ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

DEVELOPING WOMEN ENTREPRENEURS IN SOUTH ASIA: ISSUES, INITIATIVES AND EXPERIENCES



DEVELOPING WOMEN ENTREPRENEURS IN SOUTH ASIA:

ISSUES, INITIATIVES AND EXPERIENCES

Trade and Investment Division
UNESCAP
Bangkok, Thailand
Copyright © UNESCAP 2005
All rights reserved

ST/ESCAP/2401

The opinions, figures and estimates set forth in this publication are the responsibility of the authors, and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of firm names and commercial products does not imply the endorsement of the United Nations.

All material in this publication may be freely quoted or reprinted, but acknowledgement is requested, together with a copy of the publication containing the quotation or reprint.

The use of this publication for any commercial purpose, including resale, is prohibited unless permission is first obtained from the Trade and Investment Division, UNESCAP, Bangkok. Requests for permission should state the purpose and the extent of reproduction.

CONTENTS

		Page
I.	Introduction ……..……	1
II.	Conceptual framework ……..……..	3
III.	Profile of women entrepreneurs ……..……	10
IV.	Impediments for women entrepreneurship …….……	14
V.	International case studies: some lessons …….……	23
VI.	Main initiatives by public and private partners in South Asia and policy gaps …….…….	31
VII.	Recommendations ……..……	40

DEVELOPING WOMEN ENTREPRENEURS IN SOUTH ASIA: ISSUES, INITIATIVES AND EXPERIENCES

by Shalini Sinha[1]

I. INTRODUCTION

Women's entrepreneurship has a tremendous potential in empowering women and transforming society. Yet this potential remains largely untapped, with less than 10 per cent of the entrepreneurs in South Asian countries being women.

Studies have shown that a host of barriers prevent women from realizing their full potential as entrepreneurs, where they could make significant contribution to society. Entrepreneurship by definition implies being in control of one's life and activities. It is precisely this independence that many societies have denied women (Vishwanathan, 2001). Women's family obligations often bar them from becoming successful entrepreneurs in both developed and developing nations. As Seymour puts it, "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Seymour, 2001). Traditional gender role expectations and patriarchal attitudes in many developing nations make it even more difficult for women to relieve themselves of family responsibilities. The familial and social conditioning in many developing countries inhibits the confidence, independence and mobility of women. This translates into poor access to information, credit, technology, markets, etc., and prevents women from starting a business or women entrepreneurs from growing beyond a particular level. The situation is more critical in many South Asian countries, defined as comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

The potential impact of small and medium-sized enterprises (SMEs) on women's economic and social development has been studied by academics, development agencies and policymakers over the past decades. With more and more women taking up entrepreneurial activities the world over, identifying the constraints and limitations which prevent women from starting and succeeding in their own businesses is an important aspect of development research.

The overall objective of the paper is to review the issues, initiatives and experiences in developing women entrepreneurs in South Asia. The literature review undertaken for this study suggests that there are three types of issues mostly referred by different authors: (a) general profile of women entrepreneurs and their backgrounds, (b) critical issues pertaining to women's entrepreneurship, and the problems and constraints faced by them, (c) various governmental and non-governmental organizations formed to enable women to access available credit facilities, training and capacity-building, and making provisions for infrastructural capital for various entrepreneurial ventures. In light of this, issues pertaining to women entrepreneurship in general and in SMEs in particular, have been reviewed for the paper.

[1] The author is an external consultant on gender, women's empowerment, livelihood, labour and informal economy.

Women entrepreneurs, for the purpose of this study, are defined as women running their own SMEs within the formal sector in South Asia. The focus is thus on women entrepreneurs in the formal sector rather than micro-enterprises. However, because of differences in definitions and lack of statistics it has not always been possible to concentrate only on the formal sector. Many a times, the available studies do not distinguish between the formal and the informal sectors, or it is not very clear what size of enterprise they are analysing. In other cases, authors may have clubbed micro, small and medium-sized enterprises together for their analysis.

The paper is divided into seven sections. Section II, entitled "Conceptual framework" deals with issues of definition and statistics on women entrepreneurs in South Asia. Section III profiles women entrepreneurs in the region while Section IV deals with the hurdles and challenges faced by women entrepreneurs. Section V documents some international good practice for capacity-building of women entrepreneurs. Section VI moves towards solutions by documenting some case studies of examples of support organizations and networks in the South Asia region. Section VII outlines recommendations for further action.

II. CONCEPTUAL FRAMEWORK

A. Context of women in South Asia

Women entrepreneurs do not operate in isolation. They work under the same macro, regulatory and institutional framework as their male counterparts. However, it is necessary to dig deeper in order to understand the gender biases embedded in society which limit women's mobility, interactions, active economic participation and access to business development services. The business environment for women also reflects the complex interplay of different factors that ultimately result in the disadvantaged status of women in society. Women in South Asia remain far behind men in enjoying basic human rights, let alone participating with men on an equal footing in economic activities.

It may therefore be worthwhile to examine the macro picture in which the women operate before we start focusing on women entrepreneurs in South Asia. South Asia is today amongst the poorest, least literate and least gender sensitive regions. One third of people in South Asia live in absolute poverty and the region has some 400 million illiterate adults and approximately 80 million malnourished children. Women form the majority of these. (Mahbub ul Haq Development Center, 2000)

The composite indices Human Development Index (HDI), Gender Development Index (GDI) and Gender Empowerment Measure (GEM) are used to measure human development and gender inequality. HDI measures the average achievements of the country in terms of the extent to which people lead a long and healthy life, are educated and knowledgeable, and enjoy a decent standard of living. GDI is HDI adjusted for gender inequality. It measures achievements in the same basic dimensions as HDI but in addition captures inequalities between women and men. The Gender Empowerment Measure (GEM) is concerned with the opportunities available to women vis-à-vis men as regards participation in the economic and political life of a country. Together these three indices attempt to capture the level of human development, the level of development of women and the extent to which women are free from discrimination in building their capabilities and in gaining access to resources and opportunities.

In 2003, South Asia had a regional Human Development Index (HDI) of 0.628, which positions it below the HDI of both the average of developing countries as well as for the world. Within the South Asian region there are notable disparities. India has been ranked as 127th out of 177 countries at the lower end of the medium human development group. Pakistan, Nepal, Bhutan and Bangladesh are all ranked below India. Sri Lanka and Maldives both have HDI rankings above that of the average for developing countries and the world, and much higher than the rest of the South Asian region.

Table 1: Human and Gender development indexes in South Asia

Countries	***HDI Value*** *(2003)*	***GDI*** *(2003)*	***GEM*** *(2003)*
Maldives	0.745	-	-
Sri Lanka	0.751	0.747	0.370
India	0.602	0.586	-
Bhutan	0.536	-	-
Bangladesh	0.520	0.514	0.218
Nepal	0.526	0.511	-
Pakistan	0.527	0.508	0.379
South Asia	0.628	-	-
Developing Countries	0.694	-	-
World	0.741	-	-

Source: UNDP, *Human Development Report 2004*.

As can be seen from the table, a higher GDI often goes alongside higher levels of HDI. The GDI value for Sri Lanka, the best performer in the South Asian region, was 0.747, while GDIs for Pakistan, Bangladesh and Nepal are just above 0.5.

B. Defining entrepreneurship and SMEs

Entrepreneurship can be defined as the process of using private initiative to transform a business concept into a new venture or to grow or diversify an existing venture or enterprise. There are various definitions of an entrepreneur. An entrepreneur is variably defined as one who assumes the financial risk of the initiation, operation and management of a business or undertaking; a person who assumes the risk to start a business with the idea of making a profit; an individual who organizes and manages labour, capital, and natural resources to produce goods and services to earn a profit, but who also runs the risk of failure; a business person who accepts both the risks and the opportunities involved in creating and operating a new business venture. In line with these different definitions, risk-taking and treading a fresh path are essential features of entrepreneurship.

There is no universal definition of SMEs. An ILO survey of 77 countries shows that 74 of them use quantitative classification criteria such as the number of employees or value of plant and machinery. The remaining three countries use only qualitative criteria such as the nature of ownership or relative size compared to other players in the industry. The reported categories of enterprises are: micro enterprises, small enterprises, medium enterprises and large enterprises (ILO, 2003).

A combination of criteria are often used for classifying enterprises (ILO, 2003). The main criteria are:

1. Number of workers/employees

It is assumed that enterprises with the same number of workers should exhibit similar characteristics and may, therefore, benefit from the same policies and/or targeted for the same assistance programmes. Usually, the following minimum and maximum numbers are often used for classification purposes: small enterprises, from 5

or 10 to between 20 and 50 workers. A maximum of 100 workers is also used in some industrialized countries. For medium enterprises – the number of workers may range between 20-50 and 300-500, following the above two options for small enterprises.

Some countries do not classify some of the above sizes of enterprises separately, while others use further sub-groupings based on additional quantitative and/or qualitative criteria. For example, some countries use a single grouping for micro, small and medium-sized enterprises under the "SME" category, in addition to "large enterprises". Others use additional groupings based on qualitative criteria such as "cottage industries", "craft enterprises" or "survivalist micro enterprises".

2. Value of fixed assets

The value of fixed assets is also used as a classification criterion in many countries. However, it is less easy to use because enterprises do not generally have a precise estimate of their fixed assets, the value of the latter may vary from time to time or the owners of SMEs may not wish to provide this type of information. The value of fixed assets also depends on the level of development of the country and on the sector under consideration.

3. Turnover per enterprise and value-added per worker

The turnover per enterprise can also be used as a classification criterion since it is closely correlated to both the number of employees and the size of fixed assets. This classification criterion is usually applied separately for enterprises in the manufacturing sector and enterprises in the trade and services sectors.

Qualitative criteria are not often used because they are less precise and more difficult to collect and apply.

The following examples indicate the range of definitions for SMEs.

Table 2: Examples of quantitative definitions of SMEs

Definition by	*Criteria*	*Micro Enterprise*	*Small Enterprise*	*Medium Enterprise*
US Small Business Administration	No. of employees	1-19	20-99	100-499
UK Department of Trade and Industry	No. of employees	1-9	10-49	50-249
Eurostat	No. of employees	1-9	10-99	100-499
European Commission	No. of employees	-	50	250
	Turnover (€, million)	-	7.0	40.0
	Balance Sheet Total (€, million)	-	5.0	27.0
World Bank, SME Department	No. of employees	-	<50	<300
	Total assets and total annual sales (US$, million)	-	3	15

Sources: Bridge, S. 1980; Hauser, H.E. 2000; Kets de Vries, M.F.R. 1993; Mintzberg, H. 1999.

While the number of workers is often used for classifying enterprises, it can be misleading if used by itself. For example, while an enterprise using 20 workers may be classified as "small", it may exhibit all the characteristics of a micro enterprise: use of a few hand tools, value of fixed assets not more than a few hundred dollars, and the yearly turnover less than a few thousand dollars. These characteristics are typical of, for example, a food processing cooperative, working part of the year, and using non-mechanized production processes. On the other hand, an enterprise with five workers may be classified as a "micro enterprise", while it may have all the characteristics of a formal small enterprise: use of capital-intensive technology with investment and turnover of millions of dollars. These characteristics may, for example, apply to an enterprise that apply plastic coating to electrical wires or one involved in the design and production of circuit boards. These examples clearly show that the use of a single criterion for classifying enterprises could be misleading in a number of cases. While in some countries the number of such exceptions may not be many, justifying the use of a single classification criterion, in others it could be fairly high.

C. SMEs in South Asia

South Asia also shows a wide variation in definitions of SMEs. In Pakistan there is no universally accepted definition of SMEs. Sri Lanka favours an asset-based definition, with small enterprises having assets (excluding land and buildings) of LKR 1 to 20 million (about US$ 10,000-200,000), and medium enterprises assets of LKR 21 to 50 million (about US$ 200,000-500,000). In India the focus is on small scale industrial enterprises (SSI), which are classified as follows: small scale industries engaged in manufacture, processing or preservation of goods, with a ceiling of INRs 10m (about US$ 220,000) of investment in plant and machinery (although in selected sectors, such as knitwear, hosiery, and hand tools, the ceiling is higher). The closest to an acceptable definition in Nepal is the classification found in the Industrial Enterprises Act and related policies. These focus on the size of investment or value of capital assets. Industrial units with fixed assets worth less than NRs 30 million (about US$ 417,000) are considered to be small, and those having fixed assets worth between NRs 30 million and 100 million medium. Units having fixed assets worth more than NRs 100 million (US$ 1,389,000) are grouped as large enterprises.

The contribution of SMEs to overall economic growth and GDP is quite significant in many of the countries under study. It is estimated that the SMEs contribute half of Bangladesh's industrial GDP and provide employment for about five million persons, or 82 per cent of the total industrial sector employment. Bhutan had in 2001 about 409 small-scale and 43 medium scale enterprises. In Nepal, SMEs constitute more than 98 per cent of all establishments covered by censuses, and contribute 63 per cent of the value added. More than 80 per cent of the national value addition in the manufacturing sector comes from the SME sector. In Pakistan SMEs contribute about 30 per cent of GDP, while 99 per cent of the 2.3 million enterprises that are very small absorb 60 to 70 per cent of labour in the manufacturing industry, service and trade sectors. Units employing between 10 and 99 workers absorb an additional 20 per cent of labour. In Sri Lanka, a recent survey revealed that the SME sector comprises largely well-established businesses of which sole proprietorships and partnerships account for 80 per cent of all SMEs surveyed. This might suggest that the

sector is not particularly dynamic. The number of SMEs owned by women, however, is miniscule in all these countries (Sinha, 2003).

D. Available statistics on women entrepreneurs in South Asia

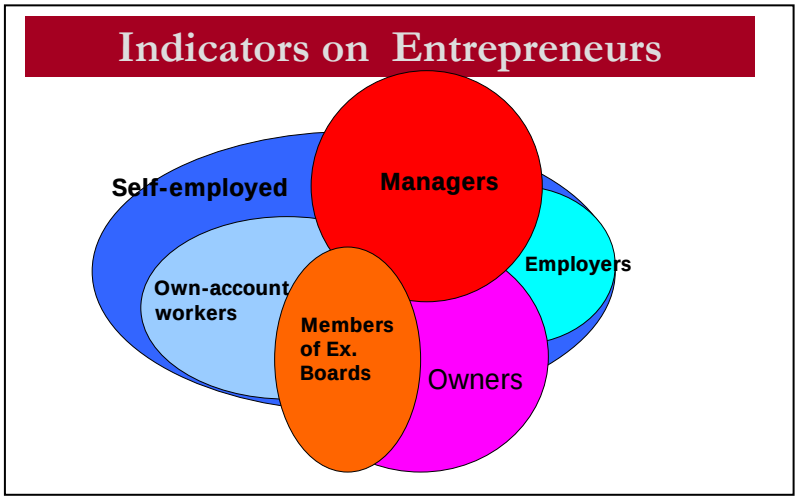
It is difficult to accurately estimate the number of women entrepreneurs in each of the countries in South Asia and in the region, as aggregate data on women entrepreneurs is difficult to come by. Lack of clarity on definitional issues, particularly on the definition of the SMEs, and the absence of gender disaggregated data makes it difficult to quantify the number of women entrepreneurs and the economic contribution of their enterprises in such a way that it is comparable across time and across countries.

Some information on women entrepreneurs may be available in national level household surveys under the broad category of self employed. However, self employed include both own account workers and employers. Another way to try to capture women entrepreneurs in SMEs is through the gender disaggregated data for employers, though this category will reflect women entrepreneurs in SMEs as well as large enterprises. It is however to be noted that there are not many large women entrepreneurs in larger enterprises in the patriarchal, poor nations of South Asia.

Enterprise surveys of the countries will also give some indication of the number of women entrepreneurs in the formal SMEs. However, the registration of enterprises has limited use as a survey in countries, such as India, Pakistan, Sri Lanka where the extent of the informal sector is very large. In addition, women entrepreneurs who may be functioning as owner managers may be listed under managers. The prevalence of "surrogate entrepreneurship" or "surrogate ownership" has been noted in some studies, thus making the task of accurately capturing women entrepreneurs very difficult (Giovannelli, Gunnsteinsdottir and Me, 2003, ILO, 2003 and Ganesan 2003).[2] Ganesan (2003) reports a high level of surrogate ownership among women entrepreneurs where in the name of the women, men (usually husbands or fathers) were operating the enterprise.

[2] Ganesan (2003) describes surrogate owners as a category of women entrepreneurs wherein the business is registered in the name of the women but men were operating it. The women who have lent their names have done so either for their husbands or their fathers. Most of these men were in full time salaried employment and were not allowed to enter into business. To circumvent this rule, these men had registered their business in the name of their unemployed daughters, wives and mothers. Ganesan has found that surrogate entrepreneurs made up 22 per cent of the total registration in his study of women entrepreneurs in South India.

Figure 1: Indicators on Entrepreneurs



A use of several sources for estimating the number of women entrepreneurs has its set of difficulties. Lack of comparability and coverage issues remain unaddressed (Giovannelli, Gunnsteinsdottir and Me, 2003). It would therefore be important to reach an agreement on a working definition or a common framework on entrepreneurship and other relevant key concepts in order to harmonize statistical concepts related to the collection and dissemination of data among and within countries. Incorporating the gender dimension in the collection and dissemination of SME statistics is critical. It would thus also be useful to identify expertise and best practices in the region which could be used as a basis for the standard ways in which official statistics on women's and men's entrepreneurship will be collected by national statistical offices (NSOs) in the region.

E. Estimating the number of women entrepreneurs in South Asia

To estimate the number of women entrepreneurs in SMEs in the formal sector, it may be useful to keep in mind the minuscule number of women in the formal sector in South Asian countries. In India, only 4 per cent of the economically active women are in the formal sector (Mahbub ul Haq Human Development Center, 2000). In Nepal, it is estimated to be less than 10 per cent of the economically active population (BISCONS, 1999). In Sri Lanka, a study which looked at informal enterprises only,[3] estimated that 49 per cent of the total workforce was in the informal sector in 1998 (Sandaratne, 2001). In 1987, the formal sector in Pakistan employed 16 per cent of the female labour force while the informal accounted for 84 per cent. However, the participation of women in the formal sector is increasing in most South Asian countries, although most women are paid employees in unskilled and low paid work.

[3] Estimating the number of informal enterprises is a conservative estimate of the informal sector because it refers only to the enterprises that are not legally regulated (i.e., licensed). The informal sector or informal economy, as it has recently come to be referred as, comprises not only informal enterprises but also informal jobs which include casual work or daily wages – employment with no legal protection and work contracts in formal enterprises – subcontractual home-based workers, domestic workers and other informal jobs including those in the informal enterprises.

One indicator which is indicative of the minuscule number of women entrepreneurs is the total percentage of women who are employers. In Sri Lanka, 0.8 per cent of women workers are employers and in the Maldives the figure is 1.1 per cent. The same figure for Nepal is 0.4 per cent, Pakistan 0.3 per cent and Bangladesh 0.1 per cent. However, as can be seen from table 3, the number of male employers is also very low in these countries, although still double or triple the number of female employers.

Table 3: Employment status – percentage of women and men who are employers

Country	***Male***	***Female***
Bangladesh (1995-96)	0.4	0.1
Nepal (1991)	0.7	0.4
Pakistan (2001-02)	0.9	0.3
Sri Lanka (1998)	2.5	0.8
Maldives (2000)	4.5	1.1

Sources: Bangladesh Bureau of Statistics, 1996; Central Bureau of Statistics, Population Census of Nepal, 1991; Federal Bureau of Statistics, Pakistan, 2001-02; Government of Sri Lanka, 1998; and Population and Housing Census, Maldives, 2000.

From the above, it can be noted that although statistics are lacking, the number of women entrepreneurs either in absolute or relative terms have not reached the critical mass necessary to make an impact on the system.

The subtle manifestation of the gender phenomenon is often reflected in the size of the business, product line, growth, composition and management, which can be seen from the profile of women entrepreneurs described in the next section. A typical woman entrepreneur's enterprise is very small, in traditional manufacturing activities, with low turnovers, a low number of employees and no professional assistance.

III. PROFILE OF WOMEN ENTREPRENEURS

A. Motivation for start up

Many studies have observed that there are certain differences between men and women in their reasons for starting a business. For example, Lavoi (1992), in a study based on women entrepreneurs in Canada found that financial gain is not the primary motivating factor for women, who are more likely to start a business for the challenge and opportunity for self-fulfilment. In contrast, studies from developing countries (Patel, 1987; Das, 2000), suggest that there are three categories of women entrepreneurs – "chance", "forced" and "created" entrepreneurs – based on how their businesses got started. Chance entrepreneurs are those who start a business without any clear goals or plans – their businesses probably evolved from hobbies to economic enterprises over time. Forced entrepreneurs are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial. Created entrepreneurs are those are "located, motivated, encouraged and developed through Entrepreneurship Development Programmes". Many other studies on women entrepreneurs have attributed broadly the same reasons for starting a business. According to one study by Das (2000), the most common reasons given were either "financial" or "to keep busy". Only about one fifth of women were drawn to entrepreneurship by "pull" factors, for instance, the need for a challenge, the urge to try something on their own and to be independent and to show others that they are capable of doing well in business.

Table 4: Categories of women entrepreneurs (by reasons for starting the business)

Chance Entrepreneurs
• Had time / to keep busy
• Was hobby / special interest
• Family / spouse had business
Forced Entrepreneurs
• Money / needed the money
• To help family financially
Created or Pulled Entrepreneurs
• Control over time, flexibility
• Challenge, try something on one's own
• Show others I could do it
• To be independent
• Self satisfaction
• Example to children
• Employment to others / do something worthwhile

Source: Das, 2000.

B. Personal characteristics of women entrepreneurs (age, education, marital status)

In India, a majority of women entrepreneurs in SMEs fall within the age group of 25- 40 years. Most SME women owners are married. They have a good educational background, with most of them at least graduates, and have an above average record in education and participation in extra-curricular activities. Most have an urban background and have lived in small nuclear families, both before and after marriage. A majority of women entrepreneurs in SMEs are from Hindu forward communities, with Brahmins being the largest proportion. In the northern part of the country, it is mainly women belonging to communities which have traditionally been in business e.g., Bania or Punjabi Khatri. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs. These women are either from families which are already in business or have service backgrounds. They have highly educated fathers or husbands (Lalitha Rani, 1996; Sharma and Dhameja, 2002; Walokar, 2001; Ganesan, 2003; Das, 2000).

Studies from other South Asian countries show the same trends. A survey of women entrepreneurs in the formal sector in Pakistan in 2002 showed that most entrepreneurs were in the age group of 20-39 years (Goheer, 2002). It also showed that the likelihood of a Pakistani woman being in business was greater if she lived in a nuclear family structure, while the predominant mode in Pakistan is an extended family structure. Living in a nuclear family structure would mean that women have relatively less interaction with the older generation and are less constrained by their social/cultural influence. The literacy rate of women entrepreneurs and their close relatives were well above the national average. While the female literacy rate is 32.6 per cent in Pakistan, 97 per cent of the survey respondents were literate. Information regarding the level of education is revealing as it indicates that the majority of women entrepreneurs belonged to the upper tiers of graduates and post-graduates. Most had supportive husbands and families. The study also showed that the educated woman with an educated family background is much more likely than an average Pakistani woman to start or run a business.

In Bangladesh, a study by Abu Saleh (1995) observes that 75 per cent of women entrepreneurs in the sample were degree-holders. In Sri Lanka, most successful women entrepreneurs belong to families with economic resources (ADB, 1999). Concerning the social background, a study of women entrepreneurs in Nepal showed that women from the Tibeto-Burman communities are socially less constrained than those belonging to the Indo-Aryan communities in terms of entrepreneurial tendencies (ADB, 1999).

In sum, the level of education in combination with a supportive family or social environment seems to be important requisites for women entrepreneurship.

C. Ownership structures

Studies show that SMEs owned by women entrepreneurs mostly are of sole proprietorship in India. Proprietorship ventures are popular because of lower initial investments and availability of tax incentives. Some private limited companies and a very small number of partnership concerns, mainly along with relatives also exists (Sharma and Dhameja,2002; Walokar, 2001; Ganesan, 2003). In Pakistan, the same trends are evident – most women owned SMEs have legal status of a sole proprietorship, which is the simplest form of business organization requiring few legal formalities. It is interesting to note that the proportion of partnerships in the businesses owned by women in Pakistan is twice the national average. There is also the phenomenon of surrogate ownership as earlier referred to.

D. Major sectors

A majority of women entrepreneurs in India are concentrated in the light manufacturing sector (leather, garments, engineering goods, beauty products). The second most common category is that of services (interior designing, management and placement, consultancy, nursery school). This is followed by the retail trade sector including boutiques, home furnishing, automobile dealing, etc. (Lalitha Rani, 1996; Sharma and Dhameja, 2002; Ganesan, 2003). In the 1970s and 1980s women entrepreneurs were confined to "kitchen-enterprises" – the three Ps: pickle, powder (spices) and papad – or "soft" traditionally feminine enterprises, such as garments, beauty care, etc. However, from the 1990s and onwards, with increased levels of education, more women have opted for entrepreneurial careers in plastics, electronics and leather related industries. However, overall women entrepreneurs gravitate towards ventures with low investment and lesser technological barriers (Lalitha Rani 1996; Sharma and Dhameja 2002; Lakshmi, 1998).

Some studies also show that at the start-off stage, most are clustered in the service/trade sector, and only after gaining experience here for 8-10 years, they exhibit entrepreneurial mobility to move to the manufacturing line (Sharma and Dhameja, 2002). More service sector entrepreneurs were employed prior to setting up their own enterprises than women entrepreneurs in the manufacturing / trading sector. Moreover, women entrepreneurs in the service sector are more educated than those in the trading sector (Lalitha Rani, 1996).

Service sector units are generally not inherited and are entirely started by the women entrepreneurs themselves (Lalitha Rani, 1996). The ease in setting up an enterprise and availability of technical know-how are considered as priorities by women in trading and manufacturing enterprises, whereas women entrepreneurs in the service sector are influenced by the profession or occupation taken up earlier (Lalitha Rani, 1996). Most women-owned SMEs are "single products/service" ones and no diversification have taken place. In rare cases of diversification, the reason has been more a strategy of survival. They have only one mainline activity with low ambitions for growth (Walokar, 2001; Rajivan, 1997). Manufacturing and service sector women entrepreneurs prefer expanding their present enterprises, while trading sector entrepreneurs aspire more to set up new enterprises as they are easier to set up (Lalitha Rani, 1996). Women entrepreneurs prefer enterprises with lesser gestation periods and

a majority of the units earn a profit before the second year of operation (Lalitha Rani, 1996).

In Bangladesh, most women entrepreneurs are engaged in cottage and small scale enterprises where they can also apply traditional type of technologies (Lakshmi, 1998). In Sri Lanka, they are concentrated in culturally perceived “feminine” areas such as sewing and dress making. A study in Pakistan (Goheer, 2002) shows that most women were engaged in traditional business while a tiny minority were in non-traditional business, with textiles and apparel being the prime area of activity.

IV. IMPEDIMENTS FOR WOMEN ENTREPRENEURSHIP DEVELOPMENT

Several studies around the world have been carried out which throw light on the challenges faced by women entrepreneurs. Though the three major stages in the entrepreneurial process – of creating, nurturing and nourishing – are the same for men and women, there are however, in practice, problems faced by women which are of different dimensions and magnitudes, owing to social and cultural reasons. The gender discrimination that often prevails at all levels in many societies impact the sphere of women in industry too, and a cumulative effect of psychological, social, economic and educational factors act as impediments to women entrepreneurs entering the mainstream. A study (Cooper, as quoted in Das, 2000) of women entrepreneurs in the western world, proposed that three factors influence entrepreneurship – antecedent influences (i.e., background factors such as family influences and genetic factors that affect motivation, skills and knowledge), the "incubator organization" (i.e., the nature of the organization where the entrepreneur was employed just prior to starting a business; the skills learned there) and environmental factors (e.g., economic conditions, access to venture capital and support services, role models). Research from the rest of the world indicates that women and men differ on some of the above factors. While several of these challenges are in inherent to many countries, some of them are more severe in South Asia.

Some of the important barriers faced by women are discussed below.

A. Access to finance

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. In South Asia, women are almost invisible to formal financial institutions – they receive less than 10 per cent of commercial credits (Mahbub ul Haq human Development Center, 2000). When women do have access to credit it is often in small amounts, whether this suits their needs or not. Differential access to credit may of course be a reflection of differences in the choice of sector, educational level or the amount of loan requested. However, as sector choice and educational levels tend to be limited or influenced by gender, one could say that any differential access based on this motive is indirectly caused by gender perceptions. In addition to this, women entrepreneurs in developing countries continue to suffer from poor overall assets, poor enforcement of financial rights and the existence of unequal inheritance rights and consequently poor access to community and social resources. Gender-based obstacles – conventional thinking, cultural and social values, lack of collateral – all aggravate the difficulties faced by women. High transaction costs, the rigidity of collateral requirements and heavy paperwork are further impediments to women entrepreneurs (Charumathi, 1998; Tiwary, Ojha and Pain, 1998; Finnegan and Danielsen, 1997; Shayamalan, 1999).

Women, in particular the less educated ones, also find it more difficult to get financing from banks because they lack information on how to go about securing a loan. Moreover, bank managers are often more reluctant to lend to women than to men.

Sometimes, credit may be available for women through several schemes but there are bottlenecks and gaps, and the multiplicity of schemes is often not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are sometimes not made aware of the best option for their requirements (Vishwanathan, 2001). In many countries, women face unequal inheritance practices and laws, discriminatory laws on ownership of property or access to bank loans, or discriminatory practices by banks. In the area of guarantees, several discouraging habits have become ingrained in financial institutions and banks, such as requiring male members to accompany women entrepreneurs for finalizing projects proposed by women, as well as almost invariably insisting on guarantees from males in the family (Commonwealth Secretariat, 2002).

A general lack of experience and exposure also restricts women from venturing out and dealing with banking institutions. Those who do venture out often find that transaction costs for accessing credit are high, and cannot be met by the cash available to them. Because of this, they are dependent on the family members for surety or collateral and hence restrict the money they borrow. This results in lower investments. Alternately they tend to find working capital at higher rates of interest. The availability of finance and other facilities, such as industrial sheds and land for women entrepreneurs are often constrained by restrictions that do not account for practical realities. All these in turn affect the enterprise and its survival.

In one study in India (Kaur and Bawa, 1992), 54 per cent of women entrepreneurs had started their business with their own personal savings and some financial assistance from their spouse, 23 per cent received finances from their parents, 13 per cent from relatives and friends and only 10 per cent from government agency and nationalized banks. Many other studies in South Asia have substantiated these findings. Dr Shehla Akram, founder of Women Chambers of Commerce in Lahore has also identified funds as a major issue of women entrepreneurs, quoting from a study which showed that most middle-level women entrepreneurs in Pakistan were financed by their own savings or borrowing from their relatives.[4] Another study by Das (2000) shows that more than 50 per cent of the women used their own funds or funds borrowed from their spouse or family to set up their business. Though 43 per cent had taken loans from a financial institution, for a significant proportion (38 per cent) this was only a small part of their original investment and not the primary source of funds. A study from Pakistan showed that the predominant source of start-up capital for women entrepreneurs was reported as personal savings (73 per cent), while informal sources were in second position. Only 4 per cent of respondents had access to formal sources of credit (Goheer, 2002).

A study from Nepal points out that all formal credit institutions seek tangible collateral for loans, and that women are effectively sidelined from institutional credit since they have little access to inherited property (Acharya, 2001). The study also points out that data on borrowing from formal and informal sources show that institutional sources of credit accounts for only 15.4 per cent of women's borrowing whereas non-institutional – from friends and family – accounts for 84.6 per cent.

[4] Shehla Akram, "Funds are a major issue for women entrepreneurs", *Daily Time*s, 30 December 1999, <http://www.dailytimes.com>.

In sum, it is interesting to note that although it often is self reliance that motivates women to venture out on their own, they have to rely on the securities of others to raise their basic capital requirements.

B. Access to markets

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts.

Market liberalization leads to increased competition which demands swifter response to the market. SMEs thus face competition from transnational corporations as well as from efficient low wage, low cost producers in other developing countries, and need to engage in active technology and skill upgrading, and more efficient quality management in order to stay competitive. This may require fast and easy access to capital, something that women entrepreneurs often lack. Unfamiliarity with the external world and lack of ease in moving around in it also hampers women when it comes to dealing with a multiplicity of agencies in setting up or running a business. Thus, even when they do have professional competence and training, women are often forced to turn to male professionals for assistance.

C. Access to training

Women have limited access to vocational and technical training in South Asia. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. South Asia is characterized by low enrolment among women in education, high drop out rates and poor quality of education. The table below shows female literacy levels as a percentage of male literacy as well as average years of schooling of women and men, respectively. The figures are testifying to the existence of gender discrimination in building capacity of women and providing them with equal opportunities.

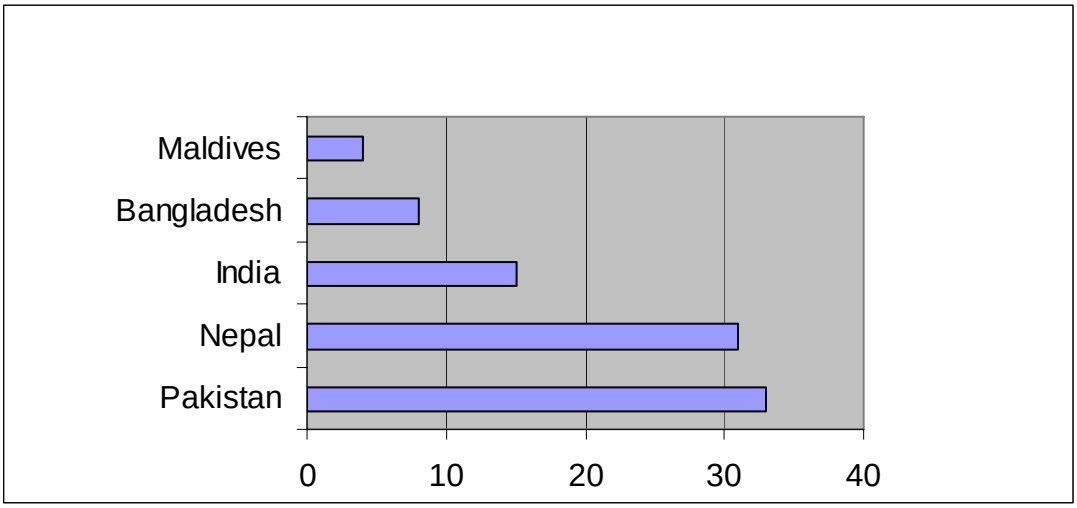
Table 5: Female-male gaps in education in South Asia

	Female literacy as % of male literacy	*Average years of schooling*	
		Male	***Female***
India	67	6.3	3.7
Pakistan	50	5.1	2.5
Bangladesh	62	3.3	1.8
Nepal	41	3.4	1.5
Sri Lanka	94	7.2	6.6
South Asia	67	5.8	3.4

Source: Mahbub ul Haq Human Development Centre, *Human development in South Asia 2003: The Employment Challenge* (Oxford University Press), 2003.

Of the already low vocational educational enrolment of less than 2 per cent in South Asia, female students comprise only a quarter of one per cent. (Mahbub ul Haq Human Development Center, 2000). In Bangladesh, less than 13 per cent of the enterprise development programme trainees are women (Finnegan, 2000). Even in countries, such as Sri Lanka, where more women than men have a 10 +12 educational background, gender roles continue to confine women to a narrow range of economic activity.

Figure 2: Percentage of females enrolled in second level vocational education



Source: Mahbub ul Haq Human Development Centre, *Human Development In South Asia: The Gender Question* (Oxford University Press), 2000.

Women also tend to be less likely to have had education and experience relevant to starting and managing a business and thus less potential for success. Gaining relevant skills and knowledge can also be more difficult for women since they frequently have double work burden and childcare responsibilities, thus making them less able than men to attend formal and informal trainings. In addition, gender stereotypes, prejudices of teachers, and gender-based preferences of parents and girls themselves tend to channel girls and women into the more general and social rather than scientific or technical areas of education. As a result, women are educationally less well equipped to manage some kinds of businesses and, in the less developed

countries with low overall levels of education, often less well equipped to manage business in the formal sector in general. Such disadvantages affect their capacity to access formal sources of credit, technical support as well as government small business programmes. When training is available, women may be unable to access it because it is held at a time when they are meeting family responsibilities, or the content and method of delivery may not be appropriate. This lack of access to education and training opportunities mean that women start their businesses without adequate skills. Besides, most technical trainings that are offered to girls at the post-school levels, in the women polytechnic for instance are limited to traditional careers, such as secretarial practice, dress designing, etc. Thus, the exclusivity of training acts as limiting factor itself.

D. Access to networks

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or subsectors and of women as individuals within any given sector. As an example of this, at a recent SME Trade Fair in a country in Asia where it has been estimated than women operate around half of all SMEs, less than 20 women were registered among the approximately 250 participants, and most of those were civil servants rather than businesswomen.

Women's businesses are not well represented in industry, trade or business associations. Both the leadership and the membership of chambers of commerce, business, traders and industry associations tend to be dominated by men, and few women join or reach leadership positions in the mainstream business organizations. Although partly a reflection of the low number of women entrepreneurs, it means that the different needs of women entrepreneurs do not feed into policymaking through the lobbying and other activities of these organizations. Many specialist organizations of businesswomen often do not counter this situation because their activities tend to be oriented toward charity and social work, in contrast to the business networking and policy lobbying orientation of the "mainstream" but more male-dominated organizations.

Part of the reason for women's organizational invisibility is the difficulty of finding sufficient time to attend meetings as well as manage their families. However, business associations rarely consider such needs when scheduling meetings, and few business conferences or trade fairs provide childcare or children's programmes in order to facilitate the participation of businesswomen. It is interesting to note, on the other hand, that many business conferences, particularly in developed countries, do provide

"spouse" programmes in order to accommodate the needs of businessmen to bring along their "non-working" wives.

Many women's business organizations, such as the FLO in India and the BCCI in Bangladesh (refer to section VI for details of the two organizations) and Women's Chambers of Commerce and Industry (WCCI) in Pakistan have mushroomed in the region to fill this gap. However, in general, the mere existence of such organizations does not ensure voice and visibility for the women entrepreneurs. The organizations must provide needs-based services as per the clients needs as well as be effective and positive in the policy arena. Organizations must recognize that women are not homogenous and make sure that different voices of women entrepreneurs are heard. Many times the women's organizations may lack acceptance by and legitimacy in the government and may suffer from inadequate funding.

E. Access to policymakers

Most women have little access to policymakers or representation on policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more as their peers. Women tend not to belong to, and even less reach leadership positions in, mainstream business organizations, limiting their input into policymaking through lobbying. Women's lack of access to information also limits their knowledgeable input into policymaking.

Table 4 below provides an overview of challenges discussed above, showing both the challenges faced by SMEs in general but which can pose a greater obstacle for women than for men (women intensive) and those faced by women only (women exclusive).

Table 4: Competing in international markets: the challenges faced by women-owned SMEs

Challenges faced by SMEs (women intensive)	***Challenges faced by women-owned SMEs (women exclusive)***
Access to Finance Service companies face difficulties due to the nature of their businesses. Cost of capital relative to other countries.	Discriminatory national laws Prejudice against women and women-owned businesses Difficulty in providing collateral (women do not own assets in their own right) Lack of credit / banking history (due to past, informal nature of businesses) Need for credit plus business planning and advisory services
Access to Markets Access to quality, up-to-date information Contacts through personal networks Small size of businesses	Prejudice against women Difficulty in travelling to make contacts Sexual harassment

Table 4 *(Continued)*

Challenges faced by SMEs (women intensive)	*Challenges faced by women-owned SMEs (women exclusive)*
Access to Training Technical training Training on WTO and trade policy and requirements	Training needs are often overlooked When identified, women's needs may not be met (for example, time of training, content, method of delivery)
Access to infrastructure Need for reliable physical infrastructure (road transportation, air transportation) Need for predicable trade support infrastructure (knowledgeable bureaucracy, supportive government mechanisms, etc)	Bias against women's businesses Few or no contacts in the bureaucracy
Access to technology Need for reliable telephone and Internet service Potential for e-commerce and e-trade Access to electronic banking and transfers Use of English as the medium of communication through the Internet	Older women and women with low levels of education and literacy are particularly disadvantaged Lack of English language skills Bias against women's involvement in technical matters.
Access to Policymakers / Input into trade Policy Large companies and men can more easily influence policy and have access to policymakers who are their peers.	Most women have little access to policymakers or representation on policymaking bodies. Lack of access to information limits knowledgeable input into policy.

Source: Commonwealth Secretariat, *Commonwealth Business Women: Trade Matters, Best Practices and Success Stories*, (London), 2002.

F. Other impediments to women entrepreneurship

1. Traditional views on the role of women in the society

One characteristic that clearly distinguishes most businesswomen from their male counterparts is the added responsibility society often puts upon them in their roles as mothers and wives. The time taken up and the emotional burden created by these dual role responsibilities often interfere directly with the conduct of business for women in ways that do not apply to the majority of men in South Asia.

The often prevailing attitude that the women's place is at home and that her first priority is to look after the home and family constrain many married women from venturing into entrepreneurship. Even for the women who are interested, the fact that

marriage often results in geographical displacement, makes serious entrepreneurship the last option. Charumathi (1998) identifies the fact that women's enterprises are taking a second place to home as one of the main weaknesses of women entrepreneurs in India. Married women also have to make a fine balance between home and business. Thus, despite modernization, tradition and family slow down women. Moreover, "interfacing and interacting" with women as professionals is still an awkward experience for many men due to the deep rooted traditional perception of male-female relationship.

Women entrepreneurs in Bangladesh also suffer from the myth of women not being effective organizers (Matiur-Rahman, Bhattacharjee and Lahiri, 1998). On the other hand, they are believed to be best suited for housekeeping. This has created difficulties for women to become true entrepreneurs. In another study on women entrepreneurs in Bangladesh, Anwar (1992) found that due to the prevailing social norms, women entrepreneurs were prevented from managing their businesses independently. These norms had restricted women entrepreneurs' mobility, and thereby affected interaction with others.

Women in Nepal also suffer from bias against women because of the cultural and traditional values (Acharya, 2001). The expected behavioural pattern of women which is marked by modesty and lack of articulation is often misinterpreted as incompetence and lack of professionalism. In this setting, the transition itself from a "non–professional" approach to a "professional" one is an extra effort for women. In addition, women by themselves find it difficult to interact and discuss issues as equals, because they have been trained to listen, obey and leave decisions to men in the family. The condescending views of others do little to support them.

Interestingly, in one study on women entrepreneurs in south India, women entrepreneurs did not feel that having their own business affected their roles as spouse, parent or homemaker very much. These women experienced very low levels of work-family conflict in their spousal or parental roles. However, it should be noted that all these women had someone to help them with their household chores – either a part-time or a full-time maid. Part of the reason for a lower level of role conflict may also be the high amount of spousal support that these women had. Over 74 per cent of the women said that their spouse was either happy or very happy that they owned their own business. Another factor that may have contributed to the high degree of spousal support might have been the stable, satisfactory nature of their marriages. It may be noted that most of the women included in the study had been married for a fairly long time with over 80 per cent stating that they were "satisfied" or "very satisfied" with their marital life.

Because of this patriarchal bias and role prescriptions, ambition, self-confidence, innovativeness, achievement motivation and risk-taking ability, which are essential for an entrepreneurial career, are inhibited. Women entrepreneurs also face restrictions hampering their mobility. Some of the women entrepreneurs complain that government clerks and private dealers harass them. As a result, many women entrepreneurs undertake what a Pakistani author (Gillani, 2004) has described as "comfort zone movement", i.e., they tend to operate only among clients that they know. Products are sold to relatives and friends and suppliers tend to be people

already known to them. Thus, a more extensive network is lacking and expansion into a larger scale is not considered with enthusiasm.

Another problem faced by women entrepreneurs is occupational mobility glitches. Occupational mobility, i.e., shifting from one product line to another, is considered by women entrepreneurs as disadvantageous. Taking a chance to venture on their own is considered a risky proposition which can be indulged by the family members once but not again if a woman entrepreneur wants to be more adventurous in her ventures. Women are also financially at a disadvantage to innovate into a second product line. Many women have to borrow from the men in their lives to start up the first venture. However, money for a second venture is often not as likely to be forthcoming from the same source.

Many women entrepreneurs have to experience the troubling "assistance" of support agencies. Harassment in government departments, indifferent and discriminating attitude of officials of all small-scale industry related departments, such as taxation, labour, power, etc., are some of the problems that women entrepreneurs have to deal with.

2. Statistical invisibility

Most countries do not collect statistics on the sex composition of business owners or operators. Indeed, statisticians would argue that such statistics are methodologically problematic because many businesses have multiple owners and operators, some of whom might be men and some women. In the Asia-Pacific region, for example, only Australia currently undertakes a survey of entrepreneurs (who are defined as individuals and therefore are either female or male), while the Philippines is planning to collect data on the sex composition of business operators. However, in the absence of some kind of statistical base, policymakers, bankers and others tend to assume that all businesses are owned and/or operated by men or, to a similar effect that businesses owned or operated by women are no different from those of men. This is not so. Although few general statistics on the sex composition of business owners and operators are available, a number of comparative studies of women-owned and men-owned or operated businesses show quite distinct differences. Such differences suggest different needs, and show that in order to make good policy it is essential to make women's businesses visible in terms of numbers, their share of businesses and distinct characteristics.

Comparative studies have also shown that women entrepreneurs tend to operate in different subsectors than men. They are also likely to be concentrated in specific subsectors. Sectors or subsectors that are dominated by women entrepreneurs tend to receive little attention from policymakers who, when they do consider SMEs, are more likely to associate SMEs with manufacturing and to focus on programmes such as forward and backward linkages that are more relevant to manufacturing SMEs. Regional trade organizations are much more likely to consider liberalizing trade in subsectors where the main beneficiaries will be businessmen, and to negotiate cross-border and other problems that affect sectors and industries dominated by men.

V. REVIEWING INTERNATIONAL BEST PRACTICE[5]

There has been a boom in female entrepreneurship in developed countries. A recent study finds that women entrepreneurs may once have lagged behind their male counterparts in the west, but now they are quickly making up for lost time. Business ownership among women in general is growing at nearly twice the rate (17 per cent) as all businesses (9 per cent) (*Businessweek*, 24 November 2004). This section briefly examines the modalities of support offered to women entrepreneurs in developed countries and draws out key lessons.

A. Kinds of services

Constraints faced by women entrepreneurs are complex and calls for a parallel range of services to address them. Broadly there are eight different kinds of services which are effective in supporting women entrepreneurs in addressing the various barriers faced by them. The section below lists the types of programmes that are in existence for providing support to the women entrepreneurs.

1. Training

Training is one of the most common business development services provided. Training initiatives include both the provision of general business skills as well as skills more particular to an industry. General business training includes basic business skills such as costing, marketing, accounting and negotiation, and is usually a central element of an integrated service package. However, training in skills is often not enough for women, and successful training programmes for women entrepreneurs therefore also include confidence building, entrepreneurship development training, fostering the attitudes important to starting and managing one's own business, etc. Some programmes do not confine themselves to training existing or potential women entrepreneurs but also make efforts to reach girls in order to encourage them to become entrepreneurs.

A modular approach to training programme design is often considered good – it offers core courses, and then allows clients to select other courses suiting their needs. This makes the training flexible and gives clients the independence to choose the skills on which they want to focus.

However, successful programme designs are always those which are based on realistic needs-based assessments. Women have different training needs in terms of course content, scheduling, length and delivery. Programme designers must be aware of women's multiple roles; programmes should be scheduled when women are likely to be free. Participatory techniques and incremental learning using female instructors are considered good teaching models for reaching women entrepreneurs.

---

[5] The section draws heavily from a review of best practice done by Paula Kantor, *Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to the South*, SEED Working Paper No. 9 (Geneva, ILO), 2001.

2. Credit

There is a wide array of credit programmes operating in developed countries. Credit is a constraint faced by many women entrepreneurs the world over and women need to be able to access mainstream banking and finance, and need support in this area. Different methods of providing access to financing, such a loan guarantees or partnerships with formal financial institutions have been successful, particularly with women entrepreneurs. Increased access to credit is a key to the development of women entrepreneurs in SMEs. Experience from around the world shows that women need flexible finance that meets the developmental needs of the enterprise. The system of loan guarantees has emerged as a successful means of increasing access to credit. This reduces the perceived risks to formal lenders associated with lending to women. However, it is essential that the delivery should be kept simple and transparent.

3. Counselling

Individually-based services where clients receive help on problems specific to their businesses have proven to be most effective. However, counselling programmes tend to be expensive. One way of cutting costs is by using volunteers and using group-based services for more general issues. Attention must be paid to hiring female consultants, avoiding a male environment and providing services sensitive to women's needs. In addition, gender training of consultants should be done. The Service Corps of Retired Executives (SCORE) is a non-profit association in the United States made up of approximately 12,400 volunteer business counsellors. SCORE volunteers are retired or currently working business owners or managers. They have real-world experience to bring to counselling sessions, mentoring relationships and workshops. Despite this, they all receive specialized training in counselling and training to add to their business experience. Throughout its history, SCORE has served almost 4 million clients with counselling and more than one million volunteer hours have been donated.

4. Mentoring

Many women want post-start-up support, accessible after trying out the skills learned in earlier training. Mentoring is one method of providing this support which can be very effective as it addresses the specific problems faced by the individual entrepreneur. This kind of support includes individual or group-based assistance directed at specific problems where mentors serve as role models. Based on a longer-term relationship with the mentor, this is essentially a form of knowledge transfer. It can be tailored to client needs and therefore can have high effectiveness and impact. However, it can also be costly in terms of mentors' time.

Mentoring can be offered to individuals or groups. Individual mentoring is often more effective and have a greater impact as it addresses problems specific to the women's businesses. Group-based mentoring offers other benefits, such as group solidarity and the opportunity to learn from others' experiences. The Women's Enterprise Society in British Columbia (WES-BC) in Canada offers both types of mentoring services. Group mentoring involves about 20 clients and a female volunteer mentor. The group meets every two weeks and clients pay a small fee for the service. The volunteer mentors are experienced businesswomen. WES-BC's individual programme places responsibility for organizing mentoring sessions on clients. They

find their own mentors, though WES-BC will help in making contact with the person and monitor the meetings for the first four months. Clients pay the mentors an hourly wage. In contrast, the MELLOW (Life Long Mentoring of Women in or towards technical jobs) programme under the European Commission is a transnational mentoring programme with a sectoral focus. It mentors students and young professionals in technical fields – often areas where there are few women.

However, as mentioned earlier, mentoring can be an expensive service to provide. Many support agencies have cut costs by using volunteer mentors, but mentor quality has to be monitored. Supply of female mentors, volunteer or not, is sometimes a problem. Coupling mentoring with a sectoral focus has emerged as a good strategy to help women to enter new industries. Use of female mentors and having women-only group mentoring programmes increases the likelihood that women will use the services.

5. Information sharing/network formation

Information is a key resource for women entrepreneurs. Information can relate to markets, suppliers, costs and technology, and networks have emerged as key strategy for offering support to women entrepreneurs. Networking is very important to the success of a business, and it is identified as one of the key ways to strengthen women's enterprises as it can provide access to information, new customers and suppliers. Networks are relations with others in the business community; they are one way to access information.

Sometimes training courses provide early networking opportunities, giving "practice time" to women before they go out to network in the wider business environment. Training courses also allow women to meet others starting businesses. Networks can also contribute to the knowledge and development of support agencies. The Employment NOW Initiative, a women's employment and training initiative of the European Commission, has recognized this source of learning and requires its funded agencies to have transnational partners. Often these partners share training materials and programme elements, or jointly develop them, and such collaborations can serve to disseminate best practices and promote innovation in service delivery.

Information exchange in the networks is provided through many means including one-stop shops, trade fairs and the Internet. Information technology has proven to be an important asset for accessing information and expanding networks. Often the network makes services and information available to by toll free telephone, fax, in person and through the Internet. In fact the use of ICTs has greatly helped to widen the geographic areas of networks, both between entrepreneurs and between support agencies. Internet allows clients to access it at times that suit their schedules. This helps women have greater access as they often have to juggle multiple demands on their time. Online networks and community business centres offer networking opportunities. Decentralized service provision also insures that the information provided to local women is relevant to the local context.

Canada Business Service Centres (CBSCs) is a good example of one-stop shops for information from all levels of government about small business start-up, growth and development. Another successful model is that of the SBA programme of the

United States which has offered help to nearly 20 million small businesses directly or indirectly. FCEM (Les Femmes Chefs d'Entreprises Mondiales/World Association of Women Entrepreneurs), is an example of a network of women business owners which offers networking opportunities aimed at strengthening women's enterprise and taking the issues of the women entrepreneurs to the national and global level. More examples are given under the section on support organizations below.

6. Incubators

Incubators provide entrepreneurs with affordable space, and on site available technical assistance and management support. They provide shared premises to help businesses in the start-up phase and shared business services during incubation period. The initiative may support a mix of clients or clients from a particular industry by providing shared capital, reducing start-up risk and costs. They offer management and technical assistance tailored to business's needs and incubators can support women's move into new, non-traditional sectors. Sharing space with others starting businesses often reduces isolation and provide networking opportunities.

Incubators offer an intensive, individualized mix of services at start-up and beyond. This style of service delivery has proven to be a key means to supporting women's entrepreneurship in new sectors. The effectiveness and impact of services provided are high due to the intensity of services offered. However, outreach and scale is low.

An incubator may serve a specific objective such as technology development or neighbourhood revitalization. According to a 1998 study by the National Business Incubation Association (NBIA), there were 587 incubators in North America helping thousands of fledgling businesses take off every year. Incubators, however, are costly to operate due to capital, equipment and consultancy requirements. The networking and mentoring opportunities are greater when the incubator has a sector focus. Since women often have less time to network outside of work hours, this could be a key element for them.

"Incubatore Impresedonna" is a part of the Employment NOW programme, located in Bologna, Italy, and is the first incubator in Italy focusing on women's entrepreneurship. Its purpose is to offer individual support up to and beyond the launch of an enterprise, or the development of an existing business. It is targeted at women in the start-up and development phase of entrepreneurship. Another good example is that of ACEnet which provides sector-specific incubators, targeted at both women and men. Both examples show that involvement in an incubator during start-up can decrease the entrepreneur's exposure to risk, particularly in industries where start-up investments are large. As women are often more risk averse than men, an incubator can be a good tool to inspire more women to enter into business.

7. Marketing assistance

Agencies providing marketing assistance help entrepreneurs access current and new markets. The markets can be for inputs or final goods, local or global. It can also help in identifying new products and new business opportunities. New technologies and product development are also one aspect of this service, which helps in accessing

new or higher value markets. Support agencies providing marketing assistance often work to create more effective markets through improving transparency, access and equity, thus allowing benefits to be leveraged for a large number of clients. As markets in some cultures are "male spaces", improving market access and transparency can make women more comfortable in the economic sphere. Standardizing market operations and reducing corruption have also helped in increasing women's willingness to participate in the marketplace.

8. Advocacy

Several agencies are focusing on advocacy work toward improving the opportunities available to women entrepreneurs. Their key role is influencing policy. The ILO works in this arena to support women entrepreneurs and its tripartite membership structure suits an advocacy role. Several other international organizations, such as UNIDO, OECD, UNIFEM and ESCAP, as well as governments and NGOs also play this role. Many advocacy organizations focus on supporting female entrepreneurs. They work to raise the visibility of women's economic contribution and to change policy to support women's role in the sector. It is important that advocacy groups are aware of the heterogeneity of their client groups. Without this awareness, policy changes risk being unintentionally biased against certain groups, often women.

B. Support organizations

Many different types of organizations provide either direct or indirect support to women entrepreneurs. The different organizations working with women entrepreneurs include: NGOs, credit providers, training and technical assistance centres, research institutes and universities, professional organizations, government agencies and private sector organizations.

There is wide consensus on the government's role as a facilitator for women entrepreneurs. There are various means through which the government in developed countries has been facilitating their development, including by simplifying legal and fiscal frameworks and promoting a framework which supports entrepreneurs, particularly women entrepreneurs in their growth. In some countries, the government has played a key role in promoting skills training and developing local economic, physical and social infrastructure.

Many NGOs at the local, national and international levels work to support women's entrepreneurship. Local NGOs have emerged as key service providers, being smaller, less bureaucratic and closer to the people. In some cases, large and international NGOs have managed the same effect by decentralizing operations and developing partnerships. Besides, local NGOs often have a have greater potential to be gender aware since they are closer to their clients; this is particularly true for those targeting women.

Many credit providers and training/technical assistance centres work independently to serve women entrepreneurs, or in other cases they may partner with other agencies providing support to women's entrepreneurs. Credit providers may be classified as formal, such as banks, or informal such as local area revolving loan schemes (ROSCAs) or NGO credit programmes.

Professional membership organizations have also emerged as important agencies which work to change policy and provide services and networks to members. They work best when they serve a clientele with common interests. There are many membership organizations serving women business owners, with gender being perceived as one commonality across which membership organizations can be established. They operate locally, nationally and even internationally. An international example is the World Association of Women Entrepreneurs/Les Femmes Chefs d'Entreprises Mondiales (FCEM), an international women's business organization comprised national associations of women business owners from more than 35 countries. It seeks to support women in developing international contacts, joint ventures and in exchanges of skills and knowledge. One of its national affiliates is the National Association of Women Business Owners (NAWBO) in the United States, which works at the macro level to change the policy and work environment to better support women entrepreneurs. It builds alliances and networks, conducts research and advocates for women entrepreneurs (Taylor, 1998). It in turn has satellites across the United States. Another example of a global network include the International Alliance for Women (TIAW), which aims to act as a network for professional women, as well as encourage, develop, fund and implement programmes that foster economic empowerment and advancement for women around the world. Its programmes include microenterprise development and a "Women on Boards" initiative.

Private sector actors other than banks or private training providers include suppliers of inputs, final goods customers and consultants. They work with women entrepreneurs through subcontracting arrangements and by supplying inputs, raw materials, used equipment or technical assistance. These are viewed as an increasingly important source of assistance for women entrepreneurs, particularly for-profit service providers. In addition to this,, consultants may work with entrepreneurs directly for pay or as volunteers. For example, some firms may volunteer their staff's time as consultants, while some individuals working in the private sector may do so, independent of their place of work.

Universities and research institutes also contribute to the development of women entrepreneurs through provision of trainers and consultants, and through direct research on entrepreneurship with particular focus on women, and by highlighting their contribution to the local, regional and national economy. In some cases they have also developed technologies to improve productivity and reduce the time burden of women.

International organizations are often involved in several of these types of activities, in particular policy research, analysis and advocacy.

Table 6: Type and role of support agencies

Agency	*Role*
Government	• Facilitate provision of SME support services • Means of facilitation include: legal and fiscal framework, local infrastructure, education & skills training, policy environment including gender sensitive policy
NGO	• Direct service provider • Close to clients, flexible, greater potential for gender awareness • Advocacy • Decentralize provision with national/international planning and oversight (role for the large and international NGOs)
Universities and Research Centres	• Expand and disseminate knowledge about SME sector: its economic contribution, the role of women entrepreneurs • Develop technologies to expand SME production capabilities and reduce women's domestic work burden
Membership (general and women specific) organizations	• Direct service provider • Advocacy: membership should have common needs for this to work best • Networking opportunities
Private Sector	• Can provide services, such as credit and training • Provide new contacts with suppliers and customers • May be a good source of experienced volunteers

C. Service delivery: Some issues of sustainability and effectiveness

Sustainability and effectiveness are critical issues in any service delivery. Irrespective of the kind of service being provided, the design and delivery mechanism must be both sustainable as well as cost effective.

One successful strategy adopted by service providers is providing a small selection of services. This is coupled with partnership or networking strategy with other service providers in the area in order to provide the integrated services required by clients. In this way they each specialize and then depend on referrals to other agencies to package the services as demanded by clients.

Demand-led, business-like and market-based services are the most effective. A demand-led model means basing service design on client needs for what services to provide, where, when and how. This also ensures gender sensitivity. The other factor which often characterizes success is a decentralized nature of service provision. Service provision should be decentralized so that it meets the requirements of the local context and client needs. Local providers are closer to the end users, and are better able to assess demand and obtain the community's involvement and trust.

Gender sensitivity of programme design and service delivery is critical. Agencies which have successful record in reaching women are always aware of the characteristics of their female and male clients, and the barriers affecting their economic participation when designing programmes. Thus, gender aware needs assessment is a vital tool to good service design and delivery.

Furthermore, developing a supportive environment for women's entrepreneurship is important to women's success. This includes helping women to deal with their multiple roles and involving men, families and communities (as appropriate) in women's entrepreneurship. Support agencies must understand women's goals and objectives in becoming entrepreneurs and work to support those goals. Providing for both practical and strategic gender needs is central to women's economic success. While not all agencies can work at both levels, the experience from developed countries shows that service providers should make an effort to partner with agencies which work to address deeper strategic issues through advocacy and policy change.

Therefore, one important learning is the need to couple programme actions with policy work. In order to make long-term changes in women's ability to participate freely in the economy, the socio-cultural constraints on women must be addressed. Advocacy work should be directed at policymakers in order to raise their awareness of the important role of women in the economy, and the positive effect of economic participation on women and their families.

As pointed out by Ms. Masuma Faroooki of Government College University, Lahore (Gillani, 2004), the characteristics of women entrepreneurs in the low-income groups are significantly different from their counterparts in the medium and high-income groups, and one overall policy framework cannot be used to address their needs. Yet, the available literature on women's entrepreneurship often does not distinguish between the two.

VI. SOME EXAMPLES OF SUPPORT FOR WOMEN ENTREPRENEURS IN SOUTH ASIA

With the international experience as a background, we now turn to look at some of the initiatives that are available in South Asia. Several different providers, including governmental, non-governmental, international and membership organizations, are already providing support the development of women entrepreneurs in South Asia. The following examples aim to provide an insight into some initiatives to promote women entrepreneurs and professionals in South Asia, in particular as regards providing opportunities for networking, training and support.

FICCI Ladies Organization: Promoting Entrepreneurship and Professional Excellence

India

The FICCI Ladies Organization (FLO) is a wing of the Federation of Indian Chambers of Commerce and Industry (FICCI), the apex body of Industry and Chambers of Commerce in India. It was established in 1983 with the basic objective of "women empowerment", to encourage women to exploit to the maximum their own human potential as entrepreneurs, business women and professionals and serve the community and nation at large through activities of social welfare on the cultural and social fronts (FICCI Awards, 2003-04).

As an all India organization for women, FLO has around 1000 members comprising entrepreneurs, professionals and executives. It currently has five chapters – in Chennai, Hyderabad, Kolkata, Mumbai and Coimbatore. In order to intensify operations and extend its reach, FLO seeks to eventually open a chapter in each State. The primary objective of FLO is to promote entrepreneurship and professional excellence in women and society at large. FLO works on three levels. At the basic level, it holds entrepreneurship development programmes for women, working with them in advising on how to start a business and following it through with some help in vocational training. At the middle level, it holds seminars and workshops for women who run small-scale businesses, such as computerization and financial management. At the senior level, FLO has sophisticated programmes for women at the helm in areas such as marketing and finance (*Business Line*, 5 June 2002).

Besides undertaking several business oriented activities for women through entrepreneurship development programmes, workshops and panel discussions, FLO has an active Business Consultancy Cell where free professional guidance is offered and which serves as a single window stop for all information on diversified statutory compliances, procedures and obligations in its Hyderabad chapter. It advises women entrepreneurs on subjects such as company incorporation, registration, preliminary documentation, taxation and policies of Governments (*The Hindu*, 17 May 2004).

FLO has recently launched Young FLO (YFLO), a forum/community of career women between 20 and 39 (*Business Line*, 10 May 2004 and *The Hindu*, 17 May 2004).

In discharge of its functions, FLO has also started giving awards to recognize outstanding women in various walks of life. It presents the “Outstanding Woman

Entrepreneur" award for establishing and successfully running a business unit, bringing product innovations and providing employment (FICCI Awards, 2003-04).

Sources: *Business Line*, 10 May 2004 and 5 June 2002; <http://www.bisnetindia.com/ficci/general/ficci-awards/ficci-awards.pdf>; and *The Hindu*, 17 May 2004 and 17 June 2002.

First Women's Bank Limited: Disbursing Credit to Women Entrepreneurs

Pakistan

The First Women's Bank Limited (FWBL) was established in 1989 in Pakistan, as a nationalized commercial bank to cater solely to the financial needs of women entrepreneurs. It is one of the only two commercial banks in Pakistan disbursing credit to women. Its mandate is to improve the socio-economic status of women by creating opportunities for their development through enhanced economic participation. It has been designed to serve the dual purpose of a commercial bank as well as a development finance institution.

The FWBL has 38 branches all over Pakistan and a head office in Karachi. It also set up a Regional Development and Training Institute in Islamabad in 1995, and later in Lahore and Karachi. These were later renamed and re-launched as Women Business Centres (WBCs) in March 1999.

FWBL offers a number of loan schemes ranging from PKR 5,000 to PKR 25,000 (US$ 84 to 220) with an interest rate of 12 per cent per annum to help women entrepreneurs. There are two personal guarantees required and illiterate women are required only to provide photo-identification and a thumbprint. Under its small loan schemes, women can borrow up to Rs. 25,000 by using a group guarantee, NGO warranty or personal surety from two government officials.

The services offered by the Bank include:

- Loans on easy terms for women entrepreneurs;
- Advisory and consultancy services for investment;
- Identification of agricultural and industrial projects for potential women entrepreneurs;
- Training in technical and managerial skills;
- Market development for the products of women entrepreneurs;
- Promoting and sponsoring displays of clients' products in national and international exhibitions.

Women can join the WBCs for training programmes comprising skill acquisition and upgrading, marketing and accounting. Efforts are also on to link up with other agencies, such as the Export Program Bureau and the Chamber of Commerce, so as to improve women's entrepreneurial opportunities.

Carrying on with the tradition of support services, the bank has recently launched a financial services desk, covering aspects such as credit management, trade finance, legal counselling, tax consultancy as well as marketing. The in-house facility

provides women professionals with support in core areas where they lack expertise or understanding. Meanwhile, the bank is also developing a business women's directory, a database that will allow women to network with each other and share the benefits of their experiences (First Women's Bank Limited, News Supplement).

Approximately 12,000 women have already benefited from the various credit schemes of FWBL with emphasis on women and interventions beyond just credit provision, making it successful in creating a real impact in women's lives. FWBL also has a high recovery rate of 90.5 per cent and the WBCs are owned completely by women (HDR, 2000).

Sources: Mahbub ul Haq Human Development Center, *Human Development in South Asia: The Gender Question*, 2000, and First Women's Bank Limited, News Supplement <http://www.fwbl.com.pk/aboutus.htm>.

Bangladesh Women's Chamber of Commerce and Industry

Bangladesh

Bangladesh Women's Chamber of Commerce and Industry (BWCCI) is a non-profit and non-political organization with the aim to bring about women's economic development and empowerment. Set up in June 2001, the Bangladesh Women's Chamber of Commerce and Industry is among the few business chambers for women in the world, other ones being in Sri Lanka and Pakistan.

The Chamber's founder, Selima Ahmad, points out that the Chamber's members are not confined to the traditional women-dominated sectors. It has women involved in the information technology sector, media and items made of recycled glass and metals (Teresa Rehman, "Business is not a man's domain", *The Telegraph*, 24 February, 2004). Currently, the BWCCI is supporting sectors like agriculture and agro-processing products, handicrafts, boutique, home textiles and herbal products.

The main objective of the Chamber is to provide support to women entrepreneurs to undertake business and trade activities. It acts like an incubator nurturing the business skills of the budding women entrepreneurs by providing valuable support to members in terms of training, market access, and access to finance, networking, business awareness and capacity-building.

The Chamber's aims and objectives are:

- To provide forum for local women entrepreneurs where they can discuss, debate, identify and resolve issues pertinent to promoting their business interest.
- To highlight solutions to the problems faced by women entrepreneurs in first establishing and then expanding their business interests.
- To create a network linking women entrepreneurs all over Bangladesh so that they can solve their problems by mutual interaction and assistance.
- To equip women entrepreneurs with required skills.

- To organize seminars, workshops, and conferences for the purposes of raising awareness amongst the general public and disseminating in formation on different issues <http://www.bwcci.org>.

The BWCCI also lobbies for the interests of women entrepreneurs. It has been part of various policy level activities with the objective of voicing the needs of the businesswomen to be addressed at the policy level. The Chamber performs roles, both at the micro and macro levels. At the micro level it provides needs-based client service and at the macro level it participates in various policy dialogues at international and national forums with the objective of raising and resolving women problems, particularly in the private sector, at the policy levels.

As a joint initiative with SEDF (South Asia Enterprise Development Facility) of the IFC, the Chamber also offers business counselling services on a one-to-one basis, for developing new business ideas, selling a product; drawing up business contracts, etc. It also has a business incubation initiative under which it provides support, including office space, to new businesswomen for a period of two years. Furthermore, it has established a "Biz Center" at its Dhaka office where members can, for a small fee, access services such as telephone, fax, computer, E-mail, internet, printing, etc. There is also an information booth, which provides information on legal matters, upcoming trade fairs, seminars, trainings, marketing programmes and other events.

The Chamber also provides assistance with marketing facilities, such as arranging stalls in all significant fair events including the annual Dhaka International Trade Fair for micro and small entrepreneur members. It also has a display and retail centre in its Dhaka office, where members can market their products as well as learn about designing, packaging, pricing, display and marketing techniques. It also offers financial support for promotion and advertisement of products, and acts as loan guarantor for its members.

Sources: Teresa Rehman, "Business is not a man's domain", *The Telegraph*, 24 February 2004, <http://www.bwcci.org>; and *Noshad Ali*, 30 October 2003, *Daily Times* <http://www.dailytimes.com.pk/default.asp?page=story_30-10-2003_pg7_14>.

Women Entrepreneurs Association of Nepal

Nepal

In 1987, Women Entrepreneurs Association of Nepal (WEAN) was established as an autonomous association formed by and for women entrepreneurs in Nepal. Its objective is to draw out women entrepreneurs and encourage them to work toward excellence in their businesses. WEAN's initial effort created a network for women business owners from all regions of Nepal to meet, share experience, develop their businesses, exchange expertise and distribute information.

The founders of WEAN chose to organize themselves as an independent association instead of joining the existing mainstream business association, the Federation of Nepalese Chambers of Commerce and Industry (FNCCI). Cofounder Rita Thapa explains: "We did not think of joining FNCCI in our wildest dreams

because WEAN grew out of women's experience of not finding space in 'mainstream' organizations". Twelve years later, and as a direct result of their building a separate organization, WEAN is represented on the executive board of FNCCI.

Starting with three founders and a few full-time members, the organization has grown to more than fifty members led by an executive board of seven. Today, WEAN offers a substantial number of training packages, networking activities, advocacy initiatives, a retail cooperative, savings programmes, and a formal credit programme with the assistance of the Women's World Bank. WEAN provides a complete package of training in order to upgrade the basic skills of startup women-owned enterprises to make sure that their businesses suit the market.

WEAN has implemented a four pronged strategy to guide its future activities. Those key areas are membership, marketing, organizational development, and financial sustainability. Specifically related to membership are programme activities, training and enterprise counselling as well as consulting, networking and access to credit and savings. WEAN is striving to make its own structure an example of best practices in planning, monitoring and reporting.

Source: Susanne E. Jalbert, "Forming a women's business association in Nepal" in *Economic Reform Today, Women: The Emerging Economic Forc*e, 3 November 1999, available at <http://www.cipe.org/publications/fs/ert/e33/e33_9.htm>.

Association of Women Entrepreneurs of Karnataka: Entrepreneur Guiding Entrepreneur

India

The Association of Women Entrepreneurs of Karnataka (AWAKE), founded in 1983 in Bangalore, India, is one of the pioneers in the field of providing business development services. AWAKE's mission is "to empower women through Entrepreneurship Development to improve their economic condition." To achieve this mission, AWAKE conducts various activities, such as business counselling, entrepreneurship awareness, entrepreneurship development training, management development training, business incubator, etc.

With a membership base of about 700 women entrepreneurs, AWAKE promotes women entrepreneurship development to its clients through its various activities. It also supports policy advocacy, by being on the board of both national and international organizations, and on government small industries board and banks. An affiliate member of Women's World Banking, WWB, AWAKE's activities are formulated and managed by a 15 member executive committee comprising voluntary members who design and ensure the successful implementation of all AWAKEs various programmes with the support of a team of dedicated staff and consultants.

AWAKE provides peer group support and handholds new entrants in various aspects of entrepreneurship. Apart from motivating potential women entrepreneurs, it conducts growth-oriented programmes for sustaining the businesses of existing entrepreneurs. The business ventures of the 700 odd member entrepreneurs of AWAKE ranges from manufacturing of garments, electronic components, printing,

injection moulded components, machinery manufacturers to services in catering, DTP, trading in stationery etc., to using AWAKE' business incubator for food processing. A unique feature of AWAKE is successful entrepreneurs helping potential entrepreneurs. Most women say that AWAKE gives them an identity as an entrepreneur. AWAKE has developed its own 4S module of Stimulus, Start Up, Sustenance and Support.

Source: <http://www.awake-india.org>.

An overview of the support services provided by the above-mentioned support agencies is provided in table 7 below.

Table 7: Overview of support services

Support service	***FLO (India)***	***FWBL (Pakistan)***	***BWCCI (Bangla desh)***	***WEAN (Nepal)***	***AWAKE (India)***
1. Technical and managerial training	√	√	√	√	√
2. Seminars and workshops and networking	√	√	√	√	√
3. Policy advocacy			√	√	√
4. Business counselling			√	√	√
5. Business consultancy		√		√	
6. Financial services/ access to credit		√		√	
7. National and international exhibitions (for marketing of products)		√	√		
8. Business incubation			√		√
9. Free guidance on legal and government liaison	√				
10. Awards	√				
11. Advisory services on investments		√			
12. Identification of business opportunities		√			
13. Market development for products of members		√			
14. Business women's directory		√			
15. Business centre (telecommunication services)			√		
16. Information booth			√		
17. Display and retail centre for members' products			√		
18. Financial support for promotion and advertisements			√		
19. Loan guarantor			√		
20. Handholding new entrants and peer group support					√
21. Mentoring					√

As the table shows, the most common function of these support agencies is to provide opportunities for building knowledge and skills and networking with other women entrepreneurs. Policy advocacy and business counselling are also offered by many of the agencies. However, the range of support activities varies quite a bit from agency to agency and country to country. For example, in Bangladesh, access to reliable and reasonably priced telecom facilities may be a constraint, hence a common facility has been established providing subsidized services. Mentoring and peer group support has been found to be an effective support device in western industrialized countries. This presupposes the existence of a critical mass of successful entrepreneurs who may be willing to offer their time. In India, this has just begun to take place. There is considerable scope for support agencies to also learn from each other. For example the idea of a directory/database, institution of awards for successful women entrepreneurs, business opportunity identification, etc. are all activities which can benefit women entrepreneurs irrespective of their culture or business environment.

The following are examples of community-based entrepreneurship where a group of women and girls from poor rural households have registered their own company or cooperative to carry out industrial activities. This is significant because it shows that through community based entrepreneurship and collective marketing, processing, etc., a group of micro enterprises may be able to transform itself into a viable small scale enterprise.

Meadow Rural Enterprises Private Ltd.

The district of Dharmapuri in Tamilnadu in southern India is drought prone. The State Government has promoted industrialization of the Hosur area of this district as part of an "industrial dispersion programme". The resulting rapid industrialisation reated a demand for both labour as well as services.

Myrada is a NGO working with rural women from poor households. Titan Industries is a watch company which is part of the TATA Group, India. The collaboration between Titan and the women organized by Myrada into self-help groups (credit and lending groups) first began in 1992, with a contract given to a group of women to launder uniforms of the Titan factory workers. This collaboration stimulated Myrada and Titan to work together on more programmes that could employ the rural poor productively.

In 1995, discussions between Myrada and Titan led in the direction of a possible collaborative venture that could engage girls from poor households in the assembly of watch straps (metal straps, referred to as watch bracelets). MEADOW (Management of Enterprises and Development of Women) started informally in 1996 with a small group of women identified by Myrada. It was registered as a private limited company in 1998, and MEADOW Rural Enterprises Private Limited took legal birth.

When MEADOW started informally, their job was only bracelet link assembly, i.e., to obtain the individual metal components from Titan, link them to form bracelets, and return the linked pieces to Titan for compaction, polishing, and further use. MEADOW realized right from the beginning the need to build up its fund base. For

this, the women took an early decision to surrender a part of their cumulative earnings to build up a fund for the Company. Today, MEADOW annually transacts business worth INR 60 lakhs (i.e., INR 6 million, or US$ 131,000). It has accumulated assets in excess of Rs 50 lakhs, held in the form of building, machineries and equipment, bank deposits, etc.

The Board of Directors of MEADOW consists of 8 women selected by all the others for a tenure of one year. Judging from the profile acquired by MEADOW and the number of interested visitors it attracts annually, it may perhaps be reasonable to conclude that this is one of the first instances of poor, rural women registering a company of their own. Both Myrada and Titan are regularly approached with requests to see "the experiment". Titan received an international award for social development that it attributes at least in part to its involvement with MEADOW.

The women are enormously encouraged by this, taking pride in the fact that they have been involved every step of the way in building and running their company. They have reached levels of capability where they can directly negotiate with Titan in the annual revision of piece rates, handle all purchases, control the movement of their vehicles, draw up work schedules, calculate payments, follow up on receivables, do the base work for meeting all statutory requirements, etc.

Besides training them to become managers, MEADOW has also had the expected impact of improving incomes. The women have often become the most important wage earner in the family and their social status within their families and communities has changed dramatically, allowing them more social freedom.

Sources: K.P. Anandan and Vidya Ramachandran, *Creating Livelihood Opportunities through Industry-Rural Communities Partnership: The Case of Meadow Rural Enterprises Private Ltd.*, and <http://www.tata.com/titan/media/20021130.htm>

SEWA Trade Facilitation Centre

Self-Employed Women's Association (SEWA) is a trade union for poor, self-employed women workers, established in 1972. SEWA Trade Facilitation Centre (STFC) is a unique company, owned and managed by more than 15,000 women artisans pursuing craft activities, in particular intricate traditional hand embroidery, in the drought affected and disaster prone districts of Gujarat, India. The aim of STFC is to strengthen the position of women workers in the informal sector and promote their enterprises in global markets through efficient marketing of their products and services, with a view to providing them economic security and full employment.

STFC was established by the artisan members of SEWA to turn their activity in to a commercial venture with the main objective of promoting access to national and global markets, through capacity-building and product development.

STFC delivers a range of services ranging from marketing support, product development, quality standardization, information systems, access to capital, etc.

The Company has been incorporated with a planned turnover of INR 62.5 crores (US$ 27,000 million) The main promoters of the Company are SEWA, The Kutch Craft Association and The Banaskantha DWCRA Mahila SEWA Association. The STCF pilot phases in Gujarat have been supported by IFC and CIDA.

Source: <http://www.sewatfc.org>.

VII. RECOMMENDATIONS FOR FURTHER ACTION

There is an imminent need to motivate more women to take up entrepreneurial activities and realize their potential by making use of available opportunities while simultaneously sensitizing implementing agencies to the requirements of women entrepreneurs. Some of the solutions could be as follows:

A. Recommendations for ESCAP and other donor agencies

1. Support setting up of information exchange across regions – including building the capacity of network member organisations to build their capacities for some of the following tasks:

    - Technology sharing and transfer with do-hows and know-hows, including incremental technology, across regions and countries.
    - Information collection and dissemination on scientific and objective analysis of structural, social and economic changes.
    - Facilitate in bringing forward entrepreneurship development of women by exchanging and projecting women entrepreneurs in different countries as role models.

2. Data availability and the serious limitations of their comparability represents an important constraint at present. Because of national differences in economic structures, the same statistical measures may cover phenomena of different economic and social significance. Further research is, therefore, needed on statistics of women entrepreneurs, especially those in SMEs. To this end, pilot studies should be conducted in cooperation with national statistical organizations and then mainstreamed into national data collection surveys and census. Efforts should also be made to collect gender disaggregated data at all levels and for all sectors in a continuous and systematic fashion. Funding could be made available for collection of statistics on women entrepreneurs in different sectors and countries of the region and their levels of operation should be studied and analysed.

3. ESCAP could also make coordinating efforts with other development agencies in already identified thrust areas. Instead of spending money in different areas in small amounts, focused efforts in cooperation will be more effective. Similarly, coordinating with private organizations for providing training in exports, technology transfer, etc., could be provided.

4. ESCAP could also sponsor a study of the experiences gained from other regions to learn from them how increased globalization is affecting women entrepreneurs.
5. Funding and technical expertise can be made available to develop a regional information network with national centres where women can exchange information about trade opportunities and share experience. The role of existing national trade promotion agencies in this respect is important. Periodic interactions/experience exchange workshops between network members from different countries, focusing on women entrepreneurs could also be funded. Conferences of women entrepreneurs which discuss how to effectively bring down barriers could be considered.

6. More research and consultations are needed to assess which institutional mechanisms are most effective in dealing with various elements of new economic policies that have a direct impact on women entrepreneurs. These could be conducted in all the countries of the region and a regional synthesis of lessons learned could be compiled.

7. Support to training activities in developing countries at different levels:
    - Network organization – to build and sustain networks.
    - Individual entrepreneurs – Start-up and growth training, special export promotion programmes and information technology skills (information collection).

B. Recommendations for Governments

1. Fostering an Entrepreneurial Culture for Women

(a) Foster awareness and a positive image of entrepreneurship among women: Efforts should be made to foster a greater awareness of the benefits of entrepreneurship among women. Governments should promote an entrepreneurial and risk-taking spirit, and eliminate the stigmas attached to failure. To this end, strong, positive female role models should be showcased to build self-confidence and encourage other women to consider becoming entrepreneurs.

(b) Improve the conditions for women's entrepreneurship: Governments and institutions should work to improve the status of women in business and remove gender-related obstacles to entrepreneurship. They should work to improve their access to support services and seek measures which can lighten the double burden of professional and household responsibilities for women, in order to allow them to undertake entrepreneurial activities under conditions more similar to those confronting men, e.g., as regards inheritance and ownership and as well as access to finance.

(c) Encourage entrepreneurship through the educational system: The educational system should be mobilized as a vehicle to introduce boys and girls to entrepreneurial challenges and offer them equal opportunities to learn and cultivate their skills from an early age. To this end, teachers should be trained in teaching entrepreneurial skills and sensitized to the gender issues involved in education. Opportunities to encourage entrepreneurship through cooperation between government, business and NGOs in the field of education should also be explored. This should include efforts to identify the appropriate and most effective platforms for discussion, dissemination and action for enterprise education programmes. Governments can also partner with private companies and educational institutions to provide infrastructure and other support to ensure better access for women to technical education and skill acquisition. In addition, it should be ensured that promotional and information material, programme content, timing and location is adapted to women's educational and skill levels, as well as time and mobility constraints.

(d) Teach entrepreneurship to women: Management and technical training for women entrepreneurs should be easily accessible, inexpensive, and available on flexible terms, maximizing the opportunities offered by e-learning and new

technologies for skill building. Public/private partnerships (i.e., government/universities/firms/NGOs, etc.) in this regard should be encouraged. Mentoring can also be an effective means of providing women entrepreneurs with one-on-one training, skills and guidance. In addition, good practices and female models of management should be shared and replicated where applicable.

(e) Foster entrepreneurial networks: Governments should improve the conditions and infrastructure for well-functioning business networks aimed at both men and women, including through cooperation with regional and international organizations. Governments should help women entrepreneurs to explore and take advantage of opportunities to join and actively participate in existing networks for business people, or create their own traditional or virtual networks, at the local, national and international levels.

2. Facilitating the availability of finance for women entrepreneurs

(a) Disseminate financial information to women: Governments should encourage women entrepreneurs to learn about the full range of financial instruments, through the education system, targeted informational campaigns, and well-functioning business networks. Government also should facilitate innovations to overcome the constraints to women's access to formal credit through simplified forms and procedures.

(b) Encourage financial intermediaries to take a leading role: Banks and other financial intermediaries should be encouraged to undertake research to learn more about the characteristics, financial needs and performance of women-owned businesses, and to share this information with other financial institutions. They should also be encouraged to work towards equitable treatment of women business clients, through comprehensive gender awareness training for staff at all levels, and better representation of women in high-level and decision-making positions. Networks for investors and entrepreneurs should also be encouraged to spread information about equity finance and bring investors and business owners together. Women should be integrated in these networks, where their participation remains limited, and may also want to form their own networks to share information and experiences

(c) Take women's needs into account in programme design: When designing targeted programmes, governments should consider the following characteristics and carry out periodic evaluation to ensure that programmes remain pertinent: provision of finance on more flexible terms; mentoring/advisory services in conjunction with loans and monitoring of firm performance afterwards; assistance to entrepreneurs in establishing contacts with the business community and public authorities.

(d) Improve women's asset position: Governments should enforce or amend laws to ensure women's financial rights, particularly their rights to property, wages or inheritances, and work to improve basic social services for women and their families.

(e) Promote micro- and equity finance: Self-sustaining microfinance institutions should be promoted as an effective source of finance for women entrepreneurs with low capital requirements; best practices in this area should be shared, particularly between developing and developed countries, and replicated when

appropriate. Governments should consider introducing legislation to create and regulate microfinance institutions

3. Increasing the participation of women entrepreneurs in international trade and the global economy

(a) Disseminate information on international trade opportunities: Governments and business associations with significant female membership should assist women entrepreneurs in gaining a better understanding of the global, knowledge-based economy; work together to promote education and training programmes about the international trading system and the opportunities it offers; encourage participation in traditional and virtual trade missions and trade shows; and foster trade networks. Governments should also strengthen partnerships with relevant organizations to disseminate information and educate SMEs and women entrepreneurs about trade programmes, including trade finance initiatives.

(b) Fostering public/private partnerships to globalize women-owned enterprises: Government agencies should support efforts by the private sector to promote and develop trade capability, and strengthen women entrepreneurs' trade knowledge and networks. Governments can play a catalytic role in identifying and disseminating public and private sector trade best practices that are relevant for women entrepreneurs. Government agencies and large corporations should also work co-operatively to promote equal access to public and private sector procurement contracts for women-owned businesses, and to encourage their expanded participation in e-commerce and the supply chain.

4. Improving awareness about Women's Entrepreneurship

(a) Engender SME statistics: Information about women entrepreneurs should be increased by gathering more SME-level statistics with a gender component.

(b) Standardize SME research methodologies: SME research coverage and methodologies should be standardized to increase national and international comparability. International cooperation should strive towards consensus and continuity concerning methodological issues and the timing of information-gathering efforts. Clarity and consistency in research should be encouraged regarding the definition of what constitutes a woman-owned business (e.g., percentages of ownership by women, management by women, or some combination of ownership and management).

C. Recommendations for women entrepreneurs and their organizations

Women themselves can speed up the process of entrepreneurship by:

1. Mobilizing themselves into groups to form network to support themselves and to access finance, markets, training, information and negotiate better terms.

2. Endeavouring to be represented in policymaking bodies and in other trade related bodies.

3. Actively pursue education in relevant areas to get the skills and expertise necessary to embark on the entrepreneurship role.

4. Advocating the importance of education and taking active efforts to spread awareness of women entrepreneurs as role models.

Bibliography

Acharya, Meena, 1994. "The Statistical Profile on Nepalese Women: An Update in the Policy Context" (Kathmandu, Institute for Integrated Development Studies).

_____, 2001. *Efforts at Promotion of Women in Nepal* (Kathmandu, Friedrich Ebert Stiftung).

Aggarwal, R., 2002. "Working for autonomy?", *Indian Journal of Labor Economics*, Oct-Dec issue.

Anandan, K.P. and Vidya Ramachandran (year unknown), *Creating Livelihood Opportunities through Industry-Rural Communities Partnership: The Case of Meadow Rural Enterprises Private Ltd.*

Anwar, S. Farhat, 1992. "Management of rural women entrepreneurs: the case study of Bangladesh*", Journal of Business Administration*, vol. 18, No. 3 and 4.

Asian Development Bank, 1999. *Women in Nepal* (Manila).

_____, 1999. *Women in Sri Lanka* (Manila).

_____, 2001. *Women in Bangladesh* (Manila).

Association of Women Entrepreneurs of Karnataka, undated. *Empowerment through Entrepreneurship* (Bangalore).

Bangladesh Bureau of Statistics, 1996.

BISCONS, 1999. *Surfacing the Ignored One*, Kathmandu.

Bridge, S. 1980. *Understanding Enterprise, Entrepreneurship and Small Business* (London, MacMillan Business).

Carter, Sara, Susan Anderson and Eleanor Shaw, 2001. "Women's business ownership: a review of the academic, popular and internet literature", Report to the Small Business Service (University of Strathclyde) available at: <http://business.kingston.ac.uk/research/kbssbs/womsbus.pdf>

Central Bureau of Statistics, 1991. Population Census of Nepal, Government of Nepal.

_____, 2002. Population Census of Nepal, Government of Nepal.

Census of India, 2001. Government of India.

Charumathi, B., 1998. "Women entrepreneur's challenges and prospects", in C. Swarajya Lakshmi, ed., *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).

Commonwealth Secretariat, 2002. *Commonwealth Businesswomen: Trade Matters, Best Practices and Success Stories* (London).

Central Statistical Office, 1999. Ministry of Planning, Government of Bhutan.

Das, D. Jayadeva, 2000. "Problems faced by women entrepreneurs", in K. Sasikumar, ed., *Women Entrepreneurship* (New Delhi, Vikas Publishing House).

Dhameja, S.K., B.S. Bhatia and J.S. Saini, 2002. "Problems and constraints of women entrepreneurship", in D.D. Sharma and S.K. Dhameja, eds., *Women and Rural Entrepreneurship* (Chandigarh, Abhishek Publications).

Dhillon, Paramjeet, 1998. *Women Entrepreneurs: Problems and Prospects* (New Delhi, Blaze Publishers & Distributors), 1st edition, June.

Federal Bureau of Statistics, 2001-02. Government of Pakistan.

Federation of Nepalese Chamber of Commerce and Industry, 2001. *Nepal and the World* (Kathmandu).

Finnegan, Gerry, 2000. "Developing the knowledge base on women entrepreneurs: Current work of the International Labour Organization in Women's Entrepreneurship Development and Gender in Enterprise" (Geneva, ILO/SEED), paper presented at the 2nd OECD Conference on Women Entrepreneurs, Paris, 30 November.

Finnegan, Gerry and Katrine Danielsen, 1997. *Promoting the Development of Women Entrepreneurs – Means and Ends in Entrepreneurship Development* (Geneva, ILO).

Ganesan, S., 2003. *Status of Women Entrepreneurs in India* (New Delhi, Kanishka Publications).

Gillani, Waqar, 2004. "No policy framework to address women entrepreneurs", *Daily Times*, 16 July, <http://www.dailytimes.com.pk>

Giovannelli, Costanza, Hrund Gunnsteinsdottir and Angela Me, 2003. "The status of statistics on women and men's entrepreneurship in the UNECE region", UNECE, Statistical Division, presentation at Workshop on Improving Statistics on SMEs and Entrepreneurship, OECD, Paris, 17-19 September.

Goheer, Nabeel A., 2002. *Women Entrepreneurs in Pakistan – How to improve their bargaining power* (Geneva, ILO /SEED).

Hauser, H.E., 2000. *SMEs in Germany – Facts and Figures 2000*. IfM Institut für Mittelstandsforschung Bonn, available at <http://www.ifm-bonn.de/ergebnis/sme.zip>.

ILO, 2003. *General Survey 2003 on Employment related Conventions and Recommendations: Analysis of member States responses to Recommendation 189 (Job Creation in Small and Medium-Sized Enterprises)*, Chapter X, Draft SEED Working Paper by Maurice Allal, ILO consultant, October.

Jalbert, Susanne E., 1999. Forming a women's business association in Nepal", *Economic Reform Today, Women: The Emerging Economic Force*, No. 3, available at: <http://www.cipe.org/publications/fs/ert/e33/e33_9.htm>

Kantor, Paula, 2001. *Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to the South*, SEED Working Paper No. 9 (Geneva, ILO).

Kaur and Bawa, 1992. "Psychological coorelates of entrepreneurial performance among women", *The Journal of Entrepreneurship*, 8, 2, 1992.

Kets de Vries, M.F.R. 1993, "The dynamics of family controlled firms: The good and the bad news", *Organizational Dynamics* (Elsevier Inc.), vol. 21, No. 3, pp. 59-71.

Lakshmi, C. Swarajya, ed., 1998. *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).

Lalitha Rani, D., 1996. *Women Entrepreneurs* (New Delhi, APH Publishing Corporation).

Lavoi, 1992. *Women in Business: A Collective Profile,* (Ottawa, Federal Business Development Bank).

Mahbub ul Haq Human Development Center, 2000. *Human Development in South Asia: The Gender Question* (Oxford University Press).

_____, 2003. *Human Development in South Asia: The Employment Challenge,* (Oxford University Press).

Matiur-Rahman, S.K., M.K. Bhattacharjee and R.K. Lahiri, 1998. "Entrepreneurship development and the women entrepreneurial pilgrims of Bangladesh", in C. Swarajya Lakshmi, ed., *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).

Mintzberg, H., 1999. "The entrepreneurial organization", in H. Mintzberg, J.B. Quinn and S. Ghosshal (Hrsg.), *The Strategy Process (*London, Prentice Hall).

Patel, 1987. "Women entrepreneurship development", *Developing New Entrepreneurs* (Ahmedabad, Gujarat, Entrepreneurship Development Institute of India).

Population and Housing Census of Maldives, 2000. Ministry of Planning and National Development of Maldives <http://www.planning.gov.mv>.

Population Census Report, 1991. Government of Bangladesh.

Prasad, J.K., 1998. "Development of women entrepreneurship in India – The role of different institutions", in C. Swarajya Lakshmi, ed., *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).

Rajivan, Anuradha K., 1997. *A Business of Her Own*, (Madras, Eastwest Books Pvt. Ltd).

Raju, G., 2000. "Women entrepreneurship development through DWCRA", in K. Sasikumar, ed., *Women Entrepreneurship* (New Delhi, Vikas Publishing House).

Reddy, Uma, (undated). "Free markets vs Created Opportunities – An awake experience" (Bangalore, Associate of Women Entrepreneurs of Karnataka).

Registrar General's Office, 2000. Government of Sri Lanka.

Saleh, Abu, 1995. "A profile of the women entrepreneurs in Bangladesh", *Journal of Business Studies* (Dhaka, Dhaka University), vol. 16, No. 1, June, p. 22.

Sandaratne, Nimal, 2001. "The informal sector in Sri Lanka: its nature and extent and the impact of globalisation" (Colombo, ILO Office), <http://www.ilo.org/public/english/region/asro/colombo/iloslpub.htm>

Sasikumar, K. 2000. *Women Entrepreneurship* (New Delhi, Vikas Publishing House).

Seymour, Nicole, 2001. "Women entrepreneurs in the developing world", *CELCEE Digest* (Kansas City, Center for Entrepreneurial Leadership, Clearinghouse on Entrepreneurship Education), No. 01-04, August, <http://www.celcee.edu/>

Sharma, D.D. and S.K. Dhameja, 2002. *Women and Rural Entrepreneurship* (Chandigarh, Abhishek Publications).

Shayamalan, B., 1999. "Entrepreneurship development for women" in M. Soundarapandian, ed., *Women Entrepreneurship: Issues and Strategies* (New Delhi, Kanishka Publishers).

Sinha, A., 2003. *Experience of SMEs in South and South-East Asia*, SEDF and World Bank.

Soundarapandian, M., ed., 1999. *Women Entrepreneurship: Issues and Strategies* (New Delhi, Kanishka Publishers).

Taylor, S., 1998, *Women Entrepreneurs in Small and Medium Enterprise* (Paris, OECD).

Tiwary, S.B., B.N. Ojha and P.K. Pain, 1998. "The making of a women entrepreneur", in C. Swarajya Lakshmi, ed., *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).

UNDP, *Human Development Report 1998* (Oxford University Press).

_____, *Human Development Report 2002* (Oxford University Press).

_____, *Human Development Report 2004* (Oxford University Press).

Vinze, Medha D., 1987. *Women Entrepreneurs in India: A Socio-Economic Study of Delhi, 1975-85* (New Delhi, Mittal Publications).

Vishwananthan, Renuka, 2001. *Women in Business*, <http://indiatogether.org/women/business/renuka.htm>

Walokar, Deepak M.. 2001. *Women Entrepreneurs* (New Delhi, Himalaya Publishing House).