Background Paper:
Care Systems: Towards Substantive Equality in Paid and Unpaid Work

Purpose: Information
Submitted by: Peru
Care Systems: Towards Substantive Equality in Paid and Unpaid Work

I. BACKGROUND

In October 1998, members of APEC acknowledged the importance of women’s unpaid work. APEC Ministers responsible for women-related issues called on governments to recognize the economic significance this type of work.\(^1\)

In May 1999, APEC HRD NEDM published a Policy Summary of Recommendations from Member Economy Papers: Linkages between Paid and Unpaid Work in Human Resource, which prioritizes the following items:

1. The recognition of the contribution of unpaid work to the functioning of the economy
2. Policies to harmonize the work-family tension
3. Policies to support the voluntary sector
4. Social safety nets
5. Measures to harness the productive potential of the unpaid and informal sectors
6. Measures to increase women’s participation in paid work

However, the debate about unpaid work and its contribution to wellbeing, as a missing link to understand women asymmetries in labor markets and gender empowering, had stagnated.

Retaking its importance; the APEC Women and the Economy 2015 Fora Statement: Women as Prime Movers of Inclusive Growth, acknowledge that building a gender-responsive world requires a social transformation of all members of society. We encourage women and girls and men and boys to take an active stand in promoting gender equality and women’s empowerment and advocating for mutual respect and shared responsibility. We recognize that promoting gender equality and women’s empowerment will bring benefits not only for women and girls but also men and boys through inclusive growth. In this sense, in APEC 2016, the importance of care systems has been reintroduced as a priority within the framework of Human Capital Developing.

II. DIAGNOSTIC

Unpaid domestic and care work refers to the labor involved in maintaining living spaces, buying and transforming commodities used by family members, supplementing services provided to family members by the public and private sectors (e.g.: health, education, transport, administration), and managing social and personal relationships (Piccio, 2003). According to Hiraway (2015), at “the macro level, this work improves the overall performance of the economy and “[it] is a productive use of human labor, and it contributes to human capital formation by raising and nurturing children; (...) [it] also takes care of the depreciation of labor and enables people to go back to work the next day.”

Therefore, unpaid domestic and care work is both an important aspect of economic activity and an indispensable factor in the wellbeing of individuals, their families and societies (Stiglitz Report, 2007). Despite its importance in wellbeing, unpaid care work is often left out of policy agendas as a result of a common misperception that, unlike standard market work, it is too difficult to measure and less relevant for policies. Yet, neglecting unpaid care work leads to incorrect inferences about levels and

\(^1\) http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Task-Groups/~media/Files/Groups/GFPN/02_aggi_relateddevt.ashx
changes in individuals’ wellbeing and the value of their time, which in turn limit policy effectiveness across a range of socio-economic areas, notably regarding gender inequalities in employment and other female empowerment areas (OECD Development Centre, 2014).

Unpaid work contributes substantially to economic welfare; however when talking about GDP, large amounts of such contribution often remains unseen and unaccounted (Stotsky, 2006; IFM, 2013). An estimation of the Household Gross Product (HGP) in Peru (following the unpaid work satellite accounts methodology) shows that unpaid work contributes to the sustenance of economy by generating invisible wellbeing, between 15 and 30 percent of the national GDP (Beltrán and Lavado, 2013).

There are several reasons why unpaid work is an important area of concern for an economy, and why one should pay attention to it. Time-use surveys clearly indicate the following: (1) the distribution between men and women’s unpaid work is highly unequal, with women shouldering the main burden, in terms of participation as well as the time spent on this type of work; (2) paid work is also distributed unequally with men bearing a somewhat higher burden; and (3) women bear a significantly heavier burden in terms of total work (paid and unpaid work) than men (Hirway, 2010; Charmes, 2005).
### Table 1
GLOBAL WORK BURDEN:
TIME SPENT IN UNPAID AND PAID AMONG WOMEN AND MEN

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Time spent in unpaid work</th>
<th>Time spent in paid work</th>
<th>Time spent in total work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Australia</td>
<td>2006</td>
<td>311.0</td>
<td>171.6</td>
<td>172.0</td>
</tr>
<tr>
<td>Canada</td>
<td>2010</td>
<td>253.6</td>
<td>159.6</td>
<td>267.0</td>
</tr>
<tr>
<td>Japan</td>
<td>2011</td>
<td>325.7</td>
<td>69.0</td>
<td>206.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>2009</td>
<td>373.3</td>
<td>112.6</td>
<td>233.2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2009-10</td>
<td>264.0</td>
<td>141.0</td>
<td>205.0</td>
</tr>
<tr>
<td>United States</td>
<td>2010</td>
<td>248.2</td>
<td>161.1</td>
<td>242.5</td>
</tr>
<tr>
<td>China (People's Republic of)</td>
<td>2008</td>
<td>234.0</td>
<td>91.0</td>
<td>291.0</td>
</tr>
<tr>
<td>Peru</td>
<td>2010</td>
<td>337.7</td>
<td>128.6</td>
<td>300.0</td>
</tr>
<tr>
<td>Chile</td>
<td>2009</td>
<td>407.1</td>
<td>130.3</td>
<td>406.3</td>
</tr>
</tbody>
</table>

Source: OECD, CEPAL
APEC selected Economies to data availability.

Based on analysis of OECD and CEPAL data, more than 50 percent of unpaid domestic work is routine household work such as cooking, cleaning, collecting water and firewood, home maintenance, and gardening. Other types of work intrinsic to the family unit are caring for children and aging or ill (nuclear or extended) relatives.

Across all economies and cultures, women and girls carry out the majority of unpaid care and domestic work. As a result of gendered social norms that view unpaid care work as a female prerogative, women across different regions, socio-economic classes and cultures spend an important part of their day meeting the expectations of their domestic and reproductive roles. The ways in which society and policy makers address issues concerning care have significant implications in the achievement of gender equality: they can either expand the capabilities and choices of women and men or confine women to traditional roles associated with femininity and motherhood (Razavi, 2007).

The unequal distribution of unpaid domestic and care work between women and men is an infringement of women’s rights (UN, 2013) as well as a setback in women’s economic empowerment. Women’s employment options are highly limited by societal expectations that burden them with disproportionate responsibility relative to unpaid care and domestic work. According to Hirway (2015), unpaid workers do not enjoy upward mobility or promotions, and therefore these are dead-end jobs. There is no retirement or pension connected to this type of work either. In addition, unpaid workers have limited exposure to the outside world as well as limited opportunities in life. This implies that a significant part of the total labor force in a given economy is locked into a low-productivity, inferior kind of work (Hirway, 2015).

The unequal distribution of care responsibilities between women and men within the household thus translates into unequal opportunities in terms of time availability to participate equally in paid activities. Women’s precarious position in the labor market is inextricably bound to the gendered division of labor. Inequalities in unpaid, domestic work and in paid work are mutually reinforcing. Research has shown that women’s career progression is impacted by the inability of workplaces to adequately cater for the breaks that women need when they have children or choose to care for elderly relatives (Hewlett, 2007). According to Holmes and Flood (2013), “this impact is not simply because of the actual time away from work, but also because of the potential for these breaks to result in women being viewed as less committed to their careers and less reliable”.

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Moreover, the burden of women's unpaid work in the household is a powerful constraint in their market and entrepreneurial activities. For example, part-time employment and the informal sector have become an entry point to the labor market for women whose labor supply is constrained by reproductive responsibilities. Enabling the eventual transition from part-time to full-time employment could help alleviate the income gap (both in wages and benefits) and expand career opportunities associated with part-time work, which tend to be more restricted (ILO, 2010).

In this sense, gender inequality in unpaid domestic and care work is the missing link in the research relative to gender gaps in labor outcomes, as well as gender gaps in labor force participation rates, occupational segregation in the labor force, quality of employment and gender wages gaps. The asymmetrical distribution of time impact on “women’s ability to participate in the labor market is constrained by their higher allocation of time to unpaid work; and the same time, freeing up time for male household members to participate in the formal labor force associated with higher incomes” (IFM, 2013).

Unpaid work is also seen as “household overhead time” (HOT), which is defined as the minimum number of hours a household needs to maintain and manage itself, i.e., the minimum number of hours needed to transform raw materials to consumable goods and to provide a clean and healthy environment (Harvey and Taylor, 2000). In poor countries, and particularly in poor households, where more time is needed to process food, cook, clean, and so forth, as well as to fetch water and fuel wood (due to poor availability of basic infrastructure), HOT is very high. Therefore, in poor countries and poor households, very little time is left for resting, for acquiring human capital—education, skills—and/or for productive labor market work (Bardasi and Wodon, 2006; Hirway, 2010). In cases where the household’s children (especially girls) are involved in this type of work, as is usually the case in poor households, the future generation will also have a high cost to pay in relation to human capital formation.

III. TOWARD A CARE ECONOMY FOR INCLUSIVE GROWTH

In order to fulfill the economic potential of closing gender gaps and help trigger fundamental changes in women’s ability to participate and progress in the workforce, addressing structural barriers to unpaid care work is imperative. Tending to women’s socio-economic disadvantage caused by the asymmetrical distribution of unpaid care and domestic work requires combined action on several fronts and should be engaged by multiple stakeholders.

The model of social organization of care (social care) proposes the creation of a comprehensive system of care provision that looks beyond families and spaces defined as private, to claim a multidimensional vision that would integrate all activities and relationships involved in sustaining the physical and emotional domestic and care needs; as well as regulatory, economic and social frameworks which they are developed.

1) Female and male members of the household should share domestic and care work/responsibilities more equitably. Promote greater awareness of the double burden that women face: unpaid reproductive domestic and care work as well as productive paid work through awareness-raising policies in public and private spaces that break gender stereotypes that assign these responsibilities in greater extent to women. According to the OECD (2009) programs should help reduce unpaid work and translate women’s labor into paid work, and their paid work into higher, more secure incomes. Many women may derive deep satisfaction
from care activities and choose the time they like to spend on these tasks, but some of the responsibility that falls on women can and should be shared by men (OECD, 2009).

2) **Promote state-funded or market-driven care services.** The reconciliation of work, family and personal life is based on a social responsibility in the different social actors involved, each assuming, playing a role, and participating in the development of different measures and strategies to seek a balance between the interests and care and domestic needs of people, women and men. Time-use data and satellite accounts (GHP) give an estimation of the volume of unpaid work that can be translated into the provisioning of goods and service delivery by the public sector: health, education, transportation, water, sanitation, and childcare (ILO, 2009). An important intervention and market opportunity is increasing public and private and care services. Better access to public services, child care and care for the elderly allows for better work-life balance. These support systems are essential for working mothers and women responsible for the care of elder and ill people. Moreover, it’s an important and potential source for creating jobs. According to the ILO’s Economic and Social Outlook, public services in health care, education and administration will continue to be a major source of employment. In spite of growing at a slower pace than the private sector, jobs in the previously mentioned sectors will still represent 15 percent of total employment.

3) **Improve infrastructure.** Women’s involvement in unpaid domestic and care work varies greatly across countries depending on the extent and coverage of public services such as water and sanitation, and energy (UNW, 2015). For instance, in developing countries, the time spent on household tasks increases due to poor public infrastructure such as water collection or cooking.

4) **Addressing structural barriers of unpaid care work can help trigger fundamental changes in women’s ability to participate and advance in the workforce.** The amount of time women spend engaged in these tasks relative to men has a high correlation with female labor-force participation rates and a moderate correlation with their chances of assuming leadership positions and pursuing professional and technical jobs. According to the MGI report (2015) “unpaid care work by women also shows correlation with education levels, financial and digital inclusion, and legal protection, suggesting that this type of social infrastructure may help to change attitudes about the division of household responsibilities and about women’s worth and their right to find fulfillment outside the home.”
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UN Women
Progress of the World’s Women 2015 – 2016:
Transforming Economies, Realizing Rights
Background Paper:
DIGITAL LITERACY FOR ECONOMIC INCLUSION

Purpose: Information
Submitted by: Peru
Digital Literacy for Economic Inclusion

I. BACKGROUND

Given the advances in Information and Communications Technology (ICT) and the profusion of innovative technological applications, the APEC WE Forum has, since 2012, put forward innovation and technology as key means to strengthen women’s economic rights. According to the APEC Women and the Economy Dashboard:

- ICT is a cornerstone of economic growth and human development.
- ICT increases productivity and efficiency of businesses of all sizes, opens new markets domestically and internationally, and creates high-quality jobs.
- ICT can also improve access to education and healthcare, increase civic engagement, and drive new innovations that may transform the way people interact and do business.
- In less than a generation, according to the McKinsey Global Institute, in mature economies the Internet has contributed an average of 21 percent to GDP. Increasing the access to and use of ICT as well as jobs in this sector can have multiplicative effects in an economy.

Moreover, APEC PPWE has implemented two projects that address Technology and Innovation for Women Economic Empowerment:

- Ongoing multi-year Project “Innovation for Women and Economic Development”, cosponsored by 14 APEC economies, has been implemented by Chinese Taipei since May 2013, and it’s expected to conclude in July 2016. This project was proposed by both the PPWE and the SMEWG, as well as by the ABAC Women’s Forum.

The APEC Economic Leader’s Declaration signed in Manila in November 2015 underscores the potential of the internet and digital economy in favor of achieving innovative, sustainable, inclusive, and secure growth, with a view to improving connectivity. The declaration also stresses the potential of the internet and digital economy to allow businesses, especially MSMEs, to participate in GVC and reach a wider consumer base through new business models, creating a truly global marketplace for the exchange of goods, services, capital, and ideas.

In 2015, The APEC Business Advisory Council (ABAC) also recognized technology as a driver for inclusive growth. In this light, it shared a study carried out by USC Marshall School which argues that technology and e-commerce grant women the opportunity to further develop their abilities as entrepreneurs while allowing them flexibility to manage their own work-life balance and achieve financial empowerment.

II. Diagnostic

The World Economic Forum Report of 2015 showed the positive impact of ICT on economic growth; especially in developing countries.¹ This report also points out that gender disparity increases when

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¹ The WEF Report measured the causal impact of fixed telephony, mobile telephony, Internet use, and broadband use on gross domestic product (GDP) growth across 120 developing and developed countries over a time span of 26 years (from
looking at income and education. This a result, in part, of the unequal access to and of ICTs between women and men, is ultimately a consequence of cultural nature, beyond infrastructure and access points. The report by UNESCO ‘Gender Issues in the Information Society’ (2003) points out that the capability of women to effectively use information obtained through ICT is clearly dependent on many social factors, including literacy and education, geographic location, mobility and social class.

In this sense, “despite [that] women entrepreneurship and ITCs have repeatedly been identified as prospective forces in the battle against poverty and gender inequality, and the stimulation of socio-economic development; women-led businesses tend fail to effectively leverage ICT-tools” (Ouwerkerk, 2014). Therefore, if when thinking about digital inclusion, the question of gender is not addressed, the ICT revolution might ultimately add another layer to gender inequality instead of having a decreasing effect on poverty and the gender gap.

Studies held by the Association of Southeast Asian Nations (ASEAN) reveal that it is critical to incorporate ICT into business operations in the measure that they provide access to up-to-date information and innovation trends on matters such as markets, networks, partnerships, financial services, regulations, technological developments, and support and training programs (ASEAN ICT Masterplan 2020; Duncombe and Heeks, 2005). Moreover, in developing countries the crucial role of ICT in boosting SME performance is explain of its potential to reduce costs in production, marketing, and transactions; to compete with international companies (Kiveu and Ofafa, 2013). Consequently, ICT can contribute to women’s empowerment and economic wellbeing by “providing access to information that can act as a guide out of poverty in the measure that it offers women entrepreneurs tools that may allow them to overcome longstanding barriers” specific to them (Heeks and Duncombe 2001, cited in Ouwerk, 2014).

By embracing ICT, women entrepreneurs are also enabled to access e-commerce channels to lift the barriers borders to international online markets. Moreover, since the implementation of ICT may result in savings on some commercial procedures (Kiveu and Ofafa, 2013), they enable women entrepreneurs to invest in refining the value of their products aiming to overcome local competitors and compete on global value chains.

According to The United Nations Division for the Advancement of Women and the Department of Economic and Social Affairs (2005), women need ICT to access relevant information relative to their productive, reproductive and community roles as well as to obtain additional resources: ICT also offers “women flexibility in time and space and can be of particular value to women who face social isolation, including many women in developing countries”. It also points out that ICT “interventions that are directed at economically empowering women capitalize on the potential of these technologies as knowledge and networking tools for women as producers and distributors of goods and services. The tools are used to connect women to new and wider markets, broaden their social networks and provide them with information that opens up important economic opportunities” (UN, 2005).

1980 through 2006). A 2012 update, using data from 86 countries from 1980 through 2011, found similar results, proving that a 10 percent increase in fixed broadband penetration results in a 1.35 percent increase in GDP growth in developing countries and in a 1.19 percent increase in developed economies. More recent analysis link mobile broadband and intensity of use with economic growth, proving that doubling mobile broadband data use leads to a 0.5 percent increase in GDP per capita growth rates (WEF, 2015).
Women entrepreneurs deeply “rely on information and encouragement from networks, but domestic and family responsibilities limit their time to spend on networking activities” (Greene, 2003; cited in Ouwerkerk, 2014). Moreover, flexibility provided by ICT in entrepreneurs ventures is a crucial enabling factor when planning and balancing domestic and care work with enterprise tasks, due ICT reduces the time required to related to both activities, such as traveling, communicating with stakeholders, among others (Mwobobia, 2013; Ukpere, 2014).

For instance, Malaysia has increased its female labor force participation rate from 47.9% in 2011 to 55% in 2015 and government officials have expressed their plans to increase this figure to 59% by 2020, “by promoting flexible work-life balance using ICTs to enhance work efficiency and participation in formal employment, among other initiatives” (Datin Paduka Chew Mei, 2015). These measures will allow them to address some structural gender gaps such as income, lack of equality towards family responsibilities, etc.

According to the McKinsey Global Institute, it also important to note there is a link between financial and digital inclusion that needs attention: “Gender parity in access to the Internet and mobile phones, and parity in access to financial services each show moderate correlations with multiple indicators of work equality. In particular, access to the Internet and mobile phones and financial inclusion are especially linked to the presence of women in leadership roles and time spent in unpaid care work” (MGI, 2015).

Indeed, it is essential to work on both women’s digital and financial literacy because one boosts the other. Women’s digital literacy gives them the opportunity to save time and consequently, they can grow academically, professionally, as entrepreneurs, etc. It elevates their life standard, and also gives us – individually and as a country – the opportunities to become more competitive2 (WEF, 2015), achieve development or growth or, hopefully, all of them together. Digitizing payments can play an important role in this process. Delivering payments such as wages or government transfers into bank accounts rather than in cash can increase the number of adult account holders. At the same time, “digitizing these type of payments could enable account holders to make the payments in a way that is easier, faster, more affordable, and more secure” (WEF, 2014).

Finally, there are also easy ways to promote the use of digital tools and procedures, especially among women. In order to achieve this, alliances between the government and the private sector are key. Such alliances allow to go beyond the basic use that most of us give to the digital and financial resources, as well as to implement strategies for promoting digital and financial literacy. The effects are promising as fostering the use digital tools and procedures can in turn allow to address some gender gaps, increase economic growth, and strengthen the economy; and ultimately when one country grows, the others grow – one of the APEC’s most important goals.

III. ADDRESSING THE GENDER GAP IN DIGITAL INCLUSION AND DIGITAL LITERACY

1) **Ensure women’s access to affordable ICT.** Provide gender responsive models of public access and infrastructure; design and develop affordable technologies and services; and develop supportive policies.

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² For example, two of the factors that shape competitiveness indexes are the degree of penetration of mobile telephony and access to technology.
2) **Build the digital capacities of girls and women.** Encourage the active participation of women in ICT training programs, especially those in aiming at women entrepreneurs. According to the OECD, this “includes investing in targeted digital literacy, confidence, and skill development for women through mentoring and networking” (ITU/OECD, 2016).

3) **Develop gender responsive strategies and policies.** Encourage active involvement of women throughout the design, implementation and monitoring of strategies and policies. A special attention should be placed on data, monitoring, and evaluation tools relevant to gender equality. It is equally necessary to invest in research regarding the impact of ICT in gender equality and women’s empowerment.

4) **Support the development of content, applications and services that meet women’s needs.** Foster user-driven approaches to technology development, prioritizing investments in applications, such as e-learning and education for women’s financial inclusion, employment and entrepreneurship through the development of digital abilities and in digital segments.

5) **Establish multi-stakeholder partnerships.** Promote practical and combined actions to advance women’s empowerment in the Information Society though public–private partnership (PPP), by strengthening international cooperation in the area of access and participation of women and girls in technology and create platforms for capturing and sharing good practices, lessons, role models within and between economies.

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Background Paper:
The Economic Cost of Gender-Based Violence

Purpose: Information
Submitted by: Peru
The Economic Cost of Gender-Based Violence

I. BACKGROUND

The APEC Women and the Economy 2015 Fora Statement Women as Prime Movers of Inclusive Growth encourage companies, employers, and entrepreneurs, along with governments, to invest in human capital to ensure the physical and mental health, safety, and well-being of all workers, including working to address the unique health and safety challenges faced by women in the workplace. The Statement also call on public and private sector stakeholders to promote and respect gender diversity at all levels of employment, and encourage both sectors to develop mechanisms to collect sex-disaggregated data, formulate policies to ensure the achievement of gender equality and women’s empowerment, and provide public transparency regarding actions taken.

In September 2015, APEC Healthy Economic Policy Toolkit was launched. This toolkit offers a one-stop menu of policy options that may be used to pilot, implement, and scale up actions appropriate for specific local economic and social conditions. The toolkit presents in detail issues, actions and implementation strategies for improving women’s health in APEC economies across five categories: workplace health and safety, health access and awareness, work-life balance, sexual and reproductive health, and gender-based violence.

In APEC 2016 Developing Human Capital is a priority. In a highly competitive global market, this component aims at enabling Asia-Pacific economies to achieve qualitative leaps over the base of science, technology, innovation, and talent. In this sense, it is critical to incorporate the impacts of gender-based violence (GBV), as it erodes present and future human capital formation—a critical input to achieve economic development.

II. DIAGNOSTIC

Pro-poor growth has been highlighted as the most important factor for sustainably reducing poverty (UN, 2000; WB, 2000). The literature suggests that increased gender inequality increases poverty, decreases other welfare measures and reduces economic growth. Women and girls make up half of the human capital available to reduce poverty and achieve development. Currently, in the 21 APEC economies, approximately 600 million women participate in the labor force, of which over 60 percent are engaged in the formal sector, making significant contributions to the sustained prosperity and development of the region.

As the World Bank states; “an important dimension of gender inequality that women and girls, and households more broadly, face is violence, which has significant economic implications that need to be delineated” (WB, 2013). Globally, violence against women is highly prevalent. It negatively affects

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1 Ravallion and Datt 1996; Thomas 1997; Blackden and Bhanu 1999; World Bank 2000; World Bank 2001; Knowles, Lorgelly et al. 2002; Klasen 2004
2 U.S. Media Releases on APEC Policy Partnership on Women and the Economy
human, social and economic development because of its high economic costs in terms of expenditures on the provision of services (e.g.: health services), women’s loss of income, decreased productivity, and its negative impacts on the formation of future human capital due to the inter-generational consequences of violence against women.

The impact of gender-based violence on women ranges from physical injuries to psychological trauma and loss of livelihood or employment. Economically speaking, survivors of GBV may not only have a reduced short-term income potential, they may also have immediate and long-term medical expenses or injuries that negatively impacts long-term income and productivity (Willman, 2013). Awareness of GBV costs to society makes for stronger arguments in favor of the intervention of government, social institutions and businesses, and provides a reference point to inform the scope of such interventions (KPMG, 2014).

Identifying the monetary value of violence provides a framework for understanding the magnitude of the pragmatic problem. However, it’s important to note that the monetary value attributed to violence cannot quantify the full extent of its impact.

In the last decade, global studies on the economic impact of GBV have become progressively sophisticated. Some consist of comprehensive efforts to measure national costs, while others are limited exercises that address only a particular sub-category of the overall cost (with special focus on enterprises’ losses in terms of earnings). A KPMG report shows that to date, more studies about measuring GBV economic costs have been done in developed countries than developing, due to better quality data (KPMG, 2014). In many developing countries however, social and cultural norms cause low disclosure of gender-based violence, lack of services, less use of available services, and inadequate information systems (Duvvury, Carney and Huu Minh, 2012); all of which impact in the quality data necessary for more comprehensive studies.

Prejudice, discrimination, and VAW limit women’s participation in the Asia-Pacific workforce that have an estimated cost of US $89 billion every year (PNUD, 2010). According to Centers for Disease Control (2003), only in the US, the estimated annual costs of domestic violence in terms of medical care and decline in productivity exceed 5.8 billion dollars.
Table N°1
Estimates of GBV in some APEC Economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of the study</th>
<th>Economic Cost of Violence (USD)</th>
<th>Type of Violence</th>
<th>Cost Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Health</td>
</tr>
<tr>
<td>Chile</td>
<td>1999</td>
<td>1.6 bn</td>
<td>IPV</td>
<td>X</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2010</td>
<td>1.3 bn</td>
<td>VAW, DV</td>
<td>X</td>
</tr>
<tr>
<td>Australia</td>
<td>2009</td>
<td>14.7 bn</td>
<td>VAW, DV</td>
<td>X</td>
</tr>
<tr>
<td>Peru</td>
<td>2013</td>
<td>6.45 bn</td>
<td>IPV, VAW</td>
<td>X</td>
</tr>
<tr>
<td>Canada</td>
<td>2011</td>
<td>6.9 bn</td>
<td>IPV</td>
<td>X</td>
</tr>
<tr>
<td>United States</td>
<td>2003</td>
<td>5.8 bn</td>
<td>IPV, VAW</td>
<td>X</td>
</tr>
</tbody>
</table>

Notes:
- When a category is marked, means that the study includes costs in this category but not necessarily a comprehensive account of all potential costs in this category.
- Violence against women (VAW), Intimate partner violence (IPV), Domestic violence (DV)

Moreover, GBV has a direct impact on women’s economic empowerment. For instance, violence against women and girls (VAWG) affects survivors’ ability to achieve their individual potential and contribute to the economy. Peruvian micro enterprises lost between 1982 and 2417 million dollars per year as a result of VAW; equivalent to 1.2 percent of the national GDP (USMP and GIZ, 2013). In addition, a study points out that women experiencing intimate partner violence (IPV) earns nearly 30 percent less than women who did not; and this figure reaches 43 percent, when violence is severe (Vyas Watts, 2009).

Intimate partner violence (IPV) also has direct costs for enterprises due to its effects on personnel through absenteeism, turnover, layoffs, and reduced productivity during work hours⁴, among other consequences. A recent study in Peru estimated this cost corresponds to 3.7% of the GDP due to the loss of working days.

**Economic Empowerment and Violence against Women and Girls (VAWG)**

When women are empowered their families are healthier, more children go to school, agricultural productivity improves, and incomes increase. It has also become evident that economic empowerment of women indirectly reduces cases of gender based violence worldwide.

- Several studies have suggested that there is an inverted U-shaped relationship between economic empowerment and violence against women. When women consolidate (long-established) economic power, they tend to be at lower risk of becoming a victim of gender-based violence (Anderson, 1997). However, when women’s economic power is in transition, men are more likely to feel threatened, which often causes a (relatively) short-term spike in men’s violence against women.

³ There are some important factors to consider when interpreting the analyses above. It is standard practice in research studies such as the above to make conservative estimates. If two assumptions can be made, the one that results in a smaller cost is usually adopted. The decision to be cautious in measuring costs comes from a desire to avoid public backlash to very high cost figures. The results above therefore underestimate the full cost and in fact provide only a lower bound of costs.

⁴ This includes the phenomenon of “presenteeism”, which is defined as being physically at work but with reduced productivity due to distraction, emotional strain, or diminished physical capacity, in this case resulting from IPV.
women. In addition, women's disempowerment can inhibit women from leaving or resisting abusive relationships. Women's increasing income diminishes violence, but only up to a point. When a woman earns much of the family income, her partner may lash out in frustration, suggesting a possible curvilinear relationship between women's income and hitting (Macmillan and Gartner, 2009). This is a key issue on survival SME owned women survival rate.

- A study has found that is possible to reduce VAWG levels when economic empowerment projects are combined with interventions to improve communication within the household (Willman, 2013). Therefore, when designing economic empowerment initiatives there is a case to be made for including activities that undertake communication strengthening, conflict resolution, and VAWG sensitization up front.

- Women’s ownership of land and property presents a stronger association with a reduction in violence than employment, as owning land and/or property acts as a “tangible exit option”, which in turn grants women a stronger fallback option, increasing their bargaining power within marriage and, in turn, acting as a deterrent to marital violence.  

**Gender-Based Violence is Everybody’s “Business”**

According to the World Bank, “corporate leaders who aim to take a leadership role in society have an opportunity to demonstrate their commitment by rededicating their organizations to activist steps to mend a society too often torn by violence and the causes of violence: economic insecurity, social-class stratification, winner-take-all rapacity, misogyny, discrimination and exclusion, all of which threaten the ideals of eradicating extreme poverty and building shared prosperity” (WB, 2014).

Thinking under a business smart perspective, it’s well known that a better working environment, motivated staff, among others, have positive economic effects, as it increases productivity and profits. Furthermore, the adoption of gender-based violence prevention strategies in the workplace has non-economic positive effects for companies, such greater social acceptance. It is easier for a company with good reputation (e.g.: is considered ethically committed) to acquire more clientele and attract qualified staff.

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5 See studies for Kerala (Panda and Agarwal, 2005), Uttar Pradesh (Bhattacharya et al, 2009), and rural Haryana (Chowdry, 2011)
III. ADDRESSING THE ECONOMIC COST OF GENDER-BASED VIOLENCE

In order to address GBV as a fundamental obstacle for developing human capital, APEC Economies should engage on:

- **Generating information and evidence** regarding the impact of GBV across all APEC Economies, including costs relative to health, justice, consumption and loss of earnings. Despite some progress in data collection on violence against women, there is still an urgent need to strengthen quality and scope of the evidence, as many countries still lack reliable and meaningful data.

- **Promoting PPP in order to implement violence prevention strategies in the workplace.** The workplace has been identified as a setting in which the primary prevention of violence against women should take place. Health promotion interventions in the workplace have traditionally focused on shaping individual behavior regarding health, but it is important that they incorporate organization-level strategies. According to *Women’s Health Victoria* (2012) “Workplaces are directly impacted by instances of domestic violence, and they play a key role in influencing the behavior of individuals and groups. They can reinforce or challenge normative beliefs and can also model equitable and respectful gender relations”.

- **Promoting accreditation programs** as an important instrument to encourage and recognize workplaces that take active measures to prevent and respond to violence against women (e.g.: example, The White Ribbon Workplace Campaign in Australia, and Safety Enterprise Certification in Peru).
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Background Paper:
Financial Literacy for Access to Capital
Purpose: Information
Submitted by: Peru
Financial Literacy for Access to Capital

I. BACKGROUND

The APEC Finance Ministerial Meeting in 2012 increased the understanding of three important topics: financial inclusion, financial literacy in particular; financial policy measures to address the impact of natural disasters; and treasury systems. Finance Ministers of the APEC economies, have recognized financial literacy as an essential skill for everyone in the 21st century and an important component of any economy’s efforts to effectively support economic and financial stability, inclusive development, and the wellbeing of individuals and families. According to their Political Statement issued also in 2012: “economic and financial system developments and the growing complexity of financial products require enhancing financial literacy as they involve increased engagement of consumers with financial products and services and greater transfer of financial risks and responsibilities to individuals.”

The APEC Guidebook on Financial and Economic Literacy in Basic Education issued on 2014 shows how to design and implement learning activities related to financial and economic literacy in primary and lower secondary schools.

The APEC Finance Ministers’ Statement of 2015 confirmed that a well-organized expansion of financial inclusion and literacy is crucial to poverty alleviation and greater economic opportunities among APEC economies.

According to the APEC Women and the Economy Dashboard both the capacity of business owners to manage their balance sheets and the financial literacy of entrepreneurs are critical to the survival and growth of a business. Financial literacy focuses on habits, such as saving, budgeting, and using credit wisely in order to improve creditworthiness. The Dashboard’s Literacy, Outreach, and Learning indicator tracks the availability of three types of financial outreach programs directed to women in particular: (a) initiatives to provide women with financial accounts (for example, checking accounts, savings accounts, and deposit accounts); (b) enhance efforts aimed at improving women entrepreneurs’ access to credit, loans, lines of credit; and (c) disseminate financial literacy or risk-management programs among women.

II. DIAGNOSTIC

Financial inclusion has been broadly recognized as critical in reducing poverty and achieving inclusive economic growth. Financial inclusion is not an end in itself, but a means to an end. Studies show that when people participate in the financial system, they are better able to start and expand businesses, invest in education, manage risk, and deal better with financial shocks. Access to accounts and to savings and payment mechanisms increases savings, empowers women, and boosts productive investment and consumption. Also, access to credit has positive effects on consumption, as well as on employment status and income and on some aspects of mental health and outlook (Karlan and Zinman, 2009).

1 http://www.apec.org/Meeting-Papers/Ministerial-Statements/Finance/2012_finance/annex.aspx
3 See, for example, Aportela (1999); Ashraf, Karlan, and Yin (2010); Beck, Demirguc-Kunt, and Martinez Peria (2007); Bruhn and Love (2014); Burgess and Pande (2005); Dupas and Robinson (2013a, 2013b); Prina (2012); and Ruiz (2013). See also World Bank (2014a) and Cull, Ehrbeck, and Holle (2014) for an overview of the literature on financial inclusion.
In addition to its economic benefits, financial inclusion of women has social benefits. Indeed, research has shown that women use their earned income and savings more productively, channeling a large share to their children’s nutrition, clothing, health, and education (Burjorjee, 2002). Empirical evidence also shows that providing better financial access to the non-poor small entrepreneurs can have a strongly favorable indirect effect on the poor (Demirguc-Kunt, A. Thorsten Beck, T. and Patrick, H. 2008).

Gender disparities in access to financial services can have negative effects not only on women entrepreneurs but on the overall economy (IFC, 2011). The 2014 Global Findex database shows great progress regarding the expansion of financial inclusion around the world, however, large gaps remain. Still many people around the world, particularly women and poor adults, do not have an account in the formal financial system. According to this study of global scope, 65 percent of men reported having an account in 2014, while only 58 percent of women did.

An effect of women’s exclusion is the challenge that female entrepreneurs, and women in general, face in order to access the financial system compared to their male peers. External financing and, in particular, the availability of business loans is especially relevant for women’s current and new ventures as they have less access to property or other resources such as employment (Fay and Williams, 1993). According to the IFC, “financial barriers include local financial conditions—such as a lack of collateral, inadequate financial infrastructure, or the high cost of funding—while non-financial barriers include the social and cultural norms underlying gender biases, as well as the tendency for women-owned SMEs to be smaller in size, and the limited access to business education opportunities and networks” (IFC, 2014).

Access to financing for business development for women entrepreneurs is critical, but their progress in terms of financial requirements should also be acknowledged. For example, a report by Goldman Sachs indicates that “a challenge for women in moving from micro businesses to small and medium-sized businesses requires a change from financing sources such as micro-finance to normal banking conditions where there is often bias in the lending process” (Goldman Sachs, 2013).

Furthermore, financial literacy has a positive impact on financial behavior relative to money management and financial status (Campbell, 2006; Lusardi and Tufano, 2009). Therefore, financial literacy is an important asset to empower women in order to enable them to choose and access appropriate financial services and products, as well as to develop and achieve entrepreneurial activities.

However, gender gaps in financial literacy remain. As the OECD points out, “both women and men need to be sufficiently financially literate to effectively participate in economic activities and to take appropriate financial decisions for themselves and their families, but women often have less financial knowledge and lower access to formal financial products than men. Women therefore have specific and additional financial literacy needs”. The OECD also states that “women appear not only to be less knowledgeable and less interested in financial issues, but they are also less confident, especially in relation to complex financial issues” (OECD, 2013). Gender differences in attitudes towards finance are highly relevant as they may have significant consequences on women’s disposition and capacity

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4 In a large number of countries, women have lower financial knowledge than men. Only in a very small number of countries or regions gender differences are not significant, and in no country women were found to be more knowledgeable than men. In particular, the international evidence shows that young women, widows, less well-educated and low-income women lack financial knowledge the most. (OECD, 2013)
to use formal financial services, to seek advice and to choose suitable information sources, as well as to learn more about financial issues.

Furthermore, according to the Goldman Sachs report (2013), a key business practice contributing to business growth is women’s understanding and use of budgets and other formal financial tools, specifically income, cash flow and balance sheet statements. The contribution of financial literacy to successful micro and SME entrepreneurship is therefore a potentially critical factor. While few studies include explicit measures of financial literacy in their analysis, recent work in the United States examining gender differences in measures of entrepreneurial ability (apart from formal education) finds that financial literacy can account for a significant portion of the gender gap in entrepreneurship (Thebaud, 2010), even when controlling for other factors in a setting where discrimination in access to finance can be ruled out (Robb and Wolken, 2002; Blanchard, Zhao et al., 2008).

Overall, the challenges to close the gender gap in financial education imply, foremost, identifying the specific needs of women in the formal financial market so that they’ll be able to increase the leverage of their economic ventures; as well as addressing the attitude that women have developed towards the financial system in order to relate to complex financial instruments that may propel their venture’s growth.

III. PROPOSED STRATEGIES TO ADDRESS THE FINANCIAL LITERACY GENDER GAP

The diagnosis reveals the challenges that women face to access formal financial services. Constraints on both the supply- and demand-side prevent women from accessing the necessary funds that could boost their economic activity. This underlines the urgent need for effective policy action involving multiple stakeholders that will consider, among others, new policies in financial sector and initiatives that address women’s contextual and social limitations. Overall, such policy action should aim at achieving the following:

- **Financial Literacy**: Given that women have relatively limited access to education, especially in developing countries, there is also a strong need to address the lack of financial literacy among women. This could be done in the form of specific training (Taylor-made) schemes and programs that provide women and girls with the necessary education and skills. The International Network on Financial Education (INFE/OECD), recommends that specific training in financial education should address women through existing policies aimed at improving gender equality. Such specific training should take into account:
  - Gender disparities in opportunities and outcomes when designing financial education strategies for the overall population.
  - Needs of women and girls regarding their financial knowledge, confidence, and financial strategies, with a particular focus on their ability to make ends meet, save, choose and use financial products, and seek information and advice.
  - Identify and address barriers that may prevent women from accessing financial education and improving their financial literacy, including cultural, social and legal norms that limit women’s opportunities to learn about financial matters, to acquire financial skills, and to act independently.

- **Identify and analyze women-specific needs and create financial products and services appropriate for this sector of the population**. Combine financial training with access to financial products in the formal sector and with entrepreneurial training in order to improve women’s
overall access to economic and financial opportunities. It’s key to promote the involvement and coordination among relevant stakeholders, including public, private and non-governmental organizations concerned with gender issues and financial literacy. Financial institutions should be actively involved in this effort.

- **Generate learning strategies.** Monitor and evaluate financial education initiatives in order to identify education preferences and program results between participants by gender, especially those linked to financial inclusion of women.

- **Reform regulatory frameworks and change unfavorable cultural norms.** APEC economies should be encouraged to grant women equal rights to property in order to expand their economic opportunities. Where non-discriminatory regulation provisions are missing, they must be endorsed.

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Background Paper:
Mechanisms for the Internationalization of Women-Owned Micro and SMEs
Purpose: Information
Submitted by: Peru
Mechanisms for the Internationalization of Women-Owned Micro and SMEs

I. BACKGROUND

The Policy Partnership on Women and the Economy (PPWE) was established at the second Senior Officials’ Meeting held at Big Sky, Montana in the United States in May 2011. It combined the former APEC Gender Focal Point Network and the private sector-oriented Women’s Leadership Network which resulted in the creation of a single public-private entity aiming at streamlining and elevating women’s issues within APEC. PPWE’s goal is to advance the economic integration of women in the APEC region in benefit of all members and to coordinate gender activities across other APEC working groups.

The 2015 APEC Women and Economy Forum Statement, “Women as Prime Movers of Inclusive Growth” emphasized that gender is an important aspect of international markets and global value chains, and underscored the importance of integrating a gender perspective into the overall business operations and analytical frameworks, including production, sourcing, marketing and consumption, to ensure that gender is accounted for.

This Background Paper aims to provide an overview of current developments concerning women entrepreneurs’ participation in international trade as well as potential discussion areas for future action to be undertaken by APEC Economies. It examines some of the opportunities that new technologies and networking/partnering offer women-owned businesses for internationalization, as well as the challenges, obstacles and problems that arise.

II. DIAGNOSTIC

Over the last decade, the number of women entering the workforce has increased substantially while women-owned businesses are a growing share of all enterprises in many countries. According to the OECD (2013), in many developed economies, women are starting businesses at a faster rate than men, making significant contributions to economic growth. In this sense, women-owned small and medium-sized enterprises (SMEs) make significant contributions to the economies in which they operate.

According to IFC (2011), in transition economies, characterized by a limited growth in employment, “entrepreneurship is important from the perspective of job creation, private sector development, and wealth creation. Women’s participation in entrepreneurship can help expand these economies while also leading to less inequality in society”.¹

The growth in the number of women-owned businesses outpaces the overall rate of start-ups in a number of countries (OECD, 2000). Strong evidence shows that women’s entrepreneurship matters greatly in societal development and prosperity. The World Bank shows that female entrepreneurs contribute substantially to economic growth and poverty reduction around the world. Despite obstacles such as lack of capital and severe social constraints, women continue to launch and expand businesses. In this sense, globalization brings fundamental challenges but also opportunities in relation to women’s entrepreneurial performance.²

According to the GEM report (2015), entrepreneurial activity is a continuous process rather than a single event, and it involves individual participation across a range of phases comprising

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¹ http://www.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8g69adcc27/G20_Women_Report.pdf?MOD=AJPERES
² http://www.oecd.org/industry/smes/1848305.pdf
entrepreneurial activity: entrepreneurial intentions, nascent and new business activity, established business ownership, and business discontinuance.

Potential entrepreneurs need to identify opportunities for starting a business and, to varying degrees, believe that they have the necessary skills, knowledge and experience to do so. However, perceiving an opportunity and having the skills to pursue it does not necessarily lead to intentions to start a business. The GEM report shows that “Individuals will assess the opportunity costs, risks and rewards of starting a business versus the availability of employment preferences and options; therefore entrepreneurs may be motivated by either necessity determinate by a lack of better job choices or opportunity by choosing to pursue an entrepreneurial opportunity” (GEM, 2015).

A central indicator in the GEM report is the Total Early-stage Entrepreneurship Activity (TEA) rate, which measures the percentage of the adult population in the process of starting a business and those who have recently started one. The ratio of female-to-male participation in early-stage entrepreneurial activity reflects differences in culture and customs regarding women’s participation in the economy. It also signals to other factors such as the extent to which women need to generate income for their families, the availability of good job alternatives for women, and policies and practices that affect genders differently. Culturally, family roles and responsibilities may encourage or discourage women (For further information, see Background Paper: Care Systems).

Moreover, Figure 2 shows that a substantial majority (more than two-thirds) of early-stage entrepreneurship activity by women is in the consumer services sector. One of the reasons for this has to do, in varying degrees, with laws that restrict the types of jobs women are permitted to engage in. In addition, women have less access to startup funding, which is a hindrance to launching asset- or manufacturing-based businesses. Barriers preventing women from entering the consumer sector, including skills and required capital, tend to be lower. As a result, this is often an over-traded sector populated by low-profit-margin businesses. Additionally, the consumer sector may be particularly vulnerable in periods of economic slowdown. Most likely, the fact that a high proportion of women-owned TEA entities are concentrated in a single and such vulnerable sector contributes to the generally lower rates of female established business ownership (GEM, 2015).

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Regarding the established business ownership stage, the OECD points out that “enhancing the export potential of a business is an important step in internationalizing operations and becoming an active player in the global economy”. For many entrepreneurs, internationalization is a means to access larger and more diverse markets. However, determine the extent to which “women entrepreneurs are currently involved in international trade (as exporters and importers) in different countries around the world, or the degree to which they are confronted with specific obstacles in this area” is still an unresolved task (OECD, 2013).

The OECD Secretariat (2000) had pointed out that Ad hoc studies carried out in different countries point to varying levels of international involvement of women-owned businesses. However, there is a lack of comprehensive studies and important information gaps in statistics on SMEs in international trade disaggregated by gender. There are indications, though, women-owned businesses are only beginning to become involved in international trade and other forms of globalization, which may be a factor preventing them from reaching their full potential in trade, investment and market opening networks.4

4 http://www.oecd.org/industry/smes/1848305.pdf
The ability to sell internationally is influenced by a range of factors: for example, the ability to conduct supply and distribution activities through the Internet, particularly since it facilitates international trade. Schott (2015) found that only 35% of young women used the Internet to sell products and services, compared to 48% of young men.

On the bright side, when defining innovation as “offering products that are new to some or all customers” it can be stated that in some regions women entrepreneurs have higher levels of innovation than their male counterparts. Collectively, women entrepreneurs look different than their male counterparts. Women’s lower employment numbers and growth aspirations have historically led to questions of how to “fix them” (VanderBrug, 2013). However, different doesn’t mean deficient or underperforming. A recent Dow Jones research on venture-backed companies in the U.S. found that those that were successful had twice the number of women on their founding team. On the other end of the growth spectrum, analysis of a dataset from 350 micro finance institutions across 70 countries (Microfinance Gateway) indicated that lending to more women was associated with lower write-offs and lower portfolios-at-risk.

**Challenges in the Internationalization of Women-Owned MSMEs**

Female entrepreneurs face a range of financial and non-financial challenges when realizing their growth potential. According to IFC (2014), most of the financial and non-financial barriers affecting women-owned SMEs occur at the startup stage of the business life cycle.

- **Financial Access**: Women tend to have less access to finance and other resources than men, and face issues of rights and voice (WB, 2009). Difficulties in obtaining the financial resources necessary to invest is also a major impediment for internationalization, and women face particular challenges in this regard. Women entrepreneurs expanding their businesses have financing needs that exceed micro-credit ceilings. For instance, the lack of collateral, the sectors in which their businesses operate (the service and retail sectors), among other factors, make it, in some cases, particularly troublesome for women entrepreneurs to gain access to financing and guarantees for exporting. According to the OECD “such differences create a distortion and often result in a situation where women’s economic activities are under-resourced and undercapitalized, reducing the overall aggregate output and inhibiting economic growth” (OECD, 2000). Women continue to concentrate in small, low-growth firms, and a disproportionate share of women’s businesses fail to mature. In addition, financial institutions have not fully realized the business opportunities of meeting the specific financing needs of women entrepreneurs as a distinct customer group.

- **Literacy levels.** Both Financial and Digital literacy can be a major challenge in developing countries, where it is not uncommon that traditional societies constrain the inclusion of females in entrepreneurship development. Mature women are more likely to have been excluded from formal education, reducing their chances of becoming formal entrepreneurs and expanding their business in the international market.

- **Uptake and use of new Information and Communications Technologies (ICTs):** ICTs are becoming increasingly more and more instrumental to international business activity. At the societal level, despite the fact that progress has been made in recent years, an OECD report shows that “scientific and technological professions continue to be dominated by men, and this carries over to entrepreneurship as well. This situation may reflect imbalances in the education, training and socialization processes, which may not offer equal opportunities to girls and boys in the fields of
study, or which may, directly or indirectly, encourage boys to take up certain fields and girls others” (OECD, 2000).

The fact that women may be generally less familiar with science and technology has an impact not only in the sectors in which they start their businesses, but also on the use they make of technologies when running the business. In addition to a lack of information or limited awareness of their potential benefits, other challenges to the uptake and use of ICTs include the costs and quality of network infrastructure, the demands of assimilating continuous technological advances, and a shortage of technical skills and management knowledge.

- **Information and networking asymmetries:** It has been found that international networks and partnerships support and encourage internationalization. According to the OECD: “Entrepreneurs who develop and maintain ties with other entrepreneurs tend to outperform those who do not. There is evidence, however, that women entrepreneurs may not exploit to the same degree as men the benefits that come from networking with other business owners working in similar sectors and at different levels in the supply chain around the world.” (OECD, 2000). The importance of networks in gaining access to foreign markets is now well established; yet women have often been left out from these primarily male-dominated networks.

- **Language barrier:** when it comes to conducting business in foreign climes, the language barrier causes many companies to stay out or incur in additional cost in order to contract an external consultant company as intermediary. Education gender gaps increase this cost related to women-owned enterprises.

- **Risk assessment:** Women entrepreneur’s business strategies may be particularly risk-averse with respect to certain international dimensions, and there are a number of explanations for this phenomenon (OECD, 2000). According to the GEM Report, 41% of women who perceive entrepreneurial opportunities do not start a business due to fear of failure; compared to 34% of men. This may be caused by a lack of previous entrepreneurial and management experience: for example, while it is quite clear that international careers paths in large enterprises prepare men and women for entrepreneurship in a global context, the number of women in high-level managerial positions with an international dimension remains very low.

- **Local dependency:** Micro and SME are relatively dependent on local resources and markets, and less able than larger firms to benefit from economies of scale and other size-related advantages that play an important role in international exchange. Moreover, in economies with large and relatively affluent internal markets, there may be less incentive for early-stage entrepreneurs to reach out to international markets. This applies to many women-owned businesses, which may also face additional obstacles related to the characteristics of their businesses or to their gender itself.

### III. OVERCOMING INTERNATIONALIZATION BARRIERS IN WOMEN-OWNED SME

- **Integrating the use of ICTs in daily business operations.** According to the OECD, international trade in services, sector in which the majority of women-owned businesses concentrates is a growing part of global GDP, largely as a result of the advances in technologies for delivering these services to foreign markets. Integrating the use of ICTs in daily business operations may offer

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5 Ibid. OECD, 2000
special opportunities for women-owned businesses, particularly for overcoming barriers related to their venture’s characteristics as well as gender.

✓ Electronic and mobile commerce can reduce the importance of geography and distance for marketing and sales, as well as for product and service delivery, along with the high costs associated with being strategically located.

✓ ICTs can also increase the opportunities for efficiency gains through outsourcing, and other forms of supply chain reorganization. This can be of particular value to women entrepreneurs seeking to establish forms of international co-operation such as FDI and strategic alliances. According to the MGI, SMEs that use the internet extensively tend to export approximately twice as much when compared to SME that use the internet sparingly.

✓ ICTs can also be instrumental in reducing information related obstacles for achieving internationalization. This includes facilitating the development of informational networks for trade, foreign investment, etc. They can also be harnessed as a tool to deliver training, for example, e-learning about international trade, including skill-building, cross-cultural training, etc.

- **Networking to provide added value.** It not only serves to exchange information and experiences, but also as a means to access technology and increase familiarity with business cultures in foreign markets. According to the OECD (2010) “networks can facilitate accelerated and peer-based learning and help entrepreneurs innovate, by allowing them to reconfigure relationships with suppliers and therefore allowing the sharing of overhead costs and the exploitation of specific scale economies present in collective action (such as bulk purchasing of inputs)”.

- **Mentoring.** Access to mentorship opportunities and contacts that are knowledgeable about the regulatory environment and international business operations are, according to a World Bank study, an important factors for successful enterprise growth. For instance, “[programs] that enhance skills and competencies for women entrepreneurs, and other initiatives such as mentoring and advising, should include developing and assessing women’s confidence to seize opportunities as well as building their capacity for managing risk” (GEM, 2015).

- **Stimulate Public-Private Partnerships (PPP).** A Multi-stakeholders approach can also play an important role in helping businesses to internationalize. Partnership initiatives currently underway in different countries cover an array of activities to promote internationalization, for example, “trade missions (real and virtual), virtual trade shows, export guarantees and credits, training programs and access to new technologies” (OECD, 2010), among others.

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6 By adopting e-commerce, SME may achieve significant advantages such as increased revenues and margins, improved market reach, access to new markets, cost saving in marketing and communication spend, customer acquisition and improved customer experience.

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