

## Women and Business

### *AT A GLANCE*

- **Women in the private sector represent a powerful source of economic growth and opportunity.** By strengthening women's roles as leaders, entrepreneurs, employees, consumers, and stakeholders, IFC helps transform local and global markets.
  - **Women entrepreneurs:** Across developing countries, it is estimated that small and medium enterprises (SMEs) with female ownership represent 30 to 37 percent (8 million to 10 million) of all SMEs. These firms represent a significant share of employment and value added.
  - **Women employees:** Women make up 40 percent of the world's workforce today. Many of the sectors that are critical for economic growth in some of the poorest countries rely heavily on women employees.
  - **Women consumers:** The financial power of women is expanding at a faster today rate than at any other time in history. Much of this growth is centered in emerging markets. Global consumer spending by women is projected to reach \$28 trillion in 2014, up from \$20 trillion in 2009.
  - **Women as stakeholders:** Women take on leading roles in their communities as partners of business and government.
- **There has been progress but widespread gender disparities continue to exist in local economies.**
  - In 102 out of 141 economies covered by World Bank Group research<sup>1</sup>, there exists at least one legal difference that may hinder women's economic opportunities.
  - On average, high-income economies have fewer legal differentiations than middle- and low-income economies. However, as income levels rise, these disparities do not necessarily disappear—for instance, 17 of 39 high-income economies covered by World Bank Group research have at least one legal gender differentiation between men and women.
  - Women employees are largely concentrated in lower-paying jobs. Employers have made few advances in improving productivity in these sectors.
- **IFC promotes business opportunities for women across its investment and advisory services by:**
  - Increasing access to finance and access to markets for women entrepreneurs.
  - Reducing gender-based barriers in the business environment.
  - Creating business opportunities for IFC clients to promote improved working conditions for female employees, woman-focused market segmentation, and the inclusion of men and women in community relationships.

### *IFC ACTIVITIES*

- **Access to Finance:** IFC works with financial institutions to expand financial services offered to women entrepreneurs through targeted credit lines, market analyses, and capacity building. IFC also works with local training institutes to offer internationally competitive learning opportunities for entrepreneurs, with a specific focus on the needs of women entrepreneurs.
  - **IFC works with financial institutions around the world to better reach the women's market.** The aim is to provide loans through financial intermediaries to 3.1 million small and medium enterprises (SMEs) globally by 2013, at least a quarter of them women owned.
  - **Analysis and research:** IFC assessments of the size of the women-owned SME-enterprise market globally and locally help inform initiatives to help increase access to finance for women entrepreneurs.
  - IFC is a lead sponsor of the **Global Banking Alliance for Women**, bringing together 31 financial institution members committed to leveraging the women's market around the world.
- **Investment-Climate Reform:** In collaboration with the World Bank, IFC has developed a methodology for gender mainstreaming in key regulatory reforms affecting women entrepreneurs,

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<sup>1</sup> Women, Business and the Law <http://wbl.worldbank.org/>

and now systematically reviews all investment-climate reform projects for their potential to include components that respond to the needs of women. IFC's methodology is being implemented in reform programs in more than a dozen countries in five regions, with tangible results.

- **Business Management Training:** Strengthening the management skills of owners, managers and staff of SMEs, *Business Edge*—a world-class business training system backed by IFC and delivered by certified local trainers—sets a new standard for business training in developing countries. In 2011, almost 40 percent of the 14,300 trained were women.
- **Board Diversity:** IFC promotes diversity on boards and, through its Global Corporate Governance Forum, supports training opportunities for senior women executives. IFC has nominated 211 directors to boards of its client companies. About 19 percent of IFC's nominee directors are women. This share will be increased to about 30 percent by 2015.
- **Policy and Standards:** Gender is more fully addressed in IFC's updated Sustainability Framework, specifically with respect to workforce protection and community impact. Clients are expected to minimize risks from business activities and unintended gender differentiated impacts.
- **Measurement:** Since 2008, IFC has systematically tracked gender-related indicators as part of its comprehensive Development Outcome Tracking System, covering all investment projects. This includes collecting data on employment, on women entrepreneurs in supply chains, and on board diversity. In selected cases, data also is collected on investee companies' clients.
- **Workforce Diversity:** In fiscal 2011, 53 percent of IFC employees were women and 41 percent of employees at officer level or higher were women—a significant improvement from just five years earlier.

### ***IFC PROJECT EXAMPLES***

- **SME Banking-DFCU Bank in Uganda** has built a successful portfolio of business loans, leases, mortgages, and other products targeting women entrepreneurs. The effort began in 2007, after DFCU received IFC research showing that Ugandan women owned nearly 40 percent of registered businesses but were receiving less than 10 percent of commercial credit. Lack of information on these businesses was a key barrier. Working with IFC, DFCU started emphasizing equipment leases over traditional loans to help build credit history. Group borrowing was introduced, as well as a land loan to enable women to acquire collateral. Financial training and business support completed the package, helping DFCU develop its new clientele. Having focused its outreach on a previously invisible market segment, DFCU has disbursed more than \$19 million to women's SMEs since 2007, with a lower average rate of nonperforming loans than in its men's portfolio. Other banks are now following DFCU's lead. DFCU also houses the Global Banking Alliance for Women's Africa Chapter, the first regional GBA Chapter of its kind.
- **Alternative Dispute Resolution-Pakistan:** Contract enforcement through traditional courts can be lengthy and expensive. For SME owners—and particularly for women who may face unclear commercial rights laws and male-dominated legal systems—the process can be crippling. IFC is helping break the logjam by promoting commercial mediation. In Pakistan, the Karachi Center for Dispute Resolution (KCDR) has taken care to train women mediators as well as men. Promotional campaigns and Mediation Weeks focused on women have been held to build their confidence in the system. Women's use of mediation is now being tracked. About 25 percent of successful mediation efforts at KCDR have involved women litigants, releasing critical capital that had been tied up for years in family business cases.

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For more information, visit [www.ifc.org/gender](http://www.ifc.org/gender) or see [Telling our Story: Women and Business](#).