

World Bank's *Enterprise Surveys* Capturing Gender

Mary Hallward-Driemeier

World Bank, Research Department

UN EDGE, December 5-6, 2013

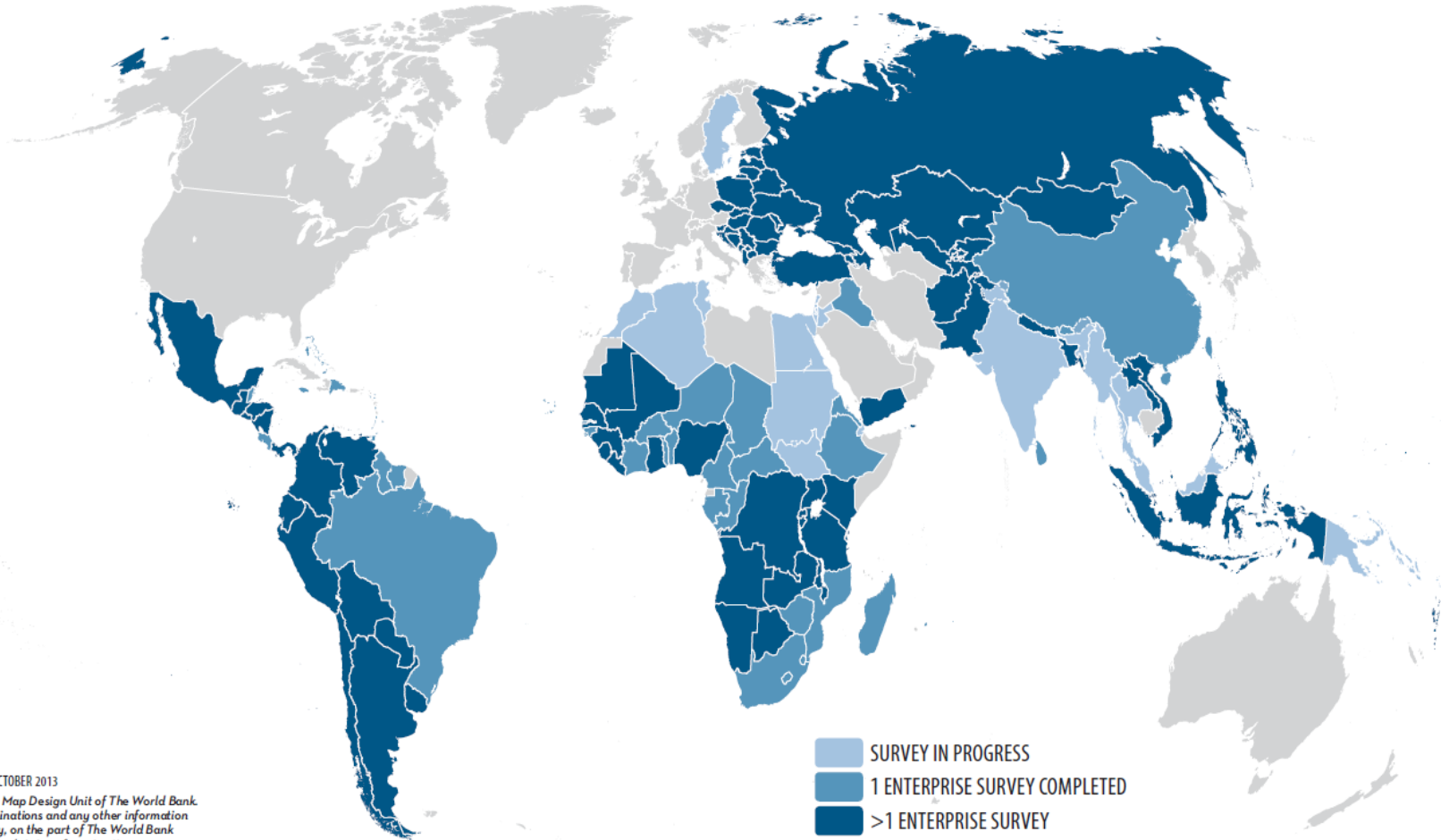
Purpose of *Enterprise Surveys*

- Fill important data gap
 - By 2000, micro-data collection efforts had focused on households to capture poverty, social indicators such as health and education.
 - Goal was to have a comparable effort on the enterprise side – particularly in countries where such data otherwise did not exist.
- Allow benchmarking – across countries; over time
 - Need standardized questionnaires, sampling, implementation
- Link broader environment in which enterprises operate to their performance (growth, productivity, job creation, investment)

3 types of indicators collected:

- Enterprise performance
- Enterprise characteristics
- Measures of the investment climate
 - Subjective indicators
 - Objective measures

ENTERPRISE SURVEYS AROUND THE WORLD



IBRD 40337 | OCTOBER 2013

This map was produced by the Map Design Unit of The World Bank. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

130,000 observations in 135 countries

Methodology

- Comparable across countries and time
- Standardized questionnaires
 - Common core
 - Some customization of additional questions
- Random, stratified samples (location, sector, size)
 - Importance of using weights in any analysis
- Face to face interviews
- QC – call backs; internal consistency checks; batch testing as survey is still in the field
- Building panel datasets in many countries

Sampling Frame

- Key industrial centers
 - Not nationally representative
 - Rural areas are expensive to include
- Formal sector
 - Have complementary informal sector surveys too
- Enterprises with 5 or more employees
- Key sectors
 - Garments and food processing; retail; plus additional sectors
- Building panels in many countries
 - Some refreshment over time
 - Key to distinguish 'exit' from 'non-response'

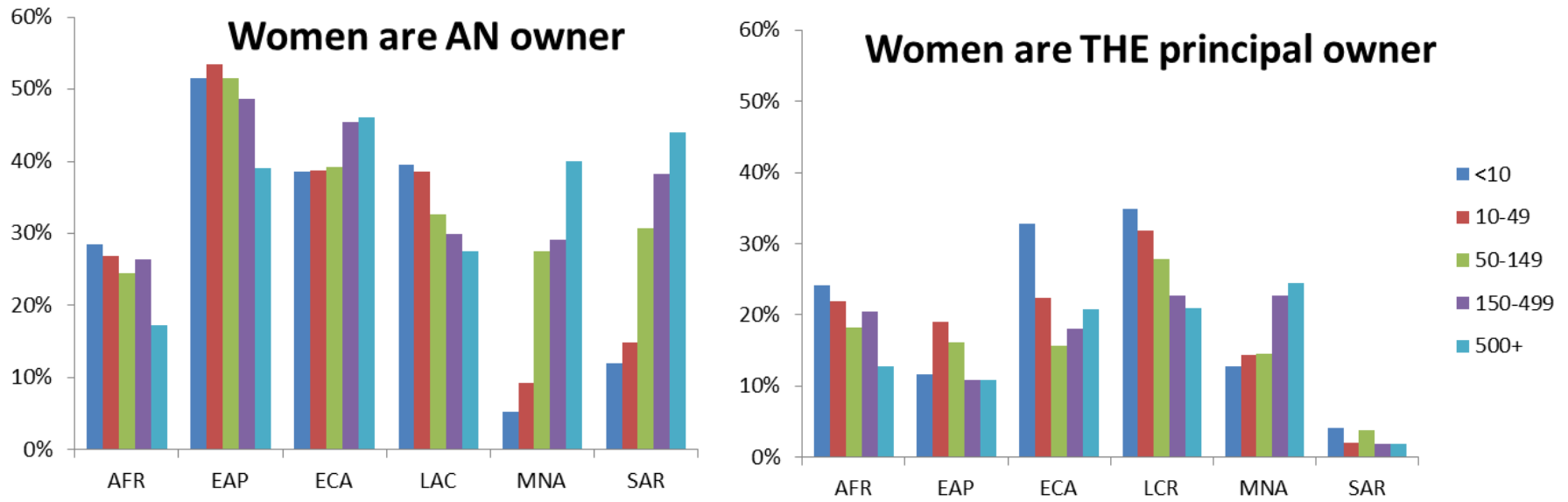
Limitations to keep in mind: Overall

- Ask about 'costs' (e.g. lost sales) due to constraints; not ask about 'willingness to pay' to address.
 - Not include costs involved with fixes
 - No independent verification of responses
- Subjective – private response is not necessarily in the public interest
 - Almost all respondents want lower taxes; free credit
- Ask incumbents, not those that never enter or those that exit

Issues/limitations: Gender

- Definitions matter in determining prevalence of “women’s enterprises”:
 - “an” vs “the” owner
 - “owner” vs “a decision maker” vs “prime decision maker”
- Not capture why/how entrepreneurs start their business
 - Sorting by size, sector, industry is so important in determining prospects, but causes are not easily captured currently
- Not capture important factors affecting choices:
 - Networks (composition, contributions, barriers)
 - Intra-household dynamics that affect entrepreneurs’ decisions
- (Formal) Enterprise Surveys only capture a portion of the distribution of women entrepreneurs
 - Women are disproportionately in the informal sector or in household enterprises
 - National household surveys are not (at all) standardized in their definitions or in what information is collected

Defining “women’s enterprises” is key

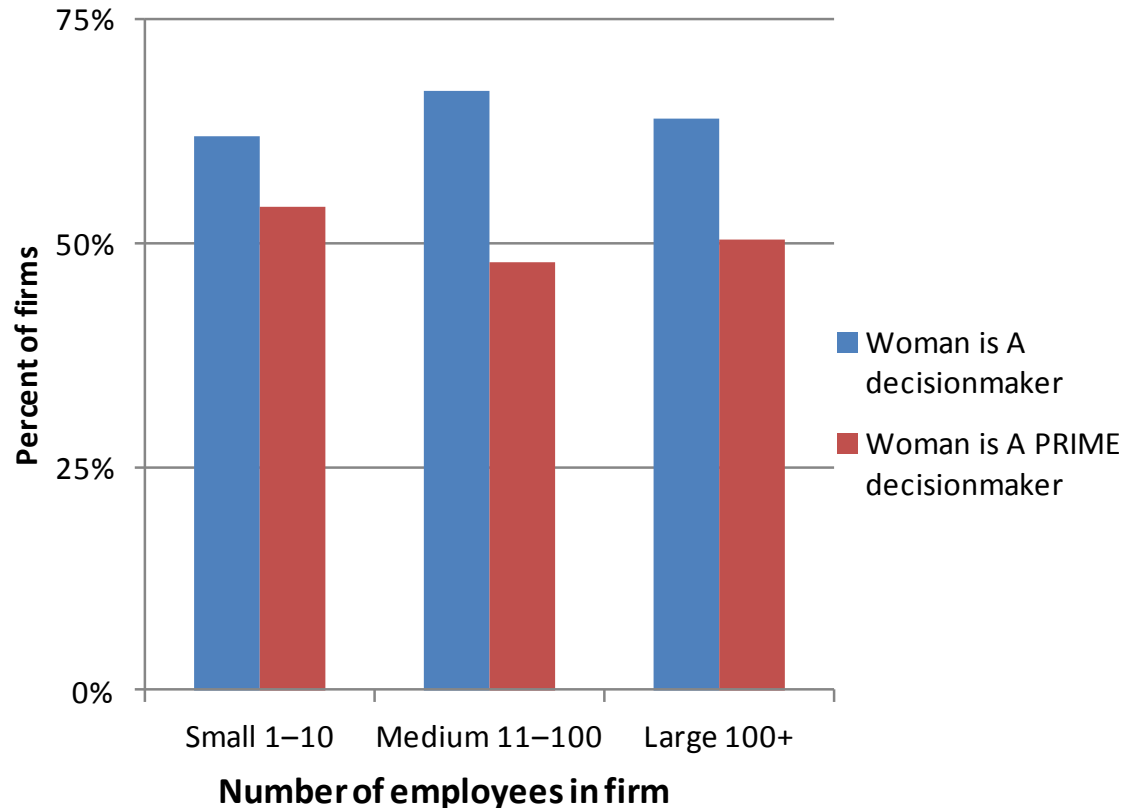


How the question is phrased matters enormously.

Consistency across countries is key for comparability.

- Enterprise Surveys used to ask about “the principal owner” and now asks whether any of the owners are women. Some colleagues were thrilled at the increase in women’s entrepreneurship over time – until they realized it was that the question was changed.

What matters: ownership or decision making powers?

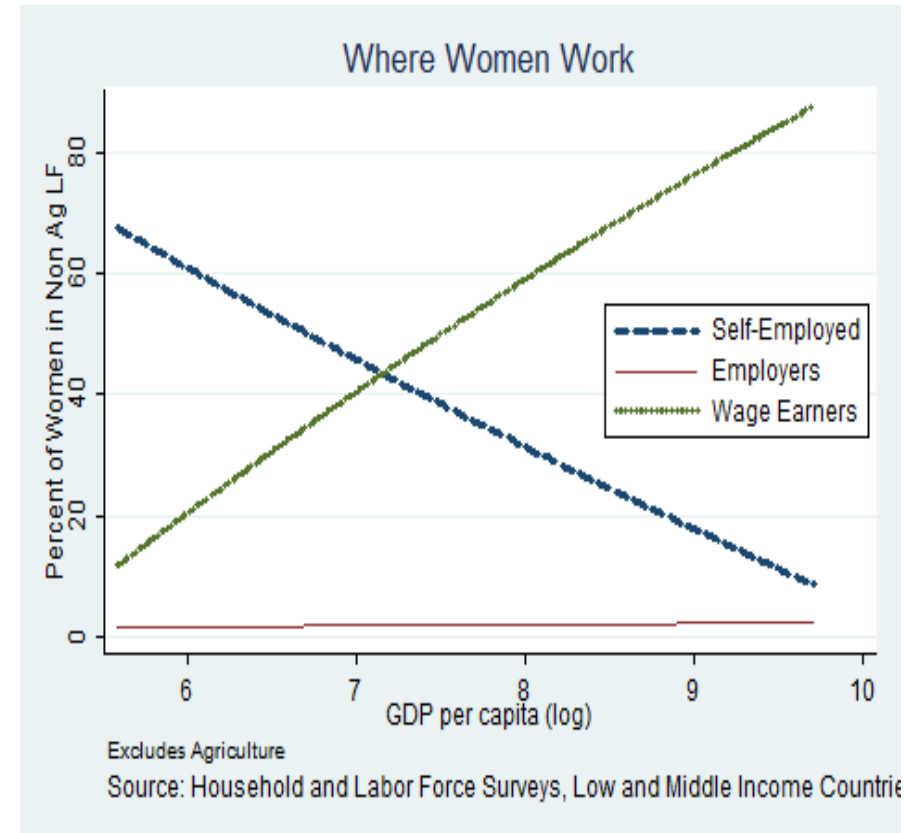


In half of multi-owner firms, where at least one owner is female, the key decision makers are all male

Where do women work?

Data from 103 household datasets

Where women work

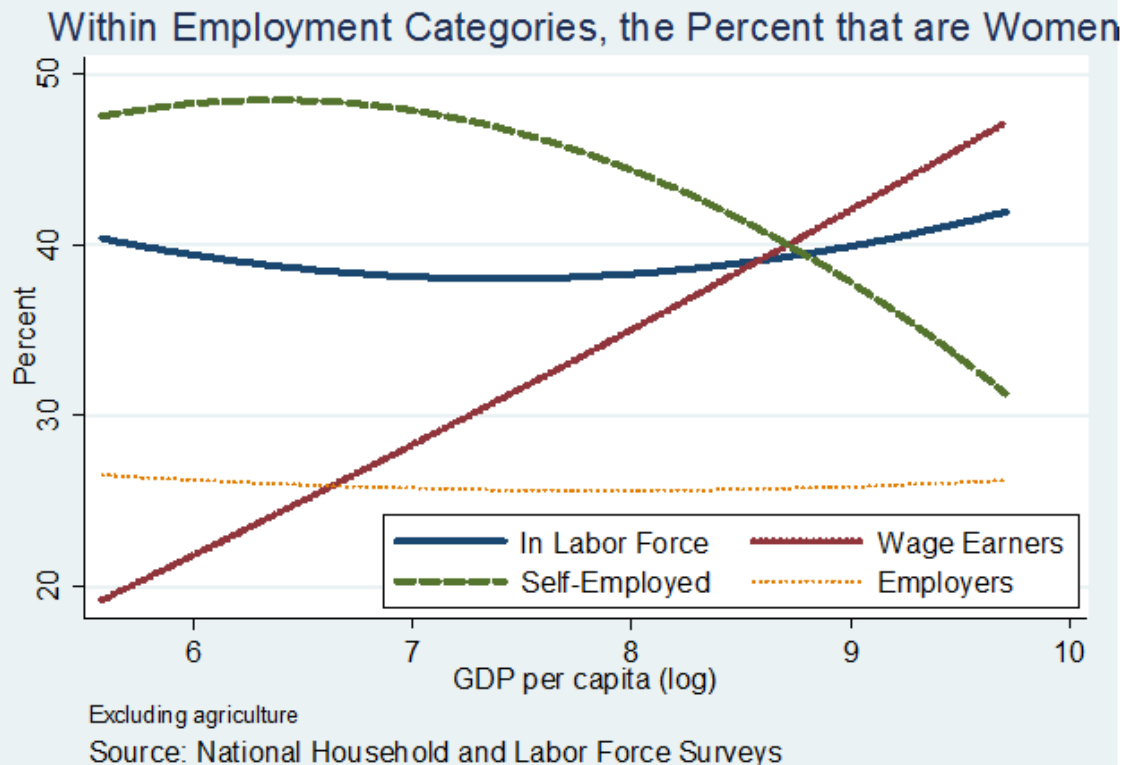


Patterns emerge by income, across regions:

- Labor force participation is high in lower and higher income countries ('U' shaped)
- Agriculture and self-employment are highest in lower income countries
- Wage employment rises with income level, much is still in the informal sector
- Little variation with share of employers by income (although average firm size rises)

Percent of women in different types of work

Women's share in non-agricultural employment averages 38 percent – across income levels



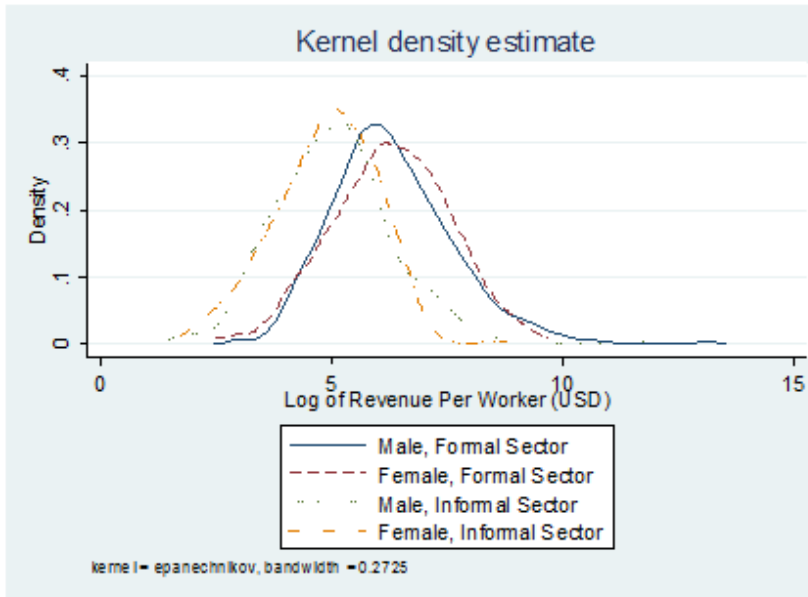
Source: Hallward-Driemeier et al. (2011)

- At low levels of income, women are disproportionately in self-employment.
- Greater relative participation of women in wage work as income rises
- Women's share of employers remains constant
 - But 15 percentage points lower than women's share in the non-agric. labor force

WEE is not so much about women's participation per se – but to help more women move into higher value added activities

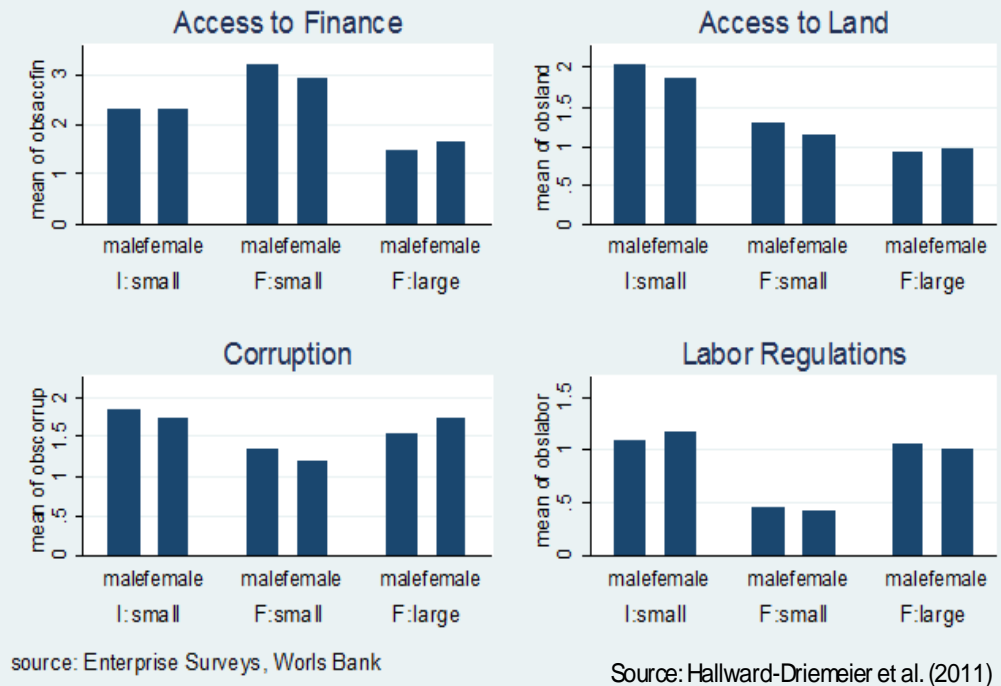
Where you work matters: Differences are greater across sectors than by gender within a sector (Enterprise Surveys, 37 SSA countries)

Labor Productivity



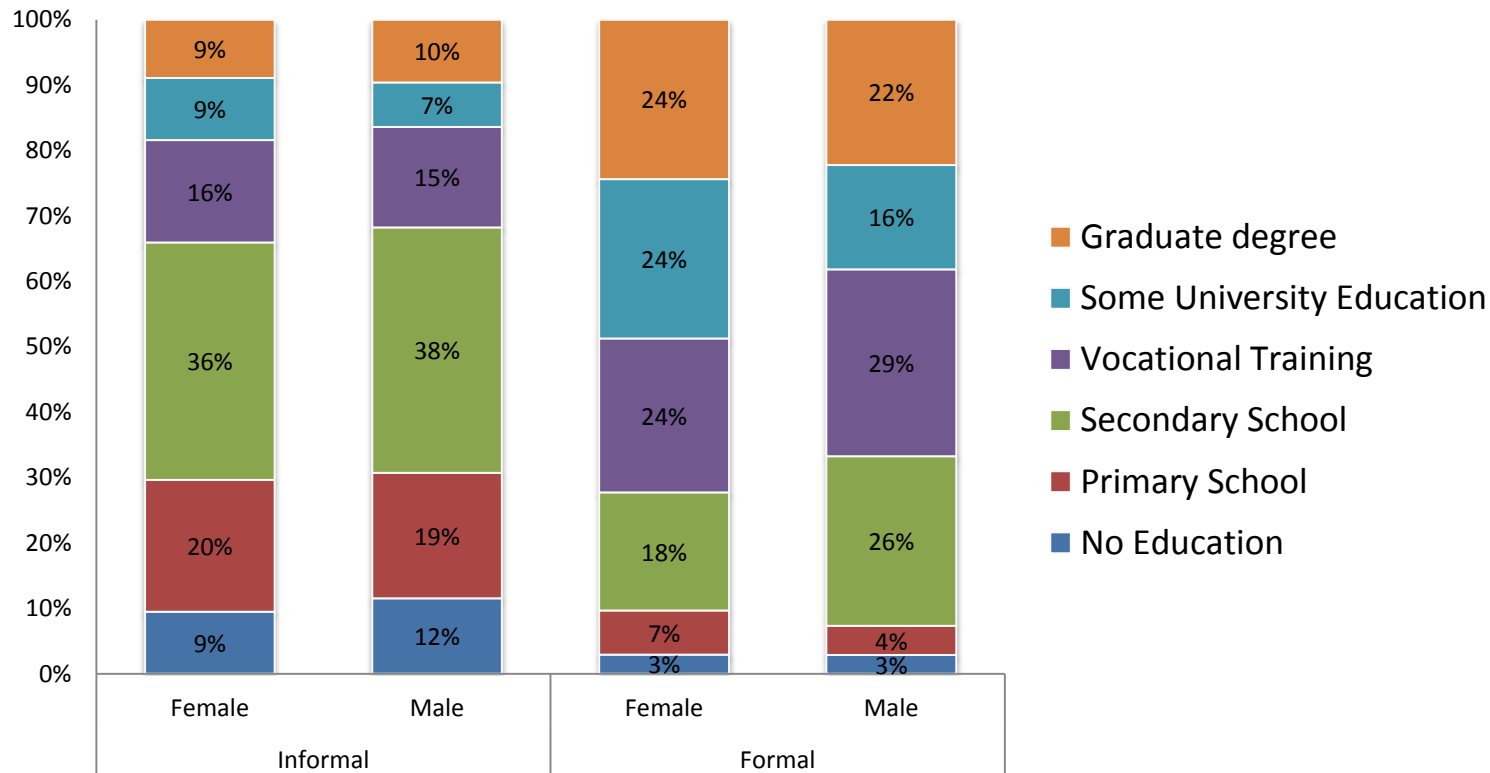
Source: Hallward-Driemeier and Gajigo (2010)

Obstacles to Doing Business in Africa by size



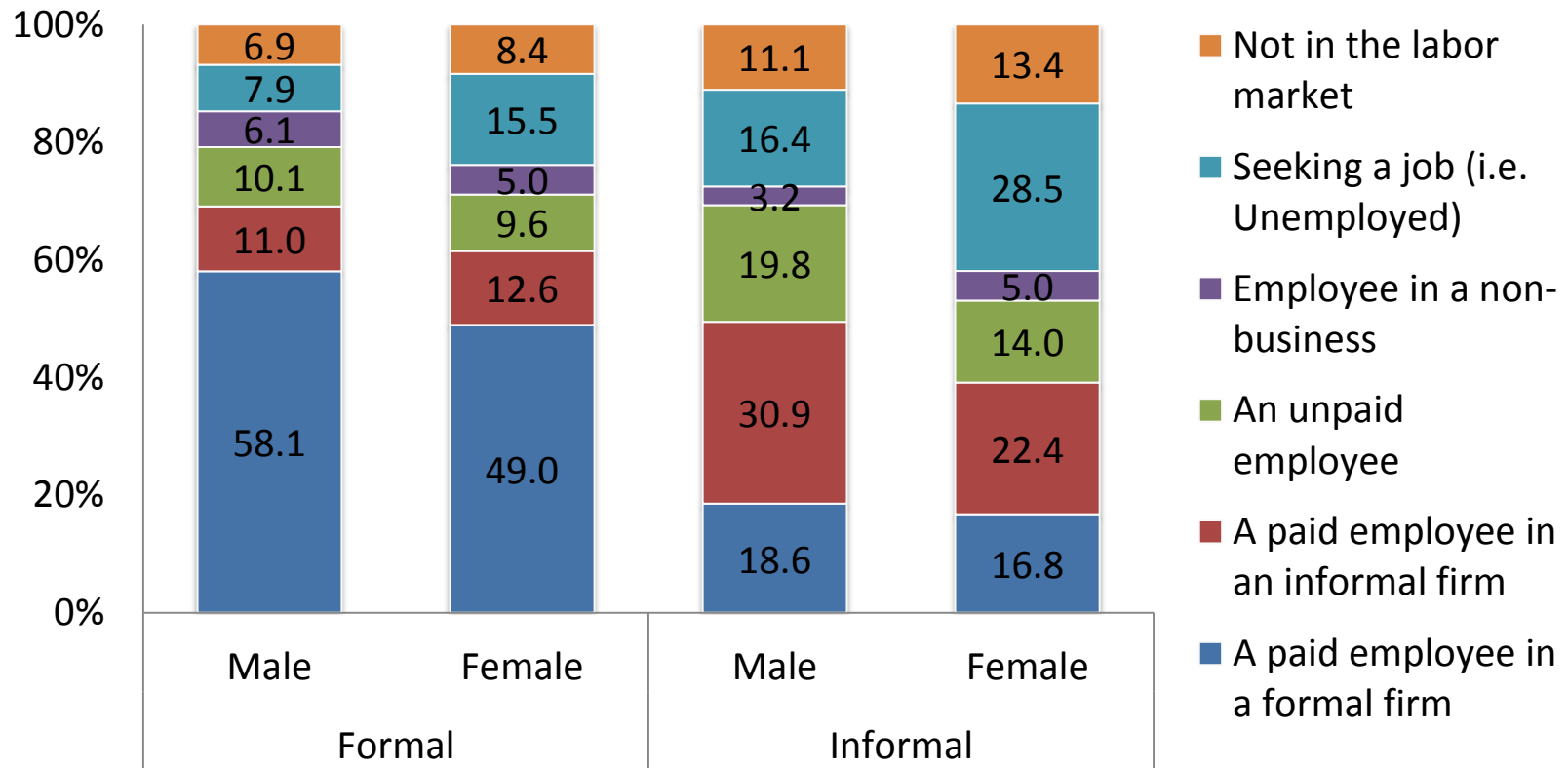
So it is critical to focus on factors affecting women's choice of activity /formality / size of enterprise in shaping their opportunities – surveys of incumbents may not capture key factors

Education varies more by formal/informal sector than by gender



As women's educational attainment still remains below men's in much of SSA, this helps explain women's sorting into more informal and smaller firms.

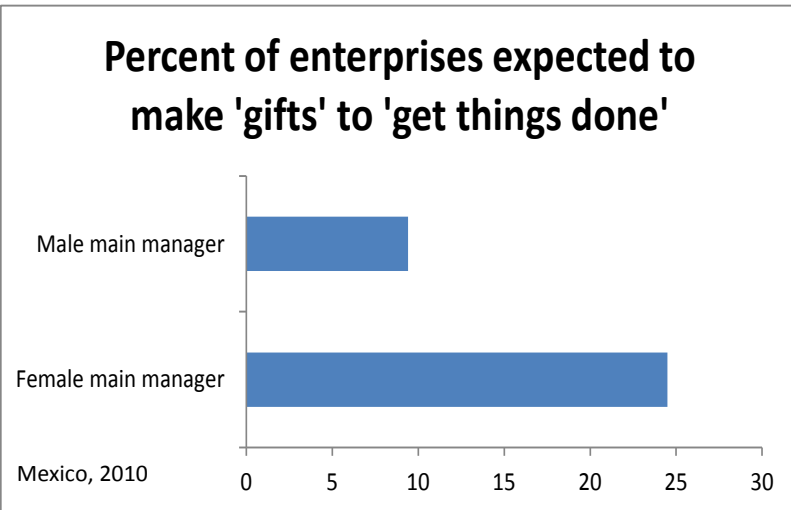
Differences in prior experience vary more by sector than by gender



Gajigo and Hallward-Driemeier 2010

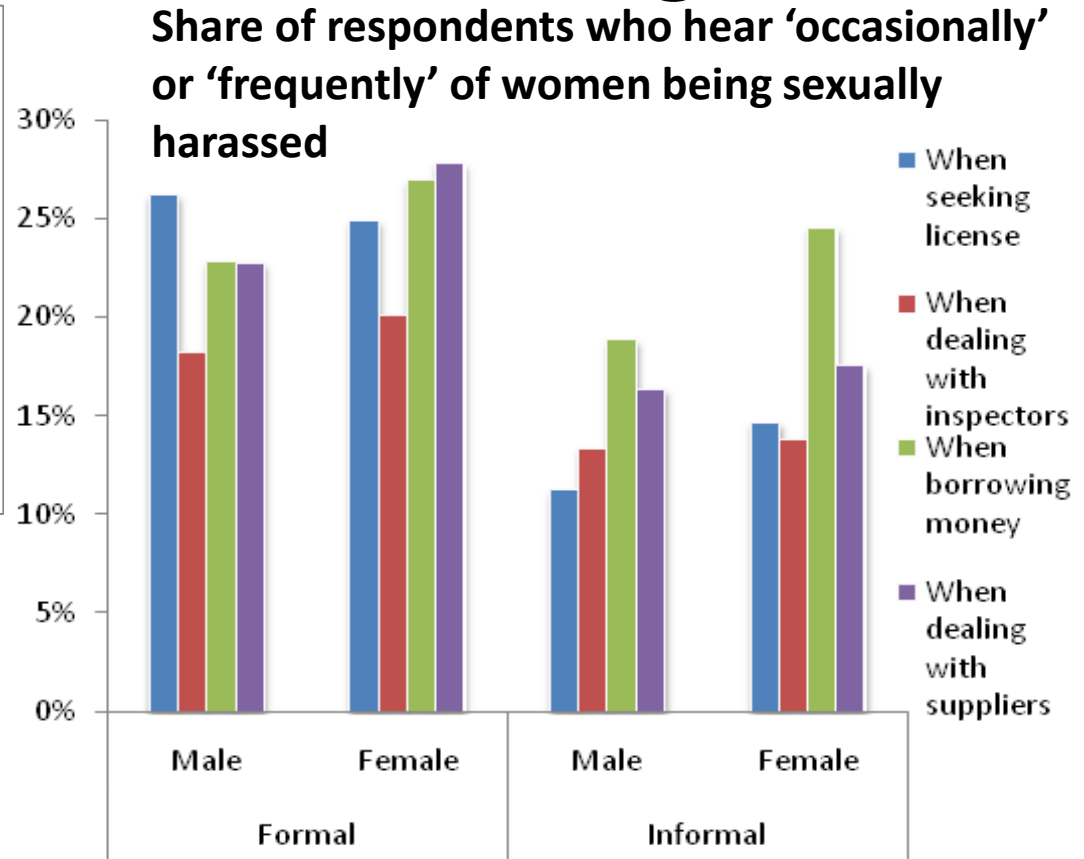
- Transitions between formal and informal sectors are relatively low.
- As shown above, women are less likely to have had wage employment in lower income countries, reinforcing their decision to operate their business in the informal sector.

Coverage of topics with gender dimensions can be sensitive: “gifts”



Are women ‘soft targets’ for bribes?

Payments sought are not always monetary



Source: Hallward-Driemeier et al. (2011)

Some topics are sensitive – and could have unintended consequences (e.g. encourage husbands to deny wives permission to work; smear reputation of successful women entrepreneurs)

Test assumptions:

E.g. credit constraints

Many say lack of capital constrained their choice of enterprise at entry.

- Ask about interest rate at which they would be willing and able to borrow and compare that to market rates
- Ask about hypothetical:
 - If had double the capital, what would they have done differently?
 - 5 country survey: Very few (<5%) would have chosen a different industry, mode of production or location for their business.

Overall

- Definitions of “women’s enterprises” matter a lot – for both rates of participation and in likely returns
 - Important to look at both ownership and decision making – and the gaps between them
 - ‘novel’, ‘innovative’, ‘degree of risk’ are conceptually of interest, but are hard to measure in comparable ways
- Gender sorting is significant, but understanding its causes is less clear
 - Constraints to entrepreneurship of incumbents – or enterprise performance – show MUCH less difference between men and women within the same sector/industry/size, than across these categories
 - To understand constraints to (potential of) women’s entrepreneurship, should capture measures that influence such sorting
 - Population based surveys are more appropriate for capturing selection and factors affecting entry; enterprise surveys can capture more dimensions of factors affecting relative performance of incumbents
- Important to capture the full distribution of enterprises, including household enterprises
 - Much work remains in collecting standard measures of household enterprises; this could be a real contribution of EDGE