

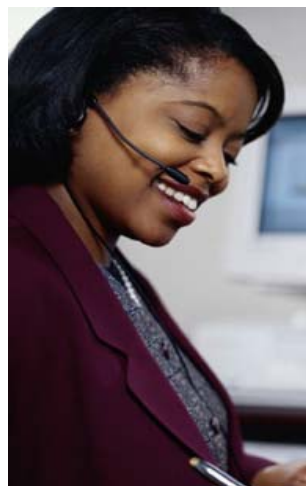


IFC

private sector | development

# The Importance of Gender in Private Sector Development

May 2006



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Gender–Entrepreneurship–  
Markets (GEM)

# Presentation Outline

- Why gender matters for private sector development and growth
- Investment climate issues
- Case study – Kenya
- Making progress in Africa



# Why Gender Matters to PSD and growth

- Private sector engine of growth
- Women entrepreneurs up to 50% of total (including informal sector)
- Women majority of informal economy & poor
- WOB higher loan payback rates & lower start up failure rates yet barriers to formal financing
- Job creation eg China, US – female employment multiplier
- Driver of growth - UK/Canadian investment climate/gender

## Women Face More/ Different Obstacles

- Legal restrictions
- Gap between policy and practice
- Cultural discrimination and attitudes



# Why Gender Matters for PSD

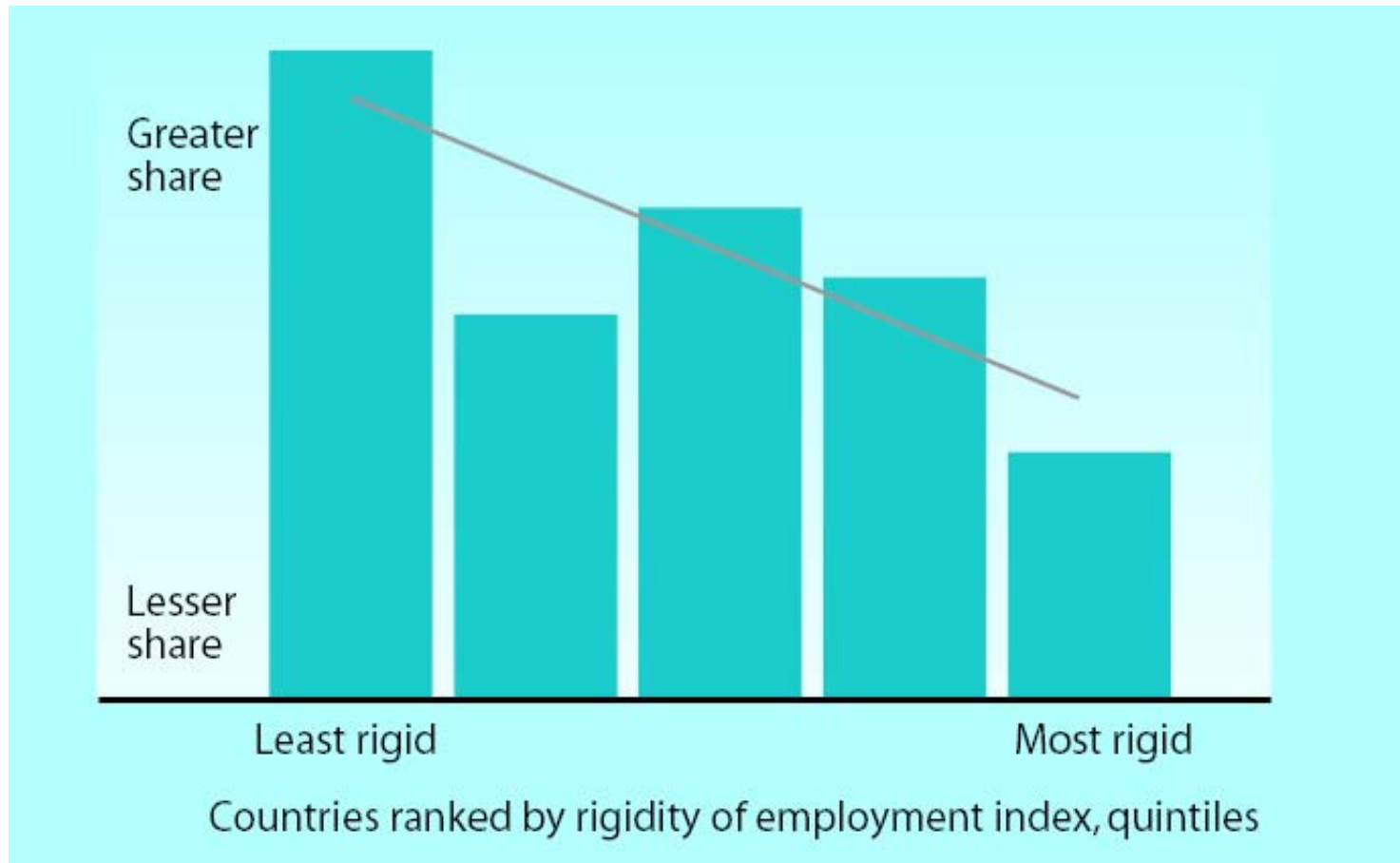
WBG PSD Approach: working with client Govts on Diagnostic, Solution design, Implementation

## DIAGNOSTIC TOOLS

- Doing Business benchmark indicators (rank countries on ease of doing business regulatory/legal framework)
- Surveys of entrepreneurs (Enterprise surveys that inform Investment Climate Assessments)
- Gender and Growth Assessment, FIAS Administrative Barriers

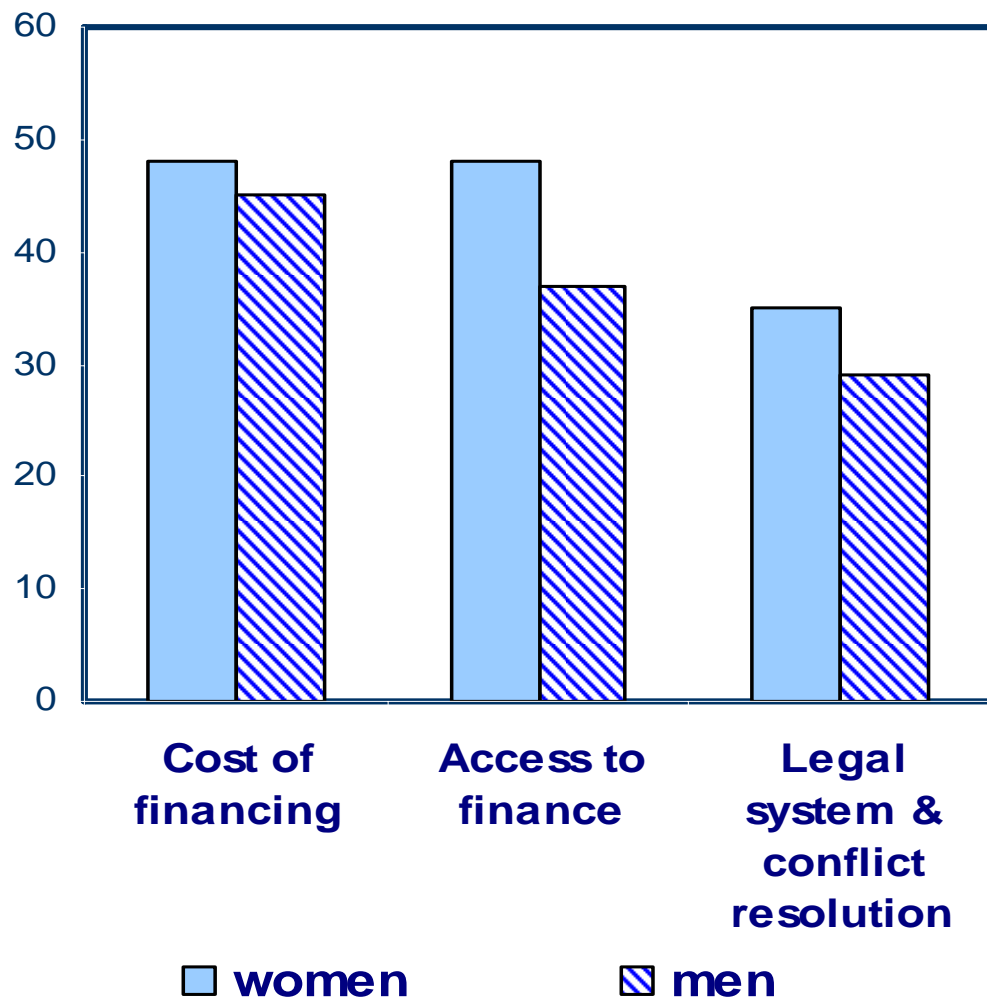
# Unintended Consequences

## Women's Share of Private Sector Development



Source: Doing Business database, World Bank (2004a), WEF (2004).

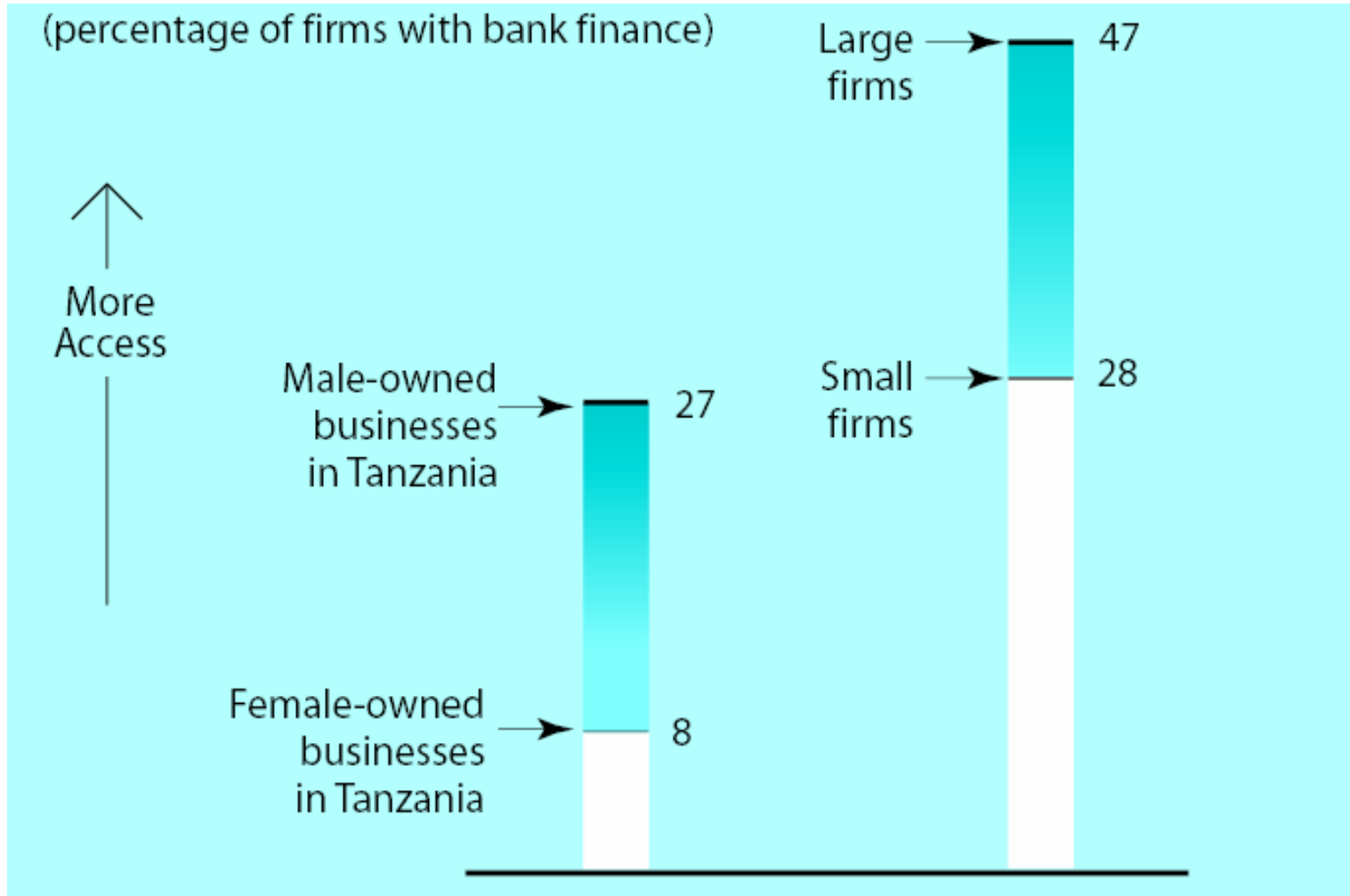
# ICA (Enterprise survey data) - Egypt



Data must be  
disaggregated  
by sex

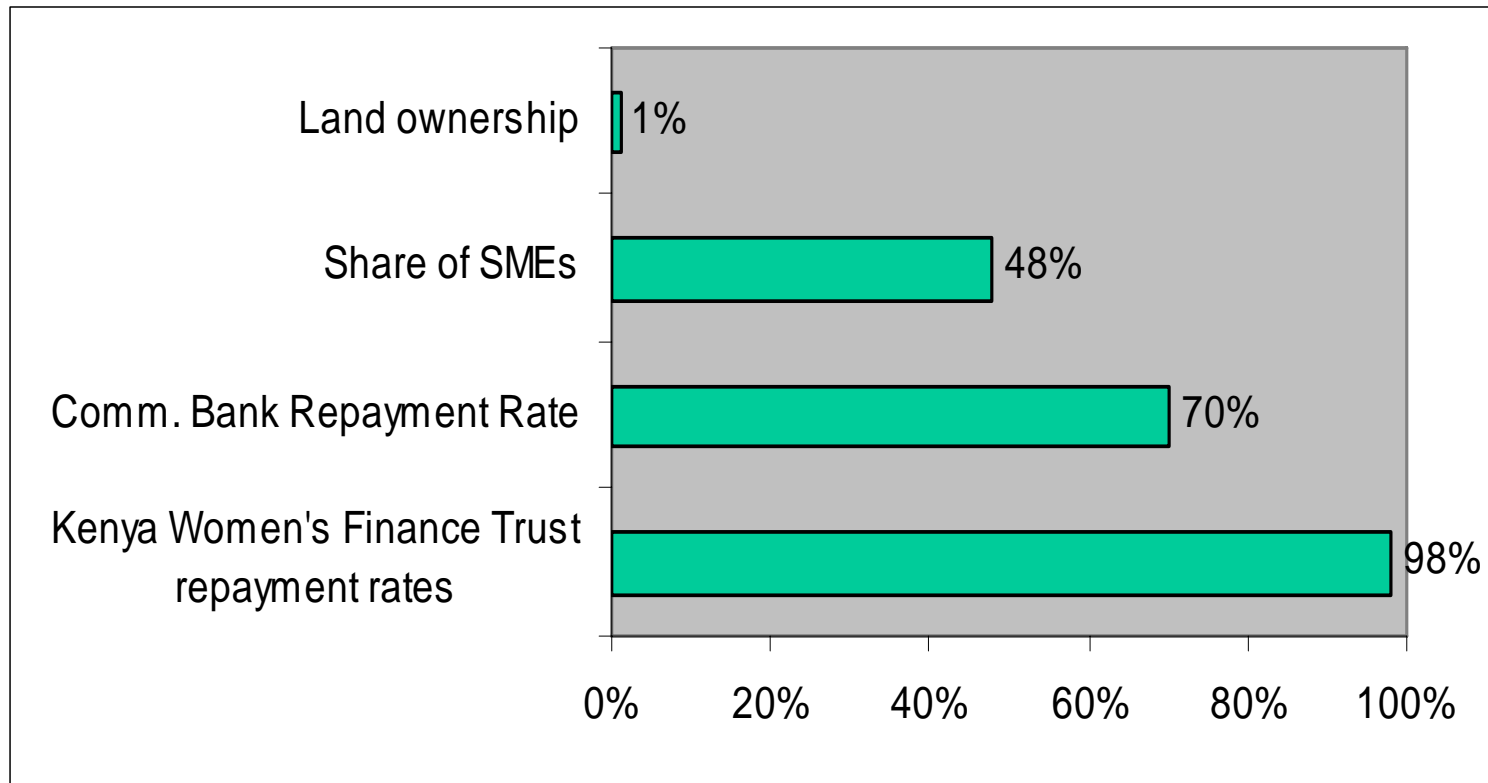
Source: Egypt ICA 2004

# Example: Access to Bank Finance



Source: Doing Business database, World Bank (2004a), WEF (2004).

## Women's Entrepreneurship – Disparity in Resources



Source: Ellis (2004) in Doing Business 2005.

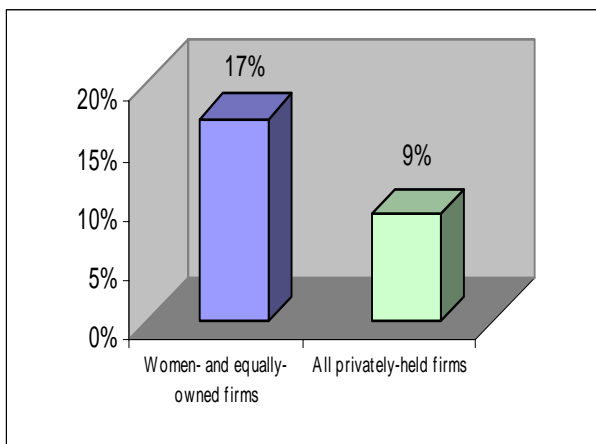
# Access to Finance: USA vs. Kenya

	<b>USA</b>	<b>Kenya</b>
<b>Women-owned SMEs</b>	48%	48%
<b>Sector</b>	Formal	Informal ( <i>Jua Kali</i> )
<b>Measured contribution to economic growth/job creation</b>	Employ 19.1 million people and generate US\$2.46 trillion in annual sales	Estimated 40% of total MSME employment.
<b>Access to formal financing</b>	Yes	No (microfinance)
<b>Forms of formal financing</b>	Full range of financial instruments	Collateral based lending
<b>Land ownership</b>	Yes	No (1% individual; 5-6% joint)
<b>Legislation</b>	<ul style="list-style-type: none"><li>• ECOA</li><li>• CRA</li><li>• AWBO</li></ul>	<ul style="list-style-type: none"><li>• Reservation Article 13 of CEDAW</li></ul>

# Growth Unleashed - US WOB ('97-04)

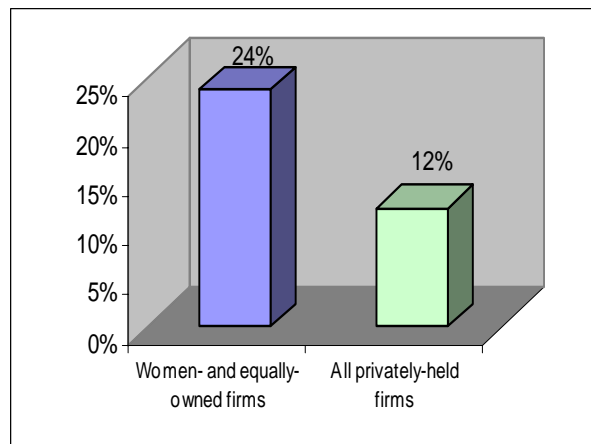
## Black women businesses at 4x growth rate

### Business growth



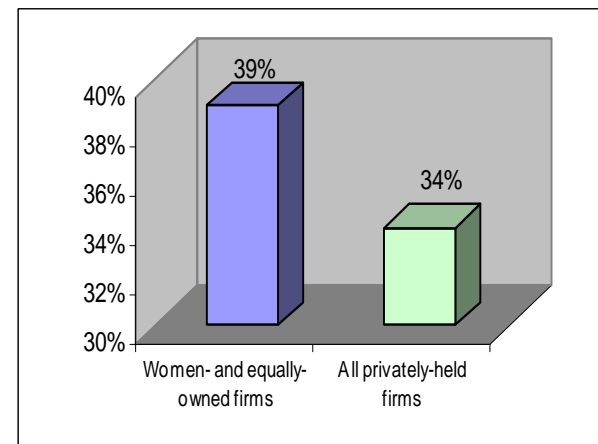
10.6 million firms (48%) at least 50% owned by women...

### Employment growth



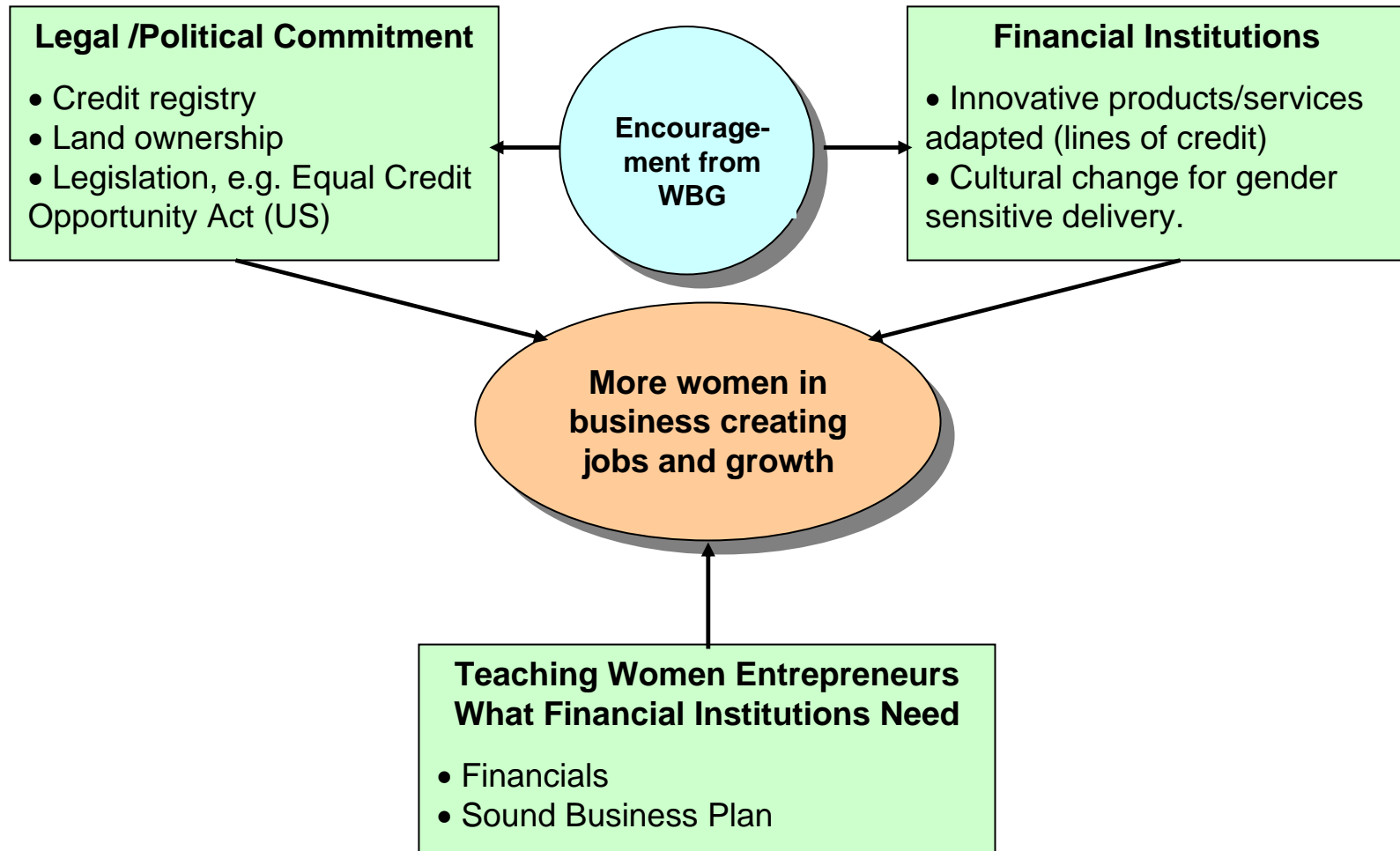
10.6 million firms (48%) at least 50% owned by women...

### Revenues



and generate \$2.46 trillion in annual sales.

# Tri-Partite Model on Women's Access to Finance



# Gender and PSD in Africa

## To advance the gender/PSD agenda in Africa: Diagnostic – Solution Design – Implementation

- Sex disaggregated data of enterprise surveys enables gender analysis of PSD issues
- Engage women in public-private dialogue  
e.g. Doing Business, Investor Councils
- Address gender issues and PSD  
e.g. labor laws, land reform issues, new products eg leasing/factoring
- Help leverage SME potential  
e.g. capacity building, training, backward linkages – supply chain development, trade linkages

“Women’s entrepreneurship, the obstacles women face and the potential they offer to create both wealth and well-being are a world-wide phenomenon.”

Margaret Snyder, Founder UNIFEM

