

ENVIRONMENTAL EFFECTS ON WOMEN-LED SMEs IN ASIA: FROM INSTITUTIONAL PERSPECTIVE

KUMUDINEI DISSANAYAKE

University of Colombo, Sri Lanka

k_dis@hotmail.com

ABSTRACT

Small and Medium-scale Enterprises (SMEs) led by women play a pivotal role in the developing economies. Nonetheless, extant research evince that Asian women-led SMEs and/or women entrepreneurs are still not performing up to their full potential. A range of factors, including institutional environmental forces, play a key role in impeding or expediting the success of women-led SMEs all over the globe. However, Asia shows a unique case due to its inherent socio-cultural, politico-legal and economic conditions those directly affecting the women, their career, and the business environment which are different to the other parts of the globe. Consequently, the macro environmental circumstances those affecting women-led SMEs in the Asian region deserve special scholarly attention. Despite the attempts to unveil institutional influences on SMEs in general, there is a dearth of studies those specifically examined the effects of institutional environment on women-led SMEs. Drawing from the institutional theory, and referring to the existing literature, this study examines the regulatory, cognitive, and normative effects of institutional environment on women-led SMEs. This is a conceptual paper which abstracts a coherent picture of three-fold institutional dimensions activated in the Asia and their effects on women's business. The implications are drawn for policy makers and future researchers.

Keywords: Asia, Entrepreneurship, Institutional environment, Regulatory, Cognitive, Normative, SMEs, Women

1. Introduction

The Asia and the Pacific region contain some of the world's most powerful economies and two-thirds of its poorest people. Rich in political, cultural and other forms of diversity, it faces common challenges from stark socioeconomic disparities, including those linked to gender (UNWOMEN, 2014). Further, UN estimates reveal that over half of Asia's population is women, and they could help the region grow by an additional \$89 billion annually (Weekly Insight and Analysis in Asia, 2013). Especially, in developing economies, women's involvement in economic activities