Entrepreneurship, Gender, and Disability

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An Emerging Economy Perspective

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INTRODUCTION

INTRODUCTION

Entrepreneurship is a multifaceted phenomenon, which is one of the important factors in economic development and poverty alleviation of any developed or transition economy. In the last decade, entrepreneurship has been recognised as an important mechanism for economic development across international boundaries, especially in developing countries (Acs *et al.,* 2021; Wiklund, *et al.*, 2011). Past studies mentioned that different cultural features of different countries might convert to the institutional and economic context to influence entrepreneurship, as culture represents the capabilities and habits acquired by a member of the society (Autio and Fu, 2015). Throughout the past few years, policymakers have demonstrated a growing interest in the role that entrepreneurship plays in generating economic growth and development. However, entrepreneurship in emerging nations is reportedly the most important economic and social phenomenon being explored right now. Considering these, it is essential to have a solid grasp of entrepreneurship in a variety of settings to determine whether or not and how much entrepreneurs contribute to economic growth and development (Alvedalen and Boschma, 2017).

It has long been recognised that female entrepreneurship is an essential factor in the formation, operation, and expansion of firms, and consequently, in the expansion of the economy (Said and Enslin, 2020; Acs *et al.,* 2011). In recent years, female entrepreneurs have made an increasing contribution to entrepreneurial activity, job creation, innovation, and economic development worldwide (Hechevarría *et al.,* 2019; Noguera *et al.,* 2013). In addition, the increase in female entrepreneurship has also led to an increase in the gross domestic product (GDP), which has a positive impact on decreasing impoverishment and societal marginalization (Ogundana, *et al.,* 2021; Lock and Lawton-Smith, 2016; Bergmann, Mueller, and Schrettle, 2014; Bahmani-Oskooee, Kutan, and Xi, 2013). In developing economies, female entrepreneurs invest around 90% of their profits in their families and communities, demonstrating the significance of female entrepreneurship for economic progress. Similarly, entrepreneurship has often been suggested as an alternative strategy to overcome poverty, especially in a transition economy (Shepherd, Parida and Wincent, 2021; Şahin and Asunakutlu, 2014; Gries and Naudé, 2009; Dixon and Clifford, 2007). In addition, there has been a significant increase in the number of women who are starting

their businesses in both developed and developing countries, and this trend is now recognised as a key driver of economic expansion (Foss *et al.,* 2019; Ramadani, 2015). According to the findings of the GEM 2020/2021 Women's Entrepreneurship Report, the presence of female entrepreneurs in developing economies is an essential component that contributes to the expansion of economic opportunity for everybody. 17 per cent of women in nations with low and middle incomes are now business owners, whereas 35 per cent of those same women aspire to be business owners. When all of this is considered together, it suggests that more than half of women in low-income nations see starting a business to build a brighter future, whereas only 25 per cent of women in high-income countries feel the same way. This exemplifies the significant economic and social benefits that women entrepreneurs offer to their communities.

However, the percentage of female entrepreneurs in different countries across the world differs considerably (Kelley *et al.*, 2017; Ramadani, Hisrich, and Gërguri-Rashiti, 2015). Even though more women are starting firms, according to research conducted by Verheul, Stel and Thurik, (2006), Langowitz and Minniti (2007), and Minniti and Naudé (2010), the percentages of female entrepreneurial engagement are still substantially and persistently smaller than those of men. Additionally, women were 20% more likely than males to report a recent business shutdown owing to the pandemic (Strawser, Hechavarría and Passerini, 2021). The following (Figure 1.2) global picture of female entrepreneurship suggests that factor-driven economies (FDE)1 have a greater rate of entrepreneurial intention than developed and innovation-driven economies (IDE)2. However, in developing countries, fewer businesses make it from the early stages through to maturity. In comparison, while the rate of entrepreneurial start-ups is lower in IDEs, the enterprises that set out start-ups are more stable. Similarly, in terms of business discontinuation, women in IDEs are twice less as those in FDEs to abandon their businesses. In an FDE, women are therefore more likely than males to establish a business, but they also quit the profession at higher rates. One likely reason for this divergence is the entrepreneurial atmosphere in these economies is usually weak, and consequently, it is less favourable for female entrepreneurship than in an IDE (Mozumdar *et al.,* 2022, 2020).

Institutional assistance and facilities do not cater for enterprise start-ups in most developing countries, meaning that female entrepreneurship potential remains unexplored (Khoshmaram *et al.,* 2020; Baughn, Chua and Neupert, 2006). The socioeconomic growth of less developed nations could be enhanced by encouraging and facilitating enterprise creation (Wang, Li and

Long, 2019). In addition, when compared to men, women in developing economies may encounter a greater number of obstacles and restrictions on resources within their respective entrepreneurial environments. The gender gap between nations serves as a representation of this and serves to highlight how the business environment for men and women differs. Women and men have differing levels of success as business owners for a variety of reasons, including the persistent gender gap.

Entrepreneurship Defined

Selecting a specific basis for the definition and understanding of the concept of entrepreneurship presents a challenge for any academic researcher, as entrepreneurship can be defined from several different viewpoints (Wennekers and Thurik, 1999). There are different definitions of entrepreneurial research. Some researchers suggest that entrepreneurship is a comparatively new concept in academic research, but that as an activity, it has a very long history in practice (Carlsson *et al.,* 2013). The idea of entrepreneurship has been around since the eighteenth century. An individual who starts their own despite the inherent dangers is called an entrepreneur. The first economist to focus on entrepreneurship in economic development was Joseph A. Schumpeter. Schumpeter (1942) defines entrepreneurs as being leaders and major contributors who create new products, new markets, or new methods of distribution. Schumpeter developed a new economic theory by differentiating between economic growth and the creation of new opportunities through creative destruction (Ziemnowicz, 1942). However, this definition of entrepreneurship did not receive much attention in the early stage of economic development. Table 2.1 summarises key definitions of entrepreneurship and entrepreneurs in chronological order from the most recent.

In the early 2000s, several prominent scholars reviewed definitions of entrepreneurship and its fundamentals (Shane and Venkataraman, 2000). Stevenson *et al.,* (2020) laid out six different "scopes" of entrepreneurship as being concerned with "commitment to opportunity, commitment to the process, strategic orientation, control of resources, management structure, and compensation and reward system." Naudé (2013) defines entrepreneurship within economics as fitting within three main categories, which are defined as being occupational, behavioural and outcome focused. The behavioral definition is highly relevant for women operating businesses in a developing country where uncertainty and risk are of more concern than profitability. According to occupational views, entrepreneurship can be synonymous

with self-employment, where profits and benefits exceed wage income (Naudé, 2013). However, in another approach, Aldrich (2012) defines entrepreneurship by concentrating on the social structure of the field.

Table 1 Definitions of Entrepreneurship and Entrepreneurs Authors	**Definitions**
Hustedde (2018)	"An entrepreneur can be defined as an individual (or team) who creates a new business venture within a place that offers a new product(s) or service(s) and adds value to markets within the community."
Gruidl and Markley (2015)	"Entrepreneurs are driven by passions – the ability to make a difference in people's lives, employ others, create a lifestyle, or prove their creative spirit."
Spulber (2014)	"The innovative entrepreneur implements commercial inventions to create a new enterprise, establish a new type of farm, and launch new industries."
Caniëls and Rietzschel (2013)	"Entrepreneur is the persons who search for systemic innovation and opportunities to create economic value for their firms or enterprise."
Stevenson, and Jarillo, (2007)	"Entrepreneurship is the search for an opportunity outside the resources someone can currently control."
Bygrave and Hofer (1992)	"An entrepreneur is a person who perceives an opportunity and creates an organisation to follow it".
Kirzner (1985)	"An entrepreneur is a person who perceived profit opportunities and initiated some actions to complete the current unsatisfactory needs."
Hoselitz (1960)	"An entrepreneur is a person who buys at a certain price and sells at an uncertain price".
Schumpeter and Nichol, (1934)	"An entrepreneur is a person making new combinations causing discontinuity. The realisation of new combinations may include a new product or a quality of a product, a new method of production, finding a new source of raw materials or reorganising the industry."

In all these examples, individual entrepreneurs are 'generic', and given this assumption, it is often assumed that women and men don't differ in their characteristics and behaviour. This being the case, there would be no need to have separate research on female entrepreneurship. However, most research on entrepreneurship is gender-neutral and as such we should consider a female sample and examine contextual factors that capture the essence of female entrepreneurial behaviour (Audretsch *et al.,* 2019). Moreover, as noted by Ahl (2006), many female entrepreneurs have been criticised for not considering feminist analyses and instead of using male-gendered measuring instruments. The following section provides an overview of female entrepreneurship, and a definition, outlining the status of female entrepreneurship based on the Bangladeshi research context that they encounter.

Female Entrepreneurs

In recent years, the multidimensional and complex concept of female entrepreneurship has received considerable attention. There has been increased research interest in the growing number, development and performance of female entrepreneurs and their potential role in local and global economies (Hechavarría and Brieger, 2022; Hughes and Jennings, 2020; Rugina, 2019; Bui, Kuan and Chu, 2018; Bardasi *et al.,* 2011; Terjesen and Amorós, 2010; Jamali, 2009; Verheul, Stel and Thurik, 2006; McClelland *et al.,* 2005). Earlier than outlining the intellectual milieux in female entrepreneurship study, it is important to clarify a definition of female entrepreneurship. According to Buttner and Moore, (1997, p-32), "a female entrepreneur is a woman who has initiated a business, is actively involved in managing it, owns at least 50 per cent of the firm, and that the business has been in operation one year or longer". Another definition of a female entrepreneur is a "woman or a group of women who initiate, organize and run a business enterprise" (Fatoki, 2014 pp-186). Table 2.2 summarizes several key definitions of female entrepreneurship from academic research.

Table 2.2 Definition of Female entrepreneurship Author (s)	**Definition of female entrepreneurship**
Brush (1992)	"An interconnected system of relationships composing the family, community and business that is integrated into the woman business owner's life".
Dolinsky *et al.* (1993)	"Defined as female self-employed business ownership"
Welch, Welch and Hewerdine (2008)	"Defined in terms of women business owners and their entrepreneurial behaviours".
Buttner and Moore, (1997, p-32)	"a female entrepreneur is a woman who has initiated a business, is actively involved in managing it, owns at least 50 per cent of the firm, and the business has been in operation one year or longer".
Hughes *et al.* (2012)	"Defined as female business owners and their initiatives"
Jennings and Brush (2013)	"Defined as the processes by which women start and/or run their businesses (including those who are self-employed"
(Fatoki, 2014 pp-186).	"Woman or a group of women who initiate, organize and run a business enterprise"
Humbert and Brindley (2015)	"Women take huge risks to build a business and often show some innovation in this process"
Adom and Asare-Yeboa (2016)	"A process by which women initiate, organize and run a business venture"
Santos, Marques, and Ferreira, (2018)	"Women embrace self-employment by creating their businesses"
Hechavarria *et al.* (2019)	"Defined as the women business owners themselves and their ventures"

The Gender Gap in Female Entrepreneurship

According to a recent GEDI[1] report, women perform poorly in areas including female labour force participation, income and salary, and senior and technical jobs. Furthermore, wage and income disparities show that men possess most of the economic power, with females having little or no influence over financial benefits and sources. Women are also the primary providers of unpaid labour such as childcare and home responsibilities (Acs *et al.,* 2021). Moreover, according to recent GEDI rankings of gender equality, many developing economies suffer from extreme gender inequality in entrepreneurship and a range of other areas including access to schooling, service, legal rights, and financial inclusion (Faghih, and Zali, 2018; Meunier, Krylova and Ramalho, 2017; Sarfaraz, Faghih, and Majd, 2014; Elizabeth, and Baines, 1998).

It is not shocking to discover that the rate of female entrepreneurs in Bangladesh[2] is still meagre compared to other developing nations. While entrepreneurship performs a crucial part in commercial expansion worldwide, South Asian women still struggle to benefit from economic development. The Gender Inequality Index (2016) puts South Asia at a regional score of 0.52, whilst East Asia and the Pacific are rated as being much better off at 0.31, with Sub-Saharan Africa only marginally behind at 0.57. Women in Bangladesh are held back by embedded socio-cultural factors and economic and financial constraints characteristic of a male-dominated society. Women in Bangladesh are still not empowered to take control of their lives and make decisions (Rakib, Chakrabarty and Winn, 2018). They face security concerns, a lack of policy implications and inadequate institutional support (Biswas and Nandy, 2022).

Most female-owned enterprises are informal and home-based and focus on small-scale entrepreneurship within conventional sectors (World Bank, 2018). According to Hafiz and Latiff (2020), the gender gap in Bangladesh prevails in the ownership of micro, small and medium-sized enterprises (MSMEs) (92.6% for males versus 7.4% for females). However, according to a recent report by World Economic Forum (2021), Bangladesh, Sri Lanka, India, and Pakistan are ranked 65th, 116th, 140th, and 153rd, out of

[1] The GEDI (Global Entrepreneurship Development Index) compares men and women in four areas: socioeconomic involvement and opportunity, educational achievement, health and wellbeing and political empowerment (GEDI, 2018).

[2] Bangladesh has been chosen as the research context for the current research study. More information has been provided about choosing Bangladesh as the research context in Chapter 2.

158 respectively, based on the gender gap. Although Bangladesh gained independence 25 years after India and Pakistan, it is beating another subcontinent to close the gender gap. Bangladesh has completed 71.9% of its gender gap by improving women's living standards. Table 1.1 shows that the gender gap in Bangladesh is significantly lower than in India, Pakistan, and Sri Lanka, highlighting the need to study female entrepreneurial activities.

Even though statistics show an improvement in the gender equality index, the rate of female entrepreneurship in Bangladesh is still low. According to a recent report from GEDI (2018), Bangladesh is a country in the third tier because it has a poor entrepreneurial climate. This classification draws attention to issues concerning the freedom to engage in commercial activity, ineffective marketplaces, unequal access rights for women to resources and institutions, as well as poor educational attainment rates for women. Although women in Bangladesh have entrepreneurial goals, a less conducive environment makes entrepreneurship difficult (Bidisha, Faruk, and Mahmood, 2022).

Research Gap in Female Entrepreneurship

Even though women are one of the fastest-growing populations of entrepreneurs who contribute to innovation, job development, and wealth creation, they have been grossly understudied, and many crucial concerns remain unresolved (Panda, 2018; Brush, de Bruin, and Welter, 2009; de Bruin, Brush and Welter, 2007). Even though the relevance of female self-employment is growing in a lot of nations, there are not a lot of studies accessible on female-specific start-up and entrepreneurship studies (Langowitz and Miniti, 2007; Baughn, Chua, and Neupert, 2006). It is necessary to do additional research from the gender viewpoint to obtain a deeper understanding of the economic and social phenomenon of female entrepreneurial engagement (Sabri and Thomas, 2019; Iacovone, Calderón and MacGregor, 2018; Strobl, Kronenberg, and Peters, 2012; Sexton and Bowman-Upton, 1990).

Most research on female entrepreneurship has been focused on the context of developed countries and there is a lack of research on female entrepreneurship in developing countries (Pospisil and Zavodna, 2022; Welter, Smallbone, and Mirzakhalikova, 2017, Yadav and Unni, 2016; Welter, Smallbone, and Isakova, 2006). In terms of developing countries, entrepreneurship remains an essential source of economic growth that decreases the gender gap by creating economic opportunity. Previous literature

Table 1.1 Gender Equality Index

Global Ranking 2021	Global Index		Economic participation & Opportunity		Educational Attainment		Health & Survival		Political empowerment	
Country	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Bangladesh	65	.72	147	.418	121	.951	134	.962	7	.546
Sri Lanka	116	.67	132	.547	88	.988	30	.980	90	.167
India	140	.62	151	.326	114	.962	155	.937	51	.276
Pakistan	153	.55	152	.316	144	.811	153	.944	98	.154

Source: GEDI Report 2021

is related to the gender dimension and entrepreneurship, but there is little in the academic literature that helps us gain a better grasp of the role that different institutional settings play in the entrepreneurial endeavours of women operating in the informal sector. It has been documented that institutions have been shown to significantly affect women's entrepreneurial development (Giménez and Calabro, 2018). Moreover, Bowen and de Clercq (2008) found that the institutional environment influences the allocation of entrepreneurial effort.

Most studies consider women either as a single population or as a comparison group. Contextual factors which may influence outcomes differently for men and women were not considered (Laguía *et al.,* 2022; De Vita, Mari and Poggesi, 2014). According to Yousafzai *et al.* (2019), most of the recent contextual research follows a gender-neutral approach (Welter, Brush, and de Bruin 2014; Tedmanson *et al.,* 2012; Brush, de Bruin, and Welter 2009). The premise of gender-neutral research is that both men and women engage in entrepreneurship. The goal of this research is to "unravel the complex web of interconnected socio-economic and politically structured realities generated by gendered institutions" by focusing on gender consciousness that goes beyond biological sex classifications (Yousafzai *et al.,* 2019, p. 168). Additionally, to understand the complexities of the female entrepreneurial process, it is important to recognise the entrepreneurial background, characteristics, and social and cultural barriers, and how they grow from different contextual perspectives (Li, Huang, and Song, 2020). According to Tambunan (2009), the contextual, institutional, and social context directly impacts the extent to which a female can run a business and perceive the same opportunity as men. This results in women having a disadvantaged status in society, especially in South Asian countries. Since entrepreneurship is unquestionably grounded in social, institutional, and social norms and standards, understanding the effect of specific social norms is very important to understanding the entrepreneurial behaviour of an individual (Shane and Venkataraman, 2000). In addition, when considering an individual's social context and social interaction is very important to gain a better understanding (Ahl, 2006; Bruni, Gherardi, and Poggio, 2004).

Existing research confirms a complex interaction between institutional components and female entrepreneurship (Sahin and Mert, 2022; Manolova *et al.,* 2017). The previous researcher also found that the institutional theory and context-specificity of entrepreneurship are two aspects of the phenomenon that are usually overlooked in entrepreneurship research (De Bruin, Brush, and Welter, 2007). There is still limited research that evaluates

the role of gender equality legislation, and social and ideological rules in female entrepreneurship literature from the institutional perspective (Serrano-Pascual and Carretero-García, 2022; Junaid *et al.,* 2020; Giménez, and Calabrò, 2018). As a result, institutional theories might enable us to recognise the significance of institutions, as researchers have shown in this research. Previous research on female entrepreneurship has investigated how institutions influence female and male entrepreneurs in different ways or how formal institutions influence women entrepreneurs (Thébaud, 2015). For instance, Estrin and Mickiewicz (2011) investigated the various ways in which institutions exert distinct influences on male and female business owners (Thébaud, 2016; Goltz, Buche, and Pathak, 2015). However, there is a paucity of information concerning the role that informal institutions play in moderating the connection between formal institutions and the possibility of women becoming business owners. When explaining the variations and interactions between female entrepreneurship across countries, it is important to understand institutional development and differences, as the choice of a woman to go into business for herself might be swayed by the actions of an institution (Jaiswal, 2020; Castellaneta, Conti, and Kacperczyk, 2020; Bjørnskov, and Foss, 2016; Brush and Cooper 2012). It looks essential to illuminate the present theoretical concepts of female entrepreneurship as an independent research topic from an institutional perspective (Xiong, Ukanwa and Anderson, 2018).

Additionally, a study on female entrepreneurship has produced policy recommendations that are generally fuzzy, conservative, and focused on locating skills shortages in female entrepreneurs that need to be "corrected" (Fang *et al.*, 2022; Foss *et al.,* 2019). Public policies that support female entrepreneurship should be devised with a long-term view to lessen the impact of formal and informal limitations, (Helmke and Levitsky 2004). It is also important to reassess these policies' effectiveness regularly (Mozumdar *et al.,* 2022). Moreover, Policymakers should place a greater emphasis on the conventional assumptions that are linked with the position of women in society, as these stereotypes influence the existing social concerning gender roles (Poggesi, Mari, and De Vita, 2016).

Corrêa *et al.,* (2021) found that qualitative research was the most common method, whereas mixed studies were found fewer times. Another SLR conducted by De Vita, Mari, and Poggesi (2014) identified a total of 70 papers on female entrepreneurship in developed and developing countries. Of these 70 papers, 69 used a quantitative method. Furthermore, existing research has also applied quantitative techniques (Dornisch, 2022; Constantinidis, 2022; Yousafzai, Saeed, and Muffatto, 2015; Pathak, Goltz,

and Buche, 2013; Elam and Terjesen, 2010; Gibbs, 2007), This study employs a mixed-method approach which will allow for the use of both qualitative and quantitative methods to understand the female entrepreneurship in depth.

There is still a considerable research gap in the field of female entrepreneurship research in developing nations like Bangladesh. For instance, Rashid and Ratten (2020) performed a systematic literature review (SLR) on women's entrepreneurship in emerging economies using the Scopus database. There is a hole in the literature on these emerging economies, particularly Bangladesh. In the Bangladeshi research context, this study is intended to address a gap in the scholarly literature in several ways. For example, while research on female entrepreneurship has been widely undertaken in developed countries, this study expands that analysis into the context of a developing nation. This is significant, as what works in one culture may not necessarily work in another. As a result, this study focuses on three new dimensions, women's experiences from an institutional perspective, Asian culture, and the operation of entrepreneurial activity in the informal sector.

Entrepreneurship and gender research in emerging economy

It is important to note the striking differences in entrepreneurship research in developed countries compared to that taking place in developing countries. The patterns of entrepreneurship and experiences of entrepreneurs from developed and developing nations can differ significantly because of cultural differences. Moreover, in recent years, GEM (2018) estimated that in factor-driven economies, for every 10 men entrepreneurs there were 8 women engaged in early-stage entrepreneurship in 2016. This change is more significant as the level of growth of the country rises (Coduras and Autio, 2013). This occurs because contextual social standards and cultural expectations, particularly in developing nations, deny women fundamental rights such as the ability to work and earn a living wage, the right to inherit property, and the freedom and authority to make their own decisions about their lives, including starting their businesses (Jutting *et al.,* 2008).

Although scholars agree on the significance of female entrepreneurs in bringing about social and economic change, little is known about how they accomplish this. Surprisingly, there is no mention of this in the existing literature on female entrepreneurship largely because female entrepreneurship is largely understudied, particularly in emerging nations (Zhao and Yang,

2021; Brush, Bruin, and Welter, 2009). Female entrepreneurship is studied extensively in industrialised nations, but the dynamics of research in developing nations are rather different. According to Brush and Cooper (2012), female entrepreneurship research accounts for just 10% of all entrepreneurial research. Much of the theoretical foundations of entrepreneurial literature come from Western countries. In poor nations, there has been very little input into the theory of entrepreneurship. Research in developing nations may help to improve the development of theory in entrepreneurship literature.

This Book has attempted to synthesise the literature on entrepreneurship and gender from an institutional view and relate them to what has been observed in emerging economy like Bangladesh and Srilanka. The institutional viewpoint has yet to be fully utilised in female entrepreneurship research (Aparicio, Urbano, and Stenholm, 2021). According to previous literature, most extant institutional theory streams employed in female entrepreneurship research focus on higher-level contexts, such as meso and macro settings. However, entrepreneurship occurs in a variety of settings, with the micro-level setting having the greatest direct influence on the entrepreneur. As such, one potential way to enrich entrepreneurship research is to carry out more research to examine how the micro-level environment shapes entrepreneurial activity. More details of the specific research gap, related to studying female entrepreneurship from an institutional perspective, have been explained in following chapter.

Entrepreneurship from the Informal Sector

Individuals who engage in the purchase and sale of lawful goods and services but do not formally register their businesses with the government are examples of informal entrepreneurs (Autio and Fu, 2015). Previous scholars have explored informal entrepreneurship, which is extensive, persistent, and even growing in many populations (Williams, 2013), During the past three decades, the informal economies of developing countries have seen significant growth when compared to the growth of employment in the formal sector. For instance, according to a statistic, 93% of total work in India is based on the informal economy, and in South Africa, the figure is almost 34%.

It is not a new thought that the number of women working as entrepreneurs in the unorganised sector of developing economies is increasing (Mair and Marti, 2009). Females are overrepresented in the informal sector, especially in developing countries. However, it is difficult to collect accurate statistics

from the informal sector, as people do not necessarily consider their activities within the informal sector as being "work" (Web, Khoury and Hitt, 2020; Kasseeah, and Tandrayen-Ragoobur, 2014). In addition, the national statistical agency tends to register enterprises rather than individual workers (Xaba *et al.,* 2002). Several factors contribute to the increasing number of businesses operating in the informal sector (Karim *et al.,* 2022). For instance, women operate in the informal sector of the economy due to there being a lack of other opportunities compared to their male counterparts. An individual's decision to operate in the formal or informal economy will be determined by weighing up the economic and social costs and benefits of their decision. However, financial freedom may encourage legal entrepreneurship and constrain informal entrepreneurship in developed and developing countries (Berdiev, and Saunoris, 2020).

It is possible to describe the informal sector as including commercial enterprises that do not register with the appropriate authorities or declare some or all their production and sales to those authorities when they are required to do so for taxation, benefits, or labour law (Siqueira, Webb and Bruton, 2016). According to estimates, two-thirds of businesses in developing countries start as unregistered. Palmer's (2004) definition of informal sector activities states that:

> "[i]nformal sector activities are typically carried out in small units, microenterprises, established, owned and operated by one or a few individuals with little capital; the activities are usually labour-intensive and result in low-quality, but relatively cheap goods and services; microenterprises tend to have limited access to infrastructure and markets for inputs and outputs".

So far, few studies have considered the gender dimension in informal entrepreneurship (Zhao and Yang, 2021; Doyle and Young, 2001). As a result of their restricted rules and policies, inadequate physical infrastructure, untrained employees, weak networks, limited access to funding, and weak institutional frameworks, informal entrepreneurs in underdeveloped countries often experience slow growth (Ahmed and Chowdhury, 2009). At the same time, the development of the informal entrepreneur is crucial to the economy of developing nations, since they make up most of the informal sector and have the power to influence society (Junaid *et al.,* 2020).

Informal Entrepreneurship: A Necessity-Driven Endeavour?

In recent years, entrepreneurship has often been suggested as an alternative strategy to overcome poverty, especially in a transition economy (Şahin and Asunakutlu, 2014; Gries and Naudé, 2009; Dixon and Clifford, 2007). More recent research has focused on the notions of opportunity entrepreneurship and necessity entrepreneurship, both of which contribute to an understanding of the connection between business owners and economic growth (Wennekers *et al.,* 2005). Based on what motivates them, the prior academic distinguished between entrepreneurs who are driven by necessity and those who are driven by opportunity (Reynolds, *et al.,* 2004). Necessity entrepreneurs pursue entrepreneurship to escape unemployment, whereas opportunity entrepreneurs follow a recognised potential profit.

Some researchers believe that women are more influenced by push factors than pull factors [3](Orhan and Scott, 2001), while others claim that the opposite is true (Shinnar and Young, 2008). Interestingly, necessity-driven entrepreneurs account for a large portion of the overall number of entrepreneurs in developing nations, whilst they are fewer in number in developed countries (Gries and Naudé, 2009). For instance, between 6.5 and 7.5 per cent of businesses were started of a need in Brazil, Argentina, India, and Chile in 2002, compared to 0.33 per cent and 0.43 per cent in Denmark and Finland, respectively. Additionally, in the model of seminal structural foundation developed by Lewis (2014), the necessity of entrepreneurship in the traditional sector might be expected during the early stages of economic growth. As the modern sector increases and the economy shifts, opportunity entrepreneurship takes over. Their approach is consistent with a U-shaped link between entrepreneurship and economic development, with necessity entrepreneurship on the left and opportunity entrepreneurship on the right.

According to some data, women are engaged as entrepreneurs in the informal sector to top up household income, especially in countries with low levels of development (Ilyas, Aamar and Khan, 2020; Heath and Jayachandran, 2016). Additionally, the formal/informal status might also strongly influence the necessity/opportunity entrepreneurship dynamics.

[3] The numerous motivational styles that have been identified are summarised under the push-pull concept. Some people become entrepreneurs as a result of being laid off, having money problems, or having their careers end. Negative situations awaken latent business genius. Others are drawn to enticing business opportunities that "alert" entrepreneurs and tempt them to become business owners.

The scale of the informal sector is one factor that accounts for above-average levels of necessity entrepreneurship in emerging nations (World Bank, 2018). Individuals who create a business to escape unemployment are more likely to engage in low-skilled, small-scale subsistence activities. Therefore, there might not be a strong reason to formalise it.

As this current research study mainly focuses on informal female entrepreneurs, it is important to note that informal entrepreneurship is broadly defined. However, for this research it has been considered that informal entrepreneurship involves founding, running, and managing an enterprise without registering with the authorities, and failing to report some or all its production and sales for tax, benefit, and labour law purposes when it is required to do so (Williams, Martinez-Perez and Kedir, 2017). The previous findings demonstrate how women have a variety of incentives for starting their businesses, which causes heterogeneity in empowering outcomes. Even if informal new ventures boost women's self-esteem and life ambitions, they have little chance of helping them escape poverty or dramatically alter gender roles in the community (Thapa Karki and Xheneti, 2018). Most women entrepreneurs in Bangladesh are driven into self-employment because of poverty and lack of formal employment opportunities. They frequently have no other option but to launch several low-key enterprises to maintain their standard of living (Margolis, 2014).

It has also been shown that the need to maintain livelihoods considering the bad economic and financial situations that exist within the informal economy is the primary motivation for women's participation in entrepreneurial operations (Harriss-White, 2017). However, since the informal economy is not regulated and is chaotic, it creates "risky entrepreneurial spaces" for women. These spaces have vulnerabilities related to the location of businesses, and exposure to petty crime and harassment, which all create additional barriers for women who are interested in starting their businesses. Therefore, it will be interesting to see what institutional factors have a significant impact on female entrepreneurs from the informal sector of Bangladesh. Some of the factors related to female informality in Bangladesh are discussed in the following section.

Factors Influencing the Degree of (In) Formalisation of Entrepreneurs in Bangladesh

The informality rate in a developing country is higher than in any other developed country (Williams and Bezerredi, 2018). It is difficult to estimate

the size of the informal sector of the economy in Bangladesh as it co-exists with the formal sector in a way that is characteristic of the dual economy in a developing country. An increased level of informality within a transition economy can be caused by several factors including high levels of poverty, complex official measures to enable the creation of formal businesses, lack of proper training and education, lack of trust in official agencies, high rates of being without a job, the diminishing position of the government in introducing new jobs and the increasing level of rural migration to urban areas. Similarly, difficulties accessing credit and obtaining bank loans can force female entrepreneurs to start their businesses in the informal sector (El-Chaarani, and El-Abiad, 2019). Bangladesh is a nation that is abundant in its customs and unofficial institutions, but it is deficient in the formal institutions that are characteristic of contemporary free-market economies. As such, by choosing Bangladesh for the context of this study, we can enrich our understanding of the strategies that Bangladeshi women deploy and how they work with existing institutions to help overcome the lack of formal market support (Mozumdar, *et al.,* 2019).

There is research to go toward the fact that, a connection exists between institutional elements and informal forms of entrepreneurship (Gurtoo and Williams, 2009). Ishengoma and Kappel (2005), make mention the concept of formalising the informal sector and explore the challenges that it poses. One of these challenges, for instance, is that enterprises that are not registered and hence do not pay taxes. Tokman (2001) presented an argument for actors in the informal sector to take a stricter approach. Morrison (2000), an author who published his ideas in the 1990s, claimed that it was the role of government authorities to solve issues that were related to the informal sector. Both points of view argue that to solve the issues that are linked to the informal sector, a multi-pronged strategy that is implemented over an extended period is required. It could be argued that no single entity bears sole responsibility for the informal sector; however, a collaboration between those who work in the informal sector and those who work for the government is necessary to develop policies, procedures, and an environment that is conducive to doing business in a way that encourages economic growth that is to the advantage of the women who live in the property as a result of microfinance endeavours (Lock and Smith, 2016; Banerjee *et al.*, 2015).

According to the status of their business or tax registration, the 2010 census of 55, 000 small and medium-sized enterprises (SMEs) in 19 significant district towns in Bangladesh revealed that over 70% of businesses were informal. According to a World Bank assessment of informal businesses,

the two main reasons why businesses choose to function informally are a lack of knowledge about the business registration phase and the time required to establish a business. According to a 2008 International Finance Corporation (IFC) survey of SMEs in Bangladesh, most companies believed that operating formally and registering their business with the registration office was preferable. However, many people are prevented from starting businesses in the formal sector due to the high registration fees, bribery, and difficult registration procedures. Contrary to these findings, there is mounting evidence that suggests direct incentives to encourage business registration are more effective, even while using simpler, less expensive, and quicker registration procedures result in a slight increase in registration (Kaplan, Piedra, and Seira, 2011; McKenzie and Sakho, 2010).

The Bangladeshi government launched a significant information and communication technology (ICT)-based reform drive for business registration in recent years. Before this, the procedure for setting up a business involved 18 steps and took, on average, 42 days to complete. It should not take more than a day, according to the international best practice for business registration. Before the revisions, it would often take 4-5 visits to the office, occasionally up to 10, and a 4-5-week longer repayment procedure for the registration fees to register a business in Bangladesh. This latter step frequently entailed authorities executing fictitious stamp shortages, price rises, and stamp forgeries that resulted in revenue leaks for the government. Official harassment and the requirement for middlemen at each stage of the registration procedure to negotiate the bureaucratic maze and handle payments and bribes were further obstacles (De Giorgi, and Rahman, 2013. Bruhn, 2013).

It is important to note the striking differences in entrepreneurship research in developed countries compared to that taking place in developing countries. The patterns of entrepreneurship and experiences of female entrepreneurs from developed and developing nations can differ significantly because of cultural differences. Moreover, in recent years, GEM (2018) estimated that in factor-driven economies, for every 10 men entrepreneurs there were 8 women engaged in early-stage entrepreneurship in 2016. This change is more significant as the level of growth of the country rises (Coduras and Autio, 2013). This occurs because contextual social standards and cultural expectations, particularly in developing nations, deny women fundamental rights such as the ability to work and earn a living wage, the right to inherit property, and the freedom and authority to make their own decisions about their lives, including starting their businesses (Jutting *et al.,* 2008).

Beyond Inspiration: Disabled Entrepreneurship and the Politics of Inclusion

Entrepreneurship today occupies a prominent space in global policy and development discourse. It is championed across ideological and geographic divides as a remedy for rising youth unemployment, economic stagnation, and the inadequacies of formal labour markets. Governments, multilateral agencies, philanthropic foundations, and NGOs increasingly advocate for entrepreneurship not just as an economic activity, but as a tool for empowerment and inclusion—particularly for historically marginalised populations. Among these groups, disabled people are frequently targeted in policy strategies aimed at promoting self-employment, framed as both beneficiaries of and contributors to the "inclusive growth" agenda.

This narrative is politically attractive. It shifts the focus from structural deficiencies to individual agency, transforming systemic exclusion into a story of personal triumph. It positions the disabled entrepreneur not as a subject of pity or state dependency but as a resilient innovator, an embodiment of self-sufficiency and market productivity. Media profiles, award schemes, and motivational campaigns often celebrate these individuals as inspirational figures who have “overcome” their impairments to achieve business success. While such stories can be empowering at a symbolic level, they frequently obscure more than they illuminate.

In reality, the path to entrepreneurship for many disabled people is marked not by empowerment, but by exclusion. Inaccessible education systems, discriminatory hiring practices, inadequate public infrastructure, and rigid welfare regimes combine to systematically deny disabled individuals equitable access to formal employment. For many, self-employment becomes less a dream realised and more a last resort—a strategy for survival in environments that actively marginalise. This book challenges the dominant celebratory discourse by offering a grounded, critical, and context-sensitive analysis of disabled entrepreneurship, rooted in the lived experiences of disabled individuals themselves.

Drawing on life history interviews with disabled entrepreneurs in Sri Lanka, this study traces the motivations, struggles, and coping mechanisms that shape entrepreneurial activity in conditions of profound inequality. Rather than offering abstract theorisation or idealised case studies, the book adopts a **life-course perspective**, situating entrepreneurship within the broader arcs of personal, familial, and social history. This methodology reveals how disability, labour, care, crisis, and entrepreneurship intersect over time—

often in ways that are not visible through conventional surveys or economic indicators.

Reframing the Entrepreneurial Narrative

Much of the mainstream entrepreneurship literature operates within a normative framework that assumes universal access to opportunity, linear business development pathways, and value-neutral markets. In contrast, this book insists on **contextualising entrepreneurship** as a socially, politically, and historically embedded phenomenon. It draws upon three overlapping theoretical domains:

1. **Critical Disability Studies**, which reject medicalised and deficit-based understandings of disability, instead conceptualising it as a socially produced and structurally reinforced form of exclusion. The social model of disability, and its subsequent iterations, frame disability not as a problem within the individual but as a failure of systems to accommodate human diversity.
2. **Critical Entrepreneurship Theory**, which interrogates the assumptions of individualism, meritocracy, and market rationality that underpin entrepreneurial discourse. This body of work challenges the myth of the "self-made entrepreneur" by examining how power, privilege, and precarity shape access to entrepreneurial ecosystems.
3. **Social Policy and Development Studies**, which explore how welfare regimes, labour markets, and policy environments condition the possibilities for economic participation. This literature emphasises the role of the state and institutional design in shaping who is included or excluded from economic life.

Bringing these domains together, the book proposes that disabled entrepreneurship must be understood not as an individual act of innovation, but as a socially negotiated practice shaped by structural exclusion, intersectional disadvantage, motivational complexity, and operational constraints. These four dimensions form the conceptual framework that guides the analysis throughout the book.

The Sri Lankan Context

Sri Lanka offers a particularly instructive context for examining these issues. As a lower-middle-income country transitioning out of a protracted

civil conflict, Sri Lanka faces deep regional and social inequalities. Despite constitutional commitments to non-discrimination and inclusion, the lived experiences of disabled individuals reveal persistent gaps between policy and practice. Access to education, transportation, healthcare, and social protection is uneven, especially outside of urban centres. Cultural attitudes toward disability—often shaped by pity, shame, or charity—reinforce social isolation and economic marginalisation.

The post-war development agenda in Sri Lanka has increasingly embraced entrepreneurship as a strategy for economic recovery and social integration. Programmes targeting women, youth, and disabled persons have been launched with support from international donors and national ministries. However, these interventions often replicate the very inequalities they aim to address. Training is rarely accessible, support is limited to short-term grants, and business environments remain hostile to informal or small-scale entrepreneurs. In this context, disabled individuals are often forced to piece together livelihoods in the face of bureaucratic indifference, social stigma, and infrastructural inaccessibility.

The life histories presented in this book offer a counter-narrative to top-down development agendas. They show how entrepreneurship emerges through life transitions—marriage, divorce, displacement, illness, caregiving—and is often sustained through informal networks, emotional labour, and community resilience rather than institutional support.

Rethinking Inclusion

This book also contributes to broader debates around what it means to build an "inclusive economy." International frameworks such as the CRPD and the SDGs frequently invoke entrepreneurship as a solution to exclusion, yet they rarely confront the political and institutional transformations necessary to make entrepreneurship truly accessible. Inclusion is too often reduced to technical fixes—such as digital training or microcredit—rather than confronting the structural determinants of exclusion.

True inclusion requires more than access to markets or programmes. It demands a fundamental restructuring of systems to accommodate and value diverse ways of working, learning, and living. Financial systems must be redesigned to serve those with irregular income. Training models must incorporate alternative learning styles. Welfare systems must stop penalising entrepreneurial effort. Market norms must be interrogated for their biases against non-normative bodies and experiences.

This book does not reject entrepreneurship as a potential site of empowerment. Rather, it insists that entrepreneurship can only become inclusive if a broader agenda of systemic reform accompany it. Disabled individuals should not be expected to "overcome" barriers that should not exist in the first place. The focus must shift from stories of individual success to analyses of collective exclusion—and from symbolic inclusion to structural change.

Book Structure and Chapter Overview

This book has explored the complex and often overlooked intersections of entrepreneurship, gender, and disability within the context of emerging economies, with a particular focus on Bangladesh and Sri Lanka. By weaving together rich, grounded narratives from disabled female entrepreneurs and a critical global analysis of systemic barriers, it offers a nuanced understanding of how entrepreneurship functions both as a site of opportunity and constraint.

The chapters in **Section 2** lay bare the multiple layers of discrimination—cultural, social, familial, and institutional—that women face in their entrepreneurial journeys. These lived experiences revealed that entrepreneurship is rarely a simple choice or a straightforward pathway to empowerment. Instead, it is often a necessity born out of exclusion from formal labour markets, the failure of social protection systems, and deeply entrenched gender and disability biases. Issues such as unsupportive family dynamics, limited social networks, unstable political environments, and restricted access to finance compound the challenges faced by disabled women entrepreneurs. These insights emphasize that any attempt to promote entrepreneurship must grapple with the broader social fabric that shapes economic participation.

In **Section 3**, the book contextualised these empirical findings within a wider theoretical and policy framework with disabled entrepreneurs. It highlighted the global disability employment gap and articulated a conceptual framework that integrates structural exclusion, intersectionality, motivational dynamics, and operational constraints. This framework illuminates how disabled entrepreneurs navigate, resist, and sometimes transform the systemic obstacles placed before them. By applying this lens to the Sri Lankan context, the book demonstrated how local realities reflect and challenge global discourses around inclusive economic development.

The combined analysis from both sections challenges dominant policy narratives that portray entrepreneurship as a panacea for unemployment and social exclusion in emerging economies. It shows that entrepreneurship, especially for disabled women, cannot be understood in isolation from gendered social norms, economic inequalities, and political instability. Instead, it must be seen as part of a broader struggle for recognition, rights, and systemic transformation.

This book calls for a paradigm shift in how inclusive entrepreneurship is approached in emerging economies. It urges policymakers, development practitioners, financial institutions, and educators to move beyond simplistic inclusion strategies focused solely on access and representation. True inclusion demands redesigning economic systems and support structures to accommodate diversity, dismantle ableist and gendered barriers, and foster environments where entrepreneurship is a genuine choice rather than a forced survival strategy.

Ultimately, entrepreneurship in emerging economies offers both promise and caution. When disabled women entrepreneurs are supported through inclusive policies, accessible infrastructure, and meaningful social change, entrepreneurship can contribute to economic empowerment and social transformation. However, without addressing the deep-rooted structural inequalities revealed in this study, entrepreneurship risks perpetuating exclusion under the guise of inclusion.

In embracing this critical, intersectional perspective, this book contributes to a growing body of scholarship and policy debate aimed at creating more just and equitable economies—economies where disability and gender are not sources of marginalisation but recognised as integral dimensions of diversity and strength.

Section 2: Entrepreneurship and Gender

This section draws directly on empirical material from life history interviews withfemale entrepreneurs in Bangladesh. It presents a grounded exploration of the social, familial, cultural, and political conditions that shape entrepreneurial decision-making.

Chapter One: Cultural, Social, and Gender Discrimination

This chapter examines how deep-rooted cultural norms and patriarchal expectations marginalise disabled women. It reveals how stigma, aesthetic