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in Enterprises — WEDGE*

**Jobs, Gender and Small Enterprises:
Getting the Policy Environment Right**

by

Linda Mayoux

InFocus Programme on Boosting Employment
through Small Enterprise Development
Job Creation and Enterprise Department



International Labour Office Geneva

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Foreword

This Working Paper, number 15 of IFP/SEED's Working Papers, is the second one published as part of the series on Women's Entrepreneurship Development and Gender in Enterprises (WEDGE). The Paper provides a comprehensive review of relevant approaches to formulating the most effective policies to promote women's entrepreneurship development. This paper complements the earlier WEDGE Working Paper on Programmes and Projects for the promotion of WED (Working Paper 9, ILO 2001). Terms of reference for both papers were originally designed and commissioned by Josiane Capt, now with the ILO's InFocus Programme on Skills, Knowledge and Employability (IFP/SKILLS).

The author, Linda Mayoux, is a Research Fellow at the Open University, Milton Keynes (UK) and independent consultant. She has written extensively on women's economic empowerment and women's access to finance and credit.

The employment potential of micro, small and medium enterprises, and their contribution to poverty reduction, have attracted the attention of many organizations, including the International Labour Organization. Until recently, the attention of the donor community has been on developing effective and efficient programmes and projects to promote micro and small enterprise development, including women's entrepreneurship development. Emphasis has shifted and the Donor Committee on Small Enterprise Development now concentrates on the provision of market-oriented business development services (BDS). Attention is increasingly being given to the importance of an enabling and conducive policy environment in enhancing the potential and performance of MSEs, and the IFP/SEED programme has this as one of its major strategies. This publication of Linda Mayoux's paper is most timely as it makes a significant contribution to the debate on the policy environment for MSE promotion, and highlights formalized and inadvertent biases that often hinder women from succeeding in establishing and growing their own enterprises.

The paper reviews the approaches and priorities of a large number of international organizations, assessing them in the light of their contribution to the overall empowerment — economic, political and social — of women. The paper raises engaging challenges for everyone — the ILO included. The author comments on recent ILO actions in support of enterprise and gender, including Recommendation 189 on General Conditions for Job Creation in Small and Medium-sized Enterprises (1998), and the ILO's Gender Strategy.

The author argues that more value should be placed on women's work — paid or unpaid — and a redefinition of what is termed as "economic". She points out that the aim of promoting women's enterprise is not only to enhance women's contribution to growth and poverty alleviation, but also to ensure that women themselves benefit from these developments. It is not only about addressing issues of women's equal human rights, but also about enabling women in poverty to enjoy this equality.

In addition to reviewing the current state of policies to promote women's entrepreneurship development, the paper also provides a valuable set of "good practice" guidelines for policy-makers, both within governments as well as within international and donor support organizations.

Gerry Finnegan, in his role as Senior Specialist in Women's Entrepreneurship Development (IFP/SEED), was instrumental in finalizing this Working Paper for publication. The manuscript was prepared by Christine Vuilleumier.

Christine Evans-Klock
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Acronyms

ACORD	Association for Cooperative Operations Research and Development
AKRSP	Agha Khan Rural Support Programme
APEC	Asia Pacific Economic Cooperation
ASCA	Accumulated savings and credit associations
ATO	Alternative trading organization
AWAKE	Association of Women Entrepreneurs of Karnataka (India)
CEDAW	Convention on Elimination of Discrimination Against Women
CFA	Communauté/Coopération Financière d’Afrique
CGAP	Consultative Group to Assist the Poorest
CIDA	Canadian International Development Agency
CIPE	Centre for International Private Enterprise
CIPRE	Cercle International pour la Promotion de la Creation
CODEC	Community Development Centre
ECOSOC	United Nations Economic and Social Council
ESAF	Economic and Social Adjustment Fund
EU	European Union
EWL	Employment and Wages Survey (the Netherlands)
FAO	Food and Agriculture Organization of the United Nations
FCEM	Femmes Chefs d’Entreprises Mondiales
FDI	Foreign Direct Investment
FIWE	Federation of Women Entrepreneurs
FUSMED	World Bank-supported organization
GATT	General Agreement on Tariffs and Trade
ICA	International Co-operative Alliance
IFAD	International Fund for Agricultural Development
IFAT	International Federation for Alternative Trade
IFP	InFocus Programme
IFWE	International Federation of Women Entrepreneurs
ILO	International Labour Organization
IMF	International Monetary Fund
ISEP	International Small Enterprise Programme
IT	Information technology
IWTC	International Women’s Tribune Centre
LLDC	Least developed country
MDT	Multidisciplinary Team
MERS	Monitoring, Evaluation, Reporting System
MFI	Micro-finance institution
MNC	Multinational corporation
MSE	Micro and small enterprise
NAFTA	North American Free Trade Agreement
NFWBO	National Foundation for Women Business Owners (US)
NGO	Non-governmental organization
OECD	Organisation for Economic Cooperation and Development
OWBO	Office for Women Business Owners (US)

PAMSCAD	Programme of Action to Mitigate the Social Costs of Adjustment
ROSCA	Rotating savings and credit association
SAP	Structural adjustment programme
SDA	Social Dimensions of Adjustment
SED	Small enterprise development
SEED	InFocus Programme on Boosting Employment through Small Enterprise Development
SEWA	Self-Employed Women's Association
SME	Small and medium enterprise
TNC	Transnational corporation
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
US	United States
USAID	United States Agency for International Development
VAT	Value-added tax
WASME	World Association of Small and Medium Enterprises
WEDGE	Women's Entrepreneurship Development and Gender in Enterprises
WID	Women in development
WIEGO	Women in Informal Employment: Globalizing and Organizing
WTO	World Trade Organization

Preface

The author would like to thank Ms Josiane Capt, now in the ILO's InFocus Programme on Skills (IFP/SKILLS), for giving her the opportunity to prepare this paper and for all her support throughout. She would also like to thank Ms Petra Ulshoefer, ILO's Bureau for Gender Equality, for her comments on an earlier draft. Thanks are also due to the Open University, Milton Keynes, England, where a research fellowship has enabled her to further develop many of the ideas between the first and final drafts of the paper. Any errors of understanding and interpretation are however the responsibility of the author.

Comments and further information on any of the issues raised are very welcome as this is seen very much as "work in progress" by both the author¹ and the ILO's programme on Women's Entrepreneurship Development and Gender in Enterprise (WEDGE).

This paper aims to initiate and contribute to serious debate about enabling environments for women's enterprise. It presents a framework for gender mainstreaming in micro and small enterprise policy, focusing on the regulatory and socio-economic environments.

However, information about existing policies and evidence of their effect on women are very patchy. Although the negative effects of previous and existing gender-blind policies and regulatory frameworks are clear, attempts at gender mainstreaming in enterprise policy are only at an early stage. There is little detailed research on the impact of recent policy or regulatory changes which attempt to address some of women's needs. The author is particularly aware of the need to bring together much of the currently underpublicized or undocumented "good practice" experience from countries in the South. Moreover, as argued in the paper, the essence of good practice is participation by women's organizations and local gender staff to enable adaptability of guidelines to meet particular needs and contexts, rather than the imposition of blueprints for policy. Therefore, although it is recognized that implementation of gender policy requires concrete and accessible tools for practitioners, this paper does not attempt to develop these at this stage.

The paper was commissioned primarily for use by ILO gender and MSE experts in regional Multidisciplinary Teams (MDTs) and at Headquarters in Geneva. The issues are nevertheless also relevant to the work of other gender and/or MSE practitioners involved in policy formation and implementation both within ILO and elsewhere. The paper is therefore designed to be used in different ways by different readerships.

For gender and MSE experts, including ILO gender and MSE experts in regional Multidisciplinary Teams and Geneva, and staff in similar positions in other organizations,

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this paper provides a framework for integrating current debates about gender mainstreaming with those of enabling environments. This is done based on the underlying assumption that the aim of MSE development for women is not only to increase their contribution to market growth or poverty alleviation, but also the empowerment of women themselves. For this readership the paper brings together current debates (Part I) and evidence (Part II), and discusses elements of a holistic policy framework (Part III) based on the principles of the Beijing Declaration (Appendix 1). Part IV then outlines what the author feels are priority areas for the ILO in view of its current gender and MSE policies (details in Appendix 2) and points to related work being done by the ILO in other relevant policy areas. The issues are complex and would merit even longer and more in-depth treatment than that given here. It is hoped that this will be possible sometime in the future.

In the case of other gender and MSE practitioners involved in policy formation and implementation in ILO and other organizations, it is recognized that many will not have time to read the document in detail. For these readers the Executive Summary, together with the recommendations for ILO in Part IV, give a quick and accessible overview of the arguments which can then be supplemented by reference to other parts of the paper as required, and in particular to Part III.

Guide to the use of Terms and Abbreviations

MSE: Micro and small enterprise, employing up to 50 persons.

SME: Small and medium enterprise, employing up to 200, or in some countries as many as 500 persons.

Gender difference refers to those differences between women and men which are freely chosen and value-neutral.

Gender equality/inequality refers to those differences which ascribe lower value to the needs and choices of one sex over another, and perpetuate unequal access to power and resources. This inequality frequently applies to women. The term may also be used to refer to those areas where men's choices and access to power and resources are limited. As used here, the term does not imply "sameness" or acceptance of a male value system.

Gender equity/inequity: gender equity with its connotations of justice and fairness was a term introduced to emphasise a concern with equality of opportunity rather than outcome, and a concern to increase women's (and men's) choices rather than to "make women like men". It is not used in this report because it has been adopted as the preferred term by those wishing to justify different and unequal gender roles and power inequalities.

Good Practice refers to those policies which on the basis of current evidence are considered most likely to fulfil the underlying development aims in relation to empowerment, poverty alleviation and economic development.

Best Practice: this term is used only to refer to policies promoted as Best Practice in other publications. In this report it is generally avoided as it appears to impose a blueprint often without any recognition of potential trade-offs and tensions between policies or allowing for participatory processes in policy formation.

Organizations: named agencies with relatively fixed boundaries which generally have legal or customary recognition, e.g. the ILO, USAID, Oxfam, individual trade unions, and co-operatives.

Institutions: complexes of norms, rules and relationships which crosscut or interlink organizations, e.g. households, markets, conventions on human rights, broad-based women's movements.

Executive Summary

Micro and small enterprise (MSE) development for women is currently being promoted as a key intervention for women by governments and development agencies across the political spectrum. In Northern industrialized nations, women's enterprise development is a key element of strategies to decrease welfare budgets and unemployment. It is one of the main planks of gender policies in many international development agencies. Entrepreneurship development for women is also an important part of the measures proposed in the Platform for Action of the Fourth World Conference on Women and the Programme of Action of the World Summit for Social Development.

This emphasis is partly because of evidence of the rapid expansion of women's entrepreneurship since the 1980s, and hence the increasing numerical importance of women entrepreneurs as a development constituency. Millions of women at all income levels in developing, transition and industrialized countries are setting up enterprises. In some countries women entrepreneurs now outnumber men in the small-scale sector. The numbers and scale of women's enterprises are increasing at a faster rate than those of men. This emphasis on women's enterprise is also justified in terms of its contribution to development in the future, in particular its contribution to:

- ***Economic growth*** because of women's increasing prominence in the small-scale sector. Increasing the profits and efficiency of women's enterprises is therefore essential to growth within the small-scale sector and the economy as a whole.
- ***Poverty alleviation and employment creation*** because women are generally poorer than men, spend more of their income on their families, and operate more labour-intensive enterprises using female labour.
- ***Economic, social and political empowerment*** for women themselves through increasing women's access to and control over incomes and working conditions. This then gives them greater power to negotiate wider economic, social and political changes in gender inequality.

Since the mid-1990s attention has increasingly focused on how the economic, legal and social environments can be made even more conducive to expansion and development of the small-scale sector. This is partly because of evidence of limited impact of many small-scale industry development programmes and projects in contrast to the rapid expansion of small-scale enterprises in response to environmental changes. More recently, largely because of the increasing strength of gender lobbies within governments and aid agencies, attention has begun to focus on how women's specific needs and interests can be mainstreamed within economic and social policies for the small-scale sector as a whole.

Although there is a broad consensus on the development potential of small-scale enterprises and the importance of an enabling environment, there are disagreements about some aspects.

- ***The main aims*** of MSE development in the context of development as a whole;
- ***Definitions*** of the MSE sector and characterization of different types of MSE;

- ***What is meant by environment*** and categorization of different levels of environment, generally referred to as micro-level, meso- or sectoral level, and macro-level, and their relative prioritization in policy intervention;
- ***Approach to gender***, being the ways in which gender issues have been (generally rather belatedly) inserted into male/mainstream arguments.

Part I of the paper identifies three distinct paradigms of MSE development for women underlying current debates about best practice.

- ***The neo-liberal market paradigm*** where the emphasis in MSE policy is on small-scale growth-oriented enterprises based on a Western model of individualist entrepreneurship to increase their contribution to market-led economic growth. Women's entrepreneurship development is promoted mainly on the grounds of efficiency and contribution to market growth, which entails a downplaying of constraints on women's enterprise. The importance of women's rights to property ownership and equal opportunities is discussed by gender lobbies. However, in practice the emphasis in "gender mainstreaming" is on changing terminology in regulatory frameworks and increasing women's access to capital through financially self-sustainable micro-finance programmes. Funding for women-focused programmes is decreasing, and the inherent desirability of current market-led economic growth policies is unquestioned.
- ***The feminist empowerment paradigm*** draws its inspiration from the international women's movement in the South as well as the North. Here the focus is on poor self-employed women and workers in the informal sector, and on developing networking and co-operation to address gender and poverty constraints. The paradigm encompasses a fundamental critique of market-led growth and the ways in which this reinforces underlying structures of gender subordination and poverty. Feminist economists and others have called for a reconceptualization of what is referred to as the "economic" so as to encompass non-market work and social welfare policy. They also emphasise the importance of women's equal representation in economic decision-making, and the need to challenge powerful vested interests currently dominating debates and policy. Without these changes the degree to which entrepreneurship development necessarily benefits women themselves is called into question.
- ***The interventionist poverty alleviation paradigm*** characterizes agencies like the ILO and current policy in the European Union. This paradigm focuses on poverty alleviation and socially responsible growth, but is in many ways a very uneasy marriage between promotion of market growth on the one hand and the development critique of gender lobbies on the other. The policy focus includes promotion of good working conditions and equal opportunities, as well as enterprise, but shifts uneasily between policy relevant to growth-oriented small business and policy to address problems of very poor self-employed and workers in the informal sector. In relation to gender, although comprehensive proposals for gender mainstreaming have been produced by gender lobbies and staff, MSE policy continues to treat gender issues as a special case requiring attention and entailing extra costs, rather than an integral part of mainstream policy and budgets. Women's representation in economic decision-making remains marginal, particularly participation by women's organizations representing poor women.

Part II reviews the evidence regarding the impact of different dimensions of economic and social change on women's entrepreneurship based on an analysis of existing documentation and information. It focuses particularly on material from Africa (Ghana,

Cameroon, Tanzania, Zimbabwe, South Africa), South Asia (India, Bangladesh, Sri Lanka), Europe (the UK, the EU's policy), and the US. From this evidence it is clear that women entrepreneurs operate in very diverse economic and socio-political environments, and therefore have very diverse needs. Even within particular contexts women differ considerably in access to resources, skills, markets and labour. Although some women are successfully operating growth-oriented enterprises and may enjoy some advantage in certain female-preferred sectors, even they face a range of interlinked and mutually reinforcing gender constraints at the household and institutional levels. In Europe, the increasing focus on socially-responsible growth, including a commitment to the welfare state and the promotion of social forms of enterprise promises to open up new opportunities for women entrepreneurs. Policies to stimulate SMEs, combined with equal opportunities policies, have helped to create a more favourable environment for women's entrepreneurship development. In the US and Europe, active women's organizations and organized gender lobbies within the administration are able to ensure attention to at least the concerns of some women entrepreneurs, particularly at the level of legislation.

What is important however, is not only expansion in numbers of women entrepreneurs, but the conditions in which they operate their businesses and the degree to which they benefit from economic activity. The majority of women, particularly poor women in the South, begin their enterprises to cope with costs of household subsistence and inadequate male contributions to family survival. These women are locked into low investment, low growth and low profit activities, not only because of limited markets and enterprise opportunities in poor economies, but also due to gender inequalities in access to resources, skills, markets and labour. These in turn are a result of gender discrimination in macro-level policies and institutions which reflect and reinforce gender inequalities in power at the household level. In the South, existing studies indicate that particularly for poor women constraints have been exacerbated rather than alleviated by neo-liberal policies promoting export-led growth and decreasing what little social service and welfare provision previously existed. In these cases the benefits of MSE development for women themselves in terms of economic empowerment, well-being or social and political empowerment cannot be assumed.

Part III argues that providing an enabling environment for women's enterprise will require a radical shift in conceptual frameworks from socially responsible growth generally confined to voluntary self-regulation by vested interests, to *socially equitable growth* which provides the necessary regulation and support for empowerment and poverty eradication. This in turn requires a holistic framework of integrated macro- and meso-level policies to adequately address the multiple constraints facing women entrepreneurs, and particularly poor women (see Summary Box).

The first underlying assumption in the selection of good practice policies is that the aim of promoting women's enterprise is not only women's contribution to growth and poverty alleviation, but also to ensure that women themselves benefit from this development. For women entrepreneurs enterprise activity is part of a broader livelihood strategy where it is difficult to separate production and reproduction and market and non-market work. Women's autonomy to develop and expand successful enterprises is seriously constrained by inequalities in resources and power within the household and in markets, and by macro-level policies which underlie and further reinforce these inequalities. Policies for enabling environments therefore require a redefinition of the "economic" and consequently the boundaries of economic and enterprise policy. This requires a holistic focus on interrelated dimensions of well-being and empowerment to replace the conventional divisions between

“economic” policy, focusing on market work and “social” policy. These in turn require greater institutional accountability and representation of women, those in poverty and poor countries in decision-making.

It is also assumed that the aim is not only to address issues of women’s equal human rights, but also how to enable women in poverty to enjoy this equality. Policies for gender equality and poverty eradication are interlinked but require separate consideration. It is possible for women to play a central role in poverty alleviation at the household level without equal rights, leading to overburdening and increasing stress. On the other hand different women have different and potentially conflicting priorities and interests, and policies may benefit better-off women and disadvantage poorer women, e.g. labourers or women in very poor countries. Very poor women may be further disadvantaged by competition from expansion of enterprises run by better-off women who have preferential access to training and credit. The ability of very poor countries to provide adequate resources for policies for gender equity and poverty eradication depends on levels of income in the economy as a whole, and/or funds available from international agencies.

Both gender equality and poverty eradication require a three-pronged approach.

- Firstly reform, and if necessary, removal of the policies which support implicit and explicit advantage for powerful vested interests of men, large business and Northern economies.
- Secondly specific and adequately-resourced support for women, particularly poor women and women in poor countries to challenge previous and current discrimination and neglect.
- Thirdly, reform of mainstream policy to incorporate the needs of all parties. In particular this requires incorporation of women’s needs and interests in currently “malestream” policy and reinforcement of men’s family responsibilities. It requires explicit consideration of the needs of poor women and poor countries.

Importantly, the good practice policies suggested by these underlying principles must be seen as interlinked — as part of a holistic framework rather than treated in isolation. For example, legal and regulatory frameworks mean very little without institutional change for implementation and accountability, or providing necessary support for women to use them. Promoting women’s enterprise may overburden women without appropriate fiscal and welfare policy. Policies to promote women’s enterprise may be costly and ineffective without adequate policies for human and infrastructure development.

Unless a holistic approach is taken and powerful vested interests challenged, the majority of women will continue to be consigned to low income and low profit enterprises. This is both economically inefficient and has serious consequences for children, as well as imposing burdens on women themselves, with serious consequences for their well-being and human rights. The current emerging consensus about the importance of micro and small enterprise development for women risks becoming little more than a convenient means of side-stepping the need for radical policies for redistribution of wealth within or between countries, or explicit strategies for feminist organization. It has been largely fuelled by a political search for quick solutions to poverty and unemployment as a response to increasing evidence of negative impacts of macro-economic and social policies. The current emphasis on gender mainstreaming also becomes a convenient means of paying lip-service to goals of

gender equality through marginal changes, whilst maintaining strict budgetary constraints on programmes for women and leaving existing macro-economic policies intact.

As discussed in Part IV, the conceptual and policy shifts identified here build on the Beijing Declaration to which ILO is a signatory and are consonant with ILO gender policy, and also link with ILO initiatives in other departments. The ILO, therefore, is in a very good position to make a considerable contribution to current debates and policy. However, this will firstly require firm commitment to the ILO's gender mainstreaming policy on the part of all staff involved with MSE development. Secondly, it will require greater collaboration between those involved with MSE policies and those dealing with the informal sector to look at women's enterprise along a continuum from the very poor self-employed to the growth-oriented micro, small and medium-enterprise sector. Thirdly, it will require continuing commitment to increase the participation of women, women's movements and gender staff in decision-making at all levels.

**SUMMARY BOX: GENDER MAINSTREAMING AND MSE POLICY:
UNDERLYING PRINCIPLES AND INTEGRATED POLICY FRAMEWORK**

UNDERLYING PRINCIPLES

Reconceptualization of the "economic" to encompass analysis of and strategies to address:

- Broader livelihood strategies and integrating non-market/reproductive work;
- Power relations at household, market, institutional and macro-levels.

Gender equity:

- Mainstream policy to take equal account of women's gender-specific needs, rather than taking male-specific needs as the norm;
- Reform of policies which give inequitable advantage to men;
- Adequately resourced affirmative action to address women's gender-specific needs to redress previous discrimination and neglect;
- Reinforcement of men's responsibilities in the reproductive sphere.

Poverty eradication

- Reform of policies which give inequitable advantage to powerful interests of large-scale business and Northern economies;
- Specific support for very poor women and labour as integral part of enterprise policy;
- Specific support for very poor countries.

Institutional accountability in economic decision-making at all levels:

- Women's equal representation;
- Representation of very poor women;
- Representation of women from very poor countries.

HOLISTIC FRAMEWORK OF POLICIES

LEGAL AND REGULATORY FRAMEWORKS based on equal rights:

- Legislation to treat women as independent actors with equal rights and who control property, income and other resources;
- Legal definition of small-scale/micro-enterprise to recognize women as independent and equal actors, and to include labour regulation and guidelines for co-operation;
- Financial sector legislation to ensure women's equal access to financial services and foreign exchange.

FISCAL POLICIES based on equal rights and integration of reproductive work:

- Individual taxation for women;
- Childcare expenses and housing improvement allowable as part of business tax relief;
- Insurance schemes and pensions to take into account women's needs and working patterns;
- Unification of tax and benefit systems to remove discrimination against poor self-employed women;
- Lowering VAT on essential goods produced by women and/or consumed by children.

INDUSTRIAL AND TRADE POLICIES to promote women's enterprises rather than discriminate against them:

- Reform of discriminatory investment, trade and infrastructure policies which produce market distortions in favour of male entrepreneurs and particularly to large-scale and foreign owned businesses;
- Affirmative action for promotion of production and services used and provided by women, e.g. care services, technology to decrease burden of domestic work, preferential grants, collective and individual loans, etc. for female social entrepreneurs in poor neighbourhoods;
- Promotion of women's marketing and networking through the Internet (including e-mail shops), trade fairs, and promotion of alternative trading organizations (ATOs), preferential access to public tendering;
- Promotion of ethical enterprise: ethical legislation to be an integral part of enterprise policy and enforceable for all enterprises, and active promotion of collective and co-operative arrangements and innovative forms of management.

HUMAN DEVELOPMENT AND INFRASTRUCTURE POLICIES to integrate reproductive work and promote women's enterprises:

- An integrated care strategy;
- Women's participation in design of physical infrastructure like roads, transport, markets, power and water supplies;
- Public expenditure on literacy and higher education for women, removal of gender stereotypes from curricula mainstreaming enterprise, business skills, and different types of technology training for women in general education;
- Media promotion of positive images of female entrepreneurs and women in general;
- Mainstreaming reproductive work and women's rights in training and education for men and in media images.

INSTITUTIONAL CHANGE for gender accountability:

- Structures for representation of women's organizations in decision-making, particularly those representing poor women and women in poor countries;
- Equal opportunities policies and gender training in all concerned institutions as a condition of funding and support;
- Gender-disaggregation of all budgets, statistics and research, and dissemination of information to women's organizations;
- Networking between institutions to promote integration and coherence of gender policies to increase the depth, scope and pace of change;
- Support for women's movements and NGOs providing legal support, gender expertise in research, training, and policy development.

PART I: WOMEN'S ENTREPRENEURSHIP AND ENABLING ENVIRONMENTS — COMPETING PARADIGMS AND UNDERLYING ISSUES

In the 1990s micro and small enterprise (MSE) development for women was promoted in terms of three main justifications:

- ***Economic growth*** and the fact that increasing the profits and efficiency of women's enterprises is a significant contribution to growth of the economy as a whole, as well as within the small-scale sector, given the prominence of women in that sector;
- ***Poverty alleviation and employment creation*** because women are generally poorer than men, spend more of their income on their families and tend to operate more labour-intensive enterprises using female labour;
- ***Economic, social and political empowerment*** for women themselves.

In the late 1990s attention focused on how the economic, legal and social environment can be made more conducive to the expansion and development of the small-scale sector, and how women's specific needs and interests can be mainstreamed within this framework. This is partly because of evidence of the limited impact of development programmes aimed at supporting small-scale industry and women's income-generation of the 1980s. This disappointing impact is in contrast to the rapid expansion of small-scale enterprises and women's entrepreneurship actually taking place in response to changes in the economic and socio-political environment.

There is a broad consensus on the development potential of small-scale enterprises and the importance of an enabling environment. However, there are disagreements about terminology, differences in priorities, and differences in the ways in which gender considerations have been inserted into policy debates about the small-scale sector. In what follows, Part I, 1 identifies three distinct "paradigms" of MSE development for women underlying current debates about "good practice": the neo-liberal market paradigm, the feminist empowerment paradigm, and the interventionist poverty alleviation paradigm. Part I, 2 summarizes current areas of agreement and outlines a number of inherently contentious issues underlying any search for good practice.

1. What is an enabling environment? — Contrasting approaches to MSE development and gender

Current debates about enabling environments for women's enterprise are a combination of debates about small-scale business/micro-enterprise and debates about gender policy. Both these debates have a long history and have developed largely independently. Cross-cutting both areas of debate are contrasting political traditions with very different assumptions about the nature of development and the types of policy required to promote it.

Attempts to promote and protect small-scale industries and crafts date back to the Industrial Revolution and colonial development of large-scale industry. These were seen by many as destroying communities and local production, and harming health and the environment. In India opposition to large-scale industry took the form of organized resistance under Mahatma Gandhi whose policies for the small-scale sector continued after Independence. In the 1950s and 1960s interest in the small-scale sector declined with the widespread optimism about modernization. However, in the early 1970s interest in the development potential of the sectors of the economy variously referred to as the "informal", "small business" or "microenterprise" sector was revived and became the subject of international policy debates. By the 1990s small and micro-enterprise development was being promoted by agencies across the political spectrum as a means of simultaneously stimulating economic growth, poverty reduction and empowerment.

The principles underlying gender policy also have a long history. National women's movements began to be organized in many countries in the nineteenth century. In most cases these were a culmination of long-standing grassroots women's struggles, many of which focused on women's work and rights to productive resources. Women's rights began to receive international attention with the first International Women's Conference in Mexico in 1975. In the 1980s there was a mushrooming of income-generation projects for women, particularly in the wake of the 1985 Nairobi International Women's Conference. By the 1990s, increasing numbers of women in the small-scale sector and increasing strength of gender lobbies within aid agencies and governments, had prompted calls for gender mainstreaming in enterprise development as in other areas of policy.

Underlying current debates about enabling environments for female enterprise, it is possible to identify three distinct paradigms which relate policy to underlying values and assumptions². They reflect different theoretical perspectives on development which affect both the ways in which the small-scale sector is conceptualized and the ways in which gender issues are dealt with.

- ***The neo-liberal market paradigm*** which dominated many Northern industrialized countries and their aid policies in the South in the 1980s and first half of the 1990s, and continues to dominate debate in some aid agencies and countries, particularly the US. Due to the influence of these countries in multilateral agencies (particularly the IMF, the World Bank and the OECD) this paradigm also continues to dominate global macro-

² The three paradigms discussed here have links with financial self-sustainability, feminist empowerment and poverty alleviation paradigms of micro-finance discussed by the author elsewhere (Mayoux 1998b). In an earlier discussion of micro-enterprise programmes (Mayoux 1995) the intermediate interventionist paradigm was to some extent encompassed in discussion of populism in the "empowerment approach". Development of policies since the mid-1990s and the focus on macro-level policy in this paper reinforce justification for its treatment as a separate paradigm here.

economic policy. Here attempts have been made to integrate women's concerns into existing neo-liberal market policies.

- ***The feminist empowerment paradigm*** which grew out of Marxist feminist/socialist debate and grassroots feminist organizational experience going back to the 1970s. At the beginning of the new millennium, this is producing a coherent gender critique of macro-level economic and social policy and a set of strategies for empowering poor women. Here it is argued that addressing gender and poverty concerns requires a fundamental transformation of existing macro-economic policies.
- ***The interventionist poverty alleviation paradigm*** which has its origins in Keynesian economics and preceded the market approach in the 1970s. It continued to characterize the policies of some Southern and Northern governments (e.g. India, Scandinavian governments) in the 1980s. It remains dominant with the election of centre left governments in many Northern countries (e.g. the UK) and the attempt by multilateral and bilateral donor agencies, including the ILO and the EU, to address some of the issues raised by the empowerment critique of market policies. As discussed below it is an attempt to reconcile requirements of market-led growth on the one hand with poverty reduction on the other. Here a range of policies have been promoted for gender mainstreaming, with considerable debate about what this means and the degree to which it be achieved in the context of existing policies and institutions.

The paradigms differ in a number of fundamental respects:

- ***The main aims*** of MSE development in the context of development as a whole;
- ***Definitions*** of the MSE sector and characterization of different types of MSE;
- ***What is meant by enabling environment*** and categorization of different “levels” of environment, generally referred to as micro-level, meso- or sectoral level, and macro-level, and their relative prioritization in policy intervention;
- ***Approach to gender*** — the ways in which gender issues have been (generally rather belatedly) inserted into male and mainstream arguments.

These differences lead to very different conclusions about enabling environments for female enterprise.

As discussed below, although some agencies are clearly dominated by one of these three paradigms, in many cases all three paradigms co-exist, promoted by different departments or interest groups. This is particularly the case with large international agencies like the ILO and the European Commission which, in contrast to USAID, the World Bank and the OECD, have more pluralistic structures for decision-making and representation of different interest groups.

1.1 The neo-liberal market paradigm

The neo-liberal market paradigm has economic growth through stimulation of the market economy as its prime development aim (see Box 1). It is based on presumptions of economic individualism and the assumption that poverty alleviation will occur as a consequence of economic growth through “trickle-down” of benefits from increasing employment and overall wealth in the economy. Within this framework, neo-liberal economists of the 1950s and 1960s saw the small-scale sector as consisting of traditional low income and low technology activities which would disappear with economic growth and

development of advanced capitalism (Lewis 1954). However by the mid-1980s accumulating evidence of the continued growth of the small business sector led to increasing interest in small businesses as an important growth sector in the economy. Since the end of the 1980s there has been a wealth of literature depicting the small-scale sector as a dynamic, efficient and democratic alternative to interventionist models of national economic development. Management literature on industrialized countries has stressed the efficiency benefits of flexible specialization in the context of globalization. Other studies argued that small-scale, decentralized forms of production provide creative and flexible solutions to economic crisis and underdevelopment³.

These positive characterizations of the small-scale sector coincided with rising evidence of negative effects of neo-liberal macro-economic and social policies on the poor, and on women. In particular, these included rising unemployment, and increasing costs of welfare and essential infrastructure services (see Part II). Small-scale industry development therefore came to be promoted, not only in the interests of growth but also as a major plank of the neo-liberal poverty alleviation and employment creation agenda to counteract the negative impacts of market growth strategies. In the North (particularly the UK and US) promotion of the interests of small business was also seen as a means of widening the democratic appeal of neo-liberalism. Small and microenterprise development became increasingly important in the aid policies of bilateral and multilateral donors in the context of decreasing aid budgets. USAID and the World Bank both initiated large micro-enterprise programmes in the 1970s, withdrew support in the 1980s, then renewed funding at the end of the 1980s. For much of the 1990s microenterprise development, particularly financially self-sustainable micro-finance and business development services, has constituted a major part of poverty-targeted aid from USAID and many other donors.

Within these debates women's issues began to be raised as early as the 1970s. Within USAID a Women in Development (WID) Office was set up in 1974, and women's income-earning and integration into economic development are major planks of its 1982 Gender Policy. Pressure from gender lobbyists succeeded in promoting a gender focus in USAID's GEMINI programme⁴ (cf. e.g. Otero 1987; Ernst and Young 1988; Clark 1991) and in micro-finance policy (Otero and Rhyne 1994). This included an international research programme on women entrepreneurs (see overview Downing 1990, 1991) and contributed to a series of workshops (see Berger and Buvinic eds. 1989; Grown and Sebstad eds. 1989). It also came up with a series of proposals for women's microenterprise development which included the macro- and subsector levels as well as the micro-level (see Box 2). Building on the GEMINI programme, USAID launched a second microenterprise initiative in 1994, the "Microenterprise Best Practice" (MBP) Initiative which maintained the commitment to focusing on women and the very poor, particularly through support for poverty lending. The 1995 US Beijing Action Plan committed \$70 million annually to assisting women's microenterprise development, focusing on providing credit to women, technical assistance, and other financial services.

³ See overview in Meagher 1995.

⁴ The five year GEMINI Programme (Growth and Equity through Micro-enterprise Investments and Institutions) offered technical assistance, training, economic research and information to USAID missions and bureaux, implementing organizations, host country governments and other organizations involved with micro-enterprise development. This included three applied research programmes focusing on growth and dynamics of micro-enterprise, micro-financing and non-financial services. It looked particularly at firm-level dynamics, subsector and sector-wide dynamics, poverty lending, growth and dynamics of micro-enterprise programmes and institutions, integration of programmes with financial markets, policy and regulatory reform and leveraged micro-enterprise development.

BOX 1: NEO-LIBERAL MARKET PARADIGM

APPROACH TO MSE DEVELOPMENT

Dominant development aim: economic growth through stimulation of market economy.

Underlying emphases: promotion of economic individualism, self-help and “trickle-down”.

Main rationale for interest in MSEs: as important growth sector and “incremental” approach to poverty alleviation and unemployment.

Definition of micro-enterprise: “an informally organized business activity which is owned by and employs poor people, employs ten or fewer people, including the micro-entrepreneur and any family workers and is not engaged in crop production” (USAID 1997).

Understanding of enabling environment: free market prescriptions of economic deregulation, importance of continuing macro-level economic adjustment and social policy reform.

APPROACH TO GENDER

Main justification for attention to gender: in terms of efficiency and an underutilized development resource.

Approach to gender policy: “gender-inclusive”: integration of women’s concerns into existing policies and institutions.

Understanding of gender mainstreaming: appropriate regulatory environment, with some initial positive discrimination and targeted assistance, to enable women’s equal access.

POLICIES FOR WOMEN’S MICRO-ENTERPRISE DEVELOPMENT

Prime target: dynamic micro and small businesses (MSEs) with growth potential, including women most likely to be successful entrepreneurs, particularly in high-growth sectors of the economy.

Definition of women’s enterprise “a female entrepreneur is a woman who has initiated a business, is actively involved in managing it, owns at least 50 per cent of the firm, and has been in operation 1 year or longer” (Moore and Buttner 1998).

Micro-level: comprises individuals, households and enterprises. Characteristics include:

- Assistance focusing on providing business training and credit to women entrepreneurs;
- Discrimination in the household will be overcome by women themselves once they have access to increased incomes.

Meso-level: seen as consisting of markets and private sector voluntary organizations. Characteristics include:

- Support for NGOs and women’s business organizations;
- Financially self-sustainable organizations to increase women’s access to finance, training, marketing (including exports) and other assistance, particularly to enable women to enter high growth sectors of the economy including exports;
- Enterprise-level childcare policies, flexitime and work/family initiatives;
- Stimulation of market provision of care, health and education services.

Macro-level: seen in terms of minimalist regulatory frameworks to ensure equal access to existing institutions. Characteristics include:

- Ensuring women’s representation through women’s bureaux;
- Legal and regulatory reforms to allow women to act as independent and growth-oriented entrepreneurs;
- Policies to remove unfair discrimination against small-scale enterprise and particularly in sectors where women are prominent;
- Minimalist targeted welfare provision;
- Sex-disaggregated data collection, for some this includes market valuation of reproductive work.

Gaps and problem issues:

- No questioning of the underlying market economic analysis;
- Little discussion of poverty;
- Concern with gender mainstreaming is placed firmly within budgetary constraints imposed by existing economic policies;
- No questioning of underlying power relations and interests.

BOX 2: GEMINI PROJECT: GENDER PROPOSALS

MACRO-LEVEL:

- Setting up of a women's bureau within the government to give women a voice and influence;
- Increasing access to financial services, both credit and deposit, through (e.g. the deregulation of interest rates) a decentralized network of banks in rural and urban areas, and collateral substitutes;
- Legal reforms to allow women to act as independent and growth-oriented entrepreneurs, sign contracts, withdraw money from bank accounts, hold confidential accounts, and obtain independent loans;
- Education and skills training for women to facilitate their entry into more modern product markets;
- Removal of minimum wage laws which discourage employment of waged labour rather than family labour;
- Examination of tariffs that impose high surcharges on women-owned enterprises compared to men's enterprises.

SUB-SECTOR LEVEL:

- Policies to encourage women's employment in new subsectors and removal of policies that subsidize large-scale, competing enterprises. This can be justified in view of the greater income multiplication effects of women's small enterprises;
- Removal of local, regional or national policies which burden marketers with unfair taxes and market fees, limit the mobility of goods, control the prices and marketing of certain commodities, restrict food vendors and subsidize large-scale milling operations. These measures are particularly important for women because of their important participation in food distribution, processing and preparation and the expansion potential of these subsectors;
- Policies, projects and other interventions to support women's competitive position in viable subsectors. This will require interventions that are sensitive to gender-disaggregated channels and constraints within marketing subsectors;
- Policies, projects and other interventions to promote complementary linkages between large-scale, high-potential enterprises and women's enterprises.

MICRO-LEVEL POLICIES:

- Collection of gender-disaggregated data on the constraints and disincentives to enterprise growth at the micro-level;
- Choice of agencies for implementation of microenterprise development projects to be based on their capabilities for understanding gender-based constraints and incentives;
- Facilitate the fulfilment of women's dual productive and reproductive roles through childcare policies, flexi-time, maternity policies, and classes in nutrition, literacy and numeracy;
- Education and training to facilitate women's entry into higher-return, higher-growth and sometimes "non-traditional" activities;
- Marketing assistance for women in higher-priced products through providing women with important market information, addressing problems related to transport, and training women in post-harvesting and handling techniques;
- Assistance for women entrepreneurs in obtaining inputs and setting up savings groups.

Source: Downing 1990 pp. 14-22.

In the US the Office of Women's Business Ownership was set up in the late 1970s as an office in the federal government. Throughout the 1980s and 1990s women's business organizations have become increasingly vocal and organized in demanding attention to the needs of businesswomen in US economic policy. The lead given by US organizations has been influential in other multilateral organizations like World Bank and OECD and in policies of other Northern governments, e.g. Canada. In particular the financial self-sustainability approach to micro-finance, including its focus on women's access, has become the dominant paradigm within most funding agencies and the Microcredit Summit Campaign (Mayoux 1998b 2000a). In the 1990s OWBO played a key role in the welfare-to-work initiative. It has a wide range of programmes to help women break into the federal

procurement and export markets and it is also engaged in advocacy⁵. More recently there has been a series of international conferences at the OECD, USAID and discussions facilitated by the US-based NGO CIPE⁶ which have further developed policies for women, including discussion of the economic and policy environment (OECD 1998, 2000⁷; CIPE website).

The paradigm has a number of basic features related to the wider neo-liberal policy framework of the organizations promoting it. Firstly, although the gender lobbies themselves have been motivated by the liberal feminist concern with women's equal rights, the institutional framework within which they operate has imposed the need to argue in instrumentalist efficiency terms (Razavi 1998). Both women and micro-enterprises are seen as an underutilized and currently underperforming resource to be tapped for growth, poverty alleviation and employment creation. Targeting women in micro-enterprise development is seen as an important strategy for economic growth because of women's numerical representation in the sector and low levels of productivity. Research also indicated that women's enterprises might have a greater contribution to stimulation of the local economy than those of men because of women's greater tendency to purchase local inputs (Downing 1990)⁸. These efficiency arguments are strengthened, particularly in the case of micro-finance because of the widespread finding that women are better repayers than men. Some have further argued, particularly women's business advocates in the US and Canada, that women follow more effective enterprise strategies which respond to the needs of flexibility, social responsibility and environmental concerns and, therefore, represent the future for enterprise development⁹.

At the same time women's enterprise development has been seen as making a positive contribution to individual economic empowerment and improving women's wider social and political position. This is partly because of the particular advantages that it gives to women: their flexibility and location in or near women's homes, ease of entry, and links with local markets (e.g. Otero 1987). These positive arguments coincided with a concern to be seen to doing something, in the North about getting women off welfare, and in the South about addressing the shortcomings of economic globalization and Structural Adjustment

⁵ By the late 1990s it had:

- A network of women's business owner representatives in every SBA district office;
- More than 100 mentoring round tables;
- Women-owned venture capital companies;
- Nearly 70 women's business centers in 40 states;
- An Online Women's Business Center on the Internet offering "training, advice and counseling anytime, anywhere";
- Loan guarantee programs to help those who cannot get lending through conventional channels finance their businesses.

In early 1996 the Inter-agency Committee on Women's Business Enterprise (ICWBE) and National Women's Business Council (NWBC) under the leadership of OWBO submitted its first annual report, "Expanding Business Opportunities for Women," to the U.S. President and Congress. The report included the newly released Census statistics on the growth of women-owned businesses and a review of the Federal programs and policies that foster women's business ownership.

⁶ Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce, was set up in 1983 as "a leading advocate for market oriented reform and democratic governance". In June 2000, CIPE held a conference (both actual and virtual) on the subject of women entrepreneurs.

⁷ The OECD has organized two global conferences on women's entrepreneurship development — 1997 and 2000. See the OECD's website for full details.

⁸ She quotes research in Kenya that found that men travelled three times as far as women to purchase inputs, and inputs traded by women were more likely to have been produced locally.

⁹ See for example some of the submissions on Business Development Bank of Canada website.

Programmes (see Part II). Stimulating women's entrepreneurship is also seen as having important "trickle down" effects on wider gender inequality through the expansion of female employment, and the observations that women's enterprises generally employ women and also trade with other female entrepreneurs (Downing 1990). Thus women's enterprise development is promoted as fulfilling empowerment as well as poverty alleviation aims, without significantly increasing costs of welfare or overseas aid.

Secondly, the main focus at the micro-level is the individual enterprise. Underlying the neo-liberal paradigm is an ideal type of an entrepreneurial independent owner-manager of a small firm based on a Western model of enterprise behaviour and located in expanding sectors of the economy, particularly the export sector. As summarized in Box 3, entrepreneurship in its ideal form is seen as comprising ownership of main productive resources; obtaining raw material supplies and other necessary inputs; management and supervision of labour; marketing; and all functions involved in business planning for expansion, including obtaining credit and investment. The entrepreneur controls all these functions, although some may be delegated as enterprises grow. In general the small-scale sector is seen as already having developed the entrepreneurial skills and organizational structures necessary for economic take-off.

The microenterprise sector is seen as merely a less efficient version of the small business sector. A combination of the economic logic of particular industries and market situations lead some entrepreneurs to adopt what can be regarded as disadvantageous types of enterprise behaviour, notably: badly planned diversification; reliance on informal social networks; failure to separate production and consumption accounts, and production for the low income local market. These problems are seen as requiring supportive interventions at the level of the enterprise, such as: training, development of risk-taking attitudes, and access to finance and markets, rather than assistance to the entrepreneur to address poverty directly. The definition of "micro-entrepreneur" is relatively generous in its upward size limit, and includes the relatively well-off poor as well as the poor self-employed (see USAID definition in Box 1). Although differences are recognized between entrepreneurs, these are seen as given individual characteristics, rather than structural disadvantages to be addressed through support policies. It is currently increasingly argued, particularly in micro-finance debates, that micro-enterprise programmes should not target the very poorest but the better-off among the poor who will be more successful and create employment.

Female entrepreneurship is seen largely in terms of women-owned businesses (see definition of women's enterprise in Box 1) and much of the literature has focused on the needs and potential of women's small and medium enterprises, rather than women's microenterprises or the self-employed. In the US, debates and conferences are dominated by successful businesswomen who are not in the category of small-scale entrepreneurs, much less self-employed or micro-entrepreneurs. Many conferences and organizations sponsored recently by USAID, OECD and CIPE also focus explicitly or implicitly more on medium-sized enterprises and the "better-off poor" than very poor women. There is little discussion of women enterprise participants who are not business owners, e.g. partners of male business owners and women workers, and little discussion of collective or cooperative forms of enterprise. The main aim of micro-enterprise development for women is seen as moving

BOX 3: WHAT ARE MSEs? FUNCTIONS AND DIMENSIONS OF ENTERPRISE DIFFERENTIATION

FUNCTIONS OF ENTREPRENEURSHIP

- Ownership of productive resources;
- Obtaining raw material supplies and other necessary inputs;
- Management and supervision of labour;
- Marketing;
- All functions involved in business planning including obtaining credit and investment.

DIMENSIONS OF DIFFERENTIATION

	High growth small business	Low growth micro-enterprise
Enterprise level		
Ownership	Owner entrepreneur	Self-employed, maybe in putting out system
Scale	Small-scale in terms of number of workers, but may have higher levels of capital investment	“Micro” in terms of both number of workers and capital investment
Diversification	Specialized niche production	Diversified production to decrease vulnerability
Technology	May be capital-intensive	Low technology and labour-intensive
“Rationality”	Profit-orientation and economic rationality, with separation of business accounts and business planning process	Survival-orientation with merging of production and consumption and day-to-day accounting
Labour	Wage labour	Family labour
Market	High-income domestic market or export market	Low-income local market
Legal status	Registered as small business	Unregistered
Background of entrepreneur		
Poverty	May be poor in terms of income but has access to support networks	Very limited access to resources and dependence on insecure networks and unequal patronage relations
Education	Medium to high education	Low levels of education and often illiterate
Ethnic group	Dominant ethnic groups	Vulnerable ethnic groups
Reason for becoming entrepreneur	Independence and profits	Lack of other alternatives and employment opportunities

poor small-scale women entrepreneurs and/or would-be entrepreneurs from low-growth enterprises to high-growth enterprises along the lines of their male counterparts. Gender constraints on female enterprise are recognized, such as women's lack of time because of childcare and other domestic work, and women's poverty because of lack of equal access to and control over resources. However the focus in micro-level policy is on integration of positive thinking, confidence and self-help through training programmes, rather than direct welfare assistance or feminist organization.

At the meso-level, the main agents of improvement are purported to be market mechanisms, supplemented by service provision for women entrepreneurs by NGOs. Early programmes for women's integration (cf. Berger and Buvinic eds. 1989) focused on programme and project level measures, targeting micro-level technical and credit support to particular economic subsectors. In the 1980s and 1990s there has been a particular interest in minimalist and financially self-sustainable micro-finance programmes which reach large numbers of enterprising women. (Berger and Buvinic eds. 1989; Otero and Rhyne eds. 1994). Recently there has also been discussion on ways of developing financially sustainable business development services (BDS). These latter include training programmes to develop entrepreneurial spirit and risk-taking, as well as a wide range of other marketing, technology and information services. The GEMINI proposals focus particularly on policies to support women's participation in high-priced product markets, particularly horticulture, garments, handicrafts and other traditionally female activities, as they orient towards an export market (Downing 1990). In the US there has been a rapid development of computerized on-line services linked to Business Development Centres to increase outreach and decrease costs. These have included export advice and international networking. In both the US and USAID there has also been increasing discussion of equal opportunities and gender mainstreaming in staffing policy. The emphasis is however on increasing women's access to financially sustainable enterprise-focused institutions, and there is resistance to integrated programmes and subsidies for poverty targeting or empowerment strategies.

Recently, in an attempt to address some of their critics and to avoid costly mistakes of many large top-down programmes, there has been an increasing interest in beneficiary participation. There has been increasing interest in women's networks and groups, expressed in debates about social capital, particularly in micro-finance debates (Mayoux 1999). There has also been increasing emphasis on the importance of international networking through support for Women's Business Associations, conferences and Internet. There has also been increasing emphasis on participatory consultation and participatory decision-making within the agencies themselves (see for example USAID and World Bank websites). Nevertheless the basic rationale and justification for these measures remains (implicitly if not explicitly) their contribution to programme efficiency rather than empowerment.

Fourthly, at the macro-level promotion of the small-business sector is seen as requiring an enabling economic environment, principally the orthodox free market prescriptions of economic deregulation and provision of the necessary physical infrastructure (see Box 4 and De Soto 1989, World Bank 1989). The role of the state is seen as merely providing a minimal regulatory framework rather than direct intervention in production. More recently has come a recognition that small and microenterprise firms may face different economic constraints and opportunities than large firms all because of policy distortions and market failures which create disincentives to growth. A recent World Bank paper argues for a market-oriented strategy which would shift attention away from direct provision of services and benefits, towards development of markets and networks (Hallberg 1999). These

proposals contain no reference to gender, and plans in areas like institutional strengthening of the firm mainly refer to improvements in cost-efficiency with no consideration of issues such as gender policy or equal opportunities.

BOX 4: USAID AND WORLD BANK POLICY ON ENABLING ENVIRONMENTS FOR ENTERPRISE

USAID DEFINITION ON ENABLING ENVIRONMENT FOR ENTERPRISE

- A **stable fiscal and monetary policy** setting resulting in an economy with reasonable interest rates and a reasonable level of inflation.
- A system of **financial markets** that provides incentives to save and efficient mechanisms to channel savings into investments that raise productive capacity over time.
- A **competition policy** that establishes rules against monopoly and against anticompetitive group behavior that can take place in cartels.
- A **human capital development programme** that calls for universal basic education and for reasonable access to college education or to advanced vocational training for those with the skills and drive to be successful in these areas.
- An **infrastructure development program** that provides the communications network, roads, water and sewer systems, and ports needed to facilitate business transactions.
- A set of policies that establish a **favorable climate for the start-up** of new businesses and for the growth of businesses: policies that minimize the costs of licensing and registering a business, policies that call for the government to provide easy access to information about laws and regulations, and policies such as commercial codes that establish rules to minimize the cost of doing business by defining the rights and responsibilities of all parties to a transaction.
- Policies that establish and enforce **clear rights to property** and **clear rules** related to the performance of contracts.

WORLD BANK PROPOSALS ON ENABLING ENVIRONMENT FOR ENTERPRISE

- Addressing market failures which create cost disadvantages for small and medium firms, restrict their access to markets and inhibit the development of markets for financial and non-financial services appropriate for small firms.
- Reconsideration of public policies and regulations which produce fixed costs and thus create a competitive disadvantage for small firms.
- Investment in public goods which open market access and develop markets for support services-including information, infrastructure (transport, market facilities, communications), training, product development for financial and non-financial services and institutional capacity-building.

Source: Hallberg 1999.

Policies for women, including those advocated by women's business organizations and gender lobbies within aid agencies have focused on integrating women into this market agenda. More recently there has been an increasing emphasis on macro-level and sectoral strategies to remove barriers to entrepreneurship in general: removal of government policies directly or indirectly favouring and subsidizing the large-scale formal sector; removal of the

constraints on employment and profitability posed by labour legislation and protection; deregulation and privatization of markets. In the US itself, the women's business associations have successfully lobbied for a Women's Business Ownership Act which guarantees women's equal access to business development programmes, individual taxation, special access to government procurement, etc. Most Northern countries also have Equal Opportunities legislation which, despite shortcomings in practice, is enforceable, backed by active women's movements and frequently by women's ministries. In the South, policies advocated by USAID's GEMINI programme also emphasise the importance of women's property ownership and equality legislation as an extension of USAID's general concern with policies that establish and enforce clear rights to property (see Box 2).

However, the inherent desirability of growth itself as conventionally defined is not questioned. Although there is a concern with women's rights, solutions to inequality are seen to lie in a combination of women's individual economic empowerment through access to income at the micro-level, and regulatory reform and stimulation of the market at the macro-level, rather than direct assistance for women in overcoming discrimination. There is little or no analysis of the interlinkages between poverty and gender subordination, and the implications for policies relevant to the needs of poor women entrepreneurs. There is little discussion on questions of wealth redistribution or welfare, and explicit opposition to labour and minimum-wages legislation in the USAID GEMINI proposals and the recommendations of many women's business associations. There is no questioning of the underlying market economic analysis, the underlying power relations and interests which shape existing definitions of what is meant by "economic", economic policies and the institutions which implement them. In practice, even if this is not the intention of gender lobbies, the concern with gender mainstreaming is placed firmly within budgetary constraints imposed by existing economic policies.

1.2 Feminist empowerment paradigm

In the feminist empowerment paradigm the dominant development aim is the eradication of gendered resource and power inequalities and women's empowerment. Gender equality and women's human rights are seen as ends in themselves, to be prioritized as prime development aims above economic growth and essential for, but separate from, poverty alleviation. The paradigm has triple roots in 1970s socialist-inspired women's activism, the Marxist/structuralist critique of global capitalism of the 1970s and 1980s, and the feminist academic critique of neo-liberal theory developed in the 1990s. The feminist empowerment critique of development was first formally articulated in Sen and Grown (1988). Gender lobbies in NGOs and some international donor agencies, drawing on the work of feminist academics, have further developed analytical frameworks and policies for empowerment¹⁰. In the South, grassroots women's organizations have become increasingly vocal around an empowerment agenda, despite lack of funding and resources. In the North, NGOs like Women In Development Europe and Eurostep have lobbied on behalf of women within macro-level decision-making processes in Europe. At the international level the paradigm underlies debates about gender-equitable economic policy in campaigns like that surrounding the Convention on Elimination of all forms of Discrimination Against Women (CEDAW), the 1995 Beijing Conference (see Appendix 1), and discussions leading up to Beijing+5 Conference held in New York in June, 2000.

¹⁰ See particularly Rowlands 1997 and discussion of the different frameworks in Mayoux 2001 forthcoming.

In to enterprise development, there has been a certain amount of ambivalence generally seen in the broader context of informal sector development. Interest in the informal sector goes back to the 1970s when some women's organizations, notably the Self-Employed Women's Association (SEWA) in India, began work with women handicraft workers and street traders. SEWA and other organizations started to develop a range of support including credit, training, co-operative development and unionization. Support also included advocacy to change legislative and environmental constraints on women's ability to increase incomes in the informal sector as part of a broader women's movement. These activities increased the visibility of informal sector women workers in international debates, highlighting not only their poverty and structures of exploitation, but also women's capacity to take and repay loans, be active Union members, and the importance of women's income earning for poverty alleviation and empowerment (Rose 1992). More recently this approach has informed the Women in Informal Employment: Globalizing and Organizing (WIEGO) initiative, an international action research programme on women and the informal sector.¹¹

This grassroots activism was, however, paralleled by an increasing theoretical and academic scepticism about the informal sector by Marxist-inspired writers. In the 1980s a series of anthropological and sociological studies highlighted the variety of capital/labour relationships as employers, owner-operators, and waged and unwaged labourers in both industrialized and non-industrialized countries (cf. e.g. Breman 1976; Bromley ed. 1978; Bromley and Gerry eds. 1979; Moser 1978). These challenged the optimism of proponents of the informal sector, including the effectiveness of SEWA as a solution to women's poverty and gender subordination (Everett and Savara 1991). They argued that the expansion of the informal sector, rather than a positive response to economic opportunities, was a response to capitalist crisis caused by recession and mounting indebtedness (Portes and Sassen-Koob 1987; Castells and Portes 1989 quoted Meagher 1995). Small-scale production was seen as subsidizing peripheral capital accumulation through providing cheap essential consumer goods for the mass market and holding down wage levels (Gerry 1987 quoted in Meagher 1995). Studies highlighted the interlinkages between the formal and informal sectors, in terms of the ability of large-scale entrepreneurs to sidestep regulation through putting-out systems and splitting enterprises into small units. Studies also highlighted the mobility of small-scale entrepreneurs between employment and enterprise, and consequently the importance of labour conditions in providing the skills and resources for entrepreneurship.

In relation to policy, the feminist empowerment paradigm contrasts with the neo-liberal paradigm in a number of important respects, which introduce some new and important elements into a definition of enabling environments for women's enterprise. An attempt to bring together the various strands, based partly on recent work by WIEGO and UNIFEM (particularly Chen 1996, et al. 1997) and partly on Elson's macro-level critique is given in Box 5. The concept of empowerment continues to be contentious and a number of different frameworks have been developed like those indicated in Box 6.

Firstly, at the micro-level there is a focus on women's rights as individual, autonomous agents. However, in contrast to the WID approach, the analysis is in terms of a complex, multi-dimensional and all-pervasive process of gender subordination. Gender subordination is seen as affecting all aspects of women's lives and embedded at many

¹¹ Women in Informal Employment: Globalizing and Organizing (WIEGO) is a worldwide coalition of institutions and individuals which grew out of earlier collaborations between SEWA, Harvard Institute for International Development and UNIFEM.

different mutually reinforcing levels: individual consciousness, the household, work, legislation, state structures and international economic and political systems. Micro-enterprise development is seen as contributing to a process of empowerment through enhancing women's productive role and enabling them to challenge inequities within the household, and as a useful entry point for wider mobilization. However the ability of women, particularly very poor women, to increase incomes and enforce their rights and is seen as limited by interlinked gender and poverty constraints. Women's empowerment consequently cannot rely solely on self-help or enterprise strategies alone, but requires direct material and organizational support to bring about necessary changes at many interlinked levels. The emphasis therefore is on holistic strategies, rather than separating economic interventions from social or welfare concerns.

Secondly, all institutions: households, enterprises, markets, NGOs, states and international agencies are seen as based on an interlinked set of gendered stereotypes leading to gender discrimination and gender-blind policies. Distinctions between micro, meso and macro-level strategies based on conventional distinctions between the personal/private and the public spheres and the economic and non-economic are therefore questioned. Households here are included in meso-level analysis, rather than relegated to a residual micro-level, and unpaid non-market work included as an integral part of the economy. This leads to a reconceptualization of the "enterprise", interventions for enterprise development, and particularly of what constitutes an enabling environment for women's enterprise.

Enterprises themselves are open to question, rather than the model of Western individual enterprise being taken as the given ideal. The emphasis, again in contrast to the WID approach, is not on entrepreneurship conceived as a distinct category of activities, but on work and employment and their relation to livelihoods. Small-scale enterprises do not consist of discrete independent entities, but exist on a continuum of varying degrees of dependence in each of the different enterprise functions indicated in Box 3 above. Recently questions have also been raised about ways in which the rights and interests of women partners of enterprise owners, "co-entrepreneurs", should be addressed. In view of the problems facing individual women, there is an emphasis on collective activity in production, purchase of raw materials and marketing. This is seen as not only addressing economic needs, but also leading to wider social and political empowerment.

BOX 5: FEMINIST EMPOWERMENT PARADIGM

APPROACHES TO MSE DEVELOPMENT

Dominant development aim: eradication of resource and power inequalities.

Underlying emphases: human rights, gender equity, empowerment and collective action.

Main rationale for interest in MSEs: mainly critique of neo-liberal approach, but also interest in increasing the power and resources of workers over their working situation through MSE development.

Definition of micro-enterprise: informal sector enterprises run by very poor “self-employed” people with limited independence and often in very exploitative relations with large businesses. Interest in potential of collective enterprise as way forward.

Understanding of enabling environment: radical change in market-based, macro-economic and social policy.

APPROACH TO GENDER

Main justification for attention to gender: women’s economic, social and political empowerment.

Understanding of gender policy: “gender transformative”: eradication of gender inequalities at all levels.

Understanding of gender mainstreaming: re-evaluation of all policies from a gender perspective and backed up by targeted programmes of affirmative action.

POLICIES FOR WOMEN’S MSE DEVELOPMENT

Prime target: labour and marginalized groups, including women informal sector workers.

Micro-level: holistic approach focusing on empowerment and women’s human rights:

- Gender awareness and collective action to challenge gender inequalities;
- Legal support;
- Welfare and benefit support to enable women to access micro-enterprise and welfare services.

Meso-level: focusing on interlinked dimensions of institutionalized discrimination:

- Households and enterprises to be critically examined rather than taking these as given;
- Micro-enterprise development as part of sectoral strategies;
- Micro-enterprise interventions as entry point for mobilization around gender issues;
- Emphasis on the state and grassroots organizations alongside the private sector;
- Collective organization to increase women’s access to finance, training, marketing and infrastructure.

Macro-level: to focus on women’s rights, labour rights and social reproduction as integral part of macro-economic policy:

- Reform of property legislation and mobilization for enforcement;
- Legislation to support women’s informal sector activities;
- Comprehensive support for women’s reproductive role as integral part of economic policy;
- Labour policies and minimum wages legislation;
- Support for women’s movements and advocacy;
- Education;
- Qualitative and quantitative gender research, including women’s non-market work.

Gaps and problematic issues

- Definitions of empowerment and relationship between women’s immediate practical needs and women’s rights and interests;
- Holistic approach presents problems of prioritization and achieving aims within existing constraints.

BOX 6: SOME UNDERSTANDINGS OF EMPOWERMENT

ROWLAND'S EMPOWERMENT PROCESS FRAMEWORK (Rowlands 1997 building on Kabear 1994 and Nelson and Wright 1995)

- **power from within:** individual changes in confidence and consciousness
- **power to:** increase in skills, abilities including earning an income, access to markets and networks
- **power over:** changes in power relations within households, communities and at macro-level
- **power with:** organization of the powerless to enhance individual abilities and/or ability to challenge and change power relations

CHEN'S EMPOWERMENT FRAMEWORK (Chen 1997)

Framework commissioned by UNIFEM for AIMS micro-finance impact study. Distinguishes between:

Material change:

- *income:* increased income and income security
- *resources:* increased access to, control over, and ownership of assets and income
- *basic needs:* increased or improved health care, child care, nutrition, education, housing, water supply, sanitation and energy source
- *earning capacity:* increased employment opportunities plus ability to take advantage of these opportunities

Perceptual change:

- *self-esteem:* enhanced perception of own individuality, interest and value
- *self-confidence:* enhanced perception of own ability and capacities
- *vision of future:* increased ability to think ahead and plan for the future
- *visibility and respect:* increased recognition and respect for individual's value and contribution

Relational change:

- *decision-making:* increased role in decision-making within the household and community
- *bargaining power:* increased bargaining power
- *participation:* increased participation in non-family groups, in local institutions, in local government, in political process
- *self-reliance:* reduced dependence on intermediation by others for access to resources, markets, public institutions plus increased ability and ability to act independently
- *organizational strength:* increased strength of local organizations and local leadership

WOMANKIND: (Kate Young's contribution to Ghana workshop)¹²

[Empowerment is] enabling women both as individuals and as a collectivity to achieve greater independence:

- Achieve greater social recognition and independence from male tutelage;
- Participate in decision-making at the level of their communities, region, state and beyond;
- Feel pride and self-esteem in themselves and other women;
- Feel that they can achieve their ambitions; refuse to allow their daughters to grow up under the same constraints as they did.

If we are concerned with women's empowerment we — men and women alike — can work to:

- **Remove the obstacles** to women's empowerment;
- **Provide** needed training, education, information; assets or access to assets; negotiating and advocacy skills, etc.
- **Enable**, i.e. to create a supportive environment for women's development and self-empowerment, i.e. creating the possibility for discussion, sharing and exploration.

¹² Workshop on Women's Empowerment and Micro-finance, Tamale, Ghana, March 1997.

As a consequence of the multidimensional and holistic approach to empowerment, micro-enterprise interventions are seen to be part of sectoral strategies which address all aspects of enterprise, linking the micro-level through to the macro-level through a process of participatory mobilization. For example Chen in her proposals for a subsector approach to micro-credit, based partly on SEWA's strategy, states that micro-finance must:

- be part of a *sectoral strategy* for change which identifies opportunities, constraints and bottlenecks within industries which if addressed can raise returns and prospects for a large number of women. Possible strategies include linking women to existing services and infrastructure; developing new technologies such as labour-saving food processing; building information networks; shifting to new markets; policy level changes to overcome legislative barriers, and unionization.
- be based on *participatory principles* to build up incremental knowledge of industries and enables women to develop their strategies for change (Chen 1996).

In contrast to the neo-liberal market approach, however, sectoral strategies are not conceived only in terms of economic growth. Interventions to support women in tackling inequality at the household level are seen as essential to any enterprise strategy, rather than a separate issue to be addressed through other means. These sectoral strategies, and the organizations involved, also attempt to protect the interests of workers and small-scale producers against those of larger producers, as well as promoting the expansion of sectors as a whole. Enterprise interventions, including the networks developed, are also explicitly linked to macro-level advocacy and lobbying, rather than assuming that women's networks can automatically articulate and further their interests as in current debates about social capital in the neo-liberal approach.

Thirdly, at the macro-level the definition of an enabling environment for women's entrepreneurship development involves a fundamental critique of neo-liberal market macro-economic policy. This follows from the holistic approach to empowerment and the underlying critique of capitalist development. As discussed in Part II below, a number of studies have concluded that the expansion of women's participation in informal sector activities has been because of the lack of alternatives and increasing poverty caused by structural adjustment and globalization. These call into question the likely effectiveness of micro-enterprise interventions for women in the context of existing impediments in macro-economic policy, in particular economic globalization and structural adjustment.

Feminist economists, notably Diane Elson, call for the integration of gender into macro-economic analysis. In Elson's formulation, social reproduction becomes an inseparable element of a definition of the "economic", and incorporates a domestic sector alongside the private and public sectors. She shows how this enables a more adequate analysis of markets, tax/benefits and information "circuits", and highlights not only women's contribution to the economy, but also how ignoring attention to women's needs and empowerment leads to inefficient economies (Elson 1998a,b, 1999). This approach thus formalizes some of the recommendations in the Beijing Declaration relating to the economy (see Appendix 1). Following from this frameworks are being developed for making gender analysis central to development indicators, through a macro-level empowerment index and integrating valuation of non-market work into growth statistics. These will enable more reliable information on the impact of macro-economic policies and a more balanced analysis of the growth process.

Within this new macro framework there is an emphasis on reform of property legislation and legislation to support women's informal sector activities. However in contrast to the WID approach, legal reform needs to be supported by grassroots mobilization, and support for women's movements and advocacy to ensure enforcement. Social policy is now central to definitions of development and growth which leads to serious consideration of state-funded service and welfare provision to cover the costs of reproductive work. Following from the concern with poverty and interlinkages between different aspects of livelihood strategies, there is also a concern with labour policies and minimum wages legislation alongside enterprise interventions.

This feminist empowerment approach, despite its increasing coherence and influence, also faces a number of tensions and challenges. Firstly, its holistic approach is so all-inclusive that prioritization of realizable objectives in the short-term is frequently problematic, particularly in the context of scarce resources in the current political and economic context. Secondly, this prioritization is further complicated by trade-offs for poor women themselves between immediate practical but often limited gains within existing situations of subordination, and the risks and uncertainties of challenging underlying inequalities. This allows their critics from both the neo-liberal and interventionist perspectives to argue against support for feminist movements in favour of less contentious practical interventions. Thirdly, because of its challenge to powerful vested interests, in practice the paradigm often faces stark choices between compromise and marginalization. Nevertheless partly because of progress, albeit limited, in gender mainstreaming within governments and international agencies, many of its insights and policy recommendations are receiving increasing acceptance.

1.3 Interventionist poverty alleviation paradigm

In between these two paradigms lies an intermediate approach characterized by enlightened interventionism (Meagher 1995). This third, and in many ways more eclectic paradigm attempts to reconcile economic growth with human development, and emphasizes the need for explicit poverty alleviation strategies and welfare policies alongside policies for market growth (see Box 7). Now focusing on the concept of socially responsible growth, the paradigm has its roots in post-war Keynesian economics, through the Basic Needs approach to development of the 1980s, and then the Human Development discourse of the 1990s. Its proponents have included international organizations like ILO (see Appendix 2), UNDP, UNICEF¹³ and IFAD. In the South, interventionism characterized the policies of some governments like India and Sri Lanka (until the mid-1990s), Zimbabwe and post-apartheid South Africa. In the North, in the 1980s its prime proponents have been Socialist/Labour governments in Scandinavia. In the late 1990s the election to power of Centre Left parties in the UK and much of Europe has recently had an impact on the internal policies of the European Union and the aid programmes of the European Commission. The approach to poverty draws on populist debates¹⁴, which have become increasingly influential through the promotion of non-governmental organizations. The promotion of the small-scale sector draws on the co-operative and Gandhian traditions.

¹³ See UNICEF's 1987 report "Adjustment with a Human Face" which was one of the earliest challenges to the Structural Adjustment programme.

¹⁴ For a discussion of the development of populist thought see e.g. Kitching 1982 and for its development by NGOs see e.g. Thomas 1992.

BOX 7: INTEGRATING GENDER: ELEMENTS OF THE INTERVENTIONIST POVERTY ALLEVIATION PARADIGM

APPROACH TO MSE DEVELOPMENT

Dominant development aim: poverty alleviation, particularly through employment creation as part of market economy.

Underlying emphases: socially responsible growth, human development, social enterprise.

Main rationale for interest in MSEs: as means of poverty alleviation and employment creation.

Definition of micro-enterprise: “all types of economic activity and all types of SMEs, irrespective of the form of ownership (i.e. including private and public companies, co-operatives, partnerships, family enterprises and sole proprietorships)”, ILO 1999b.

Understanding of enabling environment: MSE promotion as part of broader employment and welfare programme.

APPROACH TO GENDER

Main justification for attention to gender: in terms of human development, poverty alleviation and welfare because women are seen as both more disadvantaged than men and key promoters of the well-being of their families.

Understanding of gender policy: gender mainstreaming.

Understanding of gender mainstreaming: integration of gender into organizational mandates and staffing structure.

POLICIES FOR WOMEN’S MICRO-ENTERPRISE DEVELOPMENT

Prime target: small businesses and micro-enterprises run by poor people, including women.

Micro-level: individuals, households and enterprises:

- Recognition of diversity of small and micro-enterprise and entrepreneurs with special focus on poor entrepreneurs, the self-employed and co-operative development;
- Poverty reduction targeted at household.

Meso-level: services and support delivered through a combination of different institutions:

- Products and services delivered through regulated private and voluntary sector enterprises;
- State provision of products and services which cannot be provided by other institutions;
- Representation of labour unions and women’s organizations.

Macro-level: measures to increase informal sector productivity through relevant services, removal of unnecessary state restrictions:

- Market-led macro-economic policy;
- Employment creation and labour legislation;
- Social welfare policies;
- Equal opportunities policies.

Gaps and problems

- Compartmentalization of gender mainstreaming and private sector policy;
- Tensions between market policy and anti-poverty policy;
- How are additional costs of human development and social responsibility to be met and by whom?
- How can representation be more equal?

In this paradigm the prime rationale for interest in the small-scale sector has been its potential for employment creation and poverty alleviation. The concern is with the poor self-employed, poorer micro-enterprise, as well as small business. At the international level, the ILO was one of the pioneer promoters of the informal sector (e.g. ILO 1972) and has also had a long-standing interest in co-operatives. In the European Union, the integration of the European Market in the early 1980s included consideration of small and medium enterprise. In the 1980s and early 1990s there was a progressive adoption in both agencies of elements of the neo-liberal paradigm. In the ILO this was part of a new market realism, and similarly in the EU due to the influence of neo-liberal governments within its pluralistic decision-making structures. More recently however, again because of political change in their constituencies, the emphasis has become much more clearly focused on small enterprise, employment creation and poverty alleviation. In the Luxembourg Declaration of the European Union, enterprise development has become one of the four pillars of an integrated employment strategy which promotes self-employment and small and medium enterprise (see EU 1998). In 1997 the ILO created the International Small Enterprise Programme, clearly targeted to poor micro-entrepreneurs, particularly women¹⁵. In 1999, as part of the new “Decent Work” approach of the Organization, the InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) was created and superceded ISEP as the ILO’s major SED programme.

Attention to women’s issues has a long history in organizations influenced by this paradigm. A commitment to gender equality is included in the ILO constitution of 1919, and the 1957 European Treaty of Rome includes a commitment to equal pay for equal work. In the mid- to late-1980s the ILO together with ICA conducted a series of workshops on women in cooperatives (cf. e.g. ILO 1987). Other multilateral and bilateral aid agencies and governments who were influenced by this paradigm, particularly Swedish SIDA and Canadian CIDA, were important funders of women’s income-generation programmes in the 1970s and 1980s. By the mid-1990s the emphasis had shifted from separate women’s programmes to gender mainstreaming. The 1986 ILO Conference adopted a resolution stating that women should have equal access to all its small- and medium-size enterprise programmes and this commitment was strengthened in the 1990-1995 Medium-Term Plan. In 1995 new guidelines were produced for integration of gender issues into the design, monitoring and evaluation of ILO programmes and projects (Miller 1998 and see Appendix 2). In the EU in 1995 a group of European Commissioners was appointed to deal with Equal Opportunities to monitor activities at Union level and within member states, many of whom have progressively introduced Equal Opportunities legislation. Equal Opportunities is included as the fourth pillar of the 1999 Employment Guidelines (see Box 8). In the UK a special Women’s Unit was created within the Cabinet to oversee gender equality mainstreaming in all areas of policy.

¹⁵ This targeting is clearly seen in the training material which starts from the standpoint of poor female entrepreneurs in Africa (ISEP 1999a, b, c).

BOX 8: EU EMPLOYMENT GUIDELINES (1999): DEVELOPING ENTREPRENEURSHIP AND EQUAL OPPORTUNITIES

DEVELOPING ENTREPRENEURSHIP

Making it easier to start up and run businesses

- Encourage greater entrepreneurial awareness across society.
- Provide a clear, stable and predictable set of rules.
- Improve the conditions for the development of risk capital markets.
- Reduce and simplify the administrative and tax burdens on small and medium-size enterprises (particularly reduction of overhead costs and costs of hiring additional workers.)
- Examination and removal of any obstacles in tax and social security regimes to move into self-employment (which would also support attempts to tackle undeclared work).
- Promote training for entrepreneurship and target support services for entrepreneurs.

Exploiting new opportunities for job creation

- Promote measures to exploit fully the possibilities offered by job creation at local level, in the social economy, environmental technologies and new activities linked to needs not yet satisfied by the market. The special role of local authorities and social partners are to be taken into account.
- Develop framework conditions to fully exploit the employment potential of the services sector and industry-related services, e.g. potential of the information society and environmental sector to create more and better jobs.

Making the taxation system more employment friendly

- Set a target for reducing the overall tax burden, particularly charges on labour, without jeopardizing the recovery of public finances or financial equilibrium of social security schemes. It will examine the desirability of introducing a tax on energy or pollutant emissions or other taxes.
- Examine the advisability of reducing the rate of VAT on labour intensive services not exposed to cross-border competition.

EQUAL OPPORTUNITIES

Gender mainstreaming approach

- Ensure that active labour market policies are made available to women in proportion to their share of employment.
- Reduce tax-benefit disincentives.
- Give particular attention to obstacles which hinder women who wish to set up new businesses or become self-employed.
- Ensure that women are able to benefit positively from flexible forms of work organization.
- Create adequate data collection systems and procedures

Tackling gender gaps

- Actively promote equal representation of men and women across sectors and occupations and improve female career opportunities.
- Promote equal pay for work of equal value.

Reconciling work and family life

- Policies for women and men on career breaks, parental leave and part-time work, as well as flexible working arrangements which serve the interests of both employers and employees.
- Adequate provision of good quality care for children and other dependants.
- Equal sharing of family responsibilities.

Facilitating re-integration into the labour market

- Give specific attention to women and men returning to be paid work force after an absence.

Source: Edited from 1999 EU Employment Guidelines.

In many ways this interventionist poverty alleviation paradigm is an uneasy blend of elements of the neo-liberal paradigm which dominates debates about small-scale industry and tend to be dominated by “malestream” economic analysis, and the feminist empowerment paradigm which has been influential with gender lobbies within the organizations and governments concerned. The compromises which this entails, and the commitment to poverty alleviation, leads to a number of distinctive features and also inherent tensions.

Firstly, at the micro-level, poverty is seen as a multi-dimensional phenomenon and women, particularly female-headed households, are explicitly targeted as part of the poverty constituency. There is also a recognition of the importance of structural inequalities in power and resources, and hence the need to address them in policies for poverty alleviation. The approach to enterprise combines promotion of individual entrepreneurship with promotion of co-operatives and other forms of collective enterprise. Recently there has been increasing interest in the concepts of social enterprise and social economy. There is a much greater explicit focus on the particular needs of poor entrepreneurs and the self-employed. There is, however, a tendency to conflate gender and poverty concerns and a failure to critically examine processes within the household. More recently, because of pressure from gender lobbies, questions of women’s property rights and reproductive work are beginning to be raised. For example, the ILO’s “Guidelines for the integration of gender issues into the design, monitoring and evaluation of ILO programmes and projects” issued in January 1995, contain questions about access to and control over resources. However, in key areas like welfare policy women’s rights to welfare continue to be dependent on levels of household rather than individual income.

Secondly, at the meso-level the emphasis is on involving a wide range of institutions in provision of both enterprise and non-enterprise services: private and voluntary organizations in the social economy, state sector, trade unions and women’s organizations. The emphasis on protecting the interests of the private sector follows standard neo-liberal prescriptions. With the recent emphasis on market realism, both the ILO and EU have been increasingly interested in supporting the provision of financially sustainable micro-finance and business development services. However, there is an emphasis on ethical business and increasing interest in social enterprise, and on ways in which market and ethical concerns can be combined. Alongside these policies there is an explicit role for the state in regulating and controlling the market in favour of the disadvantaged and in providing social welfare. Historically and constitutionally the ILO has a tripartite structure composed of representatives of governments and national organizations of employers and workers from its 175 Member States. Many countries within the European Union also have a commitment to labour representation. However, women are not equally represented in many of these constituencies and equal opportunities policies have yet to remedy this situation. Organizational mainstreaming has only been only partial, and promotion of gender issues remains largely dependent on lobbying groups and small numbers of staff within the administration.

Thirdly, the question of gender mainstreaming encounters particular problems at the level of macro-level policy. Here there is a combination of:

- Neo-liberal market-led economic policy for growth;
- Poverty-targeted interventions for enterprise development, employment creation and welfare, combined with labour and union legislation;
- Social welfare policies;
- Equal opportunities policies.

In relation to MSE development, it is argued that providing a “level playing field” at the level of regulation — the main focus of the neo-liberal approach — is not enough. Some ILO publications contain a critique of neo-liberal macro-economic policies and their impact on poverty. However, as in the neo-liberal approach there is an emphasis on self-help and training, rather than organization, to address underlying inequalities (ILO 1999c World Employment Report). This is also the thrust of the EU Employment Policy which focuses on flexibility and training as a means of both stimulating economic growth and reducing unemployment (ECDGV 1998b and d, ECDGXXXIII 1996). At the same time there is a commitment to promoting quality jobs rather than low-paid employment. The ILO and the EU guidelines are both committed to integrating labour protection, minimum wages, and health and safety legislation as well as the welfare of entrepreneurs within a policy for small enterprise development, although what this may mean in practice remains to be seen¹⁶. There is also a commitment to social welfare provision, although there is considerable debate about its appropriate scope and sources and levels of funding.

As in the neo-liberal paradigm, macro-level policies tend to be compartmentalized with gender treated as an add-on, mainly addressed under social policy¹⁷. Both the ILO and EU have produced gender manuals on a range of issues, and research on women’s work and enterprise which have argued convincingly for attention to many of the issues raised by the feminist empowerment paradigm.¹⁸ However, gender finds little systematic mention in mainstream proposals for MSEs which focus on economic issues as conventionally defined, and even here there is little mention of gender difference (see Appendix 2 for ILO, and also White 1999; Tolentino 1995; EU 1999). Although within employment policy there is greater emphasis on childcare and family-friendly work practices than in the neo-liberal paradigm, and language is carefully gender-neutral, there is little detailed consideration of how these can be integrated into policies for both men and women. There is a tendency to see part-time work and self-employment as a means of enabling women to address tensions between work and family, rather than integrating gender concerns within macro-level policy to enable both men and women to combine well-remunerated employment with their family responsibilities.

Thus this paradigm faces challenges in common with both the other paradigms. As in the neo-liberal paradigm, gender mainstreaming is an incomplete and contentious process. There are inherent tensions in the attempt to combine neo-liberal growth policies, anti-poverty policies and gender policies. In particular there are questions about who should bear the costs of the neo-liberal prescriptions for growth, who should pay for welfare and social services, and how the costs of shifting the burden of unpaid reproductive work are to be met. Resolving these tensions involves confronting vested interests and power structures which continue to result in unequal representation of poor people, and women in general, in decision-making structures.

¹⁶ See particularly ILO 1999b “Job Quality and Small Enterprise Development: An Agenda for Action” which states that remuneration levels, job security, social protection, health and safety concerns, human resource development, good industrial relations and freedom from bondage and exploitation need to be an integral part of job creation. “Safe and secure workplaces not only meet vital human needs, they also boost productivity and enable businesses to grow” pp. 1-2.

¹⁷ For example “Women and training” are treated in a separate chapter towards the end of the ILO World Employment Report, and attempts by the Women’s Lobby to place gender as a crosscutting theme rather than a separate pillar have so far been resisted in the EU Employment Policy.

¹⁸ For ILO see e.g. Lim 1996, ILO ISEP 1999a.

2. Enabling environments: Areas of consensus and underlying issues of contention

By the end of the 1990s, although some organizations could still be clearly identified as dominated by one paradigm, there was an increasing convergence of terminology and combination of debates in the process of policy dialogue. Within agencies dominated by the neo-liberal market paradigm, a combination of external and internal pressure following increasing evidence of adverse effects of market policies has led to modification of policy statements. Official statements by the IMF, World Bank, OECD and USAID now use the language of participation and empowerment, and emphasize commitment to poverty targeting (see for example the World Bank 2000c Development Report). Proposed changes to governance of IMF, World Bank and OECD to facilitate greater participation by Southern governments are also likely to lead to further modification of orthodox neo-liberal free trade policies. At the same time gender lobbyists have been increasingly involved in constructive dialogue with the market paradigm, and have become concerned with issues of cost-effectiveness. This has increased their influence on international debates, but also led to increasing pressure for compromise in the interests of pragmatism. These trends have in many ways shifted debates to the middle ground of the interventionist paradigm, without resolving the tensions outlined above.

There is now a general consensus about the importance of enterprise development for women as summarized in Box 9. Firstly, increasing women's access to micro-enterprise business development services is now advocated by agencies across the political spectrum, including training, credit, technology and marketing. Secondly, the economic, social and political environments are seen as at least as important in facilitating expansion and development as are targeted programmes. The diversity of the small-scale sector, and wide range of client needs are seen as necessitating some form of client participation or market research in developing relevant and cost-effective BDS services. Finally, within this process the role of networking and advocacy to promote women's interests is also recognized, within all three paradigms.

Nevertheless the increasing conflation of paradigms conceals a number of continuing fundamental differences in underlying priorities and understandings concerning the ultimate aim of micro-enterprise development, the types of enterprises and entrepreneurs to be targeted, and the meaning of gender mainstreaming. These differences are critical in determining how the rhetoric of policy statements is translated into practical outcomes for poor women entrepreneurs. As argued in the following sections, the increasing convergence of terminology has served to facilitate a number of problematic elisions of arguments from different perspectives which threaten to hide ill-resourced and ineffective programmes benefiting mostly better-off women, behind a rhetoric of enabling environments, poverty alleviation and gender mainstreaming. These pitfalls and some ways forward are discussed in more detail in Part III.

BOX 9: ENABLING ENVIRONMENTS FOR WOMEN'S ENTERPRISE: DIMENSIONS OF THE DEBATE

ISSUES OF CONSENSUS

- **Women are important** in enterprise development.
- **Importance of regulatory environmental factors** as well as targeted policies in growth of the small-scale sector.
- **Diversity** of small-scale sector and diversity of needs for development.
- **Participation** important in policy formation.
- **Advocacy, lobbying and networking** to ensure that women's voices are heard.

ISSUES OF CONTENTION

WHY IS MICRO-ENTERPRISE DEVELOPMENT FOR WOMEN IMPORTANT?

- **Economic growth** — and what sort of economic growth
- **Poverty alleviation and employment** — and the inter-relationships between these
- **Equality and empowerment** — and what these mean in practice

WHICH ENTERPRISES ARE TO BE DEVELOPED?

- **Which women's interests are to be prioritized?** extent and nature of differentiation between women entrepreneurs, and how potential conflicts between labourers and employers are to be addressed
- **What sorts of enterprises are to be promoted?:** small business vs. micro-enterprise, individual versus collective

WHAT IS GENDER MAINSTREAMING FOR AN ENABLING ENVIRONMENT?

- **What is meant by gender mainstreaming?** what is its justification, scope and authority?
- **How can women's rights and needs be best accommodated in regulatory frameworks?** in particular how can diversity between women be addressed?
- **How should women's needs be accommodated within macro-economic policy?** in particular what is the place of social policy — literacy, childcare, health and welfare?
- **What is the most appropriate institutional context?** in particular the role of participation, voice, advocacy and networking, and organizational gender policies?

PART II: OPPORTUNITIES AND CONSTRAINTS FOR WOMEN'S ENTREPRENEURSHIP IN A CHANGING ENVIRONMENT — A REVIEW OF THE EVIDENCE

The current concern with gender mainstreaming in MSE development has been partly prompted by evidence of an expansion in the numbers of women's enterprises in response to changes in the macro-economic environment, as well as targeted interventions. However, there is considerable disagreement about the relationship between particular aspects of the changing environment and how far they present opportunities or constraints. As discussed in the previous section, in the neo-liberal market paradigm gender lobbyists have promoted a very optimistic picture of women's entrepreneurship capabilities. In their attempt to promote women's entrepreneurship development on the grounds of efficiency and contribution to growth, there is a tendency to minimize constraints. There is no questioning of women's ability to participate equally in market growth, provided there is equality in regulatory frameworks and access to capital. The feminist empowerment paradigm on the other hand focuses much more on the constraints posed by market-led growth and the ways in which this reinforces underlying structures of gender subordination. In addition, the degree to which entrepreneurship development necessarily benefits women themselves is called into question.

This section reviews the evidence regarding the impact of different dimensions of change on women's entrepreneurship, and the implications for economic growth, poverty reduction and empowerment. Part II, 1 gives an overview of the changing macro-economic and social context of globalization, structural adjustment policies, debt crisis, and the recent rise of interest in the social economy. Part II, 2 discusses the sources of evidence on women's enterprise; what we know about regional differences; the types of enterprise, and differences between women from different backgrounds. Part II, 3 examines the debates about new opportunities for female enterprise and the particular contribution which women make to growth, as well as the development of successful entrepreneurship styles. Part II, 4 examines the many interlinked constraints which prevent the majority of women from realizing this potential. Part II, 5 then summarizes the opportunities and constraints and the implications for gender analysis of enabling environments.

3. The changing macro-economic and socio-political environment for women's enterprise: Globalization, structural adjustment and socially-responsible growth

The 1990s have seen unprecedented and increasingly rapid economic, social and political changes which are likely to continue rather than decrease in the current millennium. In the neo-liberal paradigm, economic globalization, the worldwide dissemination of Western values and structural adjustment are seen as necessary elements for increasing market growth and, hence, for poverty reduction and development. In the feminist empowerment paradigm, economic globalization and structural adjustment are seen as increasing inequality, and the desirability of Western-style consumerism is seriously questioned. At the same time the process of globalization has assisted development and communication between women's movements. In the interventionist paradigm the answer is seen to lie in the promotion of socially responsible growth, including promotion of ethical entrepreneurship and the social economy in the broader context of market growth.

A detailed discussion of debates about globalization, structural adjustment and the social economy is outside the scope of this paper. The aim of this section is to give an overview of the different dimensions of environmental change which have affected women entrepreneurs, and which could be built on and/or need to be taken into account in developing good practice. A summary of the potential opportunities and constraints for women's enterprise identified in the literature are summarized in Box 10. The evidence on how far this potential is realized in practice is discussed in the following sections.

3.1 Globalization: Economic and socio-political dimensions

Globalization is a multidimensional process, with social and political as well as economic dimensions (see Box 10). It is not a new process in terms of the economic and socio-political integration between societies, both of which increased rapidly under European colonialism¹⁹. However the pace of integration and the multiple levels on which it occurs have increased considerably over the last two decades with developments in technology, particularly information technology. This has provided the material basis for accelerated economic globalization of trade, production and finance. It has also provided the means for rapid international dissemination of information and networking on cultural, social and political issues. Both economic and socio-political globalization present opportunities as well as constraints for women's enterprise development.

¹⁹ Capital transfers actually represent a smaller share of industrialized country economies than they did in the 1890s, and exports account for a share of GDP comparable to that of 1913 (PANOS 1999).

The integration of the global economy began to increase rapidly in the 1980s, following a period of economic protectionism in the 1950s, 1960s and 1970s. It increased dramatically in the 1990s. Firstly, the volume of world trade increased²⁰ due largely to the GATT negotiations which progressively reduced the tariffs imposed by participating nations, and increased the number of nations signing up to the Agreements²¹.

This trend is set to continue following the setting up of the World Trade Organization (WTO) in 1995²². Secondly, the globalization of production has involved increases in foreign direct investment (FDI) by companies, particularly transnational corporations (TNCs), in countries other than their country of origin²³. Increased automation, developments in information technology, and decreased transport costs have made it possible to relocate and co-ordinate production between distant sites, transferring parts of the production process to economies in the South. A third dimension has been the globalization of financial markets — transfer of finance across national borders for purposes other than foreign direct investment²⁴.

Economic globalization is considered from the neo-liberal market perspective to have potential to benefit poorer countries through opening up international markets for their goods, supplying cheaper inputs for their industries, and increasing employment. Women's business associations in the US often typically see potential benefits to trade liberalization, for example the support for NAFTA. The process offers possibilities for transcending the barriers of poor or saturated markets for products of female-dominated industries like handicrafts. Globalization has also led to rapid expansion of tourism which presents opportunities for local female enterprise in certain geographical regions, some of which are impoverished and/or remote. Globalization of production has challenged the need for a highly skilled, highly paid male workforce and increased demand for women's employment, both in national and multinational companies. In some MNCs the wage levels and conditions of work are better for women than in other sectors of the economy. In some countries (e.g. Bangladesh) the expansion of wage employment has led to positive changes in gender roles (Kabeer 1997).

²⁰ Throughout the 1980s world trade grew at an average annual rate of 4.4 per cent and 6.6 per cent during the 1990s (including estimates for 1999), with peaks of over 9 per cent growth in 1994, 1995 and 1997. It is forecast to continue growing at around 6 per cent annually over the next 10 years. These are far higher growth rates than those for world output which saw average annual increases of 3.3 per cent during the 1980s, 3.2 per cent during the 1990s, and a forecast of 2.9 per cent over the next 10 years (World Bank 1999 quoted in PANOS 1999).

²¹ The GATT Uruguay Round 1986-1994 expanded the principle of free trade in key areas of agriculture and textiles, i.e. reduction of subsidies to producers in their own countries and reduction of tariffs on imported goods. It also extended the scope of GATT negotiations to include services and intellectual property (copyright, trademarks, patents and industrial designs). The average rate of tariffs on manufactured goods has been reduced from 40 per cent in 1947 to 5 per cent in 1994, and the number of participating countries increased from 23 to 123.

²² In 1995 World Trade Organization was created with 3 main functions: to help trade flow as freely as possible, to achieve further trade liberalization through negotiation, to settle trade disputes between countries. 134 countries are members of the WTO, of whom 34 (including China and Russia) are observers. The annual budget of around \$80 million is paid for by its members in proportion to their share in total trade between them.

²³ Foreign direct investment has expanded from US dollars 21.5 billion in 1973 to US \$175 billion in 1992 to US \$400 billion in 1997. A third of all trade conducted across national borders now takes place within individual TNCs. (PANOS 1999).

²⁴ This includes transactions on foreign exchange markets, which by 1996 saw a turnover of more than US \$1.2 trillion every day — over 50 times the level of world trade (PANOS 1999). It also involves foreign portfolio investment on the increasing numbers of stock markets around the world. New institutional investors, like mutual funds, speculative hedge funds, and pension funds have joined banks and companies as significant investors.

BOX 10: POTENTIAL OPPORTUNITIES AND CONSTRAINTS OF MACRO-LEVEL ECONOMIC AND SOCIO-POLITICAL CHANGE

	Opportunities	Constraints
Globalization		
Trade	New Markets Tourism	Imports may saturate local markets Tourist trade dominated by large consortia and vested interests
Production	Increases demand for women's labour in EPZs and national industries	Wages and employment conditions may be poor May lead to suppression of trade union activity
Globalization of information flows	Increases demand for consumer products Facilitates networking between women entrepreneurs Dissemination of values of democracy and human rights Facilitates networking between women's movements and gender advocates	Women, and particularly poor women, do not have equal access Facilitates dissemination of values harmful to women: e.g. pornography
STRUCTURAL ADJUSTMENT		
Currency devaluation	Makes exported goods more attractive on the international market Makes imported goods less attractive on the local market	Makes imported inputs to local production more expensive
Removal of ceilings on interest rates and other forms of credit subsidy	May remove unfair advantage of large-scale business with privileged access to credit	May remove possibilities for poverty-targeted, low-interest credit
Abolition or phasing out of price controls and tax incentives	May remove unfair advantage of large-scale business with privileged access to tax incentives	Removal of price subsidies on basic foods and necessities increases the costs of family provisioning
Wage restraint and restrictions on trade unions	May remove privileged position of male unions May remove advantages of large firms in circumventing regulation	Reduces women's earnings from labour Reduced male incomes may put increased burdens on women
Cuts in government spending on public services, salaries and investments	Male unemployment may lead to new roles for women	Leads to women's retrenchment Leads to over-saturation of informal sector by new male and female entrants Male unemployment may increase burden on women and increase domestic violence
Cuts in government spending on subsidized goods and services	Provides market possibilities for women's enterprise to replace public service provision	Makes family provisioning more expensive resulting in declining female nutrition, health and literacy
SOCIAL ECONOMY		
New business sectors	Offer new possibilities for female entrepreneurs in services and ethical businesses	Sectors may receive inadequate development support leading to low incomes
Ethical management	Offers potential for development of a more "female" style of management	Ethical management may consign women to low incomes
Ethical trademarks and ethical investment	Remove or decrease comparative advantage of large-scale exploitative enterprises	May disadvantage poorer nations and poorer entrepreneurs unable to bear the cost of compliance May not include gender concerns

However, in addition to considerable concern about the environmental impact of economic globalization of both trade and production, critics have pointed to the very uneven nature of the process between and within countries. Economic globalization in practice is not the apparently value-free neutral process of rational and economically efficient free market expansion conceived by neo-classical economic theory. It is an inherently political process where dominant interests determine the scope and terms of marketing agreements. Northern industrial nations, through their dominance of global decision-making bodies, and the economic power of the large multinational companies, have ensured that free market principles are in practice very selectively applied. These countries have benefited most from both the increase in world trade and FDI. Latin America, South-East Asia and China have benefited to some extent,²⁵ but the poorest and smallest countries lose out with sub-Saharan Africa being particularly disadvantaged²⁶. Although the GATT Uruguay Round introduced new procedures for settlement of disputes between countries which were less biased against smaller countries, the regulatory framework remains disadvantageous to the interests of poorer countries. Tariffs and other barriers (notably rich country subsidies) are much higher for relatively higher value-added processed products than for raw agricultural produce, making it difficult for poorer countries to enter these markets and making it easier for rich country processed products to expand into Southern markets. Despite the agreement to remove the notorious Multifibre Arrangement (MFA)²⁷, this remains largely in place (Joeques 1995). The contribution of foreign direct investment (FDI) to employment is less than its rapid growth would indicate as much of the increase has been in the form of mergers between companies followed by restructuring and down-sizing (PANOS 1999). The degree to which this Northern dominance will change with the recent proposed changes to increase representation of certain large Southern governments in the WTO,²⁸ and measures to increase global financial stability remains to be seen. It is unlikely to significantly address the problems of the poorest nations.

Significantly the representation of women within these negotiations has been negligible, and that of poor women non-existent. The impact of economic globalization on gender inequality is a matter of considerable debate (Joeques 1995). As discussed in more detail below, the impact of the globalization of trade on women's enterprises has differed considerably between women, depending on the country, the industry and their individual background and situation. The degree to which the increased demand for female labour has benefited women is also variable. In many countries and industries, women's wages and

²⁵ The expansion of trade generated by the Uruguay Round is expected to increase global income by anything between \$200 billion and \$500 billion by 2001. Around 70 per cent of this new wealth generated by the increase in international trade under the Uruguay Round is set to go to the industrialized countries of the North, but the rest is to be shared between Latin America, China and the upper income economies of East Asia (PANOS 1999). Although in 1997 a record US \$150 billion of FDI went to developing countries, 80 per cent of this went to the top dozen recipients — China, Brazil, Mexico, Singapore, Argentina, Chile, Indonesia, Malaysia, Thailand, India and Colombia (in that order) (UNCTAD 1998 pp. 14-17 quoted in PANOS 1999).

²⁶ The least developed countries stand to lose up to US \$600 million a year under the new system of international trade set up in the Uruguay Round. Sub-Saharan Africa is set to lose US \$1.2 billion a year (PANOS 1999). Of the increased FDI, the poorest 136 developing nations received only US \$30 billion between them, less than the UK in the same period (UNCTAD 1998 pp. 14-17 quoted in PANOS 1999).

²⁷ Under the MFA, an elaborate set of quotas by rich importing countries were imposed against developing countries' exports. These were to be gradually phased out over 10 years, but this has enabled importing countries to use to the full the possibility of end-loading of concessions (Joeques 1995).

²⁸ The future role of WTO became somewhat uncertain following the demonstrations in Seattle and increasing pressure for change.

working conditions are very poor, employment insecure and unionization met with repression. Where this is the case, the increasing household dependence on women's wages may lead to intolerable burdens on women. As discussed below, male responsibility for reproductive work remains very limited. Moreover, increasing male unemployment has in many cases increased levels of violence against women and instability and insecurity in relationships.²⁹

The socio-political dimensions of globalization have received less attention. The colonial period saw widespread imposition of the culture and values of the colonial powers on colonized countries. For women there were contradictory outcomes. Colonialism imposed legal structures enforcing male ownership of land and productive resources which undermined local practices, which in many cases were less disadvantageous to women. This process of imposition of Western values continued with international aid programmes based on particular assumptions of women's role as subordinate and unproductive (Rogers 1980). At the same time, in some countries, links between social reformers led to the beginnings of formal education for women, questioning of extreme forms of subordination like widow-burning in India and the beginnings of the international women's movement. In the post-colonial era, globalization of Western values has continued with the spread of media like radio, television and cinema.

The development of information technology has led to the possibility of instantaneous global flows of information. This promises over the next decade to considerably increase international demand for consumer products and international marketing. These possibilities have been exploited by Women's Business Associations particularly in the North, but also increasingly in the South. Information technology (IT) has also contributed to international networking by women's groups and grassroots movements, and contributed to dissemination of values of democracy and human rights between activists in the South as well as the North. IT has considerable potential to increase the representation of women's interests at the macro-level, as in the discussions around Beijing +5 and international economic summits and conferences.

However, automatic benefits cannot be assumed and much will depend on the degree to which women's interests are explicitly promoted and supported. Globalization of culture and development of information technology has also reinforced the effects of domination of economic globalization and international agencies by Northern industrialized nations. It has enabled international dissemination of particular images of femininity which promote marketing of consumer products, and also of pornography. Importantly, women's access to the new technology is currently very restricted, largely confined to better-off and highly educated women. Much of the discussion is also limited within particular linguistic groups: English, French and Spanish. These developments therefore exclude the vast majority of women in poverty in the South, and also many women even in the North, and will continue to do so unless there is explicit support for their inclusion.

²⁹ This has been the theme of many contributions to the Beijing +5 discussions on women and the economy and women and violence.

3.2 The debt crisis, economic stabilization and Structural Adjustment Programmes (SAPs)

The process of economic globalization of trade and production has been reinforced in the South by policies for economic stabilization and structural adjustment imposed in response to the debt crisis. By the early 1980s higher oil prices, falling terms of trade and diminished demand for certain basic commodities meant that many countries were unable to repay loans taken in the 1970s, to provide a stable economic environment or the money needed to fund social programmes. As financing options closed, debtors were forced to seek World Bank and IMF help. In 1979 the World Bank changed from project-based lending to structural adjustment lending. The IMF had imposed certain policy prescriptions as a requirement for some of its loans for decades, but as the debt crisis increased it widened the scope of these prescriptions³⁰.

In accordance with the neo-liberal market paradigm at the heart of thinking in both the IMF and World Bank, it was argued that economic policies should concentrate on creating rather than redistributing wealth. This was to be done through a combination of economic liberalization to increase integration into the global economy, and decreasing the role of the state in economic policy and provision of welfare. The precise policies have varied over time and between countries, but the details of these differences need not concern us here. In general the main policy thrust has been a combination of:

- ***Currency devaluation*** to make imports into the country more expensive and exports from the country more attractive on the international market, and improve the balance of trade. Sometimes temporary import restrictions are also imposed to curb demand.
- ***Abolition or phasing out of price controls and tax incentives*** to enable prices to find their own level.
- ***Removal of ceilings on interest rates*** and other forms of credit subsidy to discourage public and private borrowing, curb inflation and help stop capital flight.
- ***Cuts in government spending on subsidized goods and services*** (e.g. basic foodstuffs, water, public transport, petrol and electricity) to decrease budget deficits and allow goods and services to find the “right price”.
- ***Cuts in government spending on public services, salaries and investments*** to decrease budget deficits and aggregate demand, and stimulate the private sector.
- ***Wage restraints and restrictions on trade unions*** to decrease wage inflation and allow operation of market forces in the labour market.

As with economic globalization, the poverty and gender impacts have been a matter of considerable debate. In some countries SAPs have improved the balance of payments

³⁰ Sri Lanka introduced two SAPs after the election of a new government in 1977. Ghana started SAPs in 1984. A number of other countries introduced SAPs in the 1990s. In Bangladesh in 1991, the New Industrial Policy focused on export-led industrial growth with incentives for export-oriented industries, especially ready-made garments, promoting foreign and domestic investment, liberalizing trade, reducing protection on import substitutes, making laws and economic statutes transparent. India introduced economic liberalization in 1991 in the context of fiscal and balance of payments crisis. This included measures for women’s enterprise. Zimbabwe’s Economic Structural Adjustment Programme was introduced in 1991 and included deregulation, trade liberalization, fiscal and monetary policy aimed at deficit reduction.

problem³¹. It is also important not to attribute all the problems faced by poor women in countries undergoing structural adjustment to the policy package itself. Many of the problems are caused by the institutional weaknesses which necessitated reform in the first place and have adversely shaped the ways in which reforms have been implemented. As will be seen below, in some sectors impacts of SAPs have added to those of economic globalization, to the relative benefit of some women. Some women have benefited from opportunities opened up by currency devaluation and removal of market concessions previously only enjoyed by those with influence such as with state officials — generally men. Cuts in government spending on public services open the possibility for private sector enterprise in, e.g. care services, which can be taken up by women. Male unemployment resulting from SAPs has led to changes in gender roles in the household for some women, further reinforcing the effects of economic globalization.

Nevertheless the overwhelming evidence indicates that there has been considerable increase in inequality and a deepening of poverty for large numbers of people — and particularly for women³². Economic liberalization promoted by SAPs has further intensified the negative consequences of economic globalization in terms of increasing the burden on women from male unemployment, and decreasing women's ability to participate in unions to defend their rights as workers. The increase in male unemployment has again often led to increased burden on women and higher levels of domestic violence and conflict. Furthermore, the cuts in government spending have considerably increased the costs of family provisioning which, particularly in Africa, fall on women. This has led to declining levels of nutrition, healthcare and female literacy. In the South, women are facing the challenge of economic globalization without any of the welfare safety-net provision available, albeit often inadequate, to women in the North. As discussed below, this has important implications for female entrepreneurship.

Following campaigns at the international and grassroots levels, some concessions have been made by the World Bank and IMF to acknowledge the potentially negative effects of the market policies promoted. As early as 1984, the World Bank's World Development Report launched a Social Dimensions of Adjustment (SDA) initiative, co-sponsored by the African Development Bank and UNDP, to tackle poverty issues with African debtors. This led to programmes like the Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) in Ghana, and other social programmes. In 1986, the IMF's Fiscal Affairs Department studied the distributional effects of adjustment and in 1988 began staff seminars

³¹ Notably Ghana, where a combination of these policies and favourable weather and oil prices in the 1980s led to increased growth, improved balance of payments and progress in public finances, savings and investment. In Bangladesh the export sector has shown an increase since 1992 and overall poverty alleviation has made some progress. However there has been a lengthy recession because of lack of foreign and domestic demand for Bengali products (Marcucci and Hoehne 1998).

³² For example in Sri Lanka economic liberalization led to the immediate collapse of domestic industries like handlooms in which women were concentrated. In Ghana, impact on employment in both formal and informal sectors has been disastrous. A 1989 ILO study found significant reduction in incomes, decline in productivity and high levels of underemployment, leading to worries about equity and general welfare (ILO 1989 quoted in Manuh 1994). In Cameroon in the mid-1990s the costs of foodstuffs, education and health increased significantly and the standard of living of Cameroonians fell sharply. A 30 per cent fall in consumption was reported by a FAO study in 1996 (Fournier 1997). In Bangladesh there has also been a rise in inequality, estimated to have reduced the potential poverty reduction from growth by 20-30 per cent (Marcucci and Hoehne 1998). In India the poverty ratio rose from 34.1 per cent in 1989-90 to 40.9 per cent in 1992, then to the continuing high level of 36.5 per cent in 1993-4. Expenditure on social sectors declined (Swaminathan 1998).

on poverty. By April 1991 twelve Economic and Social Adjustment Fund (ESAF)-supported programmes contained specific social measures. However, these have had only marginal impact. It remains to be seen whether recent initiatives by the World Bank and IMF will be any more effective.

3.3 Socially-responsible growth: Ethical enterprise and the social economy

Towards the end of the 1990s there was increasing interest in many European governments and donor agencies in the concept of socially-responsible growth in response to the increasing evidence of rising inequality and levels of acute poverty. To some extent this continued earlier debates about ethical forms of management in the Socialist and co-operative movements who were adapting them to the market environment of the 1990s. The increasing importance of NGOs and the voluntary sector in delivery of social services, following declining state provision as part of neo-liberal welfare reform, led to rather new debates about non-profit production and services. Many left-of-centre governments retained some of the welfare reforms with their diminished role for the state in favour of private voluntary organizations. This was justified in terms of potentially increased choice and quality, but also due to reluctance to increase welfare funding through raising taxation. The concern with socially-responsible growth has been reinforced by NGO lobbying on environmental sustainability and issues like child labour, which have prompted the development of ethical trade marks, ethical trade organizations and ethical investment.

Promotion of socially responsible growth has generally been seen as offering particular opportunities for women. Firstly, the potential for more egalitarian, co-operative and employee-friendly working practices and flexible working are often seen as representing a more female style of management. Secondly, the concern with promotion of new social sectors involves at least some sectors where women predominate, particularly care and other community-oriented services. Thirdly, the promotion of ethical trademarks, marketing and investment have the potential to counter some of the barriers for small businesses in meeting the cost of these measures. The scope of such trademarks could also be extended to equal opportunities, and many ethical trading organizations favour women's co-operatives.

However, despite the potential, it cannot be assumed that women will benefit from current policies. As discussed in the literature on women and co-operatives, even movements which profess adherence to equality and democracy may fail to include women in these definitions.³³ Promotion of female enterprise in new areas of the economy like care services, may continue to consign women to low pay, particularly where the expectation is for low profit on moral grounds, and there is insufficient financial support for users to enable them to pay. Ethical marketing standards may disadvantage poorer entrepreneurs unable to bear the costs of compliance. Their imposition in relation to child labour and environmental aspects at an international level through the World Trading Organization has also been opposed on the grounds that it is protectionism through the back door, and would disadvantage poorer nations. Furthermore gender equality is not necessarily included in many current standards, and even where it is included in guidelines, is only one of a number of different considerations and it is unclear how this is being interpreted in practice. Here as in other areas of economic policy, the degree to which women benefit will therefore depend on levels of support and women's participation in policy decision-making.

³³ For Africa see references in Mayoux 1989 ed.

4. Women entrepreneurs: Sources of evidence and regional trends

There have been women traders and business owners for centuries, some of them very powerful. Poor women have always had to supplement inadequate livelihoods with petty trade and manufacture. In the late 1970s and 1980s, income-generation programmes attempted to build on and improve women's entrepreneurship with limited success. Then in the 1990s there was a rapid expansion of female entrepreneurship in response to the changes in the economic and socio-political environment discussed above. This expansion has occurred both in countries where women's entrepreneurship has traditionally been common, like parts of Africa and South East Asia, and in regions like South Asia where it was confined to particular groups of women. There is however considerable disagreement about the degree to which this expansion has been a positive response to economic and socio-political change, or a negative trend by women with little alternative and who benefit marginally from their economic activity.

Establishing positive or negative impacts of environmental changes is frustrated by the lack of detailed studies. Women's entrepreneurship has received far less attention than male entrepreneurship,³⁴ and there are few detailed comparative studies. In what follows the account relies on:

- Studies from Bangladesh, the Philippines and Zimbabwe for in the ILO's Women's Employment in Small and Micro Enterprises Programme;³⁵
- Anthropological and sociological studies of women self-employed workers and small-scale entrepreneurs and the effects of SAPs in Bangladesh, India, Sri Lanka, Ghana and Zimbabwe;³⁶
- Studies of small samples of women entrepreneurs and handicraft workers from the author's own research in India, Cameroon, Zambia and Zimbabwe;³⁷
- Surveys of women business-owners in Europe and US;³⁸
The USAID-sponsored gender and micro-enterprise research in 1980s, sponsored as part of the GEMINI programme discussed in Part I;
- Statistical information from national censuses and compiled by the ILO as indicated in Box 11.

³⁴In the US, of more than 250 studies of small businesses funded by the Small Business Administration since 1970, fewer than 20 have included or focused on women. Of these, 17 focused on women business owners and 35 included gender as a variable. Another survey of entrepreneurship journals (*Journal of Business Venturing, Entrepreneurship Theory and Practice*) reported that approximately 7 per cent of articles published between 1973 and 1994 focused on women (Liou & Aldrich 1995).

³⁵ Summary in ILO Working Paper, Jobs, Gender and Small Enterprises in Africa and Asia — lessons drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe; Bangladesh, Data International and Bonnet 1995.

³⁶ For India see Banerjee 1985; Baud and de Bruijne eds. 1992; Rose 1992; for Sri Lanka Jayaweera 1994, 1996; Risseuw 1987. For Bangladesh see White 1992; Kabeer 1998; Todd 1996. For Ghana see Manuh 1994, Okine 1993; and for Zimbabwe see Horn 1994, Brand et al. 1995.

³⁷ The India research includes an ongoing unpublished anthropological study of 300 women handicraft workers in embroidery, bag-weaving and bamboo-work in rural West Bengal dating back to 1984. Some of these women have moved in and out of self-employment, and some of the large embroidery entrepreneurs are women. It also includes a study of male and female entrepreneurs in the Karnataka silk industry in 1989 (Mayoux 1993a and b). This is supplemented by interviews with other women in SEWA and other micro-finance programmes. The research in Africa is based on interviews with female clients of Cameroon Gatsby Trust (Mayoux 1999, 2000a), Zambuko Trust and Self-help Development Foundation (Zimbabwe see Mayoux 2000a), CARE-PULSE (Zambia unpublished) during short consultancies.

³⁸ Discussion on the US is based on Brush 1997 and Spalter-Roth et al. 1994. The UK discussion is based on Richardson and Hartshorn 1993 and discussion of the EU in Turner 1993.

These sources differ considerably in their definitions of entrepreneurship and the focus of study.

BOX 11: WOMEN'S ENTREPRENEURSHIP: COUNTRY-WISE STATISTICS		
Country	Informal sector as per cent of employment	Women entrepreneurs as per cent of total entrepreneurs
Africa		
Cameroon	Over 55 in urban areas	39*
Ghana	?	56**
South Africa	?	28***
Tanzania	30	47*
Zimbabwe	8	NA
South and South East Asia		
Bangladesh	10 urban areas	10
India	92	NA
Sri Lanka	NA	21
Europe/North America		
Denmark	NA	21
France	NA	22
Germany	NA	26
Norway	NA	27
Sweden	NA	26
UK	NA	26****
US	NA	63
Sources:		
Column 1 duJeu 1998 based on national definitions of the informal sector		
* figure low because those working on communal lands are classified as formal sector		
Column 2 UN 1997 based on population censuses		
* data for a year between 1975 and 1979		
** data for a year between 1980 and 1984		
*** includes also paid and unpaid family workers		

The different terms used in the literature to refer to MSEs are listed in Box 12. All these terms have been the subject of considerable debate³⁹. Statistics on women's MSEs come from three main sources. Firstly, there are registers of legally registered businesses, some of which are disaggregated by sex, or can be analyzed based on the sex of the owner as registered. Legal distinctions are generally made between small-scale enterprises and large and medium-scale sectors for taxation purposes, employment legislation and other purposes. This is generally based on size of turnover/profits and/or size of workforce, and sometimes in terms of technology used. This assumed convergence of size, profit and regulation underly statistical definitions of the informal sector based on enterprise registration. Some aid

³⁹ A full discussion of the history of these debates is outside the scope of this paper. For overviews of debates about definitions of the informal sector, see, e.g. Peattie 1987. A Comprehensive review of the Informal Sector appears in *Regional Development Dialogue (RDD)*, Vol. 17, No. 1, Spring 1996. Also, the ILO will be holding a discussion on the Informal Sector during the 2002 International Labour Conference.

agencies and NGOs also have particular definitions of micro-enterprise. Most countries have separate legislation for co-operatives, various types of partnership and group production. However, statistics based on size and profit are subject to various levels of corruption as large and medium-scale enterprises commonly split into many smaller units still controlled by the same person in an attempt to avoid regulation, and/or obtain special facilities offered to small enterprises (Cawthorne 1993; Mayoux 1993a). Secondly, many countries include a category of self-employment or employer in censuses or other employment statistics used for benefit and welfare purposes. However these data are also notoriously unreliable. Self-employed people attempt to avoid taxation or claim welfare benefits. All of these measures underestimate women's participation in enterprises. The problems of unreliability are compounded by the different ways in which women are involved in enterprise. Gender-disaggregated statistics generally only give separate figures for men and women in pre-determined categories based on male models of enterprise conventionally seen, particularly in the neo-liberal market paradigm, as consisting of a combination of functions (see Box 12). This leads on the one hand to underestimation of women's enterprise participation in most statistical and economic studies of enterprise. Many male self-employed owners may depend substantially on women co-entrepreneurs in performing some of these entrepreneurship functions, in addition to reproductive work. Particularly as enterprises expand, these functions are delegated by owners to managers and supervisors, and ownership and control themselves become more dispersed. Women may in fact be extremely important to the running of the enterprise, but are invisible in statistics if the enterprise is seen by statistical enumerators as owned by a male household head. Conversely statistics based on women's self-employment or business ownership conceal wide differences in degree of control over different functions. Many self-employed women workers are merely paying the costs of production equipment and bearing the risk of uncertain markets, increasing profits for large companies in putting-out systems.

BOX 12: WHAT ARE MSEs? TERMINOLOGY AND FUNCTIONS

TERMINOLOGY

- Small business/enterprises
- Micro-enterprises
- Informal sector enterprises
- Self-employed workers
- Women-owned businesses
- Co-entrepreneurs

FUNCTIONS OF ENTREPRENEURSHIP

- Ownership of productive resources
- Obtaining raw material supplies and other necessary inputs
- Management and supervision of labour
- Marketing
- All functions involved in business planning, including obtaining credit and investment

Thus the statistics discussed below need to be treated with considerable caution, and expansion of women-owned businesses or self-employment in itself says very little about the conditions of entrepreneurship, the reasons why it is occurring, and the benefits or costs for women. Most studies only concern women-owned businesses and do not include women co-entrepreneurs or women's participation in family enterprise management. Many of the

studies are undifferentiated by class and background apart from female-headed households, particularly the studies in Europe and US. There are few comparative studies of female and male businesses, and little information exists on business operation and levels of success over time.

4.1 Africa

In some countries in Africa, there are well-established traditions of female entrepreneurship and large-scale and small-scale trading. In much of West Africa there is a tradition of women's involvement in long distance trade in certain sectors, particularly food and clothing. Some of these women are very wealthy and powerful and there is also a strong tradition of organization to defend sectoral interests, as had been the case in the organized opposition to colonial taxes. Even in societies like the Hausa in Nigeria where women are in strict seclusion, women frequently engage in business activities from the home and have in some cases built up substantial enterprises (Hill 1969). From the mid-1980s there was a mushrooming of government-sponsored and NGO income-generation programmes offering training and credit, mostly based on group production. In the 1990s there has been a change to promotion of individual entrepreneurship through business training and micro-finance programmes. Women's Business Associations have been formed in many countries.

As can be seen from Box 11, in Ghana women were estimated to be 56 per cent of entrepreneurs in the 1980s, in Cameroon 39 per cent and South Africa 28 per cent. These figures are likely to underestimate women's entrepreneurship for the reasons outlined above. In Zimbabwe, a 1991 GEMINI survey found that micro-enterprises (defined as enterprises with less than 5 employees) accounted for 97 per cent of all enterprises and that women ran the majority of micro and small enterprises (67 per cent) (Daniels 1994 quoted Marcucci and Hoehne 1998). A survey of women's enterprise in a number of sub-Saharan countries in the late 1980s found that women are concentrated in certain subsectors, although there are cultural variations. Within manufacturing, women tend to concentrate on mat and basket-making, beer-brewing, cloth-dyeing, dress-making, soap-making, food preparation and commodity processing. Women's activities within the service sector include cooking and maid services, hair plaiting, and informal lending and deposits. Within commerce, women are involved in both retail and wholesale trade, vending of prepared food and other commodities (Jiggins 1989 quoted Downing 1990).

Although more recent statistics are not available, evidence from detailed studies in Zimbabwe, Ghana and South Africa, and the author's own research in Cameroon, indicates that women's participation in the small-scale sector has increased considerably in the 1990s following Structural Adjustment. Research in South African townships in 1999 indicated that most of the micro-entrepreneurs were women.⁴⁰ As discussed below, some women entrepreneurs have been able to benefit from trade liberalization and privatization of services and utilities. Other women have however turned to enterprise as the only alternative in response to retrenchment from formal sector employment and/or increasing reliance on female incomes, following male unemployment and rising prices.

⁴⁰ Jimmy Roth: personal communication on doctoral research in Eastern Cape.

4.2 South Asia

In South Asia, female entrepreneurs were traditionally less common, although as in Africa some women operated businesses from behind the barriers of *purdah* (Cottam 1991). In rural areas women have always been involved in different types of self-employment, because of restrictions on women's role in agricultural field production. Depending on the particular social group to which the women belonged, these activities have included petty trade, food and fuel processing, livestock and poultry rearing, fishing, tool making for farm work, and handicrafts. These sources of income have tended to be invisible because they have been part-time, built on household work, and often involved exchanges between women (Mayoux 1982; White 1992).

In India and Sri Lanka, women's organizations have campaigned for support for women's economic role since Independence. At the same time, particularly since 1970s but drawing on the earlier Gandhian tradition, state policies have promoted self-employment and entrepreneurship as a poverty alleviation strategy. Particularly since the mid-1980s, there has been a range of measures specifically targeting women, including training, credit and co-operative development (Mayoux 1989; Jayaweera 1994). In Bangladesh the rapid expansion of micro-finance programmes has increased the attention given to female entrepreneurship, despite high levels of loan diversion to men (Kabeer 1998; Todd 1996, author's own field notes). These programmes have been intensified following economic liberalization and Structural Adjustment.

In India and Sri Lanka, but to a lesser extent in Bangladesh, some middle-class or elite women have used their resources, initiative and skills to develop economic enterprises with relative success. They have started women's business associations and many of these entrepreneurs compete successfully with men in local and export markets. In India the author's own research on the West Bengal embroidery industry indicates an increase in female entrepreneurship even at village level as a result of changing attitudes to female responsibility for income earning and to female mobility. However, the vast majority of self-employed women are poor and tied by dependency relationships to the "middlemen" in a range of putting out situations (Risseuw 1987; Rose 1992; Banerjee 1988; Mayoux 1989).

Again statistics are unreliable and difficult to interpret because of differing definitions and unreliable methods of collection in view of low remuneration of enumerators and shifting populations of very poor people⁴¹. In India the informal sector was estimated to provide 92 per cent of employment. However, not all of these industries are small-scale for reasons outlined above. Figures on female entrepreneurship are not available. In Sri Lanka the size of the informal sector is unclear, but women are estimated to form about 21 per cent of total entrepreneurs. In 1988-89 in Bangladesh in 32,000 small enterprises employed about 5 million people directly and indirectly. The informal sector provides 10 per cent of employment in urban areas in 1998. In 1998 women were estimated to be 10 per cent of entrepreneurs.

⁴¹ The author's own village-level follow-up of the 1981 Census in a number of villages in different parts of West Bengal found widespread under-enumeration of women handicraft workers, with whole communities of women workers, being reported or reporting themselves as housewives.

4.3 Europe and North America

In Europe and North America some women have become powerful business-owners, but generally only as widows or daughters in families with no sons. Poor women here as elsewhere have always engaged in petty trade and various forms of self-employment in order to survive. In recent years however there has been a rapid growth in female entrepreneurship, and women now form a significant minority of entrepreneurs in terms of numbers, employment creation and revenue. Statistics are again disputed, and come from sources using a range of definitions. In the US by the mid-1990s nearly 8 million women owned their own businesses, representing 37 per cent all companies contributing more than \$250 billion to the US economy and providing more than 11 million jobs (NWBC 1996). Revenues from women-owned businesses rose between 1980 and 1990 by 190 per cent, compared to an average of only 77 per cent for all businesses (*The State of Small Business* 1993). The estimates given in Box 11 show women as a very high 63 per cent of entrepreneurs. In Europe by the mid-1990s women accounted for about one in three enterprise creators in Germany and Denmark, one in four in France and the UK (ECDGV 1998a). The estimates in Box 11 show women as between 21 per cent of entrepreneurs in Denmark and 26 per cent in the UK.

Some of these women entrepreneurs have developed large and successful businesses from small enterprises. Some women have entered high technology fields, such as advanced business and information systems services, and male-dominated manual trades (Turner 1989). However, as in Africa and Asia and following patterns of female economic activity in general, till at least the late 1980s women entrepreneurs were still concentrated in the service sector and traditionally female branches of the economy like hotel and catering, personal and social services, administrative and business services, retailing, textiles, ready-to-wear clothing and crafts (Halpern and Szurek 1989 quoted in Turner 1993). The degree to which this has changed in recent years is unclear.

5. Virtuous spirals? Opportunities for women's entrepreneurship

The relative success of some women, and the very diverse strategies they employ calls into question any stereotypes of women's "natural" lack of entrepreneurship. The evidence does indeed indicate increasing opportunities for some women entrepreneurs in the current economic and social environment.

5.1 Potential advantages in "female sectors" and new sectors

Firstly there are advantages for women entrepreneurs in "female sectors" like handicrafts, women's tailoring and care services, and demand in these industries is likely to increase rather than decrease with economic growth⁴². In some of the feminist literature there has been considerable opposition to promotion of income-generation in what are seen as traditional female activities, particularly tailoring, handicrafts and food processing. This has been justified in the context of saturation of local markets by training programmes teaching women identical skills in activities seen as appropriate for women by Western donor agencies or urban-based government officials and extension workers.

However, the concept of "female sectors" is problematic. It comprises activities which are seen as extension of women's household roles. In some cases these may be high skill, culture-specific activities which women learn from other women over many years as they grow up, e.g. embroidery, sewing and cooking. They may also be high skill new activities which require "feminine" characteristics like manual dexterity, e.g. electronics, silk worm rearing and silk reeling. They also tend to be activities which can be performed in the home and/or are compatible with childcare. In many cases these perceptions are based on stereotypes. Invariably, the association of particular activities with women is used to justify low remuneration and low valuation. Nevertheless low incomes are not inherent functions of the activities themselves. The same activities performed by men (e.g. male tailors and chefs) are seen as higher skill and attract higher incomes. The problem lies more in lack of diversification within industries and sectors, low levels of capital, and lack of power in markets as discussed below.

In some countries there has been a significant increase in numbers of female entrepreneurs and levels of business success in sectors where female labour predominates, and women may in fact dominate these industries (Mayoux 1989, Watts 1984). The author's recent research in West Bengal found that muslim women, including some poor women, have become entrepreneurs at various levels of the embroidery industry. Particularly in the luxury end of the market, female entrepreneurs have an advantage in dealing with female clients and are making a good income. The most successful were women belonging to upper class families who were able to travel and were from a similar background to their clients. Women tailors interviewed by the author in Cameroon and Bangladesh also enjoyed advantages in relating to female clients, and earned relatively good incomes in villages where the local market was not saturated by ill-conceived training programmes. These advantages in sectors which deal directly with female clients are likely to increase as women in general gain market power as consumers.

⁴² Research in Sierra Leone and India in the 1980s shows a decline in the smallest one-to-two person firms in some traditional activities where many women are involved, like spinning, weaving, basket making, pottery, and some types of food and beverages. However, other small-scale light consumer good enterprises have grown even after large-scale factory production. These include dress-making, cloth-dyeing and retail stores (Liedholm and Mead 1987 quoted in Downing 1990).

The statistics on women's sectoral distribution also conceal *innovative* elements that characterize many women's enterprises through the creation of a new product or service for a particular market within these broad sectoral categories. Some West and South African women traders have benefited considerably from economic liberalization and easier access to cross-border trade in foodstuffs and garments (Manuh 1994, Brand et al. 1995). For Europe, a number of environmentally and socially-sensitive innovations have also been noted, e.g. organic catering services, manufacture of natural health care products (Bodyshop being a prime example), multicultural child-care provision. Such innovations may be very profitable.

There has also been an increase in women's participation in new services like female-owned and female-run taxi firms, and self-employment in alternative medicine targeting female clients. In the UK, "green" business is a field in which the presence of women's enterprise is strong, through initiatives such as environmental counselling, ecological farming, and recycling of waste products (Turner 1989). Women are also increasingly setting themselves up as self-employed consultants in high technology fields. In the US, the NFWBO found that 92 per cent of their members regularly used a computer for business operations and customer services (NWBC 1996).

5.2 A distinctive female "entrepreneurship style"?

As discussed above, women's low incomes have been seen by some researchers from the neo-liberal perspective as due to low-growth entrepreneurship styles, in particular risk-aversion, tendency to diversification, and investment in social networks rather than production. However, research has shown that not all female entrepreneurs are risk-averse or invest primarily in social networks (Bolles 1983; LeFranc 1989). Some diversify production within particular industries and markets, rather than spreading risks through diversifying activities (Hacjenberg and Barth 1984 quoted in Downing 1990). Moreover, these female strategies are not inevitably low-growth. As discussed at length in the anthropological literature, the Western and male bias of many of the entrepreneurship models being promoted needs to be questioned. For example in the Indian silk-reeling industry some wealthy male entrepreneurs diversified into agriculture, other sectors of the silk industry, and transport as a means of spreading risks in the lucrative but unpredictable silk market. They also established networks with extended kin and invested in other social networks. It was at least partly due to men's ability to manipulate social networks and allegiances, rely on unpaid family labour, and draw on other sources of income from relatives which facilitated their upward mobility (Mayoux 1993b).

For women also, strategies generally assumed to be low-growth may in fact be conscious strategies for expansion. Studies of some large-scale female entrepreneurs have found that they diversify their activities as a conscious growth strategy to invest in particular high-investment, high-income but high-risk markets. They may continue to rely almost solely on real or fictional kin to assist them in their business (Hacjenberg and Barth *ibid* quoted Downing 1990). Evidence indicates the importance of social networks for many women entrepreneurs as a means of reducing costs of production and marketing, assistance with reproductive work and in emergencies, and for access to information and credit. Box 13 shows an example of collective organization combining individual and group-based income-earning in Cameroon. In Zimbabwe, kinship-based working partnerships were common among market traders. Sometimes these links extended across borders and sometimes unrelated women engaged in various types of exchange (e.g. offering accommodation to each

other to reduce costs). Women also commonly referred customers to each other, looked after each other's stalls and children and agreed common prices, although these were not always adhered to. These forms of collaboration are also reported for Ghana and Tanzania, and had increased in response to scarcity of resources following SAPs (Okine 1993, Tripp 1989).

In research on women entrepreneurs in the US and Europe, some researchers have identified innovation in women's approaches to entrepreneurship and working relations and, therefore, potential advantages in the growing interest in promotion of ethical management. In some cases, women's co-operatives have been successful in increasing women's employment and networking in remote areas as in the case from Sweden in Box 13. Some researchers have identified women entrepreneurs as having a human and personal approach to business management, showing creativity, flexibility and attention to social and cultural goals, as well as financial ones, in the running of their businesses (Turner 1989; Holmquist & Sundin 1988; Chaganti 1986; Brush 1992). Examples are given of women offering flexi-time, tuition refunds, profit sharing, on-site day-care, and encouraging employee loyalty by paying full benefits. Women business owners are seen as more embracing of racial, ethnic and gender diversity (*The State of Small Business* 1995; see Brush 1992), and that women value equality more highly (Fagenson 1993). There is no empirical evidence on women-owned businesses as to whether these policies are economically advantageous, or disadvantageous. However, employee social policies are viewed by some women as an opportunity for women-owned businesses. Employee benefits decrease employee turnover, and are less expensive than hiring and training new employees (Brush 1997)⁴³.

BOX 13 COLLECTIVE ECONOMIC ACTIVITY

CAMEROON: GROUP MARKETING IN NORTH WEST PROVINCE (Mayoux 1998b)

One group of 10 women came together in 1990 and had been associated with CIPCRE, an environmental NGO developing Peasant Associations since 1996. The women had started as a farming work group, working as labourers on other women's land in order to earn money for school fees. Then they started a rotating money tontine — each contributed CFA 500 every 3 weeks and a kitchen tontine contributing CFA 250. Then they took CIPCRE training courses in group management. They are illiterate. According to the President, "groups are best because they get all sorts of other help as well". In 1997 they took a loan of CFA350,000 from Cameroon Gatsby Trust, a micro-finance programme working with CIPCRE. They divided the money equally between themselves and each bought oil palm kernels. Then they put all the kernels together and gave to the President to take to the processing plant in Bamenda. She brought back a receipt and then divided the profits between them, keeping the principle amount in CCEI Bank in Bamenda for reinvesting. They had been doing this on a small scale before the Gatsby loan, but had been able to increase the scale of operation to sell 600kg to 1 ton twice a month. Income levels fluctuate because of the market and they do not have enough money to store for a long time. Last month they made CFA10,000 profit (1,000 each), in a good month they earn CFA55,000 and the worst months CFA5,000. The group also received a loan CFA850,000 from a World Bank-sponsored programme to buy a push-cart, a kitchen grinding machine, a hoe and weighing scales for each member.

SWEDEN: CO-OPERATIVE NETWORK IN JAMTLAND (AEIDL 1996)

Jamtland is a sparsely-populated region of North Central Sweden where there are about 300 groups, co-operatives and networks, mainly run by women involved in all kinds of economic, social and cultural activities. One co-operative of 13 women has been engaged in restoring and running a nineteenth century farm for tourists. It is innovative in its historical focus, with historic costumes and exposure to the frugal existence of the last century. One network "Agendum" has aimed to increase women's representation in decision-making and introduced information technology and set up a telematics network linked to other women's networks in Europe. Another initiative has been a mobile computer service which purchased 20 computers for two mobile computer units transported every 10 weeks to a different village. In one village a women's collective initiative has set up childcare facilities and introduced a range of environmental initiatives.

⁴³ In Brush's study, generous employee policies were seen as a "standard for the way we do business". In an environment of down-sizing, and leaner corporate structure, these women felt their approach to employment policies was central to the future effectiveness of their organizations.

Changing technology and the growth of virtual companies has also been seen as favouring female styles of enterprise, as well as enabling women to conduct business from the home⁴⁴. Improvements in telecommunications and computer technology are also seen as enabling women to overcome some of their disadvantages in the market, facilitating their ability to operate businesses remotely, access information about markets, and communicate more efficiently (*Small Business into the Year 2005* 1994). Computer communication also enables women to avoid some of the gender discrimination experienced in face-to-face transactions.⁴⁵

5.3 Potential advantages for women of entrepreneurship

Entrepreneurship also offers a number of potential advantages for women. Firstly, where women have been able to set up economic activities, this success has helped many women to build up an independent resource base. In Africa this is particularly important as women are widely expected to provide substantial support for themselves and their children. In Zimbabwe women traders interviewed by the author mentioned their ability to be financially independent as the most important change in their lives in recent years (although the low levels of income continued to place serious limits on this independence). In India and Bangladesh entrepreneurship has also enabled some women to have an income which they may control themselves or contribute to the household and improve their status. Women's income-earning may bring about wider changes in their position in the household as indicated by the cases of women participants in micro-finance programmes in Box 14. Entrepreneurship, because of the variability of income, also enables women to conceal and protect their incomes from men in a way not possible with fixed wage employment (Tripp 1989).

Entrepreneurship is seen by many women in the UK and the US as an attractive alternative to wage employment. Reasons given by women for becoming entrepreneurs include: personal ambition; creativity; a desire for independence — to be one's own boss; self-realization and an ambition to improve the quality of working conditions; to raise economic returns; and to develop a flexibility that caters for the combination of family responsibilities with gainful employment (Turner 1989). For many women, part-time work on low wages with minimum job security or protection offers few rewards, and starting a business is seen as an alternative where there is little to lose.⁴⁶ For other women working as managers in larger organizations, the frustrations of the glass ceiling effect has motivated them to look towards business creation (Hymounts 1986, Carter and Cannon 1988a quoted in Richardson and Hartshorn 1993).

⁴⁴ For example Brush quotes Dr. Sharon Hadary, Executive Director of the National Foundation of Women Business Owners, as stating: "Women are uniquely suited to work in virtual companies, being relationship oriented, accepting of a flatter hierarchy, and more likely to network. Women are adapting to this concept and using technology to their advantage" (1992).

⁴⁵ As a student entrepreneur interviewed by Brush notes: "You can talk to someone anywhere in the world and never know their race, income level or gender. It doesn't matter. The beauty of cyberspace is the only thing that matters is your ability to communicate and provide valuable services" (1992).

⁴⁶ For example a study of 64,420 female entrepreneurs in Sweden found the main motivation for the women was to create something which would allow them the freedom to combine responsibility for the family with a fair income (Holmquist and Sundin 1988). Carter and Cannon (1988b) quoted in Richardson and Hartshorn 1993 in their study of seventy women owner-managers in UK identified a group they termed "returners" who had been motivated to start up in business by the desire to return to economic activity on favourable terms (see also Halpern and Szurek 1989 quoted in Turner 1993).

BOX 14: ECONOMIC EMPOWERMENT: INCREASED INCOME AND DECREASED VULNERABILITY

Zimbabwe — ZAMBUKO Trust: Mrs Mapako: has been operating a kiosk for the last ten years. She is married and has two children. Her husband lost his job a couple of years ago when he became seriously ill. He is still ill, but at times assists in the shop. He occasionally collects and sells empty bottles to earn some income for his personal use. Mrs Mapako owns and manages the kiosk. Her husband tries to control the use of her earnings. He is especially inquisitive and suspicious about the use of small discretionary funds. For some time after he lost his job there was an increase in tension and domestic disputes. Her strategy has been to consult her husband on most business decisions, although she makes most of them. Gradually she and her husband have developed a common understanding of each other's new role in the household. She has more control over the use of household income than previously since she is the primary contributor (Barnes 1997).

Botswana — World Vision: Violet Makgosa runs a poultry business. She built a poultry house in her yard, as many of her colleagues have done, and began to travel around the villages to sell her chickens. She deposited all the money she made from her sales, except for her salary. Although her husband tolerated the first few market and bank trips, he was not happy about her going around or depositing the money in the bank: he wanted her to stay at home and to use at least part of the business savings. One day Violet went to a road camp in a nearby village to sell chickens. She did not finish selling them, and in order to save transport money she decided to spend a night there and sell the rest the following day. When her husband came home and did not find Violet he was furiously angry. The next day, having sold all her chickens Violet returned home happy and encouraged. As soon as he saw Violet, her husband told her she had to choose between him and her chickens. She chose the latter and went to her parents. However, she later reported the matter to her VWC members who negotiated with her husband on her behalf and reconciled them. Now the husband has accepted Violet's market and bank trips and the fact that she deposits her business revenue for future expansion (Getu 1996).

Ethiopia: Wube Cherinet: 45, husband retired factory worker and 3 unemployed sons. Even before retirement the husband's wages as a factory worker were low, leading to serious domestic conflict. Wube took training from the credit programme and used the stipend to start a catering business. Then she took a loan and enlarged her business. She has now taken a second loan and also joined an "equb" (ROSCA). She plans to increase her income attending pilgrimage centres and hopes eventually to furnish her house and make it into a snack bar. Relations with her husband have greatly improved now she is earning an income. She no longer asks her husband for money to cover household expenses. She is also able to purchase luxuries for herself. As her health is not good following a miscarriage, her husband helps serve the customers and also housework like cleaning. He gets up every morning at 5 o'clock to clean and sweep the floor and buy food for the business before waking her at 8 o'clock. He then makes the bed, prepares breakfast and coffee before going to work as stone-cutter. Her main constraint is continuing reliance on credit from wholesalers, but slowly she is accumulating savings after household expenditure to become independent (ACORD-DireDawa 1996).

More contentious is the question of home-working. Women's self-employment has often been promoted, and is often preferred by women themselves because of the possibility of working from home, and thus combining income-earning activities with unpaid domestic work. For many women, particularly in South Asia, waged work outside the home in agricultural production has not been an option because of social status concerns, although this situation does not apply to higher status professional work or work in factories. The possibilities of teleworking in Northern industrialized countries opened up by advances in technology is often the preferred working pattern. However, where home-working is enforced on women because of mobility restrictions rather than chosen as part of a conscious lifestyle choice, incomes are likely to be very low, as discussed below.

The expansion of female entrepreneurship, coupled with women's increasing gender awareness and increasing influence of women's movements, has led to the formation of Women's Business Associations of various types in Africa and South Asia as well as US. These have increased the visibility of women in economic decision-making, although their influence is still far from equal to that of men.

6. Vicious constraints? Barriers to female enterprise

Although there are exceptions and an increase in female entrepreneurship at the top, women are overwhelmingly clustered in a narrow range of low investment, low-profit activities for the local market. There are few comparative studies of differences in performance between men-owned and women-owned enterprises. However, it is clear that men's enterprises are on average larger, with higher levels of capital investment, and more profitable. In Zimbabwe enterprises run by men provided proportionately more of the household income and had a larger average number of employees (Daniels 1994 quoted Marcucci and Hoehne 1998). In the UK and the US, although some recent research shows that women-owned businesses are no more likely to fail than men-owned businesses (Kalleberg & Leicht 1991; Johnson & Storey 1993 quoted Brush 1992), earlier research found slower growth rates for women-owned businesses associated with gender differences in initial capital and goals.⁴⁷

Although gender inequality is extremely variable both between and within cultures, and also subject to a certain degree of negotiation by individual women, certain common features reinforce disadvantages of poverty as summarized in Box 15. Institutionalized inequality at the macro- and household levels seriously limits the ability of women entrepreneurs to take advantage of the opportunities offered by market growth.

6.1 Resources

Enterprise development requires productive resources and working capital for initial start-up and for ongoing expansion. Women's restricted access to property, income and credit in some countries constitutes fundamental constraints on female enterprise. In a similar way, macro-level institutionalized discrimination in legal systems and customary law fails to recognize and enforce women's equal rights. These tend to reflect and reinforce male interests within the household, the community and the wider economy.

6.1.1 Access to and control of property

Access to and control of property, including land, house sites, worksheds and production equipment, are fundamental to the ability to set up enterprise and are often essential for legal recognition and access to formal sources of finance. For male entrepreneurs such access and control is taken for granted, and hence treated as unproblematic in small business regulation and support mechanisms.

For women, however, lack of access to and control over property constitute serious barriers. In many countries women are seen — both in customary and formal legal systems — as the dependants of men and subject to their authority as fathers, husbands, brothers and community leaders. In some African customary law and some legal systems in

⁴⁷ Studies in the US in 1980s and early 1990s found that sales of women-owned businesses tended to be less than \$500,000 annually (Brush & Hisrich 1983; 1987; Cuba, Decenzo & Anish 1983; Welsch & Young 1982). A longitudinal study showed the average gross revenues of women-owned businesses to be about \$100,000 per year, whereas the average for men-owned businesses was closer to \$500,000 annually with sales growth averaging 7 per cent a year (Brush & Hisrich 1987). See also Cooper, et al. 1994 for similar findings. Studies from Great Britain also found that women-owned businesses had lower profits and fewer employees than men-owned businesses (Richardson and Hartshorn 1993).

African societies, women are defined as minors and denied independent access to land, credit and an independent status in other types of financial transactions. Although in South Asia, women have independent legal rights, the traditional systems of marriage and inheritance coupled with corrupt and expensive legal systems, make it difficult for most women to enforce their legal rights. Although in both traditional Hindu and Muslim law, property⁴⁸ was given to women on marriage, these customary rights have been increasingly eroded and exorbitant dowry payments to husbands and in-laws have become the norm. In the US and Europe, although there have been recent changes, daughters do not necessarily inherit equally with sons, they rarely own agricultural land and, particularly in the increasing number of common law relationships, do not have rights to the property of their partners.

This lack of formal ownership rights in property creates barriers to registration of women's businesses. As noted above, in many contexts, women like men may choose to avoid registration where this is used by governments solely as a means of raising taxation revenue. However, women's inability to register enterprises in their own names may also exclude them from any benefits from formal business development services and other MSE development programmes. Where jointly run enterprises are registered in men's names only, this is likely to decrease the perceived status of women's contribution and hence their participation in decision-making. There is also evidence of male appropriation of female-run businesses once they become profitable and, without legal registration, women have limited means of defence (Koda et al. 1987).

⁴⁸ In Hindu law the Stridhan (literally women's property) was a form of female pre-mortem inheritance usually in the form of gold. In Muslim law the "mehr" was a sum fixed to be paid to the woman on divorce.

BOX 15: LEVELS OF MUTUALLY REINFORCING CONSTRAINTS ON FEMALE MICRO-ENTERPRISE

	Macro-level	Household level	At level of individual
Enterprise constraints			
Resources and property	Unequal inheritance laws, inequality in marriage contract and community access to land	Male appropriation of household/family property	Lack of individual property
Income	Legal systems which treat women as dependants rather than individuals, also reflected in tax and benefit systems	Male appropriation of incomes	Lack of control over income
	Lack of public welfare provision or recognition of costs of reproductive services	Female responsibility for family provisioning and male withdrawal of income	Prioritization of investment in household
	Low female wages		Low incomes for investment
Credit	Financial system discriminating against women	Male appropriation of credit	Lack of collateral
Skills	Lack of opportunities for apprenticeship	Lack of investment in female education and skill acquisition	Lack of confidence and ability to enter new areas of activity
	Gender-stereotyped training and education which devalue women	Low valuation of female skills	
	Discrimination in access to education system and training		
Marketing	Lack of access to marketing support	Concern with family honour and restrictions on female mobility	Lack of information and networks
	Lack of marketing support for female-dominated industries		
	Harassment of female informal sector workers		
Labour	Unwillingness of men to work under a woman entrepreneur	Limited claim to unpaid male family labour	Lack of networks and authority
		Women's responsibility for unpaid family labour	Lack of time
General underlying constraints on change	Institutionalized discrimination and violence	Opposition to female independence and autonomy	Lack of autonomy
	Lack of women's participation in decision-making	Domestic violence	Lack of confidence

The lack of formal ownership rights in property is also a central factor in limiting women to those businesses and trade which require little start-up capital. Because of their ease of entry, these businesses and trades are frequently saturated with new entrants and hence generate low profits, thus reinforcing the cycle. In parts of Africa, like Cameroon where women are dependent on customary forms of access to community land, village chiefs frequently restrict the types of crops which they can grow. Such land is also vulnerable to being taken over by chiefs themselves in response to land reform. Similarly where women have no legal rights over house sites and buildings, their enterprises are vulnerable in case of divorce or widowhood. In parts of Africa, particularly but not only in matrilineal societies, women may be evicted by in-laws from their husband's house and land when he dies. In Asia, widows are also vulnerable to eviction if the son has sole inheritance rights and he and his wife choose to set up a separate household. This vulnerability places serious constraints on women's autonomy as entrepreneurs.

6.1.2 Access to and control over incomes

Low income entrepreneurs, both women and men, are frequently entrapped in a vicious circle of low incomes leading to low investment, leading to low profits, further reinforcing low incomes. This is also true for poor male entrepreneurs. However, for poor women poverty constraints are compounded by gender constraints at the macro- and household levels. These further limit women's ability to save and invest in their enterprises.

Firstly, women's incomes from enterprise and wage work are lower than those of men. At the macro-level discrimination in the labour market, in terms of both remuneration and the types of work women can do, means women have less opportunity to save before starting a business.⁴⁹ Moreover the tax and benefit systems in many countries continue to treat women as dependants of men, which means that it is men who receive any tax relief from either women's wage work or enterprise. Where married women and men are taxed jointly, women may pay tax against income which is controlled by men.

Secondly, women have limited control over the incomes they earn. Gendered rights and responsibilities between men and women within households invariably operate to constrain women's ability to control their own incomes and their access to male income⁵⁰. In South Asia, the norm in joint families is for pooling of household incomes under the control of the household head, generally male but in some cases widowed mothers. Men then are given an allowance out of this income. In nuclear families the general pattern is for income to be controlled by men. In Southern Africa, Europe and US where women earn an income part of this is assigned to particular expenditures and some is retained under women's control. Men however invariably have higher levels of disposable income because of higher earnings and cultural perceptions of their greater right and need for luxury expenditure. Despite women's contribution to the household, men continue to be characterized as the main

⁴⁹ For example a study in the UK women found that women tended not to have access to their own money or to any collateral for borrowing. This applied particularly to women returning to work after having a family, but also even to women who had recently been in paid employment (Cannon et al. 1988).

⁵⁰ For Africa see Dwyer and Bruce eds. 1988, Bryceson ed. 1995, Mayoux 1998b; For India see Sharma 1980; Standing 1991; Mayoux 1982, 1993b. For UK see Pahl 1983a, b, Cannon et al. 1988.

breadwinner and may invest income under their control in their own business⁵¹. Importantly, women generally only control their income with male permission, which may be withdrawn. Women's savings and incomes are often raided by men (Jiggins 1989; Dixon 1978 quoted Downing 1990). The ability of women to challenge this situation in order to get more income for investment in development of their enterprises is constrained at the macro-level by legal systems which in many countries reinforce women's position as dependants rather than autonomous individuals.

Thirdly, the lack of public welfare provision or recognition of the costs of reproductive services places considerable pressure on women as household providers⁵². In some cultures, like many in West Africa where polygamy is common, women are seen as responsible for providing for their own "hearthhold", and hence entitled to decide on the use of their own income. But what little they do earn is generally spent on the household rather than reinvested in enterprises. There is evidence that increases in women's income from micro-enterprises may merely substitute for male expenditure on family needs, freeing more male income for their own personal luxury expenditure (Brand et al. 1995; Mayoux 1999). Even in South Asia and elsewhere where men have traditionally been seen as the breadwinners, once women earn an income they are frequently expected to use all of this for the household. Men on the other hand then retain more of their income for their own luxury expenditure or investment in their own enterprise. Women generally do not know how much their husbands earn and again have very little bargaining power to challenge the situation.

Women's access to income for investment has further decreased under Structural Adjustment Programmes (SAPs) because of the increased cost of living, as discussed in the previous section. In Ghana, with entrepreneurs experiencing reduced profits, traders reduced their own consumption levels to pay higher charges for medical care, school fees, electricity and water bills and attempt to meet their obligations to their children and other dependants. Most women can no longer adequately meet household needs or provide for children and aged parents, or serve as the channel for employment for family school leavers (Manuh 1994). In Zimbabwe and Cameroon rising prices of health and education have caused serious problems for women entrepreneurs. In Zimbabwe women have often had to provide for increased numbers of dependants because of increased instability of marriage and the effects of AIDS, combined with rising prices and deteriorating health and other public services (Brand et al. 1995).

In the US and the UK, women on welfare benefit are discouraged from setting up enterprises, or at least declaring their economic activity, because they risk losing welfare support. Research in the US found that women on welfare could not support their enterprise

⁵¹ This is clearly seen in research in Africa and India quoted in Downing 1990. In parts of Kenya, research shows that men treated income from certain crops or activities as their own spending money, whereas women's earnings usually bought food (Carloni 1987). Research on household expenditure in Cameroon found that among the Beti, women supplied two-thirds of total cash expenses on food and household supplies, which constituted about three-quarters of their personal income, while men contributed about one quarter of their own cash income and retained the rest for personal spending (Guyer 1988). A study of five villages in South India found that while women's contributions to household incomes were less in absolute terms, women contributed a higher proportion of their income to household needs, while men retained more for personal spending on "status production" activities like "sitting in teashops, eating food and drinking alcohol with friends, and having good clothes for special occasions (Mencher 1988).

⁵² Research in the Gambia, Liberia and Mali found that even when school fees were traditionally expenses shared by husband and wife, declining male incomes pushed these expenses more and more onto the wife (Downing 1990).

from earnings alone and were dependent on “income packaging” or multiple sources of income, such as: earnings from self-employment and wage or salary jobs, income from other family members and government-provided benefits. Particularly problematic was reduced access to health insurance. Women also face extra costs of substituting for reproductive work like childcare. The costs of women working (e.g. childcare) have only recently become deductible against tax, and even here the amounts available do not cover the total cost.⁵³ They cannot deduct from tax the full cost of working from home or the replacement cost of cleaning, etc. Although there is little evidence, anecdotal information indicates that it is women rather than men who bear these costs (Brush 1992).

6.2 Credit

The importance of credit for business success is currently much debated with the increasing emphasis on micro-finance programmes in development aid. Since the beginning of the 1970s, women’s organizations have identified lack of access to credit as a major constraint on women’s enterprise. Counter to this, others have argued that credit is not actually the main constraint for either men or women and that other constraints like skills and markets are more important (e.g. Buckley 1996). However, while it is important not to assume that increasing access to credit will be a panacea in view of all the other constraints also discussed here, credit is nevertheless important, particularly for poor women, given the other limits on their access to resources as discussed above.

Men, in addition to their own property and incomes, have access to a range of formal and informal sources of credit which they use at different times and in different ways for development of their enterprises. However as indicated in Box 16, women have disadvantages in relation to all these sources of finance. Women can get credit from moneylenders and pawnbrokers but interest rates are very high. Women are frequently involved in rotating savings and credit associations (ROSCAs) but these often involve small amounts of money. Women’s and men’s ROSCAs may be segregated with the latter being involved with large sums of capital. Moreover, very poor women may be excluded as they do not have sufficient savings to contribute. Many poor women traders can only operate through buying and selling on credit, but risk losing out in both areas of transaction.

Evidence indicates that problems of access to credit have increased with structural adjustment. For example, traders interviewed in Ghana cited lack of credit as a major constraint and few traders had access to institutional credit sources. The credit squeeze on banks as part of the SAP financial sector reforms, limited access to bank credit for production and trade. There were constraints on informal credit providers, like relatives, who formerly

⁵³In the US tax credits for dependent care are available, but the maximum allowable credit for a woman business owner whose income exceeds \$28,001 is only \$480.00 for one dependant, and \$960 for two or more dependants. In addition, the Nanny Tax may have the effect of discouraging women from creating businesses because they can only claim if childcare costs do not exceed the income of the lowest paid partner, which may not be the case for a woman with two small children who is in the process of setting up her business.

BOX 16: ADVANTAGES AND DISADVANTAGES OF INFORMAL AND FORMAL SOURCES OF CREDIT AND SAVINGS

INFORMAL SECTOR

Sources:

- **Moneylenders and pawnbrokers** who often lend with jewelry as security.
- **Rotating savings and credit associations (ROSCAs)**: informal systems for pooling savings and relending to members in rotation as a lump-sum of credit. These vary in size of membership and amounts of money involved. Credit allocation may be by agreement, lottery or auction.
- **Accumulated savings and credit associations (ASCAs)**: where savings are accumulated for particular purposes and then withdrawn by savers, rather than funds being rotated.
- **Friends and relatives, and suppliers and shopkeepers.**

Potential advantages:

- Low transaction costs because of proximity of borrower and lender;
- Immediacy of loan disbursement;
- Availability of small loans;
- Flexible repayment schedules and minimal and flexible collateral requirements because of familiarity of borrower and lender.

Disadvantages

- Moneylenders: poor women are less likely to have even jewellery. Rates of interest from moneylenders and pawnbrokers on unsecured or risky loans are generally higher than secured loans raised on property, such as land, which is generally owned by men.
- ROSCAs are most often formed by better-off women, partly as a means of socializing, as well as small-scale economic accumulation. The amounts of money involved may be very small. Poor women may be excluded because they do not have funds for the levels of savings required. Although they often provide an important focus for socializing and networking between women, they rarely aim to challenge gender subordination.
- Friends and relatives: poor women are less likely to have advantageous contacts with wealthy friends and relatives, and any borrowing may be a concealed informal form (or even overt form) of debt bondage, rather than an advantageous relationship for the women borrowers.

FORMAL SECTOR

General barriers to reaching the poor:

- Resistance from banks because of costs of large numbers of small loans to borrowers perceived as risky investments;
- Corruption and use of credit programmes as a form of political patronage is common;
- Inflexible, and credit “packages” may be inappropriate to the needs of poor borrowers;
- Support services are often insufficient, bureaucratic and inflexible to local circumstances.

Barriers for women:

- Requirements for collateral and/or minimum savings and/or husband’s signature as guarantor;
- Time and skills required for filling out forms;
- Time, mobility and resources required to make multiple visits to banks, particularly for rural women in situations where banks are only located in urban centers;
- Costs of loan applications, e.g. application fees, service fees, lender services and bribes to officials;
- Problems dealing with male officials because of norms of female propriety and/or discrimination;
- Lack of information because this is generally channelled through male information networks;
- Poorer women often had neither the resources nor the skills for the particular types of loans on offer.

Sources: Ardener and Burman eds. 1995 and references in Note 3; Berger and Buvinic eds. 1989; IWTC.

had access to bank credit and on-lent to others. Meanwhile, women traders were not included in any of the schemes for financial assistance, such as what is known as the FUSMED scheme initiated by the World Bank. Women were dependent on *susu* (ROSCAs) in order to save up for family needs. The market was increasingly polarizing between large traders with sufficient capital and smaller traders who now depended on them (Manuh 1994).

In the US and the UK research shows that access to start-up, acquisition and growth capital remains a big obstacle for women business owners. Women start businesses with less capital than men⁵⁴. This disparity may be explained by sectoral differences, because women are more likely to start businesses in service areas which require less capital investment. However anecdotal evidence suggests that women are also outside the established financial network. Experienced women entrepreneurs face greater difficulties than men in obtaining loans, even when they had collateral, business plans and plenty of experience (Riding & Swift 1990; Brush 1992; Brophy 1989). Even when women received credit they had to prove themselves in order to get their business skills recognized by the banks.⁵⁵ As a consequence, for continuing operations women resort to alternatives such as credit cards for short-term financing, which may have more expensive interest rates.⁵⁶ Women also face greater problems obtaining venture capital and discrimination by male bank managers, many of whom fail to understand women's different career patterns.

6.3 Marketing and purchases of inputs

Although women may enjoy some marketing advantages in products and services where the majority of customers are female, in most markets they face a range of types of discrimination which prevent them from taking advantage of many opportunities opened up by economic globalization. Commercial sector information systems about inputs and marketing tend to be targeted to men both in terms of physical outreach and extension, and also in terms of the images and methods used (UNIFEM/IWTC 1990 quoted in Downing 1990).

In parts of Africa women have quite well developed networks in particular industries and trade. Many are involved in groups like ROSCAs and the growing number of Women's Business Associations. Nevertheless, networks and marketing are much more localized than

⁵⁴ Details of a number of studies can be found in Brush 1997. One study found that women average \$15,000-\$25,000, while men average \$35,000 or more (Brush & Hisrich 1987; *The State of Small Business* 1992). A report of Small Business Administration reports 32 per cent of all women-owned businesses are formed with no capital, compared to only 25 per cent of men-owned (*The State of Small Business* 1993). A report on the Small Business Loan Guarantee Program showed that women as a group comprised the highest proportion of non-recipients for collateralized loans averaging \$250,000, concluding that women face greater obstacles in this area (Thornburgh & Callahan 1995). A study by the National Foundation for Women Business Owners shows that one third of their members perceived some degree of gender discrimination by financial institutions (NWBC 1996).

⁵⁵ One woman entrepreneur interviewed by Brush (1992) said "It's not unusual for women to go to a bank with a business plan, experience, collateral and all the required things, and the banker will want three times the collateral than they would want from someone else, or negotiate a rate higher than for a man." (Rose Slade, President, Strategic Resources). Another reported: "I have been in a banking relationship since 1989, I have always met obligations promptly, never missed a loan payment or defaulted. Only this year did they give me a compliment on my company's financial management."

⁵⁶ Brush 1997 cites a study by The National Foundation for Women Business Owners which found that 52 per cent of their membership of more than 1,000 women used credit cards for short-term financing, versus 18 per cent for all small businesses. This implies women as a group are paying a higher cost for capital than the average (Brush 1997).

for men, except for West Africa where women are more involved than elsewhere in long distance trade. Moreover, markets are often segregated by product, making women's entry into markets for products dominated by men very difficult. In South Asia and other parts of Africa women's networks are seriously constrained by restrictions on women's sexuality and movements outside the home. These restrictions limit their access to many markets, particularly those traditionally dominated by men. In Bangladesh in many markets there are no women at all. In the ultimate instance, these restrictions are enforced by sexual violence and failure to censure men who attack women who transgress normal codes of "feminine" behaviour, thus "asking for it". There are cases from both India and Africa of women hiring men or sending children to sell their products and/or selling from home.⁵⁷ Nevertheless hiring men for marketing is a risky strategy if women have limited access to information to prevent cheating, children themselves are frequently cheated, and selling from home may seriously limit markets unless there is a clear advertising strategy⁵⁸. This makes it almost impossible for individual women to compete with men entrepreneurs in many industries.

In the North, women have been excluded from benefits because of the importance of networking in marketing. Research in the US and UK shows women-business owners have less extensive networks than men (Aldrich 1989; Turner 1989). For many women, broken employment patterns and lack of management experience deprive them of the business networks essential in highly competitive markets (Brush and Hisrich 1983; Carter and Cannon 1988a quoted Richardson and Hartshorn 1993). The shortage of women in large company and government purchasing, decision-making and contracting roles leads to in-built discrimination in the market for many products (Lusgarten 1994; Brush 1992; Richardson and Hartshorn 1993).

Government-controlled or co-operative marketing institutions and systems of procurement have traditionally discriminated against women.⁵⁹ The privatization of marketing may offer advantages for women over this previous discriminatory system. However, as noted above, the application of free trade principles is in practice highly selective in favour of large export companies and Northern industrialized nations. This has increased competition for women entrepreneurs from large international companies involved in industries like food processing. In the North and South it has led to intense competition from multinational companies in industries like textiles which have created serious problems for other producers at the cheaper end of the market, despite the opportunities noted above at the luxury end. Economic globalization has in many ways intensified problems faced by women, particularly poor women, in the market.

The combination of economic liberalization and structural adjustment has created serious problems for many women. In Ghana for example, the promotion of export crops led to high producer prices for these crops, while food producers for the local market faced competition from imported substitutes and the terms of trade worsened for small producers.

⁵⁷ Muslim Hausa women in Nigeria sell agricultural commodities, prepared snack foods, handicrafts and even grain and other produce grown by their husbands from the seclusion of their households (Blumberg 1988; Hill 1969).

⁵⁸ For example in Sudan Fikka women basket-makers were not allowed to go to the market to sell their products. They had no idea who their customers were and sent their children who were sometimes exploited and forced to sell the baskets at low prices (ACORD-Kassala 1995).

⁵⁹ For Africa see Jiggins 1989 quoted in Downing 1990. In the US, studies in the 1980s found women's share of US government procurement was less than 0.3 per cent of all contract dollars awarded in 1983, and only 10 per cent in 1988 (Lusgarten 1994).

The removal of price controls, devaluation and unrestricted flow of imported consumer goods increased local prices for goods and services as prices found their own levels. These higher prices coupled with increased costs of utilities and social services, unemployment and wage restraint measures reduced the overall demand for goods. The rehabilitation of roads and the transport sector opened up the market, but also increased competition for older traders from new traders (Manuh 1994). In Zimbabwe and Zambia the urban clothes market has been flooded with cheap, and often illegal, imports offering possibilities for lucrative cross-border trade but creating serious difficulties for local producers. Moreover, the expansion of credit programmes which have not included enterprise training has led to a rapid increase in credit for traders and over-saturated markets (author's own research).

Women informal sector entrepreneurs in particular face serious problems of sexual harassment and violence in marketing. These have increased rather than decreased with structural adjustment. For example in Ghana under the SAP, credit was provided by the World Bank and other donors for urban infrastructural development, and major rehabilitation of city roads, drainage and construction was undertaken. In the process small traders were forcibly relocated to remote markets by municipal authorities intent on "beautifying" their city. Traders had their stalls and kiosks demolished and lost their wares. The removal of these pavement traders and hawkers in turn deprived even poorer traders, especially those who come from rural areas to city markets, of access to the market as open-air traders (Manuh 1994.) Similar policies have been followed in Tanzania, India, Cameroon and elsewhere.

Women also face considerable problems because of inadequate transport facilities which expose them to sexual harassment and risks of violence, adding to the other problems also faced by men. Inadequate and high taxes on transport seriously limited the profits of poorer rural female entrepreneurs in Cameroon, forcing them to sell cheaply to wholesalers — many of whom, however, were very powerful women. Particularly for export and cross-border traders, the lack of adequate facilities for women exposes them to violence unless they can build up sufficient networks with other women and/or relatives.

6.4 Skills

Women's ability to enter new markets is seriously limited by lack of technical skills and experience. It is not so much diversification itself which is a problem, but the attempt to combine a narrow range of activities in saturated markets. Even in female-preferred industries women lack managerial and business skills, and the skills they do have are frequently undervalued. This is a result not only of gender-stereotyped training programmes and unequal access to formal education, but also lack of opportunity to gain experience in employment and underlying stereotypes of femininity.

For poor entrepreneurs and would-be entrepreneurs in expanding industries where there are possibilities for upward mobility, there are often clear links between labour conditions and successful entrepreneurship. For example in the silk-reeling industry studied by the author, some male low caste ex-labourers were able to become entrepreneurs. As discussed in detail elsewhere (Mayoux 1993b), the reasons for this success were complex, including particular features of the industry and the area studied. Nevertheless the men's ability to earn relatively high wages as labourers, and their ability to move up the labour ladder and gain experience in a range of skilled tasks were often crucial to this process. Where poorer entrepreneurs did not have such experience their success was often due to their ability to employ "supervisory labourers" who did have such experience. In the US, women's

businesses were found to be more likely to grow if the entrepreneur had experience in the industry of the business (Brush & Hisrich 1987).

Other ways in which poor entrepreneurs learn is through training in the family or apprenticeship. Here again women are at a serious disadvantage. Firstly, within the family there is prejudice against teaching girls because unequal rights to inheritance and marriage norms mean that they will leave the natal home. Secondly, apprenticeships with existing businesses are often residential, requiring long hours with limited supervision and care. Particularly in South Asia, apprenticeships in non-traditional industries where women are in unsupervised interactions with unrelated men is unthinkable because of restrictions on female sexuality. In Africa, Europe and US where issues of female propriety are less important, problems of sexual harassment by other male apprentices and employers are well-documented and create serious problems. In Europe and the US, it is only through continual highlighting and publicity surrounding cases of sexual harassment that problems are gradually decreasing and women's entry into new and more lucrative industries is becoming accepted.

In the UK and the US, there is near universal female literacy and efforts have been made to address gender stereotypes in education. Women's access to business and entrepreneurial education has improved dramatically over the past few decades with changes in the formal education system and opportunities for management experience through work.⁶⁰ Nevertheless, many women lack business experience (Carter and Cannon 1988a quoted in Richardson and Hartshorn 1993; Andersen 1989 quoted in Richardson and Hartshorn 1993) and women's working lives continue to be seen as secondary. Although many women's domestic skills, such as people and time management, and household budgeting, are directly transferable to the business context they are generally undervalued in training programmes. Girls are still under-represented in engineering and other male subjects.

In the South where gender equality is less accepted in government circles, less effort has been made to challenge gender stereotypes within the formal education system. Moreover, in the context of the increasing poverty with structural adjustment, expenditure on girl's education is declining and women are even less likely to have access to the necessary training and skills for successful enterprise.

6.5 Labour

Access to labour is essential for business expansion. Many self-employed men are in fact dependent on unpaid family workers for production and/or marketing. Women and children in their households frequently work very long hours in very poor conditions with little control over the income earned. Even where women and children are not involved directly in production, male entrepreneurs are able to depend on others in their households to care for themselves and their families and perform most of the unpaid work for household survival. This means that enterprise policy based on male needs is conveniently able to ignore questions of household production and reproduction.

⁶⁰ In the US although traditionally women were encouraged to study liberal arts, teaching or nursing now women study business, law or engineering (Powell 1993). Today more than 50 per cent of all women are in the workforce, and 25 per cent of all managers of Fortune 200 companies are women (*Wall Street Journal* 1994), permitting women to acquire management skills through business experience. Moreover, approximately 30 to 50 per cent of all students in college entrepreneurship classes are women, hence women now have easier access to learning entrepreneurial skills (Brush 1992).

However for women no such assumptions can be made. Women's ability to earn an income is often dependent on their continuing to perform unpaid domestic work. In the UK and US in non-agricultural households women are still almost always responsible for domestic and family concerns, reducing the time and energy women have for their enterprise⁶¹ (Powell 1993; Brush 1992). In South Asia also women's responsibilities in household agricultural production may be substantial, particularly in food processing. In parts of Africa, women's unpaid work includes an obligation to perform agricultural work to produce food for the household and also work on the husband's plot to produce cash crops. The burden of women's unpaid agricultural work and also domestic work and childcare has increased substantially with SAPs. Where women are unable to perform this unpaid work, men may force women to stop working, increase their claims on women's incomes, and/or resort to violence.

Women's responsibility for unpaid domestic work also restricts the types of work they are able to do. Where women are responsible for child care, they are restricted to activities which involve minimal danger for children, and require low levels of concentration so that they can break off as required. Responsibility for childcare also restricts women's mobility as they either need to take children with them or arrange for short-term childcare. Even where children are not involved, women may have their production options limited to activities which combine easily with their other domestic work.⁶²

These problems affect women's ability to expand their enterprises. In addition women face gender-specific problems of recruiting and managing employees. Women may have an advantage recruiting female employees and, as noted above, may develop innovative styles of management which may increase enterprise success. However, women may have difficulty recruiting male labour for tasks where female skills are scarce, thus further limiting their ability to diversify into more lucrative industries. Their lack of skills in unfamiliar activities may also lead to cheating by male managers.

⁶¹ Brush found that childcare continued to be an obstacle for women growing their businesses. Women in the focus group interviewed by Brush agreed that even though they ran businesses, the responsibility for organizing, hiring and paying baby-sitters, still took time as well as money from managing their businesses. For single heads of household, this problem is further exacerbated. Not only is primary responsibility for children a major issue, but also the care of elder parents or relatives frequently falls on her shoulders.

⁶² For example, women in Malawi were found to prefer to cultivate lower-profit groundnuts rather than tobacco because groundnuts could be combined with maize production for family subsistence (Chipande 1987 quoted in Downing 1990).

7. MSE Development for women: Underlying issues

Despite some of its considerable limitations, much of the evidence indicates that:

- The balance of opportunities and constraints differs significantly between countries, particularly between the more affluent Northern industrialized nations and the poorer countries of the South.
- There are also significant differences between women within countries depending on economic status, social and political context and the industries in which they are engaged.
- Individual women are affected on many different levels as both entrepreneurs and consumers, leading to trade-offs between different levels of opportunity and constraint, and also for many women to multiple and mutually reinforcing constraints.

There is a rapidly growing number of successful businesswomen, particularly in the Northern industrialized countries, but also in the South. These women have the resources and skills to take advantage of opportunities offered by globalization, development of the social economy, increased demand for female services, and tourism. They have benefited not only from specific programmes, but also environmental changes: legal reforms, education and attitudes to female independence and entrepreneurship. In some Northern countries women have also benefited from mainstreaming of gender within enterprise development agencies, changes in female taxation and welfare policy, and expansion of childcare support. These successes indicate the considerable potential of women's enterprise development as a strategy for growth, poverty reduction and empowerment for women themselves.

However, other women — the majority and particularly poorer women and women in the South — are locked into low income, low profit and low investment activities by a range of interlinked and mutually reinforcing constraints as can be seen from the cases in Box 17. Increasing numbers of poor women, particularly in the South but also in the North, are pushed into low profit activities. They are unable to take advantage of new entrepreneurship opportunities because of a range of continuing poverty and gender-specific constraints. Constraints include not only the legal and regulatory environment directly impacting on small enterprises, but particularly gender biases in macro-economic policy, social and welfare policy and infrastructure provision. In many countries a combination of unemployment, Structural Adjustment Programmes and inadequate welfare policies, have led to increasing poverty, discrimination, violence and powerlessness for many women entrepreneurs.

The combined effects of these interlocking constraints at the enterprise level are reinforced by underlying, all-pervasive constraints of institutionalized discrimination based on stereotypes of women's capacities, marginalization of women's interests within policy-making institutions, and gender violence by the authorities implementing policy. These perpetuate generalized norms of female subordination within the family and domestic violence. For individual women the result is lack of autonomy and confidence to challenge discrimination and subordination. Many of these constraints also continue to limit the expansion of successful and resourceful women entrepreneurs, placing them at a disadvantage with men⁶³. Any strategy for an enabling environment for women's enterprise needs to address these issues.

⁶³ For example in Uganda Women's Finance and Credit Trust one woman who had set up a successful butchers business, seen as a "male" occupation, gave this up for a less lucrative but more socially acceptable second-hand clothes business (Rugasira 1997).

BOX 17: INTERLOCKING CONSTRAINTS ON POOR WOMEN ENTREPRENEURS

GHANA STREET TRADERS (Okine 1993)

Auntie Donkor: involved in long-distance trade for 14 years. She buys food items from villages to sell in the local town market. She leaves home at 4 a.m. Tuesdays and Thursdays together with a group of friends who have joined together to hire a haulage truck. The villagers bring the farm produce to the roadside where they sell to middlemen/women go round all the collection points. Because they have a monopoly over the trade with producers, they are able to charge high prices to Auntie Donkor and her friends. Till the early 1980s profits were good, but since 1983 prices of food, transport and labour rose dramatically. The taxes are high so she cannot rent a stall in the market. She sells her produce on the pavement after 4 p.m. when the police are off duty. She has established a network of customers who depend on her for supplies and know the days and times she comes to market.

Madam Faustina: 35 years old with primary education. She lives with her second husband with whom she has one child and three children from her first marriage. Her husband lost his job and the whole family is dependent on her enterprise. She learned how to sew, but could not afford a sewing machine or rent a workplace and could not find the capital to start. She initially started trading in plantain but had to stop because of financial difficulties. She now sells fish. She can buy on credit because she is well-known by the people who supply fish. She goes to buy the fish on Wednesdays and returns to Accra on Fridays to sell. She goes round the markets in the evenings to avoid the police and sells her fish on credit. By the following Tuesday all those who bought her fish on credit will have paid and she can start the cycle again. It is not very profitable but she did not need much money to start and at the end of the day she has just enough money to buy food for her family.

ZIMBABWE

Case Study (Horn 1994) A vegetable-trader living with her second husband in his parents' house in Harare. There is no room for her three children from her first marriage so they live with her parents. She does not know much about the household expenses because her husband arranges rent etc. with his mother. Since the birth of their daughter he has refused to pay anything to support her other children. She has applied for maintenance for them from her first husband's salary. But until she gets some money, she has to keep selling vegetables so that her children can go to school.

Mrs E (Brand et al. 1995) Street trader working since 1970s. She lives with her husband, daughter and her daughter's two children. She had to start trading to earn money for the family when her husband stopped working. She works alone: "everyone is too busy with their own lives to worry about me". She sells from 8 a.m. to 2 p.m. because that is when most of her customers come, most of them school children. She doesn't keep any records. No-one looks after anyone else's stall because they are selling the same goods and they don't agree a common price. She doesn't have a licence because she can't afford it and has been in trouble with the police. She looks after the whole family's food, electricity, water etc. Her daughter does most of the house cleaning and doesn't earn an income. She doesn't know where her daughter gets her money from for the house. Sometimes the children have to stop going to school because there isn't enough money for school fees. She is always ill and goes to the clinic, but that doesn't help much.

UGANDA: Edith Kagino married, with seven children. Before marriage, she developed an interest in dairy-farming, helping her mother. After marriage she worked in the workshop of her husband. From 1991 she was a regular saver with the Uganda Women's Finance and Credit Trust and acquired a loan in 1992, for two in-calf heifers and for the construction of a small cow shed. She planted napier grass to feed the cows. Edith started off very well, with the first cow calving normally. Problems started when her husband instructed her to go back to the workshop. She could no longer take care of the cows, and eventually she lost one of them. Despite her protestations, her husband insisted that she remain in the workshop. Eventually her husband chased her away from her home and she had to find shelter for herself and the children. The husband claimed the cows as his so she was not allowed to take them. After some months, with the help of in-laws, the husband called her back. But he had already sold the roofing sheets and construction materials of the cowshed and all grass was gone. She got pregnant again, then her husband decided to live with another wife. Edith is recovering from the shock, trying to start again. Her projects is marked as a doubtful debt (Ngajja et al. 1993, p. 20).

PART III: GENDER MAINSTREAMING AND ENABLING ENVIRONMENTS FOR ENTERPRISE DEVELOPMENT: FRAMEWORK AND POLICIES FOR BEST PRACTICE

Despite some of its shortcomings, considerable evidence supports the promotion of women's micro-enterprise as a key area of any development policy. Firstly, female entrepreneurs have an important contribution to make to economic growth, not only because of their increasing numbers, but also through the development of new styles of entrepreneurship which are more responsive to the changing economy and needs of employees. Secondly, women's enterprise development can play a key role in poverty alleviation and employment because of higher levels of poverty among female entrepreneurs and higher levels of expenditure on the household, and the greater female labour intensity of employment. Thirdly, for many women themselves, entrepreneurship also offers the possibility of independence and flexibility to combine income-earning with family and other life-style choices.

Nevertheless, it is also clear that the degree to which women entrepreneurs are able to fulfil their full potential will depend on the degree to which their needs are specifically addressed in economic and social policy. In Europe it is the increasing focus on socially-responsible growth, including commitment to the welfare state and promotion of the social enterprise coupled with Equal Opportunities policies, as much as policies to stimulate small and medium enterprises (SMEs) which promise to open up new opportunities for women entrepreneurs and ensure that women benefit. In the US and Europe, active women's organizations and organized gender lobbies within the administration are able to ensure attention to at least the concerns of some women entrepreneurs, particularly at the level of legislation. In the South existing studies indicate that — particularly for poor women — constraints have been exacerbated rather than alleviated by neo-liberal growth policies promoting export-led growth and decreasing what little social service and welfare provision previously existed. In these cases the benefits of MSE development for women themselves in terms of economic empowerment, well-being, or social and political empowerment cannot be assumed. Importantly women and gender issues remain marginalized in mainstream small and medium enterprise (SME) and MSE development.

In what follows, there are two underlying assumptions:

- The aim of promoting women's enterprise is not only women's contribution to growth and poverty alleviation, but also to ensure that women themselves benefit from this development.
- The aim is not only to address issues of women's equal human rights, but also how to enable women in poverty to enjoy this equality.

As argued below, these considerations require much more attention to the issues raised by the feminist empowerment critique and policies advocated in follow-up to Beijing, and in the discussions surrounding the Beijing Plus 5 meetings in New York in mid-2000.

Before proceeding it must be stressed that evolution of good practice in the sense understood here is only beginning, and existing experience is either very recent and/or partial. Progress in MSE development for women has mainly been limited to statements of support

for female entrepreneurship in response to Beijing, and to a large number of national plans, but with limited funding. Implementation remains largely at the level of isolated and poorly funded programmes. Although the negative effects of previous and existing policies are clear, there is little detailed research on impact of recent policy change, as opposed to specific programmes. There has been a mushrooming of women's business associations and networks of women in the informal sector. However, there is little detailed information about their activities, outreach and impact. This lack of information is particularly serious for countries in the South where many innovative initiatives are taking place at all levels.

Importantly the essence of Good Practice is adaptability of guidelines to particular needs and contexts, rather than blueprints for policy. What follows, therefore, does not claim to present definitive solutions. It presents a gender framework for examining mainstream policy, and a holistic framework of interlinked policies based partly on current innovative approaches and partly on increasing evidence of serious shortcomings with existing strategies. Part III, 8 proposes a framework for gender mainstreaming for enabling environments at the conceptual, policy and institutional levels. Part III, 9 – 12 then discuss in more detail the experience and underlying issues raised by the different dimensions of policy. Part III, 13 discusses the institutional changes necessary for gender mainstreaming to achieve these policies.

8. A Framework for gender mainstreaming and socially equitable growth

There is now universal agreement, at least in official policy statements, that gender mainstreaming is an integral part of any development strategy. However as discussed in Part I, there remains considerable disagreement as to what this means in practice. Gender lobbyists arguing within the neo-liberal market paradigm in the North have made very important contributions towards promoting and publicizing women's enterprise, proposals for legal changes, and women's access to enterprise services like training, credit and technology, and equal opportunities policies within organizations. However, particularly in the context of aid policies and organizations where gender issues are not seen as a priority, gender mainstreaming risks becoming little more than a euphemism for cutting costs of female-targeted development interventions. Within the poverty-targeted interventionist paradigm there are unresolved tensions between policies for enterprise development policy based on orthodox market principles, policies for poverty targeting aimed at the household, and gender policies based on feminist analysis. Here also the shift from "women" to "gender" is increasingly used to oppose explicit policies to support women. Furthermore, there is little questioning of mainstream policies implicitly favouring men.

The evidence discussed in Part II indicates the need for a much more radical shift in conceptual frameworks, as well as macro- and meso-level policy, to adequately address the multiple constraints facing women entrepreneurs and particularly poor women. The focus should be not only socially responsible growth which requires voluntary self-regulation by vested interests, but socially equitable growth which provides the necessary regulation and support for empowerment and poverty eradication. Policies for promotion of women's entrepreneurship need to go further than the WID attempt to integrate gender into neo-liberal growth strategies, and build on the current insights and innovations being developed by feminist economists. Box 18 summarizes the conceptual shifts and principles underlying the selection of good practice policies discussed below.

A focus on socially equitable growth requires a redefinition of what is regarded as "economic" and consequently the boundaries of economic and enterprise policy, following the critique of economics and economic policy discussed in Part I. As discussed in Part II, the gender division of labour means that for women entrepreneurs enterprise activity is part of a broader livelihood strategy where it is difficult to separate production and reproduction and market and non-market work. Women's autonomy to develop and expand successful enterprises is seriously constrained by inequalities in resources and power within the household and markets, and by macro-level policies which underly and further reinforce these inequalities. Although enterprise development and expansion requires a separation of enterprise and household budgets, achieving such a separation is largely dependent on women being able to address the resource and power constraints which require them to take prime responsibility for household provisioning and unpaid reproductive work. Training programmes to increase women's confidence and understanding of business principles and/or micro-finance programmes offering small loans are insufficient to enable women to overcome these multiple constraints. Policies for enabling environments, therefore, require a holistic focus on interrelated dimensions of livelihoods, well-being and empowerment. This would replace the conventional divisions between "economic" policy focusing on market work, "social" policy focusing on reproductive work and well-being, and "political participation" viewed as something contentious and separate from economics.

BOX 18: A FRAMEWORK FOR GOOD PRACTICE

UNDERLYING PRINCIPLES OF SOCIALLY EQUITABLE GROWTH

Reconceptualization of the “economic” to encompass analysis of and strategies to address:

- Broader livelihood strategies and integrating non-market/reproductive work;
- Power relations at household, market, institutional and macro-levels.

Gender equality:

- Mainstream policy to take equal account of women’s gender-specific needs rather than taking male-specific needs as the norm;
- Reform and removal of policies which give inequitable advantage to men;
- Adequately resourced affirmative action to address women’s gender-specific needs to redress previous discrimination and neglect;
- Reinforcement of men’s responsibilities in the reproductive sphere.

Poverty eradication:

- Reform and removal of policies which give inequitable advantage to powerful interests of large-scale business and Northern economies;
- Specific support for very poor women and labour as an integral part of enterprise policy;
- Specific support for very poor countries.

Institutional accountability in economic decision-making at all levels:

- Women’s equal representation;
- Representation of very poor women;
- Representation of women from very poor countries.

HOLISTIC POLICY FRAMEWORK

Legal and regulatory frameworks based on equal rights.

Fiscal policies based on equal rights and integration of reproductive work.

Industrial and trade policies to promote women’s enterprises rather than discriminate against them.

Human development and infrastructure policies to integrate reproductive work and promote women’s enterprises.

Institutional change for gender accountability.

Policies for gender equality and poverty eradication are interlinked but require separate consideration. As discussed in Part II, where women play a central role in poverty alleviation at the household level without equal rights this often leads to overburdening and increasing stress and ill-health. On the other hand different women have different and potentially conflicting priorities and interests. Policies may benefit better-off women and disadvantage poorer women, e.g. labourers or women in very poor countries. Very poor women may also be disadvantaged by competition from expansion of enterprises run by better-off women with preferential access to training and credit. The ability of very poor countries to provide adequate resources for policies aimed at gender equality and poverty eradication depend on levels of income in the economy as a whole and/or funds available from international agencies. Enterprise development needs to incorporate the needs of very poor micro-entrepreneurs and self-employed women. It also needs to address the potentially different priorities of women in very poor countries.

In both cases a three-pronged approach is necessary:

- **Gender equality:** In particular this requires incorporation of women’s needs and interests in current “malestream” policy, reform and removal of policies which support implicit and explicit advantage for powerful vested interests of men, adequately resourced affirmative policies for women, and reinforcement of men’s family responsibilities.

- **Poverty eradication:** Reform and removal of policies which support implicit and explicit advantage for large business and Northern economies, specific and adequately-resourced support for poor women and women in poor countries to challenge previous and current discrimination and neglect.
- **Institutional change:** Reformulation of mainstream policy to incorporate the needs of all parties and adequate resourcing of affirmative policies will in turn acquire greater institutional accountability and representation of women, those in poverty and poor countries in decision-making.

The good practice policies discussed in detail below are interlinked and must be seen as part of a holistic framework rather than treated in isolation. For example, legal and regulatory frameworks mean very little without institutional change for implementation and accountability, or providing necessary support for women to use them. Promoting women's enterprise may overburden women without appropriate fiscal and welfare policy. Policies to promote women's enterprise may be costly and ineffective without adequate policies for human and infrastructure development. As discussed in Part III, 6, gender equality inevitably involves a challenge to powerful vested interests, and ensuring benefits for very poor women and very poor countries will inevitably involve costs.

9. Legal and regulatory frameworks based on equal rights

Most recommendations for best practice in enabling environments for MSE development indicate the need for simplification of regulations and registration procedures. They also stress the importance of access to financial services — particularly credit — and appropriate regulatory frameworks for financial institutions. However, although it may be mentioned that specific attention should be paid to women’s needs and women may be targeted, in proposals for mainstream regulatory frameworks women are treated as a “special” case rather than the majority (as in parts of Africa), or significant minority of entrepreneurs and workers in the small-scale, and particularly micro-enterprise sector. Significantly the implications of gender inequalities in access to property and resources are not considered, or treated as an issue to be addressed through other — but unspecified — measures. As well as limiting resources for investment, unequal access to the forms of property recognized in legal contracts or as collateral by banks, limits access to any MSE support which is dependent on business registration and access to financial services.

Here it is argued that legal reforms of access and control over property and incomes are a central part of an enabling environment and these inequalities need specific treatment in regulatory frameworks for MSEs and financial institutions. Legal change also needs to be accompanied by publicity to raise awareness and appropriate support for women wishing to assert their rights through changes in legal institutions and support for women’s movements and NGOs as discussed below. A summary of areas in which reform is needed and some examples of Good Practice are given in Box 19.

BOX 19: LEGAL AND REGULATORY FRAMEWORKS

AREAS NEEDING REFORM

Legislation regarding control of property and incomes to treat women as independent actors with equal rights:

- Inheritance legislation to give women equal rights;
- Legislation on rights in marriage to give women formal rights to household property and inalienable rights to own property;
- Legislation regarding marriage exchanges to give women inalienable property rights;
- Legislation on divorce to give women equal rights in division of property, pensions, etc.

Regulatory framework for MSEs to recognize women as independent and equal actors and to include labour legislation and guidelines for co-operation:

- Regulations on business ownership to recognize women’s equal rights and partnership in household business;
- Regulations on access to business support to ensure equal access for women business owners and co-entrepreneurs;
- Regulations on co-operatives to recognize diversity of forms of collaboration;
- Regulations on business activities to consider potential impact on female clients;
- Regulations on business activities to contain minimum core labour standards.

Regulatory framework for financial services to ensure women’s equal access to financial services and foreign exchange:

- To recognize female forms of property as collateral;
- To allow group access to credit;
- To ensure market-relevance to needs of clients and members.

GOOD PRACTICE EXAMPLES

US Women’s Business Ownership Act:

- Provides set-asides for women business owners;
- Created the National Women’s Business Council;
- Called for data collection on businesses owned by women;
- Developed incentives to decrease problems by providing start-up funding in the form of guaranteed loans;
- Created Women’s Business Centres to assist successful and aspiring women entrepreneurs to expand and develop their businesses.

The US and Canada Financial Services Acts give women leave to appeal against discrimination if loan applications are turned down.

9.1 Reform of legislation regarding control of property and incomes

Women's ability to become entrepreneurs is seriously limited by inequalities in rights to control their own and/or household property and income. In some countries these inequalities take the form of overt discrimination in state legislation, whereby they are treated as jural minors under the authority of fathers, husbands, brothers or sons for the whole of their lives. More commonly, inequality is enshrined in customary law and reinforced by lack of bargaining power within the household, wider kin group and community. Although customary law may conflict with state legislation, women have limited access to the legal system because of cost and lack of contacts, and face widespread discrimination within it. For many women there is a difficult trade-off between securing formal legal ownership of small amounts of their own property or incomes, against informal forms of access to household and community income or property which might be jeopardized by challenging existing power structures within the household or community.

Thus reform of national legislation, although an essential foundation, is not in itself sufficient and, as discussed below, needs to be implemented through a combination of institutional gender mainstreaming and support for women's advocacy and legal support organizations. The drafting of legislation itself needs to allow for context specificity and some flexibility. Detailed discussion is outside the scope of this paper. However, experience indicates that on the one hand care must be taken not to jeopardize women's informal access to household and community resources. In some contexts a first step might be to strengthen women's formal joint ownership and control of property and other household resources. At the same time this must not provide an opportunity for men to claim legal rights to the limited amounts of property and resources which women have. These are complex problems on which in-depth consultation and research are urgently needed.

9.2 Regulatory framework for MSEs

Over-complex regulations and registration procedures place a high cost burden on MSEs, thus acting as a deterrent and excluding poor entrepreneurs from potential benefits offered for MSE promotion following registration. As discussed in Part II, many women's enterprises are unregistered and therefore have no legal protection. This is because of a combination of lack of resources and income to qualify and cover costs, and institutionalized discrimination — particularly in the common situation where regulatory agencies are corrupt.

In current proposals for simplification of registration procedures there is little discussion of gender inequality and how this might affect the ways in which simplification is achieved. Inequalities in access to property and income are often reinforced by regulations for registration of enterprises. On the one hand, women may not have formal ownership of the types of resources required or access to the income to pay for registration, thus becoming excluded from any benefits. On the other hand, registration of enterprises may formalize male ownership of enterprises where women's input of time and resources is substantial. For example in the Structural Funds under the European Common Agricultural Policy, grants are only given to land owners who are generally men. This bars women from applying for assistance to set up enterprises based on their role within the agricultural household. It is crucial therefore that any simplification of regulations is based on legal recognition of women as autonomous agents, and serves to reinforce rather than weaken their rights in the context of joint ownership of property, resources and enterprises.

At the same time there is a need for provision for strengthening the position of women co-entrepreneurs. As discussed above, women frequently play a crucial role in male-owned enterprises. In this case it may benefit women more to increase recognition, skills and status for this role rather than setting up a separate enterprise. This will depend on legal provision for joint ownership discussed above. However, regulations and licensing could encourage joint registration of male-owned enterprises rather than reinforcing male authority.

More consideration is also needed for partnerships and collective working. Collective working and networking is often crucial for women's business success. This collaboration may be at many different levels and not fall within the remit of co-operative legislation. In any case in many countries "top-down" co-operatives have become unpopular because of corruption within bureaucracies. Membership requirements may also discriminate against married women because of rules about numbers of members per household and/or the lack of property rights noted above. At the same time, currently informal groups or forms of collaboration may need legal protection and/or access to MSE support services.

Consideration needs to be given to the ways in which regulatory frameworks affect female clients, and ways in which these could contribute to facilitating women entrepreneurs' work roles and men's reproductive roles. For example the Italian "city regulations liberalization scheme" allows office and shop opening times to be adjusted to fit with desired working patterns. This allows both traders and other women and men to better combine work and family responsibilities.

Finally regulatory frameworks need to include minimum core labour standards. These should be seen as promoting rather than impeding the development of the MSE sector. As discussed above, women's ability to develop skills and earn an income are crucial to their future ability to set up enterprises. Given the fact that many small enterprises are home-based, health standards also benefit employees. Evidence from the UK experience and elsewhere suggests that minimum wages legislation has less adverse effect on enterprises than anticipated before its introduction. Attention needs to be given to how any potential costs can be covered through changes in taxation, subsidies, grants and credit facilities for small enterprise improvement and employee development, some of which are discussed below.

9.3 Financial service reform

There is currently a range of proposals for regulation of financial services being made by donor agencies under the umbrella of the Consultative Group to Assist the Poorest (CGAP).⁶⁴ These proposals aim to give borrowers security of savings, maximize expansion and outreach to significantly increase the access of poor women and men to credit, and to maximize cost recovery of donor funds. Current innovations in micro-finance also include insurance and pensions provision.

⁶⁴ Consultative Group to Assist the Poorest (CGAP) is a major international collaborative initiative arising from the 1993 International Conference on Actions to Reduce Global Hunger and was formally constituted in 1995. The 9 founding members are Canada, France, the Netherlands, the United States, the African Development Bank, the Asian Development Bank, the International Fund for Agricultural Development, the United Nations Development Programme/United Nations Capital Development Fund and the World Bank, later followed by Australia, Finland, Norway, Sweden, the United Kingdom and Inter-American Development Bank. Approximately US \$200 million (including existing budget commitments) was pledged to Micro-Finance programmes for the poorest groups in low income countries, particularly women (World Bank 1996). Actual amounts disbursed by individual CGAP members is however considerably higher.

However, despite the widespread targeting of women by micro-finance institutions because of better repayment rates, gender issues are receiving no serious consideration in these regulatory proposals. As argued by women's lobbies, even in USAID, there is a need for inclusion of women's forms of property and collateral, participatory market assessment to ensure maximum benefit to clients, and linking micro-finance services to appropriate support for women clients. However these proposals find no mention in the mainstream regulations. As discussed in detail by the author and others elsewhere, unless there is specific attention to gender issues, micro-finance programmes have negligible impact and may even disempower women (Mayoux 1999, 2000a, b; Goetz and Sengupta 1996).

Importantly, current regulatory proposals and donor funding guidelines threaten to decrease the possibility of NGOs offering integrated programmes which combine savings and credit with other development interventions like literacy and gender awareness and advocacy. Preliminary research by the author and others indicates that these programmes, where they are efficiently run, are a cost-effective means of delivering micro-finance and other services with high repayment rates and significant contribution to empowerment. SEWA in India is a prominent example of an organization which combines savings and credit with gender advocacy and other support, and has had a significant impact on the policy environment for the informal sector (Rose 1992). Here savings and credit are institutionally separate from other activities. However, other programmes have cost-effective mechanisms for delivering savings and credit through the same extension workers to populations who are more difficult to reach, for example CODEC in Bangladesh and the partnership between CIPCRE and Cameroon Gatsby Trust. Current proposals for separation of micro-finance threaten to reduce impact and increase costs of such programmes.⁶⁵

Ensuring that micro-finance institutions contribute to an enabling environment for women's enterprise requires integration of gender concerns in all financial institutions, including banks, pensions and insurance companies, as well as micro-finance programmes. One example is given by Canada where recent legislation has entitled women to appeal against discrimination in bank procedures for loans. Another example is India where mainstream banks are delivering funds to self-help groups supported by NGOs who also deliver other services to members. Integrating gender into financial institutions requires greater guidance and commitment from funders — both government and international donors — to question existing forms of discrimination and to fund innovation in empowerment strategies and poverty reach.

⁶⁵ These issues and programme case studies are discussed in detail in the Resource Pack currently being prepared for UNIFEM (Mayoux 2001 forthcoming).

10. Fiscal policies to be based on equal rights and integration of reproductive work

Most proposals for Best Practice also mention fiscal reform to remove tax disincentives to small business. In particular in the EU reduction of, e.g. taxes on labour and social security charges have been promoted in the interests of both enterprise promotion and employment creation⁶⁶. In many countries in the South inadequately resourced implementation agencies, difficult communications and widespread poverty mean that taxation systems are often limited in coverage and badly enforced. Nevertheless small informal sector entrepreneurs face arbitrary taxation and harassment at market places and within poor communities. Often larger and better-off entrepreneurs on the other hand are able to avoid this through forms of bribery and other forms of corruption. In Northern industrialized countries social welfare provision is generally divorced from taxation policy, creating a poverty trap which creates disincentives for poor people to register businesses because this would debar them from the benefit system. In the South, social welfare provision is highly inadequate and often non-existent, creating a serious drain on the income available for enterprise investment as discussed above. It is clear that any policy to promote MSE needs to address these issues.

There is explicit and implicit gender discrimination underlying even recent proposals in Northern industrialized nations on taxation and benefits. These result from continuing conceptualization of the household as headed by male income-earners and failure to recognize the value, and hence replacement costs, of women's unpaid reproductive work when they take up entrepreneurship. These issues need to be integrated into any proposals for taxation and/or welfare reform in the South. The areas to be considered are summarized in Box 20.

BOX 20: FISCAL POLICIES

UNDERLYING PRINCIPLES based on:

- Equal rights;
- Integration of reproductive work.

POLICIES

- Individual taxation and access to welfare benefits for women;
- Childcare expenses and housing improvement allowable as part of business tax relief;
- Insurance schemes and pensions to take account of women's needs and working patterns;
- Unification of tax and benefit systems to remove discrimination against poor self-employed women;
- Lowering VAT on essential goods produced by women and/or consumed by children;
- Priority support for an effective and integrated care policy for children, the elderly and the sick.

10.1 Individual taxation on property, incomes and business for women

The assumptions underlying taxation systems in general need to be examined. Particularly where women have unequal legal status in relation to property and income, they are also treated as dependants for taxation purposes. Although women in India have had the option of individual taxation since independence, in the UK until the 1990s women were treated as dependants, their earnings taxed as part of household income, and any tax rebates

⁶⁶Major reforms were announced or have started to be implemented in Denmark, Spain, the Netherlands, Finland, Belgium, UK, Italy, France and Ireland (ECDGV 1998b).

paid to men. This situation is still common in many countries. Apart from reinforcing the underlying ideology of female dependence and subordination, this means that women have no possibility of confidentiality in their business affairs and thus their autonomy as entrepreneurs is seriously limited. It also reduces their access to any tax relief on earnings, limiting their access to their own profits.

Any proposals for improving enabling environments for female enterprise therefore need to start with the premise of individual taxation, particularly targeting any tax relief for low earnings to women themselves.

10.2 Business tax allowances to include replacement costs of reproductive work and homeworking

Taxation systems for businesses allow certain expenses to be deducted from tax. These deductions are frequently based on an arbitrary distinction between business and household costs. Particularly for women, there is no such rigid distinction as women have to substitute market services for previously unpaid reproductive work. Therefore it is crucial that expenses for items such as childcare are treated as part of business expenses. This is the case in the US and much of Europe,⁶⁷ although levels of tax relief are currently a matter of dispute. Tax deduction of childcare expenses also needs to be available to employees to enable them to cover some of the costs of childcare. Again this is particularly important for female entrepreneurs in view of their higher levels of employment of female workers.

Similarly, in view of the prevalence of homeworking, house improvement also needs to be allowable as part of business tax relief. For very poor women the requirements of separation of business premises and business expenses from the household is very problematic. However, reform of these regulations is urgently needed.

10.3 Unification of tax and benefit systems to remove discrimination against poor self-employed women

Many Northern industrialized countries have a state-funded social welfare system. However, as noted above, in most countries there is a split between the taxation system and the benefits system whereby as soon as an individual attains a certain minimum work input or income they lose entitlement to welfare benefits. For women this creates even greater barriers to setting up an enterprise than for men because of their lower earnings from enterprise and the replacement costs of their unpaid work, particularly childcare. Many women are reluctant to take the uncertain risk of entrepreneurship at the cost of losing the security of benefit for themselves and their families. Some micro-finance programmes have pointed to this as a serious problem, discouraging women from taking enterprise loans (Pearson and Watson 1997). Other women are forced to set up undeclared and unregistered businesses while illegally remaining on welfare benefits. In addition to the stress which this causes, the enforced secrecy hampers business development and lack of registration excludes women from enterprise support.

⁶⁷ In the US this is termed the “nanny tax”. Spain, Italy, Netherlands and Portugal also provide subsidies through the income tax. In the UK measures are being introduced.

In the US, the Welfare to Work programme and similar programmes in Europe⁶⁸ have attempted to bridge this gap, largely prompted by concerns about the widespread benefit fraud which is caused by the disincentive to declare work. However even where there is independent taxation for women and tax incentives for enterprise, the benefits system is frequently based on measures of income at the household level with benefits paid to men as the presumed heads of household. In the UK for example the recent proposals for family tax credit paid through the pay packet are more likely to benefit men. This will continue to give women unequal access to income for investment in enterprise, as well as unequal control over income for household consumption. Moreover, there were rumours of unofficial (and fortunately so far unimplemented) plans to reintroduce household-level taxation in place of individual taxation in order to make the tax and benefit systems compatible.

10.4 Lowering VAT on essential goods produced by women and/or consumed by children

The use of indirect taxation like VAT has recently received increasing attention in terms of its poverty effects and its potential for encouraging environmentally-friendly production and consumption. In the EU there have been proposals to reduce VAT on labour-intensive services to encourage employment, although the measure has so far not been adopted.

The gender dimensions of this debate have received far less attention. It would be difficult to advocate reduced VAT on women's enterprises. However, indirect taxation could reduce VAT on essential goods produced in sectors where women predominate, like clothes and processed foods. These would reduce child poverty through reducing costs of household consumption.

⁶⁸ Similar programmes have been introduced in the UK, Denmark, Spain, Ireland and Italy.

11. Industrial, trade, marketing and pricing policies to promote women's enterprise rather than discriminate against them

Under policies for economic liberalization and structural adjustment, economic policy has been presented as promoting free trade and reducing market distortions through eliminating subsidy. However, as was seen in Part II "free trade" is highly selective in the distortions it removes and the distortions it ignores or reinforces. In practice industrial, trade, marketing and pricing policies have overwhelmingly favoured large-scale export production, particularly by foreign-owned companies. This has been partly because of the considerable political influence exercised by these companies, and partly because of the need to reduce budget deficits imposed as a condition of international borrowing. In the North, sizeable subsidies remain for regional development, promoting particular industries and protectionism against processed and manufactured products from the South. Current campaigns to counter these market distortions have focused on environmental and poverty concerns.

Again gender receives no specific mention. However, within these debates it would be possible to justify preferential support and promotion of female-preferred sectors and women's enterprises as indicated in Box 21. A range of reforms proposed by UN agencies (like UNCTAD) and by NGOs could be extended to include gender concerns.

11.1 Reform of trade, marketing and pricing policies which support large-scale, male and foreign-dominated monopolies

Trade, marketing and pricing policies as they currently operate have discriminated against small business and against women. For example subsidies for farmers and rural enterprise under the European Structural Funds are not available for women because they are only granted on the basis of ownership of land. In both Northern industrialized countries and the South large-scale foreign enterprises have been provided with a range of subsidized facilities to encourage investment which have seriously disadvantaged women entrepreneurs in many industries. In the UK there are currently discussions about preferential support for manufacturing to reduce male long-term unemployment.

There is a need, therefore, for a renegotiation of trade, marketing and pricing policies to remove these distortions. For example, under the UNCTAD guidelines on international investment it would be possible to include gender guidelines such as non-discrimination in employment, training and selection of local suppliers. These are already highlighted in the ILO's Core Conventions. Similarly, equal opportunities could be integrated into guidelines for multinational enterprises giving women the chance to earn an adequate income and gain valuable skills which could later form the basis for enterprise development.

BOX 21: INDUSTRIAL AND TRADE POLICIES

UNDERLYING PRINCIPLE

- To promote rather than discriminate against women's enterprises.

POLICIES

- Reform and removal of discriminatory investment, trade and infrastructure policies which produce market distortions in favour of male entrepreneurs, and particularly to large-scale and foreign owned businesses;
- Affirmative action for promotion of production and services used and provided by women (e.g. care services, technology to decrease burden of domestic work, preferential grants, collective and individual loans, etc.) for female social entrepreneurs in poor neighbourhoods;
- Promotion of women's marketing and networking through Internet (including E-mail shops), trade fairs and promotion of alternative trading organizations (ATOs), preferential access to public tendering;
- Promotion of ethical enterprise: ethical legislation to be an integral part of enterprise policy and enforceable for all enterprises, and active promotion of collective and co-operative arrangements and innovative forms of management.

SOME RECENT PROPOSALS FOR REFORM OF FREE TRADE

The UNCTAD development-friendly guidelines on international investment (1997) affirm the right of a host country to exclude or restrict foreign investment in key sectors, to screen foreign investment prior to entry, and require linkages such as the employment of local people, the training of workers and the use of local suppliers. Many commentators see these guidelines as a more acceptable alternative to the Multilateral Agreement on Investment proposed by WTO. *It would be possible to include here guidelines for gender equality in access to such employment, training and contracts.*

The 1996 Plan of Action for Least Developed Countries (LLDCs) made provision for richer countries to remove tariffs on imports from LLDCs, thus opening up markets to them on preferential terms. *Particular emphasis here could be given to sectors where women entrepreneurs are pre-dominant.*

The Tobin Tax is a uniform tax on foreign exchange transactions to be used for development purposes. Tax on each transaction would be low (0.1 to 0.5 per cent), but total sums raised would be enormous (US \$ 300 billion to US \$1.5 trillion, compared with US \$10 billion currently spent by all UN agencies combined). *The development purposes identified could include promotion of women's enterprises and/or services used by women.*

Source: PANOS 1999. Possible gender policies added by the author in italics.

11.2 Promotion of production and services provided and used by women

In all countries women are overwhelmingly represented in particular sectors of the economy. These include sectors which build on women's domestic skills and also provide services for women. As discussed above, within these sectors women potentially enjoy an advantage as entrepreneurs and with appropriate training and sufficient capital have developed a range of innovations which increase incomes. Many of these goods and services, (e.g. cleaning and child-care) are also necessary to free women entrepreneurs from unpaid domestic work. However many of these industries have received insufficient support.

It would be legitimate to argue that subsidies and investment could target such industries and promote women's enterprise. In the EU a number of countries have introduced initiatives to nurture new services (France, Germany, Denmark) and new-technology sectors

(Finland, Austria)⁶⁹. See also ILO WEDGE Working Paper No. 9 for examples of training programmes aimed at assisting women to break into new and emerging technologies.⁷⁰ Several countries (Finland, Italy, and the UK) have developed partnerships between local authorities and entrepreneurs in exploiting business opportunities and the social economy. The UK has launched a series of job creation initiatives at local level in the more unemployment-ridden areas. However, even in detailed studies there is little information on the gender dimensions of this investment and expansion (e.g. Borzaga and Santuari eds. 1999). In the South, despite the potential of such development, these sectors have received little attention.

Guidelines for women's equal access to this investment are needed, rather than the situation where such equality is taken for granted. This would include promotion of domestic and care services and labour-saving technologies and other services which facilitate women's work role. Measures like the removal of tariffs on imports from LLDCs and the "Tobin tax" could also target women-preferred sectors. Prioritization of production and services provided by and used by women could be justified in efficiency and growth terms, through its impact on the labour-saving of inefficient performance of unpaid domestic work, employment creation in labour-intensive sectors, and the market expansion effect of increased income in women's hands. Preferential grants, collective and individual loans and other support could be targeted to female entrepreneurs in poor neighbourhoods. These measures would benefit not only female entrepreneurs in providing enterprise opportunity and reducing their own burden of domestic work, but also their employees by increasing their productive efficiency.

11.3 Promotion of women's marketing and networking

Women need support not only in women-dominated industries, but also in entering lucrative male preserves and new industries. As discussed in Part II, women face a range of constraints and discrimination in marketing. Some of the problems are addressed in measures to redress policies giving unfair advantage to men and large business in access to government contracts, etc. as outlined above. Proposals for raising the profile of female entrepreneurship in education and media discussed below would increase women's marketing skills and the publicity for products of women entrepreneurs. Women's participation in design of marketing centres would make them more relevant to women's needs. However, there is also a need for well-resourced and targeted policies to promote women's marketing and networking. There are a number of recent initiatives which could be further supported.

Since the early 1970s there has been a growing number of alternative trading organizations (ATOs). In 1989 a number of European ATOs along with some producer groups in the South formed the International Federation for Alternative Trade (IFAT). There is a growing number of marketing organizations in the South which support poor female

⁶⁹ The most significant of these is the French programme, New Services, New Jobs, which aims at creating 150,000 jobs for young people in social services catering for unfulfilled needs. Denmark has introduced a programme to create employment by supporting entrepreneurs with innovative ideas. Germany is developing the private household sector of employment, and has introduced a special social security regime for the care of the elderly. In the Netherlands, the EWL scheme has promoted the creation of 40,000 jobs in new services, the social economy and local activities, to which a further 20,000 will be added according to current plans. Ireland has recently produced a strategy worked out with the social partners on the development of the social economy. Finland and Austria have measures to promote new high-technology sectors for job creation.

⁷⁰ Kantor, Paula (2000) *Promoting Women's Entrepreneurship Development Based on Good Practice Programmes: Some Experiences from the North to the South*, ILO SEED/WEDGE Working Paper No. 9.

producers, for example Dastkari in India, as well as more formal organizations like SEWA. Initially these developmental efforts focused on handicrafts and luxury processed foods using trading outlets such as fair trade shops, mail order catalogues, generally geared to the Christmas gift market, and informal markets such as fairs and church bazaars. The ATOs also give product and marketing advice to producers. The movement is now gaining momentum from the “green” and “ethical” consumer movements, and has increasingly targeted mass consumption commodities like coffee and cocoa⁷¹.

Later, in the 1990s there has been a rapid and accelerating use of Internet for national and international trade. There is a number of US-based Internet marketing networks and a rapidly increasing number of websites and networks in the South. Although very poor women do not have individual access to computers or the skills to use them, women’s organizations are setting up Internet shops and marketing services.

11.4 Promotion of ethical enterprise

In the ILO Recommendation 189 (see Annex 2) guidelines there is an explicit commitment to promotion of quality jobs and not compromising on ethical standards in small-scale industry promotion. These ethical standards include minimum wages, family-friendly working practices, employment, health, safety and environmental legislation. This is also a central concern of the feminist empowerment paradigm. This emphasis is in direct contrast to proposals of the neo-liberal paradigm which seeks to minimize intervention. It is argued that excessive regulation puts very high costs on small business because of diseconomies of scale. The costs of filling in forms and compliance are almost as high as in larger industries and therefore represent a higher percentage of enterprise income. However, current policies continue to be dominated by powerful vested interests, particularly those in Northern industrialized countries. Notably the current US promotion of ethical standards within the WTO has been seen by the more cynical as yet one more means by which the US can promote its own industries and protect them against foreign competition.

As discussed in Part II, the promotion of ethical enterprise is likely to favour women entrepreneurs as well as protecting the well-being of themselves, their families and their workers. Women entrepreneurs have been found to be more likely to already be operating with ethical standards. Their management style is more likely to favour employee development. Anecdotal evidence in the US indicates they favour family-friendly working practices and health and environment standards. Importantly, a large number of women entrepreneurs work from home and are fully employed in the work process. It is therefore important for their own health, that of their families and communities that health and environmental standards be maintained. Many women entrepreneurs start off as labourers and therefore benefit from minimum wages legislation to enable them to build up resources for investment. Women also benefit when their partners have access to family-friendly working practices in their employment and the changes in attitude to which these regulations give rise.

Rather than opposing ethical standards for small businesses, therefore, the priority should be to consider how some of the costs can be minimized and how necessary support should be provided. Firstly, not all costs of items such as family-friendly policies should be borne by employers but through measures like tax concessions to workers; taxes on polluters

⁷¹ For an overview of developments and debates in the Fair Trade movement and ethical trading see OPM & SMG 2000.

recycled to environmental protection; subsidies to care providers and environmental services, etc. as mentioned above. Secondly, it is crucial that ethical standards are adequately enforced for large companies to prevent them from having a “corruption advantage”. Thirdly, a market advantage can be reinforced by ethical labelling and ethical investment and also through linkages with media and consumer groups. Fourthly, tax advantages could be given for small enterprises fulfilling the criteria of ethical management as is currently done in Europe to foster job creation, and in some countries for co-operatives and non-profit organizations.⁷² Finally, grants and other assistance could be targeted to assisting small enterprises with compliance, both within countries and through development aid.

⁷² In the late 1990s Spain, Finland and Ireland introduced incentives for job creation in both the tax and the social security systems. Denmark, Netherlands and France reduced employers’ tax contributions to encourage hiring of low-paid or long-term unemployed workers (ECDGV 1998b).

12. Infrastructure and human development policies to integrate reproductive work and promote women's enterprises

Most definitions of enabling environments also include reference to physical infrastructure such as energy and transport, and human resource development policies like education. Although these are also crucial for women, current proposals often omit important gender dimensions. They place insufficient emphasis on infrastructure and the necessary human development policies to support women's reproductive role and to facilitate increasing men's responsibility for unpaid household work. They also fail to allow for potential gender differences in the types of infrastructure and human development needed to support women's enterprises. The underlying principles and policies of a gender strategy in infrastructure and human development important for women's enterprise are summarized in Box 22.

BOX 22: INFRASTRUCTURE AND HUMAN DEVELOPMENT POLICIES

UNDERLYING PRINCIPLE

- To integrate reproductive work;
- To promote women's enterprises rather than discriminate against them.

POLICIES

- Integrated care policy;
- Women's participation in design of physical infrastructure like roads, transport, markets, power and water supplies;
- Public expenditure on literacy and higher education for women, removal of gender stereotypes from curricula mainstreaming enterprise, business skills and different types of technology training for women in general education;
- Media promotion of positive images of female entrepreneurs and women in general;
- Promotion of men's reproductive role in training, education and media.

12.1 Integrated care policy

A crucial area which needs to be included within a broader definition of infrastructure is care policy. Women currently bear the main responsibility for childcare, care of the elderly and the sick. For women entrepreneurs as for other women, this affects the time which they are able to spend on income earning and/or, if they pay for substitute care, their "residual" income available for savings and investment.

Debates on care policy have been particularly acute in Northern industrialized countries as part of debates about employment in general. In the UK and elsewhere in the EU there have been integrated proposals for care services as indicated in Box 23. These consist of a three-pronged strategy of support for care provision, tax breaks to cover care expenses, and family-friendly work policies to allow men as well as women to combine work with care responsibilities. However much depends on the levels of resources available for each dimension. Unless the integrated effects of these different policies are monitored and assessed with adequate communication between the different agencies involved, there is a serious danger of women falling through the net, and also with serious implications for those cared for. On the one hand women are expected to take up self-employment, enterprise development or other employment, and welfare and unemployment support is withdrawn if they fail to do so. On the other hand provision for care may be seriously inadequate: bad

quality, inaccessible and expensive care, inadequate benefits to women or entrepreneurs to pay the costs. Without significant changes in attitude from men and their employers, it continues to be women rather than men who are pressurized into taking advantage of family-friendly working practices which disadvantages their earning and promotion prospects.

BOX 23: ELEMENTS OF INTEGRATED CARE POLICY AND UNDERLYING QUESTIONS

EU PROPOSALS:

- Involvement of both fathers and mothers;
- Strengthening children's rights and recognizing parental duties;
- Co-ordination of leave policies combined with childcare provision to ensure schemes facilitate re-entry to the labour market;
- Better co-ordination of working schedules and education schedules;
- Development of policies for all categories of people in need of care, from children to the elderly;
- The modification of social security systems to end the practice of considering women as dependants;
- More inclusive social security systems to cover flexible workers and those on leave and care duties;
- The establishment of a dual earner and dual carer system as the social norm and the introduction of individual taxation as part of this.

Source: Recommendations by Jill Rubery to workshop on "The Employment Market: the Equal Opportunities Dimension" 1999, organized EC Advisory Committee on Equal Opportunities for Women and Men

UK POLICY

Support for good quality diversified care facilities, including small-scale private sector providers:

- Training;
- Finance;
- Information networks.

Tax breaks and benefits for individuals to cover expenses of care provision:

- Income tax deductions for expenses of care provision;
- Benefits for children and the disabled and pension provision;
- Tax breaks for employers.

Family-friendly work practices which enable men as well as women to integrate care responsibilities and work including:

- Parental leave for care of small children and family illness and emergencies;
- Flexible work arrangements;
- Limits on working day.

Source: UK Department for Education and Employment (DfEE) website.

12.2 Physical infrastructure provision

Evidence indicates that a critical factor in expansion of women's enterprise is the provision of physical infrastructure like roads, transport, energy and market facilities. However, given the nature of gender roles and women's enterprises, other types of infrastructure provision are also critical in supporting both the enterprise and reducing the time women spend on reproductive work, in particular housing and water. Moreover, the design of infrastructure projects often fails to take women's needs into account. For example, housing design may not be suitable for enterprise activity. Markets may not provide adequate facilities to enable children to be taken, may not have sanitation facilities for women, and may not have sufficient security provision to prevent problems of sexual harassment and violence. The routing of roads may favour transportation of male goods to male-dominated markets. Public transport provision may not offer women sufficient physical security and may also not take into account female-preferred routes. Even community-based projects frequently exclude women.

Therefore, there is a need for a participatory planning process in which women are equally represented. There is now a well-established literature on participatory planning methodologies which include women, and this is one area where gender lobbies — even in large aid agencies like World Bank — have succeeded in making some changes (see for example the World Bank website on participatory methodologies). These methodologies need to be mainstreamed in all infrastructure projects by governments, aid agencies and NGOs.

12.3 Mainstreaming women's enterprise and changed gender roles in all education, training and media for both women and men

Particularly in the 1990s there has been a rapid expansion in business training for women, both participatory training and mutual learning aimed at very low income and illiterate women, as well as more professional training for women with higher levels of literacy and existing businesses. In the US there are also mentoring systems and on-line business advice given by Women's Business Organizations. There is also now a range of training and video packages like that produced by the Women Entrepreneurs of Canada Foundation (see Box 24) in many countries of the South, as well as in the North. These have all been extremely valuable, though still very under-resourced. In some countries like the UK, these courses have also suffered from the move to mainstreaming which effectively decreased funding for specific training for women. It is crucial that this trend is reversed.

Mainstreaming gender issues and entrepreneurship needs to go much further than this. Firstly, enterprise skills need to be integrated into primary and secondary education for both girls and boys and to include positive images of women's businesses. One example is the proposal for lifelong learning in the UK which has taken place alongside a thorough examination of all educational material for gender bias.

Secondly, gender issues need to be mainstreamed into enterprise training for men, including positive images of women entrepreneurs, and questioning the relationship of men's enterprise to household livelihood strategies including men's responsibility for reproductive work and women's rights in the enterprise. Both these are crucial in overcoming women's

lack of confidence as entrepreneurs as well as the attitudes of male entrepreneurs towards women in business as potential suppliers and purchasers in the marketing chain⁷³.

There is also a need for positive media images of women entrepreneurs. Since the late 1990s there have been increasing number of high-profile international conferences on women's enterprise which have been publicized in the media (see Box 25). In many countries there are now "Women Entrepreneur of the Year" awards. Many organizations have produced videos featuring successful entrepreneurs and there is also an increasing number of publications directed towards women entrepreneurs⁷⁴. These provide role models and present business ownership as an acceptable women's career and also address issues pertinent to women, such as childcare. However many of these initiatives have featured mainly better-off professional women, and there is also a need to publicize the initiative and struggles of very poor women and ways in which they have or could improve levels of income. There is also a need to promote positive images of the "new man", and male caring roles and responsibility for unpaid domestic work.

BOX 24: EXAMPLES OF UPSCALING AND MAINSTREAMING GENDER AND ENTERPRISE IN EDUCATION

Women Entrepreneurs of Canada Foundation recently produced a motivational and informative television documentary distributed in schools across Canada to encourage young women to consider self employment as a viable alternative to joining a company. The film is also used to educate the business community as to how women manage their companies. The Foundation has also produced a reference guide to all resources and initiatives available to women entrepreneurs across Canada.

The UK Lifelong Learning initiative:

- Reforms of the educational/vocational interface to encourage young people to maximize their skills before entering the labour market;
- Initiatives to introduce the concept of entrepreneurship through the school system;
- Tax incentives to both companies and individuals for training, and further incentives exist through low cost training loans and the introduction of Individual Learning Accounts.

⁷³ For example even in the US where women's entrepreneurship has received most publicity Brush quotes Regina McManus, President of MIDASCO, Corp., "many educators are perpetuating the notion that women's jobs and incomes are secondary, when the fact is the overwhelming majority of women will be working most of their lives" and Barbara Davis-Solomon "We need to get over this notion that women don't know how to program their VCR".

⁷⁴ For example in the US a landmark conference in Chicago in May 1996 brought together more than 400 women business owners, elected officials, corporate executives, academics, government economists and leaders of women's organizations for the purpose of developing a national research agenda (National Women's Business Council 1996). Several publications directed towards women (i.e. *Working Woman*, *Entrepreneurial Woman*).

BOX 25: SOME RECENT WORKSHOPS AND CONFERENCES

1996 First Global Women Entrepreneurs' Trade and Investment Forum hosted by Ghana Association of Women Entrepreneurs. This week-long conference and trade fair was attended by 504 participants: 385 women from 37 African countries, participants from India, Malaysia, Mexico, the US, Germany, England, Canada, and representatives from over 30 international organizations including the World Bank and the United Nations. Products represented at the trade fair ranged from handicrafts, food processing and furniture to pharmaceuticals, financial services, and computers. Participants discussed some of the implications of the Uruguay Round agreements, the loss of European Union trade preferences by African producers, and the trade provisions of the Abuja Treaty establishing the African Economic Community. Participants stressed the importance of women entrepreneurs having the latest information on trade regulations and markets if they are to succeed in exporting to other countries. Participants agreed that improving their information networks is key in facilitating more cross-country trade, and that women's business organizations need to play a stronger role in facilitating this. They also discussed ways in which these associations could influence policy through lobbying coalitions to focus government attention on issues affecting women entrepreneurs, information networks and trade missions to promote their products, and training to help improve their members' business management skills.

1998 Global Summit of Women in London, UK, July 22-26. The Global Summit is a biennial programme that underscores the pivotal role that women play in the global economy and showcases women's leadership in creating solutions to common problems being faced by women worldwide. Attending the conference were women business leaders from every corner of the globe, all willing to share their knowledge and experience for furthering women in business. The conference is intended to demonstrate the global purchasing power of women and their potential impact on the world marketplace, provide information and training to women entrepreneurs, increase the visibility of women-owned micro-enterprises, provide strategies for moving micro-enterprises into the economic mainstream, contribute "solutions" for assisting women with balancing work/family responsibilities, and highlight women's economic leadership. The summit was co-sponsored by the African Development Bank, Asian Development Bank, United Nations Development Fund for Women, Interamerican Commission on Women, U.S. Department of Agriculture, and private corporations and foundations.

Single Markets for Women Entrepreneurs of Asian and Pacific Economies: Opportunities and Challenges, hosted by Federation of Indian Women Entrepreneurs (FIWE), New Delhi, November 14-27, 1998. The conference, like previous FIWE annual events, was organized as part of the India International Trade Fair which is the largest trade fair in Asia. The conference aimed to give women entrepreneurs the chance to identify ways women can make use of the new regional markets, methods for cooperation, the challenges that arise from creating regional trade blocks, an analysis of the problems associated with single markets and discuss plans of action. It also aimed to make women entrepreneurs a more integral part of that community.

Women in Enterprise — Tradition to Technology, hosted by AWAKE (Karnataka, India) April 17-18, 1999. The conference highlighted the changing role of women in business from such traditional sectors as garments and food processing to more high-tech fields. This two-day event brought 600 women entrepreneurs to the conference, 50 per cent of those came from rural Karnataka. Representatives from Women's World Banking, an affiliate of AWAKE; Shri. Mohideen, India's Minister for Small Scale Industries; N. Vishwanathan, Principal Secretary, Department of Industry and Commerce and other non-governmental organizations (NGOs) made up the 700 participants.

Organizing for Success: Strengthening Women's Business Organizations — CIPE International Conference September 22-24, 1997 and **Women: The Emerging Economic Force — second CIPE International Conference**, June 14-16, 2000. The US Chamber of Commerce, Washington, DC, with sponsorship from IBM, organized this event which brought together women leaders in business organizations and women executives to identify the challenges facing women's business organizations and to develop strategies to improve their effectiveness. It discussed a range of topics including: expanding the role of women's business organizations in a democratic society; developing grassroots public policy advocacy techniques; using successful media techniques; creating educational programmes and services; facilitating cooperation among women's business organizations worldwide

OECD Conference on Women Entrepreneurs⁷⁵ in Small and Medium Enterprises 1997 and 2000: a series of global conferences identifying issues and preparing policy recommendations to the OECD Secretariat.

⁷⁵ See OECD website for more information on the 1997 and 2000 global conferences.

13. Gender mainstreaming: Changing the institutional framework for MSE development

Women face widespread and all-pervasive institutionalized discrimination which limits their access to MSE support services and markets, affects their access to and treatment in legal processes, and exposes them to sexual harassment and gender violence. As indicated in Box 26, the institutional web of organizations involved in MSE development and support for women entrepreneurs is very diverse. It includes not only development agencies directly involved, such as governments, NGOs and donor agencies, but also private sector organizations, like multinationals, large businesses, banks, advertising agencies, law enforcement agencies, the police and judiciary, educational establishments, and the media. Effective gender mainstreaming in MSE policy will involve:

- Gender mainstreaming in all the involved organizations;
- Better information on gender issues, including gender disaggregation of all statistics, budgets and research;
- Networking between organizations to ensure consistency and learning on gender issues;
- Support for and representation of women's organizations in decision-making.

BOX 26: INSTITUTIONAL CHANGE FOR GENDER MAINSTREAMING THE "INSTITUTIONAL WEB"

Pro-women organizations:

- Organizations representing the informal sector
- Women's business organizations
- Gender advocacy organizations
- Gender consultancy agencies
- Gender research institutions
- National and international gender networks
- Men's organizations against gender discrimination

International agencies: Development funding agencies (bilateral and multilateral donors including World Bank, IMF, ILO, European Commission), inter-governmental economic and political institutions (e.g. OECD, EU, APEC), World Trade Organization

Governments: National legislatures, national and local planning mechanisms, national and local administrations

NGOs: International and national, workers' organizations, pro-women organizations, microfinance agencies, small enterprise development agencies

Private sector organizations: Multinationals, employers' organizations and chambers of commerce, large businesses, banks, advertising agencies, providers of business development services

Law enforcement agencies: MSE registration agencies, police, judiciary

Education and media: Schools, business and technical training institutions, universities and research institutions, local and national newspapers and magazines, radio, television

POLICIES FOR INSTITUTIONAL GENDER MAINSTREAMING:

- Organizational gender mainstreaming: equal opportunities policies, mission statements and gender training in all concerned institutions;
- Gender-disaggregation of all budgets, statistics and research and dissemination to women's organizations;
- Networking between institutions to promote integration and coherence of gender policies to increase the depth, scope and pace of change;
- Support for women's movements and NGOs providing legal support, gender expertise in research, training and policy development;
- Structures for representation of women's organizations in decision-making, particularly those representing poor women and women in poor countries.

13.1 Organizational gender mainstreaming: Mission statements, equal opportunities and gender training

Gender mainstreaming within organizations cannot be expected to be an easy, cheap or conflict-free process. It involves not only changes in organizational structures but in the underlying gendered rules, norms and understandings governing these structures and relationships. It requires considerable commitment by staff, and in many cases a revision of programme priorities as outlined in Box 27. The first step is production of a formal gender mission statement and guidelines. Gender mission statements and guidelines have now been produced by most international aid agencies. The process of producing such statements and guidelines in itself generally raises awareness within organizations. It does not, however, in itself necessarily lead to organizational change. Gender policies and guidelines may simply be consigned to a shelf out of sight, apart from when they are required to impress funding agencies. This is particularly the case where they are produced by junior gender staff with little authority over other parts of the organization.

The production of gender policy needs to be backed by equal opportunities policies for staff. It is generally only where there is a critical mass of women in positions of sufficient authority within organizations that gender issues become fully integrated into “malestream” policy and implemented. Evidence indicates a clear linkage between levels of female staff and contribution to women’s empowerment, and even women’s access to services⁷⁶. Although it is obviously the case that male staff may be very gender-aware and supportive, in many contexts it is difficult for women to talk freely in front of men. It is particularly difficult for them to discuss sensitive issues with men. The existence of unconventional female role models from female staff is also an important contribution to a process of change (Goetz 1996). Furthermore it is extremely difficult for an organization to work for gender equality without having appropriate policies within its own organization.

⁷⁶ For example the low levels of success of the AKRSP micro-finance programme was attributed to failure to employ and adequately train female extension staff (Harper 1995). A reduction in female staff in ACORD-Sudan also appears to have led to a dramatic decrease in women’s participation (Stallard 1996).

BOX 27: ELEMENTS OF A POLICY FOR ORGANIZATIONAL GENDER MAINSTREAMING

A FORMAL GENDER POLICY STATEMENT produced through consultation with staff at all levels with:

- Basic assessment of the problem;
- Description of values, principles and mission that will guide the organization's policy throughout different sections of the organization;
- Intent for applying policy throughout different sections of the organization.

EQUAL OPPORTUNITIES POLICY

Recruitment and promotions procedures:

- Equal opportunity policy;
- Gender awareness included in job descriptions and as job recruitment and performance criteria;
- Balanced representation of women and men in senior management positions at headquarters and in the field;
- Proactive hiring strategies to recruit women into senior management positions by advertising through channels likely to reach more women, and encouragement and provision of training for women to move from mid- to senior-level positions.

Family friendly work policies:

- Flexible working arrangements, including flexitime and flexiplace, part-time and job sharing working arrangements, encouragement of men and women employees to take advantage of flexible work arrangements, including senior managers;
- Maternal and paternal leave policies;
- Childcare and dependant care leave and support.

IMPLEMENTATION OF GENDER POLICY

Organizational framework:

- Focal gender staff and gender units;
- Gender responsibilities, incentives and penalties for all staff.

Gender training:

- Training for all male and female staff in gender awareness, sensitization, planning and analysis;
- Follow-up training with specific tools and methodologies for institutionalizing the integration of gender concerns throughout the organization.

Gender monitoring and evaluation:

- Gender disaggregated statistics and budgets;
- Integration of gender issues in all research;
- Participatory action research on gender issues.

Sources: Builds on Hamerschlag and Reerink 1996, Kennedy 1997.

However, it is not sufficient to set quotas for numbers of female staff. Implementation of gender policy also requires specific and supportive management structures. The relative merits of different management frameworks is discussed in detail elsewhere.⁷⁷ It is clear that there is a need for a combination of specialized gender staff and gender focal points, and decentralized responsibility for incorporating gender within all other departments in an organization. Moreover gender and women staff need to be well-qualified and have authority

⁷⁷ See the excellent discussions in Goetz 1992 and Goetz ed. 1997, Macdonald et al. 1997, Miller & Razavi eds. 1998.

at the top of the management structure. Recruiting women to such positions of authority is likely to require changes in organizational culture, recruitment criteria and procedures, given the gender constraints under which female staff as well as clients are operating. There is a need for clear guidelines and concrete incentives for implementation of gender policy by both male and female staff.

There is also a need for gender training of male staff and female staff. It is crucial not to alienate male staff who are, or who might be, supportive of change in gender relations. As noted above, strategies targeting male programme participants are an important part of a gender strategy, and male staff are important both as implementors of such programmes and potential role models. It was clear from many discussions with men attending the regional workshops and interviewed during the author's own fieldwork that many men are concerned about gender inequality, and have made changes in their own lives, but lack confidence on gender policy. Moreover, women are not necessarily more gender aware than men, and will also require training to make them aware of the perspectives and problems of poor women. The experience of one-off gender awareness workshops, while useful in at least raising issues, is unlikely to lead to significant change. This is particularly the case where there is considerable resistance to gender policy amongst programme participants and/or senior management.

The precise forms which organizational change should take, particularly in the short term, will depend largely on existing programme aims, structure and capacities. However, although some progress has been made within development agencies, NGOs and Northern governments and some parts of the private sector, there is an urgent need for greater emphasis on gender accountability across the private and public sectors. Gender accountability guidelines need to be developed and integrated into definitions of good governance, into conditions for public funding, and into law enforcement agencies and the media.

13.2 Gender disaggregated budgets, statistics and research

Policy change is unlikely without improved information on the situation of women entrepreneurs and the diversity of their needs between different economic and social groups and between countries.

There is a need firstly for gender disaggregated statistics and budgets. However, these also need to be sensitive to the different ways in which women are involved in enterprise, both as owners and participants in men's enterprises. Statistics also need to be sensitive to the significance of women's unpaid work and the implications of this for ways in which women respond to surveys. Gender-disaggregated budgets need to show both expenditure on women-specific programmes as well as levels of women's participation in mainstream programmes. This is crucial to ensure that the process of mainstreaming increases attention to women's issues, rather than subsuming them in policies which continue to favour men.

Secondly, there is a need for much more in-depth research on the gender impact of macro-economic and social policy. This includes both integrating gender questions into all research in this area, and in-depth qualitative research focusing specifically on gender issues.

Thirdly, there is a need for participatory action research to develop innovative strategies. There needs to be greater integration of participatory methods into all research to ensure relevance of the questions to women entrepreneurs, and also rapid dissemination of findings to assist lobbying and advocacy for policy change.

13.3 Networking between organizations for integration and coordination of interventions and support

Policy change is needed on many different levels and involves a range of different institutions. Bringing about change on one level may lead to costs and disbenefits for women. As noted above, increasing women's entrepreneurship without addressing problems of control of resources and incomes as well as responsibilities for unpaid domestic work may seriously overburden women.

The need for integration of MSE development services has often been stressed in the mainstream literature. In Europe and the US, this has led to the creation of one-stop shops for business start-ups when dealing with the State (Italy, Portugal, Luxembourg, France), support to business start-ups and self-employment (Austria, Belgium, the Netherlands, Sweden and Germany), and financial support for hiring the first employee (France, Spain). In the UK the combination of Training and Enterprise Councils and Business Links with offices all over the country also provide a reasonably accessible integrated service. However, gender issues have not been fully integrated into these services, apart from the Women's Business Centres in the US. In the South, integrated services are commonly not available and gender issues confined to a few separate women's programmes. Importantly for women there is a need for integrated advice services which for example link women entrepreneurs with legal advice, welfare advice and childcare services. This requires specific and adequately resourced networking between agencies using electronic and other means.

Finally, there is a need for networking between agencies addressing different dimensions of the holistic framework proposed. This is necessary both to increase the effectiveness of individual agencies and of integrated policies. It is also necessary for improving policies and mutual learning for innovation.

13.4 Support for women's movements and women's advocacy NGOs

The degree to which either policy or organizational change is likely depends largely on the levels of support for women's organizations. These are needed to ensure external accountability, as well as to provide services and support for women. There is also a need for wider gender advocacy on gender legislation and professional gender expertise from gender consultancy agencies and research institutions. In order to increase innovation, learning and impact there is also need for support of national and international women's networks.

In the 1990s there was a considerable increase in the numbers and membership of women's business associations particularly in the South. Box 28 gives details of some international women's business organizations. However, firstly there is a need for much more support for organizations representing poorer women entrepreneurs. There is also a need for much fuller involvement of these organizations in economic decision-making at all levels.

BOX 28: INTERNATIONAL WOMEN'S BUSINESS ORGANISATIONS

Les Femmes Chefs d'Entreprises Mondiales (FCEM) is an international women's business organization created in France in 1946. The FCEM has NGO status with the United Nations and consultative status with the European Union and the International Labour Organization. It now has 35 member countries with 29,000 business owners and members representing corporate, academic, government, education, agriculture, commerce, manufacturing and service industries. FCEM is non-profit, non-sectarian and non-political. The association aims to:

- Bring together all women who own or control a manufacturing, service or retail business, regardless of whether they operate alone, with co-directors, or with family members;
- Encourage women entrepreneurs to foster an exchange of communication and trade on a regional, national and international level;
- Foster and encourage professional growth and continuing education among its members;
- Provide networking, social support, business ethics and economic opportunities for women entrepreneurs in their local countries and with their counterparts internationally;
- Encourage young entrepreneurs and mentor their progress recommend visibility of women entrepreneurs.

The contact among members offers opportunities to:

- Exchange business experiences;
- Undertake joint business ventures;
- Understand differing business and social cultures;
- Promote social integration between countries;
- Develop international contacts;
- Learn new techniques and make international friends.

In addition to regular meetings in each country, an annual International Congress is organized for all FCEM members. The Congress is hosted by a different member country each year, and it was held in Tunisia in 2000 and in 2001 it will be held in Mexico. The National Presidents attend two meetings annually and can be accompanied by a delegation from their country's association.

The International Federation of Women Entrepreneurs (IFWE), established in 1994 as an offshoot of the World Association of Small and Medium Enterprises (WASME). IFWE represents women business owners in more than twenty countries and also has NGO status with the United Nations and consultative status with the International Labour Organization.

Action 12 an international women's organization formed by twelve Centre for International Private Enterprise (CIPE) conference participants who met in Washington and were funded by an International Visitor's Program. Action 12 has recently gained support for women entrepreneurs in Slovenia and formed a regional women's organization.

The International Business and Professional Women's Association (BPWA) aims to bring together women in business to help them achieve their business goals.

Can-Asian Business Women's Network is a CIDA funded project operating in Canada, Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Viet Nam. The Network's goal is to assist women-owned companies to increase their amount of trade between Canada and South East Asia. In Canada, the firms must be import or export ready, Canadian owned, with a woman in a key executive or decision-making position, either as: partner, founder, substantial shareholder, owner, CEO, COO, president or vice-president. The company may be of any size, but must be financially stable, and be able to demonstrate its ability to import or export. The Network's role is one of facilitation: developing the personal contact base and providing the practical resources necessary to build a presence in international business. The Network provides resource materials, contacts, business briefings, cross-cultural readiness information, workshops, and special events to Network members and associates. It has organized a number of trade missions from Asia to Canada and from Canada to Asia.

The Women Leaders' Network, is a group of high profile women academics and representatives of the private sector and women's Unions and Associations in 18 APEC (Asia Pacific Economic Cooperation) countries. WLN lobbies APEC economic leaders to recognize the impact of trade liberalization on women's businesses and influence APEC's trade liberalization agenda.

PART IV: THE CHALLENGE FOR ILO

It is obvious that there have been considerable advances in policies and methodologies for women's enterprise development in the 1990s.⁷⁸ However, despite the considerable potential of women's entrepreneurship, many governments and aid agencies are currently promoting MSE development for women as a low cost self-help strategy. It is seen as providing a convenient means of side-stepping the need for radical policies for redistribution of wealth within or between countries, or explicit strategies for feminist organization. The current emphasis on gender mainstreaming also becomes a convenient means of paying lip-service to goals of gender equality, whilst maintaining strict budgetary constraints on programmes for women.

Equally worrying within current debates is the implicit focus on growth-oriented small and medium enterprise. This is justified within the neo-liberal approach in terms of cost-effective impact and contribution to creation of new jobs. Increasingly it is argued that the very poor are not sufficiently enterprise-oriented and therefore should not be targeted in MSE programmes. Within micro-finance debates for example, it is frequently argued that programmes should not target the very poor but that their needs should be addressed by other programmes like welfare, education and health. Paradoxically however, within this same neo-liberal paradigm, welfare, education and health budgets are decreased as a disincentive to employment and a drain on resources. Labour protection measures are also decreased and there is an emphasis on increasing productivity through capital-intensive investment. The very poor therefore become excluded from policy on all counts.

In the International Labour Organization (ILO) an integrated approach to MSE development which incorporates empowerment concerns and challenges the dominant macro-economic agenda is consonant with its constitution and the underlying ethos of the organization as a whole. As can be seen from Appendix 2, ILO's current gender policy includes wide-ranging measures for gender mainstreaming and support for women-specific activities and/or affirmative action whenever women are in a disadvantageous position. ILO Conventions have included family-friendly work policies alongside its other Conventions. Gender-sensitive statistical and qualitative methods are being developed. The ILO's gender policy also includes commitment to support for social mobilization of women, gender-awareness raising, and women's representation in decision-making.

⁷⁸ For an overview of Good Practice at programme level see Paula Kantor's paper in this ILO series (2000).

14. The ILO's support for SMEs and Gender

In 1999 the ILO created a new InFocus Programme on Boosting Employment through Small Enterprise Development, IFP/SEED, to spearhead its support for job creation in small enterprises. As well as contributing to the implementation of the ILO Recommendation 189, IFP/SEED gives considerable priority to gender mainstreaming and the promotion of women's entrepreneurship, most recently through the creation of the programme on Women's Entrepreneurship Development and Gender in Enterprises (WEDGE). This Working Paper is one of IFP/SEED's tangible outputs in support of gender mainstreaming and entrepreneurship development by women.

In addition, the ILO created a Bureau for Gender Equality that is directly responsible to the Director-General, as well as a Gender Promotion Programme within the organization's Employment Sector. Apart from creating these organizational units, the ILO has developed a Gender Strategy for the entire organization, and in late 2001 it is due to carry out its first "Gender Audit" — a first for any UN organization.

The ILO's Small and Medium Enterprise (SME) recommendation contains references to women and gender and the need to make specific provision. It also proposes a holistic policy framework including:

- Policy and legal framework including property rights and adequate social and labour legislation and assessing impact of structural adjustment;
- Development of enterprise culture, lifelong learning and awareness-raising;
- Development of comprehensive service infrastructure including legal services and awareness-raising on worker's rights;
- Support for organizations of employers and workers including networks and advocacy;
- Support for international co-operation to develop common approaches and exchange information, including support for female entrepreneurship.

However gender issues are included seemingly as an add-on and extra cost, rather than recognizing that women's gender-specific needs should be an integral part of mainstream policy. There are no explicit commitments to gender equality in representation, promotion of women's equal rights, or equality of access and participation in the various measures proposed. The focus is very narrowly on enterprise development with no mention of linkages to other forms of support needed by poor entrepreneurs. Despite the all-inclusive definition of SME to include co-operatives, partnerships and sole proprietorships, the focus on small and medium-sized enterprises seems to create an artificial distinction between SMEs and other work being done by ILO on the informal sector. This is also reflected in the departmental divisions which have separated responsibilities.

The recent restructuring of the Organization aims to resolve many of the shortcomings identified with gender mainstreaming and also increase collaboration between those focusing on the SME sector and those focusing on the informal sector. Nevertheless, gender mainstreaming in proposals for enabling environments for MSE development will require explicit commitment to the conceptual shifts and integrated policy framework within the new structure, following the discussion in Part III. This builds on other work done elsewhere within the ILO, and would enable the ILO to concentrate on areas where it has considerable expertise but which are largely being ignored within current debates on environmental policy

for MSEs. A number of priority areas for ILO policy suggested by the discussion above are indicated in Box 29.

Firstly, and following the outline of underlying principles in Box 18, this requires a clearer incorporation of non-market work and measures to address underlying power relations at household, market institutional and macro-levels. It also requires specifically addressing distortions which give unfair advantage to men. This is in addition to support for women-specific activities which develop innovative approaches to women's equality, and to reducing the burden of unpaid work.

Secondly, in view of the difficulties encountered in gender mainstreaming identified by the ILO's research in 1995 and summarized in Appendix 2, realizing this agenda is likely to require changes within the ILO itself. Although progress has been made on addressing some of the issues highlighted by the 1995 research, there is a continuing need to strengthen the gender units and focal points. In particular there is a need for much greater support for and dialogue with women's movements in the South and internationally to increase support for ILO gender policy and increase rates of ratification of gender-equitable Conventions.

BOX 29: PRIORITY ISSUES FOR ILO POLICY ON ENABLING ENVIRONMENTS FOR WOMEN'S ENTERPRISE

THE INCORPORATION OF WOMEN'S EQUAL RIGHTS AND NON-MARKET WORK explicitly referred to as an integral part of all Conventions, Recommendations, resolutions and declarations regarding MSE development, including Recommendation 189 on SMEs. In particular inclusion of:

- Standards for women's property ownership in fulfilment of the Beijing declaration;
- Standards for taxation, social policy and welfare which give women equal rights and recognize the importance of reproductive work;
- Standards for non-discriminatory industrial and trade policies;
- Standards for institutional gender accountability;
- Standards for collection of gender-disaggregated statistics and gender-disaggregated budgets.

PRIORITY SUPPORT FOR GENDER MAINSTREAMING AND INCREASING REPRESENTATION OF WOMEN'S ORGANISATIONS in all technical co-operation projects and programmes, training and advisory services for governments, employers' and workers' organizations. In particular:

- Incorporation of gender guidelines in all MSE projects, training and programmes as condition of funding;
- Training on women's rights, organizational and advocacy skills incorporated into MSE training to increase effectiveness of economic and other forms of collaboration between women;
- Integration of gender issues in all training for men, e.g. consideration of women's role and equal rights;
- Training targeted at women co-entrepreneurs and female managers in male-owned businesses;
- Priority support for women's rights programmes, networks of local women's movements and gender experts to increase national-level support for gender issues and women's representation in economic decision-making;
- Priority support for programmes aimed at reducing the burden of women's reproductive work;
- Dissemination of information on best practice in gender mainstreaming in MSE policies.

RESEARCH, PUBLICATIONS AND PROMOTIONAL ACTIVITIES

To research and disseminate:

- Tools for gender mainstreaming in MSE conceptual frameworks, statistics and research programmes;
- Impacts of current macro-economic and social policy and MSE regulations on women entrepreneurs and workers in the informal sector;
- Innovative ways forward, in particular highlighting best practices in equality legislation, taxation and welfare policy, social economy, forms of collaboration between women, and women's economic advocacy.

To support:

- Series of regional workshops bringing together representatives of organizations of women informal workers, women's business associations, women's movements and feminist economists to build up a more adequate international picture of the situation of poor women entrepreneurs and identify ways forward;
- Use of Internet for virtual discussions linked to regional workshops.

APPENDICES

Appendix 1: Beijing Declaration on Gender and Economic Policy

F. Women and the economy

150. There are considerable differences in women's and men's access to and opportunities to exert power over economic structures in their societies. In most parts of the world, women are virtually absent from or are poorly represented in economic decision-making, including the formulation of financial, monetary, commercial and other economic policies, as well as tax systems and rules governing pay. Since it is often within the framework of such policies that individual men and women make their decisions, *inter alia*, on how to divide their time between remunerated and unremunerated work, the actual development of these economic structures and policies has a direct impact on women's and men's access to economic resources, their economic power and consequently the extent of equality between them at the individual and family levels as well as in society as a whole.
151. In many regions, women's participation in remunerated work in the formal and non-formal labour market has increased significantly and has changed during the past decade. While women continue to work in agriculture and fisheries, they have also become increasingly involved in micro, small and medium-sized enterprises and, in some cases, have become more dominant in the expanding informal sector. Due to, *inter alia*, difficult economic situations and a lack of bargaining power resulting from gender inequality, many women have been forced to accept low pay and poor working conditions and thus have often become preferred workers. On the other hand, women have entered the workforce increasingly by choice when they have become aware of and demanded their rights. Some have succeeded in entering and advancing in the workplace and improving their pay and working conditions. However, women have been particularly affected by the economic situation and restructuring processes, which have changed the nature of employment and, in some cases, have led to a loss of jobs, even for professional and skilled women. In addition, many women have entered the informal sector owing to the lack of other opportunities. Women's participation and gender concerns are still largely absent from and should be integrated in the policy formulation process of the multilateral institutions that define the terms and, in cooperation with Governments, set the goals of structural adjustment programmes, loans and grants.
152. Discrimination in education and training, hiring and remuneration, promotion and horizontal mobility practices, as well as inflexible working conditions, lack of access to productive resources and inadequate sharing of family responsibilities, combined with a lack of or insufficient services such as child care, continue to restrict employment, economic, professional and other opportunities and mobility for women and make their involvement stressful. Moreover, attitudinal obstacles inhibit women's participation in developing economic policy and in some regions restrict the access of women and girls to education and training for economic management.
153. Women's share in the labour force continues to rise and almost everywhere women are working more outside the household, although there has not been a parallel lightening of responsibility for unremunerated work in the household and community. Women's income is becoming increasingly necessary to households of all types. In some regions, there has been a growth in women's entrepreneurship and other self-reliant activities, particularly in the informal sector. In many countries, women are the majority of workers in non-standard work, such as temporary, casual, multiple part-time, contract and home-based employment.
154. Women migrant workers, including domestic workers, contribute to the economy of the sending country through their remittances and also to the economy of the receiving country through their participation in the labour force. However, in many receiving countries, migrant women experience higher levels of unemployment compared with both non-migrant workers and male migrant workers.
155. Insufficient attention to gender analysis has meant that women's contributions and concerns remain too often ignored in economic structures, such as financial markets and institutions, labour markets, economics as an academic discipline, economic and social infrastructure, taxation and social security systems, as well as in families and households. As a result, many policies and programmes may continue to contribute to inequalities between women and men. Where progress has been made in integrating gender perspectives, programme and policy effectiveness has also been enhanced.

156. Although many women have advanced in economic structures, for the majority of women, particularly those who face additional barriers, continuing obstacles have hindered their ability to achieve economic autonomy and to ensure sustainable livelihoods for themselves and their dependants. Women are active in a variety of economic areas, which they often combine, ranging from wage labour and subsistence farming and fishing to the informal sector. However, legal and customary barriers to ownership of or access to land, natural resources, capital, credit, technology and other means of production, as well as wage differentials, contribute to impeding the economic progress of women. Women contribute to development not only through remunerated work but also through a great deal of unremunerated work. On the one hand, women participate in the production of goods and services for the market and household consumption, in agriculture, food production or family enterprises. Though included in the United Nations System of National Accounts and therefore in international standards for labour statistics, this unremunerated work — particularly that related to agriculture — is often undervalued and under-recorded. On the other hand, women still also perform the great majority of unremunerated domestic work and community work, such as caring for children and older persons, preparing food for the family, protecting the environment and providing voluntary assistance to vulnerable and disadvantaged individuals and groups. This work is often not measured in quantitative terms and is not valued in national accounts. Women's contribution to development is seriously underestimated, and thus its social recognition is limited. The full visibility of the type, extent and distribution of this unremunerated work will also contribute to a better sharing of responsibilities.
157. Although some new employment opportunities have been created for women as a result of the globalization of the economy, there are also trends that have exacerbated inequalities between women and men. At the same time, globalization, including economic integration, can create pressures on the employment situation of women to adjust to new circumstances and to find new sources of employment as patterns of trade change. More analysis needs to be done of the impact of globalization on women's economic status.
158. These trends have been characterized by low wages, little or no labour standards protection, poor working conditions, particularly with regard to women's occupational health and safety, low skill levels, and a lack of job security and social security, in both the formal and informal sectors. Women's unemployment is a serious and increasing problem in many countries and sectors. Young workers in the informal and rural sectors and migrant female workers remain the least protected by labour and immigration laws. Women, particularly those who are heads of households with young children, are limited in their employment opportunities for reasons that include inflexible working conditions and inadequate sharing, by men and by society, of family responsibilities.
159. In countries that are undergoing fundamental political, economic and social transformation, the skills of women, if better utilized, could constitute a major contribution to the economic life of their respective countries. Their input should continue to be developed and supported and their potential further realized.
160. Lack of employment in the private sector and reductions in public services and public service jobs have affected women disproportionately. In some countries, women take on more unpaid work, such as the care of children and those who are ill or elderly, compensating for lost household income, particularly when public services are not available. In many cases, employment creation strategies have not paid sufficient attention to occupations and sectors where women predominate; nor have they adequately promoted the access of women to those occupations and sectors that are traditionally male.
161. For those women in paid work, many experience obstacles that prevent them from achieving their potential. While some are increasingly found in lower levels of management, attitudinal discrimination often prevents them from being promoted further. The experience of sexual harassment is an affront to a worker's dignity and prevents women from making a contribution commensurate with their abilities. The lack of a family-friendly work environment, including a lack of appropriate and affordable child care, and inflexible working hours further prevent women from achieving their full potential.
162. In the private sector, including transnational and national enterprises, women are largely absent from management and policy levels, denoting discriminatory hiring and promotion policies and practices. The unfavourable work environment as well as the limited number of employment opportunities available have led many women to seek alternatives. Women have increasingly become self-employed and owners and managers of micro-, small- and medium-scale enterprises. The expansion of the informal sector, in many countries, and of self-organized and independent enterprises is in large part due to women, whose

collaborative, self-help and traditional practices and initiatives in production and trade represent a vital economic resource. When they gain access to and control over capital, credit and other resources, technology and training, women can increase production, marketing and income for sustainable development.

163. Taking into account the fact that continuing inequalities and noticeable progress coexist, rethinking employment policies is necessary in order to integrate the gender perspective and to draw attention to a wider range of opportunities as well as to address any negative gender implications of current patterns of work and employment. To realize fully equality between women and men in their contribution to the economy, active efforts are required for equal recognition and appreciation of the influence that the work, experience, knowledge and values of both women and men have in society.
164. In addressing the economic potential and independence of women, Governments and other actors should promote an active and visible policy of mainstreaming a gender perspective in all policies and programmes so that before decisions are taken, an analysis is made of the effects on women and men, respectively.

Strategic objective F.1. Promote women's economic rights and independence, including access to employment appropriate working conditions and control over economic resources

Actions to be taken

165. By Governments:

- (a) Enact and enforce legislation to guarantee the rights of women and men to equal pay for equal work or work of equal value;
- (b) Adopt and implement laws against discrimination based on sex in the labour market, especially considering older women workers, hiring and promotion, the extension of employment benefits and social security, and working conditions;
- (c) Eliminate discriminatory practices by employers and take appropriate measures in consideration of women's reproductive role and functions, such as the denial of employment and dismissal due to pregnancy or breast-feeding, or requiring proof of contraceptive use, and take effective measures to ensure that pregnant women, women on maternity leave or women re-entering the labour market after childbearing are not discriminated against;
- (d) Devise mechanisms and take positive action to enable women to gain access to full and equal participation in the formulation of policies and definition of structures through such bodies as ministries of finance and trade, national economic commissions, economic research institutes and other key agencies, as well as through their participation in appropriate international bodies;
- (e) Undertake legislation and administrative reforms to give women equal rights with men to economic resources, including access to ownership and control over land and other forms of property, credit, inheritance, natural resources and appropriate new technology;
- (f) Conduct reviews of national income and inheritance tax and social security systems to eliminate any existing bias against women;
- (g) Seek to develop a more comprehensive knowledge of work and employment through, *inter alia*, efforts to measure and better understand the type, extent and distribution of unremunerated work, particularly work in caring for dependants and unremunerated work done for family farms or businesses, and encourage the sharing and dissemination of information on studies and experience in this field, including the development of methods for assessing its value in quantitative terms, for possible reflection in accounts that may be produced separately from, but consistent with, core national accounts;
- (h) Review and amend laws governing the operation of financial institutions to ensure that they provide services to women and men on an equal basis;
- (i) Facilitate, at appropriate levels, more open and transparent budget processes;
- (j) Revise and implement national policies that support the traditional savings, credit and lending mechanisms for women;
- (k) Seek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities;
- (l) Ensure that all corporations, including transnational corporations, comply with national laws and codes, social security regulations, applicable international agreements, instruments and conventions, including those related to the environment, and other relevant laws;

- (m) Adjust employment policies to facilitate the restructuring of work patterns in order to promote the sharing of family responsibilities;
- (n) Establish mechanisms and other forums to enable women entrepreneurs and women workers to contribute to the formulation of policies and programmes being developed by economic ministries and financial institutions;
- (o) Enact and enforce equal opportunity laws, take positive action and ensure compliance by the public and private sectors through various means;
- (p) Use gender-impact analyses in the development of macro- and micro-economic and social policies in order to monitor such impact and restructure policies in cases where harmful impact occurs;
- (q) Promote gender-sensitive policies and measures to empower women as equal partners with men in technical, managerial and entrepreneurial fields;
- (r) Reform laws or enact national policies that support the establishment of labour laws to ensure the protection of all women workers, including safe work practices, the right to organize and access to justice.

Strategic objective F.2. Facilitate women's equal access to resources, employment, markets and trade

Actions to be taken

166. By Governments:

- (a) Promote and support women's self-employment and the development of small enterprises, and strengthen women's access to credit and capital on appropriate terms equal to those of men through the scaling-up of institutions dedicated to promoting women's entrepreneurship, including, as appropriate, non-traditional and mutual credit schemes, as well as innovative linkages with financial institutions;
- (b) Strengthen the incentive role of the State as employer to develop a policy of equal opportunities for women and men;
- (c) Enhance, at the national and local levels, rural women's incomegenerating potential by facilitating their equal access to and control development programmes and cooperative structures;
- (d) Promote and strengthen micro-enterprises, new small businesses, cooperative enterprises, expanded markets and other employment opportunities and, where appropriate, facilitate the transition from the informal to the formal sector, especially in rural areas;
- (e) Create and modify programmes and policies that recognize and strengthen women's vital role in food security and provide paid and unpaid women producers, especially those involved in food production, such as farming, fishing and aquaculture, as well as urban, enterprises, with equal access to appropriate technologies, transportation, extension services, marketing and credit facilities at the local and community levels;
- (f) Establish appropriate mechanisms and encourage intersectoral institutions that enable women's cooperatives to optimize access to necessary services;
- (g) Increase the proportion of women extension workers and other government personnel who provide technical assistance or administer economic programmes;
- (h) Review, reformulate, if necessary, and implement policies, including business, commercial and contract law and government regulations, to ensure that they do not discriminate against micro-, small- and medium-scale enterprises owned by women in rural and urban areas;
- (i) Analyse, advise on, coordinate and implement policies that integrate the needs and interests of employed, self-employed and entrepreneurial women into sectoral and inter-ministerial policies, programmes and budgets;
- (j) Ensure equal access for women to effective job training, retraining, counselling and placement services that are not limited to traditional employment areas;
- (k) Remove policy and regulatory obstacles faced by women in social and development programmes that discourage private and individual initiative;
- (l) Safeguard and promote respect for basic workers' rights, including the prohibition of forced labour and child labour, freedom of association and the right to organize and bargain collectively, equal remuneration for men and women for work of equal value and non-discrimination in employment, fully implementing the conventions of the International Labour Organization in the case of States parties to those conventions and, taking into account the principles embodied in the case of those countries that are not parties to those conventions in order to achieve truly sustained economic growth and sustainable development.

167. By Governments, central banks and national development banks, and private banking institutions, as appropriate:

- (a) Increase the participation of women, including women entrepreneurs, in advisory boards and other forums to enable women entrepreneurs from all sectors and their organizations to contribute to the formulation and review of policies and programmes being developed by economic ministries and banking institutions;
- (b) Mobilize the banking sector to increase lending and refinancing through incentives and the development of intermediaries that serve the needs of women entrepreneurs and producers in both rural and urban areas; and include women in their leadership, planning and decision-making;
- (c) Structure services to reach rural and urban women involved in micro-, small- and medium-scale enterprises, with special attention to young women, low-income women, those belonging to ethnic and racial minorities, and indigenous women who lack access to capital and assets; and expand women's access to financial markets by identifying and encouraging financial supervisory and regulatory reforms that support financial institutions' direct and indirect efforts to better meet the credit and other financial needs of the micro-, small- and medium-scale enterprises of women;
- (d) Ensure that women's priorities are included in public investment programmes for economic infrastructure, such as water and sanitation, electrification and energy conservation, transport and road construction; promote greater involvement of women beneficiaries at the project planning and implementation stages to ensure access to jobs and contracts.

168. By Governments and non-governmental organizations:

- (a) Pay special attention to women's needs when disseminating market, trade and resource information and provide appropriate training in these fields;
- (b) Encourage community economic development strategies that build on partnerships among Governments, and encourage members of civil society to create jobs and address the social circumstances of individuals, families and communities.

169. By multilateral funders and regional development banks, as well as bilateral and private funding agencies, at the international, regional and subregional levels:

- (a) Review, where necessary reformulate, and implement policies, programmes and projects, to ensure that a higher proportion of resources reach women in rural and remote areas;
- (b) Develop flexible funding arrangements to finance intermediary institutions that target women's economic activities, and promote self-sufficiency and increased capacity in and profitability of women's economic enterprises;
- (c) Develop strategies to consolidate and strengthen their assistance to the micro-, small- and medium-scale enterprise sector, in order to enhance the opportunities for women to participate fully and equally and work together to coordinate and enhance the effectiveness of this sector, drawing upon expertise and financial resources from within their own organizations as well as from bilateral agencies, Governments and non-governmental organizations.

170. By international, multilateral and bilateral development cooperation organizations:

Support, through the provision of capital and/or resources, financial institutions that serve low-income, small- and micro-scale women entrepreneurs and producers in both the formal and informal sectors.

171. By Governments and/or multilateral financial institutions:

Review rules and procedures of formal national and international financial institutions that obstruct replication of the Grameen Bank prototype, which provides credit facilities to rural women.

172. By international organizations:

Provide adequate support for programmes and projects designed to promote sustainable and productive entrepreneurial activities among women, in particular the disadvantaged.

Strategic objective F.3. Provide business services, training and access to markets, information and technology, particularly to low-income women

Actions to be taken

173. By Governments in cooperation with non-governmental organizations and the private sector:

- (a) Provide public infrastructure to ensure equal market access for women and men entrepreneurs;
- (b) Develop programmes that provide training and retraining, particularly in new technologies, and affordable services to women in business management, product development, financing, production and quality control, marketing and the legal aspects of business;
- (c) Provide outreach programmes to inform low-income and poor women, particularly in rural and remote areas, of opportunities for market and technology access, and provide assistance in taking advantage of such opportunities;
- (d) Create non-discriminatory support services, including investment funds for women's businesses, and target women, particularly low-income women, in trade promotion programmes;
- (e) Disseminate information about successful women entrepreneurs in both traditional and non-traditional economic activities and the skills necessary to achieve success, and facilitate networking and the exchange of information;
- (f) Take measures to ensure equal access of women to ongoing training in the workplace, including unemployed women, single parents, women re-entering the labour market after an extended temporary exit from employment owing to family responsibilities and other causes, and women displaced by new forms of production or by retrenchment, and increase incentives to enterprises to expand the number of vocational and training centres that provide training for women in non-traditional areas;
- (g) Provide affordable support services, such as high-quality flexible and affordable child-care services, that take into account the needs of working men and women.

174. By local, national, regional and international business organizations and non-governmental organizations concerned with women's issues:

Advocate, at all levels, for the promotion and support of women's businesses and enterprises, including those in the informal sector, and the equal access of women to productive resources.

Strategic objective F.4. Strengthen women's economic capacity and commercial networks

Actions to be taken

175. By Governments:

- (a) Adopt policies that support business organizations, non-governmental organizations, cooperatives, revolving loan funds, credit unions, grass-roots organizations, women's self-help groups and other groups in order to provide services to women entrepreneurs in rural and urban areas;
- (b) Integrate a gender perspective into all economic restructuring and structural adjustment policies and design programmes for women who are affected by economic restructuring, including structural adjustment programmes, and for women who work in the informal sector;
- (c) Adopt policies that create an enabling environment for women's self-help groups, workers' organizations and cooperatives through non-conventional forms of support and by recognizing the right to freedom of association and the right to organize;
- (d) Support programmes that enhance the self-reliance of special groups of women, such as young women, women with disabilities, elderly women and women belonging to racial and ethnic minorities;
- (e) Promote gender equality through the promotion of women's studies and through the use of the results of studies and gender research in all fields, including the economic, scientific and technological fields;
- (f) Support the economic activities of indigenous women, taking into account their traditional knowledge, so as to improve their situation and development;
- (g) Adopt policies to extend or maintain the protection of labour laws and social security provisions for those who do paid work in the home;
- (h) Recognize and encourage the contribution of research by women scientists and technologists;

- (i) Ensure that policies and regulations do not discriminate against micro-, small- and medium-scale enterprises run by women.

176. By financial intermediaries, national training institutes, credit unions, non-governmental organizations, women's associations, professional organizations and the private sector, as appropriate:

- (a) Provide, at the national, regional and international levels, training in a variety of business-related and financial management and technical skills to enable women, especially young women, to participate in economic policy-making at those levels;
- (b) Provide business services, including marketing and trade information, product design and innovation, technology transfer and quality, to women's business enterprises, including those in export sectors of the economy;
- (c) Promote technical and commercial links and establish joint ventures among women entrepreneurs at the national, regional and international levels to support community-based initiatives;
- (d) Strengthen the participation of women including marginalised women, in production and marketing cooperatives by providing marketing and financial support, especially in rural and remote areas;
- (e) Promote and strengthen women's micro-enterprises, new small businesses, cooperative enterprises, expanded markets and other employment opportunities and, where appropriate, facilitate the transition from the informal to the formal sector, in rural and urban areas;
- (f) Invest capital and develop investment portfolios to finance women's business enterprises;
- (g) Give adequate attention to providing technical assistance, advisory services, training and retraining for women connected with the entry to the market economy;
- (h) Support credit networks and innovative ventures, including traditional savings schemes;
- (i) Provide networking arrangements for entrepreneurial women, including opportunities for the mentoring of inexperienced women by the more experienced;
- (j) Encourage community organizations and public authorities to establish loan pools for women entrepreneurs, drawing on successful small-scale cooperative models.

177. By the private sector, including transnational and national corporations:

- (a) Adopt policies and establish mechanisms to grant contracts on a non-discriminatory basis;
- (b) Recruit women for leadership, decision-making and management and provide training programmes, all on an equal basis with men;
- (c) Observe national labour, environment, consumer, health and safety laws, particularly those that affect women.

Strategic objective F.5. Eliminate occupational segregation and all forms of employment discrimination

Actions to be taken

178. By Governments, employers, employees, trade unions and women's organizations:

- (a) Implement and enforce laws and regulations and encourage voluntary codes of conduct that ensure that international labour standards, such as International Labour Organization Convention No. 100 on equal pay and workers' rights, apply equally to female and male workers;
- (b) Enact and enforce laws and introduce implementing measures, including means of redress and access to justice in cases of non-compliance, to prohibit direct and indirect discrimination on grounds of sex, including by reference to marital or family status, in relation to access to employment, conditions of employment, including training, promotion, health and safety, as well as termination of employment and social security of workers, including legal protection against sexual and racial harassment;
- (c) Enact and enforce laws and develop workplace policies against gender discrimination in the labour market, especially considering older women workers, in hiring and promotion, and in the extension of employment benefits and social security, as well as regarding discriminatory working conditions and sexual harassment; mechanisms should be developed for the regular review and monitoring of such laws;
- (d) Eliminate discriminatory practices by employers on the basis of women's reproductive roles and functions, including refusal of employment and dismissal of women due to pregnancy and breast-feeding responsibilities;

- (e) Develop and promote employment programmes and services for women entering and/or re-entering the labour market, especially poor urban, rural and young women, the self-employed and those negatively affected by structural adjustment;
- (f) Implement and monitor positive public- and private-sector employment, equity and positive action programmes to address systemic discrimination against women in the labour force, in particular women with disabilities and women belonging to other disadvantaged groups, with respect to hiring, retention and promotion, and vocational training of women in all sectors;
- (g) Eliminate occupational segregation, especially by promoting the equal participation of women in highly skilled jobs and senior management positions, and through other measures, such as counselling and placement, that stimulate their on-the-job career development and upward mobility in the labour market, and by stimulating the diversification of occupational choices by both women and men; encourage women to take up non-traditional jobs, especially in science and technology, and encourage men to seek employment in the social sector;
- (h) Recognize collective bargaining as a right and as an important mechanism for eliminating wage inequality for women and to improve working conditions;
- (i) Promote the election of women trade union officials and ensure that trade union officials elected to represent women are given job protection and physical security in connection with the discharge of their functions;

Strategic objective F.6. Promote harmonization of work and family responsibilities for women and men

Actions to be taken

179. By Governments:

- (a) Adopt policies to ensure the appropriate protection of labour laws and social security benefits for part-time, temporary, seasonal and home-based workers; promote career development based on work conditions that harmonize work and family responsibilities;
- (b) Ensure that full and part-time work can be freely chosen by women and men on an equal basis, and consider appropriate protection for atypical workers in terms of access to employment, working conditions and social security;
- (c) Ensure, through legislation, incentives and/or encouragement, opportunities for women and men to take job-protected parental leave and to have parental benefits; promote the equal sharing of responsibilities for the family by men and women, including through appropriate legislation, incentives and/or encouragement, and also promote the facilitation of breast-feeding for working mothers;
- (d) Develop policies, *inter alia*, in education to change attitudes that reinforce the division of labour based on gender in order to promote the concept of shared family responsibility for work in the home, particularly in relation to children and elder care;
- (e) Improve the development of, and access to, technologies that facilitate occupational as well as domestic work, encourage self-support, generate income, transform gender-prescribed roles within the productive process and enable women to move out of low-paying jobs;
- (f) Examine a range of policies and programmes, including social security legislation and taxation systems, in accordance with national priorities and policies, to determine how to promote gender equality and flexibility in the way people divide their time between and derive benefits from education and training, paid employment, family responsibilities, volunteer activity and other socially useful forms of work, rest and leisure.

180. By Governments, the private sector and non-governmental organizations, trade unions and the United Nations, as appropriate:

- (a) Adopt appropriate measures involving relevant governmental bodies and employers' and employees' associations so that women and men are able to take temporary leave from employment, have transferable employment and retirement benefits and make arrangements to modify work hours without sacrificing their prospects for development and advancement at work and in their careers;
- (b) Design and provide educational programmes through innovative media campaigns and school and community education programmes to raise awareness on gender equality and non-stereotyped gender roles of women and men within the family; provide support services and facilities, such as on-site child care at workplaces and flexible working arrangements;
- (c) Enact and enforce laws against sexual and other forms of harassment in all workplaces.

Appendix 2: ILO, MSEs and Gender Policies: Recommendations and Issues in Implementation

2.1 RECOMMENDATION 189 — CONCERNING GENERAL CONDITIONS TO STIMULATE JOB CREATION IN SMALL AND MEDIUM-SIZED ENTERPRISES: A SYNOPSIS (endorsed 17th June 1999)

NB bold and italics have been added by author to highlight gender-specific references

1. Definition, Purpose and Scope: so that SMEs can contribute more to national development goals

The ILO recommends that member States define “SMES” according to national, social and economic conditions. This should apply to all types of economic activity and all types of SMEs, irrespective of the form of ownership (i.e. including private and public companies, co-operatives, partnerships, *family enterprises* and sole proprietorships). Common definitions will assist in the consistent collection and analysis of data concerning SMEs.

Measures that are appropriate to national conditions and consistent with national practice to recognise and promote the role that SMEs can play should be adopted. SMEs can contribute to a range of national development goals, which may include:

- promoting full, productive and freely chosen employment;
- improving access to income-earning opportunities and wealth creation leading to productive and sustainable employment;
- enabling sustainable economic growth and the ability to react with flexibility to changes;
- *increasing economic participation of disadvantaged and marginalised groups*;
- increasing domestic savings and investment;
- developing human resources;
- balancing regional and local development;
- providing goods and services that are better adapted to local markets;
- improving job quality, working conditions and access to social protection, leading to a better quality of life;
- stimulating innovation, entrepreneurship, technology development and research;
- improving access to domestic and international markets; and
- promoting good relations between employers and workers.

2. POLICY AND LEGAL FRAMEWORK: *Creating an environment that is conducive to business growth.*

The Recommendation recognises the importance of a policy and legal framework in setting an environment for small enterprise development. In order to create an environment that is conducive to the growth and development of SMEs, member States should:

- adopt and pursue policies that promote an optimal economic environment, especially in areas affecting inflation, interest and exchange rates, taxation, employment and social stability;
- establish and apply appropriate laws for property rights, including intellectual property, location of establishments, enforcement of contracts, fair competition as well as adequate social and labour legislation; and
- improve the attractiveness of entrepreneurship.

The ILO then addresses four areas of priority: (1) creating conditions of SME promotion; (2) removing constraints; (3) policy analysis; and (4) addressing risk and disadvantage.

Creating conditions for SME promotion

Policies should be designed to promote efficient and competitive SMEs that are able to provide productive and sustainable employment under adequate social conditions. To achieve this, it is necessary to create conditions that provide access to credit, foreign exchange and imported inputs and fair taxation. It is also necessary to provide effective labour laws and regulations to raise the quality of employment in SMEs and compliance to international labour standards.

Removing constraints

Constraints to the development and growth of SMEs should be removed, particularly those constraints arising from:

- difficulties of access to credit and capital markets;
- low levels of technical and managerial skills;
- inadequate information;
- low levels of productivity and quality;
- insufficient access to markets;
- difficulties of access to new technologies;
- lack of transport and communications infrastructure;
- inappropriate, inadequate or overly burdensome registration, licensing, reporting and other administrative requirements, including those which are disincentives to the hiring of personnel;
- insufficient support for research and development; and
- difficulties in access to public and private procurement opportunities.

Policy analysis

The development of a policy and legal framework for SME development requires the:

- collection of national data on the SME sector, covering quantitative and qualitative aspects of employment, without creating undue administrative burdens for SMEs;
- assessment of the impact of existing policies and regulations on SMEs, giving particular attention to the impact of structural adjustment programmes on job creation; and
- review of labour and social laws and policies and the ways they affect SMEs, while ensuring adequate protection and working conditions for their workers.

Policies that are not directly related to SME development, such as fiscal and monetary policies, trade and industry, employment, education and training, labour, social protection, *gender equality*, and occupational safety and health should be assessed. Mechanisms and procedures to regularly review and update these policies should be established.

Policies to address risk and disadvantage

Specific policies are required to provide social protection to SMEs and their workers, such as through voluntary schemes and co-operative initiatives. Such social protection require provisions to ensure compliance with social security regulations in areas such as medical care, sickness, unemployment, old age, employment injury, *family, maternity*, invalidity and survivors' benefits. In times of economic difficulties, governments should seek to provide strong and effective assistance to SMEs and their workers.

Specific policies and incentives for assisting and upgrading the informal sector to become part of the organised sector should also be designed.

3. DEVELOPMENT OF AN ENTERPRISE CULTURE: *Where entrepreneurial attitudes are formed and rewarded...*

The ILO recognised the importance of social and cultural influences on entrepreneurship and the formation of new enterprises. In light of this, it has recommended that member States endeavour to create and strengthen an enterprise culture. That is, an environment that favours initiative, enterprise creation, productivity, environmental consciousness, quality employment, good labour and industrial relations, and adequate social practices, all of which are equitable. This should include the development of entrepreneurial attitudes, through education, entrepreneurship and training. Particular emphasis should be given to the importance of good labour relations and the many vocational and managerial skills needed by SMES.

An appropriate means of encouraging a more positive attitude towards risktaking should be established. One that recognises business failure as a learning experience while at the same time recognises its impact on both entrepreneurs and workers. A process of lifelong learning should be encouraged for all workers and entrepreneurs within SMEs.

Awareness campaigns to promote the rule of law, workers' rights, better working conditions, higher productivity and improved quality of goods and services should be developed. This should complement the promotion of entrepreneurial role models and award schemes, *especially those that take account of the particular needs of women*, and of disadvantaged and marginalised groups.

4. DEVELOPMENT OF A SERVICE INFRASTRUCTURE: *Nurturing competitive enterprises to create better and more jobs...*

In order to enhance the growth and competitiveness of SMEs, and their potential to generate new quality jobs, consideration should be given to the availability and accessibility of a range of direct and indirect support services.

Range of possible services

This may include the following services:

- business pre-start-up, start-up and development assistance;
- business plan development and follow-up;
- business incubators;
- information services, including advice on government policies;
- consultancy and research services;
- managerial and vocational skills enhancement;
- promotion and development of enterprise-based training;
- support for training in occupational safety and health;
- assistance in upgrading the literacy, numeracy, computer competencies and basic education levels of managers and employees;
- access to energy, telecommunications and physical infrastructure such as water, electricity, premises, transportation and roads, (which may be provided directly or through private sector intermediaries);
- assistance in understanding and applying labour legislation, including provisions on workers' rights, as well as in human resources development and the *promotion of gender equality*;
- legal, accounting and financial services;
- support for innovation and modernization;
- advice regarding technology;
- advice on the effective application of information and communication technologies to the business process;
- access to capital markets, credit and loan guarantees;
- advice in finance, credit and debt management;
- export promotion and trade opportunities in national and international markets;
- market research and marketing assistance;
- assistance in product design, development and presentation;
- quality management, including quality testing and measurement; packaging services; and
- environmental management services.

Design and delivery of services

As far as possible, enterprise support services should be designed and provided to ensure optimum relevance and efficiency by:

- adapting the services and their delivery to the specific needs of SMEs;
- ensuring the active involvement of SMEs and representative organizations of employers and workers in the determination of the services to be offered;
- involving the public and private sector in the delivery of such services;
- decentralising the delivery of services, thereby bringing them as physically close to SMEs as possible;
- promoting easy access to an integrated range of effective services through "single window" arrangements or referral services;
- aiming towards sustainability for service providers through a reasonable degree of cost recovery from SMEs and other sources to enhance the employment creation potential of SMEs, without distorting markets;
- ensuring professionalism and accountability in the management of service delivery; and
- establishing mechanisms for continuous monitoring, evaluation and updating of services.

Services should be designed to enhance productivity, promote efficiency and help SMEs sustain competitiveness in domestic and international markets, while at the same time improving labour practices and working conditions. Access to finance and credit should be facilitated on commercial terms, as far as possible to ensure their sustainability, except in the case of particularly vulnerable groups of entrepreneurs. Supplementary measures should be undertaken to simplify administrative procedures, reduce transaction costs and overcome problems related to inadequate collateral. SMEs may also be encouraged to organise and participate in mutual guarantee associations, whilst the creation of venture capital and other organizations specialising in assistance to innovative SMEs should be encouraged.

Special policies and programmes

Appropriate policies to improve the quality of employment in SMEs through protective labour and social laws should be in place. This should include, where appropriate, the development of organizations and institutions that can effectively support the growth and competitiveness of SMEs. Mutually beneficial linkages between SMEs and larger enterprises and between SMEs themselves to encourage the exchange of experience as well the sharing of resources and risks should also be established.

Specific support measures and incentives for female entrepreneurship should be established. This should also be done for other selected categories of the population, such as long-term unemployed, persons affected by structural adjustment or restrictive and discriminatory practices, disabled persons, demobilised military personnel, young persons (including graduates), older workers, ethnic minorities and indigenous and tribal peoples should also be established.

In all of this government should improve communication and relations between its agencies and SMEs as well as representative organizations of such enterprises to improve the effectiveness of government policies aimed at job creation.

5. ORGANIZATIONS OF EMPLOYERS AND WORKERS: *Giving entrepreneurs and workers a voice for social dialogue...*

Organizations of employers or workers should consider contributing to the development of SMEs in the following ways:

- articulating to governments the concerns of SMEs and their workers;
- providing direct support services in such areas as training, consultancy, easier access to credit, marketing, advice on industrial relations and promoting linkages with larger enterprises;
- co-operating with national, regional and local institutions as well as with intergovernmental regional organizations which provide support to SMEs in areas such as training, consultancy, business start-up and quality control;
- participating in councils, task forces and other bodies at national, regional and local levels to deal with important economic and social issues, policies and programmes affecting SMEs;
- promoting and taking part in the development of economically beneficial and socially progressive restructuring (e.g. retraining and the promotion of self-employment) with appropriate social safety nets;
- participating in the promotion of exchange of experience and establishment of linkages between SMEs;
- participating in the monitoring and analysis of social and labour-market issues affecting SMEs, (e.g. terms of employment, working conditions, social protection and vocational training) and promoting corrective action where appropriate;
- participating in activities to raise quality and productivity, ***whilst promoting ethical standards, gender equality and non-discrimination***;
- preparing studies on SMEs, collecting statistical and other types of information relevant to the sector, including ***statistics disaggregated by gender*** and age, and sharing this information, as well as lessons of best practice, with other national and international organizations of employers and workers; and
- providing services and advice on workers' rights labour laws and social protection for workers in SMEs.

Encouragement should be given to SMEs and their workers to be adequately represented and ensured their freedom of association. In this connection, existing organizations of employers and workers should consider widening their membership base to include SMEs.

6. INTERNATIONAL CO-OPERATION: *To foster small enterprises that are world-class.*

All ILO member States are encouraged to promote the contents of Recommendation 189 within other international bodies. They should also be open to co-operation with those bodies, where appropriate, when evaluating and implementing the provisions of this Recommendation, and take into consideration the prominent role played by the ILO in the promotion of job creation in SMEs.

Appropriate international co-operation should be encouraged in the:

- establishment of common approaches to support policy-making;
- exchange of information, ***disaggregated by gender***, age and other relevant variables, on best practices in terms of policies and programmes to create jobs and to raise the quality of employment in SMEs;

- creation of linkages between national and international bodies and institutions that are involved in the development of SMEs to facilitate the exchange of information, staff, experiences, ideas, training materials and methods and research findings;
- international meetings and discussion groups on approaches to job creation through the development of SMEs, *including support for female entrepreneurship*;
- systematic research in a variety of contexts and countries into key success factors for promoting SMEs which are both efficient and capable of creating jobs providing good working conditions and adequate social protection; and
- promotion of access by SMEs and their workers to national and international databases on such subjects as employment opportunities, market information, laws and regulations, technology and product standards.

2.2 ILO POLICIES FOR GENDER MAINSTREAMING⁷⁹

The ILO now has a formal gender policy, gender guidelines and has set up an administrative structure for implementation of gender policy which are in many ways more comprehensive and wide-reaching than in many other international agencies. As can be seen from Box A2.1, the definition of mainstreaming includes both incorporation of gender into mainstream activities and positive support for women-specific activities when women are in a disadvantageous position. The process of gender mainstreaming has been underpinned by formation of gender units and gender focal points within the ILO administration. ILO is currently mainstreaming gender through a range of activities:

- **Standard setting and monitoring** of international labour standards to protect women against working conditions which could be dangerous to their reproductive function and guarantee equality of opportunity and treatment for women at work. This includes formulation of legally binding Conventions and general Recommendations, resolutions and declarations.
- **Technical co-operation projects and programmes** where efforts need to be made to ensure that gender issues are considered when planning, designing, implementing and evaluating projects.
- **Advisory services** for governments, employers and workers organizations to implement concrete measures to reduce discrimination and formulate and revise national legislation and practices to ensure equality.
- **Research, publications and dissemination of information** on the problems, trends and prospects of women at work
- **Training** for upgrading and adapting women's technical and business skills
- **Meetings and other promotional activities** including the annual International Labour Conference where standards are adopted, other regional tripartite conferences and national, subregional and other technical meetings. Efforts are made to increase participation and representation at these meetings.

Key to this whole process of gender mainstreaming is the role of evaluation. The Monitoring, Evaluation, Reporting System (MERS) was put in place in early 1994 on an experimental basis in a few departments and field offices. Reports are to be prepared every six months, and at the end of two years a major evaluation is to take place. Like the new evaluations in other agencies, MERS does not contain a specific component on WID/gender, but if the project in question includes a WID/gender dimension, it will be evaluated. The monitoring and evaluation components of the new guidelines for integrating gender issues can in theory serve as a complement to the MERS system, but it is left to individual staff members to take this initiative.

Nevertheless a study in 1995 identified a number of critical challenges for ILO in mainstreaming gender in both policy and structure for gender-equitable outcomes (Miller 1998). Although many positive changes have taken place since this study, it is unclear how far these problems have been overcome.

Firstly a *continued emphasis on projects targeted specifically at women* failed to address gender issues throughout the "mainstream" implementation process. Although a number of governments (for example Nordic governments, Australia, Canada and the Netherlands) had been supportive of gender mainstreaming since the 1980s it was unclear how far ILO as a whole had developed a sense of "ownership" over the process. In particular, it was unclear how far gender policies had been internalized by ILO's developing country members. Although gender policy was consonant with the ILO's agenda for social justice, this social justice agenda was itself been under attack from different constituencies within the ILO tripartite structure. Controversy revolved particularly around the "social clause" — i.e. making access of exporting countries to international markets conditional on compliance with basic ILO standards. There was a drop-off in the rate of ratifications and a funding crisis which affected the research programme needed to provide firmer support for arguments for social justice and hence also for gender policy.

⁷⁹ As extracted from the ILO publication "All Women are Working Women" (undated).

BOX A2.1: GENDER MAINSTREAMING: DEFINITION, ELEMENTS AND STRUCTURE

DEFINITION: “Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes in any area and at all levels. It is a strategy for making women’s as well as men’s concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.” (ECOSOC Agreed Conclusions, 1997)

MAIN INSTRUMENTS:

- Director-General’s circular on “Gender equality and gender mainstreaming in the International Labour Office” (December 1999)
- Action Plan on Gender Mainstreaming for Gender Equality (October 1999)

ELEMENTS

- Gender mainstreaming is the responsibility of all staff in all areas and at all levels.
- Capacity building for gender mainstreaming.
- The main responsibility for gender mainstreaming lies with senior management.
- Identification of three areas for mutually reinforcing actions: substance, structure and gender-balanced representation.
- Five pillars of the ILO’s Action Plan: Policy statement on gender equality and gender mainstreaming; gender concerns mainstreamed in the work of the ILO; gender considerations in the structure of the Office; and gender-sensitive human resource development.

ORGANIZATIONAL STRUCTURE

At Geneva headquarters

- Bureau for Gender Equality, reporting directly to the Director-General. It advises him, coordinates and represents the overall gender policy, and it also functions as a catalyst and mobilizer for gender mainstreaming within the Office. The Bureau is headed by a Director at the D.2 level and has a staff of three professionals, in addition to the Director.
- Gender teams have been set up in each technical sector at headquarters, composed of gender focal points and other colleagues interested in gender issues. They are coordinated by a gender team leader reporting to the Executive Director of the sector. In addition, each programme has a gender focal point and/or several gender specialist as part of its members.
- In each region senior specialists on gender questions are operating, and a gender focal point has been appointed in each Office, usually the programme officer. These persons together build the regional gender team.
- At the International Training Centre in Turin a Gender Coordinator has been placed reporting to the Director of Training. Each regional and thematic programme has a gender focal point. The Gender Coordinator provides advice to the activities on gender issues implemented by the network of focal points and promotes synergies amongst them.

Secondly problems were identified with the structure of gender units and focal points themselves because of inadequate support and problems agreeing on common guidelines. Staff support and resources allocated to the structure of gender advisers and focal points were inadequate. Attempts to devise standard terms of reference for focal points were problematic because it was argued that the institutional needs of each department also required flexibility. Some staff in focal points were reluctant to be engaged in full-time gender work because it was perceived as a bad career move. A number of focal points had limited expertise in gender issues.

Thirdly the ILO organizational structure created divisions between standard setting, technical co-operation and “developmentalists” leading to lack of coherence and communication. The different divisions had different world views and approaches, with the technical’ and field segments having an “essentially pragmatic” outlook, those working in the standards segment tend to possess a more “coherent ideology” and identity linked to the legal profession and developmentalists composed mainly of economists. In this context social justice arguments to be insufficient on their own to support gender mainstreaming proposals.

Fourthly women's representation in the administration was not matched by equal representation within the overall ILO tripartite governing structure. Despite a provision in the ILO constitution recommending the participation of women delegates whenever issues concerning women's labour are under discussion (Article 3), women were numerically underrepresented in the two decision-making bodies, especially in the Governing Body. Even in the Conference women's participation was low, mirroring their low profile in the bureaucracy. While many of the items on the agenda of trade unions were also been of interest to women workers, the mainstream trade unions did not necessarily support the specific interests of women workers — such as child care, or sexual harassment at work Rural workers, the informal sector, the un- and underemployed, and the poor more generally were also underrepresented.

Finally the influence of gender units had also been affected by the process of bureaucratic decentralization. Field offices were expected to determine future work programmes through multidisciplinary teams of experts (MDTs) whose functions include: programming of activities, sectoral analysis and research work and provision of technical advisory services at the national or sub-regional level. In this they were expected to consult with governments, employers' and workers' organizations, and donors. However the new strategy of sending headquarters staff to serve in the field for several years raised problems for the women staff members who tend to be less mobile than their male counterparts. Efforts were being made to strengthen workers' and employers' associations to participate in the process, but in some countries these themselves were weak and frequently women's representation was very limited. As with many other attempts at decentralization therefore, the weakness of women's constituencies at the local level and weak linkages between ILO and organizations which did exist threatened to seriously constrain gender mainstreaming in many countries.

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