

# International Examples of Women's Enterprise Development Centres

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## Introduction

Given the substantial economic impact that would accrue from greater numbers of successful women entrepreneurs, there is international concern about the under-representation of women in entrepreneurship. Across the EU, women account for 9.6 million of the 30.6 million self-employed and are under-represented in self-employment relative to their share of employment. Characterising female under-representation as 'missing entrepreneurs' (OECD/EU 2017)<sup>1</sup>, attention has focused on understanding and overcoming the barriers women face in starting and growing a business.<sup>2</sup>

It has become clear that entrepreneurship is not a gender-neutral<sup>3</sup> phenomenon and that gender-blind<sup>4</sup> business support measures do not assist women's enterprise development to the extent that they assist its male equivalent. While most developed economies provide a range of gender-mainstreamed<sup>5</sup> training, mentoring and networking opportunities for women entrepreneurs, a number of leading economies have combined a gender equality and mainstreaming approach with special measures to support women's enterprise,<sup>6</sup> introducing women's enterprise development centres to 'correct deficiencies in existing business support and financing mechanisms'.<sup>7</sup>

This paper provides a short review of four different approaches to women's enterprise development centres, in the USA, Canada, Germany and Sweden. Within the US, proactive procurement policies additionally support women's enterprise through a 5% set-aside of the Federal procurement budget, a policy that is likely to be replicated within Canada.

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<sup>1</sup> OECD/EU, 2017, The Missing Entrepreneurs: Policies for Inclusive Entrepreneurship.

<sup>2</sup> Women, for example, are less likely to report having the skills and knowledge to start a business (34.1% vs 49.9% men in the EU; 36.8% vs 51.2% in OECD countries). Source: OECD/EU 2017 *ibid*.

<sup>3</sup> Policies not specifically aimed at either women or men and assumed to affect both sexes equally; however, they may actually preserve existing gender inequalities or even result in having a differential impact on women and men, in particular women and men from disadvantaged groups. Gender-neutral policies do not promote substantive gender equality and are also referred to as being 'gender-blind'. (European Institute for Gender Equality).

<sup>4</sup> Refers to the failure to recognize that the roles and responsibilities of men/boys and women/girls are assigned to them in specific social, cultural, economic, and political contexts and backgrounds. Projects, programs, policies and attitudes which are gender blind do not take into account these different roles and diverse needs. They maintain the status quo and will not help transform the unequal structure of gender relations. (UNICEF, UNFPA, UNDP, UN Women. "Gender Equality, UN Coherence and You").

<sup>5</sup> Gender mainstreaming: The process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a way to make women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality. (UNICEF, UNFPA, UNDP, UN Women. "Gender Equality, UN Coherence and You").

<sup>6</sup> The European Network to Promote Women's Entrepreneurship 2015, Activity Report.

<sup>7</sup> Braidford, P. Stone, I. and Tesfaye, B. (2013). Gender, Disadvantage and enterprise Support – Lessons from Women's Business Centres in North America and Europe, *Journal of Small Business and Enterprise Development*, 20(1).

## USA - Women's Business Centres

The mission of the Office of Women's Business Ownership, a permanent office within the US Small Business Administration, is to 'enable and empower women entrepreneurs through advocacy, outreach, education and support'. The WBO oversees a national network of over 100 Women's Business Centres (WBCs) designed to assist women in starting and growing small businesses. WBCs seek to 'level the playing field for women entrepreneurs, who still face unique obstacles in the business world ... [providing] entrepreneurs (especially women who are economically or socially disadvantaged) comprehensive training and counselling on a variety of topics ...to help them start and grow their own businesses.'<sup>8</sup>

Set up following the Women's Business Ownership Act and Executive Order 12138, 1988, Women's Business Centres (WBCs) are 'primarily designed to alleviate deprivation through encouraging entrepreneurial activity rather than addressing the needs of women entrepreneurs per se' and explicitly target support towards women in deprived communities rather than the female population as a whole.<sup>9</sup> Federal funding rules ensure that WBCs must be open to all, and around 18% of clients - in some cases up to 40% - are men. The main provision is female-friendly training and networking to attract low-income women who may be alienated by mainstream approaches and require one-to-one support to address how businesses can fit with other responsibilities. The key success factors are considered to be the 'female-friendly' support and counselling and the development of longer-term, trust-based relationship with clients. The approach taken consists of triage (diagnosing challenges and directing support), hand-holding (intensive, relationship based one-to-one support), and networking (providing business contacts, role models and learning from more experienced women business owners). While surprisingly few formal evaluations have been undertaken, a review of WBCs by Braidford et al (2013) reported that clients interviewed had a 'positive view of these interventions, indicating that there were few other organisations able to reach out to the community in this way'.<sup>10</sup>

In addition to WBCs, business support is also available through the network of gender-mainstreamed Small Business Development Centres (SBDCs). Notably, the gender split of clients attending SBDCs is roughly equal, and there is little difference between men and women in recorded satisfaction levels.

### *US Procurement Initiatives*

The US government targets 23% of its annual half-trillion dollar spend to SMEs and 5% to women-owned businesses.<sup>11</sup> While the US Federal Government has used procurement policies as a means of redressing discrimination and economic exclusion since the early 1970s, the Women-Owned Small Business (WOSB) Federal Contract Program, which identifies and establishes set-asides for competition among firms certified as woman-owned, was established in 2011. Certification, firm capabilities development, access and matchmaking among prospective contractors is undertaken by a range of intermediary organisations including Women Influencing Public Policy (WIPP) and WE Connect.

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<sup>8</sup> <https://www.sba.gov/offices/headquarters/wbo>

<sup>9</sup> Braidford *ibid*.

<sup>10</sup> Braidford *ibid*.

<sup>11</sup> Orser, B. Riding, A. and Weeks, J (2018) 'The efficacy of gender-based federal procurement policies in the United States. *Small Business Economics*.

Studies of the effectiveness of certification provision of Federal procurement policy, with particular reference to women, have been mixed,<sup>12</sup> though there is consensus that sector and firm size are key determinants of bid likelihood and success rates. Research investigating the impact of procurement policies on minority entrepreneurs has shown their positive impact on black self-employment and business ownership rates particularly in targeted industries such as construction<sup>13</sup>, and it is likely that similar effects can be evidenced among women-owned firms over the longer term.

### **Canada – Women’s Entrepreneurship Initiative**

The first state-funded WBCs were launched through the Women’s Entrepreneurship Initiative (WEI) in the Western Provinces in 1995, expanding to other Provinces from 2003 as individual Provincial centres. The WEI remains a Western Provinces initiative, developed as a means to fill service gaps especially at start-up and existing business growth. Similar to the US WBCs, the WEI centres typically support ‘less sophisticated business owners’ who struggle to raise finance.<sup>14</sup> Unusually, the Canadian centres lend money, usually in relatively small amounts (\$25k-30k), as clients tend to lack collateral and are often perceived as high-risk. An effective loan management system has been developed, which entails extensive work with clients from the initial stages of calculating viability through to loan repayment. For larger, more technological or exporting businesses, WEIs typically partner with other specialist agencies to provide support.

Canada now has a number of WBCs across its Provinces<sup>15</sup> providing a range of services, including business advice, training, mentoring, and business loans up to CD\$150,000. According to Laurel Douglas (interview notes on Huddle), Vietnam and Ukraine have successfully followed the Canadian model.

In 2010/11 the Canadian Taskforce for Women’s Business Growth, based in Ottawa, outlined a series of action strategies to promote the growth of women-led businesses, including the development of a national women-focused economic development strategy and an Office for Women’s Enterprise, to support the national economic strategy, working across Federal government to co-ordinate programs, policies, research and knowledge sharing about women’s entrepreneurship.

A new bilateral initiative, the Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders was announced in February 2018. The first of five scheduled reports focused on supporting women-owned businesses and made four recommendations:

- 1) affordable child care;
- 2) getting startup-funding groups to measure and encourage women’s access to investment;
- 3) diversity programs in private-sector supply chains;
- 4) and a new public-sector procurement initiative.

The latter calls on Canada to replicate the US procurement programme, described above, where 5% of public contracts are set-aside for women-owned businesses in sectors where women are under-represented, and for the programmes to be linked to ensure that women can qualify for contracts in either country.

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<sup>12</sup>Orser et al, *ibid*.

<sup>13</sup> See Chatterji et al (2010) *The Impact of City Contracting Set-Asides on Black Self-Employment and Employment*

<sup>14</sup> Braidford *ibid*.

<sup>15</sup> See Ann-Maree Morrison’s interview with Laurel Douglas – transcript on Huddle.

## **Germany – National Agency for Women Start-Ups Activities and Services (BGA)**

Established in 2004, National Agency for Women Start-Ups Activities and Services (bundesweite grünerinnenagentur BGA) was designed to bring together all the support opportunities for women entrepreneurs and business start-ups in Germany, providing cross-sector information, advice services, training and networking opportunities. The BGA is sponsored by the German Federal Ministry for Education and Research, the Federal Ministry for Family, Senior Citizens, Women and Youth and the Federal Ministry of Economy and Technology, and ‘represents a first step towards increasing the number of businesses started by women’.<sup>16</sup>

According to the European Network to Promote Women’s Entrepreneurship Activity Report (2011), since 2006 there have been regional branches in all 16 Bundesländer and the network now includes more than 1900 regional partners. Germany has 470 advice centres for initial advice and guidance specifically designed for women business starters, 1100 male and female experts offering more technical advice and 330 networks available via the national bga platform. The national calendar of events includes training on all aspects of starting and expanding a business and facilitating business succession, mentoring and coaching.<sup>17</sup>

It is uncertain whether there has been any further funding for this umbrella group, but there is an online portal by the Federal Ministry aimed at women entrepreneurs at [www.existenzgruenderinnen.de](http://www.existenzgruenderinnen.de)

## **Sweden – Resource Centres for Women and Business Advisors for women**

The Swedish development agency NUTEK has worked with women’s entrepreneurship since 1993, and currently has two programmes to support women entrepreneurs: Resource Centres for Women, and Business Advisers for Women (BAW). The overarching goal is to change the image of women entrepreneurs and provide opportunities for peer learning and mentoring.

Resource centres offer enterprise support as part of a wider portfolio of services to assist women’s development, while BAW implements a specific policy of support for women by women – acting on research evidence that showed women perceived they were not taken seriously by advisers/financers and preferred advice from women, which led to the recruitment of a network of female advisers, many with businesses of their own.<sup>18</sup> BAW was one element within broader regional policy that attempted to ‘embrace gender perspectives’ particularly within the relatively depopulated regions of Northern Sweden.

The final evaluation report of BAW noted that quantitative impacts (business creation, employment) were hard to measure, though the number of professional female business advisers increased (women now comprise 60% of business advisers), women advisers “established themselves as professionals – a role normally associated with men - and service providers rather than simply ‘women advising women’.”<sup>19</sup> and gender awareness increased among business advisers, local politician and policy-makers.

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<sup>16</sup> [https://www.existenzgruenderinnen.de/EN/Home/home\\_node.html](https://www.existenzgruenderinnen.de/EN/Home/home_node.html)

<sup>17</sup> European Network, *ibid.*

<sup>18</sup> Braidford *ibid.*

<sup>19</sup> Braidford *ibid.* (direct quotation)

## Summary

There are important questions about the desirability of providing gender-specific business advice centres - not least the assumption of most critiques that such provision views women as a homogenous group with similar support needs and that these differ from the support needs of men. Nevertheless, as Braidford et al report, there is evidence that the 'female-friendly' style of support used in North America has proven successful 'in engaging women (and men) who would not otherwise have engaged with the support system, and have gone on to either start their own business or become more employable.'

As these international examples have shown, there are various models of women's business centres. If a Women's Business Centre is established in Scotland to address market needs for more gender-sensitive support, it will need to be organised and tailored to Scotland's policy and support landscape. Importantly, these international examples demonstrate that creating a Women's Business Centre is entirely compatible with Scotland's collaborative engagement policy model and does not require a segregated enterprise support system. A new Women's Business Centre in Scotland could bring together entrepreneurs and private and public support providers, interacting within a specific location, an approach highlighted as important in entrepreneurial ecosystem development<sup>20</sup>. Scotland already has several successful women's support organisations, including WES, ASB, Investing Women, BWS and BAWE who provide various elements of gender-specific enterprise support and could potentially lead other CAN DO partners, including public support agencies (BG, SE, HIE); incubation and accelerator providers and programmes (Entrepreneurial Spark, Acorn, Elevator); universities and innovation centres etc. in a collaborative approach. A Women's Business Centre in Scotland may also offer additional value as a focal point for policy development, pilot studies, research, information and case studies, as well as being a specific source of advice and training for individual entrepreneurs.

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<sup>20</sup>Autio, E., Nambisan, S., Thomas, L., & Wright, M. 2018. Digital affordances, spatial affordances, and the genesis of entrepreneurial ecosystems. *Strategic Entrepreneurship Journal*, in print.