WOMEN ENTREPRENEURS IN SMEs: 
Realising the Benefits of Globalisation and the 
Knowledge-based Economy

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ISSUES PAPER

Workshop No. 1

Fostering an Entrepreneurial Culture for Women: Education, Management Training 
and Societal Values

Prepared by the OECD Secretariat
HIGHLIGHTS

1. In recent years, women’s entrepreneurship has been burgeoning; women-owned businesses, as well as female self-employment, currently constitute an important and growing share of the business population in a number of OECD Member countries, as well as in many developing countries and economies in transition. However, great disparities exist between countries; for example, while the growth of the number of women-owned businesses is far outpacing the overall number of new businesses in the United States and Canada, in many countries start-ups continue to be dominated by men. This has serious implications for economic growth and employment (both male and female), since countries with low entrepreneurial participation by women often have lower overall start-up rates.

2. What are the roots of these inter-country disparities? How have women in some countries managed to close the gap in entrepreneurial participation, while others continue to lag behind? Are women benefiting to a greater extent from the factors which make a country entrepreneurial, and are they themselves contributing to promoting these factors? Entrepreneurship is a complex concept which eludes definition and makes measurement challenging. However, for the purposes of this paper, entrepreneurship can be defined as encompassing any attempt at creating a new business or venture, including self-employment, a new business organisation, or the expansion of an existing business, as well as innovative approaches to all major business functions. According to the OECD, the degree of entrepreneurship in a country is the result of three broad dimensions: framework conditions, cultural attitudes and government programmes.

3. This issues paper explores the role of the various dimensions that contribute to fostering an entrepreneurial culture for women. It focuses particularly on the role of education, management training, and networks, and the underlying importance in these and other factors of entrepreneurship of changes in prevailing societal attitudes that may hinder women’s entrepreneurship. It is intended to raise pertinent questions and stimulate discussion during the conference workshop; ultimately, it should contribute to the formulation of workshop recommendations.

Policy issues for discussion

Factors influencing entrepreneurship. What factors influence the development of an entrepreneurial culture? Are these the same elements that contribute to women’s entrepreneurship? If not, what specificities exist for women?

Education and training. What role do education and management training play in preparing children and adults to become entrepreneurs? Do women face specific challenges in this regard?

Measures to promote women’s entrepreneurship. What are some examples of good practices related to education and training for girls and women, and how can these be further developed and disseminated? Are new initiatives called for to improve the conditions for women’s entrepreneurship? How can existing measures be strengthened and improved? What can governments, the private sector and civil society do to support these efforts?
Factors influencing women’s entrepreneurship

4. A significant number of factors influence the extent to which an entrepreneurial spirit develops in a country or region; an even larger number has an effect on women’s entrepreneurship. According to the OECD, the degree of entrepreneurship in a country is the result of three broad dimensions: framework conditions, cultural attitudes and government programmes.

5. Proper framework conditions are the foundation of an entrepreneurial culture for both men and women; the institutional arrangements in which economic activity takes place depend on historical, political and economic conditions. Supportive cultural attitudes complement framework conditions. Other things being equal, an environment in which entrepreneurship is esteemed, and in which business failure is considered a learning experience and is not automatically stigmatised, will generally be more conducive to entrepreneurship. For example in the United States, an entrepreneurial and risk-taking spirit is a valued quality, whether or not the undertaking is successful. Many successful businesses are created by entrepreneurs whose previous business(es) failed. A society in which failure is severely looked down upon can cause risk averse behaviour that inhibits entrepreneurship. For women, this effect is compounded in a society in which their capabilities are insufficiently valued or respected.

6. Another important factor in developing an entrepreneurial culture is a positive image of entrepreneurship. While entrepreneurial behaviour is valued in many societies, in some countries entrepreneurial undertakings have negative connotations. A negative image of entrepreneurship as a barrier to starting a business is further exacerbated for women in many countries by important cultural and religious barriers to activities in the economic sphere.

7. Having strong, positive role models is important for encouraging women to consider becoming entrepreneurs. To this end, some countries have both public and private sector initiatives to exploit the positive benefits of role models for women’s entrepreneurship and add credibility to their image. These include awards and/or prizes for the women entrepreneur of the year, as well as awareness-building events, such as women’s entrepreneurship awareness weeks, etc.

8. An important element to consider when examining the entrepreneurial culture for women is the different economic, social and personal motivations that lead women to become entrepreneurs. Women entrepreneurs can be classified broadly into three groups. On the one hand, there is a “push group”, consisting of women who are driven to self-employment not so much out of choice as out of necessity; these women set up a part-time or full-time business as an alternative to being unemployed. These firms’ managers tend to have limited business and management experience, thereby limiting their growth potential. On the other hand, there is a “pull group” of women drawn to entrepreneurship by positive factors, for example, a wish to be independent and pursue their own goals, and who feel that they have hit the corporate “glass ceiling” and therefore use own establishment as a means for personal and professional advancement, and to better capitalise on their specific skills. Finally, there is evidence in several countries of a third group, which seeks to balance family responsibilities with productive employment; by starting their own businesses, these women entrepreneurs seek to fulfil career goals while maintaining a degree of flexibility for their other responsibilities. Although these three groups may differ in relative size and characteristics, they are likely to co-exist in most countries.

9. In economies in transition and developing countries, there may exist stronger variations on these patterns. For example, in Central Europe, Asia and Latin America, women are often extremely involved in the day-to-day operations and decision-making in family-owned firms. In other developing economies, women traditionally participate intensively not only in agricultural production, but also in its commercialisation. With the expansion of foreign trade, a growing number of these women are putting their knowledge of local markets and trends to use and undertaking entrepreneurial import-export activities.
10. All of these different economic and social circumstances are likely to exert an impact on women’s preparedness and attitudes towards entrepreneurship.

11. Finally, the demographics/family structure, along with the status of women in society, are likely to have varied consequences for women’s entrepreneurship. In many societies, women bear the double burden of professional and household responsibilities, and this constitutes a barrier to women’s entrepreneurship. For example, single mothers may seek flexibility through entrepreneurship; on the other hand, they may be more risk averse than women in double income households. This may affect both the propensity to start a business and business performance. The existence of effective support services for entrepreneurs that take into account daily responsibilities of both men and women will therefore have a bearing on the start-up and success of women-owned businesses.

For discussion:

- What factors affect the development of an entrepreneurial mindset? More specifically, in what ways do these factors have a particular impact on women’s entrepreneurship?
- What can governments, the private sector and civil society do to support efforts to promote women’s entrepreneurship?
- How can innovative public/private sector partnerships contribute to advancing this goal?

Education

12. Appropriate education and training are key to fostering widespread entrepreneurial spirit. Indeed, professional and lifestyle choices are strongly influenced by socialisation processes in which schooling plays an important role. Although universal schooling is a powerful tool for promoting equal opportunity, schools have a natural tendency to replicate existing social structures, including gender stereotypes. Thus, while girls are increasingly attaining a level of education equivalent or superior to that of boys, the teaching that they receive, or choose to receive, may still differ in some countries from that of boys in significant ways.

13. The education system can be an effective vehicle to introduce girls as well as boys to aspects relevant to entrepreneurship, such as business strategy and practice, management, finances and marketing. And these aspects of education can have an impact at earliest stages of education, since entrepreneurial skills are more effective the earlier they are passed on. Indeed, children begin to develop ideas about possible occupations and careers as early as pre-school. Children whose parents run their own business or are “entrepreneurial” are most likely to develop entrepreneurial attitudes.

14. Educational curricula that include entrepreneurship and management skills, and that offer the same learning opportunities for boys and girls, can contribute to promoting entrepreneurship. This would include equal opportunities for girls in the selection of fields of study, in particular in scientific fields, as well as links to facilitate the transition from study to professional activity. At the same time, changes are also often required in education methods and pedagogy in order to focus more on personal development, and on qualities and competencies that enable girls and boys to be flexible and creative. A number of teaching methods encourage an entrepreneurial spirit: for example, taking responsibility, learning-by-doing, group work, problem solving and error acceptance, among others. This goes hand in hand with ensuring that teachers do not have preconceived ideas on the role of women in society and training teachers on the promotion of entrepreneurship for girls. Such measures can contribute to changing mentalities and fostering an entrepreneurial culture for women.
15. Co-operation with business and industry and/or coaching or retraining of teachers can also contribute to increasing women’s entrepreneurship. Traditionally, governments have tended to play a key role in shaping formal education systems, while business played an important role in shaping adult training and more information education systems. These lines are now beginning to be blurred as more and more public/private partnerships in education are taking place.

16. Encouraging entrepreneurial competence in children and adults, and in formal and informal educational contexts, requires ensuring familiarity with basic economic, business and financial concepts, management skills and information technologies. In addition, education and training systems and technology must be flexible enough to adapt to shifting demand. They should include a comprehensive approach to lifelong learning. The recent surge in the use of information and communications technologies (ICTs) can be harnessed as a new tool to prepare girls for professional life and entrepreneurship, and help them overcome gender-related obstacles to starting and running a business. With the increasing use of the internet and e-commerce, knowledge of and the ability to use ICTs are also becoming a prerequisite for success in many businesses fields.

For discussion:

- What is the role of education in developing entrepreneurial capacity?
- What are the challenges and opportunities for ensuring equal opportunities for women in this area?

Management/technical training

17. Adequate professional training in management and other areas of entrepreneurial activity at various stages of business development provide the skills needed to successfully start, run and expand a business. For this training to be successful, there must be both a sufficient supply and demand for it. This ties in with encouraging entrepreneurship in general. While many women entrepreneurs are more highly educated than their male counterparts, they often have less experience in managing a business. Management training therefore may be particularly important for encouraging entrepreneurship among women. Mentoring has been shown to be one effective means of providing women entrepreneurs with the one-on-one training, skills and guidance they need to succeed, often under informal and flexible conditions.

18. To encourage a demand by women for training, it must be easily accessible, inexpensive and not overly time-consuming. Ideally, it should be available on flexible terms, for example in evening classes, during lunch hours, or over the internet, in order to allow women to balance training with their other responsibilities. E-learning and new technologies provide new opportunities for skill-building under flexible conditions. Lifelong adult learning is crucial in order for women and men to be able to keep up with evolving trends and learn new skills imposed by the continuing information revolution. On-the-job training of employees provides skills that can be carried over to entrepreneurial undertakings later. Training that emerges out of successful mentoring, or natural business partnerships, may be particularly responsive to real needs.

For discussion:

- How can professional, technical and management training programmes be designed to provide women with the skills they need to succeed as an entrepreneur?
Networking/partnerships

19. Networking and innovative partnerships have also been found to support and encourage entrepreneurs. Male executives have long had access to associations, networks and clubs (business, social or sports clubs) where they discuss business and negotiate deals. Women entrepreneurs are generally excluded from these influential “old boys’ networks” and informal business networks and are increasingly setting up their own networks.

20. Women are progressively learning to use the different types of networks which serve different and complementary purposes: for example, *institutional networks* that are made up of the various government services and departments that work to support the start-up and development of businesses; *business networks* which may consist of upstream and downstream firms which allow a company to carry out its operations, including, for example, suppliers and customers, and alliances with other firms; and *informational networks* which provide value-added by increasing the flow of information between and among businesses.

21. Women entrepreneurs’ associations have been found in particular to provide an important source of information and support to nascent, new and established women business owners. In particular, women are forming associations to increase their access to technology, increase familiarity with business cultures in foreign markets and access these markets more effectively. These associations also provide mentoring and training, and catalyse the process of building networks with government and corporate procurement officials. Women entrepreneurs are also being encouraged to become more knowledgeable about the advocacy process and methods for influencing public policy, both in terms of executive and legislative advocacy at the local, state and national levels, as well as the tenets of effective advocacy at the multilateral level. All of these developments are contributing to promoting a pro-active entrepreneurial culture for women.

*For discussion:*

- What is the role of networks and partnerships in promoting and supporting women’s entrepreneurship?
- How can existing networks be strengthened and improved, or the creation of missing ones be stimulated most effectively?
- What scope is there for successful international co-operation in this area, and how can it be implemented most effectively?

**The way forward: policy recommendations**

22. The workshop should produce policy recommendations designed to foster an entrepreneurial culture for women.
For discussion:

- What are the responsibilities of governments, the private sector and civil society in fostering a more entrepreneurial culture for women?

- How can good practices be further developed and disseminated?

- What concrete initiatives can be developed to strengthen and promote the conditions that encourage women’s entrepreneurship?
REFERENCES AND ADDITIONAL READING


