of the 1975 United Nations World Conference on Women, held in Mexico City, to address the need for global structures to fund women in microenterprises. WWB currently operates in more than 50 countries and has assisted more than 1 million clients internationally with its goal to help poor women create wealth. WWB is guided with four principles, such as local-global replacing North-South as the prevailing paradigm to reflect the belief of local initiative; the women power to transform the society through their local institutions as mentioned by Nancy. On the other hand, the institution value that women as dynamic economic agents, not passive beneficiaries of social services; learning and sharing their business knowledge to replicate the same with other women-led agents (Howells, 1993, Lycklama à Nijeholt, 1992, Pietilä, H.; Vickers, J. 1990).

Case Study: The Grassroots Experiences of the Emmanuel Development Association (EDA)

Since 2009 EDA has been implementing different projects that aim to enable communities to access safe water, sanitation, and hygiene (WaSH) and education. Particularly, the projects also helped beneficiaries to generate sustainable income from recycling wastes and produce renewable energies to address the livelihood of women's household economy, environment conservation, improved climate-smart agriculture products, and health service in the region.

Accordingly, based on the priority area of the target women that EDA has built over 25 WaSH centers availing facilities to women groups such as latrines, showers, hand-washing facilities, and biogas-powered energy at the centers. The improved facilities have positively impacted the health, environment, household economy, and livelihoods of beneficiaries to promote

equity, inclusion, and address the disparity between men and women for over 20,000 marginalized women in the community. The biogas-powered cafeteria operated by women supplies cultural food, traditional Ethiopian cuisine to the local society at reasonable prices and created an attractive business venture in two regions, Addis Ababa and Amhara regional state, respectively.

As a result of this intervention, women groups have improved their household income by engaging themselves in small business as cooperatives that are dedicated to waste collection, composting, and management of communal WaSH center activities to generate sustainable income. Members of the association engaged ten days per month to run the biogas-powered cafeteria and related activities and getting over 4,500 Birr in their ten days engagement in the business center every other day. On the other hand, they have individual side businesses on the remaining days to generate additional more income to send their children to school and support their extended family.

EDA is committed to the wellbeing of all women, especially those who are vulnerable in society. This commitment has been practically implemented for the last 20 years through EDA's development philosophy on its gender strategic policy guideline. The policy is not a shelve document, but, the working policy and procedure in the organization for the best interest of young women. Considering the livelihood challenges of women, over the past decade, EDA is seeking to optimize its income in areas where there is little access to resources to strengthen the capacity of women. Moreover, after the implementation of the women-led livelihood program the leadership and decision-making capacity of women is significantly improved at all levels in the target community to realize their rights. The target women become role models to transform other women in the community to participate and contribute their potential to support the vulnerable women in society. EDA established a community-led business scheme by empowering women in business

education, leadership, and decision-making skills to run viable businesses based on the priority needs of the women. To date, over 20,000 young women became an entrepreneur and economically vibrant to lead their lives and their extended family in the target community.

Responses to the limitations of traditional approaches.

Recognizing the statement of Dhamija, (1998) and Peake, (1987) the limitations of the traditional approaches have sometimes also come and should come, from the various development approaches of EDA, partner organizations, and community of practice (CoP) members charged with developing programs to address the subordination, marginalization, and oppression of women. On the other hand, EDA strived to empower women groups by engaging the women in financial literacy, marketing, business skills, and business planning training to be the master of their destinies. The organization engages the women in marketable business in the form of cooperatives and in saving schemes under the small-scale local banking association to start small businesses individually and in the venture in the community. The individual and group saving scheme helped to scale up their group business as a cooperative in different regions where EDA is operating in Ethiopia.

Data and Method

The data used by researcher are from the active business population who were self-employed business women and women-led cooperatives conducted in 2020. A total of 30 women-led business members were interviewed. The sample only refers to women-led business entrepreneurs. This is to ensure that our achieved sample was representative of the known women-led business population. The data are the same as those used in Cowling et al. (2020) and contain detailed information relating to how businesses distribute their surplus earnings and profit, if they have any, including whether they retain cash in the business as a precautionary step. It is this

precautionary saving that reduces the risk that a business will run out of cash (liquidity) when faced with a deterioration in trading conditions.

A descriptive study design is an effective method for exploring the opinions and perceptions of participants at a specific point in time and answers questions specific to what, rather than why (Leedy & Ormrod, 2016). Considering the new entrepreneur scholarship (NES) views from a series of brainstorming sessions held by scholars have created an opportunity to use entrepreneurship theories to deal with social exclusion were given critical dimensions to explore and discover different alternative approaches (Taylor et al.,2004). Based on this concept the researcher was convinced to gather data and information from the civil societies' organizations, grassroots practitioners', and experiences of women-led cooperatives as alive and tangible shreds of evidence to publish this article. Key informants have participated in the interview including NGO leaders and officials from the local government, representatives of the Women's Associations, and enterprise agencies, and the success stories of women-led entrepreneurs and review made successful pilot projects. Besides, individuals (practitioners) are involved in virtual and face-to-face interaction.

To lead the discussion, the questions first focused on how each entrepreneur envisaged their goals, understood their activities, and recognized their motivations. Second, the researcher sought information on their experiences of what and who helped or hindered in configuring and re-configuring this understanding within the confines of their business.

The systematic and self-documenting aspects allowed the researcher to identify regularities in the interview data (Fielding and Lee, 2002).

Findings

The majority of the key informants and stakeholders agree that there is a need to be inclusive of diverse voices and consider constructionist approaches to explore traditional as well

as non-traditional women-led business in society. Particularly, there is a need to use the lens of feminist theories to capture heterogeneity in women entrepreneurship research and extend existing entrepreneurial theories. There is also a need to study entrepreneurial processes of women-led founded business models and adopt innovativeness in society and for further research to contribute to the body of knowledge. The study results can also be beneficial for startup local businesses by women-led entrepreneurs. In practice, aspiring women entrepreneurs can benefit by gaining access to women-led in different industries. This experience can help women prepare better before launching their own business in that particular industry. Specifically, gaining exposure to a business start-up can be beneficial.

The case study illustrates the grassroots experiences of civil society organization's targeted economically vulnerable women groups that confront nascent entrepreneurs as they consider the horizon of possibilities associated with their venture business idea. The paper demonstrates that the new women-led business emerges from a contested and solidarity set of relationships within which the entrepreneur plays a critical, creative, but far from solitary, role to ensure a sustainable household economy for a lasting solution and became a model entrepreneur in society.

Discussion and Implication

Self-initiated and committed set of relations within which the entrepreneur (women groups) plays a critical, creative, and determining role to improve and sustain their household and financial constraints to lead a decent life. Concerning the research on how organizations (women-led) are “born” the researcher has observed the melange of characteristics such as pro-activity, risk-taking, heightened self-confidence, vision, and the use of heuristic rules of thumb by which any entrepreneur recognizes and realizes opportunities only have meaning to

the extent they are socially articulated and recognized (Mitchell et al., 2002; Frese, 2000; Stevenson, 1986).

Understanding the creation and use of knowledge involves an understanding of these mediating alignments – even the most intimate of the entrepreneur’s feelings will be mediated in some way. It is a subjective experience of an existing world of significance in which founding a local small business and the economic exploitation of an opportunity are recognized as a sensible and significant intervention to the local women-led enterprise. Hence, relevant knowledge is not so much knowing that something exists, but a practical understanding of how to project one’s self into a world of possibilities.

Conclusion

Changing the development model for the best interest of society and shifts in thinking from the traditional to modern alternative approaches is a paradigm shift in human development theory. According to the theory and practice, the development approach created the women-centered interventions workable scheme strategy to help and able to realize sustainable economic and social changes in the lives of vulnerable women in the society. These shifts in thinking within the grassroots community, local institutions, and local government structure helped to adopt an ‘inside-out’ thinking perspective to use their local resources and maximize their development endeavor. Besides, the development strategy helped the society to design a workable economic action plan to ensure sustainable livelihood to the vulnerable segments of the society, particularly women groups. The grassroots example of EDA is a new development model relevant to low-income earners of women in society. The membership covers the range of self-employed women typically working in the informal sector and marginalized section of the community who have the potential to involve in saving schemes from what they gain to win the daily bread and support their

family. The individual and group members' commitment, involvement, and contribution helped the group to see and aspire to a bigger picture ahead to be competitive in the local market.

Rose, (1992) asserted that the women group who were committed to improving their livelihood could be self-employed, and economically self-sustained to lead their lives. Moreover, to ensure the household economy, a family-centered approach is critical, according to Buvinic (1984), which sees motherhood as a women's most important role in society and thus the most effective role for her in economic development. From these common bases, diverse individuality in business, religious and ethnic backgrounds, and living environments are brought together. Where these women are extremely vulnerable to the forces of their day-to-day poverty which are compounded by financial exploitation, physical abuse, and general social harassment, they have found that collectively they can struggle against these forces and odds to effect change in their lives and work. Considering the aforementioned day-to-day challenges, the women group that the civil societies like Emmanuel Development Association and others working with have forged a new model of what a women group can be a Third World Model as an amalgamation, which defies conventional conceptions they do for their members.

Women in the rural informal sector are either self-employed, in venture form, and employed in family-based enterprises that include both agricultural and non-agricultural sectors. These activities which include boutique, beauty parlor, food processing, tailoring, poultry, dairy farms, etc. have been regular and invisible sources to family income supplementation. A sector-wide distribution of employed persons in rural areas shows that agriculture is the predominant source of female employment, in our context. Women-led entrepreneurship is now playing a greater role in changing the socio-economic scenario of society and contributing to the national economy. In order to maximize and the women-led efforts and foster enthusiasm, CSOs, Small

and Medium Enterprise Foundation (SMEF) extended cooperation by providing the fund with related training packages throughout the country. Besides this, various model women-led cooperatives or associations shall scale up their efforts to encourage the small entrepreneurs flourishing the women entrepreneur may open up a new window for the country in the highly competitive society in Ethiopia.

IJSER

References

- Braidotti, R.; Charkiewicz, E.; Häusler, S.; Wieringa, S. 1994. Women, the environment and sustainable development: towards a theoretical synthesis. Zed Books, London, UK.
- Buvinic, M. 1984. Projects for women in the Third World: explaining their misbehavior. International Center for Research on Women, Washington, DC, USA.
- CAFRA (Caribbean Association for Feminist Research and Action). 1993. CAFRA News, 6(2).
- Cowling, M, Brown, R, Rocha, A (2020) Did you save some cash for a rainy COVID-19 day? The crisis and SMEs. *International Small Business Journal* 38: 593–604.
- Dhamija, J. 1989. Women and handicrafts: myth and reality. *In* Leonard, A., ed., *Seeds: supporting women's work in the Third World*. City University of New York, New York, NY, USA.
- Fielding, N. and Lee, R. (2002), “New patterns in the adoption and use of qualitative software”, *Field Methods*, Vol. 14 No. 2, pp. 197-216.
- Frese, M. (2000), “Psychological approaches to entrepreneurship”, *European Journal of Work and Organizational Psychology*, Vol. 9 No. 1, pp. 128-40.
- Gartner, W.B., Bird, B.J. and Starr, J.A. (1992), “Acting as if: differentiating entrepreneurial from organizational behavior”, *Entrepreneurship: Theory and Practice*, Vol. 16 No. 3, pp. 13-31.
- Howells, C. 1993. Women's World Banking: an interview with Nancy Barry. *Columbia Journal of World Business*, 23(3), 2132.
- Jennings, J. E., & Brush, C. G. (2013). Research on women entrepreneurs: challenges to (and from) the broader entrepreneurship literature? *The Academy of Management Annals*, 7(1), 663–715.
- Leedy, P.D., &Ormrod, J.E. (2013). *Practical research: Planning and design* (10th ed.). Upper Saddle River, NJ: Prentice-Hall.
- Lowry, P., Roberts, T. L., Dean, D. L., &Marakas, G. (2009). Toward building Self- sustaining groups in PCR-

- based tasks through implicit coordination: The case of heuristic evaluation. *Journal of the Association for Information Systems*, 10(3),170-195. Retrieved from Business Source Complete database.
- Lycklama à Nijeholt, G. 1992. Women and the meaning of development: approaches and consequences. Institute for Social Studies, The Hague, Netherlands. Sub-series on Women's History and Development, Working Paper No. 15.
- Katz, J. and Gartner, W.B. (1988), "Properties of emerging organizations", *Academy of Management Review*, Vol. 13 No. 3, pp. 429-41.
- Hayek, F. (1945), "The use of knowledge in society", *American Economic Review*, Vol. 35 No. 4, pp. 519-30.
- Khilstrom, R. and Laffont, J. (1979), "A general equilibrium entrepreneurial theory of firm formation based on risk aversion", *Journal of Political Economy*, Vol. 87 No. 7, pp. 19-48.
- McClelland, D.C. (1961), *The Achieving Society*, Van Nostrand, Princetown, NJ.
- Mitchell, R., Busenitz, L., Lant, T., McDougall, P., Morse, E. and Brock Smith, J. (2002), "Toward a theory of entrepreneurial cognition", *Entrepreneurship, Theory and Practice*, Winter, pp. 93-104.
- Moser, C.O.N. 1987. Women, human settlements, and housing: a conceptual framework for analysis and policy-making. *In Moser, C.O.N.; Peake, L., ed., Women, human settlements, and housing*. Tavistock Publications, London, UK. pp. 1232.
- NMDC (Netherlands Minister for Development Cooperation). n.d. *A world of difference: a new framework for development cooperation in the 1990s*. NMDC, The Hague, Netherlands.
- Peake, L. 1987. Government housing policy and its implications for women in Guyana. *In Moser, C.O.N.; Peake, L., ed., Women, human settlements, and housing*. Tavistock Publications, London, UK. pp. 113138.
- Pietilä, H.; Vickers, J. 1990. *Making women matter: the role of the United Nations*. Zed Books,

London, UK.

Rose, K. 1992. *Where women are leaders: the SEWA movement in India*. Zed Books, London, UK.

Shane, S. and Venkataraman, S. (2000), "The promise of entrepreneurship as a field of research", *Academy of Management Review*, Vol. 25, pp. 217-26.

Stevenson, H. (1986), *Entrepreneurship: A Response to Discontinuous Change*, Harvard Business School Press, Cambridge, MA.

Tinker, I.; Bramsen, M.B., ed. 1976. *Women and world development*. Praeger, New York, NY, USA.

UNDP (United Nations Development Programme). 1990. *Human development report, 1990*. Oxford University Press, New York, NY, USA.

United Nations. 1991. *The worlds women 1970-1990: trends and statistics*. United Nations, New York, NY, USA.

Van de Ven, A., Angle, H.L. and Poole, M.S. (1989), *Research on the Management of Innovation*, Harper and Row, New York, NY.

Vesper, K. (1990), *New Venture Strategies*, 2nd ed., Prentice Hall, Englewood Cliffs, NJ.

World Bank. 1990. *World development report, 1990*. World Bank, Washington, DC, USA.