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**WOMEN'S EMPOWERMENT IN MICROBUSINESS: ENABLERS AND
CONSTRAINTS TO START AND RUN A BUSINESS.**

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ABSTRACT

The study investigates the level of empowerment of women entrepreneurs in Lima, the barriers and constraints they face when starting and running a micro business. Using the empowerment framework by Alsop, Bertelsen and Holland and the Asset Vulnerability Framework by Moser, the study analyses the agency and the structure opportunities in the context of entrepreneurship. The research suggests that most of the women entrepreneurs have a low level of assets but the opportunity to make a choice exist supported by the financial system and the business programs by the National Government. The social norms are the informal institutions that create the barriers and limit that women use the choice of being entrepreneurs and achieve the desired results. Microbusiness can be a mean of empowerment and transform the social relations; however, for a group of women the removal of patriarchal values is still critical.

Keywords: *Microbusiness, entrepreneurship, empowerment, assets, institutions, opportunity structure, social norms.*

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DECLARATION

'No portion of the work referred to in the dissertation has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning'.

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CHAPTER 1: INTRODUCTION

In the last decades, entrepreneurship has become widespread in developing countries where the private and public sector offer reduced employment possibilities to the low-income population. In this way, self-employment and small business offer a sense of freedom from the state and private industries as well as from welfare provision (Allen and Truman, 1993). The impact of entrepreneurship on economic development and well-being in developing countries has raised the interest of researchers and policymakers because of the greater potentialities of income generation across the formal and informal sector. In developing countries, there is a strong consensus that micro and small business are important drivers in the economy (Barnejee 2001). Moreover, researchers agree that micro-businesses are the most promising instrument for reducing global poverty (Snodgrass 1997).

In the context of entrepreneurship, women play an important role because they invest in their communities, in education and health. For instance, in developing economies, women reinvest 90 cents of every additional dollar they earn in their micro business comparing with 30 cents that man invest (Vanderbrug 2013). Women invest in their family education, in the nutrition and health of their children and husbands (Duflo 2012). Moreover, women entrepreneurs have the great potential to employ large numbers of persons and contribute to the economy of people (Lewis 2010). Besides employing people, women share their business knowledge with their employees and with their husband and children. They multiply the impact of an investment by spreading the knowledge to the world around her (USAID 2015).

Although the considerable research has been devoted to female entrepreneurship in developed countries, rather less attention has been paid to this topic in developing countries and micro business (Vossenbergh 2013, Maden 2013). Therefore, there is an information gap about the reality that women entrepreneurs face when starting and running a micro business and more importantly how these activities can help to reduce poverty in developing countries.

To understand the complexities of women entrepreneurs is important to analyse the vulnerabilities that poor women face in developing countries. In Latin America, there have been improvements in gender equality in the last decades in education and health;

however, there are cultural norms that impede women's participation in income generation activities (IADB 2010). Women are still considered the leading administrators of the household and have to manage their time between their jobs or business, domestic labour, and child care with the business activity. For instance, half of women entrepreneurs only work part time and a third base their business within their houses (Bosma and Harding 2006). The lack of access to resources such as time and the gender biases can obstruct the business potential of women because it disempower them to make effective changes in their lives.

This research focuses on Peru, a country that has high levels of micro business in the economy, 95% are micro business, 4,9% small business and 0.2% medium business (PRODUCE 2015). This economic unit only employ from one to three employees, including the employer. It is characterized for the low levels of competitiveness and innovation but recognized to be the largest source of income generation for low-income women because they represent the 40% of the microbusiness and contributes the 44% to the economically active population (PRODUCE 2015).

This research looks to answer the following question: What are the levels of empowerment of female entrepreneurs who start and run a micro business? To answer this question the research will use the empowerment framework by Alsop, Bertelsen and Holland (2006). Empowerment, defined as the processes by which those who have been denied the ability to make choices acquire such ability" (Kabeer 1999: 437), offers a practical approach to understanding the dynamics of women in business. It explains the access to resources (assets) and the ability that women can have to transform their desires into outcomes (Agency). Moreover, it argues an account of how the level of empowerment can be limited or enabled by structural factors such as social relations and norms.

To have a deeper understanding of the assets of women entrepreneurs, Moser's Asset vulnerability framework (2009) will complement the empowerment model. The primary objective is to explore the level of empowerment that entrepreneurs have in the micro business sector in Lima, Peru. The main argument is that women acquire a low level of empowerment because the structural factors such as social norms constrain the accumulation of assets and therefore the expansion of agency.

The second question is what are the main enablers and constraints for women micro-entrepreneurs in urban areas? To answer this question the first specific objective will be to

analyse the barriers that women face based on the agency (assets) and structural opportunities or constraints. Regarding agency it will focus on the financial, physical, psychological, social and human assets that help to improve the performance of business but also how the lack of these assets can affect the entrepreneurial activities of women (GEM 2015, ILO 2010, Allen and Truman 1993, Maden 2013). It can be assumed that the social and psychological assets are the first assets that need to be developed to accumulate other assets such as financial and human asset.

Finally, the third question is what are the principal outcomes of women entrepreneurs when they start a business? In this part, the focus will be on income generation, job generation and the capacity to aspire. According to the World Bank (2013), female entrepreneurship contributes to development by providing employment and enhancing living standards and social cohesion. However, the effects of entrepreneurs are linked with the level of empowerment, the barriers and enablers that make an impact on the performance of this business.

The female entrepreneurs that are under the present research live in peri-urban areas of Lima city and under poverty conditions. The reason for selecting urban areas to develop this research is because most of the microbusinesses in developing countries are located in cities. At the same time, these microbusinesses has many challenges to face because of the high density of population which create more competition (GEM 2015) but also the lack of access to many services such as financial, training and infrastructure for business (Banerjee, Duflo, Glennerster & Kinnan, 2010). In the urban poverty, women face other types of vulnerabilities such as such as sickness, loss of jobs, widow and accidents.

The methodology of this research uses a mixed methodology because it uses quantitative and qualitative methods. First, it analyses a survey of women entrepreneurs of Lima applied by Aprenda, an enterprise that provides business training to microentrepreneurs. It gathers information of 207 women that will help to analyse the assets and some aspects of the opportunity structure. Regarding the qualitative data, it will use a focus group and sixteen depth-interviews applied by Aprenda. This information will help to understand the structure barriers, opportunities, and the accumulation of assets to make a deep analysis of the interrelations between the agency and structure and the impact in the outcomes of women entrepreneurs. Moreover, the qualitative data will provide the information of the dynamics at different levels: intra-household, intra-community and in the market.

The Chapter 2 contains the literature review that starts with the description and analysis of the importance and characteristics of entrepreneurship and women entrepreneurs for development. After that, it explains women vulnerabilities in the creation and management of microenterprises. It finishes with the framework used to analyse the level of empowerment in women entrepreneurs. The Chapter 3 describes the methodology used in this research and the context of Perú where women entrepreneurs develop their business. Chapter 4 presents the assets and the external environment of entrepreneurs to determine the enablers and constraints and the level of empowerment. The last chapter defines the conclusions of the present research.

CHAPTER 2: LITERATURE REVIEW

This chapter offers an analysis of women entrepreneurs in developing countries focusing on their characteristics and vulnerabilities that can limit their potential to have prosperous businesses. It starts by explaining the concept of micro entrepreneurship and an entrepreneur to continue analysing the reality that women face in the business sector. Finally, it explains the framework that will be used in this research.

2.1. Micro entrepreneurship and Women entrepreneurs

In developing countries where there are little opportunities for employment, micro-entrepreneurship has become a great escape to generate income and enhance living standards. There is a strong consensus that micro and small businesses are important drivers of the economy of developing countries (Banerjee 2001) because of the potential to employ a large number of people. According to Nakasone and Torero (2014), 72 percent of jobs in developing countries are created in micro-enterprises. Moreover, micro-entrepreneurship has been linked to wealth and poverty and researchers agree that micro-businesses are the most promising instrument for reducing global poverty (Landes 1998, Snodgrass 1997). Among the development outcomes of entrepreneurial activities in developing countries are better incomes, empowerment of individuals, and education and health improvement. Therefore, micro-entrepreneurship not only plays a major role in economic development but can also have an impact on human capital.

Micro-entrepreneurs may be self-employed or employed. While micro-entrepreneurship generates more than half of the employment in developing countries, the contribution to the gross domestic product (GDP) is low. For instance, in Latin America, micro and small enterprises generate 77 percent of total employment but only contribute to 30-60 of the GDP (Angelelli, Moudry and Llisterri, 2006). Some reasons for this low productivity are financial constraints, small investment in human capital, and the regulatory framework that creates barriers to micro-entrepreneurs (De Soto 1989, Fafchamps et al. 2014, MacKenzie and Woodruff 2008).

Entrepreneurs have been defined as people who have the capacities to identify an opportunity and create or produce new values (European Commission 2015). . They have

also been defined as organisers of innovation or as people who make deliberate efforts to pursue opportunities that can generate new products (Stevenson and Sahlman 1989, Schumpeter 1942). However, these definitions and most of the definitions of entrepreneurs are described in the context of developed and wealthy countries that pursue values such as innovation and competitiveness. In developing countries, an entrepreneur starts a business because of income necessity, not necessarily because he or she sees an opportunity.

In the context of microenterprises, women entrepreneurs are recognised to be an important “untapped source” of economic development and their participation in entrepreneurship has been increasing in the past years. GEM (2015) reports that since 2012, the female total early-stage entrepreneurship activity has increased by 7% and the ratio of female-male that start a business improved by 6%. The total number of women starting a business around the world reached 126 million in 2014 (GEM 2015). However, as explained before, this number only considers the formal economy.

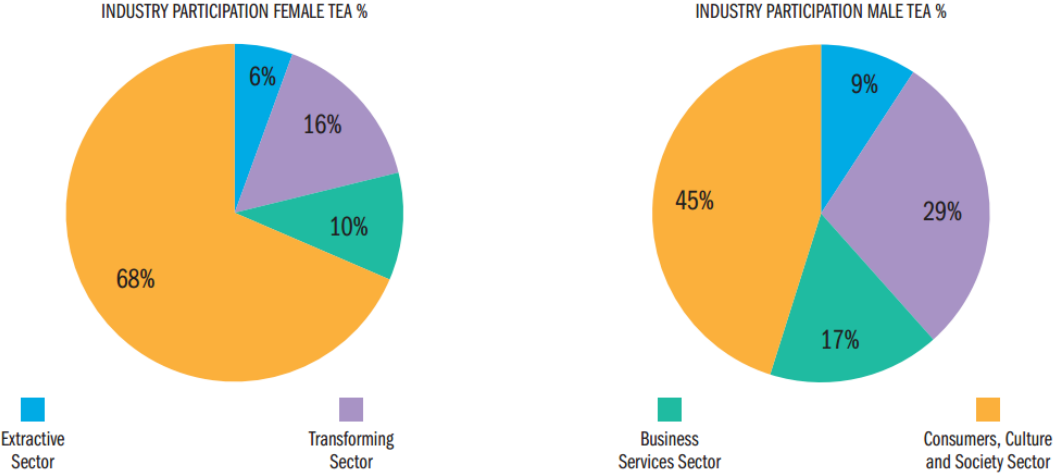
One of the reasons why researchers and practitioners started focusing on women entrepreneurs is due to the high rate of their reinvestment in human development. According to Vanderburg (2013), in developing economies women reinvest 90 cents of every additional dollar they earn in their micro business compared with 30 cents that men invest. Women reinvest the money they make in health, nutrition and the education of their family.

The sectors where women are more concentrated are in services and commerce, however, a small proportion has their business in transforming industry too¹ (GEM 2015). Figure 2 shows the participation of females by sector compared to the involvement of male entrepreneurs. One of the big differences is in the transforming industry that has 29% of men participating but only 16% of women. The transforming sector offers more value added products but it needs more capital which is a constraint that women face when running a business (Allen and Truman (1993). In developing countries, especially in Latin America, the type of micro-enterprises that women run for instance are, clothing stores and bodegas (commerce), catering, beauty parlours and photocopy services (services) and crafts, artisan jewellery and textiles (manufacturing). There is a high competition in

¹ The transforming sector refers to the production of goods.

these businesses because they are crowded sectors which also mean that high profits are difficult.

FIGURE 1: Early-Stage Entrepreneurship Activity, by industry, sector and gender



Source: GEM (2015)

Hersch (2006) and Bradley (2007) explain that women are concentrated in service and commerce markets because there is an occupation segregation in the labour market. It means that the society and the market assign specific activities to women or men depending on gender-based attributes. For instance, Fine (2010) claims that women are associated with activities such as cleaning, caring and cooking which are considered natural extensions of womanhood. These activities are concentrated in the type of businesses in the service sector that, as explained before, have low competitiveness and value addition. Most of the micro enterprises operated by women work part time (less than 30 hours a week) and a third have their businesses within the home (Bosma and Harding 2006) because they face a stereotypical model of society that entails an unfair division of labour (Moser 1987). They perform their roles as mothers, entrepreneurs, wives and housewives which give them less time to spend on their business.

It has been shown that the level of women entrepreneurship has been increasing in the past years (GEM 2015). Nevertheless, it is relevant to understand the reasons women have to start a business. Although the literature on women entrepreneurs helps to understand the motivations of women in the business world, much of the research has been focused on small firms rather than on micro business (Avolio and Radovic-Markovic

2013, Strier and Abdeen 2009, Brush 1992). In the microbusiness sector, being entrepreneurs means a strategy of defiance and/or resistance (Hays-Mitchel 1999). Entrepreneurs are pushed to start a business as a way to survive since they do not have other options because of the low level of education and the gender biases in their countries.

Alternatively, Hisrich and Brush (1978) and Scherer et al., (1990) offer a better insight of micro-entrepreneurs. They claim that female entrepreneurs are less motivated to have power or be bosses, both of which are characteristics of male entrepreneurs. Instead, they are motivated by economic necessity. This necessity-base is pushed by their willingness to improve the wellbeing of their family and alleviate poverty. BID (2010) explains that this need to complement the family income is an induction factor. In contrast, an attraction factor is based on the opportunities in the market and the motivation to have more flexibility. The latter is not common in the low-income population where there is a lack of opportunities for women to access to capital. Female entrepreneurs are marginalised and face vulnerabilities from the state, the market and society in general. This marginalisation is a motivation to start a business but at the same time is also a constraint. The next section will analyse this constraint.

2.2. Women´s vulnerabilities in the creation and management of microenterprises

The previous section explained the concept of microenterprise and micro-entrepreneur focusing on female business and their motivations. It was shown that this economic unit is the base in the economy of developing countries and also for low-income families. However, women entrepreneurs who own more than 50% of the microenterprises in developing countries face more challenges than men in starting and running a business. For this reason, it is imperative to know their vulnerabilities to understand the constraints they face in their businesses. First, the gender vulnerabilities in urban areas will be analysed based on the approaches in development such as Women in development (WID) and Gender and Development (GID). After this, the factors that women entrepreneurs face when starting and running a business will be presented.

In urban areas, women are involved in a cash economy that requires access to income generation to afford basic necessities such as water, food or electricity. However, women

for decades have been impeded from access to the labour market because of a lack of the capacities, skills and resources. The economic approach elucidates that the reason of subordination of women in urban areas at household, community and local level is the lack of resources (Razavi and Miller 1995). This discourse was developed by the approach of WID that view women and their exclusion in the socioeconomic dimension as the main problem.

WID approach explains that women do not have the same employment opportunities as men because of stereotypes that expect different roles of men and women; the best solution seen is to enhance the productivity of low-income women through their participation in the economic system (Moser, Tornqvist and Bronkhort 1999). This first generation of discourses focused on the economic dimension of urban poverty that saw the lack of income and physical assets as the main problem to address. However, later research describes that women face other types of vulnerabilities too.

The GAD approach considers, in its analysis, more qualitative dimensions such as the lack of security, self-respect, identity or capabilities as vulnerabilities that women face. It emphasises that urban poor can be excluded from the socioeconomic sphere because of the unequal relations of power between men and women or the rich and the poor (Dayal, Parker and Svendsen 1993). These correlations prevent women from engaging in the socioeconomic processes and benefitting from it. In contrast to the WID approach, the alternative approach sees women as active participants who are not isolated; therefore, they can be key participants in their own development. Another difference from WID approach is that GAD highlights ideas of social connectedness and togetherness of husbands (Kabeer 1992) that use the cooperative dynamics between women and men or with the community.

For female entrepreneurs, the GAD approach can help in understanding the importance of the equal relations as a factor that empowers women (Allen and Truman 1993). The participation of the family and the men (in the house) when starting and running the business means that there should be equitable decision making in the business. However, the cultural norms in developing countries impede the formation of equal relations and the accumulation of resources for women entrepreneurs.

Moser (2016) claims that the underlying causes why women cannot achieve equitable access are the persistent gender-based inequalities, disparities and exclusions to financial,

psychological, productive, human and social assets. These gender-based inequalities have a cause: cultural norms. The influence of cultural norms on women entrepreneurs can limit the growth aspirations of women. For instance, ILO (2014:5) assures how “entrepreneurship is not considered by all as the acceptable role for women, and some practices override legal provisions, for example, passing assets such as land onto males and not to females”. This cultural norm creates disadvantages for women in terms of access to assets which is an essential stock that women need to develop their projects.

In developing countries, the cultural norms that create gender inequalities are based on patriarchal values. In Latin America, there is an “entrenched system of patriarchy” which characterises social relations in the region (Hays-Mitchel 1999). The woman is subordinate to the man not only at the household level but also in the community and the market. In this social system, males hold the central power to take decisions and control the property over women. The patriarchal values dominate the social relations creating a differentiation among man and woman.

The main differentiation is in the gender roles that society defines. Moser (1989, 1993) recognises the triple role of women that the third world countries’ context fails to acknowledge: i) Reproductive work, ii) productive work, and iii) community managing. The first refers to child bearing/rearing responsibilities and domestic tasks. The second is the work done for payment in cash or kind. It includes both market production and subsistence/home production. This role involves women entrepreneurship. The last role, community managing, is voluntary activities contributing to the welfare of the community. According to Moser and Peake (1987), the reproductive and community managing work is not valued by men and society.

The abovementioned gender roles give women more responsibilities and less time to start and run a business which is why many of the women micro-enterprises have to be located in houses. The combination of the social and cultural norms discounts the potential economic role of women. More importantly, it limits the benefits women can get from their entrepreneurship (Mbaruku 2015). At the community level, the social relations and patriarchal values also have a significant impact on women entrepreneurs because they create barriers within the society members. According to Chant (2016), some women receive negative attitudes from other women because they are female-headed. The gossips and surveillance constrain entrepreneur’s activities; they receive criticism for working outside their homes when they should be taking care of their children. Some

women will speculate about their activities and exclude them from their group causing marginalization for working women

The social relations based on the patriarchal values and social norms create social exclusion of women entrepreneur in the socioeconomic system. Kabeer (2000) argues that social exclusion is the socioeconomic and political processes where the production system creates disadvantages for poor people. In the case of women entrepreneurs, they are excluded from financial, human and physical assets. In urban areas, Moser (2008) claims that urban assets and the accumulation of asset portfolio have received far less attention. Assets are the “stock of financial, human, natural or social resources that can be acquired, developed, improved, and transferred across generations” (Ford Foundation 2004: 4). Certainly, social relations can give access to assets or generate barriers for women entrepreneurs. However, these assets are needed to start and run a business because the nature of the assets gives people the capability to be and act (Bebbington 1999). In this way, assets in the context of entrepreneurship provide women more confidence by making them feel that they are entrepreneurs and not merely survivors.

The first asset researchers agree is the biggest constraint for entrepreneurs is financial (Barnejee et al. 2013 Maden 2015). The financial constraint that women face can have several dimensions. First, the credit market only lends money to the business that has the potential to repay; this means businesses that are profitable and show good prospects (Fafchamps et. al 2014). However, women run businesses low income generation due to low value addition.

Another factor is the high-interest rates that banks or some micro financial institutions (MFI) offer to women and micro-enterprises. Since transaction costs for microcredit to women entrepreneurs has high, they are charged high interest rates. Such high rates can deter women from taking loans and they prefer instead to borrow the money from their family or friends. It is important to consider that women are more risk adverse than men. According to Hays-Mitchel (1999), although women recognise that they need credit to improve their business, most of them do not secure loans in the credit market. This behaviour can be ascribed to the fears that GEM (2014) found women have when they start their own business and think of the possible negative consequences they might face.

The second asset is human capital that involves investment in education, health and skills to work (Moser 2009). As ILO (2014) mentions, if social roles and educational choices are

gendered, the nature of business established by men and women will reproduce this differentiation. As it was shown before, men participate intensively in manufacturing and other sectors that require more advanced skills. The access to education and training for women entrepreneurs has been limited by the gender roles they play such as child care and household activities (Strier and Abdeen 2009).

Although at least most of the women (53.7%) reach ten years of formal education compared with 40.4% for men (ILO 2014), women stop their education when they get married or have a child. Because of this gender role, they do not apply their studies to access formal jobs and stay at home for domestic responsibilities instead. In the informal economy, women start their businesses with a secondary level of education or primary level (Nakasone and Torero 2014) which can limit the potential of the enterprise because of a lack of management knowledge and skills. Although formal education is important to have a good performance in business, Kantor (2005) found that training and years of experience in business in urban areas can be more important than formal education because it can add more value to the firm.

The social asset understood as the networking and collective action, is an asset that benefits women entrepreneurs (Moser 2016). Nmadu (2008) points out that networks can serve to strengthen the sense of self-confidence in women. The social context that consists of people with whom entrepreneurs interact can be a source of ideas, motivations and resources. Neighbours can be clients and providers of enterprises; therefore, it is important that women are able to contact them. However, because of the social norms, women can be isolated from these social networks and their activities can be trivialised by the community (Hays-Mitchel 1999). Within the community, race and ethnicity also plays a role in the discrimination of women entrepreneurs. In urban areas of developing countries, there is a substantial presence of immigrants who are pitied by people who feel superior. Therefore, there is an important intersectionality to consider for women entrepreneurs who are immigrants.

Finally, the physical asset is the infrastructure that women entrepreneurs have access to or own to start and run their business. The majority of women in the informal economy are home-based workers or street vendors (Chen 2001). Women who have their businesses in their houses have the advantage of a space that can run as a business and at the same time is close from their family. However, this can be a constraint because domestic activities are usually run parallel, and women have less time to dedicate to the business.

This section analysed the vulnerabilities that women entrepreneurs face in urban areas focusing on the physical, human, financial and social assets. The achievement of these assets can be constrained by the cultural norms and social relations that are rooted in patriarchal values in developing countries. However, the accumulation of these assets along with a good business and social environment are instrumental for entrepreneurs to make an impact in their development. The next section will organise the vulnerabilities that were presented in this chapter and will offer a framework to analyse the complexities of women entrepreneur and the resulting dynamics in micro-businesses.

2.3. Women empowerment framework in microbusiness

Previous section presents how women started participating in economic activities as a strategy to generate incomes for their families. In doing so, they face a different type of constraints at the household, community and local level that limit the potentials of their entrepreneurship. To understand the dynamics of women entrepreneurship, the framework that this work will use is the empowerment approach analysed by Alsop, Bertelsen and Holland (2006) onwards Alsop-Bertelsen-Holland (2006).

As it was explained, women entrepreneurs pursue their interests and make a change in their lives when they decide to start and run a business. They engage in a process where they have to find the ways to access to specific resources (assets) and develop particular ability to transform their desires into outcomes (agency). However, they find barriers in the social relations at different levels (structure) that diminish their options to succeed. Because assets in entrepreneurship activities play an important role to define the success or failure of women entrepreneurs (Doyle 1991), the framework will analyse deeper the nature of assets by using Moser's asset vulnerability framework.

Empowerment is defined as "the processes by which those who have been denied the ability to make choices acquire such ability" (Kabeer 1999: 437). For Alsop-Bertelsen-Holland (2006) empowerment is the capacity that groups or individuals have to make effective choices and more importantly, transform these into actions and outcomes. Moreover, Narayan (2002) defines empowerment as the expansion of freedom of choice of an action and explains that this freedom is limited by the market and state that undermine

the voice and power of people. However, in women entrepreneurs, it was showed that the society and the social norms can subordinate even more the activity of micro-entrepreneurs at different levels.

Alsop-Bertelsen-Holland (2006), the degree of empowerment and its outcomes, will depend on the interaction of two concepts: agency and opportunity structure (Figure 3). Agency is the ability of individuals or group to make purposeful choices. The person is “the agent who acts and brings about change” (Sen 1999). In this case, the women entrepreneurs are the agent who set the goals and interests. According to Agarwal, Humphries and Robeyns (2013), Sen focuses the attention on the restrictions of the agency. However, women have great potential to enhance their agency; therefore, it is important to concentrate more on the structural conditions.

The structure is the institutional environment that can give the possibility or not to people to transform their agency into action (Alsop-Bertelsen-Holland 2006). Institutions are the “rules of the game” that can be formal and informal (North 1990). In the informal sphere, it can be found the social norms and patriarchal values that were explained before. The formal institutions are the laws and regulatory frames that the market and state established. For instance, the requirement to access to a loan shapes the options of women entrepreneurs to use their agency. The interaction of agency and opportunity structure can define the degree of empowerment that gives to the person the option to i) have the opportunity to make a choice, ii) to use the opportunity to choose or iii) to have the desired results once the choice was used.

Previous section discussed how women have started participating in economic activities as a strategy to generate incomes for their families. In doing so, they face different type of constraints at the household, community and local level that limit the potentials of their entrepreneurship. To understand the dynamics of women entrepreneurship, the framework that this work will use is the empowerment approach analysed by Alsop-Bertelsen-Holland (2006). As it was explained, entrepreneurs pursue their interests and make a change in their lives when they decide to start and run a business. They engage in a process where they have to find the ways to access specific resources (assets) and develop particular abilities to transform their desires into outcomes (agency). However, they find barriers in social relations at different levels (structure) that diminish their options to succeed. Because assets in entrepreneurship activities play an important role to define the success

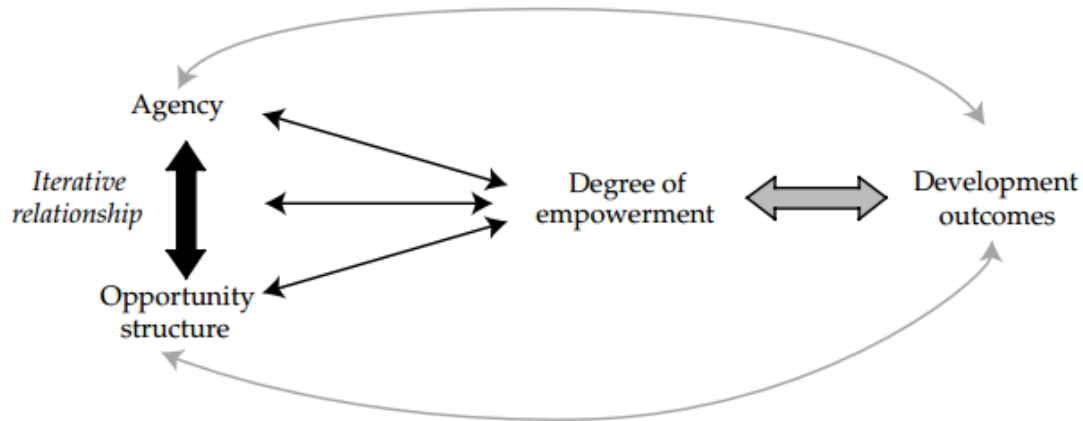
or failure of women entrepreneurs (Doyle 1991), the framework will analyse the nature of assets by using Moser's asset vulnerability framework.

Empowerment is defined as "the processes by which those who have been denied the ability to make choices acquire such ability" (Kabeer 1999: 437). For Alsop-Bertelsen-Holland (2006) empowerment is the capacity that groups or individuals have to make effective choices and more importantly, transform these into actions and outcomes. Moreover, Narayan (2002) defines empowerment as the expansion of freedom of choice of an action and explains that this freedom is limited by the market and state that undermine the voice and power of people. However, in women entrepreneurs, it was showed that the society and the social norms can subordinate even more the activity of micro-entrepreneurs at different levels.

According to Alsop-Bertelsen-Holland (2006), the degree of empowerment and its outcomes, will depend on the interaction of two concepts: agency and opportunity structure (Figure 3). Agency is the ability of individuals or group to make purposeful choices. The person is "the agent who acts and brings about change" (Sen 1999). In this case, the women entrepreneurs are the agents who set the goals and interests. According to Agarwal, Humphries and Robeyns (2013), Sen focuses the attention on the restrictions of the agency. However, women have great potential to enhance their agency; therefore, it is important to concentrate more on the structural conditions.

The structure is the institutional environment that provides or hinders possibilities for people to transform their agency into action (Alsop-Bertelsen-Holland 2006). Institutions are the "rules of the game" that can be formal and informal (North 1990). The informal sphere comprises of the social norms and patriarchal values that were explained before. The formal institutions are the laws and regulatory frames that the market and state established. For instance, the requirement to access a loan shapes the options of entrepreneurs to use their agency. The interaction of agency and opportunity structure can define the degree of empowerment that gives to the person the option to i) have the opportunity to make a choice, ii) to use the opportunity to choose or iii) to have the desired results once the choice is made.

FIGURE 2: The relationship between outcomes and correlates of empowerment



Source: Alsop-Bertelsen-Holland

According to this empowerment framework, women can exercise their empowerment in three levels: market, state and society. Moreover, the society level is divided into the intra-household level and the intra-community. To use the ability to transform choices into actions, people use their assets. In section 2.2, it was explained that the concept of assets as the stock of resources allows the use of economic, social and political opportunities. For the present framework, the concept of assets from Moser (2009), Alsop-Bertelsen-Holland (2006) will be combined to adapt the resources that women entrepreneurs use mostly in their activities (Table 1).

TABLE 1: Set of assets to analyze women entrepreneurs

Assets	Moser	Alsop-Bertelsen-Holland	Women entrepreneur asset
Physical	The stock of infrastructure, plant, equipment and other productive assets.	-	The local is the most important physical stock that women have.
Financial	Saving credits, loans, transfer income from rent or remittances.	Collective savings Accessing to financial services. Enhancing local resource mobilization	Savings and access to credits is the financial resource that women use for their business.
Psychological	-	Capacity to envision alternative options and the ability to have practical aspirations.	Capacity to have aspirations and express their emotions.
Social	Rules, norms, obligations and trust in social relations, social structures and	It is embedded at the household level and at the community level.	The capacity to engage with the community and the family.

	societies' institutional arrangements.		
Human	Investments in education, health and the nutrition of individuals.	Level of Education: greater access to information, market experiences and marketable skills.	Levels of education and knowledge in business.

Source: Adapted from Moser (2009) and Alsop (2006)

Table 1 provides the set of assets that will be analysed in the context of women micro-entrepreneurs because it makes a greater impact at the start of a business and runs the business. From Moser's asset framework the only asset that is not considered is the natural asset because the micro-businesses analysed are located in urban areas that have few environmental risks. According to Alsop-Bertelsen-Holland (2006), one asset contributes to gain other assets and enhance agency. For instance, the social asset enables women to trust their neighbors and start collective savings (financial asset) to start their businesses or buy stocks. In contrast, the patriarchal values of social norms can limit the capacity to envision and generate bad emotions (psychological assets) in women entrepreneurs. Narayan (2002) points out that the expansion of assets of poor people enables them to negotiate, influence and control institutions that affect their lives.

Regarding the structural opportunities, a good structure can give more equitable rules or expand the entitlements of entrepreneurs. Equitable rules can shape or constrain the activity of microbusinesses and the interplay of formal and informal institutions can affect the level of empowerment. In the formal institutions, the financial institutions and access to credit to micro-entrepreneurs will be analyzed. In the informal institutions, the value systems and social norms of behavior at the household level and community level will be part of this framework. Alsop-Bertelsen-Holland (2006) mentions that there is an interaction between the formal and informal institutions which can result in shifts in power.

The opportunity structure allows people to transform their assets into an agency. This is why the formal and informal institutions are preconditions to exertion of agency. Moreover, assets are also a prerequisite for exercising agency (Ibrahim and Alkire 2007). Table 2 shows the concepts of formal and informal institutions based on the analysis of Moser and Alsop-Bertelsen-Holland.

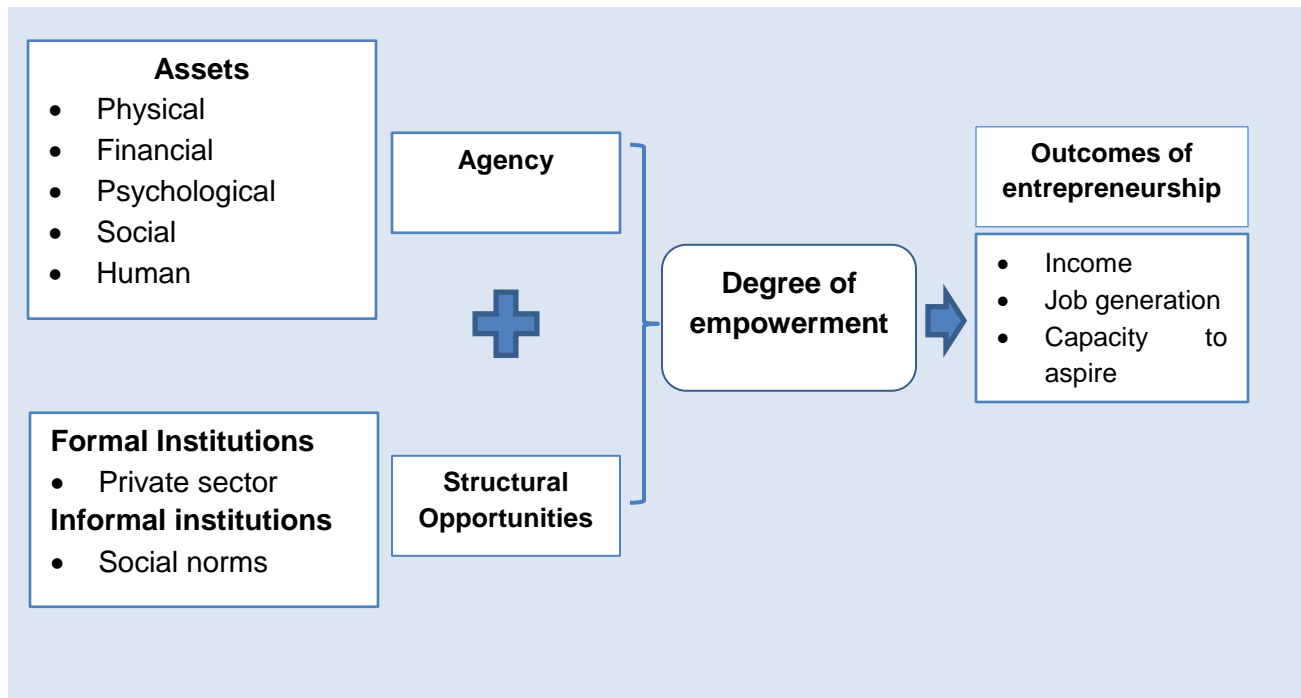
TABLE 2: The structural opportunities of women entrepreneurs

Structure	Moser	Alsop-Bertelsen-Holland	Women entrepreneur structure
Formal institutions	State: that establish normative and legal framework Private sector: micro-finance institutions that support and facilitate access to the accumulation of assets	Sets of rules, laws, and regulatory frameworks that govern the operation of political processes, public services, private organizations, and markets.	The access to financial institutions and the support of the government to support entrepreneurs.
Informal institutions	Gender relations: Power dynamics that perpetuate inequality.	Cultural practices, value systems, and norms of behavior that operate in households or among social groups or communities.	Social norms (patriarchal values, gender biases) enable and constraint the performance of the women business.

Source: Adapted from Moser (2009) and Alsop-Bertelsen-Holland (2006)

Figure 4 presents the framework that will be used to examine women micro-entrepreneurial activities in urban areas. The outcomes of the degree of empowerment in businesses to be examined are income and job generation. GEM (2012) reports that 112 million of the GEM-surveyed entrepreneurs employ one or more people. Regarding income generation, women's self-employment is being promoted in developing countries because it is recognised for the production of higher incomes (Premchander 2003). The degree of empowerment depends on the relationship between the agency and structural opportunities. Hence, the assets and institutions or the context can be enablers or barriers for the creation and management of microbusiness. It can diminish or entail the process of change. For entrepreneurs to be empowered at a certain time, they have to be disempowered in the first place (Kabeer 1999). For this reason, the concept of empowering is a process where women obtain assets as part of their interaction with the social and economic context.

FIGURE 3: Framework to analyze women micro entrepreneurship activities



Source: Adapted from Moser (2009), Alsop-Bertelsen-Holland (2006)

The degree of empowerment of entrepreneurs will determine the outcomes of their businesses. The outcomes analyzed in the context of entrepreneurship will focus on the socioeconomic dimension: income generation, job generation and in the personal dimension: capacity to aspire and decision making. The last two characteristics can have a transformative effect on the social relations within families because it involves characteristic change in personal characteristics. The first two outcomes (income and job generation) have been more studied, therefore, this research will confirm the findings about the potential of women to generate income and jobs.

CHAPTER 3: METHODOLOGY AND CONTEXT

This chapter presents in first place the methodology applied in this research. It exposes the tools and type of analysis and specifies the variables that are going to be employ to answer the questions and objectives of the research. In second place, it introduces the context where this research is focusing. The section of context highlights the process of urbanization in Lima and the origin of social norms to understand the environment of women entrepreneurs in the case study.

3.1. Introduction

The purpose of this study is to explore the level and potentials for empowerment that women entrepreneurs have in the micro business sector in Lima, Peru. It will analyse the assets and structural opportunities to determine what are the barriers, enablers and outcomes. To describe the social phenomena of empowerment this research will use mixed methods combining qualitative and quantitative data from the primary and secondary sources. The questions and objectives are listed below.

TABLE 3: Questions and Objectives

Questions	Objectives
What are the levels of empowerment of female entrepreneurs who start and run a micro business?	General Objective: Explore the level and potentials for empowerment that women entrepreneurs have in the micro business sector in Lima, Peru.
What are the main enablers and constraints for women micro-entrepreneurs in urban areas?	Specific objective 1: Analyse the barriers that women face based on the agency (assets) and structural opportunities or constraints.
What are the principal outcomes of women entrepreneurs?	Specific objective 2: Identifies the effects of female entrepreneurship activities

3.2. Using mixed methods

The mixed approach was selected because it offers a great value to understand the complexities of women entrepreneurs. It enables the research to use the strengths of each approach. For instance, the qualitative approach chosen provides a richer definition of social processes, and it can give “a more insight to causality and more accuracy depth of information on certain questions” (Kanbur 205:24). The level of empowerment or social exclusion is a complex problem that requires some level of openness and flexibility from

the researcher. For this reason, this research needs to incorporate the qualitative approach to understand and explore the complexities of entrepreneurs. However, to enhance the reliability and to identify some associations in causality (Carvalho and White 1997), the quantitative analysis will be part of this research. The qualitative and quantitative data and analysis will be used to provide different types of information as counterparts that can complement each other. The Table 4 shows the tools of the research methodology data. In Appendix 1 the details of the women interviewed are listed.

TABLE 4: Summary of methodology

	Research tool	Scale	Source
Quantitative	Small scale survey	207 women	Aprenda
Qualitative	Focus group	6 participants	Aprenda
	Semi-structured Interviews	16 participants	Aprenda

Source: Elaborated by author

Both approaches will bring the breadth and depth of understanding and corroboration to the research (Onwuegbuzie and Turner 2007). The survey give the breadth of the quantitative data and the depth of the qualitative is offered by the focus groups and the interviews allowing a richer definition of empowerment and the situation of women entrepreneurs. The survey has the information of 207 entrepreneurs in peri-urban places of Lima (Appendix 2). The survey was applied to women who have a business in the informal or formal sector by the organisation APRENDA between 2013 and 2014. I participated was in the team who designed and processed the surveys. This survey will be analyzed to reveal relationships between variables and find tendencies.

The data analysis for the quantitative data will apply SPSS for the cross-tabulation. The cross-tabulation is used as a way of demonstrating the presence or absence of a relationship (Bryman and Cramer 1994) and detecting a pattern. The present research will focus on the variables in Table 5 to make the description and cross-tabulation. These variables are based on the assets that enhance agency and the structural opportunities for empowerment explained in Chapter 2.

TABLE 5: List of variables

Assets/institutions	Variables	Type of Methodology
Human	Education level	Qual – Quan
	Years of business	Quan

Assets		Business skills	Quan
	Physical	Local infrastructure	Quan
		Ownership of local infrastructure	Quan
	Financial	Access to credit	Quan
		Access to savings	Quan
	Psychological	Motivation to start a business	Qual-Quan
		Personal goals	Qual
	Social	Relations at the household level	Qual
		Relations at the community level	Qual
	Structure	Formal Institutions	Access to financial services
Informal Institutions		Social norms	Qual

Source: Elaborated by author

The qualitative data analysis from the interviews and focus group will help to establish the linkages between the variables and provide a comprehensive description of the phenomenon of women entrepreneurs and empowerment. The process of qualitative data analysis will discover regularities by identifying, categorising the variables and identifying patterns (Tesch 1990). The qualitative will be carried out based on the following process (Denzin 1978, Miles and Huberman 1984, Lincoln and Guba 1985):

- Identification of variables and comprehensive description of the context
- Unitizing or segmenting the variables into small pieces identifying dimensions
- Looking for linkages across categories and seeking patterns, inconsistencies or contradictions

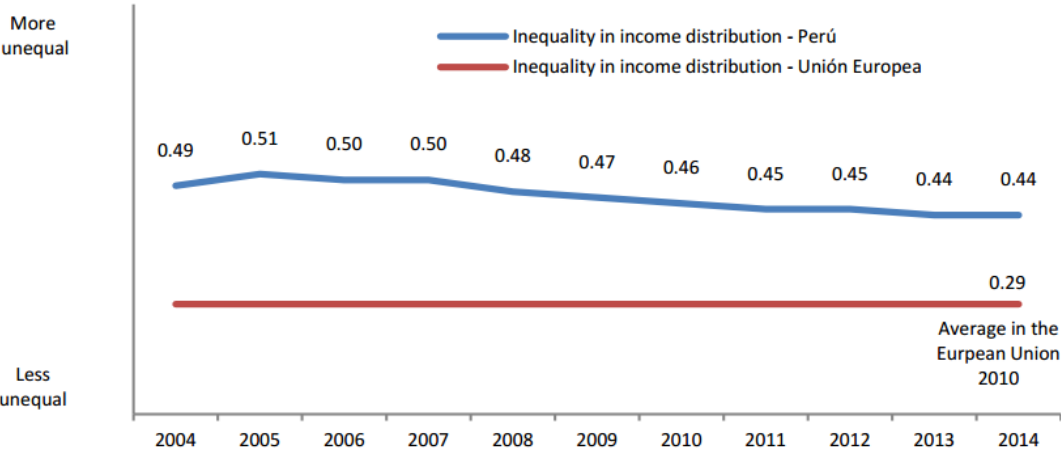
The qualitative analysis will focus on the aspects of social relations, and the formal and informal institutions of the business activity to find the barriers and enablers. The structural aspect will be connected with the quantitative data to seek patterns based on the assets and define the level of empowerment of women entrepreneurs. Finally, the outcomes of empowerment will analyse the follow variables: income generation, job generation and capacity to aspire.

3.3. CONTEXT

This research will use a case study approach to analyse the level of empowerment of women entrepreneurs. It focuses in Lima, the capital of Perú, a country that has the high concentration of micro business and the participation of women in these economic units. This section will start with socioeconomic indicators and microbusiness activity to continue with the process of urbanization in Lima and the structural barriers that entrepreneurs face as a consequence of the urban agglomeration. The Peruvian economy has a growth rate of 5.1% between 2010 and 2014 which was superior to the rate of economic growth in Latin America (BCRP 2015). The increase of the mining production and the macroeconomic policies accounts for this performance (Gruss and Cáceres 2015).

This favourable context had an impact on social indicators. Income poverty was reduced from 54.7% in 2001 to 22.7% in 2014 and the extreme poverty from 24.4% to 4.3% in the same period (ECLAC 2014). Besides economic growth, the social policies implemented had a significant role in reducing poverty. However, income inequality has not shown substantial improvements. The Gini coefficient in Figure 5 shows that from 2011, the inequality in income distribution in Perú remains at the same levels.

FIGURE 4: Income Inequality, Perú, 2004-2014



Source: Instituto Nacional de Estadística e Informática, OECD Social Indicators - Prepared by Oxfam.

CEPAL (2014) claims that one of the main factors behind income inequality in Perú is the primary distribution of the income and the high segmentation of the labour market. Only a small proportion of the population was able to benefit from the economic growth, specifically the sector with high productivity that employs skillful workers. Therefore, the formal sector showed a low capacity to absorb a labour force from low-income areas. This

fact stimulated the creation of micro business in the informal sector as a response to the lack of opportunities for work in the formal sector (Ministry of Work 2006). By the end of the 90's, microbusiness showed great potential because of the high use of labour force and low costs of investments in fixed assets. Hence, microbusiness became a significant source of income and job generation for people that do not have access to the formal sector.

The Ministry of Production of Perú, PRODUCE (2015) registered in 2014 that in the formal sector alone, the vast majority of businesses are micro businesses; they represent 94.4, a total of 1,597,061 enterprises. According to the regulations of Perú, to be a micro business the annual income has to remain below 180,000 US\$. Another important characteristic is that 98.8% of micro business has between 1 to 5 workers; thus, the potential of micro business to employ a large number of people is explained by the significant number of these economic units.

Regarding the informal sector, the Ministry of Production of Perú made an estimation based on two dimensions of informality: labour informality (lack of insurance, employee contracts and other benefits) and informality in tax. Tello (2011) points out that the informality in micro business is high because micro-entrepreneurs have few intentions or potential to grow, and they see limited benefits and utility at the moment of fulfilling the regulations and fiscal obligations. Table 6 shows the estimation of informal business compared with the formal sector in the past five years.

TABLE 6: Number of informal and formal business in Perú, 2010-2014

Year	Estimation of informal micro and small business	Micro and small formal business	Percentage	
			Formal	Informal
2010	2,740,426	1,199,347	30.4	69.6
2011	2,569,868	1,289,107	33.4	66.6
2012	2,496,724	1,345,390	35.0	65.0
2013	2,140,339	1,518,469	41.5	58.5
2014	2,040,659	1,597,061	43.9	56.1

Source: PRODUCE (2015)

In the formal sector, women own the 40% of the micro and small business. However, only in the microbusiness, 99% of women own microbusiness, but only 1% have a small business (PRODUCE 2015). The commerce sector concentrates the vast number business, specifically selling food and drinks and the retail market in stands in local

markets. Regarding socioeconomic characteristics of women entrepreneurs, the data is only available in the formal sector; however, it helps to give a first approximation. First, the average age of business owners is 45 years, two years less than men. Moreover, almost 9% of women are older than 65 years. Appendix 3 shows the profile of women entrepreneurs in the formal and informal sector in Perú from a data of 100,000 women.

Women micro-entrepreneurs in Perú are concentrated in urban areas, about 70.7%, and from this, 20.3% are under conditions of poverty (ENAH0 2014). Nonetheless, since this information is only from the formal sector, it is possible that the poverty rates from women micro-entrepreneurs in the informal sector will increase. Lima and Arequipa, the largest cities of Perú, concentrate the majority of the population in urban areas. Both cities experienced rapid urbanisation from the rural population in the past fifty years.

The high levels of rural poverty and political conflict caused the rural-urban migration with migrants coming from Andean regions to peri-urban areas in Lima (INEI 2001). The majority of the population who migrated to Lima because of the political and violent conflict were Andean widow women or single mothers who had to face discrimination in the capital. The discrimination which is considered a structural barrier is based on racial (indigenous, mestizo or white) and gender (female or men) characteristics. Andean women who live in Lima face “double discrimination” who receives a differentiated treat based on stereotypes (Santos 2014). The stereotype conceived in Lima is that indigenous women can have fewer levels of productivity because of the low levels of education and the communications skills.

Women from Lima experienced discrimination at the household level by their partners as a form of physical and psychological violence. DESCO (2013) explains that the culture of machismo in Perú show an intention to dominate or break the will of women and benefit from that. Men feel more powerful and superior to females intellectually and physically. The levels of domestic violence have increased in Lima from 34,966 in 2007 to 47,328 in 2013 (Congress of Perú 2015). Although, the rise of the cases can be a demonstration that women now feel more confident to report domestic violence to the authorities, the Minister of Women and Vulnerable Population in Perú claim that the levels of violence have worsened.

Finally, women entrepreneurs experience the discrimination outside their houses. The informal enterprises have the form of street-vending who uses the public space as a

collective asset but faces abuse of authority from the police, evictions and regulatory restrictions (Roever, 2014). The local government do not have policies to protect street vendors and instead supporting the accumulation of assets, they destruct them. In Lima, almost the 10% of women entrepreneurs are street vendors from the total of the informal employment. For these reasons, the social discrimination is a problem that has to be faced and analysed because it can influence women entrepreneurs' ability to use their agency and make a real change.

CHAPTER 4: RESULTS

The following chapter will show the analysis and findings from the data. It will start analyzing the assets and the structure opportunities. Based on this, the enablers and constraints will be analysed to determine the level of empowerment and the effects of women entrepreneurs.

4.1. Dimension of assets and structure opportunities

Section 2.3 explained the empowerment framework that defined empowered women to those who can make effective choices and transform it into desired action and outcomes. To do this, they exercise their agency which is the ability to make purposeful decisions. However, the level of assets can enhance or constrain the agency, as well as the institutional context. For this reason, the first part of the analysis will concentrate in the dimension of assets and the structure opportunities for women entrepreneurs in Lima. First, the human, physical, financial, psychological and social assets will be examined. The sources are a survey of 207 women, 16 semi-structured interviews and one focus group.

4.1.1. Assets of women entrepreneurs

4.1.1.1. Human Asset

The human asset involves the level of education, the years of the business and the business skills. The last two variables are measured because, in the context of entrepreneurship the experience and skill base determine the outcomes of the business. First, the education shows that half of the women entrepreneurs have the secondary level, and 22% have the primary level (Table 7). The interviews explain that most of the women could not finish school because they got pregnant while they were attending school or right after they finished school. Therefore, they did not attend the university because they have to stay at home taking care of their children and their house. The 21% of women who have technical education have chosen the careers as secretaries, nurses, and cosmetologists which show how the labour market is gendered. According to ILO (2014) if the educational choices and social roles are gendered, the types of businesses started will reproduce this

characteristic. The data confirm this statement showing that service sector concentrates on restaurants, bodegas and catering.

TABLE 7: Level of education of women entrepreneurs, Lima

Level of education	%
Primary level - Incomplete	7%
Primary level	22%
Secondary level	50%
Technical education	21%

Source: Elaborated by author

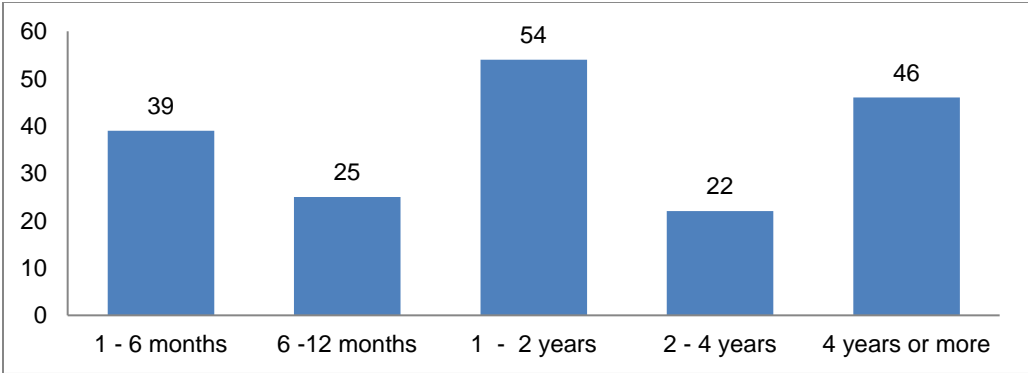
Regarding the years of the business, the Figure 6 shows that from 207 women, 54 are running their own business between one and two years. Because years of experience in the business are a factor that adds value (Kantor 2005), it can be said that women have few years of experience. However, the interviews show that women change from one type of business to another in short periods because they see a new opportunity in the market or the last business did not give them good profits.

“I started the business of bakery because my restaurant selling ceviche was not giving me enough income to survive” (Juana).

“Because there was a new competitor, I preferred to change to other business otherwise I would have been losing incomes, the clients always want something new” (Margarita).

The high competitiveness in service and commerce in women businesses (GEM 2015) is a barrier they face that impedes them to continue specialising in their business.

FIGURE 5: Years of business, Lima, Raw Scores



Source: Elaborated by author

In the business skills, one of the indicators to measure in microbusiness is if they register their incomes and expenses. More than half, 59% have this practice; however, they only use a personal bookkeeping system. Regarding customer services skills, their past experiences working for others since they were teenagers help them to know the importance to give a good service.

“Before, I worked at a gas station; there I learned how to treat customers, my last boss taught me that I have to smile and be nice with my clients” (Carina).

“I have not received training, nobody taught me, I learned just looking because I needed to work, I found out how to do it” (Claudia).

Service skills are a great asset that entrepreneurs have because most of them work for the service and commerce sector.

4.1.1.2. Physical Asset

This asset analyses the local infrastructure of their business and the ownership. Women who have their business in their home represent 71%, street vendors 22% and 7% have their business in another place. It confirms the claim of Chen (2001) who points out that the majority of women in the informal economy are home-based workers or street vendors. The interviews show how the local government changed their behaviour to street vendors from eviction to giving them facilities to locate their business in the streets. However, this took some time.

“The local government is giving me a space to sell my food, and they are going to increase security to protect us (the street vendors) who work until 2 am or 3 am because sometimes there are drug addicts who disturb us” (Margarita).

“Before the municipality did not let me work in my spot, now they do not bother me anymore, and they have helped me giving electricity for my business” (Abelina).

From women who have the business in their houses, 52% have paid for the property, and the other 48% are renting or processing the land title. The lack of private ownership gives women more vulnerability because they can be evicted and lose not only their house but also their source of income.

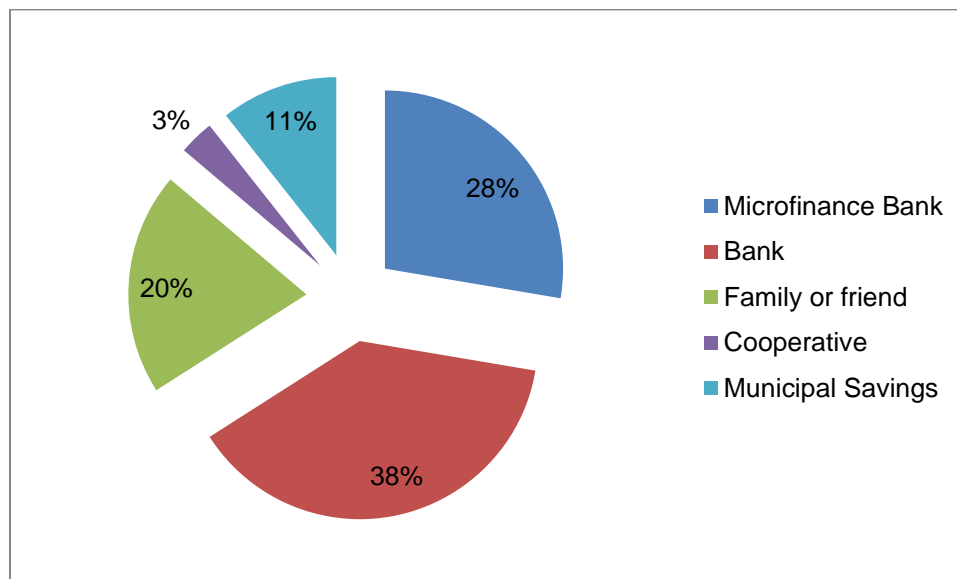
4.1.1.3. Financial Asset

This asset measures the use of savings and credits by women entrepreneur. First, 31% of women have savings. They prefer to keep it in their homes because they claim that it is a small amount of money, and it is more practical to have it close. Women who keep it in the bank mentioned that it is safer in the bank than in the house because their husbands can take it. The women who do not save money assure that their business profit does not allow them to save money.

“I can’t save money because my incomes are too low, however, before I joined the 'juntas' and with that money I built my own house” (Carmen).

The “junta” is an agreement where a group of women decide how much money they are going to save every month for the purpose of raising a specific amount that is allocated to each member according to a timetable. Women prefer this method because there are not administrative costs. Moreover, they feel the pressure from other women to save which is a positive reinforcement. Regarding the use of the saving, half of them (52%) use it to improve their business and the other half for enhancing their houses.

FIGURE 6: Sources for credit, %



Source: Elaborated by author

On the subject of credits, 35% of women requested a credit. Figure 7 shows what sources women entrepreneurs use. Women prefer banks, microfinance institutions and family or friends as the most convenient sources for credit. However, they show some fear from banks and microfinance institutions because of the high interests and the risk of losing their house if they cannot pay.

“The bank almost confiscated my house for a credit that I and my husband requested and could not pay back, now I am going to organise a 'pollada' to raise some money and be able to pay” (Abelina).

As Hays-Mitchel (1999) points out, although women recognise that they need credits and savings to improve their businesses and houses, not all of them access to the financial market. They prefer other types of mechanisms such as “polladas” (for credits) and “juntas” (for savings) or family and friends.

4.1.1.4. Psychological Asset

This variable analyses the motivation of women to start the business and her personal goals to determine their capacity to envision alternative options to their situation and how they deal with it. First, Table 8 shows that most of the women start their business because of economic necessity. It confirms the report of GEM (2016) that found that necessity-driven entrepreneurship has the highest level. From the interviews, the economic necessity comes when their husbands lose their jobs, when they get pregnant, or because the income of their husbands is not enough to cover the family expenses. The primary motivations are their children.

“From the moment I have my son, I needed another financial support, my son is everything, because of him I have to work and lose the embarrassment to sell juices in the local market” (Yvonne).

Although women choose the pathway of becoming entrepreneurs, since the economic necessity is the motivation to start the business, they can change from being entrepreneurs to accept a permanent job. As a consequence, improving their businesses will not be the only option they pursue which can cause that these economic units only survive as long as women wait for better opportunities.

TABLE 8: Motivation to start a business, raw scores

Motivation	Total
Economic necessity	92
Lack of job opportunity	27
Independency	53
Have the knowledge	21
Others	14
Total	207

Source: Elaborated by author

The next motivation for women is the sense of independence, or what Strier and Abdeen (2009) called, the feeling of autonomy. It is important to notice that the economic necessity of women entrepreneurs come together with the independence because in the interviews women claim that the business will give them more autonomy.

“I want to supplement the family income but also send money to my mom and dad who live in the Andes, I don’t want to rely on other people, I want to have my things” (Claudia).

Regarding the personal goals related to the business, some of the street vendors will like to have their business in their homes so they can be closer to their family or change to another type of business because they have the feeling that they can get higher incomes. Women agree in the focus group that their incomes only help them to pay some bills, but it is not enough to save money or improve their businesses. They claim that there is a lot of competition and not too many clients. Since service and commerce are crowded sectors, the chances of women to have high profitability are low (Carter and Marlow 2007).

4.1.1.5. Social Asset

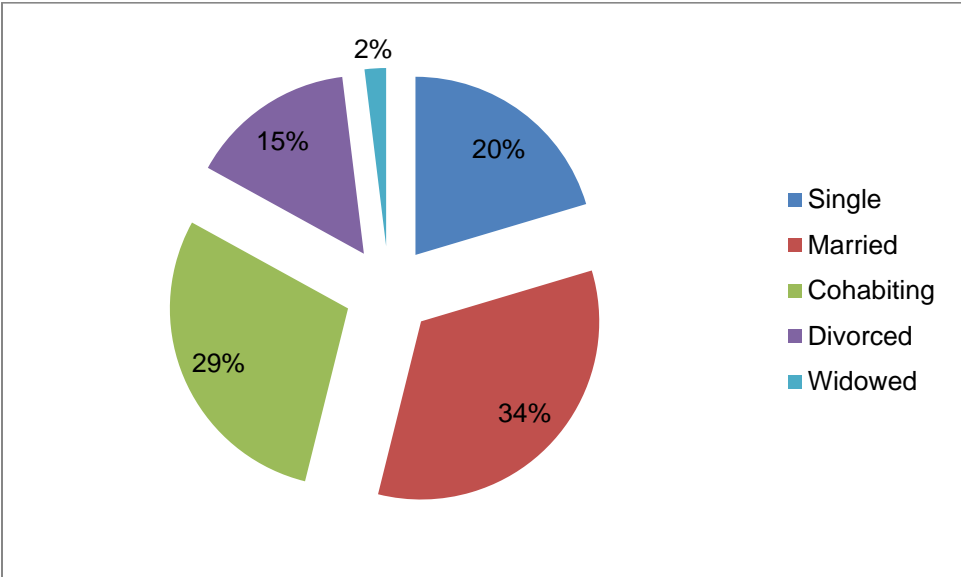
The social asset examines the relations that women have at the household and community level. First, the civil status shows that most of the women are married (34%) and 29% cohabitated (Figure 8). The single female entrepreneurs represent 20%; they are mothers and the head-household. The relationship between married and cohabitated women with their husband has different nuances. There is a group of women entrepreneurs who receive the support of their husband from the moment they decided to start the business:

“From the beginning, my husband helped me to cut the potatoes for my restaurant... he only has the primary level of education, but he also suffered in his childhood so he is a good person and hard-worker, sometimes I go fishing with him when the situation is tough” (Juana Del Socorro).

Women who report the support from their husbands in their discourse highlight the importance of the family union. This social connectedness and togetherness of husbands that Kabeer (1992) points out help to build equal relations with the family. However, although women and men have stable relationships, female entrepreneurs are in charge of every single chore in the house. During the interviews, every woman declares they have at least two roles: the reproductive and productive role which creates unbalanced relations:

“In the house, I have to clean, cook, I wait for my husband with the food, I care for him, I have to take my kids with me to my business because no one can take care of them... I do not have time for myself because I work every single day thus I neglect myself” (Mayra).

FIGURE 7: Civil Status



Source: Elaborated by author

The larger group of women entrepreneurs in the interviews (65%) declared suffering from domestic, psychological and physical violence. Women also shared that they experienced level of violence since they were kids, this can affect their self-esteem. 90% of women interviewed come from rural areas of Peru where the levels of women violence are worse than in Lima (INEI 2015).

“I am with my husband since I was 14 years old... he treats me badly; he used to come drunk and ask me for the money he gave me in the afternoon... he was

jealous because he said that I talked with other men every day in my business” (Miriam).

This subordination of women entrepreneurs shows how at the household level the men have more power, and although women generate their incomes, they still suffer from domestic violence. Moreover, men who practice domestic violence do not get involved in the chores of the house such as buying food, cooking or helping the children to do their homework. Husbands discourage women to continue running their business so they can have more time for the family.

At the community level, women entrepreneurs do not get much involved in the community activities. According to Moser (1993), one of the roles of women is community managing. However, business women share that they do not have time to participate in social based organisation or neighborhood councils because they work an average of eleven hours and the time left during the day goes to the family and the domestic tasks. Another reason that prevents women from contributing to the welfare of the community is that they claim that there are many gossips around women who spend time outside their houses.

“I do not belong or participate in any activity because I do not like to be in those things because there are many comments, people start talking, and my husband do not like that, he hates it; he recommends me to avoid those problems” (Mayra).

“People talk about me that I do not have time for my kids and that I talk to many men, but it is because I am in my business, I have to talk” (Carmen).

Women prefer not to get involved in the community because people do not see that these activities can add value (Moser and Peake 1987) to the welfare of the community and instead of supporting it is inhibited.

4.1.2. Structure opportunities

This section analyzes the institutional context, the rules of the game that can shape or constrain the women entrepreneurs' interaction.

4.1.2.1. Formal institutions

In this research, the formal institutions refer to the existence and access to financial services. In Lima, since 2000, the private and public sector have been developing strategies to improve the access to credit and savings of women entrepreneurs. In fact,

Peru is considered one of the best examples of regulations to promote the access of financial services to the low-income populations (CAF 2011). In the Index of Enterprise Environment for female entrepreneurs, Peru is ranked in the fourth place among twenty countries in Latin America in the category of access to financial services (WEVentureScope 2013). Not only have the number of banks, microfinance institutions, rural banks and municipal savings expanded but also the number and upscaling of financial products. In contrast to the statement that the credit market only lends money to enterprises that have good profits (Hays and Mitchel 1999), in Peru, the financial product has flexibility and its design is according to the necessities of business. However, the penetration rate is still low because only a quarter of women entrepreneurs have saved money in a financial institution and the banks only cover the 20% of the working capital of business (GESTION 2014). Therefore, the question is, if the formal sector offers more flexibility and options, why do women not use these facilities?

TABLE 9: Reasons that impede women to take a loan

Reasons	%
High interest	26
Do not need a credit	18
Do not have the documents required	17
Prefer the informal credits	15
Afraid not to be able to repaid	13
Do not have information	10

Source: Elaborated by author

In the survey, it was asked: why do they not apply for credit in the formal institution. Table 9 shows that high interest is the first reason that persuades women from applying for credit. However, from 2011 the great competition in the microfinance sector in Peru has pushed the low-interest rates of the institutions. This is not enough for women who still prefer informal credits (15%) because they perceive that the interest rates are lower. Torero and Field (2003) claimed that one of the main factors is that women generate low income in their businesses. It can limit their capacity to repay the loans (13% are afraid they will not be able to repay their loans), and they continue running a microbusiness without the resources to grow. Finally, Table 9 also shows that there are levels of misinformation because 10% mentioned that they do not know the requirements and 17% claimed not having the documents required for a loan.

4.1.2.2. Informal institutions

This section analyses the social norms as one of the underlying causes that disabled women can achieve outcomes for their businesses. The social norms mentioned by women during the interviews and focus group are gendered and based on the patriarchal values explained in chapters 2 and 3. The first rule that the social system imposes to women is that men are providers of income at the household level and women should stay at home for childbearing responsibilities and domestic tasks:

“If I could have my husband’s support and he could have a fixed salary, I would rather stay at home and take care of my children” (Susana).

“I know that women do not have to work, women have to stay at home, why are they going to work? For example, my husband did not want me to work at the beginning because he said that my work was for men” (Miriam).

The social norm that set the role of women in the house has changed through the years because of the income necessity of the household. However, a group of women claim that if their husbands can have enough resources they will close their businesses. This norm impedes that women can envision a larger business and has better earnings than men. The second gendered social norm is the subordination of women to men and the inequality of power-sharing in the house. According to some female entrepreneurs, the man is the one who make decisions regarding the investments or other important matters.

“Because the man is the one who decides, he is the head of the house, you know, he wanted to take a loan, and although I disagreed, he took it” (Haydee).

Razavi and Miller (1995) explained that the reasons behind women subordination are the lack of resources; however, although women entrepreneurs have their incomes which can give them some economic independence, this does not seem to be translated to the optimal levels of partnership. There is still a strong norm that men are the main providers and women believe that their entrepreneurial activity is just a complement.

“They (women) think that they cannot move forward, that women have always needed to be in charge of men” (Irma).

“I believe that looking for a partner will be better for me because we will support each other, although sometimes I think that since I have been beaten up, probably it will be the same, however, I feel the need of a companion” (Abelina).

The patriarchal values create unequal relations and make women believe that they cannot achieve further goals in their businesses. The informal institutions are present at the household level and interiorized by women who feel that they are second class actors.

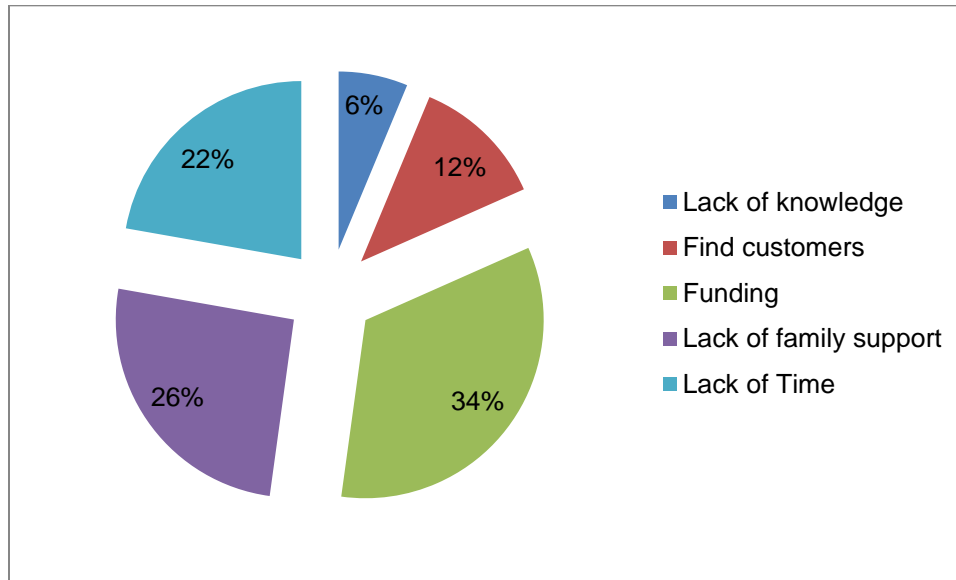
4.2. Enablers and Constraints of women entrepreneurs

This section defines the enablers and constraints of women entrepreneurs based on the assets and structure opportunities analysed previously. Concerning the assets, the analysis suggests low levels of asset endowment in educational, financial, physical, psychological and social areas. In the structure level, the formal institutions such as the microfinance institutions seem to give opportunities to women entrepreneurs, but the level of penetration is still low. However, the informal institutions such as the social norms appear to be the biggest constraint to women. Each aspect will be analysed in this section to answer the second question of this research: what are the main enablers and constraints for women micro-entrepreneurs in urban areas?

4.2.1. Constraints

The survey asked women what is the primary barrier to start and run a business. Figure 9 illustrates that the biggest obstacle is the lack of funding which is part of the structural opportunities. The microfinance institutions are offering options for women entrepreneurs with great flexibility. However, only 35% of women surveyed requested a credit. From the women who answered that the funding is the main impediment, most of them (77%) mentioned that the high interests are the restriction. It may suggest that their businesses exhibit limited profitability and market share because of the low-value-added sector where women are (Marlow et al., 2009, Center for Women's Business Research, 2006). As long as their businesses continue with low profitability and survival, the chances to request a credit or have a saving account are slim. Therefore, in contrast to the authors (Hisrich and Brush 1986), who claimed that the access to financial service is a constraint to women, it was shown that the microfinance institutions are offering instruments that promote empowerment (Hunt and Kasynathan 2002, Mayoux 1998). They provide products and services to those who did not have access before. For these reasons, there are underlying barriers beyond funding that might be impeding the proper functioning of the businesses.

FIGURE 8: Main barrier for women to start and run a business



Source: Elaborated by author

The next barriers; time and family problems, are embedded in the social asset and the informal institutions. First, women mentioned that they have less time to dedicate to the business because of domestic tasks. The role of mothers and wives hold higher priority than their role as an entrepreneur. Moreover, for society, the reproductive role can be seen as not valued (Moser and Peake 1987). These gender roles are interiorized by every woman who looks to have her business in her house as it was shown in the interviews. For this reason, it is hard for women to accumulate physical assets such as the infrastructure of the business in another area because they prefer to be close to their family. The time constraint also impedes women to accumulate human assets such as business skills or the years of business.

Concerning the lack of family support, the female entrepreneurs refer to the lack of support from their partners. Therefore, the social asset of most of the women is small because the relations at the household level limit their business activities. Moreover, the low degree of this social asset does not contribute to gain other assets such as the psychological asset. For instance, women who mentioned the lack of family support of their husbands do not reflect aspirations of independence. Only 8% of them point out that they start or run the business because they want to have their incomes and become independent. The lack of support is based on the subordination of women to men, and the social norms explained in

the section above. This subordination limits their opportunities and contribution of alternative perspectives (Hays and Mitchel 1999) impeding their capacity to envision.

In contrast to women who are married, single mothers showed more chances of accumulating assets. For instance, 46% mentioned that the reason to become entrepreneurs was the sense of independence. Moreover, for single mothers finding customers and their lack of knowledge are the main barriers. These obstacles are more related to business (human assets) than to social relations at the household level (social assets) which show that they focus on the business. In conclusion, the barriers of women entrepreneurs are rooted in the informal institutions because the social norms define the roles of female entrepreneurs and constrain their possibilities to invest their time to improve their businesses. Moreover, the patriarchal values subordinate women to men generating the lack of support in the business activity. These barriers affect the accumulation of human, psychological, physical, financial and social assets influencing the ability to transform the agency into action.

4.2.2. Enablers

The enablers are considered as those factors that operate to make a positive influence in the accumulation of assets and more importantly in the level of empowerment. Two factors were found as enablers: family support (social asset and informal institutions) and level of education (human asset). The family support refers to the acceptance and participation of the husband and children of the women entrepreneurship. In almost every case, children help their mothers in the business. Because the social norms in Lima point to women as being responsible for childbearing, they take their kids to the business from when they are babies. When the children grow, they start helping collecting the money, washing the dishes, cleaning and so on. Children usually help right after their school or after finishing homework. This assistance is precious for women since it is not only helpful but they feel accompanied.

Concerning the relations with their husbands, few women mentioned that their husbands support their entrepreneurial activity. However, the ones who claimed this, revealed important facts. Because of the rooted gender roles in Lima's society, it took some time for husbands to accept women's activity. It was not an automatic process, it is a process of transformation. Women expressed that their husbands came along with them because

they were jealous, however, when they realised how good the business was, they stopped criticising them. This result corroborates the ideas of Hays and Mitchel (1999) who suggested that men can be partners and husbands, but they need to “learn” to appreciate women’s capacity to generate incomes and change their perception of women as the competitors. Whenever women have this support, their ability to aspire (psychological asset) can increase as well as the social assets. With safe and stable social relations at the household level they can envision a better life and feel more confident.

“There is nothing that impedes that I can accomplish my goals, I have the support of my family, I have how to improve my business... my husband support, my work and the support of my mother-in-law, we help each other” (Carina Santiago).

The other enabler is women entrepreneurs’ education. From the women interviewed, 90% of women who finished at least secondary level affirmed that they did not suffer from violence and in contrast, they received the support of their husbands or partners on their businesses. The level of education as a human asset helps women to have more confidence and better relations at home. It confirms what GEM (2015) suggest that women have less fear of failure due to stable social relationships. These results seem to be consistent with the affirmation that the human asset and social asset are enablers for the business activity. Both assets can influence the accumulation of other assets such as the psychological asset. However, there is a process of transformation behind the informal institutions (social norms) that provides the environment for better social relations at the household level.

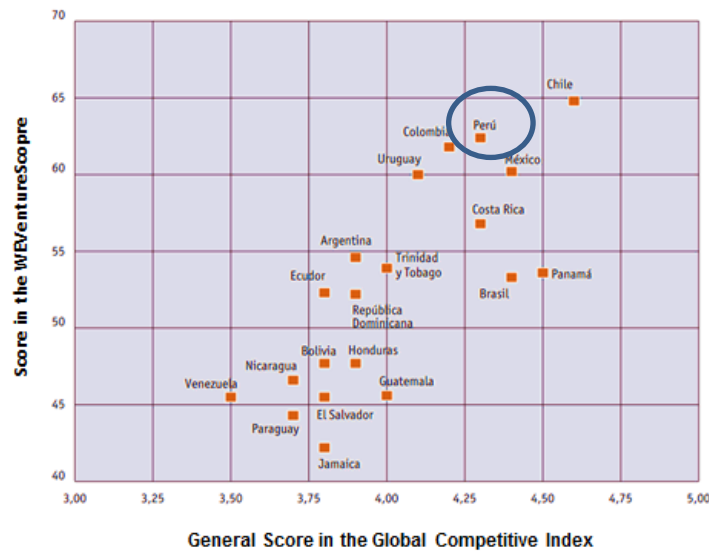
4.3. Level of empowerment of women entrepreneurs

The sections above measured the assets and institutions in the context of women entrepreneurs which are the prerequisites to empowerment according to Alsop-Bertelsen-Holland (2006). However, not everyone can translate their asset into effective agency because the opportunity structure can limit the expansion of choices. This section will analyze the level of empowerment of women entrepreneurs based on the assets and institutions. It will use the three measures that Alsop-Bertelsen-Holland suggests: i) whether an opportunity to make a choice exists (existence of choice), ii) whether a person or group actually uses the opportunity to choose (use of choice) and, iii) whether the choice brings about the desired result (achievement of choice).

i) Whether an opportunity to start and run a business exists

This degree of empowerment evaluates if there is the existence of choice for women to become entrepreneurs and to start or run a business. Focus will be in the business environment, including financial access and the social norms. First, it was revealed that Peru is considered one of the countries with the best environments for women entrepreneurs (Figure 10). WEVentureScope (2013) points out three factors responsible for this: the strong business networks, technical support programs from government and the third sector, and the stable macroeconomic environment. However, in this research, women commented that they do not belong to any network. The business networks work for bigger economic units, such as small businesses that see tangible benefits from participating in these networks. Although, the business network does not apply to microbusiness, the technical support from the government is appreciated by women entrepreneurs. Peru was chosen as one of the Latin America countries that have the largest training for women micro entrepreneurs² by the Inter-American Development Bank. Moreover, the Peruvian government has launched National Programs to support the creation and operation of microbusiness since 2010. The local governments in partnership with the third sector and the private corporations are also funding and designing entrepreneurial development projects.

FIGURE 9: General Score of WEVenture Scope vs. General Score Global Competitive Index



Source: WEVentureScope (2013)

² 100,000 women received training in business skills from 2010 to 2013.

Regarding financial access, it was discussed that the opportunities for women entrepreneurs are increasing, especially from microfinance institutions. Although the level of penetration is still low, there are also other options in the informal channel such as “panderos” and “polladas” having access to capital. These findings suggest that there is an opportunity for women to start and run a business favored by the economic environment and the development of microfinance institutions. At this point it should be remembered that women in Lima start a business because of economic necessity, not because they see an opportunity in the market. However, the environment supports microbusinesses at least in the set-up phase but does not necessarily ensure the business sustainability. For instance, 26% of women microbusinesses are condemned to failure or small success because they start the business from economic necessity (GESTION 2015). Despite the failure, it can be concluded that in the market and state domain there are feasible opportunities for women to start and run microbusiness.

This first degree of empowerment for women entrepreneurs (existence of choice), nevertheless, can be blocked for some women who cannot exercise choice due to the social norms at the household level. The survey and interviews show how some women have to negotiate with their partners to start their business. This suggests that there is a group of women in Lima who could have had the resistance of men who claim that women should stay at home taking care of domestic tasks. This is an example of how women may be empowered at the state and market domain because of the business opportunities but since they could not enhance their agency at the household level they did not even have the choice to take advantage of the opportunity structure. Certainly, the informal institution acts as a barrier for women who could acquire the first degree of empowerment.

The first main finding regarding the level of empowerment is that in Lima there is the existence of choice for a women entrepreneur to start and run a microbusiness supported by the market (microfinance institutions) and the state (business programs). Nevertheless, the social norms impede the decision making and freedom of women to start a business preventing them to develop the first degree of empowerment.

ii) Whether women use the opportunity to start and run a business

The second degree of empowerment refers to the use of choice of women entrepreneurs in relation to how women run their business using their assets and the opportunity structure once they decided to start a business. It was concluded that the level of assets of

women entrepreneurs is low. Mainly, the low levels of human, psychological and social assets produce a very weak bargaining power with their partners when they are running the business. The data confirm that most of the women prioritize the wellbeing of their family more than their own (Agarwal, Humphries and Robeyns 2013) and that the main reason for running a business is to provide a better future for their children. As a consequence, the business is an act of survival and the possibilities to increase the level of empowerment are restricted. However, from this point, two patterns of women entrepreneurs can be differentiated: the passive victims and the active agents.

The passive victims are the entrepreneurs who have problems, needs and low levels of human, psychological and social assets. They use the choice of being entrepreneurs only for income generation. Their capacity to aspire and achieve personal goals does not go beyond the act of survival which results in the business remaining small. Moreover, as it was presented, if they have the option to close their business because their partners can improve their incomes, they will do it. In these cases, the microbusiness is not the driver for women's empowerment. The main constraint for women to use their choice to transform it into effective action is the social norms embedded in the informal institutions. The operation of these informal institutions influences the ability of women to make purposeful choices and use the opportunities in the formal institutions, such as the access to financial assets and business training.

Entrepreneurs who are passive victims make the choice to start a business based on "adaptive preferences" which are preferences formed by an unconscious process (Elster 1983). The unconscious process is generated because of the relation of subordination that women experience at the household and community level. For this reason, women underinvest in their own human capital (Becker 1995) and even when they have a business, they do not see themselves as entrepreneurs and the potentials of having an economic unite. As Nussbaum (2000) points out, the internalization of women as a second class actor perpetuate their disempowered status. The asset that plays the most negative role in disempowered women is their psychological asset. The data show how women who see their business as a survival strategy have a low capacity to be ambitious in this regard.

The active agents, in contrast, use the microbusiness as an empowering strategy to accumulate more assets (human, financial, social) and challenge power relations. Women entrepreneurs who demonstrate high levels of psychological asset, as the capacity to accomplish specific goals, transform the social relations in the household level. Most of

them claim that their partners did not support them at the beginning of the business but after a certain period, they accepted that their wives can work and generate income. The second degree of empowerment can be seen in this group of women who change the power relations at the household level. Entrepreneurs redefined the roles of women from homemakers to economic providers and active participants in the market. Besides generating income for the family, the active agents look for independency which goes beyond the family, they also think of themselves and their capacities, which help them to build their own identities. In this way, women are conscious of the level of assets they have, such as education, savings, and use them to accumulate more assets.

The changes in power relations at the household level could have been blocked by institutional resistance or inertia (Alsop-Bertelsen-Holland 2006). However, the case of women entrepreneurship in Lima is different. The private and public sector support the process of women's empowerment by providing financial and technical support. Therefore, challenging the power relations was a process that involved the micro and macro level, which can make the empowerment more sustainable for women who choose the pathway of entrepreneurship.

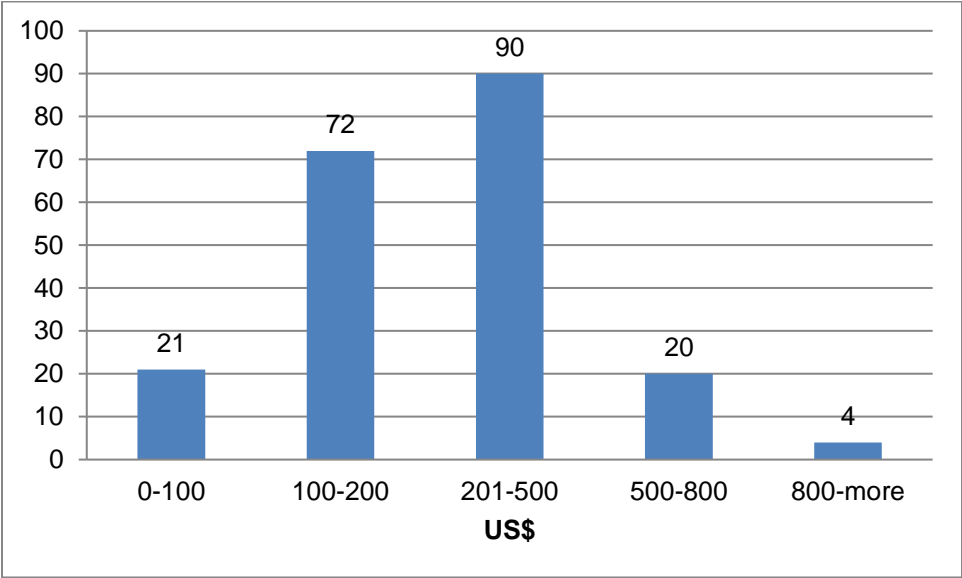
iii) Whether the choice to be entrepreneurs bring the desired result

This section discusses the achievement of choice that women entrepreneurs have. The outcomes of entrepreneurship to be examined are the income generation, job generation, and the capacity to aspire. It is important to mention that the three degrees of empowerment are not treated as a continuum. According to Alsop-Bertelsen-Holland (2006) each degree has to be considered on their own merit because it would be too simplistic to understand a degree as the effect of the previous. Especially in women entrepreneurs, there are many factors that influence the existence, use and achievement of choice at different moments of women's life.

The first outcome of entrepreneurship is the income generation. It was presented that the main motivation for women to start and run a business is the income necessity. For this reason, the desired result for every woman is to generate enough income to cover at least basic expenses, the education of their children and improve their house that is at the same time their business. Figure 11 shows that most of the women (90) earn between 201 and 500 US\$ per month which in average is the minimum wage in Perú. Despite the low assets and the constraints from the informal institutions, women reach an important income that

allows them to have more influence at the household level. Women comment that they use the incomes to pay their children education and some basic expenses. When students in Lima finish the secondary level, there are few public universities and chances to enter them. Therefore, with the incomes from entrepreneurship, women reveal that they can support their children’s dream. Since their husband’s income is not enough to pay for private institutions, women businesses are filling that gap. For this reason, income generation is a powerful tool to challenge the power relations, because even with low levels of human or physical assets, they are developing the social assets.

FIGURE 10: Income generation of women entrepreneurs, number of women, US\$ per month



Source: The Economist (2013)

The next outcome of the entrepreneurship is the job generation. The potential for women to employ large numbers of persons was presented (Lewis 2010). However, the microbusiness analysed do not employ people, only a few of them (5%). Women work with their children before or after they go to college because it is a way they can have them close. The low level of empowerment discussed in the two sections before limit the expansion of the business because women only see themselves as passive victims and underinvest their assets. The result is that most of the businesses are small and they do not need to employ people.

Regarding the capacity to aspire, there are two profiles of women entrepreneurs in this level of empowerment. The first profile of women who see their business as a survival

strategy, demonstrate short term goals such as ensuring their daily bread with their business or through a dependent job. The second profile of women has more medium and long term goals such as improving their business, expanding their business offer and learning new business skills. Women who claim these goals see their business as the mean to accomplish other goals such as a superior education for their children. Moreover, they claim for their own independence and their children's independence. However, women who have long term goals like having a bigger business still prefer to have the business in their house. This shows that no matter the level of empowerment and the capacity to aspire, women prefer to have the business in the place where they can still develop the role of childbearing as their main responsibility.

The discussion above of the three level of empowerment demonstrates how the assets and the structure opportunity can have a great influence in the business and the degree of empowerment if women use this to their own benefit. First, in Lima there is an opportunity to start a business facilitated by the private and public sector. However, because most of the women start their business because of economic necessity, the expansion of assets and the degree of empowerment can be limited. The adaptive preferences based on the social norms create passive victims who do not accumulate more assets and expand the entitlements because of the subordination at the household level. Despite the informal institutions that make women believe they are second class actors, there is a group of women who reach the second degree of empowerment and are actually using her choice of being entrepreneurs.

Finally, the last degree of empowerment, the achievement of choice, demonstrates that women with different degrees of empowerment can reach the desired goals at different levels. Because in Lima there is a good environment to develop a microbusiness, even women with low level of assets and with the influence of social norms can generate incomes and start using it as a strategy of empowerment. However, to continue transforming the social relations, women together with the public and private sector have to continue challenging the power relations.

CHAPTER 5: CONCLUSIONS

The present research focuses on women's empowerment in the microbusiness, the enablers and constraints to start and run a business. The empowerment framework (Alsop-Bertelsen-Holland 2006) was employed to analyse the agency and the access and use of the structural opportunities in the context of entrepreneurship. Women have the capacity to make effective choices and run their business to obtain the desired outcomes. Nonetheless, their ability to make purposeful choices is influenced by the agency, and the level of assets that women entrepreneurs can accumulate. For this reason, Moser's asset vulnerability framework (2009) was used to make a deeper analysis of the nature of assets that women have and employ in their business. The use of mixed methodology, survey, interviews and a focus group, allowed the analysis of the level of assets and the access to the structure opportunities. The education, physical, financial, psychological and social asset were the focus of this research because of the outcomes that they can produce in the business and women's life.

Female entrepreneurs have low levels of educational assets; almost half of them have the secondary level. One of the reasons that impeded women from starting a higher education

is that they get pregnant young, and they have to stay at home. Furthermore, women who have technical education choose careers based on gender roles that society imposes such as secretaries, cosmetologist or cooks. As a consequence, the types of business they choose are concentrated in the service sector, which has little-added value and has significant competition. Regarding the physical asset, most of the women have a home-based business. Another important sector is the street vendors who at the beginning have the restrictions of the local government to use the public space; however, this has changed over time. An important finding is that most of the women will prefer to have the business in their house to be closer to their family. This choice leaves women without enough time to improve their business and limits the potential to have better outcomes.

Regarding the financial assets, a small group of women have a saving account or a loan. They prefer informal channels such as “polladas” and “juntas” because they avoid the administrative costs and the risk of losing their property if they do not pay. The small profits of their business prevent women from accessing the financial system that can offer them opportunities to improve the business. The social norms that create unequal power relations influence the psychological asset of female entrepreneurs. Most of the women who start a business do not see themselves as entrepreneurs or see the good values that bring this choice. As economic necessity is the main driver of women, becoming entrepreneurs is a strategy of survival. The subordination of women and the social norms limit the aspirations of women and restrict their gender roles to the house. However, there is a small group of women who receive the support of their husband with high levels of psychological assets. They gain some sense of economic independence and the capacity to envision a bigger business.

The low level of the social asset in entrepreneurs is influenced by the domestic violence from their husbands or partners that affect their self-esteem. At the community level, it is hard for women to accumulate social assets because they do not have time to participate in the community. Moreover, the society judges women who are outside their houses, claiming that they are gossiping. Nevertheless, there is a group of women who have high levels of psychological assets which are able to accumulate social assets with the support of their families. Regarding the structural opportunities, women entrepreneurs have a good environment in Lima to start a business because they have the support from the national government through educational programs in business and the extended services and products from microfinance institutions. The latter is the primary enabler for women

because the financial market shows more flexibility and specialisation for entrepreneurs. However, one of the reasons that prevent women from accessing the financial system is the social norms based on patriarchal values that designate women as second class actors. The social norms that are part of the informal institutions are the main barriers for women entrepreneurs who face time constraints and family problems.

The analysis of the agency and the structure opportunity allowed for measurement of the level of empowerment of women entrepreneurs. Three degrees of empowerment could be found with the data analysed. The first degree shows that Lima is considered amongst the countries with the best environment for entrepreneurs. Therefore, it can be concluded that there is an opportunity to start a business supported by the microfinance institutions and the support of the government. The second degree of empowerment measures if women can use this opportunity and it was found that there are two groups of women, the passive agents and the active agents. The first group starts a business based on adaptive preferences which perpetuate the unequal power relations between men and women and see the business only as a survival strategy. The second group uses their agency and the structure opportunities to accumulate more assets and challenge power relations. They are transforming the roles of women and using the business as an empowering strategy.

The third degree of empowerment concentrates the entrepreneurs who are achieving the desired results. Most of them are receiving incomes that allow them to cover necessary expenses. However, since most of the businesses are small units, the level of profits remain at the same amount for many years. As a consequence, the potential of microbusiness to employ larger numbers of people is limited. Besides the small units, a group of women with high levels of psychological and social assets show a capacity to aspire to long term goals such as giving superior education to their children or improving their business. In the three degrees of empowerment, the potential of micro businesses as a mean for women's empowerment is limited by social norms, particularly the patriarchal values at the household and community level. The removal of these barriers is critical for the accumulation of more assets and the use of the formal institutions to improve the businesses.

Measuring and analyzing women's empowerment in the context of microbusiness have some limitations. Firstly, measuring empowerment needs to capture a social process and changes that are difficult to quantify (Uphoff 2005). The present study did not attribute cause and effect to the phenomenon. Further research should study the phenomenon

exploring the changes in power relations and the effects through the time in every individual case. The reason to avoid generalizations is that every woman may have different experiences of empowerment or disempowerment because of the social actors they interact with.

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APPENDICES

APPENDIX 1: Survey of women entrepreneurs, Lima, Apurimac

1. Characteristics of household members

1. What is your civil status?

- a. Single
- b. Married
- c. Cohabitant
- d. Divorcee
- e. Widow

3. What is your educational level?

- a. No level/Initial level
- b. Incomplete primary
- c. Complete primary/Incomplete secondary.
- d. Complete Secondary/Incomplete superior
- e. CompleteSuperior level

4. Who is the head of household?

6. How many member the household has?

- a. Seven or more
- b. Six
- c. Five
- d. Four
- e. Three
- f. Two
- g. One

7. Last week, how many members older than 14 had a job?

- a. None or two
- b. Two
- c. Three
- d. Four or more

8. Who decide this?

- a. Yourself
- b. Husband
- c. Son/daughter
- d. Father/mother
- e. Other _____

- a. How the money is spent _____
- b. Buying groceries _____
- c. Buying furniture, electrodomestics _____
- d. Children education _____
- e. Family outings _____

5. How much is your family income?

- a. No income
- b. [1 – 100 soles [
- c. [100 – 300 [
- d. [300 – 600 [
- e. [600 – 1200 [
- f. [1200 – 2500 [
- g. [2500 soles a más [

II. Characteristics of the house

9. How many bedrooms to sleep?

- a. None
- b. One
- c. Two
- d. Three or more

13. What cooking fuel do you use?

- a. Coal, kerosene
- b. Firewood
- c. Gas, electricity

10. What is the material of the walls?

- a. Light material: mat, thatch, adobe
- b. Resistant material: wood, stone, brick, cement

14. Does the house have refrigerator?

- a. No
- b. Yes

11. Does the house has blender?

- a. No
- b. Yes

15. How many TVs the house have?

- a. None
- b. One
- c. Two or more

12. Does the house have mobile phone?

- a. No
- b. Yes

III. Economic Activity

15. What is the commercial name of the business?

27. The business work with?

- a. RUC
- b. RUS
- c. None

16. What is the main activity of the business?

28. What is the legal reason of the business?

- a. Natural person with business
- b. Close corporation
- c. Emp. Indiv. De Resp. Limitada (E.I.R.L)

17. When do you start the business?

Month _____ Year _____

- b. I do not need a credit
 - c. I prefer other channels
 - e. I do not have for the warranty
 - f. I do not have the required documents
 - g. I am afraid to lose my business
 - h. The formalities are long and expensive
 - i. Otros
-

37. Which entity did you apply the credit to?

- a. Bank
- b. Municipal Bank
- c. Rural Bank
- d. Cooperative
- e. Micro Financel Institute
- f. Family
- g. Friend
- h. Pandero
- i. Other

38. What was the amount of the credit?

- a. [Less than 100 soles [
- b. [100 – 500 soles [
- c. [500 – 1000 soles [
- d. [1000 soles or more[

39. How many credits did you apply for?

40. Do you have a saving account?

- a. Yes
- b. No

41. Where do you save your money?

- a. Bank
- B. House
- c. Other

42. Why are you saving money for?

- a. Any emergency
- b. My childrens education
- c. Any medical situation
- d. For my business
- e. Other _____

N°	Name	Family Name	ID	Phone	Address	Age
1	Mayra	Torres Fernandez	44967513		Mz B Lote 4 Nuevo Pucusana	27
2	Haydee	Canchaya Canchaya	33818711	951 358 658	Mz D Lote 6 Lomas de Marchand	39
3	Susana Maria	Mamani Llano	04626799	953 675 585	Malecon San Martin Mz1 Lt 7 Pucusana	49
4	Miriam Ruth	Castro Nuvua	25796471	989 853 981	Jr. Ucayali Mz 31B Lote 6 Pucusana	47
5	Victoria Angélica	Rivera Quispe	07895145	971904007	Av. Circunvalación Grau	38
6	Gloria Esmeralda	Cornejo Marcial	44376510	998 622 632	Av. Manco Capac 313 Int 4 Pucusana	39
7	Irma	Agapito		430 9113	Alfonso Ugarte 604 Pucusana	66
8	Abelina Sonia	Ñaupá Santiago	45939471	998 752 649	Cruz Alta Grano de Oro	45
9	Juana del Socorro	Guzman Zapata	02794347		Malecon San Martin 579	45
10	Carmen Rosa	Mayuri García	42991353	995 341 390	Grano de Oro Mz R1 Lote 7	29
11	Carina Santiago	Min Chang	44858562	986 867 943	Grano de Oro MZ V Lote 8	26
12	Margarita	Masa Huamán	80483919	990081273	Grano de Oro Lt 2 Mz O prima	40
13	Claudia Milagros	Guerrero Maldonado	42629064	988 326 208	Pasajee Canado Lt 1 D1 Parte alta	32
14	Yvonne	Castillo	48117365	994 321 007	Benjamin Doig Mz C Lt 6	22

APPENDIX 1: Profile of Women entrepreneurs in Perú

Age of women entrepreneurs, Lima

Age	%
-/30	28.8
31/40	22.6
41/50	21.9
51/60	15.3
61/+	60

NR	5.3
Total	100

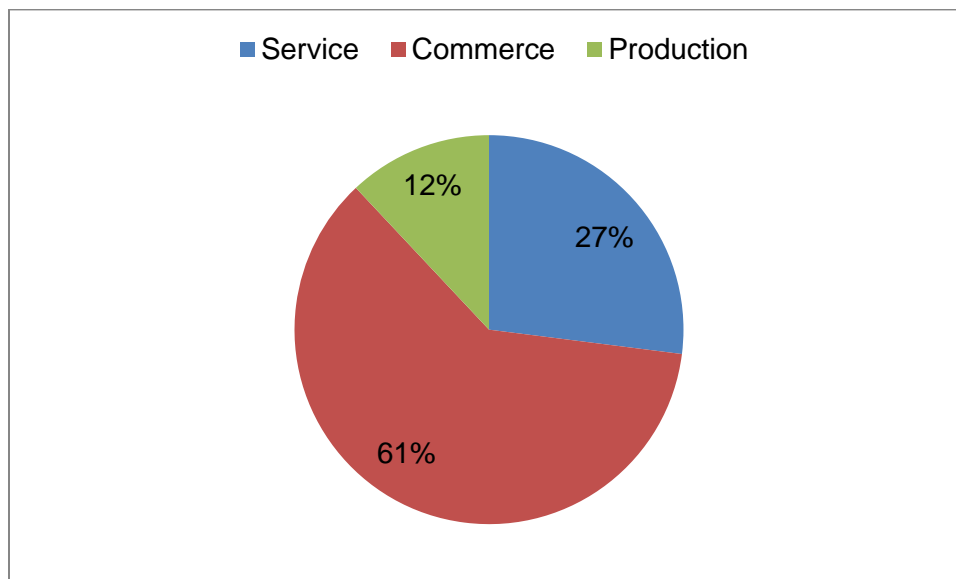
Source: SWEF (2014)

Level of education of women entrepreneurs, Perú

Level of education	%
No formal education	2.7
Primary level – Incomplete	8.8
Primary level - complete	15.3
Secondary level – incomplete	9.7
Secondary level – complete	26.9
Technical education – incomplete	10.2
Technical education – complete	15.1
Superior education – incomplete	4.5
Superior level – complete	6.8

Source: SWEF (2014)

Business activity of women entrepreneurs in the formal and informal economy, Perú.



Source: Elaborated by author, based on SWEF (2014)

Investment of profits according the level of education, %

Investment	% Total	Level of education				
		No formal education	Primary Level	Secondary level	Technical level	Superior level
Maintain/Improve the business	43,9	39,7	40,7	42,8	46.2	47.9
Education of children	28,9	23,2	30	29	28	25.2
Improve the house	16,8	28,7	19,3	17,2	15.3	15.1
Health insurance	3,9	5,3	4,9	3,8	3.8	5,2
Studies	3,2	2,1	1,8	4,5	2.8	2.8
Investment in other business	0,5	0,6	0,6	0,5	0.5	0.7
Saving	0,8	0,0	0,7	0,8	0.7	1.5
Pay loan	0,9	0,0	0,9	0,3	1.1	1,4
Personal Expenses/Family expenses	1,1	0,4	0,8	1,1	1,3	0.2
Trips	0,1	0,0	0,3	0,0	0,3	0,0

Source: Elaborated by author, based on SWEF (2014)