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Parallel event

THE WOMEN ENTREPRENEURS FORUM

Summary prepared by the Conference secretariat

1. The Women Entrepreneurs Forum event considered key issues in enhancing women's entrepreneurship in least developed countries (LDCs). It brought together experts from Governments, non-governmental organizations, academia, business associations and women entrepreneurs. The goal was to devise practical programmes, guided by three panels.
2. The event was opened by Mr. Rubens Ricupero, Secretary-General of the Conference and UNCTAD. He noted that women in LDCs form the backbone of their economies and face an uphill battle in developing their businesses. The goal of this event was not to repeat the diagnosis of women's problems but to have an interactive debate to find tangible and concrete solutions. The best way to do this was to focus on real cases of women's successes. The Secretary-General also thanked the Government of Germany for its pledge to support "Business Services for Women Entrepreneurs" in the framework of UNCTAD with the aim of developing special training programmes for women in LDCs to address the problems of exclusion from finance and technology.
3. The panel on "opportunities in the global market" focused on three new initiatives to promote access to markets: the "Everything But Arms" (EBA) initiative of the European Union; the ACP-European Union Cotonou agreement; and the United States African Growth

and Opportunity Act. All are in their initial stages of implementation or renewal. The panel was urged to consider how women entrepreneurs could make the most effective use of these preferential arrangements. A major challenge would be to raise their awareness of these facilities.

4. The important ingredient for women entrepreneurs in these initiatives is the possibility for capacity-building. While market access is necessary it is not a sufficient condition for women entrepreneurs to develop their businesses. They also need capacity-building to overcome the inequalities they face. It was observed that women entrepreneurs are a diverse group encompassing both micro enterprises and small and medium-sized enterprises (SMEs), and “one size does not fit all”. However, the main objective of capacity-building for any group would have to encompass empowerment.

5. UNCTAD’s recent research on developing SMEs in LDCs has revealed that Government initiatives for SMEs have usually not been coordinated with trade, investment and industrial policies. Nevertheless, panelists pointed out a number of instances where trade policies were integrated with SME policies. The following SME policies were given as illustrations of policies that contain elements to benefit women and help them integrate into global trade:

- Promoting and improving indigenous products;
- Networking and dialogue among women’s associations, Governments and big business;
- Assisting women to integrate information technologies into their businesses.

6. Panelists were told that the weakest women entrepreneurs would perish in the global economy and that they must learn to compete more effectively. A women entrepreneur explained how the Zambian Association for High-Value Crops is learning to compete more effectively. Gains can be made by linking large enterprises, such as food processing operations, with small entrepreneurs, such as farmers. Such linkages strengthen the supply chain and allow small growers to fill a market niche. Farmers could organize into groups and sell their production directly to processing firms, which could give farmers a percentage of the profits. In this manner farmers would benefit from the marketing policies of the processing firm. Through this strategic alliance, small growers could, in effect, export on a competitive basis.

7. The panel on technology noted that women entrepreneurs risk being on the wrong side of the “digital divide”. This, as their stories illustrated, does not have to be the case. It is well-known that women entrepreneurs in developed countries are more likely to use information technologies than are men entrepreneurs. For example, 51 per cent of women entrepreneurs in the United States use the Internet for business communications, compared to 40 per cent of men entrepreneurs.

8. Bolsa Amazonia, a regional trade mechanism to overcome poverty through the sustainable use of natural resources, was launched in 1998 at the UNCTAD Biotrade

Partnerships for Development meeting. It is providing opportunities for rural women entrepreneurs by linking them with large companies such as Daimler Chrysler and the Body Shop. In the Daimler Chrysler venture, women are producing the material for head rests out of coconut fibers. This linkage has resulted in multiple benefits such as environmental protection, sustainable agriculture, diversification of products and rural development. Such linkages are the result of public-private sector partnerships between the Government, banks and companies. Opportunities to create links with global players exist, although the challenge is to find those firms with the requisite corporate philosophy.

9. It was noted that, after 20 years of discussion, the problem of transfer of technology has still not been solved. Technology can be transferred via imports, reverse engineering, licensing and joint ventures. New modes include strategic alliances, linkages and South-South cooperation. Exchanges of experiences in technological innovation would help women entrepreneurs benefit from advances made in one region that are transferable to another region. Advances in tropical food technologies was one example cited where exchanges would be most useful.

10. It was stated that most women entrepreneurs in Cameroon are working in traditional sectors such as food production, textiles and handicrafts. Nevertheless, more and more women entrepreneurs use information technologies, which promote partnerships and trade. ASAFE launched the Cyberforum in 1999 to facilitate women's access to information technologies. Women are now using information technologies for B2B to find buyers, communicate with foreign partners and do back-office jobs such as translation. The Internet helped them find appropriate technologies, and sources of finance and benefit from on-line training. However, two problems remain: the licensing and the maintenance of such equipment.

11. The Italian-Bosnian Chamber of Commerce has assisted women entrepreneurs in Bosnia to match local production opportunities with market opportunities, to find market niches via the Internet and to benefit from training via video conferences. In this regard, the launch of a world communications portal for women entrepreneurs to exchange information was announced by Femme chef d'entreprise. This portal was demonstrated at the end the event.

12. The panel on finance discussed the problems women face in obtaining long-term capital. Commercial banks prefer to lend to large enterprises and the Government due to the high transaction costs of dealing with SMEs. Women entrepreneurs are considered high risk due to their insufficient assets and collateral, their low capitalization and lack of financial information.

13. UNCTAD's research has revealed that women entrepreneurs usually depend on their savings or that of their relatives and informal sources. Women entrepreneurs lack information on the existence of credit facilities and borrowing conditions. Furthermore, they fear complicated bank procedures. Financial institutions were called upon to develop and improve

services for women entrepreneurs, develop greater sensitivity among loan officers and improve communication skills with women clients. Governments could set targets for banks in terms of the percentage of their loan portfolio dedicated to women entrepreneurs, encourage banks to appoint women to their boards of directors and involve women entrepreneurs in the dialogue on SME financing.

14. The participants were invited to continue discussions on financing SMEs at a three-day Expert Meeting from 22 to 24 October 2001 in Geneva. The Expert Meeting will explore innovative mechanisms being used in the traditional banking sector, as well as venture capital and various finance substitutes such as leasing and insurance guarantees.

15. The necessity to link financial services with non-financial services such as business development services was stressed. Very often SME programmes have adopted piecemeal approaches and provided credit without business services or business services without credit.

16. The event was informed of the International Organization for Migration's innovative programme for women and children victims of human trafficking. The programme assists vulnerable trafficked women and children by combining micro-credit with vocational training in such areas as livestock raising, soya cake production, coal briquette production and the production of bamboo household utensils.

17. The event was attended by 340 participants, 200 of whom were businesswomen and/or representatives of enterprise associations. The final panel noted that the session had fulfilled the task set for it by the Secretary-General. However, much remains to be done, and policy-makers and international organizations should study the success stories presented at this conference when designing support measures for women entrepreneurs.