



GLOBAL ENTREPRENEURSHIP MONITOR

2006 Report on Women and Entrepreneurship

I. Elaine Allen, PhD • Nan Langowitz, DBA • Maria Minniti, PhD





GLOBAL ENTREPRENEURSHIP MONITOR

2006 Report on Women and Entrepreneurship

I. Elaine Allen, PhD • Nan Langowitz, DBA • Maria Minniti, PhD



*Although the data used are from the Global Entrepreneurship Monitor (GEM) project,
the sole responsibility for the content rests with the authors of this report.*

TABLE OF CONTENTS

List of Tables and Figures	3
Acknowledgements	4
Methodology	5
Executive Summary	6
1. Women's Entrepreneurial Activity	10
- Early Stage Participation and Established Business Ownership	10
- Entrepreneurial Motivation and Business Outcomes	15
- Entrepreneurial Scope: Sectoral Distribution and Innovative Potential	20
2. Characteristics of Women Entrepreneurs	24
- Demographic and Economic Factors Influencing Women's Entrepreneurial Behavior	24
- Factors Influencing Perceptions about the Entrepreneurial Environment	28
Conclusion	32
Endnotes	33
Technical Appendix	34
GEM Sponsors	35
Contacts	36



List of Tables

Table 1	Prevalence Rates of Entrepreneurial Activity Across Countries by Gender 2006
Table 2	Difference in Prevalence Rates Across Country Groups by Gender 2006
Table 3	Ratio of Opportunity to Necessity Early Stage Entrepreneurship by Country and Gender
Table 4	Country Group Differences in Opportunity to Necessity Early Stage Entrepreneurship by Gender
Table 5	Factors Influencing the Entrepreneurs' Perceptions by Gender and Business Stage

List of Figures

Figure 1	Women's Entrepreneurial Motivation by Country 2006
Figure 2	Sectoral Distribution of Female Entrepreneurship by Country Group and Business Stage
Figure 3	Intensity of Expected Competition for Women's Businesses by Business Stage
Figure 4	Age Distribution of Women Entrepreneurs by Country Groups and Business Stage
Figure 5	Female Early Stage Entrepreneurial Activity by Work Status and Country Groups
Figure 6	Female Educational Attainments by Country Group and Business Stage
Figure 7	Women Entrepreneurs Household Income by Country Groups and Business Stage



ACKNOWLEDGEMENTS

The Global Entrepreneurship Monitor (GEM) study on women's entrepreneurship is part of the overall GEM project, which focuses on measuring differences in the level of entrepreneurial activity among countries, uncovering factors leading to entrepreneurial behavior, and suggesting policies that may enhance national levels of entrepreneurial activity. GEM is a collaborative effort in terms of financial resources and intellectual advancement, as well as design and analysis.

This report makes use of data collected by 40 country teams, as follows:

Asia and Oceania

Australia, China, India, Japan, Malaysia, Philippines, Singapore, and Thailand

Africa and the Middle East

South Africa

Europe

Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Netherlands, Norway, Russia, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

North America

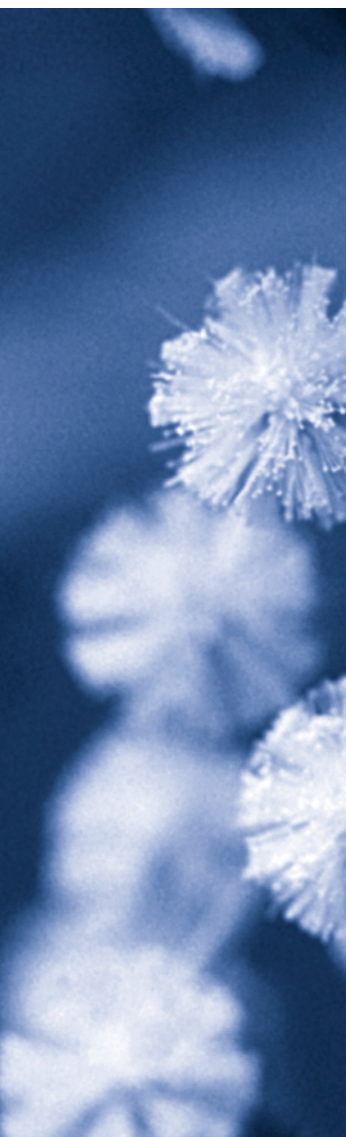
Canada, Jamaica, Mexico, and the United States

South America

Argentina, Brazil, Chile, Colombia, Peru, and Uruguay

We sincerely thank the members of each country team for their collegueship and collaborative research spirit. A complete listing of team members and all national reports can be found at www.gemconsortium.org.

Of course, GEM would not be possible without the financial support and research initiative of Babson College and London Business School, its two sponsoring institutions, and we are grateful to them for their leadership and encouragement on this project.



METHODOLOGY

GEM is a major research project aimed at describing and analyzing entrepreneurial processes within a wide range of countries. In particular, GEM focuses on three main objectives:

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors determining the levels of entrepreneurial activity
- To identify policies that may enhance the level of entrepreneurial activity

Since its inception in 1999, GEM's major activity has been the creation of a large data set and the construction of harmonized measures of entrepreneurial activity. The data used in this report come from the 2006 GEM adult population surveys, and from standardized cross-national data obtained from sources such as the World Bank, the International Monetary Fund, and the United Nations. The 2006 GEM adult population surveys were conducted by telephone or face to face, and were designed to yield a representative sample of the population within each country. The GEM data set for 2006 includes responses from 152,255 individuals, 49.9 percent of whom were women.

The 40 GEM countries participating in 2006 were divided into two country groups (low/middle-income and high-income) based on their per capita gross domestic product (GDP) and GDP growth rate. The low/middle-income country group is comprised of 20 countries, they are: Argentina, Brazil, Chile, China, Colombia, Croatia, Czech Republic, Hungary, India, Indonesia, Jamaica, Latvia, Malaysia, Mexico, Peru, Philippines, Russia, South Africa, Thailand, and Uruguay. The high-income country group also is comprised of 20 countries: Australia, Belgium,

Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Netherlands, Norway, Slovenia, Singapore, Spain, Sweden, United Kingdom, and United States. For each country, data are weighted by gender, age, and in some cases geographical distribution in order to adjust the sample to each population.

Detailed information on GEM data collection methodology can be found in the Global Entrepreneurship Monitor 2006 Data Assessment available through the GEM Consortium Web site at www.gemconsortium.org. In addition, a summary of the statistical properties of the data can be found in the technical appendix at the end of this report.



EXECUTIVE SUMMARY

Women represent more than one-third of all people involved in entrepreneurial activity, and are likely to play an even greater role when informal sectors are considered. *The Global Entrepreneurship Monitor (GEM) 2006 Report on Women and Entrepreneurship* is the third in a series of reports undertaken to provide a comprehensive and up-to-date study of the role played by women involved in entrepreneurial activity across the world economy.¹ GEM is a major research project aimed at describing and analyzing entrepreneurial processes within a wide range of countries. GEM's contribution to our knowledge and understanding of the entrepreneurial process is unique since, to date, no other data set exists that can provide consistent cross-country information and measurements of women's entrepreneurial activity in a global context.

This 2006 report provides a cross-national assessment of women's entrepreneurial activity in 40 countries. The study provides an analysis of the key characteristics and context of female entrepreneurial activity and how that may differ from that of their male counterparts. It is our hope that this work will advance the understanding of the needs of aspiring and existing female entrepreneurs, and will provide policy insights useful to developing and enhancing an environment in which the spirit of women's entrepreneurship may flourish.

ENTREPRENEURIAL ACTIVITY

GEM distinguishes two broad categories of entrepreneurs—early stage and established—based upon the age of their business. Early stage entrepreneurs are those involved in owning and managing, alone or with others, a nascent business or one that has not been in operation for more than 42 months. Established entrepreneurs, instead, are those involved in owning and managing, alone or with others, a business that has successfully survived in the market for more than 42 months, the approximate critical period within which a business is more likely to fail. These two measurements are both very important as they convey different information about the entrepreneurial landscape of a country. Early stage entrepreneurship indicates

the dynamic entrepreneurial propensity of a country. In other words, it shows the percentage of population willing and able to undertake an entrepreneurial venture. Established business ownership, instead, indicates the percentage of population actively involved in running businesses that proved to be sustainable.

The type and quantity of entrepreneurial activity varies significantly across countries but countries with similar levels of per capita GDP tend to exhibit more similar entrepreneurial environments. Thus, GEM groups countries into a low/middle-income group and a high-income group based upon their per capita gross domestic product (GDP).² Regardless of gender, entrepreneurial activity is significantly higher in the low/middle-income group than in the high-income group of countries. Across the 40 countries participating in GEM in 2006, low/middle-income countries exhibited the highest prevalence rates of female early stage entrepreneurial activity while high-income countries exhibited the lowest. The participation of women in established business ownership also varies significantly across countries.

Overall, regardless of country, men are more likely to be involved in entrepreneurial activity than women. Examination of entrepreneurial behavior across the globe yields a clear picture of a gender gap in venture creation and ownership activity. The entrepreneurial gender gap exhibits varying dimension and characteristics, including the following:

- In both country groups a significant gender gap exists for both early stage entrepreneurial participation and established business ownership, and this gender gap is greatest in the high-income country group, regardless of type of activity. In the high-income group, men are almost twice as likely to be early stage or established business owners than women.
- In none of the countries participating in GEM 2006 are women more active in starting a business than men, except for Russia where the rate of female early stage entrepreneurship is significantly higher than the male rate.



- Across all GEM countries, low/middle-income countries such as the Philippines and Russia exhibited the highest women's early stage entrepreneurial activity prevalence rates (39.3 percent and 22.5 percent respectively), while high-income countries such as Belgium and Sweden exhibited the lowest (1.0 percent and 2.3 percent respectively). The situation is similar when women's established business ownership is considered. In this case, high-income countries exhibit the lowest rates, such as those of Belgium and Singapore (0.9 percent and 0.6 percent respectively), and low/middle-income countries exhibit the highest rates, such as those of Thailand and India (17.3 percent and 14.6 percent respectively). It is interesting to notice that in China, the Netherlands, and Russia, the female rate of early stage entrepreneurial activity exceeds that of males. Nevertheless, such difference is statistically significant only for Russia. When established business ownership is considered, on the other hand, in no countries is the female rate higher than the male rate of established business ownership.
- The gender gap is narrower in low/middle-income countries, particularly for early stage entrepreneurship. In these countries, the gender gap between male and female early stage entrepreneurs is 27.0 percent, but it widens to 45.0 percent for established business owners. This could be because (i) the access of women to labor markets may be more restricted in middle-income countries, prompting them to start their own businesses instead, and (ii) in higher-income countries women may have access to social services and safety nets that may discourage them from setting up businesses.
- For both country groups, the gender gap is greater among established business owners than among early stage entrepreneurs. The available data does not allow us to say whether this might be due to a higher success of males in getting the business started and sustainable, or whether this might signal greater future participation of women in entrepreneurial activity.

- The likelihood that early stage entrepreneurs will become established entrepreneurs is greater in high-income countries compared with low/middle-income countries; and in high-income countries there is no gender difference in the survival rate of women's businesses versus those of men. In low/middle-income countries, however, the likelihood of business survival beyond 42 months is lower for women than for men.

MOTIVATIONS AND BUSINESS OUTCOME

The GEM survey allows for differentiation according to the reasons that motivate entrepreneurial behavior. In the GEM framework, individuals start a business for two main reasons:

- They want to exploit a perceived business opportunity (opportunity entrepreneurs)
- They are pushed into entrepreneurship because all other options for work are either absent or unsatisfactory (necessity entrepreneurs)

The vast majority of early stage entrepreneurs across the world claim that they are attempting to take advantage of a business opportunity. However, prevalence rates of entrepreneurship vary significantly by motivation between low/middle-income and high-income countries. The ratio of opportunity to necessity entrepreneurship is significantly higher in high-income countries than in low/middle-income countries, and this effect is significantly amplified for women entrepreneurs.

Some interesting gender differences exist with respect to entrepreneurial motivation including:

- There is a significant difference in the prevalence rate of opportunity entrepreneurs by gender in both the low/middle-income and high-income country groups. In both high- and low/middle-income countries, the rate of male opportunity entrepreneurship is higher than that of women.
- A different picture emerges for necessity entrepreneurship, however. There is no significant difference by gender in the rate of necessity entrepreneurship in either country group.



EXECUTIVE SUMMARY

ENTREPRENEURIAL SCOPE

As might be expected, the landscape of entrepreneurial activity varies across the globe. The scope of women's entrepreneurial activity may be understood by looking at industry sector, use of technology, firm employment, and growth potential. Overall, women's businesses show many of the same patterns as those of their male counterparts, in particular:

- The distribution of women entrepreneurs across the broad industrial sectors of extraction, transformation, business services, and consumer-oriented products is comparable to that of male entrepreneurs, and consistent for both early stage and established entrepreneurs.
- Women's businesses, similarly to men's, are most prevalent in the consumer-oriented industrial sector. The highest level of women's participation in consumer-oriented industry occurs in low/middle-income countries. Rates of women's participation in extractive, transforming, and business services sectors are somewhat higher in the high-income group than in the low/middle-income group. Female and male entrepreneurs show very similar patterns for the expected innovative potential of their businesses, based upon their use of technology, level of competition, and novelty of products or service offering. This is the case regardless of stage of new venture creation.
- The percentages of entrepreneurs who expect some or profound innovative potential for their businesses is almost the same for female and male entrepreneurs; with the highest level of expectation for some or profound innovative potential among early stage entrepreneurs in low/middle-income countries.

CHARACTERISTICS OF WOMEN ENTREPRENEURS

Scholars of entrepreneurship in a variety of disciplines agree that age, work status, education, income, and perceptions are all significant socioeconomic factors in a person's decision to start a business.

- The age distribution pattern of men and women entrepreneurs is similar and comparable regardless of stage of entrepreneurship or country context. In low/middle-income countries, women are most likely to be early stage entrepreneurs between the ages of 25–34, and become established entrepreneurs between the ages of 35–44. In high-income countries, the age window for women's entrepreneurial activity broadens, with early stage entrepreneurial activity most likely among women ages 25–44, and established business ownership most likely among women 35–54.
- In both country groups, and similarly to men, the likelihood of being involved in entrepreneurial activity is significantly higher for those women who also are employed in a wage job (whether full or part time) compared to those who are not working, are retired, or are students. This suggests that working provides access to resources, social capital, and ideas that may aid in establishing an entrepreneurial venture.
- On average, women entrepreneurs in high-income countries are better educated than those in low/middle-income countries. Also, in both country groups, the level of educational attainment is somewhat higher for women who are established business owners than for women who are early stage entrepreneurs, suggesting that education may be positively correlated to survival rates. In low/middle-income countries, 36.5 percent of early stage women entrepreneurs and 46.9 percent of established women business owners have less than a secondary degree. In high-income countries, on the other hand, only 25.2 percent of early stage women entrepreneurs and 28.2 percent of established women business owners have less than a secondary degree. In high-income countries, more than two-thirds of women entrepreneurs have secondary degrees, and more than one-third have graduate degrees.
- In both country groups, and similarly to men, women in households with higher incomes are more likely to be involved in early stage entrepreneurial activity. Nonetheless, early stage entrepreneurial activity is highest among women

in low/middle-income countries, regardless of income level. This probably is due to the higher prevalence of necessity-based entrepreneurship among women in low/middle-income countries.

- GEM data seem to suggest that the social and economic benefits of working may be driving women's entrepreneurship more than increased education or increased household income. In fact, given a household income in the lowest group, a working woman is more than three times as likely to be involved in early stage entrepreneurship than a nonworking woman (74.0 percent and 23.8 percent respectively). And given only some secondary education, a working woman is three times more likely to be involved in early stage entrepreneurship than a nonworking woman (75.0 percent and 23.0 percent respectively). Furthermore, if work status is not taken into account, considering higher educational attainments within household income groups does not yield an increase in female early stage entrepreneurship. These findings may suggest that for the poorest and less educated, having work experience provides a valuable platform toward starting a business.
- In both country groups, women tend to be less optimistic and self-confident than men with respect to starting a business. These perceptions are subjective and likely to be biased by contextual factors. Regardless, they do not appear to be correlated to education, work status and household income in any significant way. However, similarly to men, women who are involved in entrepreneurial activity at any stage tend to be more confident in their own skills, are more likely to know other entrepreneurs, and are more alert to the existence of unexploited opportunities than women who indicate no entrepreneurial activity.
- Fear of failure is significantly higher for women than men in low/middle-income countries, and 34 percent of necessity-motivated women entrepreneurs in low/middle-income countries expressed such a fear. Their fear of failure may

be higher because they perceive no other job alternatives. It seems likely that the context of their country conditions combined with their lack of alternatives is a powerful motivation for entrepreneurship. Among women entrepreneurs (and among men) fear of failure was least often expressed by those in high-income countries motivated by opportunity. This may be understood since these entrepreneurs are women who have other work alternatives and live in countries with higher per capita incomes.

IMPLICATIONS FOR POLICY

The findings of this report provide significant evidence for two important conclusions:

1. Women entrepreneurs can be found in every country and under all circumstances. Whether involved in early stage activity or in established businesses, female entrepreneurship is an increasingly important part of the economic profile of any country.
2. A significant and systematic gap still exists in the entrepreneurial involvement and business ownership of men compared to women. This gap is more pronounced in high-income countries and in more technology-intense sectors.

While it is beyond the scope of this report to be prescriptive about policy recommendations to enhance women's entrepreneurship, it is clear that understanding the differences that exist is an important first step to formulating sound strategies and initiatives. Whether starting a micro-business in Bangladesh, leading a multimillion-dollar company in Ireland, or growing a competitive high-tech firm in China, women entrepreneurs are becoming an increasingly important component of the world economy, its productivity growth, and its struggle against poverty.



1. WOMEN'S ENTREPRENEURIAL ACTIVITY

The scope of women's new venture activity varies from that of men and a significant gender gap exists in rates of entrepreneurial activity across genders. In addition to gender differences, the entrepreneurial involvement of women varies also by country and business development stage. And, while women are most frequently motivated to become entrepreneurs by opportunity, necessity entrepreneurship is a larger motivator for women than men in low/middle-income countries.

In October 2006, the Norwegian Nobel Committee awarded the Nobel Peace Prize to Muhammad Yunus and his Grameen Bank for their efforts to create economic and social development. Dr. Yunus, an economist from Bangladesh, developed micro-credit into one of the most important and successful instruments in the struggle against poverty. Since its modest beginnings three decades ago, the Grameen Bank has been a source of ideas and models for the many institutions in the field of micro-credit that have emerged around the world. More than 97 percent of the Grameen Bank's borrowers are poor women who, in most cases, use their loans to start micro-businesses and, by doing so, change their lives and those of their communities. There is not a more compelling example of the contribution that entrepreneurs make to the economy and society than that provided by these women.

EARLY STAGE PARTICIPATION AND ESTABLISHED BUSINESS OWNERSHIP

Entrepreneurial activity varies by country across the world economy. GEM divides countries into a low/middle-income group and high-income group based upon their per capita gross domestic product (GDP). On average, low/middle-income countries have modest per capita income and faster-growing

economies compared to high-income countries. The low/middle-income group consists of 20 countries from South America, Asia, and Eastern Europe. The average GDP per capita in this group is only \$10,367 U.S., whereas their average level of GDP growth is 5.4 percent. The second group also includes 20 countries. On average, they exhibit high per capita GDP levels, but comparatively lower GDP growth rates. This group contains the G7/8 countries and most member states of the European Union, North America, and Australia. The average GDP per capita for this group is \$34,139 U.S., and their average growth rate is 3.5 percent.

Regardless of gender, entrepreneurial activity is significantly higher in low/middle-income countries than in the high-income countries. Significant differences exist in the size of the gender gap for both early stage entrepreneurial participation and established business owners, and for both country groups. Yet, the gender gap is more pronounced in high-income countries than in low/middle-income countries. This is partially due to higher shares of female necessity-driven entrepreneurial activity in low/middle-income countries where women have reduced access to established labor markets. Also, in richer countries, larger companies and public employment may be more likely to offer health care and support for working mothers, thereby tilting women's incentives away from startups and self-employment.

Overall, regardless of country, men are more likely to be involved in entrepreneurial activity than women. In both country groups, a significant gender gap exists between the overall entrepreneurial activity of male versus female early stage entrepreneurs and established business owners as shown in Table 1.³

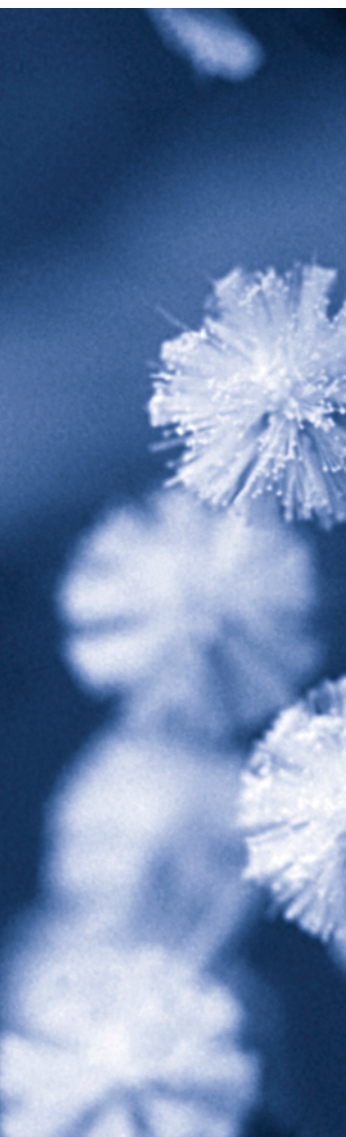


Table 1. Prevalence Rates of Entrepreneurial Activity Across Countries by Gender 2006

	Early Stage Entrepreneurial Activity (Nascent + New)		Established Business Owners		Overall Business Owners (Nascent + New + Established)	
	Male	Female	Male	Female	Male	Female
Argentina	13.93%	6.55%	10.83%	3.10%	24.76%	9.65%
Australia	14.02%	9.87%	9.67%	8.56%	23.69%	18.43%
Belgium	4.39%	1.04%	3.35%	0.87%	7.74%	1.91%
Brazil	13.74%	9.61%	14.77%	9.45%	28.51%	19.06%
Canada	8.25%	5.99%	6.22%	4.00%	14.47%	9.99%
Chile	11.38%	7.02%	9.20%	4.40%	20.58%	11.42%
China	15.70%	15.73%	13.67%	10.52%	29.37%	26.25%
Columbia	27.97%	17.30%	14.19%	6.85%	42.16%	24.15%
Croatia	10.75%	4.93%	7.66%	3.14%	18.41%	8.07%
Czech Republic	5.79%	2.58%	3.92%	2.10%	9.71%	4.68%
Denmark	7.31%	3.30%	7.83%	2.69%	15.14%	5.99%
Finland	8.83%	5.70%	7.59%	3.30%	16.42%	9.00%
France	5.92%	4.04%	11.58%	4.81%	17.50%	8.85%
Germany	6.26%	2.53%	1.31%	1.35%	7.57%	3.88%
Greece	11.12%	4.69%	9.32%	7.16%	20.44%	11.85%
Hungary	12.35%	4.87%	5.80%	2.46%	18.15%	7.33%
Iceland	8.09%	4.05%	9.03%	4.48%	17.12%	8.53%
India	19.84%	18.73%	20.63%	14.61%	40.47%	33.34%
Indonesia	10.51%	4.20%	12.23%	3.41%	22.74%	7.61%
Ireland	11.60%	9.16%	7.26%	3.84%	18.86%	13.00%
Italy	16.65%	5.73%	10.13%	4.66%	26.78%	10.39%
Jamaica	3.87%	3.06%	4.32%	1.72%	8.19%	4.78%
Japan	22.58%	18.14%	11.32%	9.31%	33.90%	27.45%
Latvia	3.20%	2.60%	6.59%	2.92%	9.79%	5.52%
Malaysia	9.41%	3.92%	8.12%	3.41%	17.53%	7.33%
Mexico	6.10%	4.48%	2.67%	1.90%	8.77%	6.38%
Netherlands	11.05%	11.13%	8.49%	6.12%	19.54%	17.25%
Norway	7.20%	3.60%	9.29%	3.82%	16.49%	7.42%
Peru	12.31%	5.87%	8.69%	3.20%	21.00%	9.07%
Philippines	41.02%	39.27%	14.10%	10.63%	55.12%	49.90%
Russia	18.40%	22.45%	26.15%	13.36%	44.55%	35.81%
Singapore	7.33%	2.57%	1.83%	0.61%	9.16%	3.18%
Slovenia	5.79%	4.83%	2.06%	1.40%	7.85%	6.23%
South Africa	4.44%	2.43%	5.96%	4.00%	10.40%	6.43%
Spain	6.00%	3.75%	5.48%	1.37%	11.48%	5.12%
Sweden	6.93%	2.29%	6.42%	2.44%	13.35%	4.73%
Thailand	16.25%	14.18%	17.57%	17.27%	33.82%	31.45%
United Kingdom	7.88%	3.61%	7.91%	2.85%	15.79%	6.46%
United States	12.73%	7.36%	7.69%	3.16%	20.42%	10.52%
Uruguay	16.61%	8.60%	10.10%	3.79%	26.71%	12.39%



WOMEN'S ENTREPRENEURIAL ACTIVITY

It is interesting to consider entrepreneurial behavior by characterizing entrepreneurs depending upon the stage they occupy in the venture creation process. GEM distinguishes two broad categories of entrepreneurs—early stage and established—based upon the age of their businesses. Across the 40 participating GEM countries, low/middle-income countries such as the Philippines and Russia exhibited the highest women's early stage entrepreneurial activity prevalence rates (39.3 percent and 22.5 percent respectively) while high-income countries such as Belgium and Sweden exhibited the lowest (1.0 percent and 2.3 percent respectively). The situation is similar when women's established business ownership is considered. In this case, high-income countries exhibit the lowest rates, such as those of Belgium and Singapore (0.9 percent and 0.6 percent respectively), and low/middle-income countries exhibit the highest rates, such as those of Thailand and India (17.3 percent and 14.6 percent respectively). It is interesting to note that in China, the Netherlands, and Russia, the female rate of early stage entrepreneurial activity exceeds that of males. Nevertheless, such difference is statistically significant only for Russia. When established business ownership is considered, on the other hand, there is no country in which the female rate is higher than the male rate of established business ownership.

The existence of systematic differences between female and male entrepreneurship across each country group suggests that entrepreneurial attitudes

are influenced by some universal factors and that, when making decisions with respect to starting a new business, women and men are influenced by many of the same variables. However, the fact that male entrepreneurship rates are systematically and significantly higher than female entrepreneurship rates in almost all countries also indicates that these factors do not influence both genders necessarily in the same way or with the same intensity.

Table 2 shows that, in the high-income group, men are almost twice as likely to be early stage or established business owners than women. Thus, the figures shown in the Table imply that the gender gap is narrower in low/middle-income countries, particularly for early stage entrepreneurship. In these countries, the gender gap between male and female early stage entrepreneurs is 27.0 percent, but it widens to 45.0 percent for established business owners. In high-income countries, the gender gap between male and female early stage entrepreneurs is 47.8 percent and 22.1 percent for established business owners.

Table 2 also shows that there is an important difference between early stage and established entrepreneurial activity among women. While the low/middle-income group exhibits a higher rate of early stage entrepreneurial activity than established business ownership activity, the group of high-income countries shows virtually no difference in the prevalence rate of women across these two business stages.

Table 2. Difference in Prevalence Rates Across Country Groups by Gender 2006

	Early Stage Entrepreneurial Activity (Nascent + New)		Established Business Owners		Overall Business Owners (Nascent + New + Established)	
	Male	Female	Male	Female	Male	Female
Low/Middle-Income Countries	14.58%	10.65%	3.71%	2.04%	24.89%	16.54%
High-Income Countries	7.57%	3.95%	7.16%	5.58%	14.93%	6.99%
Significant Difference Between Country Clusters	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001	p < 0.0001

IRELAND'S CHALLENGE TO INCREASE THE NUMBER OF WOMEN ENTREPRENEURS

By Paula Fitzsimons and Colm O'Gorman*

Early stage entrepreneurial activity in Ireland has been to the fore in Europe in recent years with an overall rate of 7.4 percent in 2006. The rate is significantly higher for males (10.5 percent) than females (4.2 percent). The gender difference is even wider when the rate of established business ownership is examined, with men at 12.2 percent and women at 3.4 percent. Opportunity rather than necessity is the primary motive for early stage entrepreneurship among both men and women, but women exhibit a higher ratio of opportunity to necessity motives.

Irish policymakers recognize that a much greater number of competitive and innovative Irish companies will be needed to strengthen the base of existing enterprise and to maintain growth in the future. In order to meet this challenge, many entrepreneurs will be needed to create new businesses. The challenge is not only to generate a high level of new businesses being started, but also to maximize the number of innovative businesses among them that subsequently develop to achieve high growth. To meet this challenge, Ireland needs to be able to draw on the entrepreneurial talents of all of its population—men and women.

Anne Heraty is one of a number of dynamic Irish entrepreneurs who has achieved significant growth in recent years. The great majority of these, however, are men as Ireland's early stage entrepreneurial activity is driven by well educated men in their early 30s.

In 2006, as chief executive of Cpl Resources plc, Anne Heraty won Ernst & Young's Entrepreneur of the Year award. She is the first woman to have won the award within Ireland and is the first female CEO of a publicly quoted company. Anne Heraty did not start out with a dream of creating a company with a €150 million turnover: she spotted a gap in the recruitment services market for a specialized approach and acted on it. Having carved out an initial niche in IT recruitment, opportunities for similar services in other sectors were identified and followed through.

Founded in 1989, Cpl Resources has grown both organically and by acquisition. A leading provider of specialist recruitment and HR outsourcing services, the company now has a turnover of €150 million, is listed on the DCM and AIM stock markets, employs an internal work force of 250 employees, and offers long- and short-term work to more than 5,000 people each year.

Anne Heraty also gives her time and energy through her work in the policy area as the chair of the Expert Group on future skills needs. The Expert Group advises the Government on future labor market and manpower requirements needed to underpin a modern, sophisticated knowledge-based economy. Ireland's challenge is that it needs to empower more women like Anne Heraty.

The past decade has seen a rapid and economically significant change in the composition of the work force in Ireland. The overall number of women employed in Ireland has increased by 43 percent since 1997, and women now represent 42 percent of the working population. The very strong performance by young women in their final school examinations (Leaving Certificate) and primary degree level, where they regularly outperform the young men, suggests that a feedstock of talented women are emerging in increasing numbers in the economy.

At this point, however, the proportion of women who are deciding to become entrepreneurs in Ireland is considerably lower than it is for men and among those women who decide to become entrepreneurs fewer have an aspiration for growth. This leaves a wide gender divide on both counts.

There are a higher proportion of women in the adult population actively planning and setting up new businesses (4.2 percent) than there are women who are the owners of longer established businesses (3.4 percent). There has been, however, no real sustained increase in the number of new women entrepreneurs during the last few years.

The narrowing or the widening of the entrepreneurial gender gap from year to year is more a function of an increase or decrease in the



WOMEN'S ENTREPRENEURIAL ACTIVITY

Ireland's Challenge (continued)

proportion of adult men who are actively planning or have set up new businesses, rather than a result of any major change in the number of women active as entrepreneurs.

The GEM research indicates that there are definite differences in the personal context of men and women within Ireland. For example, a greater proportion of adult men are more confident in their ability to successfully run a new business (59 percent) than are adult women (43 percent). Given the recognized importance of role models in influencing behavior, the fact that fewer women (33 percent) know someone, male or female, who have set up a new business in recent times than is the case for men (45 percent) also may be important.

While internationally women tend to set up new businesses less frequently than do men, it is noteworthy that in the most entrepreneurial of the developed OECD countries, women are much more active in setting up new businesses than they are in Ireland. This is true in the United States, Canada, and Australia. Ireland is out of line with the gender balance of those who recently have set up new businesses, compared to these other countries.

This is simply a lost resource as it reduces the number of new businesses that are being started in Ireland, and shrinks the pool from which significant businesses can emerge in the future. If women were to become entrepreneurs at the same rate as men in Ireland, there would be as many new entrepreneurs in Ireland per capita as there are in the United States.

Irish policymakers have been considering matters related to entrepreneurship in recent years. The Enterprise Strategy Group report placed major emphasis on the need to grow the base of indigenous firms in Ireland in order to balance and complement the contribution of foreign direct investment in the country.⁴ This requirement was taken up and further examined by the Small Business Forum.⁵ While recognizing that there were many supporting factors fostering entrepreneurship within Ireland, the Small Business Forum was of the opinion that latent entrepreneurial potential exists among women. The Forum recommended specific

measures to foster an entrepreneurial culture among women through, for example, the greater portrayal of women role models in the media and through specific supports for those who decide to become entrepreneurs.

These recommendations should be implemented during 2007. It is hoped that these measures will be successful. Experience in Finland and the United States demonstrates that when targeted measures are introduced to increase the number of women entrepreneurs, they have been particularly successful.

Anne Heraty believes that there is no better time than the present to be considering entrepreneurship in Ireland: "The buoyancy of the Irish economy offers great opportunities. It is a great time to be starting out for both men and women." Personally, Anne Heraty never encountered any barriers to being a women entrepreneur, and believes that entrepreneurship provides an opportunity for women to reap great personal and financial benefits and to be economically independent. "There is no reason that women cannot succeed as entrepreneurs. I am convinced that in Ireland we have very many women with the knowledge and skills to develop sustainable, profitable businesses."

To release the full entrepreneurial potential that she believes exists among women, Anne Heraty is of the opinion that as a country, "we must ensure that the developmental support infrastructure is in place to encourage more women to take the plunge and to appropriately support those who do become entrepreneurs to achieve the full potential of their new ventures." The recommendations of the Small Business Forum, soon to be implemented, are designed to do exactly that.

Time will tell whether more women become active as entrepreneurs in Ireland and whether the entrepreneurial gender gap is narrowed. GEM will continue to monitor and report on the changes as they happen.

**Paula Fitzsimons is the national coordinator for GEM in Ireland and an independent strategy and management consultant. Colm O'Gorman is head of management at the UCD School of Business, University College, Dublin, Ireland.*

ENTREPRENEURIAL MOTIVATION AND BUSINESS OUTCOMES

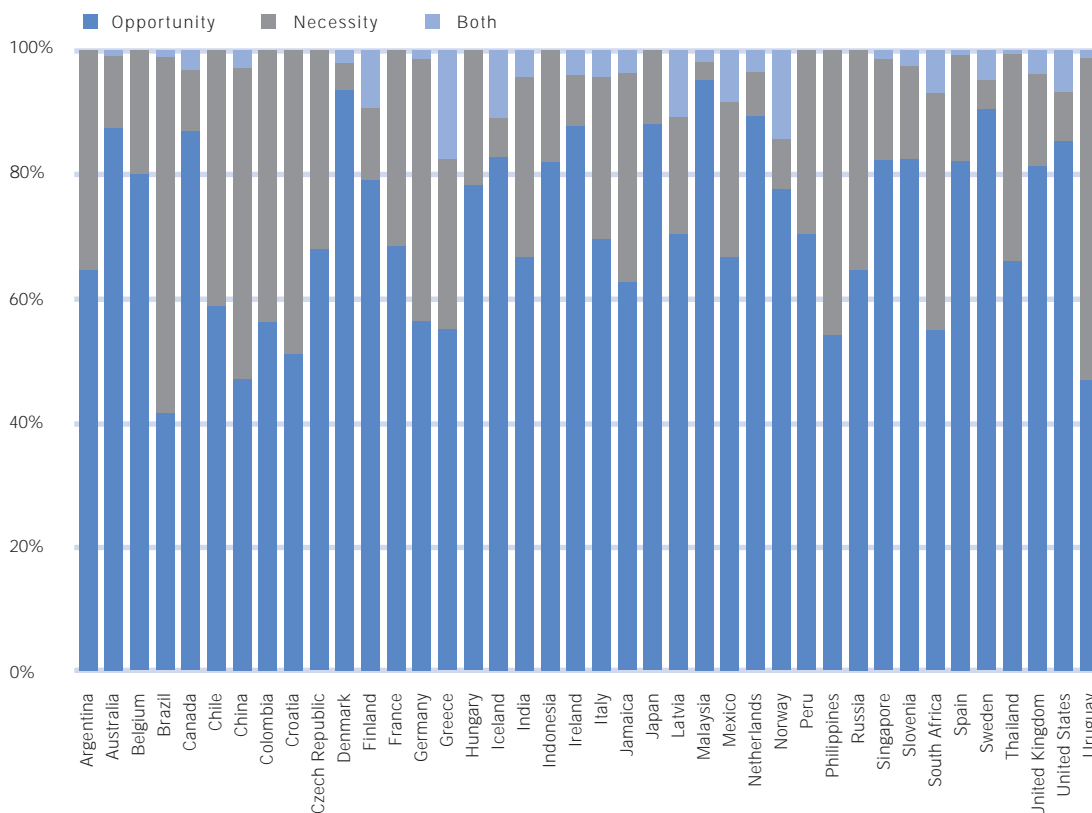
In the 2006 GEM study, more than 95 percent of all respondents to the survey are involved in entrepreneurial activities for two primary reasons: opportunity or necessity. Opportunity entrepreneurship estimates the number of people who choose to start their own business as one of several desirable career options. In other words, opportunity entrepreneurship reflects the desire to take advantage of a recognized opportunity. Necessity entrepreneurship instead estimates the number of people who start their own business because other employment options are either absent or unsatisfactory.

Prevalence rates of entrepreneurship vary significantly by motivation between low/middle-income and high-income countries. That is, opportunity and necessity motivations influence entrepreneurs differently across country groups. Opportunity is the dominant motivation for most entrepreneurs across all GEM countries, regardless of gender. Figure 1 shows the distribution of opportunity and necessity

early stage female entrepreneurship for each country in our sample. It also shows that, in many countries, women may be nearly equally likely to be necessity or opportunity entrepreneurs.

As is the case with men, the majority of women are involved in starting a new business in order to pursue an opportunity. Nonetheless, necessity entrepreneurship is much more prevalent among women than men. Also, from Figure 1 it is clear that, although opportunity motives are dominant, the ratio of female opportunity to necessity entrepreneurship is significantly different across countries. Table 3 shows the ratio of opportunity to necessity driven early stage entrepreneurship for women for all countries in our sample and the corresponding country rank. Malaysia and Denmark exhibit the highest ratios of opportunity to necessity driven female entrepreneurship with 35.2 and 23.3 respectively. At the other end of the ranking we find China and Brazil with 0.71 and 0.73 respectively. In recent years, self-employment and home-based work has expanded opportunities for women's participation in the labor force, but is characterized

Figure 1. Women's Entrepreneurial Motivation by Country 2006



WOMEN'S ENTREPRENEURIAL ACTIVITY

by lack of security, lack of benefits, and low income. This observation suggests that for women, entrepreneurship may represent an important means to circumvent unemployment and, in some countries, a way out of poverty, but that the number of women who pursue an entrepreneurial opportunity when other income producing activities

are available is still very low compared to that of men. To a large extent, this explains why the number of women who choose entrepreneurship because of necessity is concentrated in low-income countries. The specific context of a country, however, also is very important as the relative position of Malaysia suggests.

Table 3. Ratio of Opportunity to Necessity Early Stage Entrepreneurship by Country and Gender

	Male Opportunity to Necessity Ratio	Female Opportunity to Necessity Ratio	Female Opportunity to Necessity Ranking
Argentina	3.45	1.99	13
Australia	8.16	8.59	34
Belgium	25.00	3.79	22
Brazil	1.43	0.73	2
Canada	4.77	8.48	33
Chile	3.90	1.44	8
China	1.47	0.71	1
Columbia	1.78	1.29	7
Croatia	1.27	0.94	4
Czech Republic	2.37	2.06	14
Denmark	27.85	23.32	39
Finland	4.76	6.28	28
France	1.46	1.97	12
Germany	1.78	1.28	6
Greece	4.08	1.63	10
Hungary	3.53	3.40	21
Iceland	9.75	12.92	37
India	2.58	2.08	15
Indonesia	9.28	4.67	24
Ireland	8.75	6.84	31
Italy	3.95	2.74	19
Jamaica	2.10	1.80	11
Japan	4.71	6.81	29
Latvia	4.98	4.53	23
Malaysia	12.90	35.24	40
Mexico	2.87	2.97	20
Netherlands	17.29	11.50	36
Norway		7.27	32
Peru	3.44	2.30	17
Philippines	1.22	1.17	5
Russia	2.84	1.52	9
Singapore	7.15	5.35	26
Slovenia	9.36	6.81	30
South Africa	2.12	2.56	18
Spain	6.06	4.82	25
Sweden	10.67	16.83	38
Thailand	2.15	2.15	16
United Kingdom	5.19	5.56	27
United States	5.22	9.75	35
Uruguay	2.51	0.91	3



Table 4 shows that the ratio of opportunity to necessity-driven motives for starting a business is more favorable for women in high-income countries than in low/middle-income countries. The difference in this ratio between the two country groups is statistically significant at 99 percent confidence. This is consistent with the results on sectoral distribution and innovative potential presented later in this report.

As is the case for early stage and established entrepreneurship, some interesting gender differences also exist with respect to entrepreneurial motivation. A gender gap exists with respect to opportunity entrepreneurship with the rate of male opportunity entrepreneurship significantly outstripping that of women regardless of country

group. However, a different picture emerges when necessity entrepreneurship is considered. In fact, there is no significant difference by gender in the rate of necessity entrepreneurship in the low/middle-income country group, while in high-income countries a gender gap still exists. This suggests that women are overrepresented among necessity-driven entrepreneurs in low/middle-income countries. Specifically, in low/middle-income countries, 35.8 percent of women, but only 28.5 percent of men, are motivated by necessity. In high-income countries, instead, although necessity entrepreneurship accounts for 14.7 percent of female activity and 13.4 percent of male activity, the difference is not statistically significant.



Table 4. Country Group Differences in Opportunity to Necessity Early Stage Entrepreneurship by Gender

	Male Opportunity Entrepreneurship	Female Opportunity Entrepreneurship	Male Necessity Entrepreneurship	Female Necessity Entrepreneurship
Low/Middle-Income Countries	10.53	7.17	4.20	3.99
High-Income Countries	6.84	3.40	1.06	0.59

	Male Opportunity to Necessity Ratio	Female Opportunity to Necessity Ratio
Low/Middle-Income Countries	3.41	3.72
High-Income Countries	8.74	7.63

WOMEN'S ENTREPRENEURIAL ACTIVITY

BALANCING WORK AND FAMILY IN CHILE

By Olga Pizarro Stieповic and José Ernesto Amorós*

In 2006, early stage entrepreneurial activity in Chile has seen a very minor decline from 11.2 percent in 2005 to 9.2 percent. The rate is almost twice as high among men (11.4 percent) than women (7.0 percent). A similar but wider difference exists in the rate of established business ownership with men at 9.2 percent and women at 4.4 percent. Opportunity entrepreneurship is both absolutely and proportionately higher among men than women. In fact, the rate of opportunity entrepreneurship for men is 9.0 percent whereas the rate of necessity entrepreneurship is 2.3 percent. The rate of opportunity entrepreneurship for women, on the other hand, is 4.1 percent whereas the rate of necessity entrepreneurship is 2.9 percent.

As one of the most successful emerging economies, Chile has experienced rapid growth in recent years. It also has witnessed a significant debate on the role of its women in the labor market. Since the introduction of antidiscriminatory legislation (Code of Good Labor Practices) work relations have been changing significantly. Women represent one-third of the Chilean work force and 46.7 percent of the women between 25–54 years old are now part of the labor market.⁶ In line with other Latin American countries, women also make up 20 percent of the managerial Chilean labor force, but this percentage is still well below those of richer countries such as the United States where it reaches 49 percent.

Access to education has improved significantly for Chilean women in the last few decades. As a result, the percentage of women in the labor force with educational levels equivalent to 12 or more years of studies is significantly higher than that of men. Nonetheless, women account for a significantly lower proportion of the work force. With changes in the educational system more women have access to higher levels of education and, as a consequence, we may expect them to enter the labor market in even larger numbers. In spite of having achieved significant parity in

education, Chilean women still face a culture in which much emphasis is put on their role within the family and on the amount of time they are expected to dedicate to their families and, in particular, to not yet school-age children. Thus, women need to strike a complex balance trying to keep their jobs while dedicating the most time possible to their family responsibilities.

Because of their desire to take care of their family but also to be financially independent, Chilean women are turning to starting new businesses as a way to balance family obligations and having a career. Indeed, the role of women in the Chilean entrepreneurial landscape has been growing significantly, and already 13 percent of owners of small- and medium-size businesses are women.⁷ Dominique Lizárraga and her company are a good example.

As GEM data on Chile shows, most women entrepreneurs in Chile have college-level education, are married or live with a partner, and feel that their businesses provide a reliable source of income.⁸ Dominique Lizárraga, a mother of four, decided along with a friend, to create Jardín Express, the first Online Garden Supplier in Chile. Lizárraga and her friend are both professional women, have college degrees, and share ownership of the business equally. Lizárraga studied Agricultural Administration and has experience working in a company that produces strawberry plants while her partner has bank administration experience. Together, the two women, who are both married and have children, decided to create the online landscape and garden supply business, allowing them to better manage their time to both take care of their families and develop their career aspirations.

Lizárraga and Jardín Express are very representative of Chilean women entrepreneurs. Although Jardín Express began mainly as a service company, Lizárraga and her partner are innovative, have incorporated technology in their business, and created employment for others.



The initial idea was to create a business that would allow them to have more time for their families and, at the same time, leverage their experience and education. They realized that many people wanted a landscaped front yard or backyard but that the process took a lot of time and quite a bit of money, making it impossible for many people to achieve their goal. The two partners then decided to combine the use of information technology and the Internet with do-it-yourself landscaping. Jardín Express provides landscape design services by using software for its designs and a Web platform for marketing. The main idea of the business is to simplify and, as a result, reduce the price of designing residential landscapes by using computers to simulate the space to be developed into a yard or garden.

Using digital photography of the spaces where a garden or yard is to be created, a digital design is produced with real images of the plants and accessories, so that potential clients can get a “real” idea of what the space will look like when finished.

The business model bases the marketing of this service through a Web page, where a client can ask for an original landscaping design for a specific space, or choose from a group of standard designs that adjust easily to different sizes and types of plants. By sending a digital photograph, the client can see how his original design will look when finished, and also test how his or her space would look with alternative designs. Once the client is satisfied with the design, the whole garden is delivered to the home, with a detailed guide and measurements of the area to plant and the exact places where each plant and each decorative element should be placed. In this way, Jardín Express manages to sell landscaping designs at very competitive prices to a market that would otherwise not be able to afford a beautiful yard or garden.

The company was established at the end of 2002 and began its initial activity in early 2003, but it was not until mid-2004 that the development of the technological platform was complete and operative. Jardín Express currently employs six people: three landscapers, one general manager,

the developer of the technological platform and a director (who is one of the founders)—all between 23–35 years old. In addition, the company employs an external team for design and technological support. All employees work from their homes, communicate via e-mail and telephone, and get together every 15 days to discuss the relevant issues of operation and planning for the business.

Working from home provides each employee with significant time flexibility and independence as well as allows the company to save money on expensive office space. These savings, in turn, have been used to make additional investments and strengthen the technological capabilities of the business. The company has experienced initial success during 2005, reaching income of \$5,000 U.S. monthly. Lizárraga and her partner have plans to expand significantly. Their goals include reaching \$20,000 U.S. in monthly income, and making the business more professional with greater brand awareness, while retaining the basic structure of employees working at home. An immediate challenge, of course, will be the geographical expansion of the market. Currently, while sales are concentrated in the metropolitan region around Santiago, since the end of 2005 some sales have begun in the Valparaíso region and some other areas of the country. This expansion may challenge the virtual structure approach or require employment of new workers who live nearby new geographic markets.

Lizárraga and her partner are well on their way to being one of Chile’s success stories. They understand that Jardín Express is growing, and with growth comes new challenges for which they need to prepare themselves and their employees. As more professional women continue to get involved in the creation of businesses which incorporate technology and create jobs, there are good prospects that Chile’s economy will continue its growing momentum.

**Olga Pizarro Stjepovic is professor and director of the Women Business Studies Center, Universidad del Desarrollo, Chile. José Ernesto Amorós is professor of entrepreneurship and researcher at the Entrepreneurship & Innovation Center, Universidad del Desarrollo, Chile.*



WOMEN'S ENTREPRENEURIAL ACTIVITY

ENTREPRENEURIAL SCOPE: SECTORAL DISTRIBUTION AND INNOVATIVE POTENTIAL

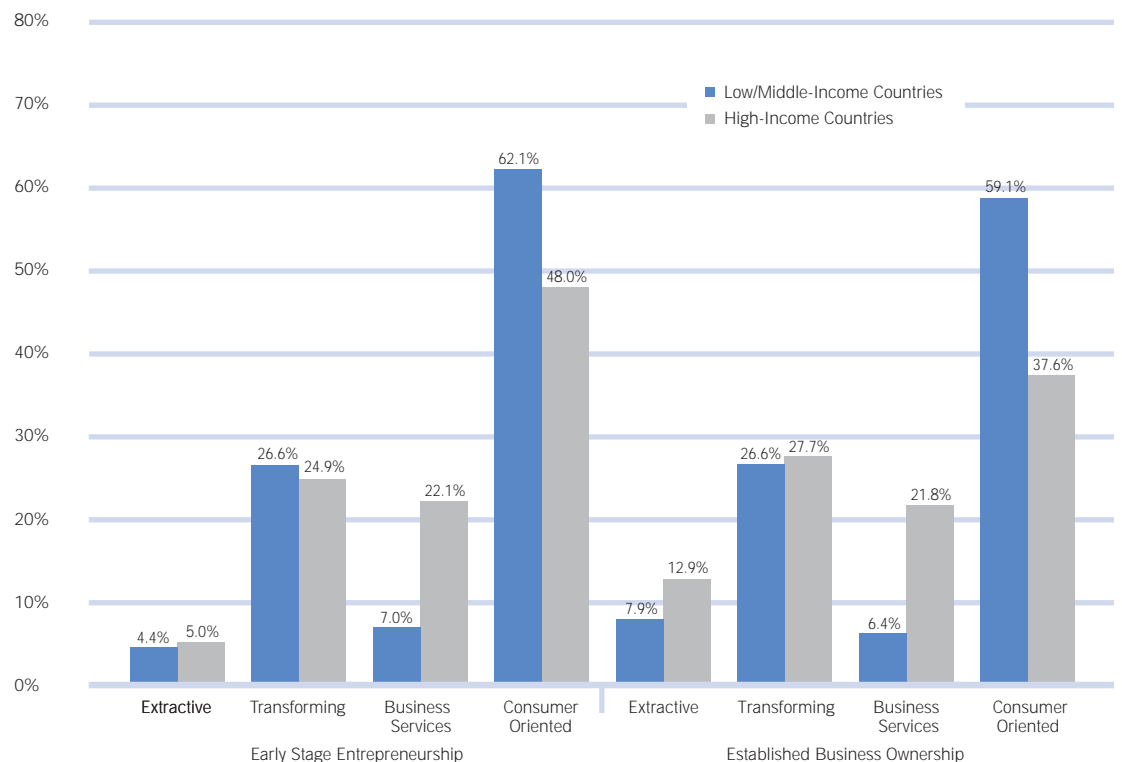
By increasing the competitive offering of new products and services, entrepreneurs contribute toward greater market efficiency. In addition, many entrepreneurs are important agents of innovation. To measure innovativeness, GEM asked entrepreneurs and business owners how they evaluate the newness of their product or service, the competition they face, and the novelty of their product or service technology. Because they represent individual entrepreneurs' perceptions of their own situation, such assessments are inevitably context-specific, and they are likely to vary among countries.

In order to analyze the sectors in which people attempt to start businesses and compare their distribution with those of established business, GEM codes activity according to the International Standard Industry Codes (ISIC). Consistent with the pattern for all entrepreneurs, Figure 2 shows that

the largest share of women entrepreneurs are active in consumer-oriented activities, while extractive activities exhibit the smallest share. The sectoral distributions of early stage women entrepreneurs and established women business owners are comparable. However, low/middle-income countries show a larger share of women in consumer-oriented business activity, while high-income countries exhibit a relatively higher share of women in activities in business services. This pattern suggests that a link between the income level of a country and the distribution of women's business activities across sectors may exist (the same is true for men's businesses).

It is important to consider the role of product or service novelty and use of technology within a country context. Overall, women's businesses show many of the same patterns as those of their male counterparts with respect to innovative potential. The majority of women's businesses offer products or services that are not new to customers and only

Figure 2. Sectoral Distribution of Female Entrepreneurship by Country Group and Business Stage

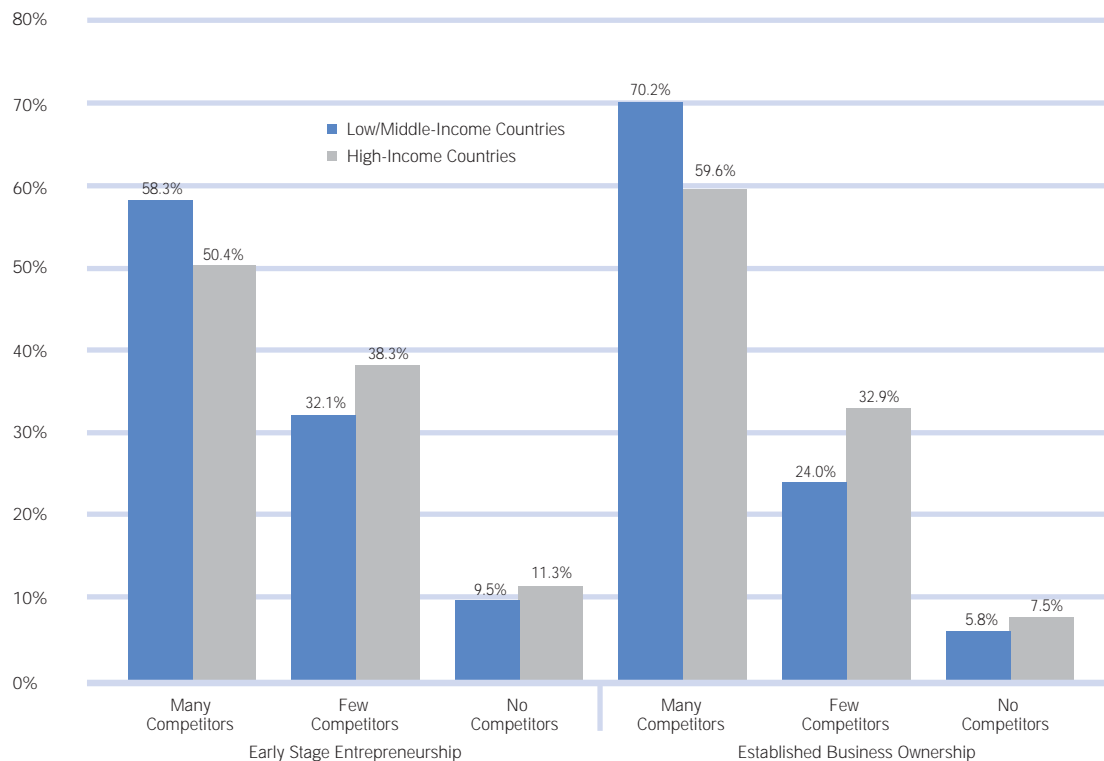


a small fraction claim that what they offer is new to all customers. Not surprisingly, early stage entrepreneurs claim more often to offer innovative products than established women entrepreneurs, while the latter say more frequently that their products are not new to any customer. There is no statistically significant difference in this pattern between the two country groups; women in both country groups are equally innovative. Across both country groups, women entrepreneurs offering very innovative products and services are relatively rare. With respect to technology, both early stage women entrepreneurs and established women business owners in the low/middle-income country group claim to be using the latest or newer technologies more often than their counterparts in the high-income country group. This result makes perfect sense once novelty is interpreted in a relative sense: starting from a comparatively lower level, women in low/middle-income countries have more room and opportunities to upgrade and modernize their

technologies. Some of the technologies that are already standard and common knowledge in the industrialized countries can still be novel for women producing in less-developed economies. This does not limit, but rather enhances, the growth potential these new technologies offer in markets that are not yet highly developed.

Figure 3 shows that most women entrepreneurs also say that they expect to face many competitors in their market. Not surprisingly, this share is higher for established women business owners (65.5 percent) than for early stage women entrepreneurs (49.0 percent). The difference between early stage women entrepreneurs and established women business owners may partially reflect a higher innovative potential of those who are just starting out with a new business idea, but it also may reflect overly optimistic expectations of early-stage entrepreneurs that are based on a limited knowledge of the market they plan to enter or have just entered.

Figure 3. Intensity of Expected Competition for Women's Businesses by Business Stage



WOMEN'S ENTREPRENEURIAL ACTIVITY

PURSUING A HIGH-TECH ENTREPRENEURIAL DREAM IN CHINA

By Zhen Zhu*

In 2006, early stage entrepreneurial activity in China continues to increase from 13.7 percent reported in 2005 to 15.7 percent. The rate of early stage entrepreneurial activity is almost identical among men and women (15.7 percent), but is higher for men than women in established business ownership (13.7 percent and 10.5 percent, respectively). Interestingly, opportunity rather than necessity is the primary motivation for early stage entrepreneurial activity for men (9.3 percent and 6.3 percent, respectively), but necessity is the primary motive for early stage entrepreneurial activity among Chinese women (6.5 percent and 9.2 percent, respectively).

During the last 25 years of economic reforms, the Chinese market has witnessed an unprecedented growth of entrepreneurship, a phenomenon that has gone from being nonexistent to being a strategic component of the Chinese emerging economy. Indeed, privately owned and foreign-owned businesses are the engine behind the rapid growth of the Chinese market. Women's entrepreneurship also is on the rise under the current economic climate, particularly in the urban areas of the country such as Shenzhen.

Separate from the traditional group of Chinese businesswomen who often run businesses out of necessity, a growing force of women entrepreneurs choose to pursue their entrepreneurial dreams with the high aspiration of building competitive Chinese firms with quality brands in the local and global markets. In general, they are highly educated, in their 30s and early 40s, and well-trained through their work experiences in joint ventures or multinationals. A unique market gap or business opportunity is often identified as the trigger for these businesswomen to forgo their corporate ladders and commit to their own ventures.

Shore Lin has been a joint owner of Future Base International Consulting Service Co., Ltd, a startup market consulting firm based in Beijing, for three years. The firm features consulting services for collecting and analyzing market intelligence in the information technology industry. Although the

size of the company has never expanded beyond 10 employees, its reputation and aspiration for high quality data collection and analysis has attracted attention from world-class players in the information technology sector.

Though trained as a fiber chemical engineer, Lin first worked for a travel agency and then for a privately owned advertising firm in the mid-1990s. These job opportunities provided her with firsthand observations and daily experience at handling ever-changing customer needs with a market-driven mind-set. In 1999, she was among the first graduated from the Tsinghua-Sloan (MIT) MBA program. After graduation, Lin joined the Market Intelligence Division of IBM (China) in Beijing. The rigorous MBA training, her internship as a project manager of marketing research in Hong Kong, and her years of experience in market intelligence in the IT industry prepared Lin to be a well-rounded woman entrepreneur years later in her own startup. The path of skill development for Lin is common for many Chinese women entrepreneurs in the knowledge-intensive sectors. It was not until the late-1990s that the Chinese educational system was ready to provide adequate business training programs for entrepreneurs-to-be. Most of the small business owners learned their own ways of practicing business through their prior job positions in Chinese privately owned or foreign-owned firms, thereby gaining exposure to the dynamism of local demands and the business standards of the global markets.

It was during the IBM years when Lin recognized an urgent and increasing market demand for reliable market intelligence in the Chinese market. While sizable foreign and domestic capital has flooded the Chinese stock markets and direct investment has flowed into Chinese firms, few commercial sources of market information are accessible to investors other than the statistics issued by the government. Moreover, the dynamic nature of the transitional economy adds further



uncertainty to firms that thrive on predicting shifting customer needs and competitors' market moves, especially in the highly innovative IT industry. Understanding the critical value of market intelligence to strategic business decisions, Lin and one of her woman colleagues at IBM decided to take advantage of this opportunity.

Three years ago, Lin left her job at IBM, market-tested her idea to determine the feasibility of the business, and then formally registered the new venture Future Base. The firm has been envisioned to be "a respected enterprise, which can provide high quality services to customers, a healthy and developing environment for employees, and benefits to the whole society." As a woman entrepreneur, Lin admits that actualizing the full potential of her talents and building a profitable entity that has a lasting, respected brand name has become the ultimate drive for her day-to-day work life.

Like many entrepreneurs, Lin and her partner used their personal savings as the initial investment and cash flow for the startup. Although Lin found it was risky to start a venture with enough capital that could sustain the business for only the first three months, the concern was soon alleviated when the business took off in the IT market. Consistent with the GEM findings, Lin's example indicates that Chinese woman entrepreneurs often are not deterred from starting a business by the possibility of failure.

Lin believes that woman entrepreneurs in this field face a similar market environment as their male peers. The developing stage of the market research industry in China brings both opportunities and challenges to the market players. The attractiveness of the business stems from the market's high demand for intelligence collection and analysis, such that new ventures in this sector are often given opportunities to prove their credibility before they achieve a strong reputation. For Future Base, most of the early clients were purely the result of cold calls and contract bidding. Lin learned that being versatile and serendipitous were the keys to winning clients' satisfaction. On the other hand,

because competition in the formative stage often takes the form of price cutting rather than quality differentiation or service innovation, Lin constantly has to maintain balance between growing the market base and achieving her goal of building a premier brand. Realizing that the challenge will not disappear soon, Lin has deepened investment in educating her clients and building client relationship programs. Given the buoyant market climate, she is still optimistic about the future of the new venture and believes that the timing is still on her side to nurture a respected brand in the growing market in China.

While local entrepreneurship experts from government, industry, and academia believe that women in China are encouraged to be self-employed or start a new business in their city, and that there are sufficient social services to enable women to work even after they start a family, Lin, in her early 30s, is one of the Chinese women entrepreneurs who has active family duties while operating their new ventures. Only a few months after she gave birth to her first child in 2005, she resumed her executive role in Future Base. Lin admits that a stable family support has a strong influence in helping fulfill her unwavering commitment to both her son and her startup. Social networks and peer support among women business owners, however, need further development in the Chinese business environment.

When she looks back on her business for 2006, Lin is pleased to see that her startup has attracted inquiries from some top-tier software companies and IT research firms in the global market. She knows that the high-quality positioning of the startup is taking effect gradually but steadily. Assuming that the Chinese market will continue to be one of the focal interests of the global economy in 2007, Shore Lin, like many Chinese women entrepreneurs, expects another year full of opportunities and learning ahead.

**Zhen Zhu is assistant professor of marketing at Babson College, MA, USA.*



2. CHARACTERISTICS OF WOMEN ENTREPRENEURS

The previous sections show the importance of the socioeconomic environment for women's entrepreneurial decisions. The entrepreneurial capacity of an individual, that is their individual background characteristics, also has an influence on the aggregate level of women's entrepreneurship. This section draws a profile of the demographic, economic, and perceptual characteristics of women entrepreneurs around the world.

DEMOGRAPHIC AND ECONOMIC FACTORS INFLUENCING WOMEN'S ENTREPRENEURIAL BEHAVIOR

Scholars of entrepreneurship in a variety of disciplines agree that age, work status, education, and household income are all significant factors in a woman's decision to start a business. The following is an analysis of the relationship between each factor and the behavior of both early stage and established women entrepreneurs in the global context. It should be noticed that, given the lack of time series data, we do not make any assumption

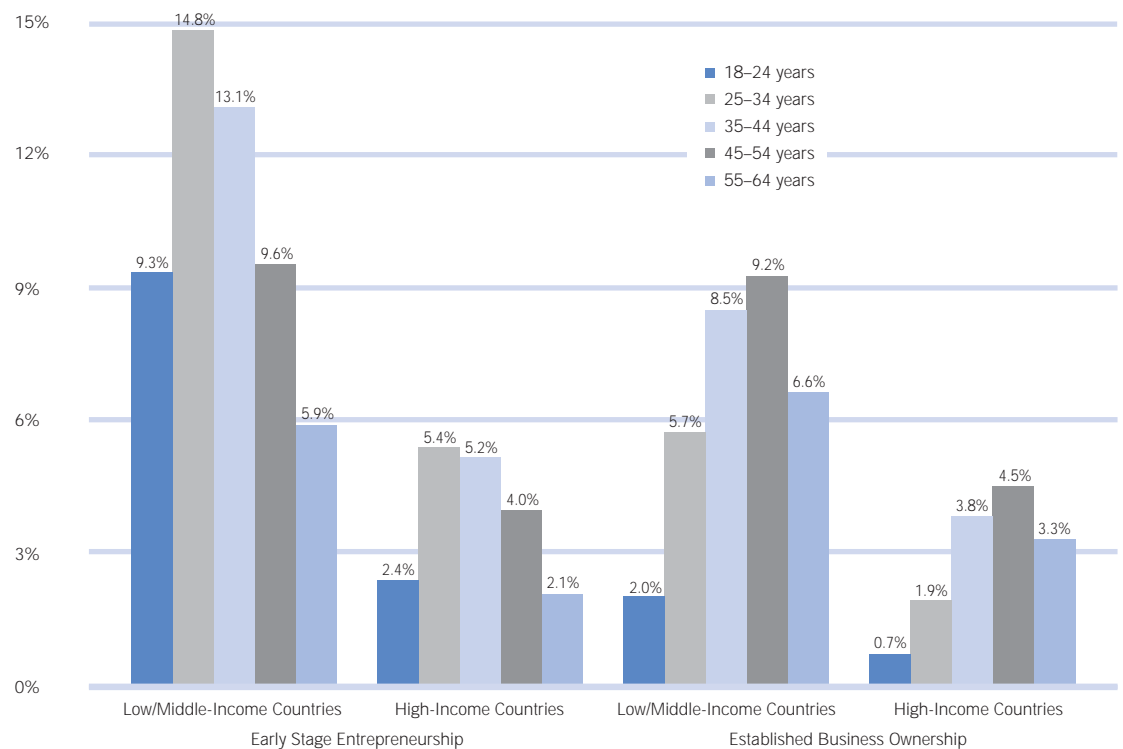
about the causality of the relationship between these variables and entrepreneurial participation. We simply describe the existence of systematic patterns by country groups or worldwide, or identify the existence of significant relationship.

Age

Overall, 2006 GEM data confirm results found in the past and reveal that patterns in entrepreneurial activity do not vary from country to country and across gender with respect to age. While it is true that women's prevalence rates are systematically lower than those of men, overall, the distribution of women's entrepreneurial involvement across age brackets follows that of men.

Figure 4 illustrates female entrepreneurial prevalence rates by age groups in the two country groups. Similar to men, the age distribution of women involved in all stages of the entrepreneurial process follows an inverted U-shaped curve.⁹ Early stage entrepreneurial activity in low/middle-income countries is most prevalent in the age

Figure 4. Age Distribution of Women Entrepreneurs by Country Groups and Business Stage

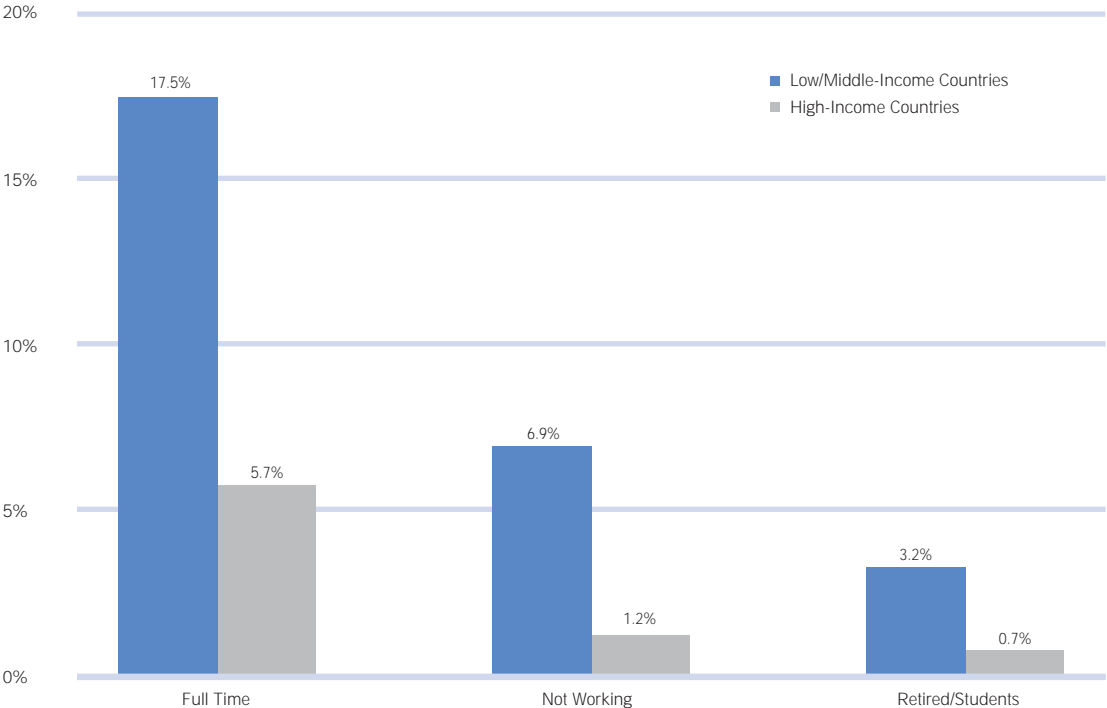


group of women 25–34 years old, while established business ownership in these countries peaks among women 35–44 years old. As illustrated in Figure 4, the peaks broaden out in high-income countries, with early stage entrepreneurial activity most likely among women ages 25–44 and established business ownership most likely among women 35–54 years old. The lower average age of women entrepreneurs in low/middle-income countries compared with their peers in high-income countries may be connected to the higher rate of necessity entrepreneurship among women in low/middle-income countries. Also, since opportunity entrepreneurship among women is higher in high-income countries, it may be that early stage entrepreneurs progress further in their careers prior to new venture creation, using that time to accumulate resources and connections. Finally, and not surprisingly, established women business owners are, on average, older than early stage women entrepreneurs.

Work Status

In both country groups, and for males and females, the likelihood of being involved in entrepreneurial activity is significantly higher for those who also are employed in a wage job (whether full or part time) compared to those who are not working, are retired, or are students. This suggests that working may provide access to resources, social capital, and ideas that may aid in establishing an entrepreneurial venture. Figure 5 shows that the employment patterns of women involved in entrepreneurial activity are quite similar between the two country groups and across gender, except that the participation rates of nonworking students, and retired women are significantly higher in the low/middle-income countries. This is likely due to the lack of safety nets and social welfare programs for unemployed women (and men) that forces them into starting necessity businesses in those countries. Finally, the distributions of women involved in both early stage and established entrepreneurship who are employed full time and part time are not significantly different across country groups.

Figure 5. Female Early Stage Entrepreneurial Activity by Work Status and Country Groups



CHARACTERISTICS OF WOMEN ENTREPRENEURS

Education

The educational background of women influences both their chances in the regular labor market and their potential for starting a business. As a result, the relationship between education and women's aggregate entrepreneurial activity is complex and varies among countries. Figure 6 shows the relationship between educational attainment and entrepreneurial activity among women in the two country groups.

On average, women entrepreneurs in high-income countries are better educated than those in low/middle-income countries. Also, in both country groups, the level of educational attainment is somewhat higher for women who are established business owners than for women who are early stage entrepreneurs, suggesting that education may have a positive correlation to survival rates. In low/middle-income countries, 36.5 percent of early stage women entrepreneurs and 46.9 percent

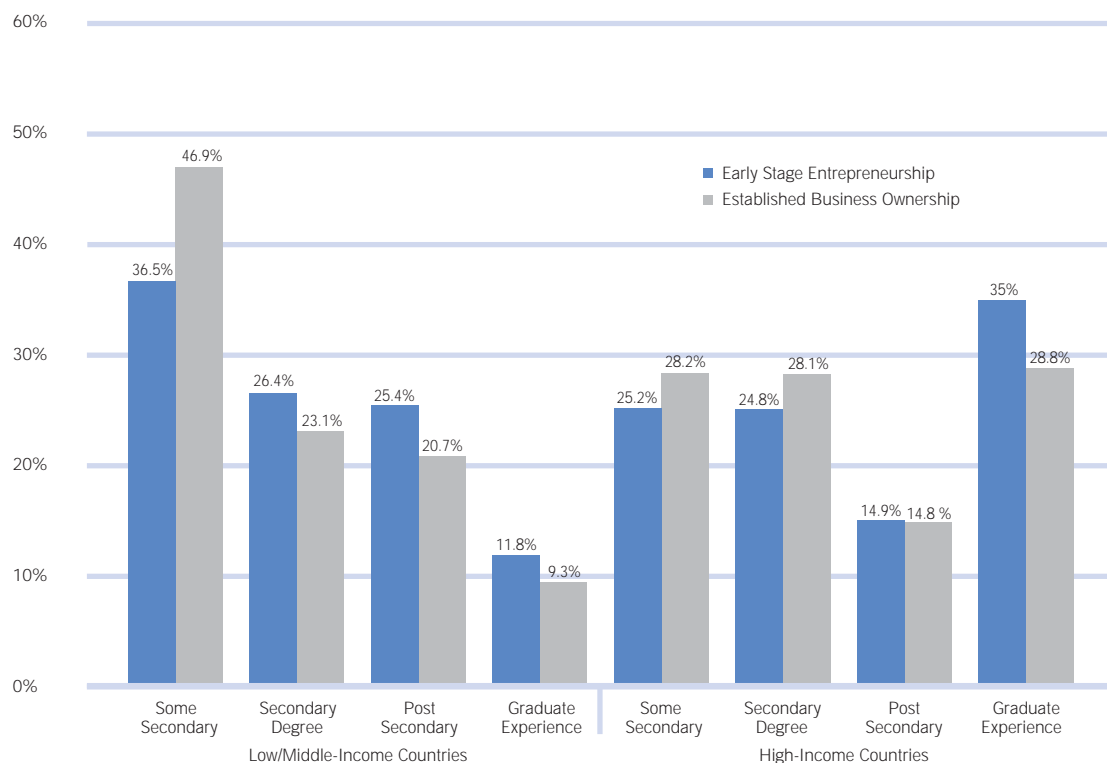
of established women business owners have less than a secondary degree. In high-income countries, on the other hand, only 25.2 percent of early stage women entrepreneurs and 28.2 percent of established women business owners have less than a secondary degree. In high-income countries, more than two-thirds of women entrepreneurs have secondary degrees, and more than one-third have graduate degrees.

Household Income

Dealing with liquidity constraints is one of the main challenges routinely faced by entrepreneurs all over the world. GEM data show that individuals who are part of households with greater wealth are more likely to be involved in managing and owning a business.

Figure 7 shows how household income influences women's entrepreneurial activity. In general, rates of entrepreneurial activity rise with household income

Figure 6. Female Educational Attainments by Country Group and Business Stage



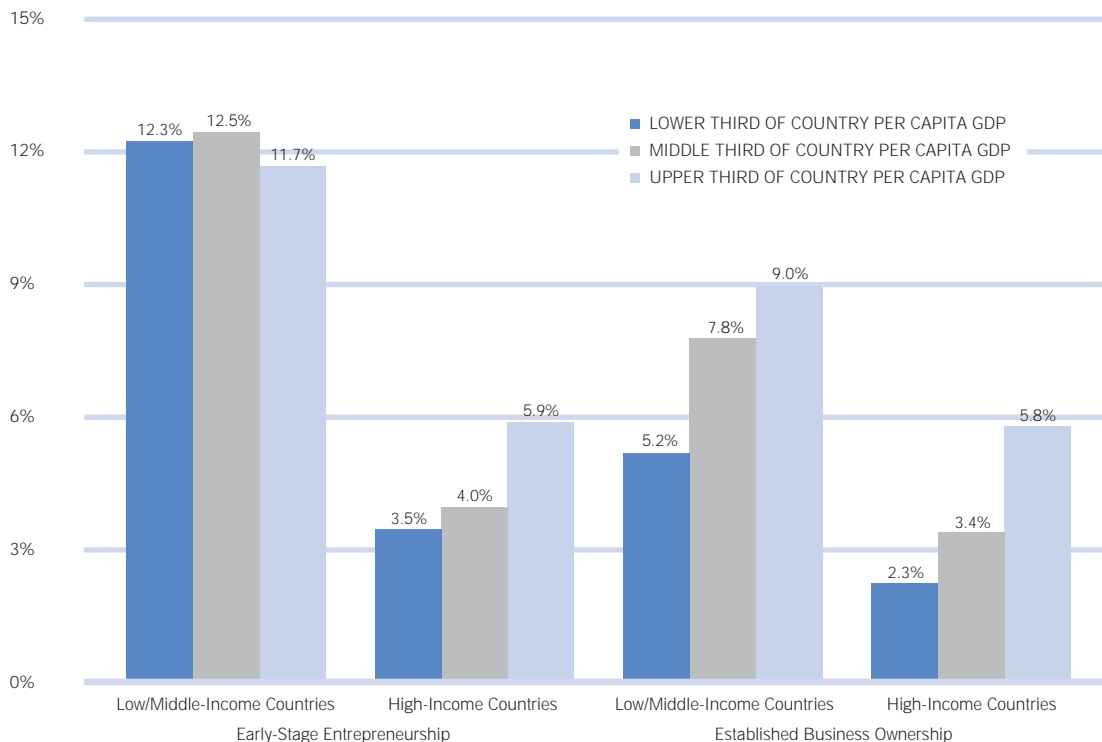
with the exception of those women engaged in early stage entrepreneurship in the low/middle-income group. Early stage entrepreneurial activity is highest among women in low/middle-income countries regardless of household income level. This is intuitively consistent with the higher rates of necessity-driven entrepreneurship found among women in these countries.

Interestingly, when examining a combination of the demographic factors listed above and a woman's likelihood of being involved in starting a business (early stage entrepreneurship), GEM data suggest that work status may be more important than either educational level or household income. Given a household income in the lowest group, a working woman is more than three times as likely to be involved in early stage entrepreneurship than a nonworking woman (74.0 percent and 23.8 percent respectively). And given only some secondary education, a working woman is three times more

likely to be involved in early stage entrepreneurship than a nonworking woman (75.0 percent and 23.0 percent respectively). Furthermore, if work status is not taken into account, considering higher educational attainments within household income groups does not yield an increase in female early stage entrepreneurship. This evidence may suggest that the social and economic benefits of working are driving women's entrepreneurship more than increased education or increased household income.

Overall, the demographic data on women entrepreneurs and established women business owners suggests that businesses started by women in high-income countries may be qualitatively different than those started by women in low-income countries. Access to education, work status, level of household income, and country context all play a role in the likelihood of entrepreneurial activity by women.

Figure 7. Women Entrepreneurs Household Income by Country Groups and Business Stage



CHARACTERISTICS OF WOMEN ENTREPRENEURS

FACTORS INFLUENCING PERCEPTIONS ABOUT THE ENTREPRENEURIAL ENVIRONMENT

Subjective and possibly biased perceptions have been found to correlate significantly with women's entrepreneurial mind-set.¹⁰ GEM collects data with respect to these individual factors. Participants were asked whether they personally knew other entrepreneurs, to what extent they saw good opportunities, whether they believed they had the requisite knowledge for business start up, and whether fear of failure would prevent them from business start up. Table 5 shows the percentage, by country group and stage of entrepreneurial

activity, of males and females who answered "yes" to each of four questions related to factors influencing perceptions.

Examination of the perceptual factors data allows for an interesting description of the entrepreneurial mind-set. There are clear differences between individuals who are involved in entrepreneurial activity (whether early stage or established) and those who are not regardless of country groups or gender. Specifically, males and females who are involved in entrepreneurial activity at any stage tend to be more confident in their own skills, are more likely to know other entrepreneurs, and are more alert to the existence of unexploited opportunities

Table 5. Factors Influencing the Entrepreneurs' Perceptions by Gender and Business Stage

		Personally Knows an Entrepreneur Who Started a Business in the Past Two Years		
		No Entrepreneurial Activity	Early Stage	Established
Low/Middle-Income Countries	Male	41.7%	65.4%	60.1%
	Female	35.2%	61.3%	52.9%
High-Income Countries	Male	35.4%	62.5%	54.5%
	Female	26.6%	55.5%	47.2%
		Sees Good Startup Opportunities in the Next Six Months in His/Her Area		
		No Entrepreneurial Activity	Early Stage	Established
Low/Middle-Income Countries	Male	38.1%	68.0%	52.6%
	Female	34.0%	62.8%	51.4%
High-Income Countries	Male	38.6%	59.0%	50.6%
	Female	32.2%	57.6%	47.7%
		Has the Required Knowledge and Skills to Start a Business		
		No Entrepreneurial Activity	Early Stage	Established
Low/Middle-Income Countries	Male	49.6%	86.5%	79.3%
	Female	40.7%	83.4%	79.3%
High-Income Countries	Male	46.3%	92.4%	90.6%
	Female	32.9%	86.5%	82.7%
		Fear of Failure Would Prevent from Starting a Business		
		No Entrepreneurial Activity	Early Stage	Established
Low/Middle-Income Countries	Male	33.0%	24.3%	30.9%
	Female	40.2%	33.6%	33.3%
High-Income Countries	Male	39.1%	21.3%	23.0%
	Female	44.0%	25.8%	26.9%

than people who indicate no involvement in entrepreneurial activity. Although patterns are qualitatively similar, in both country groups and in early stage and established entrepreneurship, a lower percentage of women than men know other entrepreneurs and believe themselves to have the sufficient skills for running a business. In other words, men have more role models or social connections and tend to have a more optimistic perception of their ability.

The finding that men are more likely than women to know other entrepreneurs is very significant since social capital is important for new venture creation. Women have been found to be constrained in their entrepreneurial pursuits by their exclusion from or lack of connection to business networks. This may explain why work status appears to be a critical variable in the entrepreneurial capacity of women. Both male and female entrepreneurs rely on role models and social networks for both information and access to resources. In many cases, the networks women rely on operate quite differently from the networks men rely on. Women in poorer communities, for example, often have significantly smaller networks and less geographic mobility. Thus, the position of the woman entrepreneur within the larger community is important because it affects her ability to observe role models and to acquire resources. Some of the most effective programs aimed at increasing women's participation in new venture creation emphasize networking opportunities and the availability of role models.

Consistent with other research, GEM data clearly shows that women who choose to pursue entrepreneurial activity, at any stage, tend to be more optimistic about their own ability and about the existence of unexploited market opportunity than those who stay away from new venture creation.¹¹ Scholars have shown that entrepreneurs and nonentrepreneurs differ on such attributes, that entrepreneurs score significantly higher on self-confidence, and that people's beliefs in their

capability to perform tasks influences the development of both entrepreneurial intentions and actions or behaviors. Furthermore, confidence in one's own skills to start a business increases entrepreneurial alertness and leads to the creation of more new firms; although, these effects may be asymmetric across genders.

The GEM data suggests that fear of failure is, in fact, highly correlated to entrepreneurial activity, although such relationship may be mitigated by country context. Noticeably, more than one-third of women who engaged in no business activity expressed fear of failure. Table 5 shows that men and women who are involved in entrepreneurial activity at any stage tend to be less afraid of failure than people who indicate no involvement in entrepreneurial activity. However, while patterns for both early stage and established entrepreneurship are qualitatively similar by gender, a higher percentage of females than males would let fear of failure prevent them from starting a business. Further, fear of failure is significantly higher for women than men in low/middle-income countries. Their fear of failure may be higher because they perceive no other job alternatives. Among women entrepreneurs (and among men), fear of failure was least often expressed by those in high-income countries motivated by opportunity. This may be understood since these entrepreneurs are women who have other work alternatives and live in countries with higher per capita incomes. Thus, country context may have a powerful influence on entrepreneurial motivation.



CHARACTERISTICS OF WOMEN ENTREPRENEURS

WOMEN'S BUSINESS CENTERS IN THE UNITED STATES: A POLICY INITIATIVE THAT ENCOURAGES EARLY STAGE ENTREPRENEURSHIP

Nan S. Langowitz*

In the last few years, early stage entrepreneurship activity has been relatively stable in the United States with an overall rate of 10.0 percent (a non-significant change from last year's rate of 12.4 percent). The rate is almost twice as high among men (12.7 percent) than women (7.4 percent). This difference is similar but wider in the rate of established business ownership with men at 7.7 percent and women at 3.2 percent. Opportunity rather than necessity is the primary motive for early stage entrepreneurship among both men and women, but women exhibit a higher ratio of opportunity to necessity motives than men (5.2 and 9.8 respectively). Over time, the number of women involved in starting businesses in the United States also has increased. This is, of course, the result of a variety of socioeconomic factors. Participation rates, however, also have been influenced by some successful policy initiatives.

In 1988, the U.S. Congress established legislation entitled the Women's Business Ownership Act of 1988 (HR5050), thereby providing seed funding for women's business centers through the U.S. Small Business Administration (a federal agency of the executive branch). Women's Business Centers (WBCs) were targeted to provide technical assistance to women for business formation, particularly women who are socially and economically disadvantaged. With the passage of the legislation, an annual grant process was created and administered by the Small Business Administration, enabling the formation of WBCs across the country. The goal was that WBCs would become a conduit for providing technical assistance to women regarding business formation and many women's business centers were founded in the early to mid-1990s.

By 2006, the presence of WBCs was dramatic, with approximately 100 known women's business centers throughout the country. These community-based centers target education, training, and technical assistance to underserved and underprivileged women, precisely those whom the

GEM Women report points to as the laggard group of early stage entrepreneurs. Thus, it is particularly interesting to examine the impact of the Women's Business Centers initiative.¹²

The impact of the women's business center policy initiative has been highly positive and it is clear that WBCs are important drivers of early stage entrepreneurship among women in the United States. Indeed, women's business centers successfully accomplish the goals set out by their fostering U.S. policy initiative.

That success of WBCs can be attributed to shared practices targeted specifically to women's situational needs. Programming tailored to women's interests and needs, a relationship-oriented approach, and networking activities that create a bridge to business culture are key practices consistently used by women's business centers nationwide.

Clientele of Women's Business Centers

Women's business centers serve a demographically diverse and disadvantaged clientele, and the majority of these clients are engaged in managing a startup business. On average, WBCs reported that more than 60 percent of their clients were managing a startup business and 66 percent of those were early stage entrepreneurs, managing a startup that is less than three years old. In other words, approximately 40 percent of women's business center clients are early stage entrepreneurs.

While the majority of clients served are women, the centers also serve men, who comprise an average 13 percent of clientele. Nearly one-half of all clients are considered a member of a minority group, the largest group being African Americans (23 percent), followed by Hispanics (10 percent) and Asian Americans (5 percent). Reflective of the general population, minority representation among clients is higher in the centers in urban areas. The average percentage of minority clients is 43 percent for all centers in the sample. This is consistent with a 2004 National Women's Business Council study,



which estimated that 46 percent of all women's business center clients in 2003 were minorities.

WBCs also serve a modestly educated population of clients, with an average of 55 percent of the clients having at most a high school degree. The educational distribution of the clients served by the centers is consistent regardless of age, location, or structure of the center. Centers that could estimate income level of their clients reported that two-thirds of clients served have a household income less than \$50,000, and nearly all clients (94 percent) have a household income less than \$100,000.

Shared Practices that Enable Success

Several common practices enable the success of women's business centers throughout the United States and constitute the source of their uniqueness. These shared practices are:

- Tailoring programming to match the industry interests and time schedules of women clients
- Using a relationship orientation to attract targeted clients and to create a safe environment based upon trust
- Focusing on network and community building to enhance understanding of business culture and develop business and support connections

The deployment of these shared practices is a core competence of U.S. women's business centers and underlies the success they have achieved as catalysts to entrepreneurship by socially and economically disadvantaged women.

The main objective of women's business centers is to provide technical assistance and support to aspiring women entrepreneurs. Through tailored programming, women's business centers pay close attention to clients' interests and the reality of their lives, customizing programming to best suit the needs of women. Programming is offered across a range of topics and formats, covering both business functional topics, as well as support services. Aspiring women entrepreneurs who seek assistance through the centers have a dimension of needs that are specific to their experience. These women's distinct needs often reflect a lack of experience in the business world, and their low economic status generally means

they have less financial literacy and access to funding. Many women clients view entrepreneurship as a way to provide for and spend more time with their families, solving two responsibilities in one action.

A second shared practice among women's business centers is a relationship orientation to educating clients. Staff members predominantly use a one-on-one approach to reach out to clients, provide counseling, and develop long-term connection. This relationship orientation creates a supportive learning community and is an important aspect of the services provided by WBCs. Through this approach, centers become "safe spaces" for women clients to learn and pursue their entrepreneurial goals. A focus by centers on connection and relationships does not negate the centers' pedagogical focus on serious entrepreneurial training and business formation. Rather the relationship orientation of WBCs enables true absorption of technical assistance and action learning by women.

The final key shared practice common among women's business centers is the use of high-touch support services to build a network of community, provide access to opportunities, spotlight aspirational role models, and build professional and personal development. More than 80 percent of the centers provide mentoring, role modeling, and networking opportunities. These are among the most important support services that WBCs provide to their clients. As suggested by the GEM data, knowing other entrepreneurs, high self-confidence and opportunity recognition are all highly correlated to the likelihood of starting a business. The high-touch support services of WBCs strengthen these key characteristics among clientele.

The U.S. women's business centers initiative provides a strong model of a policy approach that enables successful entrepreneurship by women, particularly those who are economically and socially disadvantaged.

**Nan S. Langowitz is associate professor of management and director of the Center for Women Leadership at Babson College, MA, USA.*



CONCLUSION

Whether starting a micro-business in Bangladesh, leading a multimillion-dollar company in Ireland, or growing a competitive high-tech firm in China, women entrepreneurs are becoming an increasingly important component of the world economy, its productivity growth, and its struggle against poverty.

Great opportunities exist for governments at all levels to tap into the underutilized potential of women. Across the world, women from a variety of backgrounds are showing increasing interest in expressing their entrepreneurial spirit. And yet, many women hesitate to transform their business ideas into action. Although many reasons exist for such hesitation, this report has shown the lack of confidence and role models to be among the most important causes of the relatively low involvement of women in entrepreneurship compared to men. Further, the data clearly shows that entrepreneurial activity by women increases when women have access to resources in the form of jobs and household income.

This report emphasizes that entrepreneurial activity of women is diverse and pervasive across

the globe. While it is beyond the scope of this research to be prescriptive about policy recommendations to enhance women's entrepreneurship, it is clear that understanding the differences that exist is an important first step to formulating sound strategies and initiatives. When women encounter impediments to developing their full economic potential, the whole economy suffers. A better understanding of the potential contribution of women to the entrepreneurial landscape will allow the design of more satisfactory programs aimed at increasing their involvement in the marketplace. In addition to providing valuable knowledge about the entrepreneurial process, understanding and supporting the entrepreneurial behavior of women will have positive repercussions on a country's well-being and social equity. As the Nobel Committee put it in its announcement that Muhammad Yunus had won the Nobel Peace Prize, "Economic growth and political democracy cannot achieve their full potential unless the female half of humanity participates on an equal footing with the male."



ENDNOTES

- 1 The 2004 and 2005 *Global Entrepreneurship Monitor (GEM) Report on Women and Entrepreneurship* can be downloaded free of charge at www.gemconsortium.org.
- 2 Low-middle income countries have per capita (PPP) GDP lower than \$20,000 U.S. In 2006, their average per capita (PPP) GDP is \$10,367 U.S. and their average real GDP growth (2005) equals 5.4 percent. High-income countries, instead, have per capita (PPP) GDP higher than \$20,000 U.S. In 2006, their average per capita (PPP) GDP is \$34,139 U.S. and their average real GDP growth (2005) equals 3.5 percent.
- 3 It should be noticed that in the 2004 GEM Executive Report on Women, early stage entrepreneurial activity is referred to as TEA or Total Entrepreneurial Activity Index. Statistically, the two measurements are identical and, as a result, comparable.
- 4 "Ahead of the Curve," Enterprise Strategy Group report, 2003 (www.forfas.ie/esg/)
- 5 "Small Business is Big Business," Report of the Small Business Forum, 2006 (www.smallbusinessforum.ie).
- 6 Chilean Survey, Instituto Nacional de Estadísticas, 2002.
- 7 Survey of PYMES, Instituto Nacional de Estadísticas 2004.
- 8 The 2002 GEM Executive Report on Chile can be downloaded free of charge from www.gemconsortium.org.
- 9 For a theoretical explanation see Levesque, M., and M. Minniti. 2006. "The Effect of Aging on Entrepreneurial Behavior." *Journal of Business Venturing* 21(2): 177-194.
- 10 For further analysis of these issues see Minniti M., and C. Nardone. 2006. "Being in Someone Else's Shoes: Gender and Nascent Entrepreneurship." *Small Business Economics*, forthcoming.
- 11 Langowitz, N., and M. Minniti. "Gender Differences and Early Stage Entrepreneurship." *Entrepreneurship Theory and Practice*, forthcoming.
- 12 The data for this case description are taken from a study of women's business centers conducted by the Center for Women's Leadership at Babson College. See "The Impact and Influence of Women's Business Centers in the United States," M. Godwyn, N. Langowitz and N. Sharpe, The Center for Women's Leadership at Babson College, June 2005. (Available online at <http://www3.babson.edu/CWL/research/The-Impact-and-Influence-of-Womens-Business-Centers-in-the-United-States.cfm>).



TECHNICAL APPENDIX

	Interview Procedure	Sampling Procedure	No. of Completed Interviews	Reported Response Rate ^{1,2}	Maximum Number of Call Backs ³
Argentina	Phone	Random Dial from List	2,007	30%	3
Australia	Phone	Random Dial from List	2,518	29%	5
Belgium	Phone	Random Dial from List	2,001	25%	2
Brazil	Face-to-Face	and Random Digital Dialing Random Walk	2,000	66%	5
Canada	Phone	Random Digital Dialing	2,038	56%	6 (or 10 if by appointment)
Chile	Phone	Random Dial from List	2,007	41%	5
China	Face-to-Face	Random Walk	2,399	28%	5(urban)
Columbia	Phone and Face-to-Face	Random Dial from List and Random Walk	2,001	71% (phone) F-F not supplied	5 (phone)
Croatia	Phone	Random Dial from List	2,000	17%	6
Czech Republic	Fixed-line Phone and Mobile Phone	Random Dial from List	2,001	38%	5
Denmark	Fixed-line Phone and Mobile Phone	Random Dial from List	10,000	43%	Max 35 (average 2.7)
Finland	Phone	Random Dial from List	2,005	20%	5
France	Phone	Random Dial from List	1,909	19%	Not supplied
Germany	Phone	Random Dial from List and Random Digital Dialing	4,049	31%	Max 50 (average 5.2)
Greece	Phone	Random Dial from List	2,000	11%	2
Hungary	Mobile Phone	Random Dial from List	2,500	96%	5
Iceland	Phone	Random Dial from List	2,001	54%	Max 50 (average 3.9)
India	Face-to-Face	Random Walk	1,999	94%	5
Indonesia	Phone and Face-to-Face	Random Dial from List and Random Walk	2,000	55%	5 (phone) 2 (F-F)
Ireland	Phone	Random Dial from List	2,008	17%	5
Italy	Phone	Random Dial from List	1,999	21%	5
Jamaica	Face-to-Face	Random Walk	3,669	90%	5
Japan	Phone	Random Dial from List and Random Digital Dialing	2,000	100%	0
Latvia	Phone	Random Dial from List	1,958	79%	5
Malaysia	Face-to-Face	Random Walk	2,005	86%	0
Mexico	Face-to-Face	Random Walk	2,015	72%	5
Netherlands	Phone	Random Dial from List	3,535	39%	5
Norway	Fixed-line Phone and Mobile Phone	Random Dial from List	1,999	15%	5
Peru	Face-to-Face	Random Walk	1,997	47%	0
Philippines	Face-to-Face	Random Walk	2,000	90%	5
Russia	Face-to-Face	Random Walk	1,894	33%	3
Singapore	Phone	Random Dial from List	4,011	22%	5
Slovenia	Phone	Random Dial from List	3,008	22%	8
South Africa	Face-to-Face	Random Walk	3,248	74%	3 on same day only (effectively) 0
Spain	Phone	Random Dial from List	28,306	26%	Max 50 (average 3.9)
Sweden	Phone	Random Dial from List	2,003	70%	2 (phone) 2 (F-F)
Thailand	Phone and Face-to-Face	Random Dial from list and Random Walk	2,000	41%	8
United Kingdom	Phone	Random Digital Dialing	43,033	29%	9
United States	Phone	Random Digital Dialing	2,080	72%	3
Uruguay	Phone	Random Dial from List	1,997	66%	

¹ Reported Response Rate is calculated as the total number of completed interviews divided by total number of eligible households² contacted.

² An individual from an eligible household is any resident of the country, 14 years or older. Only those visiting the country, in institutions (prisons, mental institutions) or the military are to be excluded from the sample design.

³ The number of attempts made to try to contact the selected respondent before abandonment.

GEM SPONSORS



THE CENTER FOR WOMEN'S LEADERSHIP AT BABSON COLLEGE

is the first center dedicated to women in business and entrepreneurship at a leading school of management. Through educational programs, research, and executive education, the Center for Women's Leadership promotes the advancement of women at all stages of their professional development and the achievement of competitive advantage by companies focused on the talent and market power of women. The Center for Women's Leadership collaborates with companies and business-related organizations to understand the issues that contribute to women's leadership success in business and entrepreneurship.



GERA and GEM

The Global Entrepreneurship Research Association "GERA" is, for formal constitutional and regulatory purposes, the umbrella organization that hosts the GEM project. GERA is an association formed of Babson College, London Business School, and representatives of the Association of GEM national teams.

The GEM program is a major initiative aimed at describing and analyzing entrepreneurial processes within a wide range of countries. The program has three main objectives:

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors leading to appropriate levels of entrepreneurship
- To suggest policies that may enhance the national level of entrepreneurial activity.

New developments, and all global, national and special topic reports, can be found at www.gemconsortium.org. The program is sponsored by Babson College and London Business School.



BABSON COLLEGE

Babson College in Wellesley, Massachusetts, USA, is recognized internationally as a leader in entrepreneurial management education. Babson grants BS degrees through its innovative undergraduate program, and grants MBA and custom MS and MBA degrees through the F.W. Olin Graduate School of Business at Babson College. Babson Executive Education offers executive development programs to experienced managers worldwide. For information, visit www.babson.edu.



LONDON BUSINESS SCHOOL

London Business School's vision is to be the pre-eminent global business school, nurturing talent and advancing knowledge in a multinational, multi-cultural environment. Founded in 1965, the School graduated more than 800 MBAs, Executive MBAs, Masters in Finance, Sloan Fellows, and PhDs from more than 70 countries last year. The School's executive education department serves 6,000 executives and 60 corporate clients on its programs every year. London Business School is based in the most accessible and international city in the world and is one of only two business schools in the UK to be awarded a six-star (6*) rating by the Higher Education Funding Council for England (HEFCE), confirming the School as a center of world-class research in business and management. For information, visit www.london.edu.



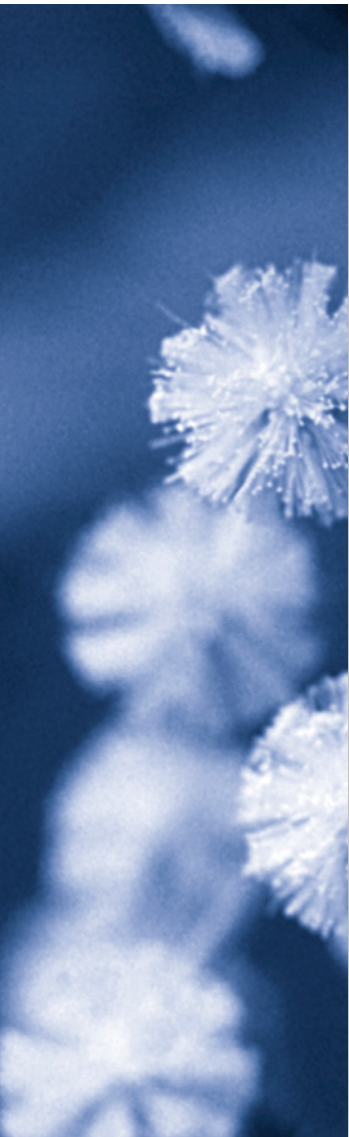
CONTACTS

For more information on this report, contact:

The Center for Women's Leadership at
Babson College
www.babson.edu/cwl
1-781-239-5001

To download copies of the GEM Global Report(s),
GEM National Team Reports, and to access select
data sets, please visit the GEM Web site:
www.gemconsortium.org

Nations not currently represented in the GEM
Consortium may express interest in joining and ask
for additional information by e-mailing Marcia Cole
at colema@babson.edu.



GLOBAL ENTREPRENEURSHIP MONITOR

www.gemconsortium.org