Women’s Self Employment and Entrepreneurship in the ECE region

By UNECE Secretariat¹

Regional Symposium on Mainstreaming Gender into Economic Policies

28-30 January 2004
Room VII - Palais des Nations, Geneva

¹ The paper is based on UNECE publications *Women’s Entrepreneurship in Eastern Europe and CIS countries* (2003) and *Women Entrepreneurs in the ECE Region: Access to Financing and ICTs* (2004 forthcoming). It was prepared with the assistance of Ms. Gretchen Elias, Consultant.
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I. Key facts, issues and challenges

Fostering women’s access to self-employment and entrepreneurship is one of means to improve women’s employability agreed at the Regional Meeting on the 5-year Review of Implementation of the Beijing Platform for Action. Increasingly, the notion of lifetime job security that prevailed during much of the twentieth century is being replaced by an emphasis on flexibility, ‘outsourcing,’ and atypical working arrangements. In this uncertain environment, self-employment has become an increasingly important avenue for women and men to provide a steady income for themselves and their families, as demonstrated by rising self-employment rates in the ECE region. And for women in particular, self-employment can play an important role in improving employability.

The self-employed are not a homogenous group. They range from informal micro-entrepreneurs who sell crafts from their homes or from a market stall to owners of small or medium-sized companies. Consequently, despite common concerns, the particular challenges they face vary according to factors such as their personal characteristics, the characteristics of their businesses, and their overall economic situations. However, available data sources are limited in their ability to differentiate adequately among different types of self-employment. This lack of detailed information on the self-employed and their businesses is problematic in terms of targeting policies to those most in need of support. In particular, poor and informal micro-entrepreneurs, many of whom are women, are most likely to fall through the gaps in existing policy measures designed to support self-employment and entrepreneurship.

I.A Women and self-employment

Across the UNECE region, trends related to women’s self-employment vary. In some countries, women-owned enterprises have emerged as the most dynamic segment of the SME sector. In the United States, the growth rate of women-owned firms in 2002 was roughly twice the national average, and nearly half of all U.S. businesses are at least 50 percent women-owned. In Canada, the number of women entrepreneurs increased 208 percent between 1981 and 2001, compared with a 38 percent increase for men (Statistics Canada 2003). Women’s self-employment is increasing in many European Union countries as well, although at a less dramatic rate. According to recent data, women represent roughly a quarter of all self-employed workers in the EU. In the transition countries of Central and Eastern Europe and the CIS, although self-employment is often an important survival strategy for poor women, self-employed women remain less numerous.

Still, challenges remain. Evidence suggests that women and men do not approach self-employment from the same starting point, that women are less likely to pursue self employment, and that when they do, their businesses are smaller and less economically strong than men’s. This evidence points to the importance of measures to support women’s self-employment as part of broader strategies to alleviate poverty and strengthen women’s economic and labour market position.

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2 From Weeks in UNECE forthcoming and Centre for Women’s Business Research website: http://www.nfwbo.org/key.html
Across the region, self-employment rates are lower for women than for men. In much of the EU and in the transition countries of Eastern Europe and the CIS, the percentage of men who are self employed is roughly double that of women (UNECE 2002 and 2003; EUROSTAT 2002). In some countries, this discrepancy is even greater: in the UK, for example, 6.5 percent of all working age women in employment are self employed, compared with 15 percent of all working age men in employment.3

Women’s enterprises are also likely to be small or micro-enterprises, and located in low growth sectors. Their enterprises thus typically operate at a subsistence level. In the EU, 70 percent of self-employed women operate businesses that employ 5 or fewer people. (Statistics in Focus 11/2002) Statistics Canada reports that the most common activities for self-employed Canadian women are in areas that are typically poorly paid and at the low end of the labour market, such as childcare, hairdressing, and sales. Self-employed women also typically earn less than either their salaried counterparts or self-employed men, and have fewer benefits. (Human Resources Development, Canada 2002) For example, in Canada, only 17 percent of self-employed women earn more than 17,000 Canadian dollars, as compared to 42 percent of self-employed men. (Statistics Canada 2003).

Informal micro-enterprises operated by women play a critical role in the economic survival of poor families. This is particularly relevant in the transition countries of Central and Eastern Europe and the CIS, where women’s economic position has deteriorated due to the downsizing of the public sector, rising unemployment rates and greater job insecurity, and the dismantling of state social protection systems. These trends have pushed women out of the traditional labour market and forced them to seek other ways to support themselves and their families. In this context, self-employment in the informal sector has become crucial for family survival.

Promoting women’s ability to grow their businesses beyond the subsistence level has important implications for poverty alleviation. It has also positive impact on job creation and economic growth.

I.B Barriers faced by self-employed women

Women’s under representation among the self-employed must be understood in the context of the barriers they face in starting and growing their businesses. Chief among these barriers are difficulties in accessing finance, information and networks, markets, and training. To a certain extent, these difficulties are related to the size and status of small businesses. But these barriers tend to have disproportionate effects on women for two reasons: first, because their businesses are likely to be micro-enterprises and located in the informal section, which creates particular challenges in accessing the resources they need for business survival and growth. Even more significant is the fact that for women, these barriers also have a gender-specific dimension because of the influence of past and current social and cultural norms and the structural

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3 See website of United Kingdom’s Women and Equality Unit: http://www.womenandequalityunit.gov.uk/
inequalities created by these norms. Such inequalities not only intensify the effects of existing barriers on women, but also create additional, gender-specific barriers.

Access to finance

It is a problem that is shared by self-employed women across the region. At the same time, the causes of this problem are complex and can vary according to the context. One major structural barrier is women’s lack of wealth or property ownership, which prevents them from acquiring the resources necessary to start a business. In particular, most women cannot provide the collateral required by most loan applications. This factor is particularly relevant in transition countries, due to the combined influence of traditional values regarding property ownership and the unequal distribution of assets during privatization. Women also tend to request smaller loan amounts that are more risky and costly for banks. They are also perceived as riskier loan applicants because they are less likely to have prior business experience or extensive professional experience related to their business plan. Women’s businesses also tend to be concentrated in low-growth sectors that are viewed as less attractive investments by lending institutions. This is particularly true for poor or rural women whose businesses often involve agriculture, handicrafts, or petty retail sales. A woman’s particular experiences in accessing finance may depend on other factors as well, such as the strength of financial institutions in the area where she lives. Thus a woman with an informal enterprise raising livestock in rural Kazakhstan and a woman with a home-based micro-enterprise in a major city in the United States or Canada may face very different financing challenges.

Access to information and networks

Access to information and networks is a challenge for self-employed people and owners of small businesses in general, since they have less time and fewer resources than larger enterprises to devote to networking and to gathering and processing information. Women face additional constraints in this regard because their family and household duties further limit the time they have available for networking. Women also typically lack access to traditional, male-dominated business networks. In particular, self-employed women with home-based businesses and women in rural areas are isolated from business networks and sources of information. Furthermore, some research indicates that women’s and men’s approach to networking may differ: women are more likely to keep their professional and personal networks separate, which may influence the effectiveness of these networks.4

Access to markets

Access to markets is a challenge for self-employed people and owners of small businesses for reasons similar those described above. Women face particular challenges in accessing markets, again because they are typically more isolated and lack access to traditional business networks. In addition, women’s businesses are often located in low growth sectors characterized by few barriers to entry and market saturation. In these circumstances, where capturing an adequate market share is especially problematic, the potential for business survival is low.

Access to training

Access to training is a critical need for self-employed women because they often lack formal training in business and management skills that are essential for business success. However, traditional training programmes may not meet their needs in terms of content or format. Because women’s and men’s learning styles may differ, women may benefit from programmes tailored to their needs. Additionally, to ensure their accessibility to women, programmes need to be offered in a format that accommodates for potential conflicts with family and household duties, for example by providing child care or scheduling frequent, shorter trainings at convenient times.

I.C The role of social and cultural norms

Many of the above barriers can be characterized as having both general and gender-specific components and as being relevant for self-employed men as well as women. But for women, the implications are often intensified because of the additional influence of gender-specific barriers related to social and cultural norms. These barriers include gender-based discrimination, sex stereotyping that affects women’s educational and occupational options and contributes to their concentration in low growth sectors and their limited business and management skills, and the unequal division of household and reproductive labour that limits women’s ability to devote time to networking and other business-related activities. In addition, the psychological effects of gender differences in socialization may contribute to women being less assertive, self-confident, or willing to take risks, characteristics that are often associated with business success. (Kantor 2002)

I.D Key challenges

A key challenge facing policy makers concerns how to ensure that policy measures effectively identify and reach self-employed women, given the small size and relative isolation of their businesses. This challenge is particularly important given that those women most difficult to reach, such as poor micro-entrepreneurs in the informal sector, are likely to be those in most need of support.

A second, and equally important, policy challenge involves the need to develop strategies that effectively address gender specific barriers faced by self-employed women in the broader context of social and cultural norms. This requires the mainstreaming of a gender perspective into structures, institutions, and policies related to self-employment and SMEs. At the same time There may be the need to develop special programmes addressing the gendered nature of the constraints facing self-employed women, and that provide services and access to resources in a gender-sensitive format.
II. What has been done

II.A Overview by sub-regions

Efforts to support women’s self-employment and entrepreneurship have been very uneven across the UNECE region. The US, Canada, and some EU countries have developed relatively extensive support structures for self-employed women, often involving partnerships across the public, private, and non-profit sectors. In the European Union as a whole, women’s self-employment is generally addressed at the local or regional government level within the context of regional development and job creation strategies. In Central and Eastern Europe and the CIS countries, despite the existence of some governmental initiatives, the bulk of activities in support of women’s self-employment have been spearheaded by non-governmental organizations, and in particular women’s NGOs and women’s business associations (WBAs).

North America

The United States and Canada are among the most advanced countries in the ECE region in terms of government support for women’s self-employment. In both countries, government involvement includes funding, programmatic offerings, and public/private partnerships, often as a direct result of lobbying by the active and vocal women business owners’ constituencies. These constituencies also play a key role in private sector and civil society initiatives that work in close partnership with these government initiatives.

Public support for women’s self-employment in the United States grew out of the feminist movement of the 1960s and 1970s, which sparked the creation of an Office for Women’s Business Ownership within the Small Business Association, the passage of the Equal Credit Opportunity Act of 1974 and the expansion of government enterprise surveys to include data collection on gender. Concrete programmatic responses included a pilot loan programme and measures to increase women’s access to government procurement contracts. At the same time, a private organization, the National Foundation of Women Business Owners (now the Council on Women’s Business Research) was created to organize the emerging constituency of women business owners. Lobbying by the NFWBO/CWBR and other women’s business organizations has expanded government support for women’s self-employment. Most notably, the Women’s Business Ownership Act of 1988 created the National Women’s Business Council, an advisory council to the federal government on issues related to women’s business ownership, and institutionalized government support for a nation-wide network of non profit Women’s Business Centres. As of 2002, 80 such centres were in operation across the country, many targeting low income and minority women (Weeks 2002). The micro-enterprise development movement, spearheaded by actors such as the Aspen Institute and the Association for Enterprise opportunity, also includes low-income women among its target groups. Three out of four participants in micro-enterprise development programmes in the United States are women. These programmes often provide their services in partnership with Women’s Business Centres.

Canadian measures to promote women’s self-employment are characterized by similarly synergistic relationships among government, private, and civil society institutions. Over the past

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5 From the website of the PBS series To Our Credit, www.pbs.org/toourcredit/home
decade, more than 10 federal government departments, as well as some provincial governments, have developed self-employment programmes targeted to women. At the same time, the major Canadian banks have been at the forefront of private sector initiatives to promote women’s self-employment, including the establishment of an nationwide umbrella organization for women’s business associations, the Women Business Owners of Canada, and of women’s business centres at several major universities. (St. Onge and Stevenson 2004)

European Union

Among EU member states, efforts to promote women’s self-employment have emerged largely within the context of policy goals related to employment, social cohesion, and rural development. Many are linked to EU-wide funding streams or employment initiatives. These initiatives tend to be concentrated at the regional or municipal, rather than the national, level.

EU-wide initiatives, such as the New Opportunities for Women (NOW) Initiative, have provided the impetus and the funding for many projects related to women’s self-employment. Of the 1750 projects funded by NOW across Europe between 1994 and 1999, over half addressed business creation. Such initiatives are also closely linked to EU-wide employment policy: the European Employment Strategy (EES) includes among its four pillars the provision of ‘equal opportunities for men and women,’ and the 1999 EU Employment Guidelines strengthened this commitment by calling for the mainstreaming of gender equality into all four pillars.6 (European Commission, 2001) Another source of EU funding for initiatives supporting women’s self employment is the LEADER II rural development initiative, which has funded projects targeting rural women micro-entrepreneurs. These funding streams often require compliance with specific guidelines, such as the involvement of multiple stakeholders, that facilitate the development and strengthening of linkages across the public, private, and non profit sector at the local level.

At the national level, many EU governments include among their active labour market policies the provision of start up incentives for unemployed people who pursue self-employment, such as the Überbrückungsgeld in Germany and the Back to Work Enterprise Allowance in Ireland. However, women are generally underrepresented among the participants in such programmes. Although roughly half of all unemployed, they only make up 29 percent of participants in Germany and 18 percent in Ireland. (EUROSTAT 2003b) Fewer examples exist of government policy that is targeted specifically at promoting self-employment among women. Two exceptions are the United Kingdom and Sweden.

Support to Women entrepreneurs in UK and Sweden

In the United Kingdom, the governmental Women and Equality Unit has a special relationship with the Ministry of Trade and Industry. The Women and Equality Unit’s mandate specifically includes collaboration with the Ministry to ensure a gender perspective in all Ministry policies and programmes, including SME policy and enterprise development. However, aside from the link for women on the Small Business Service’s online information site, the UK government has no targeted programs for self-employed women. Economic and community development initiatives designed to promote enterprise among disadvantaged groups, such as the Phoenix Fund, do include women among their target groups.

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6 The other three are: employability, entrepreneurship, and adaptability.
In Sweden, the government-financed Swedish Business Development Agency, NUTEK, in partnership with the publicly funded consulting firm ALMI Businesspartner, has emphasized women's entrepreneurship since 1993. Activities include the production and dissemination of research on women’s entrepreneurship, the development of training and consultation programs for women, and a project that provides municipal authorities with business consultants for women in order to promote women’s access to the information they need to pursue self-employment. Rural municipalities are given priority when placing these business consultants. The Swedish National Labour Market Administration also provides special guidelines and support for unemployed women who pursue self-employment, including the ability to extend their unemployment insurance during the start-up phase of their business.


Municipal and regional governments have been most active in developing schemes to promote women’s self-employment, often by taking advantage of EU-wide funding streams such as the NOW programme mentioned above. One example is ProWomEn, a Europe-wide network of 17 government institutions at the regional level that collaborate around ways to support women's entrepreneurship and the start-up of women-owned businesses. Most participating regions are in current EU Member States (eg. the German Länder of Baden-Württemberg and Thüringen, East Sweden) but the network also includes regional government bodies from Hungary, Poland and the Czech Republic. The institutions in the network have established formal channels for exchanging and disseminating good practices and for engaging in dialogue with each other, which facilitates each participating institution’s ability to develop initiatives and programmes for its own region.7

Central and Eastern Europe

In Central and Eastern Europe, national SME and labour market policies rarely identify women as a target group or explicitly address the issue of women’s ability to pursue self-employment. Slovenia is one exception. Its national Employment Action Programme includes a ‘Programme for Women Professional Promotion’ that focuses on providing women with new employment possibilities, and in particular on opportunities for self-employment and entrepreneurship. At its women’s information centre (META Centre) located in Ljubljana, and via ‘Women’s Promoters’ in each region, the programme provides services such as training, mentoring, and opportunities for networking with other business women in Slovenia and internationally.

In contrast to the lack of governmental activity related to women’s self-employment in Central and Eastern Europe, an extensive array of civil society initiatives addressing women’s issues has emerged in this region over the past decade. Many women’s NGOs focus on improving women’s economic position through, among other things, self-employment. Furthermore, the nascent women’s business associations (WBAs) in the region often assume a double role: in addition to functioning as traditional member-based associations providing lobbying, advocacy, and networking services for their members, they also have a strong ‘service provider’ component providing training and technical assistance, often in the form of targeted programmes to poor or rural women. For example, the Association of Businesswomen in Serbia provides training to

7 From ProWomEn website: http://newcome.de/prowomen/english/index.php
home-based ‘informal’ self-employed women about improving and registering their businesses. Women’s NGOs and WBAs in Bosnia and Herzegovina, the FYR of Macedonia, and Serbia and Montenegro have also been active in lobbying government bodies and financial institutions regarding the issue of women’s access to finance.

**CIS countries**

In the CIS, national governmental policies related to SMEs and enterprise development also typically lack gender specific focus. At the municipal level, St. Petersburg, Russia, is one example of government efforts to promote women’s self-employment. Several municipal governmental institutions have collaborated on a training programme aimed at fostering crafts-related self-employment among women. Still, these and other employment programmes targeting women in Russia have born the brunt of cuts in public employment funds. (Velichko et al. 2003).

At the same time, multiple NGO initiatives supporting women’s self-employment are active in countries in the CIS. In the St. Petersburg region alone, 85 different women’s NGOs address women’s employment and economic opportunities, with many focusing specifically on issues related to self-employment. Similarly, WBAs and women’s NGOs in countries such as Azerbaijan, Kyrgyzstan, Kazakhstan, and Uzbekistan have been instrumental in designing and implementing a range of initiatives that address the needs of self-employed women, including microcredit programmes, business incubators, training, and business counselling services. (UNECE 2004, forthcoming)

**II.B Selected cases of good practice**

Good practice cases in supporting women’s self-employment are implemented by national, regional, and local governments as well as civil society in various countries the ECE region. Each example addresses one or more aspects of gender specific barriers highlighted in Part I illustrating how women could improve their access to finance, to information and networks, to markets, and to training, as well as overcome the traditional social and cultural norms. These examples also shows the roles of different actors as well as the possibilities for collaboration across the public, private, and non profit sectors towards supporting and promoting self-employed women.

**NUTEK (Swedish Business Development Agency)**

The Swedish Business Development Agency, NUTEK, initiated a project to improve women’s access to information about self-employment by establishing local and regional resource centres for women across the country, with a special emphasis on rural and remote regions. The primary objective of this decentralized network of women’s resource centres is to serve the informational needs of self-employed women. Originally administered by NUTEK, the centres are now independent NGOs that are co-financed by the government agency. They provide information, advice, support, training, and networking opportunities, as well as technical resources such as computer and Internet access (particularly important in rural areas).
Another successful NUTEK programme was launched in 1993 with the goal of establishing locally-based Business Advisors for Women in municipalities around Sweden. The programme was sparked by research on self-employed Swedish women that indicated that women are often reluctant to seek advice from traditional business advisors or business development organisations and would prefer to seek advice from other women. The Business Advisors for Women programme was designed to provide women with an easily accessible, local source of information about self-employment and business ownership that was responsive to their needs. As of 1999, Business Advisors were located in about 100 municipalities, many of them in remote or rural areas. In addition to serving as a source of advice and information, Business Advisors also organise opportunities for self-employed women in the local area to get to know each other, which facilitates networking opportunities.8

NUTEK also addresses the social and cultural barriers affecting women’s opportunities to pursue self-employment through promotional and information campaigns about self-employed and entrepreneurial women and their contribution to the strength of the business community. NUTEK has made such work a priority in order to improve the visibility of self-employed women in society as a whole and to address misconceptions and attitudes about women’s self-employment.

_programme of women professional promotion’ in slovenia_

The Slovenian ‘Programme of Women Professional Promotion’ described above has created a similar nation-wide infrastructure to facilitate women’s access to information. Main components of the programme are the META information centre based in Ljubljana, and individual Women’s Enterprise Promoters located in different regions around the country. The project is financially supported by the government and is implemented by the Slovenian Small Business Development Centre in partnership with the women’s business association GIZ Podjetnost. The META information centre provides information, advice, and other self-employment related resources on-site, via a toll-free Business Counselling Switchboard, and on its website. Web-based services also include networking opportunities with other self-employed women in Slovenia, Stability Pact countries, and other European countries. As of 2003, 28 Women’s Enterprise Promoters had been designated in different municipalities around the country. They provide a range of services tailored to the needs of women in their communities, targeting in particular target in particular unemployed women, single mothers, and women with less education. Their responsibilities include facilitating networking opportunities, assisting women with accessing information about business start-up, and providing motivational workshops and workshops in areas such as handicraft production, farm tourism, and computer skills. In 2002, 2639 women participated in these workshops.9

‘Parità, Occupazione, Ecologia’: an Italian initiative funded by NOW

Women’s enterprises often face constraints stemming from their location in low-growth sectors, a trend that is linked to women’s educational background and the gender segregation of the

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education system. ‘Parità, Occupazione, Ecologia’ (Equality, Employment, Ecology) is an Italian initiative that facilitates women’s access to training in traditionally male-dominated areas. The project, which is overseen by a Rome-based organisation called Crasform and funded through EU’s NOW Initiative, provides women with training and business start-up support to support their self-employment in building renovation and rehabilitation, an area that has recently experienced growth due to increasing interest in urban renewal and historic preservation.

The project provides training to two groups of women. The first group, consisting of women with formal training as architects and engineers, receives training in relevant aspects of design, ‘green’ technology, and renovation, as well as ICT and management skills, in order to start businesses in ecological building and construction work. The second group receives training in building maintenance and renovation techniques such as plumbing, decoration, and painting, as well as ICT and management skills, in order to start businesses providing building and construction services. Both groups are provided with training and technical support related to starting up their enterprises.

In addition to its focus on training in a non-traditional, potentially high-growth sector, the project is innovative in several additional respects:

- The training programme is comprehensive in that it includes both sector-specific training and general business training in areas such as ICT and management.
- Because it trains two groups of women in complementary occupations within the building renovation industry, the training programme also creates ‘natural linkages’ between women. This not only facilitates their access to enterprises that can serve as potential markets and suppliers, but also establishes the foundation for a support system among self-employed women which can facilitate survival in this male-dominated field.

‘Home Work for Women’ and related local government programmes in St. Petersburg, Russia

Home workers were identified as the target group for this project because of their prominence in the employment structure of the St. Petersburg region. Homework is also a strategy frequently employed by women because it facilitates their ability to generate a source of income combine enable with family and household responsibilities. Yet home-based self-employed women face particular challenges in accessing training and other services that would enable them to improve their businesses. The “Home Work for Women” programme in St. Petersburg, Russia, provides training and business support services that are targeted to the needs of this group. Initiated by the City Centre for Career Guidance and Psychological Counselling (CCCGP) for the Population of St. Petersburg, the programme’s objective is to increase women’s opportunities for full- and part-time employment. Based on an analysis of the demand for female workforce and for handicrafts, the programme identified a target group of women and provided these women with training in crafts trades as well as marketing and management skills. In collaboration with the City Employment Committee, CCCGP also created a Women’s Labour Exchange, which provides business-related training to women registered with the public employment service in the region. These training programmes are linked to a range of support services for women that facilitates their ability to start and grow their enterprises, such as craft and career fairs, ‘master classes,’ craft competitions and an Advisory Centre for Folk Crafts that provides career advancement services to Exchange graduates.
The Institute for Social and Economic Development (ISED) in the United States

The Institute for Social and Economic Development (ISED) is an example of one innovative approach to improving women’s access to finance: the development of partnerships with commercial lending institutions. ISED is a non-profit micro-enterprise development organization founded in 1988 in the state of Iowa in the United States to help low-income people achieve self-sufficiency through self-employment. ISED specifically identifies low-income women among its target population, and during its first ten years of operation, roughly two thirds of its clientele were women. The organisation’s in-house services include training, technical assistance, and community business networks. Its access to capital programme is based on partnerships with formal financial institutions and consists of three components:

- ISED has developed close relationships with local banks, in which the banks have agreed to set aside micro loan funds for ISED clients. The banks give priority to loan applications from ISED clients with ISED-approved business plans.
- ISED works closely with local and national loan programmes as well. Through on-going relationships with loan providers, ISED facilitates its clients’ access to these funds as well.
- The organisation has also established its own loan guarantee programme that can secure up to 50 percent of a loan in situations where a bank requires additional security.

In the first ten years of its existence, ISED helped its clients access over 5,700,000 US$ in loans. (Kantor 2002) The partnership approach has several advantage: it facilitates the process of ‘mainstreaming’ low-income women micro-entrepreneurs into the formal financial system, it may have efficiency advantages over the establishment of separate funds, and it provides an opportunity to educate banks about women’s credit needs and their creditworthiness.

Women Entrepreneurs Support Association (WESA) in Kyrgyzstan

A women’s business association (WBA) in Kyrgyzstan has initiated a project that directly addresses the structural inequalities that contribute to women’s difficulties in accessing finance. As part of a strategy for supporting women’s entrepreneurial initiatives and helping them to access economic resources, the Women Entrepreneurs Support Association (WESA) in Kyrgyzstan launched a project in 2002 about women’s land rights. The project focuses on providing legal information advice about property ownership and land rights to women in remote regions of the country. WESA also provides women with support in applying for credit and joining credit unions. Project collaborators include UNIFEM as well as several other national women’s NGOs, and local government institutions and the mass media are also involved.

As part of the project’s 2002 activities, twenty-one information pieces were published by the central and local media, and seven television programmes were broadcast. A network of local trainers and consultants has been established. Several documents about land rights have been published and are now available in Russian on the UNIFEM website. So far, over 10,000 women have received legal advice and legal assistance through the project. WESA has also developed a series of gender indicators that will help them develop a fuller picture of women’s knowledge of their economic rights. Data collection is already underway in pilot villages. Additional gender-disaggregated data is being collected about the distribution of land during land reform.
The Bosnian Women’s Economic Network (BWEN) in Bosnia and Herzegovina is an example of a grassroots effort to improve self-employed women’s ability to network and to access information in a post-conflict setting. The nation-wide network, sponsored by the STAR Network of World Learning, an international NGO, is subdivided geographically into 5 reference groups that cross ethnic lines, and focuses on economic issues pertinent to women. In addition to self-employed women, its 1500 members (as of 2002) also include women from NGOs, trade unions, and business associations. BWEN uses a variety of methods of communication among its members, such as an electronic listserv and a bimonthly newsletter, Mreža, that includes profiles of successful self employed women, discussions of issues such as microcredit and BiH tax and legal frameworks, and advertisements of members’ products and services. BWEN also provides face-to-face networking opportunities for members as well as workshops on topics pertinent to starting and growing a business. In 2002, BWEN held workshops on access to finance and invited representatives from sources of finance, such as microcredit providers, banks, and government institutions, to attend. As a result of the information provided in these workshops, nearly 50 women were able to access credit from government funds as well as banks and microcredit providers.

The BWEN also successfully lobbied the Federal Employment Bureau (FEB) to improve transparency of the information provided on its loan programme for self-employment and to publish gender-disaggregated data about applications and loan recipients. Results included improved publicity about FEB loans in general, since many details about the programme had not been advertised at all, as well as better knowledge about the reasons why women’s applications had been rejected. By demanding greater access to this information, the BWEN also put pressure on the FEB to be more gender sensitive in its activities. (STAR Network 2002)

Central Asian Crafts Support Association (CACSA)

Sector-based strategies that cluster women in related industries together can facilitate women’s access to markets by creating forward and backward linkages among businesses, by fostering positive externalities associated with competition, and by exploiting economies of scale to expand marketing and distribution options. For poor, rural micro-entrepreneurs who are typically isolated and have few resources of their own to devote to pursuing new markets, this strategy can be particularly beneficial. Increasingly, the Internet can provide a means of accessing a wider market.

One initiative that has tapped new technologies to help self-employed women access global markets is the Central Asian Crafts Support Association (CACSA). This NGO markets the products of craftspeople and artisans living in Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, and Tajikistan to international buyers via the Internet. Since 1998, this member-based NGO has coordinated the export process for goods produced by micro-entrepreneurs in traditional sectors, enabling them to access global markets. Through partnerships with 26 NGOs and craft development centres in the region, CACSA connects individual micro-entrepreneurs to marketing-related resources that they would not be able to access on their own, including
communication links, marketing and product development training, and sales opportunities. CACSA also organises crafts fairs for its suppliers, many of whom are women.\textsuperscript{10}

III. Challenges and policy implications

The range of strategies for promoting women’s self-employment outlined in Part III reflects the diversity among self-employed women and their needs across the UNECE region. It also underlines the differences among stakeholders in their approaches to promoting women’s self-employment, and the differences among the rationales upon which these approaches are based. The growth approach emphasizes women as an untapped source of growth for the economy as a whole. This approach is dominant in the United States and Canada. The ‘job creation’ rationale, common among European Union member states, links self-employment and entrepreneurship, particularly among women, to broader strategies to combat unemployment. The poverty alleviation rationale emphasizes self-employment as an economic survival tool for poor women and their families. And finally, efforts to promote women’s entrepreneurship can stem from a commitment to increase women’s empowerment.\textsuperscript{11}

Because these rationales reflect different policy priorities, they can lead to different approaches in the implementation of policies to promote women’s entrepreneurship. When each stakeholder focuses narrowly on one approach, without coordinating its efforts with those of other actors, gaps can emerge, resulting in policies that do not effectively reach all women with appropriate services. For example, active labour market policies in the EU encourage self-employment based on the ‘job creation’ rationale, but these programmes are often under utilized by women. US and Canadian approaches based on the ‘economic growth’ rationale may focus primarily on formal sector entrepreneurs with larger enterprises, with the result that the women most in need (ex. low income micro-entrepreneurs) are more likely to fall through the cracks. In contrast, many NGO-based programmes to support women’s self employment target poor and vulnerable women. But without strong linkages to the government actors and decision-makers who set the economic policy agenda, such exclusively ‘poverty alleviation’ based approaches may serve to further isolate poor and marginalized women, instead of helping them to integrate into larger economic system.

Thus, three key challenges emerge with respect to improving support for women’s self-employment on the policy level:

- how to effectively identify and reach self employed women,
- how to better integrate a gender perspective into relevant policy areas, and
- how to better integrate and coordinate the efforts of different stakeholders.

Effectively identifying and reaching self-employed women

A general lack of data about self-employment, and in particular gender-disaggregated data, means that we know little about the characteristics of self-employed women and their

\textsuperscript{10} CACSA website, \url{www.catgen.com}, and Ruminska-Zimny in UNECE 2004 (forthcoming).
\textsuperscript{11} See Kantor, 2000; OECD Small And Medium Enterprise Outlook: 2000 Edition; and proceedings of Second OECD Conference on Women Entrepreneurs.
enterprises. The concept of ‘self-employment’ itself is a broad term that incorporates a wide range of activities, from engaging in small-scale micro-entrepreneurship to managing large companies, each with its own set of challenges and constraints. Within this diverse group of women, obtaining information and data about those most in need of support, such as low income, rural, or home-based entrepreneurs, is particularly problematic. This lack of detailed knowledge is compounded by the fact that these groups of women are typically politically marginalized as well and have little access to platforms to advocate for their own needs in the public forum. This challenge has several policy implications.

- First, a solid statistical knowledge base about self-employment trends among women is an essential part of ensuring that policies are well designed and well targeted. Such information should be collected and analyzed at regular intervals, and should include gender-disaggregated data about trends in self-employment, about the characteristics of women’s and men’s enterprises, and about the challenges they face in running their businesses.

- Second, reaching the most vulnerable groups, such as low-income women, rural women, and informal or home-based entrepreneurs, requires particular attention. One approach is the development of targeted policies to serve these groups. These groups could also benefit from support in lobbying and advocating for their own needs by linking them to larger support networks and resources, such as regional coalitions of informal workers.

- Third, policy strategies to support women’s self-employment would benefit from the adoption of an integrated approach that incorporates the multiple rationales for promoting women’s self-employment, and that balances the needs of different groups of self-employed women. Such an integrated approach would combine policy initiatives that work on three levels:

  1) Targeted programs that improve women’s immediate access to resources (such as credit lines, micro finance, access to training and services)
  2) Programs designed to promote self-employed women in the wider society and to increase their visibility in the business and policy communities (such as achievement awards, procurement policies, public awareness campaigns)
  3) Gender mainstreaming at the policy level to address underlying structural barriers and their manifestation in labour market, tax, and family and social policies

*Integrating a gender perspective into relevant policy areas*

In many countries, women are not identified as a target group within measures to support self-employment and business development. Even when SME and other relevant policy areas make specific mention of women, concrete policy initiatives tend to remain focused predominately on the needs of women with larger, formal sector enterprises. Mainstreaming a gender sensitive approach to SME policy would involve including specific mention of women as a target group for SME policy, incorporating an understanding of gender-specific barriers to self-employment into SME policy responses, and broadening the scope of business development and SME support
policies to better reflect the characteristics and needs of women-owned enterprises. The policy implications of adopting such an approach include:

- Reframing discussions about the needs of SMEs and self-employed individuals, and about the range of available policy responses, to better reflect the particular needs of self-employed women and their enterprises. A potential framework for such a reframing of policy dialogue might include the following shifts in perspective:
  1) From ‘bigger is better’ to ‘small is smart and sustainable’
  2) From providing information on legal and formal aspects of start ups to providing support in developing and marketing ideas
  3) From financing investments in fixed assets to financing maintenance costs and entrepreneurial skill development
  4) From business plans geared towards conventional goods and services to those better adapted to business providing personal services

- Ensuring that SME policy addresses gender-based constraints faced by women, and in particular those related to the unequal division of household and family labour. One example would be to provide child care and health care benefits in programmes that provide assistance with self-employment.

*Integrating the efforts of different stakeholders*

As mentioned above, gender is often absent from SME policy discussions by government institutions. When women’s self-employment is addressed, it is often within the context of the ‘growth’ rationale that may not adequately incorporate the needs of particularly vulnerable groups of women. On the other hand, NGOs and national gender machineries often identify the most vulnerable groups among women as their target groups. But at the same time, these stakeholders may adopt a poverty alleviation or empowerment approach that, if not coordinated with efforts by other actors, may not fully address the economic aspects of promoting women’ self-employment and ensuring their businesses’ long term success.

Coordination and linkages among different actors across different institutions and policy arenas are needed in order to ensure that the contributions of each of these approaches do not get lost. Policy implications of an emphasis on developing such linkages include:

- Building formal linkages and lines of communication between government institutions responsible for SME policy and national gender machineries
- Facilitating opportunities for direct communication and on-going dialogue between government actors and civil society stakeholders such as women’s NGOs and WBAs
- Developing and strengthening linkages among stakeholders who work directly with self-employed women on the local level by encouraging partnerships and dialogue among chambers of commerce, local branches of public employment services, women’s NGOs, and WBAs

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12 See: Businessfrauencenter Austria’s presentation of its good practices online at http://europa.eu.int/comm/enterprise/entrepreneurship/craft/craft-women/documents/austria.pdf
Among these efforts, paying specific attention to the needs of informal self-employed women and ensuring that organizations that represent their needs are included in policy discussions

IV. Institutional processes, mechanisms and tools

Efforts to improve linkages across institutions and among stakeholders with different rationales for promoting women’s self-employment, and to facilitate the development of integrated strategies that address women’s needs at all three levels, may benefit from the application of the following concrete processes and mechanisms:

- Identifying one actor with responsibility for taking a leading role in coordinating efforts among multiple stakeholders and promoting women’s self employment on a national level. For example, PROWESS is a nation-wide non profit umbrella organisation in the United Kingdom that represents the interests of self-employed women and the organisations that serve them on the policy arena. PROWESS lobbies the relevant government ministries on behalf of women’s business associations, organisations that provide services to self employed women, and self employed women themselves. The organisation is also a source of information and research about women’s self-employment. It works to educate policymakers and government decision makers about self-employed women’s needs and has developed best practice criteria and provides technical assistance and training to organizations that serve self- employed women.\(^{13}\) As an umbrella organisation that represents the interests of the network of smaller civil society organisations on the national level, PROWESS also provides a formal linkage between government and civil society stakeholders. In the United States, the National Women’s Business Council, a bi-partisan Federal advisory council, plays a similar role.

- Creating arenas for stakeholders from different sectors to come together on a regular basis to exchange information and develop common strategies. For example, the Baden-Württenbürg Women’s Entrepreneur Forum is a network initiated by ifex (initiative for start up and business transfer), a regional government agency in Germany. As part of the Landesgewerbeamt (Office for the Promotion of Trade and Industry) within the government of the state of Baden-Württenbürg, ifex’ mandate includes serving self-employed women. In order to facilitate broader cooperation and information exchange, ifex began inviting stakeholders from government, the private sector, and civil society to regular forums about women’s entrepreneurship. This structure has evolved into a formal network of cooperative work and dialogue among the different stakeholders. The network is governmentally funded.\(^{14}\)

\(^{13}\) From ProWoMen website, downloadable Book of Good Practice in the Promotion of Women Entrepreneurship, Part Four: Regional Networks.

\(^{14}\) From ProWoMen website, downloadable Book of Good Practice in the Promotion of Women Entrepreneurship, Part Four: Regional Networks.
• Encouraging the development of partnerships between women’s NGOs and mainstream business support services in order to link NGOs’ work on women’s empowerment more closely with SME policy and to involve other stakeholders in projects targeted at women. For example, the STAR Network in Croatia, a project funded by World Learning, created initiatives to support women’s self-employment by working in partnership with other government and civil society actors, such as local economic development agencies or business incubators. The Network focused on establishing services targeted to women that were implemented in conjunction with, and based on the existing services and resources provided by, these other organisations. The STAR Network also facilitated communication among initiatives and projects undertaken by different actors in different regions of Croatia to exchange good practices for promoting self-employment, particularly among women.15

• Creating funding streams for women’s self-employment that encourage, or even require, the creation of partnerships across sectors. European Union structural funds apply this principle. For example, the European Regional Development Fund’s RECIFE project in 1998-1999 brought together six partners in five different countries to work on women’s enterprise development. Some partners brought an SME perspective, others a gender equality perspective, and others a local development perspective. By working together and sharing their perspectives, the partners developed programmes that were tailored to the needs of their communities but also incorporated the knowledge and experiences of other partners. (European Commission 2000) Similarly, NOW Initiative projects require the participation of social partners.

• Establishing concrete mechanisms and processes for mainstreaming gender into SME ministries and their related government institutions, such as small business development agencies. Such mechanisms may include the following:

  - Setting concrete targets for women’s participation in the business support programmes and policies implemented by these institutions
  - Establishing and collecting data on indicators that measure the gender sensitivity of SME ministry policies and activities
  - Providing gender sensitivity training for SME ministry staff and for service providers and the related government institutions, such as the small business development agencies.

• Improving the general quality and quality of data collected about self-employment by the government and other stakeholders. This includes identifying key indicators about women’s and men’s self-employment, collecting and analyzing data related to these indicators, and disseminating this information to relevant stakeholders and in the wider society.

REFERENCES


ProWomEn website. Includes downloadable *Book of Good Practice in the Promotion of Women Entrepreneurship*. Online at: http://newcome.de/prowomen/english/.


