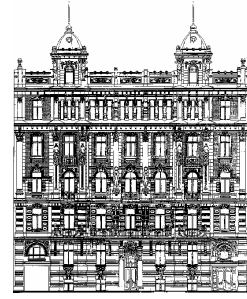




RĪGAS EKONOMIKAS AUGSTSKOLA  
STOCKHOLM SCHOOL OF ECONOMICS IN RIGA



# WOMEN IN ENTREPRENEURSHIP AND HIGH-LEVEL MANAGEMENT IN LATVIA

## OBSTACLES AND RESOLUTIONS

**AUTHORS:**

*Līga Abramoviča*

*Līna Ābola*

**SUPERVISOR:**

*Roberts Ķīlis*

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**Līna Ābola, Līga Abramoviča**

**Women in Entrepreneurship and High-level Management in Latvia.  
Obstacles and Resolutions.**

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## **Abstract**

Gender equality and entrepreneurial activity positively correlates with the economic growth of the country and is one of the cornerstones of a democratic society. Equal gender participation in the labour market is therefore important. This thesis focuses on women involvement in entrepreneurial activities and women representation in managerial positions in Latvia. Explicit purpose is to answer the research question of what are the obstacles for women in Latvia to become high level managers or entrepreneurs and how might these obstacles be overcome or removed. Existing situation in gender distribution among managers and entrepreneurs is presented by statistical data and is followed by the discussion of possible theoretical explanations of the existing situation. The following part of the thesis reveals results disclosed through both exploratory research and survey, i.e. what obstacles women in Latvia face if they want to start their own ventures or become high-level managers. The next step after identifying obstacles is searching for possible resolutions. This has been done first, by describing current activities aimed at improving women participation in entrepreneurship and high-level management and second, by investigating the example of Sweden in coping with gender related problems. The major findings of the study are that there do exist gender related problems in Latvia, however the awareness of these problems is rather low. Thus in order to work for change first, problems have to be recognized and then active means of resolving them need to be taken.

**Keywords:** equal opportunities, women, entrepreneurship, high-level management, obstacles, resolutions, Latvia, Sweden.

## 1 Introduction

Since the year 1999 the president of Latvia is Vaira Vīķe – Freiberga. Having woman as a president of the country is not an extraordinary situation but comparing to the general situation in the world it is rare. The same can be said about women like Ingrīda Blūma, CEO of Hansabank Latvia, Lilita Bemhena, president of Spilva, who was announced the *Business Person 2001* by business magazine Kapitāls, Zigrīda Rusiņa, president of Lauma, Santa Dansberga-Anča, chief editor of the publishing house Žurnāls Santa, and Aiva Vīksna, founder and manager of Lietišķās Informācijas Dienests. Example of these women is a good one to show the society that women are as good political and business players as men are. But unfortunately statistical data do not prove this belief. In year 2000 in Latvia there were three times less women entrepreneurs than men entrepreneurs and less female managers than male managers as well. One could ask why? Especially knowing that women constitute 63% of those getting professional and higher education in Latvia (*Education Institutions In Latvia at the beginning of the school year 2000/2001*, 2001).

Answering the “why” question is not just a matter of curiosity. It is also a matter of importance. There are several reasons why it is important to answer this question.

First, the topic concerns overall economy of Latvia that is closely affected by entrepreneurial activity in the country. The contribution of small and medium size enterprises to various sectors of national economy and their share of GDP exceeds 50% in several countries, but unfortunately this can not be said about situation in Latvia (Avotiņš, Birzulis, Kušners, 2001, p. 5). Therefore understanding why so little women are establishing their own companies provides with a possibility to improve this situation by removing or lessening existing obstacles to encourage women entrepreneurship and thus to a certain extent also entrepreneurial activity as such.

Second, equal gender opportunities policy is politically important for the country if it is aiming at membership of EU. Investigating the reasons of why women workforce is undervalued is the first step of improving the situation and thus moving towards norms acceptable to EU countries.

Another justification of the importance of equal gender opportunities is effective human resources utilization. Inequality of gender opportunities, imbalance among women and men roles, and disproportion in their participation in society might result in an inefficient use of human resources thus also hindering national development. According to Åsa Löfström (2001, p. 4), considering the global situation (although the pace and scope varies

across the countries), there is quite clearly a strong (positive) correlation between gender equality and economic growth. “It is of course a considerable waste of economic resources to use only half the workforce in the development process. A developing society needs the contribution of *all* its citizens to progress in the best way. In concrete terms this means that when women enter the labour market and female labour force participation increases, economic growth also increases,” she admits. Also several studies of the World Bank<sup>1</sup> (*World Bank Homepage*) show that the national economic development positively correlates with the implementation of gender equality principles in the country and that investments in the implementation of gender equality and social justice at various levels stimulate stable national development. The evidences presented shows that societies that discriminate by gender pay a high price in terms of their ability to develop and to reduce poverty. Issues of gender and equality, as variables of macroeconomics stability, are significant factors for the success of development initiatives.

Likewise, equal opportunities is one of the cornerstones of democracy. If there is democracy, no discrimination should exist. Although women are not discriminated directly, indirect discrimination still exists (Upleja, 2000, p.2). Therefore women management and entrepreneurship needs support and promotion to decrease indirect discrimination and thus comply with basic democracy principles.

Finally, gender diversity is also beneficial for new idea creation and profitability, because women and men ways of thinking, evaluating and perceiving are distinctive. According to Anna Wahl (1995, p. 97), there will be a better basis for decisions if women are included in the management since to some extent women represent a competence based on experience. As a power resource women can also contribute to broader more representative solutions and decisions.

Still, finding the reasons why there are less women entrepreneurs and high-level managers is not enough to improve the situation, therefore the ways of how it might be done have to be found. Thus, the purpose of our thesis is to answer the research question of what are the obstacles for women in Latvia to become high-level managers or entrepreneurs and how might these obstacles be overcome or removed.

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<sup>1</sup> For example: (1) *Engendering Development: Through Gender Equality in Rights, Resources, and Voice*. January 2001. Oxford University Press; (2) *World Development Report 1999/2000*, World Bank Group; (3) *Policy Research Reports on Gender and Development Working Paper Series*, World Bank Group.

## 2 Methodology and delimitation

As stated before, the purpose of our thesis is to find the obstacles for women managers and entrepreneurs and to propose possible ways of removing or overcoming these obstacles and promoting women entrepreneurship and management. Here, it is important to distinguish between proposing solutions and evaluating them. We delimit the purpose of our thesis to identifying obstacles and proposing possible solutions and promotion activities without deep evaluation and judgment of these proposals.

First, in order to build fundamental understanding about current situation in the area of enterprise foundation and employment from the gender perspective in Latvia, statistical data from Central Statistical Bureau of Latvia are studied.

Second, we examine literature and theoretical models developed in the field of entrepreneurship and management with the specific focus to men versus women roles and positions in the venturing and strategic management domains. By this we are looking for theoretical explanations of the situation when high-level managers and entrepreneurs are mostly men rather than women. Theoretical models are also used to find obstacles that women have to overcome to reach their career goals. Along the way of literature studies, we examine researches on women entrepreneurship and management done in European countries and USA, which are also taken as an input for the platform of our research.

Finally, we come to our practical research of the situation in Latvia in the field of our interest. Accordingly, in order to gain the truthful information and investigate local practical situation and to answer the research question stated, we have chosen three types of methodological instruments:

- (1) meetings and other ways of communication with representatives from institutions in Latvia that currently are involved in the research of gender specifics and that are acting for gender equality and women entrepreneurship promotion (see in Appendix A1). Meetings were arranged to assess on-going projects, plans and current achievements in the field of women entrepreneurship and management in Latvia;
- (2) in-depth interviews with women entrepreneurs and women high-level managers in the profit organizations in Latvia. In the course of these interviews we are aiming to find out what are the obstacles that women encounter in their careers. As we were about to tackle socially and even personally sensitive issues and as we aim to find out specific person-to-person facts and experiences, and as it is important to avoid direct questioning for possible obstacles, we were preparing for individual in-depth interviews. Through these



interviews we hoped to find out the ways how these women had reached their current states, by investigating their career paths with a focus to the obstacles they had encountered to reach their current positions in society, in business and personal lives. In order to gain trust and faithfulness, respondents for these interviews were collected through private communications and networking as well as by exercising snowballing principle when one person met provided us with further persons to be contacted. Information gathered during these interviews will be used for gaining insight into the field of our interest, thus the aim of interviewing is to carry out an exploratory research. Still, it is important to mention that we limit geographical representation by contacting respondents only from Riga. We perceive women entrepreneurs those who have established, founded, and developed their businesses, and women high-level managers those who manage whole business, like general manager, and those who make strategic decisions and control financial policy of the whole organization. Interviews lasted from 45 minutes to 2 hours and an audio recorder was used. List with the respondents for these interviews is included in the Appendix A2 and interview protocols in the Appendix B1 and B2;

- (3) through self-completion questionnaire-type survey carried out among women in different positions within several enterprises in Riga we aim to find out what are perceived and experienced obstacles by other women. This type of quantitative research, however, has some restrictions, in particular: (1) self selection (meaning that we should be aware that results might be more extreme than normally, because answers will be from those who want to answer), (2) limited support during completion (beforehand we plan to do pilot questioning by assisting completion process in order to test if respondents encounter any difficulties, e.g. understanding the questions), (3) might be time consuming for respondents (still our questionnaire should not take more than 15 minutes to complete), as well as for editing and summarizing. Although these restrictions exist, this type of research is considered to be most appropriate for our study, because in this way we can choose within which companies questionnaires will be distributed and reach quantifiable data. Alternative methods could be personal or telephone interviews (that would be too much time and resource consuming for us), or focus and mini groups (not considered to be appropriate since answers from group members might be influenced by the opinion of each other and/ or group leader). An example of the questionnaire is provided in Appendix C.

Finally, when looking for potential tools to overcome or eliminate existing obstacles and to promote women entrepreneurship and management in Riga, we have learned other countries' practices in solving these issues. In order to propose steps to be undertaken to remove or overcome existing obstacles for women's professional careers example of Sweden will be used. Reasons for choosing Sweden are discussed further.

In 1999, 50.57 % of the total population in Sweden were women and 49.43 % were men. Almost the same gender distribution could be observed in Swedish parliament where 42.7% of parliament members in 1998 were women. Even higher proportion of women (55%) could be found among the ministers of Sweden. (Macajeva, Kisieliene, 2000, p.6). According to Statistical Yearbook of Sweden (2001) there were less unemployed women (5.2 % in 1999) than there were unemployed men (5.9% in 1999) in Sweden. These data suggest that women in Sweden are highly represented in the labour market and might mean that activities promoting equal labour opportunities in Sweden have been successful. Moreover, since the government of Sweden is very concerned about the equal gender opportunities (in the time period from 1845 – 1999 in Sweden there have been 41 normative acts and laws aimed at promoting equal gender rights) (Macajeva, Kisieliene, 2000 p.18) we believed that some of the practices introduced in Sweden might be to a certain extent applicable to Latvia. These were the major reasons why we had chosen the example of Sweden to suggest the possible actions that might remove or help women in Latvia to overcome obstacles they are facing when trying to climb the career steps. Another reason for choosing Sweden was that Sweden is a member of European Union and its norms and legislation goes in line with EU legislation. Thus following the Swedish example of solving gender equality issues in the labour market would move Latvian legislation towards norms acceptable to EU.

To assess Swedish situation and to learn their practices, we have met and talked to representatives from different governmental and non-governmental institutions in Sweden (see in Appendix D).

### **3 Definitions**

There are several terms requiring explanation of their meaning used in the thesis. In order to avoid ambiguousness the meaning of terms to which we refer in our thesis is provided next.

Discrimination – unfair treatment based on racial, sexual, etc. prejudice (Pollard, 1994, p.229).

Gender - the term "gender" is used to describe those characteristics of women and men that are socially constructed, in contrast to those that are biologically determined. People are born female or male, but learn to be girls and boys who grow into women and men. They are taught what the appropriate behaviour and attitudes, roles and activities are for them, and how they should relate to other people. These learned attributes are what make up gender identity and determine gender roles. (*World Health Organization Homepage, Draft WHO Gender Policy*).

Gender roles – gender type function (role – a person’s or thing’s function (Pollard, 1994, p.694)).

Equal opportunities – men and women have equal rights, obligation and opportunities to have employment which gives economic independence, to look after home and children, to take part in political, trade union and other activities in society (Höök as cited in Wahl, 1995, p. 38).

Indirect discrimination – unequal treatment on the bases of circumstances other than gender, because of which – nevertheless – persons of a particular gender are placed at a disadvantage (Doorne-Huiskes as cited in Dijkstra, Plantega, 1997, p. 142).

Positive discrimination – discrimination which works actively in favour of a previously disadvantaged group in society, or to further the interests of one group against another (*Legal Words Dictionary Homepage*).

Sex – either of the two main groups (male and female) into which living things are placed according to their reproductive functions (Pollard, 1994, p.734).

Stereotype – a person or thing regarded as a conventional type rather than an individual; a preconceived and over-simplified idea of the characteristics which typify a person, situation, etc. (Pollard, 1994, p.787).

It is a generalized idea or image, usually negative, that is learned about a group of people; when it becomes fixed in our minds, it blocks us from seeing members of that group as unique individuals. (*Unicef USA Homepage*).

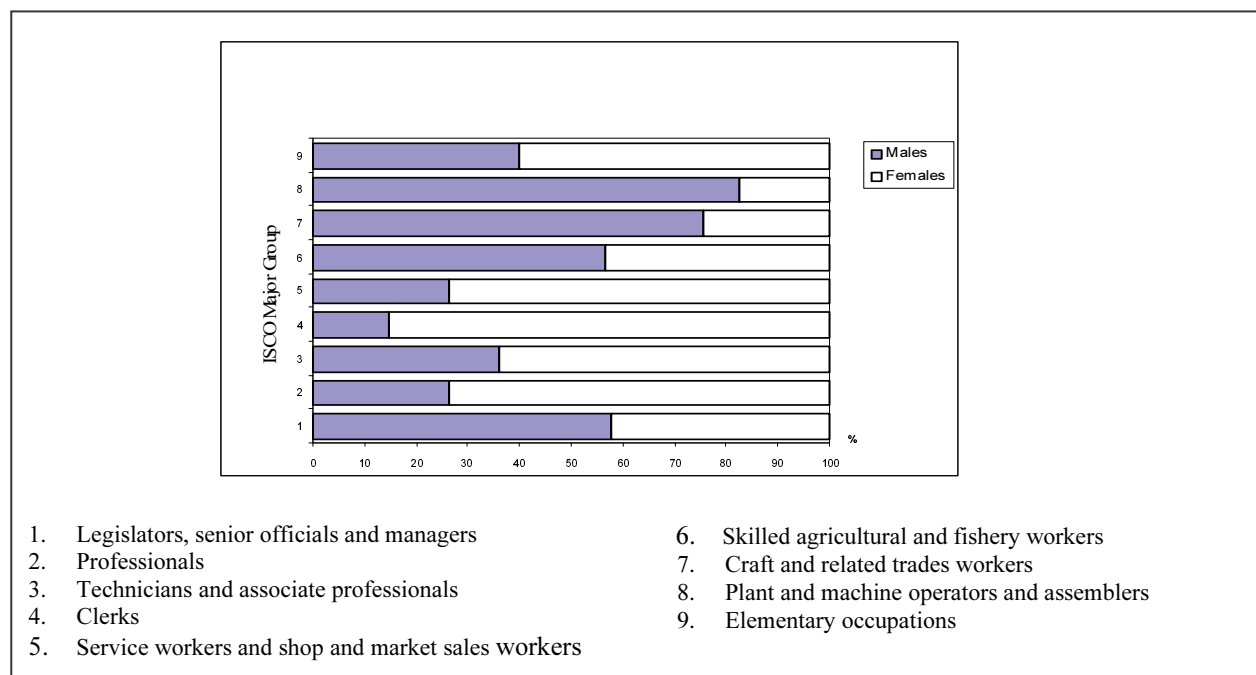
#### **4 Current situation in Latvia**

Information about gender inequality in the labour market of Latvia is appearing in mass media time by time. Often labour market discrimination is one of the subjects when talking about gender discrimination in Latvia as such. Part of the society perceives that mainly men occupy leading positions in companies and government and that men are more likely to be employers (entrepreneurs) than women are. These perceptions have either

emerged because of stereotypes or because of the reality that to a great extent is also determined by stereotypes. The following summary of statistical data will provide insights into the existing situation in the labour market of Latvia.

According to the Central Statistical Bureau of Latvia 56.8% of population in Latvia are economically active persons. 86.7% of all economically active persons are employed from which 49% are women and 51% are men. These results have been quite static during the past four years and suggest that employment distribution among both genders is rather even. When looking at the gender distribution among different occupations it turns out that 58% of people who work as legislators, senior officials and managers are male and 42% are female. The situation is rather different when looking at such occupations as clerks and elementary occupations. 85% of clerks and 60% of elementary occupation workers are females (see in more detail in Appendix E). The overview about gender distribution among different occupations can be seen in Figure 1 and might be the evidence of gender discrimination in Latvia.

Figure 1. Share of employees by sex and by groups of occupations in 2000  
(Results of the survey on occupations in Latvia in October 2000 (2001). Riga, Latvia: Central Statistical Bureau of Latvia).



Previously mentioned statistical data also evidence division of occupations among genders. There can be noticed such categories as “men’s job” and “women’s job” and it might imply that women doing “men’s job” will receive less than men do, although the opposite is unlikely to be true. According to statistics, women do have lower wages than men.

Female average hourly wage equals 80.4% of male wage. Women who work as legislators, senior officials and managers receive 23% lower wages than men in the same positions. The worst situation is in such occupations as service workers and shop and market sales workers where female wages are 35.4% lower than male. (*Results of the survey on occupations in Latvia in October 2000*, 2001). There has even been a case when woman in the countryside of Latvia was receiving salary that was five times lower (60 LVL) than men's salary (300 LVL) for the same job (Neimanis, 2000, p. 15). Statistical data on entrepreneurship show that there are almost three times more (30.8 thousands) male employers than female (11.7 thousands) employers (see in Appendix E). It means that there are much more male entrepreneurs than female entrepreneurs and here a link with the lower female remuneration might exist.

To sum up, statistical data support the fact that there are less women in leading positions and less women entrepreneurs than men entrepreneurs. These facts lead to conclusion that there must exist obstacles women face if they are trying to become high-level managers or entrepreneurs. What might be these obstacles? This question will be answered in the next section.

## **5 Theoretical explanations of the situation in labour market in Latvia**

In the previous section existing situation in the labour market of Latvia with respect to gender was described and next several possible explanations of previously found statistical data will be provided.

### **5.1 Finding 1: there are less female managers than male managers**

#### *Sex- role Stereotyping*

One of the reasons for having less female managers than male managers are existing gender stereotypes of the society. To our mind, it is still believed that woman's primary role is to be a mother and a housewife and a man should be the major breadwinner of the family. Thus, it is more difficult for women to move towards higher positions since they are supported less often than men are. Even if the employer believes that women can perform at least as good as men, he or she might still take into consideration possibility that a woman might go on maternity leave and that she will miss the job if her child is sick.

Another important reason why there are less female managers might be the fact that women themselves do not stream towards high positions. Many women do not value themselves appropriately and believe in "traditional" role division – women in the kitchen and with children, men at work. This is supported also by the following finding: according to

the survey that was run after electing V. Vīķe-Freiberga as the first female president of Latvia, women reacted negatively to breaking stereotypes and changing gender roles (Upleja, 2000, p.2). Thus stereotypical thinking lies not only in men who can not imagine women in leading positions but, what is even more important, in women who do not see themselves as leaders.

Another reason why there are less female in leading positions might be the belief or perception that is based on gender differences. It might be perceived that women managers are different from men managers just because they are women. According to Parker and Fagenson (as cited in Davidson, Burke, 1994, p. 17-18) One approach to gender differences is known as “person-centred” or “gender-centred” approach. The basic argument for this approach is that gender determines a significant part of person’s abilities, skills, and preferences that drive behaviour. According to this theory one should expect men to act in certain prescribed ways and women in another prescribed ways. If it is perceived that women do not possess characteristics that are typical or needed to be a manager, then it is expected that there will be less women in leading positions.

#### *Gender Cultures*

Another way of explaining the fact why there are more male managers than female is looking at the existing situation from organizational perspective. Nowadays organizations are not seen solely as economic entities. Organizations form the social environment, affect values and processes of the society. Organizations themselves can be seen as social entities having their own culture that is either well developed and targeted at reaching higher commitment and performance from employees or undeveloped, perhaps even self emerging. In either case there exist gender cultures that can be seen as subcomponents of organizational cultures. According to Maddock and Parkin (as cited in Davidson, Burke, 1994, p. 31 - 35) Men’s and women’s attitudes towards each other and their interpersonal relations constitute gender culture peculiar to each work environment. Gender culture of an organization will to a large extent determine attitudes towards women in the organization and thus their career possibilities within the company. There can be distinguished two major types of gender cultures. Traditional cultures reflect the view that men and women are fundamentally different and have different roles in the society, while recent cultures claim to perceive men and women as equal with similar capabilities.

One of the traditional cultures according to Maddock and Parkin (as cited in Davidson, Burke, 1994, p. 31 - 35) is the “gentleman’s club” that reinforces woman’s role as a mother and a housewife and the man’s role as a breadwinner. In this type of gender culture

women are valued in the jobs they do and are not expected to break barriers. The gentleman expects women to be caring and moral and if they behave appropriately they are rewarded with warmth and concern. There are two main effects from this kind of attitude. One is that women recognize that if they become too demanding and assertive or ask for promotion they will lose the friendliness of the boss or upset him and become outsiders. Another one is that women are disregarded from tasks that are either dangerous or too difficult (perceived as difficult by men) and time consuming since men “care” about women. Thus in this type of culture it is very difficult for a woman to be promoted and climb the career steps.

Another traditional culture called “the barrack yard” usually exists in hierarchical organizations that are dominated by authoritative leader. In these organizations the power delivers respect. Since women rarely have senior status in such organizations their interests and comments are ignored and they are rendered as invisible.

“The locker room” is one more variation of traditional gender culture identified by Maddock and Parkin (as cited in Davidson, Burke, 1994, p. 31 - 35). In this culture men build their special relationships on the basis of common assumptions, interests and agreements. They talk about sports, tell rude jokes, play cards, go to pub and do different “men’s things” in this way demonstrating that women are not welcomed in their “boys’ club”. Male colleagues become good fellows and their “boys’ club” remains also in a professional field thus creating barriers for women in professional promotion.

The second set of gender cultures according to Maddock’s and Parkin’s classification (as cited in Davidson, Burke, 1994, p. 31 - 35) does not consider gender differences. “The gender blind” culture perceives men and women as absolutely equal. Here important distinction has to be mentioned. In this culture it is not perceived that both genders should have equal opportunities and have equal capabilities, it rather perceived that both genders are equal. To say more extreme – all people are white men. The lack of tolerance towards natural gender differences may cause women to lie behind in the organizational hierarchy.

#### *Challenge, Recognition and Support*

Another theory that could be used to explain the first finding is Morrison’s theory (as cited in Davidson, Burke, 1994, p. 68) that there are three elements that need to be present for women to be able and willing to develop professionally and build a career. These elements are challenge, recognition and support. Challenge can be the driving force for women to learn more and do more to reach their challenging goals and prove that they can do it. If there is no challenge, the important stimulus of moving forward disappears. If women because of some

reasons (for example stereotypes) are not given difficult and responsible tasks, they will not update their knowledge and skills but will always lie behind.

Acknowledgement and rewards for achievement according to Morrison also play significant role. If a woman (or a man) feels her/ his job is valued, person will be more interested to perform better. Moreover, since the way of expressing recognition to the employee often is promotion women will not be promoted if their performance is not valued. Thus, lack of recognition in a work place has impact on women's career possibilities.

The third element, support, is as important as previous two. Support from colleagues and employer, from friends and family. It is very difficult to be alone or even against others. If a person does not receive support from people around he/ she might stop the career development.

These three elements relate to both genders, but they are more likely to be incomplete if they relate women and this is again because of assumptions and stereotypes that professional world is more a men's world than women's.

#### *Household Productivity*

Woman's participation in the labour market and thus her career possibilities are affected by the household which member she is. According to S. Gustaffson (as cited in Dijkstra, Plantenga, 1997, p. 39) comparative advantages of household members lead to large differences in their behaviour. If a couple has a child, the woman is biologically more productive in housework and she will increase her advantage in household production the more time she spends in this activity. In the same way the man will increase his productivity in market work the more time he spends doing market work because he improves his skills and therefore makes on-the-job investments. The household therefore gains from each partner specializing in his or her task and then trading with each other. Thus low representation of women in managerial positions can be considered as a consequence of the task division within a household.

#### *Other theories*

Theories described in the previous section represent only a part of different findings on low women representation in leading positions. Because of the limited scope of our thesis we will provide only a brief summary on other findings.

According to M. Ferrario (as cited in Davidson, Burke, 1994, p.111) there are two approaches to analyze women management. One is called a person-centred view that is based on assumption that women management depends on the personal qualities of women. If women are poorly represented in leading positions, it implies that their qualities are not



appropriate. Another approach is organization-centred view that assumes women's underrepresentation being due to the difficulties faced in the context of the organization. One more theory, described by R.J. Ely (as cited in Davidson, Burke, 1994, p.131) that attempts to explain women's underrepresentation in managerial positions is social identity theory. It captures how individuals' identity group memberships, such as their sex, shape their perspectives and experiences in different settings. Communication manner of each gender is another possible explanation of distribution of managerial positions among women. As found by S. S. Case (as cited in Davidson, Burke, 1994, p.145) differences in communication pattern of each gender affect relationships between genders and thus gender relationships within organizations that to a large extent determine women's career possibilities. J. N. Cleveland (as cited in Davidson, Burke, 1994, p.180) discusses sexual harassment within an organization. Sexual harassment is a cause of psychological and emotional distress of a person (most often woman) who has been harassed and affects not only one's ability to work but also other aspects of one's life.

## **5.2 Finding 2: women are paid less than men**

There are several reasons why we think wage rates are so unequal. First, male employers might be biased towards paying higher wages to their male employees, especially if they assume that men are the main breadwinners of the family. If this is true, lower average wage rates for women might be explained by the fact that there are more male employers than female employers in Latvia. Another reason might be employer's belief that women will be afraid to argue and object not to lose their jobs since they feel more responsibility about their children (Upleja, 2000, p. 2). Wage rates are closely affected by society's attitudes towards gender roles and assumptions of what being a man or a woman implies. Whatever the reasons are, unequal wage rates in the labour market indirectly lead to having less female managers than male managers. S. Wunderink-van Veen (as cited in Dijkstra, Plantenga, 1997, p. 23) looks at the issue from a household perspective. She argues that different wage rates for household members and different household productivity, obviously lead to division of labour between household members. If a family has to choose who is going to work in the labour market and who is going to spend more time at home (assuming that productivity of household labour is equal for both household members), they would most likely choose to work the one whose wage rate is higher so that opportunity costs of spending time at home with children are lower. Thus women have fewer possibilities to show themselves in professional field and climb the career steps.

### **5.3 Finding 3: there are less women entrepreneurs than men entrepreneurs**

In recent years women entrepreneurship has developed quite rapidly, however in Latvia there are still less women entrepreneurs than men entrepreneurs. One of the reasons might be that women are more risk averse than men. Perhaps it is because of woman's biological role to give birth to a child and to raise him/ her. Thus women feel highly responsible for their children and plan their activities keeping in mind that they are not alone and that they have to ensure a normal life to their children. Thus women more often seek for a stable job with social guaranties that involves much less risk than starting an own company.

Another reason for having less women entrepreneurs according to M. Ferrario (as cited in Davidson, Burke, 1994, p. 118) is the lack of support towards women's entrepreneurial activities and negative attitude from agencies and commercial sources of advice and financing. Support from the family is especially important since most women do not want to change their families to entrepreneurship. If a woman does not receive help and support she will less likely be able to start her own business. In addition, since the stereotypes about women's role as a mother and a wife are still alive and since women are the only ones who can give birth to children, their entrepreneurial activities will be supported less likely than men's.

There is also an opinion that women are underrepresented as entrepreneurs because of the lack of woman – entrepreneur image. "I can nonetheless claim that entrepreneurs have a male gender label" writes Elisabeth Sundin (1996). She supports her claim by giving examples of most often mentioned characteristics of an entrepreneur. She presents such features as being pioneering, adventurous, go-ahead, restless, venturesome, proactive and others. According to E. Sundin (1996) these features in their positive variants have a male gender label and that certain of them in their negative variants also can be ascribed to women. Thus characteristics designated entrepreneurship are male positive and women who are entrepreneurs gain thereby no automatic positive recognition through their activity. This of course might be true in some societies and wrong in others but to some extent it might have influenced women participation in entrepreneurial activities.

## **6 Obstacles**

Section above highlights different reasons why women are underrepresented in the field of entrepreneurship and high-level management positions. However these all are theoretical explanations, therefore in order to find appropriate ways how to get scales of women and men professional occupations steady in Latvia and how to promote

entrepreneurship and gender equality in Latvia, we have to find out what are the actual reasons and what obstacles women encounter in the way of professional development and career.

## **6.1 Exploratory research**

Interviews with women entrepreneurs and high-level managers revealed different kinds of experiences, obstacles, and conditions that the interviewees had encountered and obviously have learned to cope with in order to reach their current states. Still, it should be noted that those women, who have achieved distinguishable positions and results in the field of entrepreneurship, at first interface are willing to announce that there are no obstacles, just challenges and opportunities, which one should be able to notice and employ. However, in-depth conversations/ interviews reveal that behind the name of *challenge* there do exist problems and obstacles that these women have learned to overcome by themselves. Factors that influence their careers can be classified in three categories, namely, (1) motives as internal drives, (2) external support factors, and (3) obstacles and/ or constraints. In the following sections, these three kinds of aspects are illustrated for both women entrepreneurs and managers according to information gathered during the interviews.

### **6.1.1 Women-entrepreneurs**

#### ***Motives for going into entrepreneurship field***

Almost all of the interviewees say that person should have an urge and wish to do and to accomplish something. Internal motives mentioned do recur from conversation to conversation and some of the women-entrepreneurs tend to sort these in three levels of development that go alongside their personal as well as career paths.

At the first level they identify such motives as ensuring prosperous lives for their children and furnishing family life better than they have experienced in their own childhoods. As a result, they look for the opportunities how to earn necessary resources for this. Next level is their goals to build cohesive collective, to create good working place where others would be willing to work. At this point women think how to help and advocate other families around themselves, in what way safe and successful working environment might be created as well as about their own personal development. A. Vīksna says that in the 21<sup>st</sup> century entrepreneur has more social responsibility, thus moving already to the final third level.<sup>2</sup> At this point three motives for own business development are (1) supporting charity, e.g. support for single mothers and orphans, (2) adding value to the national development of Latvia, e.g.

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<sup>2</sup> A. Vīksna, personal communication, November 27, 2001.

supporting small and medium size organizations for business start-up, (3) as well as knowledge and experience sharing with others.

### ***Driving factors for going into entrepreneurship field***

Still it might not be enough to have only internal drives, and respondents also identify some support factors that keep them stick to their initial ideas. One of such is responsibility breakdown in family, meaning that home-care and child-care is shared between wife and husband. Still it should be admitted that women perceive this to be a benefit rather than existence of normal equality principle.

Another external motive mentioned is friends who inspire and empower women not to forgo from their ideas when they face first difficulties. Along the way, encountering some obstacles and constraints it is also important not to loose optimism and future oriented view, and interviewees assure that such personal traits as risk tolerance, honesty, responsibility, and enthusiasm are essential to be successful.

Turning to concrete business foundations in early 90-ties, women entrepreneurs as a considerable external drive mention changing market situation with plenty of open business opportunities and niches. And if one has had good contacts and integrated networking, then by combination of initiative, open-mind and fortune business can be founded.

### ***Obstacles and constraints for going into entrepreneurship field***

#### *Financing system*

Women admit that it was and still is very hard to get credit from banks for start-ups when person (independent of weather man or woman) does not have successful entrepreneurial experience and credit history or additional hedge. It is often even more difficult for a woman to persuade bank representatives that her business is worth investing money. Crediting institutions tend to look more for guarantees and experiences, rather than business idea and business plan evaluation. In addition, in early 90-ties high interest rates hindered successful enterprise development and growth.

#### *Governmental framework conditions*

Other frequently mentioned factors that hinder entrepreneurship in Latvia are conditions that to some extent are government dependant and relate to entrepreneurs of both genders. One of them is taxation system that involves both direct and indirect taxation. Entrepreneur has to pay different duties and obtain licenses. Advance income tax requirement and delayed VAT refunding are also disturbing for businesses. Women also mention far too many undigested controlling institutions, bureaucracy, legislation and normative acts that

currently hinder and block rather than facilitate and promote entrepreneurship as such. Corruption in different institutions also is mentioned as one of stopping factors here.

#### *Undigested social sphere*

Quite often interviewees emphasized that responsibilities within the household take a lot of their time and energy, because many kindergartens are closed today, child-care and health care systems are weak and unreliable (see also section 6.1.2 *Child-care*).

#### *Stereotypes*

There are two kinds of stereotypes that were mentioned during the interviews and that hinder women-entrepreneurship in Latvia: (1) preconceptions in society (see in more detail below in section 6.1.2 under *General standpoints in society*) and (2) stereotypes in woman herself, like lack of self-confidence and lack of internal stimuli.

### **6.1.2 Women high-level managers**

#### ***Motives and drives for career building***

One of internal motives for career building that women managers identify is the aspiration for increased responsibility and recognition. And of course, higher position also offers higher income that is also identified as important criteria and drive. Another motive for corporate career (rather than going in the entrepreneurship field) is stability and security, meaning that women quite often decide to develop career within a company because they are not willing to take the entrepreneurial risk.

#### ***Obstacles for women when becoming high-level managers***

##### *Men's perceptions about women; cultural beliefs*

Almost every interviewed woman says that men do not understand the importance of having different views in organization and its effect on profitability. Men tend to think that they are more intelligent than women are, and it seems that rather beliefs than qualifications discriminate against women because from professional knowledge perspective women and men are equal. Still, they cannot accept and understand women's way of thinking, which sometimes is based on intuition and *gut feeling*, rather than mathematical calculations and logical arguments. Alongside, female managers experience men's power over the women exactly because they are of majority, hence men are those who have a power. They support each other, recommend each other and have networks, while women quite often are excluded from informal organizational networks. Men choose men because they know what to expect from someone alike. Such cultural beliefs affect women's professional perspectives by lowering their self-confidence.

### *Employers' attitudes and perceptions*

Repeatedly it appears that employers and company executives view male manager as a benefit, because he has support at home and thus he can invest in the work all his efforts, while married female manager is treated as a burden, as they expect women to lessen her career in favour of her family. These perceptions then are reflected in recruitment, training, and promotion and such attitudes are like pressures on women's complacency and self-assertion. Another belief is that woman has to prove her abilities and skills to get promotion, while man is given a chance to try without strict assessment of what he has achieved in past.

### *Child-care*

Women assure that public facilities for the child who is under three years are almost not available and therefore parents, who look forward to return to their work, have to make their own, often expensive, arrangements. For instance, today private child-care centres are accessible in Riga as the number of those has grown but this is an expensive option. Another option is to choose 'black-market' baby-sitter as it is usually done in Latvia. Even more, some women managers say that combining work with child-care still seems to be too stressful for them.

### *Parental leave*

Parental leave allowances guaranteed by government are insufficient to take care of child, therefore parents should look how to arrange their time and responsibilities in way to have highest possible income during parental leave. One of them should sacrifice his/ her career and professional development since somebody has to spend time at home with children. And because man often earns more, it makes woman to stay at home.

### *General standpoints in society*

Women managers admit that skilled women today experience two type self-contradicting pressures. On the one hand, they know that if they want to build a career and be successful, they better should not get married and should not have a child, while, on the other hand, the stereotype of the old-maid is still alive, namely, woman is not happy if she does not have a family.

## **6.2 Survey results**

Survey on women's opinion about managerial positions and entrepreneurship with respect to gender was carried out in several companies in Riga in January 2002. Summary of data collected is included in the Appendix G. In total 73 questionnaires were distributed and 60 filled questionnaires received. Thus the response rate of the survey was 82%. Age range of

respondents was from 18 to 50 years. 44% of respondents were 18 to 25 years old and the same number of respondents were 25 to 40 years old. Respondents in the age of 40 to 50 years constituted 12% of the sample. Respondents represented such positions as administrative employee (52.5%), division manager (10%), company manager (3%) and positions such as accountant, teacher, project manager and others (34%). Next, results from the survey will be presented.

68% of the respondents assured that they are indifferent whether man or woman is their direct manager. The main criterion for this group of respondents is professionalism rather than person's gender. Another argument is that preferences depend on personality and each individual's characteristics. Still 25% of women respondents would prefer man to be their direct manager mainly because men have constructive, analytical, and logical thinking and because it is easier to cohere with men, while women are more emotional and they do compete with each other. And only 6.7% of the respondents would feel more comfortable if their direct managers were women because they think that women would better understand problems and it would be easier to cohere with them.

Quite the same answers were given to the question about the general manager/director of the whole company. 65% of the respondents assured that they are indifferent whether man or woman is general manager of the company. The main criterion for being indifferent is that person should be a good specialist in the field of specific business, which means that majority of respondents presume women and men to be equally capable to lead the company. Another argument is that personal traits are more important than person's gender. Still 28% of the respondents think that exactly man would be a better general manager mainly because men have constructive, analytical, and logical thinking and because it is easier to cohere with them, while women are assigned another *mission* that suits them better. Most likely the latter argument is based on the stereotype of some specific gender roles. Only four of our respondents would feel more comfortable if the company's manager was woman. It is mainly because they think that women strive more and are always able to find ways out from the impasse.

Even greater proportion, i.e. 80%, of respondents is indifferent towards person's gender when questioned about their preferences towards owner of the company. Half of these respondents justify their answer by saying that person should be a good specialist in the field of business and that professionalism is more important than the person's gender. 18% of respondents would prefer man to be the owner of the company because men have such traits

as constructive, analytical, and logical thinking, higher level of responsibility and because men dominate in the *business world*.

Only one of our respondents thinks that there is equal distribution of both genders among general managers (GMs) in Latvian enterprises. This belief is based on the argument that there are equal opportunities for both women and men. Four respondents think that there are more women high-level managers than men mainly because women have qualities that are more appropriate for this position. However, 92% (i.e. 55 respondents) think that there are less women high-level managers in Latvia. 16 of these respondents think that women are even less than 25% of all GMs in Latvia and 39 think that women represent 25 to 50% of all GMs. Most frequently mentioned cause of such situation is stereotypes within the society. Next most important obstacle for women's career development is the fact that woman has to take care of a family and children. However, it might be said that this is also stereotypical perception assumed by women themselves, meaning that women presume their social role to be a mother and thus they live in accordance with such perception. Almost with the same degree of importance such reason as historical evolution that has developed general attitudes towards gender roles appears. Next, approximately 10% of those who believe there are more male managers think that the gender distribution among GMs is determined by personal characteristics and some of them say that women are less active and less pushing therefore they cannot reach high-level managerial positions. Next in the line of obstacles that women encounter in their career development are men's attitudes. In particular, our respondents say that men do not want to permit women to become leaders in the business and that they are unwilling to leave their leading positions.

Three respondents think that there are equal distribution of both genders among entrepreneurs in Latvia. This belief is based on the argument that there are equal opportunities for both women and men. Three more respondents believe that there are more women entrepreneurs than men. In total 90% (i.e. 54 respondents) think that women represent 0-50% of all entrepreneurs in Latvia. 22 of these respondents think that women are even less than 25% of all entrepreneurs in Latvia and 32 think that women represent 25 to 50% of all entrepreneurs. Most frequently mentioned obstacle for women to be an entrepreneur is that woman has to take care of a family and children. This factor actually reflects two more causes: first, there exists stereotype that it is women's role to take responsibility over family rather than men's, and second, that if one should take care of family he or she can not be an entrepreneur. Next most important cause of current situation when there are fewer women managers than men is stereotypes within the society. Almost with the same degree of



importance, i.e. approx. 20% of these 54 respondents believe that the gender distribution among entrepreneurs is determined by personal characteristics. Some of them say that women are less active, shy and are less willing to take responsibility, while men are more venturous and think more in economic terms. Next, approximately 11% of those who believe there are more male entrepreneurs think that such situation has evolved historically thus developing general perceptions about the gender roles. Another reasons mentioned are that for men it is easier to build contacts in the business community and that woman has to be very strong in order to gain and accomplish her aims in the *business world*. Approx. eight per cent of those who believe that there are less women entrepreneurs than men entrepreneurs still perceive current situation to be relatively positive and normal. These respondents argue that women nowadays more and more move into the business community and that women have better education than men do.

### 6.3 Summary of findings

In order to gain information on obstacles women face in their careers information was gathered in two ways: exploratory research and survey. The following findings can be classified as major obstacles women face in a professional field.

Obstacles for women managers:

- stereotypes in the society that have formed over years;
- gender roles prescribed to men and women;
- men's perceptions and attitudes towards women;
- employer's attitudes and perceptions towards women employees;
- weaknesses of the child care system and lack of developed legislation on parental leave.

Obstacles for women entrepreneurs:

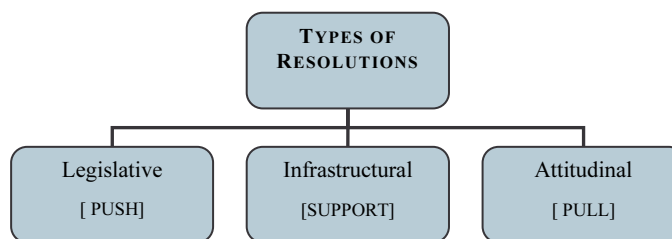
- gender roles prescribed to men and women;
- stereotypes in the society that have formed over years;
- weaknesses of the child care system and lack of developed legislation on parental leave;
- difficulties to receive financing;
- framework conditions (taxes, controlling institutions, bureaucracy, legislation, corruption).

Overall, if we look at all the obstacles for women entrepreneurship and management in Latvia identified through both exploratory research and survey, we can identify some very concrete and practical barriers, for instance, child-care concerns and financing problems, as well as some vague and generalized matters, like perceptions and attitudes. Although they all

can be named and listed, it is hardly possible to sketch a concrete line in-between. On the one hand, women mention that one of the difficulties in their career development is to combine work with child-care, however this might be rather a question of an attitude. If women did not assume the bulk of family care and domestic functions as their responsibility, such obstacle as child-care, most likely, would not be one of the major obstacles. Doorne-Huiskes (as cited in Dijkstra and Plantega, 1997, p. 149) names this as the *gender contract* that today conflicts with the new reality of men's and women's lives. Most women are now forced to manage household and family demands with involvement in paid work structures that are designed to fit male employment patterns. Therefore, increased compatibility between employment and family responsibilities should be reached. This process requires cultural changes as well as alterations in the social infrastructure, which must be achieved through both public and private provisions.

Since we presume that the cause of most obstacles in women's careers lies in attitudes and perceptions of gender roles, it is important to search for solutions that would tackle both the cause of the obstacle and obstacle itself. Hence, we have ourselves created a three-dimensional classification of resolutions for lessening obstacles and promoting women entrepreneurship and management (Figure 2), i.e. (1) legislative, (2) infrastructural, and (3) attitudinal.

Figure 2. Types of resolutions



Legislative type of resolutions works as a *push* factor that through rules and prescriptions forces people act in some concrete way. However, such *push* factors, for example, fixed quota for equal gender representation within the organization, solely will not ensure changed attitudes towards underrepresented group. Thus, in order to attain lasting and stable change, there is a supplementary need for *pull* type of resolutions that would create necessity for change within society. The necessity in turn arises from changed attitudes towards women's role. For instance, information flows through media reflecting women's success would work as *pulls* indirectly but thoroughly working for transformation of thoughts. In-between these

extremes, there are factors that help to satisfy needs created by *pulls* and help to implement activities aimed at forcing equality. These we classify as *support* factors. Different kinds of institutional incentives, such as fixed child-care system, establishment of appropriate day-care centres, and non-governmental and organizations' initiatives would work as supportive tools. However, it is not so easy to draw a clear line between what works solely as a *push* or a *pull* factor. *Push* and *pull* activities are often supplemented by supporting initiatives, for example legislation can work both as a *push* and *support* factor. To sum up, only integrated approach with concurrent initiatives at these three dimensions might work for enduring change.

## **7 Policies and activities aimed at promoting women entrepreneurship and management**

As it was described in section 6.1 and 6.2, both women managers and entrepreneurs have difficulties with combining successful career and a family life. Stereotypical cultural attitudes towards gender roles is another obstacle that creates difficulties for women when running their own companies or wanting to be in high managerial positions. Therefore, in the following section, action plans to overcome obstacles that are common for both managers and entrepreneurs will be discussed. However, as there are also obstacles that are either management or entrepreneurship specific, it will be also distinguished between activities that might promote one or another group of women.

### **7.1 Existing policies for women entrepreneurship and equality promotion in Latvia**

#### **7.1.1 Non-governmental initiatives**

Over the last decade a network of non-governmental organizations has developed gradually and some public organizations actively seek solutions for various problems of gender inequality. A certain role in the labour market is also played by trade unions which provide additional possibilities for men and women to protect their civil rights. (*Concept on the Implementation of Gender Equality*, 2001, p. 9).

#### ***Management and entrepreneurship: Mentorship programs [PULL and SUPPORT]***

One of non-governmental institutions that run important initiatives to promote women entrepreneurship and management in Latvia is Latvian Businesswomen's Club, which joins independent, interesting women taking active role and being leaders in their own businesses.

Irina Pētersone, president of the club, says that women have to come and join together in order to strive for accomplishments, to verify and acknowledge their abilities and rights.<sup>3</sup>

Latvian Businesswomen's Club in different ways helps unemployed women, single mothers and large family mothers by organizing courses, where they can learn new skills in order to foster them to take active role in social life and to find a job. In year 1996 and 1997 club together with Soros Foundation in Latvia organized Latvian language courses for Russian speaking unemployed women. After that in year 1998 similar courses were supported by Finnish Embassy. During other courses self-assurance is built, etiquette, manners, communication and interaction, business plan writing, business start-up process, accounting, computer skills and much more is taught as well. These courses are financed by membership fees, corporate sponsors and national and international subsidies. Latvian Businesswomen's Club has a partnership with Finnish women's organization MARTHA, Soros Foundation in Latvia, Swedish, Finnish, Russian Embassies and Great Britain Council and is supported by media agencies.

Another project, launched in June 2000, is Women's Information Centre with the aim to support businesswomen at enterprise start-ups, development and successful business maintenance. Centre joins together women-entrepreneurs who can help with their practical experience in the business development processes and also professional advisers who help with theoretical knowledge. The other course of action of the centre is working with state institutions and municipalities and stressing that state and politicians have to create conditions and foster small business development in Latvia. (Lapiņa, 2000, p. 7). Unfortunately, we should note that the effects of this second purpose are not visible yet, since our study results reveal that entrepreneurs still do not feel supported by governmental activities and systems.

### ***Entrepreneurship: Financing [SUPPORT]***

On the one hand, skills, knowledge, self-assurance, initiative, and informational support are crucial fundamentals for successful venturing, while on the other, financial resources and investments are critical to transform excellent ideas into viable businesses. If two initiatives briefed above are more focused on the former, then Nordic Investment Bank's project supported the latter, i.e. business crediting in Baltic states. In July 2000, Hansabank by serving this credit line in Latvia shared 200 thousand lats in twelve five-year credits. That scheme was committed by Nordic Investment Bank (by following political decision taken by

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<sup>3</sup> I. Pētersone, personal communication, October 29, 2001.

council of ministers of the Nordic countries) with a condition that the credit can be given solely to women entrepreneurs or to such firms where woman takes the role in strategic decision process. Hellen Siva, vice-president of Nordic Investment Bank, assured that the aim is to involve more women in venturing and to encourage them to be more tolerant towards risk. (Feders, 2000). Of course, one time initiative cannot solve the problem and change entrepreneurial financing difficulties. More intensive, in terms of frequency and publicity, incentives might create persistent and stable shifts.

***Entrepreneurship: Cultural attitudes [PULL]***

Along the way of women involvement in business world it is also important to carry out information process not only to share knowledge and experiences among women themselves but also inform the whole society that Latvian women have already verified themselves in such business fields that still are perceived to be males' domains (e.g. oil industry, information technologies, and auto trading). One of the tools to break perceptions and stereotypes that women should be housekeepers and public services providers are informative forums and conferences. One of such was initiated and managed by Aiva Vīksna, executive director of Lietišķās Informācijas Dienests, on November 9, 2000. Majority of forum auditory were women who were enterprise owners and high-level managers and who were responsible for taking substantial strategic business decisions on everyday basis. (Kluinis, 2000).

Without state support and involvement, non-governmental organizations and trade unions may gradually lose motivation to address gender equality issues. This might in turn increase the separation of state power and the society as well as increase costs for the country when it tackles these problems in the future. However, there is also possibility that the unsupportive attitude of the state mobilizes various social groups to fight for their rights. (*Concept on the Implementation of Gender Equality*, 2001, p. 14).

**7.1.2 Government Involvement**

***Management and entrepreneurship: Research and information sharing [PULL]***

Research in the field of women entrepreneurship and management is necessary to understand the weaknesses (if any) of current situation and create basis for further action. Creating awareness in the society is the basic step towards equal labour participation and equal opportunities in the labour market. According to our observations and communication with Irina Novikova<sup>4</sup> from Gender Studies Centre of the University of Latvia, there have

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<sup>4</sup> I. Novikova, personal communication, January 8, 2002.

been very little researches done in Latvia to investigate problems women face if wanting to become managers or entrepreneurs. Still, some data about the issue are available and will be presented next.

Statistical data on labour market in Latvia are available from different perspectives, including information on gender distribution among different professions and sectors. However, this information should be more actively communicated to the society and used in order to present the current situation. Moreover, although some statistical data are available, there is no explicit information on gender distribution in different levels of management. There is also lack of qualitative research revealing society's perceptions about gender roles and about women's position and situation in different organizations. By examining statistical data it is possible to answer the question "what?" but it should also be possible to know at least the possible reasons "why?". Although there is little information available on women management in Latvia, there has been an attempt to inform the society in more detail about women's entrepreneurship. There has been a research carried out by the Institute of Philosophy and Sociology of the University of Latvia. The name of the project was "Survey on Women's Attitudes towards Support for Women Entrepreneurs in Latvia". This research was carried out in April, 2001 with the aim to examine attitudes and opinions of businesswomen in Latvia about business environment and women's possibilities in entrepreneurship in Latvia. Research report provides many interesting findings on women's entrepreneurship such as motives for starting the company and reasons for closing the business. Women have also listed problems they face during their business careers. This research is both useful and interesting since it reflects the critical issues of women's entrepreneurship.

Having at least some data is good for creating intension to make further researches, for example, examining women's representation in different levels of managerial positions, that might give clear evidence on the situation of women in labour market in Latvia. Only then, it would be possible to work for change.

***Management and entrepreneurship: Governmental institution for women entrepreneurship and equality promotion [PUSH and SUPPORT]***

According to the *Concept on the Implementation of Gender Equality* that was approved by the Ministry of Welfare of the Republic of Latvia on October 16, 2001, today only in very rare cases the gender aspect is taken into account in the analysis of the policies implemented by the government (2001, p.10). However, the acceptance of this concept will engage all type of ministries of Latvian state to work for solving gender equality issues.

During the pre-accession period in EU, Latvia has to incorporate EU Directives on ensuring equal treatment into its national legislation (*Concept on the Implementation of Gender Equality*, 2001, p. 15). In conjunction with the EU integration process and already before, Latvia also has undertaken to fulfil other international commitments concerning general human rights and non-discrimination principle and duties (see in Appendix F). By acceding these conventions and declarations Latvia has shown its political will to prevent any kind of discrimination as well as such accessions have imposed legal obligations for the resolution of specific issues. (*Concept on the Implementation of Gender Equality*, 2001, p. 9).

However, political protocols and legal norms will not and have not solved all the matters that hinder balance between men and women roles and participation in social community. Beyond the appropriate legislation, infrastructure where the legislative norms can work vivaciously is needed. Accordingly, recently accessed *Concept on the Implementation of Gender Equality* is the first trial to build integrated approach to gender equality in Latvia. Five lines of activities approved by the Ministry of Welfare of the Republic of Latvia are essential to ensure gender mainstreaming in public administration:

- strong institutional mechanism establishment where members of Saeima, Ministry of Welfare, Central Statistical Bureau, Public Administration Reform Office, local governments, mass media, non-governmental organizations and independent experts and research institutions will be interlocked;
- simultaneously educate and raise the awareness level among politicians, in society and to develop special subjects for educational institutions for gender equality promotion. If the community is not educated about the essence of gender equality issues and if an efficient dispute resolution mechanism is not established there will be no support to the policy formulated and implemented by the state, neither will the trust of the population in law-enforcement agencies increase to report violations of rights;
- to improve the normative base – the incorporation of gender equality principles in the existing and projected directions, normative acts and programs;
- the Ministry of Welfare by the end of 2002 must in conjunction with other ministries and interested institutions formulate a strategy for the implementation of gender equality, setting qualitative and quantitative objectives and timeframes for their achievement. Ministries must formulate their own action plans within the frame of their competence on the basis of objectives identified in the strategy;
- to monitor and assess the progress.

(*Concept on the Implementation of Gender Equality*, 2001, p. 16).

In order to assess and digest current situation, analysis of legislation from the gender equality prism has been done and currently study about the population's perceptions and attitudes towards gender equality issues is carried out<sup>5</sup>. However, state institutions do not engage into direct activities that would promote women entrepreneurship and venturing. And current awareness and education level of the community about the gender issues is insufficient for integration in the various activities and processes of the civic society (*Concept on the Implementation of Gender Equality*, 2001, p. 9).

***Management: Labour Law [PUSH and SUPPORT]***

Labour law is an important tool not only of governing relationships between employer and employee but affects also working and family life of the society. The new labour law of Latvia will be effective starting from June 1, 2002. The overall impression of the new law is that it supports equal opportunities in the labour market. There are provisions directed at different kinds of non-discrimination. The 29<sup>th</sup> article of the law states that different attitude towards a person with respect to the gender is strictly forbidden. Law also regulates procedure of recruitment and promotion, to eliminate discriminatory requirements for the candidate. There are also provisions directed at pregnancy and childbirth to ensure that pregnancy and family is respected and supported by the employer. Women are entitled to 112 days leave before and after child's birth (article 154). Law also provides fathers with ten days paternal leave after child's birth (article 155). It is also stated in the law (article 156) that every employee is entitled to take a leave up to eighteen months to ensure appropriate childcare for children younger than eight years. Moreover, each of the parents is entitled to these eighteen months, which means that in total parents can take a childcare leave that is up to three years long. However the social benefit is paid only to one of the parents (LVL 30 until the child is one and a half years old and LVL 7.5 until the child is three years old)<sup>6</sup>. When considering the financial aspects of a parental leave, it is obvious that 30 lats benefit is not a sufficient amount of money to ensure appropriate childcare, thus it is very unlikely that the option to take a full leave by both parents will be exercised. Still there is another positive aspect of the parental leave; according to I. Baranovska<sup>7</sup> (Department of Social Insurance of the Latvian Ministry of Welfare) it can be divided in several parts until the total time spent on the leave is one and a half years. It means that parents can share the time spent on childcare time by time. Although the new labour law shows a good intention to ensure equal labour

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<sup>5</sup> V. Podziņa, personal communication, November 5, 2001.

<sup>6</sup> I. Baranovska, personal communication, January 29, 2002.

<sup>7</sup> Baranovska, 2002.



opportunities for both genders, success and appropriateness of the law highly depends on the effective enforcement. It is important to share the information widely within the whole society and to create dialogue possibilities between employees, employers and governmental institutions to be able to monitor applicability of the new labour law.

## **7.2 Resolutions**

In the previous sections we have mainly investigated the existing situation in women entrepreneurship and management in Latvia. After presenting statistical data and possible explanations of the existing situation, major obstacles for women to become managers and entrepreneurs were identified. Presentation of the current situation is very important to increase the overall awareness of the equal gender opportunities problem in Latvia since it is the first step towards improving the situation. The second one is to try to find ways of how the situation in women entrepreneurship and management might be improved. Although, there have been some plans initiated in both non-governmental and governmental sectors in Latvia, still the problems have not been solved.

Doorne-Huiskes (as cited in Dijkstra and Plantega, 1997, p. 148) mentions that the causes of the slow progress in the women's situation in the labour market in various parts of Europe lie in economic circumstances, the lack of instruments to enforce implementation, the lack of political will to give high priority to improving women's status in society, and deeply rooted structural and cultural characteristics in all European societies. Of course, it is not difficult to list the prerequisites for balanced society, but the question of how these measures are to be settled in such a way that the programmes will really be carried out is much more complicated. Evaluation and implementation of the action plans for equal opportunities and women entrepreneurship promotion are further steps in the change process. However, since we have delimited our field of study to proposing possible solutions, in the next section only potential actions and programmes that might help to remove obstacles for women managers and entrepreneurs, as well as to promote equal opportunities and women entrepreneurship will be suggested. We are not aiming at directing what exactly should be done and by whom. Programs and action plans described further are mainly practices applied in Sweden, however some examples of other European countries' practices are also provided.

### **7.2.1 General description of the situation in Sweden**

“Sweden is well known for being “more equal” when it comes to equality between women and men, compared to most other countries. [...] It is considered “normal” for women in Sweden to have a family and to work and have a career.” (Anna Wahl for OECD)

This quotation reflects the image of Sweden as a country that has moved close to gender equality and possibility for women to have a successful career and family. Situation in equal opportunities and women's entrepreneurship in Sweden has improved in last ten and twenty years. According to Monica Lindstedt<sup>8</sup>, owner of Hemfrid AB and board member of two Swedish companies, in the early 80-ties there was hardly any woman on the board of big companies and there were very little women entrepreneurs (and entrepreneurs as such) as well. Today Monica has four children, is a board member of two Swedish companies listed on the Stockholm Stock Exchange, and manages her own company.

“In Sweden we take pride in having made considerable advances towards equal opportunities. This is partially true and it is something that we have every reason to feel proud about. This does not mean, however, that we can sit back in the confident belief that everything will work out for the best without further effort on our part. It is still the case that women and women's competence are not used to their full potential in working life.” (Wahl, 1995, p. 5). Although many steps have been taken to promote women's entrepreneurship and equal opportunities in working life, this does not mean that situation in equal gender opportunities in Sweden is ideal. There are still problems to be solved, but more important is that Sweden's society and government have become aware of the problems they are having and that they continuously work for change. As reported by Pia Höök (as cited in Wahl, 1995, p.38) in 1993 on average eight per cent of top management and ten per cent of board members consisted of women. At the level directly below the top management, the proportion of women was 16 per cent on average. Women accounted for 34 per cent of all employees in the company on average. This figure was even lower for privately owned enterprises. Today situation in Sweden has improved a lot, and overall representation of women in the labour force in 1999 was 74.8%, while in Latvia 49% of economically active persons employed are women (*Statistical Yearbook of Sweden 2001*, 2001; *Labour force surveys: main indicators*, 2001). Thus in a horizontal level, one could think there is no gender discrimination in Sweden. Problems exist in a vertical level of employment, i.e. promotion within the company. In Sweden, there are more men on the boards of large companies and in the highest managerial positions than there are women<sup>9</sup>, likewise in Latvia, where 42% of all legislators, senior officials and managers are women (*Labour force surveys: main indicators*, 2001).

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<sup>8</sup> M. Lindstedt, personal communication, December 13, 2001.

<sup>9</sup> A. Wahl, personal communication, December 14, 2001; L. Westerberg, personal communication, December 18, 2001; P. Höök, personal communication, December 20, 2001.

Entrepreneurship is also more common among men than women both in Sweden and in Latvia. Today only about one third of entrepreneurs are women (*Statistical Yearbook of Sweden 2001*, 2001; *Labour force surveys: main indicators*, 2001). When characterizing woman's business, many of our respondents in Sweden admitted that women usually start tiny companies in the service industry. Their primary motives for going into business on average are possibility to be one's own boss and to earn money for their own and family's living. On the other hand, when a man goes into business, generally speaking, he wants to build a big company, create a name, do something remarkable, not just ensure his own living.<sup>10</sup>

Gender issues, such as equal opportunities in a working life and women's entrepreneurship have received lots of society's and government's attention. Several governmental institutions have been formed in order to work for change and promote equal opportunities and women's entrepreneurship in Sweden. As it was discussed before, activities taken in last years have improved equal opportunities and have promoted entrepreneurship in Sweden. Therefore, it is worth to take a closer look at what has been done in Sweden in order to change the situation and think of what we (Latvian society and government) might learn from Swedish experience.

### ***7.2.2 Actions that might remove or weaken existing obstacles for women in management and entrepreneurship***

#### ***Management and entrepreneurship: Family [SUPPORT]***

To ascend the career steps and to acknowledge oneself in the labour market, woman wants to be sure that family and children are taken care of. Child-care system and infrastructure has to be developed in such a level that both parents after the parental leave can continue their jobs and professional development by losing only up to one year (or only half year if parental leave is distributed evenly between both parents) in their careers. Accessible child-care is important for both women managers and for women entrepreneurs (as well as for any mother and father) and during our study is proved to be an important factor affecting women's careers. Parental leave for woman entrepreneur who, in fact, is employer not employee is a challenge to be able to continue business growth and development and simultaneously find time for her child. At the same time, woman manager being employed by someone can rely on legislative provisions and hence can be sure that her position in the labour market will not be affected severely even if she takes full eighteen-month parental

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<sup>10</sup> M. Lindstedt, personal communication, December 13, 2001; K. Wennberg, personal communication, December 20, 2001.

leave. This, of course, might be true only under appropriate and accordant legislation and, of course, her professional development might be moderated at some point.

### *Child-care*

Day-care centres are primary tool for parents who want to return back to the labour market after parental leave, thus these centres should be such that both mother and father can assuredly entrust their child every morning to baby-sitter at day-care centre. The very elementary child-care should be guaranteed by establishing accessible, open and affordable day-care-centres. In addition, entrepreneurial type institutions might step in by providing something more advanced, more flexible and adjustable, for instance, by offering child-care at home, offering flexible timelines and specialized type of care, even including house cleaning and other domestic help services.

### *Parental Leave*

One the one hand, parents can agree by themselves how to share child-care responsibilities and time spent at parental leave, but on the other hand, environmental conditions (for example, legislation) should be oriented to equality and should promote shared responsibilities for family care.

Today in Swedish legislation it is appointed that either of parents or both of them by dividing time partly can take up to twelve months for parental leave in order to take care of child. Still, traditionally woman is the one who takes the leave in most of the cases<sup>11</sup>; hence there is additional provision in Swedish labour code in order to promote fathers' involvement and contribution to the family life. This provision says that one additional month is available for parental leave if only used by father.<sup>12</sup> In addition, equally utilized parental leave also creates and develops in children such values that teach them to treat women and men equally, both in the family and society.

Though there is equality-oriented legislation, it is not enough to change practical situation that has been developed and has come to stay traditional year after year. In order to foster the change, different kinds of initiatives might be done at organizational level. For instance, large banks in the UK and the Netherlands have adopted equal opportunity policies that appear to be relatively well-developed, including re-entry programmes for employees who leave the bank temporarily to care for children (Doorne-Huiskes as cited in Dijkstra, Plantega, 1997, 147).

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<sup>11</sup> A. Wahl, personal communication, December 14, 2001.

<sup>12</sup> M. Lindstedt, personal communication, December 13, 2001.

Monica Lindstedt<sup>13</sup> admits that rules will work only if attitudes change. She says that companies should understand that they could gain a lot when employing women, and women should understand that it is possible to combine family life with career, and men should understand that they should share home works with women. Likewise Anna Wahl from the Stockholm School of Economics research centre assures that community should constantly work with and for the change of attitudes and perceptions<sup>14</sup>. In the article *Working for Change*<sup>15</sup> (1995) she also has written that the shift in thinking and talking, from considering equality a ‘women’s issue’ to a ‘society issue’ or an ‘organization issue’, is the precondition for the change and that creating equal terms for women and men on the labour market involves changing organizational structures. She also admits that legal and social care jointly stands as a platform for that change, and basing on that women within the corporations and institutions can work to change each individual situation<sup>16</sup>.

***Management and entrepreneurship: Cultural attitudes [PULL]***

Supportive cultural attitudes towards woman leader (entrepreneur and manager) image in the society are one of the key factors for successful entrepreneurship and equal opportunities promotion in that particular society. As far as it concerns entrepreneurship, it is important that entrepreneurship as such is valued in the society and considered as something good and necessary. Other things being equal, an environment in which entrepreneurship is esteemed and in which business failure is considered a learning experience will generally be more conducive to entrepreneurship. (OECD, 2000, p. 28). In societies in which women’s capabilities are insufficiently valued and respected, promotion of strong, positive, visible role models is critical. It should create supportive attitudes and development of the positive woman entrepreneur and manager image in the eyes of the society in general and especially in women themselves. By promoting a positive woman leader image, attitudes towards women entrepreneurship and management might be improved and self-confidence in women established. The first step would be creating understanding in the society that women are able to be leaders and should be given this possibility. Another degree of supportive cultural attitudes would be belief by women that they can and should (if they want) have a career and that they are able to set and reach their targets.

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<sup>13</sup> M. Lindstedt, personal communication, December 13, 2001.

<sup>14</sup> A. Wahl, personal communication, December 14, 2001.

<sup>15</sup> Presented at High level Conference organized jointly by the OECD, the Ministry of Children and Family Affairs and the Ministry of Labour and Government Administration, Norway, Oslo, 12 and 13 October 1998.

<sup>16</sup> Wahl, 2001.

Changing and shaping attitudes is not an easy task at all and it certainly takes a long time to achieve. Still there are several means of influencing cultural attitudes. One of them is promotion of positive woman entrepreneur and manager image in the media. Success stories of women leaders, encouraging articles, informative materials about women entrepreneurship and management importance and promotion might all help women to start thinking in a different way, increase women's self-confidence and perhaps create the desire to try themselves. Media is a powerful tool to influence society's attitudes and create awareness of the existing and intended situation in equal opportunities and entrepreneurship promotion.<sup>17</sup>

Another thing that can be done to make attitudes towards women leadership positive is continuous education and training. Education directed at equal opportunities in the society and entrepreneurship promotion should be enforced already in childhood. Teachers and parents should have equal expectations from girls and boys and offer them equal opportunities to learn and cultivate their specific skills from an early age. They should also be supportive towards child's failure considering it as a learning experience instead of something dramatic. Teachers trained for teaching entrepreneurial skills and non-traditional thinking, as well as gender equality issues included in educational programmes might be good tools here.

***Management: Organizational cultures [PUSH]***

Doorne-Huiskes (as cited in Dijkstra, Plantega, 1997, p. 144) also fortifies finding that the cultures of organizations are important as regards the question of whether women have as many promotions possibilities as men. It could be said that credibility is generally ascribed to men, until proven otherwise, while women have to create credibility in the face of initial attitudes of suspicion and scepticism. Consequently equality should be settled also in recruitment as well as in training processes. In general, there has to be positive atmosphere regarding the question of gender equality within a company, in order to enable women to make a career and to be promoted.

One of the characteristics of organizational culture is its organizational structure and at the bottom line of the cultural change within the organization are perceptions and attitudes of its executives and management. Before natural and self-evident gender equality promotion occurs and before organization's executives realizes that gender equality is about effective use of human capital, legislative norms implemented by government might work as artificial equality promoters.

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<sup>17</sup> M. Lindstedt, personal communication, December 13, 2001.

Swedish government hence has passed The Equal Opportunities Act with a purpose to promote equal rights for women and men in matters relating to work, the terms and conditions of employment and other working conditions, and opportunities for development in work (equality in working life) and its aim is primarily to improve women's conditions in working life (*The Equal Opportunities Act*, p.1). This act rules that:

- “employers and employees shall co-operate as regards active measures to ensure that equality in working life is attained. They shall in particular endeavour to equalize and prevent differences in pay and other conditions of employment between women and men who perform work which is regarded as equal or of equal value. They shall also promote equal opportunities for pay development for women and men.” (*The Equal Opportunities Act*, p.1);
- “the employer shall facilitate the combination of gainful employment and parenthood with respect to both female and male employees” (*The Equal Opportunities Act*, p.3);
- “employer shall, through training, skills development and other suitable measures, promote an equal distribution between women and men in various types of work and within different categories of employees” (*The Equal Opportunities Act*, p.3);
- “employer shall endeavour to ensure that both women and men apply for vacant positions” and “especially endeavour to recruit applicants of the underrepresented sex and shall seed a gradual increase in the proportion of employees of that sex” (*The Equal Opportunities Act*, p.3).

In order to systematize and drive employers to follow the norms set in The Equal Opportunities Act, it is also stated that the employer who has ten and more employees “shall each year prepare a plan in relation to the employer's work for equality. The plan shall contain a survey of the measures pursuant to Sections 4-9 (on working conditions, recruitment and training) which are required at the workplace and shall indicate which of the measures the employer intends to commence or to implement during the coming year” (*The Equal Opportunities Act*, p.6). Likewise, “employer shall each year prepare a plan of action for equal pay.[...] The plan shall state what pay adjustments and other measures are necessary to be implemented to attain equal pay for work which is to be regarded as equal or of equal value. The plan shall contain a cost computation and a time schedule with the aim that the pay adjustments that are necessary shall be implemented as soon as possible and at the latest within three years” (*The Equal Opportunities Act*, p.5). Further, in order to monitor compliance with the act, there are special authorities – Equal Opportunities Ombudsman and Equal Opportunities Commission – appointed by the government. The Equal Opportunities

Ombudsman shall, in the first instance, encourage employers to voluntarily comply with the provisions of The Equal Opportunities Act and also shall otherwise participate in the endeavours to promote equality in working life (*The Equal Opportunities Act*, p.11).

Although it is not a must for employers to hand in the equal opportunities plans on yearly bases, they are liable at the request of the Equal Opportunities Ombudsman provide the plan and also allow the Ombudsman access to the workplace for investigations that may be of importance for the monitoring. The Equal Opportunities Commission has the task of considering matters concerning orders for default fines and appeals (*The Equal Opportunities Act*, p.12).

On the one hand, such provisions as in The Equal Opportunities Act are promising and positive action oriented, still Anna Wahl<sup>18</sup> admits that quite many companies do not have a plan of action for equality that they are required by the law to have. Yet, it is complicated and also expensive to monitor organizations' compliance with the act, thus it more works theoretically than practically. Situation might be better if plans had to be delivered/ reported to authorities on regular basis and if there was a possibility to check the commitment to the plan, like the State Revenue Service makes tax audit, ombudsman and/or commission could make equal opportunities plan enforcement audit. This, of course, would be more difficult in terms of human and financial resource utilization, since equal opportunities promotion is more intangible than taxes.

Another way of enforcing implementation of equal opportunities plans is existence of strong labour unions that represent interests of working people. Being a member of a labour union provides with possibilities to communicate problems experienced in the organization. If employee detects any kind of discrimination in the organization, representatives from labour union are entitled to investigate the case and represent employee during the process of solving the dispute. However, being a member of a labour union does not necessarily mean that employee will solve all the problems through his/ her labour union. According to Tommy Nilsson<sup>19</sup>, Swedish Confederation of Professional Associations, employees still prefer to solve problems themselves and if it is not possible they often leave their jobs. It is because involving a labour union often spoils relationships between the employee and management and employee has to leave the organisation anyway.

Once again it is important to repeat that legislative norms will not solve all the issues, rather attitudes and perceptions must change in order to reach permanent result. Tommy

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<sup>18</sup> A. Wahl, personal communication, December 14, 2001.

<sup>19</sup> T. Nilsson, personal communication, December 17, 2001.



Nilsson<sup>20</sup> assures that as soon as direct action on equality ends, everything goes back, because values of society have not changed as fast as situation has.

***Entrepreneurship: Framework conditions (taxation, bureaucracy, legislation, corruption, financing) [SUPPORT]***

Appropriate *framework conditions* are the foundation of an entrepreneurial culture for both men and women and these institutional arrangements reflect historical, political, and economic conditions. In terms of facilitating the entry of new firms, governments can remove regulatory barriers, foster venture capital supply, and modify fiscal biases against small firms. In terms of facilitating the exit of firms, government might reform bankruptcy provisions and strengthen secondary stock markets. First and very important step towards fostering entrepreneurship would be creating awareness of the existing barriers. Regular meetings of responsible institutions with representatives of entrepreneurial community, seminars and other means of information exchange between entrepreneurs and government would create awareness of existing problems and create intension to solve them. Governments need to formulate long and short-term policy packages to address the most critical barriers, whether these are regulations, taxation, corruption, financing or other factors. (OECD, 2000, p. 27).

*Administrative and regulatory barriers*

Streamlining and lowering the cost of registration of new enterprises, simplifying administrative, accounting and tax procedures might be some of the measures to improve conditions for new enterprise creation (OECD, 2000, p. 28).

*Financing*

Finance is one of several important elements for successfully starting and running a business. Sufficient capital for start up, from external sources when necessary, has been widely identified as an area of concern for women entrepreneurs (OECD, 2000, p. 44).

*Bank financing*

Bank financing is the most commonly sought source of finance for women entrepreneurs. While new sources of finance are beginning to develop, bank based systems still dominate the market for finance in Europe. Bank loans and lines of credit relieve capital constraints and help women entrepreneurs in several ways, for example by allowing them to achieve economies of scale through bulk purchases or to avoid cash flow constraints. Credit can also make investments possible and thus help businesses to expand and achieve higher levels of growth. (OECD, 2000, p. 45).

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<sup>20</sup> T. Nilsson, personal communication, December 17, 2001.

Further several reasons of why it is more difficult for women to get financing for their business and possible ways of enhancing debt financing for women will be discussed.

Problem 1: women usually take small loans that are too costly for a bank to process relatively to the future income from such a loan<sup>21</sup> (*A turning point in financing women's enterprise*, 2000, p. 9).

Possible solution: standardise the handling of loans so that the screening procedure is not so costly (*A turning point in financing women's enterprise*, 2000, p. 16).

Critique: on the one hand, loans might be issued to businesses with weak growth opportunities or to people who are not enough qualified to run a business. On the other hand, situation might be opposite. If the procedure is more standardized, requirements might be so strict that many good business ideas might be rejected if all requirements are not fully met.

Problem 2: loan issuers are male dominated and therefore they do not understand women's business ideas so well. Women often start businesses like hairdressing or beauty salons, boutiques for handicrafts or gifts, small retail stores, sewing services etc.<sup>22</sup> (*A turning point in financing women's enterprise*, 2000, p. 11).

Possible solutions: (1) according to Magnus Falk from Merita Nordbanken (*A turning point in financing women's enterprise*, 2000, p. 9) one way to change the situation is to use more women as corporate advisors, in other words change the usual pattern at the bank that women deal with private customers and men with companies. (2) Disseminate knowledge. Increase the bank's knowledge of the lines that women entrepreneurs choose, so that those applying for a loan can get relevant tips and advice. Disseminate the knowledge to everyone working in the bank, so that information about women's credits also reaches those handling company loans. The low amounts borrowed by women entrepreneurs often have the consequence that their applications are handled at the level of private credits. (*A turning point in financing women's enterprise*, 2000, p. 16).

One way of realizing these strategies is establishing special projects where largest banks would be involved. For example in Sweden, NUTEK (organization working to promote women's entrepreneurship) has initiated a project with Swedbank that was aimed at changing sceptical attitudes towards women entrepreneurship. Project focused on the analysis and development of female entrepreneurs' business ideas through a professional approach. In order to reach that, meetings between business consultants for women (if there are no special business consultants, these could be members from entrepreneurial community or women's

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<sup>21</sup> L. Westerberg, personal communication, December 18, 2001.

<sup>22</sup> Westerberg, 2001.

associations, as well as consultants from abroad) and company consultants in the bank were arranged. During these meetings information was exchanged and most critical issues discussed. The aim of such a project is to enhance the skills of company consultants in a bank so that they can better meet and manage the needs of female entrepreneurs. (NUTEK, 1998, p. 6). This kind of project might work as a basis for the further long-term training programs that could be implemented in several banks throughout the country.

Problem 3: women are not so good at “selling” their ideas. Men radiate self-confidence and are sure that their business concept can be realised. Women are more cautious in their predictions. (*A turning point in financing women’s enterprise*, 2000, p. 8).

Possible solution: offer women advisors’ consultations, provide them with access to relevant literature and entrepreneurs who might help women to formulate and sell their idea. Women have to believe in themselves and their idea. Woman applying for a loan has to be able to answer such questions as why she wants to start her own business, what she wants to achieve, how she is going to do it and prepare good argumentation to assure loan issuers that the business idea is valuable.

Problem 4: to obtain a loan for a business, applicants are expected to invest capital of their own. Statistically women have lower salaries than men. They seldom own houses or have other fixed assets to use as a collateral for the loan. (*A turning point in financing women’s enterprise*, 2000, p. 10). Moreover, businesses started by women are often intangible services that do not require investments in machinery that can be used as a pledge.<sup>23</sup>

Possible solution: emphasize other requirements, for example business plan, budget, business idea, education and experience instead of requiring physical collateral for the loan.

Without regard to any specific problems, there are other steps that might be taken in order to improve women’s access to the bank financing:

- creating a special pool of reserve funds, which would be used for small loans in support of women’s enterprise;
- checking that forms and other documents that customers get are gender neutral and not based on a male entrepreneur in a male line of business;
- create procedure corresponding to the family doctor system by making branch offices market themselves as especially capable in different areas. This makes it possible for

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<sup>23</sup> L. Westerberg, personal communication, December 18, 2001.

entrepreneurs who want to apply for a loan to go to the office that has the special skills they require;

- reject loan applications in a constructive way, by argumenting decision and suggesting improvements, so that women are encouraged to go on and develop their ideas;
- employ an equal number of each gender as corporate advisors. Research done by NUTEK has shown that about 30 per cent of an underrepresented gender is required to influence power structures. This suggestion might meet lots of resistance arguing that personal qualifications should be the only basis for recruiting people. This is true but when the qualifications of two candidates are approximately equal the one from the underrepresented group should be recruited;
- give the loans special status. By breaking down companies the loan has been granted to according to gender and type of the company, as well as tracing the degree of repayment, the bank can give lending to divergent enterprises a special status. It can work as a type of marketing strategy that would attract not only the divergent group's attention but also attention of the society and media. (*A turning point in financing women's enterprise*, 2000, p. 10).

#### *Microfinance*

Microfinance schemes target micro and small-scale enterprises by providing them with microloans (definition of a microloan may vary; in this case OECD considers microloan to be less than USD 25 000 but the sum may be substantially smaller) and other financial services. Terms of these services and loans are often more flexible than those of traditional banks. Microloans usually have more favourable repayment periods (frequent payments in small sums) and lower interest rates. These schemes are usually supported by governments, international organizations, non-governmental organizations and different associations. To replace the need for collateral, microfinance institutions commonly use solidarity group lending strategy. Lending with joint liability usually reduces screening and enforcement costs of the lending institution since group members monitor each other and enforce repayment, as their own future borrowing depends on it. Another advantage of microfinance schemes is that they provide comprehensive business training for entrepreneurs and monitor loans at regular intervals to reduce the risk of default. These additional services increase entrepreneurs' chances of running successful businesses. Moreover, by using microloans repeatedly entrepreneurs can build up a credit history that would help them to obtain loans with traditional banks. Microfinancing schemes have been particularly effective in reaching businesses run by women. (OECD, 2000, p. 46 – 47).

*Equity finance: venture capital and business angel investment*

Since many of women owned businesses are in high-risk sectors and based on intangible assets, equity capital may be an appropriate way to finance women-owned firms at various stages of the business cycle. Moreover, additional services, such as guidance, mentoring, management advice and monitoring, that accompany equity investments can be extremely valuable for women entrepreneurs who often lack previous entrepreneurial and management experience. In order to use venture capital financing for women run businesses, women entrepreneurs and investors need to be integrated in existing networks and encouraged to form their own networks. Special council or association that would bring together networks, educators, financial institutions, individual investors and venture capitalists might be established in order to support establishment and growth of women-owned businesses.

*Government financing schemes*

Governments might have programs targeted at the provision of finance for women entrepreneurs. These financing schemes are usually part of larger women entrepreneurship promotion strategies. In Sweden there is a governmental organization called ALMI Företagspartner that offers entrepreneurs a combination of advice, business development services and supplementary financing. ALMI has several types of loans that are granted to different groups of companies. These are loans for female entrepreneurs, loans for start-ups, loans for young entrepreneurs and loans for growth companies. Loan for female entrepreneurs is granted to start up a new enterprise or to develop an existing one. ALMI finances maximum 50% of capital needed (limits min 25 000 SEK, max 150 000 SEK), other part has to be financed either by bank, entrepreneur or another financier. Another requirement is that one can receive the loan only under condition that bank or other financier can not satisfy entrepreneur's financial need. The loan is granted with lower interest and amortisation during the first years. Loans are not granted to cover losses or to repay existing loans. Loans are granted on condition that the business idea is based on long-term profitability.<sup>24</sup> (ALMI, 2001).

**7.2.3 Women management (equal opportunities) and entrepreneurship promotion**

Activities that are directed at helping women to overcome concrete obstacles is only one way of improving the degree of equal gender representation in the labour market. However, beyond *obstacle – resolution* framework there can also be different actions and

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<sup>24</sup> E. Rosenthal, personal communication, January 7, 2002.

initiatives carried out at governmental, non-governmental, and company levels that would promote entrepreneurship and equal opportunities in general. These will be discussed further.

***Management: Equal opportunities promotion at the company level [SUPPORT]***

Swedish enterprises (mostly large and medium size organizations) practice different methods for development programmes aiming at increasing the number of women in executive positions. Most of these are taken up by the *change agents*. The agents of change fall mainly into two categories: *external agents* and *internal agents*. The external agents are often consultants commissioned by organizations to carry out projects. There are also consultants who arrange independent programmes, or managerial training courses, that are open for managers from different organizations. The internal agents of change work with projects within organizations, where they themselves are employed. These people may have carried out individual projects, or, which is more usual, they may have experience in different fields of work (Wahl, 1995, p. 79). Besides the programme itself, in order to start change process within a firm, it is important to gain acceptance and commitment from the organization's executives. The senior management sends signals down the organization about the importance of the issue, which especially male managers take note of.

It is important to show employees that responsibility for existence of equal opportunities policy rests in the hands of the executives and to explain the point of the programmes that will be carried out.

*Integration and setting goals*

One way of integrating equality oriented activities in the work of the organization might be setting up specific goals with the backing of senior management, for what percentage of managers are to be women at a particular point in time. In this way activities are linked to a desired result and managers become involved in a dialogue about the intended situation. It also helps managers to understand and accept the idea of their responsibility to fulfil the goals. (Wahl, 1995, p. 80).

*Recruitment and appointments*

If women's primary responsibility is considered to be unpaid household labour (as it often is), they have to cope with more practical and moral opposition in order to achieve a career in the paid labour sector (Doorne-Huiskes as cited in Dijkstra, Plantega, 1997, p. 143). Special work on recruitment and appointments to managerial positions is another method that might be used to integrate equality activities in organization's operations. During recruitment women are actively promoted by the change agents, and agents also continually run up against the objection that there are no women suitable for this kind of positions. Always

having women candidates when recruiting is the first step for women to be subsequently appointed to managerial posts. Likewise, always having a man and woman involved in all recruitment processes would improve competence in taking note of and assessing candidates. (Wahl, 1995, p. 81).

#### *Managerial training*

Organizing managerial trainings open for both genders or even specific trainings just for women as well as adjusting standard trainings in terms of content and audience is another method for integration. One of the methods might be supplementing such trainings with sections on gender equality, as this might open up a dialogue between men and women. Anna Wahl (1995, p. 82, 84) admits that women are in the need of knowledge in the area of management, as well as they need to talk to one another about their experiences in organizations.

Training for women makes women more aware of their situation. They also learn to see other women, and other women's competence. They realize the importance of giving other women support, or of building networks with other women. Men are also affected and change their views as a result of management training programmes and other activities that involve men in women's training. They may also want to know more and their behaviour and way of thinking is affected positively towards equal opportunities.

Changed perceptions and attitudes in organizations are described as an important result of different types of methods presented above. Thinking in a different way than previously, often means that one also acts in a different way, and is the most significant precondition for continuous and enduring change. (Wahl, 1995, p.82).

#### ***Management: Positive discrimination policies set by the government [PUSH]***

One suggestion as regards the question of how measures of balanced society are to be settled might be to use positive discrimination strategies such as setting specific goals and timetables including quotas, targets and positive measures, to ensure more participation of women in areas in which they are underrepresented. (Doorne-Huiskes as cited in Dijkstra, Plantega, 1997, p. 146). For instance, it might be ruled by the law that there cannot be less than 40% one gender representation within the organization (at both vertical and horizontal structures), or, if it is the case, the underrepresented group should be treated as minority and thus this group would be entitled to some special rights and benefits. For example in Belgium, the government has concluded central agreements with the business community, in which resolutions have been adopted to make arrangements for positive action in various

professional sectors. Equal opportunity scheme in the private sector is entirely optional there (Doorne-Huiskes as cited in Dijkstra, Plantega, 1997, p. 146).

Positive discrimination aims to achieve equality of outcome or results and such strategies, on the one hand, can produce a sharp increase in women's representation by opening new opportunities for them. On the other hand, positive discrimination may merely prove symbolic, altering the rhetoric more than practice (Norris, 2000, p. 2). It might be the case that alongside such ruling women will be seen as handicapped and attitudes towards them will be even worse. Quota system may be as a pressure on some women and thus they might feel inferior if they are employed only to maintain the quota. Most advocates admit that these strategies are not procedurally 'fair' for individual applicants. Some groups are thereby ruled into the recruitment process, while others are automatically ruled out. Nevertheless, proponents argue that underrepresented minorities need positive discrimination; at least as a temporary stopgap measure to overcome the historical disadvantages they face. (Norris, 2000, p. 3).

***Entrepreneurship: Governmental institution for women entrepreneurship promotion [PUSH and SUPPORT]***

Establishing a special governmental institution, which's primary aim would be fostering entrepreneurship as a whole (paying special attention to underrepresented groups of people such as women) might be one of the means of improving awareness and solving problems entrepreneurs face. Swedish governmental authority NUTEK is a good example of such an institution. NUTEK is Sweden's central public authority for industrial policy issues. Its main task is to stimulate industrial development throughout the country by taking initiatives to co-ordinate and build networks in order to help Swedish enterprises take advantage of different opportunities. Since 1993 NUTEK has promoted women's entrepreneurship as an undertaking for the Swedish government. This includes developing information, training, and consultation for women, in addition to drafting and circulating facts about women entrepreneurship.<sup>25</sup>

***Entrepreneurship: Mentorship programs [SUPPORT]***

The first project undertaken by NUTEK and targeted at women entrepreneurship promotion was conducted in 1993. Its objective was to employ business consultants for women in the regional policy support areas and to persuade the women to remain in their home district. The women business consultants were to provide support and advice for

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<sup>25</sup> K. Wennberg, personal communication, December 20, 2001.



women who wanted to start their own companies, or for established female entrepreneurs. Experience showed that women preferred to turn to women when they required information, training and consultation in connection with starting a company since they shared the same outlook. Project was implemented in co-operation with municipal authorities and with the financial support from NUTEK, country administrative boards and country labour boards employed women consultants. They started by establishing themselves in the business sector, forging contacts, creating networks and marketing their activities. Additional financing was gained after Sweden joined EU in 1995. The EU Structural Funds have enabled many business consultants to continue their projects for a few more years. (NUTEK, 1998, p. 2). The project has helped women entrepreneurs to become visible, initiate discussions and improve attitudes. Showing that there are women entrepreneurs was a driving force for other women to start their businesses. The role of a business consultant, however is not just encouraging but also helping to understand if the idea can be turned into a successful business, thus preventing women from wasting time and money on an idea that would be difficult to realize. Although business consultants did not work permanently, project established good networks and helped women to gain self-confidence. The activities and seminars arranged by advisors have let the women to get to know one another and expanded their contact networks. (NUTEK, 1997, p. 3). An important tool of using a business network is Internet. If business consultants are spread throughout the country, it is difficult for them to lead discussions and exchange experience. Electronic conferencing provides new opportunities for business people, since it widens the network and provides with an access to much more information.

To sum up, business consultancy is a good way to educate and encourage women to start their own companies. It helps women to believe in themselves and form business networks that help during women's entrepreneurial careers.

***Entrepreneurship: Problem solving groups [SUPPORT]***

There are also other ways to promote women's entrepreneurship. One of these are experience and problem solving groups formed of approximately ten women in leading positions from different industries. The group meets four to six times a year. Prior to each meeting, a problem presenter is appointed, who formulates a problem she has or is about to face in her work situation. The meeting of a group aims to investigate the problem presented in order to find the reasons for the problem (this is something the presenter finds it difficult to do on her own). (NUTEK, 1998, p. 9). Such groups can be formed within both governmental and non-governmental institutions and can be initiated by businesswomen themselves.

***Entrepreneurship: Entrepreneurship for university and high school students [PULL and SUPPORT]***

In order to promote the idea of entrepreneurship among young women, government and/ or business community's representatives can visit schools and universities and hold seminars about how to arrive at good business idea and what running one's own company really means. (NUTEK, 1998, p. 9). Seminars might also involve guest lectures by businesswomen who have established their own companies, so that students can see that entrepreneur is a real person who can be found among ordinary people. Such lectures would make entrepreneurship something more tangible, not just theory of how a company is or should be run.

To sum up, there are two major ways of promoting entrepreneurship and managerial career among and for women. One is to remove, lessen, or teach to overcome obstacles that hinder women to start and run their own companies or to build managerial career. Another one is to actively promote entrepreneurship and gender equality in order to increase the number of women entrepreneurs and high-level managers.

## **8 Conclusion**

“Women in entrepreneurship and high-level management in Latvia. Obstacles and Resolutions.” The title of our thesis involves three main expectations we had before starting the study. First, there do exist women entrepreneurs and managers in Latvia. Second, there are obstacles for women to become entrepreneurs and high-level managers. And third, there must be ways of how to improve women representation in entrepreneurship and management.

In order to have a support for our assumption that there are women entrepreneurs and managers in Latvia we investigated statistical data and met people who were involved in activities related to women representation in business world. It turned out that although there are less female than male entrepreneurs and high-level managers in Latvia, situation is improving. Women join together, form clubs, have discussions and conferences. Still, despite the improvements there do exist problems women face if they want to start their own businesses or have a managerial career.

Next assumption of women facing different obstacles turned out to be true as well, however there were lots of unexpected findings before the final conclusion. We expected women to talk about how difficult it was to become entrepreneurs and managers. In our eyes women entrepreneurs and high-level managers were persons who had managed to fight against society's perceptions of what being a woman implies. After several interviews we

realized women did not think they had overcome any particular obstacles. They perceived all difficulties to be a “normal” path of entrepreneurial and managerial career. A common belief among women entrepreneurs and managers is that woman has to be very strong and willing to accomplish her aims, only then she can manage to step into the business world that is still male dominated. To summarize, women have to be strong to be able to cope with existing situation in business world that is currently ruled by men. At this point an important conclusion emerges: women take the existing situation as granted and believe that they have to adapt to survive. This is why they do not recognize any particular obstacles. The results from both the survey and interviews show that there are reasons why women are underrepresented in entrepreneurship and high-level management. Women have to take care of the family, women are not appropriate to run a business or take strategically important decisions. Such stereotypes are still alive in our society and from our experience the awareness of gender equality problems in Latvia is very low. Thus the main finding regarding the obstacles women face if they want to run their own businesses or manage companies is that there exist obstacles that women have taken for granted and are trying to adapt to the existing situation instead of thinking that the situation itself is not normal and should be changed.

The third expectation of having tools to eliminate or overcome obstacles was examined by investigating the experience of Sweden in approaching gender related problems. Despite the different historical and social backgrounds, gender related problems in Sweden turned out to be very similar to problems Latvian women face. Therefore we investigated steps that had been taken and will be taken in Sweden to increase women participation in entrepreneurship and high-level management. Our aim was not to point at what should be done in Latvia, how and by whom to solve gender related problems in our country. We wanted to make the first step in creating awareness that there are other ways to cope with problems, not just adaptation. We understood that there do exist resolutions. Resolutions that require commitment from all the society, awareness of the problems and willingness to work for change.

By our study we have made the first step to reflect important gender equality issues in Latvia and given insights into experiences of solving problems of this type. However, more extensive research on gender distribution among entrepreneurs and high-level managers is required to reflect all aspects of the existing situation. Taking into account our finding of male dominance in the business world, men’s perceptions about women managers and entrepreneurs should also be investigated to have a broader view on obstacles women might

face in their working life. Thorough evaluation of most common obstacles and possible resolutions is also needed in order to ensure successful implementation of activities aimed at promoting women entrepreneurship and management. In other words, further steps to be taken are creating awareness in the society of existence of gender related problems and implementation of resolutions to move towards democratic society where belongingness to a particular gender is neither considered an advantage nor disadvantage.

## Appendices

### Appendix A1: Institutional contacts in Latvia

- Aiva Vīksna, organizer of the business forum *Women in Entrepreneurship*.
- Ināra Baranovska from the Social Insurance Department of the Ministry of Welfare of the Republic of Latvia.
- Irina Novikova from the Gender Studies Centre of the University of Latvia.
- Irina Pētersone from the Latvian Businesswomen's Club.
- Laura Kauppila from the UNDP Latvia.
- Viola Podziņa from the Ministry of Welfare of the Republic of Latvia.

## Appendix A2: Exploratory research respondents

- Aiva Vīksna, founder and manager of Lietišķās Informācijas Dienests, November 27, 2001.
- Birute Krūze, manager of accounting and economic departments in Rīgas Siltums, January 25, 2002.
- Ilva Strazdiņa, managing director of Swedish Saw Blades, November 30, 2001.
- Irina Tarvide, managing director of Ergo, December 27, 2001.
- Nataļja Jakovļeva, vice-president of Reaton, January 3, 2002.
- Žaneta Jaunzeme, president of Unipolise, January 16, 2002.

## Appendix B1: Interview protocol with entrepreneurs

**Introduction:** We tell about the purposes of our bachelor thesis and introduce the respondent with her responsibility and contribution, as well as to what extent her personal answers will be disclosed. We ask if she feels comfortable if we would also ask personal type questions that are not directly linked to her work, for example, questions about family status, children, etc. We also admit, that she should not answer questions that she is not willing to disclose.

**P.S.** During the conversation we might ask different specifying questions, like „You mentioned that ... Could you please tell about that in more details?”

1. Please, tell about your professional development – education, place of employment, positions, and social activities.
2. What do you consider to be the very beginning of this enterprise (name of the enterprise)?
3. Who, at your mind, is successful entrepreneur? What characteristics does or should have successful entrepreneur? And how you would classify them: as womanish or masculine traits?
4. Which of these characteristics you recognize in yourself?
5. In which point of time you realized yourself as entrepreneur?
6. How did you come to concrete business idea? How you decided to be in this particular field of business?
7. What was the way from business idea till business foundation?
8. What factors stimulated and what hindered you in both decision and accomplishment processes?

N.B. Each respondent can interpret term “factors” in different ways and this should be taken for consideration during analyses!

We can mention some examples if it is hard for the respondent to mention any:

- |                        |  |
|------------------------|--|
| a. character           | e. wish to be independent and to prove herself |
| b. gender              | f. external factors                            |
| c. financial situation | g. etc.  |
| d. family’s attitude   |  |

If the answer for the Q7 does not include themes of the Q9 and 10, then these are asked:

9. How your character and experience influenced your decision to develop your own business?
10. How you solved financial situation in order to develop the business?
11. What were your main tasks and responsibilities in the process of business development? How you did about them?
12. Please tell about your personal aims regarding this enterprise. How they change over time?
13. What is your current role in the enterprise, has it changed? Why?
14. What factors influence enterprise development and growth?

N.B. Each respondent can interpret term “factors” in different ways and this should be taken for consideration during analyses!

15. What does it mean for enterprise growth and development that you are woman?
16. Could you please describe your partnership with business partners women and men?
17. What and how you would like to change in today’s entrepreneurial environment?
18. How do you see the future of your business and your own professional development?

## Appendix B2: Interview protocol with managers

**Introduction:** We tell about the purposes of our bachelor thesis and introduce the respondent with her responsibility and contribution, as well as to what extent her personal answers will be disclosed. We ask if she feels comfortable if we would also ask personal type questions that are not directly linked to her work, for example, questions about family status, children, etc. We also admit, that she should not answer questions that she is not willing to disclose.

**P.S.** During the conversation we might ask different specifying questions, like „You mentioned that ... Could you please tell in more details about that?“

1. Tell, please about your professional development – education, place of employment, positions, and social activities.
2. Please tell about your current position, for how long time you are at this position, what are your main responsibilities, how many subordinates you have?
3. What do you consider to be the very beginning of your career?
4. What factors directed your career development and what hindered your professional development?

N.B. Each respondent can interpret term “factors” in different ways and this should be taken for consideration during analyses!

We can mention some examples if it is hard for the respondent to mention any:

- |                        |  |
|------------------------|--|
| a. character           | d. family’s attitude                           |
| b. gender              | e. wish to be independent and to prove herself |
| c. financial situation | f. external factors                            |
|                        | g. etc.  |
5. Who, at your mind, is successful manager? What characteristics does or should have successful manager? And how you would classify them: as womanish or masculine?
  6. Which of these characteristics you recognize in yourself?
  7. What are your relationships with dependant men and women employees?
  8. Could you please describe your partnership with business partners women and men?
  9. Have you ever experienced different attitude towards you in the business relationships just because you are woman?
  10. What does enterprise gain and what loose, at your mind, because of manager – women?



Appendix C: Questionnaire

We are two students from the Stockholm School of Economics in Riga and in the framework of our bachelor thesis we are making a poll about the gender importance in professional career development. We will be gratified if you would fill in this survey and would supply us with information asked for. Completion of the survey will take 10 to 15 minutes. Information gathered will be used only as summarised and only for bachelor thesis workout. Thank you in advance and good luck!

*Please mark your answer with X!*

**Gender:** Female  Male

**Age:** 18 – 25  25 – 30  30 – 40   
 40 - 50  over 50

**Occupation:**  Company manager  
 Division manager  
 Administrative employee  
 Other (please specify) \_\_\_\_\_

**You would prefer that your direct manager was:**

female  male  it does not matter

Why?.....  
 .....  
 .....  
 .....

**You would prefer that general manager of the company where you work was:**

female  male  it does not matter

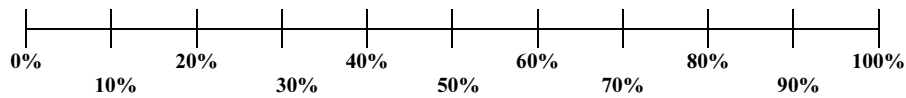
Why?.....  
 .....  
 .....  
 .....

**You would prefer that owner of the company where you work was:**

female  male  it does not matter

Why?.....  
 .....  
 .....  
 .....

**To your mind, what share (in %) of total general managers in Latvia are women?**  
*(please mark with X appropriate amount)*

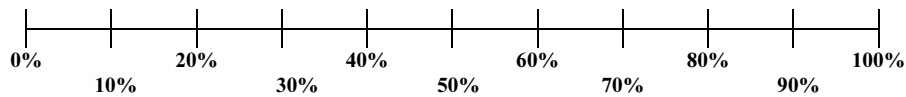


Total general managers in Latvian enterprises – 100%

Why do you think there is such a situation?

.....  
 .....  
 .....  
 .....  
 .....

**To your mind, what share (in %) of total entrepreneurs in Latvia are women?**  
*(please mark with X appropriate amount)*



Total entrepreneurs in Latvia – 100%

Why do you think there is such a situation?

.....  
 .....  
 .....  
 .....  
 .....

**Thank you!**

Appendix D: Representatives from Swedish governmental and non-governmental institutions

- Anita Trogen, senior adviser at Confederation of Swedish Enterprise.
- Anna Wahl, Associate Professor, Stockholm School of Economics research centre.
- Eva Nikell, representative from JamÖ (The Equal Opportunities Ombudsman).
- Eva Rosenthal, consultant at ALMI Företagspartner.
- Kerstin Wennberg, project manager at NUTEK (Swedish National Board for Industrial and Technical Development).
- Lillemor Westerberg, Ph.D. Assistant Professor of the School of Business of Stockholm University.
- Monica Lindstedt, founder and owner of Hemfrid AB.
- Pia Höök, Dr Phil, Stockholm School of Economics research centre.
- Tommy Nilsson, SACO (Swedish Confederation of Professional Associations).
- Vukica Bosnjak, management consultant at Rinkeby Borough Administration.

## Appendix E: Statistical data

(Labour force surveys: main indicators (2001). Riga, Latvia: Central Statistical Bureau of Latvia.)

Table 1. Basic indicators in country total

	1997 V	1998 V	1999 V	2000 V	2001 V <sup>1</sup>	
Iedzīvotāji vecumā 15 gadi un vairāk, pavisam	1987.5	1985.1	1987.5	1992.5	1957.4	Population aged 15 years and over, total
Tai skaitā:						Of which:
Ekonomiski aktīvi iedzīvotāji vecumā 15+ gadi	1196.9	1176.7	1160.8	1131.0	1111.7	Economically active persons aged 15+ years
Tai skaitā:						Of which:
<b>Nodarbinātie</b>	1006.8	1004.3	998.0	968.7	963.9	employed
darba meklētāji	190.1	172.4	162.9	162.3	147.8	jobseekers
no tiem ilgstošie (12 mēn. +)	113.8	94.0	87.4	91.2	86.2	of which long-term (12 months +)
<b>Ekonomiski neaktīvi</b>	790.6	808.4	826.6	861.5	845.7	Economically inactive
Nodarbinātie:						Employed:
pilnu darba laiku	873.1	880.4	879.6	863.9	867.7	full-time
nepilnu darba laiku	133.6	123.9	118.3	104.8	96.2	part-time
lauksaimniecībā un zvejniecībā (A,B)	217.9	187.7	171.9	140.0	145.1	agriculture and fishery (A, B)
rūpniecībā un būvniecībā (C-F)	253.5	272.2	257.6	259.8	243.9	industry and construction (C-F)
pakalpojumu sfērā (G-Q)	535.5	544.4	568.6	568.9	574.4	services sector (G-Q)
nav uzrādīts	0.0	0.0	0.0	0.0	0.5	unspecified
darba ņēmēji	809.8	831.3	828.2	826.1	817.6	employees
darba devēji	31.1	31.7	38.4	40.1	42.5	employers
<b>Pašnodarbinātie</b>	98.9	85.1	72.7	62.5	56.2	self-employed
neapmaksāti ģimenes locekļi/radinieki	65.8	54.2	55.7	38.4	45.0	unpaid family workers/relatives
cits statuss vai nezin	1.2	2.0	3.0	1.5	2.5	other status or don't know
Ekonomiski aktīvie/visi iedzīvotāji, %	60.2	59.2	58.4	56.8	56.8	<b>Economically active/all population, %</b>
Nodarbinātie/ekonomiski aktīvie, %	84.1	85.3	86.0	85.6	86.7	Employed/economically active, %
Nodarbinātie/visi iedzīvotāji, %	50.7	50.6	50.2	48.6	49.2	Employed/all population, %
Darba meklētāji/ekonomiski aktīvie, %	15.9	14.7	14.0	14.4	13.3	Jobseekers /economically active, %
Papilddarbā nodarbinātie/visi nodarbinātie, %	6.3	4.9	4.7	4.7	4.9	<i>Employed in second job /all employed, %</i>
Nepilnā nodarbinātība/visi nodarbinātie, %	7.9	7.6	7.0	6.5	5.2	<b>Underemployment/ all employed,%</b>

Table 2. Basic indicators about males

(tūkst. cilvēku – thsd population)

	1997 V	1998 V	1999 V	2000 V	2001 V <sup>1</sup>	
Vīrieši vecumā 15 gadi un vairāk, pavisam	896.5	896.4	898.8	901.9	880.5	Population aged 15 years and over, total
Tai skaitā:						Of which:
Ekonomiski aktīvi vīrieši vecumā 15+ gadi	619.7	613.5	614.5	592.4	567.9	Economically active males aged 15+ years
Tai skaitā:						Of which:
<b>Nodarbinātie</b>	518.4	518.6	526.2	502.9	484.4	employed
darba meklētāji	101.2	94.9	88.3	89.4	83.5	jobseekers
no tiem ilgstošie (12 mēn. +)	61.7	51.7	46.5	50.3	51.1	of which long-term (12 months +)
<b>Ekonomiski neaktīvi</b>	276.8	282.9	284.3	309.5	312.6	Economically inactive
Nodarbinātie:						Employed:
pilnu darba laiku	454.2	456.7	468.7	455.1	446.2	full-time
nepilnu darba laiku	64.2	61.9	57.5	47.8	38.2	part-time
lauksaimniecībā un zvejniecībā (A,B)	123.0	107.8	100.7	80.4	89.3	agriculture and fishery (A, B)
rūpniecībā un būvniecībā (C-F)	163.8	176.7	174.5	172.8	161.4	industry and construction (C-F)
pakalpojumu sfērā (G-Q)	231.4	234.1	251.0	249.7	233.2	services sector (G-Q)
nav uzrādīts	0.0	0.0	0.0	0.0	0.5	unspecified
darba ņēmēji	411.0	423.4	430.8	422.7	399.0	employees
darba devēji	23.0	22.2	26.2	29.0	30.8	employers
<b>Pašnodarbinātie</b>	55.7	47.7	41.6	33.7	30.6	self-employed
neapmaksāti ģimenes locekļi/radinieki	27.8	24.2	26.5	16.5	22.3	unpaid family workers/relatives
cits statuss vai nezin	0.9	1.1	1.1	1.1	1.7	other status or don't know
Ekonomiski aktīvie/visi iedzīvotāji, %	69.1	68.4	68.4	65.7	64.5	<b>Economically active/all population, %</b>
Nodarbinātie/ekonomiski aktīvie, %	83.7	84.5	85.6	84.9	85.3	Employed/economically active, %
Nodarbinātie/visi iedzīvotāji, %	57.8	57.9	58.5	55.8	55.0	Employed/all population, %
Darba meklētāji/ekonomiski aktīvie, %	16.3	15.5	14.4	15.1	14.7	Jobseekers /economically active, %
Papilddarbā nodarbinātie/visi nodarbinātie, %	6.5	5.1	4.6	4.1	4.5	<b>Employed in second job /all employed, %</b>
Nepilnā nodarbinātība/visi nodarbinātie, %	8.9	8.5	7.6	7.2	5.1	<b>Underemployment/ all employed, %</b>

Table 3. Basic indicators about females

(tūkst. cilvēku – thsd population)

	1997 V	1998 V	1999 V	2000 V	2001 V <sup>1</sup>	
Sievietes vecumā 15 gadi un vairāk, pavisam	1091.0	1088.7	1088.6	1090.6	1076.9	Females aged 15 years and over, total
Tai skaitā:						Of which:
Ekonomiski aktīvas sievietes vecumā 15+ gadi	577.2	563.2	546.3	538.6	543.8	Economically active females aged 15+ years
Tai skaitā:						Of which:
<b>Nodarbinātie</b>	488.3	485.7	471.8	465.8	479.5	employed
darba meklētāji	88.8	77.5	74.6	72.9	64.3	jobseekers
no tiem ilgstošie (12 mēn. +)	52.1	42.3	40.9	40.9	35.2	of which long-term (12 months +)
<b>Ekonomiski neaktīvi</b>	513.8	525.4	542.3	551.9	533.0	Economically inactive
Nodarbinātie:						Employed:
pilnu darba laiku	418.9	423.8	410.9	408.8	421.5	full-time
nepilnu darba laiku	69.5	61.9	60.8	57.0	58.0	part-time
lauksaimniecībā un zvejniecībā (A,B)	94.9	79.9	71.2	59.6	55.9	agriculture and fishery (A, B)
rūpniecībā un būvniecībā (C-F)	89.6	95.5	83.0	87.0	82.4	industry and construction (C-F)
pakalpojumu sfērā (G-Q)	303.9	310.3	317.6	319.2	341.2	services sector (G-Q)
nav uzrādīts	0.0	0.0	0.0	0.0	0.0	unspecified
darba ņēmēji	398.9	408.0	397.4	403.4	418.7	employees
darba devēji	8.1	9.5	12.2	11.1	11.7	employers
<b>Pašnodarbinātie</b>	43.1	37.4	31.2	28.8	25.7	self-employed
neapmaksāti ģimenes locekļi/radinieki	38.0	30.0	29.2	21.9	22.7	unpaid family workers/relatives
cits statuss vai nezin	0.2	0.8	1.8	0.6	0.8	other status or don't know
Ekonomiski aktīvie/visi iedzīvotāji, %	52.9	51.7	50.2	49.4	50.5	<b>Economically active/all population, %</b>
Nodarbinātie/ekonomiski aktīvie, %	84.6	86.2	86.4	86.5	88.2	Employed/economically active, %
Nodarbinātie/visi iedzīvotāji, %	44.8	44.6	43.3	42.7	44.5	Employed/all population, %
Darba meklētāji/ekonomiski aktīvie, %	15.4	13.8	13.6	13.5	11.8	Jobseekers /economically active, %
Papilddarbā nodarbinātie/visi nodarbinātie, %	6.2	4.7	4.8	5.2	5.4	<b>Employed in second job /all employed, %</b>
Nepilnā nodarbinātība/visi nodarbinātie, %	6.9	6.7	6.3	5.8	5.3	<b>Underemployment/ all employed,%</b>

Appendix F: Conventions and duties accepted by Latvian State  
in respect to human rights and discrimination

(*Concept on the Implementation of Gender Equality* (2001). Riga, Latvia: Ministry of Welfare of the Republic of Latvia.)

General Human Rights Documents and Conventions that prescribe non-discrimination principle:

- the General Human Rights Declaration of December 10, 1948 (effective in Latvia as of 04.05.1990);
- the International Pact of December 16, 1966, on civil and political rights (effective in Latvia as of 14.04.1992);
- the International Pact of December 16, 1966, on economic, social and cultural rights (effective in Latvia as of 14.07.1992).;
- convention of Europe human rights and basic freedom defence (effective in Latvia as of 27.06.1997).

Gender non-discrimination and women protection duties:

- convention of December 20, 1952, on the political rights of women (effective in Latvia as of 13.07.1992);
- convention of December 18, 1979, on extermination of all the women discriminations (effective in Latvia as of 14.05.1992);
- convention of December 2, 1949, on fight against people-trading (effective in Latvia as of 13.07.1992).

## Appendix G: Survey results

### Respondents' sample

#### Respondents' age distribution

<i>Age of respondent</i>	18-25	25-30	30-40	40-50	over 50	<b>Total</b>
<i>Amount of respondents</i>	27	13	13	7	0	<b>60</b>
<i>Amount in %</i>	<b>44.07</b>	<b>22.03</b>	<b>22.03</b>	<b>11.86</b>	<b>0.00</b>	<b>100.00</b>

#### Respondents' position distribution

<i>Respondents' position</i>	Enterprise manager	Division manager	Administrative employee	Other	<b>Total</b>
<i>Amount of respondents</i>	2	6	31	21	<b>60</b>
<i>Amount in %</i>	<b>3.39</b>	<b>10.17</b>	<b>52.54</b>	<b>33.90</b>	<b>100.00</b>

### Question 1: You would prefer your direct manager to be:

<i>Distribution of responses in # (and %)</i>	<i>Responses</i>	<i>Reasons</i>	<i># of accounts for each reason</i>
4 (6.70%)	Female	Women better understand problems and it is more easily to cohere with them	5
		Women discriminate less	2
15 (25%)	Male	Men have constructive, analytical, and logical thinking without emotions involved	15
		Women compete with each other	3
		It is easier to cohere with men	5
		Job is in the first place for men	1
		Because of experience	1
41 (68.30%)	Indifferent	Person should be good specialist in the field	24
		Everything is personality dependant	8
		Attitude is important	3
		Primary condition is that person thinks about job	2

### Question 2: You would prefer the general manager of the company you work at to be:

<i>Distribution of responses in # (and %)</i>	<i>Responses</i>	<i>Reasons</i>	<i># of accounts for each reason</i>
4 (7%)	Female	Women always find way out from impasse	1
		It is easier to cohere with women	1
		Women discriminate less	1
		Women strive more	2
17 (28%)	Male	Men have constructive, analytical, and logical thinking without emotions involved	15
		In the business world men dominate	3
		Men are more responsible	1
		Women compete with each other	1
		It is easier to cohere with men	5
		Men have less responsibility outside of work	1
		Women have other mission that suits them best	2
39 (65%)	Indifferent	Person should be good specialist in the field	23
		Everything is personality dependant	7
		Primary condition is that person takes care of the enterprise	2
		Primary condition is that person knows what he/ she wants and is outgoing	1



**Question 3: You would prefer the owner of the company you work at to be:**

<i>Distribution of responses in # (and %)</i>	<i>Responses</i>	<i>Reasons</i>	<i># of accounts for each reason</i>
1 (2%)	Female	Easier to solve problems	1
		Women strive more	1
11 (18%)	Male	Men have constructive, analytical, and logical thinking without emotions involved	6
		In the business world men dominate	2
		Men are more democratic	1
		Men are stronger and they better cope with difficulties	1
		Men are more responsible	2
48 (80%)	Indifferent	Person should be good specialist in the field	25
		Primary condition is that requirements are clear	1
		Job should be priority	4

**Question 4: To your mind, what share (in %) of total general manager in Latvia are women?**

<i>Distribution of responses in # (and %)</i>	<i>Responses</i>	<i>Reasons</i>	<i># of accounts for each reason</i>
16 (27%)	0 - 25	Because of stereotype effects in society	11
		Women have to care about the family	8
		Historically evolved	4
		Men do not want to leave their leading positions	2
39 (65%)	25 - 50	Historically evolved	11
		Because of stereotype effects in society	10
		Women have to care about the family	6
		Women are nonventurous	4
		One can rely on men	3
		Men do not want to permit women to become leaders in the business	3
		Women are non-predictable (she can become pregnant, or get married)	2
		Situation evolved from the period of PSRS	2
		Woman has to be stronger than man in order to gain and accomplish something	1
		For men it is easier to build contacts in the business field	1
		Women are smart and well educated	2
		Women want freedom and independency	1
		Men do believe in women	1
3 (5%)	50 - 75	Everyone has the same opportunities	2
		Women have good education	1
		More patient towards bureaucratic requirements	1
2 (3%)	75 - 100	Salary is more appropriate for women	1
		Women are more accountable	1

**Question 5: To your mind, what share (in %) of total entrepreneurs in Latvia are women?**

<i>Distribution of responses in # (and %)</i>	<i>Responses</i>	<i>Reasons</i>	<i># of accounts for each reason</i>
22 (37%)	0 - 25	Because of stereotype effects in society, in particular, women are mother not a business person	8
		Women take responsibility over family	7
		Historically evolved	5
		Women are indecisive, shy and do not want to take responsibility	4
		Men's skills and abilities are more appropriate	1
		Women have accustomed that men will accomplish everything	1
32 (53%)	25 - 50	Woman take responsibility over family; while man are not ready and willing to do that	14
		Because of stereotype effects in society	7
		Women are indecisive, shy and do not want to take responsibility	5
		Men are more venturous and they think more in economic terms	3
		Historically evolved	2
		For men it is easier to build contacts in the business field	1
		Woman has to be stronger than man in order to gain and accomplish something	1
		Women more and more move into the business community	3
		Women better adopt themselves to new circumstances	1
		Because women do not fulfill themselves in the work	1
		Women have better education	1
6 (10%)	50 - 75	Everyone has the same opportunities	3
		Man finances women and allows her to go into the business	1
	75 - 100		

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