

# WOMEN'S ENTREPRENEURSHIP AND SMALL BUSINESSES IN RURAL SETTLEMENTS IN THE ISRAELI NORTHERN PERIPHERY

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**Abstract.** This paper examines women's business entrepreneurship in rural, peripheral settlements in Northern Israel. Up until two decades ago, agriculture was the main source of income for rural peripheral households. In recent years, household units in the rural areas have been transforming into multi-functional units, combining agriculture with salaried jobs, as well as with business entrepreneurship. Hence, the entire population, and particularly women, are faced with new challenges regarding employment, income, and professional development. Furthermore, this change requires women to be embedded into new networks beyond the local, traditional ones. This study uses mixed methodologies and relies on quantitative, as well as qualitative, findings which reveal the scope of women's entrepreneurship, its types, locations, strengths, and unique capital characteristics. The findings suggest that women's sources of income in peripheral regions, as well as the types of networks in which they are embedded, are gradually changing. Small businesses enable women, and particularly younger ones, to realize their professional potential. Many of them can be regarded as pioneers, operating businesses and providing services that were unavailable in their region up until recently.

## 1. INTRODUCTION

In the last three decades, rural areas worldwide have been going through some remarkable changes which have affected the structure of the rural population, its activities, livelihood sources, and lifestyle (Long & Woods, 2011; Hoggart *et al.*, 2014). The primary agent of change is the global economy and its increasing penetration into agriculture and the rural area in the form of different cultivation methods and new crops. Modernized agriculture requires less manual labour, the number of active farmers is decreasing, and structural and organizational changes are felt, including the establishment of agricultural corporations specializing in specific crops. Hence, there is a growing need to develop alternative forms of employment and income sources for rural populations (Shamai *et al.*, 2015; Crandall & Weber, 2004; Ben-Dror & Sofer, 2010; Ceccato & Persson, 2002). The once purely-agricultural household is becoming a multi-functional one, relying on a variety of income sources, entrepreneurship being one of them. These processes have led to a conceptual change among farmers, who are coming to see the multidimensional financial potential of their agricultural unit (Greenberg, 2013; Buhalis & Cooper, 1998; Getz *et al.*, 2004; Sofer, 2004; Schnell *et al.*, 2015).

This study examines women's business entrepreneurship in rural, peripheral settlements. The distance of these rural settlements from each other and from large urban centers, the scarcity of roads, and limited employment potential both in terms of variety and scope, challenge women who strive to find a source of livelihood that would suit their training and professional abilities (Adams & Funk, 2012; McLaughlin *et al.*, 2012; Lewis & Humbert, 2010). Entrepreneurship and the establishment of independent businesses are one of the ways to overcome these limitations. This paper will try to point out the unique characteristics of women's entrepreneurship in peripheral, rural regions.

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We will start with a theoretical background and a literature review, exploring the changes in the Israeli agricultural area in recent decades and their effect on the region, as well as global developments in small business entrepreneurship and specifically those related to women. We will elaborate on the distinction between innovative entrepreneurship, which is riskier and uncertain, and process entrepreneurship, which focusses on the improvement of existing products or services. After presenting the research question and methodology, we will make a detailed analysis of our quantitative findings regarding women's entrepreneurship, supported by findings from our qualitative study. We will refer to women's fields of entrepreneurship, their specializations their locations, their characteristics of human capital, and their fund-raising methods. We will further explore women's perceptions concerning the future growth potential of their business and the future growth potential and the uniqueness of their business, as well as the extent to which they are embedded and active in different activity networks. The paper is based on a wider cite this study which examined entrepreneurship in rural peripheral settlements among men and women alike. Here, we wish to focus on women's entrepreneurship.

## 2. THEORETICAL BACKGROUND

### 2.1. Changes in employment and livelihood patterns in the rural areas

The transformations in the rural areas and the creation of the multi-functional household introduce new occupations into this region. The level of a business embeddedness and engagement in activity networks affects its growth potential by enabling access to knowledge, fund raising, inspiration and accessibility of new markets and costumers. Numerous studies have examined the influences of networks embeddedness on the general success of businesses (White, 2004; Kristiansen, 2004). The growing number of women in rural regions who enter the male-dominated business and entrepreneurship sector allows us to explore the characteristics of rural entrepreneurship, and particularly the aspect of gender.

The Israeli agriculture sector suffered a massive crisis during the 1980s for various reasons: international trade agreements signed by Israel which enabled agricultural importation and increased competition (Gabai & Rob, 2000); rising prices of irrigation water (Kimhi, 2006), new technologies and the reduction of manual labour (Heilburn, 2010; Sofer & Applebourn, 2008), and high inflation rates experienced in Israel throughout this decade. The consequences of the crises that last till the present day include the reduction in the number of active farmers and agricultural workers, the establishment of agricultural corporations that specialize in massive cultivation of a limited number of crops and rent plots from independent farmers, increased use of machines and computers, and the development of new, more resistant and fertile species. These changes affected the region economically as well as otherwise. The younger generation abandoned the rural settlements, agricultural cooperative associations were dissolved, the share of agricultural contribution to the households' overall income was reduced, and rural households, which had been based on agriculture, became multi-functional.

On the rural-urban seam, in rural settlements located in close proximity to big urban centers, these transformations led to the repurposing of agricultural buildings for new use in storage, commerce, and industry, as well as to a daily flow of rural residents commuting to and from nearby cities for jobs in the services sector. The changes in rural settlements located further away from the urban centers were different, and included mainly the development of B&Bs, hospitality and tourism businesses, as well as small business entrepreneurship based on agricultural local crops (Greenberg, 2013; Schnell *et al.*, 2015). Some studies spoke as of the influence of these changes in the villages, often creating tensions between residents (Sherman & Kedar, 1993; Kimhi & Rapaport, 2004; Dolev & Kimhi, 2008; Sofer, 2004; Sofer & Sa'adaa, 2016).

## 2.2. Business entrepreneurship as an engine of economic development

Small businesses are an important part of most of the European countries' economy, and of the Israel economy too, both at regional (Jayawarna, Rouse, & Kitching, 2013; Wallerstein, 2011) and national (Bronneskov, 2016; Stephens *et al.*, 2013) levels. More than 175,000 very small businesses (VBS), with up to four employees, are active in Israel today; 51% of them are self-employed businesses, in which the owner is the sole worker. Together they form 35% of the business private sector in the country, employing 11% of the sector's workforce. Freelancers and VBS's annual contribution to the GDP is of 100,529 million ILS – 20% of the business product, and the labour productivity of these two groups together is about 171,759 ILS per employee (Ben Aharon, 2016, 8). This rate is somewhat low compared to the rate in the US, Canada, and the OECD average, and is similar to the overall entrepreneurship rate in Norway, Ireland, the UK, France, Greece, Singapore, and the EU (Singer *et al.*, 2015).

Scholars of small businesses tend to describe any establishment of a business as entrepreneurship, while distinguishing between two types of entrepreneurs. (1) Innovative entrepreneurship, which is characterized by innovative, groundbreaking thinking. Innovative entrepreneurs view their surroundings as a fertile ground for opportunity and recreation; they rely on creative, groundbreaking thinking, and focus on the invention and development of new, original products or services (Benzing *et al.*, 2009; Samila and Sorenson, 2011). This type of entrepreneurship involves considerable risk, as it operates under conditions of uncertainty. (2) Process entrepreneurship, which focusses on the existing processes, or the development of technologies that can improve the quality of existing products or services. Entrepreneurs of this type are normally active in a more certain, secure environment, and their risk level is low compared to that of innovative entrepreneurs (Schumpeter, 1951; Carland *et al.*, 1984).

## 2.3. Women's entrepreneurship

In Israel, the number of small businesses is constantly increasing. Over the past 20 years, small businesses have increased by 3% each year. According to data from the Ministry of State for Economics and Industry, the number of small businesses in Israel was 383,000 and by the end of 2017 there were more than 540,000 small businesses (Ministry of Economics and Business, 2018). Although the rate of female entrepreneurs in Israel is lower than their share in the population – about 20% of the women (Ben David, 2004). Yet, this rate has been gradually rising over the years (Menipaz *et al.*, 2007; Ben Aharon, 2016). Ben Aharon (2016) pointed out the fact that the presence of women is felt more in specific sectors like health and personal services, education, and so on, while being relatively absent in fields like engineering, finance, industry, manufacturing and construction. In central Israel – Tel-Aviv and its surroundings – the rate of female entrepreneurs is close to the average, around 20%. The rate of women who create their new business in the north is lower compared to other regions, with only about 16% of the women in today's economic situation in the labour market. This may be because of the traditional social structure of many of the communities in this region (Schnell *et al.*, 2015).

The decision of women to become freelancers, or business owners, can originate from a number of different reasons: the need to add their share to the household's income (Orhan & Scott, 2001; Saar, 2014), lack of interest in their salaried jobs, lack of promotion potential due to gender-based power relations in large organizations, women's aversion to hierarchy (Brush & Hisrich, 1991; Garcia-Tabuenca *et al.*, 2015; Sa'ar, 2017), and aspiration for social mobility (Sa'ar, 2010; Greenberg and Sheenar-Golan, 2017). Other reasons may include the search for personal challenge, the wish to realize oneself, and the desire to fulfill their professional and managerial potential. Studies focussing on gender-entrepreneurship relations found that both men and women view entrepreneurship as being more suitable to male gender roles and requiring masculine character traits, which might explain the findings regarding a relatively low rate of women entrepreneurs in the OECD and in Israel (Gupta *et al.*, 2009; Shinnar *et al.*, 2012).

#### 2.4. Women's entrepreneurship in rural region

Women's entrepreneurship in remote rural regions is a growing phenomenon in various countries. Some countries implement special programmes to encourage this type of entrepreneurship, viewing it as a growth engine on the familial and regional levels. These programmes and support can engage women in profitable economic activity and lead to women's empowerment based on their financial success, potentially redefining the standard of living (Narayan-Parker, 2002; Alston, 2004; Eyben *et al.*, 2009). In other countries, Israel among them, women's businesses are primarily the result of individual bottom-up initiatives (Sofer, 2012). Women's entrepreneurship in rural regions is generally motivated by the same factors affecting urban regions – limited promotion and professional development options, as well as tensions created by the work-family conflict (Getz & Carlsen, 2000; Lewis & Humbert, 2010; McLaughlin *et al.*, 2012; Sa'ar, 2017). Additional obstacles faced in rural areas include long-distance commuting to job centers, limited employment options, intense competition over management positions, and a more deeply entrenched patriarchal culture, which further challenge women who wish to develop their careers (Gundry & Welsch, 2001; Shortall, 2002; O'toole & Macgarvey, 2003; Bird & Sapp, 2004).

Women's businesses in peripheral regions are often characterized by unique traits, such as the use of individual and family capital, location of the business in, or around, the owner's home, and occupations related to the household and the agricultural unit, such as B&Bs, products based on local crops, and personal services. Some scholars suggest that these businesses allow women to transform their traditional roles into a profitable occupation, and their home-acquired specialties into financially valuable ones, thus empowering them both professionally and personally (O'Toole & Macgarvey, 2003; Iakovidou, 2007). Products branded as "local" are often viewed as authentic and thus more attractive for outside visitors, as some kind of counter-response to globalization processes (Greenberg, 2013). Many women's businesses in the peripheral region fall into the category of self-employment. In this way, the entrepreneur enjoys the flexibility of manoeuvring between her work/business and her household (Cliff, 1998; Figueras-Armijos & Johnson, 2013).

Thus expanding phenomenon of women's businesses in the rural area affects the development of human and social capital at both the individual and collective levels. Women enjoy more job options (Atterton & Affieck, 2010; Corcoran *et al.*, 2010); improve their families' financial situation (Warren-Smith & Jackson, 2004; Bock, 2004; 2010); and help in reducing the traditional gender gaps (Khatiweda & Silva, 2015). Furthermore, it was found that the development of professional identity and self-value, as well as the innovative spirit of these businesses, enhance the internal motivation of the community, create new pulling factors, and help young adults in recognizing the region's economic potential, thus increasing their potential of staying in the region, or returning after having left (Labrianidis, 2006; Afolabi *et al.*, 2013; Markantoni *et al.*, 2014).

#### 2.5. Small businesses and their network embeddedness

A business's embeddedness describes its level of connectivity with activity networks, and its engagement within these networks. Activity networks are a mesh of personal and professional connections that share knowledge and personal experience. Most inter-network interactions are horizontal, as actors are generally on an equal footing with one another (Sligo & Massey, 2007). An actor can approach another in a personal interaction, or turn to the entire network, thus allowing all actors to become part of the network-based process. The sense of comradeship created inside a network enhances the owners' financial and business confidence (Özen *et al.*, 2016). Activity networks provide access to resources and innovative concepts, cut through red tape, and stoke short- and long-term development. Additionally, networks allow for the pooling of resources towards joint purchase of raw materials and unique technologies, which might otherwise be too big of an expenditure for a small business (Havila & Wilkinson, 2002; Buckley, 2012;). Advances in technology and digitalization have

expanded and empowered these networks, which have become increasingly common and significant in the operation and marketing of businesses. (Hashai & Bucklly, 2014). Levels of embeddedness have been directly correlated with growth potential and marketing efficiency (Taylor, 2010; Hashai & Bucklly, 2014; Tregear & Cooper, 2016). This enhanced collaboration cuts time and costs for all actors and may create a new balance of power in the business space (Casciaro & Piskorski, 2005; Gulati & Sytch, 2007; Noordhoff *et al.*, 2011; Gao *et al.*, 2008).

Comparison of urban and rural areas has found that activity networks tend to be less developed in rural areas. Activity networks in rural areas were found to be limited to a local or regional scale, and the activity in them lower and focussed on developing local services and transferring knowledge related to the community and its immediate surrounding (Ring *et al.*, 2010). The owners' professional and business skills were also found to be an impacting factor on their level of embeddedness in activity networks. Yet, this factor was found to be less influential in rural regions compared to urban ones. A study focussing on economic activity networks in the rural area found that players in these networks were more worried about competition compared to their urban counterparts (Tregear & Cooper, 2016). Studies of activity networks in traditional societies found that local residents and family members played a more significant role in these networks compared to external players (Schnell *et al.*, 1999; Schnell *et al.*, 2015). These studies offer many insights into activity networks in rural areas, but none of them refer to the gender aspect. Thus, the level and nature of female entrepreneurs' activity in these networks is still a matter to be explored.

This study seeks to elucidate the characteristics of women's businesses in rural peripheral regions, the development process of these businesses, and their embeddedness in the local and out of area business networks.

### 3. RESEARCH AREA

The study was conducted in rural settlements in northern Israel. The sample included 105 Jewish female entrepreneurs from the three most common types of rural settlements in the region: Moshavim, Kibbutzim, and communal settlements. Arab villages were excluded from this study, for two reasons: First, many of these villages are going through accelerated urbanization processes, and thus no longer fit the definition of a "rural community". Second, Arab business owners were reluctant to cooperate with Jewish researchers.

The paper focuses on women's entrepreneurship and is based on a broader study that examined entrepreneurship of both men and women in the rural settlements of Israel's northern periphery.

### 4. METHODOLOGY

The general study was constructed in three stages: in the first stage, we conducted a general mapping of business entrepreneurs in the sampled Jewish villages (as well as in all Jewish rural settlements in the northern regional council). This mapping was based on a Total of 2,078 men's and women's business reached: local and national publications; information leaflets and websites; and the snowball method, in which each entrepreneur is asked to report others in their settlement.

The second stage was a quantitative survey, using a questionnaire that was constructed specifically for this study and reviewed by experts. The survey was conducted among a sample of business owners based on the initial mapping. The questionnaire was presented via telephone by one of the research associates, experienced in this type of telephone surveys. Overall, 268 entrepreneurs were interviewed, 157 (58.6%) men and 111 (41.4%) women. Six Arab women (2.2% of the participants) were interviewed but excluded from the findings in the current paper, which only refer to the 105 Jewish women who participated.

The third stage included in-depth interviews with 30 women, 35% of the participants. The decision to include such a large number of participants in the qualitative stage was based on the understanding that open-ended questions, which invite detailed answers, allow us a greater level of understanding of the quantitative findings.

## 5. RESULTS

### 5.1. Interviewees' dispersion by region and type of rural settlements

All interviewees reside in the northern periphery of Israel. Sixty-seven of them (63.8%) reside in the Eastern Galilee, which is rated 3 on the Central Bureau of Statistics (2014) peripherality index, while 38 of them (36.2%) reside in the Western Galilee, which is rated 4 on the same index. All interviewees reside in rural settlements (up to 2,000 people, according to the CBS's definition).

Table 1

Division by region and type of settlement

Regional council	Type of settlement	N	%
Upper Galilee	Kibbutzim	9	8.6
Golan Heights	Mixed (Kibbutzim & Moshavim)	28	26.7
Mevo'ot Hermon	Moshavim	17	16.2
Merom Hagalil	Mixed	11	10.5
Mate Asher	Mixed	38	36.2
Local council	Moshava	2	1.9
<b>Total</b>		<b>105</b>	<b>100</b>

Table 1 shows that more than half of the businesses in the sample are located in the three regional councils of Golan Heights, Mevo'ot Hermon, and Upper Galilee, which lie farther from urban centers and thus considered more peripheral. We can also see that the rate of women entrepreneurs is higher in regional councils that consist predominantly of Moshavim rather than Kibbutzim. It seems that women's entrepreneurship is more common in more peripheral regions and in settlements that encourage familial-individual economic units.

The map presents that women's entrepreneurship is more common in more peripheral regions and in settlements that encourage familial-individual economic units (Fig. 1).

### 5.2. The entrepreneurs' profile

When creating the entrepreneurs' profile, we considered personal traits like age, professional experience, professional training and level of expertise (self-reported). This profile allowed us to understand the motivations that brought women to establish their businesses, and the personal inputs invested in it.

Table 2

Age distribution of business women in rural settlements

Age group	N	%
21-30	2	2.0
31-40	23	23.2
41-50	27	27.3
51-60	26	26.3
61-78	21	21.2
<b>Total</b>	<b>99</b>	<b>100</b>

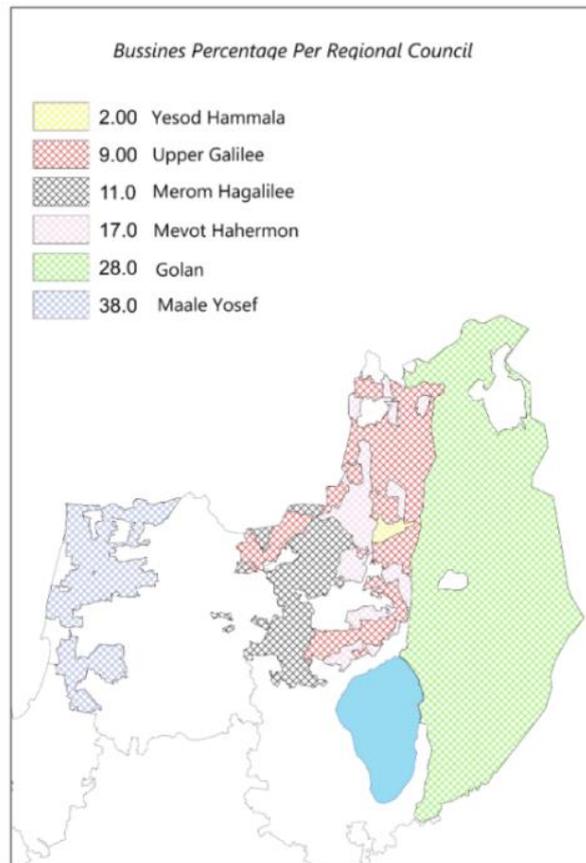


Fig. 1 – Business Percentage Per Regional Council.

Table 2 presents the age distribution of the business owners. The mean age of the women in the business is 48.3, not significantly different from the mean age among men (49.3). The distribution suggests that the rates of women entrepreneurs are similar across age groups above 31, with no statistically significant differences between them. An interesting finding is the rate of women entrepreneurs in the relatively old-age group of 61–78. This rate is high relative to similar studies of their male counterparts. These women experienced first-hand the major agricultural crisis of the 1980s and 1990s, and their businesses focus mainly on tourism, B&Bs, and personal services.

Education and professional training are significant factors affecting the entrepreneur's human capital, and often dictate the type of business and inspire its establishment. The findings suggest that the average number of school years among female entrepreneurs is 15.5 ( $SD = 2.8$ ), which is significantly higher than that of men (13.7,  $SD = 3.4$ ). The number of school years naturally coordinates with women's educational level. We found that 84% of the female entrepreneurs are at college level or higher educated, compared to only 70% among men. Eighteen percent (18%) of them have no higher than a high-school education, and 5% have a non-academic diploma. When exploring the professional training of women, we found that their human capital was higher than that of men: 75% of the female entrepreneurs are trained in their field of business, compared to only 54% of the men. Yet, it was also found that the professional training of female entrepreneurs focussed on specific fields, like alternative medicine (24.2%), education (12.2%), art and graphics (18.2%) and writing (21.1%), compared to men's training in technical fields, like engineering (22.6%), electricity (6.5%) and cooking (10%).

### 5.3. Types of women's businesses

The participants were asked to describe their business activity and field. Table 3 presents the distribution of the businesses by type. Businesses were mapped on two levels: an extended mapping, detailing the different types of business, and a limited mapping based on the CBS' categorization.

Table 3  
Fields distribution by gender

Entrepreneurship fields according to CBS' categorization			Detailed fields						
			Business field	Total		Women		Men	
Field	N	%		N	%	N	%	N	%
B&B	46	17.2	<b>Rural hospitality</b>	46	17.2	25	<b>22.4</b>	21	13.4
Tourism	39	14.5	<b>Restaurants and pubs, food services</b>	29	10.8	11	<b>9.9</b>	18	11.5
			Cycling, jeep tours, extreme tourist attractions	10	3.7	1	0.9	9	5.7
Agricultural products	35	13.3	Agricultural processed products – wine, oil, cheese	15	5.6	4	3.6	11	7.0
			Direct produce sale	8	3.0	3	2.7	5	3.2
			Raising and services for house pets, horses tourism services	12	4.5	3	2.7	9	5.7
Mental services	17	6.3	<b>Conventional and alternative diagnosis and treatment</b>	17	6.3	13	<b>11.7</b>	4	2.5
Beauty and body treatments	26	9.7	<b>Beauty treatments</b>	14	5.2	8	<b>7.2</b>	6	3.8
			Spa and cosmetics	8	3.0	6	5.4	2	1.3
			Sports, athletics and dance	4	1.5	3	2.7	1	0.6
Culture, writing and editing	10	3.7	Culture and entertainment	5	1.9	3	2.7	2	1.3
			Media and graphics – design, writing, translation	3	1.1	0	0	3	1.9
			Books and writing	2	.7	0	0	2	1.3
Art – Production and sale	26	9.7	<b>Art and practical art – Production and sale</b>	24	9.0	18	<b>16.2</b>	6	3.8
			Artifacts and practical art – production	2	0.7	2	1.8	0	0
Sales	14	5.2	Shoes, cloths and so on – production, design, sale	3	1.1	2	1.8	1	0.6
			Sales – miscellaneous	11	4.1	2	1.8	9	5.7
Construction, carpentry and architecture	10	3.7	Construction	3	1.1	0	0	3	1.9
			Practical and artistic carpentry and locksmiths	5	1.9	0	0	5	3.2
			Architecture	2	.7	1	0.9	1	0.6
Administrative services	20	7.4	Professional administrative office services	18	6.7	4	3.6	14	8.9
			Technical office services	2	.7	0	0	2	1.3
Home and technical services	15	5.6	Gardening, cleaning and household maintenance services	1	.4	0	0	1	0.6
			Technical services	14	5.2	0	0	13	8.3
Miss.	10	3.8	Miss.	10	3.8	1	0.9	9	5.7
Total	268	100	Total	268	100	111	100	157	100

The findings suggest that a relatively high rate of small businesses owned by women focus on tourism, and particularly rural hospitality (22.4%), as well as other tourism services (9.9%). Looking at the CBS' categorization, we can see that the rate of women's businesses in fields of mental treatments, art and production, and beauty and body services are higher compared to those of men (11.7%, 19.8%, and 15.3%, compared to 2.5%, 5.7% and 4.4%, respectively). It seems that the entrepreneurship of women in rural settlements preserves and reflects traditional gender role division, directing women to fields like hospitality and personal services. Yet, we can also notice women's entrepreneurship in traditionally masculine fields, like professional management, sales and production. It is looking that these types of businesses are owned by new residents, who recently arrived at the rural settlements, bringing non-traditional occupations for women.

#### 5.4. The business location

Findings concerning the business location suggest that 75% of women's businesses are inside or in the courtyard of the owner's home. Out of the women whose businesses are not located around the house, 20.5% work in their own settlements. Among them, for example, are a bakery owner who rents the kitchen in her Kibbutz, and an occupational therapist who rents an unused building in her settlement, and among them. Only 11 business owners, 10% of our sample, operate their business outside their settlement, and only six businesses, 5% of our sample, are located in regional industrial zones.

#### 5.5. Number of employees

The number of employees in each business was examined using two different indexes: we asked about the number of full-time work in the business and saw that more than 85% of the small businesses owned by women include 1–2 jobs, i.e., the owner herself and sometimes another person. Table 4 presents the number of full-time work in the business, excluding the owner, by gender.

Table 4

Number of full-time jobs in the business by gender

	Total	Gender	
		Women	Men
0 worker	41 15.6%	27 24.8%	14 9.2%
1 worker	110 42.0%	50 45.9%	60 39.2%
2–3 workers	74 28.2%	23 21.1%	51 33.3%
4–5 workers	22 8.4%	5 4.6%	17 11.1%
6–10 workers	5 1.9%	3 2.8%	2 1.3%
11–20 workers	4 1.5%	1 0.8%	3 2.0%
Over 20 workers	6 2.3%	0 0.0%	6 3.9%
Total	262	109	153

As shown in Table 4, about one quarter of the women's businesses include no additional jobs beyond the owner, i.e., the owner is the sole member of the business. This rate is significantly higher than the rate of men in the same category (9.2%). The rate of women is higher in the 1 job category as well, although the difference is smaller; the trend is reversed in the 2–3 jobs category, where the rate of women's businesses (21.1%) is lower than that of men's businesses (33.3%). The findings suggest that men's businesses tend to hire more employees than women's businesses.

Our in-depth interviews suggest that owners of businesses in the 0 and 1 jobs categories are often assisted by their family, as explained by one of them: "I am in charge of operating the business. Anything that has to do with accounts, payments, and finance is done by my husband. He is retired, and this is what he does". Alternatively, some businesses hire temporary employees based on need. This pattern was described by another entrepreneur, owner of a B&B business: "The term 'employees' is not accurate. I hire someone to clean the rooms. This is not a steady job. I call her when I need her, and she comes. She is not a salaried employee".

### 5.6. Number of businesses per entrepreneur

This category revealed, again, highly significant differences ( $p = 0.019$ ) between male and female entrepreneurs in the periphery. While 23% of male entrepreneurs own two businesses or more, only 5% of the women own more than one business. Often, entrepreneurs own a few businesses in adjacent fields, such as B&B and a restaurant; B&B, agricultural-tourist farm, and educational tourism business; or music production and teaching.

### 5.7. The business uniqueness

The interviewees were asked to assess the level of their business uniqueness on a 4 point scale (0 = not unique; 1 = one of its kind in the settlement; 2 = one of its kind in the area; 3 = one of its kind in the country).

Table 5

Owners' self-evaluation of the business uniqueness in its surrounding

The business' uniqueness	N	%
In the settlement	34	39.9
In the region	26	23.6
In the country	20	18.2
Not unique	27	24.5
Don't know	3	2.7
<b>Total</b>	<b>110</b>	<b>100</b>

Table 5 suggests that many entrepreneurs view their business as unique only at the local level. As the sphere grows in scope, less entrepreneurs view their business as unique. This finding supports earlier studies, which found that peripheral businesses are usually small, home-based, and unique only in their own settlement and around it.

When asked an open-ended question about business uniqueness, the women described it within the context of self and professional development, or their personal expertise. One interviewee told us: "This is a very unique field. I started developing it back in the United States, where I started studying. It is a combination between mind-training and medicine based on natural materials". Another told us: "There are plenty of alternative medicine businesses in the area. I offer a combination of Chinese medicine and prenatal treatment. There is no one around that combines these two fields". A third entrepreneur said: "The unique design pieces of jewelry, which is made of natural materials, and its coating process, are my own development". An entrepreneur who operates a B&B business described the unique nature of her business compared to others around her: "Pilgrims' B&Bs are a bit different compared to others in my settlement. I advertise in dedicated pilgrims' websites, utilizing our close proximity to the Sea of Galilee and all the sites down here [on the beach]". Another interviewee described her specific target audience: "I provide tourist services for a unique population: Religious families with kids. I provide Kosher conditions, including a hot plate [which is used for heating the food over the Sabbath]".

### 5.8. Level of expertise

The entrepreneurs' level of expertise was measured by two aspects: (1) professional expertise in the business field of activity, and (2) organizational expertise in the various aspects of running a business (accounting, book keeping, marketing, advertising, etc.).

Table 6

Self-evaluation of expertise by gender

	Women				Men			
	Professional		Organizational		Professional		Organizational	
Level of expertise	%	N	%	N	%	N	%	N
Low	0.0%	0	6.6%	7	0.0%	0	6.5%	10
Medium	10.9%	12	33%	35	14.8%	23	28.0%	43
High	40.9%	45	32%	34	40.6%	63	39.6%	61
Very high	48.2%	53	28.3%	30	44.5%	68	26.0%	40
Total	100%	110	100%	106	100%	154	100%	154

As we can see in Table 6, no significant differences were found between men and women, both regarding their professional level and business level of expertise. We found a significantly higher level of professional expertise compared to business expertise ( $p = 0.013$ ) in both groups. More women than men assessed their professional level of expertise as very high.

### 5.9. Strengths and weaknesses – what can increase or decrease revenues?

The participants were asked an open-ended question about their businesses strengths, which can increase revenues, or weaknesses, which may jeopardize them. Table 7 presents the 12 most common categories of strengths which were mentioned by all participants (men and women), as well as by gender. Categories mentioned by more than 10% of the participants are highlighted in grey.

Table 7

Strengths of the business

Category	Total		Gender			
			Women		Men	
	N	%	N	%	N	%
Professionalism and reputation	64	18.7	23	15.4	41	21.2**
High quality service and/or product	58	16.9	25	16.8	33	17.1
Owner's personality	28	8.2	14	9.4	14	7.3
Product uniqueness	27	7.9	12	8.1	15	7.8
Management and business confidence	24	7.0	11	7.4	13	6.7
Personal attention to customers	22	6.4	10	6.7	12	6.2
Business location	16	4.7	7	4.7	9	4.7
Marketing	14	4.1	7	4.7	7	3.6
Keeping in touch with potential clients	14	4.1	5	3.4	9	4.7
Appearance and accessibility	11	3.2	5	3.4	6	3.1
Specific target audience	11	3.2	7	4.7	4	2.1
Reasonable cost	11	3.2	4	2.7	7	3.6

\*  $p < 0.1$ ; \*\* $p < 0.05$

As can be seen in Table 7, the main strengths mentioned by women were the product's uniqueness, their personality, their personal attention to clients, and the specific target audience of their services; a highly significant difference ( $p = 0.008$ ) was found compared to men, who focused on professionalism, reputation, and quality of services. These findings correlate with those relating to the business uniqueness and might be explained by the different specialization fields of women compared to men, as shown in Table 3.

### 5.10. Fund raising

The establishment of businesses requires different types of capital, which often drive entrepreneurs to seek the assistance of various counseling entities. The participants were asked about

their level of connection various entities related to their business entrepreneurship. The answers were given on a Likert scale (1 = not at all, 2 = very little, 3 = medium level, 4 = high level, 5 = constant).

Table 8

Factors assisting in the establishment and operation of the business

Assisting factors	Total Mean	Men Mean	Women Mean	Difference
Close family	4.4	4.4	4.4	.560
Extended family	3.9	4.1	3.7	.046*
Other entrepreneurs or officials in your settlement	2.9	2.9	3.0	.614.
Regional municipal factors	1.7	1.5	1.9	*016.
Regional factors related to the national administration	1.3	1.2	1.5	.050*
Similar professional and businesses in the region	3.1	2.4	3.8	**004.
Similar professional and businesses outside the region	2.6	2.3	2.4	.967
Suppliers in the region	2.5	2.3	2.2	138.
Suppliers outside the region	3.0	3.6	.42	75.**
Customers in the region	2.2	2.3	2.1	
Customers outside the region	3.2	2.8	3.3	
<b>Overall Mean</b>	<b>2.9</b>	<b>2.8</b>	<b>3.1</b>	<b>.611</b>

\* p < 0.1; \*\*p < 0.05

Table 8 highlights four main factors that are utilized by female entrepreneurs: First, their close family and its existing capital. The findings suggest that individual capital and the assistance of close family members are the most common sources of support among men and women alike. Second, assistance from similar businesses in the settlement and around the region. At the local and regional level, it was found that business owners use the help of similar businesses in their settlement and around them more than they use the help of official municipal assistance agencies. Regional and national consultancy agencies were found to be the least used source of support among men and women alike. As for regional suppliers and clients, the findings suggest that both men and women are less active at the regional level compared to the local one, and the gender differences are not significant. Both genders were found to maintain connections with suppliers and customers from outside the region. No significant differences were found between men and women in this regard. We can assume that these findings concerning connections with outside customers, are particularly affected by the popular field of tourism and B&B, whose owners market their businesses to extra-regional clients, as well as various sales businesses, including agricultural products and practical arts (about 15% and 16.2% of the businesses, respectively, see Table 2), who actively market their products outside their regional surrounding.

In order to further explain the quantitative results, the in-depth interviews included questions about their engagement in activity networks and spaces, which may be regional or higher. One entrepreneur who owns a tourism business said: "I realized if I wait for them, they won't come. I contacted a website that advertises B&Bs, and now I have clients from all over the country, they book in advance... I get many additional reservations, which definitely add to my financial security". Another entrepreneur, a jewelry designer, said: "... I cannot rely on customers from around here... My real revenues come from those who can afford to buy jewelry... The challenge for me is getting into stores in big cities". Another entrepreneur with a design business said: "My online work and connection with clients allow me to expand my clientele and market". A freelance entrepreneur said: "I work from home. This is my office, and once in a while I go out for long days of meetings. This is an effective way to overcome the distance from clients. This way I also sell more and can expose myself to new potential clients". The interviews suggest that these entrepreneurs employ a proactive approach: They do not wait for customers to come to them, but rather reach out to other, more distant in space, based on the understanding that active marketing can expand their client base and revenues.

This is a business-oriented, financial and futuristic approach, unlike the traditional approach, which focuses mainly on professionalism.

## 6. DISCUSSION AND CONCLUSIONS

According to the national outline plans, peripheral regions in Israel are characterized as rural areas, which rely on agriculture, leisure activities and tourism as the main sources of income. Most of the women's businesses explored in this study fall into one of these categories. The transformation of the rural area from an agricultural region to a multi-functional one was reflected in the establishment of small businesses. The type of settlement was found to be related to the level of entrepreneurship among its residents – the number of women's businesses in regional councils that are based on Kibbutzim was found to be lower compared to mixed or Moshavim-based councils. We can offer two possible explanations for this gap: The first explanation is historical – in the Moshavim, the family household was always an independent economic unit, and the women's businesses, most of them developed during the 1980s and 1990s, were a response to the agricultural crisis and an attempt to expand livelihood sources and increase the revenues of the agricultural household, as defined by Orhan and Scott (2001). This crisis was felt less by individual residents of Kibbutzim, where the responsibility for livelihood sources was collective. Women had more occupational security, and thus found it less necessary to develop individual initiatives. The second explanation also has to do with the nature of Kibbutzim. In many cases, the Kibbutz promotes individual initiatives as financial branches. Those businesses cannot be defined as small businesses, and thus were not mapped as part of this study. The mapping results suggest that male and female entrepreneurs in Kibbutzim are more common in privatized subcommunities, or in adjacent neighbourhoods, which are not part of the collective financial unit. In these cases, the establishment of a small business is unrelated to the Kibbutz, and it allows the new residents to make a living from their previous professional expertise.

Women's businesses often take on a local identity, and combine traditional businesses, such as Tourism, Local food maker and B&B, restaurants and travelling, or partially, like various agricultural harvest products, consumer products based on agricultural crops, agricultural tourism, and more. These new types of initiatives are added to "native" businesses in the region, which offer agricultural or agriculture-related services like pruning, fixing agricultural machinery, supplying agricultural equipment, and managing agricultural businesses (accounting, for example). The study suggests that the phenomenon, of agriculture-related businesses, allows women to contribute to the household income beyond their traditional role as sellers of the agricultural products. This way, a small business established by a woman can help the family to utilize the agricultural crops better, it adds income sources, and opens employment options and potential for prestige based on the business success of women in these settlements (O'Toole & Macgarvey, 2003; Shortall, 2002).

Another aspect that underlines the local nature of a business is the location in, or around, the entrepreneur's home. This location can positively affect the business success, as it saves costs (rent, taxes, utilities, and more). Furthermore, expenses can often be included as part of the agricultural unit's deductible expenses. Thus, the female entrepreneur can feel secure and confident when developing her business. Another significant advantage of a business located at home is the potential involvement of family members in its operation when help is needed. Yet, the findings also suggest that many female entrepreneurs, like their male counterparts, reflecting a new trend in female entrepreneurship, many choosing to break out of the local area and reach out to other areas. They do so by engaging in extra-regional and national networks. This activity may include fund raising inputs, marketing and sales. The new approach of female entrepreneurs in rural settlements includes their viewing of themselves as business owners, and of their business as a means of financial progress and a resource worthy of investment and promotion. This new mindset is reflected in the findings regarding women's involvement in activity networks: while in the past, women's businesses were a side-effect

of the husband's main source of income, the female entrepreneurs of today promote sales, expand their business beyond their region, and reach out to target audiences and customers (Tregear & Cooper, 2016; Taylor, 2010; Hashsi & Buckley, 2012).

This change in mindset may have been engendered by the fact that many of today's entrepreneurs are highly educated and professionally trained. These women represent the transformation from the traditional and typical occupations of the region into new fields of entrepreneurship, presenting a different type of female entrepreneur – young women who choose to live in rural settlements, and are interested in practicing their professions. These new entrepreneurs are different from their older counterparts, who were pushed to establish small businesses as a solution to the financial crisis in agriculture (Marshall & Foster, 2002; Swain & Garasky, 2007). Young women who immigrate to peripheral areas face a shortage of employment opportunities, distance-related difficulties, and a thicker glass ceiling (Garcia-Tabuenca, Pablo-Martí & Crecente-Romero, 2015). This reality pushes many of them to utilize their expertise and training to open an independent business, which allows them to develop their careers and sometimes increase their income. Locating the business in, or around, the house allows them to continue developing career-wise, while balancing their career and their family needs.

We found that female entrepreneurs are more educated and more professionally trained than their male counterparts. Previous studies have suggested that education affects business development (Manuelli & Seshadri, 2014; Gennaioli *et al.*, 2014). Higher education enhances the entrepreneur's self-efficacy, increases their motivation for success, and makes them more development- and innovation-oriented (Chen, Greene, & Crick, 1998). As part of their studies, higher education students get to practice and develop problem-solving skills. Thus, the self-efficacy of entrepreneurs with high education degrees was found to be higher compared to those who did not study (Zhao, Seibert & Hills, 2005). We may assume that the values, as well as the practical tools picked up by women in their higher studies, affect their motivation to establish a business. Their point of departure is one of power, knowledge, professional training and faith in their ability to continue their professional development while running a business in which they can utilize the expertise they have gained when living in more central locations.

Women's businesses contribute to the rural area in a number of different ways. First, these businesses create jobs for educated women who wish to realize their professional capabilities in a mostly professional male sphere. Second, these businesses expand the scope and variety of personal services offered to the residents of the region, as well as to outside visitors. In this way, women's businesses contribute to the quality of life in these regions, offering easily accessible services which had previously required long rides. Third, these businesses increase the financial capital in the region from outside sources, as some of the services are marketed to outside visitors or customers through extra-regional networks.

Women's engagement in regional and national activity networks is another form of innovation: instead of passively waiting for customers, women play an active role, initiating sales and marketing in new distant spheres. The new entrepreneur ventures away from the familiar rural area into other regions in an attempt to develop her business. The growth of these businesses and their financial success can encourage internal migration of families, who can move to rural settlements while continuing to work in their fields of expertise. In this way, women's businesses enhance the sense of success and rejuvenation, increasing the growth potential of the distant rural area.

Summing up, our study suggests that the growth of women entrepreneurship in the Israeli rural periphery is a new phenomenon, which carries functional and financial implications. At the functional level, the terms "rural" and "agricultural" are gradually differentiated, as agriculture is no longer the sole or main source of livelihood in rural settlements. At the financial level, business entrepreneurship allows agricultural households to increase their income by utilizing agricultural by-products, or other business ventures. This trend of functional transformation has already been recognized in rural settlements on the urban fringe and is now making its way into more peripheral regions. Business entrepreneurship in rural settlements is affected by processes like the shift to a multi-functional household and the introduction of new young populations, who wish to reside in rural settlements

without being farmers. Women's small business initiatives are driven by constraints rather than free choice. Older women are normally driven by their need for a source of income, while younger women are driven by other obstacles, like the lack of employment opportunities, a thicker glass ceiling, and the difficulty of finding a suitable job with opportunity for promotion and self-fulfillment.

The findings suggest that alongside the traditional rural women's businesses like B&B, tourism and related businesses, women in peripheral locations develop additional types of businesses these days. The innovation lies in the large variety of new businesses, and in the introduction of these new occupations and services into the transforming rural area. By running these businesses, female entrepreneurs can benefit from personal growth and development, which can benefit them in accommodating themselves to the unique nature of this area. At the same time, the new female entrepreneurs help develop the region in which they live by adding employment opportunities and services and making them more available for the local population. The new women's businesses allow a non-agricultural population to enjoy the rural lifestyle while still making a decent living. Studies mention the significance of entrepreneurship and its impact on the development of social capital in the region (Corcoran *et al.*, 2010; Labrianidis, 2006). We may assume that female entrepreneurs have a similar impact on the rural settlements in which they live.

In many European countries we find emigration from rural communities to big and central cities, leaving the rural population elderly and resourceless. It seems that the development of new businesses in the rural area, including women's businesses, can address the needs for employment and livelihood in these regions. Women's entrepreneurship can be traditional, based on tourism and marketing of processed agricultural products, thus helping to increase revenues from the agricultural unit, or delve into new fields, allowing non-agricultural populations to live in these regions as well (Arnon & Shamai, 2010).

As mentioned at the beginning, this study did not include the entrepreneurship of Arab women, due to a practical difficulty encountered when trying to locate and interview Arab female entrepreneurs. Another limitation has to do with the two main groups of women entrepreneurs: older women, who started their adult life in an agricultural community, and younger women, who came to live in these regions in recent years. The difference between these two populations became apparent during our in-depth interviews. We were not able, however, to reflect this difference in a statistically significant way. A third limitation refers to the distinction between different types of rural settlements. As the mapping was done based on regional councils and settlements, we were not able to create a sub-division between the different villages like Kibbutzim and Moshavim and we do not create between members and non-members in these villages. We assume that such sub-divisions would have made our findings more comprehensive.

The findings suggest two main avenues of exploration, which can serve as a basis for future studies. First, a time-serial research can be conducted to examine the success patterns of businesses over the years, while exploring the business model, its adaptation to the rural environment, and the effect of this adaptation on the business long-term success. Second, we would suggest exploring the issue of social capital in rural settlement, and the contribution of female entrepreneurship to this capital. Do education and professional expertise contribute to the development of social capital? And if so, in what way?

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