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**Promoting Women's Entrepreneurship Development
based on Good Practice Programmes:
Some Experiences from the North to the South**

by

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



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FOREWORD

This Working Paper 9, entitled “Promoting Women’s Entrepreneurship Development based on Good Practice Programmes – Some Experiences from the North to the South”, is published by the ILO’s InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) as part of the special series on Women’s Entrepreneurship Development and Gender in Enterprises (WEDGE). The Working Paper was initiated by Ms Josiane Capt, formerly of the ILO’s Small Enterprise Development unit, under the ILO’s Action Programme on Small Enterprise Development and Employment during 1998-99. Ms Judith van Doorn participated in directing this research.

With the creation of the InFocus Programme on Small Enterprise Development (IFP/SEED), the ILO has assigned more significance to its efforts on promoting decent work for women in all aspects of their working lives, including women’s entrepreneurship development. One major component of the IFP/SEED programme is on Women’s Entrepreneurship Development and Gender in Enterprises (WEDGE), led by Mr. Gerry Finnegan who has been responsible for the final preparation of this Working Paper.

The ILO would like to acknowledge the thorough and systematic approach that was adopted by the author, Ms Paula Kantor, Assistant Professor, University of Wisconsin-Madison, in identifying relevant good practices from Small Enterprise Development programmes in the developed world that have potential for replication in promoting and supporting women’s entrepreneurship in the developing country context. Thanks to her efforts, a valuable set of findings and recommendations is being made available to a wider audience. These findings are already informing the ILO’s technical work in countries such as Cambodia and People’s Republic of China.

The SEED Working Papers are intended to stimulate and promote exchanges on various aspects of Small Enterprise Development, and the WEDGE Series concentrates on looking at issues relating to women’s entrepreneurship in particular, as well as to gender mainstreaming approaches in small enterprise development. Therefore, we encourage readers to provide comments and suggestions, both in terms of content and presentation of these Working Papers.

Christine Evans-Klock
Director
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LIST OF ACRONYMS AND ABBREVIATIONS

CSBC:	Canada Small Business Centre
GAD:	Gender and Development
GDP:	gross domestic product
ICT:	Information and communications technology
ISED:	Institute for Social and Economic Development
JSBC:	Japan Small Business Corporation
MSE:	micro and small-scale enterprise
NAWBO:	National Association of Women Business Owners
NGO:	non-governmental organization
OECD:	Organization for Economic Co-operation and Development
OWBO:	Office of Women's Business Ownership
ROSCA:	Rotating savings and credit association
SBA:	Small Business Administration
SBDC:	Small Business Development Center
SCORE:	Service Corps of Retired Executives
SEA:	Self-Employment Assistance Programme
SEDI:	Self-Employment Development Initiative
SIYB:	Start and Improve Your Business
SME:	small and medium-scale enterprise
STEP:	Sectoral Training and Empowerment Project
WEDGE:	Women's Entrepreneurship Development and Gender in Enterprises
WES-BC:	Women's Enterprise Society of British Columbia
WID:	Women in Development
WOBC:	Women's Online Business Center
WV:	Women Venture

GENDER LEXICON

Gender: refers to the social differences and relations between women and men which are learned, vary widely among societies and cultures, and change over time. The term “gender” is used to analyze the roles, responsibilities, constraints, opportunities and needs of women and men in all areas and in any given context. (Sex refers exclusively to the biological differences between women and men.)

Gender blind: policies and programmes that do not take account of differences between women and men, and consequently are frequently based implicitly on a male actor. Such programmes are often thought to be gender neutral, but because of their implicit focus on male actors, they tend to support men’s needs and interests and neglect those of women.

Gender sensitive/aware: policies and programmes that explicitly recognize differences between women and men, and that these differences will impact on the woman or man’s ability to participate in entrepreneurship.

Gender neutral: Gender sensitive policies which represent the current gender division of labour and resources, opportunities and constraints, and seek to intervene in this context without changing it.

Gender specific (women specific): Policies and programmes targeted specifically at women or men (women in the context of this paper) in order to benefit them within the current context of gender relations. Interventions are based on accurate evaluations of society’s gender relations, and they are frequently required in order to redress imbalances (biases) in significant fields.

Gender failures: These are the results of gender blind policies and programmes. An example is the assumption that the market is free from bias, with all society members receiving equal treatment and access. Policies based on this assumption may not assist women who in reality have very different access to and relations with the market compared to men.

Gendered sector: A sector of the economy which is perceived as having the particular dominant attributes of either males or females. Often these sectors are dominated by either women or men, and their respective (perceived) attributes are adopted by/within the sector. The caring sector (such as nursing and day care) tends to be “female” since caring is often perceived in some societies as a “female” attribute.

EXECUTIVE SUMMARY

The purpose of this paper is to examine women's entrepreneurship support programmes in the context of developed countries in order to formulate recommendations for their replicability in developing countries. The focus is on good practice, and the programmes reviewed in the paper were selected based on a combination of performance criteria and their potential for replicability. The performance criteria used were: outreach/scale, effectiveness, cost efficiency, impact and sustainability.

Why women and MSEs?

The micro and small-scale enterprise (MSE) sector is the focus of this paper due to its central role in employment promotion and economic growth. It is also a sector in which many women earn their livelihood, with women's entrepreneurship increasing rapidly in many industrialized nations. Many women support themselves and their families through the income they receive from their entrepreneurial activities, making supporting women's entrepreneurship important to family well-being. Other rationales for supporting women's entrepreneurship involve efficiency and empowerment arguments. Women's entrepreneurship makes an important contribution to the economy and thus to development. Therefore, women should be supported in their enterprise endeavours because of the benefits that will accrue to the economy at large. Others perceive the individual benefits women gain through starting a business as the key reason to support women's entrepreneurship. Women can gain confidence, decision-making experience and a greater sense of control over their lives through starting and managing a business. These outcomes can have broader benefits to the extent that they can affect fertility and family welfare outcomes.

Before women can achieve their potential within the MSE sector, policies and programmes must address the various constraints acting on their abilities to succeed. Women often experience greater constraints on their economic actions relative to men. For example, women may have less freedom to select sectors within which to operate, less access to credit and other productive resources, and less time and opportunity to obtain education and experience relevant to entrepreneurship. These constraints often affect women more than men of the same class due to the different roles and responsibilities women are assigned by society. This means that women tend to have different needs than men regarding entrepreneurship support. If these differences are not recognized in programme design and implementation, women are unlikely to benefit and may be less able to sustain and grow an MSE. This paper addresses how women's entrepreneurship can best be supported in the light of women's different needs and interests.

Key Findings

Methods of service delivery

Methods of service delivery are important to good practice since they influence all of the performance criteria. Key service delivery models include partnerships and mixed service models.

- Partnership models decentralize service delivery under a monitoring agency. This may potentially improve effectiveness and impact by allowing local providers familiar with client needs to deliver services.
- This model is limited by the supply of quality local service providers. There is an important role to be played by various organizations in supporting institutional development and capacity building to create a network of decentralized service providers.
- Partnership models require a commitment to constant monitoring of service delivery mechanisms and outcomes. This is very important in ensuring that programme designs and outcomes are gender sensitive.
- In mixed service models, one agency delivers services at varying intensities to different levels of clients. This can potentially expand outreach at a lower cost per client and business served. The two mixed service agencies reviewed in this paper showed declines of approximately 40 per cent in costs per client served, and declines of over 50 per cent in costs per business served after introducing minimalist services in conjunction with more intensive services. Outreach (number of clients served) increased by over 100 per cent in one case (see Institute for Social and Economic Development, ISED) and over 800 per cent in the other (see Women Venture, WV).

Sector-specific training

- The provision of training in the skills particular to a sector is a central strategy to help women entrepreneurs move into higher value sectors. It gives them the skills to produce higher quality goods which bring higher prices in the market. This moves them out of the low quality, low price sector within which MSEs often have difficulty competing (see case study, Appendix 2).
- Training women in the skills needed to start businesses at different stages of production, distribution and supply within one industry can create backward and forward linkages among programme participants (see Crasform). This can ease women's entry into new or male dominated sectors since the women will have the added security of an established network within which to work.
- Service providers will need market analysis skills to aid them in selecting the target sectors for such training programmes.

Incubators

- Incubators can help women who want to expand home-based businesses. They can offer them low cost and low risk access to the productive capacity necessary for expansion. They also can help move women into new sectors by again decreasing the risk involved in start-up by offering access to capital and one-on-one technical and managerial assistance.
- Incubators can have a sector focus (see ACEnet). This can help create networking and mentoring opportunities between business owners and allow them to form group purchase and retailing systems to achieve economies of scale. Sector-specific incubators may have greater potential in helping move women into new sectors due to the targeted auxiliary support services available.

Reaching girls

- Strategies supporting women's entrepreneurship are short sighted if they do not recognize how society influences girls' perceptions of what they are capable of doing. Awareness campaigns and educational programmes introducing girls to entrepreneurship are important in expanding their dreams and increasing their confidence. This may then have long-term positive effects on women's entrepreneurship as girls finish school and enter the workforce.

Mentoring

- Women have shown a keen desire for follow-up training, accessed after trying out ideas learned in more formal training sessions.
- One way agencies have offered follow-up services is through mentoring. Mentoring provides women with a one-on-one or group environment for asking questions and receiving guidance specific to their businesses. The mentors should be experienced business people, preferably women.
- The close interaction between mentor and mentee can increase the effectiveness and impact of the service.
- The intensive delivery can imply high costs; these can be reduced if quality volunteer mentors are available, or if the beneficiaries make a financial contribution in return for the mentoring services.

Access to information

- Information is an important but often under-demanded resource for MSE owners. Decentralizing provision of information by using telephone, fax and online modes of access may increase awareness and usage of the services.
- Using online, telephone and fax-based modes of information provision should improve women's access to information since they can use the services at times that fit their schedules.

Information and communications technology (ICT)

- The Internet and electronic commerce are key means to improve access to markets for inputs and for sales of finished goods. This can help those producing in areas where access to markets is limited or those whose lack of mobility limits market access.
- ICT can also be used to provide MSE support services such as training. Distance learning may increase women's access to training since courses can be taken at times suited to the women's schedules.
- ICT, including e-commerce, represents a growing sector in the global economy. For this reason it is important that women take advantage of the entrepreneurial opportunities available in marketing these technologies. Agencies supporting women's entrepreneurship should design programmes to help women enter this sector.

General business training

- A constraint women face in starting MSEs is a lack of relevant education and experience. General business training will be vital in filling this gap as long as it is designed to meet women's needs.
- Business training should also be given to service providers supporting women's entry in the MSE sector. This can help them focus on entrepreneurship rather than income generation.
- Offering business training to government officials with responsibility for the MSE sector can help them be more effective in policy support for the sector. This training must be gender aware and gender sensitive so that policies also benefit women entrepreneurs.

Cross-cutting conclusions

- A vital starting point for service providers who aim to support women's entrepreneurship is to know their clients. Ongoing gender sensitive needs assessments are the key means of incorporating women's heterogeneous needs into programme design and implementation.
- Direct service provision meeting the practical business development needs of women entrepreneurs is important. But, without work on a more strategic level addressing the underlying policy and regulatory constraints on women's opportunities, women will not achieve success in the MSE sector to the same extent as men. Partnerships between direct service providers and advocacy organizations are one way for agencies to work at both levels.
- Women's entrepreneurship support programmes should give equal importance to non-economic programme outcomes. These include: improved quality of work through lower workloads and greater social protection, improved family well-being and improvements in women's self esteem. In some cases this may mean supplying non-business services such as childcare, transport assistance and personal development training.
- Replicability of some good practice programmes will be limited by the supply of inputs available, including quality service providers. Developing strategies to ease these bottlenecks in service delivery is a role for the ILO and similar organizations.

Challenges

- There has been little solid, comparable work done to evaluate the outcomes of MSE support programmes, whether women specific or not. A key future challenge is the development of user-friendly management information systems applicable to a broad range of programme types and methodologies that will assist agencies in monitoring their performance. This will also help in comparing performance across agencies for the purpose of the ongoing development of good practices.
- Many different types of women start MSEs. Much attention is placed on assisting low-income women in this venture. Less attention has been given to moderate-income women and their businesses. Research on the employment generation and outputs of these enterprises, as well as their constraints and needs is another direction for the gender and microenterprise development field. Assisting these women entrepreneurs may also offer a new way to assist low-income women into employment or entrepreneurship.

- Although many of the good practice examples given in this report have worked well in developed countries, their replicability in developing countries is not assured. In the developed country context, Governments provide welfare or welfare substitutes to enable unemployed persons to enter into self-employment of small business. People have opportunities to look beyond their immediate and extended families to provide support to others to get them on the path to business creation and development. Retired persons – assured on a state pension – can spend their free time assisting others. It would be extremely rare to find these features in any developing country context. Therefore, although replication may be possible in a general way, or in relation to selected components of these good practice programmes, sensitivity should be shown to local economic, social and cultural factors before attempting whole-scale replication of some of these programmes.

1. INTRODUCTION

With the new sets of problems relating to underdevelopment in the post-World War II period, came different theories of how developed nations could foster the development potential of underdeveloped nations. Modernization theory was influential during the first development decade, leading to large-scale interventions and a focus on industrialization as the path to development. However, by the late 1960s and early 1970s development through large-scale capital investment appeared to be failing as these strategies did not do much to alleviate poverty and unemployment (Moser 1978; Schmitz 1982; Teszler 1993).

Industrialization resulted in capital-intensive industry, dependent on a factor of production not readily available in many developing countries and leaving much of the available unskilled labour force idle (Teszler 1993). This unemployment problem led to the ILO's employment programme missions and the 'discovery' of the informal sector in the early 1970s. Subsequent interest in the microenterprise sector tended to rise and fall with the economic cycle, with the informal sector viewed as an alternative path to development at times of crisis and adjustment in the large-scale capitalist system (Gerry 1987; Dignard and Havet 1995). This was also true in industrialized nations, where from the 1980s attention began to focus on micro and small-scale enterprises as a means to poverty alleviation and unemployment reduction, with these enterprises creating new economic opportunities and increasing competition in the market (Feit 1998; OECD 1998a).

Concurrent with the attention placed on the informal economy in the early 1970s was the growing recognition of women's role in economic development. The attention on women's roles focused in particular on how women served development aims, rather than how women were affected by development. The fields of women in development (WID) and gender and development (GAD) grew through the 1980s and 1990s respectively, and within these fields were those focusing on women and microenterprise development. They noted women's important presence within the micro and small-scale enterprise (MSE) sector in developing countries, a presence also found in small-scale enterprises in developed countries though to a lesser extent. They also worked to make visible the barriers limiting women's contributions to the MSE sector. In response to women's important roles within the microenterprise sector and the constraints limiting these roles, programmes were developed to facilitate women's participation in the economic arena.

In the case of microenterprise development, particularly for microcredit interventions¹, the learning pattern has shifted over time from the traditional development model of transfer from developed to developing nations, to the transfer of knowledge and practice from developing to developed countries. However, once microenterprise support programmes were introduced in the North and West, practitioners adapted them to local contexts and made innovations in terms of the programmes offered and their methods of delivery. These innovations are the focus of this paper, with the purpose of sharing the progress made in the industrialized context with practitioners in developing countries. The goal is a more vibrant, sustainable and gender-balanced microenterprise sector across the globe.

¹ Due to the wide range of microcredit programmes operating in developing countries, credit provision is not a central focus of this paper as it would require further detailed analysis.

1.1 Why micro and small-scale enterprises?

A key rationale for supporting the micro and small-scale enterprise (MSE) sector is its potential to generate output, employment and income (MacIsaac 1996). Many view the sector and its entrepreneurial character as central to innovation, economic growth and job creation. Small-scale enterprises are potentially more flexible, making them better able to adapt to the rapidly changing global economy and the political pressure of rising unemployment (Richardson and Hartshorn 1993; Tanburn 1999; Arzeni Dec97/Jan98).

Numbers available for the size and employment potential of MSEs in industrialized nations justify the programme and policy attention given to MSEs to alleviate their constraints and to improve their potential. In the United States, small and medium enterprises created all net new jobs from 1988-90, with most created by firms with less than 20 employees (Clark and Huston 1993). Similar results are found for 1995, where firms with less than 500 employees created 1.8 million net new jobs, while large firms created only 100,000 (International Small Business Congress, May 1999). In Canada, there are approximately 2.5 million small and medium enterprises with less than 100 employees, and of these about 1.4 million owners are self-employed. Small and medium enterprises in Canada account for 50 per cent of private sector employment and about 43 per cent of private sector output; they accounted for 81 per cent of job growth in 1996-97 compared to 70 per cent in 1995-96 (OECD 1996; International Small Business Congress, May 1999). In OECD countries, over 99 per cent of enterprises in most economies are small and medium enterprises and they account for between 40-80 per cent of private sector employment (International Small Business Congress May 1999). Finally, in Japan in 1994, 99.1 per cent of business establishments were small and medium enterprises, accounting for 78 per cent of employment in non-primary industries and approximately 56 per cent of value added in the manufacturing sector (Japanese Small Business Corporation).

While in general there is enthusiasm for the potential of the MSE sector, some question the claims regarding its employment potential. Particularly in the developing country context, the microenterprise sector is viewed as labour-intensive and thus a means of utilizing a factor of production supplied in abundance. This labour intensity and the resulting employment potential are used in both developing and developed nations as justification for investment in the MSE sector. However, some researchers state that the relationship between entrepreneurship and job creation is difficult to prove statistically (OECD 1998a; Arzeni Dec97/Jan98). Various factors make proving the employment effects of the small-scale sector a challenge. One key problem is isolating the effects of entrepreneurship from other factors influencing the creation of jobs (i.e. is it entrepreneurship or other economic factors driving employment growth?). Another challenge is determining the direction of causation between entrepreneurship and job creation.

Hallberg (1999) takes issue with the view that the MSE sector is inherently more labour intensive and sees evidence of market failures which act to disadvantage MSEs relative to large enterprises as the only justification for interventions to assist the sector. It is the production processes used by MSEs that tend to be more labour intensive; labour intensity is not an inherent characteristic related to small size. MSEs account for a large share of employment in developing and developed nations due to the large number of such firms, and not each firm's ability to hire large numbers of workers (Hallberg 1999). On the contrary, each individual firm tends to have a low hiring rate (Wilson and Adams 1994). This must be recognized in developing policy to support small-scale enterprises, particularly when job

creation is a primary aim. More research on the effect of MSE expansion on employment generation would help in determining whether support should be aimed at growing existing MSEs or helping new MSEs to start.

1.2 Why gender and microenterprise development?

There are three rationales for focusing on women's role within the MSE sector. The first is the number of women active in the MSE sector in both developed and developing countries. Across the globe, women-owned businesses account for 25 to 33 per cent of all businesses (Employment NOW Community Initiative 1998). In Europe, women create one third of all new businesses, with 9.5 per cent of women officially counted as self-employed compared to 18.9 per cent of men (Employment NOW Community Initiative 1998). In general, there are two types of businesswomen, those who choose entrepreneurship and those for whom entrepreneurship is the only option for earning an income (European Commission 1998). Both types of entrepreneurs are increasing in number, the first due to the glass-ceiling effect, and the second in response to increasing unemployment and decreasing wages (Turner 1993; European Commission 1998; OECD 1998b). In Europe, entrepreneurship as a way out of unemployment is rather common, with 60 per cent of new enterprises started for this reason in Northern Europe and 70 per cent in Southern Europe (European Commission 1998). In the United States, female entrepreneurship is on the rise, with the number of women-owned firms increasing 103 per cent between 1987-99 and employment and sales increasing 320 per cent and 436 per cent respectively in the same period (National Foundation for Women Business Owners 1999). As of 1999, women-owned firms are 38 per cent of all firms in the United States, representing 9.1 million businesses, employing over 27.5 million people and generating over \$3.6 trillion in sales (National Foundation for Women Business Owners 1999). There is no direct evidence regarding how many of these women-owned firms are MSEs. However, there is anecdotal evidence for the United States and other industrialized nations that the majority of women-owned enterprises are of small size.

These numbers clearly represent the importance of women to the MSE sector and illustrate one rationale for ensuring the inclusion of women in programmes and policies to support the sector. If MSEs contribute substantially to the economy, as illustrated by the numbers for MSEs in general, and women account for large numbers of MSEs, it makes sense from an effectiveness perspective to include women in interventions.

A second rationale for targeting women MSE owners is welfare improvement. MSE agencies with socially oriented goals, including poverty alleviation, can use the numbers above to justify women's inclusion. If MSEs have a role in poverty alleviation, and women play a large role in the sector as well as in providing for the household, then including them in programmes to promote microenterprise development is justified.

A third rationale for intervening to support women in the MSE sector is to contribute to their social and economic empowerment. Entrepreneurship promotion agencies support this rationale with the belief that self-employment and entrepreneurship increase women's self esteem and confidence, leading to greater control over their lives in social and economic spheres. This can benefit both women and their families.

While the three rationales above may all be 'true', in that economic growth, poverty alleviation and women's social and economic empowerment potentially can result from women's inclusion in the MSE sector, *how* women are included is also very important. Whether women are recognized as having different needs than men, or are considered as

experiencing life in the same way as men, will make a difference in the extent to which women achieve their goals.

It is important to consider gender and other dimensions of difference in any programme or policy design situation because of the tendency for gender-blind (or race-blind, class-blind, etc.) design to incur costly unintended consequences. Such supposedly 'blind' policies and programmes tend to benefit society's dominant groups. This is because they do not recognize that others within the community or economy have different needs and interests due to the roles, responsibilities and opportunities assigned to them by society (Kabeer 1994; Kabeer and Subrahmanian 1996; Ohio Women's Business Network 1997; Richardson 1993; Van Der Wees 1995). "Many differences occur because women's life experiences contrast with those of men in terms of the education they receive, their involvement with their families, their levels of confidence, the social spaces which they occupy and the circles in which they mix" (Truman 1993: 130). Agencies taking a gender blind perspective approach problems from the dominant group's perspective, generally ensuring that solutions will benefit this group. Even agencies working only with women cannot assume they have a gender sensitive programme. A case study by Ehlers and Main (1998) showed how without a clear grounding in the realities of women's lives, microenterprise support programmes targeted at women can be designed with the assumption that the entrepreneur is male.

It is important that programme design explicitly recognizes the interests and concerns of all members of the target group in order to ensure that programmes are effective and that all clients benefit. In the microenterprise sector, women comprise a substantial proportion of microentrepreneurs, making women likely members of many client groups and a gender perspective vital to programme success. Without this perspective, interventions are likely to support the interests of a generic group of microentrepreneurs which do not mesh with those of the diverse women or men within the sector. As long as microenterprise service providers do not orient their programmes to women's needs, women specific programmes remain necessary (The European Observatory for SMEs 1996). As the gender awareness of service providers and programmes improves, the need for separate women's programmes will decrease somewhat, but there is still likely to be a need for women specific programmes in the foreseeable future.

1.3 Structure of the paper

The purpose of this paper is to examine entrepreneurship support programmes in the developed country context in order to develop recommendations regarding their replicability in supporting women's entrepreneurship in developing countries. These support programmes are developed to address various constraints operating on both female and male MSE owners. For this reason, chapter 2 discusses these constraints, drawing out those factors affecting all entrepreneurs as well as those affecting women more intensely or exclusively. Chapter 3 focuses on entrepreneurship promotion strategies, discussing the characteristics of a successful microenterprise, the performance criteria used to evaluate good practice, and the various methodologies used to deliver MSE support services. Chapter 4 reviews the good practice programmes selected and discusses their gender sensitivity and replicability. Chapter 5 will examine the various types of organizations involved in entrepreneurship promotion, including their roles, interactions and gender sensitivity, while chapter 6 concludes with recommendations regarding replication in developing countries and how to ensure the gender sensitivity of entrepreneurship promotion strategies.

Key Learning Points from Chapter 1

- The MSE sector is perceived as central to economic growth and job creation. Numbers representing its size and contribution to the economy in many developed nations justify interventions in support of the sector's growth.
- There is some academic debate regarding the employment potential of MSEs due to the difficulty in clearly establishing causation between entrepreneurship and employment growth. Often it is the large number of MSEs which result in the large number of jobs created in the sector, and not each MSE's hiring capacity.
- Numbers of women in the MSE sector and their potential contribution to the economy represent an efficiency rationale for supporting women's entrepreneurship.
- These same numbers and the potential for household welfare improvements through women's entrepreneurship represent a welfare rationale for investing in women's MSE support programmes.
- Another rationale for supporting women's entrepreneurship is its potential social and economic empowerment effects.
- Attention must be given to how women are included in MSE support programmes. Differences in needs and experiences between women and men, and among women, must be accounted for if women are to benefit.

2. CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

In many regions, the extent to which economic growth, poverty alleviation and empowerment are achieved through the microenterprise sector is limited by various constraints on entrepreneurship development. These constraints often affect both women and men, though women tend to be affected more intensely. This is because of society's perceptions of women, the roles and responsibilities assigned to women by society, and the unequal power relations between women and men (Carr, Chen et al. 1996). MSE support programmes are designed to alleviate the effects of these constraints and improve the ability of MSEs to be successful. Studies have shown that MSEs in developed and developing countries are affected by similar constraints, though to different extents (Levitsky 1996). This chapter will review the various constraints influencing microenterprises, focusing on the developed country context. Due to this developed country focus, gender exclusive constraints will be only briefly discussed. These constraints result from societal norms that are institutionalized at the macro level and affect only women due to the perceived gender differences (Carr, Chen et al. 1996). A wider range of these constraints operates in the developing country context compared to the developed country context.

Constraints affecting MSEs in general, but women more intensively include: access to financing, information, productive resources and markets; levels of skills and knowledge; relevance of education and experience; effects of market saturation; and compliance costs. Small-scale entrepreneurs often have difficulty gaining access to credit (Dawson 1997; Koper 1993; Spalter-Roth, Soto et al. 1994; Mayoux 1995; Van Der Wees and Romijn 1995; Weidemann 1995; Carter and Kolvereid 1998; Mahot 1998; OECD 1998b; ILO 1999). In some cases this is due to the smaller loans requested by women which are not profitable for formal financial institutions to deliver. In other situations banks may not have enough information about clients, making them unwilling to lend money due to the perceived risk involved. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to use household assets as collateral, the small amounts of credit requested and negative perceptions of female entrepreneurs by loan officers (World Bank 1989; Weidemann 1995; Carr, Chen et al. 1996; OECD 1998b). When women do have access to credit it is often for small amounts, whether this suits their needs or not. Differential access to credit based on gender differences is debated in the literature on microenterprise development, with studies in Australia and Canada finding little difference between women and men in availability of financing (Fischer 1992; Low 1998). When a gender difference is found it is often accounted for not by the sex of the recipient alone, but by differences in sector and amount of loan requested (The European Observatory for SMEs 1996). However, as sector choice tends to be limited by gender, one could say any differential access based on this motive is indirectly caused by gender perceptions.

Information is another resource that small enterprises have difficulty accessing (Downing 1990; Spalter-Roth, Soto et al. 1994; OECD 1998b; ILO 1999). The information can be about markets, suppliers, export opportunities etc. Large enterprises often have greater power, time and resources to both access information for themselves and limit others' access to it. Information can be obtained through informal networks, as well as through membership in organizations such as trade guilds, associations and unions. Female compared to male MSE owners may have greater difficulty in accessing information because of

difficulties in attending events due to their dual work roles and the resulting time constraints (The European Observatory for SMEs 1996; OECD 1998b; ILO 1999).

Small-scale entrepreneurs often lack access to modern equipment which could improve their productivity (Dawson 1997; Mayoux 1995; Van Der Wees and Romijn 1995; Levitsky 1996). This may be due in part to other constraints, such as those on financing and information. Access to markets for both final goods and inputs is another problem for some MSEs, again due in part to a lack of information (Downing 1990; Mayoux 1995; Levitsky 1996; OECD 1998b; Loucks 1999). The market power of large enterprises may close MSEs out of certain markets. To the extent women are less informed than men and more isolated, they will be more constrained in accessing markets.

A lack of relevant skills and knowledge constrains the growth potential of microenterprises (Mayoux 1995; Levitsky 1996; The European Observatory for SMEs 1996; Loucks 1999). This is compounded by deficiencies in basic education. Women tend to be less likely to have had education and experience relevant to starting and managing a business and thus have less potential for success (Downing 1990; Fischer 1992; Koper 1993; Spalter-Roth, Soto et al. 1994; Carter and Kolvereid 1998). Gaining relevant skills and knowledge also can be more difficult for women since their double work burden and childcare responsibilities make them less able to attend formal and informal training than men.

Market saturation is a major problem for MSEs related to a lack of access to higher value markets and a lack of innovation (Dawson 1997; MacIsaac 1996). Many entrepreneurs, particularly women, are located in low value markets where there are few barriers to entry. The sectors tend to be crowded because of these low barriers. This leads to saturated markets and little room for growth. Without innovation through new product development and access to higher value markets, the potential for success for MSEs in these sectors is low.

The final constraint general to the MSE sector is compliance costs (OECD 1998a). These costs relate to the time and money involved in learning about and meeting government regulations, and the cost of meeting informal penalty costs from things such as favours requested by government officials. While these costs also affect large enterprises, they tend to have smaller effects due to the larger scale of the enterprises, their greater bargaining power and better access to information.

Constraints affecting only women MSE owners within the developed country context include gender roles and responsibilities, occupational segregation and internal constraints. Women's more demanding role in the family relative to men's affects their entrepreneurial ability by reducing the time, energy and concentration levels women can apply to their market work (MacIsaac 1996; Employment NOW Community Initiative 1998; ILO 1999). Women may have lower earnings and productivity levels since the amount of time they have available for market work will be limited by the time necessary to care for the family. Their concentration while working may be reduced if there are multiple distractions, leading to a further reduction in productivity and earnings. Responsibility for household welfare also may make women more risk averse, while societal perceptions of women's gender roles influence their treatment when they step outside of the perceived boundaries of these roles, limiting their access to the resources required for successful entrepreneurship (Downing 1990; The European Observatory for SMEs 1996; Mahot 1998; ILO 1999).

Traditions regarding what work is appropriate for women result in a gendered division of labour in productive work that limits the potential that women have to be successful (Downing 1990; Van Der Wees and Romijn 1995; Weidemann 1995; ILO 1999). Often the activities most readily available to women are those most similar to their domestic tasks. This similarity between the productive and reproductive work women do tends to make their productive work undervalued.

Finally, women tend to face internal constraints resulting from their gender role socialization. Women often lack self-confidence and those personality traits important to entrepreneurialism such as assertiveness, ambition and vision (Fischer 1992; Koper 1993; Spalter-Roth, Soto et al. 1994; Mayoux 1995; The European Observatory for SMEs 1996; ILO 1999). This can make them unwilling to risk and expand their enterprises.

Many constraints influence both females and males in the MSE sector. One must recognize however, that entrepreneurs, whether male or female, are not homogeneous. Therefore not all will face the same constraints or need the same support services. As we will see, this will influence the structure of support agencies and methods of service delivery.

Key Learning Points from Chapter 2

- The economic success of both female and male MSE owners of the same class is constrained by many factors. Women may experience these constraints more intensely due to the roles and responsibilities assigned to them as women.
- Some of the more common constraints include: access to financing, information, productive resources and markets; levels of skills and knowledge; relevance of education and experience; effects of market saturation; and compliance costs.
- Women's household responsibilities and role as mothers represent a constraint affecting only women. Other constraints exclusive to women and applicable in the developed country context are occupational segregation which limits women's free choice among economic sectors, and socialization practices which often result in women having less self-confidence and assertiveness compared to men.
- The gender dimensions of these constraints and the influence of other characteristics such as race, class, etc. must be recognized in developing programmes to support women in the MSE sector.

3. PROMOTION OF MICRO AND SMALL ENTERPRISE

3.1 What is a successful MSE?

It is important to start this chapter with a discussion of the characteristics of a successful MSE because it frames the remainder of the paper. It brings out the issue of what the objectives of MSE support agencies should be, and how these determine the goals the agencies work towards. The focus will be on whether economic outcomes define a successful enterprise, or whether non-economic outcomes also are important.

The rationales for intervention to support women's entrepreneurship as discussed previously, will guide the programme design of support agencies and the objectives they work towards. Those with an efficiency focus will have economic growth through market forces as their objective. They will support MSEs that are more dynamic and be most interested in economic outcomes as indicators of a successful enterprise. The attainment of positive change in these economic indicators marks a successful intervention (Mayoux 1995). Many studies of the success of MSEs (and the larger small and medium-scale enterprises) focus only on economic outcomes such as size, growth, productivity and returns, even those comparing the success of females and males (Fischer 1992; Johnson and Storey 1993).

This singular attention to economic growth and efficiency and the reliance on the market to achieve them have been criticized by gender and development theorists on two grounds. First, the objectives tend to be reductionist in that they focus solely on economic outcomes, with no recognition of possible constraints on the growth potential of certain marginalized groups due to the effects of social and cultural norms. While those taking a gender perspective recognize the problem of low growth in women's microenterprises, they link this lower potential not to inherent characteristics of women but to an inability to compete freely in the economic sphere due to policy, market and cultural constraints (Mayoux 1995; Chen 1996). They advocate for removal of these constraints in order to improve women's productivity.

The second ground on which a market-led growth focus can be criticized is its view of the market as an unproblematic, neutral mechanism. Proponents of the market-led growth perspective state that microenterprises unable to compete within the market fail as a result of internal characteristics of the entrepreneurs, and not as a result of structural constraints located within market relations. These less successful enterprises are often those operated by individuals within marginalized groups. Feminist economists question this view of the market as free from bias. Instead, they see the market as influenced by power relations that have an asymmetrical sex, class, race, etc. dimensions (Bakker 1994; Elson 1994). There are non-market forces that define how markets operate, influencing who has access to them. These forces often reflect both resource allocations and social norms, implying that women are doubly constrained in their market access since they often have lower resource endowments than men and are often more directly affected by social norms. In order to develop appropriate interventions to address the market's 'gender failures', gender theorists advocate uncovering the power relations constructing the market and increasing women's perceptions of their rights to access. The latter can be achieved through organizing and consciousness raising, while the former may require more rigorous research examining gender relations within the economic sphere.

Proponents of a market-led growth model perceive that microenterprises can contribute to the achievement of economic growth mainly through expansion. This illustrates the approach's unidimensional conception of growth as equal to enterprise expansion. Other goals held by microentrepreneurs are not recognized.

The gender and development literature on microenterprise development disagrees with this unidimensional view and acknowledges that many entrepreneurs have goals other than expansion (Downing 1990; Baud and Bruijne 1993; MacIsaac 1996; Employment NOW Community Initiative 1998; Reddy 1998). In particular, it notes that differences in goals are often gender based, with women microentrepreneurs stating a desire for increased security, maintenance of income, a balance between professional and private life and survival, while men want to expand.

Gender and development theorists are more inclined to recognize these diverse goals due to their application of a broader conception of how to achieve growth. They recognize the importance of different roles in the household's effort to increase income, incorporating the idea of household survival strategies and interdependencies, as opposed to focusing only on individual enterprise. Chen (1996) explicitly illustrates the various components of such a growth strategy. They include using enterprise income to subsidize either another family member's search for high income work or a higher growth enterprise, and diversifying household earnings to increase stability in the face of future crises.

Finally, the efficiency rationale for intervention uses market failures as the justification to intervene in the market. Interventions in the case of failure include improving access to resources such as physical capital or information. Some gender theorists find this simplistic in that improving access to resources may not be enough as it ignores the influence of power relations in terms of actual control over resources (Kabeer 1997). Thus, direct productive assistance in regards to access to resources is seen as one aspect of a strategy promoting the success of microenterprises, but other elements are equally important. These other elements include group formation, consciousness raising and using group strength to work for structural change (Piza Lopez 1990; Mayoux 1995). To aid in this, Mayoux (1995) states that developing networks and systems of information exchange may be more important than skills training and human resource development as they will result in more mobilization potential.

The welfare rationale seeks to intervene in the MSE sector in order to alleviate poverty. While this in general is considered a positive goal, from a gender perspective one can criticize the means of its achievement as strategies tend to be reformist rather than radical. Improved distribution of productive resources such as income, education and training is advocated within current economic and social structures, maintaining the status quo as opposed to challenging it (Kabeer and Humphrey 1991). While there may be short-term positive results from a reformist strategy, these may not be sustainable if the underlying inequities in power are not addressed.

Similar to the efficiency rationale, the poverty alleviation rationale ignores power relations in the redistribution of resources, meaning that the issue of actual control over redistributed resources is not considered. Thus, it is likely that poor women will continue to be disadvantaged as the power structures supporting their disadvantage are not addressed.

The use of the state as a mechanism for achieving poverty alleviation also has the potential to be problematic from a gender perspective. The state, like the market, is not gender-neutral and even policies thought to be gender-neutral may be biased towards men. In developing intervention strategies to support the microenterprise sector's role in poverty reduction, it is important that gender relations are considered both in terms of their influence on interventions and the interventions' influence on gender relations. This will help to avoid the unintended consequences of 'gender-blind' interventions.

Both rationales have an instrumental view of gender, in that gender issues are integrated into programmes in order to achieve ends other than gender equity. Programmes are not formulated as means to improve women's status, power or quality of life, because these are not recognized development objectives in either rationale. Women are used to facilitate development aims, with no thought to how they will benefit or suffer. Non-economic outcomes are ignored, meaning that while using women's entrepreneurship to achieve quantitative economic development aims may be successful, the perception of this 'success' is often not tempered by an evaluation of non-economic outcomes related to women's status and quality of life. Factors such as changes in women's workload, their control over income, decision-making status in the household and community, level of family support, stability of income, and improvement in working conditions all need to be considered in a more holistic evaluation of a successful MSE and an effective MSE programme (Dignard and Havet 1995; Mayoux 1995; MacIsaac 1996).

Edgcomb et al (1996) perceive success as a three dimensional concept, incorporating economic development, human development and community development. This definition incorporates both economic outcomes and welfare levels. A critique of some microenterprise development programmes within the gender and development tradition is that they focus too much on equity issues and ignore the economic feasibility of the activities promoted (Buvinic 1986). This can negate any short-term improvements in women's social position, as the programmes will not be economically sustainable in the long term. Equally important are the more qualitative outcomes related to human and community development such as acquisition of skills, self-esteem, individual and family well-being (which can account for such things as workload, working conditions, isolation and family support) and community participation (Edgcomb, Klein et al. 1996).

Much of the gender and development literature on microenterprise development makes equity considerations inseparable from other development goals; women are not viewed as means to other ends (Mayoux 1995). By incorporating equity and quality of life considerations, the sought after outcomes of microenterprise development programmes are expanded beyond increasing profits and income of client enterprises to include social issues such as the increased status, quality of life, control and bargaining power of the clients (Dignard and Havet 1995; Weidemann 1995). The ILO continues to have a central role in this, linking gender equality and human rights. It mainstreams gender considerations in its work to promote an enabling policy environment for MSEs, endeavouring to ensure that policies work consistently for both female and male microentrepreneurs (ILO 1999). The ILO's focus on Decent Work² for women and men emphasizes a more holistic approach, embracing social and economic development, as well as the quantity and quality of employment opportunities.

² Report of the ILO Director-General, 1999

Figure 1: Complexities of designing programmes to support women's entrepreneurship

One type of programme recommended by some for intervening to promote women's entrepreneurship involves moving women from low-growth to high-growth sectors of the economy (Chen, 1996; Downing, 1990; Mayoux, 1995). In many cases this is not done to empower women by moving them out of traditionally female occupations, but is advocated for either the economic growth effects of utilizing women's labour more efficiently or the poverty reduction effects of increasing women's income since this income is considered essential to the welfare of families (Chen, 1996; Downing, 1990; Weidemann, 1995). Those with a gender equity rationale also support such programmes as a way to open more choices to women within the economy, increasing their confidence and income earning potential.

Dignard and Havet (1995) specifically oppose the strategy of moving women out of low growth activities. They have two main reasons why such a strategy can be inappropriate. The first is that moving women into a new activity where they have little experience or previous exposure can increase both their risk of failure, with disastrous results for household survival, and their dependence on technical assistance and outside support. It may not make for sustainable enterprises. Second, by moving women out of their traditional activities, these strategies are implicitly supporting societies' undervaluation of this work. This reflects a confusion of the value of the actual work with the value society places on it. The work itself is valuable and important to the economy and household, but is rewarded poorly (Dignard & Havet, 1995). Creating new 'women's work' may not solve the problem of low valuation if the low value is due to perceptions of the work done by women and not actual market valuation. The focus of microenterprise programmes at the policy level therefore should be on changing perceptions about this work by making it visible and valued, as well as improving understanding of the social relations defining women's work as less valuable than men's.

What this analysis leaves out, however, is the issue of the feasibility of the sectors women enter in terms of market saturation and demand. If the market is saturated and there is little scope for an increase in demand, then strategies to move women out of their traditional sectors may be appropriate. However, other strategies, such as introducing new technologies leading to the development of new products for different market niches may be just as appropriate. This illustrates the complexity of assessing client needs in the MSE sector and designing strategies to meet these needs with the greatest benefit and least risk to client survival.

3.2 Good practice criteria

Before evaluating approaches to microenterprise promotion and good practice programmes, we must first discuss how to evaluate who is doing what well. This section will examine how the selection of good practices in approaches and content was done, defining and describing criteria of performance. These criteria were used as guides in selecting approaches and programmes. However, as the purpose of this paper is not only describing good practice in women's entrepreneurship promotion in developed countries, but also involves determining what would be replicable in developing countries, more subjective criteria were also used. The subjective analysis involved an evaluation of what is *not being done* extensively in developing countries, and what programme types seem to *have the best potential* for contributing to good practice in the developing country context.

There are five performance criteria that will be used, when possible, to justify the selection of programmes as best practices. They are: outreach/scale, effectiveness, cost efficiency, impact and sustainability (Committee of Donor Agencies for Small Enterprise Development 1998; ILO 1999; McVay 1999). These criteria can be applied at various levels, including the individual enterprise and the service provider, to determine good practice at

these levels. Programmes with a market focus also may include an evaluation of market development in determining good practice at the meso level (McVay 1999).

It is important to note from the start that achieving positive results in all five criteria is very difficult as there are often trade-offs between the different criteria (Committee of Donor Agencies for Small Enterprise Development 1998; ILO 1999). For example, there can be conflict between achieving both outreach/scale and impact, since achieving impact can imply intense work with a small client base (Edgcomb, Klein et al. 1996). Also, financial sustainability and effectiveness may not be compatible, depending on the objectives of the programme. This is particularly the case when an agency's mission is more socially oriented, and client needs may be wide ranging and their ability to pay low (Loucks 1999; Tanburn 1999). In general, the set of criteria across which a programme is able to perform well will reflect its mission, client base and service delivery method. Next, each of the five criteria will be discussed, including a definition of the criterion, mention of any gender issues related to it and a list of potential indicators.

3.2.1 Outreach/scale

Outreach refers to success in the depth of services provided by an agency to its target group of clients. Is the agency able to provide its services to an adequate number of its target population? How many does it serve in absolute numbers and as a percentage of the total target population? Scale refers to the agency's ability to reach either a larger proportion of the target population, or a larger population composed of various target groups (Edgcomb, Klein et al. 1996). Indicators of performance in terms of scale and outreach will tend to be target population based, as seen in Figure 2 below.

Figure 2: Potential indicators of outreach/scale

- Cumulative numbers reached; using; benefiting
- Cumulative number of women (or other target group) reached; using; benefiting
- Women as per cent of total clients
- Number of active clients (in year, month etc.); number of active clients benefiting
- Number of women (or other target group) among active clients; number of active women benefiting
- Number of institutions providing service
- Number of service delivery points
- Number of clients per delivery point

(McVay, 1999; Edgcomb et al, 1996)

There are various issues one needs to address in determining how to measure scale. First is whether to focus only on numbers reached, or to bring in more substantive performance issues by focusing on numbers actually using or benefiting from services (McVay 1999). In either of these cases, one can count either currently active clients or cumulative clients (McVay 1999). Both may be interesting depending on the needs of the

organization in terms of monitoring performance. Number of active clients within a specific time period can evaluate how well the agency is recruiting clients from time period to time period, while cumulative clients may be better as a long-term evaluation tool. Another issue to consider is whether to include only direct beneficiaries or indirect beneficiaries such as family members or employees as well (McVay 1999). At the institutional level, some may use the number of institutions providing services as a measure of scale, while others view coverage as more essential and count the number of delivery points (McVay 1999).

In some cases, increasing scale may require a diversification of the client base (Edgcomb, Klein et al. 1996). If the current client population is of limited size, or if its

ability to pay for services makes the organization dependent on subsidies, expanding outreach to new populations with a greater ability to pay may be a good way to achieve scale and improve sustainability. This would be a type of mixed service model. Other organizational structures suited to achieving scale in terms of costs and sustainability are partnership arrangements, and organizations that include a microenterprise development programme within a broader programme focus (Edgcomb, Klein et al. 1996).

MSE support agencies must consider gender issues when thinking about outreach and scale. Achieving outreach requires strong recruitment strategies, and these should be gender-specific, especially in cases where women and men do not have access to the same information sources. Determining where women go in the community and who they trust are key to developing recruitment strategies that reach women. Agencies also should consider the impact of scaling up on meeting women's needs. Women in some target groups, such as poor women or the less educated, may require more intensive assistance. In these cases, small-scale is best for achieving impact. Often women prefer more incremental learning, in a more participatory setting, all of which can take more time and resources (Richardson and Hartshorn 1993). An agency's desire to scale up to reach a larger client base may mean less time to spend with clients, and a lower level of impact and effectiveness. Later some service delivery approaches will be discussed that may allow for both scale and impact.

3.2.2 Effectiveness

The effectiveness of an agency's service provision is central to good practice. This is because effectiveness is defined as being relevant to and meeting the needs of clients and achieving the agency's objectives (Gibson 1999; ILO 1999; Loucks 1999). Being ineffective would imply that the needs of clients would go unserved and the central purpose of MSE support programmes would not be met. While in some cases it may be true that clients do not know what services they need, it is still the role of the provider to educate clients regarding the need for certain services. This is necessary because without an understanding of the usefulness of assistance, clients will not demand it.

Central to achieving effectiveness is an understanding of clients' needs. This can be gained through ongoing needs assessments, ongoing because needs will change over time with changes in the business climate and the businesses. It is vital that needs assessments be gender sensitive, whether the programme claims to be women-specific or open to both women and men. This refers back to the discussion on why we focus on gender and entrepreneurship promotion. Women have different needs than men due to their different ascribed roles and responsibilities, and this must be recognized in designing programmes. Equally important is the recognition that women are not homogeneous, so that amongst women, just as amongst men, differences in needs also will be found. To be effective, MSE support providers must recognize and address these differences in needs.

Being effective is very important to those service providers following a market-based approach because it reflects a demand-led model, evaluated by client satisfaction levels, willingness to pay and repeat usage. This is a move away from the previous supply-led models that sought to 'sell' already designed programmes to beneficiaries who were uncertain of their desirability and worth. Such programmes were often more dependent on donor funds and not very innovative. The current interest in demand-led strategies has the potential to improve programme effectiveness and even sustainability. Distinct measures of effectiveness, because they depend on client needs and agency missions, will be particular to

context. They will centre around determining the clients' satisfaction with services, their willingness to pay for services, repeat usage, and how well the agency meets its objectives.

3.2.3 Cost efficiency

A cost efficient support agency makes good use of its funds (McVay 1999). Many organizations are more and more concerned with this in light of the large amounts of money that are being funneled to entrepreneurship support (OECD 1998a). The structure and approach taken in service provision can influence the overall costs of a service provider. Those taking a minimalist approach may tend to have lower costs compared to those offering a wider array of intensive services, while those providing services to a broader client group may be better able to reduce costs at the same time as increasing outreach (Edgcomb, Klein et al. 1996). Costs also will be affected by the mix of clients, with agencies serving a greater number of pre-start-up clients generally having higher costs (Edgcomb, Klein et al. 1996). Women may have a greater need for more intensive services, meaning serving their needs may be less cost efficient. Agencies primarily concerned with output per monetary unit spent may not be well equipped to serve women entrepreneurs. Overall, a mixed strategy of service delivery may be best in terms of keeping costs low, and outreach and impact high. This strategy will be discussed in greater detail in section 3.3.2.

Problems related to measuring cost efficiency include how to allocate costs and tying costs to outcomes. Many organizations do not have a clear strategy when it comes to allocating costs across their various programmes (McVay 1999). This is particularly true for indirect costs. In some cases, agencies do not account for costs by programme, but only across the entire agency (Edgcomb, Klein et al. 1996). This makes it very difficult to determine the performance of individual programmes, or to determine costs on a client group basis when programmes serve different client groups. The ability to examine costs by client group is important in determining the costs of serving women versus men, or different groups of women. Tying costs to actual outcomes (i.e. increases in business incosexployment etc.) is problematic in large part because attributing the outcomes to programme interventions is difficult, and because costs tend not to be tracked by programme.

Figure 3: Potential cost efficiency measures

- Direct costs / assisted MSE; by sex
- Direct + indirect costs / assisted MSE; by sex
- Direct costs / client; by sex
- Direct + indirect costs / client; by sex
- Direct costs / start-up; by sex
- Direct + indirect costs / start-up; by sex
- Cumulative programme costs / cumulative clients acquiring; using; benefiting (3 measures); all by sex
- Costs / loan; by sex (costs/loans to females)
- Costs / consultant hour
- Costs / course offered
- Costs / job created; by women & men
- Ave. # enterprises / staff; by sex of staff

(Edgcomb et al 1996; ILO 1999; Loucks 1999; McVay 1999)

A final issue related to cost efficiency is whether funds are used to reach clients that would not have otherwise been helped. Deadweight effects are common and are defined as resources that support behaviour that would have occurred anyway (OECD 1998a). For example, loans may be given to entrepreneurs who could have received a loan through the formal financial system, or start-up support may be given to a person who would have started a business even without the help. These can be termed "wasted resources" from the agency's

or donor's perspective, in that they are not going to help someone who has no other options. Deadweight effects can be especially detrimental to women, as women often would not have received the resources anyway, and frequently do not have alternative sources of assistance. The total services available to women may be reduced by deadweight effects. When possible, the cost efficiency measures summarized in Figure 3 should be adjusted for deadweight effects.

3.2.4 Sustainability

Sustainability of service delivery is a buzzword in microenterprise development, coming from the attention given to the financial sustainability of microcredit operations. Many believe it is difficult for non-credit focused service providers to achieve. However, this view is slowly changing with the increasing attention given to market-based approaches to service delivery and private sector involvement (Tanburn 1998). Sustainability is a complex concept because it can be defined in different ways and applied to both the MSE and the service provider (ILO 1999). In terms of the MSE, sustainability implies the MSE's ability to survive on its own or without other external assistance, and can also include an evaluation of the "payback" or "profitability" of the investment made in purchasing support services (McVay 1999). For the service provider, defining sustainability is more complex, with some stating it is the ability to maintain services and impact after funding ends (Loucks 1999; McVay 1999); and others defining it as the ability to maintain a continuous level of services with funds from various sources (Edgcomb, Klein et al. 1996). Thus the former focuses on independence from subsidies, while the latter does not. Another issue to consider is the level of analysis. Is one interested in sustainable service delivery or sustainable institutions (McVay 1999)? Many believe the former is more achievable than the latter. (For more detail on this see the SED Donor Committee's report and subsequent documentation on Business Development Services.)

Sustainability is closely related to costs. Therefore it too is influenced by the organization's structure, service delivery approach and culture (Edgcomb, Klein et al. 1996). The ability of an organization to generate new sources of earned income, to decrease costs through partnerships and linkages, and to solidify relations with funders are all important to achieving sustainability (Edgcomb, Klein et al. 1996). However, these may be long-term strategies, particularly the development of partnerships and linkages, requiring early investments of time and money to develop the links and ensure quality service delivery.

Figure 4: Potential measures of sustainability

At the MSE level:

- Payback period; by sex
- Survival rate; by sex

At the Service provider level: increase in

- Proportion of each programme's direct costs charged as fees
- Proportion of agency's overall costs charged as fees
- Number of new delivery partnerships
- Number of sources of earned income
- Endowments or grants
- Number of clients; by sex
- Number of replications carried out without assistance (i.e. market for that service is developing)

At the Service provider level: reduction in

- Net programme costs (per time period)/ number of clients; by sex
- Subsidies

(Tanburn 1998; McVay 1999; Loucks 1999)

Sustainability often implies a minimalist strategy of service delivery, and this can apply to specialized financial and non-financial services. As mentioned previously, poor women often need more intensive services to assist them in becoming entrepreneurs, and they do not have a great ability to pay for this level of service. Therefore, serving more needy client groups may make achieving sustainability difficult, if not impossible. Figure 4 gives a summary of potential measures of sustainability.

3.2.5 Impact

Impact is defined as the magnitude and durability of the effect of services on MSE performance and on the economic and social well-being of individuals, households and communities (Hallberg 1999; Loucks 1999). Impact in terms of economic outcomes (like increases in income, employment and turnover) and non-economic outcomes (like decreases in workload, improvements in working conditions and self esteem) is one of the most difficult performance criteria to evaluate. This is because it is hard to isolate the effects of the service from other factors in the environment (Turok 1997). For this reason some programmes measure impact in terms of proxies like numbers reached, or for microcredit programmes, repayment rates. However, focusing on such measures of impact can affect how services are provided, whether they are designed to reach the maximum number, rather than to achieve the greatest substantive impact (Turok 1997).

Determining impact can be problematic due to the long-term nature of some changes. This is particularly difficult when donors want to see change during the duration of their funding cycles. Another issue in measuring impact is accounting for displacement effects which occur when some individuals or MSEs lose out due to support given to others (OECD 1998a). Net effects must be examined when possible to account for both gains and losses in such outcomes as employment, income, start-ups and workload changes (workloads may be shifted between household members).

From a gender perspective, it is important to include both broader measures of economic outcomes and non-economic outcomes in determining impact. This is because first, women may be less likely to have growth objectives in the 'standard' economic variables, instead being more concerned with stability. Second, women may benefit equally, if not more in some contexts, from non-economic changes such as reductions in workload, improvements in confidence and decision-making status, and extensions in networking opportunities. Figure 5 gives a summary of potential impact measures.

Figure 5: Potential impact measures

- Client satisfaction with services; by sex
- Number of clients using service as intended; by sex
- Number of clients benefiting from service; by sex
- Number and per cent of clients with increases in: profits, sales, assets, employment, customers. By client subgroups as appropriate (i.e. women, poor women or men...)
- Average magnitude of changes in: profits, sales, assets, employment, customers. By client subgroups as appropriate (i.e. women, poor women or men...)
- Average changes as above, attributable to service
- Decreases in household work burdens
- Improvements in working conditions
- Stability of income over time

Some service specific impact measures include:

- New product lines developed
- Average income earned from new product lines
- New marketing channels accessed; by sex
- Average increases in sales volume; by sex
- Average reductions in input costs; by sex

(Harper 1998; ILO 1999; Loucks 1999; McVay 1999)

3.3 Methods of enterprise promotion

This section will review the various approaches an agency can choose from in designing enterprise promotion programmes. Because one agency can have multiple programmes, it also can have multiple approaches (Edgcomb, Klein et al. 1996). For example, one programme can have a subsector focus while another crosses sectors. Choice of promotional strategies will depend on the mission of the agency, the objectives of the programme and the needs of the clients (ILO 1999).

A current trend in enterprise promotion is the use of a business-like and market-based service delivery strategy (Dawson 1997; Edgcomb, Klein et al. 1996; Committee of Donor Agencies for Small Enterprise Development 1998; Hallberg 1999). This strategy bases service design on the needs and demands of clients for what services to provide, and also for where, when and how to deliver them (Dawson 1997; Committee of Donor Agencies for Small Enterprise Development 1998). It depends on private sector providers and works to develop markets for support services so that clients are willing to pay for services rendered (Dawson 1997; Hallberg 1999).

This trend can be both positive and negative for women in the MSE sector. The trend toward needs assessment is positive, particularly if it focuses beyond just what services to provide and is gender-sensitive. Because of women's gender-specific roles and responsibilities, women tend to have different needs regarding where, when and how services should be provided, needing more flexibility in timing of programmes, different content of programmes, and support at different stages of start up (European Commission 1998). With a demand-led approach these needs have a greater chance of being addressed. However, this will only occur if gender sensitivity is applied in needs assessment procedures. Without such gender-awareness, those who are already disadvantaged may benefit less in a demand-led approach because they are less willing or able to articulate their needs (European Commission 1998). Services may end up designed for those with the willingness and ability

to speak, such as the better off and men. Some of the specific approaches agencies can choose from in designing promotion strategies are discussed below.

3.3.1 Single service or integrated programmes

Microenterprise support agencies can choose to provide a single service or a group of linked services. Provision of a single service has been labeled a minimalist strategy and is often viewed as a more efficient way to deliver services as the programme is focused on one thing, and can develop the specialized knowledge and skill required to provide it well (ILO 1999). However, most practitioners and theorists in this field recognize that it is hardly ever only one constraint that limits the success of new or experienced MSE owners. Providing credit or training alone often is not enough to meet the needs of male or female entrepreneurs. This may be more true for women, who face the standard constraints, plus gender-specific constraints.

Integrated strategies were developed to address the multiple constraints facing many entrepreneurs. They combine multiple services within one programme. Often these programmes start with entrepreneurship development, then provide services such as financing, technical assistance and business planning (OECD 1998b). These strategies require a broad base of knowledge about the various services provided and can be expensive. The minimalist strategy is perceived as better in terms of sustainability and cost efficiency. Integrated strategies can be more effective and may have greater impact. A review of the various types of services that programmes can offer is in Appendix 1. It defines each service, and lists general issues about their provision, as well as relevant gender issues.

3.3.2 Mixed strategies and partnerships

Mixed strategies and partnerships are two innovative methods of providing services. A mixed strategy is a type of integrated service delivery model. Instead of focusing on providing multiple services to one client group, it seeks to diversify the client base, offering different types or intensities of services to different groups (Edgcomb, Klein et al. 1996). This allows for the mixing of long-term intensive and short-term minimalist service delivery, facilitating outreach, impact and programme sustainability. Minimalist information services or short-term courses can be delivered to a more 'advanced' client group, often for a fee; while more intensive, costly services are delivered to those requiring more assistance, such as low-income groups at the start-up stage. This combination of high and low cost services and the increased number of clients served means that costs per business or per client served tend to decrease with the use of a mixed service model. This reduction can help agencies become more sustainable as the level of outside funds needed should decrease, particularly if the full cost of minimalist services are covered by client fees. A mixed strategy of service delivery may negatively affect impact, but it does not have to do so. The above combination of minimalist and high intensity services could positively influence impact, giving two different groups the level of services they need to improve their outcomes. Careful attention to the mix of services and clients is central to balancing outreach, sustainability and impact.

Partnerships allow agencies to specialize in a single type of service, and to meet their clients' range of needs through referrals to partner agencies specialized in other services (Committee of Donor Agencies for Small Enterprise Development 1998; ILO 1999). Integrated services are delivered, but by a range of providers. This allows each agency to remain cost efficient by specializing, and still meet client needs. Those interested in

developing partnerships must recognize the high costs involved in making and maintaining linkages and ensuring quality service delivery from all providers

3.3.3 Sector-specific versus cross sector

Another design choice is whether to offer services to clients across sectors or to offer services to clients within a particular sector. Sector focused service delivery is most valid when constraints are thought to be sector-specific, and can be inappropriate when the population to be served is dispersed or the objectives of an agency include serving a particular group, i.e. women (Dawson 1997; CCIC Policy Team 1996). However, even when serving a particular group, a sector focus can be justified if that group is further segregated into certain categories, as women are. A sectoral focus allows the development of specialized knowledge of the constraints and opportunities influencing a sector, and the leveraging of effects across all the entrepreneurs within the sector (CCIC Policy Team 1996; Chen 1996). This can be accomplished through the application of subsector analysis.

A subsector is defined by a final product or a key raw material or commodity. It consists of all the enterprises linked to the product or raw material of interest, from supply to production to distribution (Haggblade and Gamser 1991; Chen 1996). Subsector analysis examines the different vertical supply channels related to the key good, focusing on both competition between the different channels and coordination within them³. It is both diagnostic and prescriptive in that it analyzes the situation within a subsector, diagnoses potential opportunities and constraints, and then goes on to prescribe interventions to either take advantage of opportunities or alleviate constraints (Chen 1989; Boomgard, Davies et al. 1991). A central assumption is that there are leverage points where interventions will bring benefits to large numbers of subsector participants, helping agencies utilizing the tool to achieve scale (Chen 1996; Boomgard, Davies et al. 1991; Haggblade and Gamser 1991).

While a sectoral approach appears to be beneficial in terms of achieving scale and outreach, and may improve efficiency and effectiveness, many programmes still maintain a cross sectoral focus. This necessitates a broad range of expertise, and in cases where this expertise is lacking, the success of interventions will be limited (Loucks 1999).

3.3.4 Centralized or decentralized

Services can be administered at the national level, or decentralized to regional or local levels. There is quite a consensus that decentralized delivery levels as close to the MSE owners as possible are best, enabling programmes to meet MSE needs within the local context (Levitsky 1996; Sweeney 1997; Committee of Donor Agencies for Small Enterprise Development 1998). This allows for more effective delivery as local groups are better able to determine demand and service needs. However, there are also calls for centralized coordination of service provision strategies which would improve the cohesiveness of strategies and ensure common quality standards for service provision (ILO 1998; OECD 1998a).

³ A channel describes “how goods and services flow among participants (e.g. who buys from whom), what types of relationships operate between participants, and how the whole network or system interacts” (Chen 1996: 129).

3.3.5 Gender-neutral or women-specific

The argument for a women-specific strategy of entrepreneurship promotion was presented in the introduction. However, some caveats will be discussed here, in terms of how and why a gender-neutral approach may be appropriate. While a women-specific approach may be better theoretically in ensuring that women's needs are met, in reality women-targeted programmes may – like other programmes - lack the capacity to develop women's business and entrepreneurship skills (ILO 1999). While women-specific programmes tend to be better at improving women's personal development, this is not enough to assist women in becoming entrepreneurs. The programmes may be more focused on income generation, may lack market feasibility and be too reliant on subsidies

Women-centred programmes may isolate women instead of integrating them into the mainstream economy. They also may leave the norms, practices and institutions of small business development unchallenged from a gender perspective and unchanged (Kabeer 1995). For these reasons, gender mainstreamed programmes may be better in some circumstances, with these circumstances being an awareness of the differential constraints on women, and the treatment of women, not men, as the group around which programmes are designed (Eigen 1992). However, this is a very infrequent occurrence, and as long as general microenterprise promotion programmes do not recognize women's needs, women-targeted assistance may be best. In the end it is difficult to make a generalization favouring either women-specific or gender-mainstreamed programmes as context will play a major role in determining which approach will do the most for women (Kabeer 1995). It would be preferable for gender mainstreamed programmes to be supported or complemented by women-specific programmes and positive actions where necessary.

3.3.6 Income generation or entrepreneurship development

There are two different foci of microenterprise development strategies targeted at women, one being income generation and the other entrepreneurship promotion. They both have different rationales and often very different outcomes. Income generation strategies are influenced by a welfare, or poverty alleviation, rationale (Mayoux 1995). They seek to draw women into income earning work due to the positive benefits for families and the poverty reduction potential of women's economic activity. Their central focus is on women making money, either as individuals or groups (Kraus-Harper 1992). Often they lack a market focus, promoting the production of low quality products, using women's traditional skills, for which there is no or very low demand (Mayoux 1995). The programmes may succeed in the short-term in increasing women's income, but they do not often produce sustainable enterprises, or become sustainable themselves. They tend to be paternalistic, with the women involved making few decisions and gaining little independence or self-esteem from participation.

Entrepreneurship development has an economic rationale and seeks to develop women into entrepreneurs – independent actors in the economic sphere, ready to find business opportunities, marshal resources and manage a business (Kraus-Harper 1992; OECD 1998b). Efficiency is often the guiding principle, centring around a desire to use women's labour to the best economic advantage. However, if programmes are designed in a gender-aware manner, incorporating personal development, awareness raising and a keen sense of women's needs and constraints, their ends also could have empowerment potential. The focus of this paper is on promoting gender-aware entrepreneurship development which has

the potential for developing sustainable MSEs through demand-led, marketd-based approaches.

3.3.7 Other design factors

Other issues that enter into programme design are whether to focus on: a) MSEs only or all enterprises regardless of size; b) start-ups, expansions or both, and c) providing services to individuals or groups. In terms of size-based criteria, from a gender perspective it is important to remember that gender constraints affect women regardless of the size of their enterprise. The magnitude of the effects may differ by women's class, race, education or income levels, but they still have a role. For this reason, it may be appropriate for some agencies to target all women-owned enterprises, particularly those agencies working to influence policy and increase the visibility of women's contribution to the economy. For those providing services to business owners, it may be better to maintain a focus on MSEs so as to limit the breadth of services requested. However, it may also be good to allow for a mix of clients within the MSE category in order to improve the chances of achieving scale and sustainability.

The services provided, the objectives of the agency and the method of service delivery will all influence programme choices regarding how to focus services. Those following a mixed strategy may be more inclined to serve both start-up and expanding enterprises, while agencies focused on helping women become independent of public assistance may focus on start-ups. Providing credit and training may best be done through group provision, while consultancies and mentoring call for an individual approach. Thus, context and mission will play a large role in many of the design decisions discussed above. From a gender perspective, providing some services in a group format may be beneficial in providing an opportunity to share experiences and build networks.

Key Learning Points from Chapter 3

- The rationale directing the actions of an MSE support agency will define what a successful MSE is, i.e. the outcomes of interest. An efficiency rationale will be oriented towards economic growth outcomes; a welfare rationale toward poverty reduction and an empowerment rationale toward equality and justice outcomes. The first two rationales tend to work with women entrepreneurs as instruments to other ends, while the latter seeks to empower women for their own benefit.
- There are five areas of performance important in evaluating MSE support programme success. They are: outreach/scale, effectiveness, cost efficiency, sustainability and impact. Often it will be impossible for an agency to achieve high performance in all five areas as modes of achieving some of them are contradictory.
- Outreach refers to the success of an agency in reaching its target population with its services. Scale means the agency is able to reach a wider target population, or more of its original population. Some only refer to numbers reached when evaluating scale, while others incorporate more substantive elements such as numbers actually using or benefiting from the services. Disaggregating data by gender is necessary in tracking a programme's success in reaching women.
- Effectiveness is the ability of an agency to meet its clients' needs and their own objectives. It is central to good practice. Gender-sensitive needs assessments are vital to understanding client needs.
- To be cost efficient, an agency must use its funds to achieve the greatest impact for the lowest cost. Cost efficiency will be influenced by the structure and approach used in providing services.
- Sustainability can be applied to MSEs – their survival rates – and MSE support agencies and their individual programmes. Service providers can be sustainable if they are able to sustain their services and impact after funding ends (financial self-sufficiency), or if they can maintain service levels with financial support from a range of sources. Sustainability levels are influenced by an agency's culture, structure and service delivery method.
- Programme impact is the size and duration of the effect of services on MSE performance and on the well-being of MSE owners and their families. Impacts are hard to monitor as it can be difficult to isolate the effects of services from other environmental factors. For this reason impacts are often proxied by numbers using services, thus missing how effectively services perform. Non-economic impacts tend to be ignored in monitoring performance. This can be especially misleading when evaluating the performance of programmes supporting women's entrepreneurship.
- In designing programmes, agencies have a wide range of choices to make. These include: offering a single service or integrated services; targeting clients at a range of entrepreneurial abilities and business sizes; entering into partnerships to provide services; offering sector-specific or cross-sectoral programmes; decentralizing service provision, and targeting only women or all entrepreneurs. These decisions will influence general performance, as well as how effectively programmes reach women.

4. PROGRAMMES PROMOTING MSEs IN DEVELOPED COUNTRIES

This chapter reviews entrepreneurship promotion programmes in developed countries that can be considered good practices in terms of both programme content and performance. Programme content is important in this case because the focus is not on good practice in a general sense, but on practices that can be replicated in the developing country context. Thus an attempt has been made to select programmes offering services not frequently found in developing countries, particularly in support of women's entrepreneurship. The programmes selected do not only focus on women; many also include men. Their gender sensitivity will be discussed as part of the programme review.

This chapter looks at the programmes by substantive areas. Each programme's objectives, target population, method of implementation, actors/partners or linkages and outcomes to date will be described when information is available. The programme's selection will be justified in terms of performance criteria and replicability in the developing country context. The gender-awareness of its operations also will be discussed as will lessons learned. The substantive areas selected include: methodology of service delivery, sector-specific programmes, incubators, focusing on girls, mentoring, access to information, information technology and general business training.

4.1 Methodologies of Service Delivery

This section assesses three methodologies of service delivery: the use of partnerships, the use of mixed service models and incorporating volunteers into service provision. The programmes to be reviewed are Self Employment Development Initiatives (SEDI), Institute for Social and Economic Development (ISED), Women Venture (WV) and SCORE, the Service Corps of Retired Executives. Methodologies are included as good practices because of their strong influence on many of the performance criteria. While the quality of the programmes reaching clients is central to good practice, how they are delivered also is important. The programmes reviewed in this section will suggest some methods that can complement quality programme content in the achievement of good practice.

4.1.1 Self-employment Development Initiative (SEDI) (see bibliography on Self Employment Development Initiative)

Established in 1993, SEDI operates in Toronto, Canada and is funded by Human Resources Development Canada. The goal of its Self-employment Assistance Programme (SEA) is to provide income support, business skills development and business counselling services to unemployed people in Toronto, helping them to start businesses and become self-sufficient. SEDI's role is not in direct service provision. It is a coordinator, subcontracting out service provision to community-based delivery agents. It utilizes a partnership model of service delivery, allowing local providers, trusted by community members, to carry out the work. SEDI's role as coordinator of services includes: establishing a framework for delivery procedures; contracting with delivery agents; ensuring the quality of delivery through monitoring; collecting and recording statistics on participant characteristics and outcomes; maintaining budgetary and fiscal control; facilitating cooperation among programme providers, and encouraging and supporting programme innovations. The services provided to clients by local agents follow four phases. The first is registration and orientation, with the

orientation serving as a first screening tool where clients are selected for movement on to phase two. The second phase is self-assessment and selection where clients judge their suitability for self-employment and assess the feasibility of their business idea. This phase involves counselling and seminars, and selection for phase three is competitive. Phase three starts the SEA programme and involves self-employment development by means of practical skills-based instruction in groups and individually. Network building and seminars also are part of phase three. The end result is the client's business plan, completion of which allows graduation to phase four. The final phase provides technical support and follow-up business counselling during start-up and business development. This phase lasts ten months.

Figure 6 gives data on SEDI's operations for the four-year cumulative period for which data are available, plus for its fourth year of operation. Outreach appears to be good due to the partnership model, with SEDI reaching a substantial number of clients over its first four years of operation. The average clients per year is 518, with about 43 per cent of them women. Outreach to women is slowly improving, with women composing 45 per cent of clients in the fourth year. Even more impressive is the high percentage of clients starting businesses. This can serve as one indicator of effectiveness as the goal of the programme was to move unemployed people into self-employment.

Figure 6: SEDI Outcomes 1993-97 and 1996-97

	# clients assisted	# completing plans	# start-ups	Gross revenues	Gross rev/ client	Gross rev/ start-up	Women's participation	Program costs	Costs / client
1993-97	2074	2016 (97%)	1800 (87%)	\$36.4 million	17,530	20,200	873 (43%)	\$10.6 million	5,109
1996-97	668	647 (98%)	588 (88%)	\$13 million	19,440	22,160	301 (45%)	\$3.3 million	4,967

The information on start-ups and completions of business plans does not disaggregate clients by sex. This shows a lack of gender sensitivity in monitoring outcomes. Survival rates would be an additional indicator of effectiveness and MSE sustainability. However they are not available. The high rates of start-up reflect the competitive process of entry into the programme, ensuring that only those serious about starting a business and having the required skills are accepted. Average gross revenues per client, generated in businesses started by programme graduates, were \$17,530 and the per capita cost of the programme was \$5,109. Neither of these numbers is disaggregated by client group. SEDI reported that programme costs came in under their budget, implying that SEDI is institutionally sustainable in so far as it is able to meet programme costs with a diverse base of funds. This does not mean it is independent of donor funds.

SEDI compared its performance in year four to its previous three-year averages (these averages are not given). Data for year four show improvement in equity participation with a five per cent increase over the three-year average participation rate by women, and a two per cent increase over the four-year average given in Figure 6. Demand for SEDI's services in year four increased by 24.6 per cent over year three numbers, with 668 participants involved in year four. Programme costs per client decreased 4 per cent over the three-year average, while average revenues per client and average revenues per start-up increased 17 and 15 per cent respectively.

In terms of gender sensitivity, this programme does not appear to make a special effort to ensure services are delivered by the subcontractors in a manner meeting women's needs, nor are outcomes disaggregated by sex. However, some concern about reaching women is evident, with a priority for year five being higher participation by minority groups, as well as by women. Some of the methods used match those preferred by women, including adult learning methods and follow-up training. There is no mention of the sex of trainers, and the competitive selection process may exclude some women whose business ideas do not match the 'norm' and thus are not understood by the service providers. However, SEDI has started a new programme focused on capacity building for organizations working in the area of self-employment for low-income women and the training of women for enterprise development. The organization of the client training is not very different from that in the SEA programme, but it is delivered by women in women's organizations. This could increase the comfort level of women clients and consequently the amount they learn from the programme. Organizations involved in the project, approximately four each year over three years, receive two months of training prior to starting a training programme for clients. Their training includes organizational development/diversity training, business development skills, mentoring and money management. While client training is in process, the organizations attend monthly support meetings covering topics relevant to their stage in the client programme. In recognition of the more structural issues influencing the participation in such programmes by women and women's organizations, policy work is also a part of the overall programme designed by SEDI. This shows some awareness of both the practical and strategic levels at which gender constraints work, at least in the context on MSE development.

The main reason for selecting this programme was its partnership model of service delivery, though its new women-specific programme is also interesting. The delivery strategy has played a large role in SEDI's ability to reach a large number of clients and to maintain costs at a reasonable level. In terms of outreach, cost efficiency and institutional sustainability, it has made a successful start in its first four years. Given the rate of business start-ups, one can also say that the programme has been effective, though no information is available on the needs of the participants. Demand has increased over time, giving evidence of client support for the programme. Impact appears good, based on the average gross revenues generated by the clients in their new businesses. Some of this impact can be directly related to the programme, while some will be related to individual capabilities. Overall, the method of service delivery is replicable in other contexts, as long as quality local service providers are available and the over-seeing agency has time and personnel to select, train and monitor these groups. The costs of using this strategy will be much higher if a lot of time and money have to be invested in capacity building for service providers. This is being done for the women-focused programme, but no data are available to compare its costs to the SEA programme.

Lessons Learned from SEDI:

- Partnership models of service delivery have potential to reach large numbers with good impact and effectiveness.
- Success and cost efficiency of partnership models depend on availability of quality local service providers.
- Over-seeing agencies have great responsibility in selecting, training and monitoring local level providers. Attention must be given to gender disaggregated reporting and monitoring the provider's gender sensitivity.
- Competitive selection processes may exclude women whose business ideas do not match the 'norm', or who do not have the 'standard' persona of an entrepreneur.
- Partnership models are applicable to women-specific programmes, such as SEDI's new Developing Enterprising Women's Initiatives (DEWI) project. Its capacity building component is important for supporting agencies targeting women's entrepreneurship.

4.1.2 Institute for Social and Economic Development (ISED)

(see bibliographical references on ISED; Edgcomb, Klein et al. 1996; Severens and Kays 1997)

ISED was established in 1988 and serves clients in the state of Iowa in the United States. Its target population is low-income people, welfare recipients and economically distressed communities in Iowa; women business owners are also a specific target group. Its objectives are to create new jobs by supporting the growth and expansion of microenterprises and to help low-income Iowans to achieve self-sufficiency through self-employment. ISED was selected for its mixed service approach and its strong partnership with local banks. Its loan guarantee programme also will be mentioned.

ISED offers a range of services including training and technical assistance, access to credit, rural business development and community business networks. All programme clients take part in the training and technical assistance programmes and it is in this area that the mixed service model comes into play. ISED offers both intensive, long-term assistance to those needing the most help, and a minimalist, short-term form of assistance to more 'advanced' entrepreneurs. This dual model was started in 1992-93. It allows for greater outreach at lower costs, without jeopardizing the impact of the intensive training. Outcomes from a review of ten years of ISED's operation (1988-98) are given in Figure 7. Figure 8 gives results for 1992, 1993 and 1994.

Figure 7: ISED Outcomes, 1988-1998

	Aggregated numbers	Low income client group	Welfare recipients	Female client group	Minorities
1. Clients trained	4,830	3,663 (76%)	1,714 (35%)	3,069 (64%)	811 (19%)
2. Businesses started or expanded	1,018	874 (86%)	430 (67%)	685 (67%)	156 (15%)
3. Clients starting or expanding business	1,116	-	456 (41%)	704 (63%)	167 (15%)
4. Clients starting bus.	793 (71%)	-	388 (49%)	517 (65%)	125 (16%)
5. Clients expanding bus.	201 (18%)	-	54 (27%)	116 (58%)	36 (18%)
6. Clients strengthening businesses	122 (11%)	-	14 (11%)	71 (58%)	6 (5%)

Figure 8: ISED Outcomes 1992, 1993, 1994

Outcome (all costs in US dollars)	1992	1993	1994
Total costs	787,598	876,246	822,834
Number of clients	535	1,131	978
Number of clients with existing businesses	29	59	66
Number of clients starting business	111	175	237
Cost/ business	5,626	3,745	2,716
Cost/ client	1,472	775	841
Earned income/operating expenses	0.125	0.114	0.068
Public sector funds/ total operating budget	0.885	0.898	0.929

Over the ten-year period, ISED served on average 483 clients per year with its training programme. Smaller numbers of clients went on to start, expand or strengthen a business each year (row 3). The total number of clients doing so is disaggregated by the action taken, in rows four through six. ISED's training outreach figure is good in light of the programme's ability to reach low-income and female clients who generally require more intensive services. Over half of the clients were female and over three-quarters were low-income. This illustrates ISED's effectiveness in meeting its objective of serving female and low-income community members.

The aggregated figures in Figure 7 obscure the increase in clients served after the introduction of the mixed service model in 1992-93. This increase is visible in Figure 8 where the number of clients increased substantially from 1992 to 1993. There was a decrease from 1993 to 1994, though the figure remains well above the numbers prior to the introduction of the mixed service model. Thus, in terms of outreach and scale, the mixed service delivery strategy has had positive results. There is no data available indicating specific numbers of females served over this time period. However, women composed 65 per cent of clients served in 1996. This is similar to the figures for the ten-year period from 1988-98.

Cost efficiency also appears positively affected by the mixed strategy, with ISED's cost per participant and per business decreasing after introducing the mixed model. This is because more clients and businesses are served with a less expensive minimalist type of service. Cost per client increased slightly from 1993 to 1994, though it remained well below 1992 levels. ISED's self-sustainability is poor, as evidenced by its lack of effort to cover its costs through programme income. It is very dependent on public funds. This dependence is not necessary for a mixed service model. Often the more 'advanced' microentrepreneurs are able to cover the costs of the minimalist services provided, making this aspect of the programme independent of subsidies. The agency appears to have strong relations with local and national donors. This implies that its institutional sustainability in terms of continuing services based on a diverse funding base is strong.

ISED's intensive business development programme appears to be effective in terms of start-ups and survival rates, though its outreach is low. Start-ups by various categories are given in Figure 7 and show that 71 per cent of clients served started businesses and 18 per cent expanded. Women made up well over half of these numbers, implying an ability to serve their needs successfully. The survival rate of all businesses assisted by ISED since 1988 is 63 per cent, while for low-income entrepreneurs the rate is 61 per cent. These

numbers are quite high, particularly for the low-income group which tends to require more intensive assistance.

ISED also offers an access to capital programme which does not directly provide credit, but develops partnerships within the formal credit community, giving clients direct access to banks. This decreases the costs involved in running the programme. The programme has a three-level approach to ensuring access to capital. First, it develops strong relations with commercial banks in Iowa, establishing arrangements whereby the banks will set aside micro loan funds (approximately \$50,000-100,000) for ISED clients, and will give priority to credit requests from ISED clients with an ISED-approved business plan. Second, ISED works closely with locally and nationally sponsored loan programmes to ensure that its clients have access to the funds. Third, ISED has developed a loan guarantee programme to reduce the high risk often associated with lending to microentrepreneurs. It secures up to 50 per cent of a loan in cases when additional security is necessary for a bank to grant the loan, with a maximum security value of \$10,000. In all cases ISED works with clients to develop a business plan, assisting them through the process of applying for a loan. These preparation costs are the only costs involved in its access to credit programme. They must be covered by donor funds or other sources of income as there is no loan portfolio out of which to generate income to cover programme costs. Outcomes of this programme for 1992, 1993 and 1994 are given in Figure 9; they are not disaggregated by sex.

Figure 9: ISED credit programme outcomes 1992, 1993, 1994

Outcome	1992	1993	1994
# of loans made	22	35	41
Dollar value of loans made	113,151	326,777	303,603
Cost/loan	4,227	2,922	2,577
Operational costs / \$ lent	0.82	0.30	0.20
Average loan size	5,143	9,336	7,404

ISED's credit programme is quite small in terms of numbers served. The average size of loans is rather large, compared to other programmes serving MSEs. Costs per loan and operation costs per dollar lent decreased substantially, though there is no information given to explain this. Overall, ISED has helped borrowers access over \$5,700,000 in financing in the ten-year period of its operation, with the amount of its loan guarantee fund obligated totaling \$195,803.

ISED appears to have some level of gender-awareness in that women are a distinct target group and it is involved in operating the Iowa Women's Enterprise Center, a state representative of the Small Business Administration's (SBA) Office of Women's Business Ownership (OWBO). These centres offer business assistance to women entrepreneurs (see section 3.4.6). ISED also focuses on self-esteem building, often a necessity for women in their transition to entrepreneurship. However, it does not always disaggregate data by sex, or offer childcare or other support services, provision of which would illustrate a recognition of some of the practical constraints influencing women and their participation in entrepreneurship promotion programmes.

For agencies in developing countries, the mixed service model and partnership programme in accessing credit are replicable. They are particularly important to agencies interested in cost efficiency, outreach and programme sustainability. Servicing a mix of low-income and moderate income women can help the service provider reach a wider target group

at a lower cost per client, while maintaining impact for the lower income group. The lower costs per participant may make sustainability more achievable, particularly sustainability defined as ability to offer services long-term supported by a mix of funding sources. The level of outside funds required would be reduced due to lower costs per participant and the ability of moderate income clients to pay for services. Interactions between the clients also could help both groups, providing role models for low-income women and potential sources of employees for moderate income business owners. Replication of the financing programme at ISED also could help women entrepreneurs graduate to the formal banking system. This is often a goal of microcredit programmes in developing countries, but success in achieving it has been limited. The success of the loan programme's replication would be limited by the willingness of banks to set aside funds for micro loans to women. A loan guarantee programme could assist with this, but attention must be given to the problems of deadweight and displacement effects which often affect loan guarantee programmes.

Lessons learned from ISED:

- A mixed service model can help agencies reach larger numbers of clients from different target groups. This can help women entrepreneurs from different backgrounds to establish wider networks.
- This model involves offering both minimalist, low cost services to one group and more intense, high cost services to another group. Offering both levels of services means impact can be maintained for more needy target groups, including women.
- Programme costs per client and per business decreased substantially with the introduction of a mixed service model.
- Partnership programmes with local banks, coupled with a loan guarantee programme can help microentrepreneurs graduate to the formal financial sector.

4.1.3 Women Venture (WV)

(see bibliographical references Edgcomb, Klein et al. 1996; Severens and Kays 1997)

Women Venture was started in 1984 in St. Paul, Minnesota and incorporates entrepreneurship promotion programmes within wider strategies supporting women's employment and economic development. Its mission is to foster entrepreneurial spirit and support economic self-sufficiency through the growth of self-employment opportunities in northeastern Minnesota. It targets low-income and minority women, though WV will serve anyone interested, including men and clients from a range of income groups. Women are the primary clients, composing 85 per cent of the clients served in 1995.

Women Venture was selected as a best practice due to its introduction of a mixed service strategy in 1993. Through this strategy WV offers two tracks of services, one with intensive training, technical assistance and individual lending, and one with minimalist services including short courses in specific subject areas. As in the case of ISED, this mixed strategy influences outreach, cost efficiency, impact and sustainability. The mixed method allows WV to achieve both outreach and impact, with the minimalist services increasing the number of clients reached and the intensive services keeping impact high for those needing more assistance.

Figure 10: WV outcomes 1992, 1993, 1994

Outcome (all costs in US dollars)	1992	1993	1994
Total costs	514,635	472,649	470,697
Number of clients, intensive	161	477	246
Number of clients, minimalist	0	999	1,035
Number of intensive clients starting business	52	50	52
Cost/ business	10,091	4,873	4,903
Cost/ client	3,196	991	1,913
Earned income/operating expenses	0.075	0.131	0.184
Public sector funds/ total operating budget	0.67	0.59	0.71

With the establishment of the dual tracks, total programme costs decreased from \$514,635 in 1992 to \$470,697 in 1994. A decrease in costs is also evident in the costs per client and per assisted business in 1992-1993. These figures illustrate how larger numbers can be served at a lower cost with a mixed service strategy. WV increased outreach from 1992 to 1993 due to increases in the intensive programme clients and the start of the minimalist programme. Client numbers in the minimalist programme increased in 1994, though those entering the intensive programme decreased. The number entering the latter programme was again smaller (113) in 1996. Client numbers in the intensive programme decreased, while costs per client and per business increased from 1993 to 1994 due to a new requirement placed on WV by its principal state funder. This requirement necessitated that more intensive services be offered, limiting the numbers that could be reached due to the higher costs involved.

WV has made strides towards sustainability, with earned income accounting for 18.4 per cent of operating costs. This compares favourably to six other programmes reviewed by the Self-Employment Learning Project (Edgcomb, Klein et al 1996), where this figure for 1994 ranged from 6.8 per cent to 43.2 per cent. The average figure was 18 per cent, and with the one extreme figure of 43.2 per cent removed (it is based on an organization generating large sums from consulting services), the average figure is 13.7 per cent. Part of WV's good performance is due to charging fees for services. While most programmes are free to low-income clients, those able to pay were charged \$225 for training in 1996, and a sliding amount ranging from \$15-60 for consulting assistance. Thus, noncredit-programme contributions to earned income amounted to 56.6 per cent in 1994.

Evaluating effectiveness and impact is harder to do. The available data show that out of the 2,917 total clients assisted from 1992-94, all received technical assistance. Only 154 clients started businesses and 51 expanded. Assuming that the minimalist clients already had MSEs, this means that of the 884 intensive clients, 17.4 per cent started businesses and 5.8 per cent expanded. Overall the number of start-ups appears low; perhaps the clients enter the programme with little knowledge of what starting a business entails. Providing more information about entrepreneurship at the start of the programme may help to decrease the number of clients who take the programme and end up not starting enterprises. The numbers receiving technical assistance through the minimalist strategy are high, and they started high. This implies that a need is being met through the short courses. Reports on client evaluations of the short courses would increase our understanding of the minimalist programme's impact.

WV's focus on women relevant support services for women leads it to have a stronger gender-awareness. This is illustrated by the childcare and transport assistance offered by the agency. Self-esteem building and peer support groups are also part of the services provided.

However, there is not enough information about the training programme content or learning process to determine if they incorporate women's needs.

This method of service delivery is replicable as long as there are women from various income groups and stages of business development demanding support services, and willing to make a payment for the services received. It is important to recognize that many of the constraints on women's entrepreneurship affect women across income groups. Thus, promoting women's entrepreneurship does not mean only focusing on poor women. Short-term growth and employment potential may be greater for businesses developed by non-poor women. If these businesses hire poor women, the focus on a diverse client group could pay off through their increased ability to offer poor women employment opportunities (which many poor women would prefer to self-employment). The components of the programmes included in a mixed strategy can vary, meeting the needs of context and clients. This makes it a flexible approach to women's MSE support.

Lessons Learned from WV:

- Lower cost service delivery is possible through a mixed service model. Cost per client and cost per business served both decreased with the introduction of the mixed service model, supporting the ISED evidence.
- Offering short courses to more 'advanced' entrepreneurs seemed to meet a need in the female entrepreneur community. Large numbers were willing to pay for the services from the start of the programme.
- WV's stronger gender focus resulted in more non-business services being offered, including transport and childcare.
- Donor requirements can directly affect outreach and costs. Whether this is positive or negative will depend on context and how well the requirements match clients needs.

4.1.4 Service Corps of Retired Executives - SCORE
(see bibliographical reference on SCORE)

It is a non-profit association established in 1964, made up of approximately 12,400 volunteer business counsellors throughout the United States, distributed amongst 389 chapters. It is a resource partner with the U.S. Small Business Administration. Its purpose is to support the education of entrepreneurs and the formation, growth and success of SMEs nationwide. This is accomplished through the provision of counselling, mentors, workshops and seminars at chapters located across the U.S. Decentralized service delivery allows the sessions to be well matched with needs in the local client community. Services are provided in person or via email, and are offered free of charge or at very low costs. SCORE volunteers may be retired or currently working business owners or managers. They have real world experience to bring to counselling sessions, mentoring relationships and workshops. They all receive specialized training in counselling and training to add to their business experience. Topics covered in counselling and workshops include writing business plans, cash flow management and assessing financial needs.

Throughout its history, SCORE has served almost 4 million clients with counselling. In 1998, more than one million volunteer hours were donated, more than 350,000 entrepreneurs were assisted with counselling and workshops, and more than 5,000 workshops were conducted nationwide. These numbers show the outreach potential of a decentralized

programme and that there is a demand for the services offered, giving the impression that the programme is effective.

The use of volunteers can help agencies expand outreach at low cost, since a larger staff allows more services to reach a larger client group. Programmes do not have to be fully staffed by volunteers, as in the case of SCORE. A number of agencies use volunteers in some cases, and paid staff in others. Often one-on-one services are provided by volunteers, as these services can be expensive when offered by consultants. Therefore, using volunteers can increase cost efficiency as well as outreach. Institutional sustainability of a programme using volunteers may be hard to maintain as it will depend on the supply of volunteers available, and services may have to be cut if volunteers are not available. Outreach will also be constrained by the number of volunteers willing to give their time. Achieving effectiveness, impact and MSE sustainability through the use of volunteers in service provision depends on the quality of the volunteers. Just looking for large numbers of volunteers in order to achieve greater outreach may result in ineffective services with little impact on MSE sustainability and growth. Care must be taken to train volunteers and to not be afraid to turn away those who do not have the necessary skills. The service is not being provided for the volunteers, but for the agency's clients. So, the good of the clients must always be at the forefront.

The SCORE programme information has made no effort to discuss gender, whether of volunteers or clients. The numbers given are not disaggregated between women and men so there is no information about relative usage by both sexes, or the gender balance among volunteers. Workshops and seminars appear to be on general business skills, with no reference to the different needs of female and male entrepreneurs.

The replicability of the use of volunteers as service providers in developing countries will be constrained by the supply of experienced people available to provide the services, and their willingness to volunteer. This may particularly limit the supply of female volunteers, as women are more recent entrants to the business sector, and due to multiple work burdens may not have the time or energy to volunteer. In some cultures more emphasis is placed on giving than in others. In addition, in many cultures women – even retired women – play important roles in extended families, and there may be little time or energy left for volunteering. This method of service delivery will not be operational in those cultures where volunteering is not valued or practicable. However, where it is feasible it has the potential to offer female entrepreneurs individualized, quality services at low cost if interactions are well monitored and structured around women's various needs.

Lessons Learned from SCORE:

- The use of volunteers can increase outreach and cost efficiency. Larger numbers of staff, composed fully or partially of volunteers, can reach more clients and to the extent volunteers are used, at a lower cost.
- Impact and effectiveness of using volunteers depends on the quality of the volunteers. They must be carefully trained and interactions with clients should be monitored. Gender training should be a requisite part of the training offered.
- Using quality volunteers may improve the ability of support programmes to offer individualized services. These services tend to have a greater impact and are more effective.
- Finding female volunteers may be challenging. It is necessary to make the effort so female entrepreneurs are comfortable using the services offered.
- Replicability will depend on availability of quality volunteers and a cultural context supporting

4.2 Sector-specific programmes

Choosing to focus on a particular sector or group of sectors can limit the extent of specialized knowledge required by programme staff. This can increase the programme's effectiveness and efficiency. The use of subsector analysis is common in developing country contexts. It helps programmes leverage the benefits of interventions across a wide range of clients by finding points within a sector's operations where a single intervention will have the greatest impact. The sector is the unit of intervention. The sector-specific programmes included in this paper are somewhat different in that they do not focus on the sector as the unit of intervention. Instead interventions focus on clients within particular sectors. The programmes involve training designed to suit the needs of a specific sector. This increases clients' access to specialized knowledge and information which better enables them to start up and develop businesses within highly competitive or new sectors. Two programmes will be reviewed under this topic, CRASFORM in Italy and the West Midlands Clothing Business Start Up Project in England. The latter is discussed in Appendix one as a detailed case study.

4.2.1 Crasform

(see bibliography on European Union b; Employment NOW Community Initiative 1998; European Commission 1998)

Crasform is part of the European Union's Employment NOW Initiative. NOW stands for New Opportunities for Women, and the initiative's aim is to decrease unemployment among women and increase opportunities for women already in the labour force. About half of the NOW projects focus on promoting women's entrepreneurship in recognition of the growth of women's self-employment in Europe. The projects focus on various stages of enterprise development including pre-start-up, start-up and post start-up. Programmes are to have a bottom up approach to developing innovative means of supporting women entrepreneurs. Each programme is partnered with others across the European Union, adding a transnational focus which has the potential to foster networks and shared learning. While the programmes focus on women, this is only for the test phase. The end objective is to integrate best practice into mainstream entrepreneurship development programmes (Employment NOW Community Initiative 1998; European Commission 1998).

Crasform is the Rome-based promoter of a start-up support programme called Parita Occupazione Ecologia (Equality, Employment and Ecology). Its objectives are to promote

women's self-employment within the field of environmentally friendly renovation and rehabilitation of buildings. This is a new and growing market sector in many regions due to increasing interest in urban renewal and historic preservation. The programme is targeted at two groups of women - the first group is women with formal qualifications as architects or engineers, and the second is women without such qualifications who can be trained in building maintenance skills with an ecological focus. In total it aims to open opportunities for 105 women.

The programme components for the women architects and engineers include training in ecological aspects of design, renovation techniques and energy saving technology to supplement their other knowledge. Training in new information technologies necessary for management is also part of the programme. Often these women are pushed into office work or teaching due to gender segregation in their field of training. Therefore, Crasform aims to move women into a new market within the sector, one that has yet to be labelled 'male'.

Women without formal qualifications are trained in various vocational skills related to building, including plumbing, painting, decorating and wiring. They also receive training in the use of information technology for management. The final aim for both groups is the establishment of small enterprises, though the businesses established by both groups would take different forms. The architects and engineers are supported in starting businesses in ecological building and construction work. The market foci of the new businesses are different across the regions of Italy based on careful market analysis. In some cases it may be urban renewal while in others it may involve renovating homes or building new ones. The second group of women are supported in starting microenterprises providing services to building companies, with the particular purpose of serving the needs of the businesses started by the first group.

The entire project is multi-regional so the potential for geographic coverage is good. Crasform is the Rome-based promoter, leading one to assume that each region has a local partner. This should increase the relevance of the project to the local participants' needs. Impact should be positively affected by the use of regional market analysis to help ensure the businesses meet a local demand. This should improve the survival of the building businesses and thus support the service provider businesses as well, since contracts in the former will provide work for the latter. There is no information on the costs involved, so cost efficiency cannot be discussed. Institutional sustainability hinges on the continuation of European Union funding and the ability to charge for the training.

Programme information refers to Crasform as a pioneer in women-specific training. While there is no information describing training content or process, one could assume that training is gender-aware based on this label. The willingness of the programme to move women into a new sector within a male-dominated industry shows an awareness of the need to move women into fields where income earning potential is high. The focus on women of two different skill levels with the purpose of linking them in supplier relations is quite innovative and has great potential for replication in various contexts. Structuring sectoral support programmes which take advantage of or create backward and forward linkages can help participants in that they will already have formed a network of business owners in the sector from whom to purchase inputs/services or to whom to sell final products. Their ability to support each other through business contracts can ease start up. These linkages can help when women enter new, as yet ungendered market niches or male dominated sectors. Women may need more support post-programme when entering such sectors and may have

difficulty obtaining work if societal attitudes are strongly against women in non-traditional sectors, or are resistant to women opening up new market niches. Having others from the same or partner programmes positioned in different stages of production, sales or distribution can ease women's transition into the new area. This programme is also strong in that it recognizes that the women require skills beyond the techniques specific to the ecological building field. The women will be entrepreneurs and thus also require management skills, particularly in relation to the use of information technology. This is a strong addition to the programme. Other general business skills also could be offered, perhaps not by Crasform directly but through other local business development programmes.

Lessons Learned from Crasform:

- Sector-specific programmes with clients as the unit of intervention are well suited to supporting women entrepreneurs enter new or male-dominated industries.
- Sector-specific training provides the in-depth knowledge often needed when entering new markets. General business training is also important; the two are complementary.
- The use of careful market analysis is vital to starting up in a new sector. The needs of customers must be understood so they can be met by the new MSEs.
- Structuring the programme to train women in different stages of operation within the new sector is innovative. It creates backward and forward linkages that can support start up for all programme participants and provides established networks within the sector. This is highly replicable.

4.3 Incubators

Incubators can be a key support mechanism for women's MSEs, offering common space, access to information and technical assistance, access to physical capital and office equipment. They also provide networking opportunities with others starting up businesses. Two incubator programmes will be reviewed as good practice examples, one in Italy called Incubatore Impresedonna, and one in the United States run by ACEnet.

4.3.1 Incubatore Impresedonna

(see bibliography on European Union b; Employment NOW Community Initiative 1998)

Incubatore Impresedonna is part of the Employment NOW programme. It is located in Bologna, Italy and was established in 1992; it is the first incubator in Italy focusing on women's entrepreneurship. Its purpose is to offer individual support up to and beyond the launch of an enterprise, or the development of an existing business. It is targeted at women in the start-up and development phase of entrepreneurship.

Services provided by the incubator are varied. It houses administrative and service offices, meeting rooms and space for approximately 12 new businesses. Under the first phase of the NOW project, Incubatore Impresedonna offered training and support to 41 entrepreneurs, organized as a common training programme with additional individual support and counselling. In 1997, nearly all of these original clients were still in business, with some having progressed to the growth stage. Twenty of the 41 receive continuing support from the incubator.

While the first round of the NOW programme for Incubatore Impresedonna was successful, they adjusted the programme in the second round to make it more tailored to the individual clients. To achieve this, consultants with specific skills in areas such as finance, cash flow and budgeting, marketing, production, costing and pricing were integrated into the programme. Ten women have entered the incubation stage. This includes the development of a detailed operational plan, with this process supported by the incubator. The operational plan lays out:

- the decisions the entrepreneur must make,
- deadlines for making decisions,
- the support to be provided by the incubator, and
- what staff will assist the entrepreneur.

Staff assistance is plentiful at this point. A consultant helps the client define the contents and schedule of the plan. This person also monitors progress, determines effectiveness of the actions taken, and checks whether any changes are necessary in the original plan. The client also has a personal tutor to help determine the additional support required in terms of training or capacity building. Other specialists provide support as required. Even with all of this assistance, the staff recognizes the importance of the client fully understanding and taking ownership of her operational plan. The operational planning period ends with the launch of the business. The incubation stage usually takes about two years. It involves regular reporting so project staff can monitor progress and ensure that all aspects of the business are being addressed, not just crisis areas.

After four years in operation, the incubator's individualized approach to MSE support is considered successful. The city authorities of Bologna wish to adopt the methodology used by Incubatore Impresedonna in a mainstream programme to support business creation throughout the region. Incubatore Impresedonna also will expand its operations to men under the name LIBRA.

The outreach of incubator programmes is limited by the intensity of services offered. Therefore, reaching large numbers is not a valid performance criterion for an incubator facility. Since more intensive services are thought to result in greater impacts and tailored programmes have a better ability to meet the needs of clients, the individualized nature of the programme in the second round of NOW funding should be more effective and have greater impact. There is no data from which to judge the programme's cost efficiency, but the individualized service, cost of consultants and low numbers served lead one to assume it would be an expensive service in terms of cost per client or per business started. Incubators serving a high tech clientele or those needing access to physical capital would be even more costly as they would require investment in the equipment required by clients to start up their businesses. The institutional sustainability of the programme, due to its high cost and low or non-existent revenues from clients, may not be very good. If NOW funding dries up, there is no mention of other forms of support. However, the aim of setting up another programme for men and the city's willingness to copy the methodology imply that funding is available, or that clients may be able to pay for some of the services received. The individualized treatment and potential for follow-up support increase the chances of sustainability for the MSEs started.

Assessing the gender-awareness of programme design in this case is difficult as details are not available within the programme information. The personalized support has the potential to be gender sensitive in that it is geared to each woman's needs. However, if those

providing the support do not recognize women's needs or are not open to business ideas different from the norm, the services provided may not help women realize their entrepreneurship potential.

Incubators are being developed in developing country contexts, including incubators focusing on women. Therefore, even though they may be costly to provide, the funding and demand exists to support them. They could be a key means to support women's entrepreneurship in new markets or male-dominated high value sectors by providing the protected start-up environment women may require.

Lessons Learned from Incubatore Impresedonna:

- Incubators offer an intensive, individualized mix of services at start-up and beyond. This style of service delivery makes it a key means to supporting women's entrepreneurship in new sectors.
- The effectiveness and impact of services provided should be high due to the intensity of services offered; outreach and scale will be low.
- Incubators are costly to operate due to capital, equipment and consultant requirements. Long-term funding or plans to generate income should be lined up before starting an incubator programme.
- Intensive service levels should be offered with a clear understanding that the client must understand and 'own' all aspects of the business development process. Paternalism should be avoided.

4.3.2 Appalachian Center for Economic Networks (ACEnet)

(see bibliography on PCG 2000 ; Riggle 1997; Holley 1998; ACEnet Feb 1999)

ACEnet provides an example of a sector-specific incubator, targeted at both women and men. This section will focus only on reviewing ACEnet's incubator programme. Information about the range of programmes offered by ACEnet is provided in Appendix one, where the agency is presented as a case study.

ACEnet operates in Athens, Ohio in the Appalachian mountains of the United States. Its Kitchen Incubator programme is one of a variety of programmes offered with the aim of contributing to a healthy regional economy. The Kitchen Incubator was developed in 1996 to assist specialty food firms to start up and develop, with the purpose of fostering job creation and economic growth in the specialty foods sector in Southeastern Ohio. It is aimed at individuals receiving public assistance, small-scale farmers and home-based food entrepreneurs who are involved in ACEnet's Food Ventures programme.

New and existing businesses are supported by access to a centralized production and distribution site, processing equipment and marketing assistance at affordable prices. The incubator facility consists of 10 small offices, a conference room, reception area, retail space, computer and resource centre, library, storage, loading docks, and a commercially equipped and licensed kitchen. It was started in response to the high cost of a licensed production facility, which could range between \$20-50,000. Microentrepreneurs were kept out of the industry because of this cost barrier. Providing space on a rental basis so that entrepreneurs could try out their ideas before making such an investment appears to be a sound plan.

The Kitchen Incubator is designed so that a number of more established tenants can lease space on an annual basis, providing rental income to the programme, while others at a

start-up stage can lease space on a time-share basis. Many of those renting on a time-share basis are working to take a previously home-based business to the next phase of growth. Access to the incubator facilities allows them to try their growth plans in a low risk way. Those ready to graduate to their own facilities are assisted in this venture.

The business incubation portion of the facility gives access to affordable office space and business support services. These services are offered at below market rates and are open to all area food businesses in the Food Ventures network. Combining retail space close to production is an innovative idea that allows producers to get direct feedback from customers about their products. It makes for a good test market for new product development.

Key elements of success for the Kitchen Incubator are:

- its focus on one sector,
- its encouragement of multiple businesses at different stages of growth,
- its assistance in developing networks between businesses to achieve economies of scale (more on this in the case study, Appendix one), and
- the involvement of as many local and regional organizations as possible in the design and implementation of the programme, including training provision and access to capital.

Two examples of the latter are how local banks provide loan funds to food sector borrowers and the design of customized training programmes by vocational schools and regional colleges.

In the first year it was expected that the Kitchen Incubator would lead to the creation or retention of 65 jobs and the start up of 20 firms. By 1997, there were 40 businesses selling products in the retail space and 20 have used the production facilities. Ten women welfare recipients have been assisted in the production of food products for sale, while they receive training (see the STEP programme in Appendix one, case study two). Finally, more than 100 firms have used the library or obtained technical assistance. So, in terms of outreach, approximately 130 clients and firms have been assisted at some level by the incubator facility in the first year of its operation. This is a large number for such a facility. Its outreach potential was increased through the time-share usage of the production facilities and the mixed intensity of services provided.

Effectiveness and impact are harder to evaluate due to a lack of information. The entire operation was developed in response to a constraint voiced by producers in the sector, meaning it meets their needs in a general sense. What is not known is how well the particular services offered meet specific client needs. The fact that a mix of services is offered may improve its potential effectiveness. We only have data on expected outcomes of the first year and so cannot evaluate impact in terms of outcomes. Incubators are generally a long-term support mechanism, so impacts such as survival rates once graduated from the incubator may not be known for some time.

Without information on costs per start-up, or per client, little can be said about cost efficiency. However, financial sustainability is high, with most of the services provided on a fee or rental basis. It is supported by a wide range of public and private funders as well, signalling strong institutional sustainability. The survival of the businesses created cannot yet be commented on, as data is not available. However, the other services provided by ACEnet should improve survival rates (see Appendix one).

Overall, the programme does not have a particular gender focus, though many of the clients are women. The incubator's sector of focus is one within women's traditional skills, implying that women may be drawn to it. Its intention to move into high value specialty niches means that women could be moved into higher income businesses in an industry where they have knowledge and skill. ACEnet does have one women-specific programme which incorporates the incubator. Through this programme, 10 women on public assistance made use of the facilities. There is no information about any gender sensitive aspects to the design of training or scheduling of service usage (i.e. giving women with dependent care responsibilities priority in time-share scheduling).

As mentioned above, incubators are being established in developing countries, and a model with a sectoral focus could have great potential for supporting women's entrepreneurship. The idea of supporting women in home-based production to move into the next phase of growth is quite applicable to many developing countries where women perform many of their economic activities within the home. Those who wish to expand could do so more easily and with less risk if the preliminary investment in equipment and support services was available on a rental basis, and in a space providing access to other training and technical assistance, retail contacts and networking opportunities. This would have more limited potential where women are primarily involved in trade-related activities.

Lessons Learned from ACEnet Kitchen Incubator:

- Involvement in an incubator during start-up can decrease the entrepreneur's exposure to risk, particularly in industries where start-up investments are large. To the extent women are more risk averse than men, this may inspire more women to enter into business.
- Offering space in incubators to clients at a range of development levels can help generate earned income for the agency (those at a more advanced stage can pay rent for space) and can give clients networking and mentoring opportunities. The networking and mentoring opportunities are greater when the incubator has a sector focus. Since women often have less time to network outside of work hours, this could be a key element for them.
- Incubators can help women move home-based businesses into the growth phase by offering access to the production equipment that larger capacity requires. This is an important application in developing countries where many women start work from home.

4.4 Reaching girls

Many women lack the confidence and self-esteem to even consider becoming entrepreneurs, and those who become entrepreneurs often have to fight internal and external doubt in order to succeed. Much of this doubt comes from socialization processes women experience when they are girls. For this reason, a key strategy in promoting *women's* entrepreneurship is to educate *girls* so they see microentrepreneurship as a means of earning an independent income. Targeting girls for business training and confidence building can help them to discover that small business does not have to be only about survival - they can develop the skills to make a business grow. One programme which targets girls for entrepreneurship training in the United States, Australia and New Zealand is An Income of Her Own.

4.4.1 An Income of Her Own

(see bibliography on Stephen Simon Design & Multimedia)

An Income of Her Own is a programme administered by Independent Means, a U.S. based organization. It provides products and services for girls' financial independence, targeting girls of any income background and who are under twenty years of age. It offers a range of programmes and sells products such as books on girls' and women's entrepreneurship through an online store. The programmes offered are conferences, a national business plan competition, a summer camp and in-school and after-school programmes. All are designed to be interactive and experiential and to encourage the establishment of relationships between teens and adult entrepreneurs and mentors.

The conferences are whole-day programmes that link up women entrepreneurs and teen women for activities and discussions of issues related to entrepreneurship. Most teens enter without even basic economic literacy and leave energized and full of questions about what they can do to learn more. These questions lead many to Camp Start-Up, An Income of Her Own's skill building programme.

The camp is called a development lab by programme organizers. It is a summer camp offered at various locations around the United States where girls live together for about 12 days to learn about starting a business. It is directed at teenage women (13-18 years old) and courses include business and leadership skills. There are two levels of programmes, one for those new to the idea of starting a business and one for those returning to camp who want to move a business idea forward. The curriculum used at the camp is available to after school programmes and day camps.

The business skills curriculum offered to the start-up participants focuses on marketing, operations and finance, planning, research, networking and technology. Faculty include women business owners who provide examples from real world experience and serve as the start of the new entrepreneurs' networks. Girls learn to use the Internet to research business ideas or other future opportunities. They gain familiarity with business language and culture, and learn how to take an idea through to a business plan. Leadership skills included in the camp courses are self-confidence, effective team work, negotiation, business etiquette and stress management. All of these skills are developed through practice in group settings involving role-playing and games.

Those returning to the camp are given more individual attention. They are paired with mentors who help in designing projects meeting the participants' personal needs and interests. This can involve interviewing local businesswomen about their experiences, researching a business idea on the Internet, or talking with bankers about what sources of financing are available to support business ideas.

After camp ends, there is some follow-up support offered through two types of newsletters, a teen one which updates participants on programme activities and the achievements of participants across the country, and an adult one which keeps parents informed about activities and new learning materials. There is also a toll free phone number and online services available for help with information and ideas. An Income of Her Own offers a parent support packet which can help parents continue the work of the camp at home. The packet contains support materials and practical activity suggestions.

The programme goal is not that every participant starts a business. The aim is to help girls learn how to generate income and achieve equity while pursuing their dreams. The programme is offered throughout the United States, with chapters managed locally with support from the central office. The decentralized structure gives the programme good outreach potential, particularly for the short-term offerings like after school or in-school programmes. The cost of the summer camp can make it an exclusive event, though financial assistance is available.

The programme is for the most part supply driven. This could mean that effectiveness is low since programmes are designed for an anonymous group of girls. The more advanced camp programme is an exception as this offers individualized services. In any case, a demand driven programme for the start-up camp may not be appropriate. The camp offers basic knowledge and the girls may not have a firm idea of what they need to know beyond this. The decentralized nature of the school programmes allows them to be more directed at local needs. The effectiveness of these programmes will depend on the quality of administrators and there is no information on whether local programmes are monitored. There is no information related to numbers starting businesses and surviving, or on the levels of income earned. For this reason little can be said about impact. In any event, in a programme like this, impact will be difficult to monitor since outcomes may occur far into the future.

The camp programme is likely to be expensive and the fees charged support this. This cost could keep lower income girls from participating depending on the amount of financial assistance available. In-school and after school programmes are a better model for maintaining cost efficiency and allowing a wider range of girls to participate. The programmes appear institutionally sustainable in that the fees charged for the camp are substantial. Income is also raised through the sale of products.

The programmes offered by An Income of Her Own are not all directly replicable in developing countries. In particular, the camp assumes that girls have the time and freedom to leave home for an extended period, leaving behind responsibilities. This is unlikely to be possible in many developing country contexts, in some cases for cultural reasons related to women's and girls' restricted mobility. This is an issue for girls from all income groups. For girls from poor families, the ability to leave household responsibilities for such a long period may be impossible. The concept behind the programmes is very important in the developing country context however, so it is a programme that should be replicated in some form. More creativity may be necessary in terms of where to provide the courses and how to deliver them. If girls in their teen years are not in school, the in-school or after school programmes would not work. In each context it will have to be determined where girls are and how the skills and knowledge included in the above programmes can be delivered in that place, as well as what other skills are necessary for the participants. This could involve role-playing or theatre-based techniques in agricultural topics, around water sources, in courtyards and markets. For higher income girls, the school programmes and camps may be feasible.

In the developing country context, the involvement of parents will be key. An Income of Her Own did this through information packets and newsletters. In some regions parental involvement may have to start before the girls become involved. This will help in changing attitudes regarding the value of girls, and in educating families about the benefits of the programme for the girls. While demand for such programmes may exist among the girls, it may have to be developed amongst family members.

Lessons Learned from An Income of Her Own:

- It is important to educate girls about entrepreneurship as a career option. This should include basic business skills and personal development, including developing self-confidence and assertiveness needed to own a business.
- Programmes should be designed to be as inclusive as possible. Fees should be kept low and courses offered in targeted areas. School programmes will only work if a high proportion of girls attend school. This is more of a challenge for replication in developing country contexts.
- Families may need to be convinced of the importance of providing girls with business skills. Designing programmes for families, or a pre-programme element directed at household heads may improve family support.

4.5 Mentoring

Mentoring is an important form of assistance for supporting female microentrepreneurs. It has been found that women often want follow-up guidance after having had a chance to apply new skills and knowledge. Mentoring can provide this guidance and be very effective as it addresses the specific problems faced by the microentrepreneur. Mentoring before start-up can help women determine if business ownership really is the right career choice. This section reviews different aspects of mentoring programmes, drawing information from a range of programmes. The review will focus on the different methods of providing mentoring services. The performance evaluation will be a general assessment of the potential of mentoring programmes to achieve good practice in the various evaluation categories.

4.5.1 Methods of providing mentoring services

(see bibliography on Women's Enterprise Society of British Columbia April 1999, Stenstrom 1998, Employment NOW Community Initiative 1998)

The purpose of mentoring services is to provide women entrepreneurs with support and guidance and to facilitate the sharing of ideas and information to help ensure their businesses survive and grow. Many programmes also mention that mentoring can help decrease the isolation many women experience when starting up a small business. Mentoring is not a form of networking. The relationships are more personalized, long-term and involve sharing experiences and solving problems. For mentoring to help the clients, mentors must be viewed as a source of help, with the responsibility for the business firmly placed with the clients.

Mentoring services are commonly offered at an individual level, though some programmes also offer group mentoring. The Women's Enterprise Society in British Columbia (WES-BC) offers both types of mentoring services. Group mentoring involves about 20 clients and a female volunteer mentor. The group meets every two weeks and clients pay a small fee for the service. The volunteer mentors are experienced businesswomen. WES-BC's individual programme places responsibility for organizing mentoring sessions on clients. They find their own mentors, though WES-BC will help in making contact with the person and monitors the meetings for the first four months. Clients pay the mentors an hourly wage.

The other programmes offer forms of individual mentoring with more agency involvement in pairing up mentors and clients. The MELLOW programme in the European

Union is a transnational mentoring programme with a sectoral focus. It mentors students and young professionals in technical fields - often areas where there are few women. Mentoring by experienced women in the sector can encourage young women to enter the sectors, some of whom may choose entrepreneurship opportunities. Long-term contact with mentors may help those women who have chosen entrepreneurship to survive the ups and downs of starting a business in a male dominated industry. Combining mentoring with a focus on a sector with few women can be a good means of encouraging women to enter new industries. Finding female mentors may be difficult.

Mentoring can also be provided to women to help them decide whether entrepreneurship is the right choice for them. The University of Wales Lampeter offers such a mentoring programme. It targets women in the pre-start-up phase and helps women to gain a practical understanding of what is involved in operationalizing their business idea. Instead of mentoring in the traditional sense of meeting to discuss issues, this programme pairs women with established MSE owners who they observe at work for up to one week. The business owners not only show what it takes to run a business, but also discuss how they started their businesses, the successes and failures involved, and the tensions of combining work and family. One difficulty in the programme is finding appropriate partners in the same field. Sometimes this is not possible and clients are matched with someone with a similar business philosophy. Clients are brought together at the end of the week to talk about their experiences and share their learning.

These programmes highlight the varied ways mentoring programmes can be organized. Mentors can be women or men, mentoring can be done on an individual or group basis, using volunteers or paid mentors. How mentoring services are provided will influence the programme's performance in terms of cost, impact, effectiveness and sustainability. Outreach of mentoring services is unlikely to be high, except perhaps where it is provided in groups. Demand is likely to be high, but the service's supply will be constrained by the availability of mentors.

The cost of individual mentoring programmes will be high unless volunteers are used. Use of volunteers, while positive from an efficiency and effectiveness perspective, may decrease impact if the quality of mentors is low. The potential high costs of the programme (without volunteers) means that charging some type of fee would assist in achieving institutional sustainability. Supply of mentors will also affect institutional and financial sustainability, so agencies must always be alert for new sources of experienced entrepreneurs to fill this need. Assuming the use of good quality mentors, the effect of mentoring on MSE sustainability can be high, particularly individual mentoring since it is focused on problems specific to the entrepreneur and enterprise. The individual focus of mentoring services also implies that its effectiveness and potential impact are high.

Group-based mentoring should be less costly because the cost of the mentor's time is divided amongst more people. However, it will be less focused on each individual's needs and may be less effective. The benefits of group membership may outweigh the lack of individual attention and individuals may learn from others' problems.

Some of the mentoring programmes above show evidence of gender-awareness in their structure. For example, many ensure the mentor is female, which provides the client with a role model, someone who may be more likely to understand what it means to be female in the business environment. For group-based mentoring, the groups were all female,

which should increase the clients' comfort level within the group and their willingness to share problems. Mentors in this case were also female. Because the clients direct the content of the mentoring sessions in that they discuss current problems, the sessions can cover issues related to the supporting environment around the woman's business, such as where to access to childcare or how to deal with an unsupportive spouse. Scheduling of meetings between an individual client and her mentor should be able to adjust to the needs of the two women in terms of the demands of responsibilities outside the business. For group mentoring, meeting schedules should be sensitive to the multiple demands placed on women, and the times should be scheduled when least likely to interfere with other responsibilities.

Because mentoring programmes often do not require much agency input, they should not be difficult to replicate in developing countries, and it appears that the demand for such individualized attention would exist. However, identifying and recruiting potentially good mentors, as well as the programme costs, may be the constraining factors in replication in developing countries. Mentoring programmes may end up heavily dependent on donor funds, unless a mixed strategy of delivery is used and clients from a range of income categories are involved in the programme, some of whom are able to pay fees. Recruiting volunteer mentors to reduce costs faces the same quality and supply problems mentioned in section 4.1 on use of volunteers.

Lessons Learned from Mentoring:

- Mentoring can provide the follow-up contact women entrepreneurs demand. They can access assistance after trying out new ideas learned in training programmes.
- Mentoring can be offered to individuals or groups. Individual mentoring may be more effective and have greater impact as it will address problems specific to the women's businesses. Group-based mentoring can offer other benefits, such as group solidarity and the opportunity to learn from others' experiences.
- Mentoring can be an expensive service to provide. Using volunteer mentors can decrease cost, but mentor quality must be monitored. Supply of female mentors, volunteer or not, may be a problem.
- Coupling mentoring with a sectoral focus can be a good strategy to help women enter new industries.
- Use of female mentors and having women-only group mentoring programmes may increase the likelihood women will use the services.

4.6 Access to information

Information is a key resource in starting and managing a business. It is a resource to which women often have limited access due to various factors discussed previously. This section will discuss programmes working to improve women's access to business-related information, some utilizing new information technologies. The first programme type discussed will be community-based business service centers, and the second will be online business information services.

4.6.1 Community-based Business Service Centers

(see bibliography on Coastal Enterprises Inc.; Small Business Administration; Small Business Administration; Canada Business Service Centres April 1999)

This section focuses on centres in the United States and Canada, some targeted on all small-scale business owners, and others on women entrepreneurs in particular. In Canada,

Canada Business Service Centres (CBSCs) are found in each province and territory. Their objective is to improve small business start-up, survival and growth by providing business people across Canada with access to accurate, timely and relevant information and referrals. They are one-stop shops for information from all levels of government about small business start-up, growth and development. The services are available to anyone and generally are free. To ease access, the information is made available by toll free telephone, fax, in person and through the Internet. Clients receive responses to inquiries within one business day.

By telephone, clients can speak with trained business information officers who will answer questions or refer clients to service providers. Centres also use recorded answers to frequently asked questions (FAQs). An info-fax system is available 24 hours a day where clients can request documents using a touch-tone phone. The centre's web site offers a further range of information on publications, as well as information on regulations and links to other relevant sites. Clients can email questions to centre staff. The centre itself has a library collection with various directories, videos and CD-ROMS made available for client research.

Small Business Development Centers (SBDCs) in the United States are similar to CBSC's in Canada. Services are provided by decentralized offices across the country with the purpose of offering a wide variety of information and guidance tailored to the needs of the local community and individual clients. Centres use paid staff and volunteers to administer services to anyone interested in starting or expanding an MSE who cannot afford the services of paid consultants. Unlike the Canadian programme, the services of SBDCs in the US are directed at lower income clients. These services include counselling, training and technical assistance. SBDCs offer more services than CBSCs, with the latter offering only information and referrals.

In addition to SBDCs, the Small Business Administration (SBA) in the United States also administers women's business centres. These centres offer information and services to women starting or expanding businesses. Centres are located in approximately two-thirds of the states and offer financial management, marketing and technical assistance services. The centres are often located within private agencies already serving the needs of women business owners. One example is Coastal Enterprises, Inc. (CEI) which is a women's business centre jointly administered by a local bank, CEI and the SBA's Office of Women's Business Ownership (OWBO). The services offered by CEI are individual consultations, networking opportunities, help in obtaining financing, workshops on key business issues and research, information and referrals.

These centres have great potential in terms of outreach, especially when information is offered through various means, such as phone, fax and Internet. The centres have the potential to be effectively used, as long as people are aware they exist. The fact that some focusing on women and their particular needs is also useful in that women may be less likely to utilize general business centres, thinking their businesses are too small, or that they would be made to feel uncomfortable because no-one would understand their problems. Using private organizations already working with women's entrepreneurship could improve the effectiveness of the women's business centres, as could greater decentralization of the general centres and women's centers to meet the needs of local women.

A study was conducted in 1990 on the impact and cost efficiency of SBDCs in the United States (Chrisman and Katrishaen 1995). It found SBDCs to be cost efficient in that the

returns to state and federal government in the form of taxes were greater than the costs of the programme. The authors also found a positive impact on sales and employment for clients of SBDCs, particularly for start-up clients. This impact was not disaggregated by sex, so there is no evidence if outcomes are the same for women and men. Women's business centres were not included in the study. However, since the services offered are similar, one could assume that the outcomes would be the same to the extent that service design and delivery were gender sensitive. SBDCs and women's business centres appear to be a good investment from both the providers' and clients' perspective. The institutional sustainability of these programmes is more doubtful, particularly in the United States where funding is determined by Congress every year. This makes year-to-year funding uncertain and variable, hindering long-term planning. The services are provided for free, so charging for services could improve institutional sustainability. This can be done using a sliding scale so as not to exclude lower income entrepreneurs.

4.6.2 Online Business Information Providers

(see bibliography on Small Business Administration; ENTERWeb June 1999; Industry Canada June 1999)

The Internet offers a new mode of information provision for entrepreneurship support agencies. Three agencies offering information in this format will be reviewed: the SBA's Women's Online Business Center (WOBC), ENTERWeb, and Industry Canada's 'strategis' site. All offer information directed at women, either as the focus of the site, or as a part of the site. The WOBC and the strategis sites are similar in that they offer information directly to clients accessing the sites. The WOBC offers information within various categories, including 'info exchange' where clients exchange information with each other; the 'marketing mall' with information and training on marketing, public relations and advertising; the 'finance centre' helps with articles on book-keeping, taxation and the like; the 'management institute' with articles on professional development, human resources and building a board of directors; and finally 'technology tower' providing information on how technology impacts on business, and updates on the latest technology. It is a one-stop shopping site for information on start-up, expansion, exporting, etc. It even offers help on transitioning from public assistance to work, meaning it is not only targeted at corporate women MSE owners.

The strategis site has a section on resources for businesswomen. It offers links to programmes in Canada, articles on issues important to MSEs and women, online bookstores, contacts for women's business assistance offices, and directories of other helpful sites. The general strategis site offers information similar to that offered by the WOBC, though not targeted at women.

ENTERWeb only offers links to other web pages, categorized within substantive areas, for example, 'women' with resources for women entrepreneurs, 'entrepreneurship', 'incubators', 'markets' and 'microfinance', among others. The sites are rated by ENTERWeb, making it a one-stop shop where information is compiled and assessed, thereby saving the entrepreneur time. Its focus is on micro, small and medium enterprise development in both developed and developing countries. It also offers a listserv discussion group on issues relevant to enterprise development around the world.

It is difficult to assess the performance of these sites, as one does not always know who is accessing them. Outreach potential is extremely high, particularly in areas with good

access to computers and the Internet. As this access increases, the potential of this form of information provision will improve. The cost of operating these sites is low. Accessing information to put on the sites is the central input, and one can involve users in this to some extent. It is the effectiveness and impact of the sites that are most difficult to assess. It is unknown to what extent the information provided is demand rather than supply driven. Some of the sites provide an email address for comments, so if the administrators are responsive to these, the effectiveness may be high. Keeping up with and offering the most recent information will also improve effectiveness, as many entrepreneurs lack the time to locate such information from the complete range of sources in which it is found. Having a centralized place to find it can be a great service.

Obviously, the community-based and online information sources directed at women have greater potential to provide information relevant to women, and in a manner with which women are comfortable. The comfort level is more relevant for the community-based offices, where female staff and the overall environment can increase the likelihood that women utilize the services. Any information that advertises the services offered - both in the community and online - must target the places where women are, or the information services will never reach women. Internet-based services and availability of phone and fax services can increase women's ability to make use of this information as they can do so from home, and at times that suit them.

Both of these forms of information provision are replicable, either through new organizations or those already serving women entrepreneurs. The information provided can be adjusted for context, and its relevance can be adjusted to the level and range of clients served by an agency. One constraint for the support agencies may be accessing the information and compiling it, especially if the government or other key agencies are not supportive of the microenterprise sector and/or women's role within it. The online information sources are replicable at this point only to the extent that client groups have access to computers and the Internet. In the not too distant future, such access will increase as public access points are developed around the world. Women entrepreneurs can be at the forefront of providing such services. The next section considers the role of information technology.

Lessons Learned from Access to Information:

- Decentralized information centres and the use of telephone, fax and online methods of service provision all increase the ability of service providers to reach clients with information services. Decentralized provision should also increase the relevance of the information provided to local women.
- Use of the telephone, fax and Internet to provide information will allow clients to access it at times that suit their schedules. This may help women have greater access as they often have to juggle multiple demands on their time. Offering information compiled from a range sources will also save clients time.
- Online networks and community business centres can offer networking opportunities. This may be especially helpful to women working from the home
- Replicability of community business centres is limited by agencies' ability to access and compile information. Online provision will be limited until there is greater and more equitable access to information technology.

4.7 Information and communications technology

(see bibliography on European Union a; European Union b; ACEnet Feb 1999)

Information and communications technology (ICT) is important to promoting women's entrepreneurship in three ways. First it is important as a method of service provision; second, as a way for entrepreneurs to reach more markets and customers, and third, as a new, growing sector for female entrepreneurs to enter. This section reviews programme information and general assessments of the future importance of this sector for entrepreneurship development.

Many agencies have started using information technology to provide MSEs with access to information. This was evident in the previous section with the online information resources. Information technology is also being used to provide distance-learning services. A German project under the European Union's ADAPT programme developed a multi-media tele-coaching system for women in MSEs. Its purpose was to provide users with certification in the design, implementation and marketing of multi-media systems. The distance learning is done through training modules on CD-ROMS, email tutorials, and two hours a day of on-the-job training. A Luxembourg ADAPT project is compiling a database of training information on different sectors of the economy, giving details of relevant courses and seminars being offered, while a Belgian Flemish project is working on establishing a transnational training network via the Internet, accessible to small and medium enterprises employing less than 200 workers.

Information technology can assist women entrepreneurs in start-up and expansion, not only through access to training materials, but also through the many contacts available through the Internet. Entrepreneurs can use the Internet to expand supplier networks and reach new customers and markets for final goods around the world. This was mentioned in the ACEnet information, where their Webmarket sells locally produced goods across the globe. Two Employment NOW projects also help women entrepreneurs utilize the Internet effectively in their businesses. The STEW project in the Netherlands uses information and communications technology (ICT) to give women an edge in the business world. STEW provides women entrepreneurs with training in the use of the Internet, electronic commerce and distance management. To make access to new forms electronic communications easier, STEW offers a tele-info-desk. The DATAWEB project in Greece trains all participants in information and communication technologies, emphasizing how important computers are to future business. After gaining basic computer skills the women then learn how to use the Internet to access market information, learn about suppliers and do their banking. Finally, Crasform also emphasized computer knowledge in their ecological building training programmes.

As well as being an important way to access information and services, information and communication technologies are a prime example of the type of products that women entrepreneurs can market. This is particularly true in the developing country context where many areas do not have access to even basic telephone services, let alone fax or Internet services. The modern economy is driven by information and knowledge, so expansion of ICT services across the globe will be a booming sector, one that is not yet biased towards either men or women. Provision of these services can be a high value entry point for women entrepreneurs. With the expanded use of cellular phones and the franchising of telecommunication services in many countries in the developing world, there are many

opportunities in this field. These opportunities are being taken up by Grameen Bank in Bangladesh, with its Grameen Village Pay Phone Service (see Barton and Bear (1999) for details).

Use of information technologies to provide services to MSEs and to support the start-up and expansion of MSEs has the elements of good practice for many reasons. First, these technologies increase outreach at very low cost and allow clients to access the materials they are directly interested in, as long as they are available. Second, through using new information technology women entrepreneurs gain skills that will be necessary in conducting business in the future. Providing support services online can help to increase women's access to the services as they can be used at the clients' convenience. This can help improve the sustainability of women's enterprises, as access to information is very important to survival. Institutional sustainability is somewhat uncertain as the development of training modules and distance learning centres could be expensive, as could the physical capital necessary to maintain the services (computers, etc.). Impact is again difficult to determine, as there have not been many reports of numbers using or outcomes of using these new modes of information and service provision.

Replicability of programmes using ICT either to deliver services or to train entrepreneurs to access what the Internet offers depends on access to computers and Internet facilities in developing countries and more particularly, women's access to these facilities. Once access is established, ICT can be used to its utmost to assist women in their entrepreneurial endeavours. However, as women often experience differential access to technology, care must be taken in how ICT technologies are provided to communities to ensure that women are not excluded. Having women entrepreneurs active in the sector as ICT providers could be a start in improving access to information, markets and sources of assistance.

Lessons Learned from Information and Communications Technology:

- Information technology is a key means of providing access to information. It can be used to expand training outreach and assist in making connections with new suppliers and markets across the globe. This can be done from the home, so women with limited mobility can derive benefit.
- Women can play a central role in providing information and communication technologies. These sectors are expanding, offering women opportunities in both developed and developing countries to start businesses offering these services.
- Attention must be given to ensuring that women are not excluded from access to new technologies. Sector specific training and incubators targeting women entrepreneurs and ICTs can facilitate women's business start-ups in the ICT sector.

4.8 General business training

Sector specific training was discussed in section 4.2 and case study one. However, the importance of skills related to the particular sector of operation should not overshadow the need for the general skills for operating a business, such as planning, accounting, costing, marketing and management. The West Midlands Project staff were aware of this need and supported its clients in taking complementary courses in general business skills. In the global business world such business skills become a necessity even for the smallest businesses. Some say that this is more the case in developed countries where the economy is more complex, as well as where individuals have less business experience prior to start-up.

However, with the increasing linkages between economies around the world, the complexity of business operations in developing countries is increasing, particularly for MSEs wanting to expand. Some microentrepreneurs may have experience since they have been working in some sort of enterprise prior to entering an entrepreneurship development programme, but they will still need training in basic business skills. They may have learned some technical skills through experience or on-the-job training, but basic business skills such as costing, record keeping and marketing may be lacking. These skills will be vital to MSE growth and expansion.

Most agencies in developed countries offering entrepreneurship support to women also provide some type of business skills training, either directly or through partnerships. Often what is offered is quite similar in content, though not always in the method of delivery.

4.8.1 Institute for Social and Economic Development (ISED)

(see bibliography on ISED)

ISED specializes in start-up training, covering all aspects of business start-up and management. Training staff are current or previous business owners who can share their experience and knowledge of what it takes to start a business. The microenterprise training programme is one of four basic services comprising ISED's microenterprise development programme. The aim of the programme is to provide low-income microentrepreneurs with the skills, knowledge and support they need to enter the business world and to achieve self-sufficiency.

The formal training programme lasts for thirteen weeks and is offered to anyone interested in starting a business. ISED designed the curriculum specifically for use with low-income clients and public assistance recipients who wish to be self-employed. ISED has been delivering this training for ten years, and in this time the curriculum has been adjusted and expanded to better target these clients and meet their needs more effectively.

The training programme starts with an orientation and early assessment of the client's business idea and personal readiness to be self-employed. Clients attend one orientation session and two assessment sessions which introduce them to the programme and ISED. These early sessions often act as screening devices, with some dropping the programme after learning more about it. ISED has four objectives for these sessions. First, clients should understand how the programme works, its expectations, time schedule and level of commitment. Second, clients should present and discuss their business idea. Third, they explore their skills, experiences, interests and abilities to see if they have the qualities needed to start a business, and fourth, clients should understand what owning a business is like - the advantages, disadvantages, risks and rewards.

To assess the feasibility of the business idea, ISED staff help in examining the idea, and they look at its viability in the market, the amount of financing that would be needed to start up, and the nature and amount of assistance required. The client – in our case the woman entrepreneur - then reviews her entrepreneurial experience, her work experience and business skills. Finally, the client and ISED staff together review the fit between the client's skills and those needed in the particular business.

In addition, ISED's trainers help each client assess her personal readiness for entrepreneurship. They review factors such as the level of interest and enthusiasm for self-

employment, personal financial management skills and credit potential, the level of self-esteem and confidence, and the extent to which the client's life situation supports entrepreneurship – the time and energy involved in starting and running a business. After the staff member and client assess personal readiness, they hold an individual interview with each client to determine if entrepreneurship is a viable option and if it is a good time in the client's life to take this step. Those who decide to pursue business ownership go on to training in business plan development.

Developing the business plan involves feasibility research to test the viability of the business idea and to determine its potential profitability. Clients receive assistance in developing a structure for the business, developing marketing and financial plans, and identifying capital and financial requirements. Client capacities are developed in marketing, business management and financial management. At the end of this course, a business plan is completed, as is a loan application if financing is necessary.

Over the programme's ten-year history, 4,830 clients enrolled in business training, 64 per cent of whom were women, and 2,616 completed training (54 per cent). This shows that 46 per cent left the programme at some stage, probably after the orientation and feasibility assessment, which act as screening tools. On average, about 480 training clients were served by ISED each year since 1988, with about 260 completing the programme. There are no sex-disaggregated figures for those completing the programme. These numbers represent reasonable outreach for a programme of this intensity. The fact that ISED has branches throughout the state of Iowa increases its ability to reach clients on a local basis. ISED has made the effort to adjust its training curriculum to meet the needs of its target clients, showing a commitment to providing relevant skills. Cost efficiency and institutional sustainability for the programme cannot be determined as cost and funding information is not available. However, the earlier discussion of ISED in section 4.1 reviews the agency's overall cost efficiency and sustainability. It is difficult to assess the impact and MSE sustainability effects of the training programme alone. However, as ISED is training-led, one can say that a large portion of the impacts of the agency as a whole come from its training and technical assistance. Thus, the impacts reviewed in section 4.1 can be applied in large part to its training programme, with the agency's post-start-up assistance programme and individual counselling programmes also contributing.

There is little information to assess the gender-awareness of training content and other support processes. The fact that 64 per cent of clients enrolling in training were women shows that women are interested in the programme. The percentage of females completing training, and the percentage of female clients over time, would be useful information to determine if women's needs are met by the programme and if the female share of clients is increasing, decreasing or stable. As timing of the courses is not given, the extent to which women's time constraints are considered cannot be determined. Also, it is not mentioned if training is participatory, though it does involve much individual attention, increasing its potential effectiveness and gender sensitivity – that is, if the trainers are gender aware and supportive. Finally, the client's life situation is an important element in determining if she is ready to take on business ownership. This can 'disqualify' many women whose life situation, because they are women, may never fully support entrepreneurship, particularly if the demands of entrepreneurship are viewed from the male perspective. Care must be taken at this stage not to assume that it is only rational "economic man" who is able to successfully run an enterprise. Many women are capable, even though they may run a business in different ways or require different support.

General business skills courses are replicable in developing countries. They may not focus on the same skills and to the same extent, but the overall idea of developing the basic business knowledge of entrepreneurs is transferable, and it is already happening (such as the ILO's Start and Improve Your Business – SIYB – programme which has been introduced in more than 80 countries). However, there is some evidence that such skills development may not reach women, particularly women operating microenterprises in the informal sector. Many of the microentrepreneurs interviewed for a study of gender differences in success among home-based garment workers lacked skills such as costing, marketing and negotiation, as well as self-esteem (author's field research). If women's entrepreneurship is to be supported with the purpose of helping women to feel capable and competent to expand their businesses, their entrepreneurial spirit needs to be developed first. This will help them to appreciate the benefits of growth and see their own potential. Often expansion is not desirable as it means losing flexibility and control - two of the central reasons, after survival, for women to become entrepreneurs. New concepts of expansion should be developed, such as entry into higher value products as opposed to just increasing output. In any event, training programmes are important in helping women to move from survival-based enterprises to those that can generate greater income and employment potential.

Lessons Learned from ISED General Business Training:

- General business skills are just as important as sector-specific knowledge in creating a successful MSE.
- Training curricula should be responsive to client needs. This will help to ensure that women's needs are met and that agencies respond to changing needs.
- Programmes should avoid external assessments of clients' personal readiness for entrepreneurship. These assessments may tend to apply a stereotypical, male concept of entrepreneurial readiness to all clients. This may exclude women.

4.8.2 Japan Small Business Corporation (JSBC)

(see bibliography on Japanese Small Business Corporation)

The JSBC has developed a three-tier training programme directed at various levels of participants in the small and medium enterprise development sector. The programme's aim is to develop the quality of human resources that support small and medium enterprises, with the purpose of supporting the growth of these enterprises. Training is provided at nine institutes across Japan, allowing the content to be designed for local needs. Training is done by university professors and business consultants.

The first tier of training is targeted at those responsible for guiding small and medium enterprise development, in particular personnel from prefectural government responsible for relevant policies. Course content includes management training in the skills and methods required for consultation on modernization and upgrading of small business management. They involve industrial, commercial and information courses over a one-year period. Technical training also is provided over a six-month period, including knowledge needed for providing technical guidance to SMEs, emphasizing practical applications of knowledge.

The second tier of training is targeted at small enterprise support agency personnel. For example personnel from Chambers of Commerce and societies of commerce and industry

would be involved at this level. Their courses consist of skills relating to small business management and the improvement of relevant management consultation skills. Two examples of courses are the management advisor training programme, lasting two months, and the federation advisor training programme, lasting one month.

The third level of training is directed at small enterprise managers. It involves management and technical training. The management training enhances general business skills, and the technical courses focus on developing technical capacities such as automation of production processes or industrial design.

The information on programme content, training process and outcomes was not detailed, making assessing performance difficult. However, the programme was selected for its multi-level structure rather than its content. This structure recognizes that government staff in charge of developing and implementing policy may need training in how to assist small and medium enterprises. If these staff members are trained in these matters, including the gender implications of entrepreneurship, it could make a contribution to the government's policy support for entrepreneurship in general, and women's entrepreneurship in particular. The emphasis on agency capacity building is also applicable to developing countries, especially for agencies wishing to support women's entrepreneurship. A key complaint against some women-specific programmes is that the agencies' staff – particularly in the public sector – lack the skills and knowledge to provide microenterprise development support. Capacity building at this level would improve their ability to support economically feasible entrepreneurship development strategies, and not just income generation projects. However, it is noted that the scale of enterprises served by the JSBC is probably larger than that of micro and small enterprises operated by women in many developing countries, as much of the support in Japan is targeted at full-time enterprise managers rather than owner-managers or individual entrepreneurs.

Lessons Learned from Japan Small Business Corporation:

- A multi-level training structure can have synergistic effects in producing support at the policy level as well as improving capacities at the organizational and individual level.
- Targeting training at local government divisions responsible for industry can increase policy attention given to issues of gender and microenterprise development if training content is gender sensitive.
- Capacity building for women's organizations working in the field of microenterprise development is important in providing them with the skills to move from income generation projects to entrepreneurship and enterprise development.

This concludes the review of programme good practices in the developed country context. The key findings of this chapter will be revisited and developed further in the concluding chapter in terms of implications for replicating these practices in developing countries and ensuring the gender-awareness of women's entrepreneurship support programmes. Chapter 5 will discuss some of the various agencies involved in supporting small business development, their gender sensitivity and the importance of networks to MSE development.

5. MSE SUPPORT ORGANIZATIONS

Many different types of organizations provide either direct or indirect support to MSEs. This chapter reviews the various types of organizations, highlighting their role in MSE promotion and their attention to gender issues. It also describes the importance of networks to women's entrepreneurship promotion.

The different organizations working with MSEs include: government agencies, NGOs, credit providers, training and technical assistance centres, research institutes and universities, professional organizations and private sector actors. Chart 1 summarizes these organizations and their roles.

There is wide consensus on the government's role as a facilitator of MSE growth rather than as a direct service provider (CCIC Policy Team 1996; Levitsky 1996; ILO 1998; Tanburn 1998; Hallberg 1999; Arzeni Dec97/Jan98). The only time the government may have a role in direct provision is in cases of market failure. Even then, the government should try to avoid direct provision as it is often not the most efficient or effective service delivery agent (Hallberg 1999).

There are various means through which the government can facilitate the development of the MSE sector. First it should ensure that the legal and fiscal framework for MSEs supports their growth and is not overly burdensome (Levitsky 1996; Arzeni Dec97/Jan98). It has a role in promoting skill training and providing basic education as well as developing local economic, physical and social infrastructure (CCIC Policy Team 1996; Levitsky 1996; Tanburn 1998; Arzeni Dec97/Jan98). The government also should work to create an enabling policy environment and to make procurement procedures open to MSEs (Tanburn 1998; Arzeni Dec97/Jan98). From a gender perspective the government should work to ensure that women have the opportunity to participate in the MSE sector to the same extent as men, recognizing the different needs of women. Government should support policies facilitating women's involvement in the economy, such as childcare provision, equal opportunity programmes, anti-discrimination legislation, and training for women in new non-traditional sectors (ILO 1998). While gaining the government's support for the MSE sector as a whole is very feasible, gaining support for women-specific measures may be more difficult.

Many NGOs at the local, national and international level work to support MSEs and women's entrepreneurship. They have become the key service providers in much development work, perceived as being closer to the people, smaller, more flexible and more cost efficient relative to government provision (Gibson 1993). Some of this description is more applicable to local NGOs rather than national or international NGOs. The latter can be just as large, bureaucratic and out of touch as government. The key for the higher level NGOs is to decentralize so as to carry out operations at the local level, with the strength of national or international support and planning behind the local actions. Decentralization also can involve developing partnerships with local NGOs rather than developing local satellites of the high level NGO. This is a good way to work with those who know the area and have the trust of the people. Local groups should be well placed to contextualize the national or international strategy so it suits clients' needs.

Many local NGOs, particularly those working with women, tend to be more gender-aware in their operations. They may have started with the purpose of supporting women, or been started by women who experienced various constraints on their success. Thus they may be more sensitive to gender differences and better able to understand the need to perform gender analyses to ensure that the diverse needs of the client group are met.

Chart 1: Type and Role of MSE Support Organizations

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

Credit providers and training/technical assistance centres may work independently to serve MSEs or may be partners with other agencies providing support to women's MSEs. Credit providers may be classified as formal, such as banks, or informal such as local area revolving loan schemes (ROSCAs) or NGO credit programmes. Their role is to provide MSEs with the capital for start-up, development or expansion. Often the relationship with formal providers is problematic due to financiers' perceptions of the risk of lending to MSEs, particularly female-owned MSEs, and the smaller size of the loans required by MSEs. These characteristics make MSE loans expensive to administer relative to the amount of loan. For this reason formal credit providers often do not work directly with MSEs, particularly very small MSEs, but work through another service provider which intermediates the financial arrangements. NGO credit programmes work directly with MSE owners, providing individual or group-based loans.

As with the formal credit institutions, training and technical assistance centres may work directly with MSE owners or through other agencies as partners, where curricula are

jointly developed and implemented. In some cases, MSE support agencies may refer clients to private training and technical assistance centres, and would have no formal relationship with the centres. It is in cases where there is some partnership arrangement between agencies supporting women's entrepreneurship and training centres that there is greatest potential for the centres to have a gender-aware curriculum. On their own, training centres may not recognize the different constraints influencing women's ability to participate and therefore may not design course content, scheduling and instruction methods to meet women's different needs.

Universities and research institutes can make various contributions to MSE development. First, they can improve policy-makers' knowledge of the MSE sector and its actors through general research. This can help to convince policy-makers of the sector's importance to the economy. Research done on women in the sector is vital for this reason. Second, they have a role in research and development in technologies to improve the productive capacity of MSEs (Levitsky 1996), and in technologies that can decrease women's household work burden. The latter seems to be an area which does not receive much attention. Finally, universities in particular can be a source of trainers and consultants, drawing from professors and graduate students. This is common in the United States where SBDCs are sometimes located on university or community college campuses.

Membership organizations are another group supporting MSE development. These can include employers' organizations, chambers of commerce, professional groups and women's groups. These organizations may provide services to members, or serve as a source of information or as a place to network. Some also have a policy advocacy role. These organizations generally are not for profit, and their aim is to serve the collective interests of their members. For this reason it is often better to have smaller organizations with a high level of commonality amongst members. Otherwise determining a collective interest would be extremely difficult (Gibson 1995). Some see this problem with chambers of commerce, which serve a range of clients in the business world, i.e. both large and small firms. Many perceive them as working only in the interests of larger firms, with the voice of MSEs drowned out. This can hurt the development of the MSE sector as chambers are viewed as a legitimate policy voice in many areas. Also, it can hurt the development of the employers' organizations or chambers of commerce as they close off an important potential source of new membership. Again, due to the wide range of members served by chambers it may be difficult for the particular interests of women business owners to be heard. However, in India, the local chambers in cities such as Ahmedabad and Bombay (Mumbai) have a women's division; the Federation of Nepalese Chambers of Commerce and Industry has a women entrepreneurs' committee, and the Employers' Federation of Pakistan has an Advisory Cell for Women.

If these divisions have power to act on their own in women's interests, this could be a good strategy. But if not, it could be another way to marginalize women in the business world.

There are many membership organizations serving women business owners, with gender being perceived as one commonality across which membership organizations can be established (Gibson 1995). They operate locally, nationally and even internationally. An international example is the World Association of Women Entrepreneurs which serves the interests of women business owners worldwide through national affiliates. It seeks to support women in developing international contacts, joint ventures and in exchanges of skills and

knowledge. One of its national affiliates is the National Association of Women Business Owners (NAWBO) in the United States, which works at the macro level to change the policy and work environment to better support women entrepreneurs. It builds alliances and networks, conducts research and advocates for women entrepreneurs (Taylor 1998). It in turn has satellites across the United States. Another is Les Femmes Chefs d'Entreprises Mondiales (FCEM), an international women's business organization comprised of national associations of women business owners from more than 35 countries.

As mentioned above, gender is perceived as a commonality able to support a membership organization. However, organizations must recognize that women are not homogeneous. They enter the business world for varying reasons and encounter different constraints as a result of their motives for starting a business, their backgrounds and life situations. Office holders of membership organizations must consider all of this so that the different voices of women entrepreneurs are heard.

Membership organizations can be positive forces for MSEs in the policy arena and in service provision. However, they can be very weak and ineffective as well. Some weaknesses include poor leadership, ineffective management and administration, lack of acceptance by and legitimacy in the government, and inadequate financing (Gibson 1995). To be successful, membership organizations need quality leaders who are not influenced by party politics, have focused and relevant missions, develop close relationships with their members, and manage diverse funding sources (Gibson 1995).

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

One important function provided by many of them is the opportunity to network with other MSE owners or with suppliers of goods and services needed by MSEs. This is a particularly important opportunity for women business owners as they often do not have the same ability to network, or the time and place to do it due to their multiple roles (The European Observatory for MSEs 1996). However, networking is very important to the success of a business, and it is identified as one of the key ways to strengthen women's enterprises as it can provide access to information, new customers and suppliers (European Commission 1998).

Often training courses provide early networking opportunities, giving 'practice time' to women before they go out to network in the wider business environment (Employment NOW Community Initiative 1998). The training courses offered by membership organizations and other service providers allow women to meet others starting businesses, as well as more established members of the business community who may serve as instructors, consultants or guest speakers in the programme. Many service providers include programmes for developing networks amongst MSEs. ACEnet did this based on its collaborative philosophy, and the influence of the success of clusters in Europe and Japan where they were developed for the potential on improving productivity outcomes. Others

support networks to decrease the isolation felt by MSE owners, and this can be especially high amongst women who have tend to work from the home. This is the case with an ISED programme called Community Business Networks. The programme brings together low-income entrepreneurs in five Iowa cities in order to build mutually beneficial relationships and exchanges. The purpose is to build their capacity and support MSE growth. Networks can be designed at different levels and with different purposes, for example, linking MSEs in productive relations (expansion stage), or linking MSE owners for the purpose of information exchange and support (all levels, especially start-up).

Networks also contribute to the knowledge and development of MSE support agencies. The Employment NOW Initiative recognized this source of learning and requires its funded agencies to have transnational partners. Often these partners share training materials and programme elements, or jointly develop them, and such collaborations can serve to disseminate best practices and promote innovation in service delivery. Use of ICTs helps to widen the geographic areas of networks, both between entrepreneurs and between MSE support agencies.

MSE service providers also expand networks by involving community members in their organizations, as trainers or guest lecturers, or to serve on boards and committees involved in decision making. Some examples of the community members involved are bankers, university professors, local government representatives, chamber of commerce officers and private sector actors. This increases the agencies' visibility in the community, as well as the visibility of the objectives they are working toward. For agencies supporting women's entrepreneurship, such community involvement can be very important in raising awareness of the relevance of gender issues amongst local development agencies and government administrations.

Key Learning Points from Chapter 5:

- Government's role in promoting MSEs should be as facilitator not provider. Means of facilitating the MSE sector include: simplifying legal and fiscal frameworks, promoting skill training and basic education, developing physical, social and economic infrastructure, and a gender sensitive policy environment.
- Local NGOs are key service providers, being smaller, less bureaucratic and closer to the people than the government; decentralizing the operations of national and international NGOs or developing partnerships can help them achieve outcomes similar to local NGOs.
- Local NGOs have greater potential to be gender aware since they are closer to their clients; this is particularly true for those targeting women.
- Universities and research institutes contribute to MSE development through provision of trainers and consultants and through direct research on the MSE sector by highlighting the sector's importance to the local, regional and national economy and can be vital to making women's contribution visible. They also can develop technologies to improve MSE productivity and reduce the time burden of women's domestic tasks.
- Membership organizations work to change policy and provide services and networks to members. They work best when they serve a clientele with common interests. Membership organizations serving women entrepreneurs must recognize that women will have many differences crossing race, class, age, education, etc.
- Networking opportunities are central to accessing information, new customers and new suppliers. Women often must work harder to find time to network due to the multiple demands on their time. This is an important skill to develop amongst women entrepreneurs.
- Networking also is important to the continuous development of MSE support organizations, offering ways to disseminate best practices and develop new materials.

6. CONCLUSION

This final chapter reviews the critical success factors supporting good practice in the promotion of women's entrepreneurship in developed countries. They are reviewed in relation to service delivery and programme elements, and highlight the key gender issues relevant to success. A checklist of questions to ask to ensure programme design and delivery are gender sensitive and supportive of women is included. The context of developing countries is considered with a discussion of the scope for replication of the good practices in this context. Finally the paper reviews key recommendations in support of women's entrepreneurship and the ILO's role, both existing and potential, in addressing these recommendations, concludes this analysis.

6.1 Critical Success Factors

6.1.1 Service delivery

This paper has mentioned various factors related to service delivery. How services are delivered is important because it affects many of the good practice performance criteria. Eleven success factors related to quality service delivery in support of women's entrepreneurship are given below.

- Constraints influencing the success of MSE owners are complex, especially for women who often face more intensive constraints than men. The range of constraints calls for a parallel range of services to address them. However, for service providers to be cost efficient and effective, providing a small selection of services may be the better strategy. This allows agencies to gain knowledge and experience about a more limited range of services, a much more feasible task than attempting to know everything about all services required by clients.
- Narrowing the range of services provided meets the needs of support agencies, but may not give clients all the services they need. Enterprise support agencies should pursue a partnership or networking strategy with other service providers in the area in order to provide the integrated services required by clients. In this way they can each specialize and then depend on referrals to other agencies to package the services demanded by clients. This strategy can decrease competition between agencies for the same clients. Partnering with an advocacy organization is important for agencies supporting women's entrepreneurship, in order to ensure that efforts to bring about structural change are part of the integrated services.
- There must be a high level of coordination for partnerships to be successful. The coordinating agency must take on responsibilities including: establishing a framework for delivery procedures, contracting with delivery agents, monitoring to ensure the quality of service delivery, collecting and recording sex-disaggregated statistics on outcomes and participants, facilitating cooperation among programme providers and encouraging and supporting programme innovations.

- A mixed strategy of service delivery can help an agency achieve good performance in conflicting outcome categories, such as outreach and impact. It does this by offering different intensities of services to clients with different needs, i.e. mixing clients and service levels. Thus, low cost, minimalist services can be provided to large numbers of experienced entrepreneurs needing focused short-term help, while intensive start-up assistance can be provided to those with greater needs. The mix of services and increased client numbers should decrease costs per client served.
- A mixed strategy can mean focusing not only on poor women but also on female entrepreneurs from other income categories. Supporting moderate income women in entrepreneurship may pay off for poor women in terms of employment opportunities. This is true to the extent the enterprises owned by moderate income women have growth and employment potential.
- There is increasing interest in a demand-led, business-like and market-based service delivery model, evaluated by client satisfaction levels, willingness to pay and repeat usage. The current interest in demand-led strategies has the potential to improve programme effectiveness and sustainability. A demand-led model means basing service design on client needs for what services to provide, where, when and how. This trend is positive as long as needs assessments are gender-sensitive.
- The need for gender-awareness in designing delivery mechanisms, as well as programmes, means that gender training should be given to agency staff as well as public officials supporting the MSE sector. The ILO has a role in promoting gender training and developing more gender training materials.
- Service provision should be decentralized so that it meets the requirements of local context and client needs. Local providers are closer to the end users, will be better able to assess demand and obtain the community's involvement and trust. These are all factors important to successful service delivery in general and for women.
- The public sector should be a facilitator of service delivery, providing support structures for decentralized delivery such as physical and social infrastructure. It should provide a supportive policy environment, including policies easing the constraints on women's participation in the economy. The ILO plays a role in advocating for a policy environment that works for women as well as men, and ILO Recommendation 189⁴ is an important vehicle for effecting such change.
- One cannot state a priori whether services specific to women, or gender-neutral service delivery is better. In most cases it will depend on context. One key factor will be whether programme designers view women or men as the common client category around whose needs services are provided. If men are perceived as the entrepreneurs around whom services are designed, then women-specific programmes would be better for meeting women's needs. Institutional capacity building for women-focused agencies and gender training for general entrepreneurship promotion agencies are two methods of improving the abilities of entrepreneurship support programmes to meet the needs of

⁴ Recommendation 189: General conditions to stimulate job creation in small and medium-sized enterprises (1998)

female entrepreneurs. The ILO already assists in designing and delivering institutional capacity building programmes.

- Agencies should use female mentors, trainers and advisors whenever possible to increase programme relevance for women and to provide role models.

6.1.2 Programme elements

This section will discuss success factors relating to what types of programmes to offer, as well as how the programmes should be designed to maximize their effectiveness. Ten points are offered below.

- Programmes should be designed for both groups and individuals. Group-based programmes give women a chance to make contacts and network and to learn from the experience of others. Some group programmes also can have empowerment potential. From individual-based programmes, women gain highly effective advice directly related to the problems they face in their enterprises.
- Programmes must be designed to meet the needs of the client group in terms of content, scheduling and length. This is particularly important for women, whose multiple roles exclude them from participation in many programmes.
- Programmes need to focus on sectors that can provide women with an adequate income, increasing the women's financial self-sufficiency. One strategy to accomplish this is moving women into higher value markets in traditional or new sectors. Agencies can design programmes around incubators and/or sector-specific training in order to support women's move into new or higher value sectors, decreasing the risk involved. A key sector to consider is information and communication technologies.
- General business training including basic business skills such as costing, marketing, accounting and negotiation is a central element of an integrated service package. A modular approach to providing training programmes is recommended, with a set of core courses, and then the opportunity to select from a set of additional courses in various substantive areas. This makes the training flexible and gives clients the independence to choose the skills on which they want to focus. The ILO's Start and Improve Your Business programme follows a modular training approach.
- Training in skills may not be enough for many women, as they lack confidence and belief in their abilities as entrepreneurs. For this reason, training programmes should include entrepreneurship development training, fostering the attitudes important to starting and managing one's own business. Women entrepreneurs should not be the only focus of business and personal development training. Reaching girls in order to encourage them to become entrepreneurs and to develop their belief in their abilities is also important.
- Many women want post-start-up support, accessible after trying out the skills learned in earlier training. Mentoring is one method of providing this support and it can be very effective as it addresses the specific problems faced by the entrepreneur. Pre-start-up mentoring can help women thinking about starting a business to determine if it really is the right career choice.

- Information technologies are central to the operation of the global economy. Exposing entrepreneurs to these technologies and training them in their business applications is very important to ensuring their success. This is very important for women, who may be more intimidated by the new technology or less able to access it.
- Providing access to information, whether through ICT or standard means, is central to supporting successful MSEs. Networks are another means of spreading information. They can supply MSE owners with contact with others like themselves, providing role models and sources of information. Information technology allows for the development of wider networks in a low cost way, facilitating contacts with other MSE owners, potential customers or suppliers.
- Designing programmes with the purpose of creating forward and backward linkages between clients is an innovative way to support women's entrepreneurship. Structuring sectoral support programmes to create linkages can help participants in forming a network of business owners within the sector from whom to purchase inputs and services, or to whom to sell final products. Their ability to support each other through business contracts can ease start-up. These linkages can help when women enter new market niches or male-dominated sectors.
- Access to credit has not been a focus of this paper, although there is a wide array of credit programmes operating in developing countries. However, it must be mentioned as a key programme element since limited access to financing is a constraint faced by many entrepreneurs, both female and male. Different methods of providing access to financing, such a loan guarantees or partnerships with formal financial institutions, can reduce the costs of providing credit to microentrepreneurs in general, and women entrepreneurs in particular.

6.1.3 Gender

Critical factors relating to the gender sensitivity of programme design and service delivery not mentioned previously are listed here. Figure 11 provides a sampling of questions to ask in evaluating the effectiveness and gender-awareness of programme design and delivery.

- Agencies must always be aware of the characteristics of their female and male clients, and the barriers affecting their economic participation when designing programmes. Thus, gender aware needs assessments are a vital tool to good service design and delivery.
- Developing a supportive environment for women's entrepreneurship is important to women's success. This includes helping women to deal with their multiple roles and involving men, families and communities (as appropriate) in women's entrepreneurship, i.e. gaining husbands' or fathers' support. It also involves providing childcare support, transport and supporting equal opportunities and anti-discrimination legislation.
- Support agencies must understand women's goals and objectives in becoming entrepreneurs and work to support those goals. Many women do not want to expand output as this could mean losing the flexibility and control that brought them to entrepreneurship. Creating innovative ways for women entrepreneurs to 'expand' or earn more income will be critical to helping them become financially self-sufficient.

Figure 11: Gender checklist in evaluating programme design and delivery

Design

- Have barriers faced by clients been identified; have client needs been identified?
- Was needs assessment done so that needs of different groups of clients (by sex, age, income, education etc.) could be determined? Were clients assumed to be heterogeneous?
- Were needs assessed not only for what services were demanded, but also for when, where and how?
- Were constraints on clients' time considered in the length and timing of programmes, and where they are offered?
- Is transport available to the programme delivery site? Is it available all day and at night? Is it safe, affordable?
- Were childcare needs assessed? How will these needs be provided for: on site delivery, referrals, vouchers?
- Is follow-up support built into the programme?
- Are networking opportunities included in programme design?
- Were possible impacts of the programme on gender relations in the household and community considered so as to address any problems related to male resistance?
- Is monitoring and evaluation included in order to ensure the quality of current services and to support learning to improve future services?
- Is personal development included in programmes in order to foster women's belief in themselves and complement the other services delivered?

Delivery

- Is service provision participatory (training in particular)?
- Is service provision based on a mix of practice and theory, with more emphasis on practice?
- Are women used when possible/appropriate to deliver services, i.e. as trainers, consultants, guest speakers, mentors?
- Are group sizes kept small so as to promote an informal atmosphere and participation?
- When possible, are both group and individual methods of service delivery used?
- Are services supportive without being paternalistic, i.e. are women given choice, is independent decision-making supported?

- Providing for both practical and strategic gender needs is central to women's economic success. While not all agencies can work at both levels, service providers should make an effort to partner with agencies which work to address deeper strategic issues through advocacy and policy change.
- Programmes should not use women as instruments to other ends. Women's success in itself should be an end to achieve for its own benefits to women. Also, both non-economic and economic outcomes should be part of an evaluation framework to determine the success of programme outcomes. Thus, changes in income levels, turnover, employment status, etc. should be coupled with reductions in women's workloads and improvements in working conditions and family welfare, thereby contributing to decent work for women. The ILO plays a central role in ensuring that non-economic outcomes are valued in relation to women's entrepreneurship. This is currently addressed by the More and Better Jobs for Women programme, as well as the Women's Entrepreneurship Development and Gender in Enterprise (WEDGE) component of the ILO's InFocus Programme on Boosting employment through small enterprise development (IFP/SEED).

6.2 Replicability

The purpose of this paper is to review practices supporting MSE development in the developed country context to determine good practices that could be replicated in supporting women's entrepreneurship in developing countries. Throughout Chapter 4 the specific replicability of the programmes under review was discussed. Some key points that influence the replicability of the good practices described in Chapter 4 are listed below.

- The practices described are only replicable to the extent that the supply of inputs necessary to the programme or its delivery are available. Thus, a limited supply of volunteers may limit the ability to pursue one-on-one services as the cost of paid providers may be too high. The availability of computers and Internet services will limit their use in training and market development, though their limited availability may signal a new sector which women can enter. Women's access to inputs also will be a factor, such as women's access to information and communications technologies (ICTs).
- The provision of gender-aware and supportive services may be limited by a lack of service providers sensitive to gender issues. Gender training for service providers would be an important and necessary first step in developing their overall service capacities.
- Women's freedom to participate in entrepreneurship programmes will differ by region. Offering certain formats of training programmes may not be possible, such as those requiring long travel and overnight stays. Therefore, context will play a large role in how services are delivered and taken up by the women entrepreneurs.
- Implementation of sector-specific training programmes will be replicable to the extent providers are able to perform market analyses to determine which sectors are up and coming, and to the extent that stable markets exist to support these analyses. The ILO has a role in promoting institutional capacity building so support agencies are able to perform the analysis required to comprehensively support women's entrepreneurship as opposed to income generation.
- Costs of certain programmes may make them less replicable in some regions where programme financing is less available, or where there are tighter sustainability requirements. Incubators and one-on-one service delivery may be most affected.
- Replicability of the partnership or network model of integrated service delivery will be limited by the availability of quality local service providers with which to develop relationships. In areas with lower institutional development this will be major impediment and would call for donor support to build institutions and their capacity. The ILO can assist in this, as fostering partnerships and networks amongst service providers is part of the entrepreneurship support strategy being adopted by the InFocus Programme, SEED.
- Utilization of the mixed model of service delivery will only be possible when there are diverse client groups demanding services and when agencies are able to see the potential of serving non-poor as well as poor women.

6.3 Recommendations

This final section will discuss recommendations not discussed previously and will continue to highlight the ILO's role in supporting women's entrepreneurship.

- Recruitment is a vital first step in women's entrepreneurship promotion. Current and potential female enterprise owners must be made aware of programmes. This requires knowing where women are in the community so information can reach them through networks they trust. The information should be attractive to women and should advertise programmes matching the assistance they need. It may be harder to recruit women into entrepreneurship in cases when women do not believe they are able to take on the challenge.
- One strategy to improve recruitment is to increase awareness within the local community regarding women's contributions to the economy. Gaining the support of local government actors and educating them about the importance of women's economic contributions could mean that they will be more likely to refer women to MSE support programmes. The ILO can play a central role in this aspect of recruitment by designing and implementing awareness campaigns targeting local representatives in charge of enterprise development.
- Entrepreneurship support strategies aiming to move women into new or male-dominated sectors must recognize the risks to women's well-being and survival involved. Agencies should design programmes which decrease this risk as much as possible. Providing intensive skill training in the new sector, one-on-one support, or incubator services all can help women make the move to higher value sectors.
- Sustainability of support programmes is an important issue. There are some types of programmes that will be easier to sustain than others, particularly those given in group format and programmes offering minimalist services. Using a mixed model, as well as partnerships arrangements, can help in achieving programme and institutional sustainability. The ILO can assist agencies in achieving sustainability by promoting the benefits of a mixed model for improving outreach, maintaining impact and decreasing costs. It also can disseminate partnership-based service delivery models and offer training materials on methods of sustaining and monitoring partnerships. Supporting networks between agencies for information and material exchanges is also an important activity for the ILO in supporting good practice in women's entrepreneurship development.
- Little is known about the different outcomes of targeting moderate-income women as opposed to low-income women for entrepreneurship support. This is an area where more research on employment generation and income creation is needed. Do enterprises started by moderate-income women survive better than those started by low-income women? Who do they hire and in what numbers? Can low-income women be trained to fit these job requirements? Evaluations of mixed service models can be a part of this research to determine the benefits of interactions between the various levels of users of an agency's services. The ILO is in an excellent position to promote such research enquiries.

- Charging for services offered is part of a market-led, business-like approach to service provision. It can have a positive effect on clients by making them perceive the agency in a business-like manner, and on service providers as they will receive feedback on programme effectiveness and demand through clients' willingness to pay. Care must be taken in setting fees as they should not be prohibitive. The ILO can assist in this by continuing to disseminate information on best practices and training guides on how to charge for services in light of the cost of inputs and what the local market can bear.
- Services must be designed to meet client needs. Gender sensitive needs assessments play a key role in this. The ILO can continue to develop appropriate training materials in these assessment methods.
- Ensuring women have access to training in the new and rapidly growing ICT sector is important to their entry into this high value sector. This should be a particular goal of ILO strategies to promote women's entrepreneurship in developed and developing nations.
- Overall it was difficult to find good quantitative evaluations of entrepreneurship support programmes. Agencies often do not have the time, money or skills to perform this function. The ILO should assist agencies in this task by developing easy-to-use management information systems for monitoring outcomes.
- The ILO has a central role to play in coupling programme actions with policy work supporting women's entrepreneurship. Programmes are designed to address practical needs such as access to financing, technology or training. They also may include the awareness raising necessary for women's empowerment. However, in order to make long-term changes in women's ability to participate freely in the economy, the socio-cultural constraints on women must be addressed. Advocacy work should be directed at policy-makers in order to raise their awareness of the important role of women in the economy, and the positive effect of economic participation on women and their families. It is as vital to the support of women's entrepreneurship as providing services directly. The ILO's tripartite structure, which brings together governments, employers and workers, as well as its international recognition, makes it well suited to this role. It must ensure that the needs of women entrepreneurs are strongly represented within its meetings.

In designing and delivering entrepreneurship support programmes for women, an awareness of the heterogeneity of the client group, the implementation of a gender-aware needs assessment, and the use of its results in programme design and delivery will go a long way to ensuring that programmes are gender sensitive. Combining gender-aware support programmes with advocacy and research related to women's contribution to the economy makes for a cohesive strategy in support of women's entrepreneurship.

Appendix 1

MSE SUPPORT SERVICES

Service	Characteristics/definition	General Issues	Gender Issues
Microcredit (Dawson 1997; Loucks 1999)	• Granting of very small loans • Generally no collateral requirement • Provided to individuals or groups • Started in developing country context	• Group loans tend to be small • Group-based lending often organized and controlled by group members • Market interest rates should be charged • Impacts may only be short-term and marginal if credit is not invested in productivity enhancing goods	• Group-based lending is said to have empowerment implications for women • Women tend to request smaller loans, but only receive small loans no matter what they request • There are non-financial impacts on women, such as time pressure for repayments, control over resources, etc.
Loan guarantee (OECD 1998a; OECD 1996)	• Another means of accessing credit • Public or private sector organization guarantees percentage of formal sector loan against default by MSE owner	• Reduces perceived risks to formal lenders associated with microlending • Gives microentrepreneurs access to formal financial sector • Delivery should be simple and transparent • Deadweight and displacement effects possible	• Deadweight effects can decrease programme outreach, reducing women's access to credit as they may have fewer alternative financing sources • May provide women with greater access to formal channels of funding
Training (ILO 1998; Committee of Donor Agencies for Small Enterprise Development 1998; Richardson and Hartshorn 1993; Easwaran 1992; Employment NOW Community Initiative 1998; European Commission 1998; Edgcomb, Klein et al 1996; OECD 1998b; The European Observatory for SMEs 1996)	• Provision of general business skills and/or skills more particular to an industry • Training programmes can include business planning, costing, financial management, marketing, sourcing inputs, etc. • Training can also cover entrepreneurship development, involving confidence building, etc.	• Programme design should include needs-based assessments involving participants, so it is demand led • Training is one of the most common business development services provided • A modular approach to training programme design is good. It offers core courses, then allows clients to select other courses suiting their needs • Potential for sustainability, depending on the (direct) contribution of training to clients' profitability.	• Women have different training needs in terms of course content, scheduling, length and delivery • Personal development should be included along with business skills so women begin to perceive themselves as MSE owners and gain confidence in their abilities • Programme designers must be aware of women's multiple roles; programmes should be scheduled when women are likely to be free • Participatory techniques and incremental learning using female instructors are good teaching models for reaching female MSE owners

Counselling/consultancy (Committee of Donor Agencies for Small Enterprise Development 1998; Tanburn 1998; OECD 1998b)	Individually based services where clients receive help on problems specific to their businesses	- One-on-one provision can be effective but expensive; volunteers can be used when possible - Clients must be comfortable with the consultants, who may be very different from themselves - If more general issues are raised during sessions, group-based services may help the client more and be more cost efficient	- Attention must be paid to hiring female consultants, avoiding a male environment and providing services sensitive to women's needs; gender training of consultants should be done - Individual attention can benefit women if consultants are open to the different needs and goals women may have
Mentoring (OECD 1997; Employment NOW Community Initiative 1998)	- Individual or group-based assistance directed at specific problems with the MSE - Based on a longer term relationship with the mentor compared to consultancies or networks	- Can be tailored to client needs and therefore can have high effectiveness and impact - Form of knowledge transfer - Can be costly in terms of mentors' time and fees - Requires careful matching of mentor and mentee, recruitment of quality mentors and constant monitoring	- Female mentors must be recruited; they should also have gender training - Mentors can serve as role models - Female mentors can help with advice on balancing work and family, childcare, etc - Group-based programmes may provide women with networking and empowerment opportunities
Information/networks (Committee of Donor Agencies for Small Enterprise Development 1998; Barton and Bear 1999)	- Information is a key resource for MSE owners; it can relate to markets, new suppliers, costs and technology - Networks are relations with others in the business community; they are one way to access information	- Many MSE owners do not recognize the need for information - Support programmes must raise awareness about the importance of information to success - Information can be provided through many means including, one-stop shops, trade fairs and the Internet - Information technology is important for accessing information and expanding networks	- Use of information technology to access information can improve women's access since these forms are available 24 hours a day - Women must first have access to information technology
Incubators (National Business Incubation Association 1999)	- Provide shared premises to help businesses in the start-up phase - Provide shared business services during incubation period	- May support a mix of clients or clients from a particular industry - Provide shared capital, reducing start-up risk and costs - Can offer management and technical assistance tailored to business's needs	- Incubators can support women's move into new, non-traditional sectors - Sharing space with others starting businesses can reduce isolation and provide networking opportunities

Marketing assistance (Barton and Bear 1999; Gibson 1999)	• This service helps microentrepreneurs access current and new markets • The markets can be for inputs or final goods, local or global • This can also help in identifying new products and new business opportunities	• New technologies and product development are one aspect of this service; they help in accessing new and/or higher value markets • Information and communications technology also have a role in accessing new markets across the globe • Support agencies can work to create more effective markets – improving transparency, access and equity; benefits can be leveraged for a large number of clients	• Markets in some cultures are ‘male spaces’. Improving market access and transparency may make women more comfortable in the economic sphere • Standardizing market operations and reducing corruption may decrease the mystery surrounding markets, increasing women’s willingness to participate
Support activities	• Some MSE support agencies provide services apart from those directly related to the MSE • The services include: childcare, transportation, personal development, and advice on how to integrate work and family and gain family support for the economic venture	• Many of the agencies offering these services target women MSE owners	• Providers recognize and respond to the different needs women have as entrepreneurs; women are not free agents able to enter the market without constraints • Some conclude that offering these services accepts society’s ascribed gender roles and doesn’t challenge them. However, they meet practical needs and are necessary until roles are changed
Advocacy	• Agencies with this focus work toward improving the opportunities available to MSE owners • Their key role is influencing policy. The ILO works in this arena to support MSE owners in general and women MSE owners; the tripartite membership structure suits an advocacy role	• Advocacy groups must be aware of the heterogeneity of their client group(s); without this awareness policy changes can be biased toward certain groups	• Many advocacy organizations focus on supporting female entrepreneurs • They work to raise the visibility of women’s economic contribution in the MSE sector and to change policy to support women’s role in the sector • Women cannot be assumed to be homogeneous; class, race, ethnicity, age, etc. all influence how women work within society

Appendix 2

CASE STUDIES

Case Study 1: West Midlands Clothing Business Start Up Project

(see bibliographical reference Kaur and Hayden 1993)

The Clothing Business Start Up Project was started in 1988 at the West Midlands Clothing Resource Centre. It is another example of a sector-specific programme, focusing on developing the skills of those interested in entering the highly competitive garment business. It was started as a pilot project in response to the increasing number of unemployed people trying to establish MSEs in the clothing sector. These microentrepreneurs determined that they needed more specialized knowledge in order to succeed, and the project was started in response to this demand. Its purpose is to maximize the employment potential of new, small clothing businesses in the West Midlands, focusing specifically on women and minority business owners in inner city areas of the West Midlands (England). The project had received three years of funding at its start, and by 1993 was a central part of the Resource Centre's work.

The programme targeted garments with a high design and quality requirement that would sell to a high value market. More specialized knowledge in clothing-related skills was necessary as compared to the needs of those entering a lower value segment of the clothing industry. MSEs were directed to this segment since it is a sector in which they can compete well. It would be difficult for small businesses to compete on price with large producers who can supply large orders at low prices to the lower value segment. MSEs must compete on style and quality.

Clients of the programme in the starting year (only year for which we have data) tended to be from two groups: younger female and male minorities with a design or craft background, or older women with domestic sewing skills. Minorities in the programme tended to be either Afro-Caribbean or South Asian. Over half of the clients (56 per cent) were on a welfare scheme or were eligible to be.

Clients were referred to the programme by their welfare scheme agency, other advisory organizations, or economic development units. Figure 1.1 gives number of clients served in 1988-89 by race and sex. Figures 1.2 and 1.3 give employment status by race, Figure 1.2 for females and Figure 1.3 for males.

Figure 1.1: Number of clients by gender and race 1988-89

	Female	Male	Total
White	56	12	68
Afro-Caribbean	54	20	74
Asian	23	29	52
Total	133	61	194

Figure 1.2: Female Employment Status, pre-programme

Status	White	Afro-Caribbean	Asian	Total	Per cent
Self-employed	12	5	2	19	14
FT Employed	6	7	2	15	11
PT Employed	10	2	3	15	11
Unemployed	28	40	16	84	63
Total	56	54	23	133	100

Figure 1.3: Male Employment Status, pre-programme

Status	White	Afro-Caribbean	Asian	Total	Per cent
Self-employed	4	2	6	12	20
FT Employed	2	3	8	13	21
PT Employed	0	0	1	1	2
Unemployed	6	15	14	35	57
Total	12	20	29	61	100

The Start Up Project offers a range of advice and training from the basics of where to source fabric, to more advanced technical information regarding machinery and import/export regulations. Some of the issues addressed by the programme include:

- actual desire to be self-employed, and in the clothing business in particular;
- the sort of business to start: manufacturing, design, production or retail;
- price ranges;
- assessment of the viability of the business idea.

Close interaction with the clients led to a keen knowledge of the areas where further training was desired, and courses were designed to meet these needs. Figure 1.4 illustrates the various needs the training was designed around. The courses developed in the first year were focused on marketing, design, sketching, sewing machines, threads, costing, calculating mark-ups, and leasing/licensing regulations. Each course had 12 people or less, maintaining an informal atmosphere that supported participation. The course was tailored to address client needs and was gender-supportive in that it took account of the personal circumstances and experiences of women entering business. How this was done was not explained. A childcare allowance was made available to participants. In total 94 clients used the intensive training courses in the first year.

Figure 1.4: Needs of the trainees

Finance

- Accessing finance and approaching banks, overcoming problem of collateral
- Costing garments and calculating profit margins
- Business planning

Marketing

- How to sell and market a range of garments
- How to prepare mail order catalogues and organize party plans
- Provision of names and addresses of buying offices of chain stores, department stores and export buying houses
- Trade journals for information on trends in styles, colors, shapes, designs and fabrics
- Information about exhibitions relevant to their business ideas

Technical information/production management

- Contacts of wholesale fabric suppliers (local and national), and prices of fabrics. List companies willing to sell in small quantities
- Contacts for sewing machine suppliers. Information on different types of sewing machines, needles, threads; access to use of expensive industrial sewing machines
- Contacts for suppliers of trimmings, buttons, zips etc.
- Information on where to have patterns made from original designs or have patterns graded into different sizes
- Training courses offered in skills such as pattern drafting and grading, sewing machine use

Network and resources

- Drop-in or phone advice to complement and follow on structured training programmes
- Library resources
- Development of a network to provide contacts with similar and related businesses

Partnerships played a role in the success of this venture in that the Resource Centre in which the Start Up Project was housed provided many of the trainers and guest lecturers used in the training programme. Also, many participants were enrolled in other training programmes concurrently with this one. In particular, 94 clients (48 per cent) were taking locally offered general business skills courses and 24 (12 per cent) were involved in craft skills courses. These are strong complements to the knowledge they received in the clothing-specific courses.

Care was taken in hiring the programme's director. The woman hired had eight years of experience in the clothing business in the UK and Western Europe, and community development experience with South Asians as well. A woman was hired as director because it was felt she would be better able to relate to the experiences of women and minorities in starting and developing a business.

Other areas where the Resource Centre could help those interested in starting a clothing business became apparent after completion of the first programme. The areas included fabric sourcing, joint marketing and establishing a Business Club. Sourcing fabric is extremely important to those in the garment business because it is the main cost of the finished product. Garment prices can move outside the competitive range if small-scale producers must buy fabric in the retail market, and they have difficulty buying wholesale due to the small quantities they require. This gave the Centre a role in working with wholesalers in order to develop better market relations and in developing fabric cooperatives in the West Midlands. The Centre also assisted in bringing companies together in joint retail outlets, and

in coordinating a Business Club in order to maintain contacts between programme participants after training was completed.

The programme served 194 clients in its first year of operation, 94 of whom entered the more time-intensive training courses. This represents success in terms of outreach and reflects its demand-driven programme design. The progression from assessment of client needs to the development of training courses implies that effectiveness should be high. The large proportion of clients who were unemployed also shows positive results in line with the aim of increasing employment potential among the target group. They were successful in reaching the target group, with only 12 of the 194 clients not being either women or from minority groups.

Cost efficiency and sustainability cannot be commented on as information is not available on programme costs, fees charged or business survival rates. Information on the progress of clients is available and gives some idea of programme impact in terms of numbers, not outcomes. Figures 1.5 and 1.6 give this information.

Figure 1.5: Progress of clients as of June 1989

Status	Number	Per cent
Started business	67	34.5
Sustained business	31	16.0
Preparing to start	16	8.2
Employed	4	2.1
Unemployed	4	2.1
Business failed	1	0.5
No information	71	36.6
Total	194	100

Figure 1.6: Trading businesses as of June 1989, by race and gender (numbers and per cents of each client group)

	Female	Male	Total
White	34 (63%)	7 (58%)	41 (62%)
Afro-Caribbean	26 (48%)	8 (41%)	34 (46%)
Asian	7 (30%)	16 (55%)	23 (44%)
Total	67 (50%)	31 (51%)	98 (51%)

As Figure 1.5 shows, half of the clients had started or sustained a business. It is assumed that those with no information have decided not to pursue their businesses. This is not a bad outcome, as the programme may have helped some to determine that either self-employment or the clothing trade was not the right career choice.

Results for those starting or maintaining businesses (Figure 1.6) show that women and men started businesses at equal rates, in that about 50 per cent of both the female and male clients started businesses. White females and males appeared more likely to start in business, or to have an easier time starting their business, while Asian women had the lowest start-up

rates at only 30 per cent. This may be due to cultural factors relating to Asian women working outside of the home, or their greater likelihood to apply their knowledge within a family business. It points to an area where the programme could probably perform more effectively.

In general the programme has been successful, and its inclusion as a core component of the Resource Centre's services also points to its success, in that there is sustained financing and demand. It performs well from a gender perspective based on its use of training incorporating women's experiences in entering the business world, the decision to hire a female director, and the availability of a childcare allowance. All of this demonstrates awareness for women's practical gender constraints. The programme does not give attention to more structural issues, such as working to change the gender-based roles and responsibilities assigned to women, or addressing the structural issues that may be behind Asian women's poorer performance within the programme. However, this structural focus is not necessarily appropriate for all agencies and may be better carried out by separate groups with a specific advocacy focus. Partnerships with women's groups may be a way to incorporate an awareness-raising aspect to the programme. The programme overall serves a distinct need in the community and is doing it with some success.

This sector-specific training programme has scope for replicability. It would not be very different from other training programmes offered to MSEs, except that it would require some prior market analysis to determine growth-oriented sectors in which to specialize. The West Midlands project gives an example of a programme building on women's traditional skills, but moving women into higher value markets through the dissemination of specialized skills. This could be key in many sectors in developing countries where women's low skills have led to market saturation in traditionally female sectors. This could be a lower risk manner in which to move women into higher value markets, not requiring a shift into completely new industries where risk of failure can be higher.

Case Study 2: Appalachian Center for Economic Networks (ACEnet)

(see bibliography references on PCG 2000; Riggle 1997; Holley 1998; ACEnet Feb 1999)

ACEnet was established in 1985 in Athens, Ohio. It is a community-based economic development organization started with the purpose of working with others to create a healthy regional economy with many successful businesses and good jobs. The end goal is to help people with low incomes to escape poverty permanently through employment or entrepreneurship. It has been called “one of the most innovative community economic development organizations in the country” (PCG 2000 :2). When first started, ACEnet’s focus was on worker-owned cooperatives. In the early 1990s this focus shifted to networks after ACEnet’s founder learned about revitalization successes in Europe and Japan which were based on networks. The key concepts guiding ACEnet in its economic development strategies are collaboration, working smarter not harder, appreciation of others, no more ‘zero sum’ and acute awareness.

ACEnet specializes in promoting sectoral business networks in three industries: specialty foods, specialty furniture and computer services. It works to bring together groups of small businesses to access high value niche markets within these sectors. It does this by creating linkages between businesses so that they can purchase supplies together and save money on inputs or produce together and attain economies of scale. It also creates links to resources, such as equipment in the Kitchen Incubator programme, or to financing opportunities in its microloan funds. Finally it creates links with other communities to share learning. This wider networking is facilitated through strategic use of information technologies such as e-commerce and listservs.

ACEnet develops programmes within five areas: market development, product development, electronic communication, training and access to capital. Some of the programmes within these areas are developed in collaboration with other institutions in the locality so as to increase community involvement and cost efficiency.

In market and product development, ACEnet provides access to wide ranging information and resources which firms can use to develop and sell high value products. It maintains information about trends and provides consultations with resource people knowledgeable in label and image development, packaging, product testing and marketing. It conducts surveys of retailers to identify new areas of interest within the market. ACEnet has developed a Food Ventures programme which works with specialty food producers in developing products and market niches. The focus is on innovative means of support, such as the Kitchen Incubator described in section 4.3. ACEnet also jointly coordinates a public webmarket which sells a variety of products and services from Ohio, North Carolina, Hawaii and New Mexico via the Internet.

ACEnet incorporates electronic communications technologies into its programmes, offering access to computer facilities and the Internet through a computer centre. The centre provides training on the use of small business software and the Internet’s business applications. ACEnet also is the manager of a community computer network, providing free access to the Internet to all community residents. Public access computers have been provided in libraries and community centres so local business people have easy access. For wider networking, ACEnet is involved in the Central Appalachian Network, a regional group composed of organizations, agencies, funders and policy institutes interested in business clustering in Kentucky, Ohio, Virginia and West Virginia. Another networking opportunity

through electronic communication is listservs. These provide people across the globe with the opportunity to exchange ideas and develop collaborations. ACEnet is involved with three listservs, each focused on a particular sector: specialty food, specialty gifts including clothing, and day care providers. One outcome of the Foodnet listserv is an effort to market products produced in low-income communities across the United States to the second largest retailer of foods in the country.

ACEnet is involved in training, mainly through partnerships with educational institutes in the region. One such programme is the Women's Sectoral Training and Empowerment Project (STEP). It works with the Adult Basic Literacy Education (ABLE) and Hocking College of Culinary Arts to design and implement industry-based training for business owners, people in employment, or trainees transitioning off welfare and into work. In the first year 14 women were involved in the one-year programme. By the end of the programme, four earned their high school equivalency degree, five are employed, three have returned to higher education, four have started businesses and four left the programme (note double-counting as some fall into more than one category).

ACEnet also works with local business service providers to offer business training for firms starting up or expanding. In particular ACEnet helps in the design of sector-specific topics in areas such as business planning, costing and regulations, since general business training is widely available elsewhere. Workshops also are held on topics such as use of equipment or processing techniques, and are offered to anyone using the facilities provided by ACEnet. ACEnet views training as the key method of technology transfer.

The final area in which ACEnet offers assistance is in accessing finance. One way it does this is by working with banks in the community to design and deliver new sources of loan funds. Two products they have developed are a sectoral loan fund and a royalty-based product development fund, where money is lent to support new product development and then repaid through royalties. ACEnet also has its own revolving loan fund which makes loans of between \$50 to \$20,000. The loans are targeted to joint ventures, continuing the networking theme of the agency. It offers research and development loans ranging from \$50 - 5,000, joint production loans for \$500 - 20,000, joint project loans ranging from \$500 - 20,000 to be used collaboratively by several firms, equipment loans from \$500 - 20,000, and step loans which range from \$50 - 1,000 for low to moderate income entrepreneurs just getting started. ACEnet involves the community in its loan programme by having representatives from the economic development community review loan applications.

ACEnet offers a range of services, often through partnerships, within a sectoral focus. This is an innovative strategy for achieving good performance in that a range of client needs can be met, with programmes designed based on specialized knowledge of the sectors. This knowledge helps ACEnet direct its clients to high value markets, with entry into these markets facilitated through the range of programmes offered. For women entrepreneurs, gaining the skills and knowledge to enter higher value markets is vital. Often women find themselves segregated into lower value, crowded markets. Within these markets women often have to work very long hours to earn an income even approaching a living wage or, when demand is minimal, they may have little hope of earning enough to survive. Assisting women into higher value markets can help them to either decrease the length of their working day and maintain earning levels, or to increase earning levels through maintaining the length of the work day. The needs and interests of the female clients will determine which strategy is best.

ACEnet uses a network philosophy to guide its programmes. It develops backward and forward linkages between local businesses. This is similar to the Crasform programme. Creation of linkages can be very helpful to women since it gives them a network within which to work from the beginning of their venture. This is particularly important for women just starting out in entrepreneurship, as well as for women entering new industries. Integration of information technology into training and network building is important in exposing women entrepreneurs to new uses of the Internet for expanding markets and accessing information.

ACEnet's structure and programme offerings are highly replicable. The sectors of focus will be context specific, and their selection will be based on careful market analysis as carried out by ACEnet. Offering opportunities for finance, training specific to the sectors, and access to equipment and information as appropriate will not differ extensively from current MSE support programmes already offered. The important difference will be in fostering linkages between businesses within the selected sectors and targeting high value markets. The pay-offs for women entrepreneurs from this strategy can be very high.

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