



Local Economic Development in El Salvador



International
Labour
Organization

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Fostering women entrepreneurship to fight poverty

In El Salvador, 80% of women's jobs are created in enterprises that are owned by women. To develop and implement a model of recognition and empowerment of female entrepreneurship, the Local Economic Development Agency of the Department of Sonsonate has promoted a Centre of Entrepreneurial Services for women, which has made it possible for women to have access to business development services and to be better represented in the local governance.

Project Facts

Title:
Centre of Entrepreneurial Services for Women (SEM)

Donor:
Government of Italy, programme MyDEL and UNIFEM

Location:
Guatemala: ASEDECHI and ASEDECOHUE
El Salvador: ADEL Sonsonate
Honduras: ADEL Valle
Nicaragua: ADES León

Objectives:
To promote and foster the development of women-owned enterprises that contribute to job creation and income generation, and to facilitate the access of women to goods and services.

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The Local Economic Development Agency (LEDA) of the department of Sonsonate has become a leading agency in the country due to its strategy of integrating women in the process of local economic development of the territory. The creation of the **Centre of Entrepreneurial Services for Women (SEM** in Spanish) has favoured the recognition of the new prominence of women in business matters through the offering of more opportunities for the development of their own businesses. SEM fosters the development of specialized contents focused on women entrepreneurship, which can contribute in turn to the human development of women and society.

The constitution of the SEM has been supported by the programme MyDEL/UNIFEM, in the framework of the collaboration established by the Italian

Cooperation and UNIFEM, with the objective of promoting and giving incentives for women entrepreneurship and recognizing their role in economic development.

The establishment of the SEM contributes to the development of micro and small enterprises, job creation and the improvement of access for women to business development services. The SEM is located in the LEDA, where it develops activities related to women entrepreneurship, provides financial and non-financial services for the promotion of new profitable enterprises owned by women and raises awareness among local actors about an inclusive entrepreneurial culture.

The specific objectives of a SEM are:

- To create an institutional mechanism that facilitates the development of



women entrepreneurship at the local level.

- To contribute to the development of an inclusive entrepreneurial culture and to build enterprising capacity.
- To contribute to local economic development by supporting and implementing profitable and sustainable productive initiatives.
- To design a methodology to stimulate and support women entrepreneurship and women empowerment at the local level.

The SEM has a manager who comes from the Department and who has experience in enterprise development. During the first year of operation, the manager post has been financed by the international cooperation but subsequently its costs have been assumed by the LEDA.

To make the experience of the SEM in Sonsonate replicable in other departments, its strategy has been conceptualized in five stages:

Starting with the **promotion and dissemination** phase, informative and promotional materials on women entrepreneurship, leadership and women's right to civil participation are elaborated. In addition, media campaigns and talks are organized to promote women entrepreneurship and inform the public. Although this is the starting point, this phase continues during all the process.

The second phase is focused on **research**, carried out by local Universities and research centres. In the case of LEDA Sonsonate, the University José Simeón Cañas has been involved in drawing up an inventory of initiatives of women entrepreneurship and women organizations, in mapping out the identified initiatives, in describing the profile of local enterprises owned by women, in identifying value chains and signalling out initiatives to be promoted.

In the following stage **training programmes** designed for the women who are involved in the initiatives identified are designed and implemented jointly with centres of vocational training and universities.

Once the training programs have been taught, **technical assistance** for the elaboration of business plans is provided to women according to their needs and type of activity. They also receive assistance for managing their resources and negotiating with financial institutions.



Women in a training course

Once the financing is approved, a **follow up** programme is established for each

enterprise so that women entrepreneurs can put all of their acquired knowledge into practice towards the successful performance of their businesses. The LEDA is responsible for providing credits according to the existing policies, norms, and procedures of its credit fund. The LEDA has seed capital at its disposal, which is necessary for the initial capitalization of the enterprises. This is distributed according to a selection of enterprises that takes into account the indicators established in the business plan, the number of jobs to be created and the development of products or services with added value or that can substitute those that are not produced in the country. Competitions, business fairs and events are held for the marketing of products.



Women presenting their products

The **progress and achievements** of the experience of the SEM consists in the establishment of enduring partnerships with Universities in the development and validation of a methodology through which

women are recognized as key agents for local economic development.

A platform connecting all the existing SEM's has been launched, with the purpose of improving the quality of the services provided to women.

The provision of business development services focused on women has not only benefited their possibilities of starting and expanding their businesses, but has also had a positive impact in terms of their **participation in local governance structures**. By accessing services designed for their specific needs, assisting to informative sessions and training courses which are organized in a space where local stakeholders meet regularly, as it is the case of the LEDAs, women have also the opportunity of voicing their concerns and improving their representation in the decision making structures at the local level. As a result of this, processes of negotiation and coordination with local government institutions, the private sector and networks of women entrepreneurs have been set up to advocate for policies supporting women entrepreneurship.

Lessons Learned

Setting indicators for female entrepreneurship. The identification of initiatives fostering women entrepreneurship, the creation of common indicators to characterize them, and the



development of a methodology to support ongoing and potential initiatives are crucial to promote women entrepreneurship as an engine of local development, as part as the efforts to eradicate poverty.

The **strengthening of female leadership and participation in governance structures** is fundamental when promoting women entrepreneurship and in overcoming the structural factors that perpetuate gender inequality. The starting up and expansion of their businesses empower women and increase their capacity of influencing policies that affect them directly. The debate focused on programmes and policies is crucial for these to respond effectively to the needs of the territory and the people.

The **introduction of innovations**, crucial for local economic development, not only depends on the existence of male and

female entrepreneurs with enterprising capacities, but also requires the presence on an enabling business environment. The process therefore should not be focussed only in introducing innovations in the value chain but also in other relevant aspects, such as the promotion of an inclusive enterprising culture, the decentralization of decisions regarding innovation, and the development of public-private partnerships.

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