

3. Promoting women's entrepreneurship

Policies that reduce barriers preventing women from starting and developing their businesses would encourage more women to become entrepreneurs. This in turn would reduce the multiple gender gaps in entrepreneurship, including gaps in start-up rates and in the productivity and profitability of businesses, given that female entrepreneurs are more likely than their male counterparts to be owners of microenterprises.

At the macro-level, public policies should foster a gender-responsive legal framework for business development and set in place the mechanisms to prevent and address discrimination in lending markets, land and property rights. In order to address gender gaps in entrepreneurship, discriminatory laws need to be removed. In Lesotho, Namibia and South Africa, laws recognizing husbands as the heads of households have been abolished. This has enabled women to enter into contracts, register property in their name and have joint property (Hallward-Driemeier, 2011, cited in World Bank, 2011a). Governments have also taken steps to reduce gender-biased service delivery to promote women's entrepreneurship. For instance, in land redistribution programmes in Mexico, Nicaragua and Paraguay, the governments have explicitly targeted women by issuing joint titles to land. In South Africa, the Government has issued land individually to men and women, where in one phase of the redistribution, over 47 per cent of the beneficiaries of land redistribution were women (World Bank, 2011a).

At the meso-level, governments, workers' and employers' organizations, including those representing informal and rural women, have a key role to play in setting up incentive measures to facilitate women's access to markets. For instance, women's businesses could be targeted to be providers for public procurement, school feeding programmes and the provision of other public or private services.

Both at the meso- and micro-level, improving access to productive resources and financial services, including credit, loans and saving schemes, is vital for both women and men entrepreneurs, in particular low-income self-employed women and small-scale farmers. First, these services can help households to cope with social and economic shocks, such as catastrophic health expenditure requiring out-of-pocket payments. Second, access to credit can be vital to those wishing to start up or maintain a business on a daily basis (ILO et al., 2014; UN Women, 2015).

Access to microfinance can support women's economic security, in particular when it is provided by regulated and not-for-profit organizations (UN Women, 2015). The Self Employed Women's Association (SEWA) in India provides banking services (including ATM cards) and loans to its members. By 2013, 400,000 bank accounts had been opened and 25,000 loans granted (SEWA, 2013). Similarly, in Nepal, Didi Bahini Sewa Samaj, an organization for home-based workers, offers interest-free loans without collateral (Inclusive Cities, 2012). Of equal importance is the support provided by public policies to the formation of women entrepreneur's associations and cooperatives, as these organizations are effective in uniting individual entrepreneurs, enabling them to speak with one voice and enjoy better market access (ILO, 2015k).

That said, however, even well-designed microfinance should not be a substitute for extending the reach and inclusiveness of financing institutions and increasing their capacity to respond to the needs of women entrepreneurs and their small and medium-sized enterprises. For instance, the Government of India has introduced its Trade-related Entrepreneurship Assistance and Development (TREAD) scheme for women to provide preferential interest rates and credit guarantee schemes for women entrepreneurs. In Brazil, the individual micro-entrepreneur programme (MEI) was introduced by the Government in 2009, which reduces the registration costs which contribute to keeping female, low-income entrepreneurs in the informal economy. Under the scheme, registered micro-entrepreneurs become eligible for social security and get access to low-interest credit lines in public banks (ILO et al., 2014). Within one year of its introduction, 1.9 million entrepreneurs had registered, 46 per cent of whom were women. Women entrepreneurs reported improvements in costs, business operations, credit and work security (OECD, 2012).

Non-financial services such as entrepreneurship and business development training may also contribute to the development of women's entrepreneurship (Valdivia, 2015; see box 3). In a 2014 study evaluating the impact of the ILO's Start and Improve Your Business programme, which operates in more than 100 countries worldwide, showed that, in Sri Lanka, the programme proved most effective in training women who were out of the labour force. The programme helped these entrepreneurs start up more rapidly, while also increasing the profitability and management of their businesses (De Mel et al., 2013). Training and development is also particularly valuable for women micro-entrepreneurs who may have completed only a few years of formal education, as these training programmes can help overcome knowledge gaps in running a successful business (Mwobobia, 2012). At the same time, training programmes need to take due account of the time that women spend on household and care responsibilities, as time-intensive programmes may lead to higher female dropout rates (Valdivia, 2011).