

CrossRef DOI of original article:

Towards the Emergence and Valorization of Necessity Entrepreneurship: The Case of Women in the Republic of Congo

Dr. Jean-Paul Favre

Received: 1 January 1970 Accepted: 1 January 1970 Published: 1 January 1970

Abstract

This article sheds light on the specificities of necessity entrepreneurship, characterized by the concern to reduce the risk of sinking and disappearing, in contrast to opportunity entrepreneurship, which is based on a secure present and the willingness to take risks for a promising future. It examines the emergence and valorization of necessity entrepreneurship, with a focus on the case of women in the Republic of Congo. The article highlights key issues related to this form of entrepreneurship.

Index terms— necessity entrepreneurship, opportunity entrepreneurship, informal sector, women entrepreneur-ship.

1 I. Introduction

necessity entrepreneurship, also referred to as "survival" or "resourcefulness" entrepreneurship, is an emerging form of entrepreneurship that has received limited attention in the traditional literature, dominated by the theory of opportunity entrepreneurship, which emphasizes the deliberate creation of value by entrepreneurs. The term "necessity entrepreneurship" carries a pejorative connotation that devalues entrepreneurs who find themselves in precarious situations and seek to improve their livelihoods. The decision to engage in entrepreneurship is often a result of significant life changes, such as separation, loss, unemployment, or deteriorating economic conditions Shapero and Sokol (1982). The motivation for entrepreneurship is influenced by the individual's context, and can be a choice or a response to necessity, as conceptualized in the push/pull or opportunity/necessity dichotomy. In the Republic of Congo, necessity entrepreneurship is particularly prevalent among women and constitutes a significant portion of the economy, providing around 70% of jobs.

One potential solution lies in the government's decision in 2016 to promote female entrepreneurship, which seems to fare better despite the challenging business environment. However, the reforms implemented have not been sufficient to improve the business climate, mainly due to structural difficulties such as limited access to domestic and foreign N investments, burdensome administrative and judicial procedures for business creation, and corruption.

Historically, African women have always been entrepreneurs, mainly engaging in informal trading to meet their families' basic needs. The informal sector offers quicker financial gains compared to the formal economy, which is less accessible due to administrative and financial barriers. This article focuses on the definition of necessity entrepreneurship, particularly within the Congolese context.

2 II. Exogenous Approach Versus Endogenous Approach

Entrepreneurial studies predominantly adopt an endogenous approach, which examines the intrinsic characteristics and profiles of individual entrepreneurs. This approach suggests that entrepreneurs are "born" rather than made. In contrast, the less-explored exogenous approach, which we adopt in this study, focuses on the environmental conditions that influence and push individuals to engage in entrepreneurship. We consider ourselves part of a systemic model where economic, social, and cultural factors interact with each other. This approach is particularly relevant in developing countries with a significant informal sector. The theoretical debate between the endogenous and exogenous origins of entrepreneurship can be summarized by two key questions:

-Are Entrepreneurs "Born" or "Made"? -Is Entrepreneurship a Choice or a Constraint?

45 By adopting the original exogenous approach, we shed light on the nature of high risk in the Congolese
46 context. For Congolese women entrepreneurs, the motivation is driven by survival. Faced with precariousness,
47 unemployment, and a lack of formal employment opportunities, women have no choice but to turn to the
48 informal sector. Therefore, their greatest risk lies not in investment or inactivity, but rather in the absence
49 of entrepreneurship, which could lead to their disappearance or death. Thus, entrepreneurship of necessity is
50 characterized as "mandatory innovation" contrasting with Schumpeter's classical definition, as women enter an
51 unfamiliar universe. While there is IV. Pull Theory . In other words, necessity and opportunity entrepreneurship
52 are defined based on push/pull concepts.

53 Considers entrepreneurship as a choice, driven by the desire for independence and the ability to identify business
54 opportunities that yield higher benefits than the opportunity cost. Opportunities can refer to new products,
55 services, or technologies. According to Schumpeter's theory, entrepreneurs are innovators who introduce new
56 technologies that replace the old ones. Innovation is their primary means of survival. This theory complements
57 Kizner's perspective (1973, 1979, 1997) 2 , which envisions entrepreneurship evolving in an uncertain environment
58 where entrepreneurs benefit from market imbalances by providing solutions to unmet needs. On the other hand,
59 the descriptive approach, focusing on the intrinsic qualities and personality traits of entrepreneurs, considers
60 entrepreneurship an opportunity when individuals possess the ability to perceive business opportunities (Shane,
61 Venkataraman, 2000) 3 V. Push Theory and take risks. In this context, opportunity is embedded in the
62 entrepreneurial process, which leads to organizational emergence, referring to the birth of new formal enterprises
63 (Gartner 1985, 1990, 1995).

64 On the other hand, push theory suggests that entrepreneurial motivation is driven either by necessity
65 or dissatisfaction. In the case of necessity entrepreneurship, factors such as unemployment or a lack of
66 employment opportunities contribute to individuals feeling marginalized 4 (Gilad et Levine, 1986) and, through
67 entrepreneurship, they seek to assert their values. In this sense, their engagement can be seen as part of a
68 process of valorizing the entrepreneur within their community and society. According to Reynolds and All
69 (2001), necessity entrepreneurship is considered the "best available option for employment but not necessarily
70 the preferred one. These individuals engage in entrepreneurship because they have no better choices 5 VI.
71 Presentation of Congo and Economic Context

72 " Dissatisfaction, in the case of opportunity entrepreneurship, becomes a triggering or determining factor in
73 the decision to embark on entrepreneurship. This concept, often used in the field of human resources within
74 organizations to measure job satisfaction, has been adapted to entrepreneurship. There is a close relationship
75 between the intensity of dissatisfaction and entrepreneurship (Brockhaus, 1980; Stoner and Fry, 1982). This
76 theory suggests that a high level of dissatisfaction acts as a positive factor in the decision to start a business
77 when individuals see it as the ultimate alternative, ruling out the possibility of pursuing other avenues for fear
78 of reliving the same situation.

79 Congo Brazzaville, officially known as the Republic of Congo, is a country located in Central Africa, covering
80 an area of 342,000 square kilometers. It shares its borders with several countries, including the Democratic
81 Republic of the Congo, Gabon, Cameroon, the Central African Republic, and Angola. In 2022, its population
82 was estimated to be around 5.97 million people 6 . The country experiences an annual population growth rate of
83 2.3%. The population is predominantly urban and concentrated in the two major cities of the country, Brazzaville
84 and Pointe-Noire, which alone house 62% of the population 7 In 2022, Congo ranks 153rd out of 189 countries
85 with a development index of 0.5

86 . The territory has one of the lowest population densities in Africa, with only 14.8 inhabitants per square
87 kilometer. The economy of Congo Brazzaville is largely dependent on the oil industry, which constitutes a . This
88 index indicates that the country faces major challenges in terms of access to education, health, and nutrition.
89 significant source of government revenue and exports. The oil sector plays a crucial role in the Congolese economy
90 by attracting foreign investments and generating employment. However, this excessive dependence on oil exposes
91 the Congolese economy to fluctuations in international oil prices.

92 In addition to the oil sector, the economy of Congo Brazzaville includes other sectors such as agriculture,
93 mining, fishing, and tourism. However, these sectors are often less developed and diversified compared to the oil
94 industry.

95 In terms of economic performance, Congo is estimated to have recorded a growth rate of 1.5% in 2022, following
96 a contraction of 2.2% in 2021 9 . However, this economic growth has not been strong enough to reduce the poverty
97 rate. On the contrary, the proportion of the population living below the international extreme poverty line is
98 said to have slightly increased from 52.0% in 2021 to 52.5% in 2022 10 .

99 3 VII. Socio-Economic Situation of Women

100 In developing countries, including the Republic of Congo, women continue to face marginalization and

101 4 Global Journal of Management and Business Research

102 Volume XXIII Issue VII Version I Year 2023 () A social exclusion, which hinder their access to education, social
103 norms, and labor market discrimination. In terms of education, women have lower levels of education compared
104 to men. Between 2015 and 2021, the literacy rate among young men aged 15-24 was higher than that of young

women, with rates of 85% and 80%, respectively. Among adults aged 15 and above, the literacy rate is 86% for men and 75% for women. Social and cultural expectations can influence family and community decisions regarding education, often favoring boys' education over girls'. The gender parity index of 0.93 reveals that the percentage of literate young boys is slightly higher than that of girls. This disparity highlights the need to promote girls' education and ensure equal opportunities for literacy. It also indicates that education plays a crucial role in acquiring the necessary skills and accessing decent employment. The gender gap in literacy can be partially attributed to the stereotypes and traditional roles assigned to Congolese women, perpetuating the notion that women should be confined to the roles of mother and wife, which can result in less emphasis on formal education.

encouraged to marry and engage in domestic tasks rather than pursue further studies.

This can limit their access to formal education, depriving them of the opportunity to acquire the necessary skills and knowledge to thrive in various fields, contributing to higher unemployment rates among women. In fact, the unemployment rate for women was estimated at 23.2% in 2022 compared to 20.4% for men. This demonstrates a gender disparity in the labor market where women face specific difficulties in finding employment. They have no choice but to engage in informal entrepreneurship. The study on the dynamics of female entrepreneurship reveals that unemployment is one of the main reasons that drive women to start their own businesses.

5 Graph 1: Reasons for Entrepreneurship

Source: Aimée Tathiana Koulounda, 2020

6 VIII. Obstacles and Constraints Faced by Women Entrepreneurs

According to the Women Business 2023 report, the Republic of Congo achieved a total score of 58.1, compared to the global average of 77.1 out of 100. Congo is among the seven African economies that implemented 18 legal changes in 2023. For Congo, eight reforms have been implemented, six of which relate to the workplace and two to marriage. Regarding the workplace, women benefit from legal protections against sexual harassment. Additionally, laws on family violence, including physical, sexual, and psychological violence, have been adopted for the first time in the Congolese economy. This represents an improvement of 8.7 points compared to 2021. The report analyzes eight indicators to assess women's autonomy, including mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pensions. ???

7 IX. Conclusion

In conclusion, this article has revisited the concept of entrepreneurship by highlighting two distinct and complementary forms: opportunity entrepreneurship and necessity entrepreneurship. While opportunity entrepreneurship is based on deliberate will and free initiative, necessity entrepreneurship emerges from economic constraints and survival, where the entrepreneur is compelled by an injunction or vital obligation.

It is important to emphasize that these two forms of entrepreneurship are not exclusive but rather interdependent and can be considered as two ends of a continuum. An important contribution of this article lies in the relationship between entrepreneurship and risk-taking. While entrepreneurship is generally associated with valorized risk-taking for its audacity and creativity, it is interesting to note that necessity entrepreneurship actually represents the lowest risk. Doing nothing in the face of a lack of means of subsistence represents the greatest risk, with the certainty of imminent disappearance. Thus, necessity entrepreneurship is motivated by the concern to reduce the risk of sinking and disappearing, while opportunity entrepreneurship is based on the perspective of a secured present and allows for risk-taking motivated by speculation about a promising future.

Therefore, these two forms of entrepreneurship differ in terms of the notion of risk, temporal perspective, and degree of urgency that characterize them. The necessity entrepreneur is constrained by adversity and acute urgency that mobilize them to ward off fatal risk, thereby preventing them from projecting into the future. On the other hand, the opportunity entrepreneur, assured of their present existence, can project onto a longer time horizon and take risks to achieve imagined and promising goals.

In summary, this article underscores that these different forms of entrepreneurship have distinct motivations, temporal perspectives, and levels of urgency, and it is essential to recognize and understand

8 Global Journal of Management and Business Research

Volume XXIII Issue VII Version I Year 2023 () A these differences to better grasp the diversity of entrepreneurship in our society. ¹

¹ © 2023 Global Journals

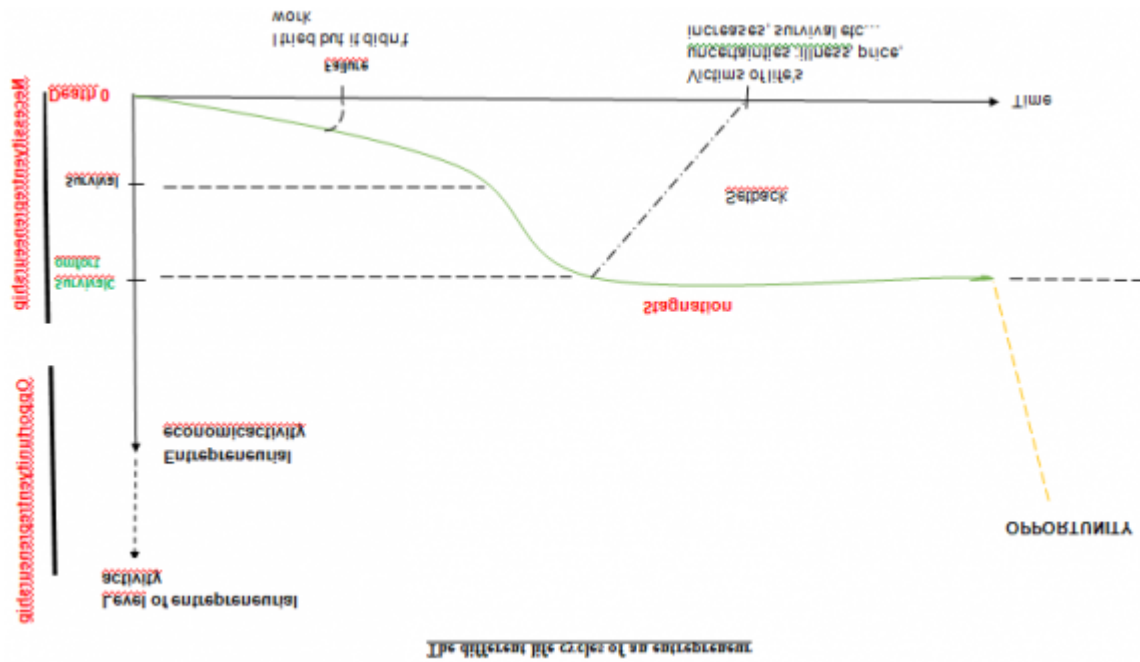
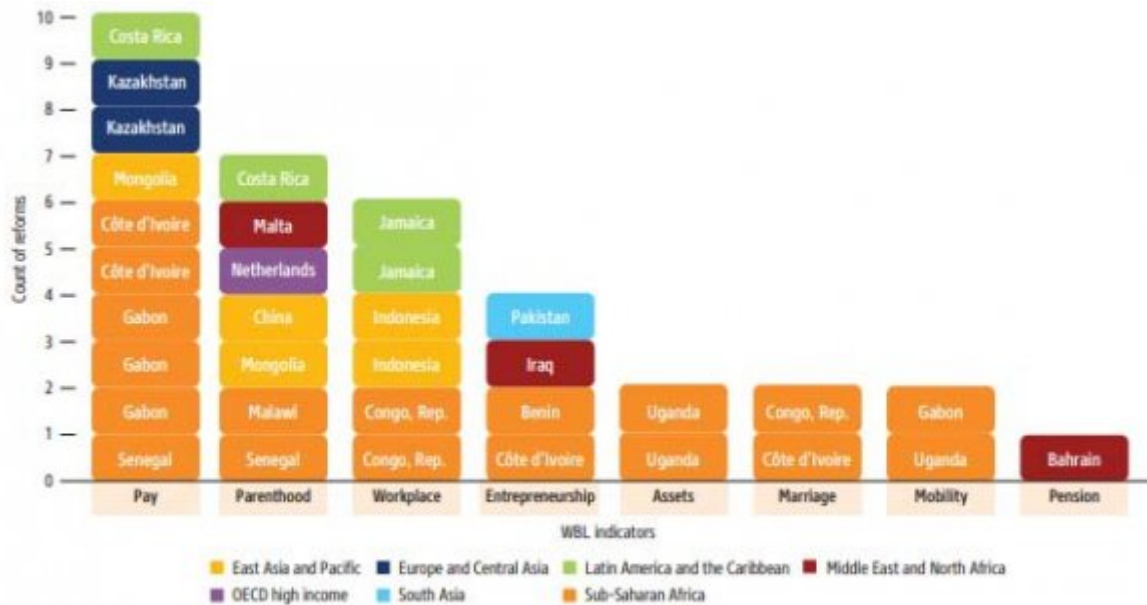
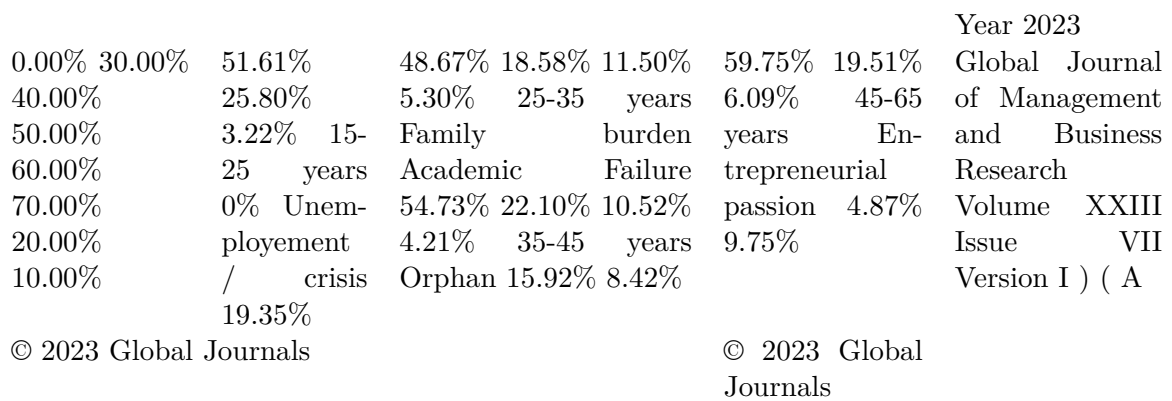


Figure 1:



8 Source: Women, Business and the Law database.

Figure 2: 8



Year 2023
 Global Journal
 of Management
 and Business
 Research
 Volume XXIII
 Issue VII
 Version I) (A

© 2023 Global
 Journals

Figure 3:

-
- 156 [Vestraete ()] 'Essai sur la singularité de l'entrepreneuriat comme domaine de recherche'. Thierry Vestraete .
157 *ADREG* 2002.
- 158 [Schumpeter ()] 'History of economic analysis'. Joseph A Schumpeter . 978-0-415-10888-1. *Allen & Unwin* 1967.
159 (printing)
- 160 [Aimée et al. (2022)] *Inclusion économique des femmes et des jeunes au Congo-Brazzaville : perspective sur*
161 *le programme d'appui aux activités génératrices de revenus*, T Aimée , Kirsten Koulounda , Schuettler .
162 <https://documents1.worldbank.org/curated/en/099050006282227757/pdf/P173535057> june
163 2022. World Bank. (d9e40ac08f95009ab647bf319.pdf)
- 164 [Indice de développement humaine, République du Congo] [https://fr.countryeconomy.com/](https://fr.countryeconomy.com/demographie/idh/congo)
165 [demographie/idh/congo](https://fr.countryeconomy.com/demographie/idh/congo) *Indice de développement humaine, République du Congo*,
- 166 [Benjamin ()] *L'entrepreneuriat par nécessité et par opportunité: essai de compréhension dans le contexte*
167 *burkinabè »; Thèse de doctorat en science de gestion*, Nongaineba Benjamin , Zoumba . 2018. Université
168 Paris Est
- 169 [Benjamin ()] *L'entrepreneuriat par nécessité et par opportunité: essai de compréhension dans le contexte*
170 *burkinabè »; Thèse de doctorat en science de gestion*, Nongaineba Benjamin , Zoumba . 2018. Université
171 Paris Est
- 172 [Koulounda ()] *La dynamique de l'entrepreneuriat féminin urbain dans le secteur informel*, A T Koulounda .
173 2020. au Congo Brazzaville. ESM, Switzerland.
- 174 [Koulounda ()] *La dynamique de l'entrepreneuriat féminin urbain dans le secteur informel*, A T Koulounda .
175 2020. au Congo Brazzaville. ESM, Switzerland.
- 176 [Emin ()] 'Les facteurs déterminant la création d'entreprise par les chercheurs publics: application des modèles
177 d'. Sandrine Emin , « . *Revue de l'Entrepreneuriat* 2004. 3 (1) p. . (intention)
- 178 [Gabarret and Vedel] *Pour une nouvelle approche de la motivation entrepreneuriale*, Ines Gabarret , Benjamin
179 Vedel . (11 ème congrès international francophone en entrepreneuriat et PME)
- 180 [Raoufdjaziri ()] *Une vision renouvelée du paradigme de l'entrepreneuriat: vers une reconfiguration de la recherche*
181 *en entrepreneuriat »; HAL-Archives ouvertes*, Raoufdjaziri . 2015.
- 182 [Women, Business and the law 2023] [https://globalcompact.at/wp-content/uploads/2023/03/](https://globalcompact.at/wp-content/uploads/2023/03/2023_Women_Business_Law.pdf)
183 [2023_Women_Business_Law.pdf](https://globalcompact.at/wp-content/uploads/2023/03/2023_Women_Business_Law.pdf) *Women, Business and the law 2023*, World Bank.
- 184 [Women, Business and the law 2023] [https://globalcompact.at/wp-content/uploads/2023/03/](https://globalcompact.at/wp-content/uploads/2023/03/2023_Women_Business_Law.pdf)
185 [2023_Women_Business_Law.pdf](https://globalcompact.at/wp-content/uploads/2023/03/2023_Women_Business_Law.pdf) *Women, Business and the law 2023*, World Bank.