

## Does entrepreneurship really empower women?

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**Concerns about gender inequalities and, more generally, women's empowerment around the world are today central development issues. Empowerment is also increasingly seen through the prism of women's entrepreneurship.**

In recent years, the issue of women's empowerment has become a major concern for the development sector. Players who use the business case of women's empowerment as a vehicle or prerequisite to achieve other objectives (as is the case with a number of microfinance institutions that mainly lend to women hoping for a higher return on investment)<sup>1</sup>, organizations that have made this issue a fully-fledged objective in their mission... it is clear that women's empowerment is now unanimously perceived as a thematic area closely correlated with all the other development issues.

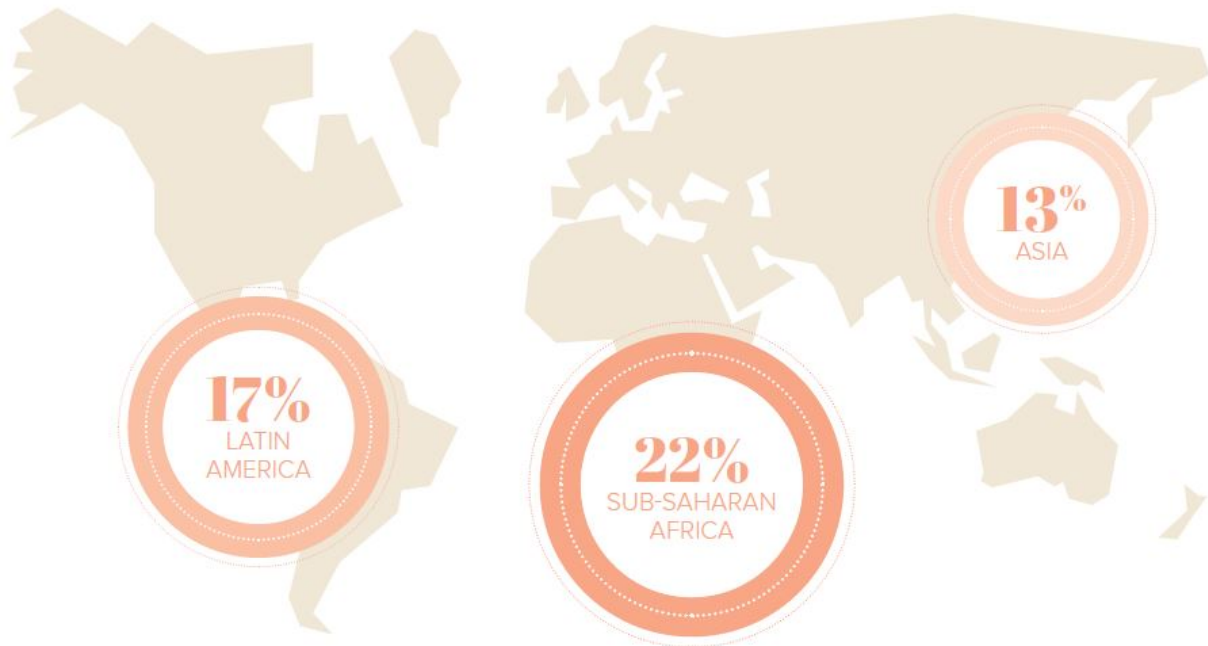
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In Asia, 13% of women of working age (18-64 years-old) have recently ventured into entrepreneurship. This rate reaches 17% in Latin America and 22% in Sub-Saharan Africa.<sup>2</sup> But what is the nature of the relationship between these two thematic areas? Does entrepreneurship bring about real empowerment and is there not a risk that it will reduce empowerment simply to its economic dimension? What drivers can development actors use?

*The term “women’s empowerment” appeared in the 1980s and at the time referred to the action of transforming power relations to promote greater equality between women and men.*

### **Share of working age women (18-64) who have recently started out as entrepreneurs ▼**



### **WHAT IS WOMEN’S EMPOWERMENT ABOUT?**

The term “women’s empowerment” appeared in the 1980s and at the time referred to the action of transforming power relations to promote greater equality between women and men. The concept of empowerment invariably refers to the notion of power. The feminist literature at that time presents it as the process by which women acquire the capability and freedom of controlling the conditions of their own lives. This same literature highlights three factors on which empowerment is based: the acquisition of women’s self-understanding<sup>3</sup>, the capacity for self-expression<sup>4</sup>, and women’s access to and control over material assets, intellectual resources and ideology<sup>5</sup>. These are three dimensions of the concept of empowerment that clearly show both its personal and political nature.

The other essential point widely upheld in the literature on the subject is the “internal” nature of this process: empowerment cannot be a process legitimized, permitted or authorized by a higher external authority. It is a matter of individuals acquiring an “internal” power to see themselves and define themselves as the main actors and actresses in their transformation and the transformation of their communities. Contrary to what is sometimes claimed by certain development actors, empowerment is therefore not a final outcome whose achievement can be easily measured.

### **WHAT IS THE LINK WITH ENTREPRENEURSHIP?**

*All over the world, entrepreneurship can be a powerful alternative for women faced with the lack of paid employment, the persistent barriers to entry into the labor market and more precarious and less fulfilling employment options.*

Gisèle Halimi wrote in 1992: *“Economic dependency is at the source of all the other forms of women’s dependency”*.<sup>6</sup> This phrase fully conveys what entrepreneurship can offer women. Firstly, the capacity to provide oneself with a predictable and regular source of income making it possible to anticipate, plan for the future and act more independently. But it is also the freedom to create, act, innovate, trade, earn a living, participate in economic life, create value, and be recognized for this by other members of one’s community.

Indeed, all over the world, entrepreneurship can be a powerful alternative for women faced with the lack of paid employment, persistent barriers to entry into the labor market and more precarious and less fulfilling employment options. In 2012, in Cambodia, I had the opportunity of conducting a study on several women microentrepreneurs, including Sokkey, a Cambodian woman, about 30 with three children, who worked occasionally in the textile factory in her village. By setting up her small shop selling essential products, in just a few months she experienced a real economic well-being which her family also benefited from. But she also gained confidence in herself and her ability to make her own choices and voice her opinions. However, the end of the support program offered to her by the study also marked the end of this empowerment phase: her husband took control of her savings and working capital and ultimately made her close her shop. Sokkey had to move from her village to go to the capital, take her children out of school and find another precarious job with no security.

The story of Sokkey raises a fundamental issue for studying the link between empowerment and entrepreneurship: when women become entrepreneurs, do they have as much freedom as we suppose the entrepreneurial experience gives them? Is the economic well-being that results from programs facilitating access to financial and human capital for women sufficient to help them set out on a path towards sustainable empowerment?

## **WOMAN ENTREPRENEURS: A REAL OBSTACLE COURSE**

The total entrepreneurship activity rate for women (defined as the share of the working age population participating in activities to set up businesses) is 75% of the rate of men.

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In certain countries, such as India, Burkina Faso, Senegal and Cameroon, 60% of women entrepreneurs have never been to school.

20% more women than men start an entrepreneurial activity, mainly because they do not have access to any economic opportunities (“necessity-driven women entrepreneurs” account for 42% of women entrepreneurs in Sub-Saharan Africa, 32% in Latin America and the Middle East, and 23% in Asia).

Overall, the growth prospects for women entrepreneurs are 38% lower than for men.

30% of women in Sub-Saharan Africa whose businesses have failed report the lack of profit as the main cause<sup>7</sup>.

These figures clearly illustrate the gender inequalities that constrain the entrepreneurship sector and their consequences. Indeed, throughout their lives, women, whatever their country of origin, are faced with unequal and discriminatory systems that inevitably have an impact on their potential and capacities as entrepreneurs. In addition to the barriers made “visible” by these statistics, which can generally be assimilated to well-targeted action programs (for access to education and financial capital), it is also essential to take cultural and social norms into account. These are less visible and

less measurable and also physically and psychologically hinder the level of independence, the sense of priorities and the individual aspirations of women.

The important thing to note from these data is the multiplicity of constraints encountered by women entrepreneurs, as it explains why <sup>7</sup> All these data come from the Women's Entrepreneurship Reports (2016/2017 and 2018/2019), published by the Global Entrepreneurship Monitor. certain strategies, policies or programs that explicitly target women for a specific issue do not always produce the expected results. The study on the constraints experienced by women entrepreneurs also reveals a fragmented sector and multifaceted needs. To make it easier to interpret, understand and support such an ecosystem, we propose to categorize women entrepreneurs into three groups (see Figure 1): those who become entrepreneurs to survive (necessity-driven entrepreneurship); those who become entrepreneurs because they identify market opportunities (opportunity-driven entrepreneurship); and those who become entrepreneurs by vocation and have above-average entrepreneurial ambitions (success-driven entrepreneurship).

Just as there is no one magic formula to facilitate the empowerment of "all" women, it is obviously impossible to propose a single program to all women entrepreneurs around the world, or even within the same country.

### Three focus groups of women entrepreneurs ▼



#### SUCCESS-ORIENTED WOMEN ENTREPRENEURS SEEKING LONG-TERM OPPORTUNITIES TO REACH GREATER PROFESSIONAL GOALS

- Suffering from strong self-censorship, lack of confidence, fear of business failure, and lower perceptions of their own capabilities
- Lacking visibility
- Lacking access to finance



#### OPPORTUNITY-DRIVEN WOMEN ENTREPRENEURS LAUNCHING OR GROWING FORMAL OR NON-FORMAL SMES

- Having little access to networks
- Lacking specific entrepreneurial education
- Facing lesser growth perspectives than men



#### NECESSITY-DRIVEN WOMEN ENTREPRENEURS TAPPING INTO NON-KNOWLEDGE & NON-INNOVATION ORIENTED BUSINESS SEGMENTS

- Relying on little or no education
- Not benefiting from enterprise support (but getting support from NGOs)
- Evolving in the non-formal economy
- Facing high failure rates

Source: Empow'Her, 2019.

### WHAT STRATEGIES FOR ORGANIZATIONS THAT SUPPORT WOMEN'S ENTREPRENEURSHIP?

*Not to consider the support phases as "simply" providing access to entrepreneurial education, but as an opportunity to strengthen the power of agency of women beneficiaries.*

Among the lessons learned from the 8-year history of Empow'Her, several aspects can today be identified that are essential for the design of strategies based on women's empowerment via entrepreneurship, including the following four:

- Not to consider the support phases as "simply" providing access to entrepreneurial education, but as an opportunity to strengthen the power of agency of women beneficiaries.<sup>8</sup> To do so, examining the needs and constraints of women beforehand is a prerequisite to ensure the success of the program (this makes it possible to design curricula that match a clear demand,

based on existing market opportunities and taking the actual constraints of women into account). Furthermore, investing in educational methods for personal development and in the implementation of more comprehensive awareness-raising actions towards women and their communities makes it easier to achieve the desired outcomes and make them sustainable;

- It is common to find collective strategies in a very large number of actions targeting women's empowerment. Entrepreneurship-related programs can also rely on these collective dynamics, in particular by including actions to strengthen women's organizations, offer spaces (virtual or physical) to facilitate contacts and experience-sharing, and highlight "models" that inspire others and challenge the status quo;

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- To make the system more inclusive, it is not enough to encourage women to be less risk-adverse or to adopt a style of leadership corresponding to the dominant style. The issue underlying women's empowerment is indeed the transformation of power relations. It is therefore necessary not to propose programs that confine women to more stereotypes or an entrepreneurial style that is not appropriate for them. Furthermore, it is essential to take action at the level of institutions and other stakeholders in the sector in order to change the culture of the ecosystem as a whole and involve women and men in the transformation of the sector;

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- Finally, multidimensional impact measurement indicators can (and must) be defined. However, this evaluation work involves a considerable human investment given the complex nature of the notion of empowerment.





## *Evaluating the reduction of inequalities*

It is now widely accepted and shared that it is no longer sufficient to count the number of women participating in an action to demonstrate an impact on gender equality. Taking gender into account in the evaluation is based on both sex-disaggregated data and gender-specific indicators. In the case of gender inequalities, and to capture the desired transformative impact, it is necessary to go beyond taking gender into account as a “category” and therefore an evaluation mainly focused on the symptoms of the problem (in the case of actions aimed at the prevention of sexual and gender-based violence – SGBV – for example, the approach would be based on indicators such as the number of women experiencing violence, or who have access to support services). Understanding gender as a “process” requires including other indicators that make it possible to evaluate changes in the causes underlying the inequality in question (still with the same example, the success of a project could be measured via the number of male and female participants who understand and contribute to changing negative gender stereotypes which may cause SGBV).

1 Duflo E. (2012). Women Empowerment and Economic Development, *Journal of Economic Literature* 2012, 50(4), 1051-1079

2 Global Entrepreneurship Monitor, Women’s Entrepreneurship 2018/ 2019 Report

3 Kabeer N. (1994). Reversed Realities: Gender Hierarchies in Development Thought

4 Sen, G. (1997). Empowerment as an approach to poverty, Working Paper Series 97.07, background paper for the UNDP Human Development Report

5 Batliwala S. 1994. The meaning of women’s empowerment: new concepts from action, *Population Policies Reconsidered: Health, Empowerment, and Rights*. Harvard Center for Population and Development Studies

6 Halimi. G. (1992) *La cause des femmes*

7 All these data come from the Women’s Entrepreneurship Reports (2016/2017 and 2018/2019), published by the Global Entrepreneurship Monitor.

8 “The enabling environment that confirms the right to work, to property, to safety, to voice, to sexuality and to freedom is not created by sewing machines or micro-credit alone”  
Sholkamy. H. (2010). Power, politics and development in the Arab context: or how can rearing chicks change patriarchy?