

INFORM



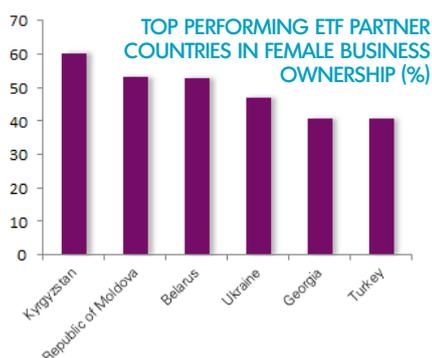
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NEWS AND VIEWS
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COMMUNITY

TRAINING FOR WOMEN ENTREPRENEURS: AN IMPERATIVE FOR GROWTH AND JOBS

The impact of business women on society extends far beyond their contribution to global GDP. Women are an indispensable part of the labour force but this is not visible in employment statistics and even less so in entrepreneurship statistics. Official GDP figures do not reflect the hours of unpaid female labour devoted to family care and women get paid less than their male colleagues and generally hold fewer top positions in company management and government. According to IFC and World Bank enterprise surveys, in recent years only 18.3% of companies worldwide had a female top manager while only just over one-third (35%) was (co-) owned by a woman.

Trends in some ETF partner regions correspond to the world average: in Eastern Europe and Central Asia, 36.6% of business owners are women, and they occupy 18.8% of top management positions in companies. But in the Enlargement region these figures are 27.5% and 14.2% respectively, and at just 17.2% and 13.6%, they are even lower in the Middle East and North Africa. Top performing countries are those that developed a strong culture of gender equity which benefitted from state



support. Unfortunately, centrally collected and updated statistics on women's participation in business are lacking in many countries so analysis is largely based on independent surveys.

At the same time, research shows that women represent the fastest growing share of the population with higher education degrees. Today, 56% of graduates at master's level are women. Analysis conducted by The Economist suggests that since 1970, women have filled twice as many newly created jobs as men. But most of these are in wage employment and in most of the world's economies the number of women entrepreneurs is less than half that of men. A 2004 report by the Global Entrepreneurship Monitor concluded that in every country it studied, men were more active in entrepreneurship than women. It said that the largest gap occurs in middle-income nations where men are 75% more likely than women to be active entrepreneurs, compared to 33% in high-income countries and 41% in low-income countries.

The World Economic Forum's leaders called for investment in "the most important determinant of a country's competitiveness: its human talent – the skills, education and productivity of its workforce". The participation of women in business transforms the quality and structure of the workforce and society as a whole. It boosts female career development, self-realisation and job creation. It benefits their households and communities by affecting the mindset of future generations who may come to consider self-employment as a natural career option.

CONTENTS

- The importance of women in the global labour force.
- The added value of women entrepreneurs.
- What the ETF and other organisations can do to increase the numbers of women entrepreneurs.
- Policy options for strengthening the entrepreneurial competences of women.



Women's entrepreneurship needs urgent attention from governments and society as a whole. Women represent a tremendously underused source of growth and national competitiveness. From the ETF's perspective unlocking the potential of women through training and mentoring support is one of the keys to strengthening their participation in business activities, which in turn can speed up economic growth and create jobs.



Although both men and women increasingly recognise the opportunities of entrepreneurship and see it as a viable alternative to wage employment, women still appear to face more barriers to an entrepreneurial career as a result of a variety of educational, cultural and institutional factors. The ETF believes that the starting point for effective policy support to women's entrepreneurship is the ability of governments, social partners and experts to respond to two key questions.

WHAT'S DIFFERENT ABOUT WOMEN'S ENTREPRENEURSHIP?

In ETF analyses, the most commonly cited challenges for women entrepreneurs are cultural traditions and prejudice, the lack of education and training opportunities, business support systems, access to capital and access to networks.

In general terms, men and women require the same training and support to develop the core skills and competences they need to be successful in entrepreneurial activity. Both also need access to financing opportunities and support structures. Therefore, most researchers conclude that other factors need to be considered by policy makers who want to promote entrepreneurial activity among women.

Entrepreneurship as a career choice requires risk taking and offers considerable freedom in decision making. Entrepreneurs need a degree of self-efficacy. They are often encouraged by entrepreneurial role models, which are a key element in the formation of self-efficacy and an entrepreneurial mindset. Stereotypes, family and peer perceptions, and the prevalence of male entrepreneurial models continue to have a strong impact on female career choices and their lack of engagement in business activities. Girls are taught and brought up to take on 'female' career roles. They are encouraged to become teachers, nurses, social workers, etc.

In business, women tend to be more involved in establishing and leading small enterprises, and they are regarded as more successful entrepreneurs in fields such as fashion design, marketing, communication and media. In fact, they are somewhat expected by society and their professional communities to be active in these sectors. Moreover,

women are alarmingly hesitant to explore areas of business development that are traditionally male-dominated. As an example, the estimated number of women who own a business in science and technology in the EU is between 5% and 15%. Systemic support measures are needed to address this but they must be based on evidence. The lack of gender disaggregated statistics (itself an indication of a poor appreciation of the economic role of women) makes data interpretation difficult.

In being active entrepreneurs, mothers and members of their communities, many women choose an entrepreneurial career to find more flexibility and a better work-life balance. Their business decisions tend to favour the desire to maintain such a balance. Among the drivers to engage in business activity, women mention independence in making their own decisions, financial independence, professional development, negative experiences in wage employment and a lack of other employment opportunities.

In many countries, gender stereotypes and cultural attitudes or religious prejudices restrict the access of women to education and training, finance and business support opportunities. Women are sometimes even denied the right to own property, work full time or engage in business activities if not accompanied by husbands or fathers. In countries where this is the case, governments and social partners need to address the creation of legal and policy frameworks that stimulate the engagement of women in entrepreneurial activity and improve access to financing for women entrepreneurs.

The potential of women may not always be the same as that of men and so entrepreneurial learning may have to target different qualities in men and women. In fact one reason why women's entrepreneurship is underdeveloped may well be that women taking on 'male' roles are expected to perform as males in these roles while in reality, women may be able to contribute to business development with a whole different but equally valuable set of qualities that can affect productivity and competitiveness in quite innovative ways.



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WHAT CAN BE DONE AND HOW CAN WE ADDRESS THE CHALLENGES?

The ETF's interest in women's entrepreneurship has evolved alongside its more general work to promote entrepreneurship in its partner countries. Strategic institutional engagement with the European Commission, OECD and EBRD in the Small Business Act (SBA) policy assessments in the EU's neighbouring countries, as well as the Women and Work study in the Southern and Eastern Mediterranean region have been instrumental in defining the ETF's policy focus on women's entrepreneurship.

In 2010, the ETF extended its cooperation with the European Commission by taking the lead in the development of new women's entrepreneurship policy indicators, which was part of the 2011-12 SBA assessments in the Eastern Partnership countries and in the pre-accession region. The innovative women's entrepreneurship indicators cover all key aspects of policy support: improved access to training and finance by women's entrepreneurs, networking and good practice exchange.

Engagement in this fast evolving policy area has also led to new partnerships with the ILO, the Swedish International Development Cooperation Agency (Sida), the Regional Cooperation Council (RCC), the South East European Centre for Entrepreneurial Learning (SEECLE) and several universities, most notably Cambridge in the UK. The use of women's entrepreneurship indicators as a policy monitoring tool has gained a lot of attention among peers in human capital development. Such indicators target all key aspects of policies for promoting female entrepreneurship while 'disciplining' the policy process by encouraging the use of hard evidence in government decision making and in stimulating policy partnerships.

The focus on women's entrepreneurship in the ETF's partner regions receives strong encouragement from the EU with its drive to invest in human capital development, in new skills for the jobs of tomorrow, in technological change and in the entrepreneurial potential of women. Entrepreneurship is now recognised as one of the key EU

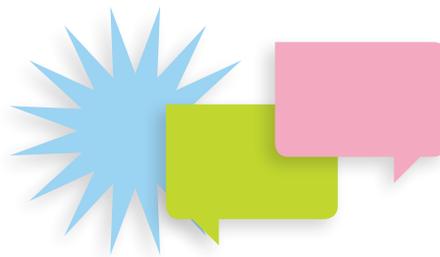
competences and with women's entrepreneurship placed high on the agendas of key EU institutions, there is a lot of room for good practice exchange between the EU and its neighbours. Some of the latest efforts of the European Commission aim at consolidating the efforts of the Member States into a set of comprehensive measures defined in the new European Entrepreneurship Action Plan. Women's entrepreneurship was also a key topic at the 2012 European SME Week Summit.

The ETF approach to supporting women's entrepreneurship stresses the need for governments and social partners to address all policy aspects: tackling skills, capital and networks, addressing the business environment and legislation development, and ensuring that public support measures for SMEs are tuned to the specific needs of men as well as women in business. It is equally important to adopt family-friendly policies that aim at reconciling work and family life: flexible child care services, guaranteed maternity leave and other incentives promoting various forms of household support and helping both men and women who share parental responsibilities and combine them with entrepreneurial activities.



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To strengthen the entrepreneurial competences and business potential of women, the following areas of policy support should be strongly considered.

ACCESS TO EDUCATION AND TRAINING OPPORTUNITIES

Entrepreneurial learning should be given an early start to develop entrepreneurship skills in boys and girls according to their own needs and interests. It should be accessible to all and embedded in a culture of lifelong learning. Entrepreneurship should become a key competence in curricula. Special attention should be paid to developing leadership skills in girls from the early phases of education and to broadening their exposure to technology-related issues. Learning has to provide common and equal opportunities, regardless of gender, to engage in any type of employment, to succeed in any sector of the economy and to run a business. Measures should be taken to overcome prejudiced and discriminative attitudes towards women in business or in leadership positions: dedicated policies and education programmes must focus on developing self-efficacy among women entrepreneurs and promote their role in top management and company boards. Adult education and training also needs to be employed to promote the entrepreneurial potential of women and to encourage their own business development.

ROLE MODELS AND STORY-TELLING

Education and training are dominated by male role models. Female role models need to be introduced. Story-telling, as applied by the network of EU Women's Entrepreneurship Ambassadors is an excellent example of a new form of informal learning. Early exposure of learners to entrepreneurial success stories featuring both men and women is critical. Thus, women entrepreneurs should be encouraged to engage with local communities and schools to

establish active links and cooperation. A more generally positive attitude towards women's entrepreneurship can be nurtured with media involvement and by developing promotional campaigns.

MENTORING, COACHING AND NETWORK SUPPORT

Mentoring and coaching are valued highly by many women entrepreneurs due to their positive effects on business start-up survival and the way they can build confidence among women entrepreneurs. They should be developed together with peer learning networks. Broader business advisory structures for women engaged in various stages of entrepreneurial activity should also be considered. Access to networks is important for informal learning, for the exchange of good practice, for building confidence and for resolving real-life business problems in a 'safe' peer format. While women possess no fewer networking skills than men, many need to learn to utilise these skills for the promotion, sustenance and expansion of their business in the global market, as well as for lobbying their business interests.

WOMEN'S ENTREPRENEURSHIP TRAINING NEEDS ANALYSIS

Training for entrepreneurial women should be built on a thorough analysis of their training needs, both before, during and after they move into business. Training needs analysis for women's entrepreneurship is now a focal point in policy research. New analytical instruments are being piloted by ETF partner organisations.

Finally, access to networks, training and finance require policy coordination so as to increase the sustainability of individual programmes and measures.

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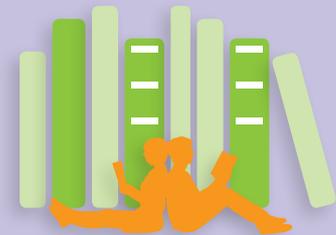
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CONCLUSION

Entrepreneurship and self-employment represent a viable career choice for women and should be recognised as a major, but underutilised, source of economic growth, competitiveness and innovation in the EU and its neighbouring countries. Promoting women's entrepreneurship, improving access to finance, providing training and setting up mentorship networks must become policy objectives in their own right.