



## WOMEN ENTREPRENEURSHIP EDUCATION: AN INSTRUMENT OF ECONOMY GROWTH AND OVERCOMING GENDER GAP IN A COMPETITIVE ECONOMY

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### Abstract

Entrepreneurial activity is widely seen as an engine of economic growth. It can contribute to the creation of wealth and jobs, may foster innovation, and provides autonomy and a sense of personal accomplishment to the individual. Women, however, are very often excluded from participation in entrepreneurial activities. But currently there is a growing recognition that development can be significantly promoted if more women could be encouraged to become entrepreneurs, and moreover that women as entrepreneurs need to be supported. The paper, examines some issues like Characteristics of Women Entrepreneurs, Women Entrepreneurial Development and Environmental Factors, Women Entrepreneurs as Economic Drivers, Education and entrepreneurial success and Mobilizing Diaspora Entrepreneurship for Development. Women entrepreneurs are found to have an important impact on the economy, both in their ability to create jobs for themselves and to create jobs for others. Government should provide more incentives and support systems specifically designed for women entrepreneurs.

**Key words:** *Women Entrepreneurship, Education, Economic Growth, Gender Gap, Competitive Economy.*

### Introduction

An entrepreneur is someone who organizes, manages, and assumes the risks of a business or enterprise. An entrepreneur is an agent of change. Entrepreneurship is the process of discovering new ways of combining resources. Entrepreneurial activity is widely seen as an engine of economic growth. Economic competition takes place in markets—meeting grounds of intending suppliers and buyers. According to Imed and Mouna (2010) Entrepreneurial activity is widely seen as an engine of economic growth. It can contribute to the creation of wealth and jobs, may foster innovation, and provides autonomy and a sense of personal accomplishment to the individual. Women, however, are very often excluded from participation in entrepreneurial activities. But currently there is a growing recognition that development can be significantly promoted if more women could be encouraged to become entrepreneurs, and moreover that women as entrepreneurs need to be supported. Women, while still a minority in the business world, have real entrepreneurial potentials and are, or can be, an important resource for economic growth and, by implication, for job creation. Imed and Mouna (2010) noted that typical or standard approaches to promote entrepreneurship may be inadequate to support women entrepreneurship because they may fail to take into account the different motivations and obstacles of female and male entrepreneurs (Hughes, 2006). Specific support systems or organizations that take into account the needs, challenges and unique situation of women are essential to promote women entrepreneurship, as these may assist women entrepreneurs avoid failure.

Stevenson (2004) finds that countries providing more incentives and support systems specifically designed for women entrepreneurs have higher rates of female entrepreneurship. The failure to adopt such specific support services means lower levels of women entrepreneurship. Thus, most developed countries have established programmes and organizations specifically to support women entrepreneurs, as exemplified by the European Union (EU) member states that have recently implemented specific action plans and measures to this effect. In 2001, the EU Directorate-General for Enterprise and Industry launched a project on ‘Promoting Entrepreneurship amongst Women’, aimed at collecting information on specific actions and support measures for promoting female entrepreneurship, and identifying good practices among member states. In contrast, support services for entrepreneurs in many developing countries are still rather standardized and male-oriented. Specific support for women entrepreneurs is limited, as the male-oriented model is the only recognized and implicitly accepted mechanism.

Damilola (2011) quoting Odoemene (2003) stated that from statistics, women constitute more than 50 percent of the Nigerian population and out of this only about 35 percent of them are involved in entrepreneurship which can

be in the form of micro, small, medium and large enterprises. In recent times, women empowerment in developing countries has received a growing attention especially in Sub-Sahara Africa. In Nigeria various programmes aimed at fostering the active participation of women in developmental programmes such as entrepreneurship are increasing coupled with the increasing number of women educated up to the tertiary level.

### **Women Entrepreneurial Development and Environmental Factors**

Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organisation and business problems as well as to the exploitation of entrepreneurial opportunities. However, women still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. However, development connotes a human multifarious and divergent process, manifested in every field of endeavour, which entails the overall improvement of man and his well being, to the level of social group which involves an increased capacity to regulate both internal and external relations. (Chinonye and Chima, 2010)

Keeble and Walker (1994) looked at the environmental factors from the perspective of the developmental setting that stimulates local market. Several environmental indicators have been identified as the major factors that can either hinder or inhibit women entrepreneurs. Minniti and Arenius (2003) argue that these factors are the supportive services that enhance women entrepreneurial development. The International Labour Organization (2003) regards environment factors as the external factors that include: (i) government policy (fiscal and legislative framework), (ii) access to appropriate business development support, (iii) access to finance and financial services and (iv) community and family. Mansor (2005) enumerated these factors, as: venture capital availability, presence of experience, technical skilled labour force, accessibility of suppliers, customers, new markets, government influences, land, transportation, new technological development, supporting services and living condition.

### **Characteristics of Women Entrepreneurs**

Women in entrepreneurship possess dual characteristics for instance, they are firstly women and secondly entrepreneurs (Chinonye and Chima 2010). Therefore, women entrepreneurs possess characteristics which include adaptability, innovativeness/creativity strength and internal locus of control (Annenkova, 2001), ability to think and reason fast and endure (Mayoux, 2001), managerial skill, accountability and credit risk (Thomson, 2002). Factors that motivate women entrepreneurs have been identified to include, dissatisfaction with "glass ceiling" (Familoni, 2007) or limits on their earnings and advancement (Stoner and Fry, 1982), need to improve quality of life (Cooper, 1983), desire to earn more income, growth and innovation desire for independence, risk-taking propensity, education, freedom, job flexibility and previous experience (Mansor, 2005).

According to Organisation For Economic Co-operation And Development (OECD) (2004) mainstream research, policies and programmes tend to be "men streamed" and too often do not take into account the specific needs of women entrepreneurs and would-be women entrepreneurs. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality. To facilitate progress, more work needs to be done in order to:

- **Better understand the function of women's entrepreneurship in society and for economic development.** We know that women entrepreneurs play a non-trivial role in the economy, that they face challenges and obstacles different from those faced by men and that they will act differently. The larger the difference is between men and women in a society, the larger we can expect the difference to be between men and women entrepreneurs and the more different we can expect their relative contribution to economic development to be.
- **Better understand the impact of women's entrepreneurship in different economic contexts.** By contexts we mean both the economic level of development and the societal level of development when it comes to the role of women in society. For example, we know that women's entrepreneurship in transition and developing countries is qualitatively different from women's entrepreneurship in developed countries. For example the problems of Eastern Europe are different because these economies have gone through and are still undergoing changes to adapt to a market economy. These changes have also had important (and often negative) effects on women's position in society (Stoyanovska, 2001). In these countries, women and men were, under the communist regime, supposedly equal in all aspect of society. However, with the fall of the communist regime structural inequalities between men and women became evident, coupled with the challenge to rediscover and learn the function of the market economy. This has put many women (often highly educated) in very difficult positions. In developing countries the combination of poverty, low levels of formal education and women having a very low social status creates special challenges for women engaging in entrepreneurship. In developed economies women have access to the same education and jobs as men, but important differences still exist and they seem to be shrinking at a very slow pace.

### **Women Entrepreneurs as Economic Drivers**

Research has shown that startups, especially high-growth startups, are the keys to job creation and leadership in new industries. With nearly half of the workforce and more than half of the college students in United States now being women, their lag in building high-growth firms has become a major economic deficit. The nation has fewer

jobs—and less strength in emerging industries—than it could if women’s entrepreneurship were on par with men’s. Women capable of starting growth companies may well be the national greatest under-utilized economic resource.

Lesa (2011) observed that although the scarcity of women entrepreneurs is well-known, not everyone sees it as an economic problem worth addressing. Nonprofit groups that encourage women to start high-tech firms are, for the most part, small and not very well funded by corporate philanthropies. And there are many skeptics among the general public. Some believe that if more women were starting companies, they would merely have a —replacement effect, driving out equivalent men’s companies that have to compete for the same business. And what would it take to develop the resource more fully? Lesa (2011) stated that new thinking must be stimulated on the subject. The following principles must be followed:

- While every entrepreneur, big or small, helps the economy, the emphasis here is on those who start high-growth companies, which help the most.
- More women’s startups need to be aimed at growth targets far above the oft-cited benchmark of \$1 million in revenues. There is a particular need for innovative, transformative new firms that can grow to serve global markets.
- Many (though not all) high-growth firms are built around new science and technology. With more women than ever entering these fields, the upside potential for women’s tech startups is huge.
- What it takes to succeed in business is not necessarily the same as what it takes to succeed in *starting* a business. While women have made great strides in breaking through the proverbial —glass ceiling to advance to high rank within corporations, few have made similar strides in breaking out laterally—through what might be called the —glass walls—to start their own high-growth firms.
- What it will take to have more high-impact women entrepreneurs includes all of the following: what women themselves might need to do, what men might do, and what might be done collectively in the way of public policies or private initiatives.
- Finally, to reiterate the main point: It is essential to see women’s entrepreneurship as an economic issue, not a gender-equity issue. When new companies and industries flourish, everyone benefits. And the returns will increase when more women contribute to the process by bringing their ideas to market and building high-growth firms around them.

### **Building an Entrepreneurial Society Based on Equal Opportunity**

Women’s entrepreneurship is a distinct feature of entrepreneurship. Based on the roles men and women are expected to have in society, individuals – based solely on their sex – will generally choose to work differently (choice of education employment vs. self-employment, sector in the economy) and will consequently have a different impact on the economy.

OECD (2004) observed that women’s entrepreneurship deals with both the situation of women in society and the role of entrepreneurship in that same society. According to OECD, therefore dealing both with the factors that affect the gender system and the factors that affect entrepreneurship in society. While entrepreneurship and the gender system have been widely researched, they have been mainly researched separately. Relatively little attention has been directed towards women’s entrepreneurship. The research that has been carried out in the domain of women’s entrepreneurship has not come as a response from the research community as a poorly understood and theoretically interesting phenomenon. Rather the research that has been conducted on women’s entrepreneurship comes as a reaction from different policy institutes (such as different national government agencies, European Union, ILO, UNIDO and the OECD) needing better information in order to initiate measures to support women’s entrepreneurship coupled with the intrinsic motivation emanating from individual women researchers in the field. Both researchers and different policy institutes have now started to recognise that the gender system as anywhere else in society plays also an important role in shaping entrepreneurship and economic growth.

OECD (2004) stated that women’s entrepreneurship can be understood as a scientific research endeavour. based on the three different stages of the entrepreneurial process, in order to better understand the specific obstacles and challenges faced by women:

The general population (participation in the labour market, family responsibilities, gender beliefs, political and ideological context);

The establishment of the new firm (growth ambitions, resource acquisition, industry choice); and

The early development of the new firm (profitability, growth in sales and employment and survival).

These three stages are analysed from a women’s entrepreneurship perspective to establish if there are differences; where there are differences; and what are the consequences of those differences for economic growth. More specifically interesting is the transition an individual makes. First, the choice of becoming self-employed, second the gathering of resources in order to establish a new independent firm and thirdly the survival and performance of this new firm on the market. Relatedly, one can then ask how women differ from men in the different stages of the process. What factors at the societal, economic and individual level affect how women enter entrepreneurship (and how they affect the nature and volume of women’s entrepreneurship) and how this is connected to economic growth? Notedly, economic growth is both a cause and an effect with respect to the nature and volume of women’s entrepreneurship realised in an economy (Wennekers & Thurik, 1999). Economic growth can be measured in a number of ways: job creation, change in GDP (per capita), innovation, economies of scale,

level of education and capital accumulation. Hence, women's entrepreneurship will take on relatively different aspects if it is displayed in developing economies, economies in transition or in developed economies.

### **Education and Entrepreneurial Success**

Adeyemi (1997) quoting Bates (1990) stated that highly educated entrepreneurs were likely to create firms that remained in operation and that high levels of educational attainment in most cases led to successful entrepreneurship.

Romano and Lourens (1992) reported that the duration and relevance of formal education was related to the firm's survival in that "owners/managers who had received formal education relating to the type of work in which the proposed business was engaged experienced greater growth than those without such education" and "completion of business/management courses by owners/managers was related to business success" (Williams, 1986). It was inferred in the paper that owners/managers with more education could be more highly entrepreneurial in future prospects and be more receptive to new managerial initiatives.

It was also revealed that fast expanding firms had managers who had higher institution and professional qualifications but this might not be a sufficient condition for success. Adeyemi (1997) quoting (Lloyd and Dicken, 1982) also revealed that although it was likely that formal education made managers more receptive to business management.

On the other hand, there were some studies which did not lend support to the relationship between education and entrepreneurial success. Stuart and Abetti (1990) reported in their study that advancement beyond the bachelor's degree was negatively related to the performance of the business. Storey in Romano *et al.* (1992), found that no founder of a new manufacturing firm had a university degree and 22% had no formal qualifications. In another report by Marceau (1984), it was found that most respondents had not received 'advanced abstract education' with most of them having gained technical training on the hop floor. Romano *et al.* (1992) study of high and low growth firms concluded that formal education was not an important factor in small business success.

### **Mobilizing Diaspora Entrepreneurship for Development**

Development practitioners and policymakers are beginning to examine the role of diaspora entrepreneurs in gearing investments toward their home countries, thereby creating jobs, spurring innovation, and fostering networks. Compared with remittances or diaspora bonds, entrepreneurial investments give diaspora members more direct control over the use of their funds. According to Kathleen and Hiroyuki (2010), given their ties to their countries of origin, diaspora members are often more willing than nondiaspora investors to risk starting or engaging in business activities in high-risk or emerging markets. Moreover, their knowledge of the local political, economic, and cultural environment, as well as their personal connections and linguistic abilities, may give members of diasporas a "first mover" advantage over others when investing in or starting businesses in their countries of origin (David, 2009)

Stephen (2008) observed that despite the advantages of attracting diaspora direct investors and entrepreneurs to their countries, many developing countries have experienced only limited success in actually doing so. Countries at war or those experiencing internal conflict and social upheaval remain unattractive to all but the most intrepid diaspora private investors and business people. But even when societies are at peace, governments may still require aspiring entrepreneurs to follow complex procedures and clear many administrative hurdles to register and operate businesses. Complicated tax laws, limited access to local financing, and corruption are all conditions that can deter individuals from pursuing economic activities in a given country and persuade them to look for opportunities elsewhere.

Since at least the 1970s, researchers have studied entrepreneurship among immigrants in their countries of destination. Studies have emphasized immigrants' contributions to local economies through the small and medium enterprises (SMEs) that they establish and run, their role in creating and expanding niche markets in immigrant communities, and their ability to offer jobs to natives and other immigrants. Recent research shows that entrepreneurship among immigrants living in the world's advanced economies is on the rise, and that the bulk of immigrant entrepreneurs in more than ten advanced economies of the world work in the retail, wholesale, restaurant, and catering businesses. Numerous studies have tried to assess the economic impact of both high- and low-skilled immigrants in their countries of destination. One study of Chinese and Indian entrepreneurs in Silicon Valley, for example, shows that companies founded by immigrants employed 45,000 workers and generated \$52 billion in revenue in 2006. (Vivek, AnnaLee, Richard, Gary and Alex 2009)

### **Conclusion**

This paper examined women Entrepreneurship as an instrument of Economy Development. Independent of the way different studies have been conducted, In all countries women still represent a minority of those that start new firms, are self-employed, or are small business owner-managers. This economic resource, if not untapped, has not been successfully explored yet. Women entrepreneurs are found to have an important impact on the economy, both in their ability to create jobs for themselves and to create jobs for others. Job creation is not only one measure of economic vitality, but it is crucial for several reasons. Jobs provide a living for people, and when there are not enough of them, as in recent years, the society and economy take multiple hits. The unemployed suffer. Conversely,

when jobs are being created at a strong rate, these dynamics are reversed and there is an upward spiral growth. Specific obstacles to women's entrepreneurship are: type of education, lack of role models in entrepreneurship, gendering of entrepreneurship, weak social status, competing demands on time and access to finance.

Key policy recommendations

Government should provide more incentives and support systems specifically designed for women entrepreneurs since Women's entrepreneurship dependent on both demand side (political and institutional framework, family policy and market sources) and supply side factors (the availability of suitable individuals to occupy entrepreneurial roles).

Government should Increase the ability of women to participate in the labour force by ensuring the availability of affordable child care and equal treatment in the work place. More generally, improving the position of women in society and promoting entrepreneurship generally will have benefits in terms of women's entrepreneurship.

Incorporate a women's entrepreneurial dimension in the formation of all SME-related policies. This can be done by ensuring that the impact on women's entrepreneurship is taken into account at the design stage.

Women should endeavour to take advantage of all business opportunities in their environment by seeking advice and counseling from those women who are already succeeding in various types businesses.

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