

SIGNIFICANT ROLES OF WOMEN ENTREPRENEURS IN ECONOMIC DEVELOPMENT

by

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The 21st Century

We just, eventually, left the last century and entered the 21st century. Even though the world still encounters some crucial issues, when entering the century the optimism is radiated everywhere. The issue of social imbalance between developing and advanced countries is not solved yet, even though it tends to become more severe, unfortunately. Let alone issues on environment and nature preservation that threaten human life in the long run.

Meanwhile, optimistic attitude in entering the 21st century has been declared by many futurists. Alvin Toffler looks to the 21st century as a phase when human enters a new culture called Third Wave. The society in this Third Wave is identified as an Information Society that, in terms of its products, tend to be back to the First Wave, such as energy that could be renewed, production was not a mass process, migration back to the village and globalization process due to technology and information advancements.

As we all know, according to Toffler the First Wave is a renewal of the process where humans found and implemented the agricultural technology. Meanwhile, Second Wave culture had the characteristics of an industrial society culture that is highly efficient and tends to give the impression as a greedy economic society.

Although there were some similarities, the Third Wave culture is definitely not a repetition of the First Wave, as implied so far since it used to be linked to "small is beautiful". Toffler also mentioned that the Third Wave is the synthetic form of both previous waves, resulting in much better quality, more in-depth, comprehensive and thorough than the previous ones. It is more likely to call the Third Wave as Small within Big is Beautiful.

However, the most important characteristic and most human of this Third Wave culture is the empowerment of lower people who used to be lost in competition. Consequently, it would eliminate slavery, imperialism and apartheid in the whole world. Therefore, a monopoly system is not allowed to develop within this Third Wave culture, in order to keep the market door open for new comers and innovation. That was what happening with AT&T and Bill Gates (Microsoft) who had the potential to grow and access 100% of the market in their field. In this case, they will have to adhere to the regulation prohibiting monopoly.

Other optimistic expression was also pointed out by another futurist such as John Naisbitt in his famous book 'MEGATREND 2000' that mentioned ten big tendency in the 21st century, which are: global economy booming, renaissance in art, social free market, global life style, welfare privatization, Pacific rim upsurge, women's role in leadership, biology century, religious upsurge and individual victory.

Although not all futurists' predictions mentioned above were materialized, especially the one on the Pacific rim country upsurge after the economic crisis, many of them are proven to be close to the empiric fact nowadays. One of them that is very interesting is regarding the progress of women's role in business and that 21st century is the century for women. The requirements for this are the ability to empower them to become the potential strength. Also, the availability of human resources that are able to adapt technology to handle nature and the environment, and has access to world markets. Those all will then, in due course, enhance economic growth.

Economic Development

Economic development of a country is usually determined by the growth of per capita income. However, other than per capita income, in the essence of modern economic growth, we also know that, on average, it might be measured with other fundamental changes that occur. Such changes are, among other things, the way people live, as they are more likely to move to cities and work in factories, no longer in farms. That happens as the household industries tend to decline and replaced by larger enterprises. Other indicators that we might see are the tendency of the families to reduce the number of children, so the birth rate begins to fall. Development could be seen also from the point of view of employment progress, capital, business volume and consumption. In other words, economic development can be seen in the structural change of the society, and implies more than just economic growth.

Gillis, Perkins, Roemer and Snodgrass (Economics of Development, 1996) stated that a key element in economic development is that the people of the country must be major participants in the process that brought about these changes in structure... Participation in the process of development implies participation of those benefits. If growth only benefits a tiny, wealthy minority, whether domestic or foreign, it is not development.

Women's Role in Economic Contribution

In light of the explanation about economic development cited above, I would like to cite Naisbitt' and Aburdene's statement that the progress of women's role in several sectors, including business, could be seen in some phenomenon mentioned hereunder:

1. In line with the improvement of women's education, women are no longer the minority in fields that were dominated by men in the past.
2. The field of information technology creates many opportunities for the development of women's talents in this specific field.

3. The increase in the number of women who lead their own business, especially the ones in small and medium scale enterprises.
4. Women's leadership is able to gain high loyalty due to the fact that they are the ones that are able to conduct clean, ethical, transparent and honest management.

On the basis of the above picture, it is obvious that the 21st century provides high hopes for the progress in women role. They do have the opportunity to get strategic positions that dominated by men in the past.

In Asia, women are the economy driving force. Their contribution in providing job openings in business sectors continues to rise. They are involved in enterprises at all levels as managers, entrepreneurs, owners and investors. Combination of influence of more education, technology and fast economic growth make Asian women more assertive concerning their right, more aggressive in reaching their ambition while we already acknowledged that the number of Asian women in the work force from country to country are almost as high as those of men.

Surprisingly in most countries in Asia, women are dominating the service sector. In countries like Singapore and Taiwan women donate respectively 68% and 61% of the GNP of said countries. The amount of Asian women employment evidently in quantitative has been similar with European countries. In Vietnam shows 47% of the employment are women, in Thailand 46%, Indonesia 45%. The service sector in Asia also experienced surprising growth, and resulting a large working opportunity for women. In Taiwan, Singapore and Hong Kong in the service sector donate respectively 61%, 68% and 77% of the respective GNP of said countries. While, in Korea and Japan the service sector contributes up to 60.6% and 54.9% respectively. This obviously means women now dominated the service sector.

In the business world, women entrepreneurs play a big role in business development in the Pacific region. In Japan, 5 out of 6 new businesses are created by women, and they have at least five employees. The number of women-owned larger companies is not significant, but they start and manage the smaller companies.

The information era has opened more opportunities for white-collar workers, according to Naisbitt and Aburdene. The male was the prototypical industrial worker, while the information worker is typically a woman. If what Naisbitt and Aburdene says is true, then there will be a big leap of working Asian women in the next fifteen years. Although it has not yet met Naisbitt and Aburdene's prediction, it already shows a surprising figure in the increasing number of women in the working force.

In their report, Unifem and DFID, UK showed the following data:

Women are both employers and self employed		
	Women Among Employers (per cent)	Women Among Own account Workers (per cent)
Philippines	48	48
Thailand	19	34
Indonesia	17	27
Source : ASEAN.		

The study done for informal sector by UN/ESCAP shows :

Women in the Informal Workforce (various years, percentage)	
Indonesia	65
Korea	41
Lao PDR	>60
Philippines	62

Linkage of Women's Role and the Economy

Based on the factors discussed above, and coupled with the discussion on women's contribution in business, it is obvious that women play a tremendously important role in this matter.

Availing of this opportunity, I would like to stress women's role in economic development, especially in Indonesia.

Before any further discussion on women and business world, let us look at the effort of women empowerment in Indonesia.

Women empowerment in Indonesia was started by Indonesian heroine Kartini in 1928. Her attempt at that time was a challenge against society's tradition that they only sent boys to school and not girls. She challenged the rule that prohibited girls to go to school. In comparison, men started to realize the need of education when they had to stand up against Japanese colonial domination on 1908. From the education point of view, women were left 20 years behind the men. While from the cultural point of view, in the past, working women were not acceptable in the community due to the tradition that the place for women is in the kitchen other than bed. Moreover, it was an insult to men if their wives were working since it implied the incapability of the

men in providing for the family. Working women started to be accepted in the community just on early 1970. However, women in the informal sector started during Dutch colonial domination with door-to-door herbal medicine peddlers (bakul jamu) in Java who sold home-made herbal medicine in a basket (bakul) on their back.

Then comes the next question of what kind of role is played by Indonesian women in the economic development of the country. The following is Indonesian women's activity map up to the present:

1. During the phase of colonial domination, they started with selling in the informal sector,
2. In the Old Order Government era, they started doing the agriculture side of business, besides working in the formal sector. This condition appeared to give the impact of new job openings that started to come into view.
3. Formal sector business started to be taken into account by working women, besides the informal and agriculture sectors, during the New Order Government.
4. When economic crises fell on the country, Indonesian women became the backbone of the family, particularly where their husbands experienced job termination. They proved to possess high resilience in survival. Many men-led enterprises went bankrupt during the crisis, but the number was relatively small in the case of women.

On the basis of the above discussion on women roles, we could say that their contributions in economic development are in:

- Job openings provision
- The growth of savings, which is related to working capital
- Increase of purchasing power that trigger the growth of consumption
- Increase of business volume

Although women roles are not measurable yet in term of GDP or GNP due to the absence of gender-segregated data, those roles are real enough and, like it or not, it certainly will continuously grow in the future. To expand the tremendous role of women, inhibiting factors should be eliminated.

As businesswomen, there are obstacles that have to be encountered in running business activities.

1. Due to their position as an SME

Indonesian government policy and regulation in developing the economy in the past 32 years had been focused on the large enterprises and conglomeration. This had caused the scarcity of SME that was reflected by IWAPI membership. It was alleged at that time that the proper economic structure was in the form of

diamond instead of an upside down cone where the conglomerates were on the top. The policy that focused on conglomeration was also reflected on the loans issued by the banks (for example, during the New Order regime, banking institutions had to distribute only 20% of the loan budget to SMEs). Even this was not easily fulfilled due to some reasons.

2. Due to their position as women

As mentioned before, Indonesian women are relatively left behind compared to their men partners. This condition was aggravated by the patriarchal cultural predominance that man is the one who is responsible for the family.

Due to the culture and later entrance to the business world, Indonesian businesswomen encounter many obstacles due to gender bias. Those, among others are:

- a. Women have to pay more tax than men.
- b. When a single woman needs to process a business permit, she has to obtain the approval of her father, while that is not the case for a man.
- c. Wrong interpretation of Policy no. 10. In order to access a banking loan for a woman whose husband is a civil servant, it is required that her husband has to obtain his superior's approval.
- d. The image existing is that women are running businesses to help their husbands.

Conclusion

Before concluding this paper, I would like to cite a recent research reported by an Australian NGO, Community Aid Abroad, which states: *'Women are the Third World's powerhouse. They produce a staggering 60 percent of all food, run 70 percent of small-scale businesses and make up a third of the official labor force - in addition to caring for families and homes. Yet, their status rarely reflects this enormous and vital contribution. By any measure - income, education, health, land ownership, legal rights or political power - women get a raw deal. The poorest of the poor are usually women because discrimination cuts off their escape routes from poverty - education, health services, equal pay employment, access to land and finance. It is becoming increasingly clear, however, that there will only be sustainable development in the Third World when women play an equal part in decision making. No developing country can afford to ignore women's existing and potential economic contribution, or their pivotal role in determining the health and welfare of a nation's children. All the evidence points to one conclusion: economic growth and improvement in the quality of life for everyone is faster in areas where women's status is higher.'*

Women in developing countries are tremendous forces for change in their families, villages, cities and countries. They CAN and DO make a difference - when they get a

chance, which is reflected not only in the business practices, but also in the policy shaping process of governments domestically as well as regionally. The more significant role in economic development through women entrepreneurship is something that should be pursued, and it is not something that can be achieved freely and easily. There has to be a struggle to win that race. Therefore, considering the above factors, it is only proper that this forum pursue the follow up of this meeting with not only agendas, but also solid action cross border exchanges such as:

- Advocacy
- Information access
- Cross-training among developed and advanced countries

In connection with advocacy, this forum could come up with an agenda of some sort of assistance with significant actions or, at least, ground study on women's contribution in the business world that can be utilized to influence countries' policies in order to support women entrepreneurs. Furthermore, this forum could enforce cross-border actions. For instance, concerning policy and regulations, one country may learn from the other on better cases.

As a conclusion, and to have a more in-depth picture of what we have discussed, I do feel that the following poem has wonderfully described all the things we just discussed. God bless us.

Me: Woman and Development.

Me - I am the image of God, but I am only seen through the eyes of man
Me - I am here, but you cannot see me
Me - I am a woman
Me - I am created awesomely beautiful and wonderful
Me - I am part of society, but I am seen and not heard
Me - I am the pillar of the family, but not the head
Me - I am central to productivity, but not a key beneficiary
Me - I am the embodiment of life, but lifeless
Me - I am the majority of society, but not a decision maker
Me - I am the majority, but the object of development
Me - I am the key factor for the sustenance of the Church, but not the
center of its power structures
Me - I am the major resource needed for development, but not on my terms
Me - I have a voice, but can only speak through second and third parties
Me - I have an identity and dignity, but a mere number, a mere proposal in
development inventions
Me - I have values/ethics of solidarity, but I am the sad story of development
Me - I am the producer but not the owner
Me - I am a woman
I am a mother
I am a sister

I am a grandmother
I am an aunt
I am a daughter
Me - I am the carrier of life and hope for tomorrow
Me - I unite you all for the journey of hope for a just, peaceful and sustainable
society.
Release me, release me.