

## **Women's business centres - lessons learned from USA, Sweden and Canada**

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### **Objectives**

This paper analyses support measures in USA, Canada and Sweden aimed at encouraging women to start their own business and/or promote growth in women-owned businesses, and in particular the role of women's business centres. It examines whether having separate initiatives aimed mainly or solely at women is a viable and desirable proposition; whether existing such initiatives have proven successful in their stated and unstated aims; and which elements of practice are transferable to other countries and contexts.

### **Prior Work**

The paper builds on the gender mainstreaming debate, in particular whether business support for women should be a separate programme or provided as part of existing, standard initiatives. It builds on the notions of 'pseudo-inclusion'- whether separating provision for women from mainstream provision marginalises them rather than being the most effective tool for promoting start-up amongst women. It also relates to research questioning whether encouraging a greater number of women-owned businesses, and/or encouraging growth among existing ones, should be a policy target.

### **Approach**

The paper uses a combination of a comprehensive literature review and qualitative data gathering to examine the development and effectiveness of policies based around the existence of specific centres aimed at female entrepreneurship support in three countries. In-depth interviews were conducted with managers of such centres and other business support personnel, leaders of relevant umbrella groups and policy-makers and practitioners to establish a rounded view of how women's business centres fit into the overall policy context, and how they have aided the development of women's enterprise.

### **Results**

The results presented here are (a) an evaluation of the successes and failures of various initiatives based around women's business centres; (b) the identification of good practices; and (c) an analysis of the extent to which these good practices are transferable to other contexts, in particular the UK economy, and how they might fit together into a coherent policy offering.

### **Implications**

The study will give policy-makers and practitioners a nuanced view of the elements which make up several lauded initiatives aimed at supporting women's entrepreneurship, how these elements work together (or not) and how these elements may be used elsewhere.

### **Value**

The key contribution of this paper is to more critically examine the specifics of women's business centre initiatives than has previously been the case, looking at both the processes and outcomes which lie behind the simple output-related success measures that often characterise mainstream policy evaluations.

### **Keywords**

Women's enterprise, Gender mainstreaming, Entrepreneurship, Business support

## Introduction

The provision of business support designed to encourage higher levels of entrepreneurship amongst women and/or growth in women-owned small businesses is a subject of some debate. The key questions relate to the issues surrounding gender mainstreaming – is it more effective to have separate support systems for female business owners and start-ups, or should there be a single, 'mainstream service' for all groups? And, if support for women is 'segregated', how should it be provided; what elements of support constitute a 'female-friendly' style of business support? There is relatively little hard evidence for the effectiveness of a 'managed diversity' approach to support needs, where the strengths of individuals from a diverse range of backgrounds are taken into account, as opposed to an equal opportunities approach, where all groups receive the same support (Wilson, Whittam and Deakins, 2004). In addition, it is possible that, instead of building on the advantages and unique characteristics of different groups, a process of 'pseudo-inclusion' may occur (Thiele, 1992). This highlights the risk that the position of groups which are marginal, peripheral or isolated may be exacerbated and reinforced by the provision of separate support.

Mayoux (2001) identifies three distinct paradigms relating to micro and small-enterprise development for women: (a) at one extreme, the *neo-liberal market paradigm*, focusing on the contribution of women's entrepreneurship to efficiency and market-led growth, with policy interventions largely restricted to provision of micro-finance to alleviate obstacles to women raising capital and cosmetic changes to regulatory frameworks; (b) at the other extreme, the *feminist empowerment paradigm*, which promotes networking and co-operation to support self-employed women in the informal sector, combining social welfare policy with an increased emphasis on non-market work and the challenge women's representation can make to vested economic interests; and (c) the intermediate route, *interventionist poverty alleviation paradigm*, dominant in Europe, promoting equal opportunities legislation alongside policies aimed at the very different client groups of small business aiming for growth and poor self-employed/informal workers, with gender treated as a special case requiring separate provision.

In paradigm (c), which is most characteristic of the economies examined in the current paper, micro-enterprise creation is viewed as a prospective route out of poverty and a means to generate employment in deprived areas, with the 'gazelles' - growth-oriented SMEs - placed in an entirely different category. As Mayoux points out, with women under-represented among 'traditional' entrepreneurs, and treated as a special case or 'add-on' to mainstream provision conceptualised and implemented along conventional economic lines, it is clear that policies aimed at alleviating poverty could become conflated with those promoting women's entrepreneurship, a conflation which has already arisen in the USA context (discussed below).

In the context of women's enterprise policy in the United Kingdom, successive Global Entrepreneur Monitor reports have pointed to low levels of entrepreneurship among women, prompting several policy reviews (Wilson, Whittam and Deakins, 2004). The most recent example is the government's new Enterprise Strategy (HM Treasury and BERR, 2008), which outlines several commitments to 'support women entrepreneurs and provide them with the knowledge and skills that will allow them to see enterprise and business ownership as a real choice for them' (p.42). One of the key planks of these commitments is what is referred to as 'focused provision' (p. 42), following the American model of Women's Business Centres (WBCs), to provide a more relational style of business support than is currently the norm in the UK (primarily via the Business Link network of agencies), initially through four regional pilots.

This paper is partly based on research carried out to develop a specification for these pilot WBCs, examining provision in three countries identified as exemplars in the provision of support to potential and established women entrepreneurs, through networks of specialised centres: the USA, Canada and Sweden. This involved both a survey of the (often scant) literature specifically relating to the effectiveness of this specialist provision in each of the countries and interviews with managers of the centres themselves and other relevant stakeholders (umbrella organisations, policymakers etc.). The aim of this research was to identify good practice which could be transferable to the UK context and supported the aims identified in HM Treasury and BERR (2008).

The current study builds on this by examining the rationale and effectiveness of business support for female entrepreneurs as currently practiced in the three economies mentioned above, with a particular focus on the USA, which is referred to, in terms of ownership of businesses by women, as the benchmark for other countries to aspire to.<sup>1</sup> It also examines what the choice of support methods, learning styles and clientele among women's business centres implies about the type of client targeted by such centres, and the types of business such clients might be expected to establish. This is particularly the case in the light of recent research on gendered assumptions and presumptions about entrepreneurship and, especially, the presumed 'maleness' of characteristics which define the notion of a traditional entrepreneur.

## Women-focused support

### USA

The literature specifically examining the effectiveness of the separate provision of support for women entrepreneurs through dedicated centres is surprisingly meagre. In particular, the surveys of American WBCs - a programme which has existed for 20 years - often tend to provide only a surface reading of the success of the centres, concentrating on the numbers of clients engaged (and the characteristics of these clients), and the *overall* turnover and profits of the businesses supported, alongside qualitative opinions on success factors. There is relatively little information (and especially long-term comparative studies) of the characteristics (e.g. sector, average employment size, survival rates) of either businesses formed as a result of the intervention, or existing businesses supported in further development. Nor is there information on the outcomes and outputs from specific interventions, most likely due to the heterogeneity of structures and programme offerings adopted by different WBCs. The criteria by which the US Small Business Administration (SBA) awards grants to WBCs<sup>2</sup> sets out the parameters of the topics which must be covered in seminars and workshops by each WBC, and some basic operating parameters (e.g. flexible opening times), but does not lay down a strict operating structure. The heavy reliance on match funding from private sector sources, which varies substantially between WBCs (Godwyn, Langowitz and Sharpe, 2005), also leads to much variability of offerings.

In their survey of WBC managers, Godwyn, Langowitz and Sharpe (2005) report that the most common factor reported as key to their success was the 'female-friendly' support style, aimed at establishing longer-term, more trust-based relationships with clients, with an emphasis on counselling and the creation of a 'safe space' for clients to connect with. This emphasis was also reiterated by our interviewees, repeatedly voicing the opinion that women learn in a 'different way' to men. Although there are variations, the approach can be summed up as combination of (a) 'triage' (Womenable, 2006) - diagnosing challenges faced by individuals through counselling and directing them to the correct support, which may not be what they initially request; and (b) 'hand-holding' (as it was referred to by an interviewee) - intensive, relationship-based one-on-one support and counselling and (c) networking, or building a 'bridge to business culture' (Godwyn, Langowitz and Sharpe, 2005, p16), providing business contacts, role models and learning from more experienced female business owners. There is some disagreement, however, that this is what is provided by WBCs. Ehlers and Main (1998) is critical of the non-gender-specific support utilised by the WBC they chose to study which, by extension, assumes a 'male' model of entrepreneurship as the norm, and neglected to take account of women's different needs and domestic circumstances. However, this study was conducted some time ago (the mid-1990s) and it is unclear how generalisable these findings would be to WBCs currently in operation.

The other key measure of success cited by interviewed WBC managers (and perhaps the corollary of the point raised above) was their ability to attract and retain clients who would either not think of engaging with a mainstream support service<sup>3</sup> or who had attempted this route and abandoned it. Most interviewees reported that *some* clients who had previously

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<sup>1</sup> This paper does not address the ongoing debate relating to whether the USA is a good benchmark for UK female entrepreneurship rates, concentrating instead on support measures at a micro level.

<sup>2</sup> Available at [www.sba.gov/aboutsba/sbaprograms/onlinewbc/wbc\\_2008\\_grant\\_announcement.html](http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/wbc_2008_grant_announcement.html)

<sup>3</sup> Small Business Development Centres (SBDCs) or SCORE, a service where experienced executives provide advice on a one-to-one basis

engaged with SBDCs (in particular) felt patronised by the advisors. This was mainly due to the SBDC focus on larger businesses and business growth, with the effect that clients who proposed a 'mom-and-pop' business idea felt that they were dismissed with little encouragement, because such small businesses were often assumed to be relatively straightforward to establish, not requiring a large amount of support. This impression was intensified when the advisor was perceived to be a well-off older man advising a younger woman on a low income. One interviewee noted that such clients referred to SBDCs sometimes felt that 'they were being patted on the head and told that they were a good girl', rather than being directed to appropriate support. Another indicated that some SBDC counsellors lacked the necessary 'cultural competency' to deal with some client groups, a similar complaint. The implicit assumption here is not simply that the businesses and clients discussed are of less value to the economy and not deserving of support, but rather that someone who needs intensive support to start a 'straightforward' business is not, and cannot be, an entrepreneur, and therefore should not be supported to become one. The finding that the presence of a nearby SBDC does not impact on the average number of clients attending a WBC supports the contention that the two initiatives serve a different client base (Richtermeyer and Fife-Samyn, 2004; Expectmore.gov, 2008).

This problem is not universal, however. Managers noted that it varies from SBDC to SBDC and even from advisor to advisor, and that SBDC and SCORE advisors were highly regarded for niche and sector-specific advice and called upon to deliver seminars and workshops on these topics. This, in turn, suggests that WBCs' expertise and the skills of their own employed staff are more relevant to small, generic, uncomplicated businesses. This is, in fact, at least partially due to the small size of the workforce in most WBCs – centres with fewer than ten regular employees were not uncommon, necessitating the use of outside contractors (sometimes without payment) to deliver substantial amounts of their training programme. This is partly due to the restrictive funding regime noted above, but also due to the need to charge as little as possible (sometimes no charge at all) for training sessions, due to the nature of their mandated target market, low income women. Even within the design of the programme, therefore, there are elements of marginalisation and pre-determination of 'what constitutes suitable' businesses for women to establish. There is also a circumscription of the clientele for women's business centres, which ostensibly and nominally aims to support *all* women, but in fact, within their terms of reference (as laid out in the Women's Business Ownership Act and Executive Order 12138, 1988 and the online eligibility criteria noted above), must instead skew its engagement efforts towards women in deprived communities. This circumscription may well further intensify the marginalisation of women entrepreneurs.

This raises the interesting question of whether the services offered by WBCs are, rather than being tailored towards the needs of women entrepreneurs, are instead tailored towards the needs of a programme designed to alleviate deprivation through the encouragement of entrepreneurial activity and, indeed, whether the two would, in practice, look very similar. The WBC initiative seems to correspond to the interventionist poverty alleviation paradigm (Mayoux, 2001), where micro-enterprise creation is a route out of poverty, and gender-based interventions are separate to mainstream provision. The conflation of tackling deprivation and promoting women's entrepreneurship within WBCs stems from political intervention – stakeholders indicated that a bill introduced in the late 1980s that simply aimed for the latter objective was unlikely to be passed, necessitating the introduction of poverty alleviation as an adjunct. This seems to represent an unwillingness on the part of the policymakers to make a complete break with the neoliberal market paradigm by singling out women for special treatment, instead making it more palatable by adding provisions to move them off welfare, which would make the bill easier to sell to constituents. However, when taken alongside the limited budgets granted to WBCs, and the fact that it remained a demonstration (rather than permanent) programme for just under twenty years also indicates the marginalisation of issues relating to women's entrepreneurship and a reluctance to wholeheartedly commit resources and funding. The resulting situation, where a relatively high proportion of WBCs' resources are devoted to raising sufficient match funding simply to continue operating, thus reinforces the low priority given to the scheme.

The question of the extent to which WBCs programmes actually tackle deprivation (or reduce welfare dependency) through enterprise creation is harder to answer. The average household

income of their clients is indeed below average, and many (although by no means all) have operations which are geographically restricted, in large part, to deprived communities. In addition, the limited American welfare system means that finding a job, either as an employee or in self-employment, is a higher priority than in many European countries with a more robust social safety net, and the lower average levels of savings held by women raises that priority still higher. As such, successful interventions, whether they reduce the distance to start-up or to paid employment or both, will aid the women (and men) in which WBCs operate, without necessarily leading to significant increases in business creation among the most deprived groups. This qualitative outcome is, arguably, as important as the hard outcome increased numbers of start-ups. There can be unintended, perverse or negative effects if individual initiatives are not well-designed (Shaw, Carter and Marlow, 2007).

More in-depth research is needed to tackle these questions, in particular qualitative work tracing the client journey, and understanding the motivations behind their approach to the WBC, their desired outcome and how client aspirations and labour market potential have changed as a result of contact with the WBC. Of the few studies that have been undertaken, several have come to the conclusion that microenterprise programmes aimed at poor American women either make little difference to the target market, leaving many clients in the same marginalised position as prior to engagement (Ehlers and Main, 1998) or that they are no more effective in alleviating poverty than other programmes or, indeed, no support at all (Sanders, 2002).

One key difference between American WBCs and those in Sweden and Canada is that, due to federal rules, they cannot, in fact, be women-*only* centres – federally-funded provision must be open to all. This has led to a situation where around 18% of WBC clients across the country are actually men (according to figures provided by the Association of Women Business Centers). This, in turn, affects the nature of provision and the analysis of outcomes. However, attitudes to this were relatively consistent across the centres we interviewed, with most welcoming men who chose to attend, with one semi-jokingly referring to them as ‘the brave and the wise’ in order to overcome any trepidation. However, none of the centres actively encouraged male usage, and some did try to discourage men from attending at least some sessions (mostly those concerned with empowerment or self-confidence). This was carried out through advertising and initial contacts heavily emphasising the overwhelmingly female attendance at the centre, warning potential male clients that they may feel intimidated by this. One WBC noted that around 40% of its clients were men, due to their funding arrangement with the state, although this was recognised as being highly unusual. The fact that such a relatively high proportion of the client base is accounted for by men is an indication that the ‘female-friendly’ learning style so heavily promoted by centre managers may appeal more to a type of client and business characterised as ‘female’, rather than at women *per se*.

### *Sweden*

As in the USA, there is a lack of hard qualitative and quantitative evidence for the effectiveness of the networks of the Swedish development agency NUTEK’s Resource Centres for Women and Business Advisors for Women (BAW) programmes. The former programme offers entrepreneurship support as part of a wider concept of women’s development, including the setting of entrepreneurship goals within an explicit context of social development at a local and regional scale. BAW, on the other hand, implements a policy which can be summed up as support for women *by* women. This grew out of research in the early 1990s, which indicated that women were unwilling or hesitant to seek advice and finance from traditional business support agencies and financial institutions, as they felt that women were often not taken seriously and/or that advisers and financiers did not appreciate their circumstances (Nyberg, 2003). This reinforces the evidence from the current study’s interviewees noted above, which identified the lack of empathy and connection – based on gender, age and perceived wealth – between advisers and clients. The Swedish research indicated that female advisers were preferred, leading to the recruitment of a network of female advisers, many with businesses of their own, to act as both mentors and role models, supporting both potential and existing entrepreneurs in a more holistic way, taking account of both the business itself and how it interacts with family life.

Meanwhile, a Peer Review of BAW (EU, 1999) noted that the initial specification of BAW did not include explicit quantitative objectives, nor baseline figures for later comparative analysis. Instead, it indicates that many outputs were intended to be more qualitative and inherently hard to measure, such as changing the attitudes held by the population (and stakeholders such as financial institutions in particular) towards women-owned business and the concept of female entrepreneurship (e.g. the type of businesses considered suitable for women). EU (1999) also indicates that the main point of evaluative activity in the context of the programme was to identify good practice and feed this back to the network of business advisors, who themselves would gain skills and knowledge through their work with the programme. The Review also highlights the extensive use of networking, which grew organically to a greater extent than was originally conceived. Indeed, the benefits of networking are often cited as key to the success of the centres, as well as a major output in itself, stressing the social facets of entrepreneurialism (e.g. peer learning, facilitation of the formation of trust relationships in early stage businesses) over and above the traditional image of the entrepreneur as a single, talented individual.

### *Canada*

In Canada, the first state-funded women's entrepreneurship centres were launched in the western provinces in 1995 (through the Women's Entrepreneurship Initiative, WEI). The programme was rolled out to the rest of the country from 2003 onwards. The WEI was conceptualised as a means of filling service gaps, especially at the start-up stage but also aimed at developing existing businesses. In common with the American approach, each provincial WEI organisation is independent, again giving rise to distinctive approaches to organisation, structure and service offerings – producing diversity but also making it difficult to aggregate outputs.

Also similar to the American position, the WEI aims to support 'less sophisticated business owners' (according to our interviewees) – essentially, those who are less likely to be able to obtain finance. As in the USA, these businesses tend to be clustered in catering, retail and personal services areas. However, in contrast to the American and Swedish experiences, the ability of the Canadian centres to lend money themselves is heavily emphasised. While some American WBCs do have microloan programmes, they are in a minority, due to the restrictions on expenditure arising from the small size of the SBA grant and the need to raise the remainder of their budget in private match funding. The uncertainty of revenue stream this creates, alongside the often high risk of default and business owners with low collateral, means that a loan programme (even a microloan programme) is not a viable option for most WBCs. Instead, it is more common for women to be directed towards outside lenders, with the WBC often aiding in the development of a more effective business plan (giving it a 'seal of approval' which aids in swaying lenders) or acting as guarantor. Canadian WEI centres, however, adopt a fundamentally different approach and place the loan programme at the heart of their activities, either advancing the entire amount needed or lending enough to leverage in additional funds.

The loans advanced by the WEI tend to be relatively small (around CA\$25-30,000, on average). As the clients tend to be high-risk and often lack collateral, the WEI initially experienced high loan loss rates, resulting in the implementation of more effective loan management systems. These systems consist of undertaking extensive work with the client, similar to the hand-holding described above – calculating the viability of the business, carefully and intensively guiding the client through her business plan, then maintaining contact with and continuing to support the client in order to raise the probability of the business surviving and the loan being repaid. The implication is that, without this hand-holding approach, the proportion of businesses aided by the WEI which subsequently fail would be substantially higher. The centres also offer networking opportunities, very similar to those described above.

For the 'more sophisticated' and/or larger businesses – for example, those in high technology sectors or potential exporters – WEIs tend to enter into partnerships with specialist agencies. Again, therefore, those female entrepreneurs who actually more closely match the image of the 'traditional' entrepreneur – exploiting new technology or aiming for aggressive growth through international sales – are not well catered for by the women's business centre model. There is some debate among policymakers and the centres themselves about extending the WEI model to cover 'growth businesses' more effectively, since the skills and experience of staff are felt to

be reaching a point where they would be more able to offer appropriate and effective advice and support, with suitable CPD in place.

### Common themes

In each of the three cases outlined above, business support aimed specifically at women was devised to correct deficiencies in existing business support and finance mechanisms:

(a) in the USA, the provision of female-friendly training and networking to attract low-income women, alienated or intimidated by the classroom-based, male-dominated aggressive style of training on offer. This style both lacks one-to-one support and also fails to address how business ownership could fit with their family and other responsibilities;

(b) in Canada, to fill the funding gap for higher risk, low capital start-ups, alongside intensive, one-on-one counselling and support in business planning and follow-up development and networking opportunities;

(c) in Sweden, to change the image of women entrepreneurs and provide networking and opportunities for peer learning and mentoring, with the relatively small number of existing female entrepreneurs.

Thus, there are a number of common threads of distinctiveness of style and content to the initiatives, centred around networking, peer learning and more intensive support focusing not just on the business plan, but also on work-life balance. There is also the question of the desirability of female-friendly support in the face of inappropriate or biased mainstream provision.

Crucially, while both Canada and American women's business centre programmes had the objective of raising awareness of, and changing public perceptions of female entrepreneurship, Sweden differed in placing this at the heart of their initiatives, and giving it more weight in the (limited) evaluation activity. Canada prioritised the finance aspects, backed up by one-on-one support and training, while America prioritised counselling and holistic learning, through a wide-ranging seminar programme.

This has led to a situation in both Canada and America where the 'typical business' which emerges from start-up support is a small lifestyle business, in catering, retail or personal services<sup>4</sup>, with a low probability of growth and, in some cases, a lower income than might be achieved through paid employment. Thus, provision and outcomes may be seen as limiting, rather than focused. This tendency has been exacerbated by the explicit objective adopted by the American WBC programme, that support should be primarily targeted on women in deprived communities, rather than the female population as a whole. In the case of a relatively large number of clients from such communities, business start-up may well not be a viable course of action or the most desirable outcome.

In certain cases, where the individual WBC has accepted federal grant funding aimed at reducing unemployment among lone parents, this has led to women effectively being forced to attend the course to completion and setting up their own business, in order for the WBC to claim the funding (Shaw, Carter and Marlow, 2007). Our interviewees pointed towards more beneficial outcomes – clients who attended the WBC but were unlikely or unable to start a business often still received a one-on-one counselling session, with the purpose of persuading them to adopt a different course of action. This was often complemented by a basic financial literacy or empowerment/confidence building seminar or workshop and, in some cases, by a microloan from a fund earmarked for removing obstacles for very early pre-start-ups with, in practice, very few defined conditions for advancing funds. In several cases, this had allowed the client to, for example, make a deposit on an apartment, giving them permanent or better quality accommodation. These interventions do not necessarily move the client closer to starting a business, but are likely to reduce their distance from the labour market, and increase their probability of finding employment, removing obstacles and freeing them up to consider options. It should be emphasised that not all WBCs act in this manner, but interviewees noted

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<sup>4</sup> Ehlers and Main (1998) provide a list of planned or supported microenterprises by sector at one WBC, with the ratio of 'traditional' female-oriented to 'non-traditional' businesses being 79:10.

that they were particularly proud of these interventions, and indicated that there were often few other organisations with the freedom of operation to reach out to the community in this way.

### **Male vs female entrepreneurs**

A growing body of literature (see Ahl (2001) and Marlow, Carter and Shaw (2008) for overviews) is engaged in examining how discourses considering entrepreneurial behaviour relate to images and perceptions of gender. In the case of 'the entrepreneur', the dominant (if usually unarticulated) image is of a man, and the characteristics and motivations commonly ascribed to entrepreneurs, by the general public, the media and academic studies alike, are heavily biased towards stereotypically male traits (Ahl, 2001). Ahl's deconstruction of the meaning of 'entrepreneur' produces a lengthy list of descriptive words and their antonyms – 'The words... show a polarity between strong and weak, active and passive, leader and follower. These words resemble the dichotomy with which "masculine" and "feminine" are often described' (Ahl, 2001, p. 50), as revealed by comparison with surveys of public perceptions of 'male' and 'female' traits. This conceptualisation of the entrepreneur further implies a gendered division of labour, with the male as the stereotypical breadwinner, and the female as the housewife and carer. Thus, as Bruni, Gheradi and Poggio (2004) puts it, 'social studies of women entrepreneurs tend to reproduce an androcentric entrepreneur mentality that makes hegemonic masculinity invisible' (p.258). In other words, since the maleness of entrepreneurialism is effectively taken for granted, this assumption is rendered invisible, leading to the marginalisation of other, more 'female' conceptions of entrepreneurial activity in a wide range of arenas, particularly those which are less market-based. Indeed, while the number of articles about entrepreneurs in American business periodicals increased substantially between 1982 and 1995, at the same time as the percentage of women business owners was increasing, the proportion of articles on women's businesses actually fell (Baker, Aldrich and Liou, 1997).

As such, mainstream entrepreneurial support tends to take these definitions and characteristics for granted as applying to all entrepreneurs, regardless of their sex.<sup>5</sup> We can clearly see this reasoning at work in the assumptions underlying the design of policy in both USA and Canada, and the effects are obvious in the outputs and outcomes. The dominant sectors for which information is requested by clients in American WBCs are stereotypically female, to the extent that Godwyn, Langowitz and Sharpe (2005) has a separate category relating to 'childcare, pet care and other [personal] services', which is among the most popular. If a client presents a more 'masculine' idea for a business, or needs support for later stage business development, they tend to be referred elsewhere. In America, this referral would tend to be to a Small Business Development Centre, and it is notable that there is relatively little difference between satisfaction ratings by gender among SBDC clients, and that the gender split of clients is roughly 50/50 (Concetrance, 2007). From this, it is possible that there are some women who are not alienated by a male-oriented support style, and that the process of setting up (or developing) a business which conforms more strongly to traditional notions of entrepreneurialism lends itself to traditional, mainstream business support. However, it is also possible that their going elsewhere fails to expose and/or excludes both clients and advisors of women-only centres from particular types of business and support.

However, the overview of the literature in Ahl (2001) showed that, in comparative studies of male and female business owners, there were more similarities than differences in their opinions of the start-up process, with the greatest differences emerging in their reasons for start-up (e.g. women were more likely to start a business for family-related reasons). In terms of the support required, there was relatively little difference indicated by most studies. However, it should be noted that the studies cited concentrated on existing business owners, not those who had been discouraged before start-up, for whatever reason (a harder group to contact and interview). Meanwhile, of course, the stated objective of the women's entrepreneurship programmes in all three countries is to target this latter group, whose opinions and support needs may not be reflected by those who have already started their own business, often in an environment where support aimed specifically at women was either absent

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<sup>5</sup> In this discussion, 'sex' refers to men or women in the biological sense, while 'gender' refers to male or female social and psychological characteristics – a man could, in this context, have a number of female characteristics, and vice versa.

or in its infancy. Godwyn, Langowitz and Sharpe (2005) notes that, since relatively few women had attended 'traditional' business training, it was assumed there was little demand from women for its services.

In this conceptualisation, women's business centres are not aimed at women entrepreneurs, nor necessarily at turning women *into* entrepreneurs (at least, not in the Schumpeterian sense, involving a high degree of innovation and creativity), but are instead focused on encouraging *self-employment* among particular groups of women. The aim is to move them towards being owner/managers of particular types of lifestyle-oriented micro businesses, especially women who would not have pursued this course without the availability of specialist support. The performance of businesses started in this manner is therefore not necessarily best measured by traditional indicators such as profit, turnover growth and size of workforce (on which women-owned business do fail to match male-owned, according to the survey in Ahl, 2001), but instead by more personal indicators – for example, self-fulfilment or work-life balance – *alongside* profit and the generation of a sustainable income for the owner (which, according to Sanders (2002) may often be no greater than that derived from other available sources, such as paid employment).

A more radical implication, derived from the evidence, is that it is not only women who could or should be targeted in this way, but also men, for, as noted above, around a fifth of clients in American WBCs are male. Why do they choose to come to a *women's* business centre when alternatives, offering a more 'male' style of support, advice and learning, are also available? The research quoted in Ahl (2001) indicates that the support needs of male and female business owners during start-up were not substantially different. However, it is more plausible that the support needs of those on low incomes, from deprived communities and distant from the labour market would be different from those from less deprived backgrounds. While starting a small lifestyle business may be a completely rational choice for some women due to their capital endowments, both human and financial (Marlow, Carter and Shaw, 2008), the same may apply more generally to deprived communities. *Men* who are discouraged from the labour market by long periods of unemployment or under-employment (Webster, 2002) and looked on unfavourably by mainstream lenders can also benefit from microloans, 'hand-holding' and the more 'feminine' approaches to building up confidence and giving incremental support that the American and Canadian programmes offer. In addition, residents of deprived communities in general face similar barriers to those frequently cited as hindering female entrepreneurship (see e.g. Gould and Parzen, 1990): Slack (2005), examining New Entrepreneurship Scholarships – a UK initiative to promote self-employment in deprived areas – characterises the main barriers to residents of such areas as: lacking business skills; poor access to finance; and a lack of established business figures to act as role models and mentors.

## Conclusions and further research

In terms of the provision of business support, the evidence points to a likely requirement to adopt a more sophisticated segmentation of clients than simply male/female; i.e. not simply assuming that all women have similar support needs and that these are different from men. Women entrepreneurs and potential entrepreneurs (or business owners or the self-employed, to adopt less masculinised terms) are not a homogeneous group, and their journeys to start-up and growth are not identical. The same, of course, applies to men. There is some evidence that the 'female-friendly' style of support used in America and Canada has proven successful, to an extent, in engaging women (and men) who would not otherwise have engaged with the support system, and have gone on to either start their own business or become more employable. This supports both the managed diversity approach and Mayoux's (2001) interventionist poverty-alleviation paradigm, albeit in a more nuanced way than simply based on gender.

It definitely does not support the neo-liberal market paradigm, since many businesses established as a result of the American and Canadian programmes are relatively small lifestyle businesses, which contribute relatively little to market efficiency, growth and productivity, conceptualised in the traditional economic manner. However, at a micro level, it can be perfectly rational decision for people of either sex with low capital endowments and a relatively poor chance of finding well-paid employment, to set up a small, non-growth-oriented business

as a route out of deprivation and/or to fit in with domestic responsibilities. This latter factor still figures far more highly in the decisions of women than men, and provides a rationale for distinctively female support, although the broader principle of start-up and development support taking into account work-life balance is, or should be, applicable to both sexes.

In the case of the UK, there is already the Local Enterprise Growth Initiative in existence which aims to promote routes out of poverty in deprived communities through enterprise, and has implemented a range of measures which are similar to those in use in America and Canada (community engagement, intensive one-on-one pre-start coaching, microloans etc.). This implies that a UK attempt to provide women-focused centres could examine the adoption of more elements of the looser Swedish model, combining a holistic support and counselling service with the use of networking, mentoring and a greater role for advocacy of women's enterprise and changing of public attitudes, towards women entrepreneurs in general and a broader definition of what enterprise and entrepreneurship could mean.

However, this avoids more nuanced ideas presented above of client segmentation and runs the risk of continuing the marginalisation of female entrepreneurs as the 'other', perceived as a (relatively) homogeneous group significantly different from male entrepreneurs. In order to more effectively target clients, more research is needed on the actual journeys undertaken by clients using different styles of business support, in order to more accurately determine those each style can help the most, based on their starting point and aspirations.

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