

WID Information

**Office of Women in International Development
University of Illinois at Urbana-Champaign
316 International Studies Building
910 S. Fifth Street
Champaign, Illinois 61820
Phone: (217) 333-1994
Fax: (217) 333 6270
e-mail: widrr@uiuc.edu
web address: <http://www.uiuc.edu/providers/ips/wid.html>**

**Volume 18, Number 4
April 1998**

RESEARCH NOTES

The article is drawn from a doctoral dissertation Impact of Credit on Female-Owned Manufacturing and Nonmanufacturing Small Businesses in Jamaica: a gendered study conducted in Kingston, Jamaica: by Eleanor Allman, Ph.D. (dawnet12@aol.com).

There is overwhelming evidence that the effective use of human capital is one of the keys to reducing poverty (World Bank, 1990). It is also an established fact that one of the goals of every nation is to alleviate poverty; consequently, plans should be made to make the most efficient use of a country's human capital (resource). High unemployment rates exist in Jamaica because there are not enough employment opportunities in the public sector or the private business sector. To offset this, some people resort to self-employment in the informal sector. An increasing number of the self-employed are women, and two of the main barriers they face are lack of training and access to credit. In developing countries like Jamaica, many of the self-employed persons belong to the poorest segments of society, and employment in the informal sector makes up the main part of their income (World Bank, 1990).

FOCUS OF THE STUDY

The primary purpose of this study is to determine whether loans given to female business owners in the manufacturing group have a greater effect on employment and economic development than loans administered to female business owners in the nonmanufacturing group. The secondary purpose is to determine the role of education for self-employment and to identify existing needs for education and training programs for female small business owners.

The target population for this study were female entrepreneurs who have received training and credit from the National Development Foundation of Jamaica (NDF/J). Availability of credit is usually a problem for women, and Jamaica is no exception. However,

there are some agencies that administer credit to the female business owners in Jamaica. One such agency is the National Development Foundation of Jamaica which was established in 1980, and has a history of assisting small business owners both males and females.

METHODOLOGY

The design included face-to-face and telephone interviews, observations and document reviews for data collection. The respondents for the study consisted of 45 women entrepreneurs who were selected from the list of about 90 women entrepreneurs from the Kingston Metropolitan Area of Jamaica who received credit and training from the National Development Foundation of Jamaica. The respondents owned manufacturing and nonmanufacturing businesses in the informal sector. Eighteen respondents were from the manufacturing group and 27 were from the nonmanufacturing group. Of the 18 respondents in manufacturing, 16 focused on garment production. It might be concluded that these respondents became involved in garment production because that was the expertise in which they had previous experience. The women in nonmanufacturing were involved in diverse businesses such as health products and services, training, cosmetology, restaurant and related services, floral products, gift and various food products. Some were involved full-time and some part-time in entrepreneurship. The women received either pre-loan training and credit or credit only from the National Development Foundation of Jamaica.

HOUSEHOLD AND DECISION MAKING

Because of the respondents involvement in their own businesses they had more control over their destinies and both inside and out side their homes there were increased decision making and more leverage. The women became more visible in their communities with the increased measure of success.

FINDINGS AND CONCLUSIONS

1. In general, the female respondents in this study were educated, unmarried, very success oriented, had few dependents and about a third of them (18 of 45) started their businesses in their twenties. It may be that the NDF/J is focusing on a group of females who have similar characteristics that will likely lead to success in business.
2. The majority of the respondents had female mentors and role models. The mentors gave the respondents business advice and assistance, especially at the start of their businesses. It can be concluded that mentors and role models are important to the success of female business owners.
3. The respondents from both manufacturing and nonmanufacturing groups measured success by the amount of profits being made by their businesses. A t test revealed that there were no significant differences between the profits made by the manufacturing compared to the nonmanufacturing group. Other important factors for measuring success were good quality products and services, dedicated employees and repeat business from customers. On the other hand, the respondents believed that lack of success was due to lack of capital, nondedicated employees and lack of promotional activities. It can be concluded that employees were one of the more critical factors because they were perceived as contributing to both the success and the lack of success of the business.

4. The impact of the loans to the female respondents resulted in an increase of employment in the manufacturing group from 39 to 74 and in the nonmanufacturing group from 34 to 97. This increase in employment was fairly important because the female owned businesses operated on a small scale. It can be concluded that if more women are given loans to start or expand small businesses, there would be increased employment and other added benefits to the economy.

5. The loans also resulted in improved quality of life, formation of new businesses, continuation of the primary business, and increased assets for the respondents. It can be concluded that some of the achievements of the businesses would not have been possible without the loans from NDF/J.

6. The female respondents commented on a number of repayment problems with their loans. However, their repayment record indicated that they were safe financial risks for the NDF/J. Additional credit is needed to assist the respondents to achieve their future projections for their businesses, but many of them were reluctant to obtain additional loans. Some were not enthusiastic about obtaining additional loans because they did not want the responsibility of being in greater debt or the risk associated with more loans. This indicates that these female respondents appeared to be able to evaluate the risks of additional loans in relation to potential profits. Some respondents mentioned that they would rather use the profits from their businesses to achieve their future projections rather than taking new loans.

7. The female respondents were educated and most of them had college level education and some form of business training. The pre-loan training was not found to be significant because it consisted of a one-day training program with a duration of six hours only. The respondents needed further training in certain fundamental areas of business such as accounting and customer relations. Some of the training needs exist in their current businesses and other training needs are based on their future projections for their businesses.

8. The number of respondents who hired accountants, used relatives and significant others to carry out this function meant that this expertise is lacking in the female business owners. A total of eight respondents in manufacturing hired either relatives or accountants, while 16 of 27 respondents in nonmanufacturing did the same. It can be concluded that the skill of accounting is an important training need for the female business owners in this study.

RECOMMENDATIONS

1. Due to the economic benefits to be derived by giving loans to the female entrepreneurs, the NDF/J should: (a) continue to give loans to females with similar characteristics to the females entrepreneurs in this study, (b) have special programs to attract and inform prospective and existing female business owners to their services, and (c) provide female entrepreneurs with a support system of mentors and role models who will give them advice and pertinent information that will help them to be more successful. Some of the respondents in the study could serve as mentors and role models for other female entrepreneurs who will receive loans from NDF/J.

2. The NDF/J should evaluate their procedures for giving credit to women and consider: (a) shortening the waiting period between the request for a loan and the actual disbursement of the loans, (b) lowering the interest rate on loans for female entrepreneurs who have successfully repaid two or more loans. Lower interest rates will encourage female

entrepreneurs to obtain additional loans from NDF/J to expand their businesses. These procedures would assist female business owners to seize upon business opportunities more quickly.

3. The female respondents should be given more technical training to encourage them to enter areas of manufacturing other than garment production. The statistics in Jamaica reflect that the pattern is that most women in the manufacturing group are involved in garment production. Hence, there is a need to implement training programs in vocational and technical institutions to give females the knowledge and expertise to enter areas of manufacturing other than garment manufacturing.

4. The NDF/J should assist female entrepreneurs to organize incentive programs to retain and motivate their employees. If employees are satisfied with their jobs, they are more likely to produce high quality products and deliver more reliable services to customers. Case studies of business women who have implemented successful monetary incentive programs as a part of their compensation packages for employees should be included in the NDF/J training program.

5. The pre-loan training of the NDF/J should be of longer duration because it is too short and is not meeting the training needs of the female entrepreneurs. A more comprehensive practical program is needed to equip female entrepreneurs with management skills that are necessary to assist them in better managing their businesses.

6. For female entrepreneurs who have already received loans, training programs of short duration (1-4) days might be conducted in the following areas: basic and advanced record keeping, costing and pricing, basic accounting and payroll, basic principles of marketing and salesmanship, and business management. The purpose of the training programs should be to equip female business owners with skills needed to improve and expand their business operations.

7. The agents who are responsible for collecting NDF/J loan payments from female business owners should possess the expertise to not only monitor the loans, but also give advisory services.

8. A study should be conducted by NDF/J in the rural areas of Jamaica to assess the profile and needs of women entrepreneurs.

9. There should be studies conducted on the grassroots level women and men to see what other credit programs are available to them and the impact of such programs on their lives.

WOMEN IN INTERNATIONAL DEVELOPMENT ACTIVITIES AT UIUC

✓This fall, Kathleen Cloud, Director of the Office of Women in International Development, will be leaving to return to her department, Human and Community Development, in order to devote more time to writing. A reception in her honor will be held on Friday, May 15, from 4 - 6 p.m. in the International Studies Building, 910 South Fifth Street. Champaign.

Dr. Cloud came to UIUC in 1984. She is Associate Professor of Human and Community Development, of Women's Studies, and of Agricultural and Consumer Economics. From 1986 - 88, she was Acting Director of WID; she has been the Director for ten years since 1988. She has effectively administered the interdisciplinary

graduate program, Gender Roles in International Development, (GRID) which attracts highly motivated students -- both women and men, American and international students. During the ten years of GRID's existence, students from 25 departments have completed the program -- 33 at the master's level and 15 at the doctoral. Dr. Cloud's mentoring of successful international students and her vigorous and inventive support of their professional development is one of her most noteworthy achievements as Director.

Dr. Cloud is a recognized leader with a national and international reputation for scholarly excellence in the field of gender issues and development. She has worked to improve the information resources offered by the WID Office. She has written extensively on women's roles in African food systems and the interaction between gender roles and structural transformation. Her most recent research deals with the value of women's unwaged work and its relationship to the nature and speed of national development. Her international consultations have established funding linkages with the World Bank, USAID, United Nations and development agencies in Europe as well as with Ford and Rockefeller Foundations. Under her administration, the UIUC WID program has flourished and is making a vital and visible contribution to the international mission of the University of Illinois.

✓ The WS/WID Library and the WID Office announce a Brown Bag Seminar presented by **Tanya Mikhailova** entitled "Being and Becoming: Russian Women in the Social Transition", on Monday, April 6, from 12:00 to 1:30 p.m. in Room 101 International Studies Building, 910 South Fifth Street, Champaign. Ms. Mikhailova formerly worked at Ekaterinburg City Library in Ekaterinburg, Russia. She was an Associate of the Mortenson Center for International Library Programs at UIUC in 1995-96.

✓ Two GRID graduates have been invited to present at the Heartland Community College Diversity Fair, in Bloomington, Illinois on April 3, 1998. Consolata Kabonesa and Aida Orgocka, both doctoral students at the Department of Human and Community Development, will be talking on women issues and development with a particular focus on their own respective countries, Uganda and Albania.

FELLOWSHIP OPPORTUNITIES

✓ **The Worldwide Women-in-Development (WorldWID) Fellows Program** is a one-year international development fellowship for mid-career professionals who can apply their technical skills to U.S. foreign assistance programs and who are interested in increasing their knowledge and capacity to incorporate Gender-and-Development (GAD) issues in their applied work. Funded by the United States Agency for International Development (USAID), WorldWID is managed by the University of Florida in collaboration with Bennett College, The Center for PVO/University Collaboration in Development, and Datex, Inc. WorldWID is for U.S. citizens only. For general information and applications: WorldWID Fellows Program University of Florida, Office of International Studies and Programs 123 Tigert Hall, P.O. Box 113225, Gainesville, Florida 32611-3225 (P) (352) 392-7074 , (F) (352)-392-8379 E-Mail: wrlwid@nersp.nerdc.ufl.edu, website: <http://www.datexinc.com/worldwid/>

✓ **The International Center for Tropical Agriculture (CIAT)** has received a 3-year grant to support a program on 'Participatory Research and Gender Analysis for Technology Development and Institutional Innovation' in assessing the benefits of rural women's participation in natural resource management research and capacity building. Applications are invited for 3-year grants from institutions or projects involved in relevant research. Details: Systemwide Program on Participatory Research and Gender Analysis, SWP on PRGA Coordination Office, C/O CIAT, AA 6713, Cali, Colombia.

PRESS RELEASE

A panel on "Russian Women and the Media" will feature two internationally recognized Russian journalists at 7 p.m. Wednesday, April 15 in the Studio Theater at the University of Illinois at Springfield. The event is free and open to the public.

Olga Lipovskaya, known as the "Gloria Steinem of Russia," directs the Center for Gender Issues in St. Petersburg, and Nadezhda Azhgikhina, of Moscow, organized the Association of Women Journalists and co-chairs it with Irina Yurna. Joining them on the panel will be Helena Goscilo, professor of Slavic Languages and Literatures at the University of Pittsburgh and author of *Dehexing Sex: Russian Women Before and After the Glasnost*, and Alison Hilton, author of *New Art from the Soviet Union* and a professor of art history at Georgetown University.

For more information, call the Women's Studies Program at UIS, tel: (217) 786-6962.

JOB ANNOUNCEMENTS

✓ **Director of Programs, Center for Women & Enterprise** will manage all aspects of programs and services for innovative women's entrepreneurial training center. Qualifications: Senior level position. Proven management skills and extensive small business experience, especially in the area of marketing and outreach. Entrepreneurial self-starter. Contact: Andrea Silbert, CWE, 45 Bromfield Street, Boston, MA 02108. FAX: 617-423-2444. E-mail asilbert@cweboston.org.

✓ **Director, Community Entrepreneurs Program, Center for Women & Enterprise** will manage/develop new program helping very low income women and TAFDC recipients start their own businesses. Qualifications: Senior level position. Experience working with low income women (preferably AFDC recipients) and micro-enterprise. Small business experience required. Entrepreneurial self-starter. Contact: Andrea Silbert, CWE, 45 Bromfield Street, Boston, MA 02108. FAX: 617-423-2444. E-mail asilbert@cweboston.org.

RESOURCES/PUBLICATIONS

✓ **Women's Human Rights Resources (WHRR)** is a project of the University of Toronto Bora Laskin Law Library and is part of the DIANA international human rights database. WHRR was created as a tool to help researchers, students, teachers and human rights advocates search the internet for authoritative information on women's international human rights. The website www.law-lib.utoronto.ca/diana consists of three sections: 1) Internet Links: an annotated listing of internet links on topics such as education; female genital mutilation; the Fourth World Conference on Women (Beijing); labour and employment; marriage and family; political rights and participation; property and housing; refugees; reproductive freedom and family planning; rights of girls; right to health care; sexual orientation; slavery, trafficking and prostitution; and violence against women. 2) Documents Links: an annotated list of documents found online, such as conventions, reports, bibliographies and articles by governmental and non-governmental organizations. 3) Annotated Bibliography: an annotated bibliography of over 600 articles, books and other documents on international women's human rights law. The bibliography is divided into four sections - international protection, regional protection, domestic protection and specific women's issues.

✓ **Gender Studies in Agriculture: Bibliographies, Databases and Publications:** Wageningen Agricultural University Library maintains a searchable bibliographical database on gender, agriculture and rural development. The Gender Database contains descriptions of journal articles and book chapters. Most concern the Netherlands, Western European countries or Third World countries. Literature which is important for analyzing the position of women is also included, e.g., articles on feminist theory and methodology. Articles on off-farm labour, health issues and history are also included if they concern the position of rural women. The articles are selected from 240 agricultural and social science journals. A number of chapters taken from readers and books are also included in the database. At this moment, the database contains approximately 6000 entries. The database is searchable online, and the articles and book chapters can be ordered through the Worldwide Web. Website: http://www.sls.wau.nl/crds/bdp_gs.htm

✓ **NEW PUBLICATIONS AVAILABLE FROM THE CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE (CIPE)**

Women Entrepreneurs Conference Report, "Organizing for Success: Strengthening Women's Business Organizations." Full report from CIPE's September 1997 conference on supporting women entrepreneurs. Includes a workshop summary on "how to" build a viable association and information on using the Internet to better promote organizations. Cost: \$10.00

Organizing for Success: A Newsletter for Women Entrepreneurs - is part of CIPE's ongoing effort to support women entrepreneurs around the world. This newsletter highlights the achievements of women's business organizations and entrepreneurs who attended the CIPE conference. The newsletter is a bi-monthly publication. To subscribe to future issues please send email address for a free copy or mailing address and \$12.00 for a year's subscription. Send your check to: CIPE, The Madison Building, 1155 Fifteenth Street, N.W., Suite 700, Washington, DC 20005. Your check must be in US dollars and drawn on a US bank or a bank that has a correspondent relationship with a US bank. To order by credit card, call CIPE at (202) 721-9200.

✓ Moving/Changing Address?

Please give your new address, if you are moving/changing address and want to be retained on our mailing list.

Name: _____

Address: _____

✂ _____

**Office of Women in International Development
University of Illinois at Urbana-Champaign
320 International Studies Building
910 South Fifth Street
Champaign, Illinois 61820**