Male/Female social gender segregation and its impact on business sector choice in enterprise development: A study of entrepreneurship in Northern Cyprus

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ABSTRACT

The choices that the nascent entrepreneur makes in selecting an industry sector and an enterprise may be heavily swayed by the cultural ad social norms of the environment surrounding the entrepreneur. Male/Female social gender segregation has long persisted in the Turkish Republic of Northern Cyprus, a phenomenon that has not received much attention in the existing body of academic literature. The objective of the research is to analyse the depth of social gender segregation and its influence on entrepreneurs in their choice of enterprise.

Social gender segregation within the Turkish Republic of Northern Cyprus can be distinguished from that found in the rest of the world in that the TRNC has existed in political isolation since 1974 and as such the female population has encountered significant barriers to achieving legal equality.

Turkish society is a blend of Western and Eastern cultures, as such it has inherited the gender segregation of its Islamic neighbours. Gender segregation is very strong in village society, where typically men and women do not mix outside the family home. Although city life may appear to an outsider as similar to life in any modern European city, gender segregation still persists behind the scenes. Women's lives are lived separately to men's.

It is the purpose of this research to establish how strong an effect this gender segregation on women as nascent entrepreneurs attempting to choose their appropriate business sector. With reference to this, the findings of a large quantitative survey are represented and discussed in the paper.

INTRODUCTION

"The problems of female entrepreneurs" is a developing research topic in the literature of entrepreneurship research. One might assume that female entrepreneurs in strongly patriarchal society would have additional problems to the female entrepreneur of Western Europe. The Turkish Republic of Cyprus is a non-recognised state, and suffers from trade embargoes, further escalating the problems for all entrepreneurs in this de facto state. Female entrepreneurs in the region also need to adhere to strong social norms and traditions, in particular the reality of social gender segregation. This paper attempts to acquaint the reader with the notion of female entrepreneurship within unique social and economic constraints, and to identify how these factors affect the female entrepreneur in the selection of her enterprise’s business sector.

The Nascent Entrepreneurs And Business Sector Choice

In the academic literature on entrepreneurship there has been an increase in the research on the nascent entrepreneur and the business formation process (Lawrence & Hamilton 1997), with many researchers contemplating the motivation of these nascent entrepreneurs, and the importance of push factors and pull factors in their decision to become an entrepreneur (Cromie 1987; Noorderhaven et al. 2002; Orhan & Scott 2001).

Initially, Cromie (1987) proposes that women are dissatisfied with their career progression, and wish to have a role where they have flexibility to be able to perform as a worker and as a mother. Later, Lawrence and Hamilton (1997) also pose the push factors of career dissatisfaction and unemployment, but include the pull factors of the rewards of self-employment such as autonomy and independence, plus achievement and the desire to exploit a market opportunity. From all the push and pull factors identified by Lawrence and Hamilton (1997), in a twenty year longitudinal study of female entrepreneurs in New Zealand, they discovered that the main reason women started a business was, and remains, to exploit a commercial opportunity. The second and third most important pull factors were founder independence and creation of wealth respectively (Lawrence & Hamilton 1997).

In the same year the research team of Buttner and Moore (1997) also reported that pull factors are more important to the female entrepreneur, particularly where there were gender barriers to their career progression in

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regular employment. Buttner and Moore (1997) calculated that the highest pull factor was "seeking challenge", followed by self-determination. In contrast, Batory (1997) in the same timeframe reported that "women are motivated by the same need for money and desire" as men.

In Canada, research on female entrepreneurs in that region found that the top three reasons for women becoming entrepreneurs was the desire for independence, involvement in a family business and lack of available work (Hughes 2003). More recent research by Mattis (2004) suggests that flexibility is still the most important aspect to female entrepreneurs in their decision to become a business owner, with the female entrepreneur expecting the flexibility to help in their child care arrangements. Mattis (2004) reveals that these female entrepreneurs are not looking for reduced hours in their working week, but for more control over the hours that they do work. Winn (2004) in a study of female entrepreneurs in the same year discovered that most of the women in her study believe that business ownership is not compatible with raising a family.

Other research in the related fields of the pool of potential entrepreneurs has been carried out by Krueger and Brazeal (1994). Douglas and Shepherd (2002) tried to capture the essence of why an individual selects entrepreneurship as a career path, while Orhan and Scott (2001) paid particular attention to why women would choose entrepreneurship as a career.

Many articles have been interested in the gender differences between female and male entrepreneurs, including the gender aspects of forming a business (Buttner & Moore 1997; Cromie 1987; Orhan & Scott 2001), to the actual formation of the business (Ljunggren & Kolvereid 1996) with some researchers concentrating on the gender differences in the potential for entrepreneurship (Mueller 2004).

There does not seem to be a consensus of opinion in the past twenty years of researching the motivation for women to become entrepreneurs, and it may be acceptable to think that in each region of the world, differing economic conditions, different perceptions of the acceptability of entrepreneurship as a career, differing levels of education, the glass ceiling, and the promotion of the idea of women as entrepreneurs will all have an effect on the motivation of a woman to seek out entrepreneurship as a career.

**Business Sector Choice And The Female Entrepreneur**

Focusing on the actual business sector choices available to women, the business sector choice chosen by female entrepreneurs appears to be determined by the sector that they envisage has the least obstacles to success, or the "easiest". The most popular sectors are those with low technical barriers such as garment construction or retailing (Carter et al. 2001). In addition to those sectors that have a low threshold of technical expertise, are those sectors that are found to have low start up costs, and little experience of management needed (Brush 1992). However, Carter et al (2001) continue that there is not a perceived conscious desire to set up a business that is essentially and uniquely female in orientation, but simply to get going with a business that is easy to set up. Birley (1989) adds that the business sector choice is also influenced by how flexible the working hours of that business are perceived to be. It may also be considered that some female entrepreneurs deliberately seek out business sectors where they feel that they would not be in competition with male entrepreneurs. One research team has noted that female entrepreneurs are more likely to choose a business sector where the female entrepreneur herself feels there is a greater expectation of success, even though the financial returns may not be as high as other possible business sectors (Davis & Long 1999). In the USA, the prevalence of female entrepreneurs to select a business sector in a low-level service industry has given them the moniker "Pink Collar Workers" (Bachrach Ehlers & Main 1998).

A three year study of both male and female entrepreneurs in the UK led to the discovery that whatever the business sector chosen by the entrepreneur, women were far more likely to start that business from scratch, whereas men were more likely to have inherited a business from their father (Rosa & Hamilton 1994).

Many types of female entrepreneurship were ignored in the early academic body of literature on entrepreneurship, especially any home based work such as catering or laundry services. These types of business sector were seen as an extension of "women's work" at home rather than a career that needed investigation. Later, it was acknowledged that in order to form a broad picture of women's entrepreneurship and the business sectors they work in, all enterprises must be considered in the research data (Hurley 1999). It has also been noted that the ideas for business sector choice and individual enterprises are often drawn from the woman's experiences as a home maker, such as child minding services, personal shopping, party organizing, and catering in general (Birley 1989).
More recent research focuses on the “Glass Ceiling”, a quasi-barrier that prevents women from reaching the higher echelons of management within an organisation, and take their management skills to their own enterprise (Mukhtar 1998; Shonesy & Gulbro 2000; Carter et al. 2001; Sonfield et al. 2001; Lerner & Almior 2002).

**State Enforced Gender Segregation And Entrepreneurship In The Middle East.**

While Western female entrepreneurs have reported obstacles to their success in the body of literature, it must be easy to imagine that the female entrepreneur in the patriarchal societies of Eastern Europe, the Mediterranean and the Middle East have even more obstacles in their way.

The body of literature on female entrepreneurship in the Middle East is very limited. A study by Dana (Dana 1999) focusing on small business in Israel had little to report on in terms of female entrepreneurship, except to define the differences in social norms for Jewish and Arab Israeli women. Jewish women, as a result of the kibbutz movement where they are expected to participate equally in the work of the kibbutz, and have been emancipated and have equal opportunity to pursue a career as an entrepreneur. Arab women, on the other hand, are not expected to have any dealings with men outside the extended family, which would seriously inhibit any desires they may have to create an enterprise.

In 2001 a report on the informal employment in the Occupied Palestinian Territories refers to the women's labour force being very low, and as such not very different from any other Middle East country (Esim & Kuttab 2001,8). Palestinian women are reported to be a small number of sectors, and within those sectors in a smaller number of jobs, such as teaching, nursing, and public sector employment (Esim & Kuttab 2001, 8). 15.5% of working women are classed as employer or self employed (compared to 25.8% of men) (Esim & Kuttab 2001, 9). In the Gaza Strip there are women's micro enterprises in the sectors of dairy products and handicrafts (Esim & Kuttab 2001). 10. However, many Palestinian women chose not to register their self-employment (up to 70%) (Esim & Kuttab 2001,13), and work mainly in commerce or services (Esim & Kuttab 2001,20).

More recent research in Oman specifically details the barriers that exist for female entrepreneurs in Muscat (McElwee & Al-Riyami 2003). Women in Oman are subject to social norms, some of which are legally upheld, in their patriarchal society, which severely restricts their ability to create and operate enterprises. In Arab society the family is at the core of society, and consciousness of one another's families, their members, and their status is at the center of their political, economic, social and religious life. While the woman's role as wife, mother, and upholder of the family, it is indeed challenging for an Omani woman to work at all. Support services such as nurseries are in limited supply. McElwee and Al-Riyami (2003) found that one of the factors directly relevant to the success of a female entrepreneur was the support of her family and of her husband. In fact, husbands were found to play an important role in gaining finance for the enterprises by doing all the necessary administration and visiting all the necessary ministries on the wife's behalf, and in gaining finance from a bank.

Female entrepreneurs in Oman may have fewer difficulties with the work/home role conflict, as all the entrepreneurs interviewed by McElwee and Al-Riyami (2003) had full domestic helpers. This cultural difference exists as domestic labour is relatively cheap in Arab nations, and a social norm for middle class households. Again, because the female entrepreneurs were of a relatively high social and economic status, their motivations were different from many Western female entrepreneurs. These female entrepreneurs were motivated by role models, rather than a need for money. They did it do gain autonomy (McElwee & Al-Riyami 2003).

Similar to many female entrepreneurs in the Western world, the researchers discovered the majority of the women's businesses were concentrated in the service industry (McElwee & Al-Riyami 2003). One major difference in Oman, compared to Western nations, was in the administrative systems of the various government agencies. Because of cultural norms, separate queues exist for men and women in the ministries. However, as the number of women requiring the services is low, it can be seen as an advantage for women as they rarely need to queue for services (McElwee & Al-Riyami 2003).

McElwee and Al-Riyami (2003) found that while the demographic profiles of the female entrepreneurs fitted in with the findings of other researchers into female entrepreneurship, because of cultural differences the personality of their female entrepreneurs did not fit the typical Western myth of the entrepreneurial hero or maverick.

Recent developments in Saudi Arabia, however, may be the beginning of a huge change in gender segregation and the future of entrepreneurship in the region. Changes are happening which are opening the doors...
of the working world to women, and to the economic freedom that may empower them. The Saudi people are beginning to realise that keeping their wives and daughters at home is a large waste of talent and resources, considering that half of all university graduates are female yet only 5% of these are working (Whitaker 2006). Some charity funded projects have opened factories for needy women to find employment, in a “man-free” environment (Whitaker 2006). Although still hampered by laws that prohibit women from driving and voting, women are now able to hold their own identity cards, and travel restrictions have been eased (Whitaker 2006). More importantly in the realm of research on female entrepreneurship, they can now register businesses without needing a proxy (Whitaker 2006). Women are a strong financial force in Saudi Arabia, holding 60% of company shares in the kingdom, with $25 billion in bank accounts, and all of this could be invested in new female businesses (Whitaker 2006). However, while 70% of the female workforce are in education and medicine, only 1% go into business (Whitaker 2006).

Saudi society appears to be facing radical changes in its social norms, as girls and boys are seen openly “dating”, at odds with the country’s law enforced sexual apartheid (Whitaker 2006). Women won 2 of 12 seats at the first mixed elections for the board of Jeddah’s Chamber of Commerce (Whitaker 2006).

Social Gender Segregation And Entrepreneurship In Turkey

Since the new Civil Code in Turkey in 1927 women in Turkey have been emancipated. However, in this strongly patriarchal society, gender issues continue to be important cause for concern there, especially issues such as “honour killings”. Social gender segregation is a phenomena that continues in people’s lives today, especially in the more remote communities.

Very little research has been completed on female entrepreneurs in developing countries (Hirsch & Ozturk 1999), and the number of female entrepreneurs in Turkey is extremely low, making up 8% of the total number of self-employed (Ozar 2002). The motivation for Turkish women to start an enterprise has been found to be the same as their Western contemporary sisters, with independence and achievement being cited as the most important motivations (Hirsch & Ozturk 1999). The problems of female entrepreneurs in Turkey was, however, discovered to be of a different nature to Western female entrepreneurs, with the most frequently mentioned problem mentioned being finance and attainment of a loan, followed by problems recruiting and hiring personnel, involvement with business colleagues, and a lack of managerial experience.

However, although many problems have been reported for Turkish female entrepreneurs, there are also many positive developments to be attained from pursuing entrepreneurship as a career. Research in Ankara found that female entrepreneurs benefited from a perceived high social status in the community, and this had a positive effect on their economical well-being (Ufuk & Ozgen 2001). This research team reported that the problems reported by their respondents included the excessive expectations of family life with reference to the “work/home conflict”, and continual tiredness (Ufuk & Ozgen 2001, 95). One of the more interesting points developed by Ufuk and Ozgen (2001) is that they found the female entrepreneurs concerned that their career choice as entrepreneur set them as going against the norms of society. This has further resonance when one reflects on the patriarchal societal structure of Turkey, where upholding family life and traditions is considered to be essential to the well being of the whole of society, a society that is based on collectivism as opposed to the Western ideals of individualism. The work/home conflict becomes a great source of stress for the Turkish female entrepreneur as she struggles to be the perfect wife, mother and homemaker.

More recent research in the Adapazari region of Turkey found that respondents believe their business sector choices to be very limited (Ozen Kutunis & Bayraktaroglu 2003, 8). In addition to these restrictions, the women surveyed felt they had great role conflict, yet stressed that their families, husbands, and children were very important to them, and that their entrepreneurial activities should not prevent harmony in their home life (Ozen Kutunis & Bayraktaroglu 2003, 8).

Social Gender Segregation In Northern Cyprus

The Turkish Cypriot culture has evolved from mainland Turkish culture, yet it can be viewed as a blend between Western and Eastern cultures. Cyprus itself has a colourful past, with control of the island passing between Hittites, Egyptians, Assyrians, Persians, the heirs of Alexander the Great, the Roman Empire, the Byzantine Empire, Richard the Lionheart (King Richard I of England), the Knights Templar, Frankish Lusignan dynasty, Venetians, the Ottoman Empire, the British Empire, through to independence from Britain in 1960 (North Cyprus 2003).

The Turkish Cypriot population is mainly derived from a settling of mainland Turks following the Ottoman conquest of Cyprus in 1571. It is believed that some 5,720 households left Turkey from the Karaman,
Icel, Yozgat, Alanya, Antalya and Aydin regions of Anatolia to migrate to Cyprus, and that these migrants were largely farmers but included a contingent of craftsmen. In addition to these 36,000 soldiers stayed after the conquest (North Cyprus-Demographic 1991).

The Turkish Cypriot community remains on Cyprus to the present day, although the inter-communal conflicts of the 1960s and in particular events of 1974 have seen migration of Turkish Cypriots to Britain, Australia and America, leaving a small population of around 200,000. It is a patriarchal society at odds with itself, influenced by the ancient Ottoman culture, by the Greek Cypriot community with their unique customs and traditions, and by the British occupation from 1879 to 1960.

One of the most fascinating factors of Turkish Cypriot social life, perhaps not immediately apparent to the tourist or visitor, is its social gender segregation, a throwback to the times of the Ottoman empire and the Sultan's harem. In daily life, outside the auspices of industry or commercial trade, men and women do not mix except within the family home. Women only have social contact with the men from their immediate family, and even then possibly only within the home or for a social event. From the morning, men go out to work, and those women who are housewives stay at home to do their chores. Once the bulk of household chores are finished, women may visit close female relatives and neighbours, or be visited by the same. Men, when there is a gap in their work day, socialise at one of the many cafes that exist solely for the purpose of entertaining male clientele. The cafe society is not just a way to relax, but serves as a meeting place for the male community, a way to hear the news of the day, and to organize their work for the next day (Caretta Caretta 2002). In agricultural communities, it is in the "cafés" that the prices for produce are compared and discussed, and where freelance agricultural workers find out where they may work in the coming days. In village life, women rarely travel outside the village, as in previous generations travel to town was considered suspicious and causes frequent speculation about the need for travel. It is forbidden in many families for young girls to be allowed to roam freely, and arranged marriages are still popular. An unmarried girl is only allowed to be seen in the company of a young man when she is officially engaged to him.

Even though the effects of a patriarchal society are more apparent in village life, the pattern of social gender segregation extends to town and city life. Educated women with careers are still expected to take a full part in their household chores and be a housewife (Ermen 1999).

**Business Sector Choice In Northern Cyprus**

The Turkish Republic of Northern Cyprus is a very small de-facto nation, with a population of 200,000 (TRNC Prime Ministry, State Planning Organisation, Statistical Research Department 1999) giving a very limited domestic market.

A major obstacle to the entrepreneur in today's North Cyprus is the economic climate. The political isolation of the region since 1974 has lead to a depressed economic climate, with high uncertainty and instability. The economy of TRNC has the characteristics of an island economy with limited resources. Large amounts of economic aid come from Turkey, approximately $300,000,000 per year. There is no heavy industry, some light industry, mainly in food and beverages, textiles and clothing. Agriculture is still an important sector, and there are new important sectors such as tourism and education (North Cyprus-Economic 2002). Recent events affecting the economic climate have been the Gulf War, giving a negative growth rate in 1991, and a financial crisis in Turkey, which also led to negative growth in 1994 (Bicak 1997).

Northern Cyprus imports most of its consumables. However, unlike the Republic of Cyprus, it cannot export its many agricultural and textile products. As a country that is not recognized by any international authority except Turkey, Turkish Cypriots have not been able to legally export goods anywhere except Turkey. Its exports are subject to embargo (Ministry of Foreign Affairs and Defence Public Relations Department 2002).

The trading account continues in deficit and is offset by invisible earnings, mainly from tourism, foreign aid, and development loans (mainly from Turkey), capital inflow, and income derived from the Sovereign Base Areas and the U.N. personnel (North Cyprus-Economic 2002).

The bleak economic climate has been exacerbated by international embargoes: The economic embargo, depriving the country of most sources of foreign investment, aid, and export markets, has taken a toll on infrastructure and productivity. As a result, growth rates and per capita income lag far behind South Cyprus (Guven-Lisanler & Rodriguez 2002).
In 1996, per capita GDP in the TRNC was estimated at $3,000 U.S., compared to $13,000 in the Republic of Cyprus (Dana & Dana 2000). In 2003 this had risen to $4,630 in the TRNC, and to $14,963 in the Republic of Cyprus (Manning 2004).

Since a referendum in April 2003 did not achieve reconciliation on the island, Turkish Cypriots remain isolated; even through many promises of help have been forthcoming from the European Union. The free trade envisaged by many of the “YES” voters in the referendum has failed to materialize. Although some trade has started between Turkish Cypriots and their Greek Cypriot neighbours, it is very limited, making CYP £304,570 from January to April 2005 (Turkish Cypriot Chamber of Commerce 2005).

Political uncertainty remains one of the most serious factors for lack of investment in the region. In addition to this, there are many property issues that have not been solved, and investors are reluctant to invest into projects that could be on property to be returned to Greek Cypriot ownership at some future date.

The sum total of all the above factors pertaining to the Turkish Cypriot community’s economy is that there are severe restrictions in opportunity for entrepreneurs.

Entrepreneurship In Northern Cyprus

Some 56% of the working age population works (Thompson 2005). There is a much-neglected infrastructure, due to the lack of investment over the past 30 years, which also inhibits the operation of enterprises. 95% of private sector organizations are small to medium size enterprises, and 88% of employees employed in the private sector are employed by these small and medium sized enterprises (Tanova 2003). Within these enterprises it is typical for the entrepreneur to employ family members, as they feel obligated to employ those “less fortunate relatives”, even thought they may be less capable than an outsider (Tanova 2003). 80% of SMEs are sole-ownership or family-owned businesses (Guven Lisanlier 2004).

Female Entrepreneurship And Their Choice Of Business Sector

Within the working age population of women of ages 15 to 64, 40.4% work, compared to 70.2% of men. This can be considered high when compared to figures of 35% in Italy and 39% in Greece (Thompson 2005). However, female self employment is low in the TRNC, deduced to be 13.7% of all working women, and these are reported to be in the business sectors of tailoring, babysitting, cleaners, pharmacists, architects, doctors and lawyers (Thompson 2005).

A Study Of Entrepreneurship In Northern Cyprus

To date there have been no studies into female entrepreneurship in Northern Cyprus. In order to fill this gap in the body of knowledge, a research proposal has been prepared, with the title:

Cultural constraints on entrepreneurship in Northern Cyprus: Male/Female segregation and its impact on business sector choice in enterprise development.

It is the purpose of this research to establish how strong an effect this gender segregation on women as nascent entrepreneurs attempting to choose their appropriate business sector. The research methodology is split into two parts; a quantitative analysis and a qualitative analysis.

The aim of the quantitative research is to discover the realities of entrepreneurship within Northern Cyprus. A survey instrument, the questionnaire, has been translated into Turkish and tested on 10 local enterprises to check its validity and ease of use. Using the block sampling method, the survey instrument will then be administered to one thousand entrepreneurs, from varied industrial and retail sectors, and in a range of geographically diverse settings. The survey instrument is being administered by a drop-and-collect method, leaving a week between the “drop” of the questionnaire and its collection.

The questionnaire contains both personal details and demographic details on the entrepreneurs, and uses Likert-type scales to allow collection of information on the attitudes of entrepreneurs and their perception of gender. The last question of the survey instrument asks female respondents if they are prepared to be interviewed face-to-face for sixty to ninety minutes at a future date. A list will be compiled from those expressing a willingness to participate in further research. From this list, thirty female entrepreneurs will be chosen at random for the qualitative part of the research. The exact questions to be posed in the qualitative analysis will be decided after the collection and analysis of the data from the survey instrument. It is assumed that it is likely to seek more detailed accounts from these participants about their experiences of entrepreneurship; problems they encountered
in starting a business, ongoing problems that they associate with their gender, and suggestions that they may have for prospective female entrepreneurs.

By researching male and female entrepreneurship in Northern Cyprus, the research will, for the first time, give information about the types and variety of entrepreneurship in Northern Cyprus, and some insight into the motivation for this entrepreneurship.

In addition, the second part of the methodology will give an in-depth view on the variety and depth of problems experienced by female entrepreneurs in a heavily patriarchal society. The research will consequently make a significant contribution to the understanding of female entrepreneurship in Islamic nations and other regions where the patriarchal system is socially very strong.

So far the survey instrument has been dropped off to 850 entrepreneurs, with a return response of 287 questionnaires, or 34%. As this phase of the research has not been completed yet, detailed analysis of the data has yet to take place.

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