

# Women Entrepreneurs: Surviving the Pandemic and Beyond

Annual Audit of Women Entrepreneurs in Low and Middle Income Countries



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*Front cover image: Juliet Kathendu, onion wholesaler and Foundation programme HerVenture user, Kenya, 2020*



# Dedication

**At the Cherie Blair Foundation for Women we are proud to have a role in nurturing the talents of women entrepreneurs, whom we believe are some of the most gifted, innovative and resourceful people in the world.**

By the time women in low and middle income countries have set up their businesses they have often battled through multiple complex challenges. At the time of writing this report, women entrepreneurs are being hit hard by the negative impacts of the COVID-19 pandemic, the impact of which poses a huge threat to gender equality around the world. Yet these women continue to show significant resilience, seek solutions and adapt to find new ways to thrive in the face of this latest adversity.

To women entrepreneurs in low and middle income countries: we see you, we support you and we believe in your power to change the world.

We dedicate this report to women entrepreneurs everywhere.

The Cherie Blair Foundation for Women helps release the potential of women entrepreneurs in low and middle income countries, and close the global gender gap in entrepreneurship. Since the Foundation's inception in 2008, it has directly supported over 175,000 women across more than 100 countries. Through its combined approach of programmatic delivery and advocacy, the Foundation supports women to start and grow successful micro, small and medium businesses, with training, technology, mentoring and networking at the heart of its work. This opens doors to finance, markets, contacts and more, and supports women to create better futures for themselves and their families, enable their communities to prosper, contribute to strong economies, and move the world in a whole new direction.

[www.cherieblairfoundation.org](http://www.cherieblairfoundation.org)  
[@CherieBlairFndn](https://twitter.com/CherieBlairFndn)



# Executive summary

2020 marked the 25<sup>th</sup> anniversary of the Beijing Declaration and Platform for Action, (Beijing+25), which set out the most comprehensive roadmap for action towards gender equality the world had ever seen. But 2020—the year we conducted this research—also saw the beginning of a global health crisis with the potential to roll back hard-won gains for women around the world.

As we celebrated some strides forward for women over the last quarter of a century, we also witnessed the devastating and disproportionate impact of COVID-19 on the lives of millions of women across the world. Women make up the majority of frontline healthcare workers, have experienced increased domestic abuse, and have been taking on the brunt of increased domestic responsibilities<sup>1</sup>. The direct economic impact has also been profound, with many women forced to close down businesses and leave the labour market, and more women and children pushed into poverty without the safety net of social protection.

Before the COVID-19 pandemic had even taken hold, the World Economic Forum reported that while rates of girls' education were improving and maternal mortality was reducing, we were losing our race to achieve women's economic empowerment. The 2020 Global Gender Gap Report estimated at the beginning of the year that closing the gender gap in economic participation and opportunity was a staggering 257 years away, 55 years longer than estimated in 2019<sup>2</sup>.

Women running micro, small and medium enterprises (MSMEs)—like the 125 women from 32 countries who participated in this research, and millions more across the world—are integral to efforts to achieve gender

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<sup>1</sup> UN Women 2020, *COVID-19 and Gender Report*, UN Women, viewed 19 February 2021, <[www2.unwomen.org/-/media/files/un%20women/unsta/resources/covid19%20and%20gender%20march%202020%20unwome%20n.pdf?la=en&vs=2752](http://www2.unwomen.org/-/media/files/un%20women/unsta/resources/covid19%20and%20gender%20march%202020%20unwome%20n.pdf?la=en&vs=2752)>.

<sup>2</sup> World Economic Forum 2020, *Global Gender Gap Report 2020*, World Economic Forum, viewed 19 February 2021, <[www3.weforum.org/docs/WEF\\_GGGR\\_2020.pdf](http://www3.weforum.org/docs/WEF_GGGR_2020.pdf)>.



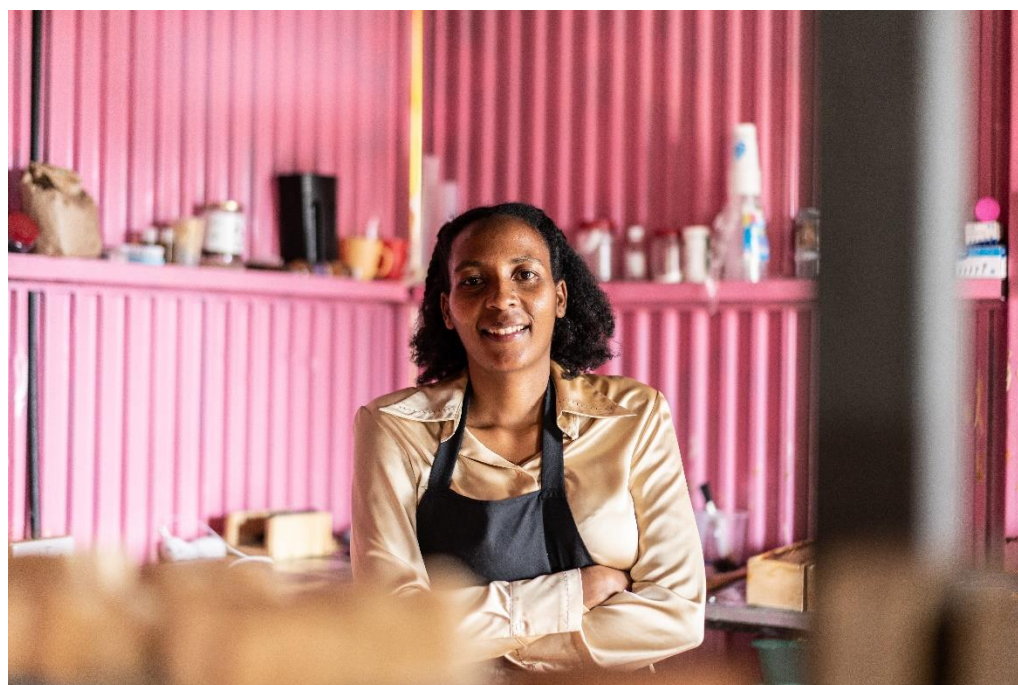
parity in economic participation. They are also the backbone of many economies around the world, most crucially in low and middle income countries where women-run businesses have a key role in poverty reduction, employment generation and economic diversification.

This research provides critical insights on the current challenges faced by women entrepreneurs and illuminates what motivates them to persevere with their businesses, often against a backdrop of discriminatory and obstructive laws, policies and social norms.

## COVID-19 Poses Another Risk to Women Entrepreneurs

What is immediately obvious from the data and stories these women shared with us is that the impact of COVID-19 on women entrepreneurs cannot be understated and requires urgent action:

- Even though women entrepreneurs in low and middle income countries often already operate in a challenging environment, nearly one in ten (9.2%) respondents reported that the impact of the COVID-19 pandemic was the single greatest challenge they had ever faced.
- Most (83.8%) women entrepreneurs surveyed reported that COVID-19 pandemic had a negative impact on their businesses.
- Nearly four in ten (38.5%) women responded that their business may have to close as a result of the pandemic.



*Wangari Mwaura, founder of New Star Organic and Foundation programme  
HerVenture user, Kenya, 2020*



## Inequitable Access to Finance

It is particularly illuminating though that, even in the context of the pandemic, women entrepreneurs still reported that access to finance was their most significant obstacle in 2020, which echoes the findings from our 2019 annual audit survey.

- Even though a large proportion (78.3%) of women entrepreneurs responding to our survey had received an investment in their business, for two thirds of these women (66.3%) the investment came from their own savings.
- Only 15.8% of respondents reported that they had secured an investment or a loan from banks, whilst just 6.3% had been able to access a business loan from a financial services company.

## Pervasive Gender Stereotypes

Our research also provided some important insights into the prevalence of gender stereotypes in women's entrepreneurial journeys. We found that women are most commonly experiencing negative gender stereotypes from friends and family.


- Over half (57%) of respondents were challenged by family members with the stereotype that 'men do not like women who are too strong / business-minded / successful'.
- 53.3% had experienced the stereotype that women should prioritise domestic duties such as caring for their children.

Though family and friends were reported as the primary source of gender stereotypes, other key actors and influencers in women's lives have a significant role to play too. Women reported commonly experiencing a multitude of negative gender stereotypes from co-workers, business acquaintances, media and investors.

## Discriminatory Legal Frameworks

Building on findings from our 2019 annual audit research, we again found low levels of awareness of legal obstacles to women's full and equal participation in the economy.

- This research found that only 15.6% of respondents were aware of any laws, policies or regulations that negatively impact women entrepreneurs where they live.
- Nearly two thirds (63%) stated that they are not aware of any such laws, policies or regulations – this is despite clear gendered disparities in legal protections for entrepreneurs.



Regardless of whether or not women perceive there to be discriminatory legal practices at play, the vast majority of respondents expressed a desire to know more about their legal rights and protections as entrepreneurs, highlighting a clear imperative for the global community to ensure women have access to this essential knowledge.

## The Time to Act is Now

As we learn more about the longer-term direct and indirect consequences of the pandemic, particularly its impact on women's economic empowerment, there is no doubt that now is the time to invest in women entrepreneurs. Investing in women entrepreneurs is critical not only to maximise the opportunity to optimise their potential to boost the global economy, but to move towards equal economic participation in earnest—a central tenet to the realisation of women's human rights.

In order to tackle the multiple and intersecting challenges that women entrepreneurs face, there needs to be co-ordinated action from numerous stakeholder groups at the local, national, regional and global levels.

- ✓ We must see governments putting women front and centre in economic policy making. New COVID-19 fiscal recovery packages should take into account the needs of women entrepreneurs. Furthermore, any legislation that discriminates against women entrepreneurs should be repealed and replaced with gender-intentional laws and policies.
- ✓ We urge the private sector—banks, investors, fintech, corporates—to take action to address the challenges women entrepreneurs face in accessing finance. The private sector should design gender-intentional products for MSMEs and ensure equal access to corporate supply chains.
- ✓ Supporting governments and the private sector to address the needs of women entrepreneurs more effectively should be a high priority for multilateral institutions who can hold these players to account and monitor progress towards goals set out in the United Nations Sustainable Development Goals.
- ✓ The role of the civil society sector in supporting and amplifying the voices of women entrepreneurs cannot be understated. Civil society actors should keep providing high-quality programmes for women entrepreneurs and providing enhanced advocacy opportunities for women entrepreneurs to engage with global platforms.

# Introduction

**A central tenet to achieving gender equality and the full realisation of women's human rights is women's economic empowerment and the full and equal participation of women in the economy.**

Despite concerted effort across the world to move toward gender-equal economic participation, there remain egregious inequalities between men and women and we are estimated to be over two and half centuries away<sup>3</sup> from closing this gender gap. Yet, the considerable human rights violations that women face as a result of the barriers they face to economic equality—and their intersections with other multiple forms of discrimination—are not the sole driver for focus and action on this issue. There is also a compelling economic imperative, which is more acute than ever in the face of the COVID-19 pandemic.




*Van Dang, CEO at Savvycom and Foundation Alumna Mentee, Vietnam, 2018*

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<sup>3</sup> Ibid





## Increasing Interest in the Power of Women Entrepreneurs

Over the last decade, as the world has woken up to the potential of women to be the engines of economic growth, levers to social change and conduits to the advancement of a wide range of development objectives, there has been significant global interest in women's economic empowerment. With trillions of dollars missing from global GDP due to the entrepreneurship gender gap, substantial attention has been paid more recently to the power of women entrepreneurs in low and middle income countries to lift entire communities into more prosperous economic positions<sup>4</sup>. Women's economic empowerment is also recognised as a key driver for development efforts more generally, as women often re-invest in education, nutrition and children's health. When women have increased control over the finances and household decision making this leads to greater investments in children's health and education, in turn leading to increased life chances for the next generation<sup>5</sup>.

## The Scale and Potential of Women-Owned Enterprises

Small and medium-sized enterprises (SMEs) account for the majority of businesses worldwide. According to the World Bank, SMEs represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in low and middle income economies<sup>6</sup>. As well as being crucial drivers towards economic prosperity for low and middle income countries, they also have a central role in efforts to achieve global development commitments such as those embedded in the United Nations Sustainable Development Goals (SDGs), particularly around Poverty Eradication (SDG 1), Gender Equality (SDG 5) and Decent Work for All (SDG 8)<sup>7</sup>.

Women's entrepreneurship globally has seen an increase in recent years, with younger women (aged 25-44 years) having the highest entrepreneurial participation rates<sup>8</sup>. According to the World Bank, across developing countries there are about 8-10 million SMEs with at least one female

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<sup>4</sup> Cherie Blair Foundation for Women 2021, *Want to Boost the Global Economy by \$5 Trillion?*, Cherie Blair Foundation for Women, viewed 19 February 2021, <[www.cherieblairfoundation.org/want-to-boost-the-global-economy-by-5-trillion/](http://www.cherieblairfoundation.org/want-to-boost-the-global-economy-by-5-trillion/)>.

<sup>5</sup> Ibid

<sup>6</sup> The World Bank 2019, *Small and Medium Enterprises (SMEs) Finance*, The World Bank, viewed 19 February 2021, <[www.worldbank.org/en/topic/sme/finance](http://www.worldbank.org/en/topic/sme/finance)>.

<sup>7</sup> United Nations Department for Economic and Social Affairs 2015, *The 17 Goals*, United Nations, viewed 19 February 2021, <[www.sdg.un.org/goals](http://www.sdg.un.org/goals)>.

<sup>8</sup> Global Entrepreneurship Monitor, *2018/2019 Women's Entrepreneurship Report*, Global Entrepreneurship Research Association, viewed 22 February 2021, <[www.gemconsortium.org/file/open?fileid=50405](http://www.gemconsortium.org/file/open?fileid=50405)>.



owner<sup>9</sup>. The Global Entrepreneurship Monitor (GEM)<sup>10</sup> estimates that across the 59 countries of its focus, at least 231 million women are starting or running businesses. Women-owned enterprises account for approximately 30-37 per cent of all SMEs in 'emerging markets'<sup>11</sup> but gendered disparities are immediately obvious, with the average growth rate of women's enterprises significantly lower than men's.<sup>12</sup>

The majority of economically active women in 'developing countries' are engaged in the informal sector<sup>13</sup>, with a large percentage of women operating micro enterprises in the informal economy. In low and middle income countries, women workers make up around 60 per cent of non-agricultural employment in the informal economy—including up to 90 per cent of street vendors and up to 80 per cent of home-based workers<sup>14</sup>. As a consequence of women often favouring or being forced into the informal economy, they often lack the protection of laws, policies, regulations and standards that protect workers and business owners in the formal economy. They are often also excluded from opportunities to access investment, mentoring and networks that can benefit owners of bigger or formal businesses.

## Addressing Legal, Cultural, Social and Economic Barriers Remains Critical

Deeply entrenched challenges within the entrepreneurial ecosystem continue to stymie women entrepreneurs' ability to achieve their full potential. Despite some positive policy and legislative changes in parts of the world and programmatic interventions designed to support women entrepreneurs, without considered action to address the socio-cultural barriers that still exist, progress towards fully empowering women entrepreneurs remains too slow. The women who take part in the Foundation's mentoring and entrepreneurial skills development programmes continuously report to us that they gain a huge amount through their business skills trainings and mentoring programmes. However, despite their new skills and knowledge, their journey to becoming

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<sup>9</sup> Fundera 2021, *Women-Owned Businesses: Statistics and Overview*, Fundera, viewed 19 February 2021, <[www.fundera.com/resources/women-owned-business-statistics](http://www.fundera.com/resources/women-owned-business-statistics)>.

<sup>10</sup> GEM Global Entrepreneurship Monitor 2018, *2018/2019 Women's Entrepreneurship Report*, GEM Consortium, viewed 19 February 2021, <[www.gemconsortium.org/report/gem-20182019-womens-entrepreneurship-report](http://www.gemconsortium.org/report/gem-20182019-womens-entrepreneurship-report)>.

<sup>11</sup> This term retains fidelity to the existing text.

<sup>12</sup> IFC International Finance Corporation 2011, *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*, International Finance Corporation, viewed 19 February 2021, <[www.ifc.org/wps/wcm/connect/2a9123b3-d369-4115-8cbf-19083218ce64/G20\\_Women\\_Report.pdf?MOD=AJPERES&CVID=jqel-xk](http://www.ifc.org/wps/wcm/connect/2a9123b3-d369-4115-8cbf-19083218ce64/G20_Women_Report.pdf?MOD=AJPERES&CVID=jqel-xk)>.

<sup>13</sup> Chen, M. A. 2001 'Women and informality: A global picture, the global movement', *Sais Review*, 21(1), pp. 71–82.

<sup>14</sup> ILO International Labour Office 2002, *Women and men in the informal economy: A statistical picture*, International Labour Office, viewed 19 February 2021, <[www.ilo.org/wcmsp5/groups/public/---dgreports/-dcomm/documents/publication/wcms\\_626831.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/-dcomm/documents/publication/wcms_626831.pdf)>.

successful entrepreneurs is still hampered by systemic cultural, economic, social and sometimes legal challenges that impinge on their ability and confidence to set up and run successful and more resilient businesses.

In order to support and work with women entrepreneurs in low and middle income countries, it is vital that we understand better their reality: the challenges they face, their motivations, the barriers they have to overcome and how systemic these issues are. This research, building on two earlier reports published by the Foundation in 2020, is based on feedback from 125 women entrepreneurs in 32 countries. The report aims to provide a comprehensive overview of some of the key challenges faced by women entrepreneurs in 2020 and identify their needs and their own recommendations on how to tackle these challenges.

This report provides much-needed first-hand evidence about the impacts of the COVID-19 crisis on women entrepreneurs in low and middle income countries. It tells the story of resilient, resourceful and innovative women who are fighting to keep their businesses alive and invest in their local communities and economies in this difficult time. For these women the stakes could not be higher. We also explore in more detail themes that were uncovered in our 2019 inaugural annual audit report *Levelling the Playing Field for Women Entrepreneurs*, and our COVID-19 report *Women Entrepreneurs Struggling and Innovating the Face of COVID-19*, such as access to finance, gender stereotypes and awareness of legal rights and protections.



Guadalupe, firewood saleswoman and former Foundation programme Mujeres AVE participant, Mexico, 2019



# Methodology and Data Set

## Methodology

The data collection for this research was conducted through a SurveyMonkey survey promoted in December 2020. It was disseminated through the Foundation's communications channels to women entrepreneurs in low and middle income countries across our networks, for example through an email to current and past participants in the Foundation's Mentoring Women in Business programme. It was advertised to a wider pool of women entrepreneurs on social media and through the Foundation's partners and business networks.

The data was exported from SurveyMonkey in an Excel format, anonymised and saved in a password-protected file.

We removed responses from individuals who answered no to the questions 'are you a woman entrepreneur' and who selected that they lived in a country which is classified by the World Bank as 'high income', on the assumption this is likely to be the same country that they run their business and therefore is out-with this research criteria.

This survey is based on the responses from 125 women entrepreneurs from 32 low and middle income countries across the world. The small sample size reported on in this research means the findings we are reporting on are only indicative of the experiences of women entrepreneurs across low and middle income countries: it isn't possible to extrapolate these results to assume they are relevant to all women entrepreneurs in low and middle income countries. Many women whose experiences are covered in this research have also been in contact with and supported by the Foundation. Therefore their businesses may be in a more sustainable and lucrative position, with more employees, as well as operating more formal, larger business than might be typical for women entrepreneurs worldwide.

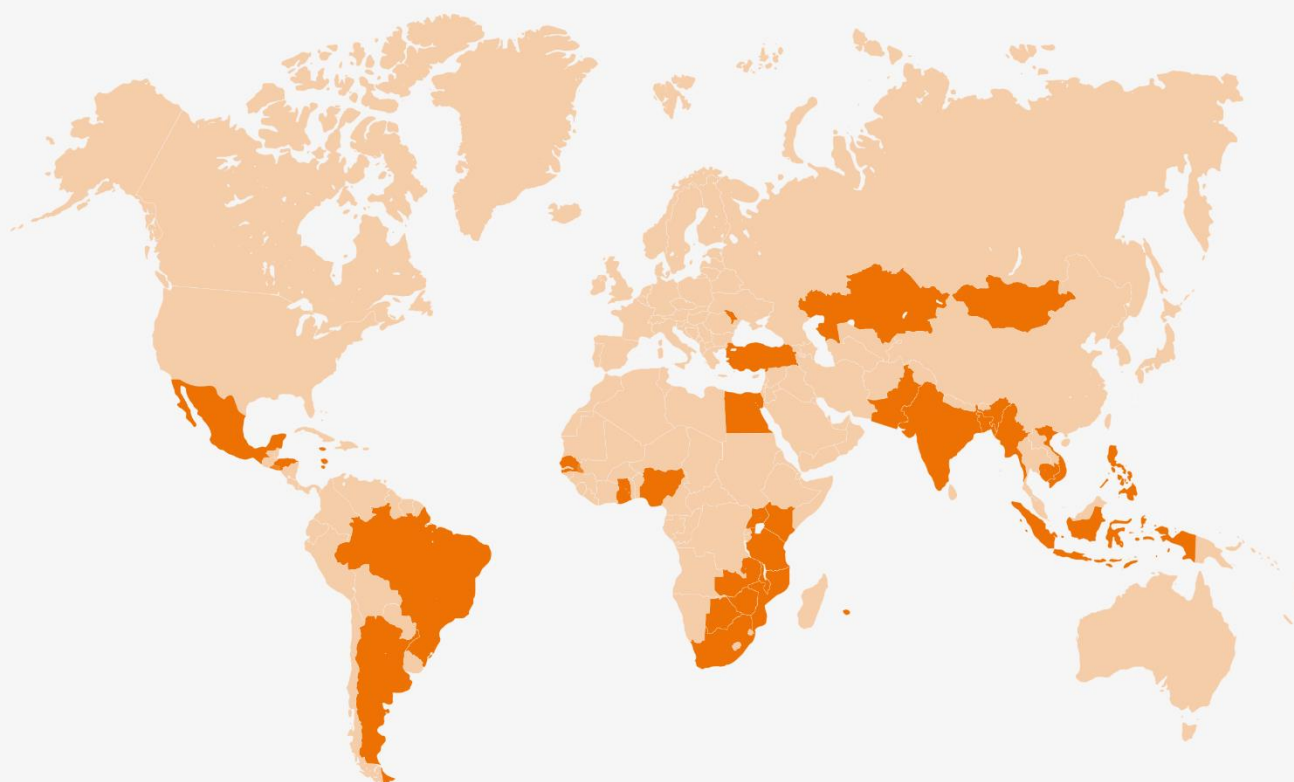
The survey responses were analysed by the Foundation's advocacy team in early January and the research was further informed by a light desk review of other relevant reports focusing on women's economic empowerment produced in recent years.



## The Women of the 2020 Audit

The first part of our survey focused on the women's lives and businesses as an important way to understand more about the personal circumstances of women entrepreneurs, their financial situations, their private lives and the current state of their businesses.

## Locations of Respondents

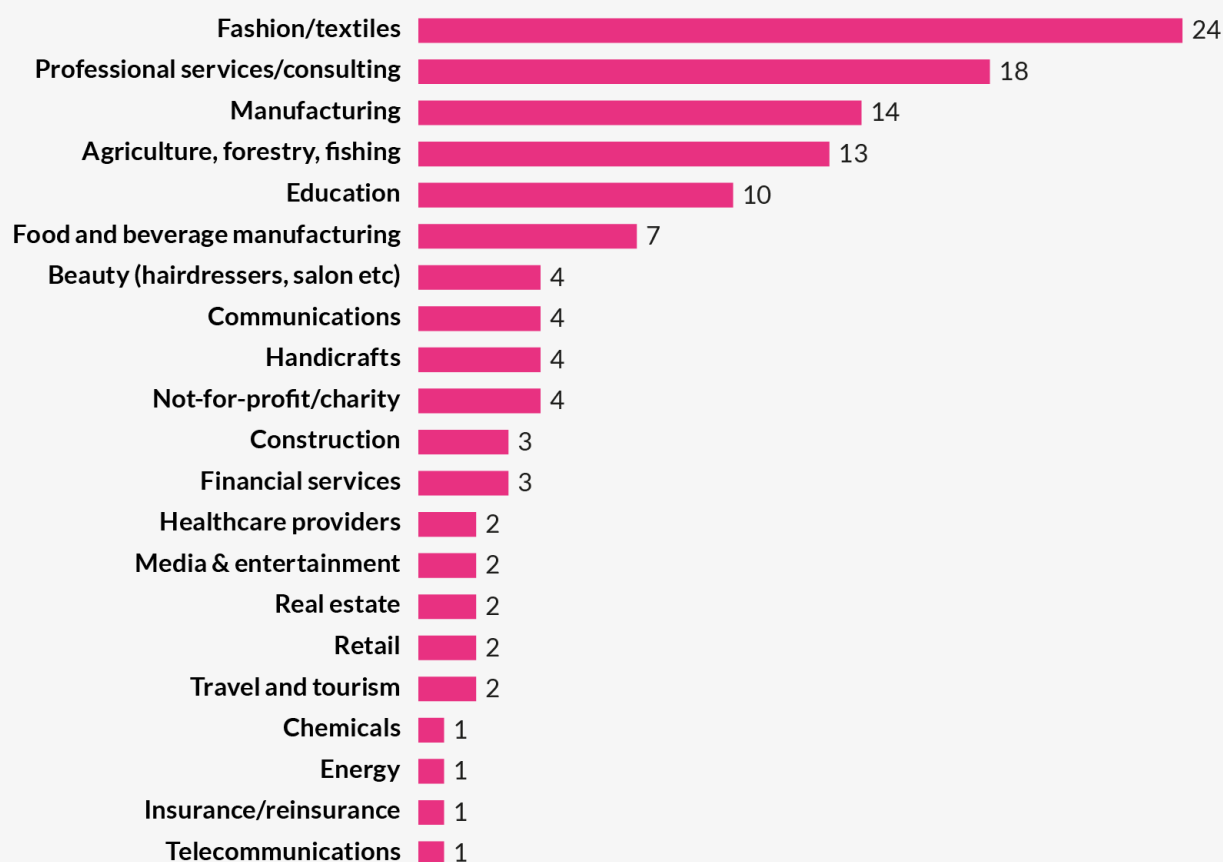


Botswana	Malawi	Mauritius	Philippines
Brazil	Mexico	Myanmar	Turkey
Cambodia	Mongolia	United Republic of Tanzania	Uganda
Gambia	Mozambique	Argentina	Pakistan
Ghana	Republic of Moldova	Bangladesh	India
Honduras	Saint Vincent and the Grenadines	Indonesia	Kenya
Jamaica	Vietnam	Zambia	South Africa
Kazakhstan	Zimbabwe		Nigeria
	Egypt		

What we found, perhaps unsurprisingly, is a very mixed picture across the globe. The income levels, numbers of dependents, size of businesses, staffing levels and the general state of businesses varied significantly amongst women entrepreneurs.


The variation shown across the data is an important reminder, aligned to the Foundation's experience, that there is no 'one size fits all' approach to responding to the needs of women entrepreneurs. Whether through soft skills and business skills development, advocacy to push for policy and legal changes, or tailoring financial products and services to help women entrepreneurs to drive their businesses forward, women's contexts inform their needs and must also inform the solutions we work with them to develop and deliver.

## What sector does your business mainly operate in?



Answered: 125

Responding 'other': 3



We asked the women responding to our survey what sector their business was operating in. Nearly four in ten (38%) respondents' businesses were operating in sectors traditionally seen as 'feminized' sectors, such as fashion/textiles (18.4%), education (8%), food and beverage (5.6%), retail (3%) and beauty and hairdressing (2.4%). However, 34.4% of women reported running businesses that are in industry areas that have historically been considered to be more male-led, such as professional services (13.6%), manufacturing (10.4%), and agriculture/fishing/forestry (10.4%).

The majority of women who participated in this survey employed other staff in their businesses, yet they were mostly running micro businesses, employing less than ten people. Nearly six in ten respondents (59.2%) employed between two and nine staff members. Whilst 13.3% employed between 10 and 49 employees and four women (3.3%) employed more than 50 employees.


**59.2%**

Nearly six in ten (59.2%) respondents employed between two and nine staff member

Only 29 women (24.2% of respondents) had no employees in their businesses. This shows just how important women entrepreneurs' businesses are, not only for their own households, but as a wider source of employment—often for other women. That most enterprises run by these women entrepreneurs are small—in terms of the number of people they employ—echoes the wider global findings showing that women-owned businesses are often centred in micro and small business sectors.

**13.33%**

13.33% of respondents employed between 10 and 49 staff members



The survey also explored the financial position of the women entrepreneurs<sup>15</sup>. We found 38.4% of respondents reported an annual household income of between \$6,000 and \$20,000, nearly a quarter (24.8%) of women reported their annual household income was between \$1,000 and \$5,000, and 12.8% of respondents reported an annual household income of less than \$1,000 a year. Just seven respondents had an average annual household income of over \$50,000.

One in five women (19.2%) contributed 100% of the household income and just under half (45.6%) of all respondents contributed 50% or more towards their total household income. The vast majority (85.4%) of respondents financially supported other members of their household as well as themselves. This data mirrors findings from our 2019 audit, where 85% of respondents reported providing financial support to others and 35% supported more than three others. These findings show the important role women entrepreneurs play in financially supporting their households, which more often than not includes other dependents.

As the survey was shared widely to women entrepreneurs in the Foundation's networks and through our social media channels, it was expected that a high number would have received support from the Foundation<sup>16</sup>. Over two thirds of respondents (68%) have had direct support from the Foundation, through our in-country entrepreneurial training programmes or our global online Mentoring Women in Business programme.



68%

Over two thirds (68%) of respondents have had direct support from the Foundation

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<sup>15</sup> Financial data reported in USD

<sup>16</sup> This is also reflected in the response to a question we asked regarding participants' age, as this reflects the most common ages groups of women engaging with the Foundation's programmes. The majority of respondents to the survey were between the ages of 35 and 54 (65.5%), with only 24 respondents aged 34 or under and 17 respondents reporting that they were aged 55 and above.





# Findings

## The Impact of COVID-19 on Women Entrepreneurs in Low and Middle Income Countries

### Background

Even before the COVID-19 pandemic hit the world in early months of 2020, economic participation and opportunity for women had already been diminishing globally. According to the World Economic Forum this is for a few primary reasons: women have greater representation in roles that are being automated, not enough women are entering professions where wage growth is the most pronounced (most obviously, but not exclusively, technology), and insufficient care infrastructure and access to capital<sup>17</sup>. It was expected that the global economy would contract by 5% in 2020 as a result of the COVID-19 pandemic and after years of steady decline the number of people living in extreme poverty around the world would increase by 96 million, with 118 women living in poverty for every 100 men<sup>18</sup>.

Research from CARE drawing on data from thousands of individuals across 38 countries found that 55% of women respondents reported losing their jobs or income due to COVID-19 and women were 60% more likely than men to state that concerns about their job or income was their main worry about the pandemic<sup>19</sup>. An ILO report on the impact of COVID-19 found 40% of all employed women globally work in the four most hard-hit sectors by the coronavirus crisis, compared to 36.6% of men<sup>20</sup>.

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<sup>17</sup> World Economic Forum 2020, *Global Gender Gap Report 2020*, World Economic Forum, viewed 19 February 2021, <[www3.weforum.org/docs/WEF\\_GGGR\\_2020.pdf](http://www3.weforum.org/docs/WEF_GGGR_2020.pdf)>.

<sup>18</sup> UN Women 2020, *From Insight to Action*, UN Women, viewed 19 February 2021, <[www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/gender-equality-in-the-wake-of-covid-19-en.pdf?la=en&vs=5142](http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/gender-equality-in-the-wake-of-covid-19-en.pdf?la=en&vs=5142)>.

<sup>19</sup> CARE International 2020, *She Told Us So. Rapid Gender Analysis: Filling the Data Gap to Build Back Equal*, CARE International, viewed 19 February 2021, <[www.insights.careinternational.org.uk/media/k2/attachments/CARE\\_RGA\\_SheToldUsSo\\_Sept-2020.pdf](http://www.insights.careinternational.org.uk/media/k2/attachments/CARE_RGA_SheToldUsSo_Sept-2020.pdf)>.

<sup>20</sup> ILO International Labour Organisation 2020, *COVID and the World of Work. Fifth Edition*, ILO International Labour Organisation, viewed 19 February 2021, <[www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_749399.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_749399.pdf)>.



**All work from entities during COVID-19 stopped and we had no income stream for 8 months.**

A woman entrepreneur from South Africa

The impact on business has been stark. Research conducted in May 2020 with 26,000 business owners globally with an active Facebook Business page found that 26% of businesses were not operational at this time, with women's business 5.9% more likely to have been closed. In the Sub-Saharan African countries sampled, 34% of male-owned MSMEs were temporarily closed at the time of the survey compared to 43% of female-owned MSMEs<sup>21</sup>.

Women-owned business are more vulnerable to economic disruption at a local, national or global level. Their businesses largely have thinner capital buffers than male-owned businesses and are often operating in lower-margin, service-based industries that are more vulnerable to economic shocks<sup>22 23</sup>. Women are also overrepresented in the sectors hardest hit by COVID-19 lockdown restrictions such as tourism, retail, fashion and hospitality<sup>24</sup>. Furthermore, they may be less likely to access fiscal support packages designed to support sole traders or entrepreneurs due to a historic lack of gender-disaggregated and gender-sensitive data to inform policies pertaining to entrepreneurship. Compounding this is the existing unpaid care burden; around the world women were already performing three quarters of unpaid care work prior to COVID-19, or 76.2 per cent of the total of hours provided<sup>25</sup>, and CDC projections suggested this has already

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<sup>21</sup> Goldstein, M et al. 2020, *The Global State of Small Business during COVID-19: Gender Inequalities*, World Bank, viewed 19 February 2021, <[www.blogs.worldbank.org/developmenttalk/global-state-small-business-during-covid-19-gender-inequalities](http://www.blogs.worldbank.org/developmenttalk/global-state-small-business-during-covid-19-gender-inequalities)>.

<sup>22</sup> Africa Gender Innovation Lab World Bank 2020, *COVID-19 Pandemic Through a Gender-Lens*, World Bank, viewed 19 February 2021, <[www.openknowledge.worldbank.org/bitstream/handle/10986/34016/COVID-19-Pandemic-Through-a-Gender-Lens.pdf?sequence=4&isAllowed=y](http://www.openknowledge.worldbank.org/bitstream/handle/10986/34016/COVID-19-Pandemic-Through-a-Gender-Lens.pdf?sequence=4&isAllowed=y)>.

<sup>23</sup> African Development Bank 2020, *Affirmative Finance Action for Women in Africa, ImpactHER and UN Women Policy Brief exposes disadvantages to women entrepreneurs in post COVID-19 era, offers solutions*, African Development Bank Group, viewed 19 February 2021, <[www.afdb.org/en/news-and-events/press-releases/affirmative-finance-action-women-africa-impacther-and-un-women-policy-brief-exposes-disadvantages-women-entrepreneurs-post-covid-19-era-offers-solutions-3689](http://www.afdb.org/en/news-and-events/press-releases/affirmative-finance-action-women-africa-impacther-and-un-women-policy-brief-exposes-disadvantages-women-entrepreneurs-post-covid-19-era-offers-solutions-3689)>.

<sup>24</sup> United Nations 2020, *Policy Brief: The Impact of COVID-19 on Women*, United Nations, viewed 19 February 2021, <[www.un.org/sites/un2.un.org/files/policy\\_brief\\_on\\_covid\\_impact\\_on\\_women\\_9\\_april\\_2020.pdf](http://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_april_2020.pdf)>.

<sup>25</sup> ILO International Labour Organisation 2018, *Care Work and Care Jobs for the Future of Decent Work*, International Labour Organisation, viewed 19 February 2021, <[www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_633135.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf)>.

risen by one or two hours a day<sup>26</sup>. As women continue to bear the brunt of increased care and domestic responsibilities and home-schooling, as well as having their mobility limited due to lockdown restrictions, they face greater challenges than ever compared to men in running their businesses.

Women are also notably absent as national level leaders responding to the COVID-19 pandemic. Research shows that at national levels women make up on average 24% of COVID-19 response committees, and for many countries this is much lower<sup>27</sup>. This is despite a growing recognition that COVID-19 responses are much better when led by gendered-balanced and diverse teams, who tend to design and enact more proactive and co-ordinated policy responses<sup>28</sup>.



*Medha Shah, founder of WeaverBird, former Foundation programme WE Can India participant and Foundation open-access online resource user, India, 2018*

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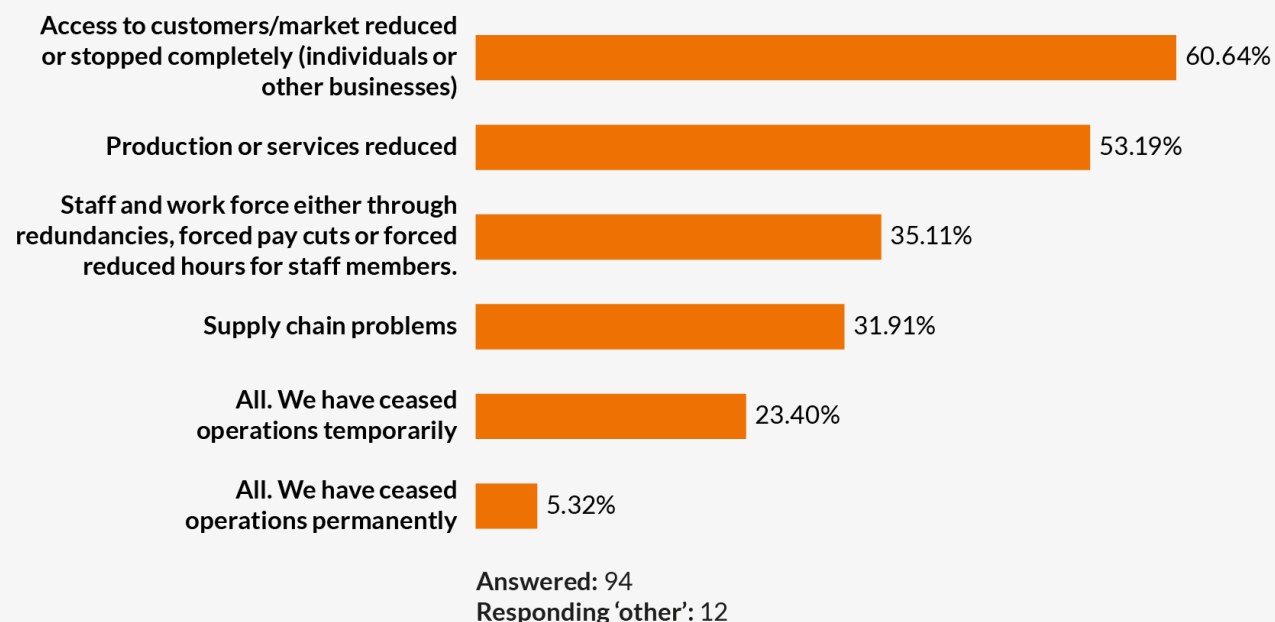
<sup>26</sup> CDC Group 2020, *COVID-19 and Women's Economic Empowerment: A Chance to Invest for Change?*, CDC Group, viewed 19 February 2021, <[www.cdcgroup.com/en/news-insight/insight/articles/covid-19-and-womens-economic-empowerment-a-chance-to-invest-for-change/](http://www.cdcgroup.com/en/news-insight/insight/articles/covid-19-and-womens-economic-empowerment-a-chance-to-invest-for-change/)>.

<sup>27</sup> CARE International 2020, *Where Are the Women? The Absence of Women in COVID-19 Response*, CARE International, viewed 19 February 2021, <[www.insights.careinternational.org.uk/media/k2/attachments/CARE\\_COVID-19-womens-leadership-report\\_June-2020.pdf](http://www.insights.careinternational.org.uk/media/k2/attachments/CARE_COVID-19-womens-leadership-report_June-2020.pdf)>.

<sup>28</sup> Garikipati, S, et al. U 2020, "Leading the Fight Against the Pandemic: Does Gender 'Really' Matter?," Economics Discussion Papers em-dp2020-13, Department of Economics, Reading University.

## Our Findings: COVID-19 Had an Immediate and Stark Impact on Many Women Entrepreneurs

### Which aspects of your operations are most affected by the COVID-19 pandemic?



Even though at the time of writing we are still dealing with and reporting on the initial impacts of the pandemic, nearly one in ten women (9.2%) reported that the impact of the COVID-19 pandemic was the single greatest challenge that they had ever faced. This is significant considering women entrepreneurs in low and middle income countries are often already running their businesses in very challenging circumstances where war, conflict, climate change, political instability or poor infrastructure can be major obstacles.

Yet, over and above these pre-existing challenges, as we dive deeper into the results from our research we can see clearly the significant impact that the global pandemic has already had, and how the stakes for the women we work with—their families, their workforces and their wider communities—are so incredibly high. Through this section, where possible, we draw comparisons with the results published by the Foundation to a COVID-19 survey we carried out with women entrepreneurs in low and middle income countries in April 2020.



## Business Operations Severely Affected

In April 2020, the Foundation conducted a short survey with 580 women entrepreneurs in low and middle income countries who were currently participating in the Foundation's programmes. This research found that 93% of respondents had then been negatively impacted by COVID-19, and of these women 44% had ceased their operations temporarily and 4% permanently<sup>29</sup>. These striking results are mirrored in this research.

This research found that 21.6% of the respondents (27 women) highlighted that they no longer own or run their business. The impact of COVID-19 is sobering here: 66.6% of those women reported closing their business temporarily due to the negative impact of COVID-19. Sadly 11.1% of the women reported that they had to close their businesses permanently.

For women entrepreneurs who continued to run their businesses, the pandemic created a difficult environment to operate in. Similar to our earlier research, this study again found a significant majority (83.8%) of the women entrepreneurs reporting that COVID-19 pandemic has had a negative impact on their business operations. Only seven women entrepreneurs (constituting 6.67% of the respondents) report that the pandemic has not had a negative impact on their operations.



38.5%

Nearly four in ten (38.5%) respondents said that their business may have to close as a result of the pandemic

We asked women if they thought their business might have to close as a result of the pandemic, and eight women tragically felt that their business would definitely have to close. Nearly four in ten women responded that their business may have to close as a result of the pandemic (38.5% of 104 total responses).

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<sup>29</sup> Cherie Blair Foundation for Women (2020), *Women Entrepreneurs Struggling and Innovating in the Face of COVID-19*, Cherie Blair Foundation for Women, viewed 19 February 2021, <<https://cherieblairfoundation.org/app/uploads/2020/05/impact-of-covid19-on-women-entrepreneurs-in-low-and-middle-income-countries-report-1.pdf>>.

Some of the challenges highlighted by women entrepreneurs regarding the businesses operations and environment include:

#### a) Access to Markets and Customers

Indicative patterns found from comparing our April 2020 survey to this research (eight months apart) show women entrepreneurs' access to markets, supply chains and products/services has severely worsened over 2020 as a direct or indirect result of the pandemic.

Women's access to customers and markets has been significantly disrupted through various regional, national and international lockdowns and travel restrictions. These restrictions have forced closures across many sectors our respondents run businesses in and in many instances women have been physically cut off from their customer base. Despite many women pivoting their businesses to run online where possible and increased e-commerce opportunities, this does not work for every business and even the best-run companies cannot survive if they cannot access their markets, nor if their market collapses.



60.6%

60.6% of respondents said the pandemic has undermined their access to customers and markets or stopped their access completely

Our April 2020 survey found that 43% of women reported issues caused by COVID-19 in accessing customers, yet this research yields that for 60.6% of respondents the pandemic has undermined their access to customers and markets or stopped their access completely. Several women also reported that customers no longer being able to pay for their products/services was a major challenge. In April 2020 we found that 29% of women entrepreneurs reported that production or services had reduced; again we saw an increase here with 53.2% of respondents now reporting that production and services were reduced due to the pandemic. In our latest research a further 31.9% also reported having supply chain issues, whereas in April 2020 only 21% of women reported supply chain issues to us. With women often operating more fragile, shoestring businesses, interruptions in accessing their suppliers or markets—even if short term—can lead very quickly to closure.

## b) Impact on Staff, Workforce and Community

As a result of the economic crisis created by the pandemic, the ILO has estimated that nearly half of the global workforce is at risk of livelihood loss due to the pandemic<sup>30</sup>. Our research reveals that many women entrepreneurs have had to make difficult decisions regarding their staff members. Over a third (35.1%) of women entrepreneurs also reported that the pandemic has impacted their staff and workforce either through redundancies, forced pay cuts or reduced hours. This issue is particularly acute as we know the businesses women entrepreneurs run also provide vital access to employment for their communities. For instance in 2020, 1,946 jobs were created by 779 graduate women entrepreneur mentees from the Foundation's Mentoring Women in Business Programme.

# 48.4%

Nearly half (48.4%) of respondents said that their staff members would suffer due to their business closing

Many women entrepreneurs were also worried about the impact of potential business closures on their wider networks and communities. Nearly half (48.4%) of women said that their staff members would suffer due to their business closing (this number may be lower than expected as it includes responses from survey respondents who did not employ any staff). Over a quarter of respondents (26.6%) felt that their customers would suffer. A large proportion of respondents (34.4%) expressed that their community would lose an important service if their business closed down.

## c) Access to Finance

Access to finance constituted a key barrier for women entrepreneurs before the pandemic, for instance, women entrepreneurs currently receive only 2% of global venture capital<sup>31</sup> and there is a pronounced gender gap in access to

<sup>30</sup> ILO International Labour Organisation 2020, *ILO: As job losses escalate, nearly half of global workforce at risk of losing livelihoods*, International Labour Organisation, viewed 19 February 2021, <[www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_743036/lang-en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_743036/lang-en/index.htm)>.

<sup>31</sup> Zarya, V 2018, *Female Founders got 2% of Venture Capital Dollars in 2017*, Fortune, viewed 19 February 2021, <[www.fortune.com/2018/01/31/female-founders-venture-capital-2017/](http://www.fortune.com/2018/01/31/female-founders-venture-capital-2017/)>.

and uptake of formal bank accounts. The results from this year's research, as well as our 2019 report, support this with access to finance being identified as the top challenge in both research pieces (see page 38 for further detail). This context makes the finding from this year's survey that nearly half of the women we surveyed (44.8%) have lost out on formal financial investment opportunities due to the COVID-19 pandemic extremely concerning. Not only is the challenge of accessing finance still extremely prevalent, but it is likely that it has intensified through the pandemic despite a growing need for women's enterprises to survive the crisis.

**44.8%**

Nearly half (44.8%) of respondents have lost out on formal financial investment opportunities due to the COVID-19 pandemic

As well as those women who know they have lost out on investment, a further 15.2% of respondents were still waiting to find out whether they had lost out on an opportunity. It is more critical than ever that women are able to access investment and/or finance to keep their businesses afloat, retain their employees and provide vital income for their families, yet existing challenges with accessing finance are likely to be exacerbated in the context of the pandemic. It is crucial we understand the implications of this on women entrepreneurs and quickly find ways to address this challenge.

## The Impact of COVID-19 on Women's Lives, Families and Communities

Some of the starkest findings in this research piece are around the broader impacts of women's businesses closing due to the COVID-19 pandemic. These findings are extremely serious and require comprehensive consideration to mitigate the impacts of the pandemic and support women to protect themselves, their families and their communities from the potential fallout of the crisis.



### a) Unpaid Care Work

The economic value of unpaid care work accounts for 40% of GDP<sup>32</sup>. The impact of the COVID-19 pandemic on domestic duties and responsibilities has been significant, with it being widely reported that women are bearing the brunt of additional childcare, domestic and other household responsibilities<sup>33</sup>. This highly gendered global trend is reflected in our research: in total, 78% of the women responding reported that the COVID-19 had an impact on the roles and responsibilities in their household.



78% of respondents reported that COVID-19 has had an impact on the roles and responsibilities in their household

For 41% of women entrepreneurs this impact had been significant whilst for 37.4% the impact had been minor. Of the women who reported the change in the household roles and responsibilities, 40.2% stated that they carry out more of the domestic responsibilities whilst 36.8% report that responsibilities are equally distributed between them and any adult male members of the household. This additional household level burden creates an even more acute double bind for women, who may be experiencing greater than ever time poverty coupled with greater than ever financial need to run their businesses.

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<sup>32</sup> Dugarova, E 2020, *Unpaid Care Work: In times of the COVID-19 Crisis*, United Nations, viewed 19 February 2021, <[www.un.org/development/desa/family/wp-content/uploads/sites/23/2020/06/Unpaid-care-work-in-times-of-the-COVID-19-crisis.Dugarova.pdf](http://www.un.org/development/desa/family/wp-content/uploads/sites/23/2020/06/Unpaid-care-work-in-times-of-the-COVID-19-crisis.Dugarova.pdf)>.

<sup>33</sup> For instance: UN Women 2020, *Whose Time to Care*, UN Women, viewed 19 February 2021, <[https://data.unwomen.org/sites/default/files/inline-files/Whose-time-to-care-brief\\_0.pdf](https://data.unwomen.org/sites/default/files/inline-files/Whose-time-to-care-brief_0.pdf)>.

## b) Impact on Families and Household Survival

# 46.9%

Nearly half (46.9%) of respondents whose businesses are at risk of closing due to the pandemic told us that they would struggle to support themselves if that happened


As demonstrated in the table on page 28, of the 38.5% of women who reported their business will or may have to close due to the pandemic nearly half (46.9%) told us that they would struggle to support themselves if their business closed and 43.8% of women respondents told us that they would struggle to support their families. This statistic is particularly harrowing given that we know many of the women participating in this research live in countries where there is little social protection available. Social protection, such as unemployment benefits, maternity pay and pensions, can provide an essential safety net in times of crisis but there is still a pervasive gender gap in social protection which is closely interrelated to gender inequality in the labour market<sup>34</sup>.

# 43.8%

43.8% of respondents whose businesses are at risk of closing due to the pandemic told us that they would struggle to support their families if that happened

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<sup>34</sup> ILO International Labour Organisation 2014, *Maternity and Paternity at Work: Law and Practice across the World*, International Labour Organisation, viewed 19 February 2021, <[www.ilo.org/wcmsp5/groups/public/-dgreports/-dcomm/-publ/documents/publication/wcms\\_242615.pdf](http://www.ilo.org/wcmsp5/groups/public/-dgreports/-dcomm/-publ/documents/publication/wcms_242615.pdf)>.



Over a third of these women (34.4%) reported they would struggle to afford basic necessities, like food. The potential business closures would also have an impact on women's ability to make loan repayments and avoid debt: 28.1% of respondents reported that they would struggle to pay back loans and a further 28.1% told us that they would get into debt.

**34.4%**

Over a third (34.4%) of respondents whose businesses are at risk of closing due to the pandemic reported they will struggle to afford basic necessities, like food, if that happened

These desperate findings outline how these women and their wider families are so reliant on their ability to run their businesses. Many women do so out of necessity: globally, 27% of women entrepreneurs reported starting a business out of necessity compared to 21.8% of men, constituting a 20% increased likelihood for women entrepreneurs to have started a business out of necessity rather than opportunity compared to men<sup>35</sup>. For these women, running their own business is not a lifestyle choice, it is about survival.

**18.6%**

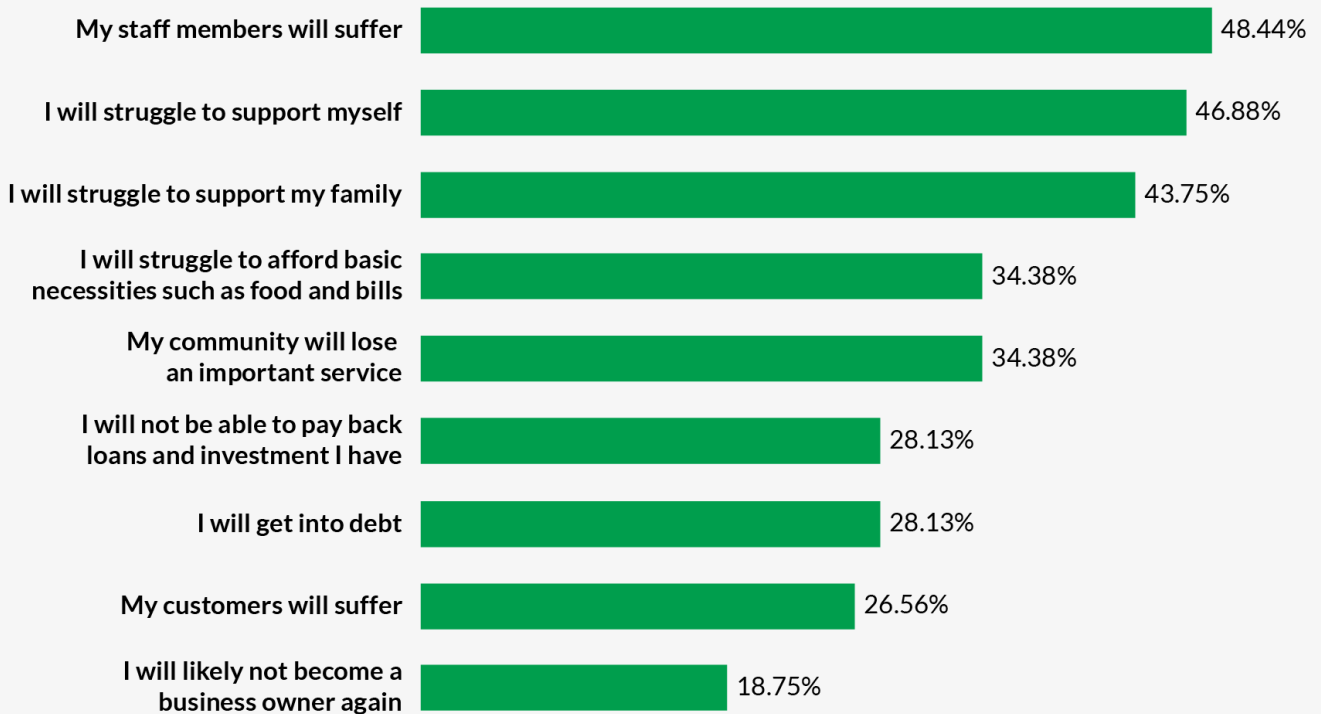
18.6% of respondents whose businesses are at risk of closing due to the pandemic also felt that they would be very unlikely to become a business owner again if that happened

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<sup>35</sup> GEM Global Entrepreneurship Monitor 2018, *2018/2019 Women's Entrepreneurship Report*, GEM Consortium, viewed 19 February 2021, <[www.gemconsortium.org/report/gem-20182019-womens-entrepreneurship-report](http://www.gemconsortium.org/report/gem-20182019-womens-entrepreneurship-report)>.

Furthermore, 18.6% of respondents also felt that they would be very unlikely to become a business owner again if their business ceased. This data is key to our understanding that women entrepreneurs have to face huge barriers to get a business up, running and established and if they lose that business it is incredibly difficult to start again. For some women it will be simply impossible—practically, financially and mentally—to face the battle of setting up another company. The tragic consequences of women's business closing extend much further than their personal loss, we have also lost the potential these women had to redefine the future for themselves, their families and communities, to design and create innovative businesses with the power to transform the world.

## What would be the impact of your business closing due to the pandemic?



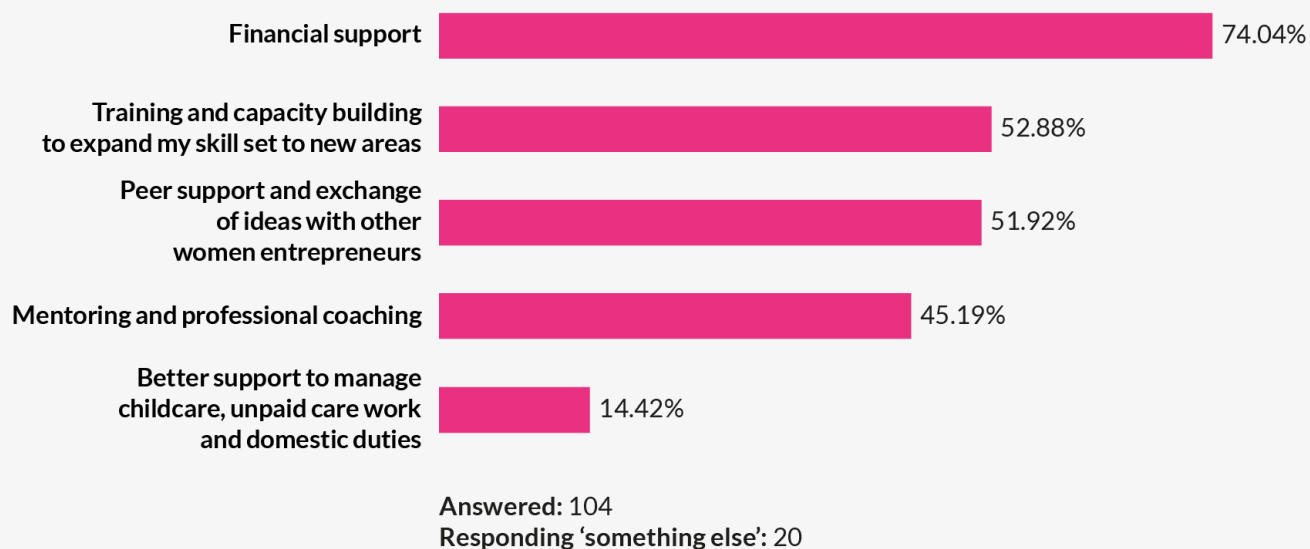
Answered: 64



## The Support Needed for Women Entrepreneurs to Recover From the Pandemic

As part of our survey, women were asked about the type of support that would help them to get through the current crisis and keep their business alive.

### Support needed to help your business to survive the challenges fuelled by COVID-19 pandemic?



#### a) Access to Financial Support

Perhaps unsurprisingly, financial support was the most popular response with just under three quarters (74%) of women suggesting that this would help them to overcome the challenges caused by the COVID-19 pandemic. Around the world, economic recovery packages are being developed to support businesses to cope with the pandemic. It is essential that the needs of women entrepreneurs will be heard, understood and listened to whilst the economic recovery policies and packages are being developed. It is vital that they are tailored to specifically respond to the needs of women entrepreneurs. There are concerns that, due to a general lack of gender-disaggregated data around MSMEs<sup>36</sup>, informal businesses and

<sup>36</sup> IFC International Finance Corporation 2014, *Women-Owned SMEs: A Business Opportunity for Financial Institutions A Market and Credit Gap Assessment and IFC's Portfolio Gender Baseline*, International Finance Corporation, viewed 19 February 2021, <[www.ifc.org/wps/wcm/connect/44b004b2-ed46-48fc-8ade-aa0f485069a1/WomenOwnedSMes+Report-Final.pdf?MOD=AJPERES&CVID=kiiZZDZ](http://www.ifc.org/wps/wcm/connect/44b004b2-ed46-48fc-8ade-aa0f485069a1/WomenOwnedSMes+Report-Final.pdf?MOD=AJPERES&CVID=kiiZZDZ)>.

entrepreneurship<sup>37</sup>, women's specific needs in relation to financial support to keep their business afloat are not being taken into account in the design of post-pandemic recovery policies and packages. Without a specific focus on the needs of women, 'gender neutral' or 'genderblind' products/services/packages are often more relevant for and geared towards male-run businesses as a default. This unintentionally disadvantages women who may be less able to access this support, as it will not meet their needs or they were unaware of its existence.

## b) Training and Capacity Building

Over half of respondents (52.9%) also suggested that training and capacity building would provide them with vital support, with several women specifically commenting that information in relation to exporting to new markets and digitalisation would be useful. In April 2020, during the first wave of the pandemic, through our COVID-19 survey we asked women entrepreneurs already affected by the pandemic what learning areas would be most useful for them. They requested more information and training support in areas such as digital marketing, business resilience, crisis operation and e-commerce<sup>38</sup>. The Foundation has since developed additional training materials, including a Business Resilience Training course, Business Bootcamp resource series, online webinars and additional modules in our HerVenture app and Road to Growth programme, for example on e-commerce and digital marketing. These new resources have since provided vital support to over 22,000 women entrepreneurs around the world.

**51.9%**

Over half (51.9%) of respondents highlighted how important a peer support network would be to them being able to survive the pandemic

<sup>37</sup> Meunier, F et al. 2017, *World Bank Policy Research Working Paper 8242 "Women's Entrepreneurship How to Measure the Gap between New Female and Male Entrepreneurs?"*, viewed 19 February 2021, <[www.openknowledge.worldbank.org/bitstream/handle/10986/28902/WPS8242.pdf?sequence=1&isAllowed=](http://www.openknowledge.worldbank.org/bitstream/handle/10986/28902/WPS8242.pdf?sequence=1&isAllowed=/)>.

<sup>38</sup> Cherie Blair Foundation for Women (2020), *Women Entrepreneurs Struggling and Innovating in the Face of COVID 19*, Cherie Blair Foundation for Women, viewed 19 February 2021, <[www.cherieblairfoundation.org/app/uploads/2020/05/impact-of-covid19-on-women-entrepreneurs-in-low-and-middle-income-countries-report-1.pdf](http://www.cherieblairfoundation.org/app/uploads/2020/05/impact-of-covid19-on-women-entrepreneurs-in-low-and-middle-income-countries-report-1.pdf)>.



### c) Peer Support, Mentoring and Networks

Over half (51.9%) of the survey respondents highlighted how important a peer support network would be to them being able to survive the pandemic. Furthermore, 45.2% wanted more mentoring and coaching support, and several women commented that having access to experts to support their businesses would be useful. The Foundation has long been aware of the benefits of a holistic approach to supporting women entrepreneurs and has a strong track record in delivering support in this area. We are expanding our peer support offering through the development of informal networks amongst our mentoring and programme participants, such as a LinkedIn group, and continuing to create long-lasting, supportive relationships through our world-leading Mentoring Women in Business Programme that supported 1,522 women in 2020.

### d) Recognition of Unpaid Care Work

Given women are delivering and absorbing additional unpaid care work in families and communities, it remains critical to recognise the gendered nature of unpaid care work and devise policies to support women and redistribute this work more equally. In our survey, 14.4% respondents highlighted the need for better support to manage childcare and other domestic responsibilities, freeing them up to be able to spend time on their business.

We also asked women how the national governments and local authorities might be able to provide them with the support they need through the pandemic. Many women highlighted the need for financial support and a more business-friendly environment, as 25% of respondents recommended that governments and local authorities should provide women entrepreneurs with grants or loans. 20.4 % of the respondents mentioned the need for financial support more broadly. Waiving taxes, increasing access to government tenders and provision of other new business opportunities were also highlighted by the women entrepreneurs. Access to role models and mentors was highlighted as a priority by 5% of the respondents.

# Key Motivations and Challenges for Women Entrepreneurs in 2020

## Motivations

In order to understand more about the push and pull factors that drive women entrepreneurs, we asked our respondents about their key motivations (see data visualisation on page 34). An understanding of the core factors that contribute to women's eagerness to run businesses can indicate to us the kinds of ecosystems that women are working in and how we can shape and tailor policy and economic and programmatic responses to best meet their needs.


**“To improve governance of companies – because the world needs better directors, better boards, and better decisions for our planet, people and profits.”**

A woman entrepreneur from South Africa, on her key motivation for becoming an entrepreneur

This research shows that the key motivators for many women entrepreneurs to drive their businesses were rooted in their desires to make a difference in their communities. This is consistent with all previous research we have conducted with women entrepreneurs. Over 40% (43.8%) of the respondents selected this as one of the top three reasons to be an entrepreneur. A significant proportion of women also reported that they were motivated to become entrepreneurs to create jobs for others (27.3%). A true entrepreneurial spirit was also reflected in the responses, with over one in five women (21.5%) stating that the key motivation for them to start their business was to fill a gap in the market.

# 43.8%

Over 40% (43.8%) of respondents gave desire to make a difference in their communities as one of their top three reasons to be an entrepreneur



Our survey findings also reveal that many women entrepreneurs are motivated by 'lifestyle' factors, such as running a business for their own personal fulfilment/happiness (41.3%), to have a better work-life-family balance (16.5%) or to leave a legacy for their children (12.4%). Though at the other end of the spectrum, seven women (5.8%) also reported setting up businesses out of necessity due to the COVID-19 pandemic. It is reasonable to expect that this figure will increase as the economic impacts of the pandemic worsen around the globe.

**25.6%**

A quarter (25.6%) of respondents reported a key motivation for them was the need to improve the lives of themselves and their families

We know that entrepreneurial activities undertaken by women are often born out of a desire to improve their families' financial situations. A quarter (25.6%) of respondents reported a key motivation for them was the need to improve the lives of themselves and their families, 23% wanting to have control over their own finances and just over one in ten women (11.6%) being motivated by a desire to be their own boss. These motivational factors are linked closely to developmental indicators for women's economic empowerment. They are also essential components for women having more agency and decision-making capacity over their money and assets, and taking on more visible leadership roles in the community<sup>39</sup>.

Only two women (1.7%) suggested that a key driver for them was a lack of other employment opportunities, suggesting that these women are making a very conscious decision to invest their time, energy and resources into becoming entrepreneurs despite other potential employment opportunities.

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<sup>39</sup> Buvinic, M et al. 2020, *Measuring Women's Economic Empowerment: A compendium of selected tools*, Centre for Global Development, viewed 19 February 2021, <[www.cgdev.org/sites/default/files/measuring-womens-economic-empowerment.pdf](http://www.cgdev.org/sites/default/files/measuring-womens-economic-empowerment.pdf)>.



## Key motivations for becoming an entrepreneur.



Answered: 124

## Challenges

As well as asking about women's motivations, we also wanted to hear about the key challenges that women entrepreneurs are facing when setting up or running their businesses. See data visualisation on page 37.

As with our 2019 audit report, a lack of access to finance was the key challenge for women entrepreneurs in 2020. Over a third (35.8%) of women entrepreneurs reported that this was their main challenge, very similar to the results of the 2019 audit, where 39% of respondents reported this was their primary challenge. Please see page 38 for more discussion on this topic.

Other practical challenges that women reported facing, albeit in much smaller numbers, were around recruiting quality staff (5.8%), lack of access to markets (5%), issues finding and retaining customers (4.2%) and a lack of access to business networks (4.2%).

# 35.8%

Over a third (35.8%) of respondents reported that lack of access to finance was the main challenge they had faced as an entrepreneur

Women reported further significant challenges that stem even more directly from the ecosystem that they are operating in. Over one in ten women (11.7%) reported that the biggest challenge they faced was around local or national economic conditions, such as a recession. A further 9.2% of respondents reported that the impact of the COVID-19 pandemic has been their greatest challenge.

A relatively small number (six) of women reported that regulatory or bureaucratic issues has been their main challenge and a further four women felt that laws had hindered their business. This is particularly interesting and mirrors the results of our 2019 survey, where similarly only a very small number of women reported that they felt laws/policies were holding them back, despite overwhelming evidence to the contrary (see page 55 for more detail).

A small number of women also reported gaps in personal skills and development needs that have created challenges for them: three women reported a lack of experience or personal skills/experience and a further five women reported a lack of personal confidence.

These indicators may have elicited a smaller number of responses than we might expect, given that a significant proportion of respondents to this survey have engaged with the Foundation's skills training programmes which are designed to build the skills and knowledge needed to be successful entrepreneurs.



*Ejiro Jakpa, Director at Nicnax Enterprises and Foundation programme Road to Growth participant, Nigeria, 2021*

The challenges women report facing are often embedded in, or a result of, systemic, cultural and social factors that contribute to the creation of gender disparities in entrepreneurial routes to success. For example, we know that accessing finance—women's biggest challenge—is deeply impacted by gender stereotypes, laws which discriminate against women, and a lack of understanding about the needs of women entrepreneurs.

So complex and interlinked are these challenges that there is not one solution nor one actor that can catalyse change at the level we need to remove these barriers. Coordination between all stakeholders—from national governments, policymakers, to banks, finance institutions and civil society—to provide strategic, long-term support to women entrepreneurs remains a critical way to overcome the multitude of barriers they face.

In the next sections we explore more deeply three key areas that present barriers to women entrepreneurs: access to finance, legal rights and protections, and gender stereotypes. We will aim to understand better how these barriers occur, what impact they have and how we can work with women entrepreneurs to remove these barriers so they can reach their potential.

## What is the main challenge you have faced as an entrepreneur?



Answered: 120

## Access to Finance

Access to finance was identified as the most significant obstacle for women entrepreneurs in our 2019 annual audit report and again this year. This echoes numerous other research findings and is widely understood and considered as a major obstacle for women entrepreneurs.



*Trieu Ha, founder of Van Ho Yacon Cooperative Group and Foundation Alumna Mentee, Vietnam, 2020*


The International Finance Corporation (IFC) estimates that 65 million firms, or 40% of formal MSMEs, in ‘developing countries’ have an unmet financing need of \$5.2 trillion every year, which is equivalent to 1.4 times the current level of the global MSME lending<sup>40</sup>. About half of formal SMEs don’t have access to formal credit. This financing gap grows larger when micro and/or informal business are also taken into account. Worldwide, SMEs produce about \$850 billion of annual revenue for banks, through deposits, lending, overdrafts, and payments<sup>41</sup>. So, yet, despite the unmet need of these

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<sup>40</sup> Referenced in the following article: The World Bank 2019, *Small and Medium Enterprises (SMEs) Finance*, The World Bank, viewed 19 February 2021, <[www.worldbank.org/en/topic/sme/finance](http://www.worldbank.org/en/topic/sme/finance)>. Original reference sought, but not found.

<sup>41</sup> McKinsey Global Banking Practice 2019, *Beyond banking: How banks can use ecosystems to win in the SME market*, McKinsey & Company, viewed 19 February 2021, <[www.mckinsey.com/~/media/McKinsey/Industries/Financial%20Services/Our%20Insights/How%20banks%20can%20use%20ecosystems%20to%20win%20in%20the%20SME%20market/How-banks-can-use-ecosystems-to-win-in-the-SME-market-vF.pdf](http://www.mckinsey.com/~/media/McKinsey/Industries/Financial%20Services/Our%20Insights/How%20banks%20can%20use%20ecosystems%20to%20win%20in%20the%20SME%20market/How-banks-can-use-ecosystems-to-win-in-the-SME-market-vF.pdf)>.





businesses, SMEs already represent one fifth of banking revenues across the world<sup>42</sup>.

Women entrepreneurs' access to investments and credit—and their decisions around whether to use or access existing products and services—can be impacted by a range of financial and non-financial variables. Non-financial variables can include local legislative and policy frameworks (see page 55), education and financial literacy levels, cultural assumptions about businesswomen that limit outreach to potential women clients, and structural sexism that is built into financial systems leading to gender-biased credit scoring and gender stereotyping in investment evaluations<sup>43</sup>. Financial variables include available assets and collateral, interest rates, credit ratings, and risks associated with operating in less profitable industries.

Globally, women-owned businesses only access between 2% and 10% of commercial bank finance<sup>44</sup> and the gender gap in financing is stark across all investment arenas. Research from the OECD uncovered that start-ups with at least one woman in the team of founders are 5-10% less likely to receive funding. When women-led start-ups do receive funding, they receive an amount lower by a third compared to start-ups created by male founders<sup>45</sup>.

The gender gap in financial inclusion is keenly felt in low and middle income countries and underpins many of the root causes of the challenges women entrepreneurs face in accessing finance. Across the world women are less likely than men to have a bank account or any access to a formal financial institution. While 72 per cent of men report having an account at a formal financial institution, only 65 per cent of women worldwide do, in 'developing economies' the gender gap remains unchanged at nine percentage points<sup>46</sup>. Of course, if you do not have a formal bank account you cannot secure investment from most formal financing routes.

Through this research we sought to understand why accessing finance is so difficult for women entrepreneurs, where investments they managed to secure come from and, crucially, if they have equal access to any available investments and loans.

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<sup>42</sup> McKinsey Global Banking Pools database. For Western Europe, SMEs are below €250 million annual turnover. For other regions we have used local definitions.

<sup>43</sup> OECD Organisation for Economic Co-operation and Development 2017, *Do women have equal access to finance for their business?*, OECD, viewed 19 February 2021, <[www.oecd.org/gender/data/do-women-have-equal-access-to-finance-for-their-business.htm](http://www.oecd.org/gender/data/do-women-have-equal-access-to-finance-for-their-business.htm)>.

<sup>44</sup> IFC International Finance Corporation 2013, *Ready for Growth: Solutions to Increase Access to Finance for Women-Owned Businesses in the Middle East and North Africa*, International Finance Corporation, viewed 19 February 2021, <[www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/publications/publications\\_report\\_vv-sme](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_report_vv-sme)>.

<sup>45</sup> OECD 2019, *Levelling the Playing Field: dissecting the gender gap in the funding of start-ups*, OECD Science, Technology and Industry Policy Papers, viewed 19 February 2021, <[www.oecd-ilibrary.org/science-and-technology/levelling-the-playing-field\\_7d4dd07-en](http://www.oecd-ilibrary.org/science-and-technology/levelling-the-playing-field_7d4dd07-en)>.

<sup>46</sup> Demircuc-Kunt et al. 2017, *The Global Findex Database: Measuring Financial Inclusion around the World*, Policy Research Working Paper 7255, World Bank, viewed 19 February 2021, <[www.documents1.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf](http://www.documents1.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf)>.

## Identifying Investors in Women Entrepreneurs

A large proportion (78.3%) of women entrepreneurs responding to this survey had investment in their business. Whilst this figure seems high, it is important to note that for two thirds (66.3%) of these women the investment was from their personal savings.

**66.3%**

Two thirds of the 78.3% of respondents receiving investment had it come from their personal savings

Many women (44.2%) who had secured investment had received it from friends and/or family. These informal investment routes were by far the most common ways for women to have had investment in their companies.

**44.2%**

44.2% of the 78.3% of respondents receiving investment had it come from friends and/or family

Some women had been able to access investment from more formal sources, but very low numbers compared to those who had been unable to access any investment or their investment was through an informal source. Small numbers of women had received investment from banks or other financial services institutions, 15.8% of respondents had been able to secure an investment or loan from a bank, whilst 6.3% of women had been able to access a business loan from a financial services company.

Very few women had accessed a credit card to finance their business (4.2%) or received an investment from an angel investor or private equity firm (3.2%).

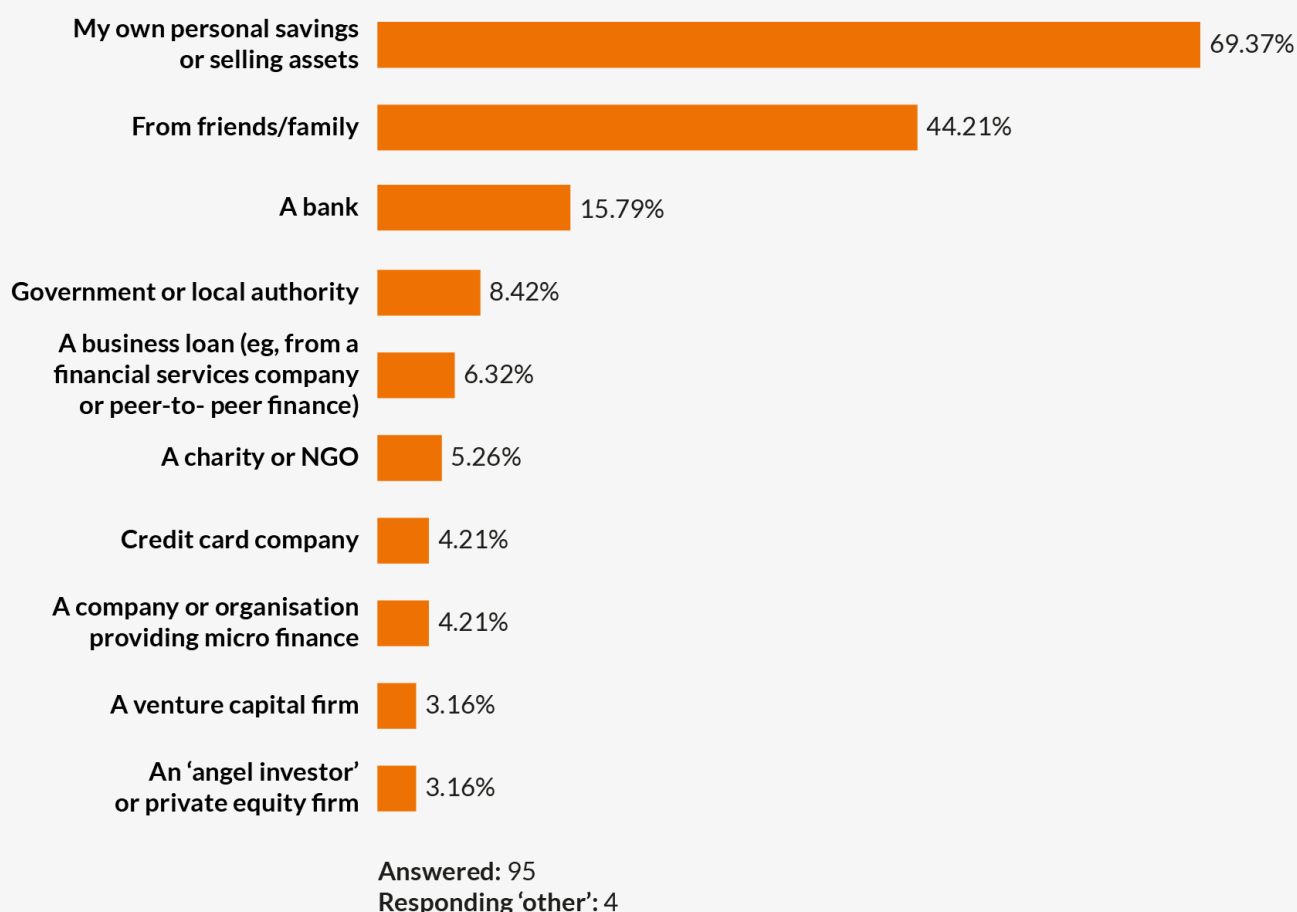
**3.2%**

Just 3.2% of the 78.3% of respondents receiving investment had it come from an angel investor or private equity firm

A few women (7.4%) had received investment from a government or local authority, and even smaller numbers had received investment from a charity or NGO (5.3%), or a microfinance initiative or organisation (4.2%).

Even though the numbers of women entrepreneurs who reported receiving formal investment are low, it is notable that the figures from our research may still be higher than an average for women entrepreneurs across low and middle income countries. It is important to bear in mind that around two thirds of the women responding to this survey have been supported by the Foundation and therefore will have spent time working to formalise their business plan, strategising around finance opportunities and may be more commercially viable compared to a sample of women entrepreneurs who have not been able to access similar support.

## Sources of women entrepreneurs' investments



## Factors Holding Women Back From Investment

Despite the creation of more specific products and services for women-owned enterprises and a push for more gender disaggregated data on MSMEs so we better understand them, huge challenges still exist for women entrepreneurs to access relevant financial products. To elucidate further the reasons women cannot or are not applying for investment we asked women to explain to us why investment is still out of their reach<sup>47</sup>.

<sup>47</sup> We received 78 responses to this question, but only 25 women reported to us in an earlier question that they had not received investment. We can infer that these women may have been interested in multiple investment opportunities but some were unsuitable or they were unsuccessful. Furthermore, as many responding had received investment through informal channels (their own savings or family/friends) they still have pertinent experiences/perceptions of formal investment mechanisms.



# 35.9%

Over a third (35.9%) of respondents felt too worried to take on an investment due to concerns about how they would pay it back

The answers highlight that women entrepreneurs are held back from applying for or receiving investment for a broad range financial and non-financial reasons. Some reasons are connected to the suitability of available products and services, whilst others are linked to the perceived risks associated with taking on investments and loans.

# 46.2%

46.2% of respondents shared that the interest rates of investment products are too high to be a viable option for them

Many women (46.2%) shared that the interest rates of investment products are too high to be a viable option for them, similarly over a third (35.9%) of women felt too worried to take on an investment due to concerns about how they would pay it back and 34.6% of respondents felt that investment repayments terms and rates were not right for them. One in five (20.5%) women also expressed that complicated application processes are a barrier to them applying. A number (16.6%) of women felt that they did not meet the eligibility criteria for investment and 12.8% also felt that investment opportunities for entrepreneurs in their area were more targeted to men, with the same number of women reporting that there are no suitable investment products for their business.





# 34.6%

34.6% of respondents felt that investment repayments terms and rates were not right for them

Whilst resolving the barriers women entrepreneurs face to accessing finance will take time and concerted action across multiple stakeholder groups, solutions do not always have to be overly burdensome or complicated. We asked our survey respondents to tell us what would make them more likely to apply for investment in their business. The responses paint a picture of a cohort of women who not only want financial products and services that can meet their needs, but also wraparound support to ensure that they can drive their business forward and maximise the impact of any investment.

# 59%

Over half (59%) of respondents said that flexible repayment terms would make them more likely to apply for investment

Over half (59%) of respondent said that flexible repayment terms would make them more likely to apply for investment. Creating products and services that can adapt to meet women entrepreneurs' changing circumstances and needs is crucial, as we know they are more vulnerable than men to external variables that can impact on their businesses. We have long known that mentoring is a vital enabler for women entrepreneurs, so it makes sense that 59% of women also expressed that business mentoring would make them feel more confident in applying for finance.

Nearly half (47%) of respondents felt that having access to support from other women entrepreneurs (networks) would help them to feel ready to access finance and 47% of respondents also felt that having access to

investors that prioritised investment in women entrepreneurs specifically would boost their confidence in applying for funding. Respondents also wanted to have personal introductions to investors (38.6%) and see more women on the boards of investment companies (21.7%).

Lack of financial literacy—underpinned by a plethora of educational, social and political factors—is particularly pronounced amongst women and a major barrier to business success and investment. According to the global analysis of the S&P FinLit Survey, worldwide around 35% of men are financially literate compared with 30% of women<sup>48</sup>. The women entrepreneurs surveyed in our research reported that more information and training would support them to be able to apply for finance: 42.2% of respondents wanted training to understand the financial needs of their business and build their confidence, 41% (34 respondents) wanted more information about investment options and 34.9% (29 respondents) wanted support to prepare for a loan.

**42.2%**

42.2% of respondents wanted training to understand the financial needs of their business and build their confidence

There has been a drive towards facilitating access to finance for women through addressing the dearth of data about women-owned enterprises—so that we understand more about them and can build policy around them—and efforts to bridge the gender financing gap. Over decades we have seen an emergence of finance and credit options for women running informal, micro and small businesses, such as grants, loan guarantees, Village Savings and Loans Associations (VSLAs)<sup>49</sup> and other informal savings groups, and microfinance initiatives. Yet despite these innovations and new approaches, access to finance still presents the greatest barrier to women entrepreneurs. So there continues to be an urgency to develop approaches to tackling the systemic root causes of such challenges—such as structural sexism and

<sup>48</sup> Hasler, A, Lusardi A, 2017, *The Gender Gap in Financial Literacy: A Global Perspective*, Global Financial Literacy Excellence Center, viewed 19 February 2021, <[www.gflec.org/wp-content/uploads/2017/07/The-Gender-Gap-in-Financial-Literacy-A-Global-Perspective-Report.pdf](http://www.gflec.org/wp-content/uploads/2017/07/The-Gender-Gap-in-Financial-Literacy-A-Global-Perspective-Report.pdf)>.

<sup>49</sup> CARE International 2015, *Village Savings and Loan Associations*, CARE International, viewed 19 February 2021, <[www.careinternational.org.uk/fighting-poverty/care-know-how/village-savings-and-loan-associations](http://www.careinternational.org.uk/fighting-poverty/care-know-how/village-savings-and-loan-associations)>.

discriminatory finance processes—and a growing recognition of the need for co-ordinated change at multiple levels.

## Unequal Opportunities to Access Formal Investments

Our survey sought to establish whether women have equal opportunities to access formal investment in their enterprises compared to male entrepreneurs operating in their ecosystem. Nearly half (43%) of the respondents felt that women have less access to formal investment opportunities. Perceptions around financial products and services being more geared to male entrepreneurs and women feeling disadvantaged before they even apply for investment is a significant barrier. These perceptions will stop women applying for finance, which then perpetuates myths that women entrepreneurs are not as confident, not as investment ready, and not interested in formal investment. This is plainly untrue and leaves women in a further disadvantaged position.

**43%**

Nearly half of the respondents (43%) felt that women have less access to formal investment opportunities than men

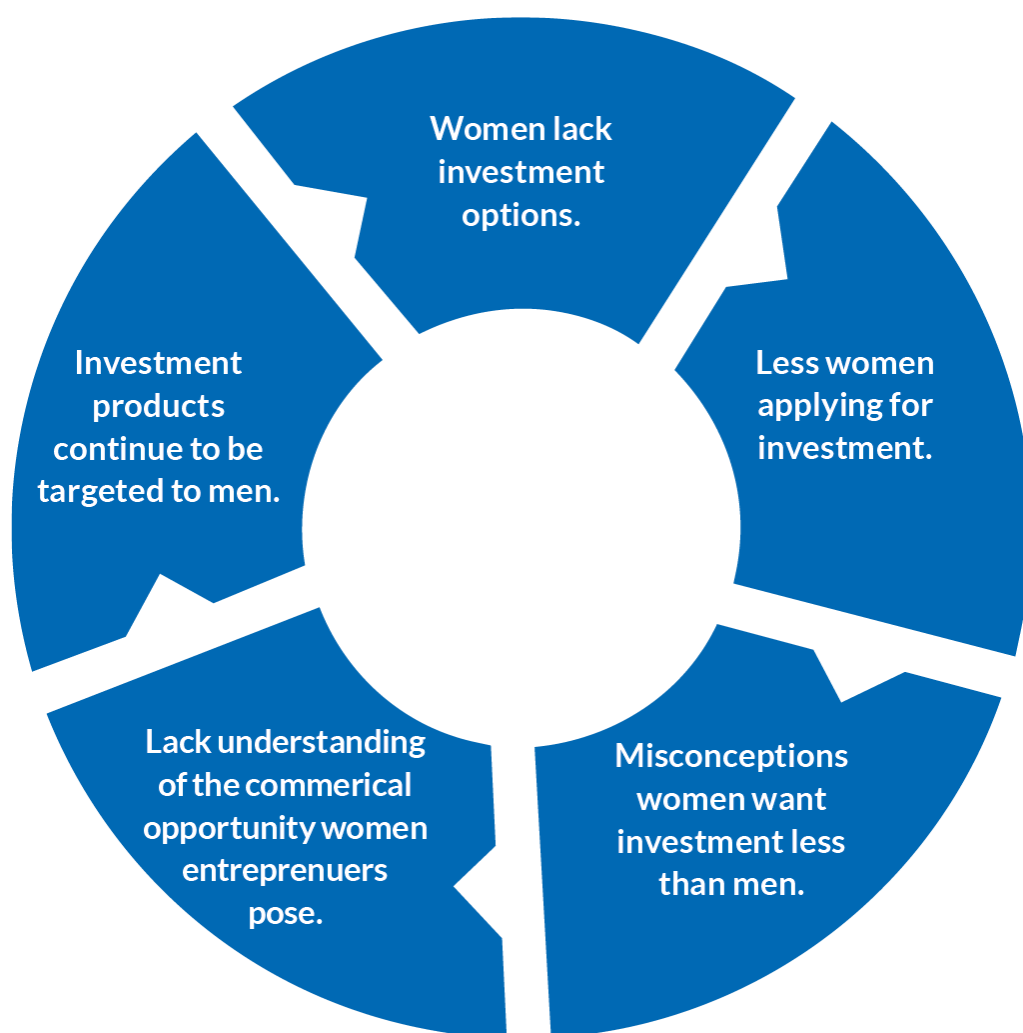
Nearly four in ten (39.5%) respondents felt that there was equal access to investment for women and men; only 3.5% of respondents felt that women had more access to investment opportunities. 45.5% of respondents also reported that there were investment products and services in their country specifically designed for women entrepreneurs—yet their struggles in accessing finance are still the paramount issue they face.

These very concerning findings should be a wake-up call for investors and financial institutions to tailor more gender-intentional products and services to attract more women clients, as well as taking a proactive approach to dismantling stereotypes and norms which present barriers to women. These activities will not only bolster global efforts to achieve equality in economic participation but also present a significant commercial opportunity for finance providers. However, these products and services must be tailored to meet the specific needs that this client group has: we know that women are much more likely to run very small MSMEs or informal enterprises, have less access to collateral and have more marginal capital reserves, and are more cautious about taking on investment. It is crucial to understand and address

these challenges in the design stage of new products and services being marketed to entrepreneurs.

‘Gender neutral’ investment products for businesses that default to traditional ideas about entrepreneurs are much more likely to be suitable for male audiences and perpetuate a cycle (see above diagram) of women lacking investment opportunities suitable for them, therefore fewer women are applying for investments. This results in a common misconception that fewer women want or need investment, so opportunities for investment are still being targeted towards men and there is no challenge to the current status quo, where finance products and services are more suitable for male entrepreneurs.

Designing more suitable investment options for women entrepreneurs, attracting more women investors and advisors into venture capital and business angel networks and forming networks—women led networks where needed and possible—to invest in women-owned enterprises is key to the future success of efforts to empower women entrepreneurs.



## Gender Stereotypes

Negative gender stereotypes and discriminatory social norms are not just old fashioned and outdated notions that we can look back on as part of our socio-cultural history, they are ever-present and ever-dangerous. They continue to undermine women's protection from all forms of discrimination and violence, which flies in the face of multiple international human rights instruments and agreements. They are part of the root cause of wide-ranging human rights violations and their pervasiveness enables the continuation of the systematic denial of women's equal access and participation in politics, the economy, education and entrepreneurship<sup>50</sup>.

**“Most of the negative views are expressed on social media by acquaintances. The most frequent view is that if success is not immediate, one should return to the workforce as, especially as a woman, it is better to think 'safe'”**  
A woman entrepreneur from South Africa

Our 2019 annual audit provided preliminary findings on the significant role gender stereotypes play in holding women back from success. Building on this previous research, where 62% of respondents reported having experienced negative stereotypes about women entrepreneurs, through this research we explore in more detail the sources of these stereotypes.

We asked women entrepreneurs if they had experienced a range of gender stereotypes regarding their entrepreneurial ambitions from either: friends or family, business acquaintance or co-workers, the media, or potential investors. The results, while not necessarily surprising, are staggering in terms of the prevalence and origins of a huge range of harmful gender stereotypes that impact on perceptions about women entrepreneurs' capabilities, their perceived ability to be a good businesswoman and a good wife, mother or daughter, and the intersections with other cultural assumptions about what it means to be a woman.

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<sup>50</sup> UN Women & Unstereotype Alliance 2020, *Are you Ready for Change? Gender Equality Attitudes Survey*, UN Women, viewed 19 February 2021, <[www2.unwomen.org/-/media/files/un%20women/unsta/resources/are%20you%20ready%20for%20change.pdf?la=en&vs=4845](http://www2.unwomen.org/-/media/files/un%20women/unsta/resources/are%20you%20ready%20for%20change.pdf?la=en&vs=4845)>.



## Sources of Negative Gender Stereotypes

The women entrepreneurs responding to this survey who had experienced negative gender stereotypes most commonly reported that they had heard these stereotypes from friends and family.

**57%**

Over half (57%) of respondents had been challenged by family members with the stereotype that 'men do not like women who are too strong/business-minded/successful'

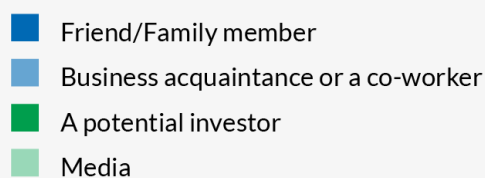
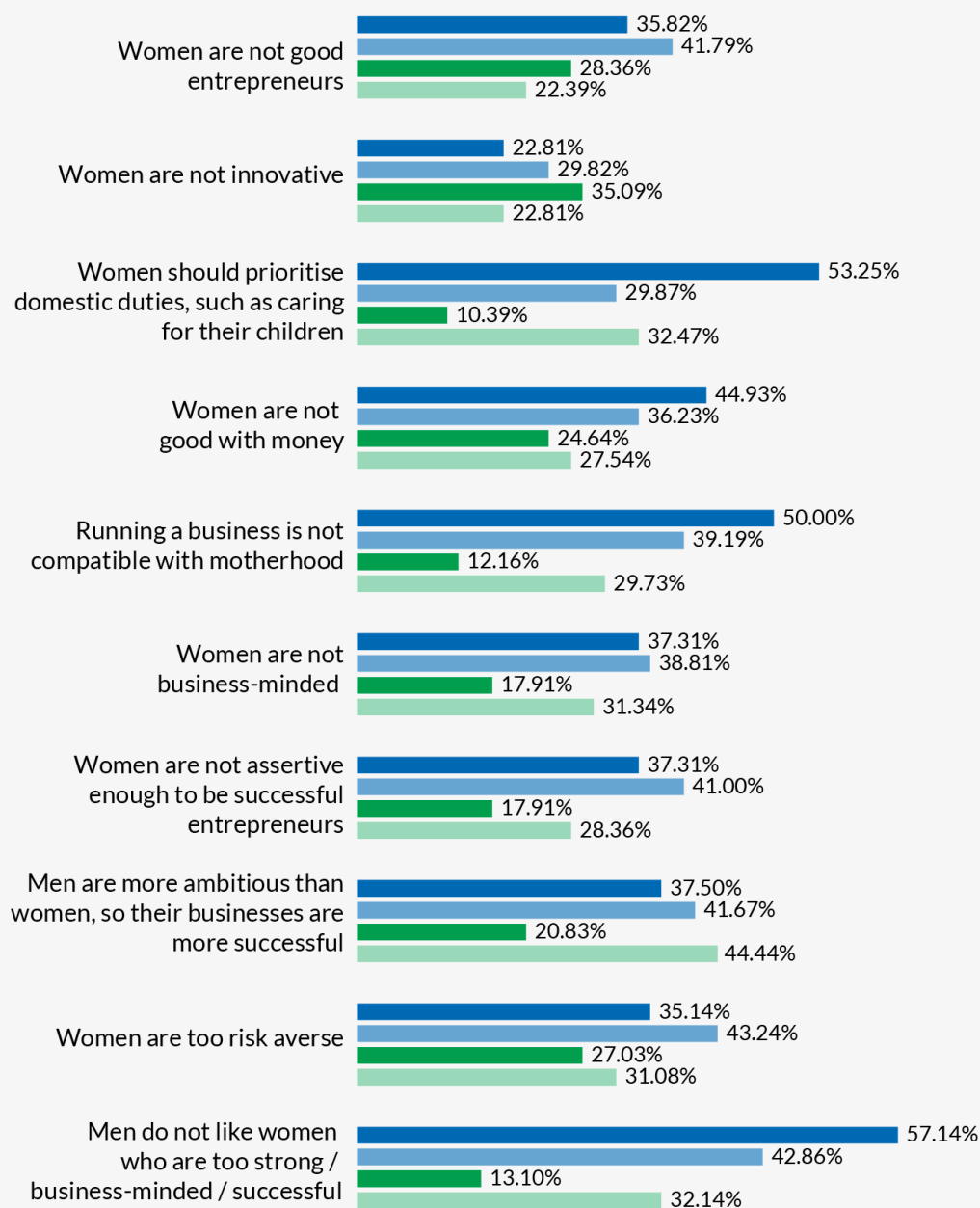
Over half (57%) of respondents had been challenged by family members with the stereotype that 'men do not like women who are too strong / business-minded / successful', 53.3% of respondents had experienced the stereotype that 'women should prioritise domestic duties, such as caring for their children' and 50% that 'running a business is not compatible with motherhood'.

**50%**

50% of respondents had been faced with the stereotype that 'running a business is not compatible with motherhood' from family members

This data highlights that for many women entrepreneurs the people closest to them are the very people telling them that they should not pursue their entrepreneurship dreams and aspirations.

## Have you experienced any of the below negative stereotypes about women entrepreneurs and who has expressed these stereotypes to you?



Answered: 98

Many women also reported being challenged with gender stereotypes by co-workers or business acquaintances. The stereotypes most often experienced by women from these sources are those linked to perceived lack of the (usually stereotypically male) characteristics and attributes that are associated with business success.


**“A woman cannot have a peaceful marriage if she earns more than the man. Women are meant to stay home and look after the family, not work.”**

A woman entrepreneur from Uganda gives examples of gender stereotypes where she lives

Over four in ten (43.3%) women responding had experienced negative stereotypes from business associates or co-workers around ‘women not being assertive enough’ to be successful entrepreneurs and that ‘women are too risk averse’. 41.8% of respondents had experienced that stereotype that ‘women are not good entrepreneurs’ and 38.8% had been told that ‘women are not business minded’.

**41.8%**

41.8% of respondents had experienced that stereotype that ‘women are not good entrepreneurs’ from business associates or co-workers



Our research shows that the media fuels many of the gender stereotypes that women entrepreneurs are facing. Stereotypes and attitudes about women are often reinforced and perpetuated through advertising. Research by the Unstereotype Alliance and Kantar found, that across 56 countries, only 7% of women and 9% of men are being depicted in non-traditional roles in advertising and, alarmingly, they found that progressive depictions of women have actually slowed down during the COVID-19 pandemic<sup>51</sup>. The most commonly reported gender stereotype related to women entrepreneurs being perpetuated through the media was ‘men are more ambitious than women, so their businesses are more successful’ which 44.4% of respondents reported experiencing. A third (32.5%) of women reported the media expressed stereotypes that ‘women should prioritise domestic duties, such as caring for their children’ and 31.2% that ‘men do not like women who are too strong / business-minded / successful’.

**35.1%**

The most commonly experienced gender stereotype from investors was that ‘women are not innovative’, which 35.1% of respondents had encountered

There were also a large number of reports of women experiencing negative gender stereotype from potential investors. As many of the respondents had not been able to access formal investment, the figures here may underrepresent the prevalence of gender stereotypes amongst investor groups. The most commonly experienced gender stereotype from investors amongst our research participants were that ‘women are not innovative’ (35.1% of respondents), ‘women are not good entrepreneurs’ (28.4% of respondents) and ‘women are too risk averse’ (27% of respondents). Further research in this area would be welcomed in order to explore and understand embedded organisational cultures and assumptions that fuel gender stereotypes amongst financial investors and providers.

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<sup>51</sup> Unstereotype Alliance and Kantar 2020, *Unstereotype metric 2020: key findings*, Unstereotype Alliance, viewed 19 February 2021, <[www.unstereotypealliance.org/en/resources/research-and-tools/unstereotype-metric-2020-finding](http://www.unstereotypealliance.org/en/resources/research-and-tools/unstereotype-metric-2020-finding)>.

**“Financial institutions like banks and investment agencies express negative views about women’s capabilities, take a backseat in understanding women entrepreneurs, and are not ready to negotiate with them. Sometimes making them understand a business idea itself is a big problem.”**

A woman entrepreneur from India

## Dismantling Negative Gender Stereotypes

Gender stereotypes are profoundly embedded into our lives, both a cause and consequence of harmful social norms, and their deep-rooted existence makes them extremely difficult to challenge and dismantle. They are often also deeply internalised, so that women aspire to conform to ideals situated in the frameworks created by stereotypes and social norms. Common gender stereotypes reaffirm wider biases that can associate women with values of connectedness, kindness, supportiveness and sensitivity. Whereas men are often associated with stereotypes attributed to notions of ‘machismo’ such as independence, aggression, authority and courage. The stereotypes associated with men sit comfortably alongside those associated with business success, such as ‘confidence’, ‘assertiveness’ and ‘risk taking’.

It is notable that research has held that both women and men see a similar strong association between male-coded characteristics and entrepreneurial traits<sup>52</sup>. Similar patterns of gender role stereotyping of entrepreneurship can be found across the world despite cultural, political or religious differences of countries. These gender stereotypes—which render traditionally male attributes as key to successful entrepreneurship—are powerful gatekeepers which restrict access for women to entrepreneurship, as they do not fit the prevailing stereotypes of ‘male entrepreneur’.

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<sup>52</sup> For instance: Gupta, V. K. *et al.* (2005) ‘ENTREPRENEURSHIP AND STEREOTYPES: ARE ENTREPRENEURS FROM MARS OR FROM VENUS?’, *Academy of Management Proceedings*, 2005(1), pp. C1–C6. doi: 10.5465/ambpp.2005.18778633.

Gender stereotypes start early: by six years old, children classify jobs as 'male' or 'female' and associate intelligence with being male and niceness with being female<sup>53</sup>. By the age of 13, they rule out careers that don't fit with gender stereotypes, which for girls can include the tech sector and finance industry. Thus, the work to eliminate gender stereotypes has to start early; fundamental to this is an education system that promotes diverse views of women's and men's roles and challenges pervasive negative stereotypes.

Work to address harmful gendered expectations takes time, and requires a deep understanding of the root causes of these stereotypes. Necessary to changing opinions, attitudes and stereotypes about women entrepreneurs is a challenge to the status quo which has seen male entrepreneurs benefit from a system that has favoured them in legislation, policy and investment opportunities. This challenge to the status quo requires not only women to rise in prominence in entrepreneurship, but also for men to relinquish some of the power and dominance they hold in their spheres of influence. In order to establish more space for women entrepreneurs to have access to finance and to break through the 'glass ceiling', male allies must be willing to make space and share their power.

**“[The prevalence of] gender stereotypes is why there is a push for women's economic freedom and gender equality in business. Women are also fighting for equal pay. Patriarchy and cultural and ethnic norms hold women back from participating equally in business. Also corruption has hampered the progress of women in business.”**

A woman entrepreneur from South Africa

Furthermore, challenging the gender stereotypes faced by women entrepreneurs require long-term commitments. Commitments to educate and raise awareness, to challenge negative stereotypes head-on, to give greater visibility to women entrepreneurs, to factor women in at the design stage of financial products and services for entrepreneurs and, crucially, to ensure women's representation in key policymaking fora.

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<sup>53</sup>Fawcett Society 2019, #SmashStereotypes, Fawcett Society, viewed 19 February 2021, <[www.fawcettsociety.org.uk/smashstereotypes](http://www.fawcettsociety.org.uk/smashstereotypes)>.



## Legal Challenges, Rights and Awareness

A conducive legal environment is critical to the birth and growth of women-owned businesses. Legal and regulatory barriers undermine women's ability to run strong and successful businesses. In order to achieve equal opportunities for women entrepreneurs, it is essential that women's rights to start or register a business in their names and, crucially—as we have seen in pages 38 to 47—to access finance are firmly enshrined in national laws and policies.

**“Most of the laws [in Kenya] are not specific on enforcement in terms of their provisions to ensure that no gender is discriminated against.”**  
A woman entrepreneur from Kenya

Particularly relevant to the challenges around accessing finance are formal gaps in legal capacity and property rights for women, which can impinge on their ability to have national identity documents, to control or own property, to be eligible for an equal share of assets upon divorce, to have a rights to inheritance and to sign contracts in their own name. These discriminatory laws prevent women from having the necessary entitlement, documentation and collateral to apply for and secure investment in their companies.

Despite global efforts to promote women's economic empowerment, the World Bank has found that in a staggering 115 economies across the world women do not have equal access to the types of financial services—loans, credit cards, bank accounts—that will enable them to become entrepreneurs. Currently at least 155 countries have at least one law that limits women's economic opportunities<sup>54</sup>.

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<sup>54</sup> World Bank Group 2020, *Women, Business and the Law*, World Bank Group, viewed on 19 February 2021, <[www.openknowledge.worldbank.org/bitstream/handle/10986/32639/9781464815324.pdf](http://www.openknowledge.worldbank.org/bitstream/handle/10986/32639/9781464815324.pdf)>.

**“ Kenya has laws that have helped women on land use and ownership rights, the problem is that family and local administration, including the police, do not believe women should have these rights. ”**


A woman entrepreneur from Kenya

Considering this clear assessment of legislative gaps, there is an urgent need to understand how women entrepreneurs engage with and use law, policies and regulations. There is a need to develop our understanding of women entrepreneurs’ interactions with the laws and policies in relation to accessing finance, how the legal frameworks impact their enterprises and their ability to advocate to reform laws that shape their entrepreneurial ecosystem.

Our inaugural annual audit survey in 2019 uncovered some unambiguous findings, indicating that many women entrepreneurs are not aware of laws or policies that negatively impact women business owners. In fact, 85% of respondents were unaware that there are legal obstacles to women’s full participation in the economy. Our 2020 survey yields similar results, with only 15.6% of women stating that they are aware of any laws, policies or regulations that negatively impact women entrepreneurs where they live and nearly two thirds (63%) stating that they are not aware of any such laws, policies or regulations. In reality, huge swathes of the population are living in countries where there are discriminatory laws and policies in place that impinge on women entrepreneurs’ success, yet they have not been made aware of these laws or their impacts

**“ Most [formal lenders] would require women to provide support letters from their husbands. Husbands own the houses and other properties and women don’t have collateral. ”**

A woman entrepreneur from Malawi, on gendered laws, policies and regulations where she lives



We also asked women if they were aware of their rights and protections in relation to being a woman business owner. Only just over half (59.2%) of respondents stated that they were aware of their legal rights and over a quarter (28.3%) responded that they were not aware of their legal rights<sup>55</sup>.

**59.2%**

Only just over half (59.2%) of respondents stated that they were aware of their legal rights

Respondents were almost universally interested in learning more about their rights, with 92.5% stating that they would like to know more about their rights and protections as a woman business owner. In 2021, the Cherie Blair Foundation for Women is piloting a new influencing capacity building training programme for women entrepreneurs in a number of countries. An integral part of this new programme is equipping women with the knowledge and understanding of what their rights and protections as business owners are and how to challenge the barriers they are facing. Building awareness of rights and protections amongst women entrepreneurs is fundamental to efforts to reduce the entrepreneurship gender gap.

**92.5%**

92.5% of respondents stated that they would like to know more about their rights and protections as a woman business owner

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<sup>55</sup> A further 12.5% of the 120 respondents selected 'I don't know' in response to this question.



# Conclusions

2021 is going to be a pivotal year for women entrepreneurs around the world, particularly those in low and middle income countries. Even before the COVID-19 pandemic began, women's economic participation was already inequitable compared to men's and the gender gap was growing due to disparities in workforce participation, access to finance, remuneration and care responsibilities. The COVID-19 pandemic has exacerbated this gender gap and it is likely to continue to grow in the near future.

A speedy and equitable recovery from the COVID-19 crisis is essential for women entrepreneurs' lives and businesses, our work towards gender equal economic opportunity and participation, and the full realisation of women's human rights. Although the comparisons we draw between our April 2020 COVID-19 survey and the results of this research are indicative only, they point to a situation where the impact of COVID-19 on women's businesses is worsening over time. This is particularly concerning, as the stakes could hardly be higher for these women; nearly half reported that they would struggle to support themselves and their families if their business closed as a result of the pandemic.

On top of new challenges brought to light by the COVID-19 pandemic, this report also highlights other pressing challenges women are facing, such as dealing with negative gender stereotypes and legal barriers. Additionally, over a third of respondents reported access to finance as their greatest challenge, substantially more than those reporting COVID-19 as being their main challenge.

These challenges may have already existed before the pandemic hit, but the current health crisis and its many indeterminable indirect consequences certainly risk exacerbating these challenges, stalling progress, and rolling back on any improvements secured for women. Underpinning many of the challenges that women face are the consequences of decades and centuries of patriarchal systems and institutions of power that served to create vast business, political and economic success for men and undermine and block women's roles in non-traditional settings. Although there are many laws, policies, initiatives and campaigns designed to balance out gender roles across work and home life, outdated power structures are ever-present, perpetuated by harmful social norms and the negative gender stereotypes that so many women in our research report experiencing.



*Participants in Foundation programme Road to Growth, Mexico, 2019*

Given the multitude of challenges faced by women entrepreneurs globally, and their likelihood to worsen in the near future, we are now facing a race against time to put global efforts back on course to meet the goals in relation to elimination of poverty, gender equality and decent work for all set out in the UN's 2030 Agenda for the Sustainable Development. Moreover, 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes MSME development a necessarily high priority for governments around the world<sup>56</sup>. If we do not prioritise action on this, we risk the already unacceptable economic differences between men and women slipping even further away from global goals to achieve gender parity in economic participation.

There can be no doubt that investment in women entrepreneurs makes financial sense, with women-owned businesses providing a lifeline to economies around the world. Women's untapped contribution to the economy could help provide economies the uplift that they desperately need: our own research with Boston Consulting Group in 2019 showed that we could add up to \$5 trillion to the global economy if we close the gender gap in entrepreneurship.

The economic rationale to support women entrepreneurs to thrive is abundantly clear and it is critically important to recognise the significant positive role that women's economic empowerment has on communities, families and economies at large. Yet still, first and foremost, empowering

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<sup>56</sup> United Nations 2020, *Small and Medium-sized Enterprises Day*, United Nations, viewed on 19 February 2021, <[www.un.org/en/observances/micro-small-medium-businesses-day](http://www.un.org/en/observances/micro-small-medium-businesses-day)>.



women economically is a critical human rights issue and a matter of gender justice. So beyond the economic motivation for unlocking the potential of women entrepreneurs there must be continued prioritisation of the overarching human rights framework women's economic empowerment sits within, and the intersections with other women's rights issues such as gender-based violence, maternal health and equal pay.



*Asilia Uhuru, grocery shop owner and Foundation programme HerVenture user, Kenya, 2020*

After supporting thousands of women entrepreneurs to navigate the pandemic in 2020, as well as tens of thousands of women in the preceding decade, the Foundation will continue to stand with women entrepreneurs and support them to realise their full potential.



# Recommendations

The recommendations proposed are based on the Foundation's own research, an extensive literature review of existing evidence and our 12 year track record of working with women entrepreneurs in low and middle income countries. We encourage readers to consider how they can take forward these recommendations, to share them widely and to encourage others who have influence to do the same. Whilst these recommendations are not a panacea, they are an important representation of the complexity of the challenge and the multitude of actions and decisions that can be taken, in order that we give women entrepreneurs the best chance of reaching their potential and to achieve the Sustainable Development Goals.



*Novita Dwi Parastuti, CEO at My Daily Hijab and Foundation Alumna Mentee, Indonesia, 2020*



## Priority Recommendations for All

- Ensure that women entrepreneurs are able to survive and thrive through the COVID-19 pandemic through the creation of fiscal support packages designed to support women-owned MSMEs, putting women entrepreneurs front and centre of economic policy and ensuring equal access to finance.
- Support the urgent review and repealing of policy and legislation that is discriminating against women entrepreneurs or inhibiting their business success.
- Support the collection, analysis and dissemination of gender-disaggregated data on MSMEs and entrepreneurship to ensure that legislation, policy, support packages and financial products and services take into account the needs of women entrepreneurs.

## Governments and Other National Policymakers

### 1) Ensure Gender-Responsive COVID-19 Recovery

- Work with women entrepreneurs to design packages of support that will enable their businesses to survive the COVID-19 pandemic and ensure government fiscal support packages are available for all business owners.
- Collect gender-disaggregated data on the impact of COVID-19 on MSMEs to help shape post-COVID-19 economic policy.

### 2) Create Enabling Legal and Policy Framework

- Urgently review and repeal policy and legislation that is discriminating against women entrepreneurs, such as legislation that prohibits women from owning land in their own name.
- Ensure that laws and policies designed to support women entrepreneurs is implemented effectively and that progress is being regularly monitored and reviewed.
- Collect and monitor gender-disaggregated data on entrepreneurship and use the data for progressive, gender-intentional policy making and to contribute to global analysis of women in the MSME sector.
- Increase women entrepreneurs' participation in relevant public policy development.



### **3) Increase Women Entrepreneurs' Access to Finance**

- Ensure that any state-led services and products, financial or otherwise, for MSMEs factor women into the design stage and ensures that at least 50% of those products and services are allocated to women.
- Assess how women entrepreneurs can support a growing workforce and provide them with the support they need to absorb some of this additional workforce.
- Increase women entrepreneurs' access to government contract opportunities and create gender-inclusive public procurement policies which set aside a percentage—which represents a true target in each country's own context—of procurement for women-owned enterprises.

### **4) Recognise and Address Unpaid Care Work**

- Collect national level data and evidence on unpaid care and domestic work. This data should be used to devise relevant, gender-sensitive policies in consultation with local women's rights organisations.
- Ensure that macroeconomic policies address the gender inequalities in unpaid care and other domestic responsibilities.

### **5) Address Gender Stereotypes Undermining Women's Empowerment**

- Take concrete action to end gender stereotyping through training and awareness-raising on gender stereotypes, undertaking campaigns to challenge negative social norms, and ensuring that education systems are equipped to address gender stereotypes.
- Showcase, celebrate and increase visibility of women entrepreneurs and women in leadership more widely, by sharing inspirational stories from and platforming women entrepreneurs.
- Engage and support mentoring programmes for women entrepreneurs as a way to tackle gender stereotypes.

## **Multilateral Organisations**

### **1) Support Gender-Responsive COVID-19 Recovery**

- Support and encourage governments and policymakers to put women entrepreneurs at the forefront of economic policy and COVID-19 recovery packages.



## 2) Ensure Relevant Legal and Policy Frameworks are Non-Discriminatory and Address Challenges Faced by Women Entrepreneurs

- Hold governments to account to ensure effective implementation of legal and policy framework relevant to women entrepreneurs, such as the UN Convention of the Elimination of all Forms of Discrimination Against Women (CEDAW ) and various International Labour Organisation (ILO) conventions and commitments to progress towards the Sustainable Development Goals.
- Ensure that global multilateral platforms, such as relevant UN, World Bank and International Monetary Fund (IMF) policy platforms - and other high-level global convenings - recognise the interests of women entrepreneurs, integrate their concerns in the policy processes and give them a platform.
- Support work driven by the World Bank and the ILO towards Universal Social Protection which aims to end extreme poverty and boost shared prosperity across the world by 2030<sup>57</sup>.

## 3) Address Gender Stereotypes Undermining Women's Empowerment

- Lead co-ordinated and strategic work to tackle gender stereotypes with an intersectional approach. Encourage national initiatives that are embedded in a strong global framework using creative and engaging campaigns.

## 4) Create Inclusive Policy Processes Based on Gender-Sensitive Data

- Collect, analyse and disseminate gender-disaggregated data on entrepreneurship and key issues relevant to women entrepreneurs, such as access to finance.
- Understand the needs of women entrepreneurs by directly engaging with them and enabling their participation in relevant policy fora and support initiatives strengthening their agency.
- Ensure adequate and multi-year funding support for programmes supporting women entrepreneurs, in particular those run by women's rights organisations.

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<sup>57</sup> World Bank 2016, *World Bank, ILO Announce New Push for Universal Social Protection*, The World Bank, viewed on 19 February 2021, <[www.worldbank.org/en/news/press-release/2016/09/21/world-bank-ilo-announce-new-push-for-universal-social-protection](http://www.worldbank.org/en/news/press-release/2016/09/21/world-bank-ilo-announce-new-push-for-universal-social-protection)>.



## The Private Sector: Corporates, Finance Sector, Banks and Investors

### 1) Increase Women Entrepreneurs' Access to Finance

- Focus on designing more suitable investment and financing options for women entrepreneurs, and factoring women into the design stage of all investment products.
- Explore alternative credit-scoring options for women-owned MSMEs and the provision of creative options to tackle women's lack of collateral.
- Work towards attracting more women investors and advisors into venture capital and business angel networks and forming women-led networks to invest in women-owned enterprises.
- Understand the gender gap in investment portfolios and work towards a total of 50% of investment portfolios being women-owned businesses.

### 2) Address Gender Stereotypes Undermining Women's Empowerment

- Show strong commitment to eliminating gender stereotypes by joining and funding campaigns to challenge gender stereotypes and negative social norms.
- Showcase and increase the visibility of stories of successful women entrepreneurs.
- Companies should sign up to and enact UN Women's 'Women's Empowerment Principles', particularly principle 5: 'to remove harmful gender-based stereotypes in all media and advertising and systematically depict women and men as empowered actors with progressive, intelligent and multi-dimensional personalities'<sup>58</sup>.
- Participate in relevant mentoring and business development programmes for women entrepreneurs - such as those run by the Cherie Blair Foundation for Women—which help to dismantle gender stereotypes and build women's confidence and skills.
- Conduct research into the prevalence of gender stereotypes amongst decision makers, e.g. investors, loan officers etc., and use the results to train and upskill staff.

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<sup>58</sup> Women's Empowerment Principles 2021, *About*, Women's Empowerment Principles, viewed on 19 February 2021, <<https://www.weeps.org/about>>.



### 3) Create Equal Access to, and Protection Within, Supply Chains

- Ensure that supply chain mapping and due diligence processes are conducted with a gender lens to uncover and address gender inequalities and ensure equal access to supply chains.
- Act in line with the UN Guiding Principles on Business and Human Rights<sup>59</sup> to respect human rights, prevent and remedy harm towards women workers, and ensure women's rights are upheld and protected through supply chains.
- Work with women's rights organisations to upskill women entrepreneurs and provide safe routes into supply chains.

### 4) Work with Women Entrepreneurs in Low and Middle Income Countries

- Seek and integrate feedback from women entrepreneurs to identify the challenges they have in accessing finance and investment products, take forward changes that ensure gender parity in business finance.

## Civil Society and Philanthropic Organisations

### 1) Work with Women Entrepreneurs in Low and Middle Income Countries

- Invest in tried and tested entrepreneurial skills building with women entrepreneurs, delivered by women's rights organisations.
- Increase access to start-up, capital or seed funding for women entrepreneurs and link capacity building for women entrepreneurs with potential finance opportunities.

### 2) Address Gender Stereotypes Undermining Women's Empowerment

- Continue to develop initiatives, campaigns and programmes which tackle the systemic and root causes of the challenges women entrepreneurs are facing—such as structural sexism, gender stereotypes and discriminatory finance processes—and work towards driving co-ordinated change at multiple levels.

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<sup>59</sup> UN Office of the High Commissioner 2011, *Guiding Principles on Business and Human Rights*, United Nations Human Rights, viewed on 19 February 2021, <[www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)>.



- Raise awareness of the contributions of women entrepreneurs by amplifying their voices and providing them with platforms.

### 3) Strengthen Advocacy Efforts to Ensure that Women Entrepreneurs' Voices are Heard at National and Global Policy Platforms

- Build effective advocacy coalitions of organisations promoting women's economic empowerment and ensure that the voices of women entrepreneurs are central in these joint advocacy efforts.



Gaukhar, textiles factory owner and Foundation Alumna Mentee, Kazakhstan, 2020



# The Ripple Effect


In our survey, we asked women entrepreneurs to identify their greatest business successes to date. We received responses from 118 women entrepreneurs who highlighted a wide range of successes, from personal achievements to significant benefits to their wider communities and families.

Due to limited space, we cannot highlight all these successes but the below quotes provide a few glimpses of the incredible resilience and positive changes that women entrepreneurs exemplify and influence every day.

"My greatest business success is being able to feed the family through the proceeds of my business for more than two years." – a woman entrepreneur from Nigeria

"Being there for others, especially my three sons, to know that women's education is beneficial to the whole family. I have been able to support their education and I want to motivate them to support girls' and women's education and learning." – a woman entrepreneur from Kenya

"Being able to pay full salaries during COVID-19 and not sending anyone home." – a woman entrepreneur from Kenya



"I am working with the underprivileged, grassroots women of Bangladesh, providing jobs and giving the women an opportunity to earn money. During the last nine months these women suffered a lot. I provided them with work during this pandemic and supported them morally and financially. I didn't make money but supported the community to survive. This is the greatest success." – a woman entrepreneur from Bangladesh

"Bringing up two children and supporting four people and five families, as a woman with only a high school education." – a woman entrepreneur from South Africa

"We were able to improve livelihoods of several rural communities (over 300 individuals) by securing markets for their products and helping them improve yield through better practices. They have unfortunately been displaced by the violence in North Nigeria." – a woman entrepreneur from Nigeria

"Being able to translate the business to social entrepreneurship, where I have trained 12 young women and young mothers on soap manufacturing during COVID-19 and they have been able to sell and sustain themselves." – a woman entrepreneur from Kenya

"Being mentored under the Cherie Blair Foundation for Women and being an alumni mentee of 2020. Also, obtaining my digital marketing certificate [through the Foundation] with the School of Marketing in London amped up my confidence this year and helped me cope under the strain of COVID-19." – a woman entrepreneur from South Africa



"The greatest success story of my business is being the first entrepreneur to send a 20ft container of processed fisheries products and vegetables to the UK. Others are following suit: because of my expertise and experiences, I was able to advise and guide other women entrepreneurs to follow and export for themselves all over the world. I also advised our government and was able to help in formulating the Fisheries Act 2007 for validation into law. It has also taken me to international fisheries forums." – a woman entrepreneur from Gambia

"Designing and manufacturing a new novel product for learners at school and university. My product was mentioned in our Parliament and I was called by the education authorities for a presentation. They liked our products. I have a patent and trademark on our products. We had our product exported to another country in Africa. 5 PhDs—University professors—have endorsed our products, and we sold our products in two universities." – a woman entrepreneur from South Africa

"Creating a platform which many big companies want to use. And from the first day creating demand despite not having developed our product!" – a woman entrepreneur from Turkey

"Creating a joint entity with four other organisations that managed to save thousands of peoples' lives. The power of networking and collaboration!" – a woman entrepreneur from South Africa

"Proving more nurses and midwives for the community and country at large." – a woman entrepreneur from Uganda