

# **Study on Promotion of Gender Smart Business**

## **Checklists**

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**JAPAN INTERNATIONAL COOPERATION AGENCY  
(JICA)**

**IMG Inc.**

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## **Acronyms**

BIP	Business Incubation Project
BN	Banco National
BoB	Basic of Business
BPO	Business Process Outsourcing
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IFC	International Finance Corporation
JICA	Japan International Cooperation Agency
KCB	Kenya Commercial Bank
PI	Personal Initiative
WALN	Women in Agribusiness Leaders Network

## **Chapter 1      Checklists for applying a Gender Lens to JICA's entrepreneurship support programs**

### **1-1      Introduction**

JICA has supported developing countries in their reform of gender-discriminatory policies and structures, strengthening of women and girl's agency, and increasing of awareness and individual and social behavior change towards achieving gender equality.<sup>1</sup> One of JICA's approaches to achieve gender equality and women's empowerment, which is under discussion, is the promotion of GSB. The promotion of GSB aims to transform the market ecosystem to be more gender-responsive with enterprises, which are a driving force for market development, being oriented to behave more towards the enhancement of gender equality and women's empowerment.

In the area of private sector development, JICA has also strived to increase the competitiveness of entrepreneurs and businesses (micro, small and medium enterprises and startups). "Next Innovation with JAPAN" (NINJA) is a JICA's flagship initiative to support startups in collaboration with overseas enterprises, especially those from Japan, by promoting venture and impact investments and making policy proposals to create a conducive ecosystem for startups.<sup>2</sup> Under this initiative, JICA has implemented business contests and acceleration programs in Asian and African countries to help startups grow through business idea brush-up and networking.

Reviewing JICA's support for private sector development from a gender equality perspective, there is still ample room for improvement to achieve gender equality and women's empowerment. Towards this end, it is essential to make support more gender inclusive and responsive. This checklist was hence created with a view to applying a gender lens to JICA's support so that gender-responsive entrepreneurship and ecosystems can be fostered. Those who are engaged in JICA's support for entrepreneurship are expected to be the primary users of this checklist though it is also available to anyone who promotes gender equality and women's empowerment in supporting entrepreneurs.

This checklist was developed with reference mainly to two toolkits for supporting women entrepreneurs: the Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020) "Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders"; and the GIZ (2022) "Accelerating Women Entrepreneurs: A Handbook for Practitioners."

### **1-2      Things to keep in mind when using these checklists**

The following points should be taken into account when making a support program to bring about more impacts on entrepreneurs in terms of gender equality.

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<sup>1</sup> JICA "JICA Global Agenda No.14 Gender Equality and Women's Empowerment"

<sup>2</sup> JICA, "JICA Global Agenda No.4 Private Sector Development"

- Context matters: The local context, which includes factors such as geography, socio-economy and political stability, has a strong influence on gender-related issues and challenges. A deep understanding of the local context is a prerequisite to developing successful support approaches that meet the needs of women and all genders.<sup>3</sup>
- The importance of intersectionality:<sup>4</sup> Not only gender differences but other factors as well influence how individuals experience discrimination. One's identity is composed of different factors such as race, ethnicity, gender, religion, age, sexual orientation, health status, disabilities, education, experience and skill sets, personality, and background.<sup>5</sup> It is crucial to understand the diversity of perspectives and backgrounds of the target group so that the impact of the support can be maximized for everyone.
- Gender identity is not binary:<sup>6</sup> Given the fact that women and men are not the only two gender identities that exist, support programs should take into consideration the needs of all gendered groups when designed and implemented.<sup>7</sup>
- Growth intent varies depending on the type of motivation for entrepreneurs: There are two types of motivation for entrepreneurs to start a business: opportunity-based and needs-based. Opportunity-based entrepreneurs start a business because of their interest in realizing their own business ideas as well as their personal goals, such as a higher income, a sense of achievement and freedom in decision-making.<sup>8</sup> Opportunity-based entrepreneurship can be further classified into two types of enterprises as described in Figure 34: startups and small businesses. While several aspects differentiate these two types of enterprises, the most prominent one is whether the enterprise intends to grow fast with innovation or it prefers to run a business in a stable manner. With needs-based entrepreneurs often starting a business when they do not have other means of generating income, they are in most cases classified as small businesses. The difference in motivation for entrepreneurs (opportunity-based or needs-based) does not necessarily influence the selection of interventions for gender equality that are to be taken in the Program, but rather the context and circumstances in which the Program is implemented determine the necessary interventions to be taken by the Program and their priority.

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<sup>3</sup> GIZ (2022), "Accelerating Women Entrepreneurs: A Handbook for Practitioners"

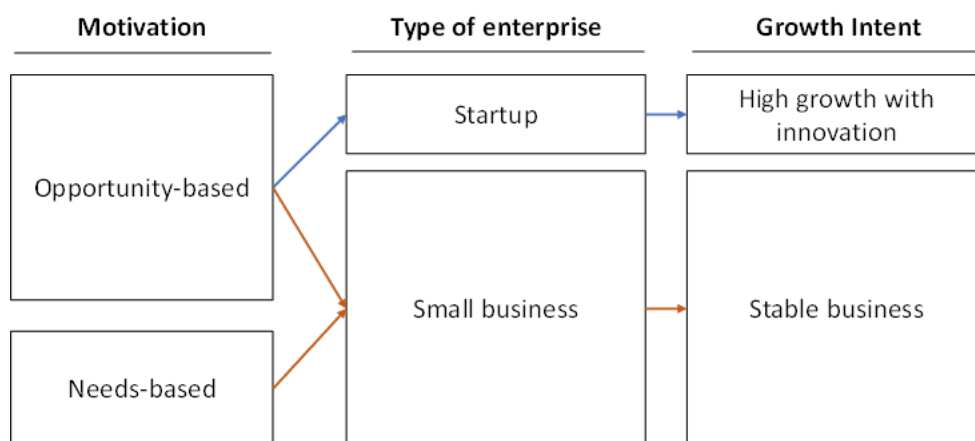
<sup>4</sup> ibid

<sup>5</sup> Responsible Jewellery Council (2022), "Gender Equality Toolkit: A Practical Guide on How to Embed Gender Equality at the Core of Your Business Strategy"

<sup>6</sup> Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020), "Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders"

<sup>7</sup> Because of time and knowledge constraints in undertaking the study of which this checklist is a component, the checklist mainly focuses on the disparities between heterosexual and cis men and heterosexual and cis women in a business environment. Building on emerging discussions and evidence on other gender disparities and JICA's experiences in the projects for private sector development, the list should be updated to respond to the needs of other genders

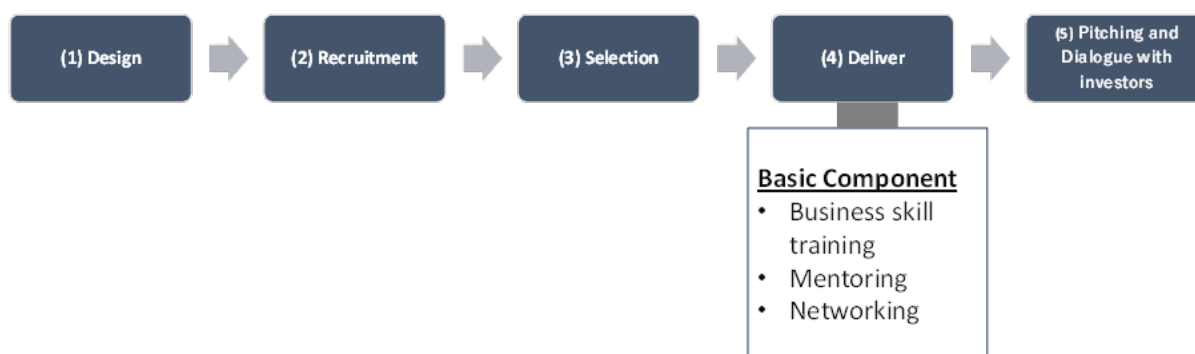
<sup>8</sup> [https://entrepreneurship.mit.edu/necessity-vs-innovation-based-entrepreneurs/#:~:text=%E2%80%9CPull%E2%80%9D%20\(or%20opportunity%2D,carry%20out%20their%20own%20idea](https://entrepreneurship.mit.edu/necessity-vs-innovation-based-entrepreneurs/#:~:text=%E2%80%9CPull%E2%80%9D%20(or%20opportunity%2D,carry%20out%20their%20own%20idea)  
s.



**Figure 1: Different Enterprise Types**

Source : USAID (2011), “The Entrepreneurship Toolkit: Successful Approaches to Fostering Entrepreneurship”並びに Forbes, “Are You Running a Startup or Small Business? What’s the Difference? (Dec 8, 2017)を参照し、IMG作成

- Basic components for supporting entrepreneurs: A variety of organizations, such as governmental organizations, NGOs, the private sector and donor agencies, provide various support programs to entrepreneurs. Business skills training is provided in many of these support programs aimed at establishing entrepreneurs’ skill foundations for doing business. Mentoring and networking have also been proven through various research as an essential component, especially for women entrepreneurs.
- Cycle of the support to entrepreneurs: The cycle of the support to entrepreneurs starts with the design of the support program, which determines the target beneficiaries and other stakeholders including facilitators and mentors, duration, components to be provided in the program. Once the program design is confirmed, the stage for recruiting participants follows. In order to find appropriate and eligible entrepreneurs, marketing and advertisement are critical activities. Appropriate channels to distribute information and receive applications should be carefully chosen. The applications will be assessed at the selection stage against the prior developed criteria. Participants who have passed the selection stage will finally have an opportunity to receive support at the delivery stage. The modality of that support from the support provider should be developed in such a way as to maximize outcomes. In some programs, the stage for participants to pitch and have a dialogue with investors will also be designed so that participants can have the financial means to realize their business plans.

**Cycle of the Support to Entrepreneurs****Figure 2: Cycle of Support and Basic Support Menu**

Source : GIZ (2022), “Accelerating Women Entrepreneurs: A Handbook for Practitioners”, Sasakawa Peace Foundation, Australian Aid, Asia Women Impact Fund (2020), “Gender Lens Incubation and Acceleration Toolkit: Supporting intermediaries to be more inclusive of all genders”, and Impact HUB and INCAE Business School (2020), “Accelerators as Drivers of Gender Equality: A Guide to Gender Lens Acceleration”

- Target figures for achieving gender equality: Every support program has its own target figures for achieving gender equality, such as the percentage of women participation and the number of women staffs in a program team. The targets are determined in consideration of multiple factors including the initial circumstances, program objectives and program resources.
- Necessity of interventions for gender equity: Women entrepreneurs often face multiple challenges due to discriminative gender norms in the business environment, which men rarely experience. Taking this fact into consideration, the Program can apply some special treatment exclusively to women participants so that these challenges can be overcome or eliminated. Information about these special treatments for women participants should be announced before the Program starts in order to make the Program’s intention clear to all participants.

In order to determine the participants in the program, the Program can refer to the GIZ’s most recent toolkit that provide conditions on when participants in an acceleration program need to be limited to women and when not.

**Decision Guidance on Running a (1) Women Only, (2) Mixed Gender or (3) Combined Acceleration Program**

- (1) Women-only acceleration program may be suitable, when:
- Women in the local context are particularly restricted by strict gender norms;
  - Target women entrepreneurs require additional skills or knowledge to meet the selection criteria of current accelerator programs;
  - Women would benefit from a safe space to learn and share strategies for overcoming the barriers they face;
  - There is a sufficient number of target women-led ventures that meet the program criteria;
  - The program aims to build women’s networks;
  - The program has access to experienced women mentors and facilitators; and
  - The program is focused on a traditionally male-dominated sector, like energy or technology, where women need additional support to break into the industry and there is interest/capacity to build the sufficient number of target

women-led ventures.
<p>(2) Mixed-gender acceleration program with a gender lens applied may be suitable, when:</p> <ul style="list-style-type: none"> <li>• The program is being run in a young ecosystem where there is a small number of women-led ventures;</li> <li>• The program is focused on a traditionally male-dominated sector like energy or technology and there is little interest/capacity to build the sufficient number of target women-led ventures;</li> <li>• The program is focused on a very niche kind of entrepreneur (e.g. rural-based healthcare ventures) and there is little interest/capacity to build the sufficient number of target women-led ventures;</li> <li>• The program aims to tackle gender inequality by educating and encouraging men to play a role in the solution, by facilitating learning opportunities between men and women, or by integrating women into male-dominated networks;</li> <li>• Women-led ventures in the local context feel comfortable to speak about the unique barriers they face in a mixed gender settings;</li> <li>• The program wants to stimulate innovation and would benefit from engaging a diverse range of perspectives and ideas; and</li> <li>• There is an existing mixed gender program and limited capacity to run an additional women-only program.</li> </ul>
<p>(3) Combined (a mixed-gender program with a gender lens applied, partly including women-only program components to address specific needs of women entrepreneur) acceleration program may be suitable, when:</p> <ul style="list-style-type: none"> <li>• A women-only program is not possible but women require additional capacity building and/or would benefit from a safe space to discuss and share strategies for overcoming the barriers they face.</li> </ul>

Source: compiled by IMG based on GIZ (2022) Accelerating Women Entrepreneurs: A Handbook for Practitioners

### 1-3 Terminologies

The definitions for terms used in this checklist are set out below:

Terminology	Explanation
Accelerator <sup>9</sup>	A program that gives developing companies access to mentorship, investors and other support that helps them become stable, self-sufficient businesses.
Unconscious bias <sup>10</sup>	Unintentional and automatic mental associations based on gender, stemming from traditions, norms, values, culture and/or experience.
Gender <sup>11</sup>	The socially constructed roles, behaviors, expressions, and identities of girls, women, boys, men, and gender-diverse people
Gender lens <sup>12</sup>	The deliberate consideration of how the activities of the support program may be experienced by different gender groups.
Incubator <sup>13</sup>	An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections
Intersectionality <sup>14</sup>	Discrimination against women persists in every corner of the world, but the experience is shaped by interwoven factors that build upon and extend beyond the gender element. These factors include race, socioeconomic class, age, sexual orientation, disability and more.
Project NINJA <sup>15</sup>	Project NINJA" is an initiative launched in 2020 with the aim of supporting startups that take on the challenge of solving social issues in developing countries. "NINJA" is an abbreviation for "Next Innovation with JAPAN". NINJA fosters startups, collaborates with overseas companies including Japanese companies, promotes venture investments and impact investments aimed at solving social issues, and makes policy proposals.

<sup>9</sup> <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/glossary/business-accelerator>

<sup>10</sup> ILO (2017), "Research note : Breaking barriers : Unconscious gender bias in the workplace"

<sup>11</sup> <https://cihr-irsc.gc.ca/e/48642.html>

<sup>12</sup> GIZ (2022), "Accelerating Women Entrepreneurs: A Handbook for Practitioners"

<sup>13</sup> <https://www.entrepreneur.com/encyclopedia/business-incubator>

<sup>14</sup> <https://capacity4dev.europa.eu/articles/reality-intersectional-factors-gender-inequality>

<sup>15</sup> JICA, "JICA Global Agenda No.4 Private Sector Development"



### **Cases to understand the challenges that women entrepreneurs are facing in business**

Some cases showing the challenges caused by gender norms can be helpful allowing checklist users to have an understanding of the circumstances in which women entrepreneurs operate. The below cases are based on actual stories while the names of the people have been changed.

#### **Case 1. Needs-based entrepreneur: Malika in Tajikistan**

Malika is a 38-year-old woman living with three children in Kulyab city in the southern part of Tajikistan where male dominance and female subservience are prevalent. Malika's husband is working as a truck driver and is away from home for 3 to 4 days every week.

One day, at a marketplace where women go every day to buy household items Malika came across information on a three-day business course that was provided in combination with in-kind support (equipment up to USD 500) under JICA's Business Incubation Project (BIP) for starting an entrepreneurship activity. Since she had some sewing skills, she asked her husband to allow her to attend the course. He was initially against her participation claiming that a married woman should only engage in household chores such as cooking, childcare and cleaning as a housewife, which is a widely accepted gender norm in Tajik rural families. In the end, he agreed to her participating as it was an opportunity to receive in-kind support upon completion of the course.

Malika completed the course and then started a tailoring business at home with the equipment provided by BIP. Thanks to the good quality of her products, competitive prices and networks with women suppliers which she developed after starting business, Malika's business was going well with a gradual expansion in her client base leading to additional sustainable incomes for her family.

About a year later, Malika was informed that the city municipality was starting another training course from the next day. The training was scheduled once a week for five weeks aiming to change entrepreneurs' mindset to be more future- and action-oriented for further business development. Since her husband had gone to a remote mountainous area where there was no phone service, Malika participated in the training without his explicit permission. After Malika participated in the first session and told her husband about it, he became very angry claiming that she had been going out and communicating with various people too frequently after starting her sewing business. Though Malika tried to make her husband understand the importance of the training and expressed her wish to participate in the remaining sessions, he beat her and prohibited her from going out.

#### **Case 2. Needs-based entrepreneur: Madina in Tajikistan**

Madina attended three-day business training and started a bakery business at home in Kulyab City in Tajikistan. Based on her experience working in a bakery in Russia, she diversified her products, baking not only bread but also cakes and cookies, which attracted numerous customers through word of mouth. Although Madina wanted to expand her business into a small café, an establishment where customers could also enjoy coffee and tea, her husband opposed the idea due to the possibility that unknown men

would visit café which was against the gender norm he adhered to. As a result, Madina could not expand her business and thus she continued baking and selling products from home every day.

### Case 3. Opportunity-based entrepreneur: Praseeda in India

Praseeda lived in the UK for a long time with her parents, where she gained experience as a hairstylist. In her 20s, after her parents decided to return to Delhi, Praseeda made the decision to open a beauty salon in Delhi primarily targeting foreigners. Although there were challenges initially, such as difficulty in retaining stylists she hired, she overcame these difficulties, relocated several times and eventually settled in the current location where many foreigners gather. Her salon is always fully booked with clients attracted through word-of-mouth. The building where the salon is located is owned by government officials with each shop space having an owner. Praseeda's shop operates under a lease agreement with one of those owners. All the other shop tenants are men; they often go out for "networking", participating in sport events and drinking with government officials. This type of social gathering is very common for Indian males, where women are not welcomed or invited. Despite the fact that the previous renewal of Praseeda's contract with the owner proceeded, she suddenly received an eviction order from the landlord. None of other tenants in the other spaces received such an order. Apparently, in the networking events, there were subtle discussions about "fees" with government officials, and the tenants took appropriate actions based on their understanding of the situation. Since Praseeda was not part of the network, she was not aware of such a critical issue and thus could not take action to avoid receiving the eviction order.

### Case 4. High-growth startup founder: Ananya in India

Ananya, who currently has two children, obtained a master's degree from IIT Delhi in her early 30s, the most prestigious school in India. She started a biotech venture using her knowledge. The business has been going quite well and is currently involved in a public project after being selected. Despite the success of the business, she was frequently told to "bring the company's top executive" when visiting financial institutions to request loans for her business. Even when she claimed that she was most senior executive, she was often told to "come along with a male representative". Local governmental agencies often show the same attitude when she attends meetings for public project suppliers. Having accumulated these experiences that made her feel offended, she started to send her husband who was not an expert in biotechnology to the meetings in her place.

## **1-4 Checklists**

The users of this checklist are expected to answer the following questions when they design a support program (the Program). The answer "Yes" means that an effective measure is taken to make the Program gender responsive. Not all measures need to be taken; the necessity of a measure depends on the context in which the Program is implemented. What measures can be taken also depends on the constraints in

time, budget and knowledge that the program organizer face in the field. The Program should prioritize checklist items according to context as well as the objective and target of the Program.

### (1) Design

A lack of consideration for women entrepreneurs' challenges during the design stage of the Program may disadvantage women entrepreneurs throughout the Program cycle. Women will feel unwelcomed and be discouraged from applying for the Program should they find gender-related barriers in the Program. It is critical to understand differences between the experiences, expectations, abilities and needs of each gender and develop program components in such a way to respond to these differences.<sup>16</sup>

1	Timing/duration of the support provided in the Program	<ul style="list-style-type: none"> <li>Does the Program adjust the timing and format of workshops/ events/ mentor meetings based on the daily time schedule of women who take on a huge part of the unpaid care and domestic work? (e.g. women with breastfeeding children; mothers who must drop off and pick up children to/from school and put them to sleep)</li> <li>Does the Program build an environment where women with multiple constraints can participate in the Program? (e.g. allow women to join with their infants, and offer child care or a private room for breastfeeding)</li> </ul>
2	Location of the Program	<ul style="list-style-type: none"> <li>Is the location of workshops/events/mentor meetings culturally acceptable and easily accessible to women?</li> <li>Are event venues/facilities such as waiting rooms, toilets, etc. sufficiently women-friendly?</li> <li>Is the Program organized at varying locations so that participants from different areas are not disadvantaged?</li> <li>Does the Program provide transport or offer a stipend to cover or subsidize travel costs when needed? A significant travel cost will discourage women from applying especially when they do not have the liberty to decide household expenses.</li> <li>Does the Program ensure accessibility for women who have time constraints due to household chores or live far from the Program venue? (e.g. running a digital program, offering program components in varying locations)</li> </ul>
3	Program Stakeholders	<ul style="list-style-type: none"> <li>Does the Program team have a good representation of women which will make women participants feel that their perspectives and experience are understood?</li> <li>Does the Program involve successful women alumni as guest speakers, mentors or ambassadors for the program?</li> <li>Is everyone involved in program design and delivery (program team, lecturers, mentors, juries of pitching event, etc.) required to complete gender sensitivity training to gain an awareness of how their own biases may impact their roles, and learn how to address these?<sup>17</sup></li> </ul>
4	Curriculum and Textbook	<ul style="list-style-type: none"> <li>Is gender-neutral version applied to curriculum language? (for example, change any gender-specific language such as "businessman," "policeman," etc. to the gender-neutral version "business executive/entrepreneur," "police officer").</li> <li>Are successful women entrepreneurs showcased in the case studies so that role models for women participants are provided?</li> </ul>

<sup>16</sup> In order for Project NINJA to create explicit impact on gender equality, it could organize a business contest or acceleration program which requires participants to address the issue of gender disparity. The contest and program could be specifically geared to women entrepreneurs.

<sup>17</sup> The gender sensitivity training can be provided in collaboration with international or local NGOs or consulting firms that have sufficient knowledge of both gender and local context. Online training course is also provided by UN Women (<https://portal.trainingcentre.unwomen.org/#selfpaced>). The Program should choose the better way depending on their resources including budget and time.

		<ul style="list-style-type: none"> <li>• Is additional support in soft skills that women may lack, such as negotiation, pitching and presenting, integrated into the Program?</li> <li>• Does the Program include motivational drivers for women to be entrepreneurs? Given the fact that many women entrepreneurs are willing to help their families and achieve social impacts through their businesses, such business cases can be presented in the Program.<sup>18</sup></li> <li>• Does the Program offer content that raises the Program participants' awareness of gender disparities and power dynamics that may impact their businesses? Creating a "safe space" where women can voice the fears and obstacles that they face is useful to support women entrepreneurs who will go against local gender norms and sometimes even gender-based violence when they run businesses.</li> <li>• Does the Program include content on how to apply a gender lens to product and service development to support all participating entrepreneurs regardless of their gender to think about how they are impacting gender inequities through their own work and how the challenge of gender inequities can be turned into market opportunities?</li> </ul>
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## (2) Recruitment

Applying a gender lens to the recruitment process enables a program to find and attract a gender-diverse pool of applicants and ensures that the process does not disadvantage one gender over others. Since support programs for entrepreneurs tend to receive fewer applications from women,<sup>19</sup> the recruitment phase is an important point of intervention in creating equal access for all genders.

1	Channels	<ul style="list-style-type: none"> <li>• Are informational events held to answer questions about the Program as well as to help women entrepreneurs understand their eligibility for the Program and the benefits they will receive? Do such informational events also target husbands, families and other close community members so that the benefits of women's participation in the Program are understood by them?</li> <li>• Are multiple information sessions held to offer guidance on filling in the form?</li> </ul>
2	Gender Inclusive Marketing Materials and Application	<ul style="list-style-type: none"> <li>• Is the language used in the marketing materials gender-inclusive and welcoming for women, such as "Our organization is committed to gender equality, diversity and inclusion"?</li> <li>• Are phone numbers offered to call if there are questions about the application form?</li> <li>• Are women entrepreneurs' images included in the marketing materials so that they see themselves as potential applicants? (e.g. messages from past female participants of NINJA)</li> <li>• Do the marketing materials clearly show information about Program details including the dates, transport costs, and overall time commitments required?</li> <li>• Do the marketing materials differentiate eligible criteria between those essential and desirable? Women are less likely to apply if they do not meet all criteria.</li> <li>• Are Program delivery teams, facilitators and mentors presented in the marketing materials to convey the message that women are represented in the stakeholders?</li> <li>• Are the application materials and informational events offered in the local language or multiple languages when needed?</li> </ul>
3	Submission of applications	<ul style="list-style-type: none"> <li>• Does the deadline for submission of applications allow adequate time for the preparation of applications?</li> <li>• Can applications be submitted in different formats (e.g. electronic, paper, etc.) in</li> </ul>

<sup>18</sup> Roy, S. and Manna, S. (2014), "Women in Entrepreneurship: Issues of Motivation and Choice of Business," Journal of Entrepreneurship and Management, Volume 3 Issue. 94 and Guzman, Oh, and Sen (2020), "What motivates innovative entrepreneurs? A Global Field Experiment" Management Science, 2020, vol.66, no.10, pp.4808–4819

<sup>19</sup> Some examples were found in the field research in India.

		order to facilitate women's submission? <ul style="list-style-type: none"> <li>• Are the locations and methods for submitting applications easily accessible to women? Are paper applications placed at locations accessible to women?</li> <li>• Are the supporting documents that must be attached to the application easily accessible to women?</li> </ul>
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### (3) Selection

Unconscious biases may exist in the selection process which will lead to one gender group being selected over others. Identifying and avoiding potential bias in the selection process will ensure that entrepreneurs of all genders have an equal opportunity to be selected.

1	Screening process and criteria	<ul style="list-style-type: none"> <li>• Do the screening process and criteria properly reflect the Program's intended objectives, especially when there is a target number or share for women participants? For example, applications submitted by male and female applicants may need to be evaluated separately in order to ensure that a sufficient number of female applicants pass the screening.</li> <li>• Are the rating scales (e.g. 1–4) and the definition of each rating (1, 2, 3, and 4) set clearly so that all screening members can assess the applications in the same way?</li> <li>• If there is no target number or share for women participants in the Program, are any methods used to reduce unconscious bias against women entrepreneurs, such as a blind selection processes removing gender, name, age, and other identifiers?</li> </ul>
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### (4) Delivery

The way to deliver support components may privilege certain people while disadvantaging others when backgrounds or environments are different among the Program participants. Preparation of an environment in which participants of all genders can have equal access to the support provided in the Program is indispensable.

1	Language	<ul style="list-style-type: none"> <li>• Is gender-neutral language used when delivering support throughout the Program?<sup>20</sup></li> </ul>
2	Learning environment	<ul style="list-style-type: none"> <li>• Is a learning environment safe for all genders, particularly women, so that all participants feel comfortable sharing their opinions? (e.g., the Program can offer opportunities for women to raise questions anonymously when women feel uncomfortable asking questions publicly)</li> </ul>
3	Community support	<ul style="list-style-type: none"> <li>• Is a strong community element integrated into the Program for women to connect with and support each other? (e.g. in the beginning of the Program, an opportunity can be provided to participants to share their story and passion to start/run a business so as to build mutual understanding)</li> </ul>

### (5) Pitching and Dialogue with Investors

Some cultural norms inhibit women from speaking in public or competing with others. They may not have had enough opportunities to develop the skill of presenting their business capacities as an entrepreneur in pitch events. The unconscious biases of panel members may also favor one gender

<sup>20</sup> A guideline and toolkit provided by the United Nations can be referred to help the Program stakeholders use gender-inclusive language. <https://www.un.org/en/gender-inclusive-language/index.shtml>

group. It is therefore critical that women are given adequate opportunities to improve the necessary skills for pitching, while panel members ensure unbiased judgment.

1	Pitching and selection	<ul style="list-style-type: none"> <li>• Is there good representation of women in the panel members? Are women with business backgrounds selected as panel members?</li> <li>• Are panel members required to receive gender sensitivity orientation so that they can gain awareness of how their own biases may impact their decisions and learn how to address these?</li> <li>• Are any methods used to reduce unconscious bias against women entrepreneurs? (e.g. Village Capital, a venture capital fund, has developed “peer selection” as an alternative due diligence model to mitigate gender bias in the investment decision making process.<sup>21</sup>)</li> <li>• Does the Program provide applicants with equal opportunities for good internet access when the pitching session is conducted online?</li> <li>• Does the Program make sure that “promotion-oriented questions” and “prevention-oriented questions” are evenly asked between male and female applicants at the pitching session?<sup>22</sup> In other words, are standardized questions used to reduce unconscious biases?</li> <li>• Are applicants given support for refining their presentation content and skills, given that women may not be used to confidently expressing their views in public (even though they may have remarkable ideas)?</li> <li>• Do the assessment process and selection criteria properly reflect the Program’s intended objectives, especially when there is a target number or share for women winners? Different selection criteria may need to be used for male and female presenters, given that women entrepreneurs may be at an earlier stage than other presenters or have lower growth ambitions.</li> </ul>
2	Dialogue with investors	<ul style="list-style-type: none"> <li>• Does the Program provide an opportunity to communicate with investors outside of a competitive environment? Women tend to perform worse than men in competitive environments while they are able to perform similarly to men in the absence of competition.<sup>23</sup></li> <li>• Is networking with women investors as well as investors who are engaged in gender-lens investing being promoted?</li> </ul>

<sup>21</sup> Village Capital, “Capital Evolving: Alternative Investment Strategies to Drive Inclusive Innovation”

<sup>22</sup> Men are consistently asked more “promotion” questions that highlight upside potential and potential gains, while women are asked more “preventive” questions that focus on possible losses and risk mitigation (Male and Female Entrepreneurs Get Asked Different Questions by VCs — and It Affects How Much Funding They Get (2017), Harvard Business Review – Dana Kanze, Laura Huang, Mark A. Conley, and E. Tory Higgins)

<sup>23</sup> <https://gap.hks.harvard.edu/performance-competitive-environments-gender-differences>

## **Chapter 2      Key factors that need to be taken into account when promoting Gender Smart Business**

### **2-1      Advantages of having women in enterprises**

#### **(1)      Advantages of women's presence in corporate leadership**

There has been some research investigating the advantage of women's presence in corporate leadership with mixed results. Research on US firms found that firms with a higher proportion of women on their boards performed significantly better than those with a lower proportion<sup>24</sup> and that mixed-gender boards outperform all-male boards.<sup>25</sup> A positive relationship between the diversity of board members and returns on assets and investments was also found among 112 Fortune-listed US companies.<sup>26</sup> In contrast, a study on German companies demonstrated no overall relationship between female board membership and stock performance.<sup>27</sup> A study on 2,000 firms found no evidence either for an impact from female board membership on corporate performance, concluding that such appointments are generally undertaken for normative rather than profit-seeking motives.<sup>28</sup>

Other studies show that creating a pipeline of female managers is more important than having female CEOs. An analysis of a global survey of 21,980 firms from 91 countries concluded that while the presence of women in corporate leadership positions may improve firm performance, the largest gains are from the proportion of female managers, followed by the proportion of female board members.<sup>29</sup> This study also revealed that the presence of female CEOs has no noticeable effect on firm profitability, finding no evidence that female CEOs outperform their male counterparts. Credit Suisse showed in its study that the majority of countries that have above-average diversity in their boardrooms are also more likely to be the ones with above-average diversity in senior management.<sup>30</sup> A statistical correlation was found between the presence of women on boards and the presence of women in managerial rank, implying that a more gender-balanced board would encourage the presence of a more balanced management team.<sup>31</sup> A study using 15 years of panel data from the Standard & Poor's Financial Services' 1,500 firms also suggests that female managers improve overall firm performance by bringing

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<sup>24</sup> Catalyst (2011), "The Bottom Line: Corporate Performance and Women's Representation on Boards (2004–2008)," New York.

<sup>25</sup> McKinsey & Company (2012b), "Women Matter: Making the Breakthrough"

<sup>26</sup> Erhardt, Niclas L., James D. Werbel, and Charles B. Shrader (2003), Board of Director Diversity and Firm Financial Performance. "Corporate Governance: An International Review" 11, April: 102–11.

<sup>27</sup> Lindstädt, Hagen, Michael Wolf, and Kerstin Fehre (2011), "Frauen in Führungspositionen: Auswirkungen auf den Unternehmenserfolg" Institut für Unternehmensführung, Karlsruher Institut für Technologie.

<sup>28</sup> O'Reilly, Charles A. III, and Brian G. M. Main (2012), "Women in the Boardroom: Symbols or Substance?" Stanford Graduate School of Business Research Paper 2098, Stanford, CA.

<sup>29</sup> Noland, M., Moran, T., & Kotschwar, B. (2016), "Is gender diversity profitable? Evidence from a global survey"

<sup>30</sup> Credit Suisse (2021) "CS Gender 3000 in 2021 Broadening the diversity discussion"

<sup>31</sup> Noland, M., Moran, T., & Kotschwar, B. (2016), "Is gender diversity profitable? Evidence from a global survey"

informational and social diversity benefits to the management team and motivating lower-status women in the firm.<sup>32</sup>

## **(2) Impact of women's presence in management teams**

Women are reported to be involved in 80 percent of purchasing decisions worldwide.<sup>33</sup> In spite of the importance of women's role as consumers, women's economic position and potential are still vastly underestimated.<sup>34</sup> Female consumers are generally dissatisfied with the limited offerings in financial services, health care and consumer goods.<sup>35</sup> Although women control household spending decisions in most categories of consumer goods, companies continue to make products derived from an outdated, stereotypical image of women and offer services that take too much of women's time.<sup>36</sup> Understanding women's distinct needs and incorporating them into marketing strategies is a challenging task for many commercial entities since it requires a substantial shift from the way business has historically been operated.

Market research in Kenya showed that women's perspectives and behavior upon the decision about a new product or service are different from men's.<sup>37</sup> Women often have different concerns than men; for example, women are cost-conscious and may face issues of affordability and access that men do not.<sup>38</sup> Women need more information and ask a lot more questions than men do. Upon judging whether a new or innovative product fits their need, women request peers' opinions. With few women in senior management positions, enterprises are not able to adopt changes required to adjust and expand existing products, services and delivery methodologies to meet the needs and concerns of women; this typically applies to financial institutions.<sup>39</sup> Listening to women is key to taking their needs into account during the product design phase.

Ensuring product design, marketing, distribution, financing and after-sales efforts are adapted to women's preferences is critical for manufacturing companies when targeting women as the primary customer segment. The presence of women in management teams will enable enterprises to shift their corporate strategies toward the capturing of market segments dominated by women.<sup>40</sup> Better work

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<sup>32</sup> Dezso CL, Ross DG (2012), "Does female representation in top management improve firm performance? A panel data investigation," *Strateg Manage J* 33:1072–1089.

<sup>33</sup> Nicole Pitter Patterson, Rachel Lock (2021), "Promoting gender smart manufacturing through Manufacturing Africa, UKAID Work and Opportunities for Women"

<sup>34</sup> UNCDF (2015), "Market at Full Speed, Women as Economic Drivers, Fueled by Finance"

<sup>35</sup> Silverstein, Michael J., and Kate Sayre (2009), "The Female Economy". Harvard Business Review, September 2009. Women Want More, New York: Boston Consultancy

<sup>36</sup> UNCDF (2015), "Market at Full Speed, Women as Economic Drivers, Fueled by Finance"

<sup>37</sup> Women's World Banking (2018), "How to Create Financial Products that Win with Women"

<sup>38</sup> *ibid*

<sup>39</sup> Policy Brief: Advancing African Women's Financial Inclusion, Making Finance Work for Africa, New Faces New Voices, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Ministry for Economic Cooperation and Development (BMZ), and the East Africa Community (June 2014).

<sup>40</sup> UKAID (2021), "WOW Promoting gender smart manufacturing"



standards for women and women's increased leadership are essential in eliminating gender gaps in the workforce and improving job quality in the industry.

Gender-diverse workgroups will ensure that a range of experiences, attitudes, perspectives, skills and frames of reference are brought to the table.<sup>41</sup> When women and men work together, they receive continuous visible cues that people are different, and those cues motivate employees to ask more questions, dig deeper and explore more options as they work on problems,<sup>42</sup> leading to a wider range of innovative solutions than all-male or all-female groups.<sup>43</sup> Another study in the U.S. indicates that while male managers are seen as having an edge in strategic visioning, technical skills and experience managing profit and loss; female managers are perceived as being better at leading inclusive teams, flexibility and adaptability to change, and teamwork and cooperation.<sup>44</sup> Increasing the representation of women-owned SMEs in manufacturing supply chains also helps anticipate customer needs, drive innovation and competition, and enhance brands and corporate reputations.<sup>45</sup>

## **2-2 Differing characteristics of women- and men-owned enterprises**

### **(1) Women-owned enterprises may be smaller in size than men-owned enterprises but not in productivity or rate of returns**

In general, women- and men-owned enterprises are found to differ in terms of size. Evidence from the U.S. suggests that men-owned businesses are on average twice as large as women-owned businesses both in terms of sales and assets; women-owned firms tend to be smaller and less growth oriented.<sup>46</sup> An analysis in "1992 Characteristics of Business Owners" of the U.S. showed that female-owned businesses are less likely to have profits of at least USD 10,000 compared to businesses owned by men (17% versus 36%), and less likely to hire employees (17% versus 24%), and have mean annual sales that are roughly 80 % that of men-owned enterprises.<sup>47</sup> Women-owned microenterprises in Uganda generate, on average, 30 % lower profits than their male counterparts, which is associated with their lower use of capital and labor, and sector-based sex segregation.<sup>48</sup> Due to greater domestic and care responsibilities, women enterprise owners may be less able to allocate their working hours to their business activities than their male counterparts do. Their lower use of capital may be in part attributable to their relatively lower access to collateral (e.g. land or large assets).

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<sup>41</sup> Sasakawa Peace Foundation (2022) "Gender Lenz Incubation and Acceleration Toolkit"

<sup>42</sup> *ibid*

<sup>43</sup> UKAID (2021), "WOW Promoting gender smart manufacturing"

<sup>44</sup> Mercer. (2014), "When Women Thrive"

<sup>45</sup> IFC (2018), "A global partnership to support women-owned businesses"

<sup>46</sup> Coleman, S. (2007), "The Role of Human and Financial Capital in the Profitability and Growth of Women-Owned Small Firms," *Journal of Small Business Management* 45, no. 3:303-319.

<sup>47</sup> Robert W. Fairlie and Alicia M. Robb (2008), "Gender Differences in Business Performance Evidence from the Characteristics of Business Owners Survey"

<sup>48</sup> Copley & Birce Gokalp & Daniel Kirkwood (2021), "Unlocking the Potential of Women Entrepreneurs in Uganda," World Bank Publications - Reports 36220, The World Bank Group.

However, research shows that there are no significant gender differences in productivity nor rates of returns. An analysis using the World Bank Enterprise Surveys (2002-2006) finds that women-owned businesses in Africa are at least as productive as men-owned businesses when measured by value added per worker and total factor productivity.<sup>49</sup> A study from Australia finds no significant differences either between male- and female-controlled businesses with respect to total income to total assets, the return on assets, or the return on equity after controlling for industry, age of business, and the number of days a business operated.<sup>50</sup> A study of 2,800 male and female entrepreneurs by the Warwick Business School found that women's returns were nearly 1.8% higher than men's returns overall.<sup>51</sup>

## **(2) Men and women have different priorities**

Male and female entrepreneurs differ in the value attached to startups size and to business expansion, with studies showing that businesses headed by women tend to be smaller than those headed by men.<sup>52</sup> According to the Gender Entrepreneurship Monitor's data of 34 countries, regardless of per capita income, the vast majority of women involved in a new business or in a startups expects to create no jobs or between 1 and 5 jobs within a 5-year period.<sup>53</sup>

A study using a panel of 2000 Dutch startups (1994) found that female entrepreneurs have a smaller amount of startups capital than their male counterparts.<sup>54</sup> The difference can be attributed to the "indirect effect" and "direct effect". The indirect effect is represented by women's type of business and management style and experience; female entrepreneurs are more likely to work part-time and work in the service sector, have less financial management experience and spend less time networking. The direct effect, called a gender effect, is represented by female entrepreneurs' smaller amount of financial capital, which may be attributed to a lack of confidence in their own entrepreneurial capabilities. Moreover, female entrepreneurs may have different ambitions and objectives than male entrepreneurs, being more likely to attach value to "quality" than "quantity" aspects of life.

Women typically need more information than men to make a financial decision; women have different financial goals, motivations and priorities when compared with men.<sup>55</sup> Certain life events such as education, child care or caring for elderly parents typically affect the income and cost patterns of women entrepreneurs. Women have more desire than men to effectively combine work and family responsibilities: this often motivates women to start their own business due to the option of flexible

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<sup>49</sup> Bardasi, Elena and Abay Getahun (2008), "Unlocking the Power of Women" Chapter prepared for the Ethiopia ICA, Toward the Competitive Frontier: Strategies for Improving Ethiopia's Investment Climate. World Bank, Washington D.C.

<sup>50</sup> Watson (2012) "Comparing the performance of male- and female-controlled businesses : Relating Outputs to Inputs"

<sup>51</sup> Warwick Business School, (2018) "Are Women Better Investors Than Men?"

<sup>52</sup> Minniti, M., I.E. Allen and N. Langowitz. (2005), "Report on Women an Entrepreneurship," Global Entrepreneurship Monitor 2005

<sup>53</sup> ibid

<sup>54</sup> 12 Verheul, I., and Thurik, R. (2001), "Start-Up Capital: Does Gender Matter?," Small Business Economics 16: 329-345.

<sup>55</sup> Berfond, J., Haas, E., Rodrigues, H. & Wahler, B. (2014), "Global best practicees in banking for women-led SMEs,"s.l.: European Bank for Reconstruciton and Development (EBRD).

work environment.<sup>56</sup> Women, especially those with young children, tend to become self-employed due to work schedule flexibilities and other family related reasons while this is not the case for men.<sup>57</sup>

Women's tendency to have higher risk aversion than men is also touched on in other papers. This difference has important implications for business performance since higher risk aversion could lead women to restrict investment in their business ventures.<sup>58</sup> The Global Entrepreneurship Report 2005 showed that in middle income countries, fear of failure is significantly higher for women than men.<sup>59</sup> Likewise, women investors tend to spread their risk, distributing their investments over a broader base of companies.<sup>60</sup> By minimizing investment concentrations, they reduce their overall portfolio risk. Men, by contrast, are more likely to consider alternative investments,<sup>61</sup> which can be more volatile.

## **2-3 Constraints on women's economic participation**

### **(1) Social norms which are only applied to women**

Social norms and traditions that restrain women's mobility and use of money limit women entrepreneurs' opportunities to build social and economic capital. In the case of Bangladesh, the norm of seclusion ("Purdah") constitutes one of the reasons why girls are less educated than boys; Purdah considers traveling to neighboring villages unacceptable due to safety and security concerns.<sup>62</sup> Women observing Purdah often find it difficult to visit banks, purchase their inputs or raw materials or market their products in public settings where they would have to deal with men.<sup>63</sup> Research has shown that the "Purdah mentality" is prevalent even in non-Islamic populations of South Asia;<sup>64</sup> patriarchal norms that determine the suitability of women's public participation also restrict women's mobility.<sup>65</sup>

Prevailing social norms place the primary responsibility for domestic work and child care on women and the primary responsibility of providing money for the family on men.<sup>66</sup> Enterprises are inclined to

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<sup>56</sup> World Bank (2009), "How do female entrepreneurs perform: Evidence from Three developing regions"

<sup>57</sup> Richard J. Boden, Jr. (1999), "Flexible Working Hours, Family Responsibilities, and Female Self-Employment: Gender Differences in Self-Employment Selection"

<sup>58</sup> World Bank (2009), "How do female entrepreneurs perform: Evidence from Three developing regions"

<sup>59</sup> Minniti, M., I.E. Allen and N. Langowitz (2005), "Report on Women an Entrepreneurship," Global Entrepreneurship Monitor 2005

<sup>60</sup> BCG (2020), "Managing the Next Decade of Womens Wealth"

<sup>61</sup> As against conventional investments represented by stocks, bonds or cash, alternative investments include private equity, venture capital, hedge funds, managed futures, art and antiques, commodities, derivatives contracts and real estate.

<sup>62</sup> Blunch, Niels-Hugo, and Maitreyi Bordia Das. (2007) "Changing Norms about Gender Inequality in Education: Evidence from Bangladesh." Policy Research Working Paper 4044, World Bank, Washington, DC.

<sup>63</sup> Sultana, Afiya. (2012), "Promoting Women's Entrepreneurship through SME: Growth and Development in the Context of Bangladesh," Journal of Business and Management 4 (1): 18–29.

<sup>64</sup> Blunch, Niels-Hugo, and Maitreyi Bordia Das. (2007), "Changing Norms about Gender Inequality in Education: Evidence from Bangladesh." Policy Research Working Paper 4044, World Bank, Washington, DC.

<sup>65</sup> Solotaroff, Jennifer L, et al, (2019), "Voices to Choices: Bangladesh's Journey in Women's Economic Empowerment," International Development in Focus, Washington, DC: World Bank, p. xvii

<sup>66</sup> Chaktraints and Effective Interventions. Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

<sup>66</sup> Chakravartty, Shubha; Das, Smita; Vaillant, Julia (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions," Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

avoid employing women who have responsibilities as the primary family caretaker since caretaking involves a risk of absence if a child is sick, time off from work in cases of family emergency, and limited hours available for work or overtime. As a result, women may be obliged to work fewer hours than they otherwise would, or they may have to choose less-productive, low-return occupations that offer flexible schedules, part-time, or home-based work.<sup>67</sup>

## **(2) Lack of networks and mobility**

Female entrepreneurs often face gender-related barriers in terms of social capital. Fifty-six percent of the respondents to a survey of 43 female entrepreneurs in Kenya identified a lack of networks as a major challenge to their business.<sup>68</sup> Most investor networking takes place after office hours, a time unavailable to many women entrepreneurs who are burdened with disproportionate care responsibilities. Also in the context of transition economies, females are found to be constrained in their access to information and networks in part because they have fewer contacts from the Soviet Union era.<sup>69</sup> Unavailability of networks influence young women's job prospects. Fathers in South Africa were, for example, found to provide useful network connections only to sons during the job search process and not to daughters.<sup>70</sup> Evidence from Malawi also demonstrates that men are less likely to refer women for jobs, even though there are qualified women in their networks.<sup>71</sup>

A survey in India found that women invited with a friend to a two-day business counseling showed, after four months, a better performance and understanding in business than those invited alone; having a friend as a training partner may strengthen the social network that a woman can rely on after the training is completed.<sup>72</sup> Amazingly, the survey results also suggest that women trained with a peer were less likely to report being housewives four months after the training and that demand for bank services could be increased simply by encouraging female entrepreneurs to form specific goals and aspirations, especially in the presence of a friend.

Constraints on mobility due to the time required for domestic responsibilities may limit women's access to education, markets, banks and credit, and social networks.<sup>73</sup> For example, an apprenticeship program in Malawi experienced high rates of dropout by girls, who often cited distance as a constraint in program participation.<sup>74</sup> Women in rural and urban areas experience different burdens and risks associated with

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<sup>67</sup> *ibid*

<sup>68</sup> Plan International (2022), "Disruptive roles in gender lens investing in Kenya"

<sup>69</sup> Ruminska-Zimny, E. (2002), "Gender Aspects of Changes in the Labour Markets in Transition Economies (Issue Paper)". United Nations Economic Commission for Europe

<sup>70</sup> Magruder, J. R. (2009). "Intergenerational networks, unemployment, and persistent inequality in South Africa,". *American Economic Journal: Applied Economics*, 2(1), 62-85.

<sup>71</sup> Beaman, L., Keleher, N., & Magruder, J. (2012). "Do job networks disadvantage women? Evidence from a recruitment experiment in Malawi," Working Paper, Department of Economics, Northwestern University.

<sup>72</sup> Field, E., S. Jayachandran, R. Pande, and N. Rigol. (2016), "Friendship at Work: Can Peer Effects Catalyze Female Entrepreneurship?" *American Economic Journal*

<sup>73</sup> Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions," Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

<sup>74</sup> Cho, Y., Kalomba, D., Mobarak, A. M., & Orozco, V. (2013). "Gender differences in the effects of vocational training:

travel and transport: case studies and qualitative data indicate that women in rural areas suffer from social norms that require them to walk long distances, consuming time.<sup>75</sup>

### (3) Limited access to capital

Women may be disadvantaged in their use of capital. Research suggests that female entrepreneurs are less able to make effective use of capital and to separate business capital from household finances; either due to a present bias or a greater risk of expropriation from family members.<sup>76</sup> In certain societies, women are less likely to have formal documentation (identity, land ownership title, etc.). Depending on the country, they may face legal barriers around property rights, business licensing, entering into contracts or opening bank accounts.<sup>77</sup>

The market research conducted by Women's World Banking in association with Kenya Commercial Bank (KCB) has shown that women want their bank to understand their business, require transparency and clear processes for loan approval, and expect opportunities to network.<sup>78</sup> With women owning 40 percent of Kenya's SMEs, the opportunity to effectively service this untapped market is tremendous. KCB and Women's World Banking trained a total of 566 KCB staff to be relationship managers.<sup>79</sup> The training covered topics such as approaching and understanding customers, communicating effectively, selling and cross-selling, and following up as well as a cash flow-based methodology. Relationship managers were also taught to be sensitive to gender, when to consider market-specific factors, whether decisions might include potential biases, and why to focus on women customers; over the course of the program, women's access to credit increased. When the program first started, women represented only 22 percent of MSME loans to sole proprietors. In branches where the new proposition was rolled out, lending to women-led businesses grew to over 50 percent of the MSME loan portfolio.

CARD SME Bank in the Philippines was created to cater to clients graduating from microfinance services, the majority of which were women.<sup>80</sup> The bank created a credit scoring model based on segmentation by loan size; for small- to medium-sized loans the bank places greater weight on non-financial criteria such as age, successor, health and management of the business while for larger loans the bank also relies on financial information such as cash flow, inventory and revenue. Banco National (BN) in the Philippines also demonstrates a successful case of non-financial services that can boost

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Constraints on women and drop-out behavior," World Bank Policy Research Working Paper, (6545).

<sup>75</sup> Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), "Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions," Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

<sup>76</sup> Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014). "Microenterprise growth and the flypaper effect: evidence from a randomized experiment in Ghana," Journal of Development Economics, 106: 211–26

<sup>77</sup> Berfond, J., Haas, E., Rodrigues, H. & Wahler, B., (2014), "Global best practices in banking for women-led SMEs," s.l.: European Bank for Reconstruction and Development (EBRD).

<sup>78</sup> Women's World Banking (2018) "How to Create Financial Products that Win with Women" Retrieved 27 Oct 2022

<sup>79</sup> Women's World Banking, "Empowering MSMEs Creating a Better Banking Experience for Women-Led Micro, Small, and Medium Enterprises in Kenya," Women's World Banking and KCB Group PLC, 2020.

<sup>80</sup> Berfond, J., Haas, E., Rodrigues, H. & Wahler, B., (2014), "Global practices in banking for women-led SMEs," s.l.: European Bank for Reconstruction and Development (EBRD).

profitability of both the bank and its female clients. A unique approach of the BN's training program is the delivery of advanced content in line with the growth and complexity of the client's business activities. Training sessions helped the bank generate targeted sales and boost cross-selling with loan officers present at training events to understand client needs.

Bulbank in Bulgaria in 2011 established the "Donna" program "for independent, confident and modern woman."<sup>81</sup> Based on research results indicating that women entrepreneurs needed more encouragement and support to address issues of self-confidence and social expectations, Bulbank developed a six-session course on leadership and offered it to Donna clients for free. In order to cater to female clients' preferences, the bank assigned an all-female sales force (relationship managers) to Donna clients. All relationship managers were specifically trained on psychological and interpersonal skills.

Some governments have adopted policies to improve women entrepreneurs' access to finance. For example, the central bank of Bangladesh, Bangladesh Bank, has undertaken a policy initiative through which financial institutions are required to establish a "Women Entrepreneur Dedicated Desk" and appoint a woman officer as chief of the dedicated desk.<sup>82</sup>

#### **(4) Women's engagement in the sectors with lower opportunities for growth**

Many studies have shown female-owned firms to lag behind their male counterparts in a number of key indicators of enterprise performance.<sup>83</sup> In terms of revenue, one study indicates that the sales of female-owned firms in Sub-Saharan Africa are 31 percent lower than those of male-owned firms.<sup>84</sup> Sectoral choice is a major contributing factor to this gender gap in enterprise performance. Male- and female-led ventures tend to pursue different types of market opportunities; male entrepreneurs engage in a broad range of industries, while female entrepreneurs largely pursue businesses in the service sector (trade, health, education, etc.) as well as in the industries focusing on female customers such as fashion/tailoring/ sewing, cosmetics and cooking. A study conducted in Eastern Europe and Central Asia (ECA), Sub-Saharan Africa (SSA) and Latin America (LA) showed some consistent patterns in female entrepreneurs' relative sectoral concentration across these three regions; wholesale and retail trade, hotels and restaurants, food processing, and garments and leather are the largest sectors where female entrepreneurs are found.<sup>85</sup>

Female enterprise owners who enter and operate in male-dominated sectors are often labeled as "female crossovers". A study covering data from 97 countries showed that female crossovers make 66 percent

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<sup>81</sup> Berfond, J., Haas, E., Rodrigues, H. & Wahler, B., (2014), "'Global best practices in banking for women-led SMEs,'" s.l.: European Bank for Reconstruction and Development (EBRD).

<sup>82</sup> Salman, A.; Nowacka, K. "Innovative Financial Products and Services for Women in Asia and the Pacific; ADB Sustainable Development Working Paper Series," Asian Development Bank: Mandaluyong, Philippines, 2020.

<sup>83</sup> Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors". World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>84</sup> World Bank (2009) "How do female entrepreneurs perform: Evidence from Three developing regions"

<sup>85</sup> Elena Bardasi & Shwetlena Sabarwal & Katherine Terrell, (2011), "How do female entrepreneurs perform? Evidence from three developing regions," Small Business Economics, Springer, vol. 37(4), pages 417-441, November.

higher profits than women who remain in traditionally female sectors.<sup>86</sup> These findings are consistent with micro-level data results in Uganda<sup>87</sup> and Ethiopia<sup>88</sup> that showed that firms owned by women in male-dominated sectors, on average, are far more profitable than firms owned by women in traditionally female sectors. A study in Uganda also showed that female crossovers earn as much profits as the men operating in the same sectors; crossovers were found to earn on average twice the profits of women who did not cross over.<sup>89</sup>

The same is applied to wage workers. An analysis from Sub-Saharan Africa shows that 75 percent of employees in women-owned enterprises are women, while only 20 percent of employees of enterprises owned by men are women.<sup>90</sup> A study conducted in 7 West African cities found, as a result, that women earned 50 percent to 79 percent as much as men with 39 percent to 61 percent of this gap being explained by occupation and sector (public, private formal, informal).<sup>91</sup>

### **(5) Determinant factors for women in deciding which sectors to engage in**

Evidence suggests that informational asymmetries, a lack of role models and networks, and sexual harassment all contribute to a pattern of segregation.<sup>92</sup> Without information and support, young women often opt for the types of work they see other women doing, even if it is not as profitable as other available opportunities.<sup>93</sup> Aforementioned studies in Uganda<sup>94</sup> and Ethiopia<sup>95</sup> that investigated the determinants of female engagement in male-dominated sectors confirmed that women in female-dominated sectors had little information about the level of earnings of women in male-dominated sectors. It was found in Uganda, for example, that almost 80 percent of non-crossovers (who earn less than crossovers) think that they earn the same or more.

The risk and threat of sexual harassment also affects the types of work women prefer, increasing the pressure from families and communities to avoid professions perceived to be unsafe or unsuitable.<sup>96</sup>

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<sup>86</sup> Gonzalez Martinez, Paula et Papineni, Sreelakshmi (2019), “Tackling the Global Profitarchy : Gender and the Choice of Business Sector,” Policy Research Working Paper;No. 8865. World Bank, Washington, DC.

<sup>87</sup> Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors” World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>88</sup> Alibhai, S., Buehren, N., & Papineni, S. (2015). “Female entrepreneurs who succeed in male dominated sectors in Ethiopia” Gender Innovation Lab Policy Brief 12.

<sup>89</sup> Copley & Birce Gokalp & Daniel Kirkwood, (2021) “Unlocking the Potential of Women Entrepreneurs in Uganda,” World Bank Publications - Reports 36220, The World Bank Group.

<sup>90</sup> World Bank Group (2019) “Profiting from Parity: Unlocking the Potential of Women's Business in Africa”

<sup>91</sup> Nordman, C. J., Robilliard, A. S., & Roubaud, F. (2009). “Decomposing gender and ethnic earnings gaps in seven West African cities. IRD”

<sup>92</sup> Chakravarty, Shubha; Das, Smita; Vaillant, Julia. (2017), “Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions,” Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

<sup>93</sup> *ibid*

<sup>94</sup> Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors”. World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>95</sup> Alibhai, S., Buehren, N., & Papineni, S. (2015), “Female entrepreneurs who succeed in male dominated sectors in Ethiopia” Gender Innovation Lab Policy Brief 12.

<sup>96</sup> Chakravarty, Shubha; Das, Smita; Vaillant, Julia (2017), “Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions,” Policy Research Working Paper; No. 8245. World Bank, Washington, DC.

Concern surrounding safety may prevent labor market entry for young women or limit the locations that young women seek to work in, and thus constrain their initial work experience to particular occupations or low-return jobs.<sup>97</sup> Negative experiences with teachers or classmates in school are often sources of their fears, lowering their willingness to participate in male-dominated training programs.<sup>98</sup> Women entrepreneurs in Uganda who choose to cross over are almost twice as likely to experience unwanted sexual proposals.<sup>99</sup> A study in Ethiopia also reports that women crossovers face more difficulty in terms of discrimination from male customers and employees than non-crossovers; furthermore, crossovers are more likely to report that clients prefer to deal with male business owners.<sup>100</sup>

Crossover entrepreneurs find more difficulties in building networks than non-crossovers. In Uganda, 40 percent of crossovers found difficulties in establishing networks as opposed to only 14 percent of non-crossovers.<sup>101</sup> That said, since networking seems more critical to the survival of crossovers than non-crossovers, crossovers in some ways overcome this challenge in the course of operations; the same study showed that 55 percent of crossovers interacted with other business owners at least once a month to discuss business issues, while only 39 percent of non-crossovers did.

#### **(6) Non-cognitive gender gap in acceleration programs**

It is reported that there is an enormous gender gap in venture capital funding in the U.S.; female entrepreneurs receive only about 2 percent of all venture funding, despite owning 38 percent of businesses in the country.<sup>102</sup> Though the U.S. has seen an increase in the number of female venture capitalists (from an estimated 3 percent of all venture capitalists in 2014 to 7 percent in 2017), the funding gap has widened. The research jointly conducted in 2020 by IFC, Village Capital and Women Entrepreneurs Finance Initiative, a quantitative analysis on a global dataset of more than 1,000 companies collected over a five-year period shows that acceleration programs exacerbated the gender financing gap in equity financing; male-led startups, on average, increased the amount of equity they raised post-acceleration to 2.6 times that of female-led startups.<sup>103</sup> According to the study, acceleration has in fact little to no effect on the ability of female-led startups to raise equity, with female-led startups seeing a similar increase regardless of their involvement in the program. Statistical analysis shows that the gender financing gap cannot be easily explained by founder characteristics (such as education or experience) or startup characteristics (such as intellectual property, sector of operation, geography, or revenue generated), suggesting that a potential bias or a higher perceived risk for female-led startups is

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<sup>97</sup> *ibid*

<sup>98</sup> *ibid*

<sup>99</sup> Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors”. World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>100</sup> Alibhai, S., Buehren, N., Papineni S. (2015) “Female entrepreneurs who succeed in male dominated sectors in Ethiopia” Gender Innovation Lab. Policy Brief Issue 12.

<sup>101</sup> Campos, F. et al. (2015c). “Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors”. World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>102</sup> Kanze, D., Huang, L., Conley, M.A. and Higgins, E.T. (2017), “Male and female entrepreneurs get asked different questions by VCs – and it affects how much funding they get.” Harvard Business Review, June 27, 2017.

<sup>103</sup> IFC (2020), “Venture Capital and the Gender Financing Gap: The Role of Accelerators WeFi Research Snapshot”



playing a role in investors' decision-making. However, it should be noted that the same study showed that female-led startups that participated in the program increased the amount of debt they raised by nearly 2.5 times as much as female-led startups that did not participate in the program, implying that acceleration removes female-led startups' disadvantage in raising debt.

Research has found that investors place greater value on pitches presented by male entrepreneurs than those presented by female counterparts, even when the content of the pitch is the same.<sup>104</sup> This effect is amplified by males' physical attractiveness (attractive males are particularly persuasive), whereas physical attractiveness did not matter among female entrepreneurs. It was also found that male-narrated pitches were rated as more persuasive, logical, and fact-based than were the same pitches narrated by a female voice.<sup>105</sup>

Another study analyzing video transcriptions of the Q&A sessions found that venture capitalists asked different types of questions to male and female entrepreneurs: men were asked about the potential for gains ("promotion questions") and women about the potential for losses ("prevention questions"), which inadvertently favors male entrepreneurs over female entrepreneurs.<sup>106</sup> Since both men and women investors who evaluate startups appear to display the same bias in their questioning, simply increasing the number of female judges or venture capitalists does not eliminate this bias. Both male and female judges and venture capitalists should be informed of this phenomenon so that they balance promotion and prevention questions between men and women in an equitable manner. Another way to avoid this bias is to ask the same questions to men and women.

## **2-4 Initiatives that can increase women's economic participation**

### **(1) Digital financial products that cater to women entrepreneurs' needs**

Digital financial products, such as mobile money, that enable quick and secure cash transfers can improve women's control over their income, and help them overcome risk-related issues such as emergencies. Traditional banking and financial products are not suited to most vulnerable women with services not adapted to women's needs, especially in rural areas.<sup>107</sup> Mobile money is a revolutionary tool for expanding women's access to financial services in low resource environments, enabling them to quickly transfer money at low cost without needing any bank accounts while improving their control over their income.<sup>108</sup> The popularity of such services over traditional products has already been demonstrated. For example, in the Girls' Education and Women's Empowerment and Livelihood Project

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<sup>104</sup> Brooks, A., Huang, L., Kearney, S. and Murray, F. (2014), "Investors prefer entrepreneurial ventures pitched by attractive men.", Proceedings of the National Academy of the Sciences, Volume, 111, No. 12, pp. 4427-4431

<sup>105</sup> *ibid*

<sup>106</sup> Kanze, D., Huang, L., Conley, M.A. and Higgins, E.T. (2017), "Male and female entrepreneurs get asked different questions by VCs – and it affects how much funding they get.", Harvard Business Review, June 27, 2017.

<sup>107</sup> Copley & Birce Gokalp & Daniel Kirkwood, (2021), "Unlocking the Potential of Women Entrepreneurs in Uganda.", World Bank Publications - Reports 36220, The World Bank Group.

<sup>108</sup> Hare, A. and Parekh, N. (2020). "The rise of mobile money in sub-Saharan Africa: Has this digital technology lived up to its promises?" "

in Zambia that offered digital payments (grants) to women with a choice among commercial banks, mobile operators and the post office; over 90 percent of beneficiaries chose a mobile money provider.<sup>109</sup> Mobile money has reached millions of Kenyans at an unprecedented speed over the past decade by enabling them to safely store, send, and transact money via text messages.<sup>110</sup> Reduced cost of long-distance remittances allows internal migration of breadwinners to higher return labor markets; access to Kenyan mobile money M-PESA is estimated to have lifted 194,000 households, or 2 percent of Kenyan households, out of poverty through increased efficiency in the allocation of consumption and labor. Mobile money use also leads households to save more by lowering transaction cost; households with mobile money accounts were 16% ~ 22% more likely to save with their average household savings increasing by 15% ~ 21%, equivalent to USD 2.7 to USD 3.7 per month.<sup>111</sup>

The effects of using mobile money in delivering a cash transfer program were examined in Niger, and a significant impact by mobile money was observed on women's bargaining power within the household.<sup>112</sup> Firstly, the mobile money transfer ("Zap") program affected intrahousehold decision making; program recipients, all of whom were women, reported that mobile money transfers were less observable to other household members, thereby allowing them to temporarily conceal the arrival of the transfer. Secondly, whereas manual cash delivery program recipients traveled an average of approximately 4 kilometers (round-trip) from their home village to obtain the transfer, Zap program recipients traveled 2 kilometers to "cash out" at the nearest agent. As a result, program recipients were more likely to travel to weekly markets, spend more money on children's clothing and spend more time on childcare or food preparation.

Though the long-run effects of mobile money on poverty reduction and women's empowerment are impressive, there are a number of pre-conditions required for these impacts to be achieved,<sup>113</sup> including:

- Investing in infrastructure to scale;
- Developing a strong profitable network of agents to deliver the mobile money system, including cash-out services;
- Making the registration/use of the technology simple and trouble-free for consumers; and
- Creating a strong regulatory environment once the technology has been developed.

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<sup>109</sup> Copley & Birce Gokalp & Daniel Kirkwood, 2021. "Unlocking the Potential of Women Entrepreneurs in Uganda," World Bank Publications - Reports 36220, The World Bank Group.

<sup>110</sup> Suri, T. and Jack, W. (December 8, 2016). "The long-run poverty and gender impacts of mobile money," *Science* Vol. 354 (6317), 1288-1292. New York: American Association for the Advancement of Science.

<sup>111</sup> Gürbüz, A (2017), "Mobile Money and Savings in Rural Kenya"

<sup>112</sup> Aker, J. C., Boumnijel, R., McClelland, A., & Tierney, N. (2016). "Payment mechanisms and antipoverty programs: Evidence from a mobile money cash transfer experiment in Niger. *Economic Development and Cultural Change*"

<sup>113</sup> Hare, A. and Parekh, N. (2020). "The rise of mobile money in sub-Saharan Africa: Has this digital technology lived up to its promises?" "

## (2) Innovative risk assessment mechanisms that increase women's access to finance

Fintech organizations are developing alternative risk assessment mechanisms that allow financial institutions to assess the creditworthiness of underserved populations, including women who lack sufficient credit history.<sup>114</sup> Fintech organizations use advanced data analytics tools as well as AI-based technologies to capture consumer data from mobile phone records, utility bills, loan applications and social media, based on which credit scores are determined. This enables women to gain access to credit and also build their credit history by beginning with borrowing a small amount, and over time, borrowing a sizable amount.<sup>115</sup> Techniques like psychometric testing can capture behavioral data of loan applicants, such as their attitudes, beliefs and integrity, which is used to predict the applicant's loan repayment behavior. Through a reduction in default risks, the psychometric tests' impact on access to finance for women without credit histories or collateral is promising. For instance, in Indonesia, Bank BTPN has deployed psychometric testing, which has enabled the bank to effectively serve the bottom fifth of borrowers while achieving a 17 percent decrease in default rates. However, without sex-disaggregated data, the extent to which these services reach underserved women is not clear. A study by the World Bank's Africa Gender Innovation Lab has also demonstrated that loan performance is clearly linked to psychometric profiles.<sup>116</sup> In Ethiopia, across all income segments, customers with higher test scores were, in the early months of borrowing, seven times more likely to repay their loans than the customers who did not perform well on the test.

## (3) In-kind assistance with greater impact than cash assistance

With women having significantly less assets than men, grants or in-kind support may have a significant impact especially on needs-based women entrepreneurs at the initial stage of business. While a cash grant is the most liquid, and hence easiest for the recipient to allocate towards his/her highest return activity, it is also the easiest to allocate to non-income generating activities such as increasing consumption.<sup>117</sup> In contrast, in-kind contributions do not allow the recipient to use them for other purposes if not liquidated. Research conducted in Ghana showed that high returns were generated only when the grant was delivered in-kind, a result which was particularly strong among women.<sup>118</sup> The effects of the provision of a loan, cash or in-kind assistance were tested in Egypt with over 3,000 individuals who applied for a loan to start a new business or to grow an existing one.<sup>119</sup> All three forms of capital assistance led to larger increases in business assets and profits for women than men with 39

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<sup>114</sup> Salman, A.; Nowacka, K. (2020), "Innovative Financial Products and Services for Women in Asia and the Pacific," ADB Sustainable Development Working Paper Series; Asian Development Bank: Mandaluyong, Philippines

<sup>115</sup> *ibid*

<sup>116</sup> *ibid.*

<sup>117</sup> Crépon, B., El Komi, M., and Osman, A. (2020). "Is it who you are or what you get? Comparing the impacts of loans and grants for microenterprise development"

<sup>118</sup> Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014), "Microenterprise growth and the flypaper effect: evidence from a randomized experiment in Ghana" *Journal of Development Economics*, 106: 211–26

<sup>119</sup> Crépon, B., El Komi, M., and Osman, A. (2020), "Is it who you are or what you get? Comparing the impacts of loans and grants for microenterprise development"

percent of women who received an in-kind grant having a business one year later as opposed to 15 percent of women who received nothing. Business impacts from the receipt of cash or loans were statistically significant but were lower than those on the recipients of in-kind assistance.

#### **(4) Increased likelihood of women's crossing over**

Apart from the most frequently observed cases where women inherit from their family the business in male-dominated sectors, having a male role model, such as fathers, husbands, male friends/community members and other male family members, increased the likelihood of women's crossing over into a male-dominated sector. Whereas crossovers may have started their business due to an opportunity provided by their husbands, fathers seem to be a more common role model and support for crossovers, introducing daughters to a different sector by providing relevant contacts or by providing financial support at the moment of start-up.<sup>120</sup>

The provision of information, if provided in an early stage of life, enables women to make better informed choices about their sector of operation.<sup>121</sup> In a Kenya national vocational training program, prior to training enrollment decisions and course selection, some women were given information on the difference between expected earnings for graduates of male-dominated trades versus female dominated trades as well as a video presentation about successful Kenyan female car mechanics. As a result, women who received the intervention were nine percentage points more likely to express a preference for a male dominated course, and five percentage points more likely to enroll in one. Similar results were reported in the Republic of Congo; women who saw a video with information on trade-specific earnings were 8 percentage points more likely to select a male-dominated trade, which was a 29 percent increase compared to the control group.<sup>122</sup> In an experiment in India, information on the business process outsourcing industry (BPO), which offers twice the average pay of non-BPO workers with similar education levels, was disseminated in rural areas and then qualified women were supported to be hired.<sup>123</sup> Over the three-year period of recruiting services, the recruiters reported placing about 900 women from treatment villages into jobs.

Information alone is not enough to trigger women's behavior change toward male-dominated sectors; a female entrepreneur wishing to enter a male-dominated sector needs a mentor who can guide her. Such a mentor can be found from the entrepreneur's existing network of family and friends, but it may work as well with sympathetic (or empathetic) outsiders.<sup>124</sup> According to the above-mentioned research in the

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<sup>120</sup> Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors" World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

<sup>121</sup> Hicks, J. H., Kremer, M., Mbiti, I., Miguel, E. (2011): "Vocational Education Voucher Delivery and Labor Market Returns: A Randomized Evaluation Among Kenyan Youth." Report for Spanish Impact Evaluation Fund, Phase II.

<sup>122</sup> Addressing Gender-Based Segregation through Information : Evidence from a Randomized Experiment in the Republic of Congo. Policy Research Working Paper;No.

<sup>123</sup> "Do Labor Market Opportunities Affect Young Women's Work and Family Decisions? Experimental Evidence from India"

<sup>124</sup> Campos, F. et al. (2015c). "Breaking the metal ceiling female entrepreneurs who succeed in male-dominated sectors" World Bank Policy Research Working Paper no 7503. Washington D.C.: World Bank.

Republic of Congo, both crossovers and non-crossovers agreed that they would allow their daughters to cross over if someone reliable was to introduce them to the sector.

#### **(5) Psychology-oriented training that increases women's self-confidence**

When starting a business many women first need to have the self-confidence in their noncognitive skills (or “soft skills”) enhanced.<sup>125</sup> Evidence from Uganda and Togo demonstrates that psychology-based training that fosters a proactive, resilient, and entrepreneurial mindset can help women to introduce new innovative products in their businesses and increase their earnings.<sup>126</sup> In Togo, “personal initiative” training boosted women’s profits by 40% as compared to a statistically insignificant 5 percent increase in profits for women who received only standard business training. Women who received personal initiative training also invested more in their businesses, were more likely to introduce new innovative products, and proactively pursued financing sources. This type of training has been implemented, tested, and adapted across multiple contexts globally, which has helped to develop lessons on delivery modalities, cost-effectiveness, and options for tailoring the training to distinct groups of beneficiaries. For instance, in Mozambique, the personal initiative training has even been proven effective in getting women farmers to move into more profitable crops and to start off-farm businesses.

Psychology-oriented training approaches seem to require a greater personalization of the training content by instructors and thus seem more likely to be successful in instances where instructors have similar experiences.<sup>127</sup> Trainers who have been entrepreneurs themselves are able to understand their trainees’ specific challenges, and thus act as a role model and provide them with practical examples.

#### **(6) Business training and mentoring**

A study in Tanzania that examined business training’s impact on the performance of women entrepreneurs confirmed that training may increase knowledge (as reflected in the adoption of business practices) but it does not necessarily translate into improved business outcomes.<sup>128</sup> That said, the study also found that only those with at least 9 years of experience in their main business activity were actually able to increase their revenues after two years (about 8-9 percent for each additional year of experience), suggesting that training may be effective in changing business practices, but that certain skills acquired through experience would be needed for the training outcomes to materialize.

Mentoring is found to be a cost-effective option to boost performance of female entrepreneurs. A study using data from Sri Lanka, Kenya and Nigeria showed that owners implementing better business

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<sup>125</sup> Cognitive skills are the core skills to think, read, learn, remember, reason, and pay attention. Noncognitive or “soft skills” are related to motivation, integrity, and interpersonal interaction.

<sup>126</sup> Copley & Birce Gokalp & Daniel Kirkwood, (2021), “Unlocking the Potential of Women Entrepreneurs in Uganda,” World Bank Publications - Reports 36220, The World Bank Group.

<sup>127</sup> “Alibhai, Salman; Buehren, Niklas; Frese, Michael; Goldstein, Markus; Papineni, Sreelakshmi; Wolf, Kathrin. (2019), “Full Esteem Ahead? Mindset-Oriented Business Training in Ethiopia,” Policy Research Working Paper; No. 8892. World Bank,

<sup>128</sup> “Bardasi, Elena; Gassier, Marine; Goldstein, Markus; Holla, Alaka. (2017), “The Profits of Wisdom: The Impacts of a Business Support Program in Tanzania” Policy Research Working Paper; No. 8279. World Bank

practices that they learned from mentors exhibited higher sales, profits, labor productivity and total factor productivity.<sup>129</sup> This is also the case with businesses owned by women. Mentors trained in the Women in Agribusiness Leaders Network (WALN), a World Bank project in Ethiopia, provided customized mentoring to randomly selected women mentees in agriculture-related businesses who had gone through formal business training.<sup>130</sup> The mentees demonstrated strong effects in the adoption of some business practices, though this did not translate to higher profits, probably due to the limited scale of the adopted practices.

With 17 percent of its suppliers being women, Boyner Group in Turkey observed many barriers that prevented women from starting and succeeding in their own businesses. To remedy this, Boyner Group, in partnership with IFC, created a program called “Good for Business”; a 12-week training program to support women entrepreneurs in the company’s value chain and help them enhance their businesses.<sup>131</sup> The company then connected program participants to other role models and mentors, and introduced them to banks and brands with whom they could work. As a result, women gained the skills and resources necessary to diversify their products, find new global buyers, and gain valuable business connections and partners; making themselves reliable, profitable and strategic partners for Boyner Group.

#### **(7) Access to childcare that enables women to participate in the labor market**

Women who take care of their children at home have little time to find a job, which restricts women’s job opportunities and reduces their long-term earning potential.<sup>132</sup> Providing childcare could be an effective way to ease time constraints faced by women.

JPMorgan Chase & Co. conducted an assessment of its global “backup” childcare program in which 13,000 employees were enrolled. When employees were asked what they would have done without backup care, 80 percent responded that they would have taken unscheduled time off from work. Almost 80 percent of parents who used the program reported that they were better able to focus at work. Several studies, including those in Kenya, Mozambique and Togo, have also found childcare’s significant positive impacts on female labor-force participation rates.<sup>133</sup> External childcare services are, however, often expensive, and wages may not sufficiently cover these costs leading to a lack of access to affordable and high-quality childcare services preventing women from participating in the labor market. In Bangladesh, where the responsibility for childcare is assigned to mothers, many parents do not have

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<sup>129</sup> David McKenzie & Christopher Woodruff, (2015), “Business Practices in Small Firms in Developing Countries,” NBER Working Papers 21505, National Bureau of Economic Research, Inc.

<sup>130</sup> “Bakhtiar, M. Mehrab; Bastian, Gautam; Goldstein, Markus. (2021), “Business Training and Mentoring: Experimental Evidence from Women-Owned Microenterprises in Ethiopia,” Policy Research Working Paper; No. 9552. World Bank,

<sup>131</sup> IFC (2016), “SheWorks Knowledge Report: Putting Gender Smart Commitments into Practice at the Workplace (Executive Summary)”

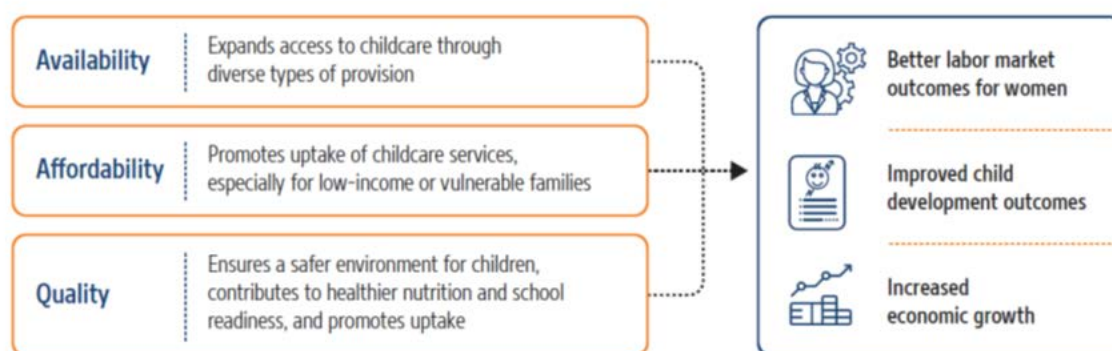
<sup>132</sup> “Mottaghi, Lili; Crepon, Bruno; Krafft, Caroline; Caria, Stefano; Nagy, Abdelrahman; Fadl, Noha. (2021), “Evidence to Inform Policy : What Works to Close the Gender Gaps in Middle East and North Africa,” Research and Policy Brief, World Bank

<sup>133</sup> World Bank Group (2019), “Profiting from Parity: Unlocking the Potential of Women's Business in Africa”

faith in childcare providers and thus choose not to enroll their children in care centers, even when these services are available and affordable to them.<sup>134</sup> Research suggests that investing in community-based childcare may serve a dual purpose by promoting the employment of women and the elderly as caregivers, enabling more women to enter the labor force in other sectors while ensuring that children receive adequate attention and care.<sup>135</sup>

While traditional gender roles and restrictive social norms are an additional constraint on women's participation in the labor market, recent evidence suggests that gender norms are becoming flexible; childcare services are becoming culturally accepted.<sup>136</sup> For example, a study in Egypt asked mothers about their willingness to send their children to childcare should the option become available to them; 96 percent of them expressed interest.<sup>137</sup>

**FIGURE ES.2 | THE THREE PILLARS OF CHILDCARE SERVICES**



Source: Women, Business and Law team.

**Figure 3: Three pillars of Childcare Services**

Source: World Bank (2022) Women, Business, and the Law 2022

## **(8) Adopt policies within companies to respond to female employees' needs**

Companies that adopt policies that respond to women's needs will be able to attract talented people while improving retention rates and reducing absenteeism and turnover rates. For instance, it is reported that Nalt Enterprises, a Vietnamese garment manufacturer, successfully reduced its staff turnover by a third after the company established a women's clinic and a daycare for the employees' children. This

<sup>134</sup> Tas, Emcet Oktay and Ahmed, Tanima, (2021), "Women's Economic Participation, Time Use, and Access to Childcare in Urban Bangladesh"

<sup>135</sup> *ibid*

<sup>136</sup> "Mottaghi, Lili; Crepon, Bruno; Krafft, Caroline; Caria, Stefano; Nagy, Abdelrahman; Fadl, Noha. (2021), "Evidence to Inform Policy : What Works to Close the Gender Gaps in Middle East and North Africa," Research and Policy Brief, World Bank

<sup>137</sup> *ibid*

ensured regular medical check-ups and services for employees and their children, making the employees healthier, more productive and less likely to take time off for their and their children's illnesses.<sup>138</sup> A program that delivered health services to women workers in Bangladesh garment factories recorded an 18 percent decline in absenteeism (from 867 to 712) and a 46% decrease in staff turnover (from 40% to 21%) in the first 18 months of the program.<sup>139</sup> German government research reported that the average return on investment for women- and family-friendly policies was 25 percent with savings calculated on the basis of improvements in retention and attendance.<sup>140</sup>

## 2-5 Development and distribution of women friendly products and services

Boston Consulting Group estimates that globally, women controlled about USD 70 trillion in assets in 2019, estimated to increase to USD 93 trillion in 2023.<sup>141</sup> Despite women's significant contribution to voluntary consumer spending, women's economic position and potential are still vastly underestimated; most products are not designed to target women as consumers or solve problems that women face.<sup>142</sup> Although women control household spending decisions in most categories of consumer goods, companies continue to make products derived from outdated, stereotypical images of women and offer services that take too much of women's time.<sup>143</sup> Understanding women's distinct needs and incorporating them into marketing strategies is a challenging task for many commercial entities since it requires a substantial shift from the way business has historically been operated. Women's greater constraints in terms of mobility as well as access to information make it more challenging and costly for markets to set up new ways to engage and transact with women.

There is an assumption that many of the world's products and services, ranging from mobile to financial services, can be gender neutral. This leads to a practice called "gender washing".<sup>144</sup> "Gender washing" is represented by a company's two distinct behaviors: (1) a failure to acknowledge women's distinct needs; and (2) a belief that marketing to women simply means offering a "female" version of men's products. In reality, men and women have different preferences and behaviors toward products and services. For example, not being attracted to features that appeal to men, women make different decisions from men's, often consulting friends or family members before trying a new service.<sup>145</sup>

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<sup>138</sup> International Finance Corporation (2013), "Investing in Women's Employment: Good for Business, Good for Development"

<sup>139</sup> *ibid*

<sup>140</sup> Bundesministerium für Familie, Senioren, Frauen und Jugend, (2005), "Betriebswirtschaftliche Effekte familienfreundlicher Massnahmen: Kosten-Nutzen-Analyse"

<sup>141</sup> BCG (2020) "Managing the Next Decade of Women's Wealth"

<sup>142</sup> Silverstein, Michael J., and Kate Sayre. (2009) "The Female Economy. Harvard Business Review, September 2009. Women Want More," New York: Boston Consultant Group

<sup>143</sup> UNCDF (2015) Market at Full Speed, Women as Economic Drivers, Fuelled by Finance

<sup>144</sup> Darroch, Jenny. "Avoid Gender Washing: Making Sense of Marketing to Women by Understanding the Three Waves of Feminism" The Huffington Post, 10 June, 2014. [https://www.huffpost.com/entry/avoid-gender-washing-maki\\_b\\_547691.html](https://www.huffpost.com/entry/avoid-gender-washing-maki_b_547691.html) Retrieved 17 Nov 2022)

<sup>145</sup> Bernard, Tara Siegel "Financial Advice by the Demographics" The New York Times, 20 February, 2015.



Women's distinct needs and preferences within specific market segments often go unnoticed simply because companies have not explored them. Companies that are among the first to meaningfully invest in women as customers gain premiums through brand leadership in the women's market and through a deep understanding of how best to serve women.<sup>146</sup> For example, Banco BHD Léon (BHD) in the Dominican Republic in association with IFC, achieved an internal rate of return of 35 percent by targeting specific groups of women that were underserved. YES Bank, Garanti Bank, Access Bank, Raw Bank, and Bank Itau, which are all IFC's partners, have been successful in establishing themselves as leaders in the women's banking market by seizing early opportunities to target women customers.<sup>147</sup> BLC Bank in Lebanon was known as a gender-friendly bank by increasing female personnel, training bank staff on gender equality, introducing paternity leave, and increasing maternity leave. The bank has also launched a series of products and services tailored for women which resulted in a lower rate of nonperforming loans and a higher internal rate of return compared to the bank's overall portfolio.<sup>148</sup>

Survey findings also confirmed that awareness of a company's commitment to buy from women-owned businesses can enhance consumers' brand loyalty.<sup>149</sup> When the U.S. Women's Business Enterprise National Council (WBENC) surveyed 1,227 female consumers between the ages of 35 and 55, almost 80 percent of them said that knowing that a company purchases from women-owned businesses would compel them to try its products or services.

In order to successfully orient products and services toward specific segments in the women's market, a company needs to review the entire value chain so that not only its product concept and design but also distribution channels, including sales agents, all satisfy women's needs; eliminating hurdles. Among others, the following elements need to be considered:

**Design:** The product or service must be designed to serve women's particular needs and desires. When products/services are designed with women's input, such as that of female design staff, they are more aligned to women's preferences, creating the potential for increased sales and customer satisfaction.<sup>150</sup>

**Customer relations and advertisement:** Advertisements must appeal to women consumers and their specific needs, highlighting the features that improve women and their family's quality of life. When distributing information about the product or service, the company should identify and use specific local human networks and channels to reach women in the target segments. Awareness programs that address taboos and drive behavior change among target female consumers (and men) may sometimes be needed.

**Distribution channels and customer support:** The product or service should be sold at times and locations that are convenient for women consumers. By engaging female sales agents in customer support, the

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<sup>146</sup> IFC (2017), "Invest in Women: New evidence for the business case"

<sup>147</sup> *ibid*

<sup>148</sup> *ibid*

<sup>149</sup> IFC (2016), "SheWorks Putting Gender-Smart Commitments into Practice at the workplace"

<sup>150</sup> International Center for Research on Women (ICRW) and ACUMEN (2015) "Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty"

companies are able to improve female customer loyalty and satisfaction, and in turn, increase the enterprise's customer base. Credit and installment payment schemes can be particularly attractive and valuable to female consumers, who typically have less access to or control over finances than men.<sup>151</sup>

The following are the examples of women-friendly products or services that are designed to meet women's specific needs identified through careful observation and delivered via specific channels so that the product or service can reach the target women customers.

### **Box 9: GUARDIAN in India<sup>152</sup>**

Gramalaya Urban and Rural Development Initiatives and Network (GUARDIAN) is a microfinance institution in India engaging in micro-lending to households solely to support the purchase of water and sanitation assets. GUARDIAN

AN's loans enable women to have access to affordable, high-quality water and sanitation solutions that save time, improve health, and provide safety and dignity. GUARDIAN offers a unique sanitation loan scheme specifically targeted to female clients. GUARDIAN's repayment rates are higher than 99%.

In order to reach female clients, GUARDIAN loan officers contact existing women's groups, such as self-help groups, village committees, and community-based organizations in places that face a lack of household water connections and high levels of open defecation. Once the potential clients become interested, GUARDIAN helps them form joint-liability groups composed of five female members who live on the same street and can support each other in making payments. Female clients preferred the group loan scheme with their neighbors to individual loans. Female clients said that they were motivated to engage in the loan because they could share the risk and the benefits with their neighbors.

Given their time poverty and mobility limitations, female clients liked the option of doorstep collection and monthly installments. Female clients appreciated that little documentation is required to obtain a loan, which makes the process smooth and easy.

Both female and male loan officers are engaged in the promotion of GUARDIAN's sanitation loans. Female credit officers can easily initiate the first contact with potential female clients, and several female customers said they feel secure inviting female loan officers into their houses, even when their husbands are not present. Meanwhile, male loan officers are able to convince suspicious husbands and recalcitrant clients who refuse to pay. Moreover, male loan officers can learn how to approach female clients from their female colleagues. Using a combination of male and female loan officers has enabled GUARDIAN to reach and build trust among gender-diverse markets.

The majority of clients reported time and convenience as the most important benefits. Female clients are able to use the saved time to take their children to school on time and arrive earlier to work. Women described the convenience of being able to multitask at home without needing to spend the time or energy to go outside to collect water or defecate. Women are also using the water for new income-generating activities at home, including home gardening. Female clients also reported a reduction in diarrhea in the household, improved urinary health among women. Women also feel safer due to not having to go out into the open to defecate, especially at night. Clients had been particularly concerned for their adolescent daughters who were often victims of sexual harassment. In addition, as an indirect benefit, several clients indicated increased autonomy and peace of mind as a result of having a toilet. One woman reported that in the past she went to bed afraid of being scolded by her husband for waking him up in the middle of the night when she needed to urinate or defecate

<sup>151</sup> *ibid*

<sup>152</sup> *ibid*

outside. Now she can go to the toilet alone anytime. Some women also expressed an increased feeling of dignity from having the ability to go to the bathroom in privacy.

#### **Box 10: BRUN in Tanzania<sup>153</sup>**

Founded in 2010, BURN is one of the few companies manufacturing, distributing and selling clean cookstoves in East Africa. BURN's Jikokoa ("saving stove" in Kiswahili) is a charcoal stove that requires less charcoal and cooks faster than a traditional stove. BURN employs over 100 people in its factory (half of whom are women) and produces a stove every minute. BURN is committed to hiring equal numbers of women and men into the business, including in factory jobs, and provides on-the-job training, allowing workers with little prior experience to gain access to the job market.

BURN integrates gender into its business model at multiple levels, most notably in its sales and manufacturing operations. Customers and staff reported that female sales staff may have the edge since potential customers may not trust that male sales agents have actually used the stove and understand its benefits. BURN trains employees to take on new roles and has frequently promoted factory line workers to sales agents. This enables women who may not have originally had adequate sales skills to become experts in the Jikokoa, advance within the company, and become effective sales agents who are able to effectively reach female customers. Through business policies such as flexible work hours and maternity leave, a culture of equality between men and women, and the practice of promoting from within, BURN has created an atmosphere where female employees feel comfortable, enjoy coming to work each day, and have opportunities for leadership and growth.

The cookstove can reduce women's exposure to smoke, decrease the amount of time she spends cooking, and reduce her risk of burns as well as the drudgery associated with cooking over an open flame. The energy efficient cookstoves also reduce fuel expenditures for the households. Female customers reported using those savings to pay for milk for their babies, books and school fees for their children, clothing for their families, and solar lamps.

#### **Box 11: HarassMap, Egypt<sup>154</sup>**

Studies in Egypt suggest that sexual harassment is very high with 83% of Egyptian women have experienced sexual harassment.

HarassMap is well-known for its crowdsourced map that tracks incidents of sexual harassment and violence. The Map utilizes both geographic information system (GIS) and SMS technologies to record where incidents of harassment occur across the country, allowing all to see which areas to-date have the most reports on sexual harassment. Individuals that either experience or witness sexual harassment are able to anonymously submit reports directly through the web interface, through Facebook or Twitter, or by sending an SMS using the short code 6069. Additionally, the Map documents the scope and seriousness of the problem by publicizing actual stories of harassment that have been submitted. Map reports and information are displayed via an open source platform to allow viewers to obtain information about sexual harassment and support those who are harassed in their neighborhoods. The Map serves multiple functions, such as: providing testimony by those who experience or witness sexual harassment as to the seriousness of the problem, serving as data for understanding how sexual harassment is evolving in Egypt, providing HarassMap with information that can be used to tailor communication campaigns and research programs, and serving as a tool for community outreach teams to motivate the public to stand up against sexual harassment. Immediately after launching the

<sup>153</sup> International Center for Research on Women (ICRW) and ACUMEN (2015), "Women and Social Enterprises: How Gender Integration can Boost Entrepreneurial Solutions to Poverty"

<sup>154</sup> <https://harassmap.org/en> Retrieved 3 May 2023

Map a large number of reports of sexual harassment were received from people who had witnessed or experienced harassment.

HarassMap has supported teams seeking to replicate and adapt the HarassMap model in places such as Morocco, Syria, Lebanon, Palestine, Pakistan, Turkey, India and Indonesia, and has coached over 50 different groups. The innovative ideas and successes of HarassMap are reaching well beyond the population it sought to initially engage with, and has motivated others around the world to confront sexual harassment and work toward safer spaces for all, in all places.