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Women Without Borders: A Cross-National Perspective on Common Hurdles and Needs for Female Entrepreneurs

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Much research has been done in the area of women and entrepreneurship. The existing literature suggests that women entrepreneurs across national boundaries face common hurdles and needs. To the extent that such commonalities exist, this paper proposes six policy principles that can guide governments, regardless of country, in fostering female participation in entrepreneurial activity and greater economic growth in general.

Introduction

Much research has been done in the area of women and entrepreneurship. Previous studies generally focus on the differences and similarities between female and male entrepreneurs in a single country or region and have typically been quantitative in nature. In particular, several studies employ survey tools that quantify gender differences between male and female entrepreneurs using descriptive statistics (e.g., averages, distributions, etc.). Yet very few attempt to link the data collected to any explanatory framework or theoretical base, particularly across countries (Spilling and Berg 2000).

The purpose of this paper, therefore, is threefold. First, it will review existing literature on the demographic and business profiles of female entrepreneurs in several countries to assess whether commonalities exist that transcend national boundaries. Second, to the extent that such

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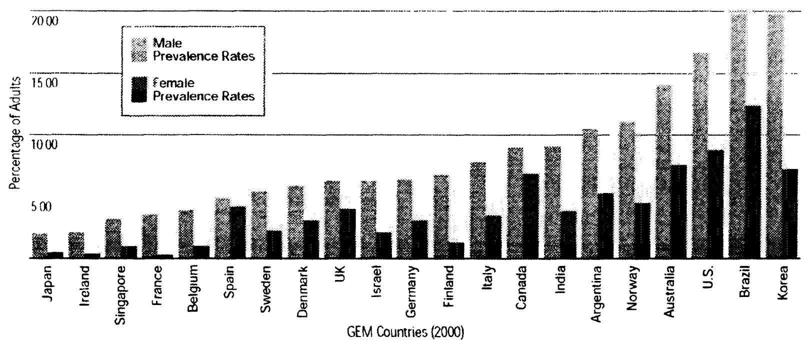
similarities exist, this paper will attempt to identify common hurdles that women entrepreneurs face regardless of nationality. Finally, this paper will propose some general policy principles that can guide governments of all countries in encouraging female participation in entrepreneurial activity.

Background

One of the most extensive studies undertaken to date in the general field of entrepreneurship is the Global Entrepreneurship Monitor (GEM) 2000. In the first study of this kind, comparisons of entrepreneurial activity are made using standardized data, across 21 countries of varying geography, size, social, and cultural values and economic development. In the area of gender, three findings of the GEM 2000 study are particularly significant. First, the study finds that most new firms are started and operated by men. Second, it establishes that men are twice as likely as women to be involved in entrepreneurial activity (Reynolds et. al. 2000). The third, and perhaps most significant finding, is that the relative level at which women participate in entrepreneurship explains nearly 65 percent of the overall difference in entrepreneurial activity between countries (Reynolds et. al. 2000).

Clearly, countries that "do not fully encourage women to engage in the creation and growth of new businesses may not be realizing their fullest entrepreneurial potential (Reynolds et. al. 2000, 22)." And given the strong association between entrepreneurship and economic growth, unlocking the entrepreneurial potential of the female sector, while challenging in many cultures, is "critical for long-term economic prosperity (Reynolds et. al. 2000, 2)." Several feminist theorists argue against the promotion of women entrepreneurs as a means to achieve purely economic policy goals. Rightly, they assert that the rationale for focusing on women's role within this sector should include objectives of political and social empowerment. While recognizing that any policy recommendations must incorporate these "non-economic" goals, the focus of this paper centers on the economic rationale. The extent to which women are engaged in entrepreneurship varies significantly across countries. Yet, the figure below (Reynolds et. al. 2000, 12) highlights the broad trend of under-representation of women across all 21countries surveyed in the GEM 2000 study.

Figure 8
Total Entrepreneurial Activity by Country by Gender



Common Trends

Demographic Profile

Previous studies have shown that most women entrepreneurs have similar demographic profiles, regardless of their country of origin. Most tend to be between the ages of 30-51 years old, are married and have children. These findings hold true for women entrepreneurs in Singapore, the United States and Canada (Maysami and Goby 1999), as well as for female business owners in Northern and Eastern European countries, such as Norway (Spilling and Berg 2000), Hungary (Zapalska 1997), and Poland (Hirsch and Fülöp 1994/1995).

In terms of education, female business owners across national boundaries are generally well- educated, with at least as much, if not more schooling than their male counterparts. Singaporean women business owners, for example, have typically completed 10 years of schooling, with 50 percent obtaining a secondary level diploma, 35 percent holding postgraduate degrees and 15 percent possessing poly-technical or professional qualifications (Maysami and Goby 1999). In North America, a recent report by the United States Small Business Administration (SBA) reveals that in the United States, self-employed women with college degrees are over-represented relative to men, but under-represented in the doctorate and professional degree categories (United States Small Business Administration Office of Advocacy 2001). In Western Europe, a study of female entrepreneurs in France found that they are typically well-educated, with a liberal arts degree (Orhan 2001).

Most striking perhaps is the level of education among female entrepreneurs in Eastern European countries. By 1995, 80 percent of female entrepreneurs in Poland were college graduates and held either a technical or engineering degree (Zapalska 1997). In Hungary, the same percentage of female entrepreneurs have at least some college education, with 34 percent holding graduate degrees (Hirsch and Fülöp 1994/1995). While the fields of study vary significantly amongst Hungarian and Polish female business owners, they include traditional, male-dominated areas such as engineering, finance, management, and law.

In terms of their backgrounds, most female business owners have previous work experience. They differ across countries, however, by the type of experience. American female business owners, for example, have previous experience in business fields similar to their new venture. (Orhan 2001). Conversely, the work experiences of French women entrepreneurs are typically in sales or administration (Orhan 2001). Similar trends are evident amongst studies of Hungarian and Polish female entrepreneurs.

Personality Profile

Much is written about the key personality traits of successful entrepreneurs, male and female. Among the studies reviewed, the self-assessed personality traits of female entrepreneurs are comparable across countries. Self-discipline, perseverance, and determination are the most commonly reported attributes (Maysami and Goby 1995). Others include independence, self-confidence, energy, strong leadership and communication skills, innovation, and creativity (Zapalska 1997).

Some variation exists across countries with respect to the importance that female entrepreneurs place on competitiveness and aggressiveness as key attributes for success and the degree to which female entrepreneurs are more risk adverse than men. Traits such as competitiveness, for example, are deemed less important by Hungarian women business owners than by Polish female entrepreneurs. In terms of aptitudes, interpersonal skills are reported as one of the greatest strengths among female entrepreneurs across the countries studied. Competence in financial skills is almost unanimously reported as the greatest weakness among female entrepreneurs (Brush 1992).

Motivations for Venture-Startup

From the literature reviewed, there seems to be considerable convergence across countries regarding the reasons why women entrepreneurs decide to start their own ventures. These include: i) the need for achievement; ii) a desire for self-determination and financial independence; iii) job satisfaction; iv) economic necessity; and v) a strong belief in creating an inspiring, motivating and rewarding organization. Most of the studies reviewed suggest that women entrepreneurs, regardless of country, place less value on status, prestige and power than their male counterparts. Women entrepreneurs also seem to place secondary importance on recognition, making money and security.

Types of Business Ventures

The type of business women typically start seems to be one of the most consistent findings across the countries studied (Strauss ed. 2000). According to a recent SBA report, 72 percent of women-owned businesses in the United States are in the service and retail sectors (United States Small Business Administration Office of Advocacy 2001). Similarly, self-employed women in Norway are concentrated in the retail, hotel, restaurant, and services sector (Spilling and Berg 2000). This trend is repeated in all other countries reviewed including Canada, Singapore, France, Poland, and Hungary. Not surprisingly, the share of women entrepreneurs in male-dominated industries such as finance, real estate, and construction is considerably lower across the board.

Firm Size and Legal Ownership

The size of women-owned enterprises is the most remarkably consistent discovery. In every national study reviewed, women-owned businesses tend to be smaller than male-owned firms in terms of employment, sales, and contribution to economic activity (Spilling and Berg 2000). On the North American continent, 90 percent of self-employed women in the United States work in or own firms with fewer than 10 people. Less than 1.8 percent have receipts of more than $1 million and, in total, women-owned firms generate only 4.4 percent of business revenues in the United States (United States Small Business Administration Office of Advocacy 2001). In Europe, similar trends are evident among women-owned firms in Norway (Spilling and Berg 2000), Hungary (Hirsch and Fülöp 1994/1995), and France (Orhan 2001) in terms of sales and employment. Women-owned businesses in Singapore are no different (Chang 1997).

While consistent across firm size, the legal form of ownership by women business owners does vary by country. In the United States, for example, the most common form of ownership by women is sole proprietorship (84.8 percent). Only 12 percent of women-owned businesses in the United States are corporations, 3.1 percent are partnerships (United

States Small Business Administration Office of Advocacy 2001). In contrast, 64 percent of female business owners in Singapore are private limited companies, 21 percent partnerships, but only 14 percent are sole proprietorships, and 1 percent publicly-owned (Maysami and Goby 1999). In Eastern Europe, women entrepreneurs in Poland and Hungary utilize many different legal forms, but cooperative arrangements – whereby the enterprise is collectively-owned and controlled – are more common in comparison to Western Europe.

Financing

Universally, all the studies reveal that women business owners are less likely to turn to external financing, particularly commercial banks, as a source of capital. Instead, women entrepreneurs tend to rely more heavily on internal funds such as personal savings, credit cards or loans from family and friends (Maysami and Goby 1999). When they do seek external financing, women entrepreneurs, at least in the United States, are more likely to use thrift institutions such as credit unions. SBA guaranteed loans are another mechanism available to women-owned businesses in America (United States Small Business Administration Office of Advocacy 2001). The reliance on personal and/or relatives' savings rather than bank debt also holds true for Singaporean (Maysami and Goby 1999) and French (Orhan 2001) women business owners.

In addition, venture capital seems to represent a very small proportion of financing for women entrepreneurs starting a new business in most countries. In the United States, for example, it is estimated that women received only 4 percent of the $50 billion dollars invested by the venture capital industry in 1999 (Strauss ed. 1 2000). While women in developed countries face problems in accessing credit, women entrepreneurs in emerging markets face the additional challenge of a general *lack* of venture capital. Women entrepreneurs in Hungary, for example, also express the shortage of venture capital as a major start-up problem. Arguably, women entrepreneurs in Eastern Europe face more serious obstacles in this regard given the lack of well-organized and developed capital markets (Hirsch and Fülöp 1994/1995).

Several possible reasons have been put forth to explain the reliance of women entrepreneurs on informal sources of funding. These include a greater aversion to risk than men, lower financial competencies, more modest needs (due to small size and types of ventures typically started by women), and possible discrimination by banks and other financial institutions (Fabowale et al. 1995). More recent studies repudiate this last claim. After accounting for structural differences (size, legal form, industry, and track record) between male- and female-owned firms, these studies maintain that there does not appear to be a gender bias or overt discrimination by financial institutions.

Yet, the widespread perception of injustice on the part of women business owners persists because the majority, if not all, of the structural factors that lenders consider in measuring risk are closely correlated to gender (Coleman July 2000). To the extent that women are viewed as riskier borrowers, they may thus experience greater difficulty obtaining credit on favorable terms (Coleman 2000).

Support Networks

A number of studies suggest that women business owners, regardless of nationality, are less likely to have established networks of supporters and mentors than men. Even in the United States, where there is a relatively high level of female participation in entrepreneurial activity, women are relatively new to the world of business ownership in comparison to men. They are still developing these networks (Davis and Long 1999). This general lack of formal support (organizational, mentoring, governmental, etc.) for female entrepreneurs is more apparent in some countries than others – notably those with economies in transition such as Hungary and Poland (Bliss and Garratt 2001). The underlying trend that seems to hold true across countries, however, is that women entrepreneurs tend to rely very heavily on family and other informal networks of support. This appears to be the case for American, Singaporean, Canadian, French, Polish, and Hungarian women entrepreneurs from the studies reviewed.

Common Hurdles

With such strikingly similar personal and business profiles, it seems reasonable to assume that women entrepreneurs across countries face common challenges in starting and running new ventures. Some of the most common hurdles cited by women entrepreneurs are discussed below.

Access to Capital

Access to capital is "one of the key ingredients enabling small businesses to innovate, grow and create jobs (Coleman 2000, 3)." Without capital, it is very difficult for small firms to create new products and to grow to meet demand (Coleman 2000). Women entrepreneurs, regardless of country, consistently cite access to capital as one of the primary obstacles to starting and running a new venture. Even if capital can be obtained, women generally appear to obtain credit on less favorable terms than men in the form of higher interest rates, co-signatory stipulations and higher collateral requirements.

Several explanations have been put forth to account for the difficulties women face in accessing start-up capital on favorable terms. These include limited assets, the lack of a financial track record among women entrepreneurs, the relatively little experience they have in terms of financial and business planning, and outright discrimination (Maysami and Goby 1999). As mentioned earlier, more recent studies repudiate this last claim. They argue that lenders use objective factors, namely the five C's of commercial lending: capacity, capital, collateral, character, and conditions to assess the risk associated with loan applications (Fabowale et. al. 1995). Yet female businesses tend to be smaller in size and sales (capacity), have fewer investors (capital), lower rates of growth (conditions), less pledgable assets (collateral), and unproven track records (character) in comparison to male-owned enterprises. To the extent that these structural factors are correlated with gender, women may in fact be disadvantaged in terms of accessing credit on favorable terms.

Financial institutions do not necessarily overtly discriminate against women entrepreneurs; however, the factors that they use to assess risk create a systemic bias against lending to women business owners. Women entrepreneurs also seem to have greater difficulty in obtaining venture capital (VC) funding than their male counterparts. As mentioned above, women-owned businesses in the United States, for example, received a paltry 4 percent of the $50 billion of VC funding invested in 1999. For countries such as Hungary and Poland, with less developed capital markets, the size of the VC pie, and women's share of it, is even smaller. A large part of the difficulty for women entrepreneurs in most countries, lies in the types of businesses women tend to start – typically in the retail trade and service sectors. VC firms generally prefer to back high growth and high technology businesses.

Another part of the problem is the very small number of "women in venture funds and the even fewer [number] who run venture firms." Perhaps the greatest obstacle women face, however, is their traditional lack of access to the "Old Boys" network, where "who you know is everything in the VC arena (Strauss ed. 2000, 4)." A recent study by the Center of Innovation and Entrepreneurship reinforces this point in finding that the greatest disadvantage that women face in the equity market place is poor networking skills. It is not that women are less social but rather that they have not learned to put these skills to work in a business context (Chaudhry 2000).

The Home-Work Conflict

Apart from accessing capital, a second common hurdle that women face around the world is balancing the demands of the company with family life. Starting and running a new business venture requires a huge and continuous time investment, which adversely impacts the time available to spend with children and spouses. To some extent, the new economy, and the Internet in particular, has leveled the playing field somewhat by allowing entrepreneurs (male and female alike) to establish and operate their businesses from home. In countries where the role of the caregiver still falls disproportionately upon women, whether due to financial or cultural constraints, coping with the competing demands of work and family nonetheless remains a formidable challenge to starting and running a new business.

Insufficient Business-Related Training and Education

The lack of sufficient training and business-related education is a third common problem that may impact women more than men entrepreneurs. While there are a growing number of female entrepreneurs with business degrees and technical backgrounds – at least in westernized countries such as the United States, Canada, and France – the average female business owner has historically received a liberal arts education. Women entrepreneurs, therefore, often lack the business education and financial management skills critical to starting and running a new venture. A recent study in Europe confirms this finding, concluding that "despite their level of education being equivalent or even higher than men, in most of the European Union (EU) countries, women more often face a lack of financial and management competencies (Orhan 2001, 3)." A study of Singaporean female entrepreneurs substantiates this conclusion, indicating that women business owners typically have a high level of education, but many still lack experience and training in financial planning, marketing, and accounting (Maysami and Goby 1999).

Establishing Credibility and Respect

A fourth commonly cited obstacle faced by female entrepreneurs is establishing credibility and respect. In general, women entrepreneurs stress a lack of confidence on the part of banks, suppliers, and clients alike in female business-owners (Maysami and Gobi 1999). Such sentiment does not stem from anything inherently lacking in women-owned businesses per se, but rather from the typical size and nature of their ventures as well as their lack of prior, business-related experience. This represents a formidable obstacle for women business owners as financing, sourcing, and sales can all be severely impacted if women have difficulties in establishing credibility among these stakeholders. Often the issue is not just one of credibility, but a general lack of respect for women in business (Hirsch and Fülöp 1994/1995). This unfortunate mentality is not unique to only certain countries or economic structures. Lack of respect for businesswomen is cited as a common problem by female entrepreneurs in Canada, France, Hungary, and Poland.

Development of Strong Networks and Mentors

Regardless of nationality, women entrepreneurs generally do not have the strong, established networks of supporters and mentors of their male counterparts. These networks take time to build. For men, these ties are typically established through several generations of business ownership. The importance of such networks and mentors is emphasized by two female authors who claim "there is always an uncle, father, best friend or best friend's brother to whom a man can turn [to] for advice on a business start-up or expansion or other issues involved in running a business (Davis and Long 1999, 3)." How many women entrepreneurs have mothers, aunts or female siblings with experience in running a business to which they can turn to for advice and inspiration? The tide may be changing, but women across the board are still in the development stage of establishing strong networks of supporters and mentors.

Policy Recommendations

Some authors suggest that policies designed to promote venture formation should differ across countries, and are "unlikely to be importable," given that the environmental influences that promote business formation differ across countries (Kolveried et. al. 1993, 6). These policies, they argue, can nevertheless be the same for male and female entrepreneurs within a country. This paper proposes a contrasting view. It appears that there are some common general policy principles that promote female entrepreneurship, which are applicable across national boundaries but not across gender. The implementation of these policies will undoubtedly vary from one country to the next, but the principles are broad enough to provide some general guidance regardless of nationality.

Education

One of the key findings of the GEM 2000 study is that education plays a vital role in entrepreneurship. In particular, quality entrepreneurship education and training are found to be critical in providing individuals with the requisite skills for converting a market opportunity into a commercial enterprise (Reynolds et. al. 2000). As the above analysis demonstrates, female entrepreneurs are generally well-schooled, but the education they receive is not traditionally focused on knowledge critical to starting and running a successful enterprise.

Policy Principle 1:
Relevant education is critical to female entrepreneurship. Any government committed to economic growth and the increasing participation of women in entrepreneurship must foster the development of educational curricula and training programs targeted towards women in the areas of business planning, marketing, financial management and accounting. Countries such as the United Sates, Spain, Norway, and France have already begun to implement programs tailored to the needs of women entrepreneurs and to offer some guidance in this area.

Business Support
A second key finding of the GEM 2000 report is that financial support is highly associated with a country's level of female entrepreneurship (Reynolds et. al. 2000). Financial support can take many forms including formal venture capital, bank loans/lines of credit, and informal private investments. As illustrated in the above analysis, women are less likely to use external credit than men. Moreover, when they do, the credit terms for women-owned enterprises tend to be less favorable in terms of higher interest rates and collateral requirements. This problem of access to credit is further exacerbated in transitioning economies due to their comparatively weaker banking systems (Hirsch and Fülöp 1994/1995).

Policy Principle 2:
Policies designed to increase the level of entrepreneurial activity among women should foster the development of better banking systems, including more favorable loan/credit conditions for women entrepreneurs to ameliorate the problems associated with the types and size of businesses women tend to own. This could include revisions to existing loan criteria to allow more women to qualify for financing. Other possible measures include the creation of better data systems to track the success rate of women-owned businesses, incorporating the findings into new loan criteria), specialized training for bankers regarding the unique needs of

female entrepreneurs and the implementation of credit guarantee systems that reduce interest rates and collateral requirements on female-owned enterprises. The presence of women in the credit management departments of commercial lending institutions should also be encouraged.

The above analysis also demonstrates that female entrepreneurs, across national boundaries, tend to have access to an extremely small share of venture capital funds in comparison to their male counterparts. In transitioning economies, this lack of access is further exacerbated by less developed capital markets and an overall shortage of venture capital funds.

Policy Principle 3:

Policies should facilitate the development of and access to the venture capital industry for women entrepreneurs. For the greatest impact in this area, policies should be geared toward developing female networks in the VC arena and facilitating the formation of women-owned or women-focused venture capital firms. The United States has made considerable progress in both of these areas with the creation of Springboard 2000 (a national venture fair for women entrepreneurs) and the establishment of women-owned, women-focused venture funds including Axxon Capital LP, the Women's Capital Growth Fund (WCGF) and Inroads Capital Partners (Strauss ed. 2000).

Business support for women requires more than just financing. Organizations, associations, and institutions that foster women's participation in entrepreneurship are needed. The role of these organizations is critical to providing professional advice and counseling, offering business-related training, establishing forums for networking, mentoring and lobbying governments to reduce burdensome tax policies and administrative processes that hinder entrepreneurial activity by women. While many such organizations exist in the United States, they are less common and less developed in countries such as Poland and Hungary. Some progress is being made, however, in Eastern European countries such as the establishment of organizations with the Polish Association for Women Entrepreneurs (PAWE) (Bliss and Garratt 2001).

Policy Principle 4:

Organizations dedicated to the promotion of women entrepreneurship are critical to the establishment of women-owned businesses because they offer professional advice, training and establishing forums for networking and mentoring. Policies should encourage the establishment of such organizations through mechanisms such as seed money, tax benefits, and grants for capacity building for organizations that support women entrepreneurs.

Government Support

Many of the principles suggested above will implicitly require government involvement and support. Yet there are unique ways that governments, through the policy tools available to them, can develop an environment that fosters women's participation in entrepreneurial activity. These policy tools — taxation, regulation, procurement, infrastructure, and credit conditions can assist in nurturing an "enterprise culture" that leads people, particularly women, to "take risks and seek profits within the market discipline of a competitive environment (Zapalska 1997, 8)."

Policy Principle 5:

Any government committed to increasing the participation of women in entrepreneurship must ensure that "all aspects of its economic system are conducive to and supportive of increased levels of [female] entrepreneurial activity (Reynolds et. al. 2000)." This will require governments to mobilize and utilize the range of policy tools available to them. Examples of useful policy tools are provided below.

Taxation

Governments can minimize and modify the taxation system to ensure that it is more favorable to starting-up women-owned businesses. For example, tax holidays could be given to businesses started or operated by a certain proportion of women. Another potential change could be the introduction of new tax incentives that encourage venture capitalists and angel investors (individuals who invest in companies in the incubation stage), to invest in early-stage enterprises started by female entrepreneurs. Another possible modification would be the introduction of family taxation whereby people with larger families pay lower taxes (Hirsch and Fülöp 1994/1995). Such a modification could encourage the establishment of women-owned ventures given that female entrepreneurs tend to be married with at least one child. Governments can also support female entrepreneurship by providing tax advice tailored to women who are considering or are already operating their own businesses.

Procurement

Governments can foster greater female participation in entrepreneurial activity by adopting proactive procurement policies that are more responsive to women-owned businesses. In the United States alone, federal and state contracts represent a huge potential market. Yet women-owned businesses in the United States were granted a mere 2.3 percent of total federal procurement in 2000 (United States Small Business Administration Office of Advocacy 2001). Given that the United States is considered a relatively supportive environment for female entrepreneurship in comparison to many other countries, procurement is clearly a policy area where considerable improvements can still be made. Any proactive procurement policies should include measures to ensure that the system is not prone to abuse (e.g. transfer of ownership to women but only symbolically).

Banking and Credit

Governments can also facilitate the growth of women-owned businesses by encouraging improvements in banking systems and credit conditions. One possible mechanism is the introduction of a loan guarantee system for women entrepreneurs. This mechanism would provide all or part of a loan, reducing the financial risks to lenders that stem from the types and size of enterprises women typically own. A variation of the new loan guarantee fund for Danish entrepreneurs (male and female) could be particularly beneficial (United States Small Business Administration Office of Advocacy 2001). Governments can also play a role in educating and training commercial lenders about the unique needs of female entrepreneurs, the high success rate of women-owned businesses and how to improve relations between bankers and businesswomen.

Cultural and Social Values Supporting Female Entrepreneurship

Another central finding of the GEM 2000 study is that the "perceived social legitimacy of entrepreneurship makes a difference (United States Small Business Administration Office of Advocacy 2001, 2)." The study uses two measures to assess the level of respect in a community for those starting new firms: i) the extent to which fear of failure acts as a deterrent to starting a new firm; and ii) respect for those starting new firms. It demonstrates that countries differ significantly in terms of social and cultural values and that entrepreneurial activity tends to thrive in countries where entrepreneurship is an integral feature of everyday life.

These findings have particularly important implications for female entrepreneurs. As the analysis above illustrates, female entrepreneurs often perceive a lack of respect for businesswomen and they feel that there are more burdensome requirements in accessing capital on favorable terms. Whether these perceptions are real or not, the important point is that the perceptions themselves make a difference. To the extent that differences in treatment and credibility are perceived, women entrepreneurs may be discouraged from seeking external capital, feel less comfortable in financing negotiations, and hence, be hindered from realizing their fullest entrepreneurial potential.

Policy Principle 6:
Any government committed to strengthening the entrepreneurial potential of women must support women-friendly policies that go beyond the entrepreneurial sector. As entrepreneurship is both a "creation and creator" of society, policies should be geared toward promoting values, such as the personal independence of women and the legitimacy of their role and place in business, in the broader community (Spilling and Berg 2000, 1). Some potential policy tools include holding national forums and launching public education/awareness campaigns that showcase women in business.

Conclusion

While unlocking the entrepreneurial potential of the female sector is vital to long-term economic prosperity, progress in this area varies across countries. Women entrepreneurs, regardless of nationality, will face serious challenges before they reach parity with men in terms of the share, number and sizes of businesses they as well as the economic return on their investments (United States Small Business Administration Office of Advocacy 2001).

To the extent that women across national boundaries still face common hurdles, several general policy principles can assist governments, regardless of country, in promoting female entrepreneurship and economic liberation of women in general. These principles include: providing better quality and more relevant education and training; fostering more favorable banking systems; increasing access to venture capital funding; establishing stronger network and support organizations for women; mobilizing the range of policy tools available to government to promote gender-related goals; and creating a broader policy environment that is conducive to entrepreneurship and women's equality in the economic, political, and social spheres.

Without the political will, however, the advancement of female business owners across national boundaries will be limited. Political will is not a passive force; thus, we must not sit back and complacently wait for it to materialize. Nor is it the responsibility of one individual or one sector of society to generate that will. Government, business, the non-profit sector, and women themselves all have an active role to play. The focus of this paper is to advocate to governments the role they should play in fostering an enabling environment by adopting gender sensitive policies, regulations, and legislation. This includes reviewing and revising existing policies and regulations to make them more responsive to the needs of women in the areas of small business enterprises, taxation, banking, government procurement, education, and general welfare (e.g. childcare, benefits, etc.).

A gender-sensitive approach is also required with respect to the process of policymaking. Women must be included in decision-making roles at the highest levels of government, business, and advocacy groups. The non-profit sector has a particularly important role to play in generating awareness and unlocking the economic, political, and social potential of women entrepreneurs. And women themselves must make their voices heard through active participation in these arenas of their own societies as well as in the international community. Only the mobilization of all these forces will generate the political will necessary for governments to recognize and harness the full potential of female entrepreneurs. Operationalizing the principles outlined in this paper will ensure that progress continues.

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