

# Many Women-run Businesses Really Run by Men

by Carrie Mason-Draffen, *Newsday*

NEW YORK—More than half of white female federal government contractors in the manufacturing and wholesale industries are “fronts” for white men, a Detroit professor told a minority trade group in Manhattan recently.

Timothy Bates, a professor of labor and urban affairs at Wayne State University in Detroit, reached that conclusion after studying US Census Bureau data that profiled small businesses from 1992-96. He maintained that in more than 55 percent of the companies, a man was actually the owner of such businesses. “I was shocked at how extensive the problem is,” Bates said. He warned a gathering of the National Minority Supplier Development Council that recent Clinton administration moves to open a key federal minority contracting program to white women could lead to more fraud and shift benefits away from those it was originally intended to help.

Fronts have long been a problem in federal programs aimed at helping women and minorities. Over the years, the US Small Business Administration (SBA) has tightened up the process that ensures the companies are properly classified.

Steve Sims, a vice president of the supplier group, said that because of the fronts and “because you are talking about a finite slice of pie, you have women and minorities fighting each other for an even smaller slice.”

For his study, Bates crosschecked Social Security data identifying companies as women-owned with answers provided on a profile questionnaire the Census Bureau sent to businesses last year. At one point on the questionnaire, respondents are asked the gender of the owner. Bates identified government contractors as those that derived at least 10 percent of sales from the government.

While the Census Bureau uses a similar methodology in counting women-owned companies, a statistician there emphasized that the agency has never measured the problem. “We have these issues and they are real,” said Ruth Runyan. “But they’ve never been quantified anywhere.”

In the fiscal year ended 30 September 1996, women-owned businesses obtained \$3.4 billion, or 1.7 percent, of prime federal government contracts, according to the SBA. “Prime” means they were the lead company on the contract. A company is considered female-owned if a woman owns at least 51 percent.

In fiscal year 1996, minority-owned companies received \$11 billion, or 5.5 percent, of federal contracts. Many minorities bid for contracts through the SBA’s program, which the Clinton administration has proposed opening up to white women.

Source: *Today*, 24 October 1997

# Reforms Needed to Motivate Women to Work

TOKYO (Reuters)—Japanese women have long been shut out of the mainstream work force but change is essential for one of the world’s fastest aging societies to cope in the future, the government said in a report recently.

In its annual white paper on national life, the government said Japan lagged far behind other countries in giving women opportunities outside the home.

The report said there were powerful disincentives for women to pursue career-track positions in corporate Japan and women usually got the short end of the stick in terms of pay and opportunities for advancement.

Forty percent of Japanese working women are office assistants and many are part-timers. Only eight percent have managerial-level jobs, compared with 42 percent in the United States and 33 percent in Britain, it said.

Surveys showed that the majority of men and women thought women encountered discrimination at work, and the average wage of women workers was only 63 percent that of men compared with 76 percent in the United States.

Those women who pursue higher-paying careers do so outside Japan’s big corporations, in specialist professions such as accounting.

At the root of the problem are Japanese employment practices that require years of service and long hours before significant wage gains are made, the report said. “Women who have children and quit work aren’t motivated to go back to a full-time job because they know they haven’t put in the time to get a good wage anyway,” said Kiyoshi Ota, director of the Economic Planning Agency’s Social Research Division.

Source: *Today*, 5 November 1997