

Women in Trade

New data and new insights



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About the paper

This report provides policymakers with recommendations on how to build the resilience of women-led businesses in the long term. This includes policy actions to improve the competitiveness of women-led businesses, address the barriers they face when participating in trade, and make the policy environment more gender-responsive.

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For more information on SMECS, NTMS and SheTrades Outlook see: www.intracen.org/resources/data-and-analysis/research-and-data, <https://ntmsurvey.intracen.org/> and www.shetrades.com/outlook

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Foreword

We are living in a time of converging crises, from climate-induced natural disasters to the outbreaks of conflicts in various parts of the world. As crises become increasingly commonplace, we must act now to mitigate the risks that these shocks pose to small businesses, especially those led by women, and help them become more resilient. These firms are often the first to feel the brunt of a crisis, yet their success is integral to achieving the 2030 Agenda for Sustainable Development.

The COVID-19 pandemic reinforced that global shocks affect women and men in business and trade differently. Women often lack opportunities to improve their capacity for taking part in business and trade, and frequently do not have a conducive policy ecosystem in which to operate. As a result, crises tend to levy a harsher toll on women-led businesses compared to those firms led by men.

While many governments adopted measures to support women-led businesses during the pandemic, the reactive solution of employing short-term responses is not enough. Instead, governments should put in place policies and institutions that give women a strong foundation for driving economic growth over the long term, regardless of what the future may hold.

The challenge for policymakers is to ensure that these policies and institutions facilitate the participation of women-led businesses in trade, both in times of crisis and in times of relative stability. This publication responds to that challenge by providing guidance on how to build resilience and enhance women-led businesses' ability to trade over the long term.

For the first time, data collected by ITC through the SME Competitiveness Survey, Non-Tariff Measures Survey and SheTrades Outlook is combined to inform policymakers on trade and gender issues related to competitiveness, trade barriers and the overall policy environment.

The data reveal why women-led businesses struggle to compete with their men-led counterparts and participate in international trade. The report also describes the progress that countries have made to date in creating a conducive policy ecosystem to promote gender equality and women's economic empowerment. Our research further advises policymakers on the steps they can take to enhance the competitiveness of women-led businesses, address trade barriers, and mainstream gender into trade and trade-related policies.

ITC continues to do its part by helping policymakers make their trade strategies more inclusive through toolkits, publications, online data and policy tools, and technical assistance. ITC also works closely with women-led businesses to develop a better understanding of what they need in different contexts and support them as they compete on international markets. I am hopeful that this new research sparks thought, commitment, and action within the trade and development community, especially as we scale up our collective efforts to deliver on the ambitions of the 2030 Agenda for Sustainable Development over the coming years.

Finally, I would like to take this opportunity to thank the SheTrades Initiative, SME Competitiveness Survey, and Non-Tariff Measures Survey teams at ITC for making this publication possible.



Pamela Coke-Hamilton
Executive Director
International Trade Centre

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars.

BSO	business support organization
ITC	International Trade Centre
NTM	non-tariff measure
NTMS	Non-Tariff Measures Survey
SME	small and medium-sized enterprise
SMECS	SME Competitiveness Survey
STO	SheTrades Outlook



Executive summary

Using data from ITC's SME Competitiveness Survey (SMECS), Non-Tariff Measures Survey (NTMS) and SheTrades Outlook (STO), this paper presents a new and comprehensive analysis focused on women-led businesses alongside policy recommendations to improve women's ability to participate in economic activity. It investigates the factors affecting the competitiveness of women-led businesses, the participation of women in international trade and the unique barriers they face as women, as well as the gender-responsiveness of the policy ecosystem that enables women to trade and do business.

Given the competitiveness gap between men-led and women-led businesses, and the tendency for women-led businesses to face procedural obstacles when complying with non-tariff measures (NTMs), it is imperative that policymakers support women-led businesses to compete in domestic and global markets. This can speed up economic recovery from the COVID-19 pandemic, prepare women-led businesses for future shocks and help improve gender equality and women's economic opportunities. This report offers policy recommendations that can help build resilience and enable women in trade to better succeed in the long term.

Remove supply-side constraints and boost Aid for Trade

Enhancing competitiveness and building the resilience of women-led businesses require tackling supply-side constraints. These include lack of access to skills, information, networks, finance and infrastructure. In this regard, policymakers can:

- Implement targeted skills development programmes for women to enhance their digital, business management and technical skills.
- Strengthen the capacity of business support organizations (BSOs) so they can provide technical support and information to women-led businesses, including those in remote areas.
- Facilitate the existence of women's business associations to expand women's networks and access to information.
- Provide tailored financial instruments, such as microloans and grants, to support the liquidity of women-led businesses.
- Use public-private partnerships and leverage Aid for Trade to deliver targeted initiatives for women, invest in digital and logistics infrastructure, and provide assistance to women-led businesses during crises.



Build trust and accelerate trade facilitation

Policymakers can address the procedural obstacles that women-led businesses face when complying with NTMs by:

- Launching public awareness campaigns on both gender equality and increasing women's participation in the economy to break gender stereotypes in society, including in the public sector.
- Streamlining and simplifying documentation requirements and implementing a single window electronic interface to save women time and prevent customs and border officials from discriminating against them.
- Establishing help desks for women to provide them with a dedicated and safe channel to access business and trade information.
- Setting up grievance redress mechanisms so women can report business and trade malpractices.
- Adopting a gender-responsive customs framework and training customs staff and border officials in trade and gender issues to eliminate both excessive bureaucracy and gender-based discrimination in customs.

Mainstream gender in trade policy

Gender-responsive trade policy can be a powerful instrument to ensure the long-term competitiveness and resilience of women-led businesses. Policymakers can mainstream gender in trade policy design and implementation by:

- Including women in consultation processes and encouraging women's participation in political positions to ensure that women's voices are heard in policymaking.
- Improving collection of gender-disaggregated data so policymakers can identify the issues and challenges women-led businesses face compared with men-led businesses, develop solutions, and assess and monitor the impact of these solutions.
- Adopting a preferential public procurement scheme to provide women-led businesses with opportunities in the domestic market.
- Incorporating gender concerns in trade policy and agreements to ensure that women-led businesses can take full advantage of international trade opportunities.
- Building the capacity of government staff on gender mainstreaming and appointing trade and gender focal points so the public sector – primarily the ministries responsible for trade and small and medium-sized enterprises (SMEs) – is equipped to tackle the issues and challenges specific to women-led businesses.
- Sharing and learning from international best practices on promoting gender equality and boosting women's involvement in business and trade, including through ITC STO and the global network of trade and gender focal points.

CHAPTER 1

Introduction

Gender equality and empowering women economically are foundational objectives of the UN Sustainable Development Goals with good reason. Apart from the moral imperative to increase the opportunities available to all people, advancing women's participation in economic life can generate both financial and societal benefits. For example, improving gender equality improves gross domestic product, boosts employment levels and increases productivity (World Bank; World Trade Organization 2020). Women are also more likely than men to use their earnings to invest in their children's education and health (Bloom et al., 2017).

The disproportionate impact of the COVID-19 pandemic on women underlines the importance of advancing women's equality. The COVID-19 crisis escalated gender inequalities and rolled back countries' progress on increasing women's involvement in economic activities. Between 2019 and 2020, in excess of 54 million jobs were lost globally – a 4.2% decline for women compared with a 3% decline for men (UN Women, 2021). Data from ITC show that the crisis was more damaging to women-led firms.

Women were disproportionately affected by the COVID-19 crisis due to a variety of factors, including inadequate economic, social and political support. For example, many women, including entrepreneurs, found themselves shouldering the bulk of care duties while simultaneously trying to cope with dramatic economic volatility. The pandemic highlighted how gender inequality not only serves as a brake on economic growth during periods of stability but can also reduce the resilience of women-led firms in the face of shocks. This is particularly salient in light of the looming climate crisis, which will generate a differentiated impact (Lau et al., 2021; Terry, 2009).

Although the impending climate crisis threatens all people, women will bear the brunt of its negative effects. The impact of heatwaves, floods, rising sea levels and extreme weather events on economies and people will be influenced by gender inequities, policies, norms and stereotypes.

Gender inequality ultimately reduces the capacity of women to respond to the climate crisis, whether as consumers, producers or workers.

Supporting women-led firms to engage in trade and in the economy more broadly is important to spur economic growth, 'build back better' from the COVID-19 pandemic and prepare to tackle the climate crisis.

This paper proceeds as follows:

- **Chapter 2** provides an overview of the key characteristics of women-led businesses.
- **Chapter 3** focuses on the competitiveness gap between women-led and men-led businesses.
- **Chapter 4** provides some indication that women-led businesses tend to adapt to crises despite their limited resources.
- **Chapter 5** investigates women's propensity to participate in international trade and the trade barriers they face when exporting.
- **Chapter 6** provides an assessment of the type of policy ecosystem that supports women to do business and trade.
- **The final chapter** presents policy recommendations to address the gender gap in competitiveness, increase women's propensity to trade and ease administrative issues faced by women to comply with NTMs.



CHAPTER 2

Key characteristics of women-led businesses

Women only lead one in five firms. Women-led businesses also tend to be smaller than men-led businesses. Figure 1 shows that 52% of women-led businesses are microenterprises while only 30% of men-led businesses are in this size category. Smaller firms tend to suffer more during crises, such as COVID-19, compared to larger firms (Eggers, 2020; ITC, 2020e).

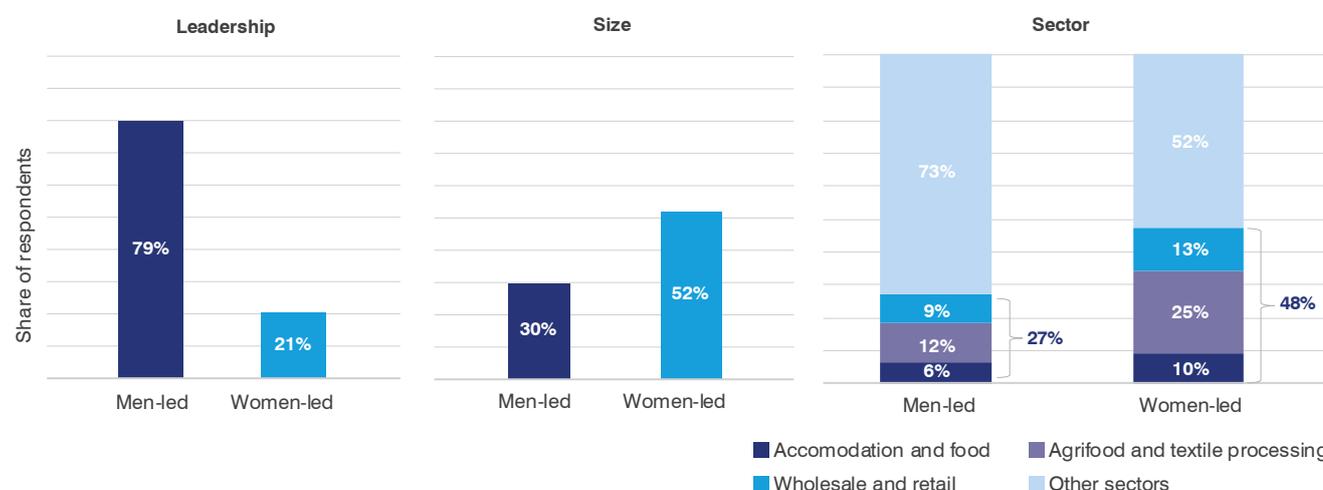
Although smaller in size, women-led businesses tend to employ more women workers than men-led businesses. ITC SMECS shows that 59% of women-led firms have a majority female workforce. Only 18% of men-led companies had more women than men as workers. On average, the share of women in the total firm workforce is 64% among women-led businesses and 30% among men-led businesses.

While employing women workers contributes to women's integration into the economy, it can have negative as well as positive consequences. Recent evidence indicates that

businesses that employ a larger share of women, either as workers or managers, were more likely to be affected by the pandemic. This is because women employees were forced to withdraw from the labour market to take up caregiving responsibilities (Amin et al., 2021; Bluedorn et al., 2021).

Women-led businesses are subject to sectoral segregation. They are found in sectors and industries typically characterized by a lower level of technological sophistication (Pol et al., 2002) and higher tariffs. Some 48% of women-led firms are concentrated in wholesale and retail trade, textile and agrifood processing, food and accommodation. In contrast, only 27% of men-led firms are found in these sectors. The sectoral segregation of women-led businesses may make them more vulnerable to economic shocks. For example, the COVID-19 pandemic led to the collapse of global tourism, in which women are disproportionately employed (United Nations World Tourism Organization, 2019).

Figure 1 Differences in key characteristics of women-led and men-led businesses



Note: Microenterprises are defined as those with four or fewer employees; small firms have 5–19 employees; medium-sized ones have 20–99 employees; and large firms have 100 or more employees. Women-led firms are managed by a woman and at least 30% owned by women. Differences between women-led and men-led firms are statistically significant in basic regressions. For further details, please see the Annexes.

Source: ITC calculation based on SMECS in 16 countries.

CHAPTER 3

Differences in competitiveness between women-led and men-led businesses

Competitive firms are more robust and resilient to crises (ITC, 2021). Efficient production and business management practices can help firms stay competitive during hard times. Connections with BSOs can translate to better access to information and assistance during crises. Stronger links with consumers and suppliers help firms identify new trends and market opportunities, and guarantee access to production inputs. Firms that have a bank account and are liquid can endure disruptions and finance adaptation strategies.

However, findings from ITC SMECS show that women-led businesses tend to be less competitive than men-led businesses. This situation is driven by the challenges that women-led firms face with respect to production efficiency, connections to markets and institutions, and financial resources management. Because women-led firms are less competitive than their male counterparts, they are also less resilient and more likely to be adversely impacted by crises such as COVID-19.

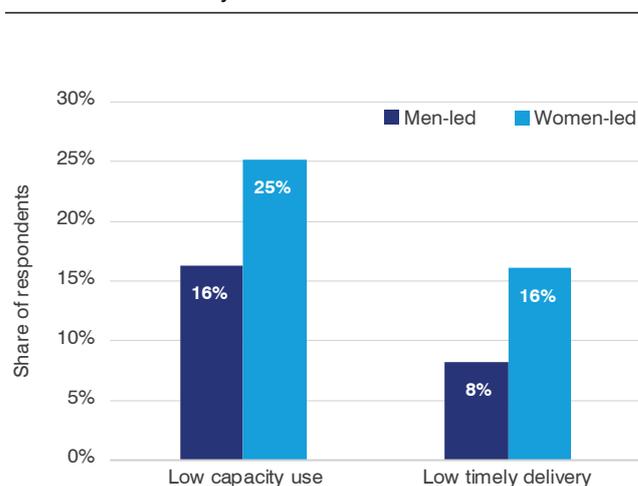
Women-led businesses struggle with production efficiency

Production efficiency is an important factor of competitiveness. Competitive firms can maximize production given limited inputs and deliver products to consumers on time. However, women-led firms are less likely to reach their production potential and deliver goods and services punctually than men-led firms. This is because women-led businesses tend to use less than 50% of their productive capacity. Figure 2 shows that weak capacity utilization is more likely among women-led businesses than men-led ones (25% compared with 16%). This could

have repercussions for business success in the longer term. Inability to deliver products on time could undermine consumer confidence – especially trust in women-led businesses.

Weak production efficiency makes it hard for women-led businesses to survive disruptions. In part, this can be attributed to the difficulties that women face connecting to buyers, suppliers and BSOs, as well as accessing and managing capital.

Figure 2 Women-led businesses struggle with production efficiency



Note: Respondents were asked, 'In the last year, what was this company's output as a percentage of the maximum output possible?' Those who said 50% or lower are classified as having low-capacity utilization. Respondents were asked, 'In the last year, what percentage of this company's goods or services were delivered on time?' Those who said 50% or lower are classified as having low time delivery of goods/services.

Source: ITC calculation based on SMECS in 16 countries.

Women-led businesses are less connected to buyers and suppliers

The ability to connect to buyers, suppliers and BSOs is a key determinant of a firm's productivity and overall competitiveness. When firms are well-connected to buyers and suppliers, they can collect and use timely and accurate information. This can help them respond faster and more appropriately to changing market forces or sudden economic shocks.

Firms that are connected to their buyers through different communication channels tend to manage inventories more efficiently and deliver more products on time. The COVID-19 pandemic accelerated digital adoption by both firms and consumers. Increasing a firm's online presence can help establish greater buyer networks. For instance, businesses that have a website can easily access and track information such as customer demographics and location.

However, women-led businesses face greater difficulties developing customer relationships than men-led businesses. SMECS data show that online presence is more prevalent among men-led businesses than women-led businesses (50% compared with 33%). Women-led businesses that have a website and track customer information tend to manage their inventories more efficiently and deliver more products on time than those that do not.

Strong links to varied suppliers provide firms with supply contingencies, which is especially important during crises like the COVID-19 pandemic. Survey data from Benin and Cambodia show that, in general, firms with a more diversified base of suppliers had less difficulty accessing inputs during the pandemic than those relying on fewer suppliers.

However, women-led businesses tend to have a smaller number of suppliers than men-led businesses. On average, women-led firms had less than half the number of suppliers of men-led firms (six compared with 13) (ITC, 2020c and 2022). Moreover, women-led businesses have a greater tendency to depend on the biggest supplier compared with men-led businesses (43% compared to 35%).

Women-led businesses are less connected to business support services

BSOs – such as chambers of commerce, sector associations, trade promotion organizations and investment promotion organizations – can provide firms and entrepreneurs with a wide range of valuable support to increase their connections and competitiveness.

However, women-led businesses tend to be less involved with BSOs compared with men-led businesses. SMECS data show that 61% of men-led firms are engaged with a chamber of commerce, compared with 52% of women-led firms. Engaging with BSOs can provide businesses with valuable information. These organizations help facilitate information-sharing on market conditions, identify business opportunities and connect buyers and suppliers.

SMECS data show that there is a higher proportion of exporting firms among those engaged with BSOs (30%) than those that are not (10%). BSOs can help firms navigate through the challenges involved in participating in international trade. The COVID-19 pandemic highlighted the importance of BSOs in business survival and success during crises. In particular, companies with connections to BSOs were more likely to be informed about COVID-19-related support (ITC, 2020e).

During the COVID-19 crisis, women-led businesses had less access to information on the support services available to them to respond to the pandemic. Some 53% of women-led firms found it difficult or very difficult to obtain information about COVID-19-related assistance programmes, compared with 47% of men-led firms. Access to information and the transparency of government assistance programmes are necessary to ensure firms receive assistance during crises.





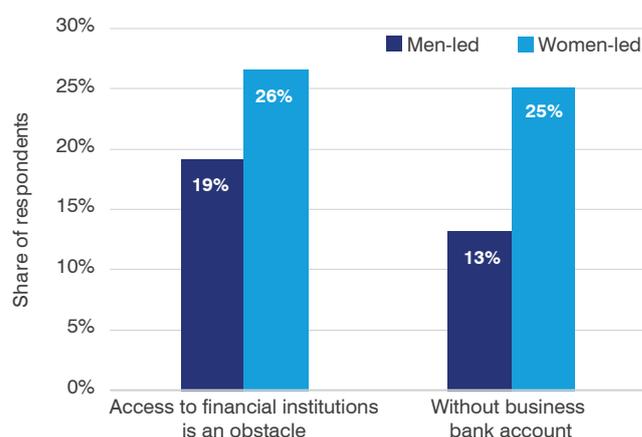
Women-led businesses have trouble accessing finance

Access to liquidity is key to the survival of businesses in the face of external shocks such as COVID-19. In addition, it is an important element to improve firm competitiveness and engagement in international trade. The COVID-19 crisis generated a sharp decline in sales, corporate revenue, cash flow and working capital (De Vito and Gómez, 2020; Didier et al., 2021). At the same time, external sources of capital – such as banks and other investors – reined in their lending due to the uncertainty of the economic environment generated by the pandemic.

Women-led businesses are more likely to report access to finance as a barrier to business operations (see Figure 3). Some 26% of firms led by women reported access to financial institutions as a severe obstacle, compared with only 19% of firms led by men. Similarly, 25% of women-led firms do not have a bank account, compared with 13% of firms led by men. The consequence of gender-based differences in access to finance is that women-led firms are forced to rely on self-financing, which may limit their capacity to expand.

Women-led firms often face a vicious circle in which the lack of a bank account is associated with incomplete financial records. In turn, incomplete financial records are associated with both cash flow management issues and an inability to present a structured business plan – all of which makes it harder for women-led firms to access finance.

Figure 3 Women struggle to access finance



Note: Respondents were asked, 'At this time, does this company have a bank account for daily operations which is separate from a personal account?' and 'To what degree is access to financial institutions an obstacle to current operations?'

Source: ITC calculation based on SMECS in 16 countries.

CHAPTER 4

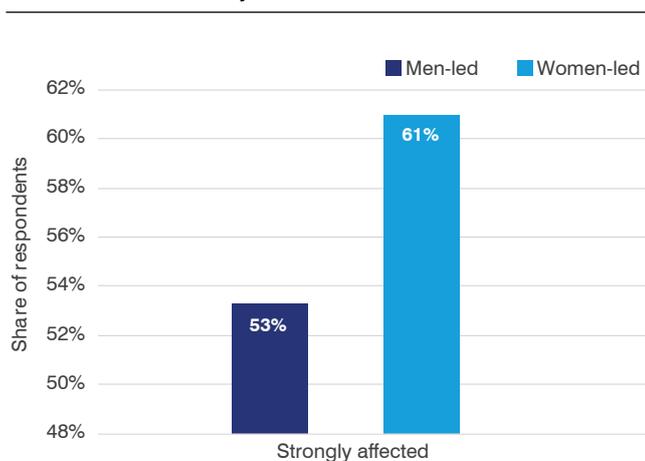
Women-led businesses and resilience

Women-led businesses are less resilient than men-led businesses due to their low competitiveness. Improving their competitiveness and investing in sustainable strategies can help them prepare for the next crisis. Nevertheless, during the COVID-19 pandemic, some women-led businesses showed that they too can adapt and survive despite limited access to resources.

Women-led businesses were severely impacted by COVID-19

The COVID-19 pandemic disproportionately affected women-led businesses. Nearly two-thirds of women-led businesses reported that the COVID-19 crisis strongly affected their business operations, compared with 53% of men-led companies (see Figure 4). The ability of women-led businesses to cope with the pandemic largely depended on their size and sectoral concentration.

Figure 4 Women-led businesses were disproportionately affected by COVID-19



Note: Respondents were asked, 'How have your business operations been affected by the coronavirus (COVID-19) pandemic?' Answer options ranged from 1 (not affected) to 4 (strongly affected).

Source: ITC COVID-19 Business Impact Survey, April–August 2020, with 4,694 businesses in 136 countries.

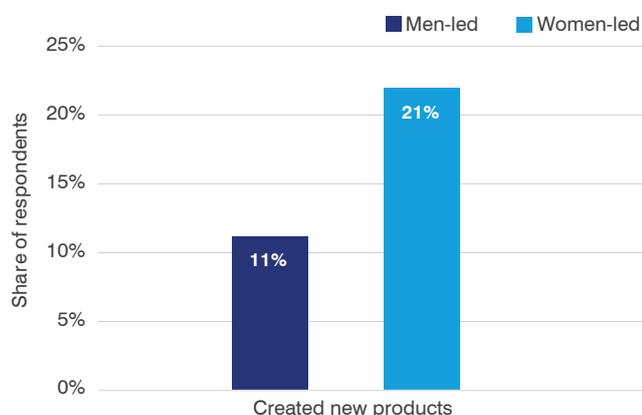
Some women-led businesses show remarkable resilience

Nevertheless, during the pandemic, some women-led businesses adopted resilient strategies that involved leveraging technology or product innovation. Women-led firms were almost twice as likely to create new products in response to the COVID-19 crisis relative to their male counterparts. In total, 21% of the women-led businesses surveyed created new products amid the pandemic (see Figure 5).

Women-led firms were also more likely to start selling online during the COVID-19 crisis. One-third of women-led businesses started selling online, compared with only 18% of men-led firms. These results should be treated with a degree of caution as, prior to the COVID-19 crisis, many women-led firms relied on in-person transactions. Thus, women-led businesses were starting from a lower base than men-led firms in terms of online selling.

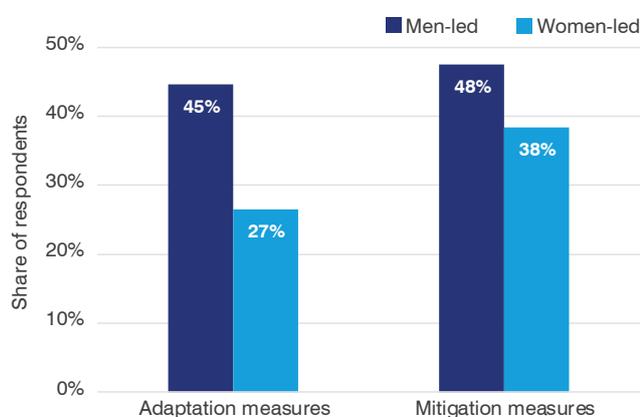
Limited access to reliable and affordable broadband connectivity continues to inhibit the capacity of women-led businesses to take advantage of these benefits. Specifically, 35% of women-led businesses do not have a broadband internet connection, compared with only 12% for men-led firms.¹

Figure 5 Women-led businesses innovated during the COVID-19 pandemic



Source: ITC COVID-19 Business Impact Survey, April–August 2020, with 4,694 businesses in 136 countries.

Figure 6 Women-led businesses are less likely to invest in adaptation and mitigation



Note: Respondents were asked, 'In the last three years, did your company invest in any of the following measures to reduce the environmental risks that your company is facing?' Answer options included irrigation systems; water purification systems; flood prevention systems; power generation systems; soil management practices; transportation means; air pollution controls; temperature controls; other measures to reduce environmentally related risks; none; and do not know. Respondents that chose any of the answer options (besides none and do not know) are defined as taking 'adaptation measures'. Respondents were also asked, 'In the last three years, did your company invest in any of the following measures to reduce its negative impact on the environment?'. Respondents that chose any of the answer options (besides none and do not know) are defined as taking 'mitigation measures'.

Source: ITC SMECS of 1,359 companies, in Zambia (2018, 242 businesses), Botswana (2019, 615 businesses) and Benin (2019, 502 businesses).

Women-led businesses and the green transition

Firms are aware of the risks posed by climate change. For instance, 68% of the firms in sub-Saharan Africa noted that environmental risks were significant for their businesses (ITC, 2021).² Although most SMEs are apprehensive about these risks, the bulk of firms has not invested in either mitigation or adaptation measures.

Women-led firms were less likely to invest in either adaptation or mitigation measures than men-led firms (see Figure 6). Only 27% of women-led firms reported that they have invested in at least one measure to adapt to climate change risk, compared with 45% of men-led firms. Similarly, just 38% of women-led firms have made an investment in mitigation measures – 10% less than men-led firms.

Investing in sustainable development can open opportunities for women in new markets and value chains. Thus, the lack of investment by SMEs, particularly those that are women-led, in adaptation and mitigation measures represents a loss of opportunity.

CHAPTER 5

Women-led businesses in international trade

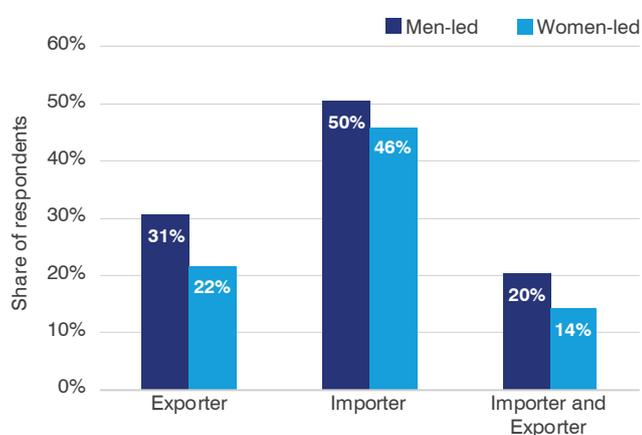
Women-led businesses are less likely to trade

The relationship between competitiveness and trade participation is likely bidirectional, with trade engagement making businesses more competitive – via improved access to technology, for example – and enhanced competitiveness allowing countries to reap more gains from trade (Edwards, 1998; Grossman and Helpman, 1993; Irwin, 2019).

Women-led businesses are less engaged in international trade than men-led businesses. Only 22% of women-led firms export, compared with 31% of men-led firms. Women-led exporting firms also tend to export a smaller share of their total sales (7%) relative to men-led exporters (12%) (ITC calculation based on SMECS in 16 countries).

The gender gap in the likelihood of importing is narrower. Only 46% of women-led firms import, compared with 50% of men-led firms. In general, 14% of women-led businesses both import and export, versus 20% of men-led businesses (see Figure 7).

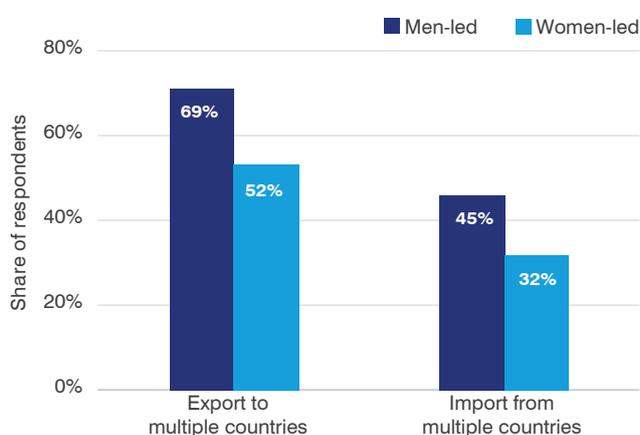
Figure 7 Women-led businesses are less likely to trade



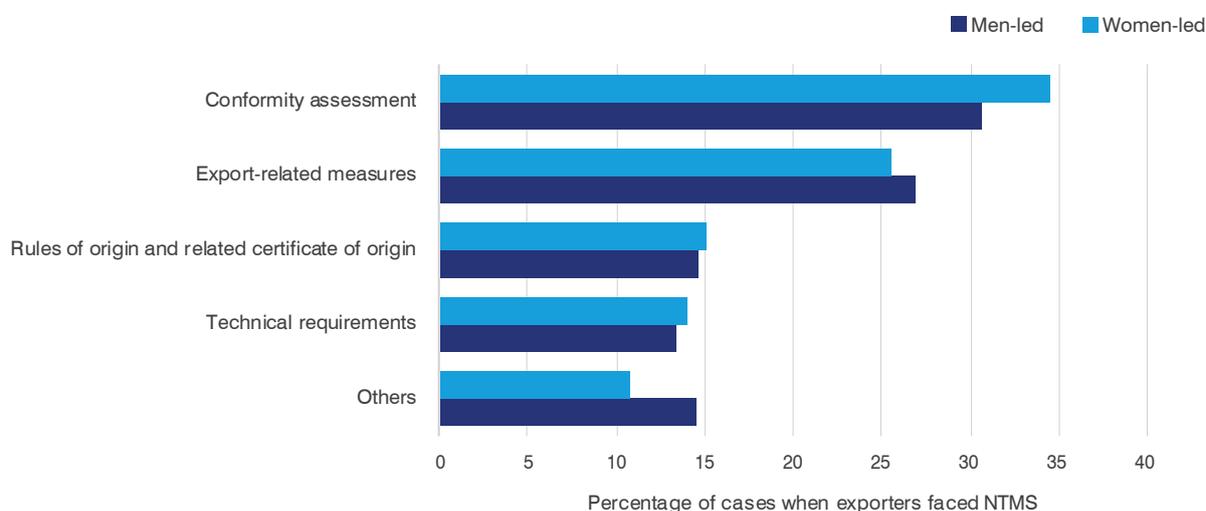
Source: ITC calculation based on SMECS in 16 countries.

Diversification contributes to the ability of firms to withstand shocks and changes in market conditions, especially during crises. Gender differences also appear with respect to export destinations and source markets. Women-led businesses are less likely to either export or import from multiple countries (see Figure 8). Some 52% of women-led exporting firms export to multiple countries, while 69% of men-led exporting firms have multiple export destinations. Further, 32% of women-led importing firms import from multiple countries, while 45% of men-led importing firms have multiple import origin countries.

Figure 8 Women-led businesses trade with fewer countries



Source: ITC calculation based on SME competitiveness surveys in 16 countries.

Figure 9 Women-led and men-led exporting firms face similar NTMs

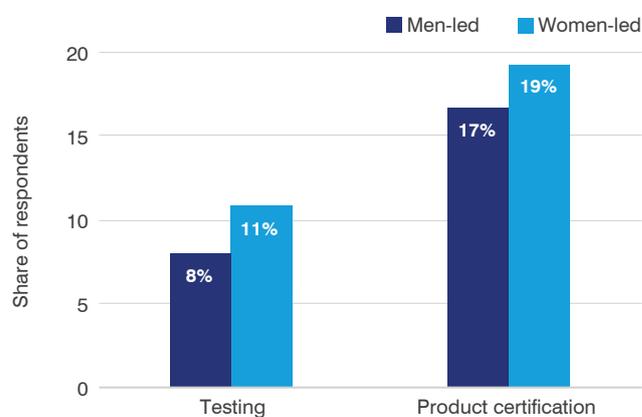
Source: ITC NTM Business Survey (2011–2020).

All businesses face similar NTMs when exporting

Key findings from the previous sections show that women-led firms tend to be smaller, less competitive and less engaged in international trade than men-led firms. This section turns to what happens once women-led businesses move into export markets. Data from ITC NTMS helps illuminate this move.

When women participate in trade, they face similar NTMs to men. At the global level, the top NTMs faced by women-led exporting firms are related to conformity assessment, export-related measures, rules of origin and technical requirements. Men-led exporting firms also predominantly face NTMs under these categories (see Figure 9). On average, 69% of NTMs encountered by women-led and men-led exporters are applied by destination countries (ITC NTM Business Survey 2011–2020).

However, gender differences can be seen on NTMs related to conformity assessment. Women-led exporting firms are more likely to face measures on testing and product certification (see Figure 10).

Figure 10 Women-led exporting firms more likely to face regulations on testing and product certification

Source: ITC NTM Business Survey (2011–2020).

Women-led businesses struggle with administrative issues related to NTMs

Overall, women-led exporting firms typically find NTMs burdensome due to the procedural obstacles or administrative issues they face to comply with the measures. 'Procedural obstacles' refers to practical challenges directly related to the implementation of NTMs. These include documentation issues, information and transparency issues, discriminatory behaviour of officials, time constraints, high payment costs, lack of sector-specific facilities and lack of recognition or accreditation of testing facilities or national certificates.

When exporting, women-led firms often find it difficult to navigate through administrative procedures to comply with NTMs. The gender-specific challenges they face may largely contribute to this hurdle. For instance, women may face difficulties in preparing and securing documentation requirements due to their lack of access to resources, information and networks. High fees may be an impediment due to lack of access to finance. Compared with men, women are more likely to be subject to discrimination,

sexual harassment and extortion by border officials. Finally, unequal distribution of domestic and care responsibilities may hinder women from allotting time to carry out administrative procedures.

Across different regions, women-led exporters are most likely hampered by time constraints, high fees and charges, and excessive bureaucracy and documentation requirements. Compared to other regions, women-led exporters in Asia and East Africa are more likely to face issues related to the lack of sector-specific facilities. Lack of accreditation seems to be an issue for women-led exporters in Asia more than in other regions. Women-led exporters in Middle East and North Africa have a higher likelihood of facing discrimination and transparency issues (see Figure 11). Since women-led businesses tend to trade smaller consignments, the fixed costs of NTMs and related procedural obstacles account for a larger share of their unit costs.

While most NTMs are imposed by destination countries, women-led exporters frequently encounter related procedural obstacles in their home countries to export products. Therefore, home countries can adopt policy actions and practices to tackle procedural obstacles and improve exportation by women-led businesses.

Figure 11 Procedural obstacles faced by women-led exporting firms, by region

Type of procedural obstacles	Asia	East Africa	Latin America	Middle East and North Africa	West Africa
Time constraints	27.31	31.91	35.7	30.79	37.2
Informal or unusually high payment	34.1	23.1	21.01	13.99	33.91
Excessive documentation requirements	9.35	16.43	12.58	10.92	8.27
Lack of sector-specific facilities	10.73	13.38	7.56	5.9	6.08
Discriminatory behaviour of officials	2.61	4.86	10.42	13.17	6.92
Information or transparency issues	5.16	5.33	7.02	16.47	3.01
Lack of recognition or accreditation	8.86	3.16	1.88	4.7	3.36
Others	1.87	1.83	3.83	4.05	1.24
TOTAL	100	100	100	100	100

Source: ITC NTM Business Survey (2011–2020).

CHAPTER 6

Assessing the policy landscape for women in trade

The preceding two sections highlighted the challenges and barriers that women-led businesses face in engaging in both domestic and international markets. This section uses data from the ITC SheTrades Outlook (STO) to elaborate on the trade and non-trade policies that influence the capacity of women to engage in business and international trade.

Creating an inclusive policy ecosystem is critical to ensure that women-led businesses can engage in international trade. Further, it plays a key role in building the resilience of women-led businesses. Therefore, it is important to conduct an assessment to identify policy gaps and opportunities for reform.

Trade policy can be a powerful instrument to promote women's economic opportunities and gender equality. While trade policies may not be discriminatory at the outset, they can generate gender-differentiated impacts for consumers, producers and workers (Shepherd & Stone, 2017).

In addition, other policy areas can affect the competitiveness and resilience of women-led businesses. Thus, a comprehensive assessment of the policy ecosystem entails evaluating the inclusiveness of trade policy, the legal and regulatory framework and business environment, the extent of women's access to skills and finance, and the prevalence of gender biases.

In this context, STO investigates six policy dimensions to assess, monitor and improve the policy ecosystem for women in business and trade. These are:

1. Trade policy
2. Legal and regulatory framework
3. Business environment
4. Access to skills
5. Access to finance
6. Work and society

Trade policy needs to be gender-responsive

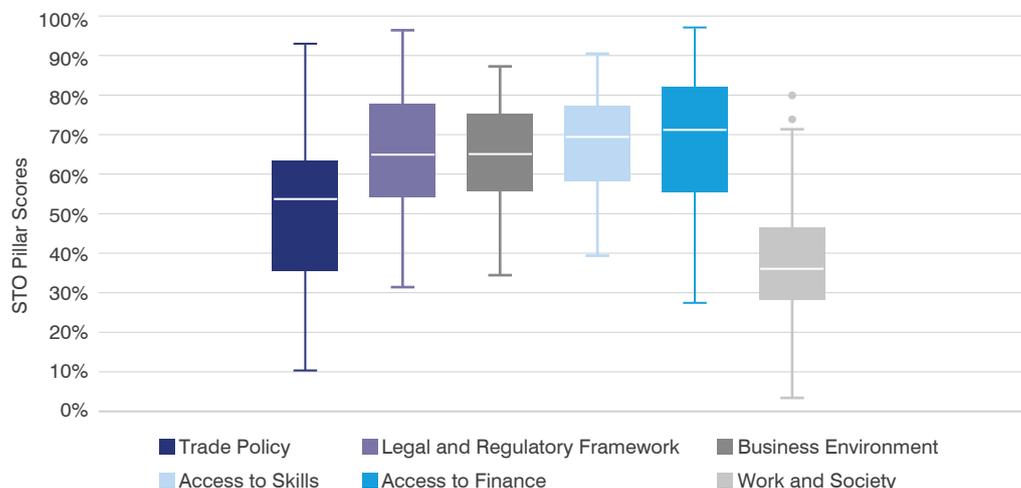
Among the six policy dimensions in STO, countries tend to score the lowest on trade policy and work and society (see Figure 12). This implies the need to improve gender mainstreaming in trade policy and implement women's economic empowerment programmes to achieve concrete outcomes.

Steps that policymakers can take to improve gender mainstreaming in trade policy:

- Ensure that women are involved in consultations.
- Incorporate trade concerns in gender equality policy and gender concerns in trade agreements.
- Improve the collection of gender-disaggregated data.
- Conduct ex-ante and ex-post gender impact assessments of trade agreements.
- Encourage women's participation in political leadership positions.
- Build the capacity of government staff to mainstream gender in trade policy.

Figure 13 shows that there is an opportunity to further engage women's business associations in policy consultations, assess the gender impacts of trade policy and agreements, encourage women's representation in ministries and parliaments, and build the capacity of trade ministries on gender issues. These results indicate the need for sufficient mechanisms to enhance inclusion in trade policymaking. Enhancing the participation of women in trade policy formation processes – whether as members of government or as external stakeholders – can help ensure that the issues facing women, including trade barriers, are addressed.

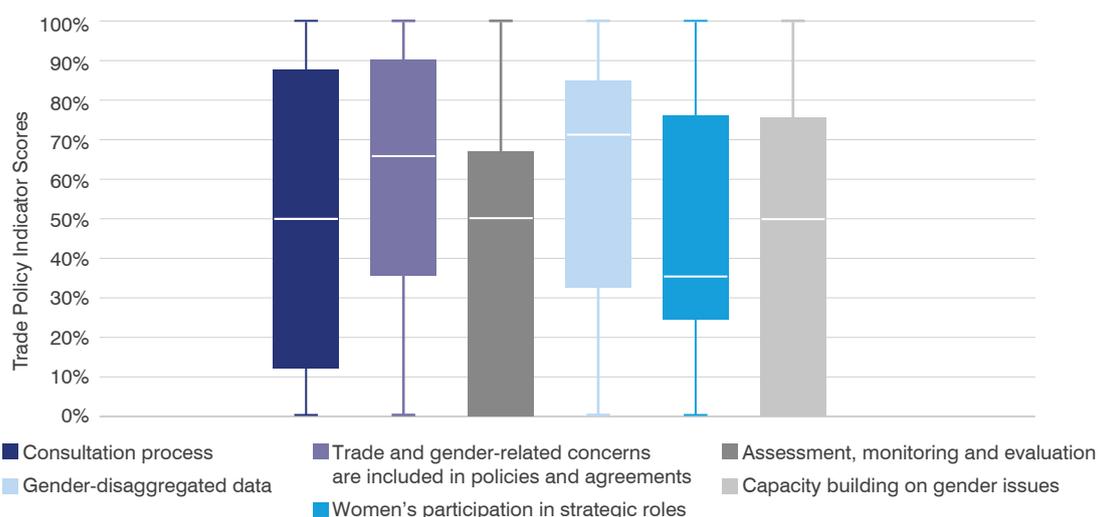
Figure 12 Distribution of STO pillar scores



Note: The centre line indicates the median value of a series, the lower and upper box lines indicate the interquartile range (25th percentile to 75th percentile) and the whiskers indicate notional maximum and minimum values (1.5 times the interquartile range). Dots indicate outliers; that is, observations lying beyond those ranges. The median value was included in the quartile calculation when the number of data values was uneven.

Source: STO.

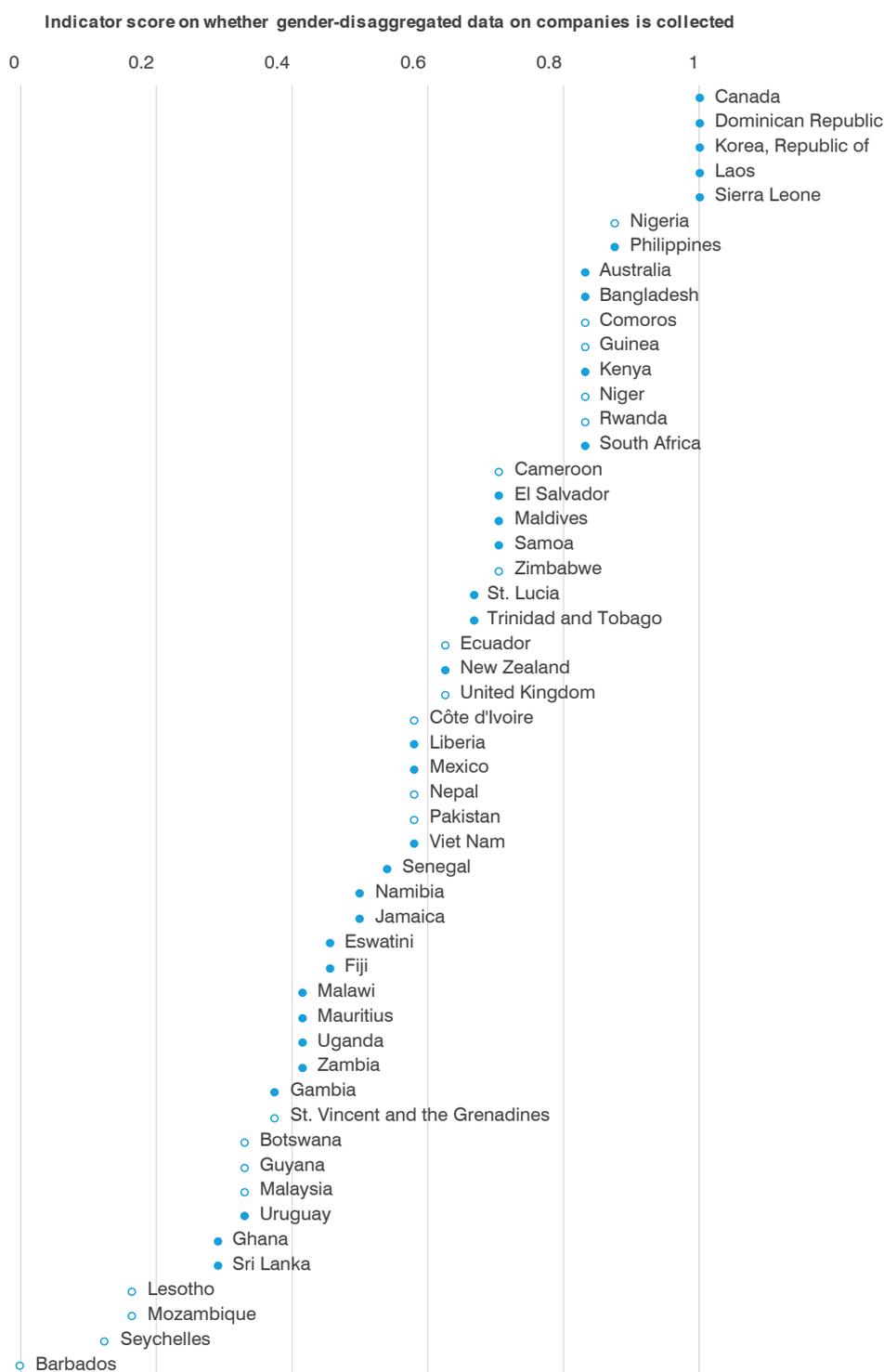
Figure 13 Distribution of variable scores: Trade policy pillar



Note: The centre line indicates the median value of a series, the lower and upper box lines indicate the interquartile range (25th percentile to 75th percentile) and the whiskers indicate notional maximum and minimum values (1.5 times the interquartile range). Dots indicate outliers; that is, observations lying beyond those ranges. The median value was included in the quartile calculation when the number of data values was uneven.

Source: STO.

Figure 14 Mandating the collection of gender-disaggregated data versus gender-disaggregated data collected on companies



Note: Hollow dots represent countries without a law or regulation that mandates the collection of gender-disaggregated data. The STO indicator on the 'collection of gender-disaggregated data on companies' looks at whether such data is collected on company ownership, employment, industry type, size, and trade orientation, and whether there is a standard definition of a women-led or women-owned business used by national institutions. The y-axis represents the indicator score on whether gender-disaggregated data on companies is collected. This is an average of two sub-indicators, which look at whether there is a standard definition of a women-owned or women-led business in a country and whether the data collected on companies includes ownership by gender, number of employees by gender, company size and trade participation.

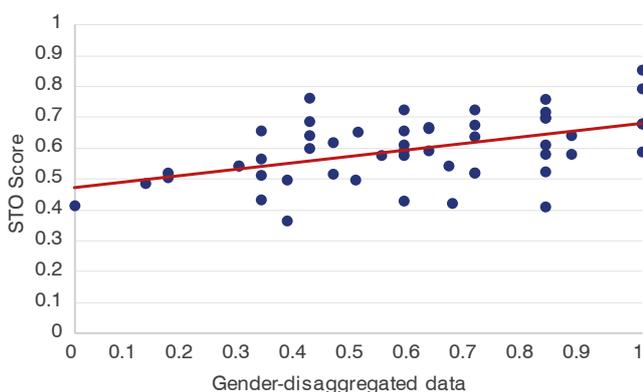
Source: STO.



Inclusive policy requires comprehensive data

The development of effective policy is contingent on access to data and evidence. Despite improvement in some areas, the availability and quality of gender-disaggregated data (World Bank; World Trade Organization 2020) needs to be ameliorated. For example, data are lacking on women’s involvement in unpaid work, informal work, opportunity costs, migrant work, asset ownership and entrepreneurship (ITC, 2020d). Access to comparable, reliable and longitudinal data is necessary to begin to understand the scale of women’s challenges and develop policy solutions.

Figure 15 Correlation between the collection of gender-disaggregated data and STO average scores



Source: STO.

Figure 13 shows an encouraging result with regards to the collection of gender-disaggregated data. However, due to the complexity of the data needs on trade and gender, it is important to examine this result in more detail. In STO, the variable tracking the collection of gender-disaggregated data is composed of two indicators. These two indicators assess whether the law mandates the collection of gender-disaggregated data, and whether gender-disaggregated data on companies is collected. Figure 14 suggests that laws on the collection of gender-disaggregated data are necessary but insufficient to ensure the availability of such data, for instance, on companies.

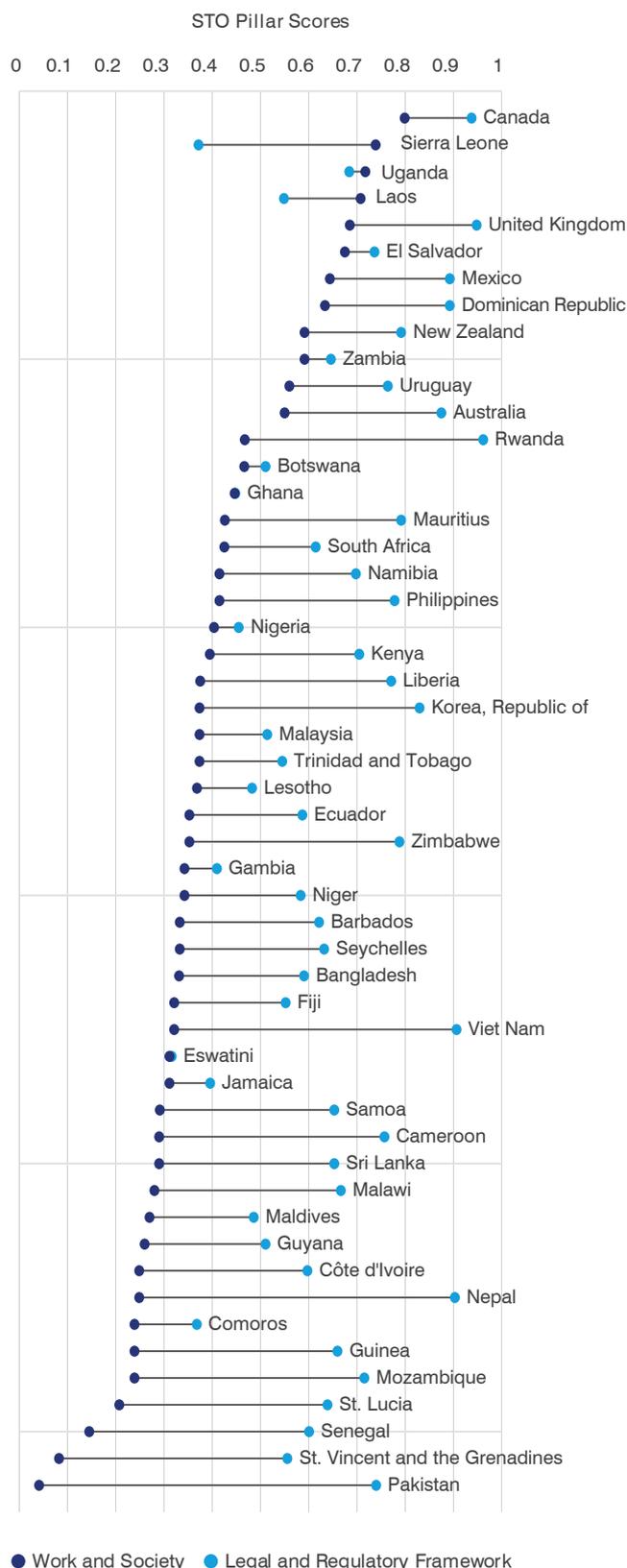
Furthermore, Figure 15 shows that countries that collect gender-disaggregated data tend to have higher STO average scores. This suggests that the capacity of a country to advance women’s economic empowerment is positively related to its capacity to capture data.

Implementing practical initiatives is crucial to guarantee outcomes

Establishing laws to improve women's economic status does not guarantee tangible outcomes by itself. For example, many countries provide for equal inheritance and property rights for women, but significant wealth and income gaps continue to exist between men and women. These wealth and income gaps prevent women from engaging in markets and diminish their capacity to respond to economic shocks such as the COVID-19 pandemic.

Figure 16 shows that 49 out of 52 STO countries have lower scores on the Work and Society pillar compared with the Legal and Regulatory Framework pillar.³ Although these countries have established laws aimed at improving women's economic standing, more can be done to achieve gender equality outcomes. This includes enforcing legislation and implementing programmes that directly address barriers faced by women in business and trade.

Figure 16 Work and society versus legal and regulatory framework



Source: STO.

All countries can promote women's economic opportunities

Economic resources facilitate policy change and implementation. However, based on STO data, low and middle-income economies – particularly Rwanda, South Africa and Uganda – have made notable progress on improving women's ability to participate in economic activity. Good practices to promote women's economic opportunities are also found in many low- and middle-income countries. This shows that countries with different income levels can promote women's economic

empowerment. Countries can consider adopting practical initiatives that do not require considerable costs.

While economic resources can certainly enhance sources of social capital,⁴ they are not determinants of social capital per se. For example, measures to increase the representation of women in senior positions within a trade ministry can help break down traditional and dysfunctional hierarchies. Similarly, employing a focal point on gender issues within a trade ministry can help alter norms on the role of women in trade. While these initiatives may not be resource-intensive, they can help make trade policy more inclusive and effective.

Box 1 Good practices on supporting women to take part in business and trade

Malawi: Malawi has made important strides in increasing the participation of women in trade policymaking through a variety of measures. In 1998, Malawi established the National Working Group on Trade Policy, a consultative body composed of representatives from the public and private sectors. Through the working group, women's business associations participate in trade policymaking and ensure that women's issues and priorities are considered.

Malaysia: Malaysia has supported the capacity of women-led businesses to export through its Women Exporters Development Programme. The programme supports the expansion of export-oriented women-led firms by providing a mix of financial support, coaching, networking and skills development programmes. It has successfully assisted 1,700 women exporters, who mostly work in traditionally men-dominated sectors.

The Gambia: Through ITC's technical assistance, the Gambia has mainstreamed gender into various policy instruments on public procurement. In October 2022, the Gambia adopted the Gambia Public Procurement Act, which provides domestic preferences to women, youth

and physically challenged people. In addition, the Ministry of Gender, Gambia Public Procurement Authority (GPPA) and other stakeholders drafted the Gender-Responsive Public Procurement Policy to increase the share of public tenders won by women-owned businesses and women-led cooperatives. This policy includes a target of 30% of all government purchasing spend to be catered for by women by 2026 as well as targeted assistance strategies, such as subcontracting plans and reservations.

The Philippines: The Department of Trade and Industry and the City Government of Cagayan de Oro partnered to increase the capacity of local business service centres to support women entrepreneurs. The initiative created a network of existing local institutions and evaluated whether the services they provide are gender responsive. Based on gaps identified, local institutions received technical assistance to develop gender-responsive projects, programmes and services. New women's business service centres were created, which helped women-led businesses recover from the impact of the COVID-19 pandemic. The centres provide access to technology, markets and resources.

Source: STO (ITC, 2020a, 2020b and 2021).

CHAPTER 7

Policy implications and potential solutions

For the first time, this paper has brought together results on women's participation in business and international trade from the ITC SMECS, NTMS and STO datasets. These three data sources have facilitated a holistic analysis of the factors that affect women's participation in business and international trade. This analysis is designed to inform and shape contemporary policy debates concerning the multiple links between the policy ecosystem, trade, women's participation in economic activities and sustainable development outcomes.

This paper shows that women-led businesses struggle to survive and succeed, especially during crises. Women-led businesses face challenges that make them less competitive compared with men-led businesses. These include lack of access to finance, networks, information, skills and infrastructure. Since women-led businesses are less competitive, they also tend to be less resilient to crises. Nevertheless, during the COVID-19 pandemic, one in five women-led businesses adapted by creating new products.

It is structurally more difficult for women to participate in trade than men. Only 22% of women-led businesses export. Once they do, they face similar NTMs as men-led businesses. However, women struggle with administrative issues, coupled with gender-specific challenges, to comply with NTMs. This can increase their uncertainties and worries when exporting during crises and discourage more women from participating in trade.

Trade and non-trade policies affect women's capacity to engage and succeed in business and trade. However, this paper shows that trade policy needs to be more gender-responsive to ensure that both women and men can take advantage of trade opportunities. While many countries have enacted laws to improve women's economic status and gender equality, it is vital that they also implement practical programmes to achieve concrete outcomes. This paper provides encouraging evidence that a country's level of resources does not dictate its capacity to advance on trade and gender. In summary, developing and developed countries can share and learn from each other's good practices.

The findings in this paper underline the importance of policies that can ensure that women in business and trade drive the economic recovery from the COVID-19 pandemic; and that such policies are robust enough to handle future crises. Policymakers can consider long-term solutions, such as boosting supply-side interventions and Aid for Trade to close the competitiveness gap; building trust and accelerating trade facilitation to support women in navigating NTMs; and mainstreaming gender in trade policy design and implementation to build an inclusive and resilient trade environment.



Ways to boost supply-side interventions and Aid for Trade

Women-led businesses have lower levels of production efficiency and tend to face difficulties connecting to markets and institutions, and accessing finance. As seen during the COVID-19 pandemic, women-led businesses tend to be disproportionately affected by crises due to their low competitiveness.

Improving the production efficiency, connectivity and liquidity of women-led businesses can translate to greater resilience in crises. Policymakers can support women so they can access information, enhance production efficiency and quickly adapt to changes in the business and trade landscape in times of crisis.

It is imperative to facilitate the adoption of technologies so that women-led businesses can increase production efficiency and easily connect with buyers and suppliers online. Policymakers can **implement targeted skills development programmes** to improve women's business management and digital skills.

It is also important to **strengthen the capacity of business support organizations** so they can extend their services to women-led businesses, especially those in remote areas. In this way, women-led businesses can access timely and appropriate information on available support and benefit from such assistance during crises.

Governments can also **facilitate the existence of women's business associations**. This can help expand women's networks, disseminate information among women – especially during crises – and encourage greater representation of women's concerns.

Governments and financial institutions can work together to **provide tailored financial instruments**, such as microloans and grants, and improve women's access to finance. This can help guarantee the liquidity of women-led businesses, facilitate their growth and ensure continued operations and engagement in trade during crises.

Lastly, policymakers **can leverage Aid for Trade and use public-private partnerships** to deliver targeted skills programmes, provide tailored financial instruments, improve digital and logistics infrastructure, and provide targeted crisis support to women-led businesses.

Ways to build trust and accelerate trade facilitation

While it is imperative to address supply-side constraints, it is also important to build trust and accelerate trade facilitation. Women tend to face administrative issues in complying with NTMs to export. In times of crisis and high uncertainty, lack of confidence in institutions and frameworks can prevent women from seeking support and taking advantage of opportunities in new supply chains and markets. Facilitating trade in a gender-responsive manner can help address these issues and challenges.

National institutions can **launch public awareness campaigns on gender equality and improving women's economic opportunities** to break down gender stereotypes in society and create a fair environment for women to participate in productive economic activities.

Governments can also **streamline and simplify documentation requirements and implement a single window electronic interface** to expedite trade procedures and processes. This can help women use their time more efficiently, especially those who are time-poor and those who need to travel long distances from remote areas to cities to comply with documentation requirements. Such systems also help women avoid discriminatory practices typically encountered during face-to-face interactions with customs and border-level officials.

Business and trade support institutions can **establish help desks for women** so they can access complete and relevant business and trade information without apprehension. It is also recommended to **set up grievance redress mechanisms** to provide women with a means to report business and trade malpractice.

Customs authorities can **adopt a gender-responsive customs framework and provide training on trade and gender issues to customs staff and border-level officials**. This can help reduce excessive bureaucracy and eliminate discriminatory behaviour among officials.





Ways to mainstream gender in trade policy design and implementation

In the long term, policymakers can use trade policy to ensure that women-led and men-led businesses are on an equal footing, crisis or not. To do so, it is important that policymakers fully integrate gender equality into trade policy design and implementation, and share and learn from gender-responsive practices around the world.

Policymakers can **include women in consultations** to ensure that their issues and challenges are incorporated in trade policy design and implementation. For instance, conducting gender-responsive policy reform post-pandemic requires engaging women to identify lessons learned from the recent crisis. It is also important to **encourage women's participation in political positions** so that women's concerns are championed in policymaking.

Gender-responsive trade policy must be evidence-based. Government, financial and private-sector institutions can **improve the collection of gender-disaggregated data** to assess and monitor differences in economic outcomes for men and women and develop appropriate solutions to women's issues and challenges. For example, regularly collecting such data on exporting firms can help in understanding and addressing the differences in the conditions of women-led and men-led exporting firms before, during and after a crisis.

Informed by inputs from women stakeholders and gender-disaggregated data, policymakers can **adopt a preferential public procurement scheme for women and incorporate gender concerns in trade policy and agreements**. This can help ensure that women can take advantage of opportunities in both domestic and international markets, crisis or not.

Building the capacity of government staff on gender mainstreaming can ensure that gender-responsive trade policy is implemented and help eliminate gender-based discrimination, sexual harassment and stereotypes in the public sector. Governments can also **appoint trade and gender focal points** to streamline work on gender equality and women's economic empowerment. This can improve how women's concerns are handled by the public sector, especially during a crisis.

Finally, developing and developed countries can **share and learn from each other's best practices** on promoting gender equality and women's participation in economic activities. This includes initiatives related to crisis mitigation, response and management that are targeted towards women. In this regard, countries can use platforms such as ITC STO and the global network of government focal points on trade and gender⁵ to encourage similar initiatives in other country contexts.



ENDNOTES

- 1 Based on a sample of 2,276 firms interviewed in Argentina, Benin, Botswana, Eswatini, Ghana, Hungary, Morocco and Saint Lucia.
- 2 A set of survey questions focusing on the environment was included in three national SMECS conducted in Benin in 2019, Botswana in 2019 and Zambia in 2018. The environmental module was administered to 1,359 businesses in the three countries. This information is based on this data.
- 3 Legal and Regulatory Framework includes variables on the ratification of key international conventions and national laws providing women and men with equal access to property and financial resources, non-discrimination in employment based on gender, protection from sexual harassment at the workplace, equal remuneration for work of equal value, paid parental leave and childcare support. Work and Society includes variables on women's and men's estimated annual earned income, labour-force participation rate, employment in managerial positions, and time spent on unpaid domestic and care work.
- 4 'Social capital' refers to human relationships, connections and informal rules that bind economic actors together and guide social interactions (Woolcock, 1998).
- 5 ITC has created the SheTrades Outlook Network, a global network of government focal points on trade and gender, to raise awareness and build capacity on trade and gender issues and allow trade and gender focal points to network. ITC will conduct workshops to provide a venue for stakeholders to share and learn from good practices on improving women's participation in economic activities around the globe.



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ANNEXES

Data and methodology

Annex I ITC COVID-19 Business Impact Survey

The ITC COVID-19 Business Impact Survey is a global online survey aimed at assessing the economic impact of the pandemic on businesses. It contains data on 13,884 companies in 138 countries, collected between April and August 2020.

The analysis in this report is based on a subset of 4,694 firms in 136 countries, for which full and comparable data are available. The sample is spread across all regions (Africa, Americas, Asia, Europe and Oceania), sectors (primary, manufacturing and services) and firm size (micro, small, medium and large). It includes both exporting and

non-exporting firms. The sample is not representative in all countries, and response rates vary across countries and sectors.

The survey includes questions about firm characteristics such as size, sector and trade status, as well as the age and gender of the manager. It also includes questions about the effects of COVID-19 restrictions and the coping mechanisms adopted by companies. For more details on ITC's COVID-19 Business Impact Survey, see *SME Competitiveness Outlook 2021: Empowering the Green Recovery*.

Annex II ITC SME Competitiveness Survey

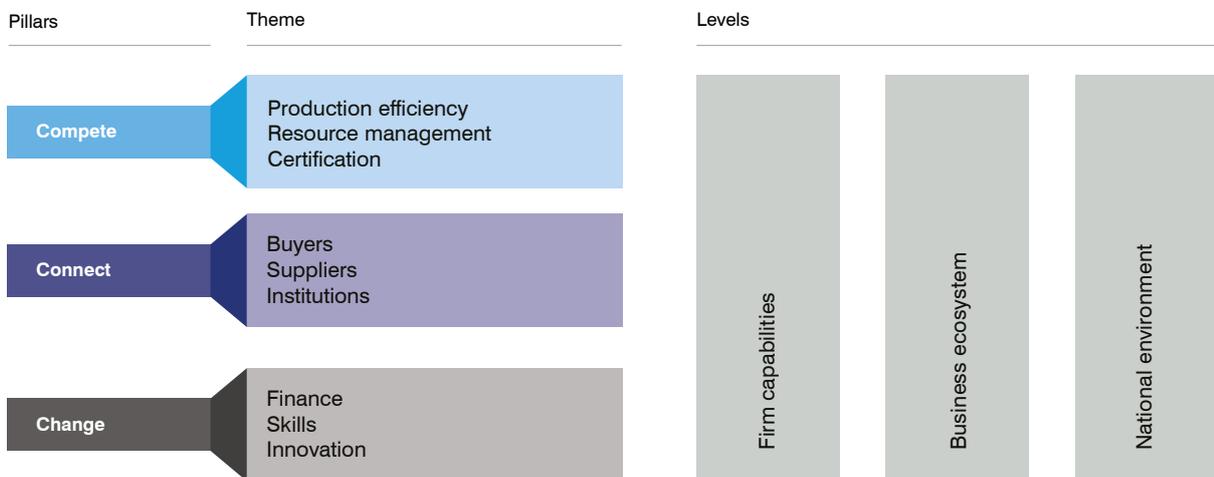
ITC SMECS is a national firm-level survey of a representative sample of an economy's private sector. Data are gathered, to the extent possible, from firms across all regions of the country, all sectors (primary, manufacturing and services), all sizes (micro, small, medium and large) and all types of trade status (exporting and non-exporting firms).

Typically carried out in partnership with business support organizations, SMECS is designed to combine information at the micro (firm capabilities) and meso (business ecosystem) levels to provide a holistic picture of the capacity of a country's private sector to compete in international markets. As of March 2022, more than 35,000 companies had been surveyed in 55 countries.

The baseline questionnaire of SMECS is based on the ITC competitiveness framework, which is composed of three pillars – compete, connect and change – and three levels – firm capabilities, business ecosystem and national environment (Falcone et al., 2020). Each pillar is further disaggregated into three themes (see Figure A1).

The analysis in this report is based on a subset of 6,062 firms interviewed using ITC SMECS in 16 countries between 2015 and 2021, for which full and comparable data are available. The sample includes companies of different sizes, sectors and regions of the respective countries. One in two surveyed firms is in services, one-third is in manufacturing and the remaining 17% is in the primary sector. Nine out of 10 companies in the sample are SMEs.



Figure A1 SME competitiveness framework

Source: ITC.

TABLE A1 Sample size of ITC SMECS, by country and firm size

Group	Number of respondents	Share in total (%)
<i>Country</i>		
Argentina	300	5
Benin	502	8
Botswana	616	10
Burkina Faso	492	8
Cambodia	400	7
Eswatini	200	3
Ghana	427	7
Hungary	123	2
Kenya	896	15
Morocco	149	2
Saint Lucia	200	3
The Gambia	110	2
The Philippines	515	9
Togo	573	10
Ukraine	317	5
Zambia	242	4
<i>Size</i>		
Micro	2 176	36
Small	2 198	37
Medium	1 039	17
Large	583	10
TOTAL	6 062	100

Note: Observations by firm size do not add up to 6,602 because 66 firms did not reply to the question 'How many full-time employees does this establishment currently employ?'. For more information on ITC SMECS, see: <https://intracen.org/resources/data-and-analysis/research-and-data/>.

Source: ITC.

Annex III ITC Non-tariff Measures Survey

From 2011 to 2020, ITC surveyed 44 countries on NTMs in Asia, East Africa, Latin America, the Middle East and North Africa. A total of 23,907 companies importing and exporting goods (excluding minerals and arms) were interviewed with questions about their international activities and the obstacles they face, and gender-related questions.

NTMs represent all regulations that are set by an official body in a country and that must be satisfied by a company either importing or exporting a good into or outside of the country. NTMs are regulations that – intentionally or unintentionally – affect trade. ITC NTMS aims to pinpoint those NTMs that are perceived as obstacles to trade by the private sector.

The sample in each country is based on the business registers available or created for this occasion. The ITC NTMSs covered legally registered companies of all sizes

and types of ownership. They aim to reach statistically significant results by export sectors, which allows for the extrapolation of the survey results to the country level. The selection of companies for telephone interviews is based on a stratified random sampling. This phase is followed by a face-to-face interview to gather more details. This process ensures that at the sectoral level, the margin of error of the results will be at most 10%.

The country databases have been merged to enable cross-country analyses and comparisons. A two-step adjustment is made to attribute equal representation to each country in the sample. Firstly, the number of companies participating in the telephone interviews in each country is adjusted to a standard size. Secondly, the participation rate in the face-to-face interview stage is adjusted to a standard value across countries.

TABLE A2 Countries covered in the NTMS, by region

Africa	Americas	Asia	Middle East
Benin	Colombia	Bangladesh	Bahrain
Côte d'Ivoire	Dominican Republic	Cambodia	Jordan
Egypt	Ecuador	Indonesia	Oman
Ghana	Jamaica	Kazakhstan	State of Palestine
Kenya	Paraguay	Kyrgyzstan	
Mali	Trinidad and Tobago	Nepal	
Malawi	Uruguay	Pakistan	
Niger		The Philippines	
Senegal		Sri Lanka	
Sudan		Thailand	
Tunisia		Viet Nam	

Source: ITC NTM Business Survey (2011–2020).

Annex IV ITC SheTrades Outlook

STO provides comparable indicators on trade and gender issues across countries. This enables stakeholders to:

- Map the ecosystem, identify gaps and prioritize areas for policy reform;
- Identify gaps between commitments and achievements;
- Share knowledge, compare experiences and identify good practices.

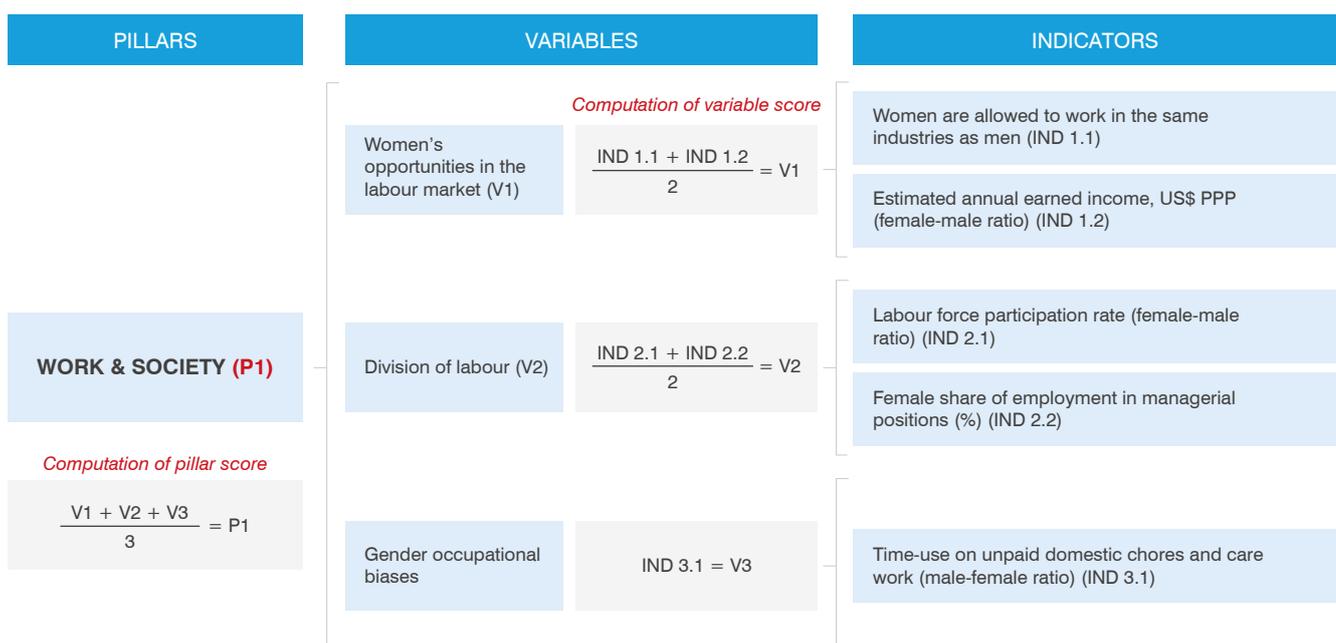
The tool is based on six pillars, each of which contains a set of indicators that assess various dimensions of the institutional ecosystem that are necessary to support women's greater participation in the economy. The six pillars are:

1. Trade policy
2. Business environment
3. Legal and regulatory framework
4. Access to skills
5. Access to finance
6. Work and society

Data on individual variables are collected through an institutional survey. The results presented in this paper are based on the data collected from 2019 to 2022 from 52 developing and developed countries. These include Australia, Bangladesh, Barbados, Botswana, Cameroon, Canada, Comoros, Côte d'Ivoire, Dominican Republic, Ecuador, El Salvador, Eswatini, Fiji, the Gambia, Ghana, Guinea, Guyana, Jamaica, Kenya, Laos, Lesotho, Liberia, Malawi, Malaysia, Maldives, Mauritius, Mexico, Mozambique, Namibia, Nepal, New Zealand, Niger, Nigeria, Pakistan, Philippines, Republic of Korea, Rwanda, Samoa, Senegal, Seychelles, Sierra Leone, South Africa, Sri Lanka, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Uganda, United Kingdom, Uruguay, Viet Nam, Zambia and Zimbabwe.

The responses to the survey questions are coded according to a scale of zero to one, with one being the maximum score. Using simple averages, indicators are aggregated into variables and pillars, and pillars are similarly aggregated into an overall composite index. This assumes that areas represented by the indicators, variables and pillars are equally important. The methodology is set out schematically in Figure A2, using the Work and Society pillar as an example.

Figure A2 SheTrades Outlook methodology: Computation of work and society pillar score



Source: STO.

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