

Unlocking Markets for Women to Trade



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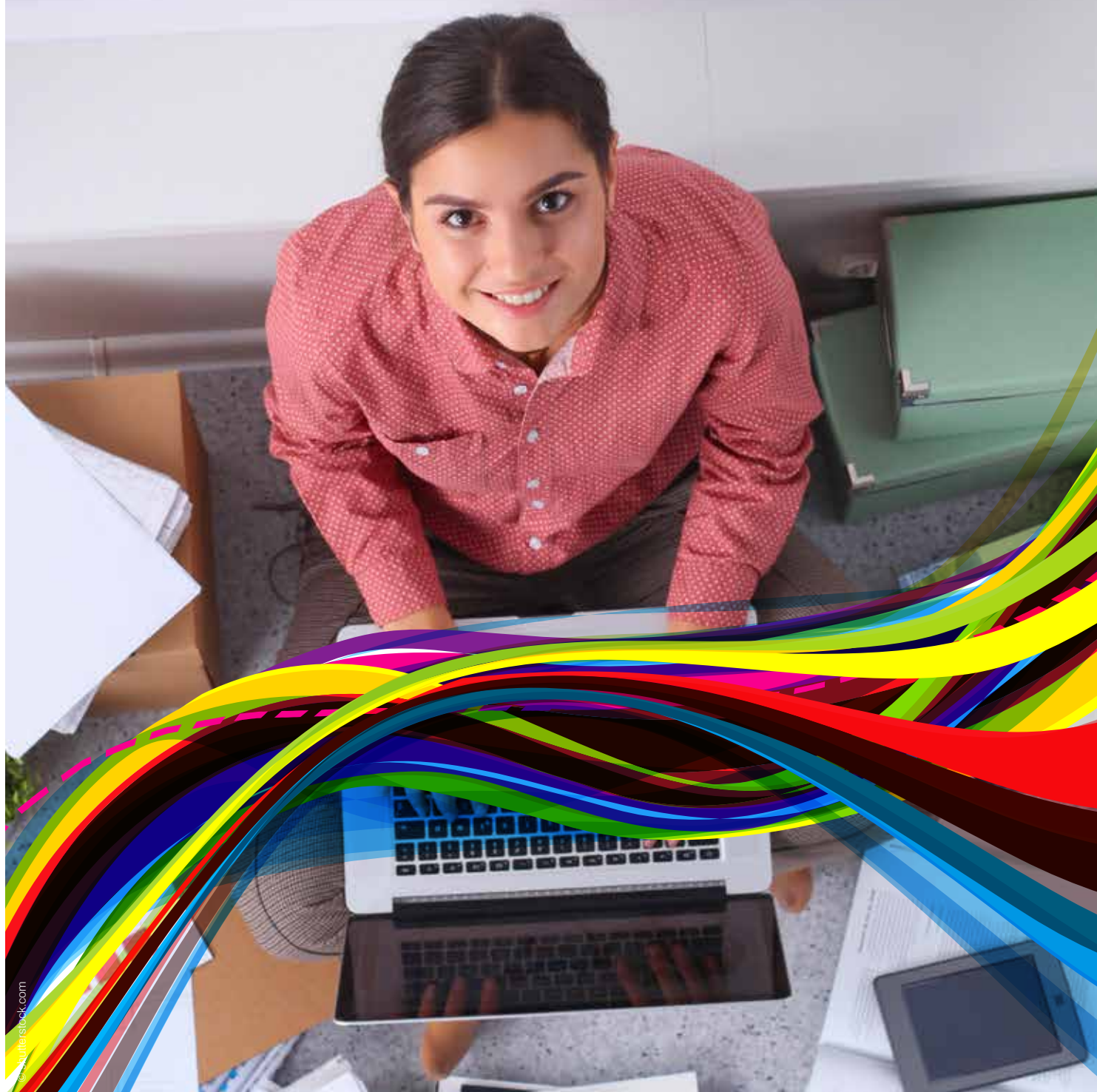
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This publication provides insights to decision makers on women's participation in trade and the challenges they face - includes data from importers and exporters in 20 developing countries; outlines where the barriers to trade are; shares models of good public and private sector initiatives; and provides recommendations for policymakers to engage women entrepreneurs more fully in the global economy; includes bibliographical references (pp. 47-50).

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Foreword

This year we have reflected on, and celebrated, the gains made in the 20 years since the launch of the United Nations Beijing Declaration and Platform for Action, a progressive blueprint for advancing women's rights.

Much has been achieved. Women live longer. More women are being educated and have outpaced men in university enrolment. The number of women in the global labour force continues to rise.

The progress is encouraging; but the business of achieving gender equality is far from finished. Gender equality remains a prerequisite to achieving the Global Goals for Sustainable Development, which are ultimately about ending extreme poverty in the world.

When women earn an income they spend a higher proportion of it than men do on their children's health, food and education – a trend which, if encouraged, can help break intergenerational cycles of poverty. Evidence also suggests that countries which provide more economic opportunities to women, including entrepreneurship, are more competitive in the global economy.

Despite this, persistent gender disparities remain between women and men's participation in the economy, earnings and asset ownership. Today, 155 countries still have laws and regulations that impede women's economic opportunities and hold back their full participation as entrepreneurs, employees and business leaders.

We know that women-owned SMEs that export tend to earn more, pay more, employ more people and be more productive than firms that only operate domestically. Yet, the International Trade Centre (ITC) data in this report indicates that only one-in-five exporting companies is owned by a woman, and that women-owned businesses are more likely to face obstacles to trade.

It is time for us to overturn the status quo. The first step is knowledge and gaining a better understanding about the impact of women's participation in the global economy.

This is why ITC launched a global Call to Action in São Paulo, Brazil, in September 2015 to bring at least one million new women entrepreneurs to international markets by 2020. The Call to Action represents the views of stakeholders from the development community, private sector and governments who are keen to create opportunities for women to trade, including through global value chains, by levelling the playing field in their respective public departments and businesses.

Drawing on sex-disaggregated data from individual trading company surveys, this publication provides unique data and analysis that can support policymakers and the private sector to shape more effective interventions to support women entrepreneurs.

The ability to achieve well-functioning economies and prosperous societies requires us to think beyond economic growth, to who benefits from this growth and how. If we can close this gender gap by bringing women everywhere more fully into the economic mainstream, it would be the equivalent of adding a new China or India to the global economy. This should motivate all of us. Let's act now to transform mindsets, laws and practices to ensure that women take their rightful place in the economy and in society.



Arancha González
Executive Director, International Trade Centre

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Abbreviations

GDP	Gross domestic product
IBM	International Business Machines Corporation
IFC	International Finance Corporation
ILO	International Labour Organization
IT	Information and technology
ITC	International Trade Centre
IWCA	International Women in Coffee Association
MATRADE	Malaysia External Trade Development Corporation
MENA	Middle East and North Africa
NTM	Non-tariff measure
OECD	Organisation for Economic Co-operation and Development
RM	Ringgit Malaysian (currency)
SIDS	Small island developing State
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary standards
TISI	Trade and investment support institution
UN	United Nations
WTO	World Trade Organization

Executive summary

'Removing the barriers that keep women and girls on the margins of economic, social, cultural and political life must be a top priority for us all – businesses, governments, the United Nations and civil society.'

UN Secretary-General Ban Ki-moon, Call for Women's Economic Empowerment and Rights, 2015¹

This publication provides insights to decision makers on women's participation in trade and the challenges they face. It provides data from importers and exporters in 20 developing countries; outlines the barriers to trade; shares models of good public and private sector initiatives; and provides recommendations for policymakers to engage women entrepreneurs more fully in the global economy.

Far fewer women's businesses are engaged in international trade than businesses owned by men. This is revealed in the analysis of ITC's Non-Tariff Measures Surveys across 20 countries presented in this report. Women most often own or manage small companies, but tend to work in large ones. Women-owned and managed businesses employ more women. Women are significantly more represented in the workforce of exporting businesses in island countries than in landlocked and coastal states.

Fewer women both export and import. This is in line with the fact that women-owned businesses tend to have fewer employees. Small companies often lack the resources to expand into international markets.

Companies owned and managed by women and men are in different sectors. Female and male employees work in different export sectors. Exporters in sectors traditionally associated with women's activities have the highest employment rate for women.

The reasons for the underrepresentation of women-owned companies in international trade are multiple. Cultural and regulatory barriers often make it difficult for women to create or run a business. In addition, time pressure on women who bear children is higher than on men and in many countries women still shoulder most of the housekeeping work.

In line with previous studies, this report finds that cultural and regulatory barriers, time constraints due to unpaid family care workload, and education choices can have the following effects that can explain the lower integration of women-owned businesses in international markets:

- Time constraints on female managers;
- Limited access to productive resources like finance and land;
- Limited access to information and networks;
- Skills mismatch.

Together, these barriers explain why women-owned businesses are on average smaller and less productive than male-owned business. Due to their small size, women-owned firms also suffer disproportionately from trade-related fixed costs, such as non-tariff measures.

1. UN: <http://www.unwomen.org/en/news/stories/2015/3/press-release-secretary-general-ban-ki-moon-hillary-clintonand-business-leaders#sthash.3DamyXHK.dpuf>

This report provides an overview of initiatives by trade and investment support institutions (TISIs), governments and multinationals that aim to facilitate the integration of women-owned businesses in international markets and global value chains.

This overview reveals that most initiatives undertaken by TISIs, multinationals, international organizations and NGOs to provide women-owned businesses with access to markets are based on a combination of the following three elements:

- Facilitating access to finance;
- Facilitating access to market information and networks;
- Capacity building and training.

Targets for sourcing from women-owned businesses are often part of private sector programmes to increase procurement from these businesses. Such targets are also embedded in public procurement programmes. Targets do not address any specific source of female underrepresentation. They can, however, have a powerful effect on lowering cultural barriers and increasing market access for women's private sector activity.

In addition to preferential policies, governmental action to support women's entrepreneurship often includes legislative actions that facilitate access to finance and land – which addresses two of the most important underlying gender biases affecting women in business. Two types of government interventions can be particularly beneficial to women-owned businesses' involvement in trade:

- Greater transparency in government regulation reduces the time burden on managers having to deal with them.
- Lower non-tariff barriers to trade are beneficial to small firms, particularly to the type of firms typically owned by women.

This report reveals that multiple actors are taking action to integrate women-owned enterprises into global markets. Some actors try to address underlying gender biases, while others focus on reducing the roadblocks to integration that stem from gender biases. The report also reveals different tools that are being used to address these issues.

All of these interventions aim to strengthen women's role in global markets. They would benefit from increased coordination among actors and across countries. A multidimensional, coordinated approach is needed to remove barriers for women entrepreneurs more rapidly. This can be done by addressing several barriers at once and by coordinating the work of different stakeholders.

Important steps in this direction have been made in recent years. The ITC-led Global Platform for Action on Sourcing from Women Vendors, established in September 2010, has grown into a network that convenes partners who purchase more than US\$ 1 trillion dollars in goods and services annually and represents more than 50,000 women entrepreneurs. The network is an avenue for organizations committed to women's economic empowerment to operationalize their pledges to increase the amount of procurement by women-owned businesses.

In September 2015, ITC launched a five-year Call to Action to bring one million women entrepreneurs to market by 2020 by boosting women's participation in trade. This report provides valuable and practical insights into how the Call to Action can be realized. It examines women's experiences in business and trade and contemplates possible synergies among the actions undertaken by the different stakeholders who share this goal.

CHAPTER 1

Why women in trade matter



Trade has the potential to contribute significantly to growth and employment. Countries that have embraced openness have been more successful in sustaining growth and moving up the development ladder than those that have not. In the 1990s, per capita real income grew more than three times faster for developing countries that lowered trade barriers, according to the World Bank (OECD et al., 2010). Trade can make an essential contribution to delivering the growth necessary to end poverty (World Bank and WTO, 2015).

Women's participation in trade can provide an additional boost to the growth potential of openness and to the sustainability of that growth. Economies with better opportunities for women are more competitive. These economies will benefit more from openness than economies that are less friendly to female involvement in the economy. Increased female income is likely to be disproportionately spent on the well-being and education of children. As a result, women's income has a direct impact on reducing income inequality and on future growth through its impact on education.

Good for growth

Women contribute to international trade as producers, entrepreneurs, employees and consumers. One of the most important ways they contribute is as owners and managers of women-owned businesses.

The body of evidence on women's participation in the global economy is limited, but it is known that their participation differs significantly across countries. There is growing consensus that their participation results in significant benefits to the economy.

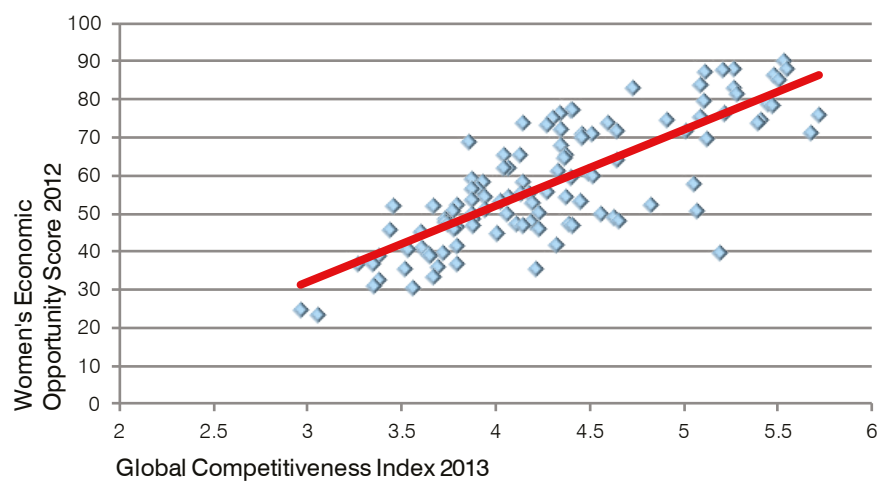
Dr. Linda Scott of Oxford University's Saïd Business School (Scott, 2014) mapped national ratings from the Economist Intelligence Unit's Women's Economic Opportunity Index against the National Competitiveness Score, calculated by the World Economic Forum.² This analysis found a consistently positive relationship between women's economic opportunities at the national level and competitiveness of the relevant countries (Figure 1). Countries that provide more economic opportunity for women, including entrepreneurship, are therefore more competitive in the global economy.

Economic opportunities for women are good for the economy. This is particularly the case if these opportunities enable women to participate in international trade. In Box 1, data from the United States demonstrates that when women-owned businesses trade, their contribution to the economy is higher than that made by businesses not involved in trade. This corresponds with the findings in ITC's 'SME Competitiveness Outlook 2015', which reports that firms that both export and import have higher productivity than companies that trade in one direction or do not trade.

Another study on importing, exporting and innovation in developing countries using enterprise survey data for 43 countries further confirms this evidence:

'Globally engaged firms are larger, more productive, more capital intensive and pay higher wages than purely domestic firms. Two-way traders grow faster and innovate more than any other group of firms. In their rankings of performance, two-way traders and exporters are followed only by importers. Non-traders are the least growing and innovating group of firms.'³

Figure 1. Opportunities for women drive competitiveness



Source: Scott (2014).

Good for societies

The value of women's contributions is legally supported by the near-universal ratification of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. The international community also reaffirmed its commitment to gender equality and empowering women in the recently adopted Global Goals for Sustainable Development.

An equal and just society is a worthy goal. However, the data on social well-being reveals that contemporaneous gains for society can be achieved by economically empowering women.

BOX 1: United States - The 'exporter premium' for women-owned businesses

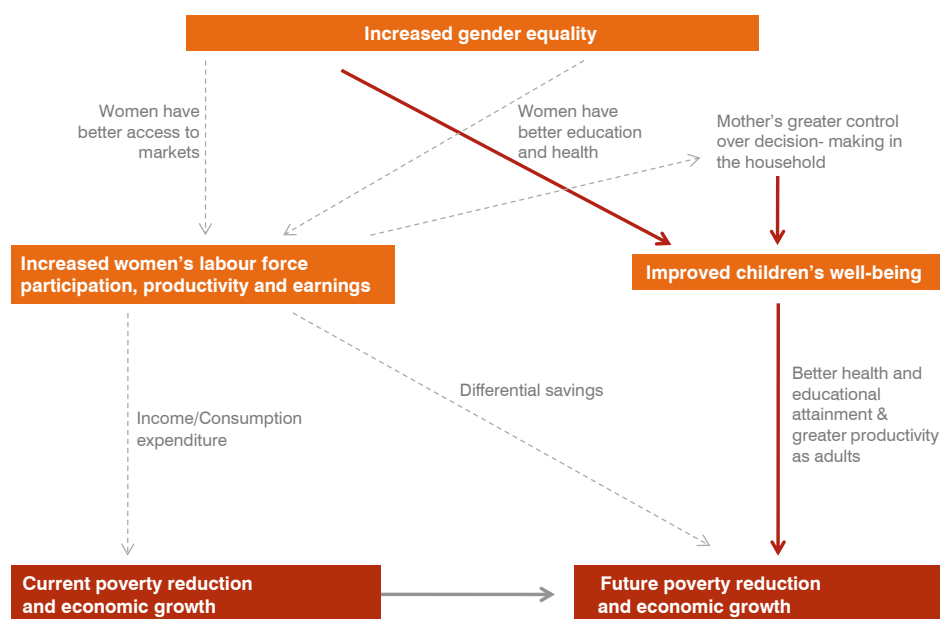
Exports by women-owned businesses lead to higher-paid jobs for US workers. On average, women-owned SMEs that export pay more, are more productive, employ more workers and report higher than average sales.

- The average pay by exporting women-owned businesses is approximately 1.6 times higher than the average pay at non-exporting women-owned businesses. This 'exporter premium', the amount which exporters pay more than non-exporters, is larger than the equivalent premium for male-owned businesses. This suggests that increasing export participation by women-owned businesses may be one route to creating higher middle-class incomes.
- Women-owned businesses that export are on average more than 3.5 times more productive than women-owned businesses that do not export. Women-owned exporting firms are also about 1.2 times more productive on average than male-owned business exporters.
- Women-owned exporting businesses employ an average of 42 people, compared to an average of eight employees at their non-exporting counterparts. This is comparable to data from the Organisation for Economic Co-operation and Development (OECD) that indicates that the average SME employs fewer than 10 people, whereas the bulk of SME exports and international investment comes from SMEs that employ more than 50 or 100 employees.
- Women-owned businesses that export report average sales of US\$ 16.3 million, compared to US\$ 816,000 in average sales for non-exporting women-owned businesses.

Source: https://www.whitehouse.gov/sites/default/files/image/strategic_case_for_women_and_trade.pdf

Literate women have healthier children. Women are more likely than men to use their increased bargaining power to buy goods and services that improve their families' welfare by reinvesting their income in children's education and health. Women invest more than men in their children's education and health: 90% of their income compared to 30–40%. This trend has the potential to break intergenerational cycles of poverty.

Figure 2. Women break through poverty



Source: World Bank (2007).

Good for women

A woman is economically empowered when she has the ability to succeed and advance economically and the power to make and act on economic decisions.⁴

Empowering women is mandatory if they are to play an active role in shaping institutions, social norms and the well-being of their communities. Empowerment gives women greater control over decisions within their households.⁵

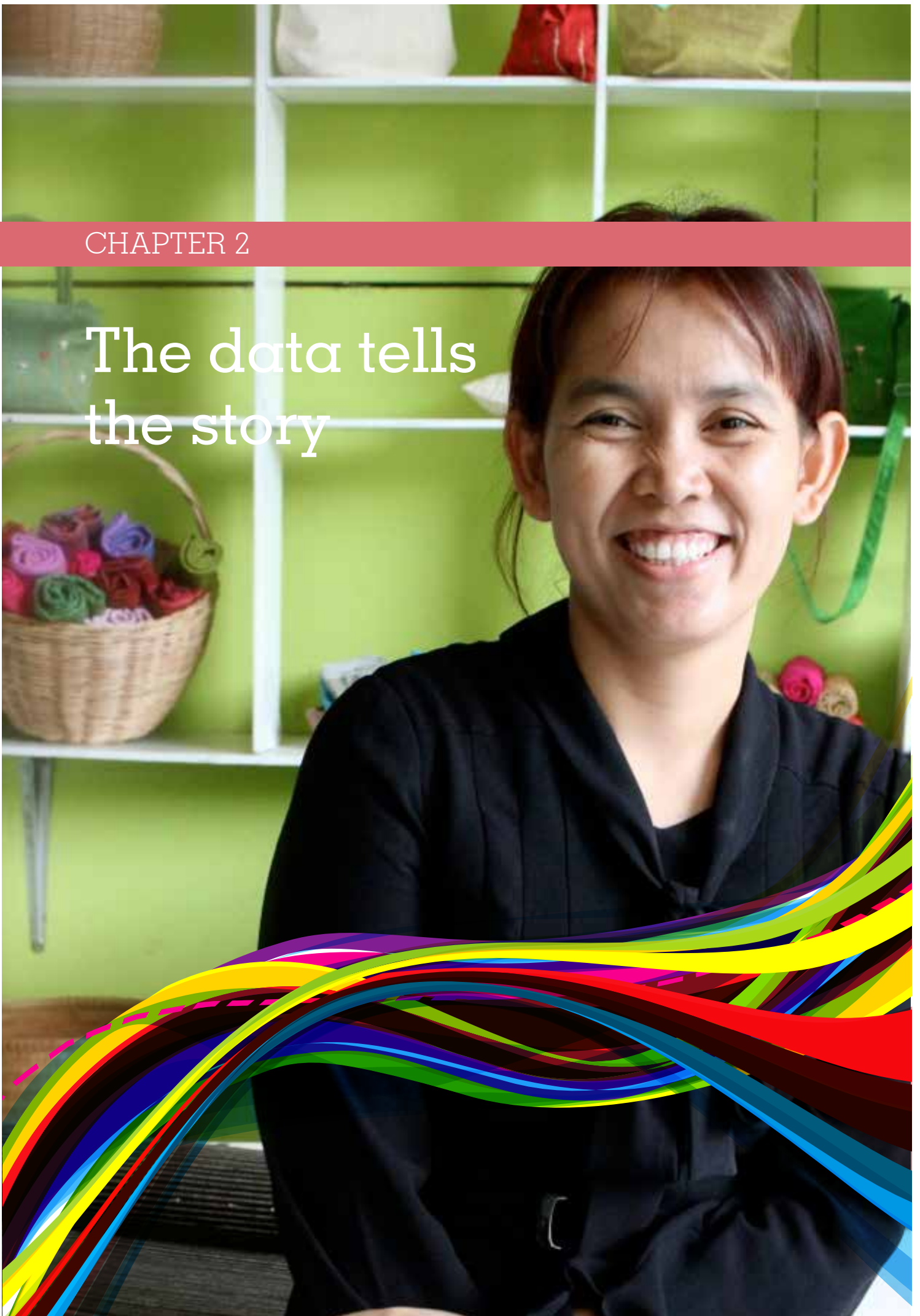
With more knowledge and analysis, such as the information in this publication, policymakers can create more effective frameworks to harness the power of women in trade.

ENDNOTES

2. <http://www.forbes.com/sites/forbeswomanfiles/2014/04/15/why-we-all-should-care-about-the-womens-economy/>
3. Seker M. (2011).
4. <http://www.icrw.org/sites/default/files/publications/Understanding-measuring-womens-economic-empowerment.pdf>
5. World Bank. (2011).

CHAPTER 2

The data tells
the story



Firms that trade are more productive than domestically-oriented firms. Employees in exporting firms earn higher wages than those in domestically-oriented firms.

While trade has brought more employment opportunities for women in export-oriented sectors and international value chains, women are often concentrated in specific sectors and job types.⁶ Low-cost flexible labour demands in export-oriented industries has often led to relatively low wages and poor working conditions in these 'female jobs'. Female-owned enterprises are often active in lower value-added activities.

For women to expand their businesses, become more productive and innovate, they need greater access to domestic, regional and international markets. Entering markets by participating in public and private sector supply chains offers women-owned businesses immense opportunities.

This chapter presents sex-disaggregated data on exporters to help develop informed policies and programmes to raise the number of women entrepreneurs and employees.

Who participates, who benefits?

The debate has moved beyond what gets traded to include who participates and who benefits from trade. For trade benefits to flow to all people, the first step is for countries to understand its collective exporter profile. For example:

- Do all exporters and aspiring exporters have equal opportunities?
- Are the challenges they face differentiated?
- Is the export participation rate the same for both sexes?
- Are they in the same sectors?

Answering these questions requires better data.

A growing number of databases, such as the World Bank's Enterprise Surveys,⁷ capture data on women's enterprise ownership and management. Yet, little comprehensive evidence is collected on how many women-owned and managed companies participate in international trade, what type of products they export or what barriers discourage women from entering international trade.

Data on women's participation in supply chains is rarely available. Because of these issues, it is difficult to draw a comprehensive picture of women's participation in international trade.

ITC Non-Tariff Measures Surveys – key findings

ITC's NTM Surveys of firms involved in trade contribute to filling the data gap about women-owned and women-managed firms.⁸ The surveys, carried out in 25 developing countries since 2010, gather insightful data on exporters and importers in developing countries. The findings contribute to a better understanding of women's limited participation in international trade.

Gender-disaggregated data from 20 of the surveyed countries reveal company characteristics such as firm size, sector, share of female employment and the gender of the company owner. For the sake of simplicity, the analysis concentrates on exporting firms, including firms that both export and import. Surveyed firms that only import were not considered in this analysis.

BOX 2: ITC gender data for exporters from 20 developing countries

Of the 25 ITC NTM Surveys conducted since 2010, 20 have been assessed for gender disaggregated data. They are listed below by region.

Asia: Cambodia, Indonesia, Sri Lanka

Americas: Jamaica, Paraguay, Trinidad and Tobago

Middle East and North Africa: Egypt, Morocco, State of Palestine, Tunisia

Eastern Africa: Kenya, Madagascar, Malawi, Mauritius, Rwanda, United Republic of Tanzania

West Africa: Burkina Faso, Côte d'Ivoire, Guinea, Senegal

Questions on female ownership and employment were first tested in Peru and Uruguay in 2010. The data from these two countries were not used as they are not comparable to data collected in ITC's more recent NTM Surveys.

Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Regional comparisons are indicative, given that only 20 countries are analysed. Comparisons will be increasingly meaningful as more countries are surveyed, which will be included in a second edition of this report. Another caveat: The data are limited to women in registered trading companies. Informal traders are not covered by these surveys.

While this data is useful to compare women's trade performance in the context of specific characteristics and policies, it does not replace the need for an additional survey tailored to national gender-related questions and in-depth gender studies.

Seven key findings emerge from a gender analysis of the ITC firm-level data:

- **Only one in five exporting firms is led by women entrepreneurs.** The rate is highest in Latin America and the Caribbean, and lowest in West Africa.
- **Women tend to work in large companies.**
- **Large exporting businesses employ a higher share of women than smaller businesses.**
- **Fewer women export and import.** Women tend to own smaller businesses in terms of number of employees than men. Small companies often lack the resources to establish an export-import business.

- **Women and men own and manage companies in different export sectors.** Women entrepreneurship is highest in the textiles and clothing sector. There is also higher-than-average women ownership in the computer, telecommunications and consumer electronics sector (23%), which is traditionally associated with male activity.
- **Female and male employees work in different export sectors.** Export sectors traditionally associated with women's activities have the highest employment rate for women. Women are most likely to work in businesses active in yarn, fabrics and textiles, clothing and leather, and leather products. Women are least represented in the workforce of trading companies active in the transport equipment, non-electric machinery and metal, and other basic manufacturing sectors.
- **Women in island countries are most represented in the workforce of exporters.** Exporters in landlocked countries are most active in the agricultural sector, as well as in the wood and paper sector, but not in the women-dominated sectors of clothing and miscellaneous manufacturing. The companies surveyed in island countries are particularly active in miscellaneous manufacturing and clothing, and are underrepresented in unprocessed agricultural products.

Quantitative literature also reports that women tend to own smaller companies. The World Bank Enterprise Survey (more than 20,000 registered firms in manufacturing and services in 62 developing countries) found that female-owned enterprises were significantly smaller in terms of sales than those owned by men.

Two World Bank studies corroborate this: Amin (2014) used enterprise survey data for more than 600 firms in six African countries (Burkina Faso, Cameroon, Cape Verde, Côte d'Ivoire, Madagascar and Mauritius). Sabarwal and Terrell (2008) surveyed 26 transition countries. These studies present strong evidence that female-owned businesses are much smaller in total employment and total sales than male-owned businesses.

Fewer women entrepreneurs participate in trade

Only 20% of interviewed trading companies in the surveyed developing countries were owned and/or managed by a woman. However, this average disguises a large variation across countries (Table 1).

A closer look at a subset of eight countries allows further differentiation among export companies that are women-owned, managed by a woman or both (Table 1).

- Women-managed firms are more 'common' than ownership in Tunisia, Cambodia and Senegal.
- In the United Republic of Tanzania and Jamaica, a woman is more likely to own an export company than manage an export firm.
- Jamaica is an outlier, with a significantly larger share of women in both company ownership and management than other countries.⁹

As the NTM Survey sample is small, no meaningful geographical patterns can yet be drawn regarding ownership and management. However, some interesting patterns have already emerged.

In Jamaica, for example, most companies with women in top positions are either owned, or owned and managed by women; only a few are managed by women but owned by men. In Cambodia, most companies are women-managed but not owned.

In Tunisia, the few surveyed companies with women in top positions are almost exclusively women-managed; women-owned trading companies are almost non-existent.

In the United Republic of Tanzania, the few companies not fully managed and owned by men are mainly owned, but not managed, by women (Table 1).

Table 1. Ownership and management of firms, by gender

	Men-owned and managed	Women-owned	Women-managed	Women-owned and -managed
Cambodia	79.00%	5.10%	8.90%	7.00%
Côte d'Ivoire	93.70%	2.00%	2.30%	2.00%
Guinea	89.90%	2.20%	0.70%	7.20%
Jamaica	64.90%	13.70%	5.00%	16.40%
Senegal	89.60%	3.50%	7.00%	0.00%
Tanzania (United Republic of)	92.30%	6.20%	1.00%	0.50%
Trinidad and Tobago	76.90%	9.00%	9.90%	4.20%
Tunisia	92.70%	0.70%	6.00%	0.70%
Grand Total	85.30%	5.50%	4.90%	4.30%

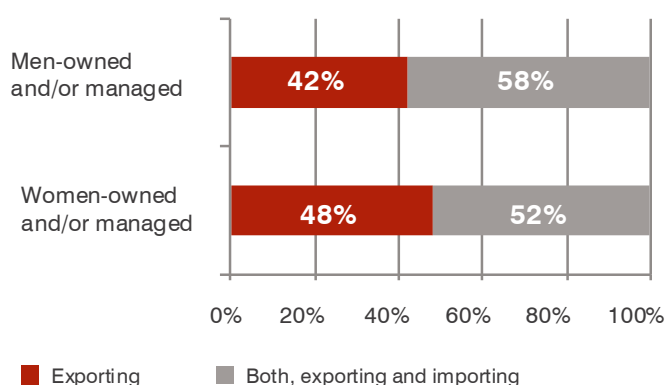
Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Note: The total represents a weighted average. See Annex 1 for methodological details on cross-country aggregation of survey data.

Fewer women both export and import

Figure 3 shows that women-owned/managed exporting firms are less likely to be engaged in imports than their male counterparts – 58% of men-owned and managed exporting companies also import goods, either as inputs into production or to re-sell. For exporting firms owned or managed by women, the share is 52%.

Figure 3. Company ownership of exporting and importing firms



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Note: Companies that only import are not considered in the figure.

This may be due to the fact that women tend to own smaller businesses, and lack resources to expand. Further research is needed to understand the causality between female firm ownership, firm size, sector of activity and productivity.

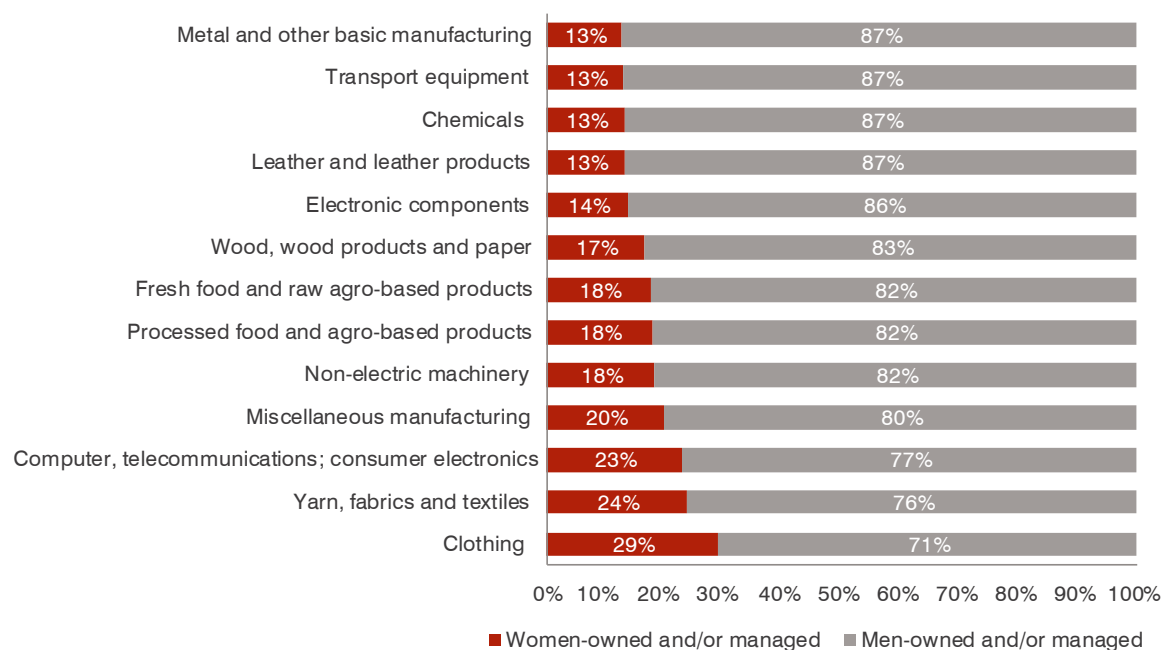
Women entrepreneurs most actively import inputs such as textiles for clothing exports or electronic inputs for computer and consumer electronics exports.

Women lead in different sectors

Women and men own and manage companies in different export sectors. Women entrepreneurship is highest in the textile and clothing sectors (Figure 4). The clothing sector has a relatively high level of women ownership (29%). There is a relatively high share of women ownership and management in computers, telecommunications and consumer electronics (23%) and, to a lesser degree, non-electric machinery (18%).

Trading companies in the metal and other basic manufacturing, transport equipment, and chemicals are rarely owned or managed by women (13%). Despite the affinity to textiles and clothing, companies exporting leather and leather products have a very low proportion of women ownership and management. In the agricultural sector – fresh and processed food and agro-based products – about 18% of exporting firms are owned or managed by a woman.

Figure 4. Women business leaders, by export sector



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

A recent World Bank multi-country study found that 50% of all jobs are considered either 'men's jobs or women's jobs'. Such traditional views of what is appropriate work for women and men can create barriers to women's entry in certain sectors and roles. This is corroborated in the company data from the ITC NTM Surveys.

BOX 3: Promoting women in non-traditional sectors

A growing number of companies have initiatives to increase women's employment in sectors considered non-traditional, according to a recent International Finance Corporation (IFC) study. Anglo American, for example, one of the world's largest mining companies, is based in London with operations in Africa, Europe, South and North America, Australia and Asia; 85% of its 150,000 employees and contractors are in developing countries. The company strategy to recruit women is driven by the pressing need to think afresh about recruitment and selection to meet the upsurge in demand for workers, from truck drivers to executives.

The company recognized long ago that it needed to start planning for this labour shortage and to broaden its recruitment thinking. 'In the face of a skills shortfall, it doesn't make business sense to neglect the potential of one-half of the workforce,' said Chief Executive Officer Seamus French. 'We need to attract more people from non-traditional backgrounds and specifically more women into our business.'

When constructing a greenfield chemical site in India, chemicals manufacturer Meghmani used consultations to encourage women's applications. The company informed women and their families that the workplace included separate changing facilities for women and men. The consultations

also explored whether other concerns could act as a barrier to women's recruitment.

Odebrecht, a Brazilian company active in engineering, construction, real estate and petrochemicals, promoted its skills training programmes at its Santo Antônio site. It conducted consultations and a publicity campaign that targeted community organizations. Many women at the consultations would leave, thinking that the training on offer was more suitable for men. Some stayed and enrolled. When these women obtained jobs, it encouraged other women to apply.

Women may be concerned about learning new skills or combining work with family responsibilities. Firms can engage with women during community consultations or job interviews, and explain how other women balance work and family responsibilities.

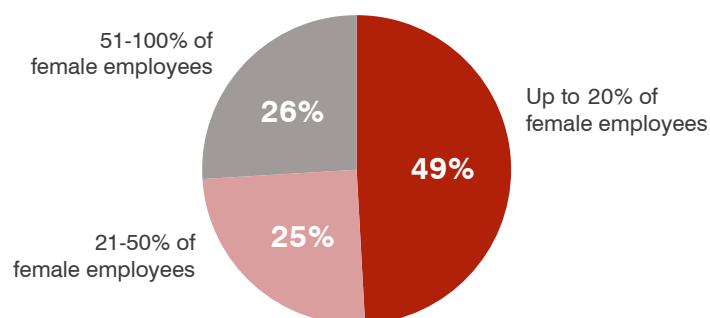
'Some women automatically assumed that shift work in the mines was incompatible with family life,' said Daniel Dominguez, Anglo American's Human Resource Manager at the copper smelter of Chagres, Chile. 'Once we explained that other women successfully combine the job with family responsibilities, for example by arranging extra childcare, they changed their minds and decided to take the job.'

Source: IFC (2013).

Women tend to work in larger companies

Across all surveyed countries, women's employment is rather low. In almost half of the exporting companies fewer than 20% of employees are female (Figure 5). In almost three-quarters of exporting businesses in the surveyed countries women's employment rate is below 50%.

Figure 5. Women employees of exporting companies

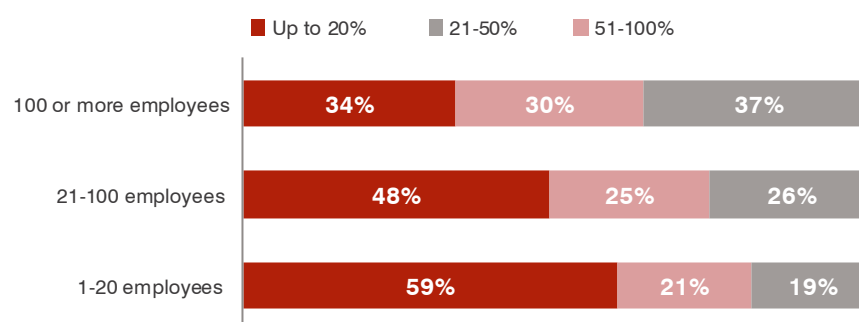


Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Large exporting businesses (100 or more employees) employ a higher share of women than smaller businesses (one to 20 employees). In 80% of small companies, men outnumber women in the workforce; women represent fewer than 50% of employees. As shown in Figure 6, this number is considerably lower for large companies (64%).

This is particularly relevant given that women are more likely to own small companies and indicates that women employment and women ownership need to be analysed as independent categories.

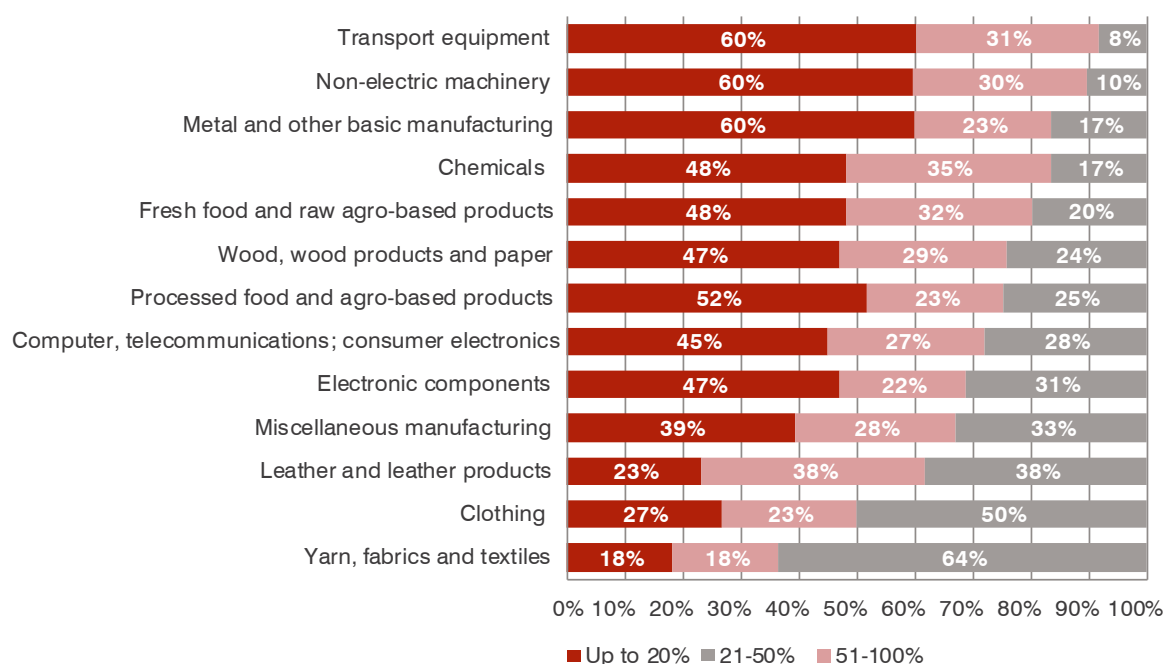
Figure 6. Women employees in exporting firms, by company size



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Women are most likely to work in the yarn, fabrics and textiles; clothing; leather and leather products sectors. They are least represented in the workforce of trading companies active in the transport equipment, non-electric machinery and metal and other basic manufacturing sectors (Figure 7).

Figure 7. Women employees in exporting companies, by sector



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

In the majority of exporting companies surveyed in the yarn, fabrics and textiles (64%) as well as clothing (50%) sectors, women outnumber men in the workforce. Only 8% of companies exporting transport equipment employ more women than men; most companies have a very low representation of women in the workforce (below 20%).

These findings echo the results for company ownership/management by sector, for which women lead in clothing, yarn, fabrics and textiles. A noteworthy exception is the leather sector, where female employment is relatively high and women entrepreneurship is very low.

Women most often own or manage small companies but tend to work in large ones. Women entrepreneurship and female employment are dominant in similar sectors, with the notable exception of the leather sector. The relationship between women's entrepreneurship and women's employment should be more closely analysed.

Table 2. Top sectors for women entrepreneurship and employment

	Top sectors by ownership/management	Top Sectors by employment
1	Clothing	Yarn, fabrics and textiles
2	Yarn, fabrics and textiles'	Clothing
3	Leather and leather products' production	Leather and leather products' production
4	Miscellaneous manufacturing	Miscellaneous manufacturing
5	Non-electric machinery	Electronic components

Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

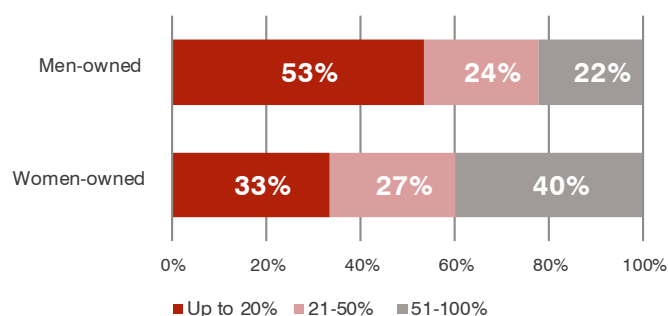
Women-owned and managed companies employ more women

Women entrepreneurs create more jobs for women. Figure 8 shows that in 40% of women-owned firms the majority of employees are female, compared to just 22% of men-owned and managed exporting companies.

Over half of male-owned managed exporters have fewer than 20% of women in the workforce. Sector activity has a greater impact than company size on women employment and ownership. Further research and statistical analysis is needed to substantiate the findings and determine the direction of causality (if any).

Research and statistical analysis is needed to determine whether women have a stronger tendency to hire women or whether companies and sectors with a higher share of female employees provide greater opportunities for women to enter management positions or to start their own companies.

A World Bank study using enterprise survey data for developing countries confirms that the share of female full-time employees is substantially higher in firms managed by women than in those managed by men, whether they are in manufacturing or in services.

Figure 8. Female employees in companies, by ownership

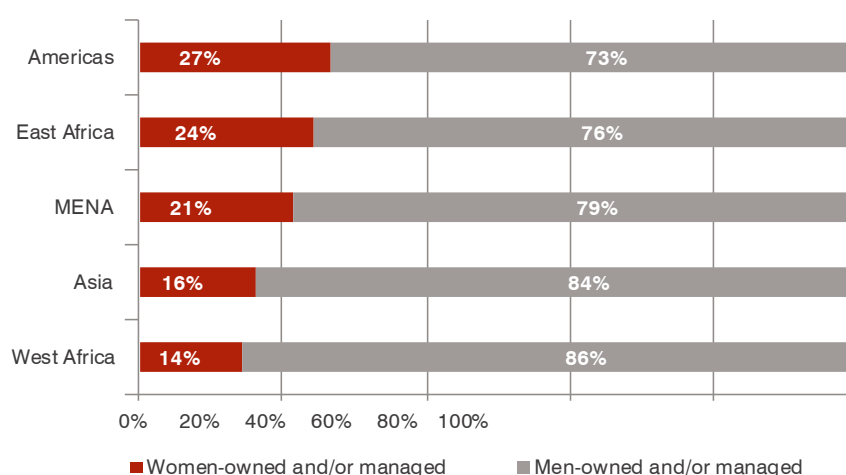
Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

The role of women in trade differs across regions

Different regions and geographic characteristics of countries, such as landlocked or island countries, differ in the types of economies and sector focus. The ITC NTM Surveys reveal gender-specific regional differences.

The findings could be useful for importing corporations and countries looking to source from women-owned companies. However, these regional comparisons are indicative and may be driven by the results for individual countries, given that only 20 countries are considered.

Women's entrepreneurship varies significantly within and across regions (Figure 9 and Table 3). On average, women's entrepreneurship is highest in the Caribbean and Latin American countries (27%), followed by East Africa (24%). In the Middle East North Africa (MENA) region, women's entrepreneurship is 21%. Women-owned and managed firms are scarce in West Africa (14%) and Asia (16%).

Figure 9. Women-owned and managed companies, by region

Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

A closer look at the country-level statistics (Table 3) shows that the high number for the Americas is driven by high level of women entrepreneurship in Jamaica (35%).

East African countries are heterogeneous. They include countries with a large share of women-owned or managed exporting firms such as Kenya (46%) and Madagascar (36%), as well as the opposite (Malawi at 8% and the United Republic of Tanzania at 8%).

Asian and West African countries are more homogeneous, with a relatively low share of women ownership of exporting companies. Burkina Faso is an outlier in West Africa. A relatively high share of 24% of surveyed companies is women-owned or managed.

Women's ownership of exporting companies in the MENA region is generally low except for Egypt, where the share of women-owned exporting businesses is among the highest of all surveyed countries (38%). Comparisons across regions will become more meaningful as ITC NTM Survey data for new countries becomes available.

Table 3. Women-owned or managed exporting firms, by country and region

	Women-owned and/or managed	Men-owned and/or managed
Americas	27%	73%
Jamaica	38%	62%
Paraguay	20%	80%
Trinidad and Tobago	23%	77%
Asia	16%	84%
Cambodia	24%	76%
Indonesia	17%	83%
Sri Lanka	12%	88%
MENA	21%	79%
Egypt	41%	59%
Morocco	16%	84%
State of Palestine	14%	86%
Tunisia	8%	92%
West Africa	14%	86%
Burkina Faso	24%	76%
Cote d'Ivoire	6%	94%
Guinea	11%	89%
Senegal	14%	86%
East Africa	24%	76%
Kenya	46%	54%
Madagascar	36%	64%
Malawi	7%	93%
Mauritius	22%	78%
Rwanda	27%	73%
Tanzania (United Republic of)	8%	92%

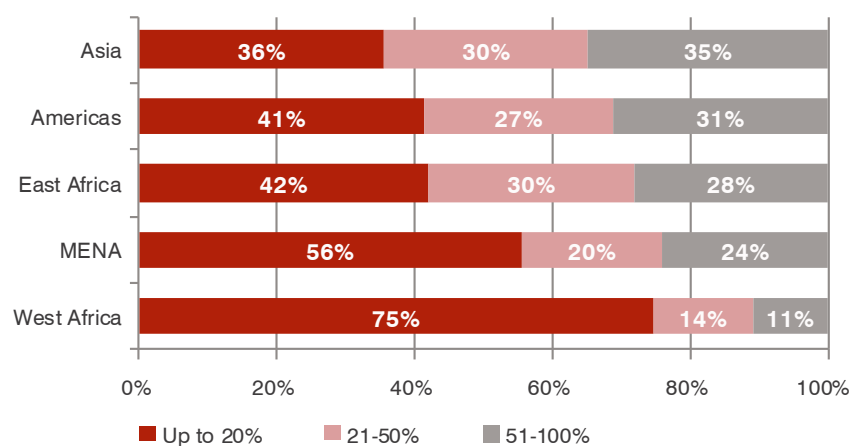
Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Note: The regional totals are weighted averages. See Annex 1, ITC NTM Survey (2015a), methodology for methodological details on aggregation of survey data.

Among the regions, Asia shows the highest share of female employees and West Africa the lowest. Surveyed companies in Asia exhibit the highest share of female employees – 35% of surveyed exporters employ more women than men – followed by Latin America

and the Caribbean with more than 30%. Women's employment is very low in the export sector of West African countries. For 75% of interviewed firms, women represent less than 20% of the company's workforce; only one out of 10 exporters employs more women than men (Figure 10).

Figure 10. Female employees in exporting firms' total workforce, by region



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

The regional groups show different degrees of homogeneity (Table 4). In Asia, surveyed exporters have moderately to very high rates of women employment, whereas employment rates for women in West Africa are all very low.

In the Americas, women's participation in exporting firms' workforce is high on average, but Paraguay has a very low level of female employment. In the MENA region, Egypt (12%) and the State of Palestine exhibit very low levels of employment of women in trading companies. In Tunisia and Morocco, women often represent the majority of the employees – in 47% and 39% of trading companies respectively.¹⁰

Egypt is an interesting case. A high percentage of women owners in exports (41% among the sample of trading companies) contrast with low labour force participation rate in the sample (12%). This reflects the overall low labour force participation rate of 24.2%.¹¹ Enterprise survey data for manufacturing firms shows a low overall participation rate in ownership (16.1%) and employees (11.8%) and top manager positions (7%).

In East Africa, the picture is mixed, with very low female participation in the United Republic of Tanzania where only 4% of companies employ more women than men; and Malawi (7%) but high levels in Madagascar (52%) and Mauritius (47%).

In the two countries with the fewest women in exporting businesses' workforce – Guinea and the State of Palestine – the majority of surveyed companies do not employ women at all: 63% and 54% of trading companies in Guinea and the State of Palestine respectively have no female employees.

Women's participation in the labour force and entrepreneurship vary considerably (Box 4). This corresponds to a 2015 International Monetary Fund (IMF) study of nearly 100 countries. The study documents a significant gender gap in the labour force in many regions, with a wide gap in the Middle East and North Africa (51%), somewhat less in South Asia and Central America (above 35%), and lower levels OECD countries and Eastern and Middle Africa (around 12%).

Table 4. Female employees in exporting firms' workforce, by region and country

	Up to 20%	21-50%	51-100%
Asia	36%	30%	35%
Cambodia	22%	29%	49%
Indonesia	34%	33%	34%
Sri Lanka	44%	26%	30%
Americas	41%	27%	31%
Jamaica	36%	25%	38%
Paraguay	78%	12%	10%
Trinidad and Tobago	26%	37%	38%
Eastern Africa	42%	30%	28%
Kenya	41%	37%	22%
Madagascar	25%	23%	52%
Malawi	61%	32%	7%
Mauritius	23%	30%	47%
Rwanda	19%	38%	43%
Tanzania (United Republic of)	72%	24%	4%
MENA	56%	20%	24%
Egypt	60%	28%	12%
Morocco	33%	28%	39%
State of Palestine	83%	10%	7%
Tunisia	38%	15%	47%
West Africa	75%	14%	11%
Burkina Faso	69%	10%	21%
Cote d'Ivoire	72%	23%	5%
Guinea	93%	3%	4%
Senegal	66%	23%	11%

Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

The IMF study shows that more equitable property rights and more equal rights to obtain a job or pursue a profession are associated with lower gender gaps in the labour force. For instance, in countries with unequal inheritance rights for girls and boys, the female workforce varies from 23% to almost 60%, where countries with more equal property rights have a female workforce of 40–60%. This suggests that other characteristics such as demographics, preferences and policies also play an important role.¹²

Regional differences exist for ownership and employment in exporting firms:

- While women's business ownership and employment in the Americas is rather high, West Africa has on average the lowest rate of female workforce participation, ownership and management.
- In Asia, ownership of exporting businesses is very low – the second lowest among the surveyed regions – while women employment is the highest among the regions.
- Cross-regional analysis confirms that women ownership/management of businesses and employment need to be analysed independently.
- There are significant intraregional variations that need to be further studied to assess the situation in individual countries.

Regional comparisons need to be reassessed as data becomes available for additional countries.

BOX 4: Regional perspectives – women in the workforce

East Asia and the Pacific: Gender gaps have narrowed in labour force participation, but intraregional differences remain. While access to basic education is no longer a first-order issue in most countries, gender ‘streaming’ in education and persistent gender stereotypes in school curricula are a concern. Gender disparities in the ownership and control of productive assets persist and appear to be less responsive to economic growth than investments in human capital.

Europe and Central Asia: The contraction of the manufacturing sector has mostly affected men, while growth in the services sector has opened up more opportunities for women. However, women’s wages are much lower than men’s and fewer women are entrepreneurs. A dramatically ageing population means there will be more elderly, especially women, vulnerable to old-age poverty, which will stretch caring needs.

Latin America and the Caribbean: Major progress in female labour force participation is due largely to more education and lower fertility rates. However, conflicting gender roles and time constraints persist. Poorer women face greater constraints. For example, marriage predicts lower labour force participation for low-income women, but for high-income women it predicts higher participation.

Middle East and North Africa: Progress has been slow in female labour force participation. Beyond factors that drive women’s work worldwide, such as decreased fertility and increased education, rigid social norms concerning gender roles and women’s decision-making are especially influential. Occupational segregation runs deep. For example, women in Egypt are more concentrated in education, agriculture and public sector jobs.

Well-intended subsidies have the perverse effect of encouraging women to stay home.

OECD countries: School enrolment is nearly universal in OECD countries. Boys are more likely to drop out of secondary school, leaving girls increasingly better educated. However, high-growth fields such as science, technology and engineering remain male dominated. Gender wage gaps persist and women are underrepresented in corporate leadership. Affordable childcare and family-friendly policies that include paid paternal leave are needed to address women’s time constraints.

South Asia: Labour force participation for women is low, especially in urban areas, and women earn 20–40% of what men earn, even after controlling for factors such as education and employment type. Most rural working women are employed in traditional agriculture. Self-employed women are more likely than men to be classified as family rather than own-account enterprise workers. Women and girls remain significantly constrained in education level, contributing to occupational segregation.

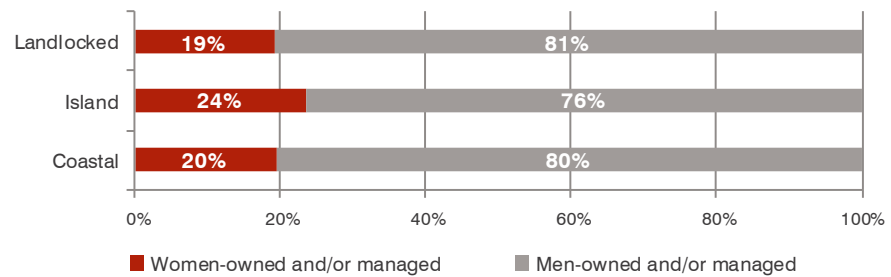
Sub-Saharan Africa: Although women’s labour force participation is high in many sub-Saharan African countries, most of the work is subsistence based, confined to farming and household enterprises. Gender earnings gaps persist. These gaps are largely explained by differences in human capital variables, such as education, training and experience. Women and girls have fewer educational opportunities and more domestic responsibilities. Lack of access to infrastructure for water and electricity compounds cultural constraints on women’s time.

Source: World Bank (2013b).

There is little difference in women’s ownership of trading businesses in landlocked, island and other countries, although they work in different sectors. Trading companies in landlocked countries are active in agriculture, wood and paper, but not in the women-dominated sectors of clothing and miscellaneous manufacturing.

However, island countries are active in miscellaneous manufacturing and clothing, and under-represented in unprocessed agricultural products (Figure 11).¹³

Figure 11. Women-owned or managed exporting firms, by landlocked, island and coastal region countries



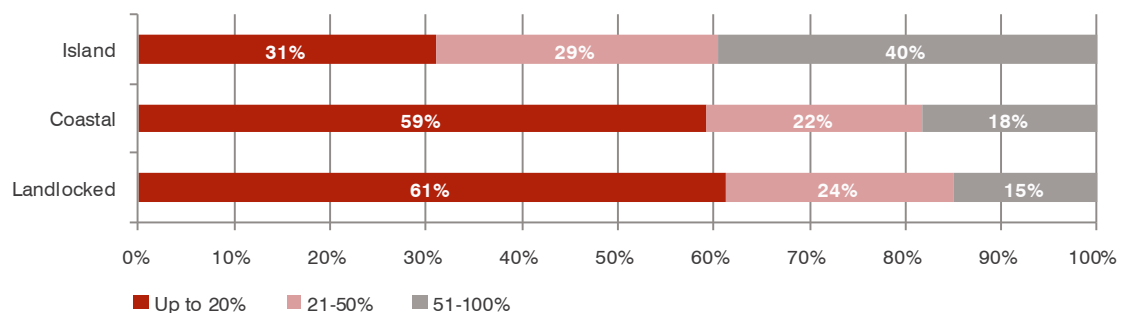
Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

Island country exporters employ more women

Women are better represented in the workforce of exporting businesses in island countries. In 40% of trading companies in island states women represent the majority of employees. This indicates that women are almost equally represented in the labour force in trading businesses in island states. Female employment rates in coastal and landlocked countries are very similar (Figure 12). Only 15–18% of surveyed companies in these countries employ more women than men.

Differences between landlocked, island and other countries merit further analysis.

Figure 12. Female employees in exporters' workforce by island, coastal region and landlocked countries



Source: ITC NTM Surveys in 20 developing countries, 2010 to 2014. Available at: www.ntmsurvey.org

BOX 5: Supporting women in small island developing States

Women play a key role in the economies of small island developing States (SIDS). ITC supports women in SIDS by linking them to global value chains. The success story of coffee farmer Marey Yogiyo of Papua New Guinea, who recently became the first woman coffee exporter to secure a premium price from an international buyer, demonstrates why it is important to support women entrepreneurs.

Olam International is one of the world's largest food buyers (annual sales of US\$ 15 billion, operating in 65 countries), bought 60 bags of coffee from Yogiyo's company in 2014 for US\$ 18,000.

'It's real. I am now an exporter,' said Yogiyo, a 56-year-old mother of five.

Yogiyo has been selling coffee to buyers in her native Papua New Guinea for 17 years. She met her new buyer at a buyer-mentor group organized by ITC and the International Women Coffee Alliance, during the Specialty Coffee Association of America's annual conference in Seattle in April 2014. ITC training provided participants with knowledge and skills to meet the demands of international buyers, position their coffee to be competitive in international markets, and fetch higher prices.

Before she could sell abroad, Yogiyo needed a permit. Following her return, ITC liaised with the

Papua New Guinea Investment Promotion Agency to facilitate the issuance of her export licence. In July 2014, Yogiyo became the first woman in the coffee sector to receive an export licence, and promptly saw the price she received rise 63% above the local rate.

The first bags of Bauka Blue coffee were shipped to the United States shortly after she received her export licence. 'After 10 years of working on perfecting the quality and looking for markets, the first order from Olam re-energized Bauka Women Coffee to see [the group] through the next 10 years,' she said.

On its website for industrial buyers, Olam emphasizes Yogiyo's story and vision for creating a distinctive product. According to Olam's website: 'She founded the group to encourage women to make coffee a way of life so that they can support themselves and their families.'

Yogiyo's export success appears set to continue. In mid 2015, a team from Olam visited Yogiyo at her farm in the highlands of Papua New Guinea for repeat business, it is expected that the value of business transacted will increase five fold by the close of 2015, with the sale of up to 300 bags of coffee to Olam.

Source: ITC (2015c).

ENDNOTES

6. This section draws upon the analysis of global value chains in Staritz, C.; Reis, J. (2013)
7. <http://www.enterprisesurveys.org/data/exploretopics/gender>
8. See Annex 1 for more information. More details on ITC's NTM Surveys and findings across countries can be found in ITC (2015a), 'The Invisible Barriers to Trade – How businesses experience non-tariff measures'. ITC's publication series on NTMs also includes individual country reports., which are available at: www.intracen.org/publications/ntm. NTM Survey results can be accessed and compared at: www.ntmsurvey.org.
9. For countries with low women ownership/management of companies, the disaggregation of the results leads to very low numbers in each category.
10. Tunisia and Egypt provide interesting cases for a comparative in-depth comparison. Egypt has a relatively high share of women-owned trading businesses, but rather low women participation in the workforce. In Tunisia, employment of women in trading companies is rather high but only very few companies are owned and/or managed by women.
11. ILO data; World Bank (2013a)
12. IMF (2015)
13. As a result, sector effects are likely to be blurred by the large within-group differences.

CHAPTER 3

Women exporters
face barriers

Do women prefer their businesses to remain small and informal, or are they constrained? Very few studies examine why fewer women trade across borders. This chapter argues that even though women and men face common barriers, the barriers to trade are greater for women due to cultural and legal constraints.

Efforts by women entrepreneurs to enter global value chains and upgrade into higher-value activities are 'complicated by limited access to key inputs such as land, finance and market information', according to a 2013 World Bank study on gender and global value chains.

The gender gap cannot be fully explained by explicit discrimination in laws or regulations. Cultural barriers and women's role in their families make it more difficult to bring their companies to the productivity levels and sizes that would enable them to compete successfully in global markets.

Regulatory biases

Legal and regulatory barriers are higher for women. This is evidenced in the 'Women, Business and the Law 2016' report (World Bank, 2015), which finds that 90% of the 173 economies surveyed had at least one law impeding women's economic opportunities. In economies with legal differentiations, survey respondents at firms owned or managed by women report paying more bribes. This suggests that a lack of legal parity creates additional business costs for women.¹⁴

In many countries, legal barriers restrict women's right to work and asset ownership. This inequality begins with inheritance rights. According to the report's data, in 33 out of 173 countries sons and daughters do not have equal rights to inherit assets from their parents; 18 of those countries are in the MENA region.

The Dell Scorecard¹⁵ finds a large gender gap for 31 countries, especially in terms of equal legal rights. Married women are especially disadvantaged. In Egypt, Malaysia and 26 other countries, a husband has veto power by law as the final household decision-maker. In India, Pakistan and Tunisia, unequal inheritance rights and work restrictions limit women's access to start-up capital and collateral. Chapter 4 describes reform initiatives to reduce this bias in three African countries.

In the MENA region, female entrepreneurship rates are the world's lowest.¹⁶ Registering a business is more difficult, in part because some countries require permission from a male guardian. Where there are limited rights to family capital for collateral, women have difficulties accessing credit. Among women entrepreneurs in five countries (Bahrain, Jordan, Lebanon, Tunisia, and the United Arab Emirates) 50%–75% applied for external financing for their businesses, and the majority were not successful. The barriers include high interest rates, collateral requirements, lack of track record and the complex application process.¹⁷ In addition, in 127 countries covered by the World Bank data, the law does not prohibit discrimination by creditors on the basis of gender in access to credit.

Women's lack of property rights, land ownership and assets constrain them in collateral-based lending – particularly when high microfinance repayment rates are not captured by credit bureaus, which denies them the advantage of reputational collateral.¹⁸ National policies addressing land ownership and equal rights to own and rent property help to eliminate these constraints. In practice, national land policies are politically charged and difficult to implement.¹⁹

Innovative lending approaches not based on land ownership offer an alternative opportunity to increase women's access to capital.²⁰ In general, credit markets still lack innovation for cash-flow based lending or exporters' credit. Chapter 4 describes some innovations to overcome this barrier.

Maternity barriers

Many firms fear that maternity may interrupt women's employment, costing employers maternity benefits and replacement labour. According to data from 'Women, Business and the Law 2016' (World Bank, 2015), 167 of the 173 countries surveyed mandate paid or unpaid maternity leave. In 49 countries, maternity leave benefits are fully carried by employers; in 32 countries the employer carries part of the costs. In countries that guarantee women paid maternity leave (co-)financed by employers, women are more expensive on the measure of short-term costs, which discourages firms from hiring them or lowers their pay.

BOX 6: Jordan's innovative national maternity fund

Employers' maternity concerns could be overcome by reforming laws to encourage employers and employees to contribute to a national maternity fund. This could reduce the cost to employers of hiring women of child-bearing age. Recent reforms in Jordan are a model of how to establish a successful national maternity fund.

Jordan's national parliament recently passed a broad social insurance reform law that extends coverage to micro-firms and adds unemployment, health and maternity benefits to the package. Until recently, the full cost of the maternity benefit,

including 10 weeks of paid maternity leave, was borne by the employer. This discouraged some employers from hiring women and may well have contributed to the very low level of female participation in the private sector.

The reform finances maternity benefits through a 0.75% levy on payroll taxes on all workers, regardless of gender. Both employers and employees contribute to a maternity fund, which is managed by Jordan's Social Security Corporation.

Source: World Bank (2013a).

Cultural biases

According to the UN 'World's Women' report (2010),²¹ in all regions of the world, women spend at least twice as much time as men on unpaid domestic work. When unpaid work is taken into account, women's total work hours are longer than men's.

In the United Republic of Tanzania, women tend to withdraw from the labour force at an earlier age than men due to their care responsibilities, according to a 2010 International Labour Organization (ILO) study. Women are more likely than men to engage in

contributing to family and own-account work, while men have a stronger tendency to gain wage and salaried employment.²²

Not only is time use a key impediment to full economic participation, gender biases are also a factor in developing and developed countries. For example, a majority of Canadian women SME exporters perceive that gender plays a role in the operation and internationalization of their firms. A survey finds that 75% of them believe that gender plays a role, including 'perceived lack of respect by male business owners, bravado, chauvinism, not being taken seriously, businessmen who refuse to do business with a woman, and verification of decisions through male employees'. Women-owned companies are therefore less likely to expand or internationalize.²³

Job or family?

In most economies women bear the primary responsibility for reproductive and unpaid work, including domestic work, childcare and caring for the sick and elderly. Time-poor women face greater disadvantages than men in responding to new economic opportunities.

In many countries, women are still expected to choose to leave their jobs once they have children as they continue to solely bear the burden for domestic responsibilities. A labour market panel survey in Jordan,²⁴ found that despite women's educational levels (which now exceed those of men), women's older age at first marriage, falling fertility rates and a growing private sector, they 'find it hard to reconcile working for wages in the private sector with their family responsibilities'.

BOX 7: The Middle East North Africa region paradox

Investments in human capital, greater levels of female education and indications of delayed age of marriage have not yet translated into increases in women's participation in economic life in the region.

This situation is known as the 'MENA paradox'. Low economic participation of women is attributed to interrelated socioeconomic, cultural, individual, structural and institutional factors.

The labour market in most MENA countries is highly segmented, with women's work and enterprise activity clustering in a narrow number of sectors considered to be culturally appropriate. Women are over-represented in the public sector, which is perceived as more accommodating than the private sector, particularly for married women. While the share of women in agriculture varies across countries, evidence points to an increasing 'feminization of agriculture' in the region.

Much of women's work is informal, offering little social insurance and entitlements and low wages. A significant portion of women's work in the region is considered 'vulnerable' employment, which means it offers them little protection against economic shocks.

Global entrepreneurship studies show that across the region women are less engaged in entrepreneurial activity than men. Women entrepreneurs tend to be operating younger businesses, over two-thirds of which are likely to be in consumer-related industries or personal services. In the region as a whole, only 54% of female business owners also act as managers for their enterprises, compared with 90% for male owners. Across the region, only a small proportion of women are in top management and executive positions.

Source: Government Social and Development Resource Center (2013).

Lack of social services, such as low-cost daycare facilities, and transportation issues further discourage some women from finding employment in the private sector.

As a result, women are pushed to self-employment due to lack of employment opportunities in a shrinking public sector, a private sector reluctant to hire due to mandatory maternity benefits and women tied to domestic roles.

Starting a business may not be a positive choice for women, but rather born out of the lack of alternative opportunities. In addition, they may not find the business environment conducive. Egypt is an example. A 2015 scorecard by the Global Entrepreneurship Development Institute, which studied how straightforward it is for women to grow businesses in 31 countries around the world, put Egypt in 28th place.²⁵

Access to capital

Limited access to land and finance pose more constraints to women than to men. Women have less access to finance because they have less physical and reputational collateral. This may explain why they are concentrated in less capital-intensive firms.

Australian women in international trade, for example, find it difficult to attract the necessary capital from local financial institutions. 'This is a strong constraint on their internationalization ambitions and a handbrake on future growth of the Australian economy'²⁶ (Box 8).

BOX 8: Australian women exporters face financing difficulties

A study of women exporters in Australia found that 74% of internationally engaged owner-operators wish to expand the number of countries in which they operate. When asked to indicate how various barriers have hindered their expansion efforts, it was apparent that women owner-operators are constrained by limited access to finance.

Most women-owned firms do not rely on banks as the primary source of capital. The majority rely on

reinvested profit. Personal savings are drawn upon by 17% of the internationally-engaged businesses and 26% of those are yet to internationalize. Funds from banks were the primary source of funding for only 20% of the internationally engaged organizations, and slightly fewer (17%) domestic businesses.

Source: WIGB-UNIMELB (2015).

Access to market information and networks

Women in business are less likely than men to belong to formal business networks. Business networks offer formal training, information, advice, access to markets, partnerships and policy advocacy, as well as encouragement and support. However, social norms and barriers may keep women from joining business networks.

According to the Global Entrepreneurship Monitor's '2010 Women's Report', women entrepreneurs in a range of countries had smaller, less diverse networks and tended to rely more on personal contacts,

The impact of networks on women's businesses in Argentina was studied by the Vital Voices Global Partnership. Balancing home and work responsibilities was seen as a major or significant barrier by 44% of women business owners in Nigeria and 37% in Argentina. This challenge was more difficult for women managers, executives and professionals. Fewer women reported difficulty in Argentina – perhaps because 51% reported no children at home, while only 28% of Nigerians reported no children at home. Some respondents requested that events be held over lunch or at other times during the work day to include women who could not meet after business hours.

Mobile phones can address information access (see Chapter 4). However, women have a low rate of mobile phone ownership. There are 300 million fewer female subscribers than male subscribers with handsets, according to the 2010 GSMA Cherie Blair Foundation report. GSMA research found that cost and the perception that it is not necessary to own a mobile phone are the two biggest barriers to connecting more women in developing countries.²⁷

Women producers find it challenging to identify and seize market opportunities. Market access and growth can be particularly daunting for women in the informal economy. For example, the Food and Agricultural Organization of the United Nations (FAO) notes that there are gaps in women's participation in extension and training services.²⁸

In Africa, male farmers were very open to working with women producers to promote new crops and change existing practices. The extension officers and technicians posed the biggest barriers; including women producers involved changing their vision, paradigms and approach. There was significant resistance. They had to work harder to incorporate new ideas and use participatory techniques to promote more inclusive practices and diagnostics.

Skill mismatches

The disconnect between education and the skills needed for private sector jobs affects women more than men. Educational systems shape gender norms in important ways,²⁹ and schools and universities do not always offer girls an enabling learning environment.³⁰ Despite the high level of educational attainment in the MENA region, a World Bank study shows³¹:

'There is a disconnect between what students learn and what productive jobs require and this problem is more pronounced for women. Following gender norms, women are inclined to study education, health and welfare, humanities and arts. These educational specializations in turn limit the job opportunities available to educated women to predominantly public sector positions in education, health, and administration. Unfortunately, given fiscal constraints, the number of new positions in these fields has been dwindling.'

A study by the UN Conference on Trade and Development³² finds that high-tech sectors, such as chemicals, electrical, electronic machinery and applications, industrial machinery and transport equipment, have a high indirect impact of services exports. These are sectors that use specialized services. Low female employment in these sectors hinders equitable distribution of gains in these sectors.

Low participation of women in high-tech industries needs to be addressed to improve gender equality, according to the study. The study recommends initiatives, such as scholarships, to encourage women to enter science and engineering studies and to improve access to technology.

Innovative initiatives to train women as business leaders are important. Chapter 4 describes several initiatives that address this issue.

Informing policy

The overall findings on firm-size and profitability can be a rationale for 'achieving better gender parity in enterprise ownership through, for example, policies that foster larger-sized firms among females'.³³

The challenges outlined in this chapter point to why far fewer women own and manage international businesses. A range of evidence confirms that women operate smaller businesses and are concentrated in a smaller range of labour-intensive sectors.³⁴

Women-led businesses export to neighbouring countries, while their male counterparts export farther abroad, according to a World Bank study on women in trade in Africa. This study concludes that female-owned firms face more constraints in trading beyond the Tanzanian border than male-owned firms.³⁵

These findings mirror women's low productivity and participation in the formal economy. Women-owned firms in manufacturing are fewer in proportion to firms owned by men in all regions, except in the Asia Pacific. In addition, far fewer women are in top management positions.³⁶

Other studies have found that women-owned businesses in the formal sector are significantly less profitable than male-owned businesses. Differences in sectoral participation are a major reason for performance gaps between the sexes. Most of these differences are attributable to the relatively smaller size of female-owned firms.³⁷

Non-tariff measures hit women harder

Modern barriers to trade often take the form of non-tariff measures (NTMs), such as standards or regulations. They can also take the form of lengthy port-handling or custom procedures. One characteristic of NTMs is that they often lead to fixed costs for exporters – costs that do not change with the number or amount of products exported.

SMEs tend to be disproportionately affected by such trade costs (ITC and WTO, 2014). Unlike large companies, most SMEs do not possess in-house trade or international departments with experts who know how to efficiently overcome relevant trade costs. SMEs tend to have limited resources and a lower threshold to absorbing risks, especially when operating in intensely competitive markets (OECD, 2006). In addition, the fact that SMEs tend to trade smaller quantities implies that fixed trade costs often make up a larger share of the unit cost of their goods when compared to rivals exporting larger volumes. Given that female owned firms tend to be smaller than male owned firms, female owned firms tend to suffer disproportionately from NTMs.

A recent ITC study using data from NTM Surveys of 11,500 firms in 23 developing countries suggests that reducing barriers by cutting red tape and streamlining border bureaucracy may lower trade costs considerably. These barriers impact both men- and women-owned and managed businesses.

ITC Surveys reveal that NTMs are particularly burdensome for small businesses in developing countries. This has greater implications for women-owned businesses because they are more likely to be smaller. For example, ITC's analysis in the State of Palestine shows that NTMs are more burdensome for women-owned businesses (Box 9).

BOX 9: More women entrepreneurs affected by NTMs in the State of Palestine

The ITC NTM Survey in the State of Palestine reveals that 56.5% of Palestinian exporters are affected by burdensome NTMs or related trade obstacles. This corresponds to the average rate among the countries surveyed by ITC.

How companies are affected depends on whether a company is owned and managed by a woman. While

the number of woman-owned companies in the survey is too small to make statistical inferences, the averages suggest that woman-owned businesses are more likely to be affected: 73.5% of woman-owned firms report challenging NTMs compared to 53.6% of businesses owned by men.

Source: ITC (2015d).

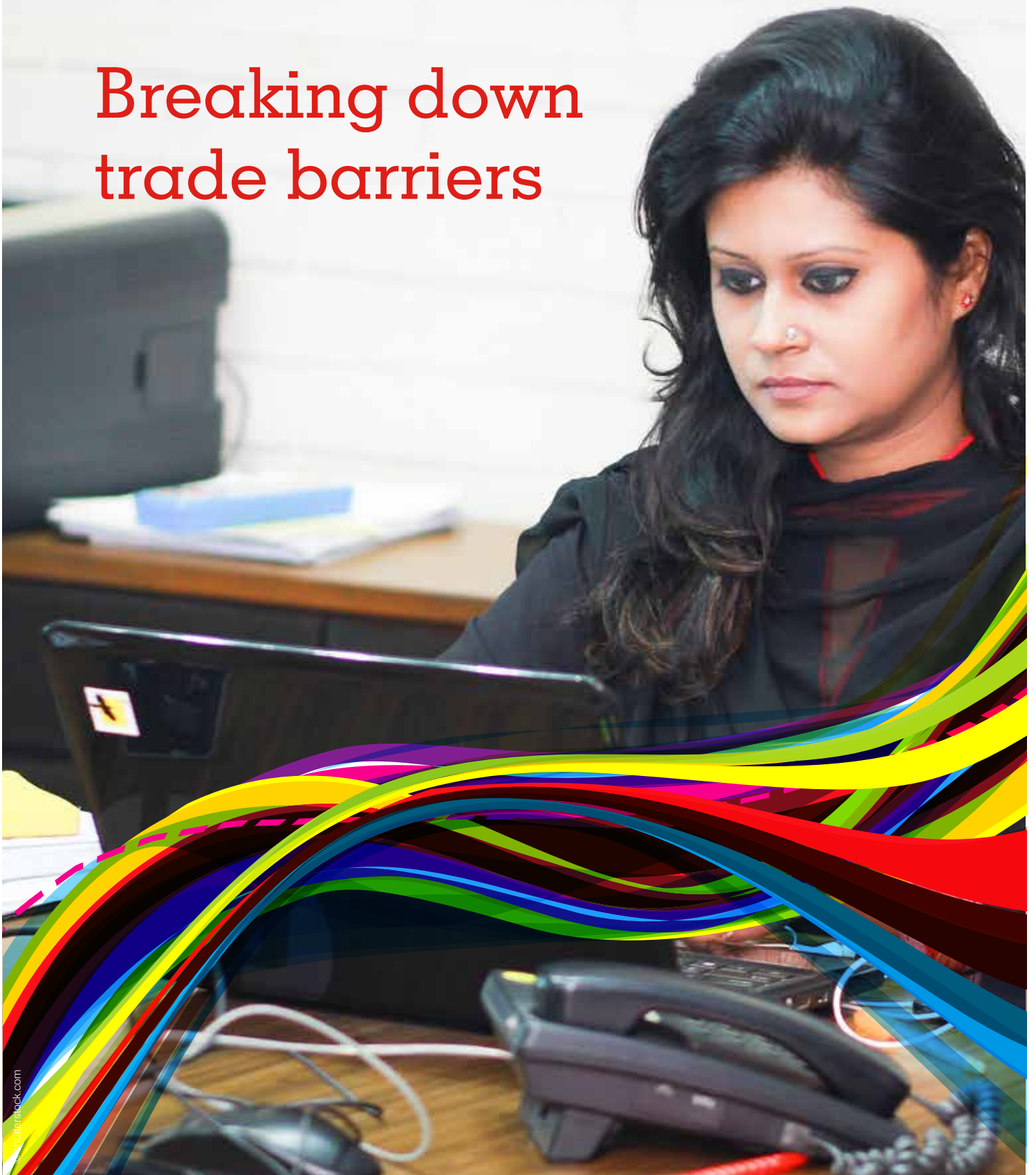
NTMs, such as sanitary and phytosanitary standards (SPS), have the greatest impact in the agro-food sector. A 2013 World Bank study shows that SPS and their lack of harmonization are a burden for small producers, many of whom are women in developing countries.³⁸

ENDNOTES

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CHAPTER 4

Breaking down trade barriers



Trade and investment support institutions (TISIs), governments, multinationals and non-governmental organizations are tackling the trade barriers outlined in Chapter 3. These initiatives help to integrate women-owned businesses in international markets and value chains. This chapter showcases successful examples, and demonstrates the linkages among barriers and solutions.

The findings highlights the need to take a multidimensional and coordinated approach towards removing barriers for women entrepreneurs by addressing several barriers at once and by coordinating the work of various stakeholders.

This chapter reveals that the initiatives undertaken by TISIs, multinationals and NGOs to increase women's participation in trade tend to include a combination of the following elements:

- Better access to finance;
- Better access to market information;
- Capacity building and training.

Targets to source from women-owned businesses are a fourth element often contained in private and public sector procurement programmes. Government action also often includes legislative actions to improve women's access to finance and land.

Trade and investment support institutions invest in women

One roadblocks highlighted in Chapter 3 is the skills mismatch. TISIs are particularly active in this area and provide specific capacity building and market facilitation to support women entrepreneurs.

The Malaysia External Trade Development Corporation (MATRADE), for example, started in 2005, with the goal to help women exporters to grow in non-traditional sectors. Personalized coaching, product and service marketing support, skills enhancement training, and other export readiness services are integral. Handholding programmes connect exporters with financial institutions and other support groups to boost their growth. Customized business coaching is complemented by links to trade finance, market and commercial intelligence, leveraging MATRADE's network of 42 offices in 35 cities.

A key is that women entrepreneurs and women's business associations participate in programme design through a consultative process. MATRADE conducts surveys and interviews with women entrepreneurs on the constraints and challenges they face as exporters, which informs the programme design.

MATRADE also contributes to overcoming cultural barriers and fighting stereotypes. It conducts gender sensitization training of officials dealing with women in trade for customs, licensing and inspection. (More details on the work of MATRADE can be found in Annex II.)

The International Women's Coffee Alliance (IWCA) is another example of capacity building. The organization supports their members – women coffee growers, roasters, exporters and buyers – to achieve the best quality in producing and processing of coffee. It trains women entrepreneurs to run their businesses more efficiently, for example by explaining how to open and maintain a bank account. ITC is also working with IWCA in the United Republic of Tanzania, Burundi, Rwanda and Uganda to strengthen the skills of these women entrepreneurs so that they can enter the market in these countries.

In Australia, women entrepreneurs are one of the fastest growing business segments in the country; however, they are less likely to become exporters. As a response, the Australian Trade Commission (Austrade)³⁹ established the Women in Global Business Programme to increase their participation in international trade and investment, and deliver economic benefits and job creation through greater diversity.

The programme includes several components aimed at capacity building and improving connectivity. It provides information and resources, support, advocacy, connection and communication services to Australian businesswomen. It works closely with stakeholders and private sector partners, offering a mentoring programme, skills and capacity building, workshops and events, research into the barriers and motivations of women as they engage with international markets, information and connections, and advocacy on the domestic and international stage. Its 'one-stop shop' model launched the first international chapter in 2015, in Indonesia, with other countries scheduled to follow in the near future, including the People's Republic of China, Peru and Viet Nam. (More information about Austrade's programme can be found in Annex II).

In Peru, several organizations work with women entrepreneurs to improve market access and connectivity. For example, the ITC project Empowering Peruvian Women Business Enterprises project in alpaca garments connects women-owned businesses to the US market. PromPeru (Peru's export promotion authority), ISUR (Instituto del Sur), Dircetur Puno (Dirección Regional de Comercio Exterior y Turismo Puno) and Amcham (American Chamber of Commerce in Peru) were involved in training women on United States market requirements. PromPeru also organized an export promotion event for these women-owned businesses to meet buyers, including two major fashion institutes in Los Angeles. These buyer-seller meetings have allowed women entrepreneurs to initiate transactions, which have resulted in potentially productive relationships.

Policies and legislation with impact

Women entrepreneurs feel the impact of the lack of legal and regulatory frameworks and weak legislative enforcement. Governments are best suited to address these barriers. Several countries have taken important steps in this direction.

Ethiopia, for example, changed its family law in 2000. It raised the minimum marriage age for women, removing the husband's ability to deny a wife permission to work outside the home, and required both spouses' consent to administer marital property. The Ethiopian case shows how reforms giving women more rights have a measurable impact on employment.

Using two nationally representative household surveys (one in 2000 just before the reform and one five years later), Hallward-Driemeier and Ousman (2015) found a substantial shift in women's economic activities. Their participation in occupations that require work outside the home, full-time hours, and higher skills rose more where the reform had been enacted. As a result, the reform, initially rolled out in selected regions and cities, is now applied across the country.

Rwandan women are more likely to own property and can provide loan collateral more easily than in neighbouring countries. This can be explained by the fact that the country changed its marital and succession law in 1999, giving women property rights, including the right to inherit land from their parents. The Inheritance and Marital Property Law protects the principle of non-discrimination and overrides customs that exclude women from land ownership. The Organic Land Law, adopted in 2005, lays out the framework for land relations and stipulates that women and men have equal rights to land. The land reforms are attributable at least in part to the predominant role women have had to assume following the genocide.

Often countries that provide equal rights may be restricted in implementation by customary laws. Namibia provides equal ownership rights over property and is trying to change customary inheritance practice. In the north-central Ondonga region, where women acquire land through inheritance, customs were changed to favour young women rather than young men. As a result, the number of young female-headed households is on the rise.

Gender in trade development strategies

Legal barriers to women entrepreneurship can be also overcome through an alternative channel, such as creating a framework with a gender-specific focus. An example is a gender-mainstreamed national trade development strategy that examines and addresses gender-specific constraints facing women in trade.

In 2010, ITC worked with the Ugandan government to integrate a gender dimension in its trade development strategy. Women were active in the coffee sector but were not deriving economic benefits for their work, nor receiving the agricultural inputs they needed to increase their productivity. This trade development strategy triggered a project to support women in the coffee sector in the country and in the region. ITC worked with the IWCA to establish national chapters in Burundi, Rwanda, the United Republic of Tanzania, Kenya and Uganda.

ITC has provided support to coffee groups in Ethiopia, the Democratic Republic of Congo and Cameroon. These groups have enabled small informal producers to become part of the formal economy. The chapters have provided a marketing channel for their coffee and have secured more than US\$ 3 million in coffee exports to international buyers seeking small lots of specialty coffee.

The experience of early adopters of gender-mainstreamed trade development strategies, such as the one developed by ITC and Uganda, shows that well-articulated and intentioned strategies are not always easy to implement. A number of challenges emerge from the first round of gender-mainstreamed national export strategies:

- Lack of awareness, understanding and appetite at the national level to integrate gender and articulate specific interventions into the trade development strategy action plan;
- Lack of gender disaggregated data to inform policy and better target the strategies being designed;
- Lack of specialized gender analysis expertise within the main ministries responsible for defining public policy, such as agriculture, industry and fisheries.

A growing number of countries, including Botswana, Jamaica, Uganda and Grenada, have completed or are moving through to the second generation of gender-aware trade development strategy design and implementation. These countries are incorporating lessons learned from their earlier experiences with implementing these policies.

Address connectivity for dramatic impact

Governments can play an active role to improve the connectivity of women entrepreneurs. Information and communications technology (ICT) has the potential to facilitate connectivity and increase women's access to markets. The World Bank (2013a) provides examples on how mobile technology has improved business efficiency in several countries.

Ghana has computerized customs services for cross-border taxes and regulations. This resulted in a decrease of abuse and sexual harassment reports, and an estimated 35% reduction in corruption (USAID 2012). In India and Kenya, phone systems have improved connectivity of rural women, including better access to food crop price information, which enabled them to negotiate better prices with middlemen.

The World Bank (2013a) highlights the importance of complementary actions and tools. The innovation of new ICT services should be accompanied by skill-building workshops held at locations and times convenient to women.⁴⁰

Public procurement opens doors

Identifying market opportunities is an area where governments can play an important role to reduce challenges. Public procurement and targets are one option to boost the participation of women-owned businesses

Government procurement accounts for over 30% of gross domestic product (GDP) in developing countries and 10% of GDP in developed countries.⁴¹ Governments spend an estimated US\$ 10 trillion per year in procurement of goods and services. Just an estimated 1% of this procurement goes to women-owned businesses. As a result, government investment in reforms and targeted assistance to increase access to public procurement can benefit women and their communities. Women lack information about government procurement guidelines, regulations and procedures. The relatively small size of their businesses hinders their ability to access large procurement contracts.

The ITC 2014 'Empowering Women through Public Procurement' guide is part of a global initiative launched in September 2014. The initiative calls on national, regional and local government agencies to increase procurement from women vendors. The ITC guide was developed after a series of wide consultations, and lays out a detailed framework to help policymakers design inclusive public procurement policies and create a more business-friendly environment for women-owned businesses (Box 10).

In 2015, ITC launched an e-learning course to train procurement officials on how to implement inclusive policies and interventions. A procurement map was released to showcase examples of how various governments are addressing the issue.

Training can empower women to deal with government bureaucracy, procurement processes, bids and quality standards. Useful public procurement training areas include preparing and submitting tenders, understanding contract terms and conditions, and learning how to work with government officials. This training can help women as they grow their businesses, expand beyond their borders as exporters, and interact with foreign governments, corporations and agencies.

Challenging entrenched viewpoints and practices for procurement policies to be gender inclusive requires strong political will, open engagement and wider dialogue on the need, as noted by a 2013 Commonwealth Secretariat study.⁴²

BOX 10: Empowering women through public procurement

ITC recommends the following measures to increase participation of women-owned businesses in public procurement markets:

- Publish all procurement opportunities on a central electronic clearinghouse website and disseminate the same information directly to women's business organizations.
- Streamline and standardize tender documentation and prequalification procedures across procuring entities.
- Permit women-owned businesses to prequalify for groups of contracts or certain categories of goods, works and services.
- Ensure one procuring agency can use the results of prequalification procedures conducted by another.
- Tailor the technical, financial and other qualification and prequalification requirements to the size and complexity of the procurement opportunities.
- Avoid bundling multiple requirements into one large contract.
- Allow sufficient time for firms to prepare tenders.
- Encourage the use of the economically most advantageous or best-value award criteria where appropriate. (However, the economically most advantageous award criteria may not be appropriate where this invites corruption or increases complexity.)
- Provide meaningful feedback to unsuccessful bidders on the strengths and weaknesses of their tenders and suggest areas for improvement.
- Implement and enforce rules regarding prompt payment of women-owned

businesses at the prime and subcontract levels; hold procuring entities and government officials accountable for the same.

ITC's initiative includes the following services:

- **An e-learning course** for public procurement officers to build awareness about the importance of women-owned businesses for a healthy economy. The course teaches how to set up procedures and targeted assistance that facilitates women-owned businesses to access opportunities.
- **A procurement map** provides data on some of the estimated 70,000 to 100,000 public procurement tenders issued around the world every day, together with information about preferential procurement legislation in countries.

The map enables women entrepreneurs to identify opportunities to do business with governments and to establish a repository of public procurement legislation around the world that specifically targets women entrepreneurs.

- **Training courses** for women-owned businesses. Levelling the public procurement playing field is only half the story. Increasing competitiveness through education, training and mentoring is the other half.

Governments that create opportunities through set-asides or targets can also support training for women. Technical assistance can be delivered through government agencies, TISIs such as women's business associations and organizations, and educational institutions.

Source: ITC (2014).

Education policy models

Governments can play a fundamental role in reducing the mismatch between education and skills for women entrepreneurs by acting at the source: girls' education.

Education policy must promote girls' enrolments and ensure that they complete the school cycle successfully. In this regard, the conditional cash transfer approach has been implemented in several countries and seems to be a promising policy (ILO, 2011). This type of policy targets very low-income households, and provides them economic incentives to encourage long-term attendance and school completion by girls (Latapí and de la Rocha, 2009).

Project results using this approach show an increase in school attendance by girls, an improvement in health outcomes of children, and a reduction in income poverty. On the other side, these schemes should also improve the quality of education. It is important to promote skills development by encouraging girls to study subjects that do not replicate the gender-segregated patterns of low-wage employment.⁴³

Finance initiatives

Financing constraints are closely related to legal and cultural barriers. For example, restricted rights to own land can limit women's access to finance. Several programmes try to provide innovative access to finance for women, such as cash flow-based loans with flexible collateral, direct credit from exporters to producers, or providing financial services through mobile phones.

In Colombia, Paraguay and Peru, Women's World Banking launched a project to address rural women's unmet financial needs, by providing individual loans based on better cash-flow analysis.

Comparing the cash-flow analysis of the households in the project and answers from interviews with women showed a striking contradiction. The women's economic contributions were perceived as unimportant compared to the main cash crop contributions (usually the husband's view). Yet the woman's income was often significant in absolute terms and was critical in facilitating cash flow and maintaining family well-being during the off-seasons.

The non-governmental organization (NGO) worked with financial services providers to develop a loan for any client with a productive activity, with minimal documentation requirements and flexible collateral. The flexibility of collateral is an important element for women, because assets, particularly land, are traditionally owned by men.

In Uganda, women struggle to access credit; women own about 39% of businesses with registered premises, but they only receive 9% of commercial credit. In 2007, the commercial bank Development Finance Company of Uganda, with IFC and the Uganda Women Entrepreneur's Association, launched the Women in Business Programme. Its special focus on SMEs provides lending to women entrepreneurs without requiring land as collateral.⁴⁴

In Honduras, credit to women has been provided directly by exporters. The country's credit market is remarkably tight, and access to finance for high-risk agricultural projects, with or without property and regardless of gender, is severely restricted. Loans to rural women are smaller than those granted to men for similar activities.⁴⁵

Honduras has expanded its exports of oriental vegetables. The production of these vegetables is strictly export-oriented, as there is no domestic market for these products. Exporters provide producers with inputs and credit, due to the tight credit markets. An exporter realized that female producers' late credit repayments were virtually zero, compared to the men's much higher rates. Financing costs for the exporter were lower among the female producers. The exporter now actively recruits female producers to the team. Female producer participation in oriental vegetables has increased to 30% over the past 15 years.

Mobile phones empower women

The mobile phone is a low-cost breakthrough in democratizing access to financial services. This can help women increase their savings by allowing them to deposit regularly. Mobile phones, as well as other alternative delivery channels, allow financial institutions to reach remote markets that may be too costly or difficult to serve.

Women's World Banking is testing ways for local merchants to accept deposits through point-of-sale terminals, as well as using mobile phone banking as a savings tool.

M-PESA in Kenya is an example of a mobile phone-based service that makes monetary transactions cheaper, faster and easier. Ethnographic research finds that M-PESA helps rural women to become less dependent on their husbands as the possibility of making transactions using their mobile phones makes travelling to a nearby bank or post office unnecessary.⁴⁶

Training and advocacy

Some initiatives show how several barriers are addressed simultaneously. WEConnect International, a corporate-led global non-profit that works to improve connectivity and skills of women entrepreneurs,⁴⁷ educates, registers and certifies women's business enterprises that are at least 51% owned and managed by one or more women. Its vision is to increase the money women earn as suppliers to large organizations, including corporations, governments and multilaterals. (The key success factors and process are in Annex II.)

WEConnect International has identified the following challenges:

- Lack of funding to meet demand;
- Lack of clarity on the best business model for expansion;
- Lack of understanding and infrastructure to address finance constraints;
- Lack of certification that buyers and sellers understand outside of the United States.

Another example of capacity building comes from the Goldman Sachs 10,000 Women Initiative. Launched in 2008, the initiative offers business and management training globally to underserved women, through partnerships between UK and US universities and business schools in focus countries.

The curriculum is developed by the business schools and adapted to the cultural context and constraints for women in each country. In Egypt, the initiative offers a five-week, fully funded certificate programme in entrepreneurship and leadership for selected entrepreneurs. The initiative is expected to certify 500 women over five years. A recent independent evaluation of the programme in India reported a positive impact on women's skills and confidence to operate successful businesses.

Business and NGOs can also intervene where collective policy and advocacy are needed to facilitate and track implementation of government legislation and targets.

The Women Impacting Public Policy, founded in 2001 in the United States, created together with American Express OPEN the Give Me 5 Program to ensure that federal government 'set asides' do not remain only in the statute boxes, but become reality. (For more information see Annex II.)

This initiative comes as a reaction to affirmative action orders and mandates during the 1960s and 1970s in support of women's business enterprises. Statistics do not show improvement. In 2000, US President Bill Clinton signed a law, enacted in February 2011, stating that the federal government should source at least 5% of its procurement from women-owned small businesses. Yet, according to the United States Small Business Administration, only 4% of federal spending was awarded to women-owned small businesses.

Women Impacting Public Policy (WIPP) educates women business owners on how to apply for and secure federal procurement opportunities. It then set up WIPP International to expand the initiative to other countries – building capacity for leadership and collaboration models, mentoring and implementing strong educational programs. It advocates to:

- Commit a percentage of federal buying opportunities for women-business owners;
- Adopt the definition of women-business ownership to be at least 51% and mandate industry certifications;
- Facilitate access to different types of capital;
- Ensure research to document the state of women entrepreneurship.

Corporate procurement

Corporate procurement initiatives are also valuable for market access. Improving their supply chain performance is an incentive to set up diversity programmes. However, the economic case for an inclusive supply chain is not well understood globally. Barriers to increasing women's share of corporate procurement remain:

- Women entrepreneurs often do not know what corporations require.
- Corporations often find it difficult to find eligible women-owned businesses. This is problematic in countries where the lack of data on women-owned businesses is pronounced.
- Even when buyers and sellers are able to connect, there are often limitations to the quantities that can be delivered and the sellers' ability to meet specifications of large corporations.

Corporations are expanding their supplier diversity initiatives to developing countries. Some are proactively seeking women-owned businesses for their supply chains and building their competencies to meet their requirements.

The International Business Machines Corporation (IBM) is an example of a company that proactively seeks women-owned businesses. The company has created processes that adhere to the local laws, and ensure opportunities to qualified suppliers. (More detail can be found in Annex II.) Companies with appropriate certification can register as diverse suppliers in a Supplier Diversity Registration Portal. IBM ensures that minority suppliers are included in every procurement request. IBM's vision is to provide a competitive advantage to its supply chain while ensuring that all qualified suppliers – regardless of race, gender, disability and sexual persuasion – are given the opportunity to participate in the procurement process.

Accenture is another example (detailed in Annex II). Its global Supplier Inclusion and Diversity programme started in 2002 in the United States and now spans more than 16 countries and three regions. The focus is to integrate more women-owned businesses into supply chains. Accenture actively sources from women-owned businesses in 14 countries. For women suppliers to be able to meet Accenture's requirements, the company has promoted a number of initiatives, including:

- Training women waste-pickers, members of the Self-Employed Women's Association (SEWA) in India, as producers of stationery from recycled paper. Accenture buys products from SEWA via Accenture's certified women-owned stationery and gifts provider Giftlinks.
- Engaging in projects to train hundreds of women-owned businesses in Nigeria, including in innovation.
- Investing in programmes to train women entrepreneurs in Turkey.

Sourcing from women-owned businesses inclusively has improved Accenture's bottom line in a number of ways, including: innovative offerings, which meet and exceed the required specifications; increased client satisfaction and new business opportunities; cost savings realized through reduced lead times and technology upgrades; and development and retention of people who are personally engaged and find this energizing and motivating.

Walmart's Global Women's Economic Empowerment Initiative leverages the company's global size and scale to empower women across its supply chain. This example (detailed in Annex II) demonstrates that participation in value chains needs to be combined with adequate skills training. This initiative pledged to:

- Increase sourcing from women-owned businesses;
- Empower women on farms and in factories through training, market access and career opportunities and help women farm workers participate more fully in agriculture supply chains;
- Increase gender diversity among major suppliers;
- Make philanthropic contributions towards women's economic empowerment.

Since the launch of Walmart's Global Women's Economic Empowerment initiative, in five tracked international markets the company has increased annual spending among women by more than 21% from 2012–2015. Walmart's key initiatives to support women include:

- **Directory.** A global Women-Owned Business Directory for buyers to identify the women-owned businesses with the highest growth potential from all of its international markets.
- **Training.** An initiative in partnership with WEConnect International to create six e-learning modules in Spanish and English to help current and potential suppliers navigate the process of supplying to Walmart.
- **SME platform.** Empowering Women Together, a platform for opportunities for small businesses with less than US\$ 10 million in annual revenue.
- **Branding.** The Women-Owned page at Walmart.com features products from certified women-owned businesses and thousands of products featuring a new 'women-owned logo'.

ExxonMobil has made comprehensive diversity and inclusion efforts in its supply chains. ExxonMobil's US-based supplier diversity programme (detailed in Annex II) proactively includes qualified minority- and women-owned business enterprises in its procurement, which achieved over US\$ 1 billion in spending in 2014 through direct purchases and through its prime suppliers.

Since 2005, ExxonMobil and the ExxonMobil Foundation have helped women in more than 90 countries by investing in developing women entrepreneurs in business and farming, supporting research to identify effective interventions and deploying technologies that accelerate women's economic advancement.

In 2014 ExxonMobil started sourcing directly from women entrepreneurs. The ExxonMobil Foundation and local procurement organization, in conjunction with WEConnect International, hosted more than 300 women during four 'meet the buyer' sessions in Nigeria. The workshops held across the country aimed to:

- Provide insight into options in accessing corporate business opportunities;
- Train women-owned businesses on how to interact with multinational companies;
- Enable competitiveness through training on procurement practices, total system cost reduction and strategic collaboration;
- Introduce women-owned businesses to ExxonMobil's diversity programmes.

The workshops also helped participants to build linkages with government agencies focused on women to help ensure women are able to access the resources they need to grow and sustain their businesses.

BOX 11: The UN Women's Empowerment Principles

The UN Global Compact is the world's largest voluntary corporate sustainability initiative. It offers guidance to businesses on how to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anticorruption.

In 2010, the UN Global Compact, in partnership with UN Women, launched the Women's Empowerment Principles – seven principles for business on how to empower women in the workplace, marketplace and community.

These voluntary principles emphasize the business case for corporate action to promote gender equality and seek to elaborate the gender dimension of corporate responsibility, the UN Global Compact and businesses' role in sustainable development. Responding to requests from businesses, the initiative developed a gender-specific reporting guidance, offering practical advice on how to report on implementing each of the seven principles.

A recent analysis shows how companies are reporting on gender. Among the respondents reviewed (185

companies out of 819 signatories) far fewer (28%) corporations reported market-related initiatives relative to women's workforce participation initiatives (82%). The percentage of women suppliers was also one of the least reported categories. Clearly, there is lot of ground to be covered.

To facilitate achieving the principles, the Women's Empowerment Principles initiative partnered with the ITC-led Global Platform. For corporations, it provides an opportunity to:

- Broaden the vendor pool and access new product and service options;
- Identify opportunities to expand and invest in women-owned businesses;
- Advance corporate social responsibility and supplier diversity commitments and goals;
- Contribute to women's economic empowerment and sustainable development.

Source: Women's Empowerment Principles http://weprinciples.org/files/attachments/Call_to_Action_Support_and_Invest_in_Women's_Entrepreneurship.pdf

Childcare for low-income workers

Stereotypes about women's weaker labour force commitment and employment options are nourished by a lack of policies and initiatives in the area of women's unpaid care workload, as per Berik (ILO, 2011). Most workplace initiatives provide childcare for higher-level workers in large firms and in financial or business services. However, there is an unmet demand for childcare by low-wage workers (Hein and Cassirer, ILO, 2010b). The authors report that Chile, Kenya and Thailand provide examples of childcare provision for rural agricultural workers in a gender equitable manner through public-private partnerships and employer tax incentives (ILO, 2010b).

ITC leads a global Call to Action

The initiatives showcased in this chapter demonstrate how much has been done to support women entrepreneurs to address the barriers they face. Most importantly, this report highlights the challenges that remain. Challenges are also highlighted by the UN Global Compact (Box 11), whose Women's Empowerment Principles demonstrate that a lot of ground has yet to be covered.

The examples show that barriers and solutions are interlinked. This highlights the need for a multidimensional and coordinated approach to remove barriers for women entrepreneurs: by addressing several barriers at once and by coordinating the work of different stakeholders.

ITC has made important steps in this direction. The ITC-led Global Platform, established in September 2010, has grown into a network convening partners purchasing over US\$ 1 trillion in goods and services annually and representing more than 50,000 business women. It provides an avenue through which organizations committed to women's economic empowerment can operationalize their pledges to increase the integration of women-owned businesses in to the global economy.

This year is a milestone in terms of partner commitment to support women entrepreneurs and to scale up impact. In September 2015, partners around the world convened in São Paulo, Brazil and launched a five-year Call to Action to bring one million entrepreneurs to market by 2020. The aim is to grow the global economy through women's participation in trade.

The ITC-led Call to Action followed extensive consultations with governments, the private sector and civil society organizations across the world. It is the result of a shared understanding and urgency that including more women-owned businesses in trade can help global growth and sustainable inclusive development. It also reflects the shared experiences of *what* to do and *how* to do it, to unlock women's full economic potential.

ENDNOTES

39. The Australian State and Territory Governments, supported by Austrade.
40. World Bank.
41. Kirton, (2013).
42. *ibid.*
43. ILO (2011).
44. IFC (2009).
45. Fletschner and Kenney (2011).
46. Morawczynski and Pickens (2009)
47. WEConnect International was launched at the end of 2009 by some of the largest and most inclusive corporations in the world: Accenture, Alacatel-Lucent; AT&T, Cisco Systems, Inc.; EY; Hewlett-Packard Company; IBM Corporation; Intel; Manpower, Inc.; Motorola Solutions, Inc.; Pacific Gas and Electric Company; The Boeing Company; Verizon; and Walmart Stores, Inc.

CHAPTER 5

A road map for
women in trade

The Global Goals for sustainable development provide an opportunity to place women's economic empowerment at the forefront of global economic development policy. Doing so would represent an important change. According to a recent UN Secretary-General's report, only 2% of global economic development aid explicitly targets gender equality.

While there is no 'magic bullet', ITC has led the development of a road map for women in trade, adopted in September 2015 in São Paulo, Brazil (see Chapter 4). The gathering convened shapers of global trends including representatives of networks of some 50,000 business women, trade support organizations, the private sector and policymakers around the world.

Based on extensive consultations, they launched a five-year Call to Action to bring one million women entrepreneurs to market by 2020 to boost women's participation in trade. The collaborative efforts behind the Call to Action to bring 'a million to market', is in effect, a road map to rapidly boost the participation of women in the global economy. It has eight pillars for policy and programming action:

- **Better data.** Collect, analyse and disseminate data on women's economic participation, to shape policies and programmes with impact.
- **Sensitive trade policies.** Create trade policies and agreements that enhance women's participation in trade.
- **Access to public procurement.** Empower women-owned businesses to participate in the US\$ 10 trillion annual public procurement market. Their current share is an estimated 1%–5%.
- **Diversity in corporate procurement.** Create corporate procurement programmes that embed diversity and inclusion in value chains.
- **Certifying women-owned businesses.** Set up mechanisms to certify ownership and eligibility of women-owned businesses.
- **Improving business environments.** Address supply side constraints that especially affect women-owned businesses.
- **Bridging the finance gap.** Close the gap between men and women for access to financial services gap.
- **Adopting reforms.** Ensure legislative and administrative reforms guarantee women's rights to ownership and control over resources.

Better data

Data on women's international trade activities is scarce. With political commitment, trade-related institutions can rapidly mainstream the collection, analysis and dissemination of data in their existing research. Among the data research needs:

- What factors shape entry, types of enterprises, sectors and growth decisions among exporting businesses owned and managed by women. Who decides to internationalize and why? What are the entry barriers for exporting firms? What constrains expansion?
- What do comparative studies show on gender differences for the impact of non-tariff measures and related trade obstacles? Do NTMs affect the growth and diversification of women-owned businesses?
- Are patterns of women's employment and ownership in trading companies different from the overall female representation in the work force as employees and as entrepreneurs? How might these patterns differ among regions?
- What are the effects of including more women in global value chains?

ITC, for example, has made a commitment to contribute to generation, analysis and dissemination of data on women in trade.

Its future NTM Surveys are being adapted to reflect NTMs affecting women.

ITC will also track progress towards the Call to Action annually, as part of its ongoing work.

MATRADE is a good model when it comes to data collection, analysis and dissemination related to women's economic participation. Their surveys and interviews with women entrepreneurs on constraints and challenges they face as exporters enables them to shape policies and programmes.

Such efforts are needed to provide an evidence base that informs the development of meaningful policies and programmes, and secures buy-in from key stakeholders.

Sensitive trade policy

Current policies have little or no awareness of the embedded disadvantages faced by women entrepreneurs.

Gender-based inequalities affect trade policy outcomes, performance, and women's access to markets, according to research conducted by the United Nations Conference on Trade and Development.

Public procurement

Public procurement constitutes up to 10%–15% the GDP of developed countries and up to 30%–40% of GDP for the world's poorest 50 countries, according to ITC research. Women-owned businesses receive only a tiny fraction of that market. Women-owned businesses have been largely excluded from the market due to lack of access to information on bids, understanding of procedures and ability to meet requirements.

Governments can combine their roles as buyer and policymaker. For public procurement, inclusive legislation, regulations, executive orders, policies, practices, and institutional training for women-owned businesses do not add costs to taxpayers, and do generate social benefits. TISIs also contribute to public procurement by training women-owned businesses to participate to bidding processes.

The recent ITC publication, 'Empowering Women through Public Procurement', guides governments through adjustments to the procurement process and supply-side capacity building (www.intracen.org/publication/Empowering-Women-Through-Public-Procurement).

Corporate procurement

Positive government action serves as a powerful example to businesses to increase the inclusiveness of private sector supply chains.

Corporate procurement programmes can lead the way to embed diversity and inclusion in global value chains, shown in the cases of IBM, Accenture and Exxon Mobil (see Chapter 4 and Annex II).

Certification

To target suppliers, training initiatives and track progress, women-owned businesses need validation of their status.

Governments and TISIs can establish or work with existing certifying bodies to assess and annually review the ownership and management of women-owned businesses.

A better business environment

National governments have to be firmly in the driver's seat to tackle obstacles that women face in setting up businesses, participating in corporate and public procurement, and extending their reach into productive sectors of international trade.

This goes beyond implementing reforms that directly impact women. By improving law and order, tackling corruption and increasing transparency and efficiency, gender-neutral measures have a far-reaching impact on women who are time- and resource-poor and may have less experience in navigating systems.

Reforms that increase access to water, improve roads, ensure safe transport to and from work, and ensure reliable electricity are similar in nature.

Among business environment measures specific to women are those that ensure equitable access to the legal system, including through alternative dispute resolution methods.

Policies and services that release women to pursue paid work, such as child care, healthcare provisions, maternity and paternity leave can facilitate women's participation in international trade.

Financial services

Women entrepreneurs are more likely than their male counterparts to cite access to finance as a major or severe constraint on their business operations. Sometimes women are also held back by lack of information and financial literacy. Examples of measures that restrict women's access to finance include those that prohibit women to open a bank account, enter into a contract or work without requiring consent of their husbands.

Financial institutions have not yet fully realized the opportunities of meeting the financing needs of women entrepreneurs as a distinct customer group.

Mobile technology is likely to be part of the solution to address this gap.

Ownership rights

Ownership rights make it possible for women to start businesses, and to provide the collateral necessary to finance growth and expand into international markets.

Nearly all governments have signed treaties and have national constitutions that support women's rights.

An urgent right for governments to address is the barrier to women's equal property rights. Without property rights, it is challenging to start a business and to obtain the necessary capital to grow and internationalize.



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ANNEXES



Annex I

Survey Methodology, 2010 to 2014

‘No society has become prosperous without a major contribution from its women.’⁴⁸

The following summarizes key elements of the NTM Survey methodology. For information on the survey implementation in and results of specific countries, please refer to the country reports in the ITC publication series on non-tariff measures (www.intracen.org/publications/ntm) as well as the NTM Survey data website at www.ntmsurvey.org.

More details on the methodology, including aggregation methods and weighting of countries, can be found in ITC (2015), *The Invisible Barriers to Trade – How businesses experience non-tariff measures* (www.intracen.org/publication/The-Invisible-Barriers-to-Trade---How-Businesses-Experience-Non-Tariff-Measures/).

ITC's surveys on non-tariff measures

ITC's NTM Surveys are implemented upon government request and as part of the ITC programme on non-tariff measures. The surveys identify trade impediments to exporting from and importing into the surveyed countries at the product and partner country level. The resulting comprehensive database of regulatory and procedural trade obstacles sheds light on the de facto market access conditions faced by businesses and allows designing measures to facilitate imports and exports. Since 2010, ITC carried out NTM Surveys in over 25 developing and least developed countries on all continents.

Surveys are based on a global methodology. The core part of the NTM Survey methodology is identical in all countries, enabling cross-country analyses and comparison. The survey questions on women's firm ownership/ management and on the share of female employees are part of the core. A country-specific part allows flexibility in addressing the requirements and needs of each participating country.

Scope and coverage of the non-tariff measure surveys

NTM Surveys require a representative sample allowing for the extrapolation of survey results to the country level. NTM Surveys are undertaken among companies exporting and importing goods. Companies trading services are excluded, as a survey on NTMs in services would require a different approach and methodology. Yet, the NTM Survey includes companies specializing in the export-import process and services, such as agents, brokers and forwarding companies. The answers provided by these trading agents are in most cases analysed separately from the answers of the companies that export their own products.

Surveys cover at least 90% of the total export value of each participating country, excluding minerals and arms. The economy is divided into 13 sectors:

- Fresh food and raw agro-based products;
- Processed food and agro-based products;
- Wood, wood products and paper;
- Yarn, fabrics and textiles;
- Chemicals;
- Leather;
- Metal and other basic manufacturing;
- Non-electric machinery;
- Computers, telecommunications, consumer electronics;
- Electronic components;
- Transport equipment;
- Clothing;
- Miscellaneous manufacturing.

Typically, all sectors with more than a 2% share in total exports are included in the survey. Companies trading arms and minerals are excluded.

NTM Surveys cover legally registered companies of all sizes and types of ownership. Depending on country size and geography, one to four geographic regions with high concentrations of economic activities (high number of firms) are included in the sample. The business registers used for NTM Surveys only contain registered trading companies. ITC usually relies on business registers provided by the national government and/or local trade and business associations (including women business associations). It cannot be guaranteed that the registers are representative for the gender dimension.

Two-step approach

The representatives of surveyed companies, generally export/import specialists or senior-level managers, are asked to report regulatory and procedural trade obstacles experienced by their companies in the preceding year. The survey process consists of telephone interviews with all companies in the sample (step 1) and face-to-face interviews undertaken with companies that reported difficulties with NTMs during the telephone interviews (step 2). The data on women ownership/management and female employment are gathered during step 1.

Survey questions on firm ownership and employment

In the telephone interview, two questions are assigned to capture sex-disaggregated data on firm ownership/management and employment:⁴⁹

Is your company owned or operated (managed) by a woman?

- No
- Yes, the company is owned by a woman
- Yes, the company is managed by a woman
- Yes, the company is both owned and managed by a woman
- I do not know

What percentage of your employees is female?

- *No women*
- *Less than 5%*
- *5-10%*
- *11-20%*
- *21-30%*
- *31-40%*
- *41-50%*
- *51-60%*
- *61-70%*
- *71-80%*
- *81-90%*
- *More than 90%*
- *I do not know*

ITC's database contains responses from more than 6,400 trading companies for the 20 countries covered by this report. All results presented in this report are based on responses of trading companies and neither allow inferences on overall women representation in the workforce nor on general female ownership in these countries.

Confidentiality

The NTM Survey is confidential. Confidentiality of the data is paramount to ensure the greatest degree of participation, integrity and confidence in the quality of the data. The paper-based and electronically captured data are transmitted to ITC at the end of the survey.

Sampling technique and sample size

The selection of companies for the telephone interviews of the NTM Survey is based on the stratified random sampling. Companies are stratified by sector, as the type and incidence of NTMs are often product-specific. Then simple random samples are selected within each sector.

The NTM Surveys aim to be representative at the country level. A sufficiently large number of enterprises should be interviewed within each export sector to ensure that the share of enterprises experiencing burdensome NTMs is estimated correctly and can be extrapolated to the entire sector. To achieve this objective, a sample size for the telephone interviews with exporting companies is determined independently for each export sector. For importing companies, the sample size is defined at the country level.

Exporting companies have difficulties with both domestic regulations and regulations applied by partner countries that import their products. Although the sample size is not stratified by company export destinations, a large sample size permits a good selection of reports related to various export markets (regulations applied by partner countries). By design, large trading partners are mentioned more often during the survey, simply because it is more likely that the randomly selected company would be exporting to one of the major importing countries.

The number of successfully completed telephone interviews typically ranges from 150 to 1,000, with subsequent 100 to 350 face-to-face interviews. The number of telephone interviews is mainly driven by the size and the structure of the economy, availability and quality of the business register and the response rate. The sample size for the face-to-face interviews depends on the number of affected companies and their willingness to participate in the face-to-face interviews.

Survey data analysis

The analysis of the survey data consists of constructing frequency and coverage statistics along several dimensions, including product and sector, main types of NTMs, and various characteristics of the surveyed companies.

Caveats

An effort is made to ensure the representativeness and high quality of survey results. However, several caveats must be kept in mind.

First, the NTM Surveys generate perception data, as the respondents are asked to report burdensome regulations representing a serious impediment to their exports or imports. The respondents may have different scales for judging what constitutes an impediment. The differences may further intensify when the results of the surveys are compared across countries, stemming from cultural, political, social, economic and linguistic differences. Furthermore, some inconsistency may be possible among interviewers (e.g. related to matching reported measures against the codes of the NTM classification) due to the complex nature of NTMs.

Second, in many countries, a systematic business register covering all sectors is unavailable or incomplete. As a result, it may be difficult to ensure random sampling within each sector, and a sufficient rate of participation in smaller sectors. Whenever this is the case, the survey limitations are explicitly provided in the corresponding national survey report.

ENDNOTE

48. United Nations (2013).

49. Please note that the questionnaire was slightly modified in mid-2011, which affected the answer options for the gender-specific questions. Regarding women ownership/management, the surveys that were launched before July 2011 only allow distinguishing between companies that are owned and managed by a man and companies that are owned and/or managed by a woman, without distinguishing between firms that are managed, owned or both managed and owned by a woman. In terms of employment, the earlier surveys did not contain the first answer option of 'no women'.

Annex II

Bringing down barriers to women entrepreneurs

MATRADE: Grooming women exporters

The Malaysia External Trade Development Corporation (MATRADE) has an interesting model for promoting women's participation in trade.

MATRADE's Women Exporters Development Programme started in 2005. Within three years, export sales climbed up to RM 9.8 million (approximately EUR 2.2 million). From a base of 10 women-owned businesses, the programme has graduated 1,700 women exporters among 14,000 active exporters. Most of them work in non-traditional sectors such as chemicals, electronics and medical equipment.

MATRADE's support includes personalized coaching, product and service marketing support, skills enhancement training and other export-readiness services. Businesses are selected to participate in the programme after an onsite business/factory visit and the completion of an export-readiness assessment evaluation.

MATRADE's support to women entrepreneurs starts with identifying potential exporters and grooming them for growth. Hand-holding programmes connect them with financial institutions and other support groups to expedite their growth. Customized business coaching is complemented by links to trade finance, market and commercial intelligence, leveraging MATRADE's network of 42 offices in 35 cities.

A key feature of the programme is that women entrepreneurs and women's business associations participate in the programme design through a consultative process. MATRADE conducts surveys and interviews with women entrepreneurs on constraints and challenges they face as exporters, which informs the programme design at the end of each programme session.

Know-how, financing and contacts are the three challenging areas for women, as MATRADE sees it.

Its 'How-to-Series' addresses women's information needs as part of a broader reach to all exporters, to raise their awareness of trade logistics procedures and processes. MATRADE also holds gender sensitization training of officials dealing with women in trade for customs, licensing, and inspection. It promotes positive images by publishing the successes of women in trade, who are contributing to the country's economy and inclusive growth.

'MATRADE has helped me access new markets and expand our potential to sell products. I have been introduced to markets I may not have visited, such as the Middle East and India,' said Cindy Chong, Founder and Managing Director of NCL Solutions, a participating firm in the programme.

'The business meetings and exhibitions under the MATRADE umbrella give added credibility to our effort in developing international trade.'

Source: Interview with Dr. Wong Lai Sum, former Chief Executive Officer, MATRADE

Australia: Fighting the decline in women exporters

An Australian corporation conducted a survey covering 2007 to 2009, and found that women-led exporting businesses were low and declining – from 11% to 9%. The Australian government was concerned. Women entrepreneurs are one of the fastest growing business segments in the country, yet they are less likely to become exporters. Clearly there were inequities that were not being addressed by existing government support programmes.

Australia established the Women in Global Business Programme to support women entrepreneurs to engage in trade. 'If you support women in their business endeavors, those businesses will perform better on all business indicators. This grows the economy and creates jobs. The programme was not established as a gender programme,' said Austrade. Following the programme's success, it is being replicated in other countries.

The programme is a joint initiative of the Australian State and Territory Governments, supported by Austrade. The objective is to increase female participation in international trade and investment, and deliver economic benefits and job creation through greater diversity.

The programme provides information and resources, support, advocacy, connection and communication services to support Australian businesswomen. It works closely with stakeholders and private sector partners, offering a mentoring programme, skills and capacity building, workshops and events, research into the barriers and motivations of women as they engage with international markets, information and connections, and advocacy on the domestic and international stage. Over its four-and-a-half years of operation, the Women in Global Business Programme has developed a one-stop shop model, which is a government body for aspiring, emerging and developed women exporters.

The proof of concept has come with domestic and international recognition of the programme, its growth and evaluation of the outcomes. In March 2015, the first international chapter was launched in Indonesia. China is scheduled for late 2015 or early 2016. Peru, Viet Nam, the Philippines, Papua New Guinea and others are interested. The UK Trade Ministry has expressed interest in establishing a similar programme.

The vision is to have regional hubs of Women in Global Business TISIs or other relevant organizations, each partnering and collaborating, sharing know-how and experience with the same mission: to inspire and empower businesswomen to grow their businesses internationally. Rather than reinvent the wheel with each chapter, each can accelerate by sharing best practices.

To establish such a programme, a country should define its rationale. The first step is to identify data that indicates whether all exporters and aspiring exporters are benefitting equally from the programmes provided by TISIs. For example, if women-led businesses are exporting at lower rates, then clearly there is justification for a programme to address that. The most logical place to house such a programme would be in national TISIs, to lend credibility and connections. In those countries where the government is seen as a hindrance, partnering with a private sector organization might make sense.

Source: *Interview with Cynthia Balogh, National Programme Manager, Women in Global Business (WIGB)*

United States: Building collaborative advocacy policies

Women Impacting Public Policy (WIPP) is a US-based advocacy coalition that uses its unified voice for policy advocacy and capacity building to help women entrepreneurs benefit from the 5% federal contracting goal for women-owned businesses.

Founded in 2001, the coalition counts some five million businesswomen in 80 business organizations. Its success has led it to develop international chapters as well.

The key challenges that the coalition encountered and sought to address as it built this initiative were:

- Federal legislators lack understanding of the impact of women business owners on the economy.
- Women entrepreneurs lack understanding of issues that affect their business.
- Women entrepreneurs need to advocate on their own behalf, as well as the businesswomen's community.

The Give Me 5 Program, named after the 5% federal contracting goal for women-owned businesses, was created by WIPP and American Express OPEN to educate women business owners on how to apply for and secure federal procurement opportunities.

WIPP's main learning: 'It was difficult to educate leaders of organizations on the need to collaborate and work together for the good of the businesswomen's community. However, strong businesses have leaders who understand the connection between policy, education, advocacy and leadership and become strong advocates and build sound, growth-oriented companies.'

The group's success is based on the implementation of a collaborative advocacy model for women entrepreneurs tying together policy, education and advocacy, together with significant legislative successes.

Source: *Interview with Jennifer Bisceglie, President, WIPP International*

IBM: Choosing the right path through supplier diversity

For the International Business Machines Corporation (IBM), supplier diversity is not just the right thing to do – it is 'the value brought to its customers, its products and services and to its bottom-line'. This all-inclusive strategy helps IBM ensure that it does not close the door on suppliers without understanding their value proposition. At the same time, this avoids IBM losing out on the next technological breakthrough.

Michael K. Robinson, Global Procurement Program Director, Supplier Diversity and Supplier Connection, says: 'If supplier diversity is to be sustainable, companies need to simply seek the best supplier as IBM does, and they will find out that diverse suppliers deliver value.'

Diversity is not new at IBM. Robinson explains: 'It is in our DNA and started with our first CEO Thomas Watson. This philosophy continues with our current CEO, IBM's senior executive team, our chief procurement officer and the entire global procurement organization. We do this because we've looked for the best employees regardless of

race or gender since the 1800s and we've expanded that to include sexual persuasion, disability, and so on. So knowing the ingenuity, innovation and impact to revenue associated with a diverse workforce, it was natural transition to create our Supplier Diversity Program.'

Going forward, IBM's vision is to provide a competitive advantage to its supply chain while ensuring that all qualified suppliers – regardless of race, gender, disability and sexual persuasion – are given the opportunity to participate in the procurement process. While there are always challenges, IBM believes in 'blazing new paths'.

One of the company's biggest challenges was to ensure that diverse suppliers were given the opportunity to participate in IBM's supply chain globally. To do this, IBM had to create global processes that adhered to the local laws, but ensure that they gave opportunities to qualified suppliers and communicate why this was essential to IBM's growth.

For other corporations not yet fully convinced of the business case, IBM's message is: 'There is a business case to outsource the product/service you're procuring or it wouldn't be outsourced. If you don't include all suppliers who have the technology, are innovative, responsive, cost efficient and agile, to be a part of the procurement process, you are not providing value to your supply chain and your company.'

For women entrepreneurs' looking to partner with corporations IBM's message is: 'Understand what you're selling, your core competence and your customer. You may love the product/service that your company provides, but if it doesn't fit into a corporation's supply chain, that is not your customer.'

Source: *Interview with Michael K. Robinson, Global Procurement Program Director, Supplier Diversity and Supplier Connection, IBM*

Accenture: Stepping up the women supplier base

For Accenture, a leading professional services company, being inclusive means being representative of the world it serves both in its supply chain and within its four walls. 'Accenture has a significant opportunity to use our procurement organization to create long-term value for our clients and promote sustainable and inclusive business practices among our network of suppliers and within their communities around the world.'

Accenture's global Supplier Inclusion & Diversity programme reflects this objective. Starting in 2002 in the United States, the programme now spans more than 16 countries and three regions. The global focus of this programme is to integrate more women-owned businesses into supply chains.

In 14 of these countries, Accenture actively sources from women-owned businesses and trains women entrepreneurs in conjunction with its partners. The company's Skills to Succeed corporate citizenship initiative advances employment and entrepreneurship opportunities worldwide. Together with its strategic partners, Accenture aims to equip more than three million people with the skills to get a job or build a business by the end of fiscal year 2020.

Stepping up the women supplier base is integral to creating greater socioeconomic impact and promoting shared value. Some of Accenture's initiatives for supporting women entrepreneurs include:

- Training a group of women waste-pickers who are members of the Self-Employed Women's Association (SEWA) in India as producers of stationery from recycled paper. Accenture buys products from SEWA via Accenture's certified women-owned stationery and gifts provider Giftlinks.
- Engaging in projects to train hundreds of women-owned businesses in Nigeria, including in innovation, and in conjunction with WEConnect International Nigeria and a major energy client.
- Investing in several tranches of funding and skills in programmes to train women entrepreneurs and to help set up WEConnect International in Turkey.

Sourcing from women-owned businesses inclusively has improved Accenture's bottom line in a number of ways including: innovative offerings that meet and exceed the required specifications; increased client satisfaction and new business opportunities; cost savings realized through reduced lead times and technology upgrades, for example; and development and retention of people, who are personally engaged and find this energizing and motivating.

Key success factors for Accenture's Supplier Inclusion & Diversity programme include:

- Deciding in which countries to be active in and on which aspects to focus;
- Understanding the local legislative and business environment;
- Encouraging and recognizing local champions, which encourages other champions to get involved;
- Having the right partners and collaborations. An example is Accenture's partnership with WEConnect International in 12 of the 14 countries where it works with women entrepreneurs. In the United States, Accenture works with the Women's Business Enterprise National Council. Such collaborations, with a range of stakeholders in the ecosystem, help draw from the partners' combined resources.

Going forward, more collaborative efforts are needed to realize the goal of integrating more women in value chains as 'only through powerful collaboration ... can we create shared value in an inclusive, sustainable way', says Marianne Schoenig, Global Non-United States Supplier Inclusion & Diversity Lead at Accenture.

Source: *Interview with Marianne Schoenig, Global Non-United States Supplier Inclusion & Diversity Lead, Accenture*

Walmart: Increasing women's participation across the supply chain

Walmart's Global Women's Economic Empowerment initiative, launched in 2011, has established five goals:

Increase sourcing from women-owned businesses: Between 2011 and 2016, the company committed to spend US\$ 20 billion on sourcing from women-owned businesses in the United States and double sourcing from women suppliers internationally.

Empower women on farms and in factories through training, market access and career opportunities: New programmes to help 60,000 women working in factories

that supply products to Walmart and other retailers develop the skills they need to become more active decision-makers in their jobs and for their families. The initiative also helps women farm workers participate more fully in agriculture supply chains.

Empower women through job training and education: Successful retail training programmes will be scaled to help 200,000 women internationally. In the United States, Walmart will support 200,000 women from low-income households to gain job skills and access higher education.

Increase gender diversity among major suppliers: The company works with major professional service firms and merchandise suppliers with over US\$ 1 billion in sales to increase women and minority representation on Walmart accounts.

Make philanthropic contributions towards women's economic empowerment: The company supports these programmes with more than US\$ 100 million in grants that drive progress against key goals. Funding comes from the Walmart Foundation and donations directly from Walmart's international businesses.

Source: <http://news.walmart.com/news-archive/2011/09/14/walmart-launches-global-womens-economic-empowerment-initiative>

ExxonMobil: Sourcing directly from women vendors

ExxonMobil believes that supporting women has an important 'powerful multiplier effect that benefits all of society'. This belief is reflected in ExxonMobil's comprehensive diversity and inclusion efforts in its supply chains. This strategic demographic dimension fits in with the company's work related to economic development in the areas where it does business, frequently referred to as 'local content'.

ExxonMobil's US-based supplier diversity programme, for example, proactively includes qualified minority- and women-owned business enterprises in its procurement, which achieved over US\$ 1 billion in spend in 2014 through direct purchases and through its prime suppliers. In recognition of its efforts, the Women's Business Enterprise National Council has named ExxonMobil a 'Top Corporation' for the past nine years.

Since 2005, ExxonMobil and the ExxonMobil Foundation have helped women in more than 90 countries fulfill their economic potential and drive economic and social change in their communities. ExxonMobil has invested more than US\$ 82 million to help community-based and global organizations implement programmes directly benefiting tens of thousands of women by developing women entrepreneurs in business and farming; supporting research to identify effective interventions; and deploying technologies that accelerate women's economic advancement.

Building on these initiatives and working in close cooperation with WeConnect International, in 2014 ExxonMobil started sourcing directly from women entrepreneurs. The ExxonMobil Foundation and local procurement organization, in conjunction with WEConnect International, hosted more than 300 women during four 'meet the buyer' sessions in Nigeria. The one-day workshops held in Abuja, Akwa Ibom, Lagos and Port Harcourt allowed women business owners the opportunity to engage with and learn from ExxonMobil and WEConnect International representatives. The goals of the sessions included:

- Providing insight into the barriers and options that exist in accessing corporate business opportunities;
- Training women-owned businesses on how to interact with multinational companies;

- Enabling women entrepreneurs to become more competitive suppliers through training on procurement practices, total system cost reduction and strategic collaboration;
- Introducing women-owned businesses to ExxonMobil's diversity programmes.

These workshops allowed participants to share business profiles, strategies, challenges and future plans. They introduced the women to several ExxonMobil Foundation-supported organizations and programmes, including Vital Voices, Solar Sister and Plan International's Global Women in Management workshop. Additionally, it helped build linkages with government agencies focused on women to help ensure women are able to access the resources needed to grow and sustain their businesses. As a result of the workshop, two Nigerian women-owned companies, Le Look Nigeria and Mazuka Nigeria Ltd, secured business with ExxonMobil.

Working with WEConnect International, ExxonMobil's vision is to continue mentoring and fostering the sustainability of women-owned businesses in countries where it works. While it is still early days to draw any major conclusions for its international supplier diversity initiative of including women vendors, ExxonMobil considers its key relationships with organizations such as WeConnect International as central to the success of the programme.

Source: *Interview with Natalie Stirling-Sanders, Global Manager, Local Content, Supplier Diversity and Sustainable Procurement, ExxonMobil*

WEConnect International: Connecting women to global markets

In 2007, the Women's Business Enterprise National Council (WBENC), the largest third-party certifier of businesses owned, controlled, and operated by women in the United States, launched a global business committee chaired by AT&T. Members of this committee worked with the non-profit Quantum Leaps on a strategy for delivering business education and certification to women-owned businesses based outside of the United States.

The corporate members assumed that if it was good business to buy from women suppliers based in the United States, then it should be good business to buy from women suppliers in all of the markets they serve. WBENC decided to stay focused on the United States market and support the launch of a similar, but an independent non-profit that could serve women-owned businesses outside of the United States.

WEConnect International was launched at the end of 2009 by some of the largest and most inclusive corporations in the world: Accenture, Alcatel-Lucent; AT&T, Cisco Systems, Inc.; EY; Hewlett-Packard Company; IBM Corporation; Intel; Manpower, Inc.; Motorola Solutions, Inc.; Pacific Gas and Electric Company; The Boeing Company; Verizon; and Walmart Stores, Inc.

Major challenges WeConnect International is facing:

- Not enough funding to meet demand means that they have had to do more with less;
- Not being clear on the best business model for expansion means they had to learn from trial and error, fail fast, share learnings, and constantly refine and improve;
- Not working with an educated ecosystem means they had to educate the public sector, private sector, and civil society about what they do and how to engage;
- Not offering a certification that buyers and sellers understand outside of the United States means that they had to sell the value to buyers and sellers in each target market.

Key success factors:

- Corporations founded the organization because they want to buy more from women;
- The 501(c)3 non-profit structure allows it be a membership organization;
- Women business owners get direct access to business knowledge and networks;
- Buyers and sellers update their information every year for quality data collection;
- Consistent focus on the mission and measurable impact.

Achievements

Since it was incorporated in 2009, WEConnect International has:

- Established itself as the leading global NGO offering women direct access to buyers;
- Measured more than US\$ 3 billion in member-spend with women suppliers;
- Educated more than 7,000 women business owners based in 90 countries;
- Delivered a proprietary searchable eNetwork with 5,200 women-owned businesses;
- Offered local services in 17 countries that represent half of the world's population.

Source: *Interview with Elizabeth A. Vazquez, CEO and Co-Founder of WEConnect International*

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