

International Trade Opens New Doors for Women Entrepreneurs

Julie R. Weeks

In this age of growing global interdependence, international trade is an increasingly important avenue for economic growth for countries worldwide. International trade is not just the province of large, multinational corporations. Indeed, many small firms are finding that the global marketplace offers tremendous potential for business growth, and women-owned firms are no exception to this trend.



Research conducted recently by the National Foundation for Women Business Owners indicates that a healthy share of women-owned firms in several countries is involved in the global marketplace. The studies, conducted in 1998 with underwriting by IBM, surveyed members of women's business associations in Brazil, Canada, Ireland, Mexico, and the United States. Between one in eight and one in three of the women business owners interviewed are currently involved in either exporting or importing goods or services: 38% in Ireland; 30% in Canada; 25% in São Paulo, Brazil; 21% in Mexico City; and 13% in the United States. While these studies do not describe the status of all women entrepreneurs around the world, they provide

a snapshot of several key countries and highlight how much more research is needed to understand women business owners.

The results also suggest that, of the firms surveyed, those involved with international trade have higher revenues (see chart). The share of firms that had revenues in excess of \$500,000 in 1997 is from one third to 11 times higher among those owned by women involved in international trade than those owned by women who are involved only in their national market. For example, only 1% of women business owners interviewed in Mexico not involved in international trade had revenues in excess of \$500,000, compared with 11% of those firms that were involved.

At the other end of the spectrum, 39% of the women business owners interviewed in the United States who focus exclusively on US markets had revenues in excess of \$500,000; yet over half (51%) of women business owners who were engaged in international trade had revenues exceeding a half-million dollars in 1997. Clearly, larger women-owned businesses are taking advantage of overseas markets more regularly, and trade revenue may be a significant factor in the growth of their enterprises. While the women entrepreneurs in

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these studies are more likely than average to own firms that are in manufacturing industries or wholesale/retail trade, many service-based women-owned businesses are also involved in international trade.

In Canada, Mexico and the United States, the women entrepreneurs involved in international trade were also somewhat more optimistic about their business prospects than their domestically focused counterparts. In Brazil, however, there was little difference. In Brazil, Canada and Ireland, these internationally oriented businesses appeared to be more growth-oriented. Between two-thirds and three-quarters of the women who own firms involved in international trade said that their primary business goal is expansion, compared with less than half to two-thirds of those who were not involved in international trade. (Data were not available for Mexico and the United States.)

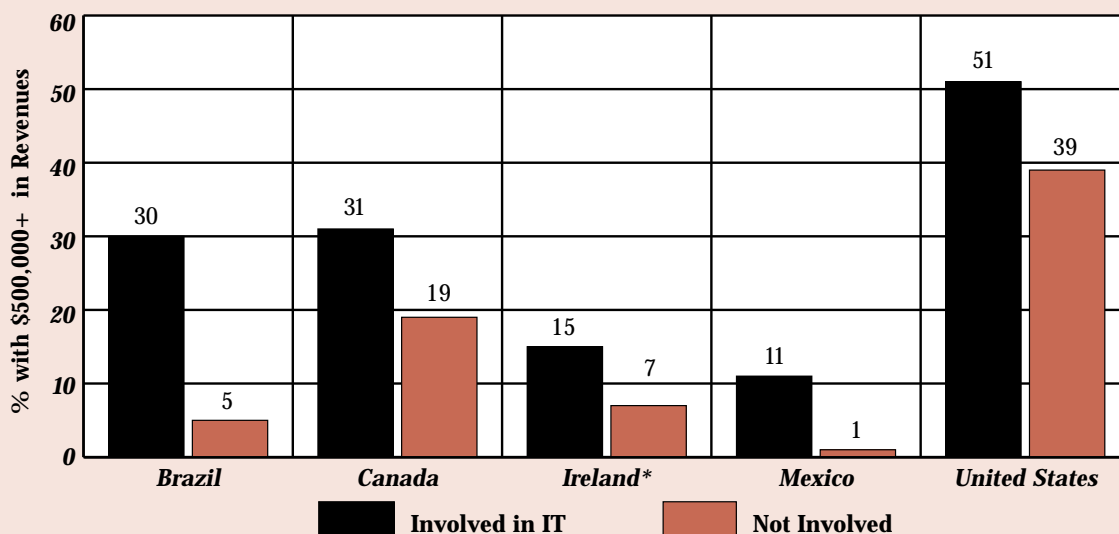
A closer look at Mexico indicates that while 21% of women business owners surveyed were involved in international trade, 46% of male-owned firms either imported or exported products or services. Much of this gap can be explained by the significant difference in

the size of firms in Mexico by gender. About 80% of female employers in Mexico employ fewer than 15 people, compared with 48% of male employers. Conversely, only 4% of the female employers surveyed had 100 or more employees, compared with 17% of male employers.

Both women and men who own small businesses are likely to be importing or exporting goods and services. At the larger end of the spectrum, women are much more likely to be engaged in international trade. However, there is still a gender gap: 64% of women-owned firms with more than 100 employees are engaged in international commerce, compared with 83% of male-owned firms of similar size.

Even though, on average, women business owners in Mexico are not as likely as their male counterparts to be engaged in international trade, among those who are, this activity accounts for a greater share of women entrepreneurs' total revenues. Nearly half of women business owners engaged in international trade derived 25% or more of their company's revenues from such activities, compared with one-third of men business owners.

FOREIGN TRADE YIELDS HIGHER REVENUES FOR WOMEN-OWNED COMPANIES



Note: Brazil includes just metropolitan São Paulo; Mexico refers only to metropolitan Mexico City.
*£500

When looking at markets for Mexican businesses, one need look no further than their NAFTA trading partners, the United States and Canada. Fully 83% of the women and 72% of the men business owners engaged in international trade are conducting business in the US, and 14% and 34%, respectively, do business in Canada. Other countries with which Mexican firms conduct business include Guatemala (18% of women and 13% of men respectively mentioned this country as one in which they are active), Costa Rica (17% and 9%), Spain (15% and 19%), Chile (11% and 3%), and El Salvador (3% and 13%).

One clear signal does come from the many women that were interviewed for these and other studies: women entrepreneurs involved in trade are planning for business expansion and are generating greater revenues. However, these qualities do not need to be characteristic only of larger businesses. With advances in travel, technology and telecommunications, even the smallest business can expand its sales abroad. Business growth does not have to be limited any longer by local, regional or even national borders, but can increase through the energy and imagination of business owners themselves. 🌐🌐

The surveys described in this article were conducted during 1998 by the National Foundation for Women Business Owners and others, most with underwriting by IBM. Respondents were members of women's business associations, and thus may be more likely to own well-established firms than the average woman-owned firm in the countries surveyed. The surveys in Brazil, Canada, Ireland and the United States were conducted by mail, and the study in Mexico was conducted by telephone. In Mexico, as noted in the accompanying article, men business owners were also interviewed. The number of questionnaires tabulated in each survey is noted in the table below.

Country	Number of Interviews
São Paulo, Brazil	83
Canada	1,166
Ireland	192
Mexico (metropolitan Mexico City)	600 (301)
United States	1,546

In Brazil, respondents were members of the Associação de Mulheres de Negócios e Profissionais de São Paulo (AMNP-SP); in Canada, Women Business Owners of Canada; in Ireland, Network Ireland; in Mexico, Asociación Mexicana de Mujeres Jefes de Empresa (AMMJE), Cámara Nacional de Industria de Transformación (CANACINTRA), Cámara de Comercio de la Ciudad de México (CANACO) and from lists commercially available; in the United States, the National Association of Women Business Owners.