

# Women Entrepreneurs

Women are an economic force that policymakers cannot afford to ignore. As women expand their participation in business, they stimulate economic growth while advancing their status and improving their families' well-being. Moreover, successful businesswomen are assuming greater roles in community development and the democratic process. By developing independent associations of their own, women entrepreneurs can influence policies that affect their interests. Women's business organizations in many countries have advocated effectively for women's expanded access to finance, markets, information, and training. In so doing, they have opened up a new world of economic and political opportunities.

The National Association of Business Women in Malawi undertook a grassroots advocacy campaign focused on economic sectors in which women are active. Politicians in this young democracy learned a great deal about the private sector from this campaign, while local women, even in rural areas, learned about government policies that affect them. In Romania, women's business associations worked with CIPE on building coalitions and professionalizing their associations. Their efforts were rewarded by the establishment of ongoing relationships and opportunities for policy input at high levels of the Romanian government.

## Developing Women's Entrepreneurship

Malawi, one of the world's least developed countries, has held democratic elections since 1994. After three decades of rule by a president-for-life, the country is beginning to emerge from political and economic underdevelopment and an acute lack of civil society. Women's groups in particular are beginning to play an important role in the development of civil society and the private sector. One of the most successful organizations has been the National Association of Business Women of Malawi (NABW).

NABW was established in 1990 with a mission to advocate for and support the social and economic empowerment of women in business activities. With the support of the Center for International Private Enterprise (CIPE), the association's membership has grown to approximately 25,000 women from both rural and urban areas who are interested in learning about and advocating for greater women's involvement in the economy. CIPE provided professional and organizational development to NABW and delivered strategic advice on advocacy. Through the association's services in five areas – training, provision of credit, policy advocacy, information dissemination, and networking – NABW has made a significant contribution to private sector development in Malawi.

Women in Malawi face a number of obstacles to taking ownership of their economic future. At least 34 percent of Malawi women are the head of their household. At the same time, those who are married and seek to establish a business must have their husband's signature to qualify for a commercial bank loan. Furthermore, 64 percent of women in Malawi live under the poverty line.

NABW's founder and executive director, Joyce Banda, has not been shy in promoting the organization's ability to help

women overcome these and other obstacles to success. “In fact,” she says, “when I took the figures [of a recent set of surveys] to the President, he couldn’t believe it – that 73 percent of our members come out of poverty. He said, ‘Joyce, it can’t be done.’ I said, ‘It can be done.’ You just need to allocate more money for that project – it can be done!”

## **A National Call to Action**

NABW has achieved success because of its unique multi-level approach to advocacy. The combination of a bottom-up, consensus-building approach with focused research and government engagement has drawn women entrepreneurs into the political process and yielded government responses on issues that matter to them. From 1998 to 1999, NABW sponsored three regional forums that allowed women to discuss the constraints they face and learn about small business opportunities in areas such as agribusiness. The forums were attended by women entrepreneurs, policymakers, and government officials, and gave participants the opportunity to make recommendations to government agencies. These recommendations were later reinforced by NABW position papers that contained data and policy recommendations for four sectors in which Malawi’s women are active: agribusiness, soft goods manufacture, tourism, and professional services.

**The National Call to Action played a pioneering role in defining the private sector for policymakers. Hundreds of women were empowered to take ownership of their economic future.**

The year-long advocacy effort culminated in the “National Call to Action,” a blueprint for private sector development. The document compiled the position papers with simple explanations of each sector and NABW’s policy advocacy program. The National Call to Action was launched with the approval of over 100 women business leaders and with the support of the Minister of Commerce and Industry. While simple in form, the National Call to Action has played a pioneering role in defining the private sector for policymakers. In fact, in a young democracy where

policymakers were unfamiliar with the requirements of a market economy, such a simple document was an ideal instrument to initiate advocacy.

To follow up on commitments made at the launch conference, NABW initiated a watchdog communication service to verify and report on the progress of NABW and government agencies in implementing the plans that were set out. Part of this service is a quarterly “alert” describing recent business and policy developments. Notably, the alerts provide information in Chichewa, the language of many rural communities.

## **Changing Women’s Lives**

NABW’s programs have made a difference to its members. Members have established businesses such as fruit tree and flower nurseries, poultry farms, bee farms, bakeries, and vegetable farms with the help of small business loans and training. More significantly, NABW’s advocacy programs have influenced several government policies that potentially affect all women entrepreneurs in Malawi.

Women had concerns about corruption and gender discrimination in the allocation and titling of customary land. Traditional chiefs would sometimes give the same land to three or four applicants, understandably causing disputes. NABW broached this issue in regional forums and invited a representative from the Ministry of Lands, Physical Planning, and Valuation to participate in the discussion. The ministry responded by requesting NABW’s participation in the formulation of the final draft of the new land policy. The new policy included provisions to allocate more land to women heads of household. In rural areas, village committees were set up to oversee the distribution of customary land, bringing transparency to the process. The new laws had particularly beneficial implications for women venturing into the tourism sector along the shores of Lake Malawi.

Women were also uncertain about how they would be taxed. At the regional forums, NABW urged the Malawi Revenue Authority (MRA) to do a better job of educating the public

about taxes, and recommended that the MRA provide services to illiterate women running small-scale businesses to assist them in estimating their profits. The MRA appointed NABW to serve on a committee charged with disseminating information about a surtax bill scheduled to take effect in 2002.

Munday Makoko, a UNDP official, has praised the efforts of NABW, saying, “I think for Malawi, the best way to target and reach out to women is to work with a well-organized association like NABW, which stretches all the way down to the grassroots.” The association and its network do have such a reach. More and more women are being asked to sit on boards and commissions in communities across Malawi, and women – many of them NABW members – are being appointed to more high-level government positions than ever before. Several members have become Cabinet ministers, including Joyce Banda, who served as Minister of Gender, Child Welfare and Community Services, and has since become Foreign Minister. NABW works to develop women not only as entrepreneurs but also as *community leaders*. Judith Nyalugwe, who participated in NABW training, became chairwoman of a 23-member group of women lime miners in the village of Lirangewe. She taught the miners to build a maize mill, a bakery, and a grocery.

Perhaps the most significant result of NABW’s efforts has been the change in attitudes of both women and policymakers. NABW has empowered hundreds of women to take ownership of their economic future. Furthermore, NABW has developed a reputation as a practical, effective organization that can be trusted and emulated as a model for grassroots economic development.

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## Source

Susanne Jalbert, “Economic Empowerment for Women: A Report on the National Association of Business Women (NABW) Project ‘A Private Sector Agenda for Economic Empowerment of Women: A National Call to Action,’” Center for International Private Enterprise (Dec. 1999).

## Strengthening Women's Business Associations

*by Corina Schwartz*

The political changes of 1989 triggered the development of the private sector in Romania and the creation of support organizations to represent the interests of the business community. Romanian women proved ambitious and willing to take risks, making their way into an arena previously reserved for men by founding successful businesses and ascending to top management positions. New women business leaders, whether entrepreneurs or managers, came to feel that women's entrepreneurship had specific characteristics and needs that could not be fully represented by existing professional associations or chambers of commerce. These women accordingly created local women's business associations for professional affiliation and support. These associations were at first "elite clubs" more than traditional associations, bringing together successful business leaders to share their experiences and interests. In time, many of these associations expanded their activities to address social and community issues or gender issues. The majority of these organizations had no employed staff, functioning basically through the dedication of volunteers.

In 2000, the Romanian Business Associations Development Project – an initiative by the Center for International Private Enterprise (CIPE) in Romania – recognized that women's business associations could take on an enhanced role, one more actively business-oriented. The women of these organizations began to understand that in order to get a seat at the table in the public-private dialogue, they would have to refine their business image and speak with a singular, articulate voice. Witnessing the success of business associations in the tourism, information technology, and manufacturing sectors, women's business associations formed their own coalition that would include them in Romania's decision-making process and address policy and business issues relevant to women entrepreneurs and business owners.

CIPE provided these women's business associations with technical assistance and sustained their organizational development through relevant events – such as the Women in International Trade Forum in 2001 and the Women in Business conferences in 2002 and 2003 – and other programs and seminars designed to specifically address their needs. CIPE encouraged public recognition for successful members of the women's business associations by developing the “Women of Success” CD, an annual multimedia collection of success stories that caught the attention of the business community, public authorities, and the mass media.

## **Creating a Coalition for Women's Business Interests**

In January 2004, a group of nine women's business associations came together to begin the process of creating a larger and more unified coalition. With the financial support of CIPE Romania and the National Endowment for Democracy, the Coalition of Women's Business Associations (CAFA) was officially launched. “CAFA represents an opportunity for women's business associations to work together and become a stronger voice in the dialogue with public authorities,” said founding member Elena Cismaru, President of the Association of Women Managers, Ramnicu Valcea.

**“CAFA represents an opportunity for women's business associations to work together and become a stronger voice in the dialogue with public authorities.” CAFA provided valuable input from the private sector on fiscal policy.**

CAFA was established as an informal coalition with no president or officers and with a three-tiered membership system: founding members (nine task force representatives), full members (any women's business association that would like to join), and supporters (women's associations that have a related business program or agenda). The management of the coalition, including communication and coordination of activities, was assigned to a secretariat. For the first two years CIPE Romania held the secretariat position.

## **Capacity Building and Visibility in Public Policy**

Both CIPE Romania and the women's business associations involved in this project agreed on the need to strengthen the member associations individually and the coalition as a whole. CIPE Romania and CAFA organized workshops on strategic planning, advocacy, public perception, and members' involvement, and trained more than 150 entrepreneurs, managers, and association volunteers. The tradition of an annual Women in Business Conference has continued; attendance increases each year and participation has grown to include participants from local and national public authorities. CAFA members enjoy amplified networking opportunities and greater visibility.

As CAFA engaged in activities targeting public policies, it developed a reputation as a successful, trustworthy coalition. In 2004 CAFA was asked by the National Authority of Control to assist in amending the code of conduct for control officers. The code was designed to limit abuses by public officials during inspections of private companies. CAFA provided valuable input from the private sector during this process. This high-level participation in policymaking led to similar invitations from other Romanian ministries and agencies; for example, the Ministry of Finance requested CAFA's input on drafting income tax deductions legislation. CAFA's studies, public debates, and press conferences have promoted reduced taxation as the means to a more sound economy. The Ministry of Labor and Social Protection invited CAFA to cooperate permanently with the Division of Equal Chances, while the National Agency for Small and Medium Sized Enterprises and Co-operatives has included CAFA in a partnership program for women's entrepreneurship and future legislative initiatives for SMEs. CAFA meets regularly with members of the Romanian Parliament and also had the opportunity to present its vision and plans for the future to the President of Romania.

CAFA decided to organize a public debate to voice the concerns of businesspeople regarding the effects of the 2005 amendments to the Fiscal Code the new Labor Code. The debate was attended by CAFA members, representatives of other business associations, media representatives, Romanian

government officials (from the ministries of finance and labor, and the National Agency for SMEs and Co-operatives), parliamentary representatives, and representatives of the Institute for Finance and Monetary Research. Supported by the findings of a comprehensive study commissioned by CIPE on salary taxes and the Romanian Social Insurance System, CAFA members raised the public profile of a number of policy issues. The study recommended reducing the number and level of contributions to social security and simplifying the monthly procedures and documents concerning tax payments and proofs of payment. The participants' opinions were included in a final document and submitted for analysis to the relevant ministries at the request of the representatives attending the event.

## **Sustaining Women's Business Associations in Romania**

Since January 2006 CAFA no longer receives outside support and is instead fully sponsored by its members. The function of the secretariat has been taken over by one of the coalition's members, and CAFA now focuses on strengthening its public image as an articulate and active partner in the public-private dialogue. CAFA cooperates with the Economic Commission from the Senate by providing feedback on the Fiscal Code and other laws of relevance to the business community. CAFA members promote the coalition by participating in national and international conferences. Many CAFA members have already expressed their interest in joining a future Balkan Coalition and getting involved in advocacy activities and a network on a larger scale. Such inclinations demonstrate the dedication of CAFA's members and the importance of such an organization to developing business cooperation in Romania.

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