

Female Entrepreneurship in Japan

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Abstract

Japanese female entrepreneurs constitute a negligible proportion of the total entrepreneurs for the time being. Attitudinal constraints, social traditions and the management practices that developed after the Second World War inhibited their emergence so far. However, female entrepreneurship seems to be at the confluence of several tendencies favouring its development on better basis than before. In general term, Japanese corporate culture of the last decade has stressed the importance of entrepreneurship and its place in the economy. There is an awakening among women giving them the feeling that they have a larger role to play in the social and industrial fields. Their integration is facilitated by the gradual change in prevailing mentalities and attitudes regarding female employment, including female entrepreneurship. In a period of reconsideration of the premises of the dominant business system paradigm, female employment is now a matter of national politics as well as a major organisational choice on macro-economic and societal terms.

The objective of this article is to investigate the current conditions prevailing in Japan and to assess the reality of the changes and of the prospects. The first part consists in an analysis of the current situation of female entrepreneurs in Japanese society and economy. It is followed by an analysis of the main aspects of public policy in this respect. In the second part are exposed the preliminary results of a survey undertaken in 2003. The data result from responses to questionnaires and in-depth interviews with 20 female entrepreneurs in the Tokyo area. The interviews covered the issues of the motives of creation of the business, the perception of the business needs, the obstacles to objectives' achievements and the reasons of the choice of a given type of business.

Key words: self-employment, female entrepreneurship, public policy and support schemes, career patterns

General Context: current situation of female entrepreneurship in Japan

Japan has one of the lowest fertility rates in the world (1.29 in 2003) and it is feared that demographic decline may create a shortfall in the workforce. However, if Japanese companies can make more efficient

use of their existing labour force, including the elderly, and if the female workers' labour participation rate rises, a decline in the working-age population may not necessarily increase the burden on the labour force or result in a labour shortage. It can be counterbalanced by an increase in productivity (Goto, 2001). But, at the same time, in order to avoid a further decline of the population government stresses the importance of a higher fertility rate. Any policy giving women the opportunity to make inroads in the economic and social fields requires the nurturing of a working environment allowing them to keep a balance between their family and professional life (Debroux, 2003).

More Japanese women show their willingness to make a managerial career in large companies but, recently, a growing number of them also consider creating their own business. Women are inspired by the growing desire for self-achievement through professional career but economic factors are also important. Because Japanese women get married later or not at all (Mason and Ogawa, 2001), and the number of divorces is increasing more women are supporting themselves financially. At the same time, the myth of the immense Japanese middle class is crumbling. Many families have difficulty in maintaining their standard of living with one salary. It forces married women to look for jobs in order to generate an additional family income offsetting the declining earning capability of their husbands. But companies also lay-off female workers and it is hard for those who never received any specialized training and have little specialized marketable skills to find another stable job. It is particularly true in a period where companies recruit much less female workers in permanent positions. The only job opportunities for most of them are very often precarious part-time jobs in retail business and in other operating services such as cleaning or health care, or in a small assembling factory in the countryside. As a consequence, the lack of career perspective (compounded with the need for care of small children for the younger women) pushes a number of them to become self-employed. Such activity has the advantage of greater work flexibility, enabling to reconcile better work with family responsibilities.

At the other end of the spectrum, there are still few openings for highly educated women. It was observed in the USA that glass ceilings and, sometimes, the perception of outright discrimination make entrepreneurship an attractive alternative to corporate life for some women. It combines with desire for autonomy, flexibility, independence, and increased income as reasons for starting their own businesses (Moore, 2002). Japanese companies diversify their recruitment and put more women on the managerial track but, for the time being at least, there is little evidence that they intend to offer a significant number of them the opportunity to enter their shrinking elite of core employees (Rebick, 2001). Companies are recruiting less people than before and have a flatter hierarchy. So, competition with male employees is harsh for the decreasing number of managerial positions. Therefore, in Japan too, self-employment may be an attractive option, giving highly educated women the opportunity to optimize their talents while gaining

flexibility and independence, so that they are able to keep a degree of freedom in term of life-style.

Those elements explain why the group of Japanese female entrepreneurs is very heterogeneous in terms of background, objectives and potentialities. In general term, the range of categories of female entrepreneurs is probably larger than that of their male counterparts. Their portrait is not all of high-flyers creating high technology ventures but it ought not to be reduced either to a group of relatively little educated people toiling at home in sort of modern age cottage industry at the bottom of the outsourcing industry. There are a growing (albeit still relatively small) number of female engineers and women with a managerial experience on the market. The use of information technology (IT) has made it easier for them to decide to go alone. Conversely, there are also many self-employed housewives working at home in low added-value goods and services sectors.

Characteristics of Female Entrepreneurship in Japan

There is still little known about the problems that Japanese female entrepreneurs face, the survival and failure rates of their companies, the sectoral and industrial concentration of these companies, their growth prospects, etc. On the one hand, certain features of the Japanese fiscal system may lead women to disguise their activities and male entrepreneurs to use female fronts. It was pointed out that it was likely to be the case in family-owned companies in the construction business (Takahashi, 2000). On the other hand, in view of the large number of family-owned companies in Japan, it is likely that the numbers under estimates female's entrepreneurial efforts which are dedicated to family businesses and masked co-ownership.

Based on statistics of registration of independents, there seems to be a slow but constant growth. As of April 1, 2000, there were 64079 female presidents of a Japanese company (joint stock and limited companies together), accounting for 5.58% of the total of all companies (Teikoku Databank, 2001). As in other countries, a number of top female managers may have achieved that status by inheriting (Spilling and Berg, 2000). In the Teikoku survey 70.1% of them had inherited the business from parent or late husband. 16.5% were the founders of the company. But, the still relatively low percentage of female founders hides the long-term upward evolution. The figure of new female founding president remained below 10% of the total in the 1950s to climb to about 15% in the 1960s. Then, it jumped to more than 35% in the 1980s to remain at about the same level in the Heisei era starting in 1989. This evolution parallels that of the female managers. The percentage of female president arriving at the top in climbing the hierarchy increased from a low as 3.5% in the 1950s to 8.7% in the 1970s and 10.45% in the Heisei (starting in 1989) era (Teikoku Databank 2001).

According to the White Book on SME (Chusho Kigyo Hakusho, 2002) detailing the results of a survey of

the Women's Bureau of the Ministry of Health, Labor and Welfare (MHLW) concerning the age of the female company's founders, there is a strong concentration in the 40-44 and 35-39 years old brackets, respectively: 23.7% and 20.6%. The educational level is very high: 32.1% are graduated from universities and graduate schools. This compares to 13.2% of university graduates among the female presidents recorded by Teikoku databank (2001). Most of the respondents from the MHLW survey are (56%) or have been married (divorced women and widows account for 20%). 62.2% have children. Another survey indicates that women generally start businesses after their children are old enough not to require their constant care. (Chusho Kigyo Hakusho, 2001).

As in other developed countries, Japanese female businesses are concentrated in retail sales and services to individuals. They are mostly of a small size and have a weak growth trend. 67.5% of companies in the MHLW survey had less than 9 employees. Such a characterization is not limited to Japan but it is pointed out by Takahashi that Japanese women have made comparatively less progress in this regard than their American and European counterparts during the last 20 years. Since the 1980s, a gradual increase of female businesses in traditional males industries such as manufacturing, wholesaling and construction is observed in United States and to some extent in Europe (Nielsen and Kjeldsen, 2000). In the United States, women now manage quite large companies in an increasingly broader range of businesses where their presence was minimal a generation ago (Nelson and Michie, 2004). This is not the case of Japan where female entrepreneurship stagnates in traditionally male-dominated sectors (Takahashi, 2000).

The weak growth reflects the career patterns of Japanese female entrepreneurs. Activities are concentrated in 3 fields: wholesaling/retail, restaurant/bars and personal services. These 3 fields are characterized by strong competition and relatively low margins. Women are just now in the process of entering into higher added value business-related services such as audit accounting and training (Chusho Kigyo Hakusho, 2002). The business categories where female entrepreneurs are concentrated share two other important points: 1) they target general-type consumers and not companies 2) the delivery and procurement process is simpler than in manufacturing and wholesaling.

In the United States, it was pointed out that the 'new generation' women entrepreneurs are more educated, and have more previous management experience, than the women who started their businesses 20 or more years ago. They are also more likely to start a business that is related to their previous career, which increases the probability of creating a viable operation (Nelson and Michie, 2004). Japan seems to follow the same path as the United States with a 15 years delay or so. Up until recently, few Japanese women were able to develop professional skills because they were not in front business line. The situation is bound to improve as the effects of the Equal Employment Opportunity Law enacted in 1986 are likely to start to be felt in the years to come. The number of women reaching managerial level in large companies is

slowly increasing (Debroux, 2003). As a result, it may be expected that those with an experience in marketing, sales and finance will consider starting business on their own with a better training and professional network basis. Although this is bound to enlarge the range of business opportunities in the years to come, for the time being, the lack of strong business connections largely explains the result of the hereunder survey undertaken by the Kokumin Seikatsu Kinyu Koko Sogo Kenkyujo (2000). Similar to what has been observed in the United States (Nelson and Michie, 2004), a dependence on private network is observed with less use of professional network than men. Women do not recruit so much from business partners or former colleagues and do not get large financing from them. They tend to recruit their friends or people introduced by friends. The survey also confirms that many more men than women had a prior experience at managerial or executive level before starting a company.

1) Career Characteristics

Managerial level:		Executive level	
Men 15.2%	Women: 4.6%	Men: 38.0%	Women: 14.4%

Companies with less than 19 employees:

Men: 40.5% Women: 50.9%

2) Characteristics of procurement of resources (manpower and finance) at the time of the business creation

Financing from business partners:		Recruitment of former colleagues:	
Men: 8.1%	Women: 2.0%	Men: 39.0%	Women: 27.8%

Recruitment of friends:		Recruitment through friends network:	
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Men: 13.9%	Women: 22.7%	Men: 12.1%	Women: 19.3%
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Kokumin Seikatsu Kinyu Koko Sogo Kenkyujo, Shinki Kaigyo Jittai Chosa (2000)

Public policy and support

The Ministry of Economy, Trade and Industry (METI) ambition is to increase the number of female entrepreneurs, enhance their quality, help them to create networks, and make of them "the front-runner of Japanese economy" (METI, 2000). In June 2001 was enacted the law on Men and Women's Common Social Participation. The law aims to promote women's participation in decision-making process and women's promotion in organizations. It does not concern directly entrepreneurship but it is an important regulation because it is considered as the cornerstone of government policy to enhance the status of women in Japanese society. As an indirect result, in August 2002 a clause telling that: "the government must make efforts to further support women entrepreneurs" was included into the supplementary resolution attached to the Industrial Recovery Law. As pointed out by Mayumi, it was the first time in

Japanese history that the "support for women entrepreneurs" appeared in official parliament documents, showing that women may have acquired a little bit more of political influence on the issue (Mayumi, 2002a).

Legal and systemic obstacles to company creation apply to both male and female-managed companies but they probably penalize more women than men because they often start with under-capitalization. The cost of creating a business is the first deterrent. It reflects the risk-averse attitude of Japanese bureaucracy under the name of protection of the consumers. It is also indicative of the late recognition of the shift of Japanese economy toward service industries. Similar to the criteria utilized in the United States, it is suggested that not only the intellectual property, ideas, know-how, patents but also the entrepreneurs' training and educational backgrounds ought to be considered as capital assets of a new company (Mayumi, 2002a). The corporate tax system is too complicated to be understood by non-specialists, rendering necessary the expensive service of tax experts. The Japanese bankruptcy regulation is a strong deterrent to entrepreneurial risk (Mayumi, 2002b). The entrepreneur is personally responsible for the debts of the company. A failure means often the ruin of the family and makes quasi impossible any new attempt to create another company.

Some elements of the business system penalize more directly women because they reflect the traditional attitude on women roles in society. The taxation system is still based on the traditional male norm, i.e. it gives better treatment to couples where the husband is the main bread winner and the wife has, at best, an auxiliary role in the labour market. Families with two incomes cannot enter a joint income declaration. The fiscal allowance bestowed to households is removed if the wife earns more than ¥1.3 million per year. Many companies use this limit to decide whether a family allowance is granted to the husband as a welfare benefit. Moreover, the retirement system requires that employees' wives pay a premium to receive the basic retirement pension that every citizen receives, if their yearly wage is higher than ¥1.03 million. Thus, paradoxically, the favourable treatment of dependent spouses discourages them from working full-time. It makes the creation of a company furthermore difficult. Besides maintaining married women in a state of dependence, such system is also socially unfair because it increases the financial risk for families where husband has a low income. Likewise, the pension system was built on the same principle of the husband as bread-winner and on the a priori of a long and stable career in one company. At last, banks and most public support schemes require collaterals to obtain a loan but the household's assets are generally under the name of the husband. This also keeps wives dependent on their husband and makes difficult to gain economic autonomy.

Preliminary Results of the Survey

Motives to create a Company

The results from the interviews largely confirm previous research undertaken in Europe and the United States such as those of Holmquist and Sundin (1990) and Birley, (1989). Important reasons for starting a business are intangible motives such as a need for self-achievement and self-esteem (mentioned as most important reason by 8 respondents); the wish to be one's boss (mentioned as most important reason by 7 respondents); getting away from an unsatisfactory work situation (mentioned among the 3 most important reasons by 16 respondents); a search for job satisfaction (mentioned among the 3 most important reasons by 13 respondents). They are mixed with tangible motives such as the supply of a complementary income to the household (mentioned as one of the 3 most important reasons by all respondents married at the time of the business creation); better combination of family life and work (mentioned among the 3 most important reasons by 10 respondents); profits as attributes of personal autonomy (mentioned among the 3 most important reasons by 8 respondents); better organized working life (mentioned among the 3 most important reasons by 4 respondents). To be useful to society and to other people was mentioned as one of the three most important reasons by only 2 respondents, both running an NGO. At the opposite, the desire to have a higher social status and the yearning for power are considered as relatively negligible factors by the large majority of respondents.

Table 1 Relative Importance of the Reasons for self-employment (1-5 scale with 5 very important)

Need for self-achievement and self-esteem	4.1
Wish to be one's own boss	4.1
Search for job satisfaction	4.0
Getting away from an unsatisfactory work situation	4.0
Better combination of family life and work	4.0
Supply complementary income to the household	4.0
Need for new challenges	3.9
Better organized working life	3.9
Use of talent	3.8
Profit as an attribute of autonomy	3.8
Inspiration by a previous business connection	3.8
Freed from children care	3.8

Desire to make a living out of a hobby	3.6
Profits as attribute of personal autonomy	3.5
A family tradition of being self-employed	3.4
Inspiration by a previous employer	3.3
Higher earnings	3.2
Difficulties to find a salaried job	2.9
Higher social status	2.7
Desire to be useful to society and others	2.6
Risk of losing a job	2.5
Financial difficulties	2.4
Yearning for power	2.4
Loss of a job	2.4
Willingness to play a role in the country's development	2.1

Moore and Buttner (1997) have separated female entrepreneurs into 'corporate climbers' and 'intentional entrepreneurs'. The first ones are those who had aspirations to become top-level managers in large companies. They left the corporate world at mid-career because they could not meet their need for challenge, flexibility, career advancement and a compatible organizational culture. Indeed, the American literature seems to indicate that all sorts of women were leaving the corporate world because they were dissatisfied (Moore, 2002). They were reacting to the so-called 'push factors'. The second group is composed from those who had lifelong ambition of becoming an entrepreneur. They entered the corporate world to gain experience and make the contacts that would later on help them to become entrepreneurs. Most of our respondents migrated from corporate life to entrepreneurship but only one respondent declared herself 'intentional entrepreneur'. A very small number of them (3) declared themselves 'corporate climbers'. For the large majority, the motive of disillusionment with salaried work is not completely absent. Some of them declare to have been victims of outright discriminatory barriers impeding their reach of even lower management positions. Nevertheless, the decision of the married respondents seems to be more of a 'pull' factor. They wanted to fulfill their need for self-achievement and self-esteem while being able to work part-time or combine work and family. The results reflect also the current state of Japanese economy and society. For the time being they are very few women yet on the managerial track in large Japanese companies and still much less on the "fast" one leading to top management. So, there are few 'corporate climbers'. At the same time, it is only now that the idea of creating one's own company is becoming a socially acceptable professional project for the young people

(male and female) graduated from the best universities. Therefore, there are still few women entering into large companies and making long-term career plans of business creation.

Family influences

An important difference between female and male entrepreneurs has emerged from research concerning work and family issues. For the married respondents the second most important reason to create a business was to provide a supplementary income to the household. For those with small children in particular, obligations towards children have been found to be a particularly important driving force to start a business. Such motive has been mentioned in the case of single mothers in the United States (Gillis, 1984) but not for married women. The result may come from the fact that a large majority of Japanese women believe that it is preferable for a mother to take care of her children on a permanent basis until they are aged about three (Ministry of Labour, 1998). The figure remained almost unchanged the last 20 years. Moreover, despite the use of flex-time systems in some companies, the still insufficient (albeit far better than before) development of children day care centers opened for long enough periods of time still makes it difficult to stay on the labour market with managerial responsibilities while taking care of small children.

It was pointed out that many women tend to start their enterprise as a life rather than a career choice. More than men, they elect to become entrepreneurs in order to balance work and family life. Their families are also more likely to be involved in the business decisions and therefore to become part of the in-groups (Cheskin, 2000). This is acknowledged by about 80% of the married respondents as one of the key elements in their life as entrepreneur. Their husband is an important advisor (the most important one for 65% of the married respondents) and the global well being of the family is a crucial factor in the business strategy. In this respect, the attitude of the respondents may reflect the current socio-cultural and economic environment in Japan. Despite the public policy of encouragement to women to break down the glass ceiling in social production and to look for fulfillment of their individual achievement needs, there is a strong social pressure reminding women that they also have important everyday duties at home.

Studies that examine the challenge unique to women cite precisely balancing family and work as the biggest obstacle to managing a company. Women being primarily responsible for taking care of children, this is considered as an obstacle for their business growth (Mroczkowski, 1995). In this connection, in the USA one question of interest is to know whether today's female entrepreneurs are similar to, or different from those of the previous generation. Labelled as 'traditionals', early female entrepreneurs in the 1950s and 1960s identified with traditional female roles of family care and work values emphasizing the subsidiary role of female work inside the family. Their companies were small sole proprietorships with

slow growth. The second generation of female entrepreneurs or 'moderns' emerged in the 1980s, and displayed values more similar to male entrepreneurs. They led corporations rather than sole proprietorships, and were more growth oriented (Moore, 1999). As a result they started to grow at a rate more similar to their male counterparts, and to narrow the revenue gap. Among businesses started in the 1990s, research indicates no gender gap in companies with \$500000 or more in revenues (Center for Women's Business Research, 2001).

The married respondents with children declare that they were (are) ready to assume the difficulties as part of their normal duties as mothers. However, the opinions diverge as far as the future objectives of the business are considered. About 50% of the respondents with children confirm the point of view that had been expressed in the survey quoted previously (Kokumin Seikatsu Kinyu Koko Sogo Kenkyujo, Shinki Kaigyo Jittai Chosa 2000): when their children became (or will be if it not yet the case) autonomous, they were (will be) ready to accelerate the pace and to push for growth of their business. For those who reached such stage of their life, the idea of voluntary controlled growth is replaced by a more growth and profit mindset. Although personal criteria such as independence and work satisfaction remain key elements in the measurement of present success they recognize that the importance of commercial criteria (finance/income, enlargement of the customer basis) increases notably and is likely to do so furthermore in the future. In that sense the mindset of these respondents converge to the 'modern' American female entrepreneurs model. However, 90% of them would still be ready to forgo business opportunities if they think that it would (will) create opposition in the family. Only 10% declare to have been (to be) ready to pursue their objective of growth and business enlargement without taking significantly into account the opinion of their family.

The other 50% of married respondents can be divided into two sub-groups. For about 25% of them growth was never (is) not an important factor. It was (is) either out of reach for a number of reasons (financial, human, technical) or considered as potentially detrimental to family life. They are satisfied with the current situation and/or do not think that it can be changed fundamentally. Growth control is not perceived as a negative element but as necessary to keep control of their life-style. Success is measured by personal satisfaction, overall quality of working life and independence, but the growth, finance/income criteria remain not important and are likely to remain so. For the remaining 75% balancing family and work was (is) not an obstacle per se to business but the main objective of the project to become self-employed. Ideally, self-employment should give the opportunity to get a right mix of creativity, independence, flexibility, good income, private life and job satisfaction. That is precisely the reasons why they left their salaried job. Growth is not bad in itself and they are ready to take advantage of any business opportunities leading to an enlargement of the current operations. It is recognized as necessary in almost all businesses

but it should not be pursued for the sake of it. They are also ready to accept the idea of controlled growth albeit more reluctantly than the second group if they believe that their balanced professional and private life could be significantly disturbed. The importance they give to the criteria of customer' satisfaction is as high as for the first group (very important). Conversely, the criteria of growth, finance/income are considered as more important than for the second group but less than for the first one.

Perception of Business Needs and Opportunities

Birley et al (1987), found that both men's and women's previous professional experience helped in providing managerial skills in the start-up period. The statements of the respondents in this regards confirms what Takahashi had pointed out (2000). In view of the structural obstacles caused by the Japanese business system female employees find it difficult to receive adequate business training while working.

Table 2 Occupation while planning the business creation

Senior management	0
Junior management	5
Technical/professional	3
Sales	3
Secretarial/clerical	5
Manual	0
Self-employed	0
Unemployed	1
Housewife	3

Table 3 Relative importance of the concerns before starting business (1-5 scale multiple answers)

Effect on family	4.5
Losing savings	4.5
Getting business	4.5
Employing people	4.5
No guaranteed income	4.4
Dealing with law and regulations	4.3
Late payment of bills	4.2
Where to get advice	4.2

Book-keeping	4.2
How to do it	4.1
Obtaining capital	3.9
Cash flow problem	3.8
Marketing	3.6

In view of their self-confessed shortcomings in many fields a strong need is expressed by the large majority of the respondents for publicly and, preferably, privately-managed specialized programmes for start-ups and young companies. The existing public programmes are considered ill adapted to the needs of the recipients. Almost all the respondents who utilized them declare that they were not very useful for their business, the main reason being that the persons in charge did not have enough proper experience in business. Need is expressed for personalized consulting before the company creation, during the process and afterwards during the 2-3 first years of activity. Public authorities should take the lead but should refrain of any high-handed and patronizing behaviour. Most respondents strongly insist on the point that they need guidance but not supervision.

Table 4 Origin of received helpful advice when starting up (multiple choices possible)

Bank	05
Accountant	14
Family	16
Friends	15
Job Center	03
Previous employer	03
Local authority	04
Local enterprise agency	06
Trade association	03
NGO	05

16 respondents declare to have had problems of some kinds in arranging start-up finance. It ranges from lukewarm welcome by financial institutions not eager to finance service business to the request to have the guarantee of their husband to obtain a financing. The majority of the respondents who sought external funding used bank loans as their major form of start-up capital. Knowledge of range and form of financial support was poor. Only 3 respondents were backed-up by local authorities. This reflects the pattern that

can be discerned for many start-ups. Only one respondent was successful in gaining backing from a venture capital company. For most respondents personal savings formed the largest part of their starting capital, in some cases supplemented by investments by friends and family.

Table 5 Origin of the Start-up Capital

Bank overdraft	1
Bank loan	6
Venture capital	1
Finance company	2
Family	12
Friends	9
Inheritance	3
Personal savings	16
Mortgage	2
Development agency	3
Equity finance	0

PS Numbers refer to number of times the item was mentioned

A high level of dissatisfaction with banks and other financial institutions is expressed. It is true during the start-up period but even more during the first 3 years of business activities. Few respondents (2) expressed a need for 'women only' advisory agencies. But the support of female counseling staff in local agencies is very important for all of them.

Aldrich (Aldrich et al, 1996) suggested that the fact that women are more likely to start businesses in service fields that require less capital investment may be due to the lack of contact with the financial network. It may limit access to information guidance and capital, which in turn circumscribe the fields for female entrepreneurship. This point is strongly supported by the respondents. They mostly had to start in a traditional female field such as education, health care, or operational services such as reform of clothes or cleaning, because of their financial and expertise limitations and their lack of experience in developing relationships in the world of finance. Given the opportunity to diversify they would like to enter into more profitable and higher growth fields. Regarding suitable fields for female entrepreneurs, the respondents underline the importance of previous expertise and experience. No thick walls should separate "female" from "male" businesses. Most respondents are ready to undertake new types of training if it opens the door to more attractive business opportunities.

Fears and problems

The difference between perceived and real problems is difficult to isolate and address quantitatively. This issue poses special problems to attempts to attribute specific problems to gender. The respondents were asked to define for themselves where the problem areas lay and whether they felt them to be gender related. A short majority (55%) of respondents believes that their problems were exacerbated by the fact of being a woman. However, most of those respondents declare that it is only but one factor among many others and generally not the most important. A few respondents (10%) expressed the view that being a woman may have eased the problems. The remaining respondents believe that their gender did not make any significant difference. Almost all respondents are reluctant to consider the treatment of their company in gender term. Basically they think that it ought to be considered as any other concern. Growth and diversification, access to capital and to the market in any field should be pursued without consideration of presumed gender roles in society.

Therefore, they are uneasy with a policy of "positive discrimination" actions that would give them a privileged access to market (for instance through preferential purchasing schemes, quotas or financing). If recognized as necessary in some instances the schemes should be clearly circumscribed in terms of objectives and categories of people who could benefit and duration. Beside the willingness to avoid creating an image of 'protected' businesses unable to compete on purely economic ground, such attitude reflects the doubts the respondents have on the depth of the commitment of Japanese government to support female entrepreneurs. They suspect that it is linked to the current economic difficulties. Should they dissipate, female entrepreneurs believe that they would be rapidly forgotten. They also have the feeling that public authorities have a clear idea in mind of what is suitable or not to female entrepreneurs and that it still reflects the traditional social stereotypes on female work and role in society. Therefore, they perceive a danger of women being dragged into kind of "professional ghettos" in "female-oriented" types of businesses such as health care, education and operational services, that may not be the most promising and create sunk cost with high exit barriers. As a consequence, "positive discrimination" may just create a new type of dependence.

Starting from the distinction made between personal/dispositional and structural/situational factors impeding female entrepreneurship (Brush, 1997), the respondents recognize that their lack of expertise and experience, and some personal traits such as a lack of aggressiveness and risk-taking propensity may have constituted barriers to their business success. They acknowledge their reluctance to make debts and their willingness to reimburse the loans as quick as possible.

Table 6 Problems in Managing the Business (1-5 scale no problem - very serious)

Finding clients	4.8
Late payment of invoices	4.5
Setting the right price	4.4
Employing staff	4.4
Marketing	4.4
Cash flow problem	4.2
Book-keeping	4.0
Taxation issues	3.6
Laws/regulations	3.5
Effects on private life	3.1

Confirming what had been observed in a British surrounding (Carter and Cannon, 1992), they also consider the delayed payment of bills by customers and undercharging for a product or service as 2 of the most difficult problems to solve. They also confirm the reluctance to recruit manpower on a long-term basis. Management of human resources is considered as one of the most difficult issue (see details later). Those are factors that may become impediments to growth as it has been pointed out in another survey on female entrepreneurship (Nielsen and Kjeldsen, 2000) and may be perceived as having a gender dimension. But, although a majority of respondents accept that their behaviour and attitudes may indeed have a gender connotation, they are reluctant to accept that the fact of being a woman constitute a key problem. Their lack of self-confidence as women who believed that they had to perform better than man to be credible professionally, may have played a role in their difficulties, especially during the first stages of the business existence. They recognize that it took a long time to build-up enough self-confidence to tackle a number of the issues mentioned here above and that it was costly to the business to the point of putting the future of some of them in jeopardy. At the same time, they insist on the fact that the structural/situational facet of those factors is probably more important as obstacles or barriers.

It is still very difficult for women to gain the trust of the Japanese banks and it may push them to be conservative in their finance management. The problem is compounded from start by the initial under-capitalization of most female-owned businesses. They work on small and tight budgets and can offer little collateral under their name. Moreover, they are aware of the inadequacies of the bankruptcy law and the high risk that any debt problem may entail. They have to take it into account in their decision.

Besides the direct financial trouble, a failure would be a social stigma for the whole family. Such way of thinking is deeply engrained into the Japanese psyche and is unlikely to change rapidly if ever. As for recruitment, the use of part-time workers reflects the reality of their past and current needs and the high cost of labour in Japan, although they are aware that beyond a certain size and volume of activity a core of stable employees is necessary.

Management style and Strategy

Researchers have asked if female entrepreneurs manage their companies in a qualitatively different way to men. Buttner (2001) has reported that management styles of female entrepreneurs can be described as mutual empowering, collaborative, involving sharing of information, empathy and nurturing.

Table 7 Sources of Advice to when taking decisions (multiple answers)

	Daily decisions %	Major decisions %
Friends/family	70%	40%
Business partner	45%	55%
Staff	25%	07%
Consultants	19%	34%
Lawyers, banks or accountants	42%	63%
Yourself	50%	24%

This was not completely corroborated by our respondents. As mentioned before most of them admit that human resource management is a key issue that they have difficulties to deal with. The problem is compounded by the reliance on personal network to recruit. Most respondents acknowledge their difficulties to deal with labour conflicts including lay-offs and sanctions. That is the main reason why they declare not being adept of participative management in the sense of a large staff involvement in decision-making and widespread delegation of responsibilities. Fairness vis-à-vis employees is very important, but not that much empathy. Most respondents prefer to create some distance with their employees and separate clearly private and business activities. To a limited extent employees have to be involved in decisions but, if nurturing is necessary, 'empowerment' is not considered very desirable. Discussion, diffusion of information and delegation are necessary but the chain of command must be very clear. Because of that, they consider their management-style as mostly based on control and clarity of procedures and rules. In term of recruitment preference, although there is a large majority (80%) of

respondents putting specific skills and work experience as the 2 main criteria, there is a sizable minority (20%) giving preference to the recruitment of women returning to work provided they satisfy to the qualification and skill criteria. As 3d preference 15% mentioned that they preferred to recruit women at equal skills, qualification and experience level. Only 2 respondents answered that they would give preference to male employees.

Table 8 Preference of staff characteristics (Multiple answers given)

Criteria for employment	Yes	No	Not important
Specific skills	16	0	4
Work experience	12	3	5
Women returning to work	06	1	13
Woman	10	3	07
Man	02	12	06

PS Numbers refer to number of times the criteria was mentioned

A survey of small business in New Zealand identified a distinct profile of a new generation of female small business owners who are operating in self-employment network. They are younger, identify self-confidence as an inhibitor to business start-up, and are more likely to have and to want, mentorship. These women have also greater expansionist intentions than other women in small businesses (McGregor, 2004). The strong inclination to develop networks as a management tool is confirmed by a large majority of our respondents, especially the younger ones. It goes alongside with strong growth intention of this group. However, the existence of mentors, and the willingness to have one, is not confirmed. Those entrepreneurs are confident that they can do it on their own.

Table 9 Assessment of success so far (1- 5 scale very successful to very unsuccessful)

	1	2	3	4	5
Independence	7	5	3	3	2
Customer service	6	8	3	2	1
Personal satisfaction	6	9	3	2	0
Self-employment	5	8	5	2	0
Quality of working life	4	9	4	2	1

Growth potential	3	10	4	1	2
Employment for staff	2	12	2	3	3
Finance/income	1	7	7	3	2

PS Numbers refer to number of times the criteria was mentioned

Appendix Personal and Professional Background of the Respondents

1. English language school 46 y/old Master in Business Administration

15 years as employee 6 years as entrepreneur Divorced 2 children

230 full-time employees 45 part-time employees

2. Computer school 43 years/old Bachelor in English Literature

- 12 years as employee 8 years as entrepreneur Unmarried

4 full-time employees 10 part-time employees

3. Printing of business material 47 y/old Bachelor in Art

12 years as employee 8 years as entrepreneur Married 1 child

3 full-time employees 4 part-time employees

4. Kindergarten 34 y/old Bachelor in Education

5 years as entrepreneur No experience as employee Married 3 children

4 full-time employees 8 part-time employees

5. Clothes reform 42 y/old Junior College Degree in Fashion Design

4 years as an entrepreneur 3 years as employee Married 2 children

6 part-time employees

6. Flower arrangement school 45 y/old Bachelor in French Literature

15 years as entrepreneur 2 years as employee Married 2 children

2 full-time employees 6 part-time employees

7. Market Research 51 y/old Master in economics

24 years as entrepreneur 3 years as employee Unmarried

17 full-time employees 250 part-time employees

8. Market Research 49 years/old Junior College in secretariat

20 years as entrepreneur 8 years as employee Married no child

9 full-time employees 120 part-time employees

9. English language school for children 43 years/old

10 years as entrepreneur 4 years as employee Married 1 child

130 full-time employees 4 part-time employees

10. Clothes reform (NPO) 45 y/old Junior college in secretariat
 10 years as entrepreneur 2 years as employee Married 2 children
 1 full-time employee 4 part-time employees
11. Travel agency 37 y/old Bachelor in tourism
 5 years as entrepreneur 8 years as employee Unmarried
 5 full-time employees 4 full-time employees
12. Human Resources Consultant 43 y/old Bachelor in American Literature
 8 years as entrepreneur 12 years as employee Unmarried
 3 full-time employees 10 part-time employees
13. Food import 38 y/old High school graduate
 5 years as entrepreneur 5 years as employee Married 1 child
 1 part-time employee
14. Translation and interpreting office 29 y/old Bachelor in Literature
 3 years as entrepreneur 1 year as employee Married 1 child
 2 full-time employees
15. Health care and nursery school 39 y/old Junior college in dietetic
 4 years as entrepreneur 3 years as employee Married 1 child
 6 full-time employees 13 part-time employees
16. Baby-sitting 40 y/old Bachelor in history
 3 years as entrepreneur 3 years as employee Married 3 children
 1 full-time employee 24 part-time employees
17. Computer graphics 39 y/old Bachelor in design
 7 years as entrepreneur 10 years as employee Unmarried
 2 full-time employees 12 part-time employees
18. Publishing of children's books 53 y/old PhD in psychology
 20 years as entrepreneur 2 years as employee Unmarried
 3 full-time employees 10 part-time employees
19. Clothes reform (NPO) 40 y/old Junior college in fashion
 10 years as entrepreneur 3 years as employee Married 1 child
 1 full-time employees 12 part-time employees
20. Secretariat service 38 y/old Junior college in secretariat
 5 years as entrepreneur 4 years as employee Married no child
 2 full-time employees 23 part-time employees

Conclusion

There is in Japanese society a strong yearning for change of what is considered as a blocked socio-economic system. A stronger role of women in the economy as managers but also as entrepreneurs is perceived as a positive element in this context. Indirect discrimination of women coming from the traditional way of thinking is still present in legislation and in society at large. Access to information and building network remains difficult. Gaining credibility from the banks, suppliers and customers is a perpetual challenge. Nevertheless, the number of successful female entrepreneurs is growing. Some of them are already considered as role models by the new generation and have received a large publicity. At the same time, Japanese women remain ambivalent concerning their career choices. Although the concept of family is changing, the percentage of those who are ready to sacrifice their actual or potential family life for the sake of business success remains quite small.

Female entrepreneurs like female workers in general are a growingly heterogeneous group. They have widely different objectives and aspirations. In many respects their management style, objectives and concepts of a company are similar to those of the male entrepreneurs. Nevertheless, one point where they seem to differ rather significantly is linked to the role and place of family in their professional life. Family seems to remain strongly at the center of their preoccupations and worries. While acknowledging their need for the development of a professional network, they consider as important to work and take decisions in involving family members. Admittedly this may just reflect a transitory phase of Japanese society and business system. With rare exceptions inroads of female entrepreneurs in Japanese business world are still a new and limited phenomenon. So, it is too early to say that it is on that basis that female-run businesses will develop in the foreseeable future. In about 10 years time female entrepreneurs may have a completely different view of the family-business relationships. Similar to the evolution in the United States it may lead to a quasi convergence with male-run businesses way of doing business and organizing one's life-style, or it may lead to new original idiosyncratic ways of doing business influenced by the Japanese socio-cultural and economic environment.

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