



# Mercado Libre

## Mercado Libre’s inclusive policies fuel women’s intrapreneurship and entrepreneurship in Latin America

Founded in 1999, Mercado Libre is the largest online commerce ecosystem in Latin America, serving as an integrated regional platform and provider of online and technology tools that allow businesses and individuals to trade products. Its products include (a) the marketplace and advertising platform Mercado Libre, including online classifieds for motor vehicles, vessels, aircraft, services, and real estate; (b) the payments platform Mercado Pago; (c) Software as a Service (SaaS) offering Mercado Shops; (d) the logistics solutions Mercado Envios; and (e) the loan app Mercado Creditos.

Twenty years after its founding in Argentina and expansion into 18 countries, Mercado Libre supports an estimated 600,000 families. It works to build inclusive markets by focusing on inclusion and entrepreneurship in the Latin America region.

### Quick facts about Mercado Libre

MercadoLibre hosts online e-commerce and auction platforms that provide users with buying and selling mechanisms for e-transactions.

**Founding year:** 1999

**Footprint:** Latin America

### INCLUSION AND ENTREPRENEURSHIP IN LATIN AMERICA

A large share of Mercado Libre’s 321 million registered users are in Argentina, Brazil, Colombia, Mexico, and Uruguay where women still face legal constraints that affect their ability to fully participate in the economy.

Across Latin America, the World Economic Forum estimates that it will take 59 years to close gender gaps, with notable work to be done in the areas of economic participation and political empowerment.<sup>1</sup> Some research indicates that this gap in economic and labor force participation can be addressed through entrepreneurship.<sup>2</sup> For example, although Brazil does not mandate equal remuneration for work of equal value,<sup>3</sup> there is evidence that when women undertake entrepreneurial activities it boosts local incomes and increases their empowerment.<sup>4</sup>

Women in this region face limitations online as well. Although more than 50 percent of Mercado Libre users register from a mobile device, the affordability of handsets and safety concerns are a key barrier to women’s use of mobile devices in Latin America.<sup>5</sup> While mobile gaps in Latin America are rapidly improving,<sup>6</sup> gaps remain in rural areas; for instance, research by the World Wide Web Foundation in Mexico finds that when variables like income, education, and rurality are considered, only 27.9 percent of women have access to the internet compared with 33.7 percent of men.<sup>7</sup>



**Figure 1: Legal constraints faced by women in Mercado Libre's top 5 countries**



**Argentina**

No criminal penalties or civil remedies for sexual harassment in employment.

Limitations for women entering male-dominated industries

Laws do not prohibit discrimination in access to credit based on gender.

Periods of absence from work owing to childcare not accounted for in pension benefits.



**Brazil**

Laws do not mandate equal remuneration for work of equal value.

Laws do not prohibit discrimination in access to credit on the basis of gender.



**Colombia**

Laws do not mandate equal remuneration for work of equal value.

Limitations for women entering male-dominated industries.

Laws do not prohibit discrimination in access to credit on the basis of gender.

Periods of absence from work owing to childcare not accounted for in pension benefits.



**Mexico**

Laws do not mandate equal remuneration for work of equal value.

Periods of absence from work owing to childcare not accounted for in pension benefits.



**Uruguay**

No criminal penalties or civil remedies for sexual harassment in employment.

Limitations for women entering male-dominated industries

Laws do not prohibit discrimination in access to credit on the basis of gender.

SOURCE: WORLD BANK WOMEN, BUSINESS AND THE LAW 2020.

**ADDRESSING INCLUSION FROM WITHIN**

Mercado Libre's diversity and inclusion approach is centered on three principles: building diverse teams, fostering an inclusive culture, and nurturing information technology (IT) talent and access to technology education for women. These three principles were developed following an overhaul of the company's diversity and inclusion policies in 2017 in recognition of the business's lack of women in leadership positions and IT-related roles.

In 2017, Mercado Libre had 5,582 employees of which 42 percent were women. However, women represented only 11 percent of the company's board and 14 percent of IT employees. Mercado Libre set out to analyze its approach to diversity across the company and in individual business

units, according to existing talent management parameters: performance assessments, promotions, sick leave, succession plans, and atmosphere perception, among others. The company also performed a comparative analysis using quantitative and qualitative data from regional and global technology companies to better understand industrywide diversity and inclusion trends. The exercise revealed a notable drop-off in progression of women in the company between the supervisor and middle-management level that prompted Mercado Libre to look more closely at possible unconscious biases in its performance management systems.

Whereas entrepreneurship and inclusion were core principles of the Mercado Libre team and operations, it was clear that more work would need to be done to address the growth of women in particular.

## Case Study: MERCADO LIBRE

**Table 1: Workforce by gender, category, and age**

Category	Analysts and assistants	Supervisors	Managers	Senior managers	Executive	VP/CEO	Total
<b>Women</b>	<b>2,176</b>	<b>102</b>	<b>62</b>	<b>18</b>	<b>7</b>	<b>1</b>	<b>2,366</b>
Under 30	1,725	35	2	1	-	-	1,763
Between 30 and 50	446	66	60	17	7	1	597
Over 50	5	1	-	-	-	-	6
<b>Men</b>	<b>2,809</b>	<b>157</b>	<b>128</b>	<b>77</b>	<b>29</b>	<b>16</b>	<b>3,216</b>
Under 30	1,995	35	10	6	-	-	2,046
Between 30 and 50	810	120	118	71	28	14	1,161
Over 50	4	2	-	-	1	2	9
<b>Total</b>	<b>4,985</b>	<b>259</b>	<b>190</b>	<b>95</b>	<b>36</b>	<b>16</b>	<b>5,582</b>

SOURCE: MERCADO LIBRE SUSTAINABILITY REPORT, 2017

### ADDRESSING WOMEN'S PROGRESSION AT MERCADO LIBRE

Benchmarking exercises showed that the slowed progression of women at the middle-management level was not unique to Mercado Libre. Globally, only 29 percent of senior management roles are held by women; this drops to 25 percent for the Latin America region.<sup>8</sup> Existing research cites social norms as the key barrier in women's progression to more senior roles in Latin America, including care responsibilities of which 24 percent of Latin American women cite as a significant hurdle in their progression.<sup>9</sup>

For Mercado Libre, addressing this would require more intentional approaches in their performance management and resultant effects on career development. Whereas the company prided itself on hiring employees with an entrepreneurial mindset who could actualize their own career progression through internal mechanisms such as *OWNBoarding*—a process whereby new employees chart their own career progression from their first day at Mercado Libre—it was clear that women employees may need more support in the following forms:

- **Recruitment model:** Mercado Libre's recruitment process seeks to neutralize unconscious biases through structured interviews and collaborative decision making supported with evidence. Even

at the senior level, the company level performs control exercises that ensure there are two women candidates for each man who is short-listed. In 2019, data showed that hiring managers chose a woman in 72 percent of those recruitment cases.

- **Formal training:** As an entrepreneurial company, Mercado Libre encourages employees to chart their own paths rather than providing a template for growth. Recognizing that not all individuals (particularly women) may be comfortable with such a format, the company initiated more formal learning options, including (a) sponsorships for MBA and masters courses, (b) language courses, (c) feedback workshops for leaders, and (d) learning agility workshops. These sessions had an average participation of 35 percent of women employees.
- **Open learning:** Mercado Libre launched a series of self-paced interactive open learning programs for all employees on a range of topics.
- **Talent review:** Mercado Libre's performance management process was modified to allow for more continuous feedback allowing for efforts to be calibrated and issues to be addressed before formal annual reviews.

## Case Study: MERCADO LIBRE

- **Mentorship and coaching:** Mercado Libre employees are encouraged to seek out mentoring relationships with peers and senior management. This program has an average participation of 27 percent of women employees.
- **FaceTime with senior executives:** Employees are given the opportunity to interact with Mercado Libre’s chief executive officer each month through a formal chat that is livestreamed through the company’s internal channels. This format is replicated by other senior managers with their own teams, every quarter. Employees are also encouraged to meet and interact with senior management through a series of ad hoc informal breakfasts.
- **Family-friendly policies:** Mercado Libre became the first company in Latin America to offer egg preservation as a benefit for employees in 2018. Mothers were also given an additional 30 days of paid maternity leave above the mandated 90 days. In addition to 15 days paid paternity leave, fathers were also given more flexible work options allowing them to split home and office work for the first six months of their children’s lives.
- **Internal job posting:** The Opportunities@MELI site incorporates blind work samples to make the recruitment process free of bias. Using this internal platform, hiring managers are able to select the best resumes for the challenge posted without knowledge of applicants’ gender or background.

### INTRAPRENEURIAL EFFECTS

During the 18 months that followed implementation of the new policies, Mercado Libre expanded its workforce by nearly 3,500 employees. Although the overall proportion of women employees dropped slightly to 40 percent during this time, the proportion of women in management and in IT roles also increased slightly to 28 percent and 15 percent respectively. Additionally, the number of women in senior roles increased by 4 percent during this time.

To continue the momentum of this growth, Mercado Libre launched BeLeader@MELI—a program that targets employees with leadership potential. BeLeader@MELI includes a diversity and inclusion module that focuses on identifying and raising awareness of biases in people management. Eight sessions occurred in 2019, reaching 330 newly promoted leaders and new recruits. Of these, 32 percent were women.

In 2019, Mercado Libre achieved gender pay parity across the organization with no salary differences between men and women with the same level of experience.

### ENTREPRENEURIAL EFFECTS

The effects of Mercado Libre’s internal policies have inspired equally mindful approaches to creating a better enabling environment for women entrepreneurs who use the platform, including the following:

- **Open learning courses:** In Brazil, Mercado Libre developed a course on “How to boost your online sales” and promoted it on Tamo Junto, an online platform dedicated to empowering

**Table 2: Workforce by gender**

Category	Analysts and assistants	Supervisors	Managers	Senior managers	Executive	VP/CEO
<b>By Gender</b>						
Women	42%	33%	30%	28%	21%	11%
Men	58%	67%	70%	72%	79%	89%

SOURCE: MERCADO LIBRE SUSTAINABILITY REPORT, 2019

**Table 3: Employees by gender and type of job**

Category	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela	Total
Management	511	148	23	23	59	3	27	3	797
Men	383	88	19	15	41	2	23	3	574
Women	128	60	4	8	18	1	4	-	223
Technical staff*	4,383	2,496	225	595	206	10	973	18	8,906
Men	2,996	1,223	170	312	115	5	455	7	5,283
Women	1,387	1,273	55	283	91	5	518	11	3,623

\* Computer science, mathematics, architecture, or engineering

SOURCE: MERCADO LIBRE SUSTAINABILITY REPORT, 2019

microentrepreneurs. The initiative trained 411 entrepreneurs, 58 percent of whom are women.

- Engaging the next generation:** Mercado Libre employees are also heavily involved in building a pipeline of future employees in the fields of science, technology, engineering, and mathematics. In Argentina, employees volunteer with Chicas en Tecnología (CET), a nonprofit organization that seeks to reduce the gender gap in technology. In 2019, more than 100 girls from the CET clubs were hosted at Mercado Libre’s offices in Mendoza, Cordoba, and San Luis for half a day, where they had an opportunity to meet and interact with back end, mobile, and user experience development teams. In addition, participants received feedback on the prototypes of technological solutions they are creating as part of CET. In 2019, 30 of those participants also received scholarships to study full stack development through the learning platform Acámica.

In Uruguay, Mercado Libre supports Jóvenes a Programar—an initiative that seeks to improve uptake of IT careers by providing training and testing in commonly used programming languages to participants ages 17 to 26. In 2019, employees from different departments of Mercado Libre, including 50 of whom were graduates of Jóvenes a Programar, volunteered over two weekends to share their knowledge and experiences with more than 1,400 young people, 36 percent of whom were women.

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