CHAPTER – I
INTRODUCTION AND DESIGN OF THE STUDY

The entrepreneur is like an eagle... soars alone,
flies alone and hunts alone.

Michael Smurfit
An Irish business executive

1.1 INTRODUCTION

Entrepreneurship is now widely recognized as a tool of economic development in developing economies. This recognition has gained congenial supportive environment over the years for entrepreneurs and hence more and more youth are getting involved in small businesses as well as self employment activities. Glenn Reynolds\(^1\) argues that the balance of advantage - in nearly every aspect of society - is shifting from big organizations to small ones. Economies of scale and scope matter much less in the information age than in the industrial one. Thanks to advances in technology, more and more people are transforming themselves from salary men into entrepreneurs and independent contractors. "The secret of success in both business and politics in the twenty-first century," Glenn Reynolds\(^2\) writes, "will involve figuring out a way to capitalize on the phenomenon of a lot of people doing what they want to do, rather than - as in previous centuries - figuring out ways to make lots of people do what you want them to."

The word entrepreneur has been defined by the Merriam Webster Dictionary\(^3\) as “one who organizes, manages and assumes the risks of a business

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\(^2\) Glenn Reynolds, op.cit.

\(^3\) www.merriam-webster.com, 2010
enterprise”. David Burnett⁴ in his article has cited that Richard Cantillon, defines an entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to sell it at uncertain prices in the future. David Burnett further added that in general, entrepreneurs’ are risk-bearers, coordinators and organizers, gap-fillers, leaders and innovators or creative imitators.

1.1.1 Culture

Culture has been increasingly viewed as influencing the daily life and behavior of the individuals. It is man-made part of environment and it largely determines the course of our lives. (Herskovits⁵, 1969). Winick⁶ (1958) elucidates that it is everything “non biological and socially transmitted in a society, including artistic, social, ideological and religious patterns of behavior and the techniques of mastering the environment.” Culture operates at various levels of society: nation, industry, occupation, corporate and organization (Groeschl and Doherty⁷ 2000). In international research the operation of culture at the national level is widely followed to understand the cross-cultural differences between the different nationalities (Kale and Barnes, 1992; Merritt 1998; Witkowski and Kellner 1998; Keillor and Hult 1999; Naumov and Puffer 2000; Vishwanathan, Childers and Moore, 2000; Briley, Morris and Simonson 2000; Hofstede 2001; Pheng and Yuquan 2002; Vliert 2003; Allick and McCrae 2004; Allik and Realo 2004;

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Sternquist, Byun and Jin 2004; Carr and Harris 2004; Dwyer, Mesak and Hsu 2005; Malhotra et al.2005). Though there have been different frameworks proposed by different scholars for operationalization of culture, Hofstede’s (1980) framework of cultural values at the national level has been the most famous and widely used for calculating the cultural values of nations.

1.1.2 Culture and Entrepreneurship

Culture is the “fundamental determinant” of the individuals’ wants and behavior (Kotler, 2007). Culture is a lens through which the individuals perceive the world and it is viewed as behavior (Kumar, 2004). Culture as a subject of study was closely associated with anthropology and sociology for about last one and half century but in recent decades it has gained importance in disciplines like management (Ganesh, 2005).

The word 'entrepreneur' is derived from the French word "Entreprendre" (to undertake). In the early 16th Century it was applied to persons engaged in military expeditions and extended to cover construction and civil engineering activities in the 17th century, but during the 18th century, the word 'entrepreneur' was used to


refer to economic activities. Many authors have defined ‘entrepreneur’ differently. Generally, an entrepreneur is a person who combines capital and labour for production. Shaan\textsuperscript{13}(2009) has cited that according to Cantillon "entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost". He further added that according to P.F Drucker “Entrepreneur is one who always (1) searches for change (2) responds to it (3) exploits it as an opportunity.”

A woman entrepreneur is a female individual who establishes and manages a business for the principal purpose of profit and growth. Women entrepreneurs of Eritrea and India were included in this study.

India has great entrepreneurial potential. At present, women’s involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. Women play an important role in the war-ravaged Eritrean economy. Many enterprises are owned and run by women and women make up 30 percent of the workforce in manufacturing, services and trade. (Rena\textsuperscript{14}, 2007).

A women enterprise is defined by Desai Vasant\textsuperscript{15}, (2006) as “a small scale industrial unit or industry – related service or business enterprise, managed by one or more women entrepreneurs in a concern, in which they will individually or


jointly have a share capital of not less than 51 percent as shareholders of the private limited company, members of co-operative society”.

Though women are in organized sectors they also participate in unorganized sectors like agriculture, agro-based, handicrafts, handlooms and cottage based industries. Participation of women in large scale and small scale traditional and modern industries like engineering, electronic, printing, jewellery design and the like is a recent phenomenon. When a woman is empowered it does not mean that another individual becomes powerless or is having less power. On the contrary, if a woman is empowered her competencies towards decision-making will surely influence her family's behavior.

Women in Eritrea have long been under-represented at all levels of governance – as voters, candidates, party leaders and elected officials at the local government levels. Cultural taboos and illiteracy have impeded women’s participation in the economic development and political process. Cultural norms and structures can also make it difficult to participate in the development process. Besides, Eritrean traditions and culture are often described as traditional and patriarchal with regard to women. Several factors influence the current circumstances of girls and women and hamper their greater social and economic participation (NUEW16, 1993); (Rena17, 2007). Table 1.1 shows the ownership pattern of women enterprises in Eritrea.

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Table 1.1 depicts the ownership status of entrepreneurs in Eritrea based on the area of establishment of the enterprise. It is inferred that 58.81 percent of the entrepreneurs were male. It was seen that 37.71 percent were female owned. A very less percentage of 1.49 were owned and established by both male and female entrepreneurs. 1.98 percent of the ownership was from others. Of the total enterprises in the urban area of Eritrea 37.68 percent were owned by female and only 1.83 percent were owned by both male and female. While those in the rural area whose business enterprise was owned by females only was 37.78 percent and 0.73 percent were owned by both male and female entrepreneurs.
It is estimated that presently women entrepreneurs comprise about 10 percent of the total entrepreneurs in India. It is also clear that this percentage is growing every year. If prevailing trends continue, it is not unlikely that in another five years, women will comprise of 20 percent of the entrepreneurial force in India (Mishra.SP\textsuperscript{18}, 1996). With this upward trend the country has to promote women entrepreneurs through the entrepreneurship development program that is designed for women entrepreneurs to strengthen their entrepreneurial motive and to acquire skills and capabilities necessary for playing their entrepreneurial role effectively. The state-wise status of women entrepreneurs in India is given in Table 1.2.

**TABLE 1.2**

<table>
<thead>
<tr>
<th>States</th>
<th>No. of Units Registered</th>
<th>No. of Women Entrepreneurs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu</td>
<td>9618</td>
<td>2930</td>
<td>30.46</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>7980</td>
<td>3180</td>
<td>39.84</td>
</tr>
<tr>
<td>Kerala</td>
<td>5487</td>
<td>2135</td>
<td>38.91</td>
</tr>
<tr>
<td>Punjab</td>
<td>4791</td>
<td>1618</td>
<td>33.77</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>4339</td>
<td>1394</td>
<td>32.12</td>
</tr>
<tr>
<td>Gujarat</td>
<td>3872</td>
<td>1538</td>
<td>39.72</td>
</tr>
<tr>
<td>Karnataka</td>
<td>3822</td>
<td>1026</td>
<td>26.84</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>2967</td>
<td>842</td>
<td>28.38</td>
</tr>
<tr>
<td>Other States and UTS</td>
<td>14576</td>
<td>4185</td>
<td>28.71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57,452</strong></td>
<td><strong>18,848</strong></td>
<td><strong>32.81</strong></td>
</tr>
</tbody>
</table>

Source: Shaan, 2009

\textsuperscript{18} Mishra.SP, “Factors Affecting Women Entrepreneurship in Small and Cottage Industries in India”, ILO, 1996.
It is inferred from Table 1.2 that Uttar Pradesh has 39.84 percent of registered units established by women; Gujarat has 39.72 percent of registered units established by women; Kerala has 38.91 percent of registered units established by women; Punjab has 33.77 percent of registered units established by women; Maharashtra has 32.12 percent of registered units established by women entrepreneurs; Tamil Nadu has 30.46 percent of registered units established by women; Other States and Union Territories have 28.71 percent of registered units established by women; Madhya Pradesh has 28.38 percent of registered units established by women and the least was found to be Karnataka with only 26.84 percent of registered units established by women entrepreneurs.

The following are the programs and schemes for women entrepreneurs in India. Entrepreneurship Development Programmes (EDPs); Development Programmes of Central Social Welfare Board; Rural Industries Programme of SIDBI; Prime Minister`s Rozgar Yojana (PMRY); Micro Credit Scheme; Mahila Samakhya Project (MSP); National Policy for the Empowerment of Women; Indira Mahila Yojana (IMY); Women`s Component Plan (WCP); Swarna Jayanti Shahari Rozgar Yojana (SJSRY); Technology Development and Utilisation Programme for Women (TDUPW); Swa-Shakti Project; Trade Related Entrepreneurship Assistance and Development of Women (TREAD); Swarnajayanti Gram Swarozgar Yojana (SGSY); Revised Scheme of TREAD; Scheme of Assistance to Women Co-operatives; Schemes of NABARD; National Entrepreneurship Development Board (NEDB) Scheme; Schemes of Consortium of Women Entrepreneurs of India (CWEI); HUL-Shakti project of Hindustan Unilever Limited; Centre for Entrepreneurship Development; Financial Institutions; Schemes of SIDBI; Women Enterprise Development Scheme (WEDS) of North Eastern Financial Institution; Schemes of State Bank of India; Schemes of Punjab National Bank; Schemes of Canara Bank; Schemes of Dena
Bank; Scheme of Bank of India; Scheme of Union Bank of India; Schemes of Central Bank of India; Scheme of Orient Bank of Commerce.

The programs and schemes for women entrepreneurs in Eritrea are carried out through Eritrean National Chamber of Commerce (ENCC) where over 400 businesswomen are currently members holding 16 percent of the total membership and 13 percent of the board of directors. Recently, ENCC established a women’s business development unit mandated to encourage and empower women in business by providing relevant business training programmers, promote information sharing and networking and create a data bank of Eritrean women in business. PGTF an Africa Regional Networking Project targets most of the Sub-Saharan African countries (Malawi, Kenya, Eritrea, Tanzania and Zimbabwe) as poverty is a serious problem in these five countries. Entrepreneurship development programs target women and youth in agri-business in Malawi, Kenya, Eritrea, Tanzania and Zimbabwe have been technically supported by UNIDO with internal and external donor funding. The approach applied in these programs included Training of Trainers (ToTs), institutional capacity building and setting up market linkages. UNIDO’s Rural and Women Entrepreneurship (RWE) program contributes to poverty reduction through entrepreneurship development programs—with a focus on rural development and gender equality. The RWE program consists of three thematic areas: Rural Entrepreneurship Development, Women and Youth Entrepreneurship Development and Creative Industries Development. Women are also increasingly benefiting from the main micro-credit program in the country.

Eritrean Community Development Fund (ECDF) is ‘Savings and Micro Credit Program for women’. From about 440 women (30 percent of beneficiaries) at the start of the program in 1996, the number of women beneficiaries had
reached over 4000 by 2001. All beneficiaries of National Union of Eritrean Women (NUEW’s) micro-credit scheme are women (the number increased from 1760 in 1997 to 2200 in 2002 of which 77 percent had fully repaid their loans), the proportion on women clients in ACORD’s program has steadily increased from 26 percent in 1998 to 57 percent in 2003.

1.1.3 Cross-cultural Patterns of Eritrea and India

Research conducted across two cultures or nations’ representing different cultures is known as cross cultural research. The interest in the cross-cultural research is further corroborated by the growing contribution to cross-cultural research methodology, (Green and White 1976; Sekaran 1983; Parmeswaram and Yaparak 1987; Ward, Klees and Robertson 1987; Durvasula, Lyonski and Andrews 1993; Malhotra, Aggarwal and Peterson1996; Cavusgil and Das 1997; Usunier 2000; Salzberger, Sinkovics and Schlegelmilch 1999; Groeschl and Doherty 2000; Sinkovics, Penz and Ghauri 2004; Yeganeh, Su and Chrysostome 2004; Ewing, Salzberger and Sinkovics 2005)\(^{19}\).

India is a country with economic, caste, ethnic, religion and linguistic diversities (Stern\(^{20}\), 2003). Eritrea is also a country with economic, caste, ethnic, religion and linguistic diversities but economically suffered massive damage and dislocation as a result of drought, famine and the war with Ethiopia that began in the 1960s. (Encarta\(^{21}\), 2007). The Eritrean society is also “regionally diverse Zoba (north/south/central/east/west) communally differentiated (Christian,


Muslim, Roman Catholic), socially stratified (in terms of tribes) and culturally discrete” (Encarta22, 2007).

It is known from the previous section that research conducted across two cultures or nations’ representing different cultures is known as cross cultural research. Globalization of markets has provided the markets an opportunity to tap the cross national markets. The recent years has witnessed growing importance of cross-cultural marketing research in academics and world business (Malhotra, Agarwal and Peterson23, 1996). Culture is a potent hindrance in the geographical expansion of firms’ activities (Salciuviene, Auraskeviciens and Lydeka24, 2005). Understanding culture requires understanding the various cross cultural research issues. The problems associated with cross cultural research can be identified and summed up as methodological issues while the others may be identified as epistemological issues (Yeganeh, Su and Chrysostome25, 2004).

The effect of national culture on new product development had been examined by Nakata and Sivakumar26 (1996). Keillor and Hult27 (1999) developed

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22 Microsoft Encarta Premium, 2007


a construct of national identity to measure the cultural similarities and differences for practical applications across nations. The framework suggests that national identity is built on the notion that there are relatively few differences that exist across cultures. The dimensions of this framework are belief structure, national heritage, cultural homogeneity and ethnocentrism.

The belief structure is defined “as the role which religion or supernatural beliefs play in facilitating cultural participation and solidarity, should have an impact on magnitude which a culture actively identifies with unique national identity.” The next dimension “national heritage” reflects the unique history, historical figures and historical events of a nation. “Cultural homogeneity” the third component is basically the number of subcultures within a nation, as the number of subcultures is inversely related to the strength of national identity. The last dimension “ethnocentrism” is basically the general tendency of the individuals to evaluate other cultures using ones’ own cultural perspectives as the base line criteria. The authors opine that the framework reconciles between the concepts of “culture” and “nation” as it binds the societies within national boundaries.

The Indian society is “regionally diverse (north/south/east/west), communally differentiated (Hindu/Muslim/Sikh/Christian/ Buddhist and the like), socially stratified (in terms of caste or class) and culturally discrete” Uberoi28 (1993).

India is a multicultural country with multitudinous groups and subgroups. The country abounds with economic, caste, ethnic, religion and linguistic

diversities (Stern\textsuperscript{29}, 2003). Indian population has been classified into seven racial types Hasnain\textsuperscript{30} (2003) as follows:

1. Turko-Iranian type: This included people of Baluchistan and the frontier provinces (now in Pakistan).
2. Indo-Aryan type: Includes Punjabis, Rajputs, Jats and Kashmiri khatris.
3. Scytho-Dravidian type: This group comprised the Maratha Brahmins and Coorgs.
4. Aryo-Dravidian type: Mainly includes people of Uttar Pradesh, Rajasthan and Bihar.
5. Mongolo-Dravidian type: Includes Bengali Brahmins and Kayasthas.
6. Mongoloid type: This comprises the people of Assam, Nepal and Burma.
7. Dravidian type: This group includes the majority population of the present in Tamilnadu, Andhra Pradesh, southern Madhya Pradesh and Chotanagpur.

In India, the social and cultural patterns exhibits pluralism in terms of language, geography, ethnicity, religion and culture states Singh\textsuperscript{31} (2000). There are eight major religious groups within India: Hinduism is the main religion which is followed by 82.7 percent of the population, Muslims constitute 11.8 percent, Christians (2.6 percent), Sikhs (2 percent), Buddhists (0.7 percent), Jains (0.4


percent), Zoroastrians (0.3 percent) and Jews constitute 0.1 percent of the Indian population (Bhatnagar\textsuperscript{32}, 1995).

Language is the vehicle of culture (Herskovits\textsuperscript{33}, 1969). It is the most recognizable part of culture, (Hofstede\textsuperscript{34}, 2001). India has amazing linguistic heterogeneity as more than 200 languages are spoken by different groups (Hasnain\textsuperscript{35}, 2003). In India there are 1,652 languages out of which 350 are recognized as ‘major languages’ and 18 are the official languages. (Chaudhary\textsuperscript{36}, 2004). English language was introduced by the British in the country. It is spoken by minority of the people who are elites and who lead India towards modernization (Stern\textsuperscript{37}, 2003).

Family is the fundamental organization that bears importance on the individual and the society. The society and kinship begins with the family, as the society is continuously replenished by the family (Mandelbaum\textsuperscript{38}, 1996). The ideal Indian joint family consists of grandfather who is the patriarch and grandmother his deputy for the management of the family, the couple’s married sons and their wives, unmarried sons and daughters, married grandsons and their wives and


\textsuperscript{38} Mandelbaum, David G., Society in India, Bombay: Popular Parkashan, 1996.
unmarried grandsons and granddaughters, who live under the same roof (Stern\(^39\), 2003). In the typical Indian family a woman occupies a marginal status, where major decisions are male dominated (Webster\(^40\), 2000).

Eritrean population is culturally, linguistically and religiously diverse with nine major ethnic groups consisting of both the Christian and the Muslim and six administrative zoba provinces/regions (Rena Ravinder\(^41\), 2007).

The largest ethnic group is the Tigrinya who composes up to 50 per cent of the population, while the Tigre and Kunama makes up another 40 percent. The balance of the Eritrean population comprises of Afar, Saho, Bilen, Hedareb, Nara and Rashaida.

The country has no official language, but it has three working languages: Tigrinya, Arabic and English. Other languages spoken are Afar, Arabic, Tigre and Kunama, Tigrinya and other Cushitic languages (Encarta\(^42\), 2007).


\(^{42}\) Encarta Microsoft Encarta Premium, 2007
In Eritrea there are six regions, followed by the sub-region as follows:

<table>
<thead>
<tr>
<th>Region (ማን)</th>
<th>Sub-region (ሏብታዊ ለላይ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Central (ጋብቃ)</td>
<td>Berikh, Ghala-Nefhi, Semienawi Mibraq, Serejaka, Deubawi Mibraq, Semienawi Mi’erab, Debubawi Mi’erab</td>
</tr>
<tr>
<td>2 Southern (ደቡብ)</td>
<td>Adi Keyh, Adi Quala, Areza, Debarwa, Dekemhare, Mai Ayni, Mai Mne, Mendefera, Segeneiti, Senafe, Tserona</td>
</tr>
<tr>
<td>3 Gash-Barka (ጋሽ ብርካ)</td>
<td>Agordat, Barentu, Dghe, Forto, Gogne, Haykota, Logo-Anseba, Mensura, Mogolo, Molk, Gulu, Shambuko, Tessney, La'elay Gash</td>
</tr>
<tr>
<td>4 Anseba (ዓንሰባ)</td>
<td>Adi Tekelezan, Asmat, Elabere, Geleb, Hagaz, Halhal, Habero, Keren City, Kerkebet, Sel'a</td>
</tr>
<tr>
<td>5 Northern Red Sea (ሰሜናዊ ብሕሪ)</td>
<td>Afabet, Dahlak, Ghel'alo, Foro, Ghinda, Karura, Massawa, Nakfa, She'eb</td>
</tr>
<tr>
<td>6 Southern Red Sea (ደቡባዊ ብሕሪ)</td>
<td>Are'eta, Central Dankalia, Southern Dankalia, Assab</td>
</tr>
</tbody>
</table>

(Source: www.answers.com)

1.2 STATEMENT OF THE PROBLEM

Since the early 1980s, entrepreneurship has emerged as an important focus for practitioners and academia across the world. The entrepreneur is not an exclusive U.S. domestic phenomenon but a global phenomenon and exists across the world in a variety of cultural and economic environment (Yamin43, 2006).

Typically, entrepreneurship has been studied as a micro-level (individual or business level) activity with micro-level consequences. Scholars have focused on issues such as essential skills, attitudes and experiences of entrepreneurs, the role of venture capital and the importance of technology in facilitating entrepreneurship cites Yamin, (2006) (Cavusgil and Naor, 1987; Karsai, Wright and Filatotchev, 1997); however, the role of entrepreneurship has consequences at the macro-level (industry or country level) and that these consequences warrant further investigation.

Venkatraman, (1997) argues that entrepreneurship occurs when lucrative opportunities exist and enterprising individuals are poised to take advantage of those opportunities. When entrepreneurs create new businesses, they also create new jobs, new products and often, creative work environments says Kao, (1991) and Zahra, (1999) cited by Gergö M. Lakatos44 (2000).

The concept of culture of entrepreneurship has received prominence and social scientists have observed that an entrepreneur is a product of the socio-cultural milieu. Desirable rate of economic growth calls for rapid emergence of a multitude of enterprises in all walks of life. This requires the creation and maintenance of an environment that is conducive to growth of existing enterprises and would help build up a wider base of population capable of successful entrepreneurial behavior.

Inspired by Weber’s proposition that religion, norms and values, behavior and economic development are all interconnected, a number of experts reported their views on this relationship. McLelland (1961), Berna (1960) and Fox (1969)

have also related economic progress with culture said Shivani,\textsuperscript{45} (2006). They tried to explain the economic backwardness of India by linking it with the Indian culture. Some of these scholars argued that the spirit of enterprise was inhibited among the indigenous population of India by the religious philosophy of resignation embodied in the doctrine of karma and by the rigid social organization of the caste system and the joint family. For instance, it has been observed by some of them that the tradition bound Indian society offered little freedom of choice of profession to its population. It is the caste that determined the occupation for its members, especially in the tradition bound families (Weber, 1958, Tripathi, 1992) cited by Shivani,\textsuperscript{46}(2006). Consequently, the social base of entrepreneurial growth has remained very limited in India.

Tripathi (1992) has reported that the Indian personality, by and large, remained ‘unentrepreneurial’, if not ‘anti-entrepreneurial’. McClelland argued that Indians lacked Achievement Motivation due to the socio-cultural influences on them. (McClelland, 1969). On the contrary, a few other scholars like (Saberwal, 1976); (Chadha, 1986); (Streefkerk, 1985) were of the opinion that structural conditions and not the cultural conditions determine whether entrepreneurship will flourish in a society or not. Therefore as presented in the above discussion different researchers have arrived at contradictory conclusions regarding the role of socio-cultural factors in supporting and promoting entrepreneurship, particularly in India. At the same time empirical evidence regarding the role and the scope for structural interventions for influencing the socio-cultural factors for


promotion of entrepreneurship is also inadequate and therefore inconclusive as well.

However, it cannot be denied that there is growing need in these countries to create and maintain an appropriate environment that is conducive to the growth of existing enterprises and would help build up a wider base of population capable of successful entrepreneurial behavior. It would be meaningful to empirically examine the possible links between growth of entrepreneurship and socio-cultural factors like caste, religiosity and perceived family support and to identify the structural interventions that can be designed to make the influencing socio-cultural attributes which play a favorable role for growth of entrepreneurship in India.

For a female business owner, the process of starting and operating a new enterprise can be difficult due to lack of skill, education, family support and the like. Women in general are regarded subordinate to men regardless of their age or educational status and are vulnerable to stress because they tend to be driven, intense and are unwilling to tolerate failure. Moreover, they often forego family support and feel overwhelmed by their responsibilities. Excessive stress can lead to major setback in health such as high blood pressure and damage the cardiovascular system or create depression, psychosomatic symptoms like back pain and insomnia.

Hence it was necessary to study and evaluate the level and source of stress for the women entrepreneurs due to their entrepreneurial role. It was necessary for the researcher to study how cultural and social traditions played a role in determining them to become an entrepreneur and the problems and prospects of the women entrepreneurs in Asmara and Chennai.
1.3 SIGNIFICANCE OF THE STUDY

Cross-cultural research in the field of entrepreneurship is still in its infancy. This study was conducted in two cities, Asmara and Chennai, of Eritrea and India. Women, in both these cultures, generally experienced less privilege, status and economic security than men. The governments however, in both the countries have realized the entrepreneurship’s potential to economic support and have come up with schemes to promote women entrepreneurs. Hence this study was undertaken to understand the cultural framework that promotes women entrepreneurship in these countries.

Eritrea is one of Africa's newest independent nations. Thus this cross cultural study will help learn from a fast growing economy the factors that can promote or hamper women entrepreneurship.

In India, the emergence of women entrepreneurs and their contribution to the national economy is quite visible. Factors in this study that contributed to entrepreneurial success among women can be replicated in other similar cultures.

In order to harness the potential of women entrepreneurs and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities and should especially take cognizance of the problems women entrepreneurs face within the current system. Thus the present study will help policy makers and those in various ministries earmarking schemes for the upliftment of these women entrepreneurs.
Women-owned firms were investigated in order to suggest how the main constraints can be addressed and overcome. The research aims to assist women entrepreneurs in the small and medium scale sector, in setting up and managing their ventures within a more conducive and supportive socioeconomic environment. This helps women entrepreneurs to realize that stress is present due to various factors but helps the women entrepreneurs to overcome such stress which come in the course of business.

This study also helps the financial institutions to realize the need for financial assistance to the women entrepreneurs for whom acquiring finance is a real challenge faced by them both during the start-up and operation of the business. It helps women entrepreneurs to overcome their stress caused because of financial crises.

The study helps not only the women entrepreneurs but also those research scholars pursuing their research in the field of women entrepreneurship. This encourages women to be self-employed and to have economic freedom and be an instrument to the development of the nation’s economy.

1.4 OBJECTIVES OF THE STUDY

1. To study the socio-cultural and economic background of entrepreneurs in Asmara and Chennai.
2. To study the economic environment and opportunities poised by it in the cities of Asmara and Chennai.
3. To study the problems encountered by the women entrepreneurs in these cities.
4. To evaluate the level of stress among women due to entrepreneurial role.
5. To provide suggestion to policy makers of the cities taken for the study and to suggest coping strategies to reduce stress for women entrepreneurs.

1.5 SCOPE OF THE STUDY

Women entrepreneurs are a growing segment of developing economies. In the economies of India and Eritrea, women entrepreneurs are encouraged by their respective governments. The researcher was thus interested to compare women entrepreneurs in these two economies. For the study Chennai in India and Asmara in Eritrea were selected. Business firms employing hundred or less than hundred workers were only taken for the study. The study also did not confine to any particular business. The study also included unregistered firms so that micro entrepreneurs could also be included in the study. Hence a variety of micro, small and medium (MSME) business units were included for the study.

1.6 HYPOTHESIS

The hypotheses for the study were:

H$_{01}$. There is no significant difference between the respondents of Asmara and Chennai regarding assistance received from the governments and financial institutions.

H$_{02}$. There is no significant difference between the respondents of Asmara and Chennai regarding psychological problems encountered.

H$_{03}$. There is no significant difference in the entrepreneurial role stress experienced by the respondents of Asmara and Chennai.
1.7 LIMITATIONS OF THE STUDY

The study has been conducted based on the responses of women entrepreneurs in Chennai city and Asmara city. The respondents were spread out over a wide area. Most of respondents were contacted over phone and encouraged to complete the questionnaire as they were busy in their enterprises. The first contacts were constantly reminded to collect the questionnaire from other significant women entrepreneurs in their locality. This elongated the time period in collecting the data. Also, in Asmara the questionnaire was translated into the local language Tigrinya (local language of Eritrea) to enable those Eritrean women who could not understand the English complete the questionnaire. The translation could have caused difficulty in understanding certain technical terms in spite of taking the help of an Eritrean University Faculty. Finally, the inferences, findings of the analysis need not hold good totally for the entire country. There is every likelihood for the responses of women entrepreneurs at other places, not covered by the study to differ substantially as they develop upon the time, place and requirements.

1.8 OPERATIONAL DEFINITIONS OF CONCEPTS

1. Women Entrepreneur
The term is used to identify a female member engaged in business and contributing to the economy of the community in which they live.

2. Cross culture
The behavioral influence of two cultures namely India and Eritrea on entrepreneurship.
3. **Role stress**  
Conflict between expectations and performance of the role a women occupies.

4. **Entrepreneurial Role Stress (ERS)**  
Conflict between expectations and performance in the role a women entrepreneur experiences in business.

5. **Value preference**  
The preference of entrepreneurs to apply values in business to achieve success.

**1.9 RESEARCH DESIGN**

A descriptive study using primary data was considered appropriate to investigate the objectives and to test the hypothesis. The instrument used to collect the data was a questionnaire. The researcher has presented and interpreted the collected data supported by quantitative techniques. In the subsequent sections, the researcher elaborates the methods adopted to design and administer the questionnaire, the sampling technique used and the justification for choosing the samples.

**1.9.1 Instrumentation**

The present study gathered secondary data from various sources before constructing the instrument to collect primary data. The required secondary data were collected from the records of the office of the small scale unit in Asmara and Chennai. Eritrean National Chamber of Commerce, National Union of Eritrean Women and Asmara University Library provided secondary sources of information for the study. Libraries of institutions in India such as IIM Bangalore
Library, Madurai Kamaraj University Library, University of Madras Library, PSG College of Technology Library, PSG Institute of Management Studies, Karunya Institute of Management, were useful to refer Journals on Entrepreneurship, Management studies and reports. Newspapers and books relating to entrepreneurs, women and small business, women entrepreneurs were also consulted. Relevant information was collected from different websites through internet.

For the purpose of studying the objectives and testing the hypothesis, a questionnaire was used as an instrument to collect the data. The questionnaire was organized into five parts: the first profiled the background information of the respondents; the second part consisted of the characteristics of the enterprise. The third part captured the opportunities for women entrepreneurs. The fourth part assessed the problems encountered by the entrepreneurs and the fifth part measured the entrepreneurial role stress.

The following scales were used in the questionnaire.

To find out the preference of respondents for entrepreneurial values the following score was formulated.

<table>
<thead>
<tr>
<th>Preference</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you do not have value for it at all</td>
<td>0</td>
</tr>
<tr>
<td>If you value it a little</td>
<td>1</td>
</tr>
<tr>
<td>If you have some value for it</td>
<td>2</td>
</tr>
<tr>
<td>If you value it highly</td>
<td>3</td>
</tr>
<tr>
<td>If you value it very highly</td>
<td>4</td>
</tr>
</tbody>
</table>
To measure the major characteristics of the respondents a three point scale was constructed.

<table>
<thead>
<tr>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

To measure the extent the government and financial institutions were helpful to the entrepreneur three point scale was constructed.

<table>
<thead>
<tr>
<th>Helpful to a great extent</th>
<th>Helpfu to some extent</th>
<th>Not at all helpful</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

To study the type of psychological problems encountered by a women entrepreneur three point scale was constructed.

<table>
<thead>
<tr>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

To measure the stress encountered being an entrepreneur Likert’s five point scale was constructed.

<table>
<thead>
<tr>
<th>Never</th>
<th>Occasionally</th>
<th>Sometimes</th>
<th>Often</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

The questionnaire was subjected to validity and reliability tests. Hence, the items that constituted adequate coverage of the subject under the study were
decided and agreed upon by the researcher after subjecting the items to validity test and reliability check.

1.9.2 Validity test

The questionnaire was subjected to face and content validity whose determination was judgmental.

The content validity was conducted with people who had expertise in this field. Accordingly, the researcher gathered four experts that included a professor in Entrepreneurship, a banking official in charge of entrepreneurial cell and two business women. The researcher informed them of the objectives and the need for the study. The experts were first encouraged to discuss among themselves, the validity of each item in capturing the adequate information required for the study. Then they were requested to offer their feedback on each of the items.

The experts scrutinized the items, according to the description or definition generated against the background information of the respondents, characteristics of the enterprise and opportunities for women entrepreneurs, problem encountered by the entrepreneurs and the entrepreneurial role stress. The experts suggested that all the items originally developed by the researcher may be retained. The experts also suggested a 5-point rating scale for all the items. The content validity ratio (CVR) was applied to each item, using the formula developed by Lawsche (1975).

\[
\text{Content Validity Ratio} = \frac{Ne - N/2}{N/2}
\]

where \(Ne\) = No. of panelists indicating “essential” and \(N\) = total number of panelists.
All items which scored less than 0.50 on the content validity ratio were removed from the study. Based on the content validity ratio, the final number of items in each of the factors taking part in this study was decided.

1.9. 3 Pilot Study

After finalizing the items in the research instrument based on the description and definition developed or used by the researcher using content validity tests, a pilot study was undertaken.

To conduct the pilot study, it was decided to select 60 business women, 30 each from Chennai and Asmara. In Chennai the researcher contacted 30 women entrepreneurs who were gathered for a workshop at the SME Association. The researcher explained to them the reason for the study and they agreed to respond to this study. The respondents suggested that they would take their instrument home and return it before the end of the workshop. The researcher agreed to their suggestion.

In Eritrea, National Union for Empowerment of Women (NUEW) was approached and the reason for the study was explained. They co-operated in gathering the 30 women entrepreneurs required for the study. The researcher also translated the questionnaire in Tigrinya language (local language of Eritrea) with the help of an Eritrean University faculty to enable the Eritrean women who could not understand the English questionnaire.

Few items that could not be well understood were clarified. This exercise was done in order to ensure that the respondents do not feel ambiguous or abstract
about the items included in the questionnaire. This greatly helped the researcher to conclude that the questionnaire gave a pleasant experience to the respondents.

The verbatim record of the transaction that took place while administering the questionnaire was noted. The discussion with the businesswomen during the pilot study revealed that the instrument has adequate stimulus value to gather authentic responses from the respondents. The transaction also suggested that the procedures adopted in administering the instruments are practicable. Hence it was concluded that the instrument used in the study would elicit the necessary data required from the respondents. It was found that the respondents took invariably between 45 – 50 minutes to completely fill the questionnaire.

1.9.4 Reliability Test

The data collected from the pilot study was entered into SPSS 13 package and was subjected to reliability test using Cronbach Alpha. The reliability test was predominantly conducted on the entrepreneurial role stress. Table 1.3 shows the Cronbach Alpha Value.

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Statements</th>
<th>No. of Items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1-27</td>
<td>9</td>
<td>0.763</td>
</tr>
<tr>
<td>Eritrea</td>
<td>1-27</td>
<td>9</td>
<td>0.632</td>
</tr>
</tbody>
</table>

Source: Primary data
The alpha values for the 27 statement broken down into 9 items decided by the panel of experts at the validity test were 0.76 for respondents from India and 0.63 for respondents from Eritrea. It has been found that the reliability coefficients for the variables chosen for this study are more than 0.60, which is an acceptable value (Malhotra, 2004). So, the items constituting each variable under study had reasonable internal consistency.

1.9.5 Sampling Technique and Administration

The geographical area of Chennai and Asmara was chosen as the Universe. The main reason for choosing the cities Chennai and Asmara is because they were broadly classified under developing economies. Having United Nations Industrial Development Organization (UNIDO) classification as a working definition the data collected from both the areas of the study was classified as Large, Medium, Small or Micro firms for the analyses. In addition, these two countries encourage women to take up entrepreneurship.

The researcher used snowball sampling technique. At first the researcher invited the participants of the pilot study for a seminar on “stress management” in both the cities organized at two different times. After the seminar the researcher met them and explained the reasons for meeting them and the purpose of the study. The respondents expressed warmth and they expressed interest in the study. Thereafter, the identified few respondents were asked to suggest possible and significant other women entrepreneurs in their locality.

Next, the researcher distributed the questionnaire through the first contact person and they in turn distributed to others who were identified by them.
The researcher after ensuring reach of the questionnaire to the final respondents met them in person or contacted them over the phone. This exercise was done in order to obtain verbally, opinion on the quality of the questionnaire, the stimulus the questionnaire gives and the time taken by the respondents to respond to the questionnaire. Further, this exercise was done in order to ensure that the respondents did not feel ambiguous or abstract about the items included in the questionnaire. This greatly helped the researcher to conclude that the questionnaire gave a pleasant experience to the respondents. While conversing with the respondents over the telephone, the researcher recorded all that transpired between the researcher and the respondents.

The researcher in the process ensured that a diversity of contacts were available through this exercise. Finally, 200 samples each from Chennai and Asmara were collected.

The questionnaire was administered to all the identified entrepreneurs through the first contact person. To instill confidence in the minds of the respondents, the questionnaire was attached with a covering letter describing the purpose for which the data was collected. They were ensured that their responses would be used only for academic purpose and were assured absolute confidentiality and anonymity on the information sought. This was done based on the suggestions given by the respondents in the pilot study, in order to encourage and solicit the kind cooperation of the respondents, in giving complete and accurate information. A thorough follow-up was done in person and over telephone to expedite the process of filling up the questionnaire. Yet few questionnaires were not returned and few were incomplete, yielding a response rate of 86.15 percent from Eritreans (200 usable questionnaires) and 85.69 percent from Indians (200 usable questionnaires).
1.9.6 Data Analysis

The sources of data were primary as well as secondary. The primary data was analyzed using Statistical Package for Social Sciences (SPSS). The following statistical tools were used in the study: Measures of central tendency and measures of dispersion, paired t-test, ANOVA, Chi-square test, factor analysis and Karl Pearson’s Co-efficient of correlation, Friedman test, Mann Whitely U test.

1.10 CHAPTER SCHEME

The thesis of the study is divided into six major chapters. Following is the scheme of chapterisation.

Chapter I The first chapter deals with a brief account of women entrepreneurs, culture and cross culture. Further, it includes statement of the problems, methodology, research design, sampling plan, data collection method and tools used for analysis in the study, objectives of the study, significance of the study and chapter scheme.

Chapter II The second chapter is devoted to the review of related studies in the area identified for investigation and identify the research gap. An attempt has been made to present the recent trends in women entrepreneurship with reference to Indian and Eritrean and the global environment.

Chapter III The third chapter presents the conceptual framework of entrepreneurship.

Chapter IV The fourth chapter deals with the data analysis and interpretation related to the economic background, socio-cultural environment,
opportunities and problems encountered by the entrepreneurs with appropriate statistical tools.

**Chapter V**
The fifth chapter deals with the data analysis and interpretation related to the level and source of stress due to entrepreneurial role and the coping strategies adopted by entrepreneurs with appropriate statistical tools useful for easy understanding and judgment.

**Chapter VI**
The sixth chapter is the last chapter and provides summary of the findings, brings out suggestions to be brought to the notice of the policy makers and conclusion. Further this chapter also provides the potential scope for further research in the area undertaken for the research study.

**1.11 SUMMARY**

As the advancement of women and promotion of gender equality is one of the main concerns for developing nations, India and Eritrea are no exceptions to it. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success depends on the support of family members in the business process and management to meet their business aspiration. The Eritrean Government is striving for the advancement of gender equality in the country. In India steps are taken to eliminate all forms of discrimination against women and creating an environment conducive for women’s broad participation in business by enhancing the quality of women’s life as well as the community at large. This study aims to have an in-depth knowledge on the cultural aspects among the women entrepreneurs in India and Eritrea.