

## **Global Entrepreneurship Monitor (GEM) 2012 Women's Report**

### **Extracts for WiLAT Global meeting in Dubai**

September 13, 2015

#### **Objective:**

1. To foster an environment that encourages women to see entrepreneurship as a viable career option;
2. To equip them with the tools to create the type and quality of businesses they wish to build;
3. Create broader awareness among stakeholders that will support their efforts.

#### **Facts & Figures**

- Entrepreneurship Participation Rate (EPR)
  - Highest of 40% of women in Zambia of gender population vs. 1% in Pakistan.
  - Highest regional total is Sub-Saharan Africa at 27% vs. lowest in MENA/Mid Asia at 4%.
- Established Business Activity (EBA)
  - Sustainability in Asia is relatively high as compared to Sub-Saharan Africa and MENA / Mid Asia which is about half and a quarter of the EPR respectively.
- Business Profile:
  - At least half of the women entrepreneurs are in consumer sector.
  - About 80% of business in Sub-Saharan Africa is in consumer sector.
  - Developed world sees more business services activity.
- Demographics:
  - About the same distribution of age bracket of 18-34 and 35-64 among women entrepreneurs.
  - 15% of women entrepreneurs in Sub-Saharan Africa has post-secondary degree or higher vs. 70% in the USA.

#### **Attitudes and Context Factors**

- Societal Perceptions of Opportunities in the Environment
  - 69% of women in Sub-Saharan Africa show perception of opportunities vs. 19% in Developed Asia.
- Self-assessment about Capabilities and Fear of Failure
  - Women perceives to have lower capabilities than men in all economies
  - 73% of women in Sub-Saharan Africa perceives average level of capabilities vs. 16% in Developed Asia
  - Fear of failure rate is lowest in Sub-Saharan Africa at 25% vs. 47% in Developed Asia
- Necessity vs. Opportunity Motives
  - 37% of women entrepreneurs in Sub-Saharan Africa and MENA/Mid Asia started their business out of necessity.
  - 73% of women entrepreneurs in Developed Europe started their business because they see opportunity motives.
- Entrepreneurial Intentions
  - 52% of women in Sub-Saharan Africa intent to start a business in 3 years.
- Entrepreneurial Affiliations
  - 59% women in Sub-Saharan Africa personally know an entrepreneur, Developed Asia is only at 21%.

## Impact and Future Expectations of Women Entrepreneurs

- Innovation: 36% of women entrepreneurs in USA reported having products or services that were new to some or all customers. Only 17% is reported in Developed Asia.
- Employees being hired: most women entrepreneurs in the surveyed countries operate business without employee.
- Growth: only about 10% of the women entrepreneurs in Developing Asia and Sub-Saharan Africa expect business growth and need to hire 5 additional employees in 5 years; and 25% in Developed Asia.
- Internationalization: developing regions shows at least 25% of their products or services outside their national borders.

## Implications:

1. **Attitude into actions:** strong link between women's perceptions about entrepreneurship and their rates of entering this activities.
2. **Constraints in moving across phases:** Intention is not always accompanied by actual starts in majority of regions. Many are discontinuing or not sustaining their business into maturity.
3. **Going it alone:** Women more often operate business as single founders and without employees hence cannot leverage ideas, abilities, resources and connections of co-founders.
4. **Playing it comfortable:** Women entrepreneurs shows a dominance of consumer-oriented business activity but less industry sector diversity. This leads to questions about whether women are exercising their full potential as entrepreneurs. This may indicate either a mismatch between women's education levels and confidence, or lack of more relevant training for entrepreneurship.
5. **Short-term endeavors:** Women often start business out of necessity; which lead to shorter term concerns and low entry-barrier business, yet few longer term prospects. Yet necessity at least in some cases can be the seed that leads to higher potential.
6. **Staying home rather than venturing abroad:** Low rates of international business activities among women are evident. Overly local focus may represent missed opportunities for women.
7. **A viable career choice:** In USA and Europe, women entrepreneurs are a particularly educated group. Perhaps entrepreneurship provides a viable career option to advance the ideas of knowledgeable women.
8. **The future in Youth:** Youth entrepreneurship is more popular among women in Developing Europe. Youth may benefit from having fewer family-related financial obligations, fewer opportunity costs associated with higher level positions and salaries as employees. Early entrepreneurial endeavors may benefit young women even as they seek other career pursuits later on; and be role model of other young women.
9. **Access to Finance:** Finance accounts for twice the proportion of business discontinuation compared to men. Lack of finance is not just a problem faced in less developed entrepreneurial ecosystems.
10. **Setting targets:** women reports a lower aspiration for growing their business. Entrepreneurship impact economies development through job creation. But if entrepreneurs don't aspire to create jobs, they won't. This finding raises questions about education (teaching about business growth) and policy (costs of adding and retaining employees). Perhaps entrepreneurship training programs for women that emphasize economic core types of business rather than growth, and policies that increase social welfare benefits for corporate women is needed.