

**ORGANIZATION
OF THE BLACK SEA
ECONOMIC
COOPERATION (BSEC)**

**KONRAD
ADENAUER
STIFTUNG
(KAS)**

**WORKSHOP
ON
“WOMEN AND ENTREPRENEURSHIP”**

Chisinau, 30 September – 2 October 2009

Summary Proceedings

1. The Workshop on “Women and Entrepreneurship” was held in Chisinau, the Republic of Moldova, on 30 September-2 October 2009. It was jointly organized by the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS) and the Representation of the Konrad-Adenauer-Stiftung (Foundation) (KAS) for Turkey, in cooperation with the International Center for Advancement of Women into Business (ICAWB).

2. Welcoming statements were delivered by Ambassador A. Sumru NOYAN, First Deputy Secretary General of BSEC PERMIS; Mr. Jan SENKYR, Resident Representative of KAS for Turkey; Mr. Sergiu SAINCIUC, Deputy Minister of Economy of the Republic Moldova; Dr. Valeriu GHEORGHIU, Deputy Director of Department of European Integration, Ministry of Foreign Affairs and European Integration of the Republic of Moldova; and Ms. Tatiana BATUSHKINA, Chairman of the Board of the International Center for Advancement of Women in Business (ICAWB).

2.1. In her statement Ambassador NOYAN formulated the aim of the Workshop to review the current situation of women entrepreneurship in the BSEC countries. Promotion of women entrepreneurship is beneficial for the economy, as women led enterprises are the driving forces for job creation and economic growth. But still the topic of women entrepreneurship has been largely neglected both in society in general and in social sciences. The conditions discriminating against women’s possibility to become entrepreneurs need to be addressed by policy makers. Governments should facilitate entrepreneurial endeavors by women in the economy. The ongoing global economic crisis necessitates to address issues related to women’s entrepreneurship even more. The SMEs stand most vulnerable to the crisis and the situation is especially difficult for women entrepreneurs. Therefore, Ambassador NOYAN quoted from Aesop: “Together we stand, divided we fall.”

Ambassador NOYAN also mentioned the Black Sea Trade and Investment Promotion Program (BSTIP), an important ongoing project related to the promotion of SMEs in the BSEC region, launched jointly by BSEC and the UNDP. This project advocates responsible investments through promoting the adoption of the principles of the United Nations Global Compact. BSTIP project, as well as other similar projects for SMEs development and the development of women entrepreneurship, should be widely promoted in the BSEC region, so that more SMEs benefit from them. Increasing awareness on the principles, especially abiding the anti-corruption principle, of the UN Global Compact through the BSTIP is expected to strengthen the business environment and the investment approach, in line with the highest international standards. Women entrepreneurs should not forget the less privileged, exploited and suffering women in the BSEC region. They should also work towards improving the status of women in society in general.

The text of opening statement of Ambassador NOYAN is attached as Annex I.

2.2. Mr. J. SENKYR welcomed the participants of the Workshop on behalf of KAS. He emphasized the importance of cooperation between KAS and BSEC and mentioned that KAS has been working with BSEC for 13 years now. This is the 39th joint meeting aiming at the support of SMEs in the region. The aim of BSEC-KAS collaboration is the strengthening of the political dialogues between the actors and decision makers for SME policies in the different BSEC countries, the exchange of experience and information between the SMEs themselves and the fostering of a better understanding between entrepreneurs and state institutions.

Mr. SENKYR underlined the importance of the issue of women's entrepreneurship. He stated that in order to realize the benefits of policy changes it is necessary to incorporate a women entrepreneurial dimension in all SMEs and growth policies. Women's entrepreneurship is both about women's position in society and the role of entrepreneurship in the society. Women are faced with specific obstacles, including family responsibilities that have to be overcome in order to give them access to the same opportunities as men. Increased participation of women in the labor force is a prerequisite for improving the position of women in society and self-employed women.

2.3. Mr. S. SAINCIUC, Deputy Minister of Economy of the Republic Moldova, in his opening address stated that the new Government of Moldova recognizes and appreciates the importance of involvement of women in business activities for the benefit of the country. Particularly important is the participation of women in the SMEs entrepreneurship, which is the engine of national economy generating new jobs and growth in the period of the economic crisis. The SMEs sector in Moldova comprises 41,000 enterprises which represents 97,6% of the total number of enterprises. This sector employs 57% of the total number of employees. SMEs generate 35,5% income to the country's GDP. In April 2005 the project "Promotion of Women Entrepreneurship in Moldova" has been launched with the financial assistance of the German Agency for International Development (GTZ). The beneficiaries of this project are women from Chisinau and neighboring districts which are offered assistance in development of entrepreneurship and for start-ups. Already 50 grants have been offered to the beneficiaries.

The Deputy Minister also mentioned the activities of Winrock International which is implementing two projects: “New Perspectives for Women” and “Activities for Development of Micro-enterprises founded by Women” with the support of USAID and Swiss Foundation Argidius.

Mr. SAINCIUC stated that the role of the Ministry of Economy is to consider the issue of women and entrepreneurship at the highest possible level and to formulate and implement appropriate recommendations aimed at involvement of women in the decision-making process.

2.4. Dr. V. GHEORGHIU highlighted that the issue of the Workshop is rather challenging- on the one hand it is related to the activities of the SMEs in the period of the ongoing economic and financial crisis and, on the other hand, the position and role of women in running the small business. He mentioned that there is a need for government programs and private sector services to be more efficient in meeting the needs of the owners of SMEs in general and women-owned SMEs in particular in the Republic of Moldova and in the BSEC region in general. There is necessity to improve the environment of SMEs, because they generate growth and employment. Women bring fresh motivation and promising innovation. Women fit better into the new service society than in the old industrial society. Women that run SMEs represent the vivid example for a strategy to build a future without discrimination. Women’s participation in any kind of economic activity is complementary to their social and family duties. This approach must be supported by the Governments.

2.5. Ms. T. BATUSHKINA drew attention that new thinking is required for pushing women into business. Presently, women entrepreneurship is 1,5 times more dynamic as of men. The share of women in business today is already 25% and women entrepreneurs are getting younger (currently between 24-35 years old, while a few years ago mostly middle-aged women were running the business). However inclusion of women requires restructuring of thinking. Women are infected by psychological factors due to gender relations. For this reason they need support in the start-up period.

3. The Workshop was co-chaired in rotation by Mr. SENKYR; Ambassador NOYAN; and Dr. Antal SZABO.

4. The Workshop was attended by the representatives of the following BSEC Member States:

Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Republic of Moldova
Romania
Republic of Turkey
Ukraine

The list of participants is attached as Annex II and the Program of the Workshop is attached as Annex III.

5. On the second day of the Workshop, Ms. Iris KRONENBITTER, Project Leader of the National Agency for Women Start-ups and Entrepreneurs-“Bundesweite Gründerinnenagentur” (BGA); Ms. Valentina VEVERITA, President of the Women Manager Association of Moldova and Head of the SME Department of the Ministry of Economy and Trade of the Republic of Moldova; Dr. A. SZABO; and Ms. Sofia SHULEANSKY, Chief of Winrock Moldova addressed the Workshop as lead speakers.

5.1. Ms. I. KRONENBITTER delivered a presentation on “Support of Women Entrepreneurs in the light of the German Federal Government's Initiative for Small and Medium-Sized Businesses”. She presented the aim of this Government organization established by three Ministries in 2004. It offers information services for entrepreneurial self-employment of women for all areas and phases of company foundation. 1/3 of all self-employed in Germany consists of women. The Agency works with 910 experts, 430 advisory agencies and 300 networks. It has regional offices in all 16 Federal States with more than 1600 regional network partners.

5.2. Ms. V. VEVERITA made a presentation on “State Policy for supporting Women in Business”. Women in Moldova represent 1/3 of all businesspeople. 38% female entrepreneurs are in trade, 61% acts in one kind of business only, 92% are based on their own property, 61% has employments between 1 to 9 employees and 86% have created their business for the second time. The average age of women entrepreneurs are between 30-48 years old (74%) with higher education of 62%. The First national Gender Equality Strategy was elaborated with the assistance of UNIFEM.

5.3. Dr. A. SZABO presented the “Promotion of Women Entrepreneurship by the European Commission”. The tool is the “WES”- the European Network to promote Women’s Entrepreneurship. Compared with men, fewer women are self-employed in Europe. The EU Small Business Act is to create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded. He mentioned the new initiative under creation: The European Network of Female Entrepreneurship Ambassadors which aims at boosting the rate of female entrepreneurial activities across the EU.

5.4. Ms. S. SHULEANSKY delivered a presentation on “Competence Development Program for Promotion of Rural Women Entrepreneurs”. Since many women left Moldova during the last decade, Winrock as a non-profit organization works with most vulnerable strata of the society, especially women, to increase the economic opportunity and capacity of women to actively participate in local economy. The mission of Winrock is to create opportunities for better future for young women through integrated economic empowerment and crises presentation programs. Between 2004-2008, more than 8000 women were trained and 207 started business.

6. An exchange of national problems facing women entrepreneurs and experiences in promotion of women entrepreneurship took place. The representatives of the BSEC Member States made their presentations. Issues addressed included:

1. Discuss the common issues and challenges facing women-owned businesses;
2. Fostering an entrepreneurial culture for women through education, management and training;
3. Removing obstacle in doing business for women entrepreneurs;
4. Improving access to finance for women-oriented businesses;
5. Exchange of experiences in the activities of associations of businesswomen;
6. Fostering cooperation and creation of networking among the women entrepreneurs in the BSEC region; and
7. Improving knowledge about female entrepreneurship and its role in society.

Question and answer session was held after each presentation and recommendations were made to be included in the Summary Proceedings to be agreed upon at the final session of the Workshop.

7. On the third day of the Workshop, presentations were made by Ms. T. BATUSHKINA on “Role of Women Business Associations in Development of Women Business”; Ms. Iulia IABANJI, General Director, Organization for Development of Small and Medium-sized Enterprises of Moldova on “ODIMM - as the tool for expansion of dialogue between the State and Private sector”; and Ms. Diana VALUTA, Owner and Director of the private company “Diana Valuta” on “Problems and prospects of development of the Small Women Enterprises in Moldova”.

Final Discussions and Conclusions

8. The following points were made in conclusion:

8.1. The aims and strategic objectives of the 4th UN Conference on Women held in 1995 in Beijing are still valid.

8.2. Fostering women’s entrepreneurship is one of the strategic directions for action in the economic area adopted by the European countries at the UNECE regional Preparatory Meeting held in 2000 in Geneva. However the international organizations do not foster cooperation in this field.

8.3. The EU with the European Economic Area and the candidate countries has been launched a promising program to promote women’s entrepreneurship via WES Network, network of Female Entrepreneurship Ambassadors and Women’s Entrepreneurship Portal.

8.4. The full potential of women’s entrepreneurship still remains untapped.

8.5. According to the Global Entrepreneurship Monitor (GEM) 2007 Report on Women and Entrepreneurship, a significant gender gap exists with respect to new enterprise/SME creation and ownership.

8.6. In the Black Sea Economic Cooperation region 350 million people live. They differ from each other in terms of their level of development, size, population, political priorities and aspirations. The Foreign Trade Capacity is 96 billion U.S. Dollars. Though finding common denominators is not always possible, they can always benefit greatly from the exchange of best practices. Unleashing the untapped potential of women in our region is of common interest for the sustainable economic development of all Black Sea countries. The situation of women in all the countries of our region needs to be ameliorated. There is still a big gender gap in all domains of life.

8.7. According to FOB - Factors of Business Success - Survey made in 2005, 28% of EU entrepreneurs were women and 72% were man. It is remarkable that 1/3 of the self employed entrepreneurs consists of women, both in Germany as well as in Moldova.

8.8. The objectives for women's motivation for employment include:

- economic independence based on steady income and prestige associated with paid job;
- lowering the negative economic consequences of divorce and male unemployment;
- assuring old age security.

8.9. Entrepreneurship:

- contributes to economic growth;
- leaps in human progress;
- offers potential of greater wealth and upward mobility;
- provides an alternative to wage employment; and
- creates jobs.

8.10. The major personal characteristics of entrepreneurship are:

- being able to take risky decisions;
- being able to predict and foresee;
- realizing the things that other could not have realized; and
- showing effective leadership and having positive courage.

8.11. Unfortunately, the topic of women's entrepreneurship has been largely neglected both in society in general and in social sciences.

8.12. Research shows that there are psychological barriers faced by women to change their involvement in the entrepreneurial process. Such obstacles are opportunity identification and utilization, type of education, lack of equal opportunity, discrimination, access to finance, lack of role models, etc. These obstacles need to be addressed in policy making process.

8.13. The main problem in developing female entrepreneurship is lack of business information and access to financial resources.

8.14. Women do not have conventional and formal network opportunities in the majority of BSEC countries.

Recommendations

9. Although during the past decade a lot of actions were taking place in encouraging women to run their business, much more needs to be done to overcome specific factors which discourage women in particular from starting small firms. Following recommendations were made:

9.1. A forum could be established to bring together all women's entrepreneur organizations in our region. The Black Sea Economic Cooperation Organization may be the leading force in this process.

9.2. Prepare an Action Plan for Women Entrepreneurs in the region which could serve as a road map for future collaboration.

9.3. BSEC shall consider having the topic of women entrepreneurship as a permanent agenda item within the Working Group on SMEs.

9.4. Make use of the Black Sea Trade and Investment Promotion Program (BSTIP) to convene the matchmaking events within the countries, support countries women entrepreneurship policies, and utilize EBRD and other resources for credits to women-owned businesses.

- development of women entrepreneur networks should be promoted. Policy makers in BSEC region must foster the networking of associations;

- the real situation of female entrepreneurship should be analyzed on the basis of correct information by involving all stakeholders operating in the business process. The Entrepreneurship Research and Education Network among the universities in CEE (ERENET) is requested to elaborate a harmonized questionnaire on women's entrepreneurship. The findings of the joint research could be discussed at one of the next BSEC-KAS workshops.

9.5. Create a business friendly environment with special focus on small and medium-sized businesses owned by women entrepreneurs.

9.6. Increase the ability of women to participate in the labor market by ensuring the availability of child care and equal treatment in job place.

9.7. Gender dimension should be incorporated in formulation of national SME policies. It should be followed by developing and implementing promotion programs for women's entrepreneurship.

10. The Participants to the Workshop expressed their deep gratitude to the BSEC Organization and to KAS for its support and financial contribution to the Workshop, and to the host country for the hospitality extended to them during the meeting in Chisinau.

