

# **BMZ – GDI Workshop**

**Workshop on “The Doing Business Agenda & Beyond:**

**Smart policies for competitiveness & social inclusion”**

**Economic Opportunities for Women:**

**Leveling the Playing Field**

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“Gender and women’s empowerment is at the core of what we need to do in the field of development. Gender equality is also smart economics.

Research demonstrates that progress in the area of women’s economic empowerment is still far, far too slow. Whether it is the question of employment, opportunity, pay, or access to finance, there is a tremendous amount of work to do to level the playing field for women.”

*Robert B. Zoellick, President,  
World Bank Group*

# Outline

- WBG Gender Action Plan
- WBG GAP Doing Business Partnership
- What do we know?
- Research Examples
- Case Studies & Advocacy for Reform

# WBG Gender Action Plan

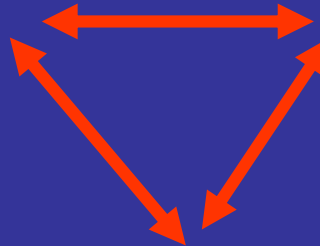
Aim: Advance women's economic empowerment  
*in the product, financial, land, & labor markets to*

- *Promote shared growth*
- *Accelerate the implementation of MDGs*

## GAP Framework

### Policy level

Make markets  
work for women



### Agency level

Empower women to  
compete in markets

### Institutional level

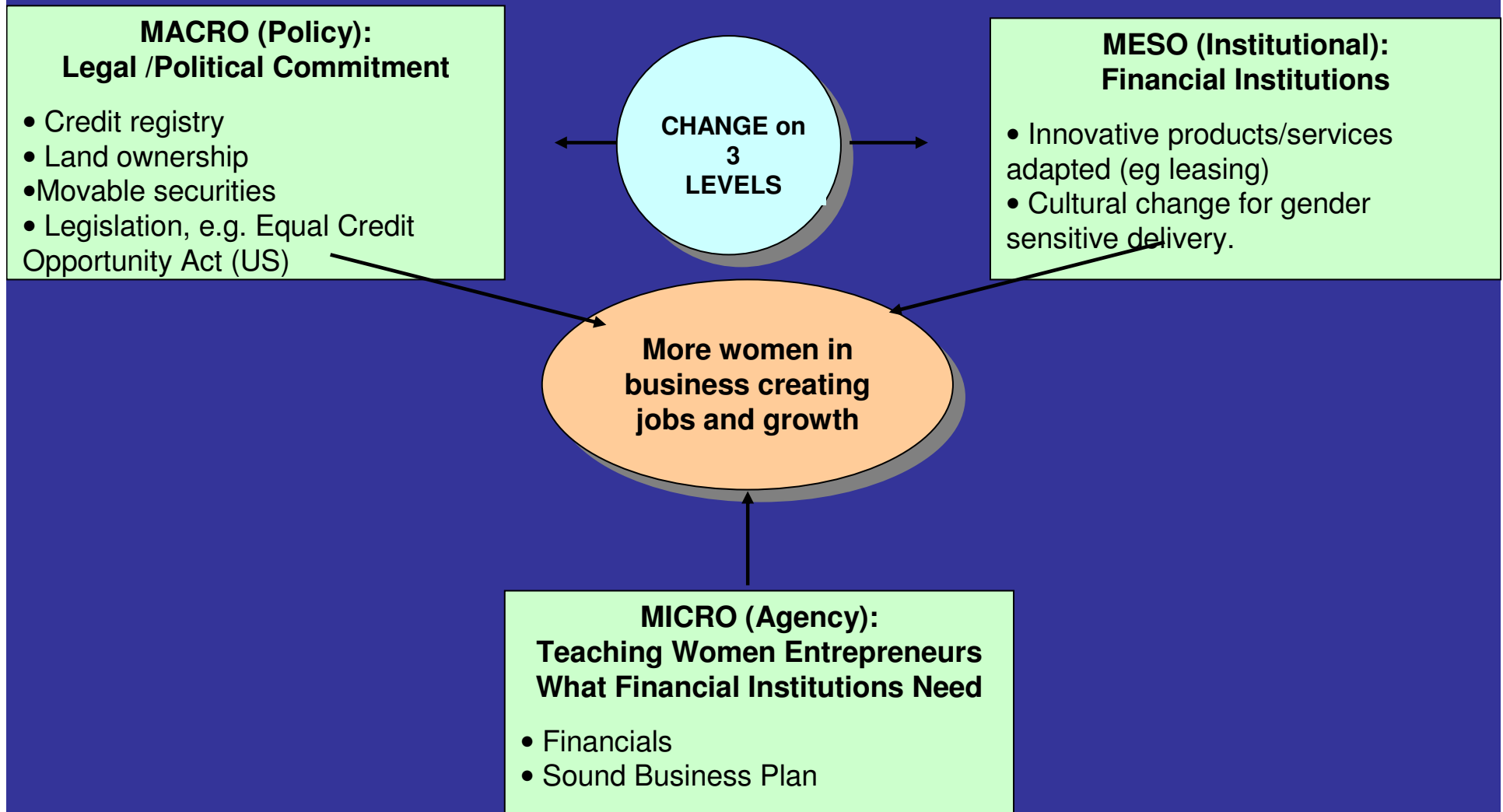
Create market opportunities for  
women (PSLF)

# Policy Framework for Gender Equality

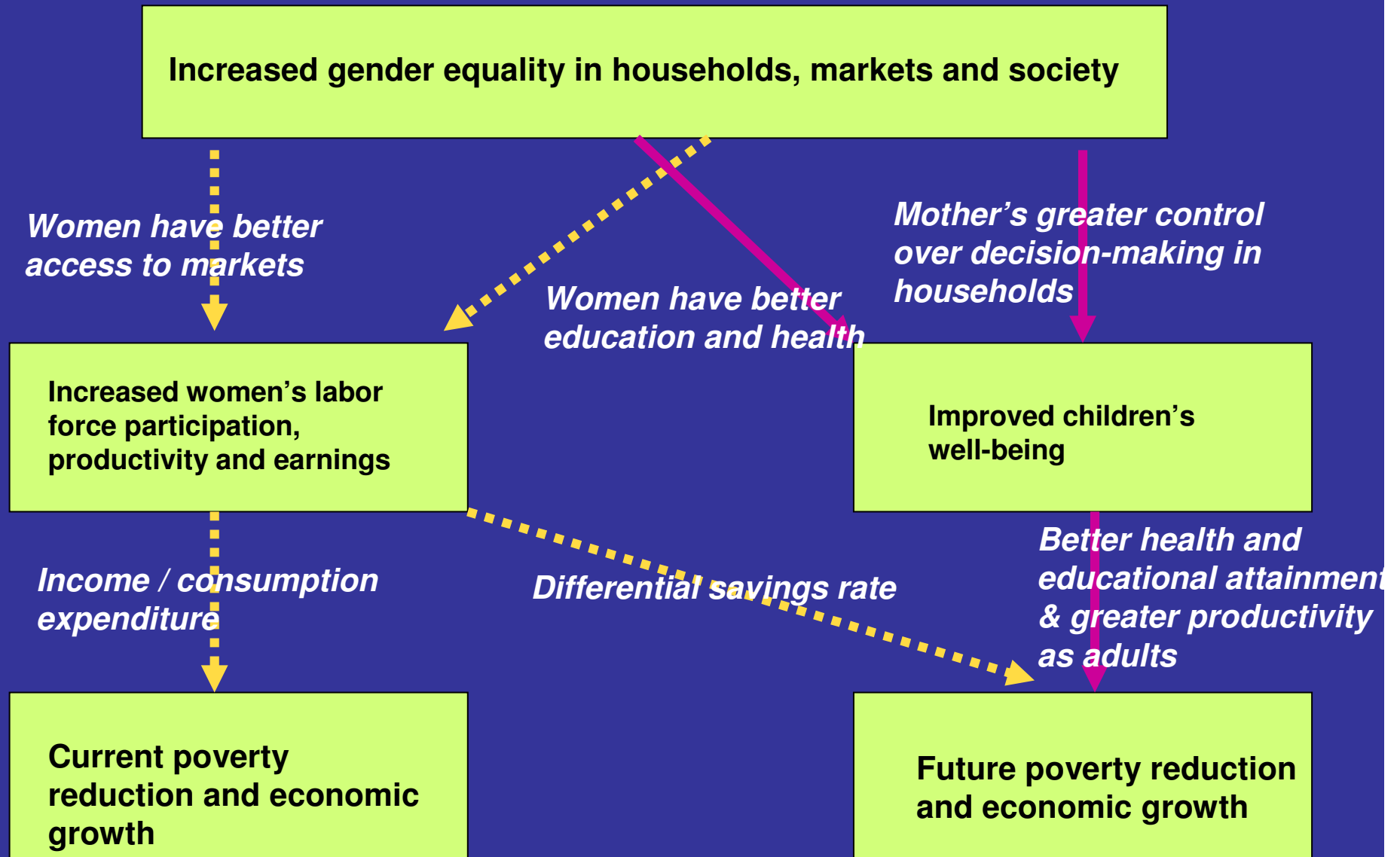
- Legal and constitutional reforms to level the playing field (Make markets work for women)
- Responsive institutions to implement reform & change social norms (Create market opportunities for women)
- Pro-active policies (Empower women to compete in markets e.g BDS/training)



# GAP Framework Model: Access to Credit



# Gender equality is smart economics



# WBG GAP - Doing Business Partnership

## 3 key components

1. Identify laws & regulations that impact women's ability to be economically active:

- Gender Law Library - now fully mainstreamed

2. Research

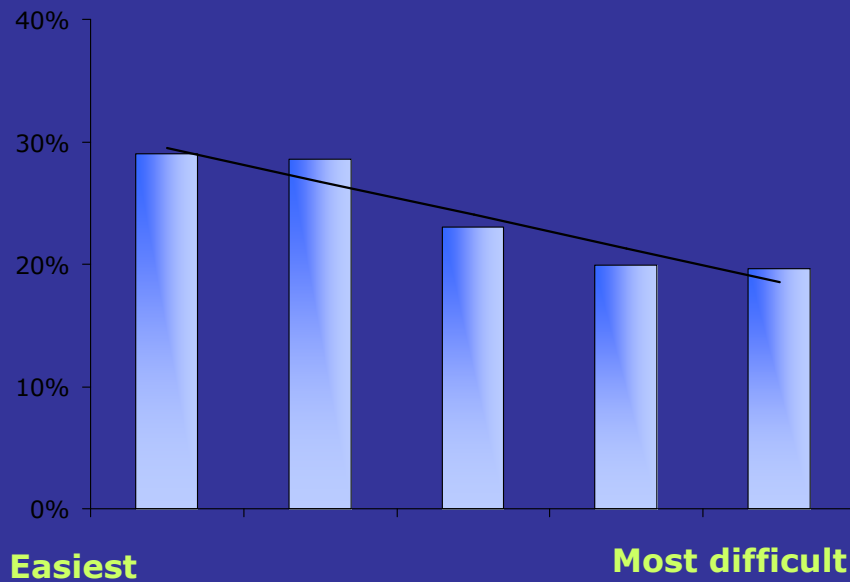
3. Case studies on women entrepreneurs (their successes & challenges)

Advocacy for reform (Vital Voices/Gates Foundation/APEC Women Leaders Network)

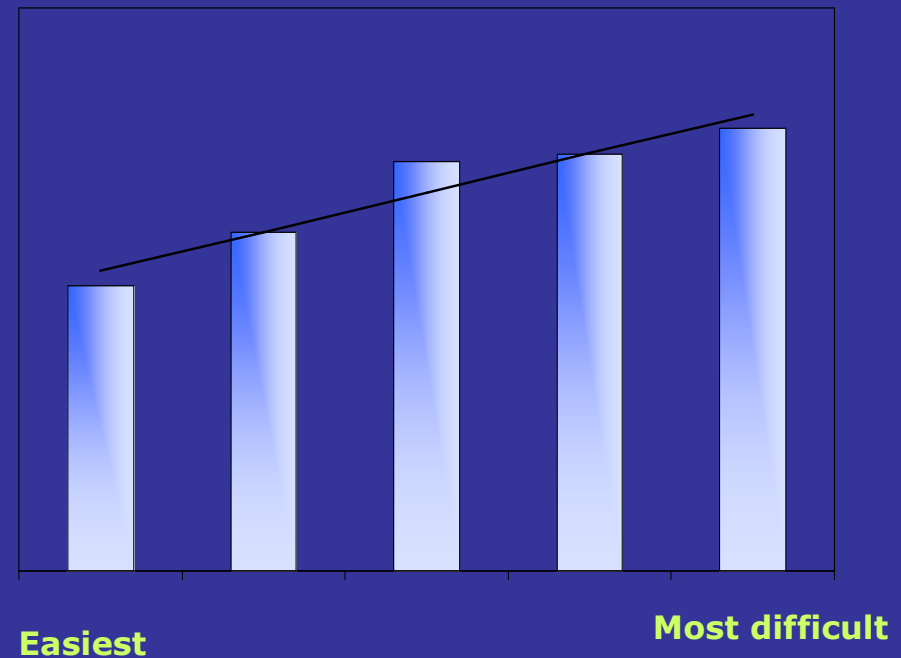


# What do we know? Correlation between business friendly regulation & higher shares of female entrepreneurs & women in the labor force

## Female Entrepreneurs (% of entrepreneurs)



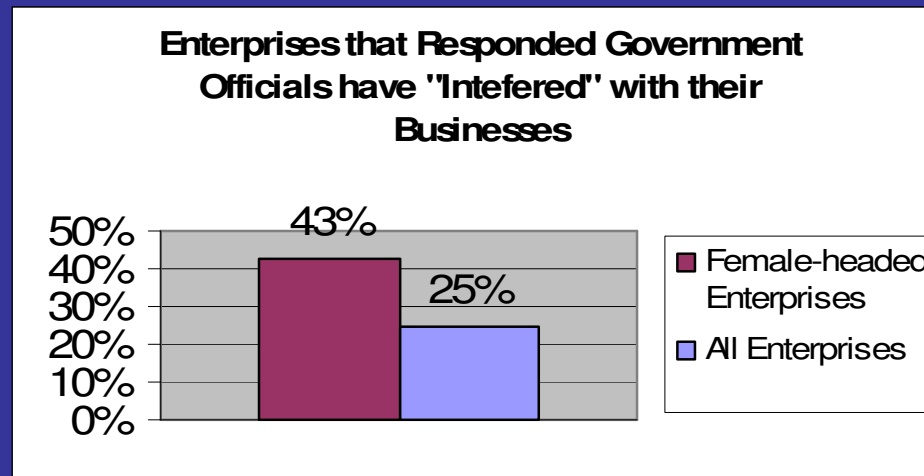
## Female unemployment (% of male unemployment)



Countries ranked by ease of doing business, quintiles

## Starting a business can be even harder for women

- DRC – different legal rules
- Uganda – due to social norms, women disproportionately disadvantaged by cumbersome procedures (less mobile, fewer contacts, seen as 'soft targets' by officials)



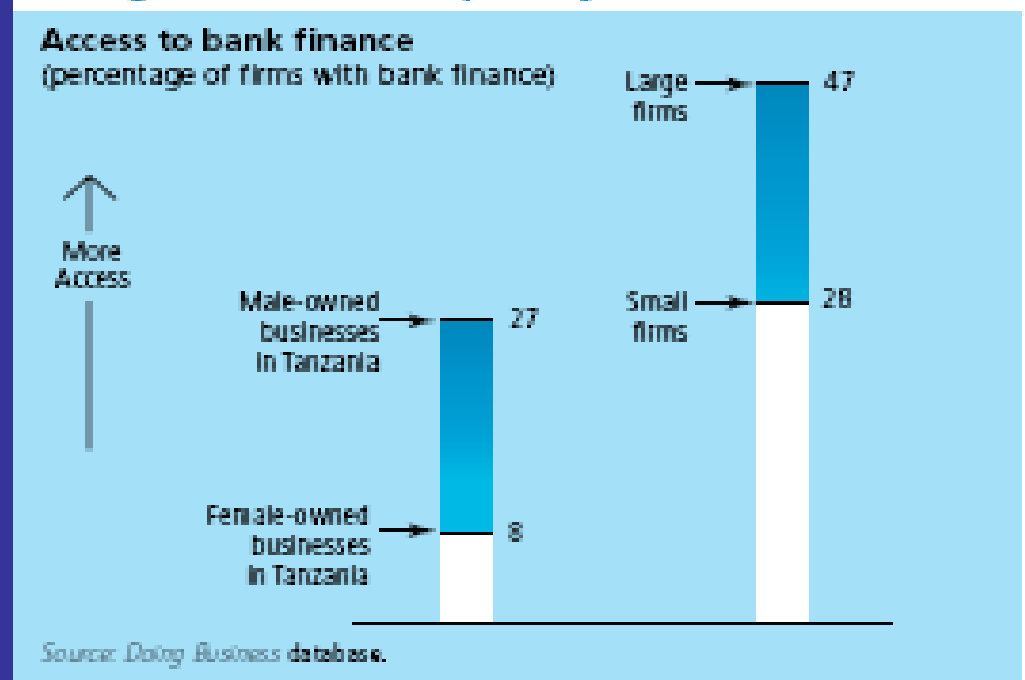
Source: Kirkpatrick and Lawson, 2004.

## Women often lack property rights (global estimate: 5% in LDCs)

- Legal discrimination e.g. Swaziland, Tonga
- Administrative barriers e.g. Vietnam, Guatemala
- Custom law often prevails over civil law, meaning women have little land ownership e.g. Tanzania, Mali
- In collateral based banking systems this means less access to credit for women

### Tanzania

*Getting credit is hard, especially for some*

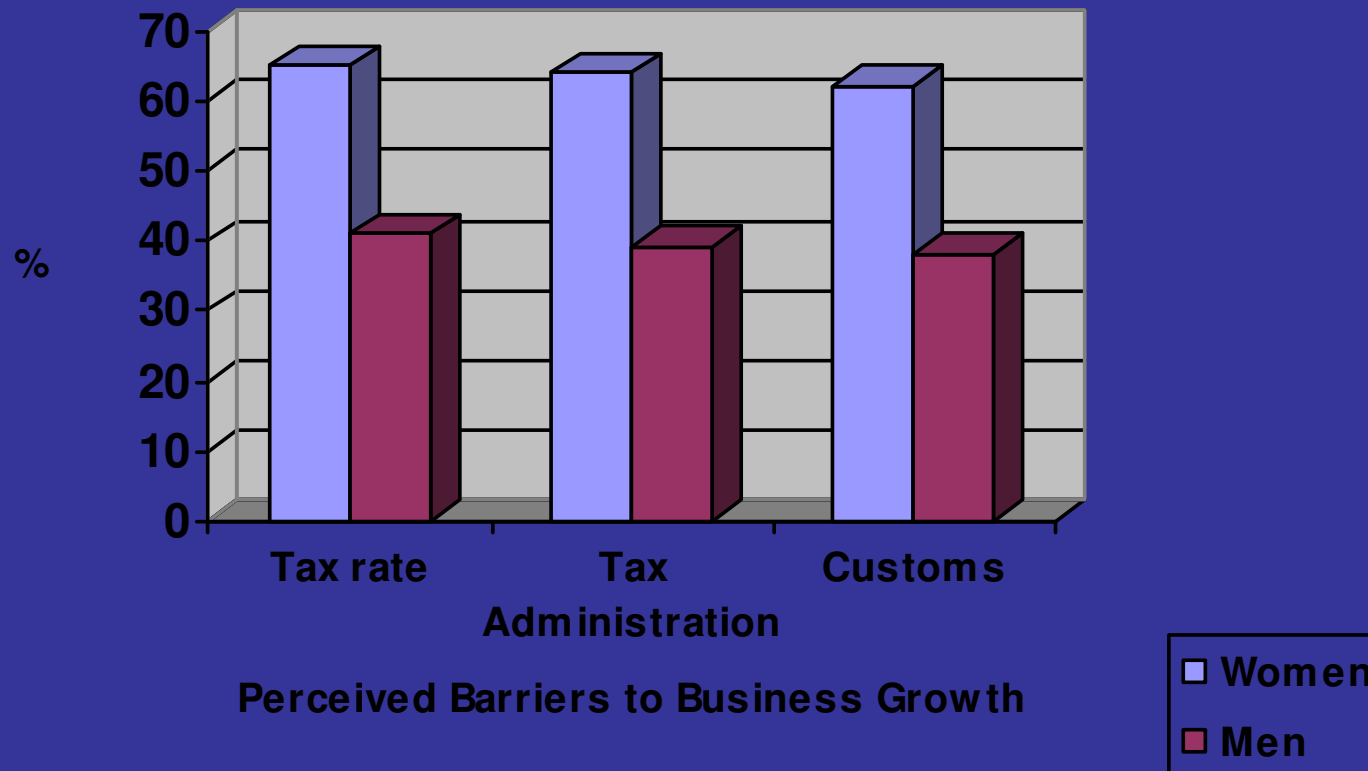


Source: Doing Business database. Published 2007

## Women entrepreneurs say they are more affected:

- tax
- trading across borders

### Women perceive tax and customs as greater constraints to business growth



Cameroon: Sexual Harassment

# WBG Gender Action Plan-Funded Research

- Vietnam – Government intended gender equitable land distribution (Decree No 70, 2001)
- BUT land titling certificates were issued with space for only one name – 10 million issued
- Women complained they were not able to use titles for business loans
- WB pilot program to re-issue certificates with space for both names
- GAP funding impact evaluation on gender impacts, Dec. 2010



# WBG Gender Action Plan-Funded Research

## Access to Land: Ethiopia

- Legal requirement – issue certificate in name of both spouses
- Space to include photos of both husband and wife (when no space for photos provided, joint titling less likely)
- 20 million land use certificates issued
- Joint titling – improved economic and social status of women  
(K. Deininger, 2008)



## WBG Gender Action Plan-Funded Research

- S. Sabarwal & K. Terrell, "Does Gender Matter for Firm Performance? Evidence from the East European and Central Asian Region." July 2008.
  - analyzed 2005 firm level data for 26 ECA countries, approx 3,300 firms in sample (Enterprise Surveys – woman as sole or principal owner)
  - Paper explores several dimensions of performance – scale, profitability, technical and financial efficiency
- Key findings:
  - Women concentrated in industries with smaller firms BUT women's returns to scale significantly larger than men's
  - Implies that women-owned firms would gain more from increasing scale.

# WBG Gender Action Plan-Funded Research

## ECA Key Findings:

- Woman-owned firms are capital constrained
- Only 37% of women receive a loan, vs. 43% men
- “Discrimination differential” in former CIS countries
- Research methodology being replicated LAC and Africa





## WBG Gender Action Plan-Funded Research

- D. McKenzie (WB Research Dept) –Randomized experiment on returns to capital in micro-enterprises
- 3 year study of 600 micro-enterprises in Sri Lanka (50% women) 2005-08
  - Each microenterprise given grant of \$100 or \$200, assigned randomly towards their business.
- Returns in Sri Lanka are much higher on average for males than for females (11% vs. 0%)
- Data showed that women tended to be in industries with very low returns, eg. Lace –making.

# WBG Gender Action Plan-Funded Research

- Reasons? Hypothesis of higher family expenditures not borne out, but low value industries segment
- Now testing if business skills training can move Sri Lankan women from low return industries to high-return industries.
- Replicating research in Ghana where a much higher proportion of women are engaged in business activity and lower gender bias (matrilineal groups)



# WBG Gender Action Plan-Funded Research

Commissioned 3 labor market studies:

- Labor market flexibility (in/formality); review of empirical evidence
  - Do women benefit or not, when countries introduce more flexibility into labor market? Do they gain more access to formal labor market? Gain access to better jobs?
  -
- Retirement policies (Estelle James)
  - Impact of gender-based differences in retirement rules
  - Impact of pension rules that are not gender-based but have a different effect on men & women
- 'Family friendly' policies (Maternity and Paternity Leave/child care/flexible working policies) (Janet Gornick)

# WBG Gender Action Plan-Funded Research

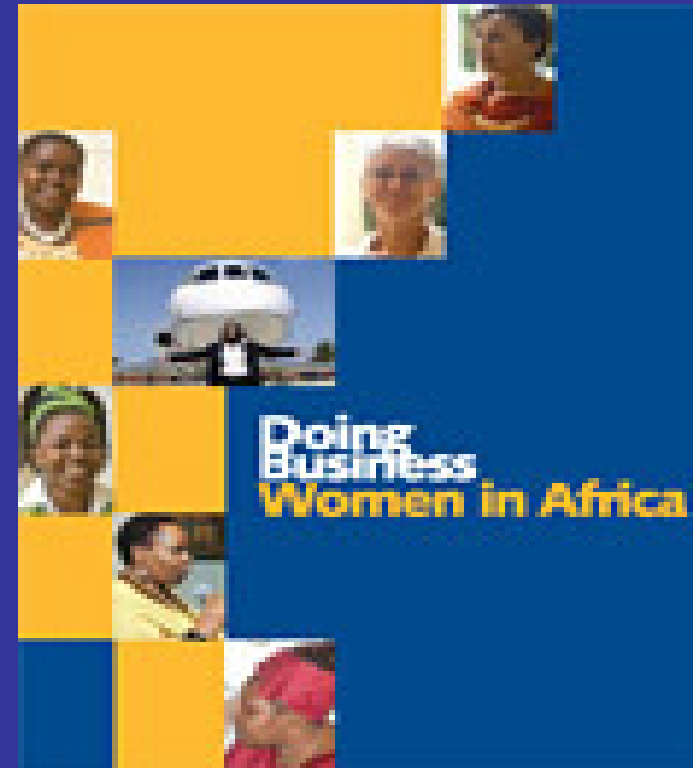
## Women's Economic Opportunities Index

- First attempt to build index to benchmark the business enabling environment for women entrepreneurs as well as female employment, globally
- Composite index utilizing data from existing datasets & new capture from Economic Intelligence Unit (EIU) country respondents
- Technical expert group includes WBG/Harvard/IMF/WEF/OECD/Kauffman Foundation

## Case Studies and Advocacy for reform

Piloting the project in Africa: “Leveling the Playing field for women’s economic and social progress”

- Case studies by region
- Highlight key business obstacles for women (consultations with local lawyers, entrepreneurs and WBAs)
- Showcase women who have overcome the odds – role models, advocates for reform
- Provide advocacy training and access to resources (NGO Vital Voices/Gates Grants)



# INDONESIA

Layli Maulidya  
CV KaryaWahana Sentosa

Type: Furniture producer

Employee Number: 40

Challenge: Registering her  
business as a limited liability  
company – high cost, multiple  
procedures

Success in a traditionally male  
dominated industry; balancing  
business and family.

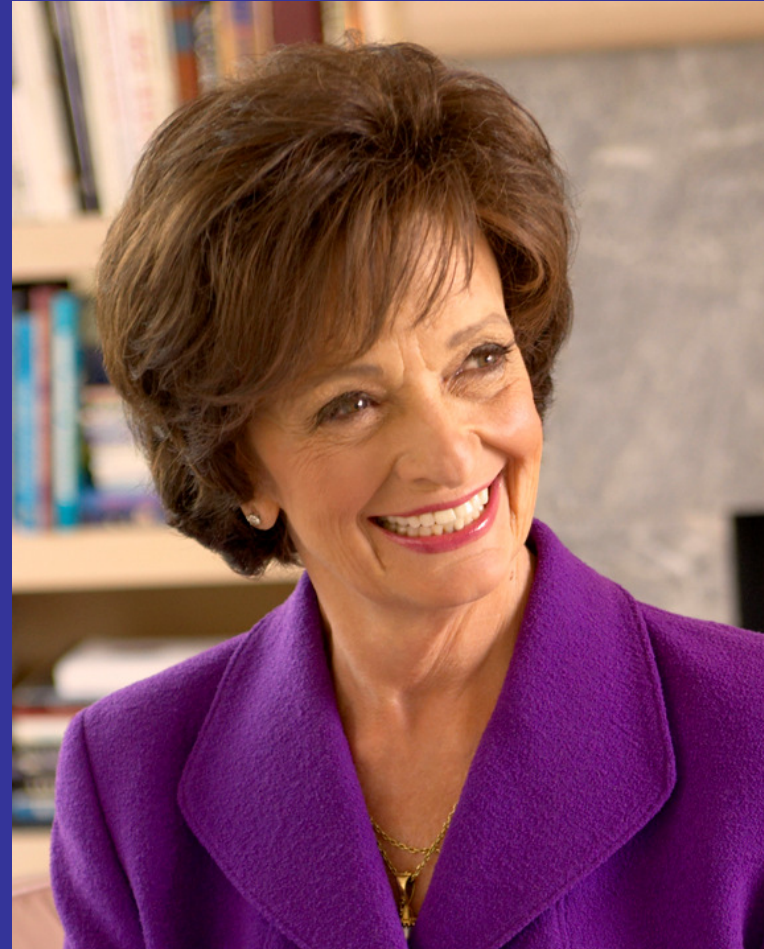


## Case Study - US

### Advocacy for Reform: Sharing Policy Lessons

#### Marilyn Carlson Nelson

- Company: Carlson
- Annual Turnover: US\$40 billion
- Employee Number: 190,000
- Ranked as one of the top companies for working mothers
- Former Chair of the US National Business Women's Council
  - US Act of Women Business Ownership (1988)
  - Equity in Contracting for Women Act (2000)
  - Advocacy: Women impacting public policy



# Economy 'loses from failure to back women'



**"Yes, you are a brilliant businesswoman, but the 'woman' bit does put you at a certain disadvantage"**