

*women*<sup>x</sup>

**Unleashing the Exponential Power  
of Women Entrepreneurs**



**THE WORLD BANK**

# Meet Mariam

Mariam operates a small catering business with 2 employees. She wants to expand her business but she is unsure how to proceed to take it to the next level.

Her limited contact with the business community forces her to rely on family for advice and support.

Mariam does not have a bank account, and she cannot legally open one in her own name without her husband's permission. She thinks that borrowing even a small sum to expand her business is too risky and she doubts that a bank would seriously consider her for a loan.



## Unequal economic participation by women remains an impediment to growth

Hundreds of millions of people don't have jobs today-- and so they miss out on the most important pathway out of poverty. Entrepreneurs can start Small and Medium-Sized Enterprises (SMEs) that create jobs, but they often face limited access to capital, a lack of skill-building opportunities, and a hostile climate for investment. Women entrepreneurs are at a greater disadvantage than men, because gender-biased obstacles against start-up companies threaten their success. Female-owned firms are as much as 10 percent smaller and 6 percent less productive than firms owned by men.

### Women-led businesses face severe obstacles:

- For every woman entrepreneur in the Middle East and North Africa, there are **six women who want to start a business but do not.**

**813**  
million women  
in developing countries  
are just like Mariam.  
They have the potential to  
contribute more fully  
to their countries'  
economies.

- 80 percent** of women entrepreneurs in sub-Saharan Africa operate in **low-productivity sectors.**

- Female-owned firms are **7 percent to 10 percent smaller** and their workers are about **6 percent less productive** than businesses owned by men.<sup>1</sup>
- Women managers **have fewer years of experience** running a business and they are more likely to engage in home-based enterprises.
- Women globally have **smaller and less-diverse networks** and they are **less likely to seek advice** and broaden their networks.
- Women worldwide have a **greater fear of failure** and lower confidence in their entrepreneurial abilities than men.<sup>2</sup>
- More than 200 million women live in countries where they **need their husband's permission to start a business.**<sup>3</sup>
- 70 percent of women **do not have a bank account** in their own name and less than 5 percent of SME loans go to women-owned businesses.

## women<sup>x</sup>: Empowering Women's Entrepreneurial Ecosystems

The World Bank is launching an innovative program to support women entrepreneurs. The program will provide practical **business education** to address knowledge gaps. It will help women entrepreneurs strengthen their **networks** to connect

- Enterprising Women: Expanding Economic Opportunities in Africa, Hallward-Driemeier, Mary, World Bank, 2013
- Global Entrepreneurship Monitor Report, 2013
- Women Business and the Law 2014

to supply chains and new markets. It will match women with **mentors** to build their confidence, and it will help them take advantage of **financial services** to get the capital they need to expand their firms.

**women<sup>x</sup>** graduates will increase their businesses' productivity and revenue; will create jobs (especially for other women); and will have greater confidence, stronger support networks, and a healthier appetite to take risks and seek new opportunities for growth.

### **women<sup>x</sup>: How it works**

**women<sup>x</sup>** works with local institutions to provide practical **business education**. Knowledge gaps in enterprise management and growth are tackled and tested through innovative delivery mechanisms. **women<sup>x</sup>** is already evaluating the potential contribution of distance learning in reaching women entrepreneurs in **Nigeria**.



**women<sup>x</sup>** offers **networking and mentoring** to give women entrepreneurs the confidence and guidance to pursue enterprise growth. For example, **women<sup>x</sup>** is providing access to new markets through linkages, along with access to global supply chains and networking with large corporations and SMEs.

By focusing on **access to finance**, **women<sup>x</sup>** creates linkages between financial institutions and women entrepreneurs. In **Pakistan**, the **women<sup>x</sup>** program is working with the country's Central Bank to ensure that a woman does not need her husband's permission to take out a loan from a bank or microfinance institution, and with

commercial banks to develop strategic outreach programs for women.

In addition, **women<sup>x</sup>** works with governments to foster **legal and policy reforms** and innovative public policy approaches to bring new entrants into the market and level the legal playing field for women-owned businesses using tools like the Women Business and the Law report. For example, in the **Democratic Republic of Congo**, the World Bank is working with the government to ensure that a woman does not need her husband's permission to sign a contract, open a bank account, register a business, or initiate court proceedings.

**women<sup>x</sup>** is also helping to identify reforms in public procurement regulations and processes that would encourage more women to compete for government contracts.

### **women<sup>x</sup>: Achieving Tangible Results**

**women<sup>x</sup>** seeks to expand the reach of the World Bank Group's support to women entrepreneurs to generate stronger economic growth. The key criteria of success include the number of women entrepreneurs who are reached through advice and financing, as well as the growth of their businesses as measured by profitability and job creation.

*For every one woman entrepreneur in the Middle East and North Africa, there are six women who want to start a business but do not.*

## **What does success look like for women<sup>x</sup> participants?**



**10% increase in number of jobs created**



**10% increase in productivity and revenue**



**3x more likely to use financial services**

The design of *women*<sup>x</sup> incorporates rigorous monitoring and evaluation (M&E) mechanisms to maintain detailed data on participants and service delivery. Data is collected before the start of each program and data collection continues at regular intervals throughout the life of the program. Feedback from participants on the relevance, quality and usefulness of all the components of the initiative is also solicited and fed back into the program design.

### *women*<sup>x</sup> partners with *Women Business and the Law*:

*Women, Business and the Law* analyzes legal differences on the basis of gender in 143 economies, covering seven areas: gaining access to institutions, using property, getting a job, providing incentives to work, building credit, going to court, and protecting women from violence.

The latest edition of *Women, Business and the Law* measured 48 legal changes in 44 economies to increase women's economic opportunities.

In addition, *women*<sup>x</sup> evaluates the innovative approach of bundling services for women entrepreneurs, aiming to identify precisely the mechanisms and instruments that have the greatest impact on the enterprise performance of women entrepreneurs.

### *women*<sup>x</sup>: Global Multi-donor Trust Fund

*women*<sup>x</sup> is setting up a \$100 million multi-donor trust fund. Resources will support country projects, with a particular focus on the potential for scaling up businesses and linking to global supply chains. Selection criteria will include strong links to lending projects around access to finance, entrepreneurship or competitive industries.

Strategic guidance and vision for *women*<sup>x</sup> is provided by an Advisory Board composed of World Bank management, trust fund donors and program partners.

A Secretariat composed of regional and technical experts manages the program and maintains oversight of the funding.

#### **What does success look like?**

- Provide 100,000 women with valuable business education
- Improve productivity in women-led enterprises, aiming to achieve a 10 percent increase in productivity and revenue
- Catalyze and leverage over 600 million in bank lending for women entrepreneurs
- Build a pipeline of high-potential women entrepreneurs who are qualified to gain access to formal financing – aiming to make participants three times more likely than non-participants to use financial services
- Generate jobs created by and for women - aiming for a ten percent increase in the number of jobs created
- Build sustainable, global communities of women entrepreneurs who can provide mentoring and networking opportunities
- Overcome legal, regulatory and policy barriers that hold back women in business

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