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EMERGING LESSONS ON WOMEN'S ENTREPRENEURSHIP IN ASIA AND THE PACIFIC

Case Studies from the Asian Development Bank
and The Asia Foundation

OCTOBER 2018



The Asia Foundation

ADB

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Notes:

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Photos on the front cover:

Top row, from left: Bibi Ayesha Lubna, a young entrepreneur, started a small thread industry with the assistance of a loan. She is one of many women who, through the project, took out a loan to start or expand their businesses in Bangladesh through ADB’s Small and Medium-Sized Enterprise Development Project (photo by ADB/ M R Hasan); Entrepreneurs participate in a small group training course at the Women’s Business Center in Ulaanbaatar, Mongolia (photo by The Asia Foundation/ Davaanyan. D.).

Middle row, from left: Hasmik Barkhudaryan, discussing the menu with her staff at Aries café, is one of the women entrepreneurs who benefited from ADB’s Women’s Entrepreneurship Support Sector Development Program in Armenia (photo by ADB/ Armenia Resident Mission); Women from the fishing village of Tubusereia have just completed fish processing training at a local vocational school as part of the Pacific Private Sector Development Initiative’s Strengthening the Supply Chain in Fisheries pilot project in Port Moresby. The pilot project is providing loans and skills training to help participants establish sustainable formal businesses in Papua New Guinea (photo by ADB/ Eric Sales); A participant in The Asia Foundation’s Empowering Migrant Women as Entrepreneurs in China project in Shanghai sells her handicrafts during a community fair organized as part of the project’s business skills training sales exercise (photo by The Asia Foundation/ Migrant Women Entrepreneurs Project).

Bottom row, from left: Shamma Parvin Lipi expanded her boutique and tailoring business when she borrowed a loan from a local bank supported through ADB’s Small and Medium-Sized Enterprise Development Project (photo by ADB/ M R Hasan); Clients of the Vietnam Bank for Social Policies check the bank’s text message service for account-related notifications on their phones while working on a rice field (photo by The Asia Foundation/ Tran Giang Linh).

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FOREWORD

Globally, women's entrepreneurship is increasingly understood to be a key driver of economic growth and job creation. Indeed, an estimated \$4.5 trillion would be added to Asia and the Pacific's gross domestic product by 2025 by closing the gender disparities in economic opportunities.¹ Widely recognized as a key component of women's economic empowerment, women's entrepreneurship has the potential to contribute significantly to advancing women's rights and increasing their influence.

Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific: Case Studies from the Asian Development Bank and The Asia Foundation is a joint undertaking that is part of a wider commitment to enhancing cooperation and partnership between our two organizations with respect to gender equality, strengthened governance and public sector management, environmental sustainability, regional cooperation, and integration within the region. This publication provides a unique assessment of the current situation of women's entrepreneurship in the region, and includes key recommendations for contributing to an enabling environment for women entrepreneurs.

The report identifies strategies for addressing gaps and leveraging opportunities for new and established entrepreneurs. Importantly, it explores the most pressing challenges women entrepreneurs face in Asia and the Pacific today, and considers how organizations, governments, donors, and the private sector can help women-owned businesses to prosper.

It is our hope that this report will further strengthen the work of policymakers and the commitment by donors to supporting women's entrepreneurship in Asia and the Pacific through gender-responsive, evidence-based investments and programs.



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¹ J. Woetzel et al. 2018. *The Power of Parity: Advancing Women's Equality in Asia Pacific*. Executive Summary. New York: McKinsey & Company, McKinsey Global Institute. <https://www.mckinsey.com/-/media/McKinsey/Featured%20Insights/Gender%20Equality/The%20power%20of%20parity%20Advancing%20womens%20equality%20in%20Asia%20Pacific/MGI-The-power-of-parity-Advancing-womens-equality-in-Asia-pacific-Executive-summary.ashx>

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ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
BWCCI	Bangladesh Women Chamber of Commerce and Industry
CEO	chief executive officer
GDP	gross domestic product
GEM	Global Entrepreneurship Monitor
ICT	information and communication technology
Lao PDR	Lao People's Democratic Republic
MSMEs	micro, small, and medium-sized enterprises
NGO	nongovernment organization
PSDI	Pacific Private Sector Development Initiative
SEWA	Self-Employed Women's Association
SMEs	small and medium-sized enterprises
VBSP	Vietnam Bank of Social Policies
WBC	Women's Business Center
WEESMS	Women's Economic Empowerment through Strengthening Market Systems

1. INTRODUCTION

There is widespread recognition that unleashing women's talent as entrepreneurs is an effective way to narrow the current gender gaps in the labor market, and thus contribute to inclusive growth. A number of governments, donors, development partners, investors, and nongovernment organizations (NGOs) have geared up to work toward this objective. This report is intended to guide effective decision-making by these stakeholders with regard to supporting women's entrepreneurship in Asia and the Pacific.¹ It provides recommendations for programs and policy changes that will create an enabling environment for women entrepreneurs, as well as strategies for addressing gaps and leveraging opportunities for women entrepreneurs in the region.

The report has been jointly prepared by the Asian Development Bank (ADB) and The Asia Foundation, two organizations that have a history of supporting women entrepreneurs in Asia and the Pacific. While they promote women's entrepreneurship in different ways, they share one clear goal: to enable women to reach their full economic potential. ADB is a multilateral financial institution that assists its developing member countries and partner organizations in this endeavor by providing loans and equity investments to women-owned micro, small, and medium-sized enterprises (MSMEs), as well as technical assistance to women entrepreneurs. The Asia Foundation is a nonprofit international development organization that works with local organizations, governments, and the private sector to advance women's empowerment and gender equality across Asia, contributing to women's economic rights and opportunities by supporting women's entrepreneurship, worker rights, and climate resilience.

Both organizations seek to address the key legal and regulatory constraints that limit the prospects of women entrepreneurs.

Both institutions recognize that much more needs to be done to ensure that women reach their full economic potential. ADB's and The Asia Foundation's respective women's empowerment and gender teams saw an opportunity to learn from the extensive work done by both organizations, in order to better identify the most effective strategies for supporting women entrepreneurs. They also wanted to learn from the activities that had been less successful. This study leverages the organizations' complementary areas of expertise—most notably The Asia Foundation's experience in program management and ADB's experience in providing access to financing and to markets in Asia and the Pacific—to make policy and program recommendations for strengthening support for women entrepreneurs.

ADB and The Asia Foundation hope that this report will result in a renewed commitment by all stakeholders to supporting women entrepreneurs through gender-responsive, evidence-based investments and strategies.

¹ India is not covered in this report.

2. WOMEN'S ENTREPRENEURSHIP IN ASIA AND THE PACIFIC

2.1 An Overview of Women's Entrepreneurship

a. What Is Women's Entrepreneurship?

Globally, women's entrepreneurship is increasingly a driver of economic growth and job creation. Asia and the Pacific stand to gain 70% in per capita income within roughly two generations by eliminating gender disparities in employment, including in the area of entrepreneurship.²

According to the International Finance Corporation, women own 50% of microenterprises and 59% of small and medium-sized enterprises (SMEs) in East Asia and the Pacific, and women in South Asia own 10% of microenterprises and 8% of SMEs.³ There is no universally accepted definition of a "women-owned" or "women-led" business, or of a "woman entrepreneur." In fact, few sources explicitly define these terms, and some use them interchangeably. But there are distinctions in meaning. For instance, "women-led" could imply partial or full ownership, and it could refer to management or operations. In this report, the analysis focuses on women entrepreneurs who are both majority owners of their own businesses and have financial and operational decision-making power over those businesses.

There is also a wide variety of ways to define MSMEs. The definitions vary by country, but they generally rely on a combination of four criteria: number of employees, net or total assets, annual turnover, and the amount of capital invested.⁴ Most women's businesses qualify as MSMEs, particularly as micro and small enterprises. In fact, only one out of 10 women-owned businesses in Southeast Asia employs more than five people (footnote 4). In Cambodia, 65% of MSMEs are classified as "women-led," but women own only one-third of all registered businesses, and less than 1% of businesses with more than 10 employees.⁵ In South Asia, only 8%–9% of formal SMEs are owned by women.⁶ In total, MSMEs account for more than 96% of all enterprises in Asia and

² ADB. 2015. *Asian Development Bank Outlook 2015 Update: Enabling Women, Energizing Asia*. Manila.

³ World Bank Group, International Finance Corporation (IFC). SME Finance Forum: MSME Finance Gap. <https://www.smefinanceforum.org/data-sites/msme-finance-gap>.

⁴ Sasakawa Peace Foundation and Dalberg Global Development Advisors. 2017. *Advancing Women's Empowerment: Growing Women's Entrepreneurship through ICT in Southeast Asia*. Tokyo: Sasakawa Peace Foundation. https://www.spf.org/publication/upload/Womens%20Entrepreneurship%20and%20ICT%20SE%20Asia_2017_en.pdf.

⁵ Organisation for Economic Co-operation and Development (OECD) and Association of Southeast Asian Nations (ASEAN). 2017. *Strengthening Women's Entrepreneurship in ASEAN: Towards Increasing Women's Participation in Economic Activity*. Paris: OECD. https://www.oecd.org/southeast-asia/regional-programme/Strengthening_Womens_Entrepreneurship_ASEAN.pdf.

⁶ United Nations (UN) Economic and Social Commission for Asia and the Pacific (ESCAP), South and South-West Asia Office. 2015. *Unlocking the Potential of Women's Entrepreneurship in South Asia*. ESCAP-SSWA Poverty Briefs. No. 3. New Delhi. <https://www.unescap.org/sites/default/files/Policy%20Brief%20Women%27s%20Entrepreneurship.pdf>.

the Pacific, contributing an average of 42% of total exports and providing employment for 62% of the labor force.⁷

Entrepreneurial motivation—the driving force behind one's work ethic and business decisions—is an important factor shaping the outcomes for women-owned businesses. But the sources of motivation are not always the same. In lower-income countries in Asia and the Pacific, as well as globally, a higher proportion of women-owned businesses are established out of necessity, due to a lack of employment opportunities; while in higher-income countries, a greater share of women's entrepreneurship is driven by opportunities emerging in the market.⁸ This distinction is an important one, as entrepreneurs who start a business in response to a perceived opportunity—as opposed to a lack of other options for income generation—are more likely to be growth-oriented, which means that they are more likely to aim to expand their businesses, hire more workers, and achieve higher financial returns.⁹

At the regional level, women and men start businesses out of necessity at roughly the same rate, but there is a significant gender gap in some countries, though not always in the same direction. In the Philippines, for example, 43% of women entrepreneurs establish livelihood (necessity) businesses, compared with only 28% of male entrepreneurs. Yet in Indonesia and Malaysia, more than 80% of women entrepreneurs are opportunity-motivated, while their male counterparts are almost twice as likely to be driven by necessity (footnote 8). And in the People's Republic of China (PRC), nearly two-thirds of women entrepreneurs are responding to opportunities in the market, though many of their businesses remain small due to limited access to business loans.¹⁰

b. Existing Literature on Women's Entrepreneurship in Asia and the Pacific

Academics and practitioners have been studying women's entrepreneurship since the 1980s.¹¹ Much of the early literature on the subject featured comparative studies of individual characteristics of male and female entrepreneurs, such as age, education, attitudes, and perceptions. But experts later noted that this methodology could lead to skewed findings due to the “individualistic fallacy,” which is the assumption that outcomes at the individual level are solely the result of individual characteristics, as opposed to situational factors embedded in a given environment.¹²

⁷ Asia Pacific MSME Trade Coalition (AMTC). 2018. *Micro-Revolution: The New Stakeholders of Trade in APAC*. Singapore: AMTC. <https://static1.squarespace.com/static/5393d501e4b0643446abd228/t/5aa10ba04192022702940a9a/1520503746410/MSME-Report-APAC-final.PDF>.

⁸ D.J. Kelley et al. 2017. *Global Entrepreneurship Monitor Women's Entrepreneurship 2016/2017 Report*. London, United Kingdom (UK): Global Entrepreneurship Research Association (GERA), London Business School. <https://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%202016-2017%20Womens%20Report.pdf>.

⁹ R.W. Fairlie and F.M. Fossen. 2017. Opportunity versus Necessity Entrepreneurship: Two Components of Business Creation. *SIEPR Discussion Paper Series*. No. 17-014. Stanford, CA: Stanford Institute for Economic Policy Research (SIEPR), Stanford University. <https://siepr.stanford.edu/sites/default/files/publications/17-014.pdf>.

¹⁰ Mastercard. 2017. *Mastercard Index of Women Entrepreneurship 2017*. Purchase, NY: Mastercard. <https://newsroom.mastercard.com/wp-content/uploads/2017/03/Report-Mastercard-Index-of-Women-Entrepreneurs-2017-Mar-3.pdf>.

¹¹ V. Yadav and J. Unni. 2016. Women Entrepreneurship: Research Review and Future Directions. *Journal of Global Entrepreneurship Research*. 6 (12). pp. 1–18. <https://link.springer.com/article/10.1186%2F40497-016-0055-x>.

¹² S. Terjesen and A. Lloyd. 2015. *The 2015 Female Entrepreneurship Index: Analyzing the Conditions That Foster High-Potential Female Entrepreneurship in 77 Countries*. Washington, DC: The Global Entrepreneurship and Development Institute. p. 5.

More recently, a growing body of research rooted in the recognition of “entrepreneurial ecosystems” has been providing a more holistic view of the myriad factors that influence how women’s entrepreneurship flourishes or struggles in various social and geographic contexts.¹³ Diverse factors such as women’s legal rights, access to education, and national family leave policies, coupled with the influence of cultural and religious norms, all influence the opportunities available to women entrepreneurs. Emerging research is increasingly drawing from multiple fields to produce more informed, relevant, and actionable strategies. Researchers are also working to develop more sophisticated indicators to define “women’s entrepreneurship,” with a view to helping policymakers and practitioners better target various forms of entrepreneurship—from cottage industries to high-growth “gazelles” (footnote 12).¹⁴

Several worldwide and regional trends are shaping research on women’s entrepreneurship. Large global data sets with gender-sensitive and sex-disaggregated indicators have been a hallmark of the recent literature on women and entrepreneurship. Examples of global resources emerging in recent years include the Global Index (World Bank Group); Women, Business and the Law (World Bank Group); Global Entrepreneurship Monitor; Female Entrepreneurship Index; and the Global Women Entrepreneur Leaders Scorecard (Dell Inc.).

A survey of the available research on women’s entrepreneurship in Asia and the Pacific reveals an imbalance in terms of geographic focus, with significantly greater attention being given to Southeast Asia than to the rest of the region. Women’s presence in the member economies of the Association of Southeast Asian Nations (ASEAN) has been subject to extensive analysis, possibly due to the high rates of female entrepreneurship in many Southeast Asian countries, and to the high priority given to the sector by several governments in that subregion.

While some comparative data exist on the experiences of women entrepreneurs in rural and urban areas in Asia and the Pacific, there are few large data sets or targeted studies offering detailed analyses of this distinction. Similarly, while women have consistently participated in both the formal and informal sectors of the economy, there are only limited data on the participation of women in the informal sector, and on the conditions that make it easier for women entrepreneurs to transition from the informal to the formal sector.¹⁵

There is also a dearth of intersectional analyses targeting the status, opportunities, and challenges faced by different subgroups of women entrepreneurs, including women with disabilities; women who are HIV positive; gender-diverse and transgender women; and women of different castes, ethnicities, age groups, and religions. Any one of these social identities can have an outsized influence on a woman’s ability to start and grow her own business,¹⁶ and this fact underscores the importance of intersectional research tailored to local social structures.

¹³ D. Kelley, S. Singer, and M. Herrington. 2016. *Global Entrepreneurship Monitor Global 2015/16 Report*. London, UK: GERA, London Business School. p. 9. Examples of such ecosystems include access to financing for new businesses, entrepreneurship-focused government policies and programs, entrepreneurship education, structures for research and development transfer, commercial and legal infrastructure, internal market openness and dynamics, physical infrastructure, and cultural and social norms.

¹⁴ A “gazelle” is a female entrepreneur who intends to grow her business by 50% and employ 10 people within 5 years.

¹⁵ International Labour Office. 2018. *Women and Men in the Informal Economy: A Statistical Picture* (third edition). Geneva: International Labour Organization (ILO). http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf.

¹⁶ Social identity is one’s sense of self based on membership in various social groups. It can also influence how one treats and is treated by others.

2.2 Key Barriers to Women's Entrepreneurship

Drawing from available data, this section describes the common challenges faced by women entrepreneurs across Asia and the Pacific. Where possible and relevant, subregional and national data points are used to illustrate larger regional trends and comparisons regarding the limited access to markets, finance, information, and relevant education and skills training, together with the impact of discriminatory laws and regulations, work environments that are unfriendly to women, and unpaid caring responsibilities.

It is important to underscore how the roadblocks preventing women from achieving their entrepreneurial potential are rooted in social norms and customary practices that prescribe how much capital, time, and autonomy a woman will be able to devote to entrepreneurial activities. Social norms that prioritize family and community interests over individual advancement can adversely impact women's entrepreneurship. In South Asia, for example, it is common for women to stop undertaking paid work upon marriage, while in many Pacific island countries, the social obligation to take on the financial commitments of the extended family weighs heavily on women, sometimes forcing them to exit the workforce.¹⁷ Any effort to address the barriers, which are described in more detail below, must also address the underlying cultural norms of a community.

a. Limited Access to Markets

In countries where economic development is at a nascent stage, women are more likely to be employed in the agriculture sector, including agricultural production at an informal level to supplement subsistence livelihoods. Studies show that 37% of women globally are employed in agriculture and 47% in services. In developing countries, women are underrepresented in the manufacturing sector; and that is the case in Asia and the Pacific, where women in manufacturing constitute only 33% of the total workforce. However, as economies develop, women have more options with regard to entrepreneurship. For example, while women in Vanuatu are concentrated in agricultural production, Bangladeshi women are often employed in the garment industry. And in the Lao People's Democratic Republic (Lao PDR) and Viet Nam, women have a strong presence across those countries' dynamic manufacturing sectors.¹⁸

The particular market a woman entrepreneur seeks to access will depend on her education, family situation, and the state of the economy. Market access is the key to progress for female entrepreneurs because it allows women operating MSMEs to earn more income, and women with established businesses to grow. But women typically face multiple challenges: lower confidence; limited access to technology; limited mobility (compared with their male counterparts); insufficient knowledge of business, including product differentiation and labeling; and limited access to networks, including those of large-scale purchasers. This section focuses on those markets in which women entrepreneurs do sell goods and services.

¹⁷ Gallup, Inc., and the ILO. 2017. *Towards a Better Future for Women and Work: Voices of Women and Men*. Geneva and Washington, DC: ILO and Gallup, Inc. pp. 32–33. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_546256.pdf.

¹⁸ ADB. 2015. *Women in the Workforce: An Unmet Potential in Asia and the Pacific*. Manila. p. 17. <https://www.adb.org/sites/default/files/publication/158480/women-workforce-unmet-potential.pdf>.

Physically accessing markets to sell goods and services has been a challenge for women in many countries, especially in those countries where social norms constrain the places where women can be seen. Any attempts to develop rural infrastructure must therefore address the multiple barriers that women entrepreneurs frequently face. For instance, a rural infrastructure project in Bangladesh, supported by an infrastructure loan from ADB and coordinated by the Ministry of Local Government, Rural Development and Cooperatives, not only developed the rural road network, but also addressed social norms by supporting the construction of shops and sections of markets specifically for women traders.¹⁹

With the **globalization of production since the 1980s**, many countries in Asia and the Pacific have become centers for the production of textiles, electronics, automobiles, and food and beverages, as well as for outsourced services. While these developments should hold promise for the expansion of women's businesses, current evidence suggests they have actually been risk factors. Women tend to lose income and control as a product moves up the value chain, for example from the farm to the supermarket shelf, or from the factory to the retail shop.²⁰ In the agriculture sector, women are concentrated in the lower levels of the value chain, involved in such activities as planting and growing the crops, while men generally handle the processing of the produce and the negotiations with wholesale buyers. Likewise, in the textile and electronics industries, women comprise most of the less-skilled, low-wage workers, undertaking repetitive and monotonous tasks, while men are recruited as engineers, technicians, and managers.²¹

Disruptive technologies, defined as new ways of doing things that replace traditional practices, include transitioning from face-to-face retail outlets to online stores; and they involve shared economy platforms for accessing raw materials, services, and finance. Such technologies have the potential to boost the gross domestic products (GDPs) of countries in Asia and the Pacific overall, and to increase Southeast Asia's GDP by \$220 billion to \$625 billion. However, women's methods for using information and communication technology (ICT) to start their businesses and to access new markets are not always adequate. Whether they are or not is clearly linked to each woman's confidence, education, skills, and networks.²²

There are a variety of programs to help women overcome the challenges they face when trying to access markets. These programs can be grouped into three categories: capacity development for women entrepreneurs, innovative vehicles for improving market access, and partnerships with corporations to improve women's access to new markets.

Capacity development for women heads of MSMEs has been part of the gender integration activities of many development organizations. It involves ensuring that financial literacy programs reach women, and that training programs to improve the production capacity and marketing

¹⁹ ADB. 2010. *Gender Equality Results Case Studies: Bangladesh*. Manila. pp. 11–18. <https://www.adb.org/sites/default/files/publication/28743/gender-case-study-ban.pdf>.

²⁰ World Bank. 2009. *Gender in Agriculture Sourcebook*. Washington, DC. pp. 177–178. <http://siteresources.worldbank.org/INTGENAGRLIVSOUBOOK/Resources/CompleteBook.pdf>.

²¹ J.K. Silvander. 2013. *Gender Equality in Global Value Chains and the Role of Aid for Trade in Promoting Gender Equality and Women's Employment in Developing Countries*. Helsinki: Ministry for Foreign Affairs of Finland. p. 15. https://um.fi/documents/35732/48132/gender_equality_in_global_value_chains.

²² ESCAP. 2017. *Fostering Women's Entrepreneurship in ASEAN: Transforming Prospects, Transforming Societies*. Bangkok. pp. 37–41. https://www.unescap.org/sites/default/files/ESCAP-FWE-ASEAN-full_0.pdf.

techniques of farmers include women participants.²³ For example, ADB's assistance to rural communities in Nepal's highlands with the cultivation of high-value stock, the World Bank's community seed funds for increasing agricultural productivity in the Kyrgyz Republic, and The Asia Foundation's entrepreneurship training programs for women in Mongolia are all programs that seek to help women-owned or led microenterprises to access markets.²⁴

Innovative strategies have facilitated collective action for accessing new markets. These have been spearheaded by governments, as well as by women's collectives. Governments have used targeted strategies to drive sustainable and inclusive economic growth. One such effort established entrepreneurship-development centers in Armenia that work to improve the capacity of women entrepreneurs to meet market needs.²⁵ Another targeted industrial areas elsewhere in Asia for increased participation by women, enabling 3,000 businesses to gain certification as women's business enterprises, and provided these entrepreneurs with the opportunity to connect with global suppliers.²⁶

Gender-Responsive Economic Actions for the Transformation of Women is a program in the Philippines that resulted from a convergence of government agencies, women's groups, and private sector entities. It provides an integrated platform for assisting women with program design, and prepares them for market access and brand development.²⁷

Partnering with corporations to improve women's access to new markets has been an important strategy for achieving a win-win result. The support for the "Women's Empowerment Principles" by more than 1,300 chief executive officers (CEOs) has provided a foundation for such partnerships. By signing on to these principles, these CEOs signaled their support for gender equality and for the full participation of women as entrepreneurs and community leaders.

One example of a successful partnership comes from Cambodia, where the Akay group, an international spice company, committed itself to women's empowerment by employing women as spice farmers and collectors. In 2015, ADB invested \$16.5 million to help the Akay group expand its program within Cambodia.²⁸ Under this agreement, the company aims to increase women's participation in contract farming in Cambodia to 50%, thereby enhancing their skills and business acumen so they can succeed as entrepreneurial farmers.

²³ ADB. 2015. *Agriculture and Rural Development Project (Additional Financing): Gender Action Plan*. Manila. <https://www.adb.org/sites/default/files/project-document/174379/39229-033-gap.pdf>. Also see section 2.2.3, in this report, which discusses capacity development in the areas of education and skills training.

²⁴ ADB. Nepal's Highland Areas Jump to New Highs with Agribusiness Support. <https://www.adb.org/news/videos/nepals-highland-areas-jump-new-highs-agribusiness-support>; The World Bank. Projects & Operations. <http://projects.worldbank.org/P144338?lang=en>; A. Griffiths and U. Sainbayar. 2017. Photo Blog: Investing in Women's Entrepreneurship in Mongolia. *The Asia Foundation*. 8 March. <https://asiafoundation.org/2017/03/08/photo-blog-investing-womens-entrepreneurship-mongolia/>.

²⁵ ADB. 2017. *Completion Report: Armenia; Capacity Building for Women's Entrepreneurship Support*. Manila. <https://www.adb.org/sites/default/files/project-documents/45230/45230-001-tcr-en.pdf>.

²⁶ K. Chin. 2017. *The Power of Procurement: How to Source from Women-Owned Businesses*. New York: United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). p. 55. <http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/the-power-of-procurement-how-to-source-from-women-owned-businesses-en.pdf?la=en&vs=237>.

²⁷ Philippine Commission on Women. The GREAT Women Project 2. <http://pcw.gov.ph/gwp2>.

²⁸ ADB. Regional: Spice Value Chain Development. <https://www.adb.org/projects/48901-014/main#project-pds>.

A recent study of 104 inclusive business investments across Asia and the Pacific, as well as in Latin America, showed that only 13 companies explicitly aimed to empower women, with an additional 10 companies offering implicit benefits for women. The study thus indicated that women's empowerment may not really be a key concern for many "inclusive" businesses.²⁹ It also demonstrated that companies alone cannot drive the agenda of women's economic empowerment, involvement of all societal actors—including governments and policymakers, development organizations, and NGOs is key. These actors must work with companies to identify practical ways to benefit women.

b. Lack of Access to Finance

Across Asia and the Pacific, established and aspiring women entrepreneurs face challenges in accessing finance. In many cases, the credit gap is significant for both men and women, but multiple layers of gender-based barriers often combine to disproportionately restrict women's access to credit from formal financial institutions. In East Asia and the Pacific, the formal finance gap for women entrepreneurs is 58%, while the gap for men is only 42%.³⁰ Women-owned MSMEs with adequate access to financing in ASEAN economies averaged only 5%–6% of microenterprises, 12%–15% of small firms, and 17%–21% of medium-sized enterprises.³¹ Closing the credit gap for women-owned SMEs in ASEAN countries by 2020 could increase average per capita incomes in high-growth countries (including the PRC, Indonesia, the Philippines, and Viet Nam) by up to 12% by 2030.³² South Asia has a large formal finance gap of 64%, but women account for only 8% of the gap due to the exceptionally low levels of female entrepreneurship overall (footnote 31). In Pakistan, for example, women account for just 8% of the owners of MSMEs.³³ They represent just 13% of all borrowers from microfinance and formal banks, and receive only 2% of business loans to SMEs.³⁴

Formal banks in Asia and the Pacific are often ill-equipped to meet the needs of women entrepreneurs. Women tend to lack the traditional forms of collateral—such as land, houses, cash, and other assets—that financial institutions require to assess a client's creditworthiness. The extensive documentation required to apply for a loan also disadvantages women, who are less likely to possess the required application documents or to understand them. Low rates of property ownership and tenuous land rights for women constrain lending to female entrepreneurs in many countries in the region (footnote 5). For instance, women in Bangladesh and Nepal rank the difficulty of accessing finance as a leading barrier to starting a business, citing the lack of

²⁹ ADB. 2016. *How Inclusive is Inclusive Business for Women: Examples from Asia and Latin America*. Manila. <https://www.adb.org/sites/default/files/publication/183942/inclusive-business-women.pdf>. This study examines the business portfolios of ADB, IFC, the Inter-American Development Bank (IDB), and other impact investors to assess the extent to which the businesses they invest in are women-inclusive.

³⁰ SME Finance Forum. MSME Finance Gap. <https://www.smefinanceforum.org/data-sites/msme-finance-gap>.

³¹ ESCAP. 2017. *Fostering Women's Entrepreneurship in ASEAN: Transforming Prospects, Transforming Societies*. Bangkok. https://www.unescap.org/sites/default/files/ESCAP-FWE-ASEAN-full_0.pdf.

³² Footnote 22, p. 4.

³³ World Bank Group. World Bank Enterprise Surveys. <http://www.enterprisesurveys.org/Custom-Query> (accessed May 2018).

³⁴ UN Women Pakistan. 2013. *Women's Economic Participation and Empowerment in Pakistan: Status Report* 2016. Islamabad: UN Women. p. 44. <http://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2016/05/pk-wee-status-report-lowres.pdf?la=en&vs=5731>.

fixed assets, which they need for collateral.³⁵ Although some countries, such as Fiji, Indonesia, and the Republic of Korea, have sought to directly finance MSMEs,³⁶ this funding does not necessarily reach women entrepreneurs, as the women often lack the credit history required for loan applications; and women entrepreneurs often report that the environment in formal banks is intimidating and unwelcoming, thus undermining the confidence of aspiring and established women entrepreneurs alike.³⁷ Loan officers can use complicated terminology and harbor open or unconscious gender biases against women, and customer outreach can fail to take women's concerns into account. Limited and inconvenient hours of operation further reduce the likelihood that women—who bear a disproportionate share of domestic responsibilities—will seek out formal financial institutions to obtain capital to establish or grow their businesses (footnote 36).

The **limited availability of seed funding** for start-ups has been noted by many experts as a key constraint on women's entrepreneurship. The inability to secure adequate loans to grow their enterprises is also cited as the main reason for women closing their businesses (footnote 36). The Women Entrepreneurs Finance Initiative, launched in 2017, responds to the need to facilitate the growth of women owned and led SMEs. ADB has a similar program, which provides loans to SMEs in rural Bangladesh.³⁸ Innovative financial products and services, including mobile banking and online sales, coupled with capacity-building programs, are being developed to help women-owned businesses. Value chain financing is an example of a service that could benefit women both directly and indirectly. The practice of developing a legal and institutional framework to support invoice financing, in which contracts for the supply of goods can be used as collateral for loans, could enable women to access finance. And it could potentially benefit women at different points in the chain. One example is the ADB-funded Shanxi Inclusive Agricultural Value Chain Development Project, in the PRC, which sets targets for increasing women's access to training, facilities, farming contracts, and employment at multiple points along the value chain.³⁹

While microfinance represents an important and widely available source of start-up capital for women entrepreneurs, it can also constrain growth. With low ceilings, high interest rates, and low collateral requirements, microfinance can address immediate liquidity concerns of early stage enterprises. However, many experts note that microfinance also risks trapping women entrepreneurs in small-scale, low-productivity activities that are more likely to push their households into debt (footnote 31). There is also evidence that the short payment cycle typical

³⁵ The Asia Foundation and University of Dhaka. 2017. *The Shared Roles of the Central Bank and Commercial Banks in Promoting Innovative Financing Models for Women-Led SMEs*. San Francisco and Dhaka; IFC. 2013. *Small and Medium Enterprises: Key Driver of Growth and Jobs in South Asia*. New Delhi. <http://documents.worldbank.org/curated/en/120241487157279108/pdf/112826-WP-SAR-Small-and-medium-enterprises-PUBLIC.pdf>.

³⁶ ADB. 2015. *Asia SME Finance Monitor 2014*. Manila. p. 14. <https://www.adb.org/sites/default/files/publication/173205/asia-sme-finance-monitor2014.pdf>.

³⁷ Alliance for Financial Inclusion. 2017. *Bridging the Gender Gap: Promoting Women's Financial Inclusion; Tools & Guidance from the AFI Network*. Kuala Lumpur. https://www.afi-global.org/sites/default/files/publications/2017-11/AFI2017_Gender_full_AW_ISBN_digital.pdf.

³⁸ ADB. 2016. ADB to Provide Loans to SMEs, Women Entrepreneurs in Rural Bangladesh. News release. 21 January. <https://www.adb.org/news/adb-provide-loans-smes-women-entrepreneurs-rural-bangladesh>.

³⁹ ADB. 2017. *Loan Agreement (Ordinary Operations): Shanxi Inclusive Agricultural Value Chain Development Project between People's Republic of China and the Asian Development Bank*. Manila. <https://www.adb.org/sites/default/files/project-documents/48358/48358-001--en.pdf>; ADB. 2017. *Shanxi Inclusive Agricultural Value Chain Development Project Gender Action Plan*. Manila. <https://www.adb.org/sites/default/files/project-documents/48358/48358-001-gap-en.pdf>.

of microfinance loans reduces the likelihood that women will take appropriate risks to boost business profits and growth.⁴⁰

Moreover, there continues to be **an acute need for bridge financing** for expanding women-owned enterprises that have outgrown microfinance lending, but cannot yet handle large-scale commercial loans. Lacking practical access to formal institutions, many women entrepreneurs turn to the services of widely available informal private lenders, who charge exorbitantly high interest rates. Globally, the use of these entities hovers around 5%, but that figure nearly quadruples in countries like Cambodia, where 19.4% of women access high-interest loans from informal lenders (footnote 31). Meanwhile, venture capital targeting women-owned businesses is virtually nonexistent, while crowdfunding and angel financing are still in their infancy in many countries in the region.

c. **Limited Information, Relevant Education, and Skills Training**

The **lack of knowledge and skills needed to start, manage, and grow a business** is a key barrier to women's entrepreneurship across Asia and the Pacific. The skills that are critical for successfully running a business (such as those relating to negotiations and bargaining, marketing, management, and production), as well as an understanding of economies of scale, accounting, and the essential requirements of financial institutions, are often poorly developed among women.⁴¹

Financial literacy rates are lower among women than among men in all of the ASEAN countries, particularly in the Lao PDR, Myanmar, and Viet Nam (footnote 41). South Asian countries have among the lowest financial literacy rates in the world,⁴² with women lagging behind men. In the Pacific, financial literacy programs are provided by diverse bodies, including NGOs and financial institutions. In 2017, over 6,000 people—60% of whom were women—participated in such programs in Fiji. However, because the training was at a very basic level, it did not provide the necessary financial-management skills for undertaking entrepreneurial activities.⁴³ Studies have shown that financial literacy training in isolation does not generate sustainable gains for women entrepreneurs. For this reason, it should be part of a comprehensive suite of services—including networking and mentorship—that is provided over an extended time frame. Several development partners and financial institutions are working to provide such training, although the effectiveness of their training in promoting sustainable businesses remains to be tested over the next decade.

Women-owned enterprises also tend to be **concentrated in crowded, low-productivity sectors** such as tailoring, beauty, food processing, and agriculture. Studies have found that in economies driven by innovation, over 50% of the entrepreneurs are involved in ICT and in financial or professional services.⁴⁴ Across Asia and the Pacific, there is a dearth of girls and young women

⁴⁰ M. Buvinic and M. O'Donnell. 2016. *Revisiting What Works: Women, Economic Empowerment and Smart Design*. Washington, DC: Center for Global Development. <https://www.cgdev.org/sites/default/files/CGD-Roadmap-Update-2016.pdf>.

⁴¹ Footnote 5, pp. 91–92.

⁴² L. Klapper, A. Lusardi, and P. van Oudheusden. 2015. *Financial Literacy Around the World: Insights from the Standard & Poor's Ratings Services Global Financial Literacy Survey*. Washington, DC: Standard & Poor's (S&P) and The World Bank. http://gflec.org/wp-content/uploads/2015/11/Finlit_paper_16_F2_singles.pdf.

⁴³ ADB. Forthcoming. *Women and Business in the Pacific*. Manila.

⁴⁴ S. Singer, M. Herrington, and E. Menipaz. 2018. *Global Entrepreneurship Monitor Global Report 2017/18*. London, UK: GERA. p. 16. <https://www.gemconsortium.org/report/50012>.

studying science, technology, engineering, and math (STEM) subjects, as well as ICT—fields that offer much higher productivity margins, greater opportunities for business growth, and higher salaries. Women entrepreneurs are also severely underrepresented in the region's green economy,⁴⁵ a high-growth sector in which they could offer unique and relevant insights, given the gendered responsibilities they usually shoulder as communities adapt to climate change.

d. Discriminatory Laws and Regulations

Legal and regulatory barriers across Asia and the Pacific impede women's ability to start businesses. Unequal property and inheritance rights can profoundly restrict women's ability to start and grow businesses, as fixed assets are the most readily accepted form of collateral used to obtain commercial loans. While all countries in South Asia have equal property rights in marriages, equal inheritance rights for widows do not exist in Afghanistan, Bangladesh, Nepal, Tonga, and Pakistan. In Afghanistan, there are restrictions on women traveling outside the home without the permission of a male guardian, which can place their entrepreneurial aspirations solely in the hands of their husbands or fathers.⁴⁶ Further, in Pakistan, a woman cannot register a business in her own name without providing her father's or husband's name and address in the presence of a witness (footnote 46). The repeal of similar laws in Solomon Islands in 2014 resulted in an increase in business registrations by women, demonstrating the effectiveness of legal reforms in promoting women's agency.

Even where the law guarantees equal rights, **discriminatory social norms** can prevent women from claiming and enjoying their rights. This is borne out by the data on landownership. Despite equal ownership rights in the PRC, as well as in Southeast Asian countries, women own little more than 10% of the agricultural land, evidence of how deeply entrenched the cultural norms are that favor males.⁴⁷ This is particularly germane to South Asia, especially when women marry into families based far away from where they are born.⁴⁸ In Bangladesh, a recent study noted that if a woman's husband is not supportive of her starting a business, it is highly unlikely that she will pursue the opportunity regardless of other factors.⁴⁹ Nearly one-third of both men and women in South Asia believe that it is unacceptable for women to have a paid job outside the home. East Asia, Southeast Asia, and the Pacific show a much higher tolerance for women's employment outside the home (footnote 17).

⁴⁵ S. Jha et al. 2014. *Gender, Trade and Green Growth: Gender Dimensions of Regional Cooperation and Integration in South Asia*. Volume 1. New York: UN Women. <http://www2.unwomen.org/-/media/field%20office%20eseasia/docs/publications/2015/10/un%20women-gender-trade-and-green-growth-i.pdf?la=en&vs=4709>.

⁴⁶ World Bank Group. 2015. *Women, Business and the Law 2016: Getting to Equal*. Washington, DC. <http://pubdocs.worldbank.org/en/810421519921949813/Women-Business-and-the-Law-2016.pdf>.

⁴⁷ N. Rao. 2011. *Women's Access to Land: An Asian Perspective*. Paper prepared for the UN Women Expert Group Meeting on Enabling Rural Women's Economic Empowerment: Institutions, Opportunities and Participation. Accra, Ghana. 20–23 September. <http://www.un.org/womenwatch/daw/csw/csw56/egm/Rao-EP-3-EGM-RW-30Sep-2011.pdf>.

⁴⁸ UN Women. 2016. *Progress of the World's Women 2015–2016: Transforming Economies, Realizing Rights*. New York. http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf.

⁴⁹ The Asia Foundation and University of Dhaka. 2017. *The Shared Roles of the Central Bank and Commercial Banks in Promoting Innovative Financing Models for Women-Led SMEs*. San Francisco and Dhaka.

e. *An Unfriendly Environment for Women, Including the Lack of Networks*

The social–capital dimensions of women's entrepreneurship ecosystems in Asia and the Pacific constrain the growth of women-owned enterprises throughout the region. Women's **access to business networks** tends to lag behind men's, thus limiting their opportunities to learn from the experience of others, develop useful business contacts, and gain market information. One study showed that women business owners in Malaysia, the Philippines, and Thailand who interact with business associations are 24% more likely to report plans to increase the size of their businesses within 3 years, but more than one-third of women business owners in those countries never interact with these associations at all (compared with 26% of men who never do).⁵⁰ In Southeast Asia, women entrepreneurs report around 7% less access than men to business-oriented networks (footnote 4). Moreover, many mixed-gender networks and associations do not offer services tailored to the needs of their female members, and they often fail to accommodate the time constraints that women face. In Cambodia, for instance, there are various mixed-gender business and sector organizations, but they have no data on women's membership, and they offer no programs that target women and their priorities.⁵¹

Influential women-only business associations and chambers of commerce are on the rise across Asia and the Pacific, particularly in Southeast Asia. But the limitations on mixed-gender networking can further confine women to low-profit, low-productivity sectors, rather than enabling them to branch out into more profitable sectors traditionally dominated by men. Findings from a recent study in sub-Saharan Africa highlight the potential of male role models—typically family and friends—for helping women to “break the metal ceiling” and enter more lucrative male-dominated sectors.⁵² Experts have also noted that mentorship by established businesswomen is an important strategy for expanding business opportunities for aspiring women entrepreneurs. However, some have noted that women around the world tend to be “over-mentored and under-sponsored,”⁵³ meaning that actively facilitating useful connections and opening up networks for new entrepreneurs can have a greater impact than simply sharing experience and advice.

Female entrepreneurs also face **discrimination from male customers and potential business partners** who prefer to engage with men. For example, in Malaysia it may be socially acceptable for a woman to establish a business, but they face discrimination when operating businesses that deal with male suppliers and customers. For this reason, male family members often take over a woman's business once it has grown to a certain size (footnote 4).

⁵⁰ The Asia Foundation. 2013. *Access to Trade and Growth of Women's SMEs in APEC Developing Economies: Evaluating Business Environments in Malaysia — Philippines — Thailand*. Singapore: Asia Pacific Economic Cooperation (APEC) Secretariat.

⁵¹ International Labour Office, Bureau for Employers' Activities (ACT/EMP). 2015. *Women in Business and Management: Gaining Momentum; Global Report*. Geneva: ILO. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_316450.pdf.

⁵² F. Campos et al. 2017. *Breaking the Metal Ceiling: Female Entrepreneurs Who Succeed in Male-Dominated Sectors*. WIDER Working Papers Series. No. 166/2017. Washington, DC: The World Bank; Helsinki: United Nations University World Institute for Development Economics Research (UNU-WIDER). <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2017-166.pdf>.

⁵³ Harvard Business Review. 2010. *Women are Over-Mentored (But Under-Sponsored)*. <https://hbr.org/2010/08/women-are-over-mentored-but-un>.

More broadly, **widespread sexual harassment** can curtail the ambitions of women entrepreneurs who fear for their physical safety. Nearly 90% of women and girls interviewed for a survey in Ha Noi and Ho Chi Minh City reported that they had experienced sexual harassment in public places. Concerns for women's safety when traveling on public transport are particularly evident in Bangkok, Jakarta, and Kuala Lumpur, which are rated among the top cities globally for the most dangerous public transport for women (footnote 53). Women in South Asia report that abuse and harassment are among the top reasons for opting out of the labor market. In addition, Cambodia, Indonesia, the Lao PDR, Malaysia, Myanmar, and Viet Nam all lack specific legislation on sexual harassment in the workplace (footnote 5).

f. Unpaid Caring Responsibilities

A 2012 World Bank study indicated that women in Asia and the Pacific spend between 60% and 84% of their time doing **unpaid nonmarket work**, including caring for their families.⁵⁴ Caring for others occupies a significant part of a woman's life, and remains a major cause of women's underrepresentation in the paid workforce. It also informs other factors, including women's frequent choice of part-time or intermittent work (which fits around their other commitments), and the reliance of middle-class women on other women workers to manage their caring responsibilities.

It is undoubtedly true that an entrepreneur has greater flexibility than an employee to accommodate work around their caring responsibilities. However, evidence suggests that in Asia and the Pacific many women are involved in entrepreneurial activities in the informal economy, such as growing crops and selling products in markets; they generally do this out of necessity and operate at a subsistence level. In such cases, entrepreneurial activity is the only type of work that allows women to fulfill their care-giving responsibilities.

Evidence suggests that **women entrepreneurs exhibit lower productivity** than men across Asia and the Pacific. In Bangladesh, the average output per worker was 8 times higher in firms operated by men than in those operated by women, while in Indonesia the output per worker was 6% less in women-owned firms (footnote 18). The unpaid domestic duties that women must also fulfill is an important reason for this difference in productivity. Studies show that women have less discretionary time, and that this is linked to their lower overall productivity in market activities: they have less time to spend on growing their businesses and networking; their caring responsibilities restrict the distances they can travel to promote and sell their products; and they are generally required to remain at home to care for their children who are ill, so their business commitments become a secondary priority.⁵⁵

Many governments across Asia and the Pacific **have not fully factored familial care into their social policies**, making few if any allocations to paid maternity leave or subsidies for child-care expenses. In some wealthy economies, such as the Republic of Korea, middle-class women have been able to subcontract caring responsibilities to informally paid caregivers. In the PRC, wealthy

⁵⁴ The World Bank. 2011. *World Development Report 2012: Gender Equality and Development*. Washington, DC. p. 212. <https://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/Complete-Report.pdf>.

⁵⁵ The World Bank. 2013. *Gender at Work: A Companion to the World Development Report on Jobs*. Washington, DC. pp. 24–25. http://www.worldbank.org/content/dam/Worldbank/document/Gender/GenderAtWork_web.pdf; footnote 4, p. 92.

urban families rely on women migrant workers to do the domestic work; it is estimated that there are over 20 million such workers providing child and elder care.⁵⁶ By contrast, this option is not available to women who have low-skilled jobs, so they tend to exit the workforce to care for children and elderly family members if they cannot rely on other family members to take on this role.

It has been suggested that, without any interventions, the persistent trends leading to the lower productivity of women could continue for generations. Although the Sustainable Development Goals call for the recognition of the value of unpaid care and domestic work, they have not been routinely considered during the formulation of policies on women's economic empowerment.⁵⁷ **While care work is inherently linked to paid work, little effort has been made to develop a policy framework that connects the two as they apply to entrepreneurial activities.** For women to genuinely have the same opportunities as men to engage in economic activities, government policies and institutional practices must include the extension of maternity leave to entrepreneurs. The government should also acknowledge the value of women's unpaid work to families and communities by offering tax deductions and providing subsidies for the development of care infrastructure.

a. Other Key Barriers

Gender-based violence has enormous psychological, social, and economic impacts that can hinder women's participation in business activities, and thus indirectly affect national economies. It has been reported that women fear provoking the wrath of men by becoming involved in business activities, which may implicitly compromise a man's status. The economic cost of gender-based violence was estimated to be 2% of the global gross domestic product (GDP) in 2016.⁵⁸ In Bangladesh this figure was 2.1% of GDP in 2011; and in Fiji it was estimated at \$498 million, or approximately 13% of GDP that year.⁵⁹ The risk of violence robs individuals of agency, preventing them from exercising their free will. It impacts decisions made about the types of economic activities to engage in, how to use one's earnings, and how to balance work and home commitments. Consistent efforts to address this issue must continue, so they can enable women to assert their autonomy and use their abilities to engage independently in economic activity.⁶⁰

⁵⁶ M. Baird, M. Ford, and E. Hill. 2017. *Women, Work and Care in the Asia-Pacific*. Abingdon, UK, and New York: Routledge. p. 35.

⁵⁷ Note especially Sustainable Development Goal 5.4, which is as follows: "Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate."

⁵⁸ CARE International Secretariat. 2016. *Counting the Cost: The Price Society Pays for Violence Against Women*. Geneva. p. 4. https://www.care-international.org/files/files/Counting_the_costofViolence.pdf.

⁵⁹ KPMG Services (Pty) Limited. 2014. *Too Costly to Ignore – The Economic Impact of Gender-Based Violence in South Africa*. Johannesburg. <https://assets.kpmg.com/content/dam/kpmg/za/pdf/2017/01/za-Too-costly-to-ignore.pdf>; C. Williams. 2014. *How to Calculate the Cost to Business of Gender-Based Violence in Papua New Guinea: Review of Existing Approaches and Methodologies*. London, UK: Overseas Development Institute (ODI). <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9062.pdf>; *Fiji Times*. 2012. Violence Cost \$498m. 6 July.

⁶⁰ L.M. Scott. n.d. *Thinking Critically About Women's Entrepreneurship in Developing Countries*. Oxford, UK: Oxford University. https://www.sbs.ox.ac.uk/sites/default/files/Skoll_Centre/Docs/essay-scott.pdf.

The World Development Report 2015: Mind, Society, and Behavior, a World Bank publication, emphasizes the importance of the **unconscious bias** that can affect people's decisions, and points to the need to factor this bias into policy and practice.⁶¹ Unconscious bias, rather than active discrimination, may explain why women dominate low-skilled clerical employment and are poorly represented on company boards of directors. It may also explain the reluctance of lending officers at financial institutions to make credit easily available to women, as well as the inability of government institutions and policy officers to recognize and respond to women's needs. While the establishment of gender focal points in organizations and the inclusion of gender action plans in institutional practice are the first steps toward addressing unconscious bias, these steps must be accompanied by strategic capacity building and powerful advocacy, to help the invisible become visible and to encourage individuals to act without bias.

2.3 Summary of Promising Approaches, Lessons, and What Does Not Work

With an increasing body of evidence demonstrating the untapped potential of women's entrepreneurship to create jobs and boost productivity globally, more programs are being created to support aspiring and established women entrepreneurs. To accelerate gains, national and local governments, NGOs, and the private sector must leverage the wealth of existing data and emerging good practices when designing programs to inspire a new generation of women entrepreneurs.

a. *Promising Methods for Supporting Women's Entrepreneurship*

The Philippines offers an example of how to create a broad-based and mutually reinforcing policy infrastructure in support of women's entrepreneurship. Using a dual-pronged approach, the Government of the Philippines has prioritized women's entrepreneurship by **enacting gender-specific laws and strategies**, as well as mainstreaming gender concerns into broader statutes and regulations regarding MSMEs. For example, the Women's Empowerment, Development and Gender Equality Plan, 2013–2016 included a dedicated section on strengthening the gendered outcomes of MSMEs (footnote 5). The Micro, Small, and Medium Enterprise Development Plan for 2011 to 2016 also included several provisions targeting priority services and resources for women entrepreneurs. Republic Act 7882, which focuses on women in microenterprises, requires government financial institutions to provide financial assistance to NGOs engaged in developing women's enterprises, and to offer loans to existing and aspiring women entrepreneurs. The act further stipulates that government financial institutions must allocate up to 5% of their lending portfolio to women's entrepreneurship, and that the Technical Education and Skills Development Authority must provide free training to potential women entrepreneurs. Broader laws concerning small and medium-sized enterprises (SMEs) include provisions on coaching and financing programs, the establishment of women business centers, reporting on the development of female-owned SMEs, and a requirement that a representative from the Women's Caucus sit on the national MSME Development Council (footnote 5).

⁶¹ The World Bank. 2015. *World Development Report 2015: Mind, Society, and Behavior*. Washington, DC. <http://documents.worldbank.org/curated/en/645741468339541646/pdf/928630WDR0978100Box385358B00PUBLIC0.pdf>.

Programs should also strengthen women's ability to grow their businesses through vertically **integrated loan-and-training programs** to help women make the transition from microfinance to standard banking. To accomplish this, countries in Asia and the Pacific can learn from the successes of other countries around the world, such as the Women's Microfinance Initiative's Transition to Independent Banking Program in Uganda. This program is a unique example of a microfinance institution that provides women with a series of microloans for new enterprises and, upon the successful repayment of the largest microloan, facilitates the borrower's graduation to a regular credit environment through a partnership with PostBank Uganda, a conventional bank. Most importantly, the Women's Microfinance Initiative pairs its microlending activities with training activities that equip new borrowers with key business skills, peer mentoring, technical support, and follow-up support (footnote 5). This approach has the potential to help opportunity- and growth-driven women entrepreneurs make the challenging transition from microenterprises to SMEs.

Angel investment networks are not prevalent in Asia and the Pacific, but the Women's Fund of the Angel Investment Network Indonesia stands out as a promising model for replication elsewhere. The network was founded by women business leaders in Indonesia who envisioned a seed fund and a networking and mentoring mechanism for early stage women-led start-ups (footnote 5). By providing pre-seed or seed funding ranging from \$25,000 to \$150,000, together with monthly mentoring, it has successfully invested in five companies and trained over 50 women entrepreneurs since its inception. Women's business associations could be another avenue for generating greater angel investor opportunities, as most countries in Asia and the Pacific have at least one such association that serves as a meeting venue for successful and high-net-worth women business leaders.

Alternative credit assessment strategies, such as **psychometric testing**, are increasingly used by banks to assess a borrower's risk in the absence of traditional collateral. Based on a short behavioral-science questionnaire that considers personality traits and business knowledge, psychometric testing allows a bank to use the results to determine the creditworthiness of an applicant. The questionnaires do not ask for the sex of the applicant, and they can be completed online, creating an opportunity for women entrepreneurs to avoid potential gender bias on the part of loan officers. Several studies are currently underway to rigorously examine the impact of psychometric testing,⁶² and banks such as BTPN, in Indonesia, have already seen a demonstrable improvement in their ability to serve the bottom fifth of borrowers, while also seeing a decrease in the rate of defaults.⁶³ Given the limited sex-disaggregated data, however, the extent to which these services reach women remains unclear. However, other financial technology tools, including artificial intelligence, blockchains, and machine learning, have the potential to dramatically expand financial access to the vast unbanked population in Asia and the Pacific, including women entrepreneurs.

Crowdfunding is another promising tool for generating investment in women-owned enterprises. As an internet-based method for mobilizing finance, crowdfunding offers the "double advantage" of attracting high numbers of women investors and providing more funding to women

⁶² Center for International Development at Harvard University, Entrepreneurial Finance Lab. New Screening Technologies. <https://sites.hks.harvard.edu/cid/efl/psychometric.html>.

⁶³ Entrepreneurial Finance Lab (EFL Global) and Bank Tabungan Pensiunan Nasional (BTPN). Case Study: BTPN; Enhancing Application Scorecards with Psychometrics. <https://www.eflglobal.com/wp-content/uploads/2014/09/EFL-CaseStudies-BTPN-101415.pdf>.

entrepreneurs.”⁶⁴ Women entrepreneurs’ use of crowdfunding in Asia and the Pacific is at a nascent stage, but is likely to grow significantly as governments, domestic and global investors, entrepreneurs, and technology companies focus more on the sector. In the PRC, for example, there are nearly 10,000 crowdfunding platforms (footnote 64). Some countries in Asia and the Pacific—including the PRC and Malaysia—are developing national regulatory frameworks for crowdfunding, thereby improving access and awareness of this investment opportunity. Even as crowdfunding grows, however, there will still be difficulties in realizing its full potential. Limited and unequal access to the internet and mobile devices in low-income households, along with the inequality of access between men and women, is a significant concern, given that the ability to benefit from crowdfunding websites hinges on access to those websites. Crowdfunding in South Asia is unlikely to make a significant impact in the short term, particularly among women-owned SMEs, as internet and mobile access is comparatively low, especially for women.

The introduction of **technologies based on clean and renewable energy** is a growing area in which women can play an important role. A program in Sri Lanka that has provided women with livelihood skills involving the productive use of electricity illustrates the potential opportunities in this field.⁶⁵ Under the program, women were trained in assembling light-emitting diode (LED) bulbs and in resolving technical problems that can occur during their use. These women went on to start their own home-based businesses or to work in companies that manufacture LED bulbs.⁶⁶ Other possibilities worth exploring include producing and selling solar lanterns, manufacturing and selling sustainable cookstoves that would move consumers away from a reliance on biomass fuels, and developing an expertise in the maintenance of solar panels (often installed in rural areas). As these ventures would serve primarily female consumers and could be undertaken with limited capital, they would be good prospects for women entrepreneurs.

Overall, initiatives that aim to increase women’s access to the finance sector and **make formal banks more responsive** to the needs and priorities of women entrepreneurs should focus on increasing the degree of gender integration into the finance sector itself. A 2015 report published by Acumen and the International Center for Research on Women noted that greater gender integration at the staff and board levels of financial institutions results in business products and services that better serve female customers. For example, due to a greater degree of trust, women may be more likely to “purchase new, innovative products or services from another woman, and to go to her with questions regarding use and maintenance.”⁶⁷ To better respond to the needs of female clients and employees, some banks are also working to become EDGE-certified, which is a recognized global assessment methodology and business certification standard for promoting gender equity within organizations.⁶⁸

⁶⁴ Footnote 37, p. 56.

⁶⁵ ENERGIA International Network on Gender and Sustainable Energy. 2016. *Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal and Sri Lanka: An ADB-Supported Project to Achieve Gender Equality Results in the Energy Sector*. The Hague, Netherlands. <https://www.adb.org/sites/default/files/project-document/182303/44135-012-dpta-01.pdf>.

⁶⁶ ADB. Sri Lankan Women Come Together in Producer Groups to Assemble LED Bulbs. <https://www.adb.org/sites/default/files/project-document/182307/44135-012-dpta-04.pdf>.

⁶⁷ Acumen and International Center for Research on Women. 2015. *Women and Social Enterprises: How Gender Integration Can Boost Entrepreneurial Solutions to Poverty*. New York: Acumen. p. 12. https://acumen.org/wp-content/uploads/2015/10/Women_And_Social_Enterprises_Report_Acumen_ICRW_2015.pdf.

⁶⁸ “Edge-certified” refers to the Global Business Certification Standard for Gender Equality. <http://edge-cert.org/>.

b. Lessons

On-the-ground interventions can help improve the implementation of the next phase of women's entrepreneurship programming. With regard to microfinance, a study conducted in South Asia suggested that **peer support can be critical** in ensuring that the lessons from a training program will be put into action by loan recipients. A study conducted in South Asia by researchers partnering with the Self-Employed Women's Association (SEWA) Bank found that women who had attended a 2-day business counseling program alone were much more likely to use their loans for home repairs or other nonbusiness activities, whereas those who had attended with a friend usually invested the money in their businesses. Four months later, those who had attended with a friend reported a higher volume of business, as well as plans to increase revenues, while solo participants had experienced no changes. Moreover, those paired with a friend reported significantly higher household income and expenditures. The study also noted that "the impacts of peer training on business loans and labor supply are concentrated among women belonging to groups with more restrictive social norms."⁶⁹

Policymakers, practitioners, and researchers **need more gender-sensitive and sex-disaggregated data** to better respond to the needs of diverse women entrepreneurs. Data2X, a United Nations Foundation initiative working to close the gender gap in global data, notes that, in addition to showing who is included and excluded from access to financial institutions, sex-disaggregated data can show who is accessing what kinds of products; what behaviors are common among providers and clients in various product categories; what kinds of channels are used by whom; and what types of financial service providers are reaching which clients in the market, and on what scale.⁷⁰ The Alliance for Financial Inclusion has worked extensively to build the commitment of central banks to tracking and using sex-disaggregated data. For instance, Bangladesh Bank has collected and analyzed sex-disaggregated indicators in order to adjust its financing policies regarding SMEs and to establish guidelines to ensure that banks and financial institutions in Bangladesh will adequately serve women entrepreneurs. The bank now requires all financial institutions in the country to establish a separate female-led Women Entrepreneurs' Dedicated Desk to provide training in accessing financing for SMEs; and it has required that all financial institutions allot 15% of their funds to women entrepreneurs involved in that sector. In addition, all microfinance institutions in Bangladesh are required to report the gender breakdown of their board memberships to Bangladesh Bank (footnote 37).

While mobile technology represents an opportunity, it is also a challenge. The potential for women entrepreneurs to leverage information and communication technology (ICT) is hindered by a gender access gap. Women in Southeast Asia tend to have lower access to ICT devices than men overall, and the highest rates of ownership for both men and women are centered on mobile phones. Some evidence even suggests that more women than men use mobile phones in the Philippines and Thailand (footnote 4). If women entrepreneurs access the internet, they are most likely to do so through smartphone applications; however, as many women do not own smartphones, it is likely that interventions based on the short message service (SMS) may offer the greatest potential for outreach, training, and banking opportunities for women entrepreneurs.

⁶⁹ E. Field et al. 2015. Friendship at Work: Can Peer Effects Catalyze Female Entrepreneurship? *National Bureau of Economic Research (NBER) Working Paper Series*. No. 21093. Cambridge, MA: NBER. p. 3. <http://www.nber.org/papers/w21093.pdf>.

⁷⁰ Global Banking Alliance for Women (GBA), Data2X, and the Inter-American Development Bank (IDB). 2015. *Measuring Women's Financial Inclusion: The Value of Sex-Disaggregated Data*. Brooklyn, NY: GBA. https://www.data2x.org/wp-content/uploads/2016/10/RoadMap_English_Final-32.pdf.

Meanwhile, South Asia is the region with the biggest gender disparity in mobile phone access (with a 38% gap); and the disparity between women and men in internet access is also prominent there, with South Asia ranked as the third most unequal region globally.⁷¹ East Asia, on the other hand, comes the closest to gender parity in mobile phone access, and has among the lowest levels of inequality in the world with regard to internet access. Where access to technology is prevalent and growing, women are increasingly looking to ICT for business opportunities. For example, half of the registered online businesses in the PRC are run by women (footnote 71). In Indonesia, the Philippines, and Thailand, 35%–55% of female internet users (totaling 33 million) are estimated to have generated income by selling online. Women entrepreneurs seek to adopt ICT strategies for a variety of reasons, including anonymity and reduced gender bias, greater access to networks and knowledge resources, and greater flexibility and easier time management (footnote 4). Women entrepreneurship initiatives should leverage appropriate technologies that align with the existing patterns of women's access, given that providing short-term access to ICT resources is unlikely to result in a sustainable impact beyond the life of a program.

c. *Examples of What Not to Do*

Throughout the literature on women's entrepreneurship in Asia and the Pacific, there are cautionary tales about the ***inadequacy of single-issue training programs***, particularly those that do not include robust follow-up mechanisms. While this point could be applied to development activities in general, it is especially pertinent to women's entrepreneurship due to the multifaceted barriers women face when starting or growing a business. A one-off financial literacy workshop, for example, may help participants better understand the relative merits of various saving and investment strategies, but overcoming cultural barriers to access those services would likely require a more long-term mentorship strategy, as well as reinforcing support networks. Moreover, there is little evidence that providing access to finance without business training or follow-up support will result in sustained growth for women-owned microenterprises.⁷²

In terms of regional efforts to expand women's entrepreneurship, it is important that program design and implementation ***focus on leveraging existing channels of communication*** to build momentum, rather than establishing new tools that will require a high level of time, investment, and maintenance beyond the life of the program. The South Asia Women's Entrepreneurship Symposium Project, implemented by The Asia Foundation with funding from the United States (US) Department of State, launched an interactive website that enabled program participants to receive additional training via webinars and to maintain personal and business connections across and within countries. In this respect, the focus on learning and cooperation among developing countries was important for supporting the efforts of women entrepreneurs to grow their businesses and to share ideas on expanding and adapting products and services. When the program ended, participants shifted to more informal lines of communication, and the website became less relevant in the absence of new content. Apps that are free of charge and already widely used can serve as low- or no-cost tools that will be able to extend collaboration after project implementation is over.

⁷¹ UN Secretary-General's High-Level Panel on Women's Economic Empowerment. 2017. *Leave No One Behind: Taking Action for Transformational Change on Women's Economic Empowerment*. New York. <https://www.unscn.org/uploads/web/news/UNSG-HLP-WEE-2nd-Report-.pdf>.

⁷² ILO. 2014. *Effectiveness of Entrepreneurship Development Interventions for Women Entrepreneurs: An ILO-WED Issue Brief*. Geneva. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/publication/wcms_329356.pdf.

While laws and policies are important for addressing inequality, in order to change lives, they need to be ***supplemented by an increased awareness, inclusive institutional practices, and a wholesale commitment to women's entrepreneurship*** on the part of all stakeholders. Though setting aside targeted funds in a credit facility for women entrepreneurs would address the discriminatory practices that underlie the inability of women to access sustainable financing, such a measure without additional support would not likely result in women accessing the credit facility over the long term. For instance, in the ADB-supported Small and Medium-Sized Enterprise Development Project, in Bangladesh (ADB case study 3.1 a.), 15% of the funds in every credit facility involved in the project was set aside for women borrowers. Although all the participating financial institutions had agreed to make these loans to women at a 10% interest rate, which was lower than the market rate, their commitment remained questionable. Further, many women with relatively poor business development skills found it difficult to complete the loan application form, and so did not proceed with their applications. This example illustrates the need for a commitment from all the stakeholders, and the need to address the knowledge deficit among women borrowers. Any law or policy should undertake a scenario analysis to assess the likely risks that may be encountered.

3. CASE STUDIES

This section illustrates the promising approaches and lessons from select ADB and The Asia Foundation projects focusing on women's economic empowerment.

3.1 ADB Case Studies

The three ADB case studies below illustrate three distinct approaches to promoting women's entrepreneurship. The first approach is to ensure that women can access financing for entrepreneurial activities. The first case study, which focuses on Bangladesh, shows how access can be facilitated by setting aside targeted funds for women entrepreneurs and linking those funds to capacity development for the borrowers and lenders alike. The second approach is to use policy-based loans and grants to improve the business environment for women seeking to operate in the private sector. In the second case study, ADB programs in four countries—Armenia, Kazakhstan, the Kyrgyz Republic, and the Lao People's Democratic Republic (Lao PDR)—demonstrate the need to address the deficits in the ecosystem that hinder women's business endeavors. The third approach adopted by the ADB is to work with a regional facility on regulatory reform. The third case study, focused on a program in the Pacific, highlights the discriminatory practices entrenched in laws and policies, and the need to critically evaluate them.

a. Case Study #1 (First Approach): Enabling Women Entrepreneurs to Access Loans in Bangladesh: The Small and Medium-Sized Enterprise Development Project

Although there are nearly 1.5 million small and medium-sized enterprises (SMEs) in Bangladesh, women own less than 10% of them, with the majority being micro in size and based in rural areas. A key reason is the difficulty women face when trying to obtain financing to start a formal business. Although during 2006–2009 the total lending by banks increased by 55% annually, women received a mere 3.5% of total loans in 2009. Bangladeshi women find it difficult to access credit for multiple reasons. For example, they usually do not have the necessary collateral in their own name, which makes it impossible to satisfy the bank's requirements for loans. Further, discriminatory social norms are entrenched in the attitudes of bankers, who routinely require a male guarantor.

ADB and the Government of Bangladesh signed a loan agreement in 2009 for the Small and Medium-Sized Enterprise Development Project, which financed SMEs outside the metropolitan areas of Dhaka and Chittagong. The project used two main strategies to improve women's access to loans. First, it required that a fixed percentage of the credit facility's funds be allocated to women. Second, it supported this credit facility with a grant for developing the capacity of women to qualify for the funds.



Bibi Ayesha Lubna, a young entrepreneur, started a small thread industry with the assistance of a loan. She is one of many women who, through the project, took out a loan to start or expand their businesses in Bangladesh through ADB's Small and Medium-Sized Enterprise Development Project (photo by ADB/ M R Hasan).

The credit facility had \$75 million, which was accessed by 38 participating financial institutions that, in turn, used the funding to grant loans to SMEs. The number of successful women entrepreneurs applying for loans increased from 13,831 in 2010 to 42,730 in 2014, yielding a cumulative average growth rate of 32.6% per year. As mentioned above, the project had allocated an ambitious 15% of the credit facility's total funding to women entrepreneurs. Project implementation ended in 2014, having made loans to 439 women-led SMEs, which accounted for 6.4% of the facility's total disbursement, falling well short of the targeted 15%. One reason for the shortfall may have been a lack of motivation on the part of the participating financial institutions, which were mandated to charge women entrepreneurs 10% interest, compared with the much higher market rates charged for business loans. Other factors may have included the lack of awareness among bank officials of the needs of women entrepreneurs; the difficulties that women had in understanding the documents and procedures; and the women's limited knowledge of business planning and development, which resulted in poorly done loan applications. These challenges demonstrated that achieving institutional and social change takes time, a point that should be factored into project design.

ADB also provided a grant of \$500,000 to the Bangladesh Women Chamber of Commerce and Industry (BWCCI) to undertake the Promoting Women's Entrepreneurship in Bangladesh project. As part of the project, the BWCCI and Bangladesh's Ministry of Industries designed and tested training programs that resulted in 900 women entrepreneurs in the districts of Barisal, Gazipur, Khulna, Rajshahi, Rangamati, and Sylhet receiving instruction in business development and planning, and in their getting assistance with loan applications. The project increased awareness

of existing pro-women government policies through 45 Women Entrepreneurs' Dedicated Desks, which were set up at participating financial institutions. It also trained 600 desk officers. Finally, the project was successful in developing the capacity of women's associations and women entrepreneurs through the BWCCI.

These initiatives enabled 91 women applicants to receive loans, and many of these women went on to start businesses. One such example is Monowara, who became the first woman in Khulna to establish a firm specializing in interior design, which is a male-dominated field in rural Bangladesh. Monowara credits the training she received from the BWCCI with her success in getting a loan from Trust Bank Limited, which has helped her to grow her business. She now has eight full-time staff members and an additional 25 people working on contract. "I am a member of the executive committee of the Khulna Decorators' Association," she said. "I am willing to help women who have self-confidence to get loans from banks and start their own businesses. I encourage my women employees to open bank accounts."

Several other positive outcomes are worth noting. An important institutional partnership has developed due to the rapport between the BWCCI and the Ministry of Finance, and it has resulted in the BWCCI's lobbying for policies that promote women's entrepreneurship and in the allocation of funds for a training institute for women owners of SMEs in Gazipur. It has also had a ripple effect in the community, as women entrepreneurs who had not been part of the project were nevertheless able to access useful information and apply for loans. The confidence of women entrepreneurs grew, leading many of them to become members of local market committees and to advocate for improved conditions for women.

Following the success of this project, ADB is now implementing the Second Small and Medium-Sized Enterprise Development Project, which includes a \$200 million credit facility for SMEs. The new project has set aside \$20 million specifically for SMEs headed by women. It will also receive a grant of \$2 million from the Japan Fund for Poverty Reduction for capacity building: specifically, to prepare more institutions to respond effectively to the needs of women entrepreneurs.

b. Case Study #2 (Second Approach): Creating an Ecosystem That Is Conducive to Women's Participation in the Private Sector: Policy-Based Lending in the Lao People's Democratic Republic, the Kyrgyz Republic, Armenia, and Kazakhstan

ADB has given loans and grants to governments to help initiate policy reforms intended to create a more conducive environment for women entrepreneurs. This case study explores such reforms in the Lao PDR, the Kyrgyz Republic, Armenia, and Kazakhstan. Among the strategies used were the training of government personnel to enhance their understanding of the perspectives of female business owners and regulatory reforms to boost entrepreneurial activity in the private sector.

Regulatory reform that creates an enabling ecosystem for micro, small, and medium-sized enterprises (MSMEs) is an important strategy across Asia and the Pacific. An ADB loan of \$15 million provided to the Government of the Lao People's Democratic Republic is an example of how such loans can support women entrepreneurs. This loan was linked to the government's implementation of policies in support of SMEs, including a trade policy that would support the

growth of these companies.⁷³ It resulted in (i) a national rollout of a fully web-based enterprise registry system in the provinces, (ii) the development of a web-based Credit Information Bureau, (iii) an examination of how trade policy measures can directly benefit SMEs, (iv) the preparation of a geographic indication strategy, and (v) decrees on rules of origin and on the importation and exportation of goods consistent with World Trade Organization (WTO) requirements.

In the Kyrgyz Republic, ADB has provided support for efforts to improve the investment climate. The First Investment Climate Improvement Program (2008–2014) worked to reduce business costs, simplify the procedures for obtaining business licenses and permits, and to effect a single business registration system. As a result, the time taken to register a business was reduced from 21 days in 2007 to 4 days in 2012. One initiative that generated benefits for women was the introduction of leasing as an alternative to purchasing property. This initiative addressed the difficulty that women faced in accessing finance because they lacked the necessary collateral. Leasing allowed them to go into business more easily.

The Second Investment Climate Improvement Program (2015–2018) sought to deepen access to financing and financial services, and included the establishment of a risk-sharing facility for SMEs. Gulzhomal Anorkulouna, a 34-year-old entrepreneur, benefited from these reforms, borrowing 100,000 Kyrgyz som (\$1,465) from the Kyrgyz Investment and Credit Bank to buy a beauty salon. After covering the salaries of two assistants and making her payments to the bank, she is left with a healthy profit; and she is now determined to grow her business.⁷⁴ This program also sought to strengthen the country's taxation system, in part through an initiative that assisted women in paying their taxes electronically; the initiative prevented tax officials from harassing women and forcing them to make cash payments to them, which would go unrecorded. A particular subprogram under the Second Investment Climate Improvement Program, funded with a \$25 million policy-based grant, was approved in 2017; it will also contribute to private sector development, and will help generate new business opportunities for women.⁷⁵ In addition, this subprogram will support the key implementing agencies in their efforts to achieve an appropriate gender balance in key technical job categories, and to provide women with access to training in the new, expanding technical fields.

In Armenia, an ADB technical assistance project worth \$600,000 assisted in the implementation of a national plan to promote women-owned MSMEs. ADB's project had a clear mandate to improve access to finance, with 50% loan guarantees and other financial products for women entrepreneurs offered by participating financial institutions and by Armenia's Small and Medium Entrepreneurship Development National Center. It also included reviewing the Strategy for Women's Entrepreneurship, assisting with the collection of sex-disaggregated data, designing support programs, and conducting awareness training.⁷⁶

⁷³ ADB. Lao People's Democratic Republic: Second Private Sector and Small and Medium-Sized Enterprises Development Program—Subprogram 1. <https://www.adb.org/projects/44057-012/main>.

⁷⁴ ADB. 2016. In Kyrgyz Republic, Access to Finance Boosts Small Business. News release. 19 December. <https://www.adb.org/results/banking-solutions-throw-financial-lifeline-small-businesses-kyrgyz-republic>.

⁷⁵ ADB. Proposed Policy-Based Grant for Kyrgyz Republic: Second Investment Climate Improvement Program (Subprogram 3). <https://www.adb.org/projects/41544-091/main>.

⁷⁶ ADB. Armenia: Women's Entrepreneurship Support Sector Development Program. <https://www.adb.org/projects/45230-001/main>.



Hasmik Barkhudaryan, discussing the menu with her staff at Aries café, is one of the women entrepreneurs who benefited from ADB's Women's Entrepreneurship Support Sector Development Program in Armenia (photo by ADB/ Armenia Resident Mission).

An agreement between the ADB and the Government of Kazakhstan established a financing facility that provided financial-intermediation loans to the Damu Entrepreneurship Development Fund (Damu), which was founded in 1997 to support SME development. Damu lent the funds to financial institutions that, in turn, lent them to SMEs.

The multitranche program under which these funds were dispensed recognized that a combination of financing and services would better equip women to succeed in business. It also sought to make all the participating financial institutions more responsive to the needs of women entrepreneurs. The program sought to increase women's awareness of entrepreneurship opportunities, providing them with business advisory and development services and increasing their access to finance.

A gender action plan was completed for the first tranche of the program. It pointed to the need for Damu to ensure that its outreach programs focused more on women entrepreneurs. Damu responded to this recommendation by promoting its entrepreneurship training programs to women. Under the second tranche of the program, Damu extended its outreach activities via channels familiar to women, such as women's associations and television commercials.

The program sought to ensure that business development and advisory services reached women entrepreneurs and gave them enough knowledge and confidence to complete the formal requirements for loan applications. Damu was able to incorporate women-focused content into its business skills training, thereby equipping women with knowledge about taxation, marketing,

and business plan development. Business advisory services were provided to women through hotlines, online resources, and face-to-face consultations. In 2012, more than 11,388 women had been helped by regional Entrepreneurs' Competence Centers, comprising 40% of all people served. The second tranche of the program continued to promote business development support services, recruiting participating commercial banks to design financial products and services that would meet the business needs of women entrepreneurs. The share of women entrepreneurs who were supported within the framework of Damu Business Services remained at 46%.

The program improved Damu's capacity to provide women owners of SMEs with sustainable longer-term financing through the use of a data collection mechanism. This mechanism included sex-disaggregated data on the number of borrowers, the amounts and purposes of their loans, and the business sectors of the borrowers.

The overall aim of the program was to increase women's access to loans for SMEs, and this was clearly achieved.⁷⁷ The number of women-entrepreneur borrowers increased steadily as the result of Damu's actions: from 16% of total loans in 2009 to 20% in 2011, and then to 30.5% by September 2013. At the end of 2016, women business owners accounted for 34% of all borrowers (127 out of 373) and 28% of the total number of loans (357 loans out of 1,275).

Women were able to access financing for a variety of businesses. For instance, one enterprising medical practitioner used her loan to expand her clinic so that it could provide diagnostics, including ultrasound and lab services. She was innovative enough to convert a truck into a mobile X-ray unit for serving homebound patients. A second women entrepreneur, Dzhurumbayeva Gaukhar Askarovna, was able to access funds through a credit line of 45 million tenge, which she used to renovate a 400-square meter space, turning it into a training center that offers classes in English, speed reading, and mental arithmetic. She has plans to eventually renovate the second floor of the building, and turn it into a fitness center.

c. Case Study #3 (Third Approach): Adopting a Regional Method for Empowering Women: The Pacific Private Sector Development Initiative

The Pacific island states have been experiencing steady economic growth since 2010. Even though women constitute half the population of these countries, they remain underrepresented in the workforce, in management, and on company boards. In Vanuatu, women constitute 43% of the formal workforce, but hold only 7% of positions on the boards of state-owned enterprises. Women remain concentrated in the informal economy, operating at a subsistence level and earning little for their work.

Women in the Pacific island countries face unique challenges because most of them live in rural areas, where owning land, an essential asset for entrepreneurship, is extraordinarily difficult for them, and where technological and financial services are at a very early stage of development. The Pacific Private Sector Development Initiative (PSDI), begun in 2006, has been using a multipronged approach to empowering women. It includes a range of activities, such as the promotion of legislative and policy reforms to enable women's participation in economic activities, analytical work that incorporates a pro-women agenda, and programs to pilot innovative ways of furthering gender equality.

⁷⁷ ADB. 2015. *Completion Report: Kazakhstan: Small and Medium Enterprise Investment Program Tranche 1*. Manila, pp. 40–41.



Women from the fishing village of Tubusereia have just completed fish processing training at a local vocational school as part of PSDI's Strengthening the Supply Chain in Fisheries pilot project in Port Moresby. The pilot project is providing loans and skills training to help participants establish sustainable formal businesses in Papua New Guinea (photo by ADB/ Eric Sales).

One important strategy has been to combine law reform and policy development to address both conscious and unconscious discrimination. In 2014, the PSDI supported the removal of discriminatory provisions in Solomon Islands' Registration of Business Names Act, which required, for instance, that a woman obtain her husband's signature before starting a business. This meant the elimination of an unwarranted barrier for women entrepreneurs seeking to kick-start a formal business.

Since 2012, the PSDI has supported the simplification of company laws and business registration procedures across the Pacific. The introduction of laws providing for single-shareholder companies has enabled women to start a company in their own name, rather than having to do so with a partner. Further, the introduction of electronic registries for companies has benefited poor women, who no longer have to travel to urban centers to register their businesses. And the time taken for registration has now been considerably reduced: in Solomon Islands, it has gone down from 45 days to 1.5 days; in Samoa, from 21 days to 1 day; and in Tonga, from 5 days to 1.5 days. Another indication of the success of the PSDI is the fact that the number of company registrations has increased by 221% in Solomon Islands, 87% in Samoa, and 33% in Tonga.⁷⁸

Recognizing that discrimination can be unconscious, the PSDI undertook a study on the way women access complaint mechanisms associated with competition and consumer laws. This report contextualizes women's behavior and the unconscious bias of institutions, as these

⁷⁸ ADB. 2018. *Pacific Private Sector Development Initiative: Annual Progress Report 2016–2017*. Manila.

should be taken into account when designing women-friendly complaint mechanisms and identifying collaborative business practices among women that can be classified as inadvertently anticompetitive. The PSDI has strengthened the link between finance and entrepreneurship by expanding mobile phone banking in Papua New Guinea through the establishment of a system called “MiCash.” This system has been successful: from its inception, in 2015, until mid-2018, the number of MiCash users grew by 31% to 40,032, with a 33% increase among male users and a 28% increase among females (footnote 78).

Another strategy under the PSDI has been to test innovative approaches by means of pilot programs that seek to propel women's economic participation. One successful pilot has been the Women's Business Leadership Program, which was launched in Tonga and replicated in Fiji. The PSDI then partnered with the South Pacific Stock Exchange to design and implement the actual program, and most of the listed companies in Fiji participated. Another pilot, in Papua New Guinea, links loans to women starting small enterprises with business development services, and provides market access to enable long-term sustainability.

3.2 The Asia Foundation Case Studies

The four case studies of The Asia Foundation below illustrate promising strategies for fostering women's entrepreneurship through targeted investments in local groups and institutions. A program in the People's Republic of China (PRC) offers an example of how existing technology can be leveraged to create new networks of women entrepreneurs and provide in-demand training for online business ventures. Mongolia's only business incubator for women demonstrates the potential for sustained, multifaceted ways to help aspiring women entrepreneurs become successful businesswomen. A project in Viet Nam is demystifying digital financial services and helping women entrepreneurs in rural areas use mobile banking to start and grow their businesses. Finally, a case study from Bangladesh shows that an essential component of project design is the collection of local-level data to provide a nuanced understanding of the social context in which women entrepreneurs operate.

a. Empowering Migrant Women as Entrepreneurs in the People's Republic of China: Opening New Doors with Existing Technology

Migrant women in the PRC represent a vast untapped driver of economic growth. Although many of them have entrepreneurial aspirations and are willing to take calculated risks, few possess the basic skills, access to credit, and networks required to succeed in business. Moreover, as most women migrate from rural to urban areas, they lack the legal household registration (*hukou*) required to secure business permits and public services in their adopted cities. Between 2013 and 2018, The Asia Foundation's Empowering Migrant Women as Entrepreneurs in China project—supported by the GSRD Foundation, GE Foundation, and The Asia Foundation's Lotus Circle donors—has delivered tailored services to help more than 550 migrant women entrepreneurs in Shanghai and Kunshan achieve their goals. These services have included business skills training, specialized consultation services, access to financing, networking opportunities, mentoring, and apprenticeships. An assessment conducted in 2018 found that 55% of the second-phase participants had either launched or were in the process of launching a new business. Increases in income, influence over household decision-making, and social status were also documented.



A participant in The Asia Foundation's Empowering Migrant Women as Entrepreneurs in China project in Shanghai sells her handicrafts during a community fair organized as part of the project's business skills training sales exercise (photo by The Asia Foundation/ Migrant Women Entrepreneurs Project).

Inspired by the project's activities in Kunshan, the local women's federation in that city launched the PRC's first incubator specifically for women entrepreneurs. A small cohort of entrepreneurs from The Asia Foundation project was selected to join the incubator's first batch of enterprises, which benefited from various services, including co-working spaces, networking, training, information sessions, and mentoring.

Key to the project's success was the leveraging of existing technology in innovative ways. The PRC is on the leading edge of women's entrepreneurship globally, particularly in the field of online businesses, where women-owned enterprises represent more than half of all start-ups. Rather than create a new internet-based platform to catalyze new businesses and facilitate networking, The Asia Foundation opted to capitalize on existing mobile-based applications that were already widely used by women migrants. For example, WeChat is a free application that is widely used in the PRC, and it allows business owners to market and promote their products through corporate accounts and e-shops. The project facilitated the establishment of online networks on WeChat at the beginning of each business skills training class. Most project participants have continued to use these online networks to disseminate and exchange information, maintain contacts, get mentoring support, and receive additional training through podcasts embedded in the platform. The project also engaged a Chinese online peer-to-peer lending group, Ren Ren Dai, to provide business loans totaling \$45,000 at favorable interest rates to migrant women entrepreneurs who would have otherwise been unable to secure financing in Shanghai. Equipping migrant women with innovative ways to leverage existing technologies and online resources will open new doors for many women eager to turn opportunities into thriving businesses.

b. Nurturing Women's Entrepreneurship in Mongolia through Sustained Comprehensive Services: The Women's Business Center

Strengthening Mongolia's SMEs is critical for sustaining the steady growth of the country's economy. With women comprising nearly 40% of Mongolia's entrepreneurs, and a female-to-male labor force ratio of 82%, Mongolia's economic future is tied to the ability of women to seize and expand opportunities in the marketplace. Recognizing women's untapped potential, Ulaanbaatar's city action plan for 2020 addresses the development of women's entrepreneurship and SMEs. With support from the Korean International Cooperation Agency (KOICA), The Asia Foundation is delivering a comprehensive suite of support services to leverage the municipal government's commitment to helping women start and grow their own businesses and to building an entrepreneurial ecosystem where women can thrive. The Asia Foundation has initiated the Women's Business Center and Incubator Project as an effort to close critical service and access gaps that inhibit the growth of women-run enterprises. These constraints and gaps include limited networking opportunities; the lack of opportunities to meet potential investors; poor access to, and understanding of, formal finance options; and time-use challenges stemming from disproportionate domestic and caring responsibilities.

While business support centers exist throughout Mongolia, the Women's Business Center (WBC) stands alone in responding to the unique needs of women entrepreneurs—including those who have disabilities, come from low-income groups, or are single mothers. Close partnerships with grassroots service organizations are enabling the project to attract participants from marginalized communities that are typically excluded from capacity-building efforts. After their registration with the WBC, clients can benefit from an array of services tailored to their



Entrepreneurs participate in a small group training course at the Women's Business Center in Ulaanbaatar, Mongolia (photo by The Asia Foundation/ Davaanyan. D.).

specific needs. These services include small group training programs delivered with support from the business community, free one-on-one business counseling, a co-working space, and a business library. Leveraging these assets, clients can prepare a business pitch in order to compete for a place in the WBC's incubator program, which offers 4 months of accelerated business development service, including advanced training, office space, special financing from a formal bank, and access to "pop-up shops" around Ulaanbaatar where they can test and refine their business models.

The WBC experience demonstrates the possibility of fundamentally improving an entrepreneurship ecosystem for women through intensive, multifaceted support over time. The business center has experienced an overwhelming demand, frequently resulting in standing-room-only training sessions that have served more than 5,000 women entrepreneurs between 2016 and 2018—four times the original project target. In 2018, the project received a small additional grant from The Asia Foundation's Lotus Circle donors. The depth of the project's social impact is evident in the lives of WBC clients. Two clients with disabilities have participated in the incubator training, and 15% of the clients overall have been single mothers. The story of one incubator participant who left a domestic violence situation and went on to become a successful entrepreneur shows how economic opportunities are transforming women's lives in Mongolia. Moreover, women are creating employment opportunities for other women, shifting from informal cottage industries to formal businesses, and experiencing increased self-esteem and improved status within their communities. The WBC has also catalyzed the formation of Mongolia's most active network of women entrepreneurs, which is creating new and valuable channels through which women can share information and build on each other's successes.

c. Expanding Access to Digital Financial Services for Women Entrepreneurs in Viet Nam

Women's entrepreneurship in Viet Nam is relatively high compared with the global average, as women own roughly one-third of all registered businesses there. The key challenge for women entrepreneurs in Viet Nam is to grow their informal microenterprises into larger businesses. With funding from the Australian Department of Foreign Affairs and Trade (DFAT), The Asia Foundation is partnering with Mastercard and the Vietnam Bank for Social Policies (VBSP) to help women utilize technology to start and grow businesses, thereby advancing women's economic empowerment. VBSP is a publicly owned financial institution serving over 7 million borrowers—mostly vulnerable poor and near-poor people across the country, roughly 60% of whom are women. But given its large client base, wide geographic spread, and costly operations, VBSP can offer poor households only limited access to banking services. With the goal of expanding and improving access to a full range of financial services for poor and low-income households, The Asia Foundation and Mastercard are supporting VBSP's first-ever mobile banking platform, which will especially target women-owned microenterprises.

When the project began, in 2016, there was a lack of publicly available information about the differences between women's and men's access to, knowledge about, and use of information and communication technology (ICT) in Viet Nam. To respond to this information gap and ensure that the mobile banking project would advance gender equality and respond to the specific needs of women, The Asia Foundation conducted an extensive gender assessment of how VBSP clients use ICT and digital financial services. The assessment revealed that, while men and women have similar access to technology, men are more knowledgeable and confident than women when it



Clients of the Vietnam Bank for Social Policies check the bank's text message service for account-related notifications on their phones while working on a rice field (photo by The Asia Foundation/ Tran Giang Linh).

comes to using advanced features. For example, 64% of the surveyed male clients over the age of 50 reported being able to read and send messages via mobile phones, but among the female clients of a similar age, the proportion fell to 56%. The percentage of VBSP clients over the age of 40 who reported being able to perform more complicated mobile phone tasks was relatively low (roughly 15%), regardless of sex. However, gender differences were significant among the younger clients who reported being able to register to receive information via phone using free or paid services (54% of men versus 37% of women) and to send messages to check a bank account balance (35% of men versus 29% of women). Overall, the study found the mobile phone penetration rate to be very high among men and women (96%), with nearly half (47% of both men and women) owning smartphones.

These findings formed the foundation of the project, which involves familiarizing VBSP clients with mobile banking through an initial rollout of SMS messaging services for checking account balances. This initial step is designed to build the confidence of mobile banking clients, particularly women. The project will also develop a simple, easy-to-use mobile banking platform that can be expanded as clients gain confidence and their needs grow. Of interest to the project partners are the millions of women who run MSMEs. As the project creates new options for mobile banking and online transactions for these women, they will be able to directly retail their products and those of their neighbors online, and to buy material inputs for their own production processes. To this end, the project is initially targeting young female (as well as male) clients with self-managed mobile banking, and providing digital finance literacy training to group leaders and clients. As the project expands, VBSP clients will be able to make peer-to-peer transfers, pay for utilities online, and make online purchases using a Mastercard debit or prepaid card.

d. Evidence-Based Programming to Enhance Women's Economic Participation in Bangladesh: Women's Economic Empowerment through Strengthening Market Systems

The Women's Economic Empowerment through Strengthening Market Systems (WEESMS) project is designed to increase women's participation in the labor market in rural and peri-urban Bangladesh, with a significant focus on reducing gender inequality in the country's entrepreneurship ecosystem. The 5-year project, implemented through a partnership between iDE Bangladesh and The Asia Foundation, will run through 2021, with support from the Embassy of Sweden.

Data on women's entrepreneurship at the local level are extremely limited in most countries, making evidence-based project planning a challenge. An integral part of the WEESMS design process was an extensive inception-phase qualitative study based on focus group discussions, strategic meetings, and key informant interviews with nearly 500 people, including around 300 women entrepreneurs. The study was conducted in Khulna and Rangpur, and focused on two target sectors: (i) home textiles and diversified jute products, and (ii) processed and packaged foods. The findings confirmed the researchers' understanding of some issues; more critically, they contradicted other, long-held assumptions that had traditionally driven policy and program design.



The Women's Economic Empowerment through Strengthening Market Systems (WEESMS) Project is facilitating new networks between women entrepreneurs and different supply chain stakeholders, including the Jute Diversification Promotion Center seen here extending easy access to its fabric bank (photo by The Asia Foundation/ WEESMS Project).

Specifically, the study found that a constellation of factors contribute to an environment in which Bangladeshi women cannot imagine themselves as legitimate business owners, much less actively pursue entrepreneurial goals. Most of the ostensibly women-owned businesses participating in the study were merely registered in the name of the wife to allow the husband to capitalize on special benefits designated for women-owned SMEs. Of the 300 women entrepreneurs interviewed, only one had built her company from the ground up; the others had inherited their businesses from male relatives. Women employees often considered their jobs to be a temporary phase that would end with marriage or when their families required them to take responsibility for household work. Women and men both expressed strict gendered expectations regarding market activity: women can buy, but never sell. One of the most important findings was the identification of gaps in the growth pathways from cottage to micro to small enterprises. Of the 300 women entrepreneurs identified through the project for interviews, 90% owned cottage businesses, while 8% owned microenterprises and just 2% owned small enterprises. Ultimately, even when motivated and opportunity-driven women want to engage in entrepreneurial activities, sociocultural norms constrain their mobility and interactions with men outside their families, thus severely limiting their ability to engage with buyers, suppliers, and other entrepreneurs.

These findings, which were recently corroborated by a rigorous quantitative study,⁷⁹ have informed the design of specific WEESMS project interventions that seek to facilitate pathways connecting women-owned and led businesses with market value chains, and to initiate activities and approaches that directly address sociocultural barriers to women's entrepreneurship.

3.3 Case Studies: Lessons

Key Constraints on Women's Entrepreneurship	Approaches of ADB and The Asia Foundation
Unfriendly business environment	<ul style="list-style-type: none"> • Introduce policy on SMEs that is women-friendly (ADB: Armenia, Kyrgyz Republic, and Lao PDR) • Remove discriminatory laws that restrict women's ability to start businesses (ADB: Solomon Islands) • Simplify business laws and reduce the regulatory burden (ADB: Kyrgyz Republic and Tonga) • Promote dialogue between the government and women's organizations (ADB: Bangladesh)
Lack of networks	<ul style="list-style-type: none"> • Leverage technology to create virtual women's business networks (The Asia Foundation: PRC) • Establish a Women's Business Center to enable women to network with their peers (The Asia Foundation: Mongolia) • Provide grant funding to chambers of commerce to promote women's entrepreneurship (ADB: Bangladesh)

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⁷⁹ J. Heintz, N. Kabeer, and S. Mahmud. 2018. Cultural Norms, Economic Incentives and Women's Labour Market Behaviour: Empirical Insights from Bangladesh. *Oxford Development Studies*. 46 (2). pp. 266–289.

Table continued

Key Constraints on Women's Entrepreneurship	Approaches of ADB and The Asia Foundation
Limited training and skills	<ul style="list-style-type: none"> • Provide targeted long-term training opportunities for women entrepreneurs, including an intensive incubator experience for high-potential candidates (The Asia Foundation: Mongolia) • Leverage existing technologies to create blended training opportunities featuring in-person interaction as well as online webinars on priority topics (The Asia Foundation: PRC) • Provide women with training in business development skills and entrepreneurship to improve their business acumen (ADB: Kazakhstan; The Asia Foundation: PRC)
Lack of confidence	<ul style="list-style-type: none"> • Provide women with opportunities to gain new skills and make genuine connections with other motivated women, so as to build confidence among the training participants (The Asia Foundation: PRC and Mongolia) • Divide technology training into phases, from the simple to the more complex, as this will help women gain confidence, for instance when using new digital banking tools (The Asia Foundation: Viet Nam) • Implement programs to improve women's knowledge of business and tax laws, and of the procedures for starting a formal business, in order to increase the confidence of female entrepreneurs (ADB: Kazakhstan)
Limited access to finance	<ul style="list-style-type: none"> • Leverage existing online peer-to-peer lending groups to help women overcome barriers to formal financing (The Asia Foundation: PRC) • Set targets for the number of loans to be granted to women entrepreneurs (ADB: Armenia and Bangladesh) • Expand the use of mobile banking to reach women in both urban and remote areas (ADB: PNG ; The Asia Foundation: Viet Nam) • Provide women with information and skills that will enable them to submit formal loan applications (ADB: Kazakhstan)
Limited relevant data	<ul style="list-style-type: none"> • Launch a study in target areas during the inception phase of a project to identify local nuances prior to designing interventions (The Asia Foundation: Bangladesh) • Undertake a gender action plan during the design stage of a project to ensure that women's needs are taken into account at all stages of implementation (ADB: Kazakhstan) • Improve the ability of government and nongovernment agencies to collate sex-disaggregated data that can inform future policymaking (ADB: Kazakhstan)

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Table continued

Key Constraints on Women's Entrepreneurship	Approaches of ADB and The Asia Foundation
Inability of institutions to adequately respond to women's needs	<ul style="list-style-type: none"> • Train officers of financial institutions to become aware of the needs of women entrepreneurs (ADB: Bangladesh and Kazakhstan) • Promote the development of consumer and competition laws that will serve as the basis for gender-friendly government policies (ADB: PNG) • Help implementing agencies develop practices for hiring women and creating women-friendly materials and processes (ADB: Kyrgyz Republic)

ADB = Asian Development Bank, Lao PDR = Lao People's Democratic Republic, PNG = Papua New Guinea, PRC = People's Republic of China, SMEs = small and medium-sized enterprises.

Sources: Asian Development Bank and The Asia Foundation.

4. OPPORTUNITIES FOR FUTURE RESEARCH AND PROGRAMMING ON WOMEN'S ENTREPRENEURSHIP IN ASIA AND THE PACIFIC

This section proposes eight areas for further research on women's entrepreneurship for the purpose of identifying specific policies that could better support women in their entrepreneurial endeavors.

4.1 Women-Friendly Business Models

While the traditional partnership or company model may be suitable for women in urban areas, it may not be appropriate for rural women operating micro-businesses in the agriculture or retail sectors. There are two main reasons for this. First, traditional businesses assume a sharp distinction between business and family activities, particularly in relation to financial matters; but no such distinction exists in rural areas, where women typically manage both their businesses and family responsibilities at home. Second, the traditional business model is frequently at odds with cultural norms that are based on collaboration and rely on the use of communal assets such as land and transport. Cooperatives and associations have thus been a successful alternative across Asia and the Pacific. In addition, a new type of corporation called "community company" has been introduced in the Pacific, with the intention of serving businesswomen, but there has been little analysis of how effectively they have promoted women's entrepreneurship.

Developing a business model that takes into account the social norms that impact women, is flexible enough to include unpaid caring responsibilities, and encourages collaboration among family and community members is likely to ensure sustainable businesses. The cooperative model developed by Self-Employed Women's Association (SEWA) in South Asia and the community company established in Solomon Islands and Vanuatu are examples of alternative business models that could be replicated elsewhere.

4.2 Assessing the Impact of Commercial Laws on Women

A growing number of laws (including tax, trade, competition, and consumer laws) and frameworks are being adopted by governments in Asia and the Pacific without sufficient consideration of how they could impact men and women differently. For example, the correlation between tax laws and economic growth is well understood, but little thought is given to the ways in which tax laws can deter women's participation in the formal economy. Similarly, further research is needed on how privatization and deregulatory provisions recommended by modern competition law frameworks can impinge on women's ability to access essential services, such as water and electricity, at reasonable costs and under reasonable conditions.

4.3 Insurance Protection for Women

Women running small business enterprises rarely have insurance coverage to protect them from foreseeable or unforeseen events. Devising products that include insurance for maternity leave and sick leave will enable women to participate in the workplace in a sustainable manner. Unforeseen events such as natural disasters are becoming more frequent and more destructive in Asia and the Pacific, where a person is five times more likely to be affected than in other parts of the world. Women are also disproportionately affected by natural disasters. For instance, they accounted for 67% of the death toll in the tsunami in Banda Aceh, Indonesia, in 2004, and 91% of those killed in Cyclone Gorky, in Bangladesh in 1991.⁸⁰

A variety of innovative strategies are being considered by eight African countries, with a view to providing insurance coverage for vulnerable populations, including risk-pooling drought insurance and index insurance (which automatically covers losses incurred by farmers due to weather and catastrophic events). Research into best practice insurance models that prepare women for both foreseeable and unforeseen events will be necessary for providing the safety net women entrepreneurs will need in order to be successful.

4.4 Pension Reform

Given the aging populations in many countries across the region, improvements in health and longevity, and rapid urbanization (which is eroding traditional family support systems), the current pension frameworks urgently need modernizing. Pension schemes are currently limited to a small portion of economically active people, which in South Asia amounts to 7.5% of the population.⁸¹ Saving for retirement is usually mandatory for government employees and for those working in large companies. However, it is not a priority for many entrepreneurs, and that is especially true for women who run small business with slight profit margins, as they lack both the spare cash and the knowledge to save for their old age.

Women who run informal businesses usually have no pension schemes; instead, they rely on savings or family support in later years. Women in the formal workforce tend to contribute less to pension funds than their male counterparts, due to unpaid caring responsibilities that cause them to interrupt their careers or accept part-time employment. In many countries, including Solomon Islands and Tonga, early withdrawals from pension funds are common among women, further reducing their retirement incomes. Women also retire earlier than men. For instance, in Sri Lanka they often leave work at the age of 50. The expectation is that they will have saved enough money to last through more than 30 years of retirement (footnote 81). Likewise, in Viet Nam the life expectancy—pension age gap for women is 19 years, and in the PRC it is 18 years. Future research is required on how to empower women to be independent in later life.

⁸⁰ ADB. 2013. *The Rise of Natural Disasters in Asia and the Pacific: Learning from ADB's Experience*. Manila. <https://www.adb.org/sites/default/files/evaluation-document/36114/files/rise-natural-disasters-asia-pacific.pdf>.

⁸¹ OECD. n.d. *Pensions in Asia/Pacific: Ageing Asia Must Face Its Pension Problems*. Paris. <https://www.oecd.org/finance/private-pensions/46260941.pdf>.

4.5 The Role of Procurement Policies in Advancing Women's Businesses

Government procurement policies that give preferential treatment or set quotas for women have been successful in promoting women's businesses. One such example comes from Kenya, which introduced procurement rules in 2013 to ensure that 30% of government tenders are given to youth, women, or people with disabilities. UN Women recently announced that it would work to raise the number of procurement contracts awarded to women-owned businesses and vendors by 178% over the number in 2016, and has issued a guide on gender-responsive procurement.⁸² Large corporations also have the potential to implement procurement measures that will improve women's market access. Research shows that corporations see such policies as adding to their own bottom line, because they help develop consumer loyalty, and as a way of fulfilling their corporate social responsibility.

However, the challenges involved in sourcing goods and services from women-owned businesses have often been insurmountable. Several organizations have sought to fill this gap by serving as third party certifiers, verifying businesses as being run by women and connecting those businesses to international buyers. Further research on how to improve women's market access through procurement policies and third-party certification would help create businesses that are likely to grow and be sustainable over the longer term.

4.6 Measuring Women's Entrepreneurship

As noted in Chapter 2, there is no universally accepted definition of a "women-owned" or "women-led" business, or of a "woman entrepreneur." In their Advisory Note on Measures, a group of Oxford academics considered how definitional challenges can affect the measurement and understanding of "female economic empowerment," and they emphasized the need to carefully analyze the assumptions embedded in standard women-entrepreneurship indicators. For example, the researchers noted that "women do seem to own smaller firms, but we do not know whether this is because they actually choose slower growth or whether growth is typically accompanied by a loss of control to males, thus making women-owned businesses suddenly 'counted' as businesses owned by males after conversion of ownership."⁸³ Moreover, many of the case studies included in this report underscore the vital importance that women entrepreneurs—and women aspiring to become entrepreneurs—attach to the personal connections and social capital they gain from entrepreneurship training programs. Even when participants in these programs fail to start or grow their businesses, they walk away with new skills and social status that benefit their families and communities. However, those factors are rarely counted or given adequate weight when such programs are evaluated; the emphasis is predominantly on financial outcomes. Thus, the question of *what* to measure is as important as *how* to measure. The field of women's entrepreneurship still needs more sophisticated methodologies for both defining and tracking "empowerment" and other impacts on women's lives.

⁸² K. Chin. 2017. *The Power of Procurement: How to Source from Women-Owned Businesses; Corporate Guide to Gender-Responsive Procurement*. New York: UN Women. <http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2017/the-power-of-procurement-how-to-source-from-women-owned-businesses-en.pdf?la=en&vs=237>.

⁸³ L.M. Scott et al. 2016. Advisory Note on Measures: Women's Economic Empowerment. *Saïd Business School Research Papers*. Oxford, UK: University of Oxford University, Saïd Business School. p. 29. https://www.sbs.ox.ac.uk/sites/default/files/Research_Areas/Strategy_And_Innovation/Docs/advisory-note-on-measures-final2016.pdf.

4.7 The Relationship among Violence against Women, Sexual Harassment, and Entrepreneurship

Although there is a growing body of research on the relationship between economic empowerment and violence against women, the relationship among violence against women, sexual harassment, and entrepreneurship is not yet well understood. Preliminary small-scale studies in Bangladesh and the Pacific suggest that additional research could inform support programs for women entrepreneurs, as well as programs targeting gender-based violence. One study in Bangladesh revealed that, in urban areas, women's participation in microfinance was positively associated with their husbands' justification of interpersonal violence, which suggests that "microfinance organisations in urban areas should bundle microfinance services with screening for interpersonal violence and interventions geared toward men and women."⁸⁴ Meanwhile, the Timor-Leste ambassador for the World Association of Women Entrepreneurs, Kathleen Gonçalves, suggested that strengthening women's role in the business sector would help *reduce* violence against women, as well as inequality in families and society.⁸⁵ Beyond targeted research on gender-based violence, sexual harassment, and entrepreneurship, standard monitoring and evaluation of government and private sector programs concerning women's economic empowerment should track indicators on intimate partner violence, sexual harassment, and violence in the workplace (footnote 71).

4.8 The Use of Crowdfunding and Peer-to-Peer Funding to Support Women Entrepreneurs

Information and communication technology (ICT), particularly in the form of mobile phones, computers, and the internet, has proven to be a potent means of accelerating development and growth, though it has been accessed more readily by women entrepreneurs in Central Asia than by those in the rural areas of Southeast Asia and the Pacific.⁸⁶ ICT has the potential to bring alternative sources of financing to women entrepreneurs. For instance, crowdfunding offers a way to bring investors from within and outside Asia and the Pacific into contact with women entrepreneurs in the region. Both crowdfunding and peer-to-peer funding have been used sporadically across Asia and the Pacific. However, the ways in which it could be used to boost women-owned businesses remains underexplored. In a globalized world where gender equality is an increasingly accepted norm, these sources of innovative financing, which connect individuals across national borders, could benefit women-owned SMEs.

⁸⁴ N.S. Murshid. 2016. Men's Response to Their Wives' Participation in Microfinance: Perpetration and Justification of Intimate Partner Violence in Bangladesh. *Public Health*. 141. pp. 146–152.

⁸⁵ P. Quintão. *The Dili Weekly*. (2017). Women Still Under-Represented in Business Sector. 10 February.

⁸⁶ ADB. 2014. *Information and Communication Technologies for Women Entrepreneurs: Prospects and Potential in Azerbaijan, Kazakhstan, the Kyrgyz Republic, and Uzbekistan*. Manila. <https://www.adb.org/sites/default/files/publication/42869/ict-women-entrepreneurs.pdf>.

Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific

Case Studies from the Asian Development Bank and The Asia Foundation

The Asian Development Bank (ADB) and The Asia Foundation prepared this report as a guide for governments, donors, development partners, investors, nongovernment organizations, and other stakeholders on how to support women's entrepreneurship in Asia and the Pacific.

The main discussion in the report includes three parts. The first focuses on the key barriers that women in Asia and the Pacific face when trying to establish or grow a business; the second presents case studies of projects supported by the ADB and The Asia Foundation in various countries throughout the region; and the third proposes eight areas for further research on women's entrepreneurship.

About The Asia Foundation

The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, its work across the region addresses five overarching goals—strengthen governance, empower women, expand economic opportunity, increase environmental resilience, and promote regional cooperation. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, DC.

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members—48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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