

Female Entrepreneurship: The Experience of Latin America and the Caribbean

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Abstract:

The subject of female entrepreneurship is rapidly gaining attention in emerging countries because of the claims of researchers that female entrepreneurs can make a significant contribution to economic and business development. The purpose of this paper is to examine the experience of female entrepreneurship in the Latin America and the Caribbean (LAC) region to extract the lessons learnt and to provide insights into the formulation of policies and recommendations to guide the development of female entrepreneurship. The research methodology employed for this paper is essentially a qualitative research design based on review and analyses of secondary data on female entrepreneurship sources from journal articles, reports prepared by professional firms, studies of entrepreneurship conducted by research organizations, and statistical data derived from surveys conducted by reputable organizations. The main finding is that female entrepreneurship is relatively vibrant in LAC as a whole but differences exist in the level of female entrepreneurship development among countries region. The value of this paper is that it identifies the most effective policies for promoting female entrepreneurship to support the goal of advancing female entrepreneurship in LAC and other similarly placed emerging countries. The development policies highlighting the key players are presented as a model which targets emerging countries.

Key words: Female Entrepreneurship; Women in Business; the Entrepreneurial Gap; Necessity Entrepreneurship; Women Entrepreneurship in Latin America and the Caribbean

1. Introduction

The concept of female entrepreneurship is gaining in importance in many countries worldwide and especially in emerging countries where the role of women is being transformed significantly. There is an increasing worldwide trend towards women engaging in entrepreneurial activities and Lambing and Kuehl (2007, 75-76) attributed the trend to: dissatisfaction with corporate life including layoffs, the glass ceiling, and family life conflicts; desire to establish balance between work and home which is elusive even with self-employment; and desire for a challenge to implement a good business idea. The aim of this study is to heighten understanding of the status of female entrepreneurship as an international phenomenon and, in particular, its importance to developing countries with a special emphasis on the LAC region which includes the small islands of the Caribbean. The problem addressed in this paper is that the potential positive role of female entrepreneurship in LAC is underestimated and promotion of women in business is not accorded priority in the general business development agenda. The paper will review the most relevant publications on the subject including academic treatments in the scholarly journals and, importantly, the recent studies conducted by the multilateral development agencies. The proposed solution to the problem is the formulation of a framework to facilitate the development of female entrepreneurship with special emphasis on the LAC region but capable of being applied in other developing or emerging countries.

Traditionally, there are three broad characteristics that define women-owned businesses: the companies created are usually smaller than male businesses which is attributed to

differences in motivation with women emphasizing personal and family growth; the business is younger in age because of more recent start-up dates and the industry focus is usually on the retail and service sectors; and women encounter obstacles to raise finance especially from formal financial institutions. However, the trend is pointing to women starting non-traditional businesses such as construction, ICT, and transportation with success attributed by Kuratko and Hodgetts (2004, 679) to: high quality communication skills; well developed people skills; ‘web thinking’ which is the ability to gather data from the environment and construct intricate interrelationships; the ability to build consensus and create harmonious business relationships; and ability to build and maintain long-term client relationships through effective networking.

In the context of LAC, the literature reported that women in LAC are motivated to engage in entrepreneurial activities based on “push-out factors” dictated by labor market conditions and “pull-in factors” such as income projections. The most influential aspect of the push-out factors syndrome is that motivation derives from necessity rather than opportunity driven. The dominance of necessity-type ventures is because opportunities for women are perceived to be limited while the need for income generation to support the family persists. Necessity-driven entrepreneurship is also a factor with women because of gender implications which are usually connected to issues of: asset wealth; human capital development; share in family financial resources and assets; and childcare responsibilities. Opportunity-based factors arise out of women’s search for flexibility, pursuit of a dream, inherent female abilities, participation in a family business, and identifying a viable business opportunity (GTZ et al. 2010, 20-23).

This paper focuses on female entrepreneurship in the LAC region as a relatively new area of interest in the field of entrepreneurship. There are not many journal articles on the

subject but recent studies are available from reputable multilateral institutions, international firms, and the major cross-border surveys conducted by the Global Entrepreneurship Monitor (GEM). These studies are the most recent, thorough, and authoritative reports on the dimensions of the state of female entrepreneurship in the LAC region. The argument in this paper is that the development of entrepreneurship is critical to the economic and social development of the countries of Latin America and especially the islands of the Caribbean. In this context, the promotion of women as entrepreneurs is vital because of the increasingly prominent role women are playing in educational and business realms of the LAC region. The paper will undertake a critical review of the findings of these studies, the result of which is a distillation of the critical policies and recommendations that are implementable in the Caribbean particularly, and the formulation of an appropriate policy framework for supporting female entrepreneurship in LAC.

2. Methodology

The paper was prepared using an acknowledged research method based on collection and analysis of data from secondary sources which included: relevant academic journals; studies and reports published by entrepreneurship research organizations; models of female entrepreneurship proposed in the literature; and international surveys of entrepreneurship activity. In addition, statistical data were culled from professional reports in order to analyze the status of female entrepreneurship as it applies in Latin America and the Caribbean (LAC) which is the region emphasized in this paper.

3. Review of Key Issues in Female Entrepreneurship

3.1 Characteristics of Female Entrepreneurship

Internationally, there are three broad characteristics that define women-owned business: the companies created are usually smaller than male businesses which is attributed to differences in motivation with women emphasizing personal and family growth; the business is younger in age because of more recent start-up dates and the industry focus is usually on the retail and service sectors; and women encounter obstacles to raising finance especially from formal financial institutions. However, the emerging trend points to women starting non-traditional businesses such as construction, ICT, and transportation with success attributed to: high quality communication skills; well developed people skills; 'web thinking' which is the ability to gather data from the environment and construct intricate interrelationships; the ability to build consensus and create harmonious business relationships; and ability to build and maintain long-term client relationships through effective networking (Kuratkho & Hodgetts, 2004, p. 679).

The survey of female entrepreneurship by GEM in 2010 provided a statistical overview indicating that: 104 million women in 59 countries, representing more than 52% of the world's population and 84% of world GDP, launched new business ventures; 83 million were operating businesses started three and a half years before; and of the 59 countries men were more dominant in entrepreneurial activities. The conclusion was that, when women do not participate equally in entrepreneurship, society loses the benefits provided by new products and services, additional revenues, and new jobs (Kelley et al. 2011, 5). Analyses of entrepreneurship by researchers often highlight the issue of attitudes about entrepreneurship, and Kelly et al. (2011) found that women in factor-driven economies (non-industrialized) display certain

characteristics: generally more oriented to identifying business opportunities in their area; greater confidence in their entrepreneurial abilities; more likely to know an entrepreneur and to intend to start a business; have a lower fear of failure compared to women in economies with higher levels of economic development; and demonstrate more positive attitudes toward entrepreneurship as a career choice.

3.2 Levels of Female Entrepreneurship

The GEM 2010 survey data revealed that, while the overall level of female entrepreneurship is high in Latin America and the Caribbean, countries in the Middle East and North Africa have the fewest women entrepreneurs. However, the lowest levels of female entrepreneurship worldwide was experienced in Iran and Pakistan followed by countries in Eastern Europe where the evidence is that “no more than 10 % of women are starting or running new businesses” with Russia as the exception where women participation in business activity was recorded at 44% of total entrepreneurs. The situation in Sub-Saharan Africa is that women constitute approximately half of the total number of entrepreneurs creating comparatively high levels of entrepreneurship. Good results were recorded for Singapore and Switzerland where relatively high levels of female entrepreneurship was observed, but low levels were the case in France and the Republic of Korea (Kelley et al. 2011, 3).

3.3 The Gender Gap

The question of female entrepreneurship raises the issue of a “gender gap” which implies that women under-perform in entrepreneurial activities compared to men specifically related to the number of women engaged in entrepreneurial activity, motivation for starting or operating a business, choice of industrial sector or type of business, and the relative performance and growth of the venture (Vossenber 2013, 2). However, an analysis of changes in perceptions about

opportunities for entrepreneurship over the nine years from 2002 to 2010 (Kelly et al., 2011) shows that the changes that occurred in women's perceptions were very similar to the perceptions of men. A major issue in female entrepreneurship is the contention that women are forced into business activities out of necessity as opposed to seizing opportunities (Vossenbergh 2013, 3). Kelly et al. (2011, 19) found that, in efficiency-driven economies (middle income), women were able to recognize opportunities more easily, but in most of the innovation-driven economies (advanced), the tendency to identify opportunities declined which may be attributed to the global economic downturn at the end of the study period.

3.4 Challenges Faced by Women Entrepreneurs

A common theme in the literature is that women aspiring to a career in entrepreneurship face specific challenges at the personal and business levels. A worldwide study of the challenges faced by high-growth entrepreneurs in starting and growing businesses was undertaken by a professional firm and the findings confirmed the results of other major studies that the issues which women have to confront include: fear of failure; lack of confidence or motivation/poor self-image; maintaining work/life balance; conflict among various roles performed; lack of commercial or negotiation skills; lack of access to funding; strong competition; workforce quality; and lack of good coordinated support (Ernst &Young 2014, 44 and 46). Some researchers were intent on devising typologies and indexes of female entrepreneurship to enhance understanding of the matter. Bruni, Gherardi, and Poggio cited in Ascher (2012, 102) produced a typology of seven profiles of female entrepreneurs (Table 1) which can be compared to the classification of The Global Entrepreneurship and Development Institute (GEDI) (2014, 6) which identified the following: privileged entrepreneurs; die-hard entrepreneurs; promising entrepreneurs; potential entrepreneurs; reluctant

entrepreneurs; and resistant non-entrepreneurs. The GEDI (2014, 7) suggested concentrating on promising and potential female entrepreneurs who were referred to as the ‘Melting Middle’ of entrepreneurs who are very sensitive to conditions that apply to institutions, markets or attitudes and social norms.

Table 1. Typology of profiles of female entrepreneurs

Type	Motivation
Aimless	Young unemployed females
Success oriented	Young women who view entrepreneurship as a long-term strategy
Success driven	An opportunity for self-fulfillment or overcoming the glass ceiling
Dualists	Seeking flexibility in family-work balance
Return workers	Women who took leave of absence for family responsibilities
Traditionalists	Women coming from a family background of business
Radicals	Pro-female activists in the society

Source: Bruni, Gherardi, and Poggio (2004), cited in Ascher (2012, 102)

An alternative approach was applied by GEDI (2014, 5) which conducted a study of 30 countries worldwide with the aim of analyzing the conditions that foster high-potential female entrepreneurship defined as women who “own and operate businesses that are innovative, market expanding and export oriented”. A gender global entrepreneurship and development index (Index) was created to measure the entrepreneurial environment, ecosystem and individual aspirations, and scoring nations on a scale ranging from 0 to 100. The relevant findings were: the US, Australia, Sweden occupied the top rank followed by France and Germany (tied), Chile, the UK, and Poland which all received an overall score of 50 or more; twenty-two countries received a score of less than 50 confirming the absence of the pre-conditions for generating high potential female entrepreneurship development; the deciding factor based on the top eight performers who was the existence of enabling business environments with effective supporting

programs that promote the growth of high-potential women entrepreneurs; the lowest ranked countries were Nigeria, Morocco and Ghana, India, Uganda and Egypt, Bangladesh, and Pakistan which were considered as lacking in basic legal rights and education for women, acceptance of the concept of women's social and economic empowerment, specific women's enterprise development support, and strengthening regulations, R&D investments and capital market development (GEDI, 2014, 4).

3.5 Barriers to Female Entrepreneurship

Apart from issues such as the gender gap, many studies argue that female entrepreneurs encounter more barriers than male entrepreneurs which are attributed to: difficulty accessing networks and markets for their products networks which hampers access to trade channels, technology, and financing; access to training and business development services are limited and typically excludes the more productive, high-growth sectors; unfamiliarity with commercial credit facilities which can feed higher risk aversion encouraging a reliance on informal sources of financing; lower valued assets leading to greater collateral requirements; and imposition of primary role in the household and family context (GTZ et al. 2010, 33-44). The existence of such barriers was acknowledged and GTZ et al. (2010, 65) suggested that the growth of female-owned firms should be promoted by: targeting labor market reforms to reduce women's participation in formal sector employment; providing a combination of services including: financial, training, access to networks, and markets; promoting good gender practices in public and private sectors; and use social marketing to promote gender equality.

More recent studies of barriers to female entrepreneurship in India (Palanivelu & Madupriya, 2014) and the West Midlands in England (Lockyer and George, 2012) correlate with some of the findings related to the LAC.

According to Palanivelu and Madupriya (2014, 196), the major de-motivators of potential women entrepreneurs in India are the lack of a supportive network, and financial and marketing problems. Further, because women's circumstances trapped them in necessity-based entrepreneurship, it is imperative that opportunity-based entrepreneurship be promoted as countries prioritize female entrepreneurship in their strategic plans. Lockyer and George (2012, 191) noted that the West Midlands was characterized by low levels of participation in higher education and entrepreneurship and proposed that training for female entrepreneurs was the major requirement. The authors suggested a model for delivery of training which included: online course material with two way communication and dialogue; group course for parents in an informal setting with children present; one to one training with some group sessions; flexibility for spouse/partner to attend sessions; and parallel group courses to facilitate moving between groups and to increase the number of sessions.

4. The Experience of Female Entrepreneurship in LAC

4.1 Importance of Female Entrepreneurship

In developing countries, it was found that women relied on extended families as their main social network which explains how married women with young children are more likely to engage in entrepreneurial activity than non-married women. However, such women are also more likely wind up their business voluntarily. In terms of business performance, the evidence is that women, in developed and developing countries, set their sights lower than men with lower growth expectations leading to lower growth than male-controlled businesses. This was attributed to women's preoccupation with the survival of their families thus engaging in micro and small businesses which typically display low growth characteristics (Vossenberg 2013, 4).

The research on female entrepreneurship in LAC is relatively recent but certain major studies were conducted by multilateral institutions, professional firms, and the GEM the latter being the only initiative to conduct multi-country surveys on the subject. The overall conclusions from the GEM multi-country surveys were that: in LAC, female entrepreneurship is growing in importance in the economy and contributing significantly to economic growth and development in low/middle-income countries; interestingly, European and Asian low/middle-income countries show a greater gender gap than the LAC low/middle-income countries; having a job and participating in social networks and featured as more important than educational qualifications; critical factors in determining women entering entrepreneurship are optimism, self-confidence, and reduced fear of failure; and the trend of women participating successfully in business is increasing (Allen et al. 2008; Kelley et al. 2011).

A study of the different characteristics between female-owned and male-owned firms in LAC found the following: in terms of labor and physical capital employment, female firms tend to utilize less of these resources; women entrepreneurs in Latin America and the Caribbean are concentrated mainly in micro and small businesses with fewer in medium to large firms; female-owned firms are restricted to a narrower range of sectors such as commerce, services and manufacturing; the major determinant of success is dealing successfully with barriers to growth; and profitability of female-owned firms is less profitable and productive than male-owned firms at the micro and small-enterprise level, but compare favorable where medium and large size firms are concerned (GTZ et al. 2010, 25-31).

4.2 Constraints on Growth of Female-Owned Businesses

The research pointed out that women entrepreneurs in LAC constitute a significant resource because many are starting

businesses based on opportunity identification rather than driven by necessity. This trend was attributed to the fact that women in the LAC region are participating more in the workforce than in past eras, which has led to such women occupying second place to Sub-Saharan Africa in opportunity-driven early stage businesses on a worldwide ranking. In this context, it was asserted that “opportunity-driven entrepreneurship has a decisively positive impact on economic expansion in the region” (The Economist Intelligence Unit (EIU) 2013, 5). Despite the positive pattern, it was found that the majority of women-operated businesses failed to grow beyond microenterprises, the evidence of which was that women accounted for only 9% of large businesses in LAC.

A major constraining factor on growth of women-owned businesses is that they operate mainly in the informal sector which works against expansion, negatively impacts incomes, hinders innovation and economic growth, and retards national competitiveness. The findings of EIU (2013) were supported by Minniti and Naudé (2010) who found that very high rates of female entrepreneurship existed in the poorest countries of the LAC region but, in accordance with the findings on constrained growth, only 13% of women entrepreneurs anticipated growth in the medium term. Minniti and Naudé (2010) accepted the gender gap contention which was observed as more dominant in middle-income countries.

4.3 Women’s Entrepreneurial Venture Scope

The first comprehensive assessment of the environment for all female entrepreneurs in the LAC region focused on the factors affecting women entrepreneurs operating micro, small and medium-sized enterprises (EIU 2013). The result of the study was the creation of the Women’s Entrepreneurial Venture Scope (WEVS) which assessed the most relevant factors that influence the start-up and growth of women’s businesses. The WEVS ranked 20 countries in the five areas that most affect

women's entrepreneurship: business operating risks, including macroeconomic risks, security, and corruption; the entrepreneurial business environment, including costs and regulatory requirements associated with starting businesses; access to finance, including the availability and use of formal financial products by women; capacity and skills, including educational advancement by women and availability of business skills training; and social services, including the availability of family support programs such as childcare (EIU 2013, 8).

The comparative assessment of LAC countries compiled by the WEVS (Table 2) observed that: the top performing country was Chile which led the overall rankings, with low macroeconomic risk, particularly strong supplier diversity initiatives, robust social services, strong business networks, knowledge of business operating risks, a stable macroeconomic environment, and low perception of corruption; Peru was favorably ranked due to an enabling business environment and effective private and public training programs; Colombia which was third placed also had well-developed SME training programs and tertiary education including vocational programs were broadly available to women; critical support factors for starting and growing businesses were economic, regulatory, financial, educational and familial support; El Salvador opted to focus on provide support by way of low tax rates and wide access to financial auditors while Mexico benefited from relatively easy access to finance; Brazil ranked high in childcare and elderly care with 86% of the elderly population received public pension benefits in 2009; and networking was vital to performance of female businesses (EIU 2013, 10).

4.4 Access to Finance

The issue of access to finance remains a stumbling block for women in LAC where less than one-third saved money in a financial institution and the greatest financial gaps existed at

the SME level. Nevertheless, access to microcredit was much easier but at this scale businesses merely serve family survival purposes. In terms of source of financing, just over 21% of women entrepreneurs' working capital and 22% of capital investments were financed by banks on average. The business financing problem was exacerbated by lack access to equity financing and other instruments, such as supplier credit, which impact business size at start-up and growth prospects. Notably the Caribbean islands of Trinidad and Tobago (TT), Dominican Republic (DR), and Jamaica were included in the rankings with TT (8th), DR (11th), and Jamaica (20th). TT performed creditably with a 4th placed ranking in security and stability and a 3rd place in finance, but occupied lower positions in respect of business climate and social services (EIU 2013, 10).

Table 2. Comparative WEVS Rankings

Rank/20		Total Score/100	Security & Stability	Business Climate	Finance	Capacity	Social Services
1)	Chile	64.8	77.7	61.8	38.4	72.9	73.5
2)	Peru	62.4	65.2	56.9	51.0	77.0	61.7
3)	Colombia	61.8	66.0	49.9	52.5	77.4	63.4
4)	Mexico	60.2	57.8	52.8	57.1	69.2	64.4
5)	Uruguay	60.0	72.2	51.7	33.8	76.6	65.9
6)	Costa Rica	56.8	65.5	48.2	29.4	71.3	69.4
7)	Argentina	54.6	45.0	55.5	37.3	71.4	64.0
8)	Trinidad and Tobago	53.9	70.5	41.6	52.2	58.5	46.7
9)	Panama	53.6	76.1	48.5	31.8	50.9	60.7
10)	Brazil	53.3	35.4	52.0	47.1	62.2	69.9
11)	Dominican Republic	52.3	57.9	54.6	44.0	63.0	41.8
12)	Ecuador	52.2	65.6	55.7	47.1	41.4	51.3
=13)	Bolivia	47.7	51.3	46.7	44.9	49.8	45.7
=13)	Honduras	47.7	53.0	42.2	40.2	62.3	41.1
15)	Nicaragua	46.6	53.5	36.3	28.9	56.7	57.5
16)	Guatemala	45.6	58.5	41.1	38.1	40.2	49.9
=17)	El Salvador	45.5	39.1	58.9	39.7	45.5	44.5
=17)	Venezuela	45.5	28.5	48.4	33.8	59.0	57.8

Rank/20		Total Score/100	Security & Stability	Business Climate	Finance	Capacity	Social Services
19)	Paraguay	44.3	49.0	48.2	23.4	50.9	50.0
20)	Jamaica	42.2	47.0	38.6	38.2	56.7	30.3

Source: The Economist Intelligence Unit 2013, 10

5. Promoting Female Entrepreneurship in LAC: The Policy Landscape

With regard to formulating policies geared to promoting female entrepreneurship in LAC, the GEM 2010 survey provided guidelines to policy makers, practitioners and educators in understanding the nature of women’s entrepreneurship worldwide. The suggested policies can be summarized as follows: women tend to be less inclined than men to embark on a career in entrepreneurship, but will recognize business opportunities where they perceive themselves as capable of engaging in entrepreneurial activity; positive attitudes to entrepreneurship need to be inculcated in women and their network of contacts with entrepreneurs must be widened; in developing countries, women are motivated by necessity as opposed to opportunity recognition especially in bad economic situations, but this trend is changing; the main challenge for women early-stage enterprises is achieving sustainability; women rely more on family and personal friendships because their networks are not as expansive as men; and, even in higher income countries, where women entrepreneurs are more mature in age and develop innovative products, growth of their businesses do not match those of men (Kelly et al. 2011, 8).

A specific initiative focusing on women’s entrepreneurship development in emerging economies was undertaken by ILO (n.d.) from which the following insights and lessons were gleaned and considered applicable to the LAC region as follows: “entrepreneurship can be an effective means to create employment and empower women, gender awareness training for suppliers and service providers is essential in

developing their capacities to serve the needs of both female and male entrepreneurs, promoting women's entrepreneurship and gender equality helps to empower women in the family and wider community; training in skills may not be enough as many women lack confidence and belief in their entrepreneurial abilities so services for women entrepreneurs should be based on strategic partnerships and networking, developing a supportive environment includes helping women to deal with their multiple roles, and supporting women entrepreneurs' associations to improve advocacy and services" (ILO n.d., 3).

In terms of policy applications, opportunities available to women in the formal private sector were suggested as: introduce initiatives that address the gender wage gap through accommodating women's schedules by allowing staggered hours and part-time work, and supporting the recruitment of female employees in senior positions; provide support services emphasizing access to: financial services; quality business training; business development services which acknowledge women's participation in SMEs; and networking opportunities and new and expanded markets; ensure that childcare services are available at affordable rates which is vital in developing countries where such services are scarce; provide equal opportunity employment in the public and private sectors so that women can enter the formal job market; and encourage the use of social media for marketing purposes and for promoting gender equality in government programs (GTZ et al. 2010, 11-12). Critical support for the key policies geared towards facilitating female entrepreneurship was advocated as: general entrepreneurship skills training; flexible programs run over one to two years; promotion of role models and success stories; creating awareness of support services; and improve accessibility for women with child care challenges or disabilities (Lockyer and George 2012, 192-193).

6. A Policy Framework for Female Entrepreneurship in LAC

An approach to the general development of innovation and entrepreneurship was suggested for the LAC region as a means of generating new areas of opportunity and “based on best practices and that adapts to the characteristics and limitation of countries in LAC” (Vicens and Grullón 2011, 16). A different approach to entrepreneurship was proposed involving moving away from traditional practices to emphasizing: a focus on the development of entrepreneurial talent rather than a preoccupation with idea generation; providing entrepreneurs with the capability of identifying opportunities based on observation, producing creative solutions, and learning while making prototypes as opposed to emphasizing business planning; incorporating an entrepreneurial culture in educational curricula rather than broad entrepreneurship courses; creating entrepreneurs development centers that create entire businesses than establishing incubators expecting innovative business ideas to emerge; engaging in a wide search for entrepreneurial talent rather than waiting for an entrepreneur to have an idea; support high value businesses regardless of their knowledge base rather than looking for technology-based businesses; configure business and innovation as the engines of growth for the most dynamic sectors of the economy rather than developing isolated programs; and developing global businesses on a local foundation (Vicens and Grullón 2011, 16).

The experience of entrepreneurship in Latin America and worldwide was explored by Kantis (2005) who formulated a model more appropriate for promoting female entrepreneurship in the LAC. The model identified the main players and sectors involved in entrepreneurial development policies, and the specific policies required for developing entrepreneurship which included: promotion of an entrepreneurial culture through the

various media but specifically the social media; embedding entrepreneurship education in the curricula of secondary and tertiary school programs not merely business courses; connecting prospective entrepreneurs through networks of clubs, associations, and forums including women associations; providing support services for new enterprises involving business services centers, incubators, and mentoring; simplifying the regulatory system by reducing the administrative burden involved in registering businesses, meeting safety and such requirements, and tax compliance; targeting specific groups such as youth, women, and university graduates in science technology; and facilitating access to finance for start-up and expansion including venture capital which is scarce in LAC (Kantis 2005, 114-117).

This paper suggests that critical to the promotion of female entrepreneurship in LAC is the development of a policy framework which is flexible enough to be applicable to a range of developing countries. Such a policy framework which caters to the peculiar circumstances of small emerging countries is presented as an extension of the Kantis (2005, 112) formulation designed to meet the peculiar circumstances of small emerging countries as represented by TT (Figure 1).

The proposed policy framework covers groups of key stakeholders: the private sector; the public sector; the non-governmental sector; and beneficiaries. The private sector stakeholders include: higher learning institutions; business associations; banks; credit unions; and venture capital or angel investors. The public sector comprises: universities; tertiary education schools; R&D agencies; municipal corporations; business incubators; and SME support organizations. The non-governmental sector covers: development foundations which provide loans to micro and small business; community-based organizations which may operate a community business investment fund; not-for-profit organizations which provide business advice, networking, and mentoring for female

entrepreneurs; and the Association of Female Executives of TT. At the core of the framework are the various educational and support programs that cater to female entrepreneurs delivered by: the University of the West Indies; the University of TT; the College of Science Technology and Applied Arts; the Youth Training and Employment Partnership Program; and the National Entrepreneurship Development Company. All these programs currently offer services to female entrepreneurs in TT but the framework emphasizes the need for direct inter-linking, coordination and collaboration towards a common goal of promoting female entrepreneurship. Finally, the framework identifies the main beneficiaries of the collaboration of the key sectors who include: women; tertiary education graduates; the youth; firms at differing stages of development; and lagging communities.

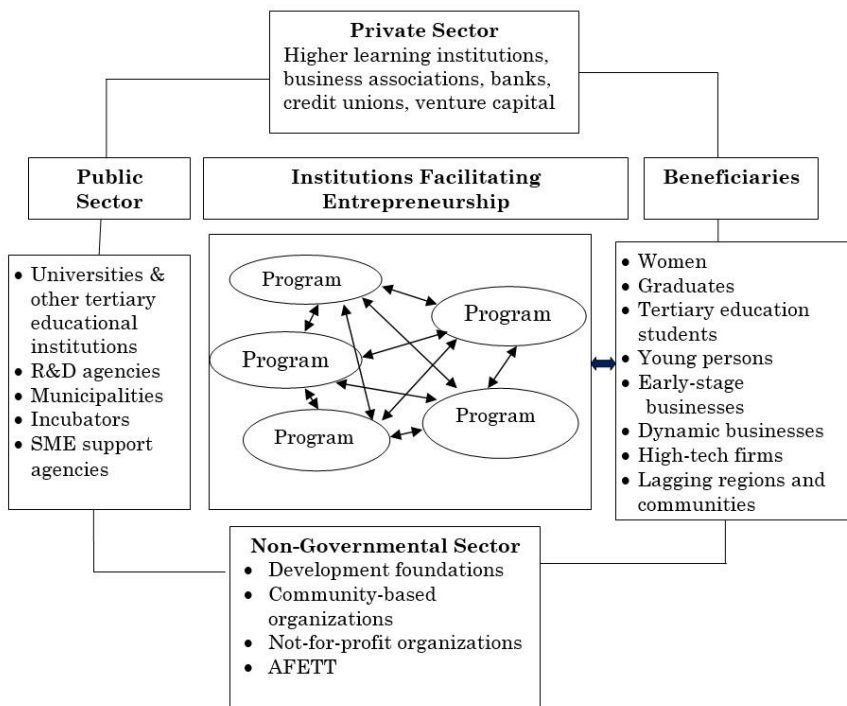


Figure 1. Policy framework for developing female entrepreneurship

Source: Adapted by Author from Kantis 2005, 112.

7. Conclusion

The economic development imperative in the LAC region demands that a new emphasis be placed on the role of entrepreneurship in facilitating social and economic development. The clear justification for this position is the favorable data on female entrepreneurial activity when compared with other regions of the world including developed countries. Women in LAC were previously restricted to the SME sector, but, with improved educational qualifications, are increasingly starting modern business ventures especially those based on ICT. A parallel development in LAC, especially in the Caribbean islands, is the reduced participation of young men in formal economic activity opting instead for instant success. The paper documents a number of policy recommendations required for promoting female entrepreneurship in LAC and propose a framework within which the main sectors and key players in the economy of LAC countries can collaborate towards achievement of the overriding objective of development of the people of the region. The main conclusion of this paper is that a dynamic entrepreneurial movement, with significant involvement of female entrepreneurs, is an indispensable requirement for achieving the development aspirations of the LAC region, and implementation of the framework proposed will contribute greatly to the success of the development objective.

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