

Women-Owned Firms Use of Financial and Technical Assistance: Insights From Barbados Female Entrepreneurs

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Table of Contents

1	INTRODUCTION.....	3
2	LITERATURE REVIEW AND ANALYTICAL FRAMEWORK.....	3
3	METHODOLOGY.....	6
3.1	DATA COLLECTION	7
3.2	CHARACTERISTICS OF WOMEN-OWNED BUSINESSES IN THE SAMPLE	11
4	THE ECOSYSTEM OF FINANCIAL AND TECHNICAL ASSISTANCE IN BARBADOS	16
4.1	FINANCIAL ASSISTANCE.....	16
4.2	TECHNICAL ASSISTANCE	18
5	CHALLENGES IN THE USE OF SERVICES	22
5.1	ACCESSING LOANS AND OTHER CREDIT FACILITIES	22
5.2	LACK OF MENTORING AND OTHER SOURCES OF BUSINESS ADVICE	28
5.3	LIMITED PROFESSIONAL NETWORKS.....	30
5.4	NEGATIVE PERCEPTIONS OF PROVIDERS	33
5.5	FAMILY RESPONSIBILITIES.....	34
6	IMPLIED SOLUTIONS.....	35
	REFERENCES	41

1 Introduction

Economic inclusion of women is fundamental to reducing gender inequality and stimulating overall economic growth. However, globally more men than women start, sustain, and grow their own businesses (GEM, 2017; BCG, 2014). The underlying reasons for this disparity are various; most analyses point to differences in access to human, financial, and social capital as key limiting factors. Various forms of financial and technical assistance can help women entrepreneurs overcome these challenges. This paper focuses on the use that women-owned firms make of financial and technical assistance in Barbados. Specifically, it offers a detailed analysis of women-owned businesses that have accessed financial or technical assistance, analyzes the paths that these firms undertook to gain entry, and assesses the factors that influenced whether they were able to use those services effectively. The framework developed in this paper provides a starting point for designing additional research and policy instruments that can support building effective financial and technical services tailored to women entrepreneurs. By understanding the key mechanisms that enable and limit women entrepreneurs' use of financial and technical assistance, programs like Compete Caribbean and other private sector support organizations can customize their interventions to meet the specific needs of this target population. Improving interventions from development agencies and governments will help reduce gender gaps.

The paper presents the results of a 10-week study and is organized as follows: section 2 outlines the main expectations from the literature and the research questions that underlie the present study. Section 3 briefly recounts the methodology followed for the research and describes some key characteristics of the firms in the sample. Section 4 provides a quick overview of the ecosystem of financial and technical assistance in Barbados. Drawing on interviews with providers and women entrepreneurs, Section 5 offers a detailed analysis of the main challenges that entrepreneurs face to effectively make use of financial and technical assistance. Section 6 concludes the paper with targeted recommendations.

2 Literature review and analytical framework

In the last four decades, Latin America and the Caribbean (LAC) has made tremendous progress increasing gender parity (World Bank, 2010). Recent data show relatively small gap compared with other parts of the world; for instance, the region has the highest gender parity indicator with seventeen women engaged in early-stage entrepreneurship for every twenty male entrepreneurs, while women in Africa, Europe and North America are only two-thirds or less as likely to be engaged in entrepreneurial activity as their male counterparts (GEM, 2017).¹ Furthermore, in the Caribbean women have achieved high

¹ The LAC countries included in the Global Entrepreneurship Monitor report are: Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Panama, Peru, Puerto Rico, and Uruguay.

levels of educational attainment: women have more expected years of schooling than men, and there are more women with at least some secondary education than men (IDB, 2017).² Nevertheless, women see lower returns to education than men, and women-owned businesses suffer from comparatively low growth and productivity (*ibid.*). Studies (World Bank, 2015; Lashley, 2012; Barriteau, 2002; IFC 2011; ILO, 2011) have sought to uncover the most consequential ways in which men and women do business differently. This body of work suggests that: (1) women tend to be more necessity-driven entrepreneurs; (2) their businesses have low growth expectations; (3) they are over-represented in the self-employment sector and under-represented in the formal sector, (4) operate on small scale, and (5) operate in low technology and less knowledge-intensive sectors (87 percent of Caribbean female enterprises included in the World Bank Enterprise Survey) that tend to experience the lowest levels of growth.

There is widespread agreement that increasing access and use of appropriate financial and technical assistance is key for improving the prospects for women-owned businesses (Lashley and Smith 2015; IDB, 2017). Indeed, women entrepreneurs are more likely than men to cite access to finance and technical assistance as a main barrier to developing their businesses (Niethammer, 2013; IDB, 2017). While both access and use of services are important, the extant literature has focused on the former not the latter. The present study takes analyses of access as a point of departure, beginning with the various factors and mechanisms identified in the literature that could affect how women-owned firms access services. These factors are organized in two categories: from the perspective of the users (*demand-side barriers*) and from the view of the providers, support organizations, NGOs, and government agencies (*supply-side barriers*).

On the demand side, the literature suggests that specific entrepreneurial characteristics and practices of the majority female businesses create a barrier for them to access financial and technical assistance: these firms are often in “female-oriented” sectors (hairdressing, day care, sewing, and catering), and / or concentrated in lower value segments of value chains/sectors, and / or are smaller, employ more family members, and / or are more likely to be based in the home, and demonstrate an aversion to risk (Lashley, 2012). As a consequence, the literature suggests that women-owned businesses also have low growth aspirations,³ and therefore they do not seek financial or technical assistance.⁴ The literature also posits

² The following 13 countries are considered Caribbean in this paper: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

³ Male entrepreneurs projecting growth over a five-year period is 7 to 9 percentage points higher than the percentage of female business owners making the same prediction (BCG, 2014).

⁴ An IDB study analyzing data from the Proteqin survey found that women-owned or managed firms were less likely to demand bank credit, indicated access to financing as a severe obstacle to their business, and were less likely to take advantage of technical assistance than comparable firms (IDB, 2017).

that women have fewer opportunities to “practice” management in other companies since they rarely occupy high managerial positions in other companies (IDB, 2017). Similarly, they also have weaker business backgrounds than men, including a lack of relevant (technical) education (IFC, 2011). Because they tend to have more limited managerial and business skills, women also tend to face greater difficulties in running their businesses in ways that allow them to prepare strong business proposals to submit for financial or technical assistance (for example, they do not keep good financial records). Lastly, women often have to juggle both family responsibilities and entrepreneurship. In the Caribbean, women have primary responsibility for the care of children and aging parents. Even when childcare is available, social pressures and high costs may prevent some women from using it. These demands limit their ability to participate in technical programs that could help them grow their business.

On the supply side, the literature posits that the main barrier for women’s limited access to credit is the lack of collateral and assets that commercial banks require in order to give a loan. While commercial institutions are increasingly offering credit to SMEs (IDB, 2012), they often prefer to finance established sectors (e.g. consumer goods), rather than take risks on new investment areas where women-owned businesses are concentrated (World Bank, 2015). In addition, financial institutions often perceive women-owned businesses to be insufficiently formal or professional, too “small scale,” and women as lacking entrepreneurial acumen (CDB, 2012). Finally, there is general agreement on the limited supply of appropriate and relevant training and counselling (business advisory services) and other forms of capacity-building support, like business coaching and mentoring, specifically directed at women entrepreneurs.

These supply-side barriers interact with demand side barriers, creating difficulties for women to access finance and technical assistance. For example, if women do not occupy managerial positions in other companies, and therefore do not gain business and managerial skills (*demand-side*), and if there is not a place for them to acquire those skills, such as appropriate training and education (*supply-side*), then it is challenging for them to run their business effectively and be able to access financial or technical assistance. Similarly, if women are more risk-averse and have low growth ambitions (*demand-side*) and they are aware of the negative perceptions that financial institutions have of women-owned businesses (*supply-side*), then they might be reluctant to fully make use of financial institutions that can provide them with credit.

Due to these barriers, many reports suggest that in order to increase women-owned businesses’ ability to access financial and technical assistance, a number of measures should be put in place. Women should be encouraged to enter new and high-growth sectors. They should be offered business training to increase their managerial skills. Financial literacy programs should be provided to increase women entrepreneurs’

finance understanding and ability to access credit. Lastly, childcare services should be made available to give women more time to dedicate to their business.

While the studies cited above provide a starting point, they have not gone beyond access and explored how that assistance can help women entrepreneurs grow and be successful. *How can financial and technical assistance services better meet the needs of the women entrepreneurs who receive them? What can policy makers do to improve these services?* All the women studied in this paper are “in the ecosystem” of service providers—they have gained a foothold into the system by accessing at least one service. Yet, even though they gained entry to the overall system of support,⁵ not all services helped their business grow, either because they were not accessible even to women who are “in the system” or they were not useful to those who accessed them. The paper explores the use that women-owned businesses in Barbados make of financial and technical assistance, the challenges that they were able to overcome and the challenges that they still perceive are preventing them from further grow their businesses. The next section will provide more details on the methodology and the sample of businesses included in the study.

3 Methodology

In order to answer the research questions, this study analyzes women entrepreneurs’ past and current usage of financial and technical assistance as well as their preferences for providers. It also analyzes the connection of the experiences of these women to the common obstacles that providers face in serving female clients. A qualitative approach is used to analyze the processes, experiences and perceptions of female entrepreneurs. Specifically, the study followed a two-pronged approach to profile and analyze how women adapted to and overcame challenges to successfully making use of financial and technical assistance. First, the research began with a brief desk study to frame the research and design qualitative tools for data collection. The desk study systematically reviewed data and existing academic and practitioner literature about women-owned firms in the Caribbean. This review identified the main theories that provide a framework for inquiry and to design the subsequent research phase.

The second phase of the research involved interviews with women-owned businesses and providers of financial and technical assistance in Barbados to ground the analysis of how women use services. Given the high level of heterogeneity among Caribbean countries, the research focused in one country to be able to hold constant country-level variables such as political, economic, social and cultural differences. Barbados was selected because it has attempted to address many of the gender barriers that exist to doing business. According to the WEF’s Global Gender Gap Report, in 2017 Barbados was ranked 23 out of

⁵ This paper defines entry as accessing at least one technical assistance service or financing at one time. It distinguishes entry from the usefulness of the service and from the use of multiple, complementary services that are provided by the ecosystem.

135 countries in overall gender gap, and was at the top rank among Caribbean countries (followed by Bahamas and Jamaica) (WEF, 2017). The island's position in the global ranking reflects its relatively small gender disparities relative to other countries in relation to women's economic participation (for which it is ranked second out of 135) and educational attainment (first) (*ibid.*). By analyzing the experiences of women entrepreneurs within a high performing context, we will learn how to best advance the frontier of inclusion.

3.1 Data Collection

Interviewees were undertaken with a sample of women-owned businesses, business support organizations (BSOs), government agencies, and NGOs. By interviewing women-owned businesses, it was possible to inductively learn how women made use of financial and technical assistance at key decision points, their perceptions of providers and the reasons for using (or avoiding) each of them. Interviews with financial and technical assistance providers and other actors helped gain a supply-side perspective of the problem and understand what underlies the constraints, market trends, and regulatory issues that women overcame.

Businesses were selected that fit two main criteria: (a) they operated in the service sector in Barbados, and (b) they were in the "system," meaning that they have had at least a minimum access (at least one service at one time) to either financial or technical assistance, or both, at some point. First, the service sector is the largest economic sector in Barbados (77.4% of MSMEs operate in services) and it has the highest percentage of women-owned businesses (77.5% of female-owned MSMEs are in the service sector) (Small Business Association Survey, 2016).⁶ Thus, it is a typical sector. Second, the study included only businesses that were able to get some form of financial and/or technical assistance. Analyzing women that were able to get into the system enables the analysis to narrow in on how women made use of services and what made them effective. In addition, analyzing women "in the system" allows the study to analyze the different channels that these female business owners used to select among the available services and the type of support that they ultimately used and valued. Moreover, this sample strategy allows for an analysis of how those who have already overcome basic barriers to entry used services and which barriers they continued to face once they had already become part of the system. The ultimate analysis delves deeply into the processes that women-owned businesses undertook, why firms preferred some providers over others, what were the pathways to distinct organizations, and what were the shortcomings of the services accessed as perceived by both entrepreneurs and providers. This analysis

⁶ Note that micro and small enterprises comprise 92.2% of formal enterprises in the country, while medium enterprises (26 to 50 employees) account for 4.1% of enterprises.

is complemented by the data on the Barbados ecosystem of financial and technical services, and together they point to areas for improvement, change or expansion of such services.

Access to firms was gained by working with BSOs, such as Barbados Chamber of Commerce and Industry (BCCI) and Barbados Youth Business Trust (BYBT). The strategy has proved to be effective in gaining access but it also has required substantial effort and created some delays in gaining permissions so that the organizations can ethically share their contacts.⁷ A list of 40 women-owned businesses was compiled. Of this list, 26 businesses met the selection criteria and were contacted, and ultimately 17 women entrepreneurs were interviewed, against the original target of 30 businesses. Similarly, a list of 23 providers (of both financial and technical assistance) was built through online searches of service providers and BSOs and through referrals from contacts. All of the identified providers were contacted, and 17 were interviewed, against the original target of 10 providers. In addition, a focus group with providers was conducted, which helped gain a deep understanding of the obstacles that providers perceive in order to deliver assistance to women-owned businesses. Table 1 and 2 provide an overview of the businesses and providers interviewed for the study (based on Mosley, 2013).

Table 1 lists all female entrepreneurs interviewed. The table reports: the code assigned to identify each interviewee in order to guarantee confidentiality of the information provided; the service sub-sector to which they belong; the number of years the business has been operating (the sample covers a wide range from a startup business to a firm that has been established for 29 years); the number of employees (ranging from 0 to 19, with an average of 3.8 employees for firm); the marital status of the business owner; whether the business has accessed financial and technical assistance; and finally the source of contact for the interviewee.

Table 1. Sample of women-owned businesses

Interviewee code	Sub-sector	Years of operation	Number of employees	Marital Status	Financial Assistance	Technical Assistance	Source
A	Cosmetics	5	1 (occasional delivery person)	Not Available	x	x	Referred by BYBT
B	Recycling	10	0	Divorced	x	x	Referred by BYBT
C	Domestic care	4	15	Single	x	x	Referred by BYBT
D	Retail	9	10 to 15	Married	x		Referred by BCCI
E	Retail	29	10	Married	x	x	Referred by BCCI

⁷ Permission was granted to get in touch with one additional set of female business owners when the study was completed, while access other two lists of women-owned firms was never provided.

F	Event planning	5	1 admin, 8-12 casual employees, 2 contracted (accountant and book keeper)	Not Available	x		Referred by BCCI
G	Retail	9	19	Married	x		Referred by BCCI
H	Retail	14	4 + contractors (book keeping, general maintenance, window washing, legal services)	Not Available	x		Referred by BCCI
I	Management consulting	10	0	Divorced	x		Referred by BCCI
J	Management consulting	7	0	Widowed	x		Referred by BCCI
K	Animation	6	12 to 15 contractual	Divorced		x	Referred by BIDC
L	Fitness and adventure events	6	0	Living with partner		x	Referred by WINC
M	Domestic care	5	1	Living with partner	x	x	Referred by WINC
N	Restaurant	7	3 full time + 3 part time	Married		x	Referred by WINC
O	Transportation	startup	0	Not Available		x	Referred by TEN Habitat
P	Publishing	8	1 full time + 5 part time	Married	x	x	Referred by WINC
Q	Recreation	2	0	Single		x	Referred by TEN Habitat

Table 2 provides the list of financial and technical assistance providers interviewed for the research, reporting the name of the institution and the position of the person interviewed (while keeping confidential their name). The last column indicates whether another organization had made an introduction or if the author approached the organization without an intermediary.

Table 2. List of interviewed financial and technical assistance providers

Institutions	Position	Source
Barbados Investment & Development Corporation (BIDC)	Manager	Author identified
Barbados Investment & Development Corporation (BIDC)	Director	Author identified
Caribbean Export	Senior Advisor	Referred by IDB/MIF
TEN Habitat	Representative	Author identified

Youth Entrepreneurship Scheme (YES)	Manager	Referred by IDB/Compete Caribbean
Barbados Youth Business Trust (BYBT)	General Manager	Author identified
Fund Access	Senior Business Development Officer	Referred by BIDC
Barbados Chamber of Commerce and Industry (BCCI)	Business Development Officer	Author identified
Gender Bureau	Director	Author identified
Women Innovators' Network of the Caribbean (WINC)	Coordinator	Referred by BIDC
Women Innovators' Network of the Caribbean (WINC)	Mentor / Business CEO	Referred by BCCI
COB Credit Union	Officer	Referred by BIDC
Enterprise Growth Fund Ltd.	Representative	Referred by BIDC
Former Executive Director of Republic Bank Group	Executive Director & Chief Executive Officer at Sagikor Cave Hill School of Business & Management of The University of the West Indies	Referred by Caribbean Export
BWU Cooperative Credit Union	General Manager	Referred by BIDC
Scotiabank	Senior Manager	Referred by Caribbean Export
IDB Invest	Investment Officer	Referred by IDB/Compete Caribbean

Selection of interviewees followed a sequential logic, in which each interview yielded a set of findings and a set of questions that informed both the selection of the next interviewee and the questions that were asked. This methodology has been pioneered by top scholars in sociology and is now widely embraced among qualitative researchers (Small 2009). The underlying logic of this strategy is to analyze situations that differ across variables of interest and look for common patterns that emerge from the interviews. The goal in this case is not to achieve representativeness or avoid statistical bias but to reach theoretical saturation, meaning that when the study is complete, additional interviewees no longer provide a theoretically important perspective that was previously missing (*ibid.*). This process helped identify the most salient set of barriers that women-owned businesses in Barbados encounter when using financial services and technical assistance, as well as the needs that their businesses have and that have not been met by the current supply of services yet. This approach follows best practices in inductive qualitative research and grounded theory development (Troost 1986; Berk 1983; Small 2009; Babbie 2015). Naturally, this approach has strengths as well as weaknesses. One key limitation is that the interviews do not include potential women entrepreneurs, or those who have started businesses but not gained access to any services. In that way, the analysis is limited in what it can say to make programs have a greater reach or increase participation. On the other hand, the study has the strength of analyzing not only entry of women entrepreneurs in financial and technical assistance programs, but also what happens once they are in. Another limitation is that the study only focuses on female entrepreneurs and does not include a

comparison with their male counterparts. For this reason, the study relies on the *perceptions* that women business owners and service providers have of the particular challenges that female entrepreneurs encounter. However, the study cannot state whether these challenges are gender-specific or apply to the broad business community (unless specifically noted when information was available).

3.2 Characteristics of Women-Owned Businesses in the Sample

The interviews on the demand-side focused on women-owned businesses who at some point in time accessed financial and/or technical assistance. As stated above, the goal was to analyze the specific characteristics of these firms, the processes that they undertook to navigate these services and fully utilize them. These firms show many characteristics outlined in the gender literature for women entrepreneurs that access services. They were small and often they operate from home, but they also entered new economic sectors, used more technology, had ambitions to grow, and were able to count on managerial experience before starting their own business. The remainder of this section will more fully describe these characteristics of the businesses and entrepreneurs interviewed.

Sectors

The women interviewed in this study struggled to make full use of the services even though they are not in traditional women sectors. By contrast, many are in **new, unconventional sectors** (e.g., animation, publishing, electronic recycling). One BSO also confirmed this view, saying that “*women are in many innovative products, with appeal for export market, like gluten-free processed food.*” The boxes below highlight two entrepreneurs working in innovative sectors.

Box 1. Innovation and perseverance in the recycling sector

B used to be a manager at a scrap metal recycling company and always liked the concept of recycling and reusing things. After being laid off, she decided to work on her own and to stay in the recycling sector. She conducted research to find out what could be recycled and what was already recycled in the Caribbean, and she found that electronic waste (e-waste) was not being recycled. She saw an opportunity because she thought that if e-waste was recycled, it could create great value for the environment and for people’s health. With the help of friends, she raised the initial capital to start her operations in 2008. Her journey was a difficult one. She had to start from scratch by educating people about the importance of recycling electronics, something really new in Barbados. After shipping her first container of recyclable material oversea, the buyer did not pay her. This incident created a huge setback for her business, as she explained, “*I am still recovering from it,*” and nearly drove her to quit. For her second container, B was able to secure a loan from BYBT, that allowed her to buy tools, material, rent for the site and cover the costs for shipping the container. She expected to be paid for the value of the material shipped oversea, instead this time she was paid only enough to recover shipping costs. Once again, B did not quit, and kept going. She kept overhead costs at the minimum, she had support from friends and she shipped a third container, a small one, to Canada. This time she was paid in full and, as she commented, “*that gave me hope.*”

Meanwhile, her operation site was vandalized and all her material and tools were stolen. But she persisted, she continued to collect recyclable material, doing research, while networking and educating people. Along the way she was able to connect with a key organization that deals with e-waste in the Caribbean and participate to their events, in which she met the main players in the market and learned about recent trends. She was also a UNDP/GEF grantee for a project to raise awareness on disposing persistent organic pollutants (POPs) from e-waste.

Financially it was very challenging, at the time of the interview, B was still catching up from those initial accidents and she was still paying back her loan to BYBT: “*I feel in a constant financial limbo.*” She used to have a staff of six people (3 full time and 3 part time), but she could not pay them regularly and the work was physically strenuous for them, so eventually they left. But she has been determined and she has been identifying solutions along the way. For example, to prepare a container with electronic material to ship, it may take up to 3 or 4 months, and it is challenging to briefly pause work during those months. In order to help with the interim process, B learned how to refurbish systems to then sell them to low-income families at an affordable price. Finally, she had to overcome her fears of being a female entrepreneur from another country, and being a pioneer in a new sector. The combination of these three elements have created enormous barriers for B to access finance, which she thinks is the biggest obstacle to her business growth. Nevertheless, she was able to use the assistance from several BSOs, including BYBT and WINC, through which she was connected to mentors who provided her with sound business advice.

Box 2. Starting from scratch in the animation sector

When K started, she did not have any experience in the animation sector. Instead, she had plenty of experience in the emergency services sector and offshore banking. When she was in a break in between jobs, she spent some time with her mother in the US and she started drawing her main animated character. She published her first comic book through a sponsorship of an oil company that requested her to write a story on renewable energy. After that, she was able to access grants from international organizations that allowed her to publish her second set of books. Then she saw an advertisement on the paper for a job in an animation company and she applied. Even though she did not have any experience in animation, she was hired and received training for one year. After the year of training, when she was about to start the actual work, then owner suddenly died. She decided to stay in the sector, and kept in touch with people from the company, and especially with the instructor, a Canadian who now is also the main source of her work. She secured another international grant through which she published more books, created an app for her animated character, and a pilot for animation. Since then, she learned how to use many different types of software on her own. She is not intimidated by technology to the point that now she teaches computer animation classes.

Other entrepreneurs in the sample are operating in more traditional “women sectors,” but they sought to bring something unique to the market, an innovative aspect (healthy dining out, cruelty-free cosmetics). One provider said “[women entrepreneurs] *see an opportunity in the market, they do what they know but maybe in a different way.*” For example, C noted that domestic care is a need in Barbados, with many expatriate families that have children and many tourists from Europe coming to the island and needing

childcare services. She decided to open an agency for domestic care (which includes childcare, senior care, and house cleaning), but she understood that she needed to do it in a different way. Most agencies provide their services through contractors that do not have an employment relationship with the agency. C noted that, especially people coming from abroad, need to trust that the services provided are safe. Therefore, she decided to hire her staff as permanent employees in order to gain the trust of her clients. She now has a constant stream of clients that repeatedly use her services or refer others to do so.

Management experience

Most women interviewed for this research have **previous management experience** in other companies. When they do, it makes a big difference. The experience that they might have gained in a previous company gives them the managerial skills that they need to run their own business, the practical knowledge on specific issues such as book keeping, balance sheets and taxes, and, even more importantly, the confidence that they need for being an entrepreneur. The interviewed entrepreneurs who worked for several years in big companies (insurance companies, banks, travel agencies, hotel industry, to name a few), believe that the managerial skills that they acquired through their previous jobs made a difference in their ability to run their own business.

If they did not have the previous managerial experience or the key skills, most interviewed entrepreneurs gained relevant education and training. Some entrepreneurs sought training in business, economics, or marketing. Others chose to pursue a vocational training certification program later in their career. And few others took business or entrepreneurship classes right before starting their own business, to complement the technical expertise that they had.

Box 3. Paths to acquiring managerial skills

F worked at a large consulting firm in marketing. The marketing knowledge and business skills that she gained during that job helped her tremendously running her own business (event planning).

K is in the animation sector. Before starting her business, she did not have experience in the technical side of her business, but she had extensive business and managerial skills: she had worked for eight years in the emergency services sector in the Cayman Islands, subsequently worked in a car dealership, where she quickly raised the ranks, and lastly, she was an executive at an offshore bank. Throughout all these jobs, she received on the job training on accounting and managing and learned how to do due diligence. She acknowledges that the skills acquired through her previous work experience helped her tremendously for running her own business and accessing grants from international agencies.

H is a retailer and learned how to run a business in previous job experience: she was a watch seller for a shopping TV channel. Through that experience she learned how to keep an inventory, reach targets, set prices, and do quality control, among other things.

E, an occupational therapist by profession, is retailer of medical products and supplies. She started her business almost 30 years ago as an activity on the side, to provide her patients with the right products. When the business became more prominent, she took a course at BIMAP (sponsored by CIDA) to learn basic business skills and she was assigned an accountant that guided her through basic accounting. She learned a lot and it helped her structure her business correctly from the very beginning. Since that, she took additional courses at BIMAP and night classes at community colleges to increment her skills (for example, on computer skills).

When they did not have necessary skills, the women interviewed were not afraid to seek outside expertise and learn from it. For example, when her domestic care agency was “*in chaos*” (as she defined it), C hired an accountant who went through her business and helped her put things into place. The accountant educated C on how to run her business and help her to break even. J, owner of a consulting firm, was not sure that she was up to date with her information and technology skills (IT) and was afraid that she was not going to be able to give advice to her clients on the topic. Thus, she hired an IT specialist who educated her and developed a plan for her to follow when she gives IT advice to her clients.

As these examples show, business experience and education were important because they gave women entrepreneurs a framework of reference for running their business professionally and recognizing in which areas they needed additional help. Because of these skills, the female entrepreneurs of the sample were able to prepare business proposals and financial plans necessary to start the process to gain entry into the financial and technical assistance system. Together, education and work experience might have also impacted the choice of activity. Higher education and experience, for example, seem to be related to high return activity, being formally registered at start up, and possibly becoming attractive to lenders (IFC, 2011).

Growth aspirations

These business owners have **ambitions to grow**. Therefore, their motivations were not an obstacle for them to access and benefit from financial and technical assistance. The vast majority wanted to expand their business and looked constantly for services and programs that may meet their needs and help them fulfill their aspirations. All the entrepreneurs interviewed, with the exception of one, stated that they wanted to grow their business: hire more staff, export their products and services, differentiate their services, take on more clients, and so on. They may be modest and cautious at the beginning of their journey, but after a period of consolidation they all wanted to grow their business. Even entrepreneurs that were still in the start-up phase, they all had goals to expand down the line. However, women entrepreneurs understood the implications of having to carry out other tasks at home and take care of their children, in addition to seeing their businesses grow. The interviews with these entrepreneurs revealed

that even though they were willing to do what it takes to grow their businesses, they also sought to maintain work life balance. Thus, while they may have been motivated to expand and grow their business, the process also was slow.

I, the owner of a management consulting firm, was interested in expanding her firm by hiring an associate. By hiring someone with similar skills as her, she could expand the range of services that she offers, like recruiting and head hunting, while not losing her current portfolio. At the same time, she was also mindful of her family commitments (she is a single mother) and she does not want to expand too much. L, a fitness event organizer, wanted to hire a team of people, organize bigger events, and improve her marketing by using video production and photography. K, in the animation sector, worked from home and she wished to expand by getting her own business space where she could teach and do her projects. B, in the recycling sector, also wanted to grow her business. She had already registered her business in Grenada and Guyana. People from other countries were calling her because no one else is doing what she does, suggesting that there was lots of potential to grow.

Use of technology

Lastly, the female entrepreneurs in the sample were not afraid of **technology**. They use different forms of technology on a daily basis, which they believed helped increase the productivity of their businesses. Most of the interviewed businesses were very comfortable using digital marketing and social media, including social media automation software and apps.⁸ Some of them created their own websites. Others use apps for their business or digital platforms for online booking. Many of them learned how to use technology by trial and error, and then eventually became proficient in using it. One entrepreneur even learned how to refurbish equipment to sell them to low income families in order to diversify her business and create an additional stream of income. Overall, technology did not emerge as a barrier for the entrepreneurs in the sample, and for many of them is an important aspect/tool of their business. As suggested by previous studies (see for example World Bank, 2015), the use of technology put these firms in a different category of businesses that financial and technical assistance providers may be keen to serve because perceived to be more growth-oriented.

The remainder of the paper will show that, despite all of these characteristics, these business owners struggled to make full use of the financial services provided by the organizations they accessed and had continued unmet training and mentorship needs.

⁸ These tools are used to minimize time efforts and maximize output of social media content.

4 The ecosystem of financial and technical assistance in Barbados

Barbados is a small island developing state (SIDS), with typical SIDS characteristics such as small population size, limited resources, high dependence on international trade, vulnerability to external shocks, little opportunity to create economies of scale and low export diversity (CDB, 2016). All these factors have increased the island's exposure to the global economic crisis that began in 2009. The island's economy is largely based on services: in 2017, 80% of GDP was attributable to services, consisting mainly of hotels and restaurants (19%), finance and business services (20%), government services (9%), and wholesale and retail trade (9%) (Barbados Statistical Service, 2018). Barbados has high-quality institutions (IDB, 2013). The island has a history of effective leadership, demonstrated by the fact that in 2017 it displayed one of the highest rankings for government effectiveness of any Caribbean country in the World Bank's Worldwide Governance Indicators. This section provides a quick overview of the financial and technical assistance providers that make up the business support ecosystem in Barbados.

4.1 Financial Assistance

Women-owned businesses in Barbados have several venues that they can try in order to utilize financial services. **Commercial banks** in Barbados offer various types of credit facilities, such as traditional loans, overdrafts, leases, among others. Some commercial banks have dedicated credit products aimed at small businesses but they do not have a dedicated line of credit for women entrepreneurs. In addition to commercial banks, there are also a number of specialist institutions and funds that offer financing to specific target groups. **Credit unions** are highly active in the small-business sector, and especially the informal sector. Credit unions are thus an important source of lending to small businesses, and potentially also to women-owned businesses (IDB, 2014). However, they do not have dedicated lines of credit for women-owned businesses. In addition, regulations governing credit unions prohibit lending to companies, leading credit unions structure lending to women entrepreneurs as personal loans. **Public and private development agencies** are an additional source of credit for women entrepreneurs in Barbados.

The table below offers an overview of financial services available to women-owned businesses. It gives information on the provider (name, source of funding, and general purpose of the organization/target population), on the available services, the requirements needed to access those services, and the ratio of women-owned businesses in their client portfolios. It is worth noting that in terms of providing services to women entrepreneurs, the different financial services providers vary greatly in the portion of their clients who are women entrepreneurs. Interviews with representatives of

commercial banks indicate that 20-30% of clients in their portfolio are women-owned businesses,⁹ while credit unions and Fund Access may be around 50%, and the NGO-led BYBT reaches 70%.

Table 3. Overview of financial assistance providers

Organization	Public sector/Private sector/NGO	Purpose of Organization	Services	Requirements	% of women-owned business clients
Commercial banks	Private sector	To provide a wide range of financial products and services	Various types of credit facilities: loans, overdrafts, leases, among others. Some commercial banks have dedicated credit products aimed at small businesses (but no dedicated line of credit for women entrepreneurs)	Business plan, financial records, collateral/security to back up a loan, or equity in the business.	20-30%
Barbados Workers' Union Cooperative Credit Union (BWUCCU)	Private sector	To improve the social and economic well-being of members; To provide comprehensive financial services to members; To develop a stronger sales and services orientation; To maintain and increase member loyalty.	Micro finance loans go up to Bds\$10,000, and on average women entrepreneurs ask for Bds\$5,000. Other loans go up to Bds\$25,000 and Bds\$650,000 (for mortgage)	business is formally registered, that there are some financial records or a bank account with a minimum deposit of 10% of the amount of the loan	55%
City of Bridgetown Cooperative Credit Union (COB)	Private sector	To deliver financial products of the highest quality, and services that will attract membership; To influence the personal development and commitment of all employees and members; To treat employees fairly and equitably within an atmosphere of teamwork; To engage in sound financial practices, building strong linkages to cultivate community	Home and Mortgage Loans; Vehicle Loans; Personal Loans; Lines of Credit; Loans to self-employed people toward securing working capital.	Being a member of the credit union, providing bank statements, tax information, financials for at least 3 years. For micro loans, there is no requirement for collateral. But for larger loans, collateral need to cover up to 90-100% of the loan.	Not Available

⁹ During this research, it was not possible to have data on the ratio of loans granted to women and men. Some bank officials reported that they do not have this information disaggregated by gender. However, from the interviews with providers, it was possible to obtain approximate estimates based on their personal experience.

		development.			
Barbados Youth Business (BYBT)	NGO	Youth entrepreneurship (18-35)	US\$500-15,000	asset and character-based lending	70%
Fund Access	Private company (with public affiliation and funding)	Entrepreneurship and business development	US\$350 – 10,000, subsequent loans at a ceiling of \$25,000	Guarantors/collateral	50%
Enterprise Growth Fund Limited (EGFL)	Private sector led institution (government provides tax concessions and seed capital)	It is a Fund Manager offering loans from dedicated, sector-specific Funds.	US\$0.1 million to US\$1.5 million.	Guarantors/collateral	20%
Barbados Investment & Development Corporation (BIDC)	Public sector / Ministry of Industry, International Business, Commerce and Small Business Development	The BIDC is an agency of the Barbados Government with the goal to increase exports and employment through new investment, diversification and the support of competitive businesses.	can lend up to Bds\$100,000	businesses have been running for one year and need to provide financial statements and invest 50% of the total amount of the project	Not Available

4.2 Technical assistance

Technical assistance in Barbados is provided by various BSOs. The women-owned businesses interviewed for this research were able to utilize these services to further their growth. Barbados Youth Business Trust (BYBT), Youth Entrepreneurship Scheme (YES), Barbados Investment & Development Corporation (BIDC) and the Women Innovators' Network of the Caribbean (WINC) are among the most cited organizations when it comes to providing useful technical assistance to women-owned firms. These organizations offer a wide range of services, including basic training, branding and marketing, mentorship, and networking. The female entrepreneurs interviewed for this research often accessed a combination of them.

Table 4. Overview of technical assistance providers

Organization	Public sector/Private sector/NGO/Other	Target population/purpose of the organization	Services	Requirements
Barbados Youth Business (BYBT)	NGO	Youth entrepreneurship (18-35 age group)	Training; Business mentoring; Networking; Marketing.	Preparing a business canvas or business plan
Youth Entrepreneurship Scheme (YES)	Public sector / Division of Youth Affairs in the Ministry of Culture, Sports and Youth	Youth entrepreneurship (18-35 age group)	Development training in entrepreneurship; Technical assistance in accounting and marketing	Attending a training course

Barbados Investment & Development Corporation (BIDC)	Public sector / Ministry of Industry, International Business, Commerce and Small Business Development	Small businesses, local manufacturing companies, service companies and craft producers	Business development; Branding and marketing; Packaging; Social media; Exporting. The BIDC has also promoted local craft by allowing artist and craft makers to promote and sell their items in the Pelican Craft Centre.	Free of cost or small fees
TEN Habitat	Non-profit	Hybrid accelerator for business start-up One boot camp per year is targeted to women	Mentorship and guidance for entrepreneurs to validate, develop and grow business ideas. Funding to help launch and expand ideas into thriving enterprises. Co-working space and innovation hub to meet, share, innovate, learn from others and build community Media coverage to share and celebrate the stories of entrepreneurs and their companies.	Entry into the program is through their start-up boot camps that happen twice a year. The boot camp is an intensive two-day process. On the final day, teams pitch their refined ideas and business plans to receive feedback from a panel of experts. At the end of the boot camp, five of the most promising companies or ideas are accepted into the hybrid accelerator program.
Women Innovators' Network of the Caribbean (WINC)	It is part of the Entrepreneurship Programme for Innovation of the Caribbean, funded by the Government of Canada and implemented by the World Bank's infoDev program for innovation and entrepreneurship	Growth-oriented female entrepreneurs	Business and personal development; One-on-one mentoring; Technical workshops and motivational sessions.	Businesses need to be registered for two years, have legal status, projection of growth and they need to pay a fee
WE-Xport	Program run by Caribbean Export Agency and funded by the EU	Women-owned businesses	Support women-owned enterprises to increase their access to finance, build their capacity as entrepreneurs and increase access to markets	20 women-owned businesses selected through a competitive application process
Barbados Chamber of	Private sector	To provide information about	Advocacy; Policy Resolution;	Being a member

Commerce and Industry (BCCI)		taxes and legislation, targeted workshops and some general assistance.	Trade Facilitation; Representation; Export Certification; Business to Business Meetings; Trade Missions; Networking Opportunities; Advertising and Promotional Support; Business Clinics & Enterprise Support; Partnerships; Training/Education.	
Small Business Association (SBA)	Non-profit institution that represents micro, small and medium business enterprises.	To provide a sustainable platform for micro, small and medium businesses; provision of financial, commercial and educational opportunities. assistance.	Advocacy & Lobbying; Training & Education; Business Development Services.	Being a member
Barbados Institute of Management & Productivity (BIMAP)	Private sector	To improve the efficiency and effectiveness of management, public and private, and to increase national productivity.	Management Training & Development Management Consulting Research Executive Recruitment & Development Information Technology Certification	Fees for courses

Some services are specifically **tailored for women**. WINC is an eight-month program that provides a range of services including business and personal development, one-on-one mentoring, technical workshops and motivational sessions. In order to participate, businesses need to be registered for two years, have legal status, and have a projection of growth. Also, they need to pay a fee. The latter requirement in particular is perceived to be a barrier for female entrepreneurs in Barbados, so much so that for the second round of the program, it was hard to find participants in Barbados and the organizers had to put out two calls for participation. TEN Habitat runs a boot camp just for women, at least once a year. The organization saw a need in the market and recognized that some female entrepreneurs may prefer a women specific forum where they could have fewer barriers to open up and talk openly about their business ideas and aspirations. Another effort to provide dedicated support to women entrepreneurs to grow their business has been made by Caribbean Export through the Women Empowered through Export (WE-XPORT) project, funded by the EU. The WE-XPORT project was about to start at the time of this research and will support twenty women-owned enterprises to increase their access to finance,

build their capacity as entrepreneurs and increase access to markets. Caribbean Export received an extraordinarily high number of applications for the WE-XPORT project from every country in the CARICOM¹⁰ compared to other calls that the organization has made in the past for technical assistance for businesses in general, confirming the existing demand for this type of business support for women entrepreneurs.

Box 4. Technical assistance services used by female entrepreneurs

Most women-owned businesses included in this study used a variety of basic **training in entrepreneurship and management**. This type of assistance is especially useful in the early stages of the business, and provide some specific skills that female entrepreneurs may initially lack. BIMAP was mentioned by several entrepreneurs as a great starting point for training in basic management and entrepreneurship skills. YES, too, offers development training in entrepreneurship, and technical assistance in accounting and marketing (covering topics like legal affairs, human resources, product development, packaging, and new technology). YES, for example, helped C, in the domestic care industry, adjudicate among conflicting pieces of advice and gain clarity about her business: “They taught me how to run a business free of cost, and also helped me understand myself and my personality.” While these services are useful in the early stages, later on they may not be enough in order to grow their business. B sees that basic business information is available from many BSOs, but she has already attended many workshops and training, and at this point what she needs in order to grow is more capital.

Other available services that help women entrepreneurs grow are **branding and marketing**. B IDC for example, provides a number of services related to branding and marketing, including packaging, social media, and exporting through participation in trade missions. Many entrepreneurs interviewed for this research have used business services from B IDC and they were all extremely satisfied with it. Training workshops are very accessible, free or at a minimal cost, and they are held during the day or in the weekend, never in the evening, and they only half day. The organization reports that these features make them very appealing to women entrepreneurs, and they see a good turnout of women for some the workshops. For example, B IDC sponsored K’s business (animation sector) to participate to an event on 3D animation: B IDC paid for the booth and since then has been passing information about animation. N runs a restaurant with healthy food: when she was a member of W INC, she was introduced to B IDC and the organization was able to deliver all the services that N was asking for. For instance, following international standards, the B IDC design team developed logo and labels for chutneys and condiments that N sells through her restaurant, and recounted that they provided great help in terms of knowledge.

A operates in the cosmetics sector and accessed technical assistance in international branding from YES. The organization took A to a trade exhibit for the first time, and the entrepreneur was very satisfied with the experience. She felt that YES staff tried as much

¹⁰ The fifteen country members of the CARICOM are: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

as they could to help her. When she attended the exhibit, YES paid for everything and made sure she was ready. The only requirement she needed to meet was to complete a training course beforehand. She was also assigned an advisor, who was an entrepreneur, and which she stated was really helpful. She expressed an eagerness to participate in more trade fairs with the support of YES, which she believes will help positioning her products on the market.

5 Challenges in the use of services

The characteristics that women-owned businesses have in this sample imply that many of the barriers identified in the literature do not apply to this specific set of entrepreneurs.¹¹ Because these entrepreneurs do not operate in traditionally “women sectors,” which usually tend to be low-growth and overly saturated, they do not face obstacles that stem from these characteristics. Also, because they have business skills and financial understanding, the entrepreneurs in the sample did not have problems in preparing business proposals and financial applications. In addition, because the interviewed entrepreneurs have growth aspirations for their businesses, their motivations do not act as a barrier to access financial and technical assistance, instead they are actively seeking access to credit and business support. Finally, the use of technology enables these entrepreneurs to be more productive and be perceived as more “growth-oriented” than firms that do not use technology, and thus more attractive to providers.

Yet, even though the entrepreneurs in the sample did not experience these specific barriers, many women who do gain access to these services face barriers to fully realizing their potential. What barriers did they face and how did they overcome them? What other challenges continued to limit their use of financial and technical assistance? Drawing on interviews with female entrepreneurs and providers, this section analyzes the main *demand-* and *supply-side barriers* that the women entrepreneurs from the sample perceive to effectively use available services: accessing loans and other credit facilities, lack of mentoring and other sources of business advice, limited professional networks, negative perceptions of providers, and family responsibilities.

5.1 Accessing loans and other credit facilities

When providers offer credit to women entrepreneurs, there are limitations in the size of the loans that they provide and the stage of the business. Even when women-owned businesses are able to access credit, the **amount of the loan** is often insufficient, as explained by an interviewee: “*the more money you want, [it] is harder to get.*” This is because the lines of credit that they are able to access are those that offer micro-loans or small amount of capital. Also, the **stage** in which a business is dictates which

¹¹ Because the sample includes only women-owned businesses that successfully accessed financial and technical assistance, other female entrepreneurs in Barbados may still face those barriers identified in the literature.

financial providers are more accessible. For example, banks are not keen in providing loans for starting a business, given the associated high risk of startups, regardless of the gender of the business owner, and other sources, such as angel investors, seed capital or venture capital, are still nascent in Barbados.

Interviews with women entrepreneurs revealed that the main source of financing to start or expand their business is their own savings together with their personal circles (family and friends). When they started their businesses, many of the interviewed entrepreneurs used their savings or built their capital with the help of their families or friends. Interviews with both users and providers revealed that one main obstacle of fully meeting the needs of women relates to **collateral** for loans. In order to give a loan, banks generally require some forms of collateral/security to back up a loan, or equity in the business. Banks acknowledge that women-owned businesses (as well as all small businesses) have difficulties in getting collateral, and they understand that this could be a barrier for some businesses to fully access their credit facilities. This research did not include a comparison with men-owned businesses, however it is implicitly understood that women hold fewer assets than men. There is a perception that women encounter more difficulties than men in providing collateral for a loan. However, the interviewed providers did not recognize that women tend to have fewer assets. All representatives of the commercial bank sector reported that in their view women do not face more barriers than men in accessing a loan and that therefore they do not see a reason for offering services tailored to the needs of women entrepreneurs. This view is directly at odds with that expressed by the women interviewed in this study and with the findings in the broader academic literature. Thus, there is a gap between the practices of the banks and the perceived needs of their clients. Such a gap is noticeable especially considering that the women interviewed for this study had often gained some access to finance from other providers.¹²

Most businesses from the sample did not go to a commercial bank when they started their business because they often do not have the required collateral. In addition, these entrepreneurs considered the application process too onerous (for the preparation of business plan), very uncertain, and long. Some interviewees also commented that they believe that banks are inadequate for their businesses, and that they perceive the banks' portfolio as mostly made of mortgages and car loans. Interviewees also observed that when banks give loans to entrepreneurs, it is mostly to the individual, and not the business. Furthermore, in these cases, interviewees entrepreneurs and providers sample believed that the professional status, rather than the content of their business plan, help individuals get loans.

¹² There were some exceptions. Some banks are being involved with a program run by the Caribbean Export Agency, the Women Empowered through Export project (WE-Xport, see table 2 for more details on the program). Within the program, the participating banks agreed to provide one-to-one information sessions to the participant women-owned businesses to guide them through the process of getting financial assistance.

In a few cases women did get a loan from a commercial bank at the beginning of their business. In those cases, two main patterns emerge: the involvement of a husband as partner in the business, and the persistence of the female entrepreneur. A couple of entrepreneurs were able to get a loan with their husband being partner in the business. Although these female entrepreneurs did not try to get a loan on their own, they had the perception that it was easier to get a loan because of the presence of their husband. When J started her management consulting business, her husband was joint director and together they obtained a loan from a trust company and used their savings to secure the loan (the amount of savings covered the full amount of the loan). When E wanted to expand the space for her business (occupational therapy services and retail of products), her and her husband (who owned 49% of the business at the moment) were able to get a loan by providing bonds and savings as collateral.

Other female entrepreneurs were able to secure a loan because they were persistent, did not accept no as an answer and kept knocking at different doors. When G started her pharmaceutical distribution business, she went to two banks that declined her request. She was told that her idea was too new (although she had done it before but under the umbrella of a large company) and she was perceived as a risky investment by the banks. Eventually she tried with a third bank, where she was known as a former client, and with the same business proposal she was able to get a loan and an overdraft facility.

P developed her business idea for a publishing company in the tourism sector while she was completing her masters' degree in marketing. She started her business with Bds\$10,000 from family but she needed more capital. She went to multiple banks with a business plan. Each time she was declined her request, she took the feedback and made improvements to her business plan and went to another bank. After many rejections, and with a well improved business plan, she went to BYBT and eventually secured a loan there.

After a few years of operations, many of the businesses interviewed wanted to expand their activity. When they want to grow, women are inclined to seek financial assistance from banks since, as they recount, banks theoretically provide appropriate services for the growth stage of a business. However, even when they have a more established business, and often a credit history with the financial institution (maybe they have a savings account there, or a company credit card), they still face many challenges. F asked her bank for a company credit card. The bank wanted to hold Bds\$10,000 to give Bds\$10,000 in credit, and F decided that it was not worthy and prefers to borrow from herself. Even though she has a long credit history with her bank, she feels that *"you don't get rewarded for good financial record, you only get penalized if you are bad."* In another case, H, who is a retailer, struggled to get a mortgage for adding an office and storage area to her store. She had been client with the bank for 10 years, had deposited funds in her account in the bank, and the bank could see from her statements that she had the ability to pay. Nevertheless, the bank only authorized the loan when she threatened to leave them.

Other organizations do not require as much collateral, but do not offer loans of sufficient sizes or at the right stages for business to grow. This is the case of the credit unions. Based on the experience of the Barbados Workers' Union Cooperative Credit Union (BWUCCU), which is well-known in the business community for their lines of credit for small businesses, women entrepreneurs meet the requirements mostly for micro loans: they usually have some financial records, and with some funds deposited in a BWUCCU account, the credit union can extract their capacity to pay and can lend based on that. Officers of the credit union also carry out business observations and site visits to make a complete assessment. BWUCCU is aware that collateral is a problem for women and uses micro loans to meet the needs of women entrepreneurs. Similarly, the City of Bridgetown Cooperative Credit Union (COB) reported that, for micro loans, there is no requirement for collateral, while for larger loans, collateral need to cover up to 90-100% of the loan.

While this form of micro finance provided by the credit unions represents an option for women-owned businesses, it is mainly an option for professionals or businesses with small capital requirements. As the literature suggests, when women entrepreneurs grow their firms, they need financial products and services that go beyond microcredit (IFC, 2011). None of the entrepreneurs interviewed for this research used a credit union. One explanation could be that these businesses were seeking larger amount of capital. Thus, businesses with demands for higher amount of credit are often left underserved, perpetuating the cycle "low growth-low status-low pay" (Lashley, 2009).

Box 5. The loan guarantee scheme by the Central Bank of Barbados

Nearly all the financial providers interviewed brought up the loan guarantee scheme for businesses provided by the Central Bank of Barbados as a solution to the collateral problem. Under this scheme, a small business that does not have collateral or other forms of security, can request the Central Bank for a guarantee in order to secure a loan from a commercial bank. The Central Bank guarantees up to 80% of the amount of the loan, which means that if the small business defaults, the commercial bank can recuperate 80% of the amount from the Central Bank.

None of the people interviewed for this research, both from the demand and the supply side, have successfully used this scheme, which apparently involves a very lengthy process and a very little likelihood to qualify. Only one entrepreneur applied to the scheme, but did not qualify. She explained that before applying, her bank warned her that it was going to be very unlikely that she would get it because in this particular bank's experience only four businesses were able to secure this guarantee. Nevertheless, she decided to apply. She found the process very long and lacking in transparency (she reported that at the end of the process, she was not even informed of the actual reasons for the denial). When asked more in details about this scheme, respondents from the providers side could not offer specific details, but reported that it is not often used. Therefore, the interviewees suggested that the Central Bank's program did not create a route to gaining loans that the

women could take advantage of.

What this analysis reveals is that there are differences in the ways in which the supply of financial services addresses the problem of collateral and that this difference relates to the ability to provide sufficient credit to women at the right stage. However, organizations that find solutions to the collateral problem are able to meet the needs of women. Indeed, in the start-up phase of their business, many of the entrepreneurs interviewed were able to get loans from those organization (e.g., Fund Access and BYBT) to supplement their own financial resources.

One partial solution that is particularly important for women is the use of a **personal guarantor**, that is, a person that can be accountable with his/her own assets if the lender does not pay back the loan. However, this requirement also has its own limitations. For instance, a guarantor is the main requirement for Fund Access, a well-known government agency that offers loans to small businesses. According to the agency, women entrepreneurs prefer to put down other types of security (for example, savings to secure her loan) rather than having a guarantor. As explained by a representative of the agency, if a client is not paying a loan, Fund Access would get in touch with the guarantor to let them know that the client is not complying. The interviewee believed that it may be difficult for women entrepreneurs to find a guarantor that they feel comfortable with. Also, the eligibility criteria for being guarantors also present some limitations. For example, potential guarantors may need to be Barbados citizens (e.g. a foreign resident does not qualify) and fall in a specific age group. The interviews with women entrepreneurs revealed that the age limit of the guarantor (65-year-old) acts often as an obstacle. For example, in many cases female entrepreneurs could not put one of their parents as guarantors since they were over the age limit.

Box 6. Limitations of the personal guarantor requirement

N, who runs a business in the healthy dining sector, tried to get a loan from Fund Access in order to buy machinery and packaging for condiments that she makes for her restaurant. She could not secure a loan since she was not able to find a guarantor for her loan: her husband is not a citizen of Barbados and does not qualify, and her father is over 65 (which is the age limit to qualify as a guarantor). Fund Access asked for some other form of collateral but in the end, she decided to not pursue the idea of the loan. For her this was an “*eye opener: even Fund Access is so rigid.*” Therefore, when years later she wanted to do some upgrade to the restaurant, she decided to use her own savings because she was jaded by the process.

In order to move beyond the collateral challenge and to lower their requirements, some organizations adopt **character-based lending**. For example, BYBT does not require collateral or guarantors, but provides loans based on a mixture of asset and character-based evaluation (Lashley and Lord, 2002). Probably because of the lower requirement, BYBT is the most cited source of financing in this research,

and overall women entrepreneurs account for 70% of the portfolio of this organization. Also, the loan amount is closer to the needs of some of these entrepreneurs (the maximum loan size is Bds\$25,000, with an average loan size of Bds\$15,200).¹³ How does character-based lending work? Throughout the application process, BYBT assigns the applicant an advisor with whom they develop a business plan.¹⁴ The business advisor gives recommendations to BYBT about whether or not to give a loan and the size of the loan, and after that applicants go through a meticulous process of meetings and tests. The process ends with a final meeting with the credit committee during which applicants pitch their business plan to get funding. As a result of this process, the loan can be granted, referred, or declined. To complement this meticulous assessment process, BYBT offers mentorship programs throughout the duration of the loan (as part of their technical assistance services). The organization noted that when a mentor is assigned to a business entrepreneurs are less likely to default because the mentor gives them targets to meet and becomes an accountability check.

Other organizations incorporate more personal elements to the lending process. For example, officers of Fund Access may pay several visits to a business client and seek to establish a trusting relationship with their clients. These close observations and interactions provide the officers with additional elements for evaluating successive loan requests. By complementing the analysis of a regular business plan with this additional layer of information based on personal interactions and evaluation, providers like BYBT and Fund Access were perceived to have become a more viable source of finance for women-owned businesses than commercial banks and credit unions.

Finally, another issue that emerged from the interviews is that entrepreneurs want something more than financing: a **support system**. K works in the animation sector and accessed a number of grants from international organizations, such as the UN. What K likes about these international projects/grants is that *“you don’t only get the money, but a structure, a whole project with milestone to reach. At banks, they gave you money and that’s it. With grants is more structured, with project report you learn what you have to do and how to do it differently.”*

Women often start a business on their own and feel vulnerable when making financial decisions. Some businesswomen said that they wished they had some guidance in how to spend the financial resources they accessed because they would have avoided many mistakes. M, who owns a nanny agency,

¹³ In addition, BYBT is also in condition to offer small grants with the objective to check the feasibility of the business idea, provide some support to develop it, and do a minimum of market research to see if someone else is doing something similar. The grant is up to BDS\$1,000 and there are no strict requirements, BYBT just gauge the feasibility and appeal of the business idea. This is different from when applicants ask BYBT for a loan, because in that case the business idea needs to be already determined as viable.

¹⁴ If the loan is under Bds\$5,000, the entrepreneur needs to prepare a “business canvas” (a one-page format that BYBT provides and applicants prepare with an advisor), an application form, and has to provide two references.

won a competition that gave her funding to start her business. However, she thinks that her and her partner did not use the money in a responsible way (they used it for marketing and events). Now that she has more experience, she would made longer term investments. But at the time she did not think about it and on one guided her.

Others reported that they appreciate the support system they get together with financing from BSOs, where they get step-by-step help throughout the process: *“In the end it was better getting a loan from BYBT and not from a bank because of all the system in place to help and guide me throughout”* (P). At TEN Habitat, entrepreneurs meet every week with their mentor with a task: *“It gives me a calendar, a structure. They helped me step-by-step figuring out my business proposition”* (Q).

In sum, while low demand is often cited as a reason for women’s low use of financial services, interviews with female entrepreneurs show that it may only be partly accurate. On the one hand, the policies and practices of financial providers (and especially commercial banks) offer a possible explanation lack of female entrepreneurs in their loan portfolio. These providers have the perception that female entrepreneurs are satisfied with their small size, which interviewees stated may be enough to provide women with some income for the household and especially with the flexibility to take care of their family responsibilities. Also, another explanation that the commercial banks offered in this study is that women are more risk adverse than men, and more cautious to borrow capital, even if they have the qualifications to do so. On the other hand, interviewed women reported being denied bank loans, which in turn discourages them from applying again. In addition, the type of available services did not always meet their needs, because of requirements, amount of available capital to borrow, timing in which it is available, and lack of guidance and support. As a result, many women entrepreneurs tended to self-finance the start-up and growth of their businesses, relying on personal savings, investment from family and friends, and the reinvestment of business earnings. These financing practices likely limit their growth opportunities.

5.2 Lack of mentoring and other sources of business advice

One of the most requested business development service from the businesses in the sample is mentorship. Yet, only few organizations provide it. Some women entrepreneurs recounted that they are alone, they do not have mentors or sources for business advice. I, who has a management consulting business, commented *“There is no place where an entrepreneur like me can go to bounce ideas off and share experience to have encouragement, get information. Assistance is lacking.”* Similarly, M said that *“when I started there was nowhere to go, nowhere to find a mentor. There is no real mentorship program here, people don’t understand what it means to be a mentor.”* F found that there is a huge gap; at some point of her journey she felt that she needed a mentor but she could not find a person that could

understand her and her business. She tried with someone from her previous job (a large management consulting company), but after a couple of meetings they realized it was not going to work out.

Most entrepreneurs rely on their friends for business advice. If they need specific assistance, they reach out to specialists (lawyers, accountants, IT). Many of them also rely on their own research abilities and search on Google and YouTube to find the information they need. A few also mentioned business associations like BCCI and SBA as a source of information and business advice. However, not all the entrepreneurs that were interviewed were happy with the services offered by these associations. For example, H found that BCCI is not catering to her needs and she sees a lack of interest on their part to find out what businesses really want to know. A (who is in retail) is not member of the SBA, for example, because she feels that “*they only want to make up a number*” and are not really paying attention to assist small businesses. J, on the other hand, uses a combination of all of the above for different things: she may call a friend for a quick question, her lawyer for professional advice, IT consultants for technology issues, or she just asks colleagues and the SBA.

A few organizations include mentorship as part of their services. For example, the mentorship program is one of the key strengths of the BYBT. BYBT identifies business experts, community leaders or CEO that are willing to give their time to mentor a young entrepreneur, and then it undertakes a careful process for the selection, training and matching of mentors with entrepreneurs. There are three different types of mentoring: 1) specialist mentoring: when a mentor is needed for a special need, for example a lawyer for legal issues; 2) cluster mentoring: when BYBT groups entrepreneurs from the same industry or with similar needs and the group meets once per month with the mentor; and 3) one-to-one mentor: in this case a mentor is assigned for 12 months to an entrepreneur, there is direct communication between entrepreneur and mentor and as much as it is needed. In this latter case, BYBT gets quarterly reports from the mentor and does check-ins with the entrepreneur.

Entrepreneurs (who were not referred to the researcher by BYBT) noted that they were very satisfied with their mentorship program and with the support they received.¹⁵ P is a business owner in the publishing sector related to tourism and said that the mentoring from BYBT was very useful: the mentor is from her same industry (tourism) and was able to help her directly by placing her products in the right circles. For instance, one time the mentor included P’s products in a package to bring to an international trade show, and because of that P is now entering St. Lucia’s market. P feels that her mentor does anything possible to help her and “*is really interested in seeing me grow.*”

YES, WINC and TEN Habitat also provide a mentor to the participants of their program (though, in the case of TEN, the mentor is not necessarily from the business sector). YES, for example, assigns a

¹⁵ See table 1 for all referral source of each interviewee.

coach for 5 years to each participant to the program (even though the technical assistance program only lasts 8 months). Participants “graduate” after five years and are invited to become mentors. The entrepreneurs that were involved in these mentorship program had many positive things to say about the experience. They received many concrete ideas on how to structure their business, how to pitch their ideas for investors, and on marketing. A WINC mentor gave many ideas to N, who runs a restaurant: he helped her formalize the concept of the business, value the market, gave ideas for expansion, and regarding how to improve revenue without additional overhead (by increasing the business of takeaway meals). An interview with a mentor for the WINC program revealed that, even though the mentor was not in the same sector as the mentee, the type of coaching and advice that was given through the mentoring was very detailed and pragmatic, and seemingly could help the mentee to plan the growth of her business. In most cases, entrepreneurs appreciated the availability and dedication of the mentor, with whom they often establish a relationship that goes beyond the formal duration of the program. Many entrepreneurs still talk with their mentor years after the end of the program, and they value this relationship.

While the women entrepreneurs interviewed value these mentoring programs, there are some criticisms, too. For example, there is a demand to increase the frequency of meetings with mentors (for TEN Habitat and WINC) or also the overall duration of the program (one year seems too short in some cases). Also, some entrepreneurs commented that mentor matching was problematic because it was difficult to find a mentor in the specific sector of the entrepreneur. As a result, they feel that they received only generic advice and missed the opportunity to have a more productive mentorship.

Even though some mentoring programs exist, there are not enough mentors available to women. The majority of the entrepreneurs interviewed refer to their friends or partners (often entrepreneurs as well, or with some business knowledge) to ask for advice on a daily basis. However, the literature suggests that these mentors may not have cutting edge knowledge or the business experience needed to maximize the business’s potential (IDB, 2014). This lack of professional mentoring and business advice has a direct effect on the ability of women entrepreneurs to take their business to the next level.

5.3 Limited professional networks

Access to strong, extensive and diverse business support and networks is becoming increasingly recognized as necessary for businesses to succeed: “...*networking is the most important thing for entrepreneurs. Especially in Barbados, information is power and you have to know how to access it*” (World Bank, 2010). The density and quality of an entrepreneur’s network can have a substantial impact on his/her ability to acquire information, skills, ideas, technologies, markets, capital, and new opportunities. Some BSOs currently provide opportunities for entrepreneurs to expand their social and business networks. Yet, efforts are still incipient and women entrepreneurs still need more opportunities

to build or expand their networks, to share experiences with their peers and to learn from successful business women.

One of the objectives of the WINC program is to create a network of women entrepreneurs in Barbados (and in each one of the CARICOM countries). Participants in the program overall seem satisfied with it for two main reasons: it created a network of peer entrepreneurs who feel similar challenges, and in some cases, it facilitated solutions to concrete problems. N runs a restaurant with healthy food and is very happy to have joined WINC. Being part of the network allowed her to meet another female restaurant owner, who had been in the business for over twenty years and was able to help N with a human resource problem that she did not know how to solve. B, an entrepreneur in the recycling sector, joined WINC, which she says it was a great way to share experience with other business women, refresh her business skills, learn some new things, and especially understand that they all face similar challenges and they are not alone. For L, in the fitness and adventure business, networking and discovering synergies between her business and some of the others in the program was her largest benefit. She also held events during the duration of the program that were attended and supported by many of the participants. After two years, all the business women part of the first WINC cohort are still in touch and exchange advice and experience.

TEN Habitat, too, seeks to build a community of entrepreneurs in the island. The organization hosts monthly “entrepreneurs mix & mingle”, where wine and food are offered for free to give entrepreneurs the opportunity to talk to one another. TEN is also building an online community to offer a platform to facilitate communication among entrepreneurs. It also tries to offer some of its services to groups of entrepreneurs. Q (in the tourism/recreation sector) participated in the TEN Habitat boot camp and now she is in the hybrid accelerator program. She thought the experience so far has been very useful to develop the idea step-by-step, and she values the weekly meeting that they have as a group because “*you get the feel of the entrepreneurship in Barbados and of being part of a community.*” Other organizations offer networking events, like BIBA, or workshops on general topics (like taxes or legal affairs) that may offer a space for businesses to get together and network. Some of the entrepreneurs interviewed for the research reported that they go to these events to keep up to date with what is happening in the sector and in some cases to meet potential clients.

The women interviewed for this research understand very clearly that networks are important and they try to make their own network and seek access to experts to gain advice. For example, C felt that she was isolated and on her own since she was establishing an unusual and innovative type of domestic care agency. Therefore, she sought to make contacts with people outside of Barbados. She simply looked on Google and found someone in Alabama, US who has a nanny agency and gave her lots of advice on how to structure her own company. Similarly, she found someone in the UK (who runs a UK nanny

association) who has been giving her advice. In a sense, she is creating her own network of experts in the field.

Connections are also important not only to get technical advice, but also to get into the door. F is an event planner and one of her first clients was a big company that eventually gave her referrals and helped her establish relationship with others. Similarly, I, who owns a management consulting firm, knows that being part of a professional network is essential. When she started her business, she was already known in the sector because of her previous work in a large company (related to the hotel industry) and she started getting business by referral. However, her first clients were small business and she wanted to change that. She decided to join the hotel association and became part of that network. Her clients now are mostly large companies from that network.

When L was about to start her company, she did not know anyone in Barbados, since she had been outside the country for a long time. She decided to participate to a two-day summit at the Barbados Entrepreneurship Foundation. She paid Bds\$350 and "*it was the best money spent ever.*" She networked with many people, made connections, learned about business in Barbados, and learned how to start a business. At that summit, she also met someone with business experience who told her she needed to write a proposal and guided her through the process until she was able to get a private company to invest Bds\$7,500 in her first event. Today, she's still in touch with that person, who acts as a mentor for her, and she still sees many of the people she met there.

A few entrepreneurs also mentioned the importance of getting into international networks, especially because of the small size of Barbados. M is member of several international networks (like the World Economic Forum Youth network), and she finds it a useful resource to ask for ideas and input, or to make connection with people when she travels in order to get plugged in into a local business community wherever she goes. M was part of WINC and she felt that there was a missed opportunity there to tap into their regional network: "*It is important to be part of a regional and international network to get inspired and also to be held to higher standards.*"

In sum, women have the technical knowledge and management skills they need to compete in the sectors where their businesses operate. Over time, they have acquired knowledge and have developed their skills as a result of experience. However, they still face challenges when they have to connect with the outside. Due to the different roles that women hold in society, they tend to have limited time and opportunities for networking and establishing new contacts, which is one of the challenges that the majority of interviewees mentioned. When they are not working, these entrepreneurs are often taking care of their family and home. As a result, they have limited or ineffective networks, which in turn limits their access to contacts and potential sources of capital, thus hindering their opportunity to grow.

5.4 Negative perceptions of providers

The majority of the women entrepreneurs interviewed dealt with a wide range of situations in which they perceived that they were discriminated against or in which they felt they had to work harder than men to make their point: *“Even just being a woman and having your voice heard is a challenge. I have thick skin and big mouth. But still, there are times in a meeting, especially when you are the only woman, that even just to have your voice heard or ask a question...Your voice is not significant enough. You are not taken seriously”* (K). On the other hand, few of them said that they do not feel discriminated against because of their sex, and that they think of themselves simply as a “business owner.” However, these same entrepreneurs said that in various occasions they feel that they had more difficulties than men in opening doors and making their business grow.

There is agreement among respondents that people do not expect to see a woman owning and running a business: *“They expect to see a man as head of the company. If it is a man [owning a business], there is less risk.”* At the very minimum, women entrepreneurs perceive that they need to overcome the initial reaction that providers have. They perceive that some providers expect women entrepreneurs to be only in retail or restaurants: *“People are appalled to see that it is a woman running this business”* (B). To overcome this challenge, for example, B is now considering finding a male business partner to be able to open more doors. In many instances, women entrepreneurs have been asked where the male business partner is, or to speak with the owner of the business. M added: *“It is a patriarchal society: most situations you face as business owner are mostly dominated by men, there is always this power dynamic, women need to make a point in the first two minutes. I need to be cautious about how I dress and present myself.”*

There is also a strong perception among interviewed entrepreneurs that women have fewer chances than men to get a loan. When they do try to go to a bank (mostly for expanding their business), they are often turned down and they are told that the business is too risky, not profitable enough, or “too ambitious.” When having a meeting with their bank officer, some female entrepreneurs were also suggested to get married or to look for a “real” job. These experiences reinforce women’s perception that they are discriminated against when seeking finance, especially from commercial banks.

The set of entrepreneurs that were interviewed tried to overcome this challenge by developing a strong personality: *“Business is dominated by men, you may not get respect because you are a woman, but I am stronger. I need to push back, I can hold my own. I put men in their place, I don’t tolerate it”* (L). P was told by a male banker to go get a job when she approached the bank for a loan: *“he was surprised I had the audacity to propose a business idea...But I was raised knowing that I could do anything and I have a strong personality.”* She worked hard, and as a result, she has been successful and awarded several recognitions such as female entrepreneur of the year, small business of the year, and a

tourism award. J said that she was fearful in business, she worked in environment of men and she always had to work harder and justify what she was doing and why: “*you need to be much better and still you are not at the same level.*”

The interviews with providers were congruent with the existence of stereotypes against women: some of them believed that women are more successful in “feminine” sectors, or that the presence of a male partner helps run successfully a female-owned business. An interviewee from the financial sector explained that women tend to work mostly in the creative industries sector (broadly defined, including food preparation) and that creative people tend to use the right side of their brain (“creative side”), while finance requires the use of the left side of the brain (“administrative side”), and added that “*I found that people very creative tend to be weak on the administrative side of business.*” The interviewee concluded that in his view this characteristic makes it difficult for female entrepreneurs to interact with banks. This affirmation is an example of the type of stereotypes that women-owned businesses in Barbados routinely face.

While this paper cannot prove whether there is discrimination from the side of financial providers against women entrepreneurs, it underscores the existence of *perceptions* on the part of the majority of the women interviewed that they are discriminated against when they seek financial assistance and the use of *stereotypes* from the part of some of the providers interviewed when discussing female entrepreneurs.¹⁶

5.5 Family responsibilities

The female entrepreneurs from the sample often have to juggle both business and family responsibilities (in the Caribbean, women have primary responsibility for the caregiving of children and parents), limiting their ability to participate in technical programs and to grow their business. Even when they are successful with their business, maintaining a balance between their family and professional lives becomes a big challenge. Especially in the age group 18-35, women start having a family and bearing responsibility for children. Childcare is not always an option (depending on the family) and women struggle. They have limited time and cannot dedicate the necessary resources to their business. Flexibility to work and take care of the family becomes critical. Success for these women entrepreneurs often means to both start a business and support their family.

Of the interviewed people, some have a partner but no children, while others have old children (but may be single parents). In these situations, there is less pressure in terms of childcare responsibilities. But even in these cases, female entrepreneurs still look for flexibility in their business in order to fulfill their family responsibilities and to protect their time for the family: “*it could be all consuming and take*

¹⁶ This paper relies on a qualitative data and focuses on perceptions. Alternative methodological approaches can assess discriminatory behaviors, see for example Brooks et al. 2014.

your all life” (H). The entrepreneurs who now had older kids benefitted from family support when their children were younger and needed care.

Family responsibilities do come up as an obstacle for women to run their businesses, especially when the business is operated from the home. For example, P, in the publishing sector, commented that various family members rely on her for chores or last minute “emergencies” because she works from home, and she thinks that they do not understand that she is actually working. She feels that there is an overall lack of respect for her being an entrepreneur combined with an overall culture that, as she put it, “*women are responsible to be everything in the family.*”

Providers perceive that women entrepreneurs face challenges related to their family responsibilities and they believe that sometimes women lack in commitment with their business. As a result, they believe that women are not able to fully utilize their services. Female entrepreneurs have family issues that come up that prevent them from growing their business: they cannot have meetings during school holidays; there are often childcare issues, for example if the caregiver gets sick; or if they are pregnant, they cannot run their business for some time (focus group with BSOs). For example, even if the age group of their target population is 18-35, BYBT tries to fence it around 30 for female clients, because they noted a higher level of defaults between 30-35, probably due to an increase in family responsibilities around that age.

Some organizations are tailoring their services for women. For example, they run training during school hours and they provide childcare when they have networking sessions. YES allows women to bring kids to events, but they also see that it is disruptive (women cannot focus with their kids in tow). If a female entrepreneur cannot go to a workshop, BYBT looks at the challenges and see what they can do: “*do we need to go out to them, do we need to find childcare, or a different time that works (like at 10 am, when kids are in school)?*”

Another issue that emerged during the focus group with BSOs is that women seem to be more affected by personal issues than men. Sometimes BSOs staff need to deal with the entrepreneur’s personal issues and end up being a personal counselor (without the necessary training for it). They try to help women business owners separate personal issues from business issues, and it becomes difficult to work with women because of weight of personal issues. They state that this usually does not happen with men entrepreneurs and it creates a barrier to fully deliver their services to women.

6 Implied Solutions

The previous sections highlighted the main findings of the research, which have important implications for solutions. While the women-owned businesses interviewed for the research did not face some of the barriers suggested by the literature, they still faced challenges that prevented them from

making full use of available financial and technical assistance. Based on the pathways that these entrepreneurs undertook to overcome their challenges and based on the challenges that entrepreneurs and providers perceive as still remaining, this section offers recommendations to policy makers to make these services more able to meet women entrepreneurs' needs. The recommendations coalesce around three main areas: on the demand side, on the financial side, and on the technical assistance side.

First, on the demand side, the women-owned businesses interviewed for this study who used financial and/or technical assistance services were also in non-traditional “women” sectors. This is congruent with and reinforces recommendations that previous studies advanced to **enhance the participation of female entrepreneurs in growth-oriented and innovative sectors** (World Bank, 2015). Women often cite access to training and development services as an important enabling factor for their success (World Bank, 2010). However, sometimes the quality of training is lacking or the training itself is not relevant because not in line with market demands or the current business environment. In addition, when business training is offered specifically to women, it is often gender-biased, where women are given courses on traditional skills (e.g. cooking and sewing) (*ibid.*). This prevents many women from working in higher growth sectors or to use cutting-edge technology. To address this problem, programs could provide women entrepreneurs with opportunities to access resources (financial, human, physical capital, and social capital) that could help their involvement in technology/knowledge-intensive, growth-focused sectors. For example, programs could increase exposure of women entrepreneurs to these sectors by using appropriate mentors and facilitating access to information. A program in Bangladesh successfully supported women entrepreneurs' entry into the clean cook stoves value chain by providing access to credit and incorporating other organizations, such as business associations, into the program. The program also reached out to community leaders in order to start changing narratives around women and increase acceptance of women entrepreneurs in society (World Bank, 2014).

Additionally, programs could increase **awareness among female entrepreneurs of the possibilities offered by non-traditional sectors by highlighting success of women-owned businesses in non-traditional sectors**. These successful women could become role models for others to follow. Government, BSOs, the private sector, and the media can provide opportunities to share these stories at national and regional levels and thus promoting examples of successful women entrepreneurs. An example of this type of initiatives comes from Germany, where a network of “role model” women entrepreneurs visit universities, schools and economic development events to promote entrepreneurship to women (OECD/European Union 2016). The network, called *FRAUEN unternehmen*, is run by the

German Productivity and Innovation Centre (RKW)¹⁷ with the support of the National Agency for Women Start-ups Activities and Services (BGA).¹⁸ In addition to promoting entrepreneurship among women, this network of role models also offers opportunities for women entrepreneurs to build their own entrepreneurship networks, exchange experiences, mentoring, promote their business and participate in lectures and workshops. An interesting aspect of the network is that women role models apply to participate in the initiative and the selection process provides some prestige to being a role model since not everyone is selected (*ibid.*). In addition, role models are only asked to participate in a small number of events, which helps to keep them involved. In turn, role models can benefit from participating through workshops and having opportunities to network among other role models.

The findings in this report are congruent with those in the literature that suggest that limited access to mentors and role models reduces the ability of women entrepreneurs to find additional funding sources to grow their businesses (IDB, 2014). Therefore, programs could pay more attention to enable **women entrepreneurs to make up for this deficit and find other means to diversify their funding sources and identify when they need to raise additional capital**. In other words, programs should replace the role that mentors and professional networks play for male entrepreneurs. In particular, women entrepreneurs should have access to smart capital, which also provides mentorship and guidance that could create that “support system” that they ask for and could increase their businesses’ likelihood of success. Smart capital is still incipient in Barbados, and the interviews with female entrepreneurs revealed that these entrepreneurs were not familiar with smart capital and did not have contacts to gain knowledge about it. Finally, governments and the private sector should create programs that offer **childcare**, including specialized daycare centers (e.g., those that can attend to sick children, or provide support in other emergencies) and possibly even daycare co-located with business incubator or accelerator facilities in order to increase the number of younger women entrepreneurs.

Second, on the financial assistance side, **financial institutions could develop and strengthen the supply of financial services** tailored to women entrepreneurs, which are not existent in Barbados. Women entrepreneurs interviewed for this research perceived that the financial services currently

¹⁷ The German Productivity and Innovation Centre (RKW) is a nationwide non-profit organization. Since 1921, it has been supporting and promoting the productivity and innovative ability of small and medium-sized enterprises (SMEs) in Germany. It is a networking system that operates on different levels with a nationwide Competence Centre and 15 regional organizations.

¹⁸ The National Agency for Women Start-ups Activities and Services (BGA) is sponsored by the German Federal Ministry for Education and Research, the Federal Ministry for Family, Senior Citizens, Women and Youth and the Federal Ministry of Economy and Technology. The BGA offers the political, business, academic and public sectors a platform for information and services related to women entrepreneurship in all areas and phases of company foundation, consolidation and succession with the overall goal to increase the number of businesses started by women.

accessible to them consists mostly of micro-loans that are inadequate. This perception is consistent with previous research that found that while microfinance has increased women's access to finance and has served to improve welfare and consumption, supporting growth-oriented women entrepreneurs may require access to larger amount of credit: "*Some women have extremely good business ideas requiring larger loans, but they face discrimination in accessing such loans*" (IFC, 2011). The IFC study highlights that the requirement of loan security (in the form of collateral, equity, or personal guarantor) is a main obstacle for women entrepreneurs to access loans in larger amount. In addition, perception of higher risk and cultural bias among loan officers create a further limitation for women-owned businesses.

Therefore, in order to increase usage of financial services, providers should review the **types of assets to be used for collateral**, including both tangible and intangible assets, and the criteria for eligibility for personal guarantor. They could also offer loans with more flexible and extended repayment periods and create credit information systems. These systems could collect data on bank loan repayments and from microcredit institutions, utilities, and trade creditors allowing good borrowers to establish a reputable credit history without even having a bank account, thus enabling them to access credit more easily (IFC, 2011). A graduated approach could also be used, starting with grant funding to be considered for smaller/early-growth entrepreneurs, followed by subsidized loans and eventual graduation to formal mainstream finance (World Bank, 2015).

Another challenge that the women entrepreneurs interviewed for this study reported is the **limited availability of funding options**. Therefore, in order to increase their entrepreneurial activity and their usage of financial services, support programs could experiment with different funding instruments and distribution channels, as well as strategies to increase public and private sector investment in women-owned businesses (IDB, 2014).

Lastly, it is also important to raise financial institutions' **awareness of gender stereotypes and misconceptions**. Traditional narratives mostly confine women to specific business categories, usually microenterprises (World Bank, 2014). Assumptions that women should work in "feminine" sectors, or that successful female-owned businesses are actually being run by men, pose difficulties for female entrepreneurs and weaken their credibility vis-a-vis their clients, creditors, and peers in their sector (World Bank, 2010). These narratives are often at odds with the complex reality of women-owned businesses, which operate in all sectors and come in all sizes, as confirmed by the businesses interviewed for this research. An important intervention would be to change these narratives through public campaigns, events, and discussions with community leaders. To do so, programs could engage with the government, financial institutions and business associations to create forums for dialogue between sectors, government, and civil society on female entrepreneurship to share information and encourage reforms of any legal frameworks that may constrain women entrepreneurial activity (World Bank, 2014).

Financial institutions that have created specific approaches for women entrepreneurs as part of their overall SME strategies have seen an increase in their number of women clients, both as entrepreneurs and as consumers (IFC, 2011). Servicing this group of entrepreneurs successfully may require financial services providers to tailor their products to the specific needs of this market segment. Accounts of successful examples include recommendation to partner with business membership organizations. For example, the Women Chamber of Commerce and Industry (WCCI) in Lahore, Pakistan, negotiated a special Women Entrepreneur Financing Scheme with the Bank of Punjab in 2006 (WCCI) that allows its member customers to get a loan without any collateral requirement (i.e. no assets will be mortgaged to issue loan) (IFC, 2007). In this context, leasing is also used as a source of finance because it is by definition “asset-based” financing, overcoming the problem of collateral. Similarly, the experience of members of organizations such as the Global Banking Alliance (GBA) for women, a consortium of financial institutions committed to serve the women’s market, shows that extending banking services to women is profitable and sustainable. Research has found that women are better at paying off their loans than men. For instance, a study of worldwide banks that are part of the GBA found that the nonperforming loan rate for women small-business customers was 33% lower than the rate for men (Oxfam, 2018). Additionally, the GBA database shows that 34% of bankers that have identified and targeted women-led SMEs report increased profits as a result of their efforts to empower women in emerging markets (*ibid.*).

Third, on the technical assistance side, **providers should offer a comprehensive package of business support services**, designed specifically for growth-focused, innovative women entrepreneurs. Support to women entrepreneurs should be demand-driven and cover needs from pre-incubation services through to post-graduation support. Based on the findings of this study, services should emphasize **mentoring and coaching**, as well as building **professional networks**. Mentoring emerged as a strongly desired service in the interviews, and when in place it proved to be very effective. The interviews with both providers and entrepreneurs revealed that mentoring is not widespread in Barbados, only a few organizations offer the service and sometimes not in the frequency and quantity that entrepreneurs would like. In addition, the still incipient culture of mentorship makes it harder for organization to find the perfect match between mentor and mentee, as the pool of potential mentors is not as large and diverse as would be needed.

Lastly, providers of technical assistance should increase access to strong, extensive and diverse business support and **networks**, as they can have a substantial impact on women’s ability to acquire information, skills, ideas, technologies, markets, capital, and new opportunities (World Bank, 2015). A good professional network can help women entrepreneurs find new opportunities and ideas in order to take their business to the next level; access circles that will supplement their knowledge with topics that

are relevant to the successful management of their businesses; and build circles of trust in which they will acquire advice, guidance and objective feedback. A study in Nigeria and Argentina suggests that mentors and networks can provide important market information to female entrepreneurs, increase access to finance, and bring benefits in terms of support and augmented self-confidence (World Bank, 2014).¹⁹ Networking and mentoring have also been found to be critical in motivating women entrepreneurs to enter more productive, male-dominated sectors (*ibid.*).

Additionally, no specific **regional (or global) networking opportunities** were found for women entrepreneurs in Barbados. The shape of these regional and global networks may depend on the specific needs of the context (countries and sectors involved, for example) but overall, they should create a platform where women entrepreneurs can find the right contacts to access markets, technology and financing. For example, these networks could be the space where business owners can exchange practical knowledge about the steps to start a business in (or to export to) a specific country. In this line, future programs could help female entrepreneurs: (i) become members of organizations that have global reach and presence; (ii) participate in trade missions with other countries; (iii) establish contacts with possible buyers or commercial partners outside of their domestic market, and (iv) attend business entrepreneurship events in other countries. Specifically, the regional WINC network and other CARICOM related networks should be leveraged to support female entrepreneurs in their efforts to expand their professional contacts.

¹⁹ More than 80 percent of women surveyed in Argentina and more than 90 percent in Nigeria reported significant benefits from networking, including mentoring, access to information, and professional visibility.

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