

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

SERIES: ENTREPRENEURSHIP and SMEs

Women's Entrepreneurship in Eastern Europe and CIS Countries



UNITED NATIONS

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**ECE/TRADE/310
OPA/AC.29/1**

UNITED NATIONS PUBLICATION

Sales No. E.03.II.E.3

ISBN 92-1-116815-5

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Printed at United Nations, Geneva (Switzerland)

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LIST OF ABBREVIATIONS

BSEC	Black Sea Economic Cooperation
CEI	Central European Initiative
CIS	Commonwealth of Independent States
CMEA	(former) Council for Mutual Economic Assistance
EBRD	European Bank for Reconstruction and Development
EU	European Union
FDI	foreign direct investment
GDP	gross domestic product
ICT	information and communications technology
ILO	International Labour Office
ITU	International Telecommunications Union
NGO	Non-governmental organization
NIS	Newly Independent States
OECD	Organisation for Economic Cooperation and Development
SME	Small and medium-sized enterprise
TACIS	Technical Assistance for the Commonwealth of Independent States (of the EU)
UNCTAD	United Nations Conference for Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNICEF	United Nations Childrens Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
WTO	World Trade Organization

FOREWORD

Women's Entrepreneurship in Eastern Europe and CIS Countries is the first publication in the new series ENTREPRENEURSHIP AND SMEs. The series aims at presenting various aspects of trends, problems and policy issues related to the development of small and medium-sized enterprises (SMEs) in transition countries.

Small and medium-sized enterprises (SMEs) are an important source of growth and new jobs in market economies worldwide. In most transition countries their potential remains, however, still untapped. This relates especially to women as, despite good levels of education and high participation in the labour market, they become entrepreneurs on average twice less often as men. The gender gap in entrepreneurship is seen in all countries regardless the size of the SME sector in the economy.

The UNECE Programme on Women's Entrepreneurship aims at raising awareness of problems of women entrepreneurs, enhancing dialogue, promoting the exchange of best practices and recommending policies, supporting the development of women-run companies. The broad UNECE membership, which comprises 55 countries from Europe, North America and central Asia, provides a unique forum for such activities and facilitates contacts among stakeholder, policy makers, women entrepreneurs, non-governmental organizations and international organizations.

Main activities of the UNECE include: organization of the annual Forum of Women Entrepreneurs; maintenance on the UNECE website of a virtual Portrait Gallery of Excellent Women Entrepreneurs and a Network of Women's Business Associations, which promote role models and business contacts; work of the Team of Specialists on Women's Entrepreneurship within the Working Party on Industry and Enterprise Development (WP.8); organization of sub-regional workshops and seminars; and demand driven advisory services, provided to governments and civil society organizations. More information on these activities can be found at www.unece.org/operact/enterp/women.htm

The present volume includes selected papers prepared for the First Forum of Women Entrepreneurs (22 October 2001) and meetings of the Team of Specialists on Women's Entrepreneurship. The volume has three parts: Part I presents a regional overview of the situation and problems of women entrepreneurs; Part II includes country experiences, and Part III discusses the importance of networks and the benefits of connecting women-run enterprises to the global digital economy. The summary of the First Forum of Women Entrepreneurs is included in the Annex.

This publication was prepared by Ms. Ewa Ruminska-Zimny, Regional Adviser on Gender and Economy, under the guidance of Ms. Larissa Kapitsa, Director, Coordinating Unit for Operational Activities, with the assistance of Ms. Alison Mangin, Ms. Tatiana Apatenko and Mr. Mitja Jarh with English language editing and technical assistance.

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PART ONE

Regional Perspective

WOMEN'S ENTREPRENEURSHIP AND LABOUR MARKET TRENDS IN TRANSITION COUNTRIES

*by Ewa Ruminska-Zimny
Regional Adviser, UNECE*

Entrepreneurship is at the very centre of changes in eastern Europe and in the CIS. It is an important source of job creation and opening career opportunities for men and women. There is, however, an asymmetry in access to entrepreneurship, which is also reflected in the broader trends in the labour market.

Labour market trends during the 1990s indicate that although men and women were affected by the loss of job security and employment cuts, until recently women took over a large share of the adjustment costs. This could be explained by the horizontal and vertical segregation of women's jobs but also by their position as secondary earners, inherited pattern of male dominated labour market institutions (trade unions, chambers of commerce) and policies. The latter reflected a traditional male breadwinner approach to employment despite high levels of women's participation in the labour market in the past.

As a result self-employment became for many women the only avenue for paid employment. At the same time, however, women had fewer opportunities to start their own business due to gender specific barriers in access to information, networks and collateral. Similar patterns of male advantages could be observed in other regions (Elson, 1999). Establishing gender sensitive policies supporting SMEs development is thus an important priority of economic policies in transition countries.

Gender asymmetry in labour market developments

Gender asymmetry was seen in employment cuts, sectoral changes of employment and access to jobs in the private sector. Data on sectoral changes and self-employment in selected countries show that they did not benefit as often as men from job opportunities in the private sector and in the most dynamic branches of the service sector. Women's share in part-time employment increased, which could indicate a trend towards feminization of this market segment. The gender asymmetry should be seen in the context of significant differences in the economic situation, progress in reforms and policies in countries and sub-regions.

Decline in employment

Some countries, especially the Russian Federation and CIS countries, managed to keep employment cuts at a relatively low level, when compared to the fall of output at the expense of lower labour productivity and mounting wage arrears. In many countries of Central and

South-eastern Europe and in the Baltic States the cuts were up to over 20%. Economic recovery in the second half of the 1990s did not significantly improve the situation in the labour market. Employment has continued to decline in a number of countries.

Employment cuts were the deepest in the first half of the 1990s, when GDP sharply declined and countries introduced major reforms and austerity measures to stabilize the economy. During that time the decrease in women's employment was greater than men's in the majority of countries (11 out of 17) (Table 1). The differences ranged from 2-5 percentage points in Armenia, The former Yugoslav Republic of Macedonia or Estonia to close to 10-13 points in Albania, Lithuania and the Russian Federation. A significant gender gap in employment cuts was also seen in Kazakhstan, Slovenia and Ukraine.

During 1995-1998, women's employment declined more than men's in 9 out of 17 countries or, as in Slovenia, increased at a lower rate. It should be noted that for women in the Baltic States (except Estonia, where some improvement was noticed), all CIS countries, as well as Albania, Hungary and Slovenia, this was a continuation of asymmetric cuts in female employment. The opposite was true in some other countries, where men continued to be more affected than women, such as in Romania, The former Yugoslav Republic of Macedonia and Yugoslavia, or benefited less from the increase in employment, such as in Poland and Slovakia.

During 2000-2001 the available data show that men were more affected than women by employment cuts in all countries, except Armenia, Slovakia and Slovenia. Explanation of this trend requires further research. It probably reflects the pattern of structural changes and the delayed restructuring of the male-dominated industries. It may, however, also indicate women's flexibility in adjusting to demand, including through accepting jobs at the lower end of the labour market.

Presented trends do not capture the diversity of the situation and factors explaining gender asymmetry and specifics by sub-regions and countries. Men, especially those with narrow technical skills and living in declining regions, have been hard hit by employment cuts. In many regions of the Russian Federation or Ukraine, but also elsewhere, they have little chance of finding new jobs. A sharp decline in male life expectancy seen in the Russian Federation and a number of CIS countries in the early 1990s is now largely associated with the stress of losing jobs and social position.

Sectoral changes in employment 1992-1997

During the restructuring process, there was a shift of employment from agriculture and industry towards services. Data for selected countries in central Europe, the Baltic States and the Russian Federation show that women were disproportionately affected by this shift, as indicated by changes in women's share in employment by industry (Table 2). The decline in employment in agriculture seen in all countries (except Slovenia, Estonia and Latvia), and industry was not compensated by the increase of employment in services (except Slovakia and Slovenia) (Table 2). Cuts in women's jobs in industry reflected a shedding of clerical positions and restructuring of light industries, such as textiles, which had already lost State support in the early phase of transition as opposed to the male-dominated heavy industry.

Changes in the employment structure within the service sector show that women moved towards public services and benefited less than men from the expansion of market driven

services. In all countries, women's share in employment in education increased, reaching 70-80%. A similar trend was seen in health and social care. At the same time women's share in financial intermediation declined, except in the Czech Republic, Poland and Romania. The decline was as great as by 24 percentage points in Latvia and by 10-14 percentage points in Hungary, Lithuania and the Russian Federation (Table 2). When compared with relative wages in the financial services and education, these changes represent a move towards lower paid jobs (Table 3). These jobs became increasingly insecure under the pressure of reforms of education and health services, involving employment cuts for the sake of efficiency gains. According to the World Bank, using the OECD benchmark for student-teacher ratios, up to one-third of the teaching workforce could be reduced in most transition countries (World Bank, 2002).

Unemployment

The pattern of unemployment does not indicate consistently higher unemployment rates for women as compared to men. In 1997, only in five out of 11 transition countries reviewed in the *Economic Survey of Europe 1999* were female unemployment rates higher than men's. Female unemployment rates were lower than men's in Hungary, Latvia, the Russian Federation and Slovenia but higher in the Czech Republic, Poland and Romania. This is confirmed by recent data from the *Economic Survey of Europe 2002* (Chart 1). In 2001 women's unemployment was higher in four out of 10 countries (Czech Republic, Poland, Estonia and Slovenia) and only in the first two countries was the difference substantive. The decline of the ratio of female to male unemployment during 1998-2001 also indicates the relative improvement of women's situation in the labour market, except in Estonia and Slovenia.

In many countries, however, lower unemployment rates reflected women's withdrawal from the labour market, especially in the first phase of the transition process. In all countries for which data were available, the decline in women's activity rates was sharper than for men between 1985 and 1997, except Slovenia (Table 4). This may be less relevant to explaining lower unemployment rates for women since 1997 as in a number of countries women's activity rates declined less than men's or, such as in Hungary or the Russian Federation, increased more than men's.

Presented data on unemployment do not provide the full picture. More research is needed to explain unemployment trends and evaluate the situation of men and women in countries with very high total unemployment rates in South-Eastern Europe, such as Bosnia and Herzegovina and The former Yugoslav Republic of Macedonia (around 40%), Croatia and Yugoslavia (22-26%), which were not included in Chart 1. In countries where benefits were higher than those related to unemployment, many women chose extended maternity leave, rather than unemployment. Finally, surveys from several countries show the specifics of female unemployment, which is characterized by greater difficulties in finding new jobs. Women largely rely on government services for finding employment, while men use a more efficient method, through personal contacts and networks.

Income and wages

Prior to 1989, average female wages were 20-25% lower than men's. The differences were largely due to occupational segregation in less paid sectors and lower positions in the economy. These differences were not very significant in value terms due to relatively flat

distribution of wages under planned economy and across-the board access to free public services. However under market conditions and rapid diversification of wages, the wage gap had an increasingly negative impact on women's financial situation.

Table 1
Growth rates of GDP and employment in eastern Europe, the Baltic States and the CIS,
1991-2000
(Cumulative, percentage)

	1991-1994 ^a			1995-1998			1999-2000		
	GDP	Employment		GDP	Employment		GDP	Employment	
		Men	Women		Men	Women		Men	Women
Eastern Europe									
Albania	-20.7	-14.3	-24.2	24.1	0.4	-16.2	15.6	-5.2	4.4
Bosnia and Herzegovina ..	..	..	..	..	..	..	..	..	..
Bulgaria	-14.7	..	..	-11.1	..	..	8.4	..	..
Croatia	-32.2	..	..	24.0	..	..	3.3	..	..
Czech Republic	-10.0	-11.0	-10.5	8.3	-	1.2	2.5	-4.1	-3.7
Hungary	-12.5	-25.5	-26.3	12.7	-0.6	-2.4	9.6	3.0	4.3
Poland	4.2	-9.9	-4.8	27.1	5.1	8.5	8.2	-4.9	-4.7
Romania	-16.1	-8.5	-6.6	-0.5	-13.8	-10.8	-0.6	-4.3	0.4
Slovakia	-19.3	-20.4	-18.5	25.4	1.0	5.0	4.2	-2.4	-3.1
Slovenia	-6.7	-14.8	-20.5	17.0	7.3	5.8	10.1	-1.2	-1.7
The former Yugoslav Republic of Macedonia	-20.3	-22.2	-21.6	4.9	-23.9	-17.8	8.8	-1.9	4.2
Yugoslavia	-54.7	-12.5	-8.3	23.5	-12.5	-8.3	-11.8	..	..
Baltic States									
Estonia	-30.7	-14.1	-18.4	26.1	-9.8	-5.1	6.2	-5.1	-4.7
Latvia	50.0	-22.6	-23.7	15.5	-3.4	-4.0	7.7	-0.6	-0.4
Lithuania	-43.8	-2.2	-15.9	21.9	1.9	-4.2	-0.2	-6.8	-1.5
CIS									
Armenia	-50.6	-7.0	-10.6	25.5	-10.0	-10.3	9.4	-2.7	-6.4
Azerbaijan	-52.5	..	..	4.1	..	..	19.3	..	..
Belarus	-27.8	-8.4	-9.0	11.2	-4.1	-7.9	9.4	-3.6	4.5
Georgia	-72.4	..	..	29.5	..	..	5.0	..	..
Kazakhstan	-33.1	-12.4	-19.1	-8.0	-5.1	-8.9	12.8	-2.6	5.6
Kyrgyzstan	-46.4	..	..	13.7	..	..	8.8	..	..
Republic of Moldova	-60.0	..	..	-11.8	..	..	-1.5	..	..
Russian Federation	-35.3	-4.7	-13.4	-11.1	-5.8	-7.9	14.2	0.3	1.3
Tajikistan	-59.2	..	..	-21.8	..	..	12.2	..	..
Turkmenistan	-32.0	..	..	-7.8	..	..	36.4	..	..
Ukraine	-45.5	-5.6	-12.8	-25.0	-1.0	-4.8	5.6	-5.0	-4.6
Uzbekistan	-18.1	..	..	10.7	..	..	8.6	..	..

Source: Based on UNECE Common Database

^a 1990 is not included due to the lack of data on employment by sex for 1989. This does not affect the general trend as in 1990, employment cuts were not significant ranging in all countries within 1-3%, except Bulgaria, Poland and Slovenia where the cuts were between 4 and 6%.

Table 2
Share of women in total employment by industry in selected transition economies, 1992-1997
(Per cent)

	<i>Czech Republic</i>		<i>Hungary</i>		<i>Poland</i>		<i>Romania</i>		<i>Slovakia</i>	
	<i>1993</i>	<i>1997</i>	<i>1992</i>	<i>1996</i>	<i>1993</i>	<i>1997</i>	<i>1994</i>	<i>1997</i>	<i>1994</i>	<i>1997</i>
Total	44.1	43.4	45.7	44.0	45.2	44.7	46.2	45.7	44.3	45.0
Agriculture	35.7	32.7	31.2	24.8	45.6	44.5	52.1	50.8	31.1	31.3
Industry	39.5	37.5	41.3	38.6	33.9	34.8	40.6	39.6	39.0	38.2
Construction	10.3	8.9	15.0	8.6	10.4	9.4	13.5	14.1	10.1	8.6
Total services	54.8	54.4	54.2	52.6	56.4	55.0	48.6	48.7	56.5	57.3
Financial intermediation	66.8	67.8	76.0	66.3	58.2	70.3	61.9	65.3	77.0	72.5
Real estate, renting, etc.	43.7	47.1	51.2	46.8	45.5	38.9	53.4	43.3	46.2	41.8
Public administration	38.8	37.5	34.7	42.7	42.0	42.0	16.7	21.0	44.0	46.9
Education.....	72.1	76.9	75.8	76.1	73.8	76.1	69.0	71.8	75.1	79.5
Health and social care	79.3	81.1	75.1	75.3	79.5	82.8	76.9	77.1	80.6	79.9
	<i>Slovenia</i>		<i>Estonia</i>		<i>Latvia</i>		<i>Lithuania</i>		<i>Russian Federation</i>	
	<i>1993</i>	<i>1997</i>	<i>1992</i>	<i>1996</i>	<i>1992</i>	<i>1997</i>	<i>1992</i>	<i>1997</i>	<i>1992</i>	<i>1997</i>
Total	46.7	46.3	47.2	48.4	47.8	49.1	52.9	49.2	49.2	47.4
Agriculture	44.4	48.1	36.6	37.5	34.2	37.3	41.2	37.2	36.0	31.5
Industry	40.7	39.4	45.7	40.9	46.4	45.1	51.7	41.8	45.1	39.3
Construction	15.2	10.9	16.5	12.9	12.4	13.7	15.0	11.0	25.0	23.5
Total services	55.8	56.0	59.2	57.5	59.0	58.2	67.3	62.5	61.9	58.7
Financial intermediation	68.8	66.7	76.3	68.2	90.1	66.2	86.1	79.8	85.8	72.2
Real estate, renting, etc.	40.9	50.0	48.6	43.8	49.3	43.3	49.1	46.8	48.0	45.5
Public administration	48.6	52.8	48.1	40.1	39.8	41.5	37.1	35.8	68.3	50.0
Education.....	73.9	78.5	74.0	79.0	77.8	80.1	67.2	76.6	71.9	74.0
Health and social care	78.9	81.1	86.5	82.1	81.7	83.6	82.4	84.2	83.0	80.9

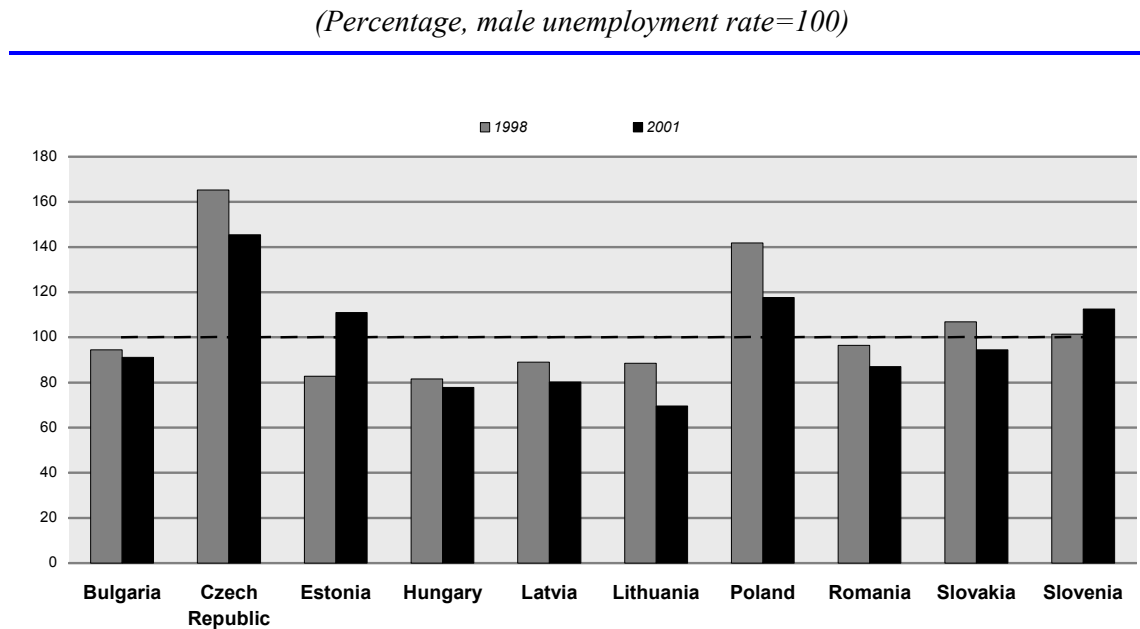
Source: UNECE Economic Survey of Europe 1999, No. 1. Based on national labour force surveys.

Table 3
Changes of relative wages in the financial services and education, 1993 and 1997
(Average wage = 100)

	<i>Financial services</i>		<i>Education</i>	
	<i>1993</i>	<i>1997</i>	<i>1993</i>	<i>1997</i>
Lithuania	305	211	78	86
Estonia.....	196	205	84	78
Hungary.....	190	199	98	86
Slovakia.....	187	194	82	84
Czech Republic	178	174	90	88
Romania	151	238	93	83
Poland	150	150	90	89
Slovenia.....	144	149	141	131

Source: Author's calculation based on ILO data (Laborstat).

Chart 1
Ratio of female to male unemployment rates, in selected central and east European economies, 1998 and 2001
(Percentage, male unemployment rate=100)



Source: UNECE, Economic Survey of Europe, 2002, No. 1.

Note: A ratio of 100 means that female and male unemployment rates are equal. A ratio above (below) the reference line indicates that the female rate is higher (lower) than the male.

Table 4
Male and female activity rates in selected transition economies,
1985, 1997-2000^a
(Percentage)

	1985	1997	1998	1999	2000	Changes between	
						1985-1997	1997-2000
Bulgaria							
Male .....	..	56.8	55.6	54.5	54.0	..	-2.8
Female ...	..	46.9	45.6	44.2	44.0	..	-2.9
Czech Republic							
Male	75.1	71.1	70.8	70.6	69.8	-4.0	-1.3
Female ...	59.3	51.8	52.0	52.1	51.6	-7.5	-0.2
Estonia							
Male	82.6 ^b	73.1	71.9	70.8	71.0	-9.5	-2.1
Female ...	71.7 ^b	58.0	57.8	57.0	57.6	-13.7	-0.4
Hungary							
Male	73.9	60.4	60.0	61.4	61.9	-13.5	1.5
Female ...	61.3	42.8	44.1	45.4	45.8	-18.5	3.0
Latvia							
Male	69.4	68.9	68.6	68.1	65.2	-0.5	-3.7
Female ...	68.4	52.6	51.2	50.2	49.9	-15.8	-2.7
Lithuania							
Male	70.1	70.3	69.6	69.2	67.1	0.2	-3.2
Female ...	65.1	53.9	54.9	55.7	54.8	-11.2	0.9
Poland							
Male	69.5	65.9	65.4	..	64.1	-3.6	-1.8
Female ...	54.9	50.3	50.0	..	49.7	-4.6	-0.6
Romania							
Male .....	..	72.5	71.4	70.9	70.6	..	-1.9
Female ...	..	57.7	56.3	56.4	56.4	..	-1.3
Russian Federation							
Male	72.6	69.4	67.6	71.9	70.9	-3.2	1.5
Female ...	63.5	55.9	55.2	59.7	59.2	-7.6	3.3
Slovakia							
Male .....	..	68.6	68.9	68.7	68.6	..	-
Female ...	..	51.8	51.5	52.0	52.6	..	0.8
Slovenia							
Male	82.3	66.2	66.3	64.7	64.5	-16.1	-1.7
Female ...	65.2	53.2	52.9	51.5	51.7	-12.0	-1.5

Source: Based on Economic Survey of Europe No. 1, 1999 and Economic Survey of Europe No 1, 2002.

Note: Working age population used to calculate activity rates is: 15 and over except for Hungary and Estonia: 15-74, and Russian Federation: 15-72.

^a Labour force/working age population. ^b 1989,15-69 years.

During the transition the level of education was an important factor behind raising wage disparities, especially in eastern Europe (Rutkowski, 1999). So far, there is no evidence that women have benefited from the increase of returns on education. In Ukraine women constitute 60% of workers with higher education, but their average wage is 29% lower than the average wage of working men (Ukraine report for UNICEF 2000). Data from some countries also suggest that the wage gap may have increased. In 1997 women's wages in the Russian Federation were estimated at only about 55% of male wages as compared to about 70% in 1989 (Russian NHDR (National Human Development Report) 1999). The opening of the gender gap is partly explained by growing wage differentiation in favour of male dominated industries and better job opportunities for men in the private sector.

In all countries family incomes were seriously affected by the decline in social services and family related transfers. The decline took place through several channels including the decline of the share of family related public expenditure in GDP, but also changes in the structure of social expenditure (cuts in health and education as compared to pensions), moving from in-kind to cash benefits, the value of which was sharply eroded through inflation and the deterioration of the quality of public services. Decentralization of provision of many services also had negative effects as responsibilities were transferred to local levels without adequate resources. Due to the traditional pattern of sharing responsibility for raising a family, women were more affected than men by these changes as there was an increase in the demand for their time and unpaid caring functions and financial pressure to cover the costs of many services related to child-care, including medical services and education.

The trend towards feminization of poverty was shown by several studies including those looking at women and child poverty (World Bank 2000; UNICEF 1999). Among the most vulnerable to poverty were single mothers, large families and older women living alone. Large differences in the situation of women in countries and sub-regions persist. Those most affected are women living in countries and sub-regions affected by political instability, war and/or military conflicts, such as many countries in south-eastern Europe and in the Caucasus. In these countries, many families were displaced and lost their jobs, homes and property.

Private sector jobs and entrepreneurship

In all transition countries there are success stories of women entrepreneurs. The number of women entrepreneurs is, however, much lower than men. In countries for which there are data, men start their own businesses usually twice as often as women (Chart 2). During the 1990s the gap between men and women in entrepreneurial activities widened in most of these countries (7 out of 11 countries) (Table 5). National studies confirm the lower levels of women's entrepreneurial activity and underline the significance of gender specific barriers starting businesses in such countries as Bulgaria (Stoyanowska, 2001), Hungary (Nagy, 1999) and Poland (Lisowska, 2001). These studies also indicate that most women-owned businesses are small or micro-enterprises, and that many women became self-employed only because of the lack of other job opportunities. Many women are involved in activities such as cross-border trade ("suitcase trade"), subcontracting work at home or street trade.

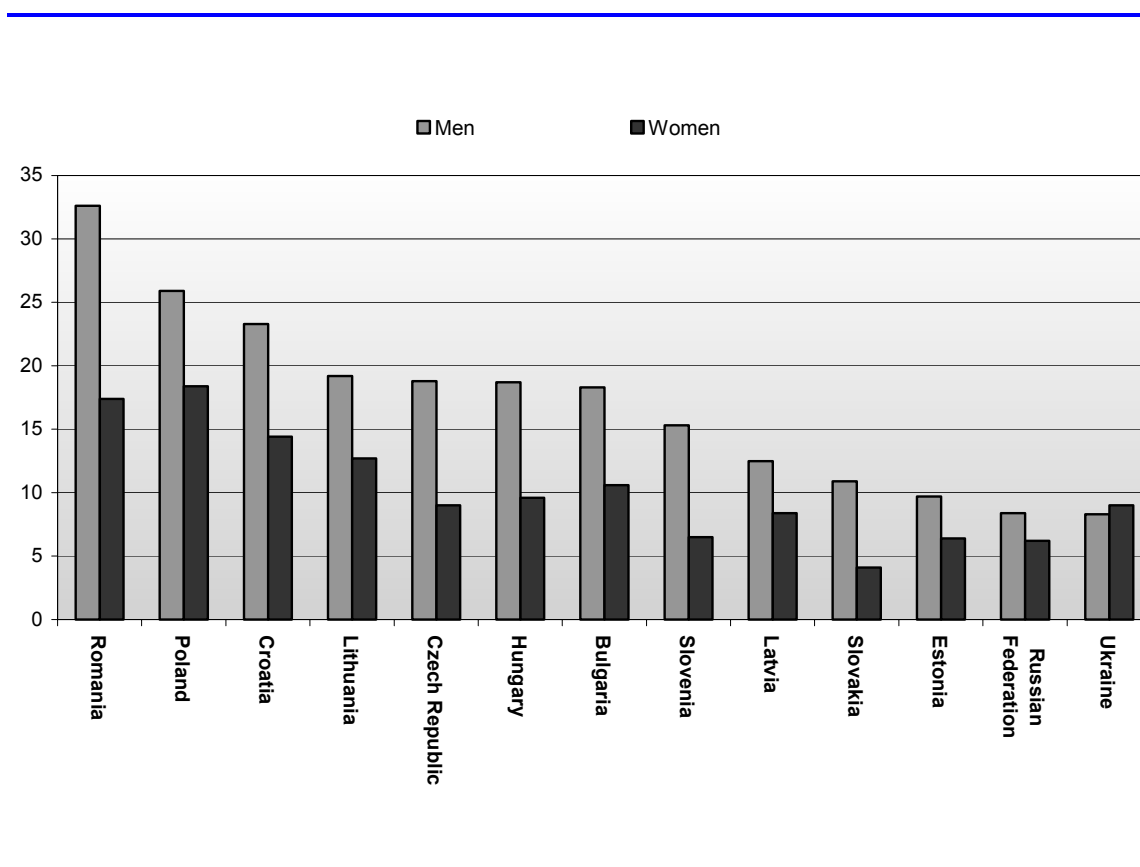
Clearly, women's entrepreneurial potential remains untapped in transition countries, especially when compared to global trends. The number of women entrepreneurs has rapidly increased during the last ten years, contributing to GDP growth and creating new jobs in most countries in western Europe, North America and elsewhere. Between 1992 and 1997, the total number of women-owned firms increased in the United States by 16%, that is two-and-a-half

times faster than the average growth rate of all businesses. By the end of the 1990s about 8.5 million women-owned businesses accounted for over one-third of all businesses and employed one out of four workers. In the United Kingdom, women start one in four new businesses. In France, Germany, Italy and other developed market economies, there is a fast rise of women-headed companies (Ionescu, 2000).

Some women and men find attractive jobs in the private sector, often in foreign firms and FDI related activities. This labour market segment is, however, shallow and very competitive. The best job offers are addressed to young people (25-30 years old), most often with degrees in law or economics and fluent in foreign languages. Women and men have to adapt to busy work schedules, frequent travelling, long working hours and/or work over weekends. Competitive pressure, however, most often means that these are women who have to choose between career and family (Ruminska-Zimny, 1999).

Chart 2

Share of self-employment in total employment in selected transition economies, 2000



Source: A. Nespovova calculations, based on Labour force surveys (Nespovova 2001).

Table 5
Self-employment as a share of total employment in selected transition economies, 1993 and 2000
(Percentage)

<i>Country</i>	<i>1993</i>		<i>2000</i>		<i>Differences</i>	
	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>1993</i>	<i>2000</i>
Bulgaria	12.9	9.2	18.3	10.6	3.7	7.7
Croatia	25.1 <i>a</i>	15.4 <i>a</i>	23.3 <i>g</i>	14.4 <i>g</i>	9.7	8.9
Czech Republic	15.8	9.4	18.8	9.0	6.4	8.9
Estonia	10.4	6.2	9.7	6.4	4.2	3.3
Hungary	17.4	11.3	18.7	9.6	6.7	9.1
Kazakhstan	0.1 <i>c</i>	0.2 <i>c</i>	..	..	..	..
Latvia	12.4 <i>b</i>	6.9 <i>b</i>	12.5	8.4	5.5	4.1
Lithuania	21.5 <i>d</i>	14.6 <i>d</i>	19.2	12.7	6.9	6.5
Poland	32.2 <i>e</i>	29.9 <i>e</i>	25.9	18.4	2.3	7.5
Romania	24.4	19.4	32.6	17.4	5.0	15.2
Russian Federation.	10.1 <i>f</i>	5.6 <i>f</i>	8.4	6.2	4.5	2.2
Slovakia	9.0	3.5	10.9	4.1	5.5	6.8
Slovenia	16.0	7.6	15.3	6.5	8.4	8.8
Ukraine	..	..	8.3 <i>g</i>	9.0 <i>g</i>	..	..

Source: A. Nespovova calculations, based on Labour force surveys (Nespovova 2001).

a 1996; b 1995; c 1989; d 1997; e 1991; f 1994; g 1999.

Part-time and atypical forms of employment

During the 1990s, atypical jobs started to emerge along with the expansion of the private sector, enterprise restructuring and expansion of the parallel economy. The latter consisted of activities which were legal, though not registered, and illegal and/or criminal activity, such as drug trafficking. The expansion of these activities was a response to high social security contributions in the formal labour market, which many firms could not afford, and to institutional weaknesses, including lack of law enforcement, which allowed for high profits from illegal operations.

Many women are interested in atypical working contracts because of their flexibility in combining maternity with paid work, but also because other jobs may not be available. Atypical jobs include a variety of working arrangements (fixed-term contracts, part-time, telework). Though some could be prestigious and well paid, such as free-lance journalists or part-time lawyers, most jobs are created to cut labour costs and/or in the parallel economy. This opens the way to abuse in terms of wage levels, safety and working conditions, and social benefits. Data on part-time employment from western Europe, where this segment of the labour market is highly feminized, show that these jobs often lack social benefits (maternity leave and/ or pensions), are lower paid than full-time jobs and include mostly low-status occupations (cleaning offices, serving in restaurants) (EUROSTAT 1998).

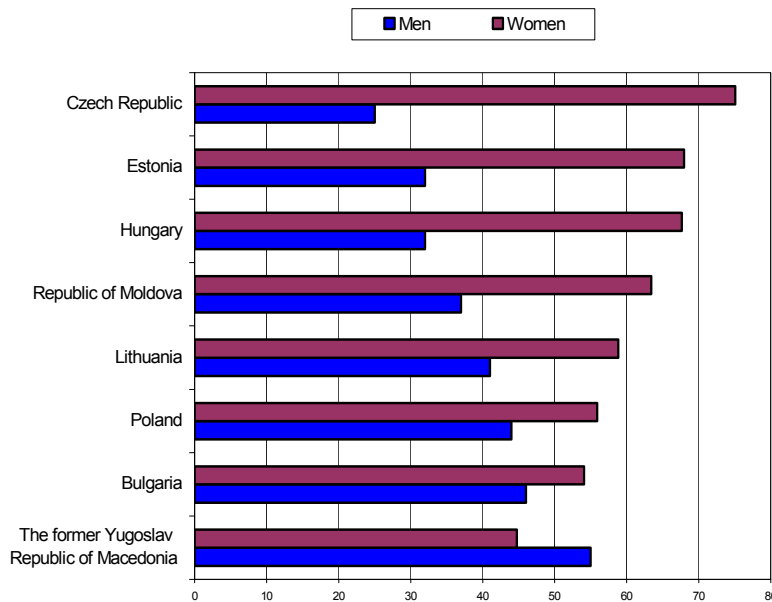
There is not enough data to evaluate trends in atypical employment in transition economies. Data for eight countries, however, show that women have a higher share than men in part-time employment, except in The former Yugoslav Republic of Macedonia (Chart 3). Gender

asymmetry is especially wide in the Czech Republic, Estonia, Hungary and Republic of Moldova. It could be expected that these jobs have similar disadvantages as elsewhere.

A growing number of young women in transition countries are finding jobs in the booming sex business. This is not only the case of the Russian Federation, Ukraine or CIS countries, or poorer countries in eastern Europe, but also countries in central Europe. In most countries, the sex business is related to organized crime and reaps huge profits along with the drug business. Many young women are “exported” to western countries, including as far away as Japan, to become “hostesses, singers or dancers”. Many young women do not realize that this is an euphemism for prostitute. They are victims of their own naivety, but also of poverty and the illusion of a quick improvement in their living standard.

Chart 3

Share of men and women in part-time employment in selected transition economies, 2001
(Percentage)



Source: UNECE Gender website.

Policy issues

Against the background of trends in the labour market key policy issues to be addressed include: lack of a gender perspective at policy level, proliferation of discriminatory practices, the need for support to women entrepreneurs, social protection and care functions, access to knowledge economy, and ICT.

Lack of a gender perspective at policy level

The lack of a gender perspective in transition policies could be explained by a number of factors, including their focus on macroeconomic policies and building market institutions.

Labour market policies, especially in the first phase of the transition process, reflected the traditional male breadwinner model at the macro and micro levels. Women were encouraged to leave the labour market through early retirement policies (Czech Republic and Poland) and more attractive parental leave schemes (Belarus and Ukraine). Concerns for maintaining jobs for male breadwinners, as well as the decline of social services and child care, were important factors behind these policies. Being at home, women were expected to have more children, a concern especially in countries with declining fertility trends prior to 1989. There were also arguments that women should be liberated from a « forced » participation in the labour market under socialism and/or return to their «pre-destination», most often advanced by the extreme right-wing political parties and supported by fundamental wings of organized religions.

The experience of ten years of the transition process has demonstrated that the breadwinner model could not provide a proper framework for economic and labour market policies. Few women could afford to leave paid work for economic reasons. At the same time for younger and well-educated generations of women in transition countries, housewife as a career model has no appeal for similar reasons as in other countries. They want independence and financial security from paid work, which includes pensions, important under market conditions and erosion of a «cradle to grave» State protection. They also want satisfaction and social position, which come with a professional career.

The policies of many transition countries of the 1990s were run against worldwide trends, which increasingly acknowledged women's contribution to economic growth as a result of empirical studies (World Bank 2001, D'Intignano 1999). At the same time, progress in academic research allowed the links between gender and economy to be conceptualized, facilitating advocacy to engender economic policies (Elson and Cagatay, 2000). This is reflected in many United Nations documents adopted by member countries in the second half of the 1990s, especially the Beijing Platform of Action and the Millennium Declaration. Labour market issues are integral parts of these documents. They stress that sustained economic development requires policies aimed at building a partnership between men and women both in the labour market and within the family.

Integration of a gender perspective at policy level in transition countries requires data and an analytical background to evaluate and monitor changes on the labour market. More detailed analysis is needed on sectoral and occupational changes in employment and wages. There is also a need for more discussion and exchange of best practices as countries have to evaluate different options and adjust them to the conditions and policy priorities in individual countries. This requires political support and commitment, now limited by a low level of women in parliaments and in decision-making positions.

Proliferation of discriminatory practices

The increase of discrimination against women under the new situation on the labour market in hiring, employment, career advancement, dismissal and wages has been documented by ILO surveys (Paukert, 1996). Discrimination was noted especially in the private sector where employers favoured young women and offered short-term contracts, or casual work to avoid costs which might arise from maternity and child care. Women were often requested to bring medical certificates confirming that they were not pregnant before signing contracts. Older women and women with small children have difficulty in finding a job in the private sector (Lisowska, 1998). The main reasons for discriminatory practice in hiring are claims that women are less available to work under pressure and to do the longer hours required by many

firms in the private sector and the perception that women are more expensive workers (Fong 1996).

Fighting discrimination in the labour market is difficult due to the lack of a clear definition of such discrimination in labour market codes in all transition countries. In the past, this problem was less relevant due to job security. The legislative system enables *de facto* uneven treatment of men and women, for example through specifying sex in recruitment advertisements. In general, while women are discriminated against in the existing labour market codes, men in turn have fewer rights in family matters, especially in contacts and care for children after separation and/or divorce.

The framework for fighting discrimination is provided by ILO conventions as well as equal opportunity policies in the European Union and national policies in many countries. The EU framework is especially relevant for accession countries, which have to adjust their legislation to the provisions embodied in the *Acquis Communautaire* during the accession process.

Support for women entrepreneurs

Establishing a sound environment for the development of entrepreneurship and SMEs is an important priority of economic policy in all transition countries. The instability of the tax system and other regulations in the private sector, the lack of access to credit, and weak institutional framework of business support services limit the development of new businesses in all transition countries.

The development of women's entrepreneurship requires, however, the elimination of gender specific barriers in starting their own business. There is a need to open up women's access to networks (trade and business associations), information and training. Women also need more assistance in financing, finding business partners and access markets. These are the consequences of uneven distribution of privatization assets, time constraints due to greater family responsibilities, but also due to traditional views of gender roles, which translate into a negative public attitude towards women entrepreneurs, unequal treatment by the State administration and/or discrimination in bank lending. In many countries, women are also more vulnerable to new forms of offence, including the racketeering which is widespread in a number of transition economies.

The growing gap between women- and men-entrepreneurs is an important policy argument in favour of special programmes supporting women's entrepreneurship. Such programmes exist in a number of UNECE member countries, especially in North America, in Nordic countries as well as in some countries in western Europe. Many of these programmes are initiated and implemented by municipalities and/or local authorities. Programmes supporting women-entrepreneurs, however, should be an integral part of gender sensitive employment policies as not all women or men are able to start their own company. Thus, self-employment cannot be seen as a solution to all problems related to unemployment (Ruminska-Zimny, 2000)

Social protection and care functions

Although the reforms of the welfare system of the 1990s were mainly driven by budgetary constraints, they also reflected an attempt to curtail the role of the State in the provision of social welfare, and a consequent redistribution of responsibility away from the State to the individual. This was translated into the commercialization of many public services and a

move towards funded social protection schemes, such as private pensions. Reforms of social protection schemes in transition countries are far from being completed, and various options are under discussion in individual countries.

Despite the variety of approaches to social reforms, there is a clear trend towards shifting the costs of having children from the State to the family level. These costs have sharply increased in all the transition economies. Changes in welfare systems thus put women at a double disadvantage. They remained overpriced in terms of welfare provisions, but lost benefits which helped them to combine paid work with maternity. Having children became in many ways "the worst economic decision a women can make" (Crittenden, 2001; Badget and Folbre, 1999). This decision is now taken much less often than prior to 1989.

The decline of fertility rates brings gender issues into the very centre of long-term transition strategy with serious implications for the labour force and pension systems in the future. During the 1990s, fertility rates in transition countries dropped from a relatively high level, by western standards, centred on replacement (2.1 child per women in 1982) to some of the lowest levels on record. By the end of the 1990s, all transition countries had the lowest fertility rates in Europe (1.35) and in the world, lower than in western economies (1.53). The decline of fertility rates was accompanied by the departure from a relatively youthful pattern of marriage and childbirth in many transition countries (UNECE, 1999). Although the factors behind demographic trends are complex, re-designing of a market based family support system, in which responsibilities and costs of having children would be shared among the State (central and local levels), private sector and households, is an important policy priority.

The main policy issue is how to adjust a welfare system to a two-career family model. The Scandinavian model is often presented as the most progressive one, allowing for gender equality in access to paid employment, level of wages and social provisions to combine paid work and family life. This may not be an option for many transition countries due to constraints of public finance, differences in economic realities and value systems. Clearly, equal opportunities in the labour market cannot be solved without adequate family and social protection policies. This involves more discussion on the impact of budgetary cuts on men and women, gender aspects of pension reforms and changes in fiscal system. The initiative on gender responsive budget, supported by UNIFEM, OECD and the Nordic Council, now provides the framework and good examples to analyse any form of public expenditure from a gender perspective and identify the impact on men and women (Elson, 2001). The reformed system of social protection should create conditions to provide women and men with equal choices between paid work and family. This involves redistribution of responsibilities not only among social partners but also within a family (OECD, 1999).

Access to knowledge economy and ICT

Education plays a key role in determining employability. From a gender perspective, two issues are important: first, women's access to a "male" education profile, which includes mathematics and computer science, and second, women's access to life-long learning.

Though women are often better educated than men, their education profile remains "female". In most countries women are a majority among university graduates, but in only some countries is their share in commerce, law, mathematics and computer sciences close to that of men's. Women continue to choose a "female" education profile, which locks them into "female" segments of the labour market. Among university graduates, they still dominate in

arts and humanities, social services and medical studies. To meet the challenge of new information and communication technologies (ICT) more investments in women's education is required.

Inadequate access to life-long learning is another factor which affects women's employability. The global market requires frequent adjustment of skills and knowledge to the changing demand under the influence of competition and evolving information technologies. This type of learning is most often provided by employers, including through on-the-job training. The most important barrier to life-long learning is related to constraints on women's time, which is limited by caring functions.

Preventing the growing gap in access to education at all levels is a policy priority in a number of countries, especially in Central Asia, such as Tajikistan, where in 1991-1998 the share of women with higher education sharply declined, and is now under a quarter of all those in tertiary education (Falkingham, 2000).

Conclusions and lessons

Against the experience of over ten years of transition at least four lessons may be learnt.

- ♦ Entrepreneurship does not come spontaneously with liberalization and privatization. There is a need to support it through policies and adequate institutions in many areas, such as education and training, access to credit and financing, information, business networks and new technologies.
- ♦ The State in partnership with other actors, including NGOs, should take the lead and responsibility for establishing a national system of support for entrepreneurship.
- ♦ These policies should be gender sensitive and address specific barriers that women have to face in developing their own businesses.
- ♦ Self-employment is an important avenue to improving women's employability and access to well paid jobs. However, support to women's entrepreneurship has to be placed in the broader context of labour market policies, which should embody measures preventing gender discrimination on the labour market and adjustments in the welfare system to solve care problems.

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WOMEN'S ENTREPRENEURSHIP: TRENDS, MOTIVATIONS AND BARRIERS

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Introduction

The deep socio-economic and political transformation initiated by Poland in 1989 resulted in the new phenomena in economy and on the labour market in Central and Eastern Europe as well as in countries which emerged from the disintegration of the Soviet Union. Female as well as male economic activity rates dropped rapidly in all transition countries. At the same time in all these countries a new phenomenon of unemployment on a social scale was observed. It was a result of the liquidation or restructuring of many unprofitable public enterprises.

Statistical data show that there are more women than men among the unemployed in almost all countries of this region. Women evidently dominate among the long-term unemployed, which means that finding a job is more difficult for women. Thus, the process of economic transformation acutely revealed the problem of unequal treatment of women on the labour market. In the situation of surpluses in the labour force employers prefer to employ men. It is justified by the fact that in societies in which traditional values are highly appreciated men are generally believed to be responsible for providing for the family and thus their right to employment is considered to be higher than women's. It is also believed that men are better workers as they are not burdened with child rearing duties and they do not take child-care leave.

Economic activity of women in the communist countries was rather high. The female contribution to economic growth and improvement of the standard of living of their families was significant. Accompanying the growth in educational level professional work (economic activity) is perceived by women not only in its material dimension (gaining income) but also in its non-material aspect as it satisfies their need for self-development and appraisal, which have the highest position on a hierarchy of human needs (Maslow, 1943). Thus, there is nothing strange in the fact that the younger generations of better educated women cannot imagine their lives without economic activity. At the same time the difficult situation in the labour market in the countries of the UNECE region gives women an incentive to become self-employed and establish their own small businesses.

Statistical data

The statistical data presented below concern self-employed persons (including employers). Such data is not available in all countries as in many of them statistical data collection systems are still not ideal and are not adjusted to world standards, or they do not present data broken down by gender.

Statistical data used in this paper cover registered enterprises. It is a well-known fact that the informal sector¹, in which women's participation is quite significant, exists in many countries

¹ The informally employed are those who earn an income outside the formal economy. They may be self-employed or employed by the owners of small, unregistered businesses or under contract to large businesses. People who work in the formal economy are those who own registered businesses, or those who work for wages,

as a result of imperfect legal systems and mechanisms of compliance. In particular, women dominate home-based work amounting to 90% (ICRW Information Bulletin, 2000). According to estimates, the self-employed in the informal sector made up one-quarter of total employment in Poland, one-fifth in Romania, one-tenth in the Czech Republic, Hungary and Slovenia (S. Esim, 2000). In Central Asia (Kyrgyzstan, Tajikistan) women dominate in "shuttle tours" and informal "suitcase" trade in goods brought in from neighbouring countries (Women in Transition, 1999). The issue of women's participation in the informal sector provides material for a separate analysis. This paper gives a presentation of women's entrepreneurship on the basis of data registered by statistics in particular countries.

The example of Poland, which was the first country which stepped onto the path of transformation and where, similarly to Hungary, Czech Republic, Estonia and Slovenia, progress is most advanced, shows clearly that transition to a market economy created the conditions for development of entrepreneurship. It was observed that the number of self-employed workers outside private farming in 1993 tripled as compared to 1985, while the respective figures for women grew by a factor of five (Statistical Yearbook of Poland 1997). Over the whole decade (1989-1999) the increase in the number of women working on their own account was significantly higher than the respective growth in the number of men (respectively 180.6% and 120.6%). At the same time changes were occurring in the employment structure: each year more people found jobs in the private sector (mainly as paid employees) as the public sector was shrinking (Chart 1). In 2000 women working on their own account amounted in Poland to 18% of the total number of women employed in the national economy and 37% of the total number of own-account workers: 33% in the urban areas and 39% in the rural areas (Labour Force Survey, 2000).

In the **Czech Republic**, similarly to Poland, the number of women working on their own account tripled in the period 1993-1998. Their participation in the total number of employed women also increased: from 5.8% in 1993 to 8.1% in 1998.² Women constituted 27% of the total number of own-account workers in 1998, i.e. slightly less than in Poland.

In **Hungary** women entrepreneurs constitute almost one-third of the total number of enterprises and 11% of employed women³. Characteristic of this country is the fact that participation of women among entrepreneurs was relatively high there, higher than in Poland or the Czech Republic, even before 1990. In Poland and Hungary, participation of women among owners of small and medium-sized businesses is similar, while in the Czech Republic it is significantly lower.

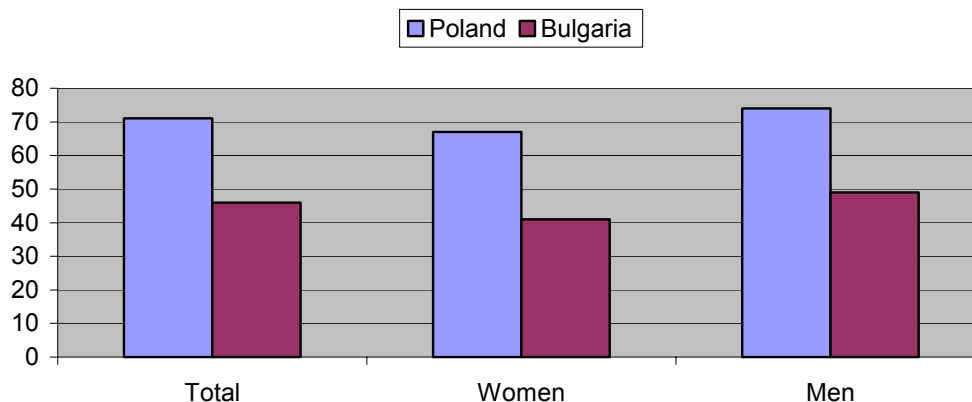
In other transition countries, the share of women among the total number of entrepreneurs varies between 9% in Turkey to almost 50% in the Republic of Moldova (Chart 3), where the rates are often higher than respective figures observed in west European countries.

have employment contracts and are protected by labour laws. Cited from: S. Esim, Women and Informal Employment. An overview. Paper presented at the conference "Gender and Labour Markets in Transition Countries", Warsaw, Poland, 15-17 January 2001.

2 Data of the Czech Statistical Office.

3 Data from the Hungarian Statistical Yearbook, cit. after: B. Nagy, *The Secret of Success: Hungarian Female Managers and Entrepreneurs*, "Women & Business" 1998, No 3-4, s. 46.

Chart 1
Women and men employed in the private sector in Poland and Bulgaria, 1999
(percentage)



Source: Statistical Yearbook of Poland 2000; Stoyanovska, 2001, p. 12

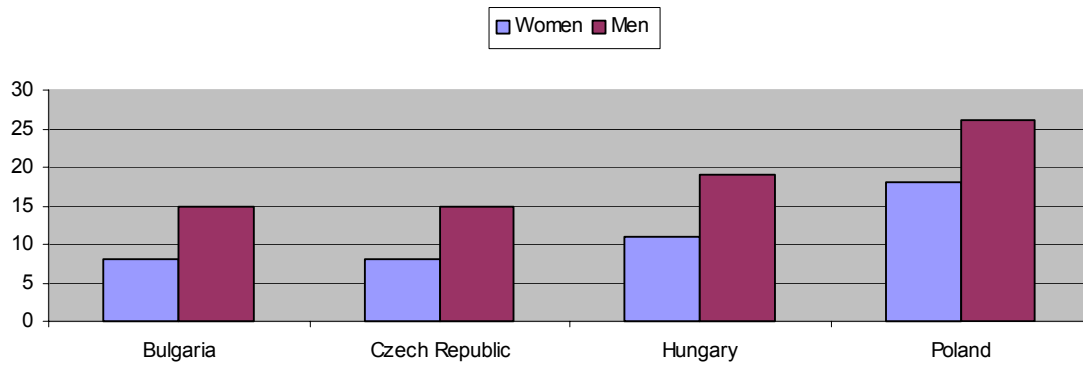
Table 1
Entrepreneurs in Poland in 1989-1999 (outside individual agriculture)

Year	Dynamics of growth/decrease in the number of own-account workers outside agriculture (previous year = 100)			% of women entrepreneurs in total of employed women	% of women in total of entrepreneurs
	total	Women	men		
1989	130.6	120.5	134.6	3.7	27.1
1990	124.4	132.4	125.5	5.3	28.1
1991	120.8	143.5	112.1	7.9	33.3
1992	101.9	109.5	98.1	8.9	35.8
1993	112.5	108.2	114.8	9.6	34.5
1994	73.9	70.2	75.8	6.7	32.8
1995	97.4	109.5	91.4	7.3	36.9
1996	96.1	91.1	99.0	6.4	35.0
1997	115.0	116.8	114.0	7.2	35.5
1998	102.8	116.4	95.4	8.3	40.2
1999	97.0	84.4	105.5	7.2	35.0

Source: Statistical Yearbooks of Poland 1992 (p. 96), 1999 (p. 129), 2000 (p. 130). Authos's own calculations

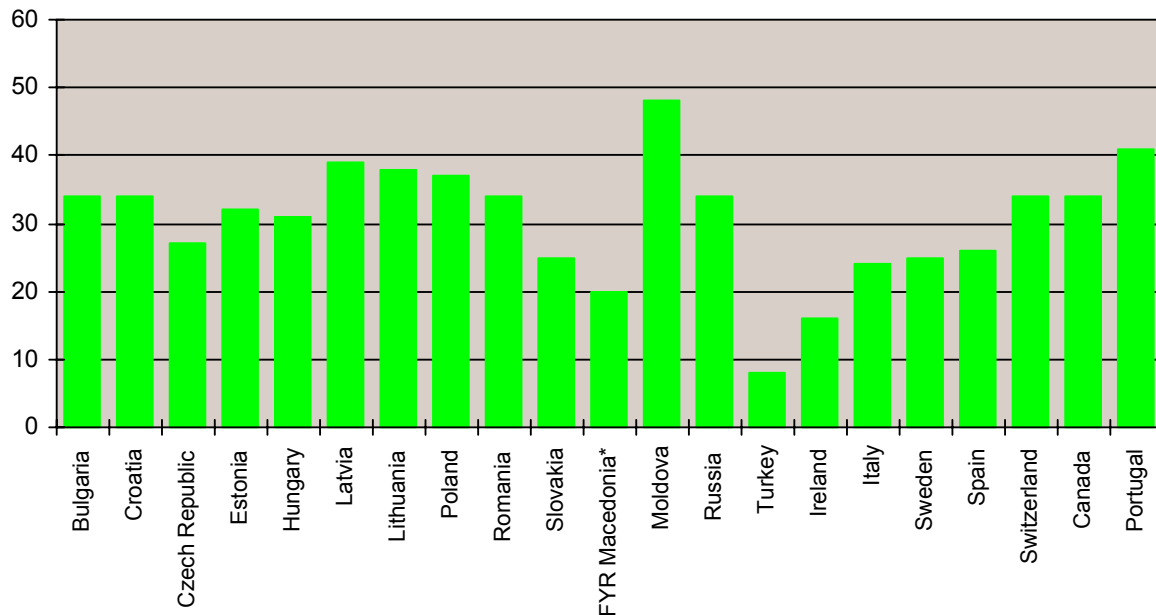
Note: Data for the years 1989-1996 show the state as of 31 December, while for years 1997-1999 as of the end of September.

Chart 2
Share of entrepreneurs in total female and male employment (percentage)



Sources: Women in Transition, p. 31 (data for 1997), for Poland Labour Force Survey, February 1999; for Bulgaria - A. Stoyanovska, p. 12

Chart 3
Women employers and own-account workers in UNECE region, 1998
(percentage)



Source: Trends in Europe and North America - 2001, UNECE, Geneva, p. 101 * The former Yugoslav Republic of Macedonia

Demographic and social characteristics of women business owners

In transition countries women entrepreneurs are usually aged 40 years or more, married with one or two grown up children and longstanding experience of work in the public sector. There is a high participation of women entrepreneurs with tertiary, college or secondary education. In many countries (e.g. Ukraine, Lithuania, Kyrgyzstan) women with tertiary education dominate among own-account workers.

Surveys carried out in Poland indicate that among women working on their own account, the relatively highest group constitute economists and technicians, then humanists with higher education and engineers. Men entrepreneurs are mainly technicians and engineers and then qualified manual workers. The share of lawyers is relatively low among entrepreneurs, both women and men. (E. Lisowska, 1996)

Generally, women most often set enterprise in trade. The earlier the phase of transformation in a country, the more widespread among women is this form of economic activity (Belarus, Georgia, Kyrgyzstan, Ukraine, Bulgaria, Romania, Turkey, Tajikistan). In Tajikistan nearly a quarter of the labour force work in the private sector. 18% of men and 14% of women are own-account workers or employers. 70% of these work in family businesses based on trade in local bazaars. Men largely do work requiring physical strength such as trade in meat, animals, grain, sugar, potatoes, as well as cars, spare parts, petrol and electronic goods. Women primarily sell garden foodstuffs, fruits, milk and dairy products, bread and clothing (J. Falkingham, 2000, p. 47, 49, 50). In Romania 68.7% of the women entrepreneurs have businesses in retail trade, 4.9% in services, 4.8% in wholesale trade, 11% in industry. The smallest percentages are registered in transport - 1.5%, construction - 0.7% and tourism - 0.3% (Rotaru, 2001, p. 22). A similar situation is observed in Albania, where women constitute 17.5% of the total number of entrepreneurs. Dominant are businesses dealing in trade - 65%, followed by those maintaining activities in services, such as dental, pharmaceutical, and legal activities or hairdressing - total 26% (Paper presented by Albanian representatives at the workshop "Women Entrepreneurship and SMEs", 11-12 June 2001, Moscow).

In the most advanced transition countries (e.g. in Poland and Hungary) women equally often maintain trade and services, including business advisory services, training, translation, bookkeeping, exhibition organizing, marketing, real estate, financial intermediation. Quite often women are owners of manufacturing businesses (e.g. manufacturing clothes for children and adults, underwear, cosmetics, bags, metal shoes and belt buckles, and sometimes also musical instruments or garage doors), they maintain bars and restaurants. Among the exceptions are counted women who are owners of construction or transport companies.

Statistical data for Poland indicate the following regularity: traditional division into female and male branches is very evident among the total of the employed, while less so in a group of own-account workers. Profiles of activities of male entrepreneurs are concentrated in the following four branches: trade, construction, manufacturing and transport (overall 75%), while in the case of women a higher diversification in profiles of activities can be observed.

It implies that women who decide to start their own economic activity daringly enter entirely new territories, including those which were traditionally perceived as male dominions, while men tend to prefer traditionally male branches. (Lisowska, 2001)

Socio-demographic analysis of women entrepreneurs indicates that in the harsh reality of economic transformation the decision to undertake their own economic activity is made mainly by well educated women in their early forties, usually with longstanding professional experience from work in a public establishment, living in the urban areas, where access to information, training, advisory services and credits is easier. This does not however mean that only such women are inclined to start small private businesses. Questionnaire surveys carried out by the International Labour Organization in Bulgaria in 1999 indicate that relatively often female entrepreneurs there were the youngest women, i.e. less than thirty years old (Stoyanovska, 2001). Also in Romania the participation rate of women entrepreneurs under 40 years of age is significantly high and amounts to about 40% (Rotaru, 2001).

High unemployment of women as an incentive to self employment

Female unemployment rates in UNECE countries

Characteristic for the transition countries is the fact that at the beginning of the economic transformation unemployment rates grew evidently and then they usually decreased to eventually stabilise at a certain level (see Table 2). They were particularly high in the countries, which emerged from the disintegration of Yugoslavia and in Albania. In the majority of the post-Soviet Union countries the level of unemployment is still lower than in the central and east European countries. This should be linked to a slower rate of privatization of public establishments and slower development of the private sector. At the end of the 1990s unemployment rates rapidly increased in three countries of this region: Georgia, Republic of Moldova and Ukraine. In the Russian Federation and Kazakhstan unemployment rates have grown each year since 1995.

Female unemployment rates in most countries of the UNECE region are higher than respective figures for males or remain at the same level (Chart 4). Available statistical data indicate that female unemployment rates are higher than male in the following countries: Armenia, Latvia, Slovakia, Poland, Croatia, Czech Republic, Kazakhstan, Tajikistan, Azerbaijan. Lower female unemployment is observed in such countries as Hungary, Lithuania, Ukraine, Republic of Moldova, Romania, Russian Federation, Estonia and Turkey. The problem which women in most transition countries face is long-term unemployment, i.e. ineffective job seeking for a period longer than one year. The number of women among the long-term unemployed exceeds the number of men. Moreover, the share of long-term unemployed women in the total number of unemployed women is close to 50% in many transition countries, while among men it rarely reaches such a high level (Chart 5).

In Poland, women constitute respectively 49.9% and 27.1% among the long-term unemployed (for the period 12 or more months). A similar disproportion can be observed in a group of people unemployed for a period longer than 2 years: 31.0% for women and 12.7% for men. *Registered unemployment in Poland during the I-IV quarter of 1999, series Information and Statistical Papers, CSO, Warsaw 1999, tab. 7.*

The example of Poland, Czech Republic and Hungary shows that both the youngest (aged 15-24) as well as middle-aged (30-34 and 35-44 years) women are threatened with unemployment, while in the case of men it concerns mainly the youngest (Chart 6). Generally, it can be said that the difficult situation of women on the labour market in Central and Eastern Europe as well as in the CIS countries in transition is influenced by the following factors:

1. Employers prefer to employ men because women are perceived as the part of the labour force that does not guarantee stabilisation of occupational careers which results from the fact that women are traditionally burdened with family and household duties.
2. Although unemployed women are on average better educated than unemployed men, many of them have only general secondary education which means that they do not have any particular occupation. General secondary education was sufficient for finding office work in the non-market economy. Currently demand for this kind of work is lower. Moreover, people sought for such jobs are expected to be able to operate computers and advanced technical office equipment, speak at least one foreign language, etc.
3. Dominant in society is the conviction that in a situation of job shortages men are more entitled to employment than women. Surveys carried out by R. Siemieńska indicate that 55% of Polish society and the same share of the Czech, 42% Hungarian, 40% Russian, 29% Slovenian, agree with such an opinion. For comparison we can see that respective figures for Sweden were only 8%, Denmark 11%, Finland 15%, Norway 16%, USA 24%. (Siemieńska, 1999, p. 35).

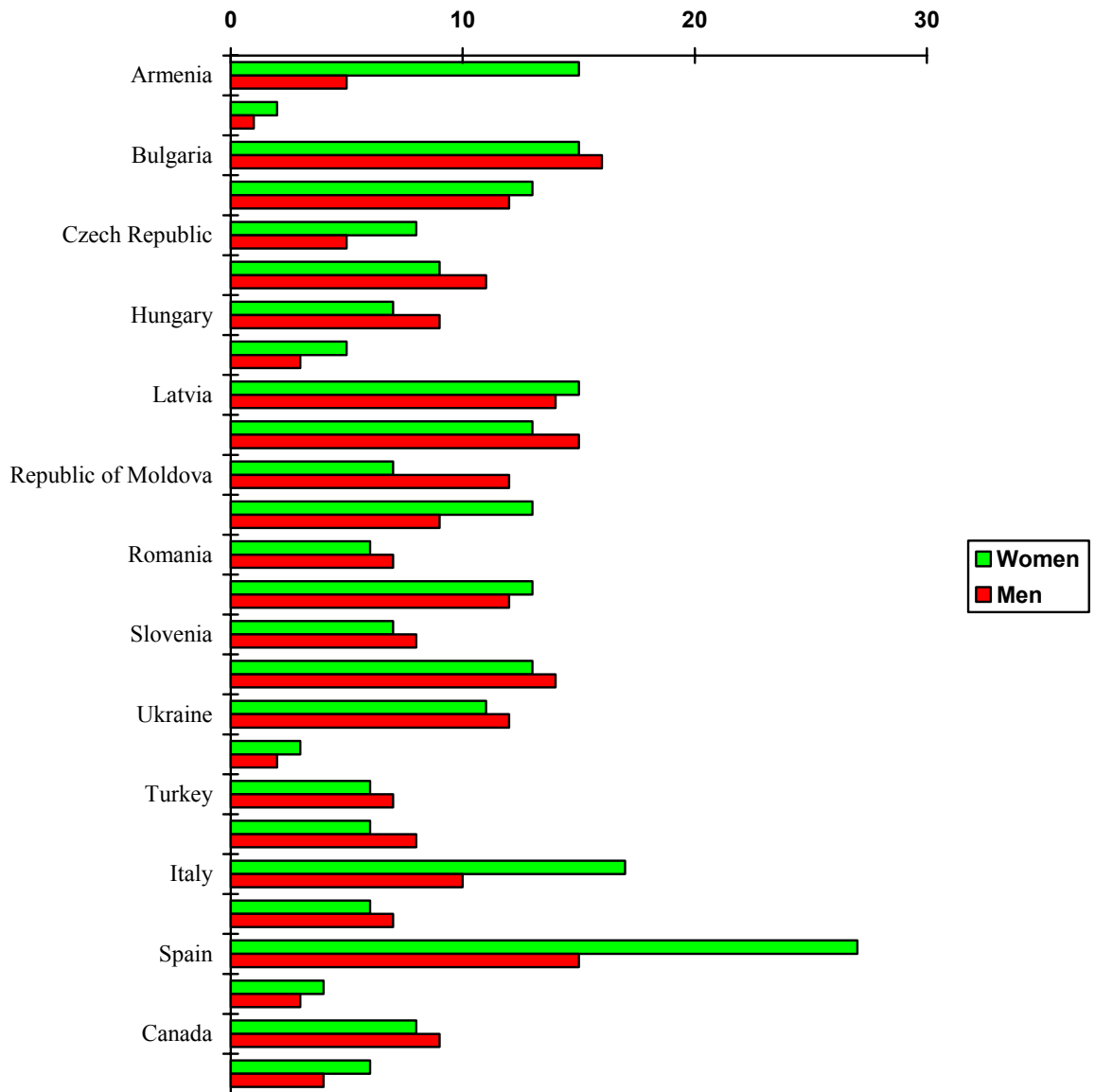
Threat of unemployment as an incentive for establishing own business

Comparison of statistical data concerning participation of women in the total number of entrepreneurs in particular countries with unemployment rates in these countries does not imply that a growth in unemployment is accompanied by increasing participation of people working on their own account. Nevertheless surveys carried out in the years 1995-1996 in Poland, Lithuania and Ukraine⁴ indicated that the threat of losing a job in a public establishment or awareness of limited chances for finding a job were important in making a decision concerning the establishment of their own business for 35% women from Poland, 19% from Ukraine and 25 from Lithuania (Lisowska, 1997). Results of these surveys confirm that self-employment is a significant factor in combating women's unemployment⁵.

4 Questionnaire surveys covered 142 women business owners in Poland, 100 in Ukraine and 52 in Lithuania.

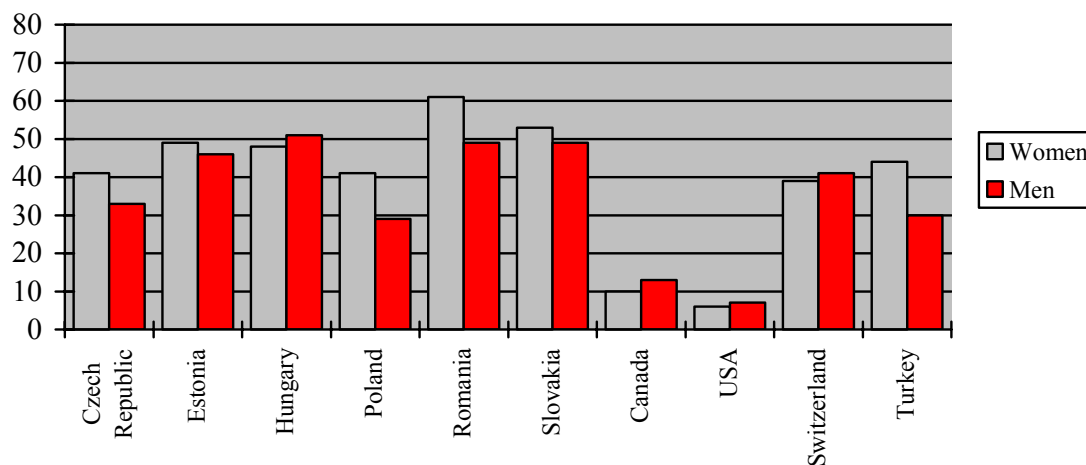
5 This is also indicated in studies of other authors particularly dealing in international aspects of the position of women on the labour market and their employment (see. e.g.: E. Rumińska-Zimny 2000, *Is Entrepreneurship a Solution to Unemployment in Transition Countries?*), and also works of the International Labour Organization (see: *Gender Issues in Micro-enterprise Development*, <http://www.ilo.org/entreprise>).

Chart 4
Unemployment rates by sex for selected countries in 1998



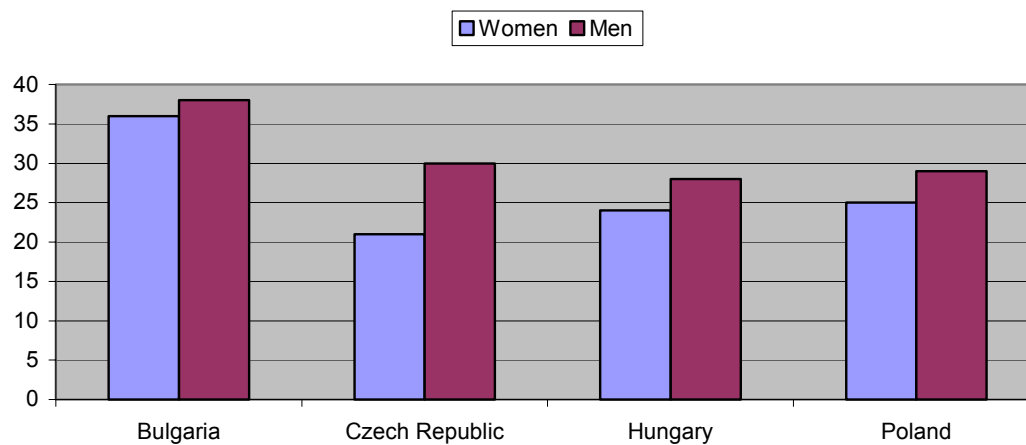
Source: Yearbook of Labour Statistics, 1999, ILO. Cited after: UN Economic Commission for Europe, Trends in Europe and North America 2001, p. 106.

Chart 5
Long-term unemployment (12 months or more) in selected countries, 1999



Source: UN Economic Commission for Europe, Trends in Europe and North America 2001, p. 109

Chart 6
Unemployed women and men aged 15-24 years (as percentage of the total number of unemployed men or women)



Source: "OECD Quarterly Labour Force Statistics 2000", No 4.

The example of the west European countries shows that increasing unemployment gives people the incentive to undertake work on their own account, due to the fact that starting a

business is an attractive alternative to staying without a job for a long period (Culture of Entrepreneurship, 1994, p. 169).

Other reasons for women to start their own businesses

The following reasons for establishing their own businesses are usually mentioned by women and men entrepreneurs (Zimmerer, Scarborough, 1996; Lisowska, 1996):

- independence and self-reliance in directing one's own life and achieving personal goals;
- opportunity to utilise potential skills and abilities, personal creativity and innate spirit of entrepreneurship to the full extent;
- a chance of high earnings as a measure of success;
- active participation in social life and feelings of being needed as well as important due to manufacturing of needed products or providing services for which there is a demand in society.

The surveys carried out in Poland confirm that the motives declared by women and men for setting up their own businesses are very similar. A significant difference concerns only one factor, the desire to prove one's own worth to a spouse, which is significantly more often declared by women than men.

Most frequently declared motives by women and men entrepreneurs for setting up their own business in Poland		
	Women	Men
Quest for independence	91	89
Need for reasonable earnings	84	89
Innate spirit of enterprise	70	75
Experience gained in previous jobs	64	70
Opportunity to make money	56	46
Inclination to take risk	48	51
Desire to prove worth to husband/partner	40	27

Source: results of 1995 survey study "Polish Business '95" conducted by the author in the Warsaw School of Economics

Women in Poland, Lithuania and Ukraine declared a quest for independence, innate spirit of entrepreneurship and aspiration to get a high income as the three most important factors motivating them to work on their own account.⁶ The last factor was relatively rarely declared

⁶ Similar motives are pointed at by A. Zapalska. Her survey carried out via telephone among 150 entrepreneurs (including 40 women) in 1994 and 1995 allow one to recognise that they were mainly: quest for independence, need of achievements and satisfaction from work, economic necessity, need to earn money because it is a measure of success, and aversion to dependency. Women significantly more often declared that they had not liked their bosses and claimed that they could have done much better in their roles and thus they had decided to start their own business. See: A. Zapalska, *A Profile of Women Entrepreneurs in Poland*, "Journal of Small Business Management" 1997, Vol. 35, No 4, p. 76-82.

by the Lithuanian women - almost twice less often than by the Polish or Ukrainian women (Table 2). Important factors were also experience and knowledge gained in previous jobs as well as values inculcated at home and examples set by parents. It is worth pointing out that surveyed women came from families in which fathers belonged to the intelligentsia or were white-collar workers and mothers usually worked professionally. Polish women entrepreneurs significantly more often than their Lithuanian or Ukrainian counterparts had fathers who were craftsmen (15% as compared to 5% in Ukraine and 2% in Lithuania).

Between 33% and 40% of women indicated that the desire to prove their own worth to a partner or husband was an important decision making factor when they considered starting their own business. In the presented countries women taking jobs traditionally ascribed to men are still met with distrust and reserve in society; however, on the other hand they stir interest and are regarded with admiration.

Table 2
Factors motivating women to set up their own business in Poland, Ukraine and Lithuania (in percent)

Factors	Poland	Ukraine	Lithuania
Quest for independence	90	79	87
Need for reasonable earnings	83	84	46
Innate spirit of enterprise	70	80	69
Experience gained in previous jobs	62	73	64
Opportunity to make money	56	73	44
Values inculcated at home	49	68	23
Inclination to take risk	46	66	60
Acquired profession	43	70	63
Desire to prove worth to husband/partner	40	33	40
Parental example	35	60	29
Threat of unemployment	35	19	25
Family and/or social pressures	30	47	48
Depreciation of savings	21	16	27

Source: Results of surveys carried out in Poland, Lithuania and Ukraine in 1995-1996 (See: Lisowska, 1997).

Many (37%) Bulgarian women entrepreneurs indicate a desire to earn a higher income as a main reason for establishing business. Economic independence (27%) and using previously gained experience (22%) were the next most important motives. In Albania, the main motivation for starting up an own business is to increase income (77%). In Hungary, 23% of all women- entrepreneurs expect to earn a higher income, whereas 12% seek more freedom, the other 12% seek a better use of the earlier work experience, and a small proportion follows a family tradition. So, there is a correlation between the economic success of the transition and women's reliance on entrepreneurship as a survival strategy (*Stoyanovska, 2001*)

In the poorer transition countries economic factors (a need to gain income) are more significant than a quest for independence or desire to prove themselves and achieve success. In Albania, Georgia, Kyrgyzstan, Romania, Republic of Moldova many women undertake work on their own account in order to provide a means of maintenance for their families. Very often women have to earn money because their husbands do not work. In the East trade is perceived as an undignified occupation for men, thus mainly women deal in trade activities.

Under the conditions of a deep crisis, the Kyrgyz women have had to take over an additional burden in order to secure the livelihood of their families. Unemployment, lack of employment opportunities and a sense of responsibility for the family welfare have forced many women to seek self-employment and start up their own businesses based mainly on trade.

(A statement of woma- owner of a restaurant in Kyrgyzstan during the conference in Warsaw, 20 November 2001)

The above data indicate that the motives for taking work on own account by women are slightly different in particular countries. The surveys carried out by the National Foundation for Women Business Owners in a few countries, including the Russian Federation, indicate that economic situation of a country (access to credits, level of inflation, infrastructure, level of corruption) as well as legal regulations concerning business are significant as factors stimulating or hindering establishing and developing own businesses (Weeks, 2000). A significant role is also played by cultural factors, i.e. experience in the perception of the private business owner by the government and society and the level of social acceptance of private ownership.

While in Poland, according to conducted surveys (Reszke, 1998), business owners, including women, are met with acceptance in society, in some other countries, e.g. Albania, societies mistrust the managerial capabilities of women. In Albania, there are also such specific problems as: unsuitable infrastructure for the business development, irregular supply of water, electricity and telephone services. For women, it is especially difficult to travel alone, because they might become victims of prejudice and robbery (*Bezhani, 2001*).

Many Bulgarians have a negative view of the private sector due to their negative experiences throughout the past decade of transition and the lack of transparency due to corruption, racketeering and crime. Women uninvolved in private enterprise tend to place a lower value on jobs in the private sector (*Stoyanovska, 2001*)

Barriers to women's entrepreneurship in the UNECE transition countries

On the basis of empirical surveys (carried out inter alia in Poland, Albania, Bulgaria, Ukraine, Lithuania, Hungary), barriers of development of entrepreneurship in transition countries can be classified in three groups:

- 1. Economic barriers:** unclear and often changing legal regulations concerning starting and developing own businesses, exorbitantly high taxes, lack of capital and difficult access to sources of financing; low demand resulting from high unemployment and low indicators of economic growth; competition from large domestic or foreign companies; limited access to foreign markets due both to difficulties in achieving standards set by advanced countries and costs of business promotion on these markets; unfavourable State policy towards development of small and medium-sized businesses and lack of support from the local authorities.

The most serious constraints cited by Bulgarian businesswomen are: excessive bureaucracy (25%), high taxes (23%), lack of the start up capital (23%), lack of premises (19%), unreliable and unstable legal framework (19%). In the Russian Federation, women-entrepreneurs pointed to high taxes (90%), unstable legal environment (81%), limited access to capital (67%), corruption and racketeering (55%), and the Mafia (40%) as the most important problems (*Stoyanovska, 2001, p. 43, 45*)

Table 3

Problems reported by women and men entrepreneurs in Poland and Lithuania (percentage)

Problems	Poland		Lithuania	
	Women	Men	Women	Men
Instability of tax regulation	79	88	92	94
Lack of reliable banks	21	35	79	89
Lack of operating capital	37	57	77	87
Lack of market research	26	26	48	58
Dishonesty and lack of principle on the marketplace	35	57	39	51
Lack of opportunities to enter foreign markets	18	25	42	30
Lack of stable staff	26	31	42	28

Source: Surveys carried out in 1995 in Poland and in 1996 in Lithuania (Lisowska, 1999).

- 2. Educational barriers:** lack of available consultation and advisory centres both for people who want to start their own business and for those who want to develop them; limited access to knowledge and information; high costs of highly specialised training offered on the market - only few countries have been developing programmes refunding participation of business owners in training (e.g. Poland); lack of opportunity for continuous education (education for life).

3. **Cultural barriers:** lack of social acceptance for private economic activity, lack of respect for entrepreneurship; lack of tradition concerning education of society in entrepreneurship; apprehension about making changes in life; gender-biased socio-occupational segregation which makes the achievement of a position in business particularly difficult for women.

The businessman, as a social phenomenon, has recently appeared on the Belarusian economic landscape. The attitude towards this category of the population varies from a very positive to an extremely negative one. However, the proportion of the population perceiving private business as a negative phenomenon is decreasing (The State Support, 2001)

In Georgia, women-entrepreneurs are still treated as a rare phenomenon with scepticism and not very seriously. (*Women and entrepreneurship in Georgia, paper presented at the conference held in Moscow, 11-12 June 2001*)

Table 4
Educational constraints reported by women and men entrepreneurs in Poland and Lithuania (percentage)

Constraints	Poland		Lithuania	
	Women	Men	Women	Men
Lack of legal knowledge	63	57	73	61
Lack of knowledge of economics	36	29	48	52
Lack of information about institutions offering credit or loans finance	39	47	40	52
Lack of qualified counsellors and advisers	39	42	42	43
Lack of opportunities for further education and training	22	16	29	15

Source: Surveys carried out in 1995 in Poland and in 1996 in Lithuania (Lisowska, 1999).

Generally, it can be said that economic and educational barriers concern women and men to a similar extent whereas cultural barriers affect mainly women. They are severe mainly at the stage when a decision to establish an own business is being made due to the fact that entrepreneurship, including maintaining a business, is culturally associated with male behaviour. Women also face more difficulties because they usually tend to be less daring, while in hard conditions of economic transformation the necessity to take risks should be taken into account much more than in the conditions of a stabilised economy. Women are left out of informal networks, which facilitate establishing positions in business, thus more often than men they feel lost, insecure and diffident and they lack confidence in their success. Women less often have access to capital or resources enabling them to take advantage of bank credits.

Surveys of Hungarian women-business owners indicate that their main problems, at the beginning of the transformation, consisted of difficulties in accessing credit, i.e. because of not possessing assets, such as real estate, which are usually accepted as eligible security. Further problems were caused by the influence of business activity on the family, as a half of the women's owned businesses in Hungary constitute family businesses. Other barriers are difficulties with finding a mentor, lack of respect for women-entrepreneurs in the society and a limited access to business training (*Hisrich, G. Fulop, 1994/1995, p. 100-118*).

The latest research studies find that now, in Hungary, women cite, among the major problems they are experiencing, such as: finding premises and equipment (40%); lack of demand (40%); need for capital (21%); and high interest rates and taxes (17%). (*Stoyanovska, 2001, p. 45*).

In Tajikistan, the lack of relevant entrepreneurial skills, access to capital, and gender discrimination limit the women's ability to engage in new private business initiatives. Many women also lack private savings and have no access to the capital market, including venture capital. There are a number of small-scale projects that provide micro-credits and micro-grants, including TASIF and the WID bureau, but their reach is limited. (*J. Falkingham, 2000, p. 50*)

The main difficulties in the development of small and medium-sized businesses in Kyrgyzstan are: lack of low-cost credits (those offered by banks have high interest rates and short pay-back durations - 3-6 months); high inflation and lack of stability in the national currency; imperfect taxation system; too much control from various public institutions; corruption, problems with the registration of enterprises and obtaining a licence; low income of the population; bureaucracy. (*From a statement of the owner of a construction company at the conference organized by the International Forum for Women in Warsaw, 20 November 2001*)

Kyrgyz women need assistance to facilitate the achievement of new skills necessary for the work in the service sector, administration, management, accountancy and finances, particularly significant are such skills as: computer literacy, ability to operate advanced office equipment, foreign languages. (*From a statement of the Director of the training centre Congress of Women in Kyrgyzstan, at the conference organized by the International Forum for Women in Warsaw, 20 November 2001*)

Speaking about barriers of entrepreneurship, it should be realized that they are slightly different in the case of making decisions about starting own business than when a women has already established her own business and she wishes its further successful development.

At the stage of decision making about starting-up a business by women, a significant cultural barrier is **traditional socialisation**. Women usually have to overcome their inner sense, forged throughout the socialisation process and influenced by social relations, that maintaining a business is an activity for men rather than for women. They also have to overcome stereotypes that own-account activity is too risky and difficult for women. Women very often do not realize their own skills, they have low self-esteem which derives from a lower social status of women in societies of many transition countries. Nevertheless, women relatively easily make contacts and manage quite well in social relations, skills which are very useful in business.

Although women in Bulgaria are generally highly educated, a lower percentage of them believe that they have necessary qualifications for starting up a private business: almost 70.6% of women and 64.9% of men believe that they lack essential skills to start-up their own enterprise. Women are also more likely to believe that they lack key attributes, such as specific experience, understanding of business opportunities and managerial skills. They also tend to view entrepreneurship as an inappropriate role for women (34% contrasting with only 17% of men who felt this way). (*Stoyanovska, 2001, p. 19*)

Thus, the establishment of entrepreneurship centres for women (governmental or non-governmental) is justified. Such centres would maintain adequate training for women preparing for self-employment and mentor advisory services, provide assistance in getting a loan or cheap premises, encourage unemployed women to start their own business and assist them during the first period of its functioning (e.g. for a year). So far such centres do not operate in transition countries. Available information indicates that the Government of Slovenia only recently accepted the idea of supporting women's entrepreneurship and agreed to create the national information centre for women META (Turk, 2001).

Another significant barrier at the stage of making decisions concerning establishing own business is **limited access to external sources of financing**. Surveys carried out e.g. in Poland, Hungary, Romania, and Bulgaria show that women setting-up their own business usually do not have large financial means at their disposal and when they have, they are usually savings, loans from family and friends and very rarely bank credits.

In Poland, Micro-credit Fund "Fundusz Mikro", established in 1994 within the framework of the Polish-American Entrepreneurship Fund Programme, is the most effective among the existing micro-credit schemes. Its objective is to grant loans to the smallest enterprises, i.e. those that have no chance of obtaining a bank loan. At present, the Fund has 33 agencies, operating throughout the country. Women constitute 39% of the loan holders of the Fund. Significant is the fact that the Fund also offers "business start-up" loans, i.e. loans for people, who have just started economic activity on their own account. Entrepreneurs, who pay back one loan, can expect another, larger one. In this way, the Fund has many regular clients and continuously participates in the development of the client firms. (*Direct communication from the Micro Fund Bureau in Poland*)

Nevertheless, financial barriers and limited access to external sources of financing are felt to a greater extent by people who have already been maintaining their own firms and want to develop them than by those who have just started in business. Credit offered by banks is

usually too expensive for small businesses. Institutions offering *venture capital* impose extremely high requirements and they are mainly interested in innovative enterprises that can guarantee fast development and future profits. Women are very scarce among people benefiting from *venture capital*, firstly due to the fact that they less often deal in innovative branches, secondly because for them it is more difficult to discuss matters with investors and convince them to their ideas, and thirdly women lack information about potential investors and *venture capital* itself as a form of investment financing.

Women in the transition countries are not offered any special loan-credit lines or easier loan obtaining conditions or collateral requirements. Women can take advantage of offered forms of financing on the same terms as men entrepreneurs. However, for women meeting the requirements there are more difficulties, i.e. they are less likely to obtain a loan or a bank credit or financing through *venture capital*. Such a reality is reflected in a statement of one of the Polish business owners: *"I am building my own premises, financing it directly without credit and supervising this construction work"*.

Limited access to information, knowledge and education create another barrier in transition countries. Women are usually aware of a necessity for continuous education and extending their own knowledge. They also find satisfaction in complementing their knowledge through courses and training in which they willingly participate. This understanding of the necessity for further education is most evident in the case of women providing advisory services. Rapid transformation in the surrounding world following the development of new technologies and globalization of production and social processes enforce continuous education.

While women owners of consulting companies are aware of the need for continuous up-dating of professional knowledge, women owners of manufacturing enterprises are mainly interested in getting access to information about credits for small businesses and ways to enter foreign markets or getting access to reliable information concerning new regulations. They also point out the need for training in marketing and human resource management.

The main information needs of the Bulgarian women-entrepreneurs concern finance and accounting, marketing, taxation and legal issues, foreign language training. Also significant is specific knowledge related to the following fields: selection of personnel, quality improvement, new technologies, and information about credits. *(Stoyanowska, 2001, p. 48)*

In more advanced transition countries the market offer concerning training is relatively wide. Moreover both professional and women's organizations provide training for their members. However, the high cost of many training programmes creates a problem for women owners of small businesses.

Needless to say, **difficult access of women to innovation** is a barrier to the development of companies in transition countries. Growing competition enforces implementation of new technologies and innovations on entrepreneurs. Those who do not improve very soon lose their position on the labour market. A computer in a company and access to Internet is at present a standard equipment of any company which intends to keep up with competitors. On the basis of available data it is difficult to determine how many businesses run by women

have access to Internet, how many of them aim at innovation and whether access to new technologies is more difficult in the case of women than men.

Conclusions

1. Self-employment is an important form of employment for women especially in countries with high unemployment.
2. Statistical data on women working on their own account are limited, thus an international comparative analysis on women's entrepreneurship is difficult especially in transition economies. Questionnaire surveys were carried out in only a few countries (Albania, Bulgaria, Hungary, Poland, Romania, Ukraine). These surveys allowed to identify demographic and social characteristics of women entrepreneurs as well as their motivation for starting own businesses and existing barriers.
3. On the basis of available statistical data and results of surveys carried out, it can be concluded that in UNECE countries in transition that there is a steady increase in women's entrepreneurship activities. Many women are not afraid of risk-taking and like challenges. Under favourable conditions these features they can be strengthened by adequate education and State policy aiming at ensuring equal opportunities for women and men on the labour market.
4. Government policy in transition countries is rather unfavourable for entrepreneurship in general and for women's entrepreneurship support in particular is limited. The example of the United States shows that gender equality policy can contribute significantly to a growth in the number of enterprises established and led by women. The introduction in the USA of legal regulations granting women equal chances, e.g. such as *Civil Rights Act* of 1964, *Equal Credit Opportunity Act* of 1975 or *Affirmative Action* of 1978, as well as the creation of centres for women within the framework of the State agency Small Business Administration directly influenced growth in women's interest in establishing their own businesses (Brush, 1997, p. 5).
5. High female unemployment can be alleviated through encouraging women to undertake work on their own account. There is a high demand for programmes offering training and financial and advisory assistance to unemployed women who would be interested in self-employment and creating jobs for other women.
6. The main motives for establishing own businesses declared by women and men are similar: independent decision making, need to get higher income, and the spirit of entrepreneurship. Women more often than men are motivated by a threat of unemployment and a desire to prove to a spouse that they can successfully manage not only their own household but also their own firm.
7. The early phase of transformation was especially difficult for men and women, who wanted to start own business. They have to show more initiative and determination as well as take higher risks. In such conditions making decisions concerning starting an own business were more difficult for women as they are generally less inclined to take a risk than men.
8. On the basis of literature and results of surveys carried out among both female and male entrepreneurs, it can be argued that that main barriers to entrepreneurship in transition

countries consist of complicated and numerous procedures required at the registration of a firm (the poorer the country the higher the number of procedures), unstable regulations, lack of system for crediting small enterprises and low purchasing power of the population. Also barriers concerning access to necessary information and knowledge are significant. At the same time there are only a few women-oriented training programmes which take into account of women's specific needs. These needs are focused on issues concerning human resources, rational management of individual physical and psychological capacity, improvement of managerial skills, sources of external financing, including *venture capital* and ways to obtain get and use new technologies.

9. In the case of women, socio-cultural barriers are significant, i.e. traditional socialization process and stereotypes concerning role models in society, which results in occupational segregation and limited access of women to managerial positions and lack of access to the informal network. Characteristic features such as creativity, innovativeness, self-confidence, achievement and orientation are not determined by gender but by a process of socialization and education. Universality of the idea of gender equality in a given society significantly facilitates women's participation in the traditionally male-focused fields, i.e. also those entrepreneurship, self-employment or business establishing.

10. In the UNECE countries in transition, except Slovenia, government programmes addressed specifically women entrepreneurs do not exist. It seems that such programmes and government centres could significantly increase interest in women self-employment.

Recommendations

1. Women's NGOs should develop special programmes for women with the financial, educational and organizational support of the United Nations Economic Commission for Europe and in cooperation with governments.

2. The United Nations Economic Commission for Europe should also take a lead in collecting statistical data concerning women entrepreneurs and develop standard for data collection. It will make women's input in economic development more visible and contribute to overcome prejudice against women undertaking economic activity on their own account.

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Yearbook of Labour Statistics, ILO 2000

Trends in Europe and North America, UN/ECE 2001

PART TWO

Country Perspective

WOMEN ENTREPRENEURS IN THE RUSSIAN FEDERATION: KEY PROBLEMS AND TRENDS

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Following the collapse of the Council for Mutual Economic Assistance (CMEA) and the integrated economic system of the Soviet Union, the independent States of the Commonwealth of Independent States (CIS) were confronted with the problem of integrating themselves into the international economic system, a challenge for which neither the system nor society were prepared. The ensuing domestic economic crisis and the international recession obviously had an impact on the gender situation and the socio-economic status of women in countries with transition economies.

In the Russian Federation the problems of the transition period further exacerbated discriminatory trends; women, it turned out, were the most vulnerable and least able to compete on the labour market. The proportion of women in the total unemployed population fell from 51% in 1990 to 47% in 1997, and the ratio of women's salaries to men's - depending on sector, profession, and position - fluctuates between 69% and 105%.

According to official data, approximately one third of managers of enterprises in various forms of ownership admit that they prefer to hire men rather than women.

Women with children are regarded by employers as a second-class workforce and are obliged to accept work with less status and lower pay, regardless of their education and skills.

Women are being squeezed out of the labour market not only because they are being laid off in increasing numbers, but also because of restrictions on their access to jobs. Women account for 21% of unemployed college graduates, twice as many as men.

Of the total number of women in the Russian Federation, more than one in four is aged 55 or over; more than 40% of women in this category live alone and they are the ones who have been completely rejected by the labour market. The experience they accumulated under the socialist system has turned out to be useless in the new social, economic and political conditions. At the same time, like pensioners in the West who embark on a new life after retirement, travel around the world and join various clubs, Russian women must think how they want to live their life and what they are going to live on.

The shrinking labour market, which more often than not adversely affects women, means that large numbers of women - not only of pensionable but also pre-pensionable age - withdraw from economic activity, thereby swelling the ranks of the unemployed.

All these factors contribute to the increasing feminization of poverty.

Risks and opportunities of market relations

Strange as it may seem, market relations have not only caused stress and depression for women; they have also created new opportunities. Completely new forms of economic activity, such as self-employment and entrepreneurship, have helped many women out of their mental and financial crises. The working population has been redistributed in line with the requirements of a market economy: the numbers employed in the service sector, intermediary services, lending services, finance, insurance and so on have all increased, and the number of private-sector workers has almost doubled.

It should be noted that, by the time women started to go into business in large numbers, in the early 1990s, nearly all the raw materials and production resources had already been parcelled out and loans were hard to obtain. Women were placed at a disadvantage from the very outset. In many respects, market reforms were carried through thanks to the efforts of women. Their asset base comprised small businesses transformed into partnerships by the State; these were involved in providing services, tuition, making and selling goods of various kinds, journalism, publishing and agriculture. Start-up capital took the form of loans or investment of personal funds. Businesses of this kind were the first to emerge on the market in countries with transition economies, and they subsequently made a valuable contribution to the aggregate economic growth index. However, not all of them were able to stay afloat and maintain their financial stability.

The following factors have impeded successful business management and efforts to overcome social discrimination and enhance women's economic status: lack of a federally funded programme to support small and medium-sized businesses; no information or advice centres to foster entrepreneurship and business start-ups; lack of financial support in the form of cheap loans, low taxes, and available industrial premises; dearth of mechanisms to stimulate domestic capital formation and foreign investment on favourable terms in the Russian economy, including in small businesses; and lack of interest by commercial banks in financing small businesses. The upshot is that the official level of employment in small businesses in the Russian Federation, in which most of the workers are women, does not exceed 30% of gross domestic product (GDP), whereas in Central European countries approximately 90% of enterprises are small businesses employing about 60% of all workers in the economy; added value may be up to 65% of GDP as against 30% in our country.

The role of the media

The mass media are a potent instrument for shaping public opinion and focusing the attention of society on burning issues; however, media coverage of women entrepreneurs is lacklustre. A survey of 100 representatives of the central mass media, including newspapers and magazines dealing with social and political matters, publications specializing in women's issues and television and radio programmes revealed problems confronting women today, which, in the view of journalists themselves are very rarely dealt with by the media. The most important issue is women's employment and unemployment, with emphasis on discrimination

against women in the labour market (22.8% of those questioned). Traditional women's issues such as child-rearing and medicine are second (16.2%). The contemporary role of women in society, i.e. as professionals actively involved in business and politics, comes third (16.5%). Social and psychological problems come fourth (13.9%). The fifth most important issue is personal development (11.4%), followed by the social protection of women (3.8%) and women's research (1.3%).

Thus, the survey revealed that the topics that rarely find their way into newspapers and magazines or are dealt with on television and radio programmes, are, first of all, issues involving women's employment and unemployment and the contemporary role of women in society, i.e. as professionals who have successful business careers and are self-sufficient members of their communities. This fundamentally new type of woman could inspire other women to create their own businesses, build their own careers, and strengthen the political and economic status of women in society. However, the commercialization of the mass media dictates the choice of material for publication, to the detriment of women's issues.

On television, the most widespread and accessible medium that reaches even the remotest areas, with rare exceptions political and economic decision-making is presented as the preserve of men, and at elections the voter (male or female) is forced to choose among those figures who have received the widest coverage, in the belief that no alternatives are possible.

Women and decision making

Women make up 53% of the Russian population and 47% of the total working population; by contrast, according to the results of the most recent elections, 93% of elected representatives are men and just 7% are women. The level of representation of women in the higher echelons of the federal and regional authorities varies between zero and 10%. In other words, women are all but excluded from power.

The United Nations estimates that, in any given country, lawmakers begin seriously drafting bills to protect the interests of children only when the proportion of female deputies rises above 20%. Laws and State programmes that address the interests of women start to appear only when the proportion of women in power structures approximates 30%.

Until the mass media stop focusing attention on unhappy, abandoned and psychologically traumatized women with low self-esteem, and begin showcasing instead successful female politicians and businesswomen who have achieved success in their chosen field, who can sensibly juggle their professional and domestic responsibilities, leave time for themselves and ably hold their own in various television and radio discussions, there is unlikely to be a significant increase in the ratio of women to men at all levels of government.

Until at least a few exceptional women are able to gain a toehold in the traditional male bastions of finance and property, success in politics will prove elusive not just because of the gender imbalance but also because of the way the political elite works. Thus, on the one hand, the absence of women in key economic sectors prevents them from holding important government posts, while on the other, their absence from positions of power means that political, economic and social decisions that matter to women cannot be translated into reality.

Until women themselves start, at the grass-roots level, to put forward and wholeheartedly support women in positions of leadership who can defend their interests in high politics, there is little hope that their interests will even get a look-in at the highest level.

Among the factors that have a negative impact on the extent of women's involvement in politics are the crisis in the national economy, the enormous pressures facing women in their everyday lives, stereotypes that identify women with the family and child-rearing and to a far lesser extent with politics, tough competition for political and administrative posts in the public sector, and the not very conspicuous or productive work of those who have made it to the very top. In order to ensure that women, who make up 57% of the population of the Russian Federation, elect a proportion of women to State bodies that exceeds 7%, an enormous amount of work must be done to raise women's status in society, enhance their role in national political, economic and cultural life, boost their involvement in shaping State policy on women, the family and children, and promote women to decision-making positions. All over the world, this role is performed by non-governmental, non-profit organizations.

The role of the non-profit sector

In mature democracies the role of the non-profit sector is openly acknowledged by the State, which shapes its policy in the light of this sector's political and economic potential. Non-profit organizations are seen as partners in resolving many social problems, and their role in this process is often crucial.

With a view to maintaining the third sector at a high level of competitiveness, the State is investing in its organizational consolidation and creating favourable fiscal conditions (in the United Kingdom in 1997, investment by local authorities and central government in the non-profit sector amounted to 2,340 million pounds, and the favourable tax regime enabled 824 million pounds to remain in the non-profit sector). In the West, there has been a steady increase in the revenue of non-profit organizations derived from government and municipal sources, donations from corporations and individuals, and income generated by their own economic activities (in Belgium and Australia, for example, the revenue of the non-profit sector is comparable in size to the federal budget of the Russian Federation).

Today the Russian non-profit sector has made great strides; a mass voluntary movement is emerging out of an array of disconnected structures. The State Statistical Committee (Goskomstat) reports that on 1 January 2000 there were almost 485,000 non-profit organizations with diverse organizational and legal structures, and their number is increasing (at a rate of 1.5% a year).

The Russian non-profit sector must gradually transform itself into a powerful system that annually accumulates an increasing number of human, financial, material and organizational resources. Meanwhile, the State still has no clear-cut strategy or tactics for exploiting this burgeoning potential, which obviously reduces the effectiveness of non-profit organizations. The Russian Federation still has much work to do before it can expect the domestic non-profit sector to deliver the same kind of impressive results as its counterpart in developed countries.

There is a need to develop legal, economic and functional standards for interaction between power structures, non-profit organizations and their donors, and a sensible fiscal policy that takes account of the charitable nature of the work done by non-profit organizations (the lack of such a policy creates a host of difficulties, both for the organizations themselves and for

donors, and restricts the inflow of funds to the social sphere in the form of charitable donations).

These legislative and fiscal shortcomings mean that Russian non-profit organizations are to all intents and purposes deprived of basic sources of funding, i.e. special-purpose donations from commercial organizations and individuals, income generated by their own paid services, grants-in-aid from domestic foundations, and orders placed under the State and municipal budgets. As a result, the financial stability of non-profit organizations is comprised and they either become fully dependent on foreign sources of funding, or they make the transition to full or partial voluntary work. When this happens, a non-profit organization's ability to tackle social problems is substantially reduced and the State loses revenue from taxation of authorized business activity and employees' salaries and consultants' fees.

There is a high proportion of women's organizations in the non-profit sector. The women's movement today comprises nearly 1,000 voluntary organizations, associations and foundations. They help to disseminate information about human and women's rights, promote and protect women's interests, establish leadership schools for young women, enhance women's skills and promote vocational retraining, develop women's entrepreneurship, improve coverage of women's issues in the mass media and establish coalitions and broaden cooperation between various organizations, including international organizations.

In 1996, at the initiative of the Women of Russia movement, 40 influential women's organizations signed the Charter of Women's Solidarity, which states that women's solidarity is a hedge against social and economic crisis and an antidote to social convulsions in the Russian Federation. The Charter is intended to give additional impetus to the process of harmonizing interests, encouraging dialogue, and seeking reasonable social compromises for the sake of peace and Russia's prosperity. It has become a watchword for the activities of many women's organizations.

Leaving aside social and political challenges, every region has associations, unions and foundations for women who control or manage companies in the manufacturing, services or commercial sectors. Their function is to prepare the ground for an expansion of business networking and an exchange of experience between women entrepreneurs at the regional, national and international levels; establish an information and consulting framework to support women entrepreneurs at local level; promote dialogue between women entrepreneurs, local authorities and financial structures with a view to improving business management; and support young entrepreneurs starting out in the market.

In order to meet these challenges, they must form increasingly large coalitions to tackle the same problems at a higher level in an attempt to articulate the social and economic problems of women and Russia's women entrepreneurs vis-à-vis the central authorities and influence the course of decision-making, and also establish partnerships with other international women's organizations for the purpose of exchanging experience and information and developing new joint programmes.

Most Russian women's organizations came into being during the 1990s. They include:

- The Association of Russian Women Entrepreneurs (ARWE), which has 53 branches and brings together women who have or would like to have their own business;

- The Women and Business in Russia Association (a member of the World Association of Women Entrepreneurs (FCEM)), which has 200 members from different regions of the Russian Federation and 30 from St. Petersburg;
- The Association of Independent Women's Associations, comprising 36 organizations;
- The Consortium of Women's Non-Governmental Organizations, which consists of 99 women's organizations from 37 regions of the Russian Federation and which is a member of the international network NIS-US Women's Consortium;
- The Women's League, currently uniting more than 30 women's organizations ranging from large foundations, centres and associations to small creative associations and partnerships;
- The Far Eastern Confederation of Businesswomen, based in Vladivostok, an interregional voluntary organization that helps to draft laws that support entrepreneurship;
- Union of Women's Organizations of the Republic of Sakha (Yakutia), comprising 14 organizations and 35 women's councils in villages and towns;
- A business resource centre for women who are temporarily not working, intended to maintain, restore and galvanize their professional potential.

However, the same survey of journalists revealed that Russian society has a very hazy idea of what women's organizations actually do. Sixty per cent of journalists think that the emergence of such organizations shows that society is becoming more democratic, whereas the rest associate them with the desire of certain ambitious women to make a political career for themselves. Half the journalists think that women's organizations have a future; one third think that such organizations are just platforms for demagogues, and 25% believe that they are constantly bickering and are incapable of formulating a unified policy. Thirty-six per cent of those questioned think that the emergence of women's organizations in Russia is a West-inspired fad, and the same number associate such organizations with a real deterioration in the status of women in Russia. Significantly, only 19% of the journalists questioned agreed that women derive genuine support from such organizations. To judge from the responses of the majority of the journalists surveyed, women derive relatively little benefit from membership of these organizations. Even among women themselves, there is considerable scepticism regarding the need for and the effectiveness of all these ventures.

Nevertheless, despite this attitude of the mass media and a segment of society towards the women's movement, despite lack of money, State-supported programmes and a targeted regional policy on women, and notwithstanding the paucity of female representation at all levels of administration and business, especially in banking structures, the women's movement in social affairs and politics and the women entrepreneurs' movement are gathering strength and are kept going by the enthusiasm of certain individuals and the support of the international community.

The role of the international community

Indeed, the international community plays an important role in establishing and developing the non-profit sector in the Russian Federation. For example, financial support from different foundations, unions, associations, and international programmes is spawning a market for consultancy services, which formerly did not exist in Russia at this level. Additionally, the

network of support structures for small and medium-sized businesses is expanding, business incubators and technological parks are being set up, and new forms of lending are being developed.

Assistance of this kind is provided by, *inter alia*, the United States Agency for International Development (USAID), the Eurasia Fund, the United Kingdom Government's Know How Fund, the European Union's TACIS Programme, the Soros Foundation, and funds to support women entrepreneurs administered by Canada and the Netherlands. Many of the programmes which they finance are directly related to the development of women's entrepreneurship. For example, the scheme to develop the information service of the Far Eastern Confederation of Businesswomen, the establishment of a regional fund to support women entrepreneurs in Sverdlovsk oblast, the family and home-based business project (training for beginning entrepreneurs, including family members of military personnel, at the Gildiya ["Guild"] small-business development centre in Moscow oblast, and the one-stop consulting and educational services unit for low-income, economically active sectors of the population at Smolensk's entrepreneur support centre.

However, the impressive sums received by way of international support, the plethora of programmes, the movement into the regions and the remotest areas of the Russian Federation, the business support structures that are being established - mainly in the areas of education, information and consulting - as well as the assistance made available to entrepreneurs, directly, are still insufficient in view of the enormous size of the country and the population. They merely prepare the ground for the development of small and medium-sized business in the Russian Federation.

For this reason, the question of obtaining loans to start up and expand businesses and increase working capital remains a high priority for Russian entrepreneurs, especially women entrepreneurs. Access to bank loans is complicated by the lack of incentives for banks to work with the small business sector, high interest rates, red tape and the uncertain position of the banks themselves as they anticipate banking reform.

Various methods of attracting investment that do not involve the banks are still underused, although one method - microcredit - could be used to open up niches for certain kinds of products, work and services that for the most part employ women and are not attractive to big business.

Fund-raising remains a little-known word in the vocabulary even of businesspeople, and the internationally recognized concept of a parent company, sponsoring junior partners and providing them with equipment, franchises, a recognized trademark and advertising is still something of a rarity in the Russian Federation.

The role of the State

Examining the budget sections for 2002, it may confidently be asserted that the financing of industry, as before, is not a budget priority - enterprises themselves will bear most of the cost of the technological restructuring of industry and the implementation of environmental protection activities prior to the large-scale retirement of production capacity in 2003.

Nor are the resources that the Russian Government has earmarked to support small business in 2002 very generous. Next year, 20 million roubles will be set aside to establish a State-

supported infrastructure for this sector of the economy, to be spent on the reorganization of the Federal Small Business Support Fund.

It is true that there are bright spots as well. For the first time ever, the budget for 2002 has been drawn up in the light of projections for the next several years; another pioneering aspect is the provision for a financial reserve of almost 60 billion roubles to cushion the pain of a possible economic downturn. Draft federal budget revenue for 2002 has been set at 1.998 trillion roubles and expenditure at 1.872 trillion, with an anticipated budget surplus of 126 billion roubles. The largest expenditure section in the 2002 budget will be social policy, with planned spending of 406.25 billion roubles. Provision has been made for a 40% pay rise for public sector workers, most of whom are women, and an increase in the pay of military personnel by a factor of between 1.7 and 2, which will increase the size of military families' budgets. Women will also benefit from increased spending on education, which at 78 billion roubles represents an increase of 60% over the previous year.

At a somewhat leisurely pace, therefore, the State is nevertheless turning its attention to various sectors of the population by increasing expenditure on social needs, education and health care. However, for the most part, medium-sized and small businesses have once again been left to fend for themselves. This is not very good, because all over the world small businesses are seen as the engines of economic growth and the basis for the formation of a middle class. Admittedly, in the Russian Federation, small and medium-sized enterprises - which are mainly staffed by women - form the basis of a middle class not so much because of their capital formation but by virtue of the scale of the human effort involved. What is more, these efforts are not very well adapted to the new economic climate.

Conclusions

The burden of expanding small and medium-sized business in the Russian Federation, developing entrepreneurial activity and boosting employment will devolve to a great extent on women, at least in the foreseeable future, and they will need all their energy, creative capacity for mutual support and solidarity to tackle these difficult tasks. In addition, they will certainly need the experience of women entrepreneurs from countries with transition economies and the experience and assistance of women from Western Europe and America. In view of the persistent discriminatory practices with regard to financing, they will urgently require targeted financial support. Women know not only how to borrow money but also how to pay it back. It is widely acknowledged that women entrepreneurs are punctilious about paying off their loans. And, last of all, they will desperately need Internet access in order to develop their businesses, establish interpersonal business contacts and engage in informal networking efforts to minimize their sense of isolation.

WOMEN ENTREPRENEURS IN THE CZECH REPUBLIC

*by Anna Putnova,
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Situation in the legal and institutional sphere from the women's point of view

The Czech Republic can undoubtedly be counted among countries with a progressive legal system which, even in the past has provided sufficient support, at the most general level, for the implementation of the gender equality principle. Women's movement has existed in the Czech Republic since 1920.

However, practical implementation has been lagging behind for years, leading to a feeling of helplessness against being mistreated when looking for a job or being employed. Two-thirds of women do not believe that they would be successful if they sued and almost half of them have no idea about the legal basis for equal opportunities for men and women. Statistical data show that the pay Czech women receive is 28% lower than men's.

Czech legislation and civil administration face the difficult task of incorporating EU standards concerning equal opportunities into the Czech legal system and institutional life.

What has already been achieved?

Labour Code and related regulations

Following Law No. 155/2000, which came into effect on 1 January 2001, a number of regulations have been amended to stipulate that employers are obliged to ensure equal treatment of all employees as regards their working conditions including compensation for their work, their professional education, and opportunities to advance to higher positions. Any discrimination whatsoever against employees is strictly forbidden. This ban also includes such acts on the employer's part as indirect discrimination resulting in harmful consequences for employees, rather than direct discrimination. It is unlawful not to respect human dignity, which also includes undesirable sexual conduct in the workplace seen as unwelcome, unfit or defamatory. An employee has the right to demand remedial action if the equal-treatment principle is violated. The new measures also include the introduction of parental leave, which supersedes the former maternity leave. As yet, no one has found, and in the near future probably will not find, a solution to the problem of discrimination of businesswomen asking for loans or other services in the private sector.

Organisational and institutional level

There is a governmental programme that comprises a whole range of measures, reflections and continuing tasks for all government members, particularly for the Ministry of Labour and Social Affairs. A special department has been established there to deal with equal opportunities of men and women. Experts from the Institute of State and Law, as well as other institutes of science and law, have been invited to investigate these issues. On the other hand, in the sphere of civic associations, public administration and universities, meetings, debates, and conferences are organized and projects are supported where the preparedness of

Czech women to take advantage of the equal opportunities offered is appraised from different angles, or direct help is offered to start up businesses.

Position of women in the labour market

In order to get a better view of the situation it should be noted that, until 1989, the Czech Republic was ruled by a communist regime with all the characteristics of a totalitarian system. The right to work was incorporated in the political system and so 90% of women were employed full-time. In 1990 a democratisation of life and an economic transformation were started. The decade should be viewed as two separate periods:

The first half of the 1990s

In view of our interest, it should be noted that those who received the most benefit of the transformation from planned to market economy were men. It was they who started most of the businesses because they had been in the management of the former State-owned companies with at least some sort of experience in managing companies. At that time, men, who in socialist Czechoslovakia constituted the overwhelming majority of managers, simply had far more experience, information, and business contacts. These were the main reasons why Czech women could win no recognition in the first years of the new democratic society.

However there was, and still is, a huge potential. Ninety percent of all Czech women were employed before 1990, which was a situation unique in Europe.

The Czech model of an employed woman with no career ambitions is the most successful model of all times in terms of the male and female role complementarity in the family and household. It imposes the responsibility of earning money for the family on both husband and wife. It strengthens the inequality in the division of labour in favour of the husband both at home and in society. Thus women work at a maximum without rivalling men.

The second half of the 1990s

In today's Czech Republic, we are witnessing strong emancipation tendencies with women striving to find their own work and social identity. This aspiration of women for self-fulfilment is obviously reflected in the business and economic sphere of the country, as the results of our research show.

Different aspects of the situation of Czech women active in business sphere

In the Czech Republic, statistical figures again provide a picture that is not in favour of women.

During the 1990s, the policy of equal opportunity was neglected in Czech society and no discussion took place even on the basic types of equalities.

For example, an overwhelming majority of women (63%) in our investigation would not sue their employer after being discriminated against as a woman. This clearly indicates a lack of faith in finding support in society for equal rights of men and women, as well as some mistrust of Czech courts.

In the Czech Republic no support exists as yet for

- Women's professional careers
- Social differentiation of women and promotion of women to managerial positions
- Differentiation of men's and women's professions
- Just redistribution of professional and family roles between career-oriented parents

Entrepreneurial activities of women in the Czech Republic

Table 1
Number of women and men entrepreneurs in 1999

Men	498 100
Women	192 400
Total	690 500

Source: Czech Statistic Office 2000/9

Table 2
Men and women entrepreneurs by industrial branch

Industrial Branch	Total CZK (a)	Men entrepreneurs				Women entrepreneurs			
		without employees		with employees		without employees		with employees	
		CZK (a)	%	CZK (a)	%	CZK (a)	%	CZK (a)	%
TOTAL including	690.5	346.2	100.0	151.9	100.0	145.2	100.0	47.2	100.0
Commerce, car repair and consumer goods	167.7	66.2	19.1	43.2	28.4	41.0	28.2	17.4	36.8
Construction	136.9	103.5	29.9	28.6	18.8	2.7	1.9	2.0	4.1
Real estate, real estate rentals, services for businesses, research and development	90.5	37.7	10.9	13.8	9.1	34.5	23.8	4.4	9.4
Processing industry	80.6	39.0	11.3	23.8	15.7	15.4	10.6	2.4	5.1
Other public, social, and personal services	48.2	17.8	5.1	3.2	2.1	24.6	17.0	2.6	5.5
Transport, storage, postal facilities and telecommunications	41.3	26.1	7.5	11.1	7.3	2.7	1.9	1.4	3.0
Restaurants, accommodation	32.5	9.4	2.7	11.3	7.5	5.0	3.4	6.7	14.2
Agriculture	27.9	15.7	4.5	6.1	4.0	5.0	3.5	1.0	2.2
Health and veterinary services, social activities	23.9	4.2	1.2	6.5	4.3	5.3	3.7	7.9	16.7

(a) thousands

Source: Czech Statistic Office 2000/9

Outlook for women in the Czech Republic

The research conducted by the Moravia Association of Women Entrepreneurs at the Faculty of Business and Management, indicates the potential of Czech women. In the past, Czech women managed to do all the household chores while being employed full-time, which required maximum workload, should be a good enough reason for expecting them to be equally efficient in the business sphere.

The table below shows the percentage of women who became successful in top management positions. We used the CZECH TOP 100 as a list of companies, from the Registry of Companies valid as of 1 January 2002, we went through the statutory bodies of all these 100 companies to see how many women were on the boards of directors and supervisory boards and set up the following Top 100 statistics.

Table 3
Percentage of women successful in top management positions

Field	Number of positions	Number of women	%
Activities related to financial market.....	27	0	0.0
Mining.....	65	5	7.7
Transport.....	33	4	12.1
Wood-processing, paper and printing industries.....	40	2	5.0
Electrical engineering and electronics.....	17	1	5.9
Power engineering.....	91	10	11.0
Metallurgy and metal processing.....	51	6	11.8
Chemical, pharmaceutical and rubber industries....	52	2	3.9
Information technologies and systems.....	12	4	33.3
Commerce.....	29	2	6.9
Other processing industries.....	19	6	31.6
Finance and insurance.....	70	3	4.3
Food processing and tobacco industries.....	25	3	12.0
Glass, ceramics and building materials.....	41	3	7.3
Services.....	24	2	8.3
Construction.....	22	1	4.6
Mechanical engineering.....	53	2	3.8
Telecommunications and postal services.....	36	0	0.0
Textile, clothing, and leather manufacture.....	41	6	14.6
Agriculture and wood exploitation.....	34	5	14.7

The position of Czech women in politics is also worth mentioning. The current social democratic government has no female minister. This is the first government since 1990 with no women among its ministers. The representation of women in top politics (Parliament and Senate) amounts to 14%. In the regional political bodies their participation is 20%. Six

percent of mayors are women. The public opinion polls in 1999 showed that the public would welcome more participation of women, particularly in the social and environmental areas.

Self-fulfilment of women through their careers changes not only the life of women and their families, but also the life of society. The degree of women's involvement in business is a barometer of the democratic life of the country. The first generation of Czech women entrepreneurs can offer their commitment positively influence the formation of the so-called role model. They demonstrate that this can be done.

If I was to paraphrase the well-known saying: "I am dancing as fast as I can", I would have to add that a Czech woman in business often has to dance faster than she can.

ENTREPRENEURSHIP AS A CHALLENGE AND OPPORTUNITY IN SLOVENIA

by Marta Turk

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Background

After becoming independent in 1990 Slovenia entered into a new period of privatization, denationalization – the transitional process of the sociopolitical system. Many people lost their jobs in big companies as a result of privatisation. Thousands of people were facing a new and insecure future, which was not clear and promising. People were not prepared for new facts of private initiative, private capital, self sustainable activities – it was as if people had lost their parents, without understanding the responsibility of an adult. It was clear that women would be the first in line for unemployment.

Slovenian women share the rationale regarding the creation of their own enterprises. Most of them were forced to form a business because they lost their job. It was very rare for women to plan their own business in advance and they spent some time gaining a proper business education. All over the world, for small business owners the lack of adequate business education and experiences present a significant hindrance on their way to success. The woman who has established and runs her own business still faces responsibilities towards her family. Family work never stops and, truly, time for further education and training is very scarce. Issues such as looking after children, educational system, and organized activities for youngsters in their spare time are ones that mostly concern women all over the world. And yet, nowhere in the world have these issues been successfully dealt with, not even in the United States.

Statistics show the critical fact that the unemployed count more than 55% women and this percentage is growing, becoming a constant redundancy in their mature years. The futility of job hunting has led many people in the early 1990s, men and women, to solve the problem by starting their own business, but during the last five years we have been facing new facts: unemployed women are somehow “too old for new jobs” and too young to retire. Their knowledge and education are weak, especially when we talk about challenges of the new economy.

The Slovenian population is “old”

One other very important issue is also the fact that the Slovenian population is getting older, that the average age of an unemployed woman now is 38 and her chances of finding a new job are very slight: employers are looking for young people, fresh from school, prepared for new technologies and prepared to take risks. Therefore one possible solution for unemployed women is self-employment, home-based business, work from home, etc. With regard to such ideas our legislation is not very friendly. Employers, on the other hand, are not motivated to “invest” in somebody working at home, especially if home-workers are women.

On the other hand, we can see on the labour market that Slovenia is developing a marked glass ceiling effect, but this is nothing new for women in other countries in eastern Europe, where women had “equal rights” only ten to twelve years ago and the percentage of women in

high level managerial positions and also their participation in politics were very high (over 30%).

Slovenian women, formerly proud to be equal as far as salaries are concerned, are finding that their situation is worsening, as salaries can drop to up to 30% below a man's in the same position.

Entrepreneurship as a challenge and opportunity for everyone

In former socialist countries people had no experience, know-how and financial resources for small business in early 1990s. They did not know how to manage employed staff, how to grow, there were not prepared for new regulations, they did not know how to deal with financial management issues. Of course the State was interested in encouraging people to develop entrepreneurship, but the necessary support only lasted a short time. Thousands of small companies closed down in 1999, which for such a small economy must represent an alert. Data show that at the end of 2000 more than 12,000 family businesses closed down. This is a threat not only for parents employed in a family business, but mostly for their children: their chances of a good education and a better future are not good (the average number of children in family businesses is 2.5). We must also emphasize that in micro businesses there are on average between four and seven employees, so losing such a large number of companies means job losses for another 40,000 people.

Building a national supporting network between women

Comparing the situation in other former socialist countries we can easily see that the conditions in which self-employed women are working are quite similar. Slovenia, being the most developed country, can bring experiences and some solutions to these other countries by building up a virtual network between groups of self-employed, or potentially self-employed, women. The idea started very early on, but only in 1999 and 2000 did three regional conferences show the importance of networking between women's business associations in the Balkan Region: The Brioni Conference (CEI, OECD), International workshop Spirit of Enterprise in Slovenia, the Conference in Poreč (The Star Group) and the Conference in Serbia (organized by Serbian Association of Women Entrepreneurs).

Building and supporting such a network will help women in this particular sociopolitical situation to exchange experience and to improve and accelerate the progress of women, giving them possibility of economic independence.

International exchange of experiences

The similarities of the situation in which women are living in all these countries encourages the idea of national and international virtual network between them through all available channels, but especially on the basis of their own interests and needs. We know that women in our countries need additional skills, training and knowledge, especially in the field of e-technology, but also language skills, skills of leadership, interpersonal skills, etc. which are very important tools for development and self sustainability, and that is the main aim – to be self sustainable.

With cooperation among countries on these grounds, such a network – a system of bridges from one country to another, from one association to another - can help women and their

families in all our countries to capture their share of the European and global market faster and on a basis of good business perspectives.

The Slovenian case of developing women's entrepreneurship

The government of Slovenia accepted the idea of supporting women in business with a public tender, announced in 1999-2000. Two consortia offered projects: a Consortium under the leadership of the association of women entrepreneurs GIZ Podjetnost with partners, and a Consortium under the leadership of EIM -Human Resource Development Fund, Slovenia with partners.

The EIM SRUCV consortium started with activities to train women-entrepreneurship promoters, while GIZ Podjetnost started the Information Centre Meta with the provision of supportive services for women around Slovenia and promotion of international cooperation. Both consortia cooperate in the activities of the Meta Centre, oriented to spreading the services around Slovenia and promoting contacts with international associations, institutions and networks that support the development of women's entrepreneurship.

The goal to be achieved by the end of 2001 was to train and build up a network of experts – women's entrepreneurship promoters – which would stimulate and initiate the development of women's entrepreneurship and women's empowerment in society. Activities promoting women's entrepreneurship will be oriented to specific target groups of women: unemployed, women with low education, single mothers, farmers, women with social problems, women entrepreneurs, etc.

Development agencies at local/regional level that connect the public and private sector's interests and take on the role of developing initiatives will also be stakeholders in the programme of improving the position of women. Therefore experts trained to design and implement development programmes for specific needs of women are required. This is the only way to ensure effective implementation of the women's professional empowerment programme, acceleration of women's entrepreneurship and the successful inclusion of women in international programmes and networks.

Through a Public Invitation for Participation in the Training Programme of Women Entrepreneurship Promoters, the commission selected 33 participants from Slovene regions for inclusion in the training programme. Training was to be concluded at the end of 2001.

The successful result of fruitful cooperation between the Small Business Development Centre of Slovenia (SBDC) and both consortia is the setting up of the first national information centre for women "META", in the first ten months of activity – all that as a part of the women's professional empowerment programme, led by the SBDC.

META – Women's Service and Information Centre

The project is build on the idea of a self sustainable network between those women who are already successful and those who are still looking for answers, using modern communication technology. It develops the idea of cooperation and exchange of skills, knowledge and support. We may expect that by building such a network young people (the next generation) will gain the best from it. Of course this is a long-term process.

The information centre is coordinated by the association GIZ Podjetnost, but it is planned that in 2002 this centre will act as an independent institution under the umbrella of SBDC. On the other hand, the premises for the first business incubator for women will be available in 2002.

Methods of work

- Direct communication in meetings, workshops, conferences, club meetings, etc.
- Practical promotions and individual consultations
- Surveys with questionnaires on the status of the female population
- Media promotion through radio, TV and newspaper interviews, articles, etc.
- Building an accurate database on women entrepreneurs, self-employed women and women managers in Slovenia
- Cooperation with sister organizations at home and internationally.
- Establishment of an 080 phone service
- Establishment of an internet web page for information exchange and access to the information highway

We can already see many effects through the services of the “META” Centre. On the one hand, building such supporting centres helps women from different backgrounds, such as:

- a) **Women from the rural environment** – by bringing “on-site” regular club meetings, developing more effective seminars and workshops for their development and personal growth using the existing system of elementary schools in smaller towns to organize such a club
- b) **Unemployed women with poor educational background** – by helping them to build a new value system, encouraging them to learn new professional skills, or even to start up their own home-based businesses and, again, bringing them into the “women’s network” and offering them mentors
- c) **Young women looking for their first job** – helping them with their decision, offering them the possibility to see further, go for new experiences maybe in another country, using the international network, which will grow
- d) **Women who have already “done it”** – they have many answers for beginners, and they are willing to help others by being their mentors.

On the other hand the network also generates new jobs, gives more chances for home-based employment and with that it will attract more attention to what the family, and therefore a woman, needs to manage all three professions: mother, partner and working professional.

The world needs the talents of both men and women, it is necessary to help those who are underprivileged or in any way discriminated against to step forward.

Very strong emphasis should be given to child-care facilities for women who are either working or enrolled in additional professional education.

The growing network between women will also build good relations between associations and individuals from neighbouring countries and countries of the former Yugoslavia.

Strategies and solutions

- A network of women promoters to support ideas of women's entrepreneurship, self-employment, part-time jobs and job creation within the local agencies
- A network of women entrepreneurs/mentors, to support and advise beginners in business
- A network of five to ten e-local "friendship-classrooms" (with the support of local elementary schools and teachers) to support women from the rural environment in acquiring knowledge about IT and to offer them access to the Internet once a week
- Start up an independent women's magazine
- Build up a network between women in family businesses (there are more than 18,000 women business owners in micro-companies) and improve their competitiveness by giving them more access to knowledge and business skills
- Build up a network between women in neighbouring countries and countries of the former Yugoslavia
- Develop better business ethics and entrepreneurial culture
- Develop better public awareness about women's entrepreneurship and its impact on national economic development

Friendly environment

In our environment, the National Labour Organization with its branch offices is developing programmes for unemployed people. They also have financial resources to help encourage self-employment. The META network will cooperate with these offices, and use their database on unemployed women, women who are seeking for their first job. The big difference in our work is that we want to teach women "how to catch the fish, not how to eat it." Too many social programmes are just giving money to people without teaching them how to rely on their own abilities. But at the same time we can see that the institutional environment, such as laws and regulations, does not favour home-based businesses, self-employment, etc. For somebody who can at least make a living out of a home-based business, it is far too complicated and even expensive to regularly register a "business". Much must be changed in this regard. There are banks, too, which are not in favour of small micro-credits for people who have no collateral and need only the first "financial injection" to be self-sustainable.

Opportunities for women are created, shaped and limited by legislation. The legislative framework currently under preparation may have a great - direct or indirect - impact on such opportunities. Would young women - considering the prospects of an extended maternity leave (there was a proposal for 3 years and some had an idealistic idea that this would give more jobs to men!) - give a second thought to tedious years of studying or will they stay at home and wait for a suitable and imminent husband and father of their children for whom a good education will have to be provided? What about the pension scheme reform currently under discussion? How would thousands and thousands of women, now in their prime of life, be provided for after long years of working on an assembly line; how would these women who are physically worn out, apathetic and exhausted, and who have lost their jobs due to the process of economic restructuring, be able to find a new job (before formally becoming eligible for a pension), which for them (over 35 years of age) is not available? What is the contribution and responsibility of employers - men and women? All these questions are mainly in the domain of the male part of the population, usually having no consideration for the "female" principle?

Personal motivation of those, who work in the organization

The motivation to work in the field of women's entrepreneurship has grown out of the personal experiences since childhood of women involved in "Meta". Later on, when they decided to manage their family, and partnership, and to give ideas, time, and all earnings by starting a small company, they discovered many obstacles for women on their way to economic independence.

One possible solution was self-employment and those who started their business already knew all about that. To share this experience with other women is only a matter of empathy and attitude.

At the beginning in 1989-1990 nobody considered women as an economic force, or job creators, or even thought that women in Slovenia would face unemployment problems. But with growing unemployment rate, we could see that the percentage of unemployed women was growing faster. Speaking of women entrepreneurs at that time was "unnecessary comment", provocation for a state of "equal opportunities", and even women were not prepared to speak about that publicly. But the awareness of the unequal position of a woman in various parts of public life, political representation, unequal salary, etc. showed more and more that something needed to be done.

Things never just happen. There is a lot of work to be done before the good results of networking can be accomplished. Only women, and women alone, can do it. The so-called "female principle" (which we all know exists, as much as the "male principle" exists) could only be accounted for and put forward through the strategy and policy for economic development. To be able to take an active part in promoting and shaping such strategies, an organized approach and cooperation of all women is a must. Women should therefore organize themselves and join specific groups, sections, associations, etc.

Trends in last 5 years show that women are increasingly suffering from long-term unemployment (62.9%); it is also the fact that 20% of young people are looking for their first job and that 26 % of unemployed population is under 26 years old. On the other hand, 49 % of unemployed people are over 40 and more than 51 % of those are women.

Considering the fact that we have just changed our social security and pension system, people will have to stay in the labour market until the age of 67; the question is how? We expect that unresolved social problems, and particularly the unemployment rate, will increase, affecting again mostly women and people with poor education.

Survey conducted by our Association also shows that employers are not likely to employ women even with considerably good education (grammar school, high school), because "they are too old", and because they cannot offer other skills and knowledge, such as language skills, computer literacy and business communication. This again confirms that the women's Meta centre has been the right initiative. It could offer some support and help for those women too.

Membership in the World Association of Women Entrepreneurs (FCEM)

Since 1993 the Slovenian Association of Women Entrepreneurs GIZ Podjetnost has been a full member of the World Association of Women Entrepreneurs (FCEM). Under the caring mentorship of Etta Carignani we were invited first as observers to see how the network of women entrepreneurs is operating worldwide and what kind of benefits such membership could offer to a national association and individual entrepreneurs. FCEM is now headed by Ms. Leyla Khaït from whom we learned that Tunisian women have much more representative bodies in the Tunisian government than in many western countries in Europe. The most important part of every network is friendship, which we women should feel and share worldwide, especially in times like now, when we have to think about our families and children: their future depends on us. Whenever members of FCEM from all continents come together, we feel how much we have in common. We also see that economic independence is the most important reality, which can allow every individual woman to fulfil her vision and life mission. Coming together, we can truly show that we can make a difference.

Slovenia brought to the FCEM a new perspective of ex-socialist countries as the first member from this part of Europe. With other new members from Eastern Europe, we know that there are some very specific questions which should be discussed between groups of women entrepreneurs from East Europe before coming to the big table of the World Association. FCEM is one such opportunity. Let us work in the name of peace and better future for our children.

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SELECTED ASPECTS OF WOMEN'S POSITION IN CROATIA

by Alida Perkov

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Introduction

Since Croatian independence the position of women society has been changing. Although there are indications of a return to traditionalism, the average family has considerably changed: single households are ever more present, large families are very rare, women get married at an older age (25.1 years) and their first child is born later than before (25.4 years). For example, thirty years ago in Croatia there were four times more women having ten or more children.

The share of women with university education has increased by 79.2% in the period between 1981 and 1991. Although since the last elections for the Deputy Representatives' House the share of women in the Croatian Parliament has increased to 21%, the percentage of women in Government, Ministries and local authorities is still minimal. Numerous NGOs are acting in Croatia to develop economic and political empowerment of women (like the STAR Network for Southeastern Europe).

Legislative aspects

Croatian laws in the area of labour relations and social security have been amended several times over the past ten years. The dismantling of the achieved social rights has been justified by the necessity to increase economic competitiveness and the reduction of too high social expenditures as well as by the necessity for a greater personal responsibility of each individual for his own social welfare. However, the newly introduced policies have not led to greater economic growth nor to the sustainability of the State budget. From the long-term perspective we can now say that they have led to an increase in inequality in Croatian society.

Society in crisis affects more the marginal groups, like women. Besides, certain provisions of the law explicitly refer to women, bringing them certain benefits. However, all these benefits are primarily related to women's reproductive function: laws protect pregnant women, breast-feeding women, mothers of small children. The following general observation is also exact: the law does not determine non-biased criteria for the assessment of certain rights, but many issues are left to the good will of the executive authorities to evaluate the minimum needs of its citizens that are to be met.

Economic position

The Republic of Croatia attained, in the former Yugoslavia, at the end of the 1980s, a level of development which by UN criteria reached the level of top ten of newly industrialised countries. In the meantime Croatian GDP by 1989 reached the level of US\$ 5000. But the war, transitional crisis and the loss of markets lowered the GDP by 50%, tripled unemployment as well as the country debit, lowered the country's credibility rating and the level of investments.

The number of unemployed has reached 400,000, while about 1.3 million people are employed. The main causes of the labour market crisis lie in the recession (due to the instability of the economic system), loss of markets and interruption of contacts with partners in the former Yugoslavia, country isolation during and after the Independence War and privatisation, which all contributed to the growing social and economic inequality.

Numerous field researches and a few statistical reports in Croatia indicate the existence of discrimination against women in Croatian society: by comparing men's and women's pay we detect a consistent difference in wages, unemployment rate, access to different jobs and education and accumulation of human capital.

Table 1
Average active working population in 2001 in Croatia

	Total		Men		Women	
	000	%	000	%	000	%
Active population.....	1718	100	904	52.6	814	47.4
Employed.....	1338	100	727	54.3	611	45.7
Unemployed.....	380	100	177	46.5	203	53.5.

Source: Croatian National Statistic Bureau, 2002

By comparing the status of men and women in Croatia we detect a consistent difference in male/female employment and unemployment. Although the average women's employment share is around 45.7%, the percentage varies according to activities. Women's employment share in tertiary activities is over 50% (except transport services and real estate), while their share in the manufacturing and mining industries is 16%. Women mostly work in the work-intensive sectors with considerably lower average wages. In addition, regardless of the sector in which they work, women mostly work in lower paid, routine jobs.

Regardless of the number of hours that women spend in paid work, they still bear the burden of the major part of the unpaid work, both within the immediate and broader family circle and the society in general. Women's unpaid work enables paid workers to produce and earn, and children to be educated properly.

The basic macroeconomic indicators of the Croatian economy in 2001 show an increase in GDP per capita to US\$ 4,602, and in the growth rate of industrial production at 5.8%. However the overall economic and social development does not automatically lead to a better position of women. These facts lead to the conclusion that the political decision-making institutions have to implement a policy aiming at improving women's position in society in order to change the situation.

Women's unemployment

Mass unemployment became a Croatian economic trend in the 1990s, reaching an unemployment share of 22.3%. Women form a category most affected by the loss of work and long-term unemployment. According to official statistics (Croatian Employment Bureau), among the total unemployed young population (under 29), 53.4% are women. The

highly educated women have a ratio of 67.1% unemployed. One of the measures in current Croatian employment policy (which was presented by the Croatian Government in January 2002) stimulates employment of women over 45 (and men over 50). This category of unemployed is drastically increasing because many firms in Croatia are going through the process of privatisation and restructuring. A company that employs women over 45 has the incentive of a State subsidy amounting to 100% of gross salary during 6 months.

Promoting gender equality in Croatia

At the end of 2001 the Croatian Parliament adopted a national policy of promoting gender equality – the Croatian Programme of National Policy from 2001 to 2005. The programme is based on the Beijing Platform and final documents of the special session of the General Assembly Beijing +5. The aims of the National policy of promoting gender equality are promoting women's rights in all parts of human activities and women's self-reliance in the economy and other areas.

The programme's priorities are:

- Collecting information about the situation of women rights in the Republic of Croatia
- Education of women in all levels and parts of society
- Establishing women's network committees and stimulating their cooperation
- Providing financial resources for carrying out the programme
- Planning promotional activities in all levels
- Establishing law regulations for realisation of human rights
- Stimulating all public media to spread presentations on women rights.

The National programme of activities for the promotion of human rights, is divided into following parts:

- Women's human rights
- Women and health
- Violence against women
- Women and war conflicts
- Women and economy
- Women and education
- Women and environment
- Women in a position of power and decision-making
- Women and media
- Institutional mechanisms.

The particular measures for improving the position of women in the economy in Croatia deal with:

- Promoting entrepreneurship and availability of information to businesswomen
- Encouraging women's self-employment
- Stimulating and promoting measures of active employment policy to the special needs of women
- Intervening to ensure consistent implementation of laws in the field of labour and employment
- Harmonizing working and family commitments of men and women in Croatia

The local dimension: supporting women's entrepreneurship in the Istria region

Istria is one of the most developed regions in Croatia. It has 4.3% of the Croatian population, 5% of the area, 43% of Croatian tourism and 13.3% of Croatian exports.

In the Istrian firms with more than 20 employees, there are only 12.5% women in management positions (Source: Croatian Chamber of Commerce - Regional Chamber Pula). There are no statistics available on gender structure in management positions in other Croatian regions.

While the ratio of employed women to men is about 45.7% in Croatia and about 49% in Istria, it is evident that women are underrepresented at a decision-making levels (managers, presidents, executives, artisans). Women can reach the second position in a firm or institution, but only few of them can reach the top level. Also women entrepreneurs are less numerous than men.

In order to empower women in business, organizations in three cities of the Istrian Region (Pula, Rijeka, and Poreč) have initiated a Pilot project on enhancing women entrepreneurs incentive policy, the first in Croatia. One of these organizations is the Centre for Citizens' Initiative in Poreč. The project, whose duration is one year, costs 60,000 Euros and will be supported by several international NGOs and the Croatian Ministry of Small and Medium-sized Enterprises.

The target groups are local women regardless of their business status (employees, entrepreneurs, unemployed, students, etc).

The main objectives of the project are:

- Promotion of local entrepreneurship
- Increase of women's self-employment and entrepreneurship
- Supporting women entrepreneurs from start ups to developing sustainable activities
- Developing regional business links between women entrepreneurs.

GENDER POLICY IN UKRAINE

by Olga Apatenko

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The Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and its Optional Protocol and the Convention on the Elimination of All Forms of Discrimination Against Women, adopted by the United Nations in the twentieth century, paved the way for further development of States around the world, including Ukraine.

The inalienable and inviolable rights of humanity as a whole and of every individual proclaimed in the International Bill of Human Rights have been reflected in Ukraine's Constitution and national legislation.

In terms of legislating for women's equal status, Ukraine is the equal of developed countries. However, significant discrepancies exist between legislative articles on gender equality and the real situation in the society. Typical discrepancies include, for example, women's "double burden" - in the economy outside the house, and entirely unpaid housekeeping; less advanced professional skills and lower salary in comparison with men who have the same level of education; relatively rapid "feminization" of poverty and officially registered unemployment; various forms of violence against women; a virtual lack of women as active participants in political life, and their alienation from decision-making of national importance.

In the international arena there is a growing recognition that women's representative participation in decision-making is a fundamental condition of women's equality and a hallmark for an inclusive society that values and capitalizes on the contributions of all its members.

The Convention on the Elimination of All Forms of Discrimination Against Women, adopted by the United Nations in 1979, specifically requires States to promote women's equal representation in the formulation and implementation of government policy. The equal participation of women and men in decision-making strengthens democracy and promotes its proper functioning.

Ukraine signed and ratified the Convention on the Elimination of All Forms of Discrimination Against Women in 1981 and, by doing so, committed to ensuring equal civil rights for women and men, and equal rights in the economic, political, social and cultural spheres of the society's life. However, at that time, implementation of the Convention was of a largely declarative nature.

Data on women's representation in parliament best demonstrate how limited equality was under socialism. Women occupied up to a third of all parliament seats, which is comparable only to northern Europe. This high proportion was achieved by introducing quotas for women's representation in an "elected" parliament and other "elected" organs, but in reality women had almost no power.

The first democratic elections put an end to such extensive representation of women. The share of women among deputies to the Supreme Council of Ukraine decreased twelve-fold, amounting to 3% in 1990 (Table 1), and yet women accounted for 53.6%, or 26.3 million, of Ukraine's total population.

There is often an impression that women enjoyed a particular prominence under socialism both in the workplace and in political life. The reality, however, was that men dominated in decisive positions in the Government, the party and State institutions. The real power remained with the male-dominated "nomenklatura".

Table 1
Deputies to the Supreme Council, sessions I-XIV

Session	Overall numbers		Percentages	
	Women	Men	Women	Men
Session I (1938-1947) (Election on 26 June 1938).....	99	301	24.8	75.2
Session II (1947-1951) (Election on 9 February 1947)....	112	303	27.0	73.0
Session IV (1955-1959) (Election on 27 February 1955)...	150	285	34.5	65.5
Session IX (1975-1980) (Election on 15 June 1975)	201	369	35.5	64.7
Session XI (1985-1990) (Election on 24 February 1985)...	234	416	36.0	64.0
Session XII (1990-1994) (Election on 15 May 1990).....	13	421	3.0	97.0
Session XIII (1994-1998) (Election on 11 May 1994)	19	316	5.7	94.3
Session XIV (current) (Election on 12 May 1998).....	35	395	8.1	91.9

Source: State Committee of Statistics of Ukraine

Table 2
Percentage of women in parliaments in the States of the former USSR

Countries	Percentage of women, elected to parliament, most recent elections
USSR, 1984.....	31
Turkmenistan, Estonia, Lithuania.....	18
Latvia.....	17
Azerbaijan, Kazakhstan.....	12
Russia.....	10
Republic of Moldova.....	9
Ukraine.....	8
Georgia.....	7
Armenia, Uzbekistan.....	6
Belarus.....	5
Tajikistan.....	3
Kyrgyzstan.....	1

MONEE (Monitoring in Eastern Europe) Project. Regional Monitoring Report No. 6, 1999

The ideological promise of gender equality under socialism went unfulfilled, as did the assurance of self-government and national sovereignty. At the last election, women made up 8.0% of those elected, which, however, was two fifths of the level in the Baltic States (Table 2). It should be noted that in the Nordic countries representation of women in parliament is consistently high. This is the fruit of progressive attitudes and of voluntary quotas applied by political parties for their own candidates. After the 1998 elections, the Netherlands and Germany joined the ranks of Nordic nations among countries with women making up more than 30% of the members of parliament. Sweden has the highest representation of women in parliament (over 40%) among the Nordic countries and among countries of the world.

The Nordic countries are widely regarded as progressive and committed to social justice and equality. They are characterized by high levels of women's participation in the labour force; a relatively high proportion of part-time work among women; the lowest children under-five mortality rates and the lowest share of births to 16-year-olds.

Imposed quotas are a discredited strategy in former socialist countries, but there is pressure for proactive measures by Government to promote gender equality in politics. A law requiring equal gender status needs to be adopted in order to surmount existing barriers like gender stereotypes and traditions within political parties. The law would mandate a parity threshold whereby 30-40% of elected positions would be held by women. In Nordic countries, the average share of ministerial posts occupied by women exceeds 20%, with Finland and Sweden above 30%.

If the participation of Ukrainian women in public life is represented as a pyramid, the largest number would be at the base. Despite the fact that the share of women in senior government positions grew from 45.6% in 1995 to 52.5% in 2000, only 18 women fall in the first, and highest, category, or 8.3% of all the people in the first category; 21,100 women, or 65.5%, fall in the sixth category. The number of women decreases towards the top, where there is almost none (Table 3).

Table 3
Number of public-sector employees in Ukraine as of 1 January 2001

Number of managers and experts	Office of the President		Supreme Council		Cabinet of Ministers	
	Women	Men	Women	Men	Women	Men
Overall.....	232	282	503	369	276	333
Managers, with the following breakdown by professional category....	31	118	52	155	36	150
One.....	-	2	-	3	1	5
Two.....	17	79	20	102	14	95
Three.....	14	37	32	50	21	50
Experts, with the following breakdown by professional category....	201	164	451	214	240	183
Three.....	175	163	291	187	123	182
Four.....	26	1	160	27	117	1

Source: State Committee of Statistics of Ukraine.

At the highest level of the Government, women are represented by Ms. Syuzanna Stanik, Minister of Justice, and Ms. Alexandra Kuzhel, Chairperson of the State Committee of Ukraine on Regulatory Policy and Entrepreneurship. There are no women among chief executive officials at the local level. There is an obvious link between women's representation in parliament, among legislators, and their proportion in senior government positions. Only an increase in the number of women parliamentarians can establish a more convincing precedent for the promotion of women to government positions. At this stage, political reforms are intensifying, not reducing gender inequality.

Unfortunately, the stereotype of female inferiority in politics and government work has become firmly established and is constantly reinforced among women themselves. Many are convinced that politics is not for women, that they are better off not occupying top government positions. The involvement of women in Ukraine's public life is occurring in such a way that women's inherent ambitions to further their professional or political careers are more the exception than the rule. In the public mind, politics and political activities are perceived as men's activities, which involve an intense struggle for power.

The impact of the transition on women has in many ways inhibited their capacity to participate in public life. Women in all regions of the country tend to face higher unemployment, lower real income, a gender gap in wages, loss of formal childcare supports, increased violence and deterioration in health.

Unequal distribution of family responsibilities between men and women has fostered women's "double burden" in the economy outside the house. Over 90% of women work the whole working day and then go on to do unpaid housework. Thus, women's average working week is close to 70 hours.

Wage disparity between the genders is the most obvious indication of discrimination against women on the job market. Despite their high level of education and professional training (not lower and, sometimes, higher than men's), women occupy less prestigious and lower-paid positions more often. As a result, for an extended period of time, women's average monthly earnings across the country have not exceeded 70% of men's earnings (Table 4).

Thus, Ukraine's job market is currently an environment of de facto gender inequality, manifested in men's domination of senior and managerial positions. The inequality is also characterized by the fact that most women work in the least prestigious sectors of the economy and areas of activity, that women's salaries are significantly lower than men's in all sectors, without exception, even in those which are traditionally regarded as "women's sectors", and where women account for an overwhelming number of workers.

At the same time, Ukrainian women have demonstrated resilience and initiative in this unsettled environment. They have ably leveraged their flexibility and exploited social networks in their efforts to help themselves and their families survive the shocks of transition.

- At present, many women are the sole breadwinners in families in industrial regions of Ukraine.
- Over 90% of women are managers of light industry enterprises.
- Eleven out of 35 banks and bank branches operating in the Kharkov oblast are headed by women.

The share of women among candidates and doctors of science is on the increase, and women account for more than a third of all candidates of science and a sixth of doctors of science.

Table 4
Average monthly earnings for women and men working in sectors of the economy, 2000

Sector	Average monthly earnings, hryvnias / US dollars		Correlation between women's and men's earnings, %
	Women	Men	
Industry.....	229.56 / 43.31	359.32 / 67.80	63.9
Agriculture.....	106.97 / 20.18	114.10 / 21.53	93.7
Transport.....	296.18 / 55.28	361.18 / 68.15	82.0
Trade.....	201.27 / 37.97	282.89 / 53.38	71.1
Public catering.....	126.06 / 23.78	187.80 / 35.43	67.1
Components of consumer services provided by industrial enterprises.....	114.03 / 21.51	176.26 / 33.26	64.7
Education.....	147.03 / 27.74	183.39 / 34.60	80.2
Culture.....	108.65 / 20.50	136.42 / 25.74	79.6
Arts.....	177.43 / 33.48	168.76 / 31.84	105.1
Finance, credit, insurance..	473.74 / 89.38	771.03 / 145.48	61.4
Municipal services.....	248.05 / 46.80	277.06 / 52.27	89.5

Source: State Committee of Statistics of Ukraine.

Table 5
Percentage of male and female candidates of science and doctors of science

Number	Total, 1995	Breakdown, %		Total, 2000	Breakdown, %	
		Women	Men		Women	Men
Candidate of science	57 610	31.6	68.4	58 741	34.7	65.3
Doctor of science	9 759	14.0	86.0	10 339	15.2	84.8

Source: State Committee of Statistics, Ukraine

Almost one in five of Ukraine's 156 banks has a woman in the top position (27 women). Senior accountants in banks are predominantly women.

The social resources and skills that women exercise at the immediate and intimate level are valuable building blocks for their increased participation in civic, economic and political life.

The lack of legislative and governmental backing for measures designed to ensure women's equality also hinders cooperation between non-governmental organizations, which are an indispensable means of support for and an active participant in the promotion of gender equality. On the international scale, non-governmental organizations have strengthened their role in defending and promoting women's rights to such an extent that they have become a powerful civil partner of governments as both consultants and critics.

Experience in Hungary and the Czech Republic, where gender equality institutions have already sprung up, is of interest. In Hungary, human and women's rights issues have been incorporated into the curricula of primary, secondary and tertiary educational institutions.

Several dozen women's non-governmental organizations have been established since Ukraine's independence, but the majority of them are at the initial stage of becoming organized. So far their influence on the formation of civil society and on the development of an influential women's movement in Ukraine is rather weak.

For the time being, it is vitally important to collate and assess the experience of Ukraine's active organizations and institutions with regard to the development of women's entrepreneurship and to create a functioning system of assistance for the most vulnerable part of the population, namely, women, who are the first to suffer from any reforms in government.

Implementation of government policy in this field necessitates creation of a non-governmental organization which would focus on:

- Collecting, processing, analysing and distributing national statistics on women's entrepreneurship (creating a database on the development of women's entrepreneurship);
- Summarizing and analysing information on problems, difficulties and obstacles encountered in women's entrepreneurship, and the wishes and ambitions of women entrepreneurs;
- Creating and supporting individual organizations and associations and a network of women entrepreneurs with a view to improving education, distributing state-of-the-art technologies and establishing contacts which would facilitate market access;
- Exchanging experience and best practices in women's entrepreneurship;
- Lobbying and protecting the interests of small business in the Supreme Council (introducing a quota for government purchases from small enterprises, etc.);
- Providing services to ensure access to credit;
- Producing a periodic publication on women's entrepreneurship issues;
- Relationships between people, society, economy and the government are currently undergoing radical changes. Ukraine, as a country with a transitional economy, has an opportunity to use the best practices and the experience of countries which have been most successful in the twentieth century in the economic, political and social spheres - in other words, to establish a democratic system of management, liberalize the market and ensure that human rights are respected. Merging political, social and economic reforms is an extremely difficult task, but this is precisely how the foundation for the development of human potential is laid on the basis of human rights. Promoting women's equality means giving women an opportunity to choose from a wider range of options and, clearly, it will also result in additional benefits for children, men and society;

- It is generally recognized that the “best method” to obtain equal results for men and women is to analyse government policies from a gender perspective – to evaluate statistical data and planning from a gender-based viewpoint.

Unfortunately, indispensable as this is, no statistical account is kept on the participation of women entrepreneurs in the country's economic life.

According to information received from the Chernovtsy and Kherson regions, women entrepreneurs make up 41% and 50.2% respectively of the overall number of private entrepreneurs (individuals) registered in these oblasts, and they mostly work in trade (64.0% and 86.5%, respectively).

Industry is a sector of the economy which fails to attract entrepreneurs. One of the reasons for this is the lack of access to new technologies.

Table 6
Number of private entrepreneurs and private enterprises in Kherson and Chernovtsy region

Branches of the economy	Kherson oblast (beginning of 2001)		Chernovtsy oblast (1 September 2001)			
	Number of private entrepreneurs (individuals)	Women entrepreneurs	Number of private enterprises (companies)		Women entrepreneurs	
			Percentage	Number	Number	Percentage
Total.....	36 398	18 264	100.0	29489	12 097	100.0
Working in:						
Industry....	767	230	1.2	889	195	1.6
Trade.....	28 350	15 794	86.5	16 239	7 744	64.0
Services...	3 631	686	3.8	3 541	541	4.5
Other.....	3 650	1 554	8.5	8 820	3 617	29.9

Source: State Committee of Statistics of Ukraine

Average hourly pay indicates whether advanced technology is used in a given country. Thus, according to the 2 July 2001 issue of the “Affari e Finanza” supplement of the Italian newspaper *La Repubblica*, the average hourly pay in Japan is 26.10 dollars, Italy - 14.70, Argentina - 5.90, Brazil - 3.20, Lithuania - 2.23, Estonia - 1.53, China - 0.69, India - 0.50, and Ukraine - 0.40.

Among entrepreneurs in the Kherson and Chernovtsy oblasts involved in trade, one in two is a woman. Among those involved in industry, one in three is a woman in Kherson region and one in five in Chernovtsy region (table 6).

It is worth noting that women entrepreneurs employed in the service sector (enterprises consisting of one or more persons) prefer not to register their enterprises because high taxes and frequent inspections by government authorities impede their legitimate activities.

According to data from research conducted at the Kiev International Institute of Sociology under the NewBizNet project, organized by USAID/Kiev, small enterprises owned by women were inspected 12 times over a period of six months, medium-sized enterprises 17 times, and large enterprises about 28 times; the majority of the inspections were carried out by the State Tax Administration (Table 7).

Table 7
Number of inspections carried out by federal authorities in the course of six months,
by size of enterprise and owner

Federal authorities	Small (50 or fewer workers)		Enterprises Medium-size (51-250 workers)		Large (over 250 workers)	
	Owners					
	Women	Men	Women	Men	Women	Men
Tax authorities.....	3.88	2.58	5.81	3.52	9.97	6.93
Ministry of Internal Affairs (Fire Department).....	0.80	1.23	2.75	2.76	4.16	2.80
Ministry of Internal Affairs..	3.13	0.83	1.18	1.30	0.85	1.67
Ministry of Health.....	2.56	1.26	3.85	2.42	4.93	2.65
Ministry of Ecology.....	0.10	0.21	0.43	0.48	0.85	0.83
Committee for Standardization.....	0.21	0.27	0.55	0.58	0.98	0.85
Committee on Consumer Protection.....	0.71	0.43	1.45	0.43	3.65	0.70
Anti-monopoly Committee..	0.02	0.08	0.18	0.15	0.44	0.23
Committee for Construction.	0.19	0.21	0.29	0.20	0.40	0.22
Other ministries and departments.....	0.22	0.33	0.96	0.85	1.65	1.08

The data listed above demonstrate that enterprises owned by women are inspected much more frequently: small enterprises – 1.6 times more frequently, medium-sized 1.4 times, large 1.5 times.

In order to eliminate obstacles hindering the development of entrepreneurial activity, the State Committee on Regulatory Policy and Entrepreneurship has drawn up a bill designed to radically change the situation with regard to enterprise inspections.

With a view to creating an environment of national dignity, self-confidence and self-respect in Ukraine, and making the most of women's potential, the Committee is taking steps to ensure participation of Ukrainian women entrepreneurs in the First UNECE Forum for Women Entrepreneurs working in small and medium-sized businesses, which is to be convened in Geneva, Switzerland on 22 October 2001 by the United Nations Economic Commission for Europe.

By participating in the Forum, Ukraine's female representatives will have an opportunity to report on their activities, establish business contacts, advertise their products and exchange experience on the development of women's entrepreneurship, which, in turn, will help further

women's entrepreneurship in Ukraine, increase trade between Ukraine and European countries, and improve Ukraine's image as an equal business partner.

According to the information received, almost all the regions of the country will be represented at the Forum.

Ukrainian women entrepreneurs plan to discuss the following issues at the Forum:

- Development of women's entrepreneurship: social partnership between State authorities and business associations with a view to facilitating development of entrepreneurship among women;
- Ways to combat women's poverty;
- Ways to increase the prestige of women's entrepreneurship and create a positive image of women entrepreneurs;
- Establishment of a coordinating centre for organizations of women entrepreneurs in various regions;
- Exchange of information and experience on issues relating to the promotion of interests of women entrepreneurs in developed countries, and incorporation of these issues into legislation;
- Support for women's entrepreneurship by State authorities at all levels;
- Production of an international publication (newspaper or magazine) which would deal with topical issues relating to the development of women's entrepreneurship and gender policies (always including surveys of the situation in countries with economies in transition);
- Ecology and the nation's health;
- Role of female managers of small and medium-sized business enterprises in the development of domestic business;
- Women in the country's political life;
- Microcredit schemes for entrepreneurial activities in Ukraine;
- Characteristics of women's entrepreneurship in different countries and the need for these factors to be reflected in legislation (tax benefits, credit issues, enterprise strengthening programmes);
- Experience of various countries in the field of government assistance to women's entrepreneurship;
- Typical problems encountered by entrepreneurs in their work and ways of resolving them;
- Establishment of contacts with a view to substantially improving living conditions and increasing faith in the present and the future, and many other issues.

PART THREE

Strategic Directions

CONNECTING SMES OWNED AND LED BY WOMEN TO THE GLOBAL DIGITAL ECONOMY

by Larissa Kapitsa

Director, UNECE Coordinating Unit for Operational Activities

Introduction

Women throughout the world have been experiencing difficulties in accessing financial resources, business networks, and markets for starting up and expanding their businesses. In this region, women have been struggling with similar difficulties despite their impressive progress in many walks of social life (political process, educational attainment, employment, career choice, etc.).

The situation varies, however, throughout the countries of the UNECE region. Whereas American women have dramatically advanced their social and economic status, women in many countries in transition have suffered setbacks. Many have lost their jobs due either to an economic decline and laying off of workers that followed the initiation of transition, or due to the collapse of public support for working mothers and a consequent drastic reduction of public child care, causing many women to leave their jobs.

Transition has had a multifaceted impact on women. For some it brought about new opportunities, and they have been able to successfully capture them, starting up their own businesses. For some others, it meant the destruction of their livelihood that pushed them to the bottom of social hierarchy. The feminisation of poverty witnessed in many of these countries has been a cumulative effect of transition on the female population at large.

Responding to economic shocks, many women in countries in transition have developed survival strategies, which in some cases have been transformed into valuable business solutions to the economic problems they have been facing. An example of such solutions is, for instance, credit unions created by women-vendors and rural women in order to meet their need for operational capital, and also to overcome restrictions on their access to financial resources in the formal banking sector.

A visible presence of women in the informal economic sector implies that they have capabilities to generate income that could be successfully employed if the institutional setting is right, and if support, at least minimal, for their entrepreneurial activities is available. Most women are well educated and have benefited more often from higher education than men.

The underutilization of female human resources therefore deprives societies of a significant share of economic wealth, which otherwise could be contributed by women.

Considering that the well-being of women directly affects the well-being of children, assistance to women's entrepreneurial activities could also improve children's situation, which has deteriorated in many countries in transition.

The situation of women in developed countries of Europe has been showing mixed trends. Some of them are rather disturbing. Women in developed countries have also been affected by the recent reorganization of large manufacturing firms. The latter, in the face of global competition, have been "down-sizing" by restructuring and laying off workers at an unprecedented rate. According to a recent study, the standard employment rate for women in EU countries is around 21% lower than for men.⁷

Adjusting to this development, an increasing proportion of women have been accepting less favourable terms of employment, part-time and temporary work arrangements.⁸ Furthermore, women's earnings have been taxed much more heavily than those of their spouses, as they are considered to be a complementary, secondary income in the family. This has been translated into an increased economic vulnerability of women, as these unfavourable work arrangements coupled with lower pay and heavy taxation do not allow an accumulation of significant personal assets.

At the same time, many women have been choosing an alternative path - starting up their own businesses. Among these women are those with corporate management experience, as well as former housewives with limited work experience, unemployed women and those who have been rank-and-file employees for years.

Women's entrepreneurship: weaknesses and advantages

There has been a surge in female entrepreneurship over the last decade in all countries of the UNECE region. Thus, before the fall of the Berlin Wall, 94% of the women of the former German Democratic Republic of working age worked. As a result of economic restructuring measures undertaken after the unification of Germany, the rate of open unemployment jumped up to 20%, pushing many women into seeking self-employment. Since 1990, more than 150,000 enterprises have been established by women.⁹ In the United States, the share of women-owned enterprises in the total number of businesses has reached 38%, and the total number of people they provide with jobs more than doubled between 1988 and 2000.

Women-owned and led enterprises, however, are less profitable than those owned by men even in the same industry. Various studies cite a number of reasons:

- Banks treat women's businesses differently than those owned by men.
- Lack of support networks (banking, professional, business, etc.).

⁷ Young Entrepreneurs, Women Entrepreneurs, Ethnic Minority Entrepreneurs and Co-entrepreneurs in the European Union and Central and Eastern Europe. Summary Report. CEEDR & Middlessex University Business School (UK), March 2000, p. 2.

⁸ Part-time and temporary work contracts differ from those for full-time employment in terms of both pay and social protection benefits. They usually do not envisage any social benefits and the pay is much lower than in full-time jobs.

⁹ Women Entrepreneurs. Catalysts for Transformation, By Diana Chamberlin Starcher (source: <http://www.ebbf.org/woman.htm>)

- Reluctance to participate in networking.
- Women's reluctance to take a risk.
- Women's choice of industries for starting up businesses.
- Lack of role models and mentors.
- Lack of business managerial experience.
- Lack of technology literacy.
- Women's reluctance to employ new technologies in their businesses.
- Women's reluctance to seek opportunities to expand their businesses.
- Lack of knowledge and information about industries and markets.
- Lack of self-esteem.
- Difficulties in making decisions.
- Women more often seek advice from their family members and friends rather than from independent experts.
- Competition between business and family obligations, and women therefore devote less time to their own business than men.
- Tendency to focus on details, while often ignoring the wider picture of demand/supply developments.

As a result, women's businesses tend to be smaller and technologically less advanced. Most new women's businesses have been created in the service sector, which is more volatile, and often represent a market version of women's traditional activities within the household.

The same studies, however, point out some interesting characteristics of women's managerial style, which in their view could open new opportunities for women-entrepreneurs:

- Women manage their businesses in a more democratic style than men, who are more inclined towards an authoritative style and control.
- Women are better in team building and tend to care about their employees' development and growth.
- Women prefer a consensus approach in making decisions.
- Women spend more time on research and study of options before making a decision.

These qualities appear to be of value to the emerging new business model, which is less dependent on personality and needs cooperative team work.

The main conclusion reached by these numerous studies is that in order to succeed women-entrepreneurs strongly need:

- to become aware of the shortcomings that undermine their perspectives;
- to strive to improve their knowledge of markets and technologies;
- to expand women's business networks, and to improve horizontal and vertical cooperation between women entrepreneurs;
- to improve their relationship with the banking sector, as well as the perceptions of the banks about women's entrepreneurship;
- to rely on high quality professional services;
- to have government support for women's entrepreneurial activities, considering their social and economic contribution.

The most important, however, is the need for women entrepreneurs of the UNECE region to make a special effort to develop capacities and capabilities enabling them to utilize

unprecedented opportunities, which are brought about by information technologies and globalization. This is crucial for a number of reasons. First, these new technologies enable the most fundamental problem faced by all women to be overcome, that is being simultaneously a care-giver and a worker. One of the trends in the organization of the work process has been a movement towards small-scale/home-based and community-based enterprises. Second, these technologies allow the deficiencies of small-sized enterprises to be overcome by crossing the limitations of time and space.

Benefits of doing business on the Internet

Information technology innovations are believed to be creating unprecedented entrepreneurial opportunities and strategic advantages for small businesses. The Internet, for example, is assumed to enable small businesses to:

- access global databases for information;
- communicate with customers and suppliers regardless of time and place;
- advertise to a global audience; and
- conduct financial transactions.

The Internet is also a great equalizer. It has opened the doors to almost anyone with the means to conduct business in cyberspace. And it has transformed companies, large and small, into multinational corporations.

It is estimated that at any point in time, there are more than 150 million people simultaneously on the Web. More than 400 million use the Internet.¹⁰ For a small company from a distant area in any country, the Internet offers a possibility of reaching at once an enormous number of potential customers.

The Internet contributes to the performance of enterprises in a number of ways. It can assist in:

- easing access for customers and improving customer relations;
- bringing in new suppliers;
- opening new distribution channels;
- reaching new markets;
- reducing costs;
- acquiring and promoting new products and/or services;
- increasing sales; and
- improving competitive position.

According to some estimates, companies that trade between themselves (business-to-business), buying or selling intermediate goods (components or raw materials), could save up to 15% on the cost of materials. "Ariba", a leading exchange, reports that its customers (such as IBM) can save 5% of total operating resource costs, leading to a 28% gain in profits.¹¹

¹⁰ Leadership for the New Millennium. Delivering on Digital Progress and Prosperity. The U.S. Government Working Group on Electronic Commerce. 3rd Annual Report, 2000.

¹¹ The Business-to-Business/E-Commerce Revolution, by Juliette Tracey Goldman, WBENC (source: <http://www.findarticles.com>)

Even just the use of e-mail could save a company and an individual a great deal of time and money. Here are some facts:

Table 1
Cost of sending a 42 page-document from New York to Tokyo

	Cost (US\$)	Time
Air Mail.....	7.40	5 days
Courier.....	26.25	24 hours
Fax.....	28.83	31 minutes
Internet e-mail.....	0.095	2 minutes

Source: Northern River Venture cited in ITU Challenges to the Network 1997

Small businesses could benefit tremendously from participating in e-commerce. Here are few examples:

ASnow Drift Farm@ (USA) saw its sales increase from \$3,000 to \$226,000 after it set up its own website. (Source: 3rd Annual Report, 2000. U.S. Government Working Group on Electronic Commerce, <www.ecommerce.gov>)

A small hotel AMacArthur Bed and Breakfast@ (USA) saw its reservations triple after launching its new website. (Source: 3rd Annual Report, 2000. U.S. Government Working Group on Electronic Commerce, <www.ecommerce.gov>)

Artisans in the Middle East and North Africa have always crafted high-quality products using traditional techniques and ancestral know-how. But shrinking local markets and difficulties in gaining access to more lucrative markets have led to a gradual disappearance of culturally rich crafts B and with them an important source of income for poor people.

“The Virtual Souk” (an Internet-based market) has drastically reversed this trend by providing direct access to international markets for several hundreds of the artisans from Egypt, Lebanon, Morocco and Tunis, many of them women.

Online sales soared tenfold over one year, reaching markets around the world, including countries in Europe, North America, Australia, Japan and South Africa. Participating artisans receive 65-80 percent of the proceeds, a much larger margin than through traditional channels like middlemen. (Source: For the Virtual Souk: <www.peoplelink/vsouk/>)

The overall volume of business-to-business e-commerce has increased from \$435 million in 1995 to \$184 billion in 2000, and forecasts suggest that it could reach between \$634 billion and \$3.9 trillion by 2003. Business-to-consumer e-commerce could reach between \$75 billion and \$144 billion in 2003¹².

¹² Leadership for the New Millennium. Delivering on Digital Progress and Prosperity. The U.S. Government Working Group on Electronic Commerce. 3rd Annual Report, 2000.

The leading country in electronic commerce, or e-commerce, the online exchange of goods and/or services between companies and their partners, employees, or customers, is the United States of America with the Internet economy attaining more than \$800 billion in revenues.

Recent data reported by the National Association of Business Economics suggest that more than 60% of U.S. companies are already using e-commerce to some extent, and another 20 % are planning to do so in the very near future. American small businesses have also entered the arena. In 1999, a third of them were on line. Those not yet connected expected to go online within an average of eight months. In Europe, Germany and the United Kingdom are considered e-commerce leaders, and five countries B Germany, United Kingdom, France, Italy and Spain B account for 75% of Europe online consumers. In the United Kingdom in one year, 1999-2000, the spending of Internet users increased threefold, reaching \$16 billion. It is estimated that the Internet shopping population in Europe will increase between 2000-2005 from 20 million to 85 million.¹³

Predictions for global e-commerce range from optimistic to startling. Some predict that by 2004, it could exceed \$7 trillion.

Prerequisites for e-commerce: who is better equipped for a digital economy?

Technology penetration is a prerequisite for e-commerce, as well as technological capabilities, ranging from PC ownership and computer literacy to online access.

The adoption rate of the Internet has been highest in the USA. Out of a total of 435 million people around the world online in 2000, almost half were in North America. This means that more than 50% of Americans are connected to the Internet. It is predicted that by the year 2003, almost 75% of the US population will be online.

Despite claims that more than half of the west Europeans will have access to the Internet by 2003, these numbers are misleading once individual countries are examined. Sweden, Norway, Finland and Denmark are considerably more advanced than Greece, Spain, Portugal, and Italy. Only Sweden and Norway have an Internet adoption rate close to that of the USA, while in Greece, Portugal and Spain, Internet diffusion and access remain very low. The reasons for this vary. However, with the spread of smart cards, mobile phones capable of connecting consumers to the Internet (so-called, Internet enabled cellular phones, such as the Motorola Timeport), Two Way Pages, PDA (personal digital assistants) with wireless modems, mid-range wireless network devices, and other new systems, the situation has been rapidly changing.

These new mobile wireless technologies are believed to be becoming a driving force of e-commerce in Europe and Japan, where both businesses and consumers have not been comfortable with making payments online due to the lack of security. Moreover, according to some estimates, mobile commerce revenues could reach \$1.7 billion in Europe and \$3.5 billion in Japan by the year 2003.¹⁴

13 E-Commerce in the U.S. and Europe – is Europe Ready to Compete? By Tanuja Singh, Business Horizons, March 2001 (source: <http://www.findarticles.com>)

14 Improving Returns on Mobile Commerce Investments. By Kenneth Leung and John Antypas. 1 August, 2001 (source: <http://www.ecomworld.com>)

In the countries of central and eastern Europe, the availability of e-commerce prerequisites is also very uneven. The proportion of the population with access to the Internet, for example, varies between 21% in Estonia and less than 1% in Ukraine. At the same time, some countries, such as Estonia and Hungary, have been very rapidly closing the digital divide separating economies in transition from their west European counterparts.

The potential of the rest of the economies in transition for taking part in the global digital economy is viewed as very large, considering the qualitative parameters of human resources and the large pool of scientists and technical professionals. However, the lack of physical infrastructure and highly monopolized market of communication services resulting in high prices have restricted access to the Internet and limited use of the Web and, hence, the participation of local companies in the global digital economy.

Among the developing countries, Singapore and the Republic of Korea are the leaders in e-commerce. However, other developing regions have also been experiencing a change. The number of Internet users has also been growing rapidly in Latin America, where their total number, according to some estimates, increased from 540,000 in 1995 to 9 million in 1999.¹⁵

No exact data is available on the computer literacy rate to compare countries and regions. However, most of the developed countries have expanded adult training in basic computer skills through various arrangements: continuous education programmes; on-the-job training; community and small business technology centres, and at independent, privately run training centres, accessible to all ages. School education programmes increasingly rely on informational technologies, and online adult distant learning has become widespread.

Some countries, such as the USA, have been providing various public grants to communities, NGOs and educational establishments to accelerate the acquisition of computer skills by the masses. The private sector has also been financing numerous programmes at the communal, regional and national levels, aiming to increase the average level of computer literacy among all income groups.

These efforts are bringing positive results. The percentage of American families with a low annual income (less than \$15,000) who have gained access to the Internet grew from 7% in 1998 to almost 13% in 2000.¹⁶ Here are few examples of such private and public initiatives:

At the Okinawa G-8 Summit in July 2000, the President of the USA and the other G-8 leaders launched the Digital Opportunity Task Force to create digital opportunity in developing countries. The mission of the Task Force, commonly known as *the dot force*, will be to develop a strategy and recommendations for creating digital opportunity and closing the global digital divide, and to address issues such as:

- * Creating a policy and regulatory framework that will promote competition and private sector investment in the telecommunications industry, and that will allow the Internet and e-commerce to flourish.
- * Expanding the IT workforce of developing countries.
- * Strengthening the capacity of developing country entrepreneurs to create businesses that will drive economic growth and create jobs; and

15 World Markets Series. Business Briefing. Global Electronic Commerce. World Markets Research Centre, 2000, p. 77.

16 Leadership for the New Millennium. Delivering on Digital Progress and Prosperity. The U.S. Government Working Group on Electronic Commerce. 3rd Annual Report, 2000, p 4.

- * Promoting applications of the Internet and information technologies such as e-learning, e-government, and e-health. The *dot force* is unique, being composed of representatives from developed and developing governments, high-tech industry, civil society, and international organizations.

(Source: <http://www.ecommerce.gov/ecomnews/pr0725002.html>)

Cisco Systems announced it would expand its Cisco Networking Academies to 24 of the least developed countries.

Intel announced it would expand its ATeach to the Future@ technology training programme for teachers to at least 10 more countries.

In Bulgaria, the private sector is establishing Internet community access centres, and USAID has subsidized start-up costs through vouchers to NGOs.

In March 2001 UNECE launched a new initiative B AE- "E-Transitin for All" to assist in the advancement of the digital economy and Internet enterprise development in countries in transition.

In 1997, the European Commission announced "A European Initiative in Electronic Commerce", aiming to encourage the growth of e-commerce in Europe, by means of:

- * Stimulating competition in the Single Market.
- * Creating new skills.
- * Providing a stimulus to electronic commerce.
- * Creating a favourable regulatory framework.
- * Promoting a favourable business environment.

Source: <http://www.ispo.cec.be/Ecommerce>

Women on the Internet

Information on women's participation in the global digital economy is very scarce. According to available data, around the world women account for:

- 38% of ICT (Information and Communication Technologies) users in the USA;
- 25% in Brazil;
- 17% in Japan and South Africa;
- 16% in the Russian Federation;
- 7% in China;
- 4% in the Arab States.

In the United States of America:

- 9% of middle and upper-level IT related jobs in engineering are filled by women;
- 28.5% of computer programmers are female;
- 26.9% of systems analysts are women;
- Only among data entry workers do women make up the majority at 85%.¹⁷

¹⁷ New UN Agreement Boosts Women's Influence over ICTs. 10 July 2000 (source: http://www.unesco.org/ebworld/news/000710_unifem.shtm).

Moreover, recent studies have revealed that by 2000 women in America, both young and old, had outmatched men in the use of the Internet. They constitute more than a half of the entire Internet audience. The female Internet audience has been growing at a much higher rate than the total Internet audience B almost 35% per year as against 22.4%.¹⁸

The fastest growing female online population in Europe is in Germany, where the total number of online women aged 14 and over increased from 27.3% in January 2000 to almost 32% of the total Internet population in June 2000.¹⁹

Table 2
Women online as a percentage of the total Internet population in Europe and the USA

Country	Percentage
United Kingdom.....	39.5
France.....	33.4
Germany.....	31.7
Sweden.....	44.2
USA.....	50.4

Source: Media Metrix & Jupiter Communications. It's a Woman's World Wide Web. By Anne Rickert and Anya Sacharow. Media Metrix, August 2000 (<http://www.Mediametrix.com>).

However, as in the traditional economy, where the gender divide has not yet been closed, the digital economy could also become divided along gender lines, if women's organizations and individual women fail to comprehend and utilize opportunities offered by new technologies and the globalization of commerce. Apparently, most women have been using the Internet for traditional activities shopping, caring, educating children, networking, keeping in touch with family members and friends, etc.

Women's organizations have been trying to use this new instrument, but mostly for advancing women's civil rights, combating violence against women, etc, while economic opportunities that have been created by web technologies and e-commerce for women have not received enough attention. As a result, the global digital economy is overwhelmingly male-dominant.

This phenomenon has been partly explained by difficulties women have been experiencing in acquiring venture capital for starting up businesses on the Web. Some, however, have been blaming educational establishments and traditional socialization institutions, which have continuously discouraged girls from studying sciences and seeking careers in engineering and high-tech industries.

Whatever the reasons, it is of paramount importance to raise the awareness of women globally of the potential of ICT, e-learning and e-commerce for balancing the gender equation in this new Millennium.

¹⁸ Media Metrix & Jupiter Communications. It's a Woman's World Wide Web. By Anne Rickert and Anya Sacharow. Media Metrix, August 2000 (source: <http://www.Mediametrix.com>).

¹⁹ Ibid.

Women in the UNECE region, contrary to women in many countries of Africa, Asia and Latin America, have a significant potential, allowing them to capture the economic benefits of new technologies much quicker. They are better educated. They are closer to the major world markets. Their rights are more advanced and better protected. They are better organized and more active in the political life of their countries. They have a larger resource base in terms of income, allowing them to finance activities that are crucial for improving their position in the digital economy. Finally, there is a right momentum to be exploited to improve women's participation in the digital economy.

Concerned with the growing competition brought about by globalization, many governments are eager to provide support to local producers in order to help them transform their businesses on the basis of new technologies.

Considering that most labour-intensive economic activities currently dominated by females (light and food industries, agriculture, etc.) will be heavily affected by globalization and ICT, women and women's organizations should focus their attention and efforts on advancing their integration into the digital economy.

What could be done?

There are many avenues to take, and each woman and each women's organization are free to make their own choice of activity to advance women's integration into the digital economy that best suits the situation and conditions in their country.

The focus could be on e-learning or on promoting e-commerce between women-owned and women-led enterprises at the national level and/or at the subregional and regional levels. The United Nations Economic Commission for Europe is ready to respond to either initiative.

The Commission believes that a package of activities has to be tailored in accordance with a national situation, while a regional unifying goal should be the promotion of electronic commerce between women- owned and women-led enterprises region-wide.

The overall e-commerce enabling requirements to be met by enterprises are the following:

- Knowledge of web technologies;
- Knowledge of e-business management;
- Knowledge of e-finance and e-payment systems;
- Knowledge of e-law;
- Knowledge of e-marketing;
- Knowledge of e-security;
- Knowledge of e-advertising and new media;
- Knowledge e-procurement;
- Management of e-technology;
- E-enterprise technologies and applications (hardware, data-transmitting system, software, etc.);
- Knowledge of English (considering that the Internet is dominated by the English-speaking web providers).

On the whole, there are two major blocks of capabilities that an enterprise, aspiring to go on the World Wide Web, needs to have:

- Technological, and
- Human resources with necessary skills and knowledge.

To improve or to develop these capabilities among women-owned and women-led businesses a special effort is needed to:

- Raise awareness amongst businesswomen of the benefits of e-commerce.
- Establish accessible Technology and E-Commerce Learning Centres throughout countries in the UNECE region, which would provide training in e-business and web-technologies.
- Mobilize financial resources to support the above activities.

The First UNECE Forum of Women-Entrepreneurs held on 22 October 2001 adopted a regional strategy "Promotion of electronic commerce between women-owned and women-led enterprises region-wide" and a plan of the following implementation activities:

1. To develop a package of training courses on e-business and e-commerce.
2. To set up a UNECE Cyber Network, which would allow women entrepreneurs and women's business associations to:
 - exchange information;
 - receive market/product information;
 - propose their project ideas;
 - receive information on the financial resource availability for women entrepreneurs, including start-ups;
 - receive information on national and international fairs;
 - receive information on fellowships, training opportunities, study tours and enterprise exchange programmes;
 - discuss common problems; and
 - receive information on the availability of services for women's enterprises.
3. To promote the creation of cyber business incubators as a training means for women entrepreneurs.
4. To mobilize financial resources to support the above activities by pooling own financial resources and borrowing from national, regional and international financial institutions.
5. To establish an UNECE Euro-Asian Foundation of Women-Entrepreneurs with the following goals/objectives:
 - to improve access of women-owned and women-led enterprises to financial resources;
 - to improve women's access to information;
 - to assist women-owned and women-led enterprises in building up new technological capabilities and capacities;
 - to assist women entrepreneurs in developing their business networks;
 - to assist women entrepreneurs in mobilizing the support of the public and private sector.

- to improve the competitiveness and sustainability of women's businesses in the market environment.

BUILDING REGIONAL NETWORKS

*by Ewa Ruminska-Zimny,
Regional Adviser on Gender and Economy (UNECE)*

Introduction

Women entrepreneurs have less access to business and professional networks, both formal and informal ones, which are dominated by men. Male entrepreneurs and executives have long had access to associations and clubs where information was shared and deals were negotiated. They have also had strong informal networks built around social, cultural and sports activities.

Women are generally excluded from these so-called "old boys networks" and have been increasingly creating their own networks. *Les Femmes Chefs d'Entreprises Mondiales (FCEM)*, a worldwide organization and the International Federation of Women Entrepreneurs, headquartered in New Delhi, are two major international groups with numerous national chapters. This pattern is also typical for the transition countries.

The development of the private sector in Eastern Europe and the CIS countries has been accompanied by the establishment of new, formal and informal, business and professional networks, such as business centres, professional clubs and trade associations. The existing institutions, such as chambers of commerce, took over new functions of facilitating private sector activities. Networking has expanded and diversified both at the national and sub-regional levels, and has developed especially fast in central Europe. In all countries, however, there is a gender gap in access to business and professional networks, which limits women's business opportunities and women's impact on building gender sensitive institutional systems that could provide support for their entrepreneurial activities.

The gender gap is explained by the traditional pattern of networks in the past. Prior to 1989 networks reflected the economic structure and strong position of men in key industrial sectors. Chambers of commerce and other sectoral organizations focussed on the energy sector, heavy industry, military-industrial production and some other branches of manufacturing, i.e. male-dominated occupational structures. Women, despite high levels of education and broad participation in the labour market, clustered in the consumer-oriented industries, such as food and light industry, and in education and health, thus remaining outside the most influential bureaucratic and technocratic networks. They also had less time to build informal networks due to family responsibilities, which were especially time-consuming under the conditions of the economy of chronic consumer goods shortages.

Now, women entrepreneurs in all transition countries are in the process of building their own business networks. Some of these networks go beyond the local and national levels and are linked to regional and global networks. Networking opportunities remain, however, untapped and should be better used, especially at the regional level.

The role and benefits of networks

Business and professional networks are a key element of market institutions, supporting entrepreneurship and business development. Their role is especially important for start-ups

and SMEs, as they reduce risk and provide access to business opportunities, such as public procurements and outsourcing by large multinational companies.

Formal and informal networks support individual entrepreneurs through facilitating their access to information and knowledge, new markets, business partners and financing, as well as through providing business related services. Networks help to build personal contacts, share experiences and get encouragement, when business goes down.

Create your networks for global ventures

The success story of DELANCE Inc.

When I was growing up, I would make something special for women, but I didn't know what until I worked in the watch industry. I realized that a watch would be the perfect symbol, one that expresses the value of time for women and also the meaning of time for women all over the world. So, in May 1996, I created DELANCE inc.

Although I had no money, I had connections, so my strategy was to go as far as I could without having to obtain formal financing. I engaged a network of friends, family, and business partners to invest in my venture. I could go far because I made a few pieces and sold them and used the money from these sales to finance on-going operations.

I knew, however, that if you want to be global, you have to think globally from the very beginning and create an international network. My first step was to get in touch with women all over the world. I travelled extensively to meet women to ask them to define "time." Interestingly, the most frequently cited answer was that time is life. They expressed this by saying: "As we give our time to raise our families, as we are the givers, organizers, and managers of life, time for us is life itself". Not a single woman said that time is money. My challenge was to capture the universal sentiments of women's values. This is why I have chosen the diamond shape, because it symbolizes life and harmony and is recognizable at first sight. It also makes each woman feel that the watch was made just for her

Just as I want the DELANCE to express the excellence of women, I also want to engage all women in the production and execution of my watch business. The women who work with me share my dreams, and we work harmoniously together. My strategy is to find female entrepreneurs as partners all over the world, who are in a position to both invest and launch DELANCE in their respective countries. I want to have DELANCE China, DELANCE USA, DELANCE Russia ...

My dream is to find DELANCE Ambassadors in different towns around the world and let them make word of mouth publicity.

Source: Gisèle Rufer, Founder of DELANCE, Winner of the Golden Idea Oscar 2000 from the Swiss Association for Idea and Innovation, at the First UNECE Forum of Women Entrepreneurs, www.unece.org/operact/entrepr/women.forum.htm

Networks play an important role not only in supporting individual entrepreneurs, but also in representing their interests as a group. This includes participation in the process of establishing or adjusting legal systems, labour market norms and standards or taxation and fiscal systems. This role of networks should be highlighted in the context of the transition process, where market institutions are still "under construction", and much remains to be done, especially in the SME sector, which so far has attracted little attention at the policy level in many transition countries, especially in the Russian Federation and in the CIS.

Major benefits from access to networks include:

- More information
- More knowledge and skills
- More contacts
- More public awareness
- More international linkages

Learning and business networks

The story of Batycki company

It was 1989, a year very meaningful for the history and economy of my country-Poland. My children had already grown up and the time had come to try my own ideas that I had carried with me during my university studies. My husband inherited a family business producing handbags and other traditional leather goods. I decided thus to take an opportunity provided by the rapidly expanding market economy in Poland.

Setting up a company, creating its products is a process of asking never ending questions. When I became aware of my intentions, I was constantly asking, how to make it? It was time for action, but of learning as well. I tried to learn from business leaders travelling across the world, most often to Italy, the country with the highest number of excellent masters in leather haberdashery. My first collection of ladies' handbags, called „Classic” was the result of those voyages, numerous meetings and probing the secrets of manufacturing and fashion making.

Next came the “Amber Collection” where I tried to combine the acquired knowledge of fashion trends abroad with the Polish amber. The beauty of the amber had already amazed ancient Romans. To get the most beautiful morsels of it they were ready to make a long journey from the sun-kissed Italy to the coasts of the Baltic, in the area where my company is now located. Each item making the handbag collection is distinguished with a tiny piece of amber, thanks to which particular models are unique in their kind, unrepeatable and unusually original.

As you see, making a company, creating its products is a process of incessant seeking. An imperative condition here is to let those activities be accompanied with dreams. Nothing less, but women's dreams are the driving force of fashion.

Source: *Bozena Batycka, Owner and chief designer, Batycki company, presentation at the First UNECE Forum of Women Entrepreneurs, www.unece.org/operact/entrep/women/forum.htm*

Networks and micro-enterprises
The experience of Women International-WIN project

According to current standards, a "small business" employs up to 50 people. In Sweden such a company is already quite big as women's companies are rarely of that size.

The chambers of Commerce of East Sweden and Mälardalen, run a EU project – WIN (Women International) on internationalisation of women's micro-companies. We wanted to support the kind of growth generated when companies form networks to take advantage of one another - a growth different from the traditional growing through employment. Project activities included also individual guidance and coaching; competence development and IT training.

We organized a very successful network conference at which companies from the two counties had the opportunity to get to know each other and show their products. There was also a discussion led by the project leaders.

Several companies brought up the need for support and references when venture capital is needed, in contacts with banks. Here the networks fill an important function. Is there anyone close to the company who can be a reference person, someone with status and contacts to build on? Another important thing that was discussed is proper documentation of the company's activities and plans.

The project proved that for many micro-companies, working actively on their networks is the key to growth and success. A developed contact net may mean that the company can grow without the "need" to employ more people. If the company gets larger orders than it can handle, those around can be called on for help. Together, companies can develop new channels and buy products and services in order to get better conditions.

Source: Marianne Dott, Chamber of Commerce of East Sweden, presentation at the First Forum of Women Entrepreneurs, www.unece.org/operact/entrep/women/forum.htm

Networking as a way to create a better world
The experience from Turkey

Networking and global communication are important not only for personal success, but also for creating a better world.

I believe that one must take a role in non-governmental voluntary associations as part of social responsibility. In 1999, I was chosen as a Global Leader for Tomorrow at the World Economic Forum and I worked in the Healthcare Initiative Committee of the Organization.

I am also trying to assume active duties in social activities, contributing to Turkey's entry into the European Union. For example, in TUSIAD, which is a distinguished and extensive businessmen's association, I work in the Social Affairs Committee as Director of the Gender Equality Working Group. The purpose of this Working Group is to elevate the concerns with gender inequality in education, working life and politics to the top of the agenda of the process of Turkey's accession to the EU. I consider that sharing of expertise with others, but also benefits of life, including through volunteer work, were important factors behind my success as an entrepreneur.

Source: Meltem Kurstan, General Manager Kurstan Pharmaceuticals, Turkey, presentation at the First UNECE Forum of Women Entrepreneurs, www.unece.org/operact/entrepr/women/forum.htm

Networking and women's businesses in the United States

The number of women-owned businesses continues to grow at twice the rate of all U.S. firms, and those businesses show significantly greater increases in employment and revenues. According to the US Center for Women's Business Research, women-owned firms will employ nearly 9.2 million workers in 2002, up 30% from 1997, which reflects a growth rate that is one-and one-half times the national average. The number of women who own larger businesses has reached substantial levels. And at present growth rates, there will be 112,700 women-owned firms with revenues of \$1 million or more, and almost 8,500 with 100 or more employees, in 2002. Women-owned firms in the top 50 metropolitan areas in the U.S. number nearly 3.2 million, employ more than 4.9 million people and generate more than \$661 billion in sales²⁰

Why are women's businesses growing at such a rapid pace? Women are more likely to place an emphasis on networking and resource building. This results in a more diversified business with a better chance of survival. Women place a greater emphasis on the business relationship, which often leads to customer loyalty and increased referrals. The Internet opens new possibilities for networking.

In 1996 when, basically, the only successful vendors on the Internet were selling computer related items, I served as vice-president of marketing for The Internet Shopping Directory and did a survey on how women wanted to utilize the Internet. The results were amazing. The women who participated in the survey wanted start-up information, help with website design and they wanted to network with other potential women entrepreneurs. Now they can. A wealth of information, support and funding is available to them and they are using it.

I come to the UNECE Team of Specialists on Women's Entrepreneurship as an idealist who realistically believes that computer literacy can be achieved through careful planning and implementation and should be available to every citizen of the world. I hope that the following activities will help to achieve this objective

1. University sponsored interns could train women in computer literacy, entrepreneurship and awareness of Internet support. A number of universities including my own alma mater, Yale, have expressed interest in this type of programme.
2. Heighten the awareness of women contemplating entrepreneurial ventures by means of Internet
3. Build linkages to the multiplicity of online grants and other funding sources, which are available.²¹

Source: *Marsha Gannon, Chair, UNECE Team of Specialist on Women's Entrepreneurship (TOS), presentation at the first TOS meeting (www.unece.org/operact/enter/team)*

Women's networks have already provided a boost to women's businesses in all UNECE countries. In Canada, women-entrepreneurs came together and organized the first-ever Canada Businesswomen's Trade Mission to Washington D.C. in 1997.

²⁰ "Center for Women's Business Research," 4 December 2001, <http://www.nfwbo.org/Research/12-4-2001.htm>, (6 February 2002)

²¹ Kight, D., Perry, E, "Grant Resources on the Web," July 1999, <http://www.ala.org/acrl/resjuly99.html>, (23 January 2002)

They also organized Canada/US Women's Trade Summit in Toronto in 1999 to discuss with government officials how women could tap into the lucrative export markets between Canada and the United States.

In Slovakia, due to the support of women's business associations, a women-entrepreneur was invited to the Board of the Regional Chamber of Trade Licences as the first and only woman. In Turkey, the Gender Equality Working Group of the Social Affairs Commission helps to reach standards of gender equality in the *Acquis Communautaire* during the process of accession to the European Union.

Building networks in transition countries

Women's business associations and other NGOs have played a key role in the development of women's entrepreneurship in all transition countries. This process started as early as in 1990-1992 often through the creation of self-help groups for women and other social groups most affected by the transition process.

Women's business associations have a different character, profile and the scope of activities, membership and contacts. Some operate as local or national groups, but others have already a regional and even a global character through their links with large international groupings.

Their primary objective is to provide information, advice and contacts. They also aim to reinforce cooperation among businesswomen, to provide customized training in managerial skills and marketing, facilitate access to finance but also to "be close to women entrepreneurs during all difficulties and challenges" and "fight corruption, bureaucracy and organized crime

These associations aspire also to achieve broader objectives related to the economic empowerment of women, advocacy for equal rights and to change the traditional views on women's role in society. They are thus important actors in promoting and ensuring gender equality in the emerging business society.

Several examples of such organizations include:

- Professional and Business Women's Association in Albania, founded de facto in 1992 and in 1994 de jure. It now has over 500 members and 19 branches;
- Association of Women Entrepreneurs in Croatia, founded in 2000, which has 62 members and two regional groups;
- Association of Business and Professional Women of the Czech Republic, founded in 1990, has 120 members;
- Moravian Association of Women Entrepreneurs founded in 1999 by 20 women entrepreneurs in Brno. At present, it has 60 members in three regional clubs;
- The Georgian Association of Women in Business founded in 1993 has 510 members and several regional groups;
- The Women's Committee of Abkhasia (Georgia) founded in 1995 has 54 members;
- Kaunas Regional Association of Small- and Medium-Sized Businesses (Lithuania) founded in 1997 represents more than 350 SMEs;
- International Forum for Women (Poland) founded in 1993 has 130 members and one

- regional branch;
- CEBWA (Central European Business Women's Academy) founded in 1999 by a group of women's business associations from the Czech Republic, Hungary, Poland and Slovakia (PROSPECTA-CEBWA Club);
 - Spirit of Enterprise (Slovenia) founded in 1993 has over 200 members and four local groups;
 - Association of Business Women of the Federal Republic of Yugoslavia founded in 1998 has over 100 members.

Building women's business networks in Azerbaijan

Creating women's business networks is especially important in Azerbaijan where traditional views, behaviours and attitudes related to women's role in society are deeply rooted in the country's culture and history. The unfavourable social climate affects especially women who are trying to develop activities in dominated "male sectors", such as the manufacturing sector, or capital markets.

The network system consists of over 40 women's non-governmental organizations and the association of business women. These organizations provide advice and support to over 10,000 women entrepreneurs most of whom run small businesses. This support is also provided by women deputies in the Parliament (over 11% of all seats) and within Government (5 women –ministers). More effort, however, is needed to overcome the existing barriers and create a conducive environment for promoting women's entrepreneurship in Azerbaijan. Regional and sub-regional cooperation, which could help to unite countries of Europe and Asia along the historical Great Silk Road, would open markets and new business opportunities for women entrepreneurs.

Source: Sayali Safarova, President "Memar SS", Maya Allazova, Director, "Maws Investment" and Board members at Baku Stpck Exchange; Ilhama Guliyeva, Azerbaijan, presentations at the First UNECE Forum of Women Entrepreneurs

The network of credit unions in Kyrgyzstan

The Credit Union "Kairat Bol" was created on 6 July 1988, at the initiative of 11 employers of a dry skim milk factory. The business had an original start up capital of 30,000 Som. The initial purpose of the Credit Union was to help low-income groups of the population, the majority of which consist of women with many children, single mothers and orphans.

Since 1998, the funds and the activities of Kairat Bol have substantially increased with the membership reaching 222 people (of which 134 are women). By the end of 2001, the credit portfolio had increased 100 times, reaching 3, 100, 000 Som. Both women and men have contributed to and benefited from the growth in the credit portfolio.

The Credit Union provides financing mainly in the area of Agriculture, Manufacturing and Processing of agricultural production and small and medium trade. Over 50% of credit was granted to women with approximately 76% being spent on agricultural activities (1,200,000 Som), 20% on small and medium trade (385,000 Som) and 4% on manufacturing and processing activities (65,000 Som). The Credit Union has now opened branches in several regions of Kyrgyzstan. (Kairat-Bol@raiffeisen.kg)

Source: Ratkan Israilova, Co-founder of the Karait Bol Credit Union, presentation at the First UNECE Forum of Women Entrepreneurs, www.unece.org/operact/entrepr/women.forum.htm

In order to raise awareness of the existing business networks for women and facilitate the process of building region-wide links, the UNECE has established a virtual Network of Women's Business Associations active in the region. The network consists of 21 women's business associations from 15 countries (Albania, Croatia, Czech Republic, Georgia, Lithuania, Malta, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, and Yugoslavia,) www.unece.org/operact/entrepr/women.network.htm

Building women's business networks in Georgia

The Georgian Association of Women in Business was founded in 1993 by a group of business women. Its objective is to establish a national coalition aimed at the improvement of women's status in a society and promoting women's entrepreneurship. The association focuses on supporting small size and micro-enterprises run by women, which play a key role in raising families incomes and reducing unemployment and poverty.

The Association organizes trainings for start-ups, management skills, computer and foreign languages. It provides advisory services, micro-credit loans and informs on government policies, such as credit and fiscal policy. The Association also facilitates business contacts at national, regional and international levels. Its activities are organized into six committees: (i) Training and education; (ii) Small business promotion; (iii) Women's employment; (iv) Women's micro-credit programme; (v) Culture; and (vi) Public relations.

Source: Nino Elizbarashvili, President, The Georgian Association of Women in Business, presentation at the First Forum of Women Entrepreneurs

Building Networks in Armenia

In Armenia the share of women run companies is only around 1%. Gender specific barriers are typical for countries in the South Caucasus and include traditional views on women's role, distrust of the banks to provide loans to women, lack of information, market related skills and business relations. Women have also very limited access to resources due to a gender biased privatisation process. At the end of 1990s only 9 out of 1218 companies were privatised by women.

Despite these constraints there are already successful companies run by women in various sectors of activities, such as cosmetics (BIO-CHEM. Ltd.), tires (OJSC DOGHAGORTS), textiles (OJSC GARUN) or agro-business (TSARUKYAN KG. Ltd.). Their activities encourage other women to start small businesses, which for the majority of women is the only avenue to earn income considering high level of women's unemployment. The networks play important role in providing support for such starts up. The Association of Business Women in Armenia and Business Women provides consultations, training and information on how to start small business as well as lobby for including women into national SMEs programmes and establishing proper business environment.

Source: "Women and Entrepreneurship", seminar proceedings, Yerevan 1999 and presentations of Ms. Roza Tsarukyan, Owner, Tsarukyan Ltd, Ms. Naira Martirosyan, Executive Director Doghagorts and Ms. Julieta Danielyan, owner Bio-Chem Ltd. At the First UNECE Forum of Women Entrepreneurs.

Micro-credit for women businesses in Kazakhstan

The micro-credit programme is part of the development strategy for Kazakhstan "Kazakhstan 2030", prepared at the initiative of the President. The programme targets rural areas and is implemented by a non-governmental organization "NGO Microcredit", which has public funding and a special license from the National Bank of the Republic of Kazakhstan.

The practice of "NGO Microcredit" has shown that women are among the most reliable borrowers. Out of 23,600 borrowers benefiting from the programme, over 16,000 are women. They receive more than two-thirds of all micro credits. These credits are used very effectively, most often to develop small and medium-sized businesses in farming, agriculture, improvement of production of small farms, as well as national crafts, clothing, mini-shops, bakeries, confectionery and small services.

These enterprises usually provide work for other family members. It is estimated that practically each micro credit loan gives jobs to 2-4 people. For larger businesses it is possible to establish groups of micro crediting and thus finance more important business projects.

In October, 2001 "NGO Microcredit", together with a National Commission on Family and Women's Affairs at the Office of the President of the Republic of Kazakhstan, conducted an awareness raising programme "Ak niet" within the framework of the International Year of Volunteer and World Rural Women's Day (15 October). The programme included training workshops for several thousand rural women on "How to create a business". The best participants were given the right to a special credit from "NGO Microcredit" to start their own business in 2002.

It should be pointed out that, despite positive developments, there are many unsolved problems. Assistance to improve the production capacity of these enterprises, especially modern equipment, is still insufficient. The tax burden is heavy and does not stimulate the development of productive capacity, so most enterprises limit their activities to trade operations. The introduction of a new Tax Code of the Republic of Kazakhstan in January 2002 has had a positive impact but has not solved the problem of inadequate financing, which limits progress in developing a strong sector of small and medium-sized businesses.

The legal base is still insufficiently developed and despite support measures targeting women's businesses, there is no comprehensive programme promoting women's entrepreneurship. Traditional views, patriarchal attitudes and behaviour create another barrier to the development of women's entrepreneurship in Kazakhstan.

Proposals for action

- Support and organize the exchange of best practices and expertise among countries in the UNECE region
- Prepare recommendations for a legal framework to be presented to national parliaments
- Organize training courses for women entrepreneurs, using relevant experience of the most advanced countries
- Discuss the possibility of creating a Euro-Asian Fund for women entrepreneurs.

Source: Saida Iskakova, Director, "NGO Microcredit", presentation at the First UNECE Forum of Women Entrepreneurs

Lobbying for changes in Romania

In Romania networks of women entrepreneurs have gained recognition over the past few years. The Association of Entrepreneurial Women–AFIR stands for Assertive, Flexible, Intelligent and Result –oriented. Its mission is to encourage women to maximize the potential of their business partnership and to lobby to changes. The Association is a multi-sector non-profit organization gathers representatives of a wide range of women's businesses from banking, trade and consulting to glass, shoe industry as well as hardware, tires and, as "Kasta Metal", hydraulics and swimming pools. The Association organizes training courses, promotes the development of joint projects with other associations and facilitates access to international markets.

The Association also lobbies for changes in the legal framework and economic environment to create equal opportunities for men and women in access to assets, jobs and private sector activities. These changes and activities should include: elimination of legislative gaps and inconsistencies, in the context of discriminatory provisions, encouraging parliamentary dialogue with stakeholders to find proper solutions, improving women's job mobility through training and other provisions, reducing bureaucracy and improvement in access to information, services (business centers, training programmes, government programmes supporting entrepreneurship and SMEs) and financing. The latter could be achieved through more attention to the needs of SMEs and especially the situation of women entrepreneurs, who usually apply for smaller loans and have lower collateral than men's businesses.

Source: *Cristina Grigorescu, President, Association of Entrepreneurial Women –AFIR, and Managing Director Kasta Metal Co., Romania, presentation at the First UNECE Forum of Women Entrepreneurs.*

Conclusions and next steps

Rapid development of information and communication technologies (ICT) has opened new frontiers in building business and professional networks at the country, regional and global levels. Virtual networking, via websites and Internet, is inexpensive and can be built fast, sometimes even overnight. There is no loss of working days or travel costs. True, face-to-face meetings remain an important channel of building trust and business relations. At the same time, however, virtual networking offers practically unlimited opportunities for women-entrepreneurs in the region. Women entrepreneurs in Azerbaijan, Armenia, Georgia or Tajikistan could be linked with entrepreneurs in the Russian Federation, Ukraine, Poland, France, Germany, or in the United States and Canada, in all of the member countries of the UNECE.

The UNECE will play an active role in facilitating the process of creating new and linking the existing networks of women both through traditional, as well as new channels and means of communication. These networks should operate at various levels - they should link individual women-entrepreneurs, women's business associations, experts and academic community, representatives of governments and international community. Good practice cases in this area are: the activities initiated by UNECE, such as, the annual Forum of Women Entrepreneurs, the virtual Gallery of Excellent Women Entrepreneurs, the Network of Women's Business

Associations at the UNECE website, and the work of a new Team of Specialists on Women Entrepreneurs of the UNECE Working Party on Industry and Enterprise Development.

EXPERIENCES IN CREATING A REGIONAL NETWORK IN CENTRAL EUROPE

by Lubica Mandicova,

President, Central European Business Women's Academy (CEBWA), Slovakia

The Central European Business Women's Academy (CEBWA) was established in 1997 at the initiative of three organisations: Association of Women Managers and Entrepreneurs of the Czech Republic, Business Basics Foundation of Hungary and Prospecta of Slovakia. Its mission is to :

"Provide support to businesswomen through exchange of information, training, development, establishing contacts and networking in order to strengthen the economic position of women in the region."

There were two reasons why the network was called an "academy": firstly, to indicate the essence of its existence - to be a facilitator of learning, development and growth; and secondly, to express the view that sharing experience and information is in fact the academy of life.

CEBWA operates as a voluntary network of non-governmental organisations, either associations of businesswomen or training centres that have a common aim: to promote economic strengthening of women. In each member country CEBWA is represented by one dedicated link organisation that coordinates its activities at a national level. These link organisations willingly supply their existing infrastructure in order to keep the national networks of businesswomen running.

At present, CEBWA has link organisations in five countries: Czech Republic, Hungary, Poland, Slovakia and Yugoslavia. All of them are well-established non-governmental organisations with committed members and solid experience in project management. We agreed therefore that shared leadership on a rotary basis would be the most suitable for our network. Each year a different country takes over the presidency, coordinates the preparation of the Annual Workshop and represents the network externally.

The objectives of the annual workshops organised by the network members are: to promote the role of businesswomen in society, to share information and experiences relevant to women entrepreneurs, to identify best practices and create role models for women's entrepreneurship, and to establish contacts and contribute to the development of women's businesses.

For this purpose link organisations seek and bring together women entrepreneurs from the region. Since 1999, we have organised three workshops. The first workshop in Hungary was attended by participants from five countries. They exchanged information regarding legislation for small and medium-sized enterprises, conditions for foreign trade, and established the first working and business contacts. In 2000 over fifty participants from six countries met in Slovakia and shared their experiences about the situation and role of businesswomen in transition economies. We succeeded in bringing to the workshop members of the Association of Businesswomen from Yugoslavia. The benefit was twofold: for Yugoslav women it was the opportunity to break ten years of isolation and our network gained a new, committed partner.

It was therefore not a coincidence that the third workshop of CEBWA took place in Autumn 2002 in Belgrade. Participants from Bulgaria, Bosnia and Herzegovina, Czech Republic, Hungary, Poland, Slovakia, The former Yugoslav Republic of Macedonia, and Yugoslavia learned about various approaches to financing women's businesses in their countries, and based on this they formulated conclusions that they will present for the consideration of decision makers at the national level. Among others, they include the following: acknowledging women's entrepreneurship as a specific form of economic strengthening of women, introducing gender disaggregated collection of data on small and medium-sized enterprises, and building partnerships among the governmental, non-governmental and private sectors in order to create a more favourable environment for entrepreneurship of women.

What benefits has the CEBWA network and its activities brought to women entrepreneurs so far?

- They have established contacts that have resulted in concrete business transactions, both domestic and foreign.
- The interest of women in information technologies has increased, they have been stimulated to use e-commerce and Internet communication for their businesses.
- Women have begun to appreciate networking. As a result, three local associations of businesswomen have been established, in Hungary, Czech Republic and Slovakia.
- A Slovak entrepreneur was invited to the Board of the Regional Chamber of Trade Licensees as the first and only woman.
- Public awareness about the role of women entrepreneurs and their needs has been raised, particularly in the host countries - through the media, contacts with institutions, donors.
- Link organisations have gained new members, established cooperation with similar NGOs at national levels and established or strengthened their contacts with relevant government institutions.

Our experiences show that networks of women entrepreneurs may represent a significant role in the economic empowerment of women, advocacy for women entrepreneurs, development of their businesses and facilitation of business contacts at the national and regional levels. Their usual activities include customised training for businesswomen, consultation and advisory services as well as dissemination of information to individual women entrepreneurs.

However, we would welcome more interest of the policy makers in the region in our activities, more cooperation and support, both moral and financial. Our experience in working at the grass-roots level represents a valuable source of information about the situation of women entrepreneurs, their needs and proposals for improvement that might be considered when making policies and development programmes.

The CEBWA network enables all partners and stakeholders to share best practices and approaches to the development of women's entrepreneurship at the regional level.

NETWORKING THROUGH WOMEN'S NGOS: A PARADIGM FOR A LEARNING BUSINESS COMMUNITY

by Conchita Poncini

International Federation of University Women, International Federation of Business and Professional Women and President of the Geneva NGO Committee on the Status of Women

“Whatever women do has to be done twice as well in order to be considered half as good.”

Introduction

Women business owners have grown in unprecedented numbers around the world and have become the most visible engine of economic change in many countries. The micro entrepreneurial movement is seen by many as the key to sustainable development for emerging and transition economies - and this is dominated by women. In fact, today women not only contribute to household income but are also creators of jobs through their own businesses. To a certain extent and in certain countries, the increased presence of women in the business sector has been a result of necessity as much as a natural progression of women's freedom. Increasingly women are finding themselves to be the only breadwinner in the family.

The network age – a woman's paradigm

According to the UNDP Human Development Report 2001²², the beginning of the twenty-first century can be said to have ushered in the network age. This revolution is an outcome of the combination of globalization and a new technological revolution. Unlike the industrial revolution brought about by the steam engine and electricity, which enhanced physical power, the digital and genetic breakthrough is enhancing brainpower. And unlike the industrial age which formed organizations vertically, the network age is being structured along horizontal networks with individual competitive niches that know no boundaries. Virtually it could cross continents faster than the speed of sound. Space has no quality, distance and specific characteristics and time loses its three dimensions: past, present and future – computers can work 24 hours a day, 7 days a week, 52 weeks a year. It does not distinguish by sex, age or education or disability.

Since we have entered into the "Information Age", the floodgates of opportunities for the advancement of women have never been more open than now. New technology is removing geographic as well as systemic gender barriers. When business is conducted via the Internet, it is gender neutral, has no gender stereotyping and can successfully move beyond borders. One can also access all government information and services at the time and place of one's choosing. One can also create a paradigm without traditional organizations and recipes and have many alternatives that add value. For example, one can cut costs to rock bottom with a website instead of hiring salespeople. Information technology (mobile phones, emails, faxes)

22 Making New Technologies Work for Human Development, United Nations Development Programme, Oxford University Press, Inc., New York 2001

and electronic commerce are powerful tools particularly beneficial to women as they move into new markets as entrepreneurs.

Women's economic activities have become fundamental to the new global economy and must therefore be taken seriously in international trade. With the new economy, there will be an evolving leadership resulting from the rise of women in management in the twenty-first century. Women's leadership will influence the private sector to balance profit making with social responsibility. Models of success stories of women would usher in a shift in value systems - more openness, more partnering, more networking and less compartmentalization. For example, evidence shows that the best practice model of women's empowerment tool is networking. Since many e-commerces are home-based businesses, they have given women the opportunity to take care of their children and the family as well. Women are able to carry out home-based production in the traditional way combined with electronic means of commercialisation. Women's natural ability to network has offered expanded opportunities through links to business associations. For example, the Global Women's Business Network was designed to be the catalyst for assisting international businesswomen in becoming more successful in their business goals. It provides a very useful set of resources which can be accessed by women around the world (globewomen.com).

In building these relationships, information technologies in general, and electronic commerce in particular, constitute powerful tools for women in business and elsewhere in their personal lives. It is important to be able to harness the power of the Internet as a determinant of future success. Virtual trade shows, trade missions, consultancies, etc. are tools available for developing global market alliances and other linkages around the world as well as reducing the costs of exporting and use of intermediaries. A concept of e-commerce or e-business involves more than just sales. It involves a change in customer service and a more dynamic organization that is evolutionary in its contact.

Networking for women's rights: connecting the UNECE and the NGO Committee on the Status of Women

The first linkages between gender and information technology began with the NGONet for the 1992 Earth Summit in Rio de Janeiro, Brazil, followed by the APC Women's Networking Support Programme, a global network of Internet providers consisting of or working closely with non-governmental organizations working on behalf of social justice with particular emphasis on women's rights.²³ The stimulus of the Beijing Fourth World Conference on Women to use information technology was when the Conference invited NGOs to contribute to regional plans which would become part of the global Platform for Action. The networks that coalesced around the Beijing Conference became active in using IT on behalf of women's rights in all parts of the world, including the Geneva NGO Committee on the Status of Women and its Working Group on Women in the UNECE Region.

The NGO Committee on the Status of Women was founded in 1973 during the International Year of Women, and later became the coalition that prepared for the Beijing Conference in 1995, among others. Today, it groups together some 80 international non-governmental organizations representing many millions of women and men worldwide. The fact that we

²³ Gender, Information Technology, and Developing Countries by Nancy Hafkin and Nancy Taggart (Academy for Educational Development, LearnLink five-year project under USAID, published in June 2001.

have ECOSOC consultative relations gives us a strategic position at the United Nations to influence the political decisions in areas as varied as social and economic reforms and human rights of women at work and in economic and trade issues. Our members serve as advocates to raise awareness and sensitivity to gender equality in all areas of human rights and in all other areas relevant to improving women's lives. At the outset, I wish to emphasize that given the heterogeneity of women in their productive and reproductive roles, the Committee's principal strategy is to mainstream a holistic and integrated human right-based approach to gender equality.

Our member organizations are particularly effective in their role when collaborating within the Working Groups and Task Forces under the Committee. These include at present 11 groups (Women in the UNECE Region and North America, Women in Employment and Economic Development; Health and Human Rights; the Girl Child; Peace; Nutrition; Refugee Women; Traditional Practices, Environment; Task Force for the Bangwe Project on Peace-teaching in the Grate Lakes Region of Africa and Task Force on Jumping the Fence to reflect on the Missing Link - the Feminine Energy).

For years we have not only built up our relations but also our close collaboration with the United Nations and its specialized agencies. This has been manifested during caucuses and public debates and panels organized by the Working Groups.

The Working Group on Employment and Economic Development has been provided logistics by the ILO to organize public informal debates on issues within the agenda of ILO conferences, as well as space to make public statements at plenary and in the various technical commissions.

The Working Group of Women in the UNECE Region and North America has also been given space and an equal voice in the preparatory meeting to the Special Session of the United Nations General Assembly on the 5-year follow-up to the Fourth World Conference of Women in Beijing in 1995. The NGO Working Sessions during the preparatory phase in Geneva helped bring the meeting to a successful completion of its agreed conclusions. One could confidently say that it is a model of best practice of UN/NGO partnership.

The Working Group of Women in the UNECE Region and North America works also closely with UNECE, including in the preparations of the annual Forum of Women Entrepreneurs and the International Seminar on Telework: Challenges and Opportunities for Women, jointly organized by the UNECE, the Polish Ministry of Economics and the Centre for the Advancement of Women (Warsaw, Poland, January 2002).

During the last four years our advocacy work has expanded at the Human Rights Commission through the organization by our Committee of daily caucuses for the duration of the six-week session. This is where networking is at its height between NGOs, Governments and other intergovernmental bodies and civil society. We strategize, make joint statements with other NGOs coming from outside, provide space for public hearings, training sessions in the form of briefings and orientation programmes on procedures and lobbying techniques. We are also actively involved at the Sub-Commission and the treaty body, namely the Committee on Economic, Social and Cultural Rights and the Working Group on the Right to Development. and increasingly in other bodies like UNCTAD and WTO on trade and development issues. We organize open meetings to serve as a sounding board to governments of topical issues as electronic work, intellectual property rights and issues related to gender mainstreaming.

Information generated in open meetings is disseminated through the NGO Committee's Newsletter, "The Geneva Advocacy Notes." This Newsletter provides information from the different Working Groups on events taking place at the United Nations which are of importance to women. It serves to bridge a gap in the information needs of NGOs around the world. Moreover, some of our Committee member organizations form themselves into loose coalitions such as the Project 5-0, bringing together five large women's organizations (International Federation of Business and Professional Women, International Federation of University Women, International Council of Women, Soroptomist International, and Zonta International). These groups are a powerful source of information, knowledge, expertise and pressure points to influence public policies at global, regional and national levels. They also empower women through individual training networks and mentoring capabilities of individual members.

We also connect with the Global Economic Summit of Women. The president of the International Federation of Business and Professional Women was part of the Planning Committee and its incumbent Pat Harrison was one of the speakers at its last Summit Conference in Hongkong in September this year. Moreover some of our individual members, including myself, have participated actively in this Summit. Indeed, it is an event where networking takes place intensively and extensively. It is here that we may learn from each other of different models, practices and resources as well as limitations. It is also summits like this where we could influence social corporate responsibility and help propel more women up the ranks of businesses and encourage greater entrepreneurship among women.

Recommendations

The digital divide is the third most important issue facing women globally, next to poverty and violence. Access to and use of ICT is directly linked to social and economic development and empowerment. Gender however influences factors such as income, time constraints, literacy, education, language and cultural context that affect access to facilities, training and employment in ICT. We therefore recommend the creation at the early stages of ICT of the infrastructure and favourable environment for many women deprived of capital and resources, to ensure that they understand the significance of these technologies and use them. This also involves such factors as availability of communication in areas where women live, i.e. often in underserved areas. Extension of infrastructure, particularly wireless and satellite communications are crucial in increasing women's access to ICT. These include common-use facilities such as telecentres, phone shops and other forms of public access in places conveniently reachable.

The NGO Committee on the Status of Women recommends to the UNECE a follow-up to this networking initiative in order to strengthen synergy between the private sector, notably women entrepreneurs, research institutions and the academia, the media and NGO grassroots networks. As women, we could indeed bring about change in trends of economic globalization that so far has exacerbated feminization of poverty and exploitation of women in trade and employment. Through the feminine energy model, we could create circles of influence and circles of compassion that inculcate values that are more humane, just, inclusive and equitable.²⁴

²⁴ Message of past president of the International Federation of University Women, Linda Souter, and Elly Pradervand of the Women's World Summit Foundation.

A N N E X

FIRST UNECE FORUM OF WOMEN ENTREPRENEURS: SUMMARY

Fostering women's entrepreneurship is one of the strategic directions for action in the economic area adopted by the member States at the UNECE Regional Preparatory Meeting on the 2000 Review of Implementation of the Beijing Platform for Action, held on 19-21 January 2000, Geneva (E/ECE/RW.2/2000/7).

To assist member States in implementing activities aiming at promoting women's entrepreneurship, the UNECE Coordinating Unit for Operational Activities organized the First UNECE Forum of Women Entrepreneurs, held on 22 October 2001 at the Palais des Nations, Geneva. The Forum drew on the expertise of the UNECE Coordinating Unit for Operational Activities in this area, especially on that of its Regional Advisers.

Since 1999 a number of meetings on women's entrepreneurship have taken place, such as the Brjuni Conference, organized jointly by UNECE, OECD, CEI and the Croatian Government (1999), and subregional workshops, organized in cooperation with CEI and BSEC (2000-2001).

The UNECE Gallery of Excellent Women Entrepreneurs was established in 2001 and includes profiles of 150 successful women entrepreneurs from transition countries. Many women from the Gallery met for the first time at the First UNECE Forum of Women Entrepreneurs.

In 2001, the UNECE Working Party on Industry and Enterprise Development decided to establish a Team of Specialists on Women's Entrepreneurship, which had its first meeting on 12 and 15 February 2002.

Attendance

The Forum was attended by more than 300 participants from 39 countries. The majority of participants were women entrepreneurs and representatives of women's business associations from countries in transition of Central and Eastern Europe, Central Asia and South Caucasus. The Forum was also attended by experts, representatives of Governments and international organizations, such as ILO, ITU, UNIDO and UNCTAD.

Context and purpose of the Forum

Women-headed companies are the most dynamic market segment in many UNECE member countries creating new jobs and contributing to economic growth. In the United States, there are 8.5 million women-owned businesses, which account for over one-third of all businesses and employ one out of four workers. In the United Kingdom, women start up one in four new businesses. Women entrepreneurs also play an important role in the development of the private sector in Eastern Europe and in the CIS. In Hungary, women started up more than 40% of new businesses between 1990-1996. In Poland, the number of self-employed women, working outside agriculture, has quadrupled since 1985.

The full potential of women's entrepreneurship, however, still remains untapped. In many transition countries, the overall environment supporting SME development is weak. Women also face gender specific barriers due to the traditional views on gender roles and uneven sharing of family responsibilities.

The main purpose of the Forum was to create a regional platform for women entrepreneurs and women's business associations to:

- Discuss key issues and identify best practices;
- Establish new business and professional contacts;
- Strengthen and expand links among women's business associations;
- Develop strategic directions for policies and programmes at the national, subregional and regional levels; and
- Propose recommendations for the UNECE programmes and activities to be implemented with all interested partners.

Thematic debate

Three major themes were discussed at the Forum: personal experiences of successful women entrepreneurs, the role of professional and business networks among women entrepreneurs, and access to new technologies and markets (see Programme of the Forum).

The debate was based on the following documents prepared by the UNECE secretariat: *Information Notice* (OPA/AC.21/1); *Connecting SMEs Owned and Led by Women to the Global Digital Economy: A Proposal for Action* (OPA/AC.21/2); *UNECE Euro-Asian Foundation of Women Entrepreneurs* (OPA/AC.21/3); *Women Entrepreneurs of the Year* (OPA/AC.21/4); and *Building Regional Networks Among Women Entrepreneurs* (OPA/AC.21/5). All documents are available in English and Russian on the UNECE website (www.unece.org/operact/enterp/women/forum.htm).

Similarity and diversity of personal experiences

The Forum opened with presentations of four successful women entrepreneurs from Poland, Kyrgyzstan, Switzerland and Turkey. Their stories highlighted the role of vision, commitment and hard work in achieving success in starting up and developing their companies. Despite large differences in the economic situation in their countries and areas of activities, the existence of gender specific barriers was stressed. These barriers include: limited access to information, business networks and collateral as well as the traditional attitudes towards the gender role and unfavourable social climate. www.unece.org/operact/enterp/women/network.htm.

Women's advantages and disadvantages in starting up their own business were discussed. The advantages included such elements as, "I am full of energy"; "I have a dream"; "I am able to work 16 hours a day"; "I take education seriously". The disadvantages - "I am a woman"; "I have no money"; "I am over 50". It was, however, underlined that taking a risk is the only way to success, often through a "step-by-step" approach. Social aspects

characteristic of women's entrepreneurship (creating jobs for other women, volunteer work) were also mentioned.

The participants in the Forum agreed that in many countries there was a lack of data and basic information on the situation of women entrepreneurs.

The role of professional and business networks

The role of women's business associations and other NGOs in supporting women's entrepreneurship was underlined. The experience of women's business associations from Croatia, Georgia, Poland, Romania, Russian Federation, Slovakia, Slovenia and Switzerland was presented. It was pointed out that networks help to build personal contacts, share experiences and get encouragement, when business goes down. They support women entrepreneurs through providing:

- Information and contacts;
- Customized training in managerial skills and marketing;
- Better access to credit and financing; and
- Advice on how to face difficulties, including "corruption, bureaucracy and organized crime".

It was mentioned that women's business associations aim also at economic empowerment, advocacy for equal rights and changing the traditional views on women in society. They are thus important actors in promoting and ensuring gender equality in the emerging market-oriented societies. This role was highlighted in the context of the transition process, where market institutions are still "under construction", especially in the SME sector, which so far has attracted little attention at the policy-making level in many transition countries.

Despite positive developments, seen especially in Central European countries, there was agreement that networks are not sufficiently developed in many countries. National and subregional networks, which are already in place, have to be strengthened and expanded into region-wide and global structures.

Access to new technologies and markets

It was pointed out that progress in information and communication technologies (ICT) had created unprecedented opportunities and strategic advantages for small businesses. They could greatly facilitate the process of internationalization of women-headed companies, which are usually smaller than men-run companies and have little experience and contacts. Access to ICT, especially e-commerce, was seen as a condition for benefiting from globalization. The Internet, for example, is assumed to enable small businesses to:

- Access global databases for information;
- Communicate with customers and suppliers regardless of time and place;
- Advertise to the global audience; and
- Conduct financial transactions in cyber space, thus reducing the costs of doing business.

Positive trends were mentioned, such as the growing number of women on-line in the United States and other western countries (women constitute over 50% of all Internet users in the United States). It was stressed, however, that this may not be true for transition countries. It was pointed out that privatization resulted in the redistribution of public assets in favour of men, leaving women with less collateral to use in getting financial resources, which could be used to buy PCs and other equipment. Women also have less time to learn and less access to training opportunities on how to utilize ICT technologies for exploring and/or expanding their businesses.

The significant potential of women in the UNECE region to capture the economic benefits of new technologies was underlined. They are well-educated and are also relatively close to the major world markets. There was a call for more attention to the gender aspects of the digital divide and gender sensitive policies, and for public support to promote e-learning and e-commerce. It was proposed that efforts in this regard should be undertaken by Governments as well as by the UNECE and other international organizations. Improvement of access to ICT was considered especially important for women entrepreneurs from Central Asia and the Caucasus.

Proposals for action

The Forum concluded that, despite positive trends, the potential of women's entrepreneurship still remains untapped. In many transition countries, the overall environment for SME development is weak and, in addition, women face gender specific barriers. There was agreement that more support to women entrepreneurs is needed at the national, regional and international levels. The UNECE was requested to develop new programmes and activities to remedy the situation.

Three groups of proposals for further action were adopted. They aim at: (i) raising awareness of the potential of women entrepreneurs and promoting positive role models; (ii) building regional networks of women entrepreneurs; and (iii) enhancing e-capabilities of women entrepreneurs and promoting region-wide electronic commerce among women entrepreneurs.

Raising awareness

- Further extending the virtual Gallery of Excellent Women Entrepreneurs; and
- Establishing an Award for Excellent Women Entrepreneur in the UNECE region in five categories.

Building regional networks

- Establishing an on-line network of women's business associations on the UNECE Web site; and
- Holding of an annual Forum of Women Entrepreneurs

Enhancing e-capabilities

- Creating a regional cyber-market for women entrepreneurs to exchange information, propose new ideas and projects, receive information on financing, national and international fairs, study tours, training opportunities;
- Establishing Technology and E-Commerce Learning Centres to provide training in e-business and Web technologies; and
- Establishing an Euro-Asian Foundation of Women Entrepreneurs to mobilize resources needed to finance these activities.

During the Forum two ad hoc Initiative Groups were established, the Initiative Group for the CIS countries and the Initiative Group for the South Caucasus. Statements of these two Groups are given below.

PROGRAMME OF THE FORUM

Welcoming address: Ms. Danuta Hübner, United Nations Under-Secretary-General,
Executive Secretary (UNECE)

Chairperson: Ms. Larissa Kapitsa, Director, Coordinating Unit for Operational Activities
(UNECE)

SESSION I: Diversity and similarity of personal experiences: The UNECE Gallery of
Excellent Women Entrepreneurs

Chairperson: Mr. Antal Szabo, Regional Adviser on Entrepreneurship and SMEs (UNECE)

Moderator: Ms. Cornelia Rotaru, General Director, Chamber of Commerce and Industry
(Romania)

- Ms. Gisèle Rufer, Founder of “DELANCE”, Winner of the Golden Idea Oscar 2000 from the Swiss Association for Idea and Innovation (Switzerland)
- Ms. Meltem Kurstan, General Manager, “Kurstan Pharmaceuticals” (Turkey)
- Ms. Bozena Batycka, Owner, “Epocca” (Poland)
- Ms. Ratkan Israilova, Founder of the Credit Union “Kairat-Bol” (Kyrgyzstan)

SESSION II: Networks of women entrepreneurs in the UNECE region: partnership,
institution building, access to information, and business development services

Chairperson: Ms. Ewa Ruminska-Zimny, Regional Adviser on Gender and Economy
(UNECE)

Moderator: Ms. Dunja Pastizzi-Ferencic, Senior Adviser, Council for International
Economic Relations, Winner of the Global Entrepreneur of the Year 2000
Award (Croatia)

- Ms. Cristina Grigorescu, CEO, “Kasta Metal”, and President, Association of
Entrepreneurial Women (Romania)
- Ms. Lubica Mandicova, Executive Director, “Prospecta”, Center for
Management Development, Founder of CEBWA (Slovakia)
- Ms. Ewa Lisowska, President, International Women’s Forum (Poland)
- Ms. Marta Turk, President, Association of Slovenian Entrepreneurs, Winner of
the European Women of Achievement Award 2001 (Slovenia)

- Ms. Nino Elizbarashvili, President, Georgian Association of Women in Business (Georgia)
- Ms. Conchita Poncini, Representative, International Federation of Business and Professional Women and International Federation of University Women (Switzerland)

SESSION III: Challenges for women entrepreneurs: Access to technology and foreign markets

Chairperson: Ms. Larissa Kapitsa, Director, Coordinating Unit for Operational Activities (UNECE)

Moderator: Mr. Andrew Fiddaman, Associate Director, Prince of Wales International Business Leaders Forum (United Kingdom)

- Ms. Marianne Dott-Kallenius, Chamber of Commerce of East Sweden (Sweden)
- Ms. Nedylka-Nelly Popova, Owner and General Manager, Apple Center (Bulgaria)
- Ms. Saida Iskakova, Director, NPO "Microcredit" (Kazakhstan)
- Ms. Olga Apatenko, Head of the Chief Department, State Committee of Ukraine for Regulatory Policy and Entrepreneurship (Ukraine)
- Mr. Gerry Finnegan, Senior Specialist, Women's Entrepreneurship Development, International Labour Organization (ILO)
- Ms. Patricia Faccin, Coordinator Working Group on Gender and ICT, International Telecommunication Union (ITU)

CONCLUDING SESSION:

Next steps to better utilize a regional perspective of UNECE to promote women's entrepreneurship

Chairperson: Ms. Danuta Hübner, United Nations Under-Secretary-General, Executive Secretary (UNECE)

**DECLARATION BY WOMEN ENTREPRENEURS FROM THE
COMMONWEALTH
OF INDEPENDENT STATES (CIS) ATTENDING THE FIRST UNECE
REGIONAL FORUM OF WOMEN ENTREPRENEURS**

We, the women entrepreneurs from countries in transition assembled at the Palais des Nations in Geneva on 22 October 2001 for the First Forum of Women Entrepreneurs in the UNECE region, believe that the women's entrepreneur movement has become an integral part of international business life.

Thousands of small and medium-sized enterprises (SMEs) headed by women are successfully operating in domestic and international markets, turning out competitive, high-quality products.

Women bear and nurture their enterprises like their own children, with a solicitude and love that merits respect and veneration.

As representatives of SMEs in their countries, women are the hope and support of the State, which has not always understood them or offered them adequate support.

We in this room today have resolved once again to urge our Governments to devote greater attention to women, who in many of our countries and indeed throughout the world comprise half the population, occupy low-status yet vital positions in public and commercial sector enterprises, and at the same time are responsible for the reproduction of the nation.

While our countries have been going through a difficult period of fundamental changes in social systems, we have demonstrated our ability not only to survive but also to create new enterprises and jobs and provide goods and services which can hold their own in terms of quality against similar products manufactured by our competitors abroad.

The time has now come for our Governments to offer more active support for all aspects of women's entrepreneurship. For the most part this means giving women entrepreneurs access to financial resources, government procurement contracts, intermediate goods and raw materials, market information and, lastly, modern technology. Such support is necessary not only to rectify the gender balance, which has become noticeably lopsided in the past decade, but also to raise the technical capacity and competitiveness of enterprises headed by women.

The need for such support is also particularly obvious as regards the situation of family, the younger generation and future generations.

We also appeal for the support of all international organizations and financial institutions, bilateral State development agencies and non-commercial and corporate funds.

We invite women from other countries in the region to collaborate, exchange experiences and join us as partners in joint projects that will ensure the gradual development of the region, dissipating social tension, averting conflicts and stabilizing the overall political situation.

We appeal to all women wishing to start a business who are finding it hard to put their ideas into practice:

- Look at us attending this Forum. We too have had our doubts, have lost everything and started afresh. Many of us have had to manage without help from men, and while raising children. We have occasionally despaired, but we picked ourselves up again and fortune smiled upon us.
- We have stayed the course and invite you to follow our example by setting up your own businesses, enlisting support from those with experience, and uniting behind not personal ambition but the realization that only together can we really succeed.
- We have to understand that only success will make us a force to be reckoned with when the economic and social policy of our States is shaped.
- We attending this Forum fully endorse UNECE initiatives: creation of a cyber-market; enhancement of the e-capabilities of enterprises headed by women to enable them to participate in international e-commerce; establishment of an UNECE Foundation of Women Entrepreneurs; and development of a regional network of women's business associations to help women entrepreneurs to gear their businesses to the demands of the third millennium.

ESTABLISHING AN INITIATIVE GROUP BY THE PARTICIPANTS FROM AZERBAIJAN, ARMENIA AND GEORGIA

Having discussed the problems and prospects for women's entrepreneurship in the three South Caucasian countries and mindful of their common purpose and interest in developing businesses headed by women, the delegates have agreed to form an Initiative Group to work together with the UNECE Regional Adviser on Gender and Economy.

The participants at the meeting propose that the Initiative Group should comprise four individuals from each country, one of whom should act as country coordinator.

The aims and objectives of the Initiative Group are:

1. To define a set of measures for the development of women's entrepreneurship in the South Caucasus and prepare specific proposals for UNECE;
2. To coordinate positions for each country and formulate a common regional position;
3. To suggest candidates from among women entrepreneurs and leaders of women's professional associations who will participate in training the trainees programmes
4. To organize training from women entrepreneurs at local level;

5. To lobby for the interests of women entrepreneurs in State and legislative structures.

In the light of the discussions of the Initiative Group that was established during informal meetings in Geneva on 22-26 October 2001, it is proposed to develop a regional project to support and promote the development of women's entrepreneurship in the South Caucasus.

It is proposed that the Initiative Group should meet annually during the Forum of Women Entrepreneurs in Geneva to decide on specific action.