



The World Bank Group
DECRG



PREM-FPD Event: Gender & Entrepreneurship

Presentation by:

Leora Klapper

Lead Economist, DECRG/World Bank

Question: Do entrepreneurial patterns differ by gender?

Data Sources:

1) *Gallup World Poll Survey (GWP)*

Do you own a business?

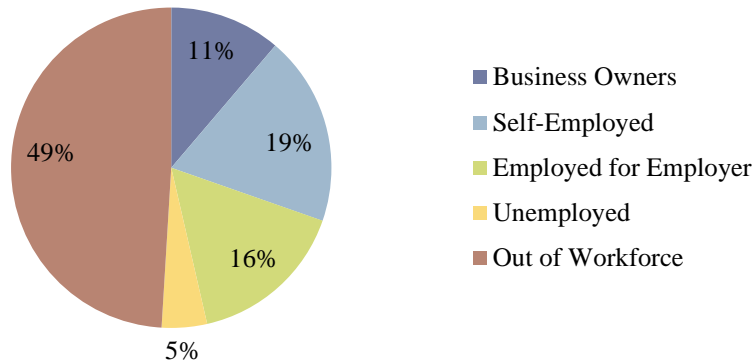
- *Is your business formally registered?*
- *How many employees do you have (not including yourself)?*

2) *Entrepreneurship Survey* (www.doingbusiness.org/entrepreneurship)

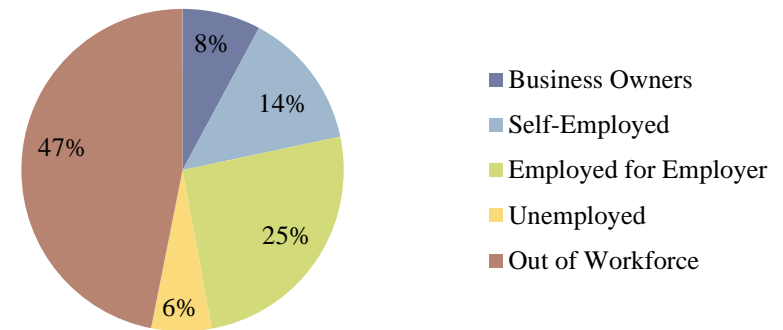
- *Private companies with limited liability*
- *Entry Density: calculated as the number of newly registered limited-liability firms as a percentage of the country's working age population (normalized by 1,000)*

Employment Composition (GWP)

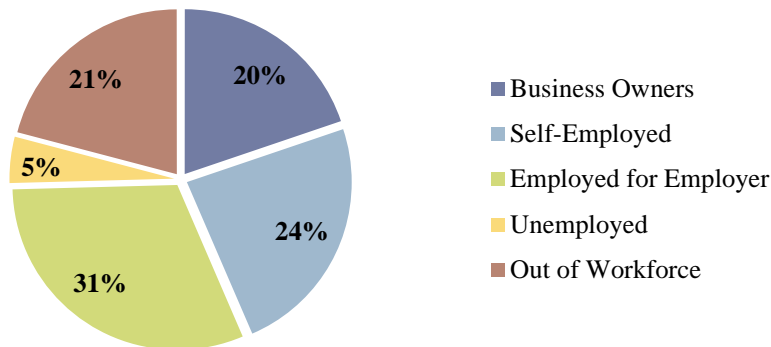
Developing Countries, women



High Income Countries, women



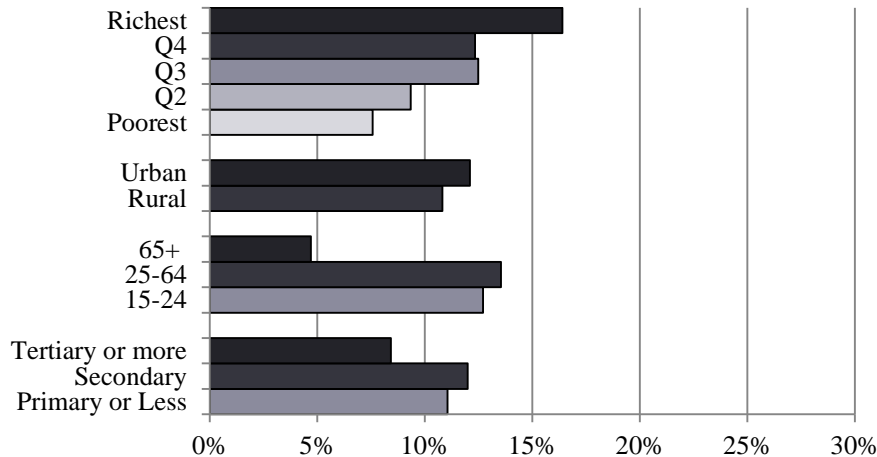
Developing Countries, men



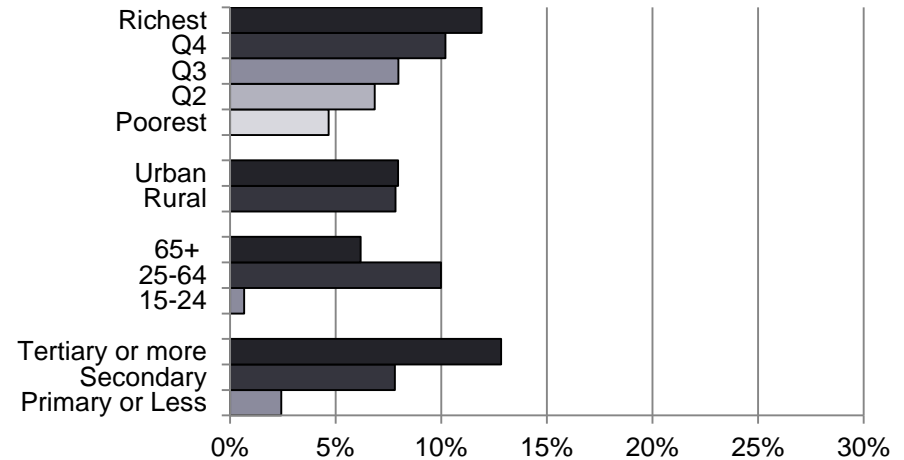
- About half of women around the world report being in the workforce
- In developing countries, women are about half as likely as men to be wage employees
- Women in developing countries are more likely to be self-employed, relative to women in high-income countries.

Profile of Business Owners (GWP)

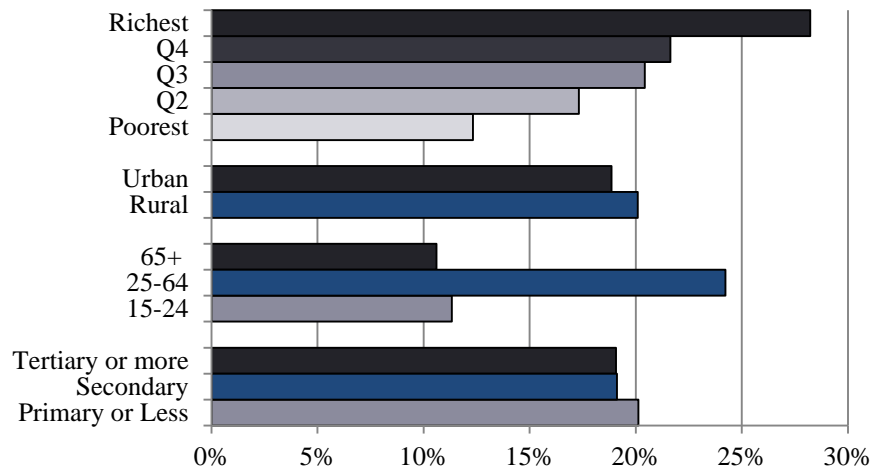
Developing Countries, Women



High Income Countries, Women

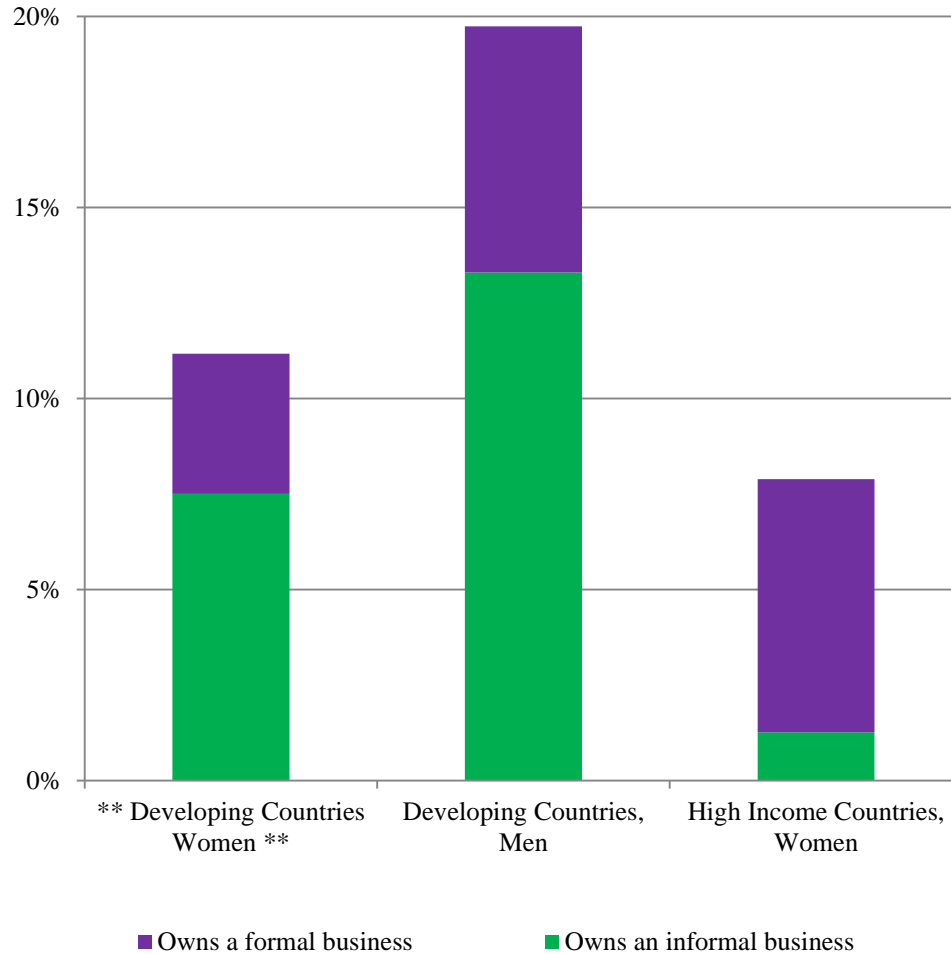


Developing Countries, Men



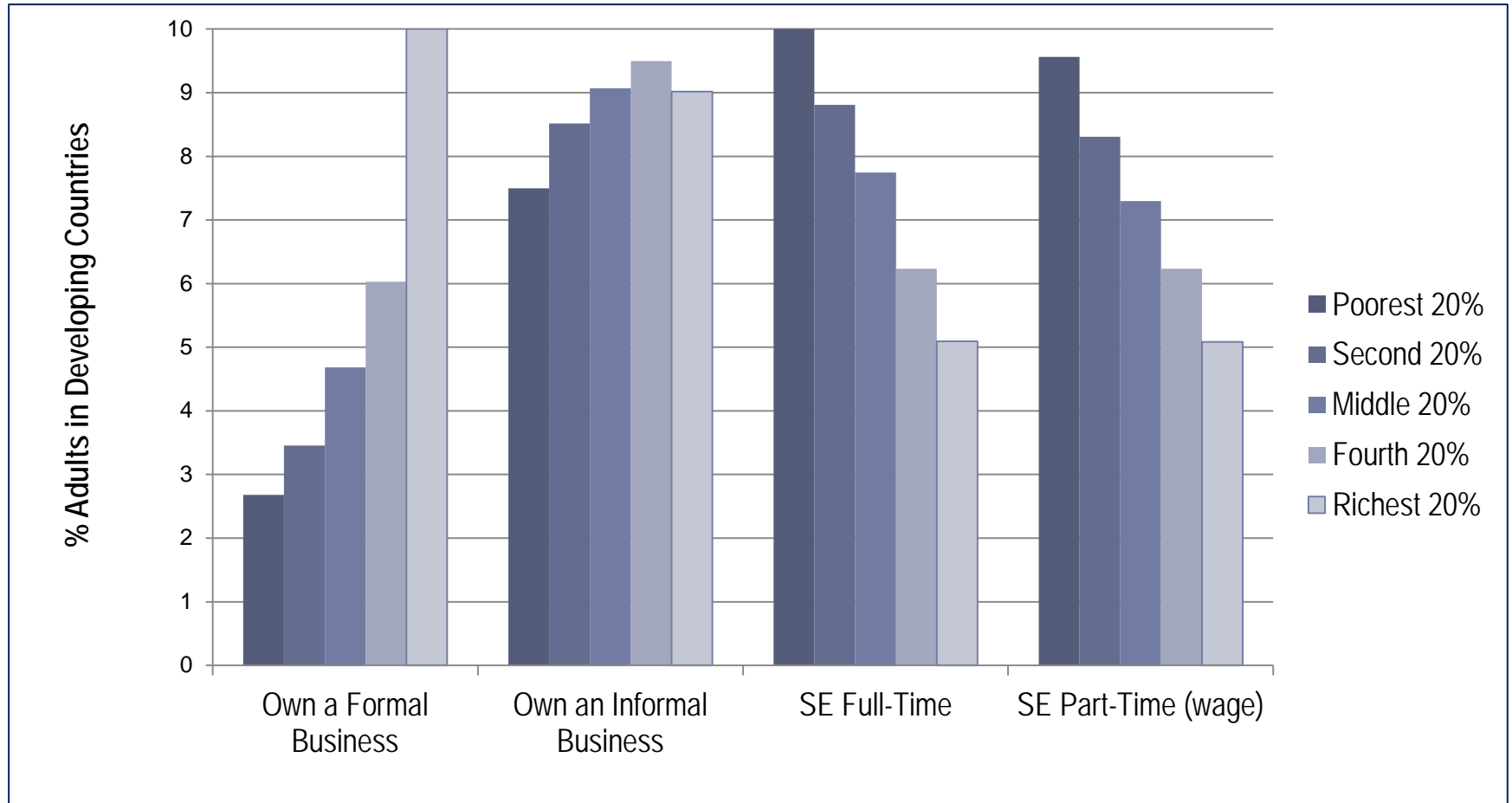
- Entrepreneurs are wealthier; the income gap is larger in developing countries
- Young women in developing countries are active in starting businesses
- Education is not as important a factor in developing countries

Business Ownership, by Formality (GWP)

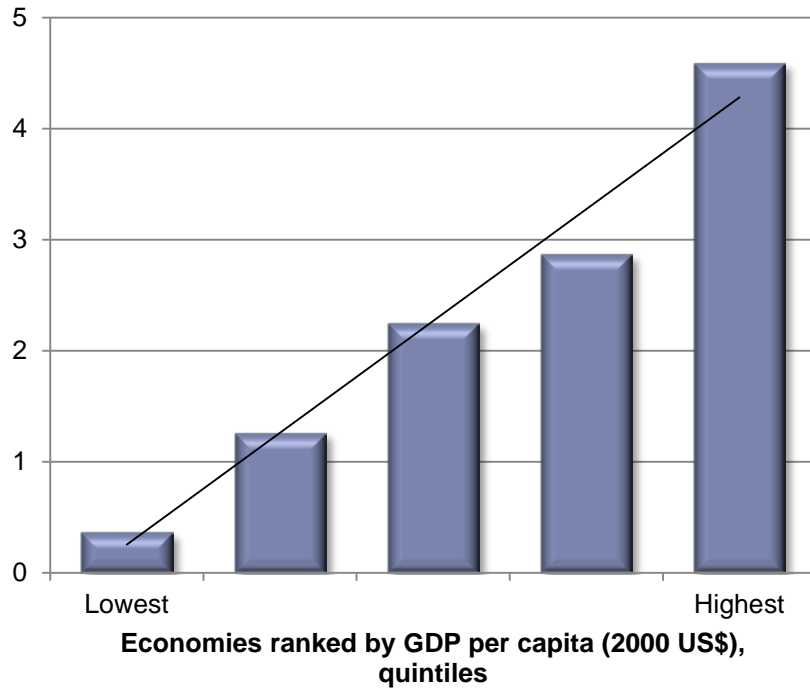


- What drives differences in business ownership and formality?
 - *Access to start-up and working capital?*
 - Wealth
 - Outside financing

Entrepreneurship & Income Distribution (GWP)

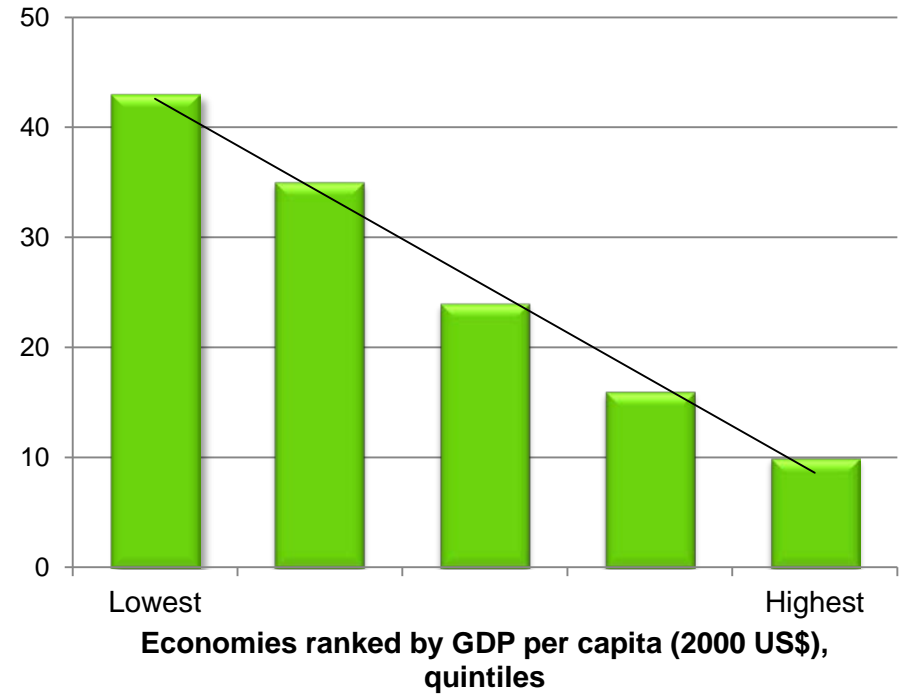


Entry density



Source: Klapper and Love, 2010

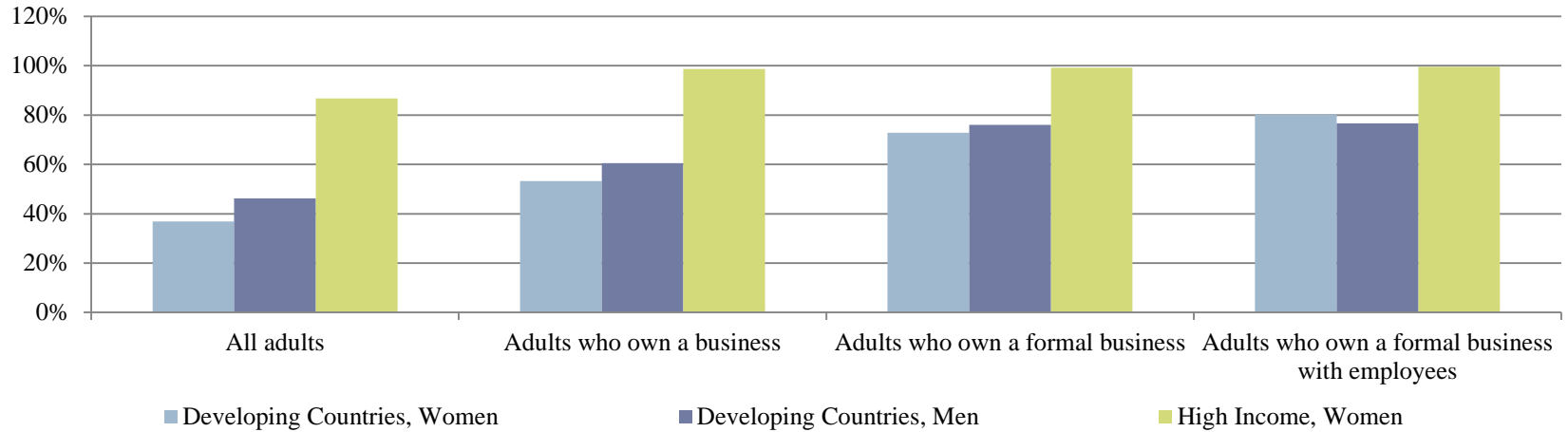
% Self-Employed



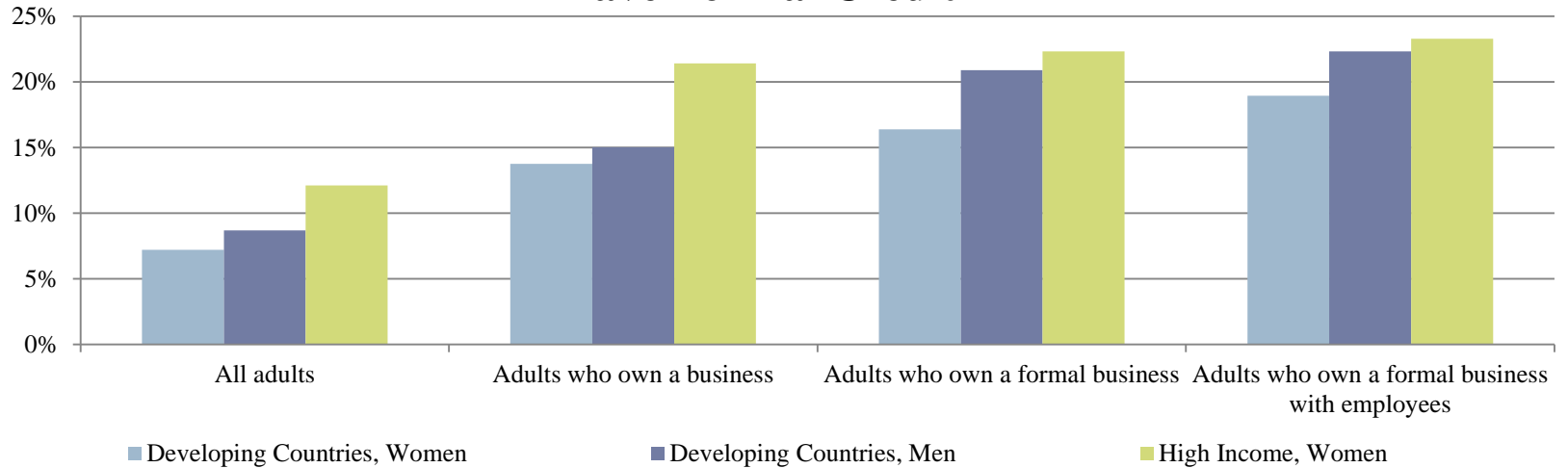
Source: Gallup World Poll, 2009 data

Financial Inclusion (Global Index)

Have a Formal Account



Have Formal Credit



What explains the gender gap?

What explains the gender gap in access to business financing?

1) *Physical and "Reputational" collateral*

As a result of differential treatment under the law or by custom, women may have less ability than men to own, manage, control or inherit property which in turn might affect their usage of financial services (Demirguc-Kunt, Klapper, and Singer, 2013).

- Using data from the World Bank's Women, Business and the Law database, we show that in countries where women face legal discrimination in the ability to work, head a household, choose where to live, inherit property or are required by law to obey their husband, women are less likely than men to own an account and to save and borrow
- Using data from the OECD's Gender, Institutions, and Development database we show that attitudes towards women quantified in measures such as incidence of early marriage for women and the level of violence against women also help explain difference in the use of financial services

2.3 Gender Issues

1. Does the business registry have any gender-disaggregated data?
2. Does a married women need the permission of her spouse in practice (e.g. in a form or the application) to register her company?
3. Does an unmarried women need male permission in practice (e.g. in a form or the application) to register her company?

If yes, who gives the permission (Father, brother, another member of the family, etc.)

4. Can the registration process be done by sending another person on the behalf of the company owner?

If yes, is it common for a female entrepreneur to send a male representative?