

What are the conditions for female entrepreneurs in the Import and Export business inside Hedmark County in Norway?

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Presented at the Regional Studies Association in Prague 26-29 May

During the last year there has been a vivid debate about female rights in relationship to entrepreneurship in Norway. Despite equality and women in high governmental positions in Norway there are fewer female entrepreneurs in Norway than other similar countries. Women represents today (2008) 32 % of businesses with sole proprietorship and just 16 % of incorporated businesses or public companies (KRD). A study by Global Entrepreneurship Monitor in 2005 showed that only two of 34 countries in the study had a lower percentage of female entrepreneurs than Norway (Kolvereid et al. 2005) (Alsos, G. & Ljunggren). The percentage of female entrepreneurs has gone up with 7% since 2005, but the percentage has decreased for men. Only 8% of Norway's working population is self-employed (Alsos, G. & Ljunggren). The excellent social programs have received some of the blame for this trend because some of these benefits are only given to people that is employed by others, not self-employed. This might change somewhat with the new law stating that women will get the same benefits during maternity leave regardless if they are self-employed or not.

This study will attempt to look at the conditions for female entrepreneurs in import and exports in Hedmark. Hedmark is chosen because of its large untapped potential resources amongst women in entrepreneurship. Imports and exports were chosen because of the international relationships these women have to forge in order to have success and most export businesses are larger companies. Many of the studies of female entrepreneurship have focused on service companies with few employees with a local impact. In this study the focus will generally be on product oriented companies which is trading goods internationally and which has an impact over a greater area. Services will be left out first of all because there are very few Norwegian companies that produce services for exports and the service companies are usually smaller. The scope for this article is companies that produce products and companies that can support at least one normal salary (one full-time job). In this district there are many farmers trying to increase their income by having side-jobs including arts and crafts or farm tourism. Although these jobs enrich the countryside, it usually does not provide for a steady full-time income and has little room for expansion. The paper also excluded services because these jobs are usually done by people with trade degrees, like hairdressers and plumbers and although they are important locally, they usually do not create value outside their area.

The study will attempt to avoid stereotyping of women and thereby limiting women instead of empowering them. The intent of this study is not to set women up against men or to say that

female service companies are uninteresting, nor does it want to claim that entrepreneurial activity is more important than family. The study just wants to point out certain common traits of female entrepreneurs and analyze them without casting any judgments about it.

Female entrepreneurship will be the main focus of the paper. There the paper will highlight what makes an entrepreneur succeed. In addition we will investigate what makes a female entrepreneur special compared to male entrepreneurs. Regions and Hedmark County in particular will be discussed with regards to female entrepreneurship and import and exports.

Female Entrepreneurs

The typical female entrepreneur will be analyzed in this section. Central in this section is the questions: Are the conditions for females and males different? There are no indications to claim that there are any gender differences in overall intelligence (Espen Dietrichs and Leif Gjerstad, 2007). The gender differences in the brain are small and differences in women and men's brains could only be found in averages in large research groups of male and women. Despite these facts there are significantly fewer female entrepreneurs.

There are a myriad of different definitions about entrepreneurship. The definition of an entrepreneur that will be used in this paper is a person who has started a new company or has changed an existing company. The entrepreneur is seen as an independent risk taker with a creative scope and a person who wants freedom from bureaucratic constraints. Are female entrepreneurs different from male entrepreneurs? Does the typical ideal of the successful entrepreneur fit the male personality in a greater degree? One female entrepreneur confessed that she did not like the typical description of an entrepreneur because it gave the impression that a person had to fit all the characteristics of the typical entrepreneur in order to be successful in entrepreneurship. According to Hauge and Havnes (2005), men are more motivated by a wish to control his career and destiny while women are motivated by independence and achievement which often is related to job frustration. Women with small kids are particularly motivated by flexibility of schedule and they say that family-related reasons are causes for becoming self-employed. According to Berg, who has written about gender perspectives on entrepreneurship in the districts, the family is often the focus and not the business for female entrepreneurs. The entrepreneurs in this study are service oriented. It would therefore be interesting to find out if this also holds true for females leading larger product oriented businesses. In America the women has developed more of the men's style of doing business, but in Norway there are indications that the men are following the female way of working. According to professor in Sociology at the University of Oslo, Ivar Frønes, men is becoming more like women. "Career and development is much less important for Norwegians than for employers in many other countries" (...) "There was a belief that more women would make a career and become more like men in the work life, but this has not happened. Statistics shows that we perpetually work less in this country. I believe that it is a trend that men become more like women instead." (Frønes, 2008). This creates an additional problem for the Norwegian economy where companies have problem filling empty positions. This creates in turn a problem for the ability to export Norwegian product because labor

prices increases. Ivar Frønes blames the tax system in Norway which he believes reduces the willingness to work overtime. Instead people choose to spend more time with friends, family, kids and hobbies.

Reasons why women are not succeeding

Past research has found that businesses owned by women usually have poorer performance compared to businesses owned by men in revenue, growth and profit. This might be because they are mainly in services and retail sector where the profit margins are low and the chances of expanding are smaller. This shows that it is important to study larger female-owned businesses to see if the same holds true there. If the female entrepreneurs are working in other types of businesses than the male entrepreneurs, it does not give a fair comparison between female and male entrepreneurs. Under the same conditions does female produce as well as their male counterparts, is a more relevant question.

Although women have on average higher education than men this education is generally geared towards more social studies and less towards engineering and business which could be more beneficial in entrepreneurial activity and also provides a higher income. More women are working in the public sector where the salary is lower and information about business are less prevalent. Their experiences differ from the people in the more male dominated private industries where entrepreneurship is stressed in a greater degree. Despite equality efforts there are fewer female leaders both in the private and the public sector.

In a study about skills necessary to start an enterprise, 53, 2% of men answered that they possessed the skills whereas only 33.9% of women gave the same response. (Kolvereid, L., Bullvåg, E., and Oftedal, E., 2000). (Hauge and Havnes, 2005). These numbers do not state if they actually have the competence, but states the perceived confidence. Hauge and Havnes claims that women go through a greater self-screening process before they start a business and that they are placing higher requirements on themselves than men. However, it is possible that they are more realistic than the male entrepreneurs. Hauge and Havnes concludes that “a higher percentage of women than men do nothing about realizing their desire to become self-employed. When the businesses have been established women have an equal chance of succeeding in establishing a business based on studies done by Bullvåg, Alsos, Lunggren and Rotefoss (Hauge and Havnes, 2005). In addition, female-owned businesses have a smaller chance of bankruptcy than male-owned businesses (Nord.no, 2003) (Hauge and Havnes, 2005). Perceptions of skills are according to Ane Kovalainen (Hauge and Havnes, 2005) what make the difference for female entrepreneurs. Women who perceive that they possess the skills for starting a company have a much greater chance than those who believe they lack these skills. Self-confidence issues are therefore an integrated part in many of the entrepreneurial study programs in Norway. Fear of failure is, according to the same study, negative for entrepreneurial activity amongst Nordic women. Most research indicated that prior experience is important for starting a business. “In Norway, establishing a new business occurs four times as frequently among business angels as among women who have not

invested in someone else's business" (Hauge and Havnes 2005). This activity gives women knowledge and self-confidence to pursue their entrepreneurial aspirations.

Coleman found that businesses owned by women were smaller, newer and had a smaller probability to use external financing than businesses owned by men. Coleman concluded that women were discriminated against because venture capital holders preferred to invest in bigger and more established companies (Hauge and Havnes 2005). In a study by Kangashurju it was found that women-owned businesses grew slower than male-owned businesses. In addition, they concluded that women had a smaller likelihood of owning multiple businesses as well as planning expansions (Hauge and Havnes). Many of the reasons are self-propelling. When women receive less external financing this will lead to development of smaller businesses with little possibility for spin-offs and expansions. However, as noted by Chaganti and Parasuraman women's return on assets was similar to those in the companies owned by men (Hauge and Havnes 2005). If women received the same monetary support would they then be equally successful? This question is difficult to answer because of the difference in business ideas. No businesses are identical and can therefore not be compared on the same level. Other factors will also impact success such as market size, positioning in the market, support and network. Women use their close network more than men do however women are not part of the more formal networks (Chan and Foster) (Hauge and Havnes 2005). Secret networks where females are not allowed like The Masonic Lodge (Frimurerlosjen), often function as business networks. In later years a few female business networks has been established, but research on these networks are made difficult because of the statue of secrecy of these network. However, there are no indications that these networks are as successful as the networks for men. There was recently a scandal in Norway concerning the post of Child Advocate (Barneombud). The news found out that the women who received the post, Ida Hjort Kraby belonged to the same female lawyer network as the family and equality minister Manuela Ramin-Osmundsen who hired Kraby. Both had to leave their positions. There might have been other circumstances around this case, but lately we have seen several strong female leaders in trouble in the media (Haga, Valla). This can give a reason to indicate that female leaders are set to a higher standard than men. When it comes to female network, Butner (Hauge and Havnes), indicates that women use their network to find employees and clients. Female entrepreneurs have a more interactive style in their own businesses, according to Butler. Although these networks often are empowering and supportive, they might not give women the access to people with financial resources and business expertise. "To achieve entrepreneurship and innovation among women in Norway, it is necessary to make conditions favorable for networks." (Schei, B 2003: op.cit.) (Hauge and Havnes 2005). The new law that requires all business boards to have at least 40% women might lead to the inclusion of more women in business networks also outside the boardrooms.

There are however an element of choice which determines entrepreneurial leadership and high positions. Women have chosen and are mainly recruited to HR functions in companies instead of Chief Financial Officers (CFO). HR directors are paid 35% less than CFO's and they are less influential. 96% of the CFO's are men in Norway's 50 largest companies (Aftenposten, 2008). There is only one women, and she is Swedish. Anne Grete Dalane, HR-director in

Yara International believes that women feel more comfortable in support roles than in leadership roles (Aftenposten, 2008). Are women who are ambitious and money oriented labeled cynical and thereby discouraged from seeking leadership roles and greater entrepreneurial scale, while ambitious men are seen as goal-oriented and focused? Sandvik who started an Entrepreneurial school for women in Norway claims that there is a difference. "I believed in the idea, did not let anybody break my enthusiasm and my vitality. (My opponenets called it importunity and agressivness.) My comfort was that if I had been a man they would have called it dynamic and goaloriented." (Sandvik 1985)(Berg 1991). It is relevant to ask whether female ambition is hampered by fear that she will be perceived as aggressive and therefore less feminine.

Arguments for female entrepreneurship

In the following the framework of Billing and Alvesson (Hauge and Havnes,1995) will be used to understand and categorize arguments for facilitating women's opportunities in business. These four points summarizes the different scope of literature about female entrepreneurship.

1. Similarity and Humanistic concerns: Equal opportunity approach.

This is build upon the presumption that female and male are fairly similar as indicated in the biological study above. According to this view, the female entrepreneurs are not successful because of discrimination. Research has shown that women get less financial support. This discrimination might not be directly, but mostly indirectly because the male lenders tend to favor and understand the business ideas and scope of the business plans from men. Certain structural factors also play a role in this difference because women own less inherited or earned financial capital, (Hauge and Havnes, 1995). As a cause of these hindering structural factors certain efforts are necessary to remove these factors so women can compete at the same level as men by supporting female entrepreneurs directly. Innovation Norway has contact people who exclusively work with female entrepreneurs and there are grants that are earmarked for female entrepreneurs in order to rectify these differences. Regardless, research has found that male entrepreneurs receive grants from Innovation Norway and the grants are in general larger than for the female entrepreneurs.

2. Similarity and Economic Concerns: Women as Resource

This view states, like the similarity and Humanistic approach, that women and men are fairly similar. However, this approach focuses also on the economic aspect. Today women are higher educated then men and human capital is in demand and therefore it is becomes clearer that women are an underutilized resource. These aspects are usually the dominating view in times of low unemployment and high demand for labor which is extreme during wartime and crisis when men are a scarce resource on the domestic market. Innovation Norway (earlier SND) stands officially for this point of view: "SND supports women, since women are an

important resource for value creation. In a competitive market, businesses should utilize available competence among both sexes.” (SND, 1998) (Hauge and Havnes, 2005). The fact that fewer women are realizing their entrepreneurial potential is seen as a waste of resources and a problem for the society. The conclusion is the same as in the first approach; women should be motivated to become entrepreneurial to overcome the societal and structural hinders.

3. Dissimilarity and Humanistic Concerns. Entrepreneurship as an Alternative

This view is in essence different from the other two and is instead focusing on the difference between men and women. The two latter views about gender was popular in the 70s with the upraise of the “female revolution.” The prominent view was that boys and girls should be raised in the same way and that the difference between the genders was because of outside influence, not biological. However, in the last decade there has been more focus on certain inert differences and this dissimilarity concept builds on the belief that women and men have different entrepreneurial abilities and resources. Hence different types of efforts will be needed to support them and realize their opportunities. This humanistic view states that entrepreneurship is a better option for women because women are less hierarchically oriented and that they can utilize their potential in a greater degree in entrepreneurship. In their own business they will have the ability to enjoy their own success and value creation in addition to forming their management roles which could be a basis for their business career.

4. Dissimilarity and Profitability concerns: Women as a Different Resource

Diversity is a word commonly used in America to include different groups in business. The argument is that teams where people are thinking differently have a greater ability to be innovative and creative. This view has spread to the governmental goals in Norway. Here from SND (Innovation Norway): “The Norwegian private sector needs diversity to increase profitability” (...) “The challenge is to utilize women’s competence, education and abilities, as a valuable part of the totality” (...) “An offensive effort towards women will strengthen the industry sector and increase profitability.” (SND 2003 Intentions. Women in business Life, (Hauge and Havnes. P 49).

These four categorizes of arguments for female entrepreneurship are not in praxis as far from each other, but representing a continuum from Economic to Humanistic Concerns and from Similarity of the genders to dissimilarity.

Regional Female entrepreneurship with emphasize on exports in Hedmark

Before looking at entrepreneurship and business in Hedmark it is necessary to look at the context around, in Norway as a country. In one of the earliest research papers about entrepreneurship in Norway in 1979 by Waagø (Hauge and Havnes) only 2% of the entrepreneurs were women. One reason why the percentage was so low in 1979 was that the study only included manufacturing firms which excluded a large percent of the female entrepreneurs in the service industries. If the same research was done in Hedmark today the result would probably indicate low entrepreneurial activity for women since service industries

still are prevalent in Hedmark. Regardless, these numbers have increased and entrepreneurial activity has become more widespread amongst women as well as for men. Last year 40% of the inquiries to Bedin, the agency for information about start-ups, were made by women (Bedin). This gives us an indication that entrepreneurship has become more common amongst women, but Bedin had no information on how many of these companies started up. Some of the hindrances mentioned above might have stopped the entrepreneurial efforts

Female entrepreneurship is especially important in the regions where business development is the greatest contribution to development. If female entrepreneurs do not contribute to business, this potential is underutilized. In Norway most families are two income families and 69% of all women in Norway are working outside the home. (KRD). 64% of graduates from colleges and universities are women. (KRD). "Similar conditions when choosing work and home is crucial for settlement and value creation in this country. Therefore is the emphasis on settling and value creation among women important in the local and regional politics", says commune and regional minister Magnhild Meltveit Kleppa. She says that women represents a well qualified but underutilized resource that businesses need. The goal is women should account for 40% of new entrepreneurs within five years. (KRD 2008). Similarly should 40% of business related incentives (from SIVA, Forskningsrådet and Innovation Norway) go to women within 2013.

Hedmark only accounts for 1, 2% of exports out of Norway (SSB). Out of 20 counties in Norway only two counties export less and they are in sparsely populated and cold areas in the far north of Norway. What are the reasons why Hedmark does not export more when it is a fertile county with stable climate next to Sweden? One of the greatest challenges in the rural regions of Hedmark is that the highly educated people and especially women often leave for cities. Although some comes back when they are ready to settle down, most chooses to leave for good. Why does not women stay or return to rural areas in Hedmark after they have completed their education which would benefit businesses in Hedmark? On an individual level interesting work opportunities are crucial for settlement in addition to other factors like culture and activities. According to Berg (1991) who has done research on gendered service entrepreneurship in the districts, does girls leave the regions first because the available work are more geared towards men. The education that women choose leads them to settle in more central places. A possibility to work with your education in rural areas is to create your own business. In Berg's study she found that the premier reason for location for both genders were that the place was their birthplace. 84, 6% of women say that birthplace was their reason for the business' location and 66,7% for men. The most prevalent reason for the type of work chosen for the business was education or experience in the field, according to Berg (1991). However this study is relatively old and is concerning service. It is possible that female entrepreneurs in exports in Hedmark today has a different mindset.

Hedmark is currently the county with the least educated inhabitants in Norway. According to statistics from Statistical Central Bureau (SSB), only 3.2% have higher education than a Bachelor and 9,5% have education on college or University level. The question is if there is a correlation between education and innovation. Hedmark's low education level compared to other counties in Norway could have explained the low entrepreneurial activity in Hedmark.

However, Anne Kovalainen (Hauge and Havnes), writes that there is no correlation in Norway between high education and business start-ups, but according to Ljunggren (1998) increases education the likelihood of starting a business and becoming self-employed. The last study could indicate a reason why there are relatively few entrepreneurial women in imports and exports in Hedmark.

Local entrepreneurial attitudes and role models are important for female entrepreneurs. "It is moreover easier to see yourself in a role as entrepreneur if there are role models one can identify with" (Hafstad 1984, Berg 1991). The lack of local entrepreneurial success stories in exports and imports in Hedmark makes for few role models and little network. Some small communities can be "anti-entrepreneurial" which makes it difficult to establish a new company (Berg 1991). In small communities in Hedmark it can be harder to get funding because of lack of business network. The great Venture Capital companies are mainly in the Oslo area where they also invest. However, one female entrepreneur in Hedmark, with a product which had export potential, claimed that with fewer female competitors for the governmental stipends in Hedmark, it became easier to obtain it there than in other counties.

On the macro level, trade and settlement is paramount for the state. In Hedmark, for instance in Åmot commune, local officials have hired a recruiter who finds people in the Netherlands and Germany to move to less populated places in Åmot. They find that the families usually start their own company in these regions and hence contribute to the local society. At an individual level, the reasons for settling down in rural areas is a desire to live close to nature in a setting where they feel wanted. The ideals in these populated countries are in contrast to the urbanization trends in the last decades in Norway. Kristian Aasbrenn at the University College of Hedmark finds in his "Trysil project" that opportunities for wildlife and a good environment for kids were more important than the prior job possibilities. The latter can be solved by creating a new company.

For many companies in areas with small markets, like in rural Hedmark, entrepreneurs will need to export out of the area to continue with the business and be profitable. A surprising fact is that there is almost no information on regional import or export businesses, nor is there any information to speak of about imports and exports by women. This might have three reasons: 1. The topic might be irrelevant or uninteresting 2. The reason might be that nobody has thought about these topics combined before and therefore it would be interesting to study it now 3. Because they have not been able to find enough information in remote regions about women in importing or exporting business. The last might be true in this case: there might not be enough material in Hedmark when it comes to import and exporting by women. These might be a challenge in further research in order to make the finding statistically significant. Since no information about female entrepreneurship, local regions and import and exports can be obtained, all information would be based on first hand research. Before further research about the market size has been executed these questions cannot be answered. If this scope is too narrow it has to be widened to include companies that have an impact outside the local area on the national level instead of focusing on exports outside of Norway.

What can be done to improve entrepreneurial activity in Hedmark and in Norway?

Further policy measures might be necessary to kindle motivation for entrepreneurship among women in Norway. These new policies can promote female skills and ability in recognizing the opportunities in business and it might cause increased entrepreneurial activity. The new maternity law for women in entrepreneurship might have this desired effect. Regardless, starting up a business will always require increased risk-taking compared to a state job.

Improved education in Entrepreneurship, not only in the male dominated courses, might ignite the entrepreneurial spirit in women. Entrepreneurship for teachers are now offered in several places in Norway and in some school entrepreneurial lessons starts in primary school This could lessen the alienation between women and entrepreneurship since entrepreneurship sometimes has been misconstrued as just an engineering discipline.

In local societies where large important companies go under, female entrepreneurship might be the rescue for the local community, therefore some of the money allocated to these communities should go to local entrepreneurial education and pull, for instance in putting entrepreneurial teams together or giving other incentives like finding a customer for the products in governmental sector. These aid programs should only be temporary to avoid dependence on governmental aid. Porter writes: "Subsidy is rarely associated with true competitive advantage. We found many instances, in contrast, where it was associated with chronic failures (...) Subsidies delays adjustment and innovation rather than promoting it." (Porter, 1990, s. 640). Because the state puts certain demands on the subsidies, the female entrepreneurs are not free to choose the best strategy for the company. In addition, these women might become dependent on the state subsidies instead of focusing on economic progress.

Further research and methods

This study will continue and the scale will probably be increased to encompass Female Entrepreneurs who exports in Norway. However, I will eliminate sole-proprietorships and focus on companies with two or more employees in addition to the owner, to limit the sample group.

The first methodological step would be in-depth interviews with professionals who have updated knowledge about female entrepreneurs. With this knowledge I would send questionnaires to female entrepreneurs who have exported goods out of Norway. In the end I would interview entrepreneur professionals from the state to attain their opinions about female entrepreneurs and how the state handles any structural problems that hinder female entrepreneurs. Finally I will analyze the validity and reliability of the methods and hypothesis.

The central task will be locating successful exporting female entrepreneurs and finding out how they were successful and how they overcame financial, societal and structural hinders will be central. Governmental officials working with entrepreneurship will explain what they do to help female entrepreneurs and why certain female entrepreneurs succeed. Another issue

that should be investigated is if there is a divergence in the ability to utilize entrepreneurship potential in women in central places as opposed to rural areas?

In the current situation the Norwegian crown is strong and exports are suffering under increasingly harder exporting conditions. In order to maintain the positive trade balance also in the future after the “oil age” in Norway it is necessary to increase exports also in other areas. In the current situation Norway needs to evaluate competitive strategies and utilize untapped resources, like the female resource, in order to prevent Norway from becoming a raw material based country.

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