

Engendering Enterprise Surveys and Investment Climate Assessments

PREM Learning Week
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PRMGE, The World Bank

Overview

1. Using Enterprise Survey data to study women's entrepreneurship;
2. Sampling issues;
3. Who is the entrepreneur?
4. Relevant characteristics;
5. Selection issues.

Using Enterprise Survey data to study women's entrepreneurship

- Enterprise Survey data are meant to study:
 - business perceptions on the main obstacles to enterprise growth and job creation;
 - the impact of those constraints on productivity and employment;
 - the effects of a country's business environment on its international competitiveness.
- The emphasis is on the firm rather than on the entrepreneur

Using Enterprise Survey data to study women's entrepreneurship

- Gender analysis:
 - differences in performance;
 - differences in characteristics of the firm;
 - differences in investment climate constraints;
 - differences in survival probabilities (if panel).
- Enterprise Survey data not appropriate to study:
 - differences in participation in entrepreneurship;
 - differences in characteristics of the entrepreneur (especially household characteristics and family background, attitude towards risk, education and experience, motivation to be in business, etc.).

Sampling issues

Characteristics	Drawbacks
Sample of <i>enterprises</i>	<ul style="list-style-type: none">▣ No information on households▣ Selection into entrepreneurship not observable
Enterprises are <i>formal</i> and with <i>5+ employees</i>	Women's businesses are often informal and micro
<i>Micro-enterprises</i> included where large informal economies	Sample not representative of the micro sector
Sample sizes 250-1500 businesses (incl. public- and foreign-owned)	Few female-owned enterprises
Random stratified sampling generally used along one or more dimensions (line of business, size, regional level)	Ownership is not one of the sampling strata

Who is the “entrepreneur”?

- “Owner” vs. “manager”
 - Who is the entrepreneur?
 - What is the relationship between the two?
- Relevance of the legal structure
- The manager typically answers the questionnaire!
 - Is information about the owner accurate?
 - Opinions about the investment climate constraints are those of the manager.

Owner vs. manager

Innovation in future Enterprise Survey questionnaires

B.4 To what extent is the owner or majority shareholder involved in the management of this firm?

INTERVIEWER: SHOW CARD 3

Makes most decisions	1
Makes decisions in consultation with other partners	2
Delegates most decisions to other partners	3
Has appointed a manager	4
A board of directors manages the firm	5

Go to B5

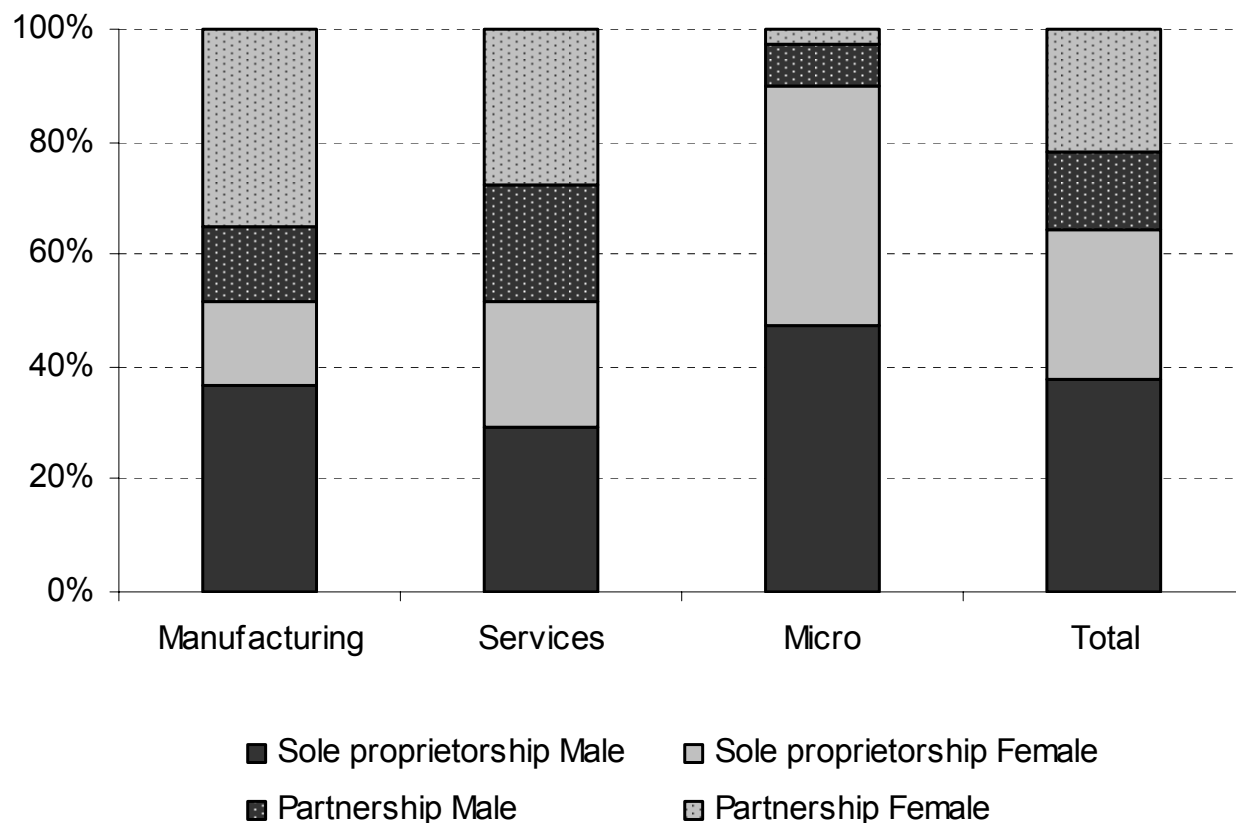
b4

B.4a Is the most senior active manager of the firm female?

Yes	1
No	2
Don't know	-9

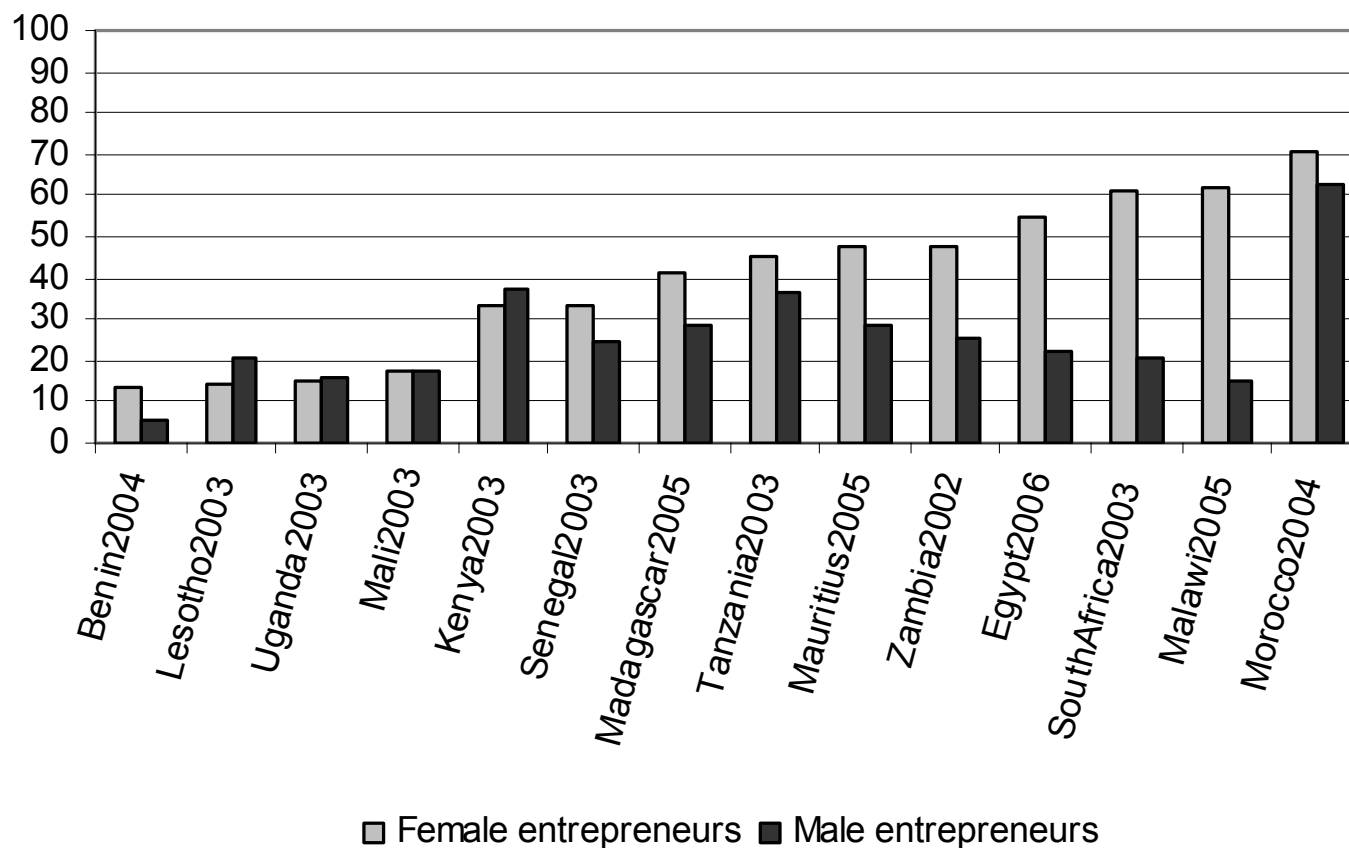
b4a

Who is the decision-maker when businesses are run in partnership?



Percentage of entrepreneurs by sex, sector, and legal status, Ethiopia Enterprise Survey, 2007

In Africa, women tend to participate in family enterprises



Percentage of entrepreneurs in family enterprises, source: Africa Competitiveness Report, 2007

Identification of the owner/decision maker

Nigeria 2007:

	Male	Female
What is the sex of the sole owner or majority shareholder?	ng_b3f	

Innovation in future Enterprise Survey questionnaires

B.3	Are the owners of the enterprise:
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All men	1
Primarily men	2
Primarily women	3
All women	4
Don't know	5

B3

B.3b	Is the largest owner female?
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IF THERE ARE MULTIPLE OWNERS WITH THE SAME OWNERSHIP SHARE, PLEASE ANSWER WITH RESPECT TO THE PERSON MOST ACTIVE IN THE OPERATION OF THE FIRM

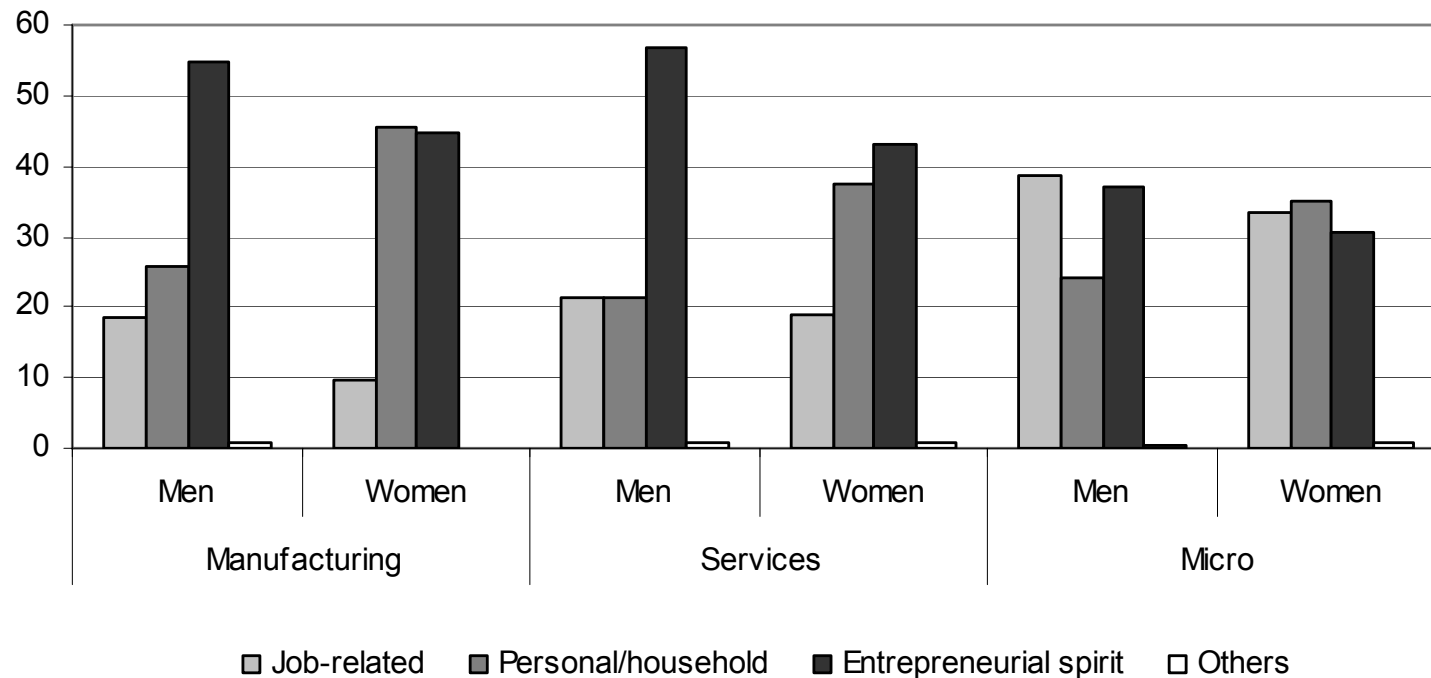
Yes	1
No	2
Don't know	-9

B3b

Relevant characteristics for gender analysis

- Individual characteristics
 - Characteristics of the entrepreneur (age, level of education, etc.)
 - Motivations to be in business
 - Channels of firm acquisition
- Firm characteristics
 - Sector
 - Size
- “Contextual” characteristics
 - Geographical distribution – Culture, history, traditions
 - Formal institutions (laws and regulations)

Motivations to be in business may differ between men and women



Motivations to be in business, by sector and sex of owner
Nigeria Enterprise Survey, 2007/08

Channels of firm acquisition

Innovation in future Enterprise Survey questionnaire

B.3c	How did the sole or largest owner acquire ownership of this business? INTERVIEWER: SHOW CARD 3a
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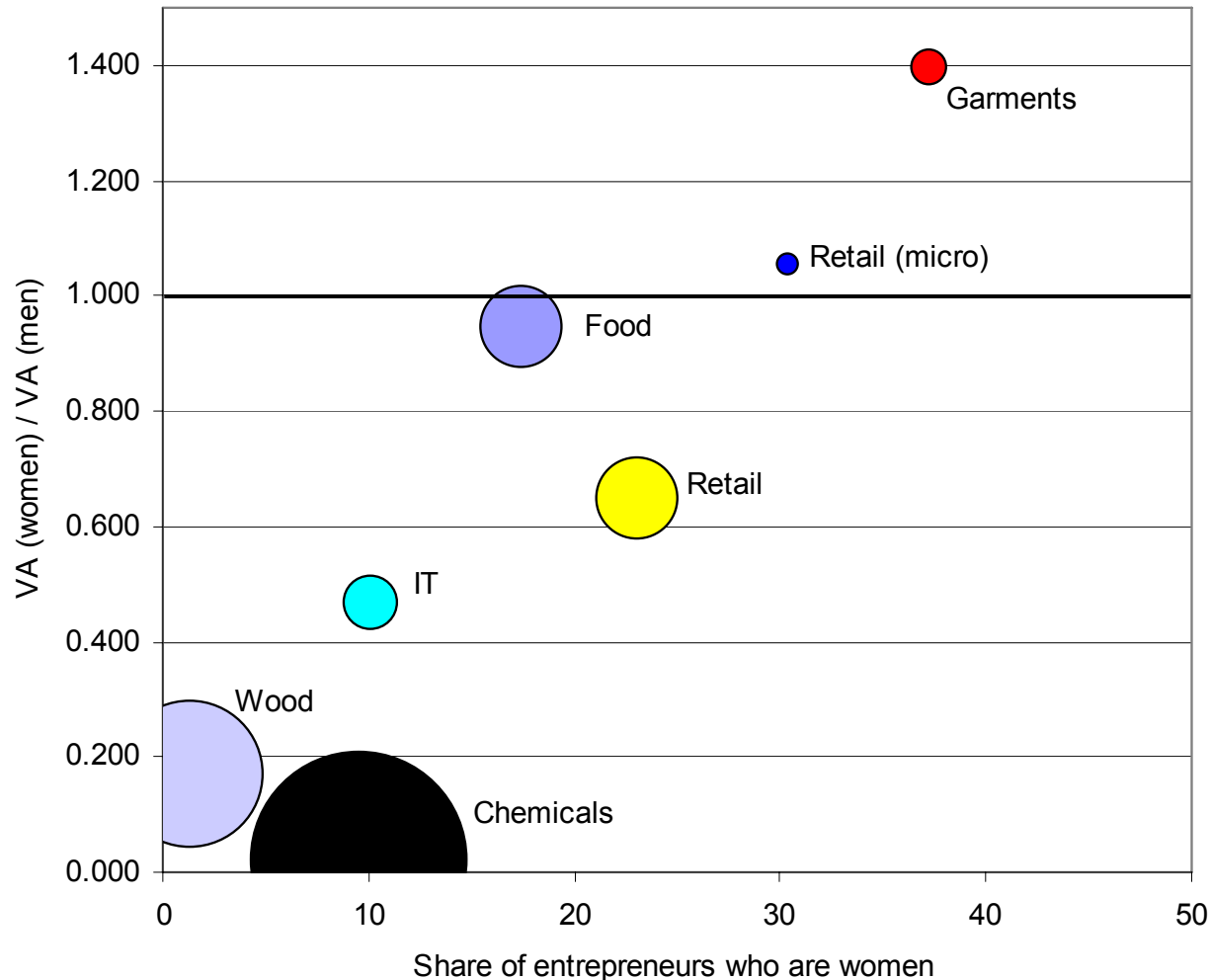
Started the business on their own or with partners	1
Purchased (part of) an existing business	2
Joined an existing own-family business (with parents, siblings, in-laws, etc.)	3
Inherited the business	4
Other	5

B3c

Unlike men, women tend to concentrate in few industrial sectors

	Formal (manufacturing and services)		Micro		% of all entrepreneurs who are women	
	Men	Women	Men	Women	Formal	Micro
Manufacturing:						
Food	11.0	9.2	2.9	2.8	17.5	28.6
Garment	6.4	15.1	3.5	7.0	37.3	45.5
Textiles	0.8	0.6	0.0	0.7	15.8	
Machinery and equipment	0.5	0.0	0.3	0.0		
Chemicals	2.2	0.9	0.0	0.7	9.6	
Electronics	0.6	0.0				
Non-metallic minerals	1.0	0.0	1.2	0.0	0.0	
Wood and wood products	9.2	0.5	4.4	0.0	1.3	0.0
Metals and metal products	6.9	0.0	2.9	0.0	0.0	
Other	6.5	2.2	3.5	0.7	7.8	7.7
Retail	23.7	28.1	73.1	76.2	23.1	30.4
Information Technology	4.7	2.1	1.2	0.7	10.1	
Construction and Transport	3.9	0.3	0.0	0.7	1.6	
Hotels and Restaurants	13.6	33.3	1.5	3.5	38.2	
Others	9.3	7.9	5.6	7.0	17.7	34.5
All	100.0	100.0	100.0	100.0	20.2	29.5

... which can be an indication of gender-specific constraints (access to credit/capital?)



Reasons why women are in business may be extra-economic

	Region [^]	Manufacturing	Services	Formal (manufacturing and services)	Micro
Sokoto	NC	9.0	24.7	21.0	35.7
Kaduna	NC	9.7	21.6	15.9	49.0
Kano	NC	12.8	19.4	15.9	23.9
Bauchi	NE	10.3	16.2	13.5	17.2
Abuja	MB	14.1	42.9	30.8	36.4
Lagos	SW	14.1	25.5	20.1	25.0
Ogun	SW	15.3	23.1	19.7	50.0
Cross River	SS	13.4	20.6	18.2	20.4
Anambra	SE	12.0	25.9	21.1	22.9
Enugu	SE	22.2	27.9	25.9	30.6
Abia	SE	21.7	23.7	22.9	18.8
All		13.8	24.7	20.2	29.5
More industrialized states [†]		13.3	25.3	19.7	35.5
Less industrialized states		15.0	24.0	21.0	23.2
States with better regulatory environment [‡]		12.8	25.2	20.1	31.7
States with worse regulatory environment		14.9	24.2	20.3	27.5

Selection issues

- *Entry* into entrepreneurship can be the crucial step
 - Women who are 'formal' entrepreneurs are a selected group
 - Women tend to concentrate in specific sectors
 - Women tend to concentrate in the informal sector

- If "super-women" are in business, this may explain why we do not observe relevant differences in performance and perceived constraints between men and women

- Both men *and* women face substantial constraints!

Next steps

- Improve available information in surveys
 - More information on personal characteristics of the entrepreneur;
 - Inclusion of questions on ownership, management and relationship between the two;
- Improve data analysis - address selection issues
 - Focus on the formal *and* informal sector
 - Use other types of surveys, use case study analysis
- Address legal and regulatory constraints
- Focus on specific constraints that appear to affect women more severely (crime, corruption, access to finance)