



## Women in Business

***"The impact that women in business are having worldwide cannot be underestimated. Women in business today are emerging as significant contributors to the economies of almost every country - developed and developing. Women controlled businesses, the role of women in small and medium enterprises and the impact of this on economies and societies is now being recognized."***

**Andrina Lever, Managing Director, Expansion International Advisory Inc., 1996.**

### Women are in the economy

#### Globally:

- Women make up more than half of the workforce;
- Women account for
  - 45 per cent of the paid labour force in East Asia,
  - 42 per cent in Southeast Asia, and
  - 31 per cent in South Asia;
- 30 per cent of all households in the world are headed by women;
- Women are responsible for the major share decision-making on household expenditures.

#### In Canada:

- Women own and or operate 30 per cent of all firms;
- Since 1976, women account for 40 per cent of the increase in self-employment;
- The growth rate for self-employment has been higher among women than men;
- Women provided almost 3/4 of the growth in self-employed persons in Atlantic Canada 1989-1993.

#### In USA:

- 7 out of 10 women aged 25 to 54 are in the labour force;

- Women make up almost half all paid workers;
- Almost 2/3 of new entrants to the labour force between 1994 and 2000 will be women;
- In 1995 labour force participation rates of women exceeded 80 per cent.

### In Australia:

- Women are starting new businesses at double the rate of men;
- Women comprise one-third of all self-employed persons;
- Women own more than 40 per cent of all small businesses;
- In 1995, women comprised 47 per cent of operators of home-based and 30 per cent of other small businesses [those with less than 20 employees].

### In Asia:

- In 1990, 77 per cent of women of working age in Thailand were in the labour force;
- Women's share of the self-employed in manufacturing, trade and social or community and personal services was:
  - 50-70 per cent in the Philippines
  - 42-66 per cent in Thailand;
- Women comprised more than half of the self-employed in manufacturing and trade in Indonesia;
- Women comprised more than 60 per cent of the self-employed in manufacturing in Malaysia.

## Women businesses count

### In Canada:

- Almost one-third of all firms are women-led;
- The number of women-led firms increased at almost 20 per cent per annum 1991-94, twice the national average;
- Employment in women-led firms increased at 13 per cent per annum, more than four times the national average, providing jobs for 1.7 million Canadians and more jobs than the top 100 companies;
- Women-led firms lead in new business growth in every province.

### In USA:

- Women-owned businesses contribute more than \$2.38 trillion annually in revenues to the US economy, more than the GDP of most countries;
- Women owned 6.4 million businesses in 1992, almost one-third of all firms;
- Employment in women-owned firms increased by more than 100 per cent 1987-1992, compared to only a 38 per cent for all firms;
- Women-owned businesses employ one out of every five US workers;
- Women-controlled businesses employ nationally 30 per cent more people than the Fortune 500 companies employ nationally *and* internationally.

### In Australia:

- Women's businesses have a higher survival rate than men's businesses;
- 1986-96 women-owned businesses have been growing at 1 1/2 times the rate for businesses owned by men;
- Estimates suggest that women-owned or operated small businesses provide as much as 20 per cent of net job creation.

### In Asia:

- ***There is no information!!*** Comparable figures on women in business are not available;
- This is NOT because they are less important but because of a lack of awareness in both government and among business associations of the importance of women's businesses;
- Industrial censuses and surveys and other enterprise-based surveys do not identify the sex of the operator or owner;
- However, even a casual walk around a market or down a busy street suggests that, as in other countries, a substantial proportion of small and medium, as well as many large, enterprises are operated and/or owned by women.

## Women businesses and women in business face special challenges

Despite their numerical importance, women's businesses face special difficulties and are generally marginalized in the both national and international arenas. Women, and therefore the businesses that they own/operate, are disadvantaged in many areas

### Women's businesses are disadvantaged in:

- **Access to capital:** For example, in Australia 43 per cent of women operating small enterprises, compared to only 29 per cent of men, commenced their businesses with less than AUS\$ 1000. These women were also less likely than the men to use personal savings or to borrow money to start their business [46 per cent of women sole-operators compared to 56 per cent of men].
- **Access to technology:** Women may lack access to technology because of their lack of capital, poorer access to information or cultural stereotypes that either limit their effective access or make them dependent on men for access. For example, in some countries women's participation in education and particularly technical and vocational education is restricted by cultural stereotypes.

However, in the developed countries where these barriers are less serious, women's businesses have been found to use new technologies, at least in the field of information. For example, a 1994 survey of home-based women-owned businesses in the US found that more than 56 per cent had at least one

computer, almost 4 in 10 had more than one, 2/3 had a fax or computer modem, 55 per cent used a cellular phone, 30 per cent used CD-ROM and 32 per cent used an on-line information service [National Association of Women Business Owners].

- **Access to information:** Women are often excluded from active participation, and sometimes from membership, in business networks and professional associations. Their exclusion may result from lack of time due to their need to balance their domestic roles as wife and mother with their business roles. It may result from the social nature of the networks themselves, since many centre on shared non-business (for example, sporting, same school or club) interests that also tend to exclude women. It may also result from cultural barriers. For example, both businesswomen and their male colleagues may feel uncomfortable if the women participate in the social activities (such as after-work dining out and drinking) around which the business networks operate. Even in the US, women still find themselves doing less business travel than men and are excluded from certain kinds of [more policy-oriented] meetings [Feminist Majority Publication, *The Glass Ceiling*, 1995].

## Women businesses – undeveloped potential

Throughout the world, women's businesses are a seriously neglected and under-developed source of income growth, new jobs and export income.

This is slowly being recognized in the developed countries. Women themselves are leading with the formation of national associations for women-owned businesses and women in business. For example, Internet listings show that national organizations for businesswomen and/or women-owned businesses have been formed in Australia [Australian Council Of Businesswomen Ltd; Asia-Pacific Business Council for Women Inc.], Canada [Canadian Women's Business Network], UK [UK Women's Business Directory] and USA [American Business Women International; National Association of Women Business Owners (NAWBO); National Foundation for Women Business Owners (NFWBO); Women Business Owners Corporation, etc.]

Groups such as these have been formed to provide mutual support, improved access to information through sharing, create "old girls" networks to compete with the "old boys" networks that have tended to effectively exclude businesswomen, and undertake lobbying and advocacy with governments and within the business community. They recognize that strength lies in cooperation, mutual support and numbers. For example, the Australian Council of Business Women was formed to harness the full power of the currently scattered population of Australian businesswomen (ACOB, 1996) and to encourage Australia's businesswomen by showing a unified voice to the government, media and wider community.

In the developing countries, networks and associations of businesswomen have also been formed. Among these in the Asian region are: Ikatan Wanita Pengusaha Indonesia (Indonesian Business Women's Association), Business and Professional Women's

Association, Zonta International and Soroptimist International (which have branches in most countries), the Women's Institute of Management (WIM) in Malaysia and the recently formed Business Women's Council (WBC) of the Philippines.

However, recognition of women's businesses and their influence on policy making remains comparatively weak. Neither government nor the business community yet recognize that women's businesses are important or that they may have different needs and concerns from those of men's businesses.

Business development agencies in the developed countries are increasingly targeting support toward women-owned businesses. For example, the Government of New South Wales, Australia has developed a Women in Business Mentor Program. In the US, the Office of Women's Business Ownership, located in the Office of Small Business Administration, runs a Women's Network for Entrepreneurial Training, Mentoring Program and numerous other programmes specifically targeting businesswomen.

Although there are few similar initiatives in the Asian region, the Women's Business Council of the Philippines was set up under the sponsorship of the Department of Trade and Industry (DTI). A special Women's Desk has also been established in DTI, which also supported the Regional Dialogue between Women Business Leaders in ASEAN and Key Government Officials Involved in APEC on Globalization and Women in Business held on 14-15 August 1997 in Bangkok.

In the industrialized countries, an important consequence of the growing recognition of the role and economic contribution of women's businesses has been the collection of statistics on businesses that distinguish between women and men-owned and/or operated enterprises. The Australian Bureau of Statistics conducted a Characteristics of Small Business Survey in February 1995, which collected information on the characteristics of businesses employing less than 20 employees and their operators, provides detailed information on the differences and similarities between women-owned and men-owned businesses. In the US, the National Association of Women Business Owners conducted its own membership survey in 1992 and a later survey conducted jointly with AT&T and MetLife Small Business Center on home-based women-owned businesses. Other data comparing women-owned and men-owned businesses are available from the 1987 US Bureau of the Census Characteristics of Business Owners Survey released in 1992. In Canada, an independent analytical survey and study of small businesses undertaken by the Bank of Montreal's Institute for Small Business (ISB) and Dun & Bradstreet Information Services distinguished between women-led and men-led businesses.

The importance of statistical data on women's businesses is underlined by a comment by the Executive Director of the Bank of Montreal's ISB: "In 1996, the greatest business challenge faced by many women is to be taken seriously". By demonstrating the growing economic power, diversity and success of women-led business, the statistics provided by the ISB study clearly show Canada that women's businesses must be taken seriously. In Asia, we still lack the information needed to drive that lesson home to governments and business.

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