



# Mastercard Index of Women Entrepreneurs (MIWE) 2019



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1.0



# Introduction

## 1.1 Mastercard Index of Women Entrepreneurs overview

There is unprecedented dynamism within the female entrepreneur community, with women across the world opening successful businesses faster than ever before.

Now in its third year, the annual **Mastercard Index of Women Entrepreneurs** (MIWE) continues to provide invaluable insights into what is driving the progress and achievements of women in business across 58 world economies.

The Index pinpoints the many factors which enhance women's entrepreneurialism; from access to education and financial support to cultures that foster creativity, risk taking and innovation. Whilst also shining a light on the social and cultural barriers to entry; from fear of failure to gender discrimination. Through detailed analysis and deep-dive case studies of 10 markets, the MIWE provides fresh thinking for governments, policymakers, stakeholders, businesses and individuals alike which hold a vested interest in designing a better world for women in business.



# Introduction

## 1.2. Key findings

This year's MIWE reaffirms the idea of opportunity-driven entrepreneurial activity. High-income advanced economies, with open, vibrant markets that support SMEs and ease of doing business – such as the US, New Zealand and Canada – continue to dominate the global top rankings.

But, crucially, the MIWE highlights that women in business can still make significant headway in markets with less supportive economic and social entrepreneurial conditions.

### Overcoming economic barriers

We have seen a surge in female entrepreneurs in less economically developed economies. Faced with significant hurdles such as lack of employment opportunities and low tertiary education, women in some stand-out markets still thrive when driven by a sense of necessity. As a result, today, Uganda, Ghana, and Botswana have more women in business as a percentage of all business owners than any developed market.

### Surpassing cultural hurdles

Similarly, female entrepreneurs have proved that they can overcome cultural and social barriers, such as low recognition of individual success or an ingrained fear of failure. Women in Spain, Brazil, Uruguay, and Hungary have shown high pronounced entrepreneurial tendencies despite receiving limited support or encouragement as entrepreneurs.

### Adopting success factors

Not all women in business are able to overcome these challenges, however, with some Middle East and African markets such as Egypt, Bangladesh, Algeria, Saudi Arabia and Iran trailing significantly behind their peers. These markets demonstrate low scores for all three metrics examined within the MIWE, especially when it comes to women's role as business leaders, professionals/technical workers, active labor force participants, and their ability to have fair access to financial services and products.

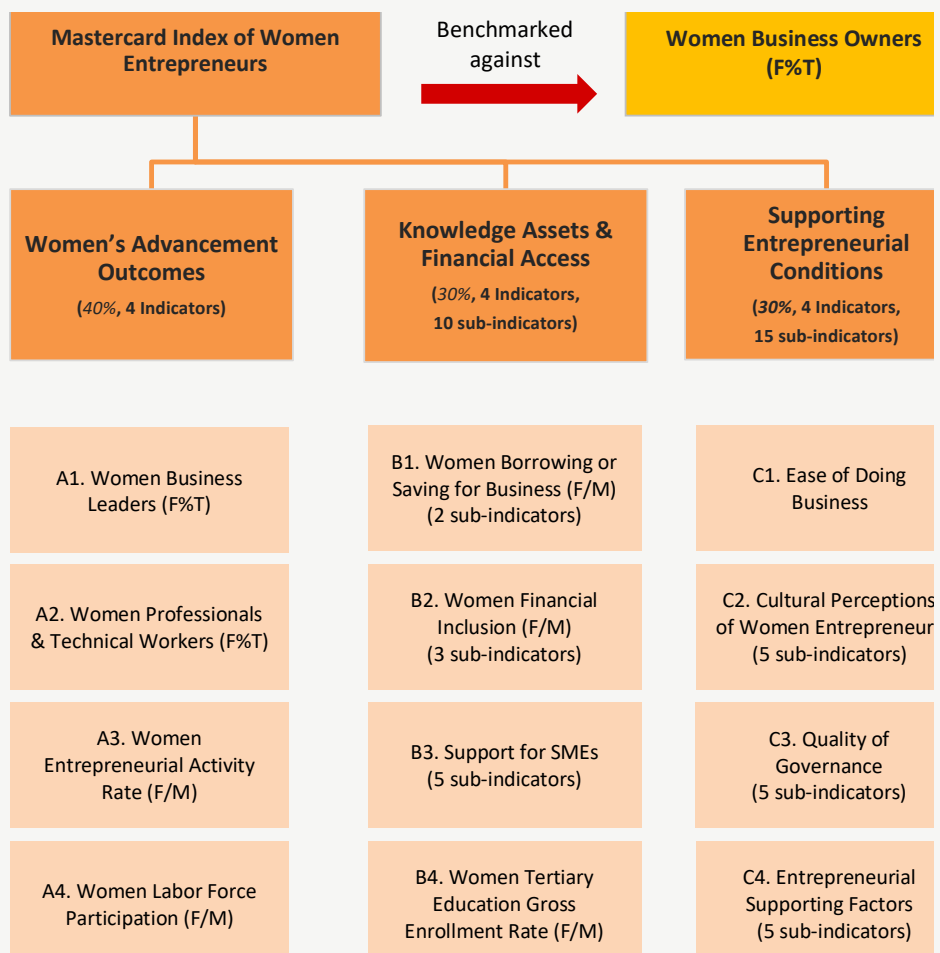
The key, therefore, to guaranteed success for women entrepreneurs, is consistency. Among this year's top performers is the US, which, for the first time since the Index's inception, has replaced New Zealand as the top MIWE performer, driven by a swell in entrepreneurial activity. Examining these top performers can help us learn how to foster a supportive entrepreneurial environment.

# 1.3 MIWE methodology

Spanning 58 markets and representing nearly 80 percent of the world’s female labor force, MIWE deploys three components – comprised of 12 indicators and 25 sub-indicators –to examine these economies:

- I. **Women’s Advancement Outcomes:** A measure of women’s progress and degree of marginalization economically and professionally as business leaders, professionals & technical workers, entrepreneurs and labor force participants.
- II. **Knowledge Assets & Financial Access:** A measure of women’s progress and the degree of marginalization they face commercially as financial customers and academically in terms of access to tertiary education enrollment. It is also an indicator of women’s inclination to borrow or save for business purposes, and how much support is rendered for SMEs.
- III. **Supporting Entrepreneurial Conditions:** A measure of how supportive entrepreneurial conditions are either enablers or constraints of women business ownership.

The Index is benchmarked against **Women Business Ownership** (measured as a percentage of Total Business Owners). It should be noted that **due to major changes in estimations by data sources as well as the replacements of 11 sub-indicators that have been discontinued or no longer regularly updated, the MIWE scores in this 2019 publication should not be compared to those of previous publications.**



The table below lists the 58 markets spanning five geographic (Asia Pacific, Europe, North America, Latin America, Middle East & Africa) regions covered by the index.

| Market                               | Code | Income Level <sup>1</sup> | Stage of Development <sup>2</sup> |
|--------------------------------------|------|---------------------------|-----------------------------------|
| <b>Asia Pacific (15)</b>             |      |                           |                                   |
| Australia                            | AUS  | High income               | Innovation Driven                 |
| Hong Kong SAR                        | HKG  | High income               | Innovation Driven                 |
| Japan                                | JPN  | High income               | Innovation Driven                 |
| Korea                                | KOR  | High income               | Innovation Driven                 |
| New Zealand                          | NZL  | High income               | Innovation Driven                 |
| Singapore                            | SGP  | High income               | Innovation Driven                 |
| Chinese Taipei                       | TWN  | High income               | Innovation Driven                 |
| Mainland China                       | CHN  | Upper middle income       | Efficiency Driven                 |
| Malaysia                             | MYS  | Upper middle income       | Efficiency Driven                 |
| Thailand                             | THA  | Upper middle income       | Efficiency Driven                 |
| Bangladesh                           | BGD  | Lower middle income       | Factor Driven                     |
| India                                | IND  | Lower middle income       | Factor Driven                     |
| Indonesia                            | IDN  | Lower middle income       | Factor/Efficiency Driven          |
| Philippines                          | PHL  | Lower middle income       | Factor Driven                     |
| Vietnam                              | VNM  | Lower middle income       | Factor Driven                     |
| <b>Europe (18)</b>                   |      |                           |                                   |
| Belgium                              | BEL  | High income               | Innovation Driven                 |
| Czech Republic                       | CZE  | High income               | Innovation Driven                 |
| Denmark                              | DNK  | High income               | Innovation Driven                 |
| France                               | FRA  | High income               | Innovation Driven                 |
| Germany                              | DEU  | High income               | Innovation Driven                 |
| Hungary                              | HUN  | High income               | Efficiency/Innovation Driven      |
| Ireland                              | IRL  | High income               | Innovation Driven                 |
| Italy                                | ITA  | High income               | Innovation Driven                 |
| Poland                               | POL  | High income               | Efficiency/Innovation Driven      |
| Portugal                             | PRT  | High income               | Innovation Driven                 |
| Spain                                | ESP  | High income               | Innovation Driven                 |
| Sweden                               | SWE  | High income               | Innovation Driven                 |
| Switzerland                          | CHE  | High income               | Innovation Driven                 |
| United Kingdom                       | GBR  | High income               | Innovation Driven                 |
| Israel                               | ISR  | High income               | Innovation Driven                 |
| Romania                              | ROU  | Upper middle income       | Efficiency/Innovation Driven      |
| Russia                               | RUS  | Upper middle income       | Efficiency/Innovation Driven      |
| Turkey                               | TUR  | Upper middle income       | Efficiency/Innovation Driven      |
| <b>North America (2)</b>             |      |                           |                                   |
| Canada                               | CAN  | High income               | Innovation Driven                 |
| United States                        | USA  | High income               | Innovation Driven                 |
| <b>Latin America (9)</b>             |      |                           |                                   |
| Chile                                | CHL  | High income               | Efficiency/Innovation Driven      |
| Uruguay                              | URY  | High income               | Efficiency/Innovation Driven      |
| Argentina                            | ARG  | Upper middle income       | Efficiency Driven                 |
| Brazil                               | BRA  | Upper middle income       | Efficiency Driven                 |
| Colombia                             | COL  | Upper middle income       | Efficiency Driven                 |
| Costa Rica                           | CRI  | Upper middle income       | Efficiency Driven                 |
| Ecuador                              | ECU  | Upper middle income       | Efficiency Driven                 |
| Mexico                               | MEX  | Upper middle income       | Efficiency/Innovation Driven      |
| Peru                                 | PER  | Upper middle income       | Efficiency Driven                 |
| <b>Middle East &amp; Africa (13)</b> |      |                           |                                   |
| Saudi Arabia                         | SAU  | High income               | Factor/Efficiency Driven          |
| United Arab Emirates                 | ARE  | High income               | Innovation Driven                 |
| Algeria                              | DZA  | Upper middle income       | Factor/Efficiency Driven          |
| *Angola                              | AGO  | Upper middle income       | Efficiency Driven                 |
| Botswana                             | BWA  | Upper middle income       | Factor/Efficiency Driven          |
| Islamic Republic of Iran             | IRN  | Upper middle income       | Efficiency Driven                 |
| South Africa                         | ZAF  | Upper middle income       | Efficiency Driven                 |
| Egypt                                | EGY  | Lower middle income       | Factor/Efficiency Driven          |
| Ghana                                | GHA  | Lower middle income       | Factor Driven                     |
| Nigeria                              | NGA  | Lower middle income       | Factor Driven                     |
| Tunisia                              | TUN  | Lower middle income       | Efficiency Driven                 |
| Ethiopia                             | ETH  | Low income                | Factor Driven                     |
| Malawi                               | MWI  | Low income                | Factor Driven                     |
| Uganda                               | UGA  | Low income                | Factor Driven                     |

Notes: \* Angola is the newest market added to the MEA region in the 2019 MIWE publication.

<sup>1</sup> World Bank GNI Per Capita Income Classifiers.

<sup>2</sup> World Economics Forum Stage of Development Classifiers.



| Indicator                          | Description<br>(Source, Period)  |
|------------------------------------|--|
| <b>Women Business Owners (F%M)</b> | -Women Business Owners as a % of Total Business Owners<br>-Measures the bias against women compared to men as business owners defined as owners who employ at least one employee other than themselves<br>(International Labor Organization, 2018) |

### Component A: Women's Advancement Outcomes

| Indicator  | Description<br>(Source, Period)  |
|--|--|
| <b>A1. Women Business Leaders (F%M)</b>                      | - Women Business Leaders as a % of Total Business Leaders<br>- Measures the bias against women compared to men as business leaders defined as general and corporate managers who manage enterprises or their internal departments on the behalf of the proprietor.<br>(International Labor Organization, 2018)   |
| <b>A2. Women Professionals &amp; Technical Workers (F%M)</b> | - Women Professionals & Technical Workers as a % of Total Professionals & Technical Workers<br>- Measures the bias against women compared to men as Professionals, Associate Professionals and Technicians.<br>(International Labor Organization, 2018)  |
| <b>A3. Women Entrepreneurial Activity Rate (F/M)</b>         | - Total early-stage Entrepreneurial Activity (TEA) of Females in the Female Working Age Population as % of TEA of Males in the Male Working Age Population<br>- Measures the bias against women compared to men in early stage entrepreneurial activity which assesses the percent of working age population both about to start an entrepreneurial activity, and that have started one for a maximum of 3 and a half years.<br>(Global Entrepreneurship Monitor, 2009-2018) |
| <b>A4. Women Labor Force Participation (F/M)</b>             | - Female Workforce Participation Rate/Male Workforce Participation Rate<br>- Measures the bias against women compared to men in the workforce defined as the proportion of a market's female/male working-age population that engages actively in the labor market, either by working or looking for work<br>(International Labor Organization, 2018)  |

### Component B: Knowledge Assets and Financial Access

| Indicator  | Description<br>(Source, Period)  |
|--|--|
| <b>B1. Women Borrowing or Saving for Business (F/M)</b>                | Composite of 2 sub-indicators of %F/%M who Borrowed or Saved for Business<br>(World Bank, Global Findex Database, 2017)  |
| % of Females/% of Males who borrowed for business                      | Denotes the percentage of 15+ years old female divided by % of 15+ years old male respondents who report borrowing any money in the past 12 months (by themselves or together with someone else) to start, operate, or expand a farm or business |
| % of Females/% of Males who saved for business                         | Denotes the percentage of 15+ years old female divided by % of 15+ years old male respondents who report saving or setting aside any money in the past 12 months to start, operate, or expand a farm or business                                 |
| <b>B2. Women Financial Inclusion (F/M)</b>                             | Composite of 3 sub-indicators of %F/%M with Financial Account, a Debit Card or a Credit Card<br>(World Bank, Global Findex Database, 2017)   |
| % of Females/% of Males who have an account at a financial institution | Denotes the percentage of 15+ years old female divided by % of 15+ years old male respondents who report having an account (by themselves or together with someone else) at a bank or another type of financial institution.                     |
| % of Females/% of Males who have a debit card                          | Denotes the percentage of 15+ years old female divided by % of 15+ years old male respondents who report having a debit card.  |
| % of Females/% of Males who have a credit card                         | Denotes the percentage of 15+ years old female divided by % of 15+ years old male respondents who report having a credit card.   |
| <b>B3. Support for SMEs</b>  | Composite of 5 sub-indicators of Financial Support for SMEs  |
| Gender bias in access to financial services                            | Measures whether women and men have equal access to financial services by law or custom<br>(OECD, Gender, Institutions and Development Database, 2019)   |
| <b>*Physical Infrastructure (New for 2019)</b>                         | Reflects the perception of whether the physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms<br>(Global Entrepreneurship Monitor, 2015)                                     |
| <b>*Government Program Support (New for 2019)</b>                      | Reflects perception of whether almost anyone who needs help from a government program for a new or growing business can find what they need<br>(Global Entrepreneurship Monitor, 2015)   |
| <b>*Single Government Agency for New Businesses (New for 2019)</b>     | Reflects perception of whether there are a wide range of government assistance for new and growing firms can be obtained through contact with a single agency<br>(Global Entrepreneurship Monitor, 2015)   |
| <b>*Effective Government Programs (New for 2019)</b>                   | Reflect Perception of whether Government programs aimed at supporting new and growing firms are effective<br>(Global Entrepreneurship Monitor, 2015)   |

**Note:** \* The 4 sub-indicators listed above under “B3. Support for SMEs”, namely, Physical Infrastructure, Government Program Support, Single Government Agency for New Businesses, and Effective Government Programs are NEW. They replaced the previous sub-indicators from the 2018 iteration of the MIWE Report (Availability of Finance Programs for Women, SME training & development programs, Ease of Access to Loans, and Affordability of Financial Services).

|   |  |
|---|--|
| <b>B4. Women Tertiary Education Gross Enrollment Rate (F/M)</b> | Gross female enrollment at the tertiary level as a percentage of tertiary age group female population (female tertiary GER) divided by Gross male enrollment at the tertiary level as a percentage of tertiary age group male population (male tertiary GER) (UNESCO, 2012-2016 projected to 2017) |
|---|--|

### Component C: Entrepreneurial Supporting Conditions

| Indicator  | Description (Source)   |
|--|--|
| <b>C1. Ease of Doing Business</b>  | Measures the gap between an economy’s business regulation environment and the best practice (World Bank, Doing Business Database, 2018)  |
| <b>C2. Cultural Perceptions of Entrepreneurs</b>   | Composite of 5 sub-indicators of cultural perceptions of entrepreneurial & leadership abilities  |
| * Values Success through Personal Effort (New for 2019)  | Reflects perception that national culture is highly supportive of individual success achieved through own personal efforts (Global Entrepreneurship Monitor, 2015)   |
| * Values Personal Initiative (New for 2019)  | Reflects perception that national culture emphasizes self-sufficiency, autonomy, and personal initiative (Global Entrepreneurship Monitor, 2015)   |
| * Culture of Risk Taking (New for 2019)  | Reflects perception of whether the national culture encourages entrepreneurial risk-taking (Global Entrepreneurship Monitor, 2015)   |
| * Values Creativity & Innovativeness (New for 2019)  | Reflects Perception of whether national culture encourages creativity and innovativeness (Global Entrepreneurship Monitor, 2015)   |
| * Values Individuality & Independence (New for 2019)   | Reflects Perception of whether national culture emphasizes the responsibility that the individual (rather than the collective) has in managing his or her own life (Global Entrepreneurship Monitor, 2015)   |
| <b>Note:</b> * The 5 sub-indicators listed above under “C2. Cultural Perceptions of Entrepreneurs”, namely, Values Success through Personal Effort, Values Personal Initiative, Culture of Risk Taking, Values Creativity & Innovativeness, and Values Individuality & Independence are NEW. They replaced the previous 5 sub-indicators from the 2018 iteration of the MIWE Report (Ability of women to rise to positions of leadership, Social acceptability of female entrepreneurship, Social Encouragement of female entrepreneurship, Gender bias in exposure to good business opportunities, and Gender bias in entrepreneurial knowledge and skills) |  |
| <b>C3. Quality of Governance</b>   | Composite of 5 governance sub-indicators (World Bank, World Governance Indicators, 2017)   |
| Government Effectiveness   | Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. |
| Regulatory Quality   | Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. |
| Political Stability and Absence of Violence/Terrorism  | Measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.  |
| Control of Corruption  | Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests.   |
| <b>C4. Entrepreneurial Supporting Factors</b>  | Composite of 5 sub-indicators on Entrepreneurial Supporting Factors  |
| *New Business Market Entry (New for 2019)  | Reflects perception of whether new and growing firms can easily enter new markets (Global Entrepreneurship Monitor, 2015)  |
| * Skilled Employees (New for 2019)   | Perception of how easy it is to find skilled employees (WEF, Global Competitiveness Report, 2018)  |
| Intellectual Property Protection   | Perceived extent of intellectual property protection (WEF, Global Competitiveness Report, 2018)  |
| Property Rights  | Perceived extent of protection of property rights, including financial assets (WEF, Global Competitiveness Report, 2018)   |
| * Attitudes toward Entrepreneurial Failure (New for 2019)  | Perceived attitude toward entrepreneurial failure (WEF, Global Competitiveness Report, 2018)   |

**Note:** \* The 3 sub-indicators listed above under “C4. Entrepreneurial Supporting Factors”, namely, New Business Market Entry, Skilled Employees, and Attitudes toward Entrepreneurial Failure are NEW. They replaced the previous 3 sub-indicators from the 2018 iteration of the MIWE Report (New Business Government Programs, Quality of the Education System, and Intensity of Local Competition).

| Supporting Data  |  |
|--|--|
| Indicator  | Description (Source)   |
| <i>Entrepreneurial Activity Rate (Male and Female)</i>             | Total early-stage Entrepreneurial Activity (TEA) of Females in the Female Working Age Population and TEA of Males in the Male Working Age Population.<br><br>TEA is the percent of the working age population that is about to start an entrepreneurial activity, or that has started one for a maximum of 3 and a half years.<br>(Global Entrepreneurship Monitor, 2009-2018)   |
| <i>Necessity Driven Entrepreneurship (Male and Female)</i>         | Percentage females or males involved in female or male Total early-stage Entrepreneurial Activity (TEA) respectively who are involved in entrepreneurship because they had no other option for work<br>(Global Entrepreneurship Monitor, 2009-2018)  |
| <i>Opportunity Driven Entrepreneurship (Male and Female)</i>       | Percentage females or males involved in female or male Total early-stage Entrepreneurial Activity (TEA) respectively who (i) claim to be driven by opportunity as opposed to finding no other option for work; and (ii) who indicate the main driver for being involved in this opportunity is being independent or increasing their income, rather than just maintaining their income<br>(Global Entrepreneurship Monitor, 2009-2018) |
| <i>Parliament Representation (Male and Female)</i>                 | Women or Men in Parliament as % of Total Parliament Members<br>(Inter-parliamentary Union, 2018)   |
| <i>Labor Force Participation (Male and Female)</i>                 | Female Workforce Participation Rate or Male Workforce Participation Rate<br>Where workforce participation rate is defined as the proportion of a market's female/male working-age population that engages actively in the labor market, either by working or looking for work<br>(International Labor Organization, 2018)  |
| <i>Employees as % of Labor Force (Male and Female)</i>             | Female or Male employees as a % of Female or Male Labor Force respectively- (International Labor Organization, 2017)   |
| <i>Tertiary Education Gross Enrollment Rate (Male and Female)</i>  | Gross female or male enrollment at the tertiary level as a percentage of tertiary age group female or male population respectively<br>(UNESCO, 2012-2018 projected to 2018)  |
| <i>Secondary Education Gross Enrollment Rate (Male and Female)</i> | Gross female or male enrollment at the secondary level as a percentage of secondary age group female or male population respectively<br>(UNESCO, 2012-2018 projected to 2018)  |



2.0



# Overview of Key Findings

The results from the **Mastercard Index of Women Entrepreneurs (MIWE) 2019** echoed a positive correlation with the **Benchmark Women Business Owners**. Women in the **United States, New Zealand, and Canada** took the reins as the top 3 MIWE performers, displaying admirable and distinct traits of high women business ownership fueled by highly supportive and conducive entrepreneurial factors. Of the 58 markets, **American** women outperformed all global peers, topping the MIWE chart in 1st spot (score of 70.3) driven by an increase in 'Women Entrepreneurial Activity Rate (F/M)' from 64.1% in 2018 to 76.8% in the latest 2019 data. Women in **New Zealand** continued to make astounding strides in the business world, securing 2nd spot in the MIWE (score of 70.2, only marginally lower than US's score of 70.3) against a backdrop of very supportive entrepreneurial conditions. This likely played an instrumental role in promoting women's role in society as business owners (around 3 out of every 10 business owners are female). In 3rd place, **Canadian** women are among the most highly represented globally as professionals and technical workers (57.6, rank 4), and are best placed in terms of access to financial services and products (100.0, rank 1) and quality of governance (95.0, rank 3). The latest results also point to an increase in female entrepreneurial activity rate (up from 15.0% in 2017 to 17.0% in 2018) in Canada, contrasting the decline in men's engagement in entrepreneurial activity from 22.6% in 2017 to 20.4% in 2018.



Based on the latest updates from the International Labor Organization, **women's share of the business world for 2018 (Women Business Owners F%T) remained broadly unchanged** with only slight variations noted in a few markets: UAE (up 6.5% from 7.2 in 2017 to 7.7 in 2018), Costa Rica (up 3.2% from 20.9 in 2017 to 21.6 in 2018), Tunisia (up 3.0% from 10.6 to 10.9), and Bangladesh (up 3.0% from 4.2 to 4.4).

It is encouraging to note women achieving **gender equality in entrepreneurial activity rate in 7 markets** (1 more than the previous year), including Ecuador, Indonesia, Philippines, Vietnam, Ghana, Nigeria, and Uganda. This suggests that in these economies, women are just as inclined as men to engage in entrepreneurship.

In terms of **'Component A: Women's Advancement Outcomes'** as a measure of women's ability to thrive as business leaders, professional & technical workers, entrepreneurs, and labor force participants, women in Asia Pacific continue to make strong strides with 4 markets assuming the top 10 positions: Philippines (score of 65.7, rank 1), Thailand (rank 4), Vietnam (60.5, rank 7), and New Zealand (59.7, rank 10).

In terms of **'Component B: Knowledge Assets & Financial Access'** as a proxy of women's inclination to borrow or save to start a business, women's access to financial services and products as well as tertiary education, the latest findings showed women in Asia Pacific taking a prominent lead, with Malaysia, Singapore, South Korea and Vietnam assuming 1st, 2nd, 3rd, and 5th spots, respectively. Women in these markets are driven by high access to financial products and services, strong support for SMEs, and high opportunities to tertiary education. The results also showed **women in European markets such as Ireland, Switzerland, the UK, France and Denmark positioned strongly** in Component B: Knowledge Assets & Financial Access, fueled by very supportive and enabling underlying conditions for SMEs, and high access to financial services and products. While women in most markets are equally or nearly as likely as men to be enrolled in tertiary education, those in the Middle East & North African (MENA) lower-income markets such as Ethiopia, Malawi, Uganda, Angola, Ghana, and Nigeria continue to be marginalized with very low opportunities for higher-level education.

In terms of **Component C: Supporting Entrepreneurial Conditions**, women entrepreneurs in Asia Pacific, Europe and North America are driven by favorable and enabling conditions such as high ease of doing business, positive cultural and social regard for entrepreneurship, high quality of governance, availability of skilled employees, proper business regulations and procedures such as intellectual property protection, and ease of market entry for new businesses.

## Replacement of Sub-Indicators

It should be noted that 12 sub-indicators from the indicators 'Support for SMEs', 'Cultural Perceptions of Entrepreneurs' and 'Entrepreneurial Supporting Factors' have been replaced since the previous iteration of the MIWE 2018 as they have been discontinued by the sources or are no longer being regularly updated. Therefore, the data and rankings for this 2019 publication should not be compared with the previous 2 years' publication.

| Previous Sub-Indicator that has been Replaced due to Discontinuity by Sources | New Sub-Indicator                           |  |
|---|---|--|
| Availability of Finance Programs for Women                                    | Physical Infrastructure                     | Sub-indicators for 'Support for SMEs' – Component B                      |
| SME Training & Development Programs   | Government Program Support                  |  |
| Ease of Access to Loans   | Single Government Agency for New Businesses |  |
| Affordability of Financial Services   | Effective Government Programs               |  |
| Ability of women to rise to positions of leadership                           | Values Success through Personal Effort      | Sub-indicators for 'Cultural Perceptions of Entrepreneurs' – Component C |
| Social acceptability of female entrepreneurship                               | Values Personal Initiative                  |  |
| Social encouragement of female entrepreneurship                               | Culture of Risk taking                      |  |
| Gender bias in exposure to good business opportunities                        | Values Creativity and Innovativeness        |  |
| Gender bias in entrepreneurial knowledge and skills                           | Values individuality and Independence       | Sub-indicators for 'Entrepreneurial Supporting Factors' – Component C    |
| New Business Government Programs  | New Business Market Entry                   |  |
| Quality of the Education System   | Ease to find Skilled Employees              |  |
| Intensity of Local Competition  | Attitudes toward Entrepreneurial Failure    |  |

Table 1: Sub-Indicators that have been replaced

## Components that Changed the Most

Of the 3 MIWE Components, **Component A: Women's Advancement Outcomes** recorded the most changes from the previous year due to fluctuations in the sub-indicator 'Women Entrepreneurial Activity Rate (F/M)'. As a proxy of bias against women in early-stage entrepreneurial activities, the results pointed to sharp declines in some markets across all regions, suggesting a widening in gender gap. These markets included:

| Market       | Decline in Women Entrepreneurial Activity Rate – F/M |
|--------------|--|
| Mexico       | down -35.6% from gender parity 100.0 to 64.4         |
| Sweden       | down -35.0% from 64.8 to 42.1                        |
| Saudi Arabia | down -30.4% from 83.1 to 57.8                        |
| Iran         | down -22.7% from 65.2 to 50.4                        |
| Singapore    | down -22.0% from 61.9 to 48.3                        |
| India        | down -21.9% from 79.6 to 62.1                        |

Table 2: Markets with sharp widening in gender gap for entrepreneurial activity rate

In contrast, **a narrowing in gender divide was observed in:**

| Market         | Increase in Women Entrepreneurial Activity Rate – F/M |
|----------------|---|
| France         | up 73.5% from 43.6 to 75.7                            |
| Chinese Taipei | up 53.1% from 56.4 to 86.3                            |
| Indonesia      | up 44.3% from 69.3 to 100.0                           |
| Japan          | up 38.6% from 43.1 to 59.7                            |
| Costa Rica     | up 36.8% from 69.0 to 94.5                            |
| Italy          | up 31.5% from 38.7 to 50.9                            |
| Canada         | up 25.6% from 66.4 to 83.3                            |
| United States  | up 19.9% from 64.1 to 76.8                            |

Table 3: Markets with sharp narrowing in gender gap for entrepreneurial activity rate

In Ecuador, Indonesia and Uganda, an increase in women’s participation in entrepreneurial activities brought them at par with men (‘Women Entrepreneurial Activity Rate F/M’ = 100.0). Meanwhile, improvements in Angola, Malawi, Costa Rico, Thailand, UAE, and Chinese Taipei also helped narrow gender disparity.

## Gender Bias

The latest results also showed gender bias to be most pronounced in Component A: Women’s Advancement Outcomes, especially with regards to women’s ability to rise in society as business leaders, professional and technical roles, entrepreneurs, and labor force participants.

Specifically, women’s role as business leaders remained particularly low in the following regions and markets:

| Region                          | Low Women Business Leaders (Female as % of Total) |
|---------------------------------|---|
| <b>Asia Pacific</b>             |   |
| Bangladesh                      | 10.6%   |
| India                           | 14.3%   |
| Japan                           | 12.0%   |
| Korea                           | 12.4%   |
| <b>Middle East &amp; Africa</b> |   |
| Saudi Arabia                    | 6.7%  |
| United Arab Emirates            | 10.6%   |
| Egypt                           | 6.5%  |
| Tunisia                         | 14.5%   |
| Malawi                          | 14.6%   |
| <b>Europe</b>                   |   |
| Turkey                          | 15.7%   |

Table 4: Markets with Low Women Business Leaders Representation

Women’s labor force participation rate remained particularly low in MEA markets such as Saudi Arabia (29.5%), UAE (54.8%), Iran (23.6%), and Algeria (22.1%), and Turkey (46.2%) in Europe.





## Correlation between Progress as Entrepreneurs & Wealth/ Advancement of Economies

The latest results from MIWE 2019 reaffirmed the trend that **female business owners/entrepreneurs appear to flourish in high-income and advanced economies such as the US, New Zealand, Canada, Australia, Ireland, Switzerland and Singapore where the component scores for women's advancement, women's knowledge assets and financial access, and underlying entrepreneurial conditions are higher.**

In these open and vibrant markets where the support for SMEs and ease of doing business are high, women tend to make further inroads in the business world and are able to establish a more prominent and empowered standing in society as business leaders and owners and active contributors to the economy (high labor force participation rates). For instance, out of the top 20 MIWE ranking markets, 80% are high income economies (e.g. US and New Zealand), 10% are upper middle income (e.g. Thailand and Columbia), and the remaining 10% lower middle income (e.g. Philippines and Vietnam).

In contrast, markets that scored and ranked lower in the MIWE 2019 results tend to be less wealthy and developed and are concentrated in the Middle East and North African region. In these markets such as Uganda, Malawi, Egypt, Saudi Arabia, Ethiopia, Iran, Algeria and the UAE, the conditions for women to advance as entrepreneurs and business leaders and professionals are considerably less enabling, such as: (i) restraining social barriers that make women entrepreneurs less accepted/regarded in society; (ii) restrictive financial barriers that prevent women from obtaining funding for business startups due to lack of collateral; and (iii) biased economic systems whereby women are sidelined in the workplace.



## Anomalies/Outliers

The results show women's advancement as business owners/entrepreneurs in certain markets to be way ahead of their global and regional peers. These are predominantly low, lower-middle or upper-middle income and less developed economies in the MEA region such as Uganda, Malawi, Angola, Ghana, Botswana, and Nigeria, where women appear to thrive in the business world in spite of weaker supportive entrepreneurial conditions, and less knowledge assets and financial access. For instance, **Angola**, the newest market added to the MIWE, demonstrate unique traits whereby women's business ownership rates (F%T) and women's entrepreneurial activity rates (F/M) are ranked very highly at 9th and 8th, respectively, despite lagging markedly in Component B: Knowledge Assets & Financial Access and Component C: Entrepreneurial Supportive Factors. In addition, women's labor force participation rate is nearly at par with men (F/M: 94.2%, rank 1). There are various reasons why this may be the case.

From an economic perspective, employment prospects are very poor in **Angola** with the jobless rates averaging around 20% in 2018. Growth dynamics have also been sluggish with annual GDP growth rates disappointing in the contractionary zone (-0.1% in 2017 and -1.7% in 2018), dragged by declines in the country's all-important oil sector and muted growth in other core sectors such as agriculture, trade, construction and production of minerals and diamonds. Given these tough conditions, women may be pressed to seek work in the labor force to help supplement family/household income or support oneself, thus the high female labor force participation rate of 75.4% compared to 80.1% for men. Data also showed women are not only nearly at par with men to be engaged in entrepreneurial activities (F/M: 99.3%, rank 8), of those who are entrepreneurs, nearly half are driven out of necessity (49.5% compared to 27.5% for men). This could be due to several reasons: (i) lack of employment opportunities given the high national jobless rate of 20%, and (ii) very low female tertiary education gross enrollment rate of 8.5% suggests that most are not qualified to work and are forced to start small businesses for a living.

## 2.1 Benchmark: Women Business Owners

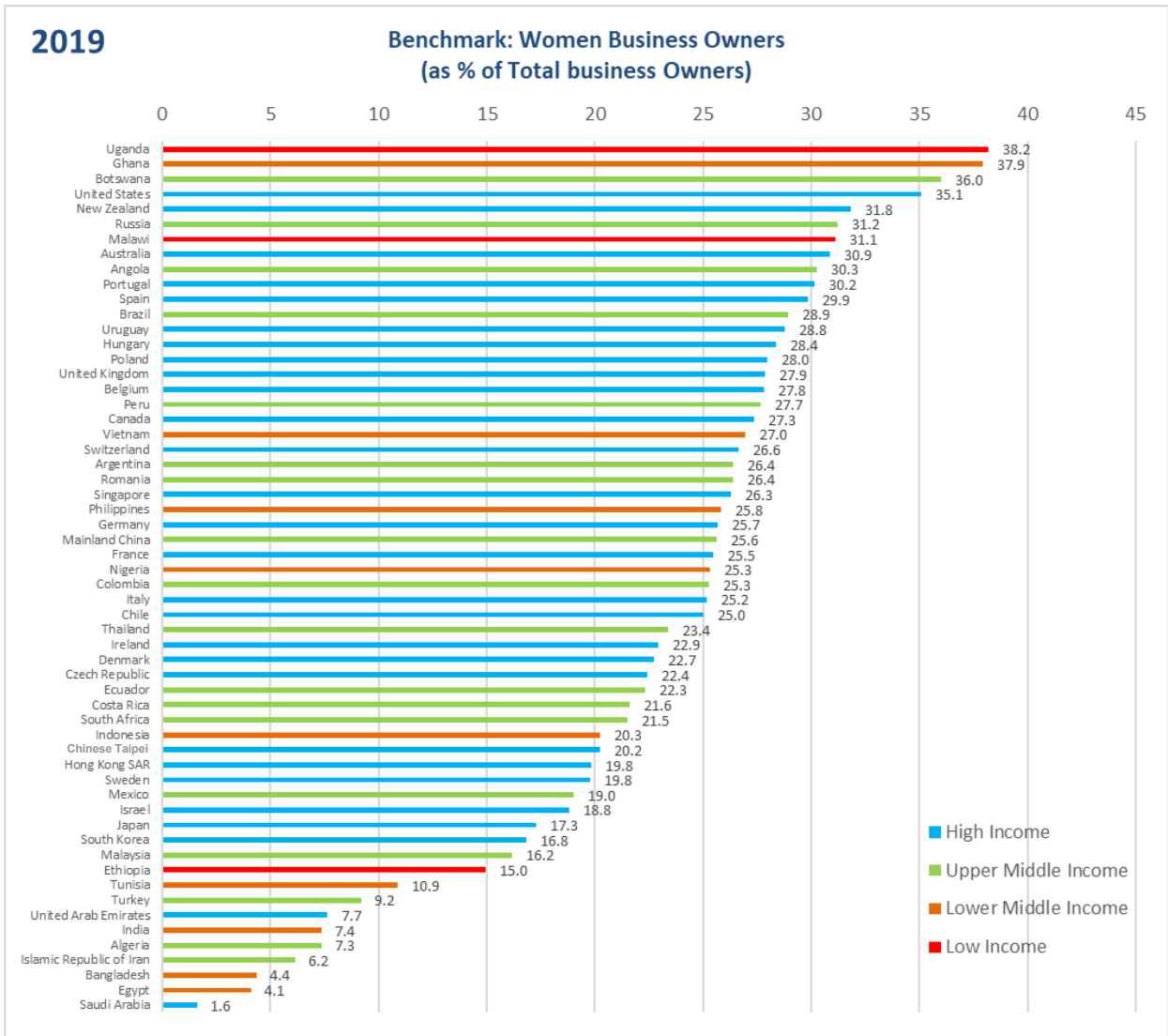
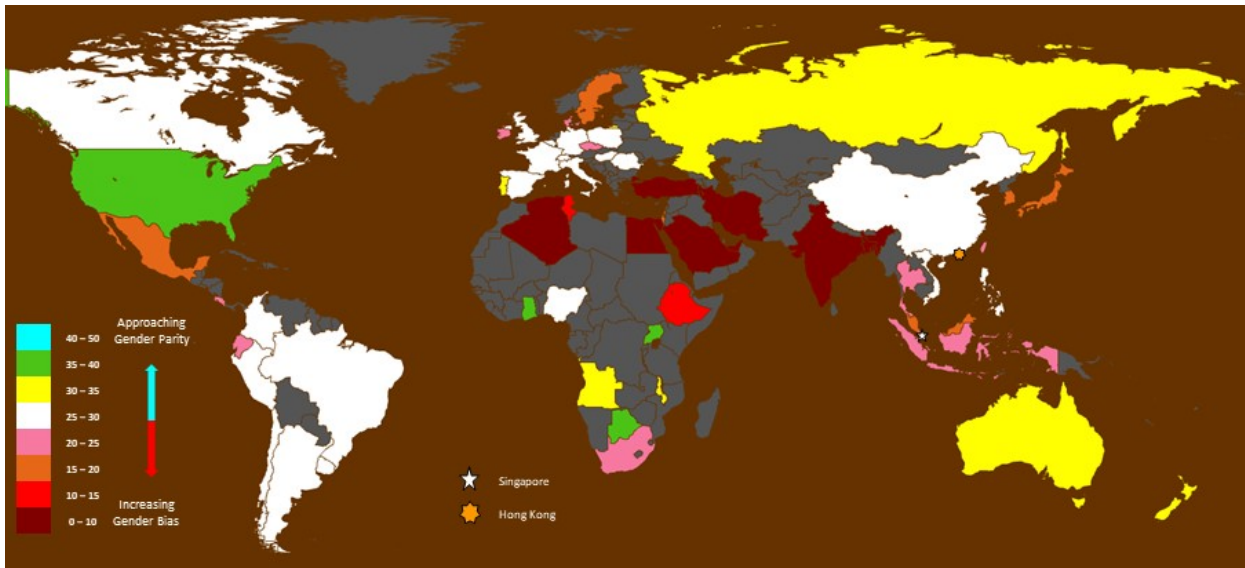
**Women Business Owners** (Female Owners as a percentage of Total Business Owners, F%T) is the benchmark indicator of the Mastercard Index of Women Entrepreneurs 2019 (MIWE). The map below depicts the latest women's business ownership across the 58 markets measured.

Despite being less wealthy, less developed and lagging in terms of knowledge assets, financial access and supporting entrepreneurial conditions, the MEA markets of Uganda (38.2%, rank 1), Ghana (37.9%, rank 2), Botswana (36.0%, rank 3), Malawi (31.1%, rank 7) and Angola (30.3%, rank 9) are positioned among the top 10 globally in terms of Women's Business Ownership Rates (F%T). For instance, in the leading markets of Uganda and Ghana, nearly 4 in every 10 business owners are female. These markets are ranked very low in the Mastercard Index of Women Entrepreneurs 2019, largely due to inhibitive factors such as poor quality of governance, low women financial inclusion (F/M), poor support for SMEs, less opportunities for women to rise in the workplace as business leaders and professionals/technicians due to generally lower prospects for tertiary education, and higher barriers to business.

According to **research findings from the World Bank, women in MEA are generally marginalized in the following ways:**

- Disparity in access to the Internet & Technology
- Institutional barriers to accessing funding such as high interest rates, lack of collateral guarantees, complicated process and lack of business track record to secure financing
- Restrictive cultural and social norms among Arab societies whereby women business owners are often restricted by family or cultural expectations that impede them from accessing the financial and business services they need to help drive their business ventures
- Lack of confidence needed to deal with the region's bureaucracies and financial institutions because of hostility and criticism they receive from communities.

Yet, despite being undermined by the prevalence of such persistent and widespread disparities and inequalities, women's determination to start their own business in these lower income and factor-driven MEA markets cannot be overlooked. In fact, the results show women in 3 markets being equally driven as men to pursue entrepreneurial activities (F/M of 100.0), and nearly at par in 2 markets (Angola and Malawi with F/M ratios of 99.3 and 94.5, respectively). More importantly, it brings to light how much more women can contribute economically and socially if such barriers are removed, or systems improved.





High rates of women business ownership ranging between 30% to 35% are also found in other regions highlighted in **yellow color** on the map such as North America (United States, 35.1%) and Asia Pacific (New Zealand, 31.8%). WBO rates are also quite high across most European markets (indicated in **white color** on the map) such as: Portugal (30.2%), Spain (29.9%) and Hungary (28.4%). In general, the **high representation of female business owners in these European markets appear to be positively correlated to** high women business leadership (F%T), high women tertiary education gross enrollment rate (F/M), fairly strong women labor force participation rate (F%T), as well as good quality of governance, ease of doing business and entrepreneurial supporting factors. These markets are also ranked highly in the Mastercard Index of Women Entrepreneurs 2019.

Meanwhile, women business ownership of between **20-25% (pink)** are scattered across the globe in Latin America (Colombia and Costa Rica), MEA (South Africa), Asia Pacific (Indonesia and Thailand), and Europe (Denmark, Ireland, and Czech Republic). Finally, economies where WBO rates are very low of between 10 to 20% (shaded in **red** and **orange**) are scattered across all regions with the lowest situated in MEA and Asia: Saudi Arabia (WBO 1.6%), Egypt (4.1%), Bangladesh (4.4%). These economies also scored very poorly in the MIWE 2019 index, mostly weighed down by poor progress in women's advancement as business leaders and professionals, lack of access to financial service and products, and lower quality of governance.

The reverse is also observed in other markets such as Australia, Italy, Poland, Hungary, Uruguay, Belgium, Brazil, Malawi, Russia, Peru, and Great Britain where high WBO rates are achieved irrespective of very poor or negative cultural perception of entrepreneurship. For instance, societies in Europe such as Italy and Hungary convey notably less recognition for individual success attained through personal effort and initiative than peers in Ireland, Portugal and Great Britain. In **Italy**, this could be due to the higher fear of failure (52% compared to global and regional averages of 36% and 39%), in turn hindering further growth in Women Business Ownership rate of 25.2% despite the availability of schemes such as the zero-interest loans for startups and the Guarantee Fund for SMEs (Fondo di Garanzia) which helps startups by guaranteeing 80% of a bank loan.<sup>ii</sup>

## India: Low Progress in Women Business Ownership/ Entrepreneurship but Some Public Initiatives being Rolled Out

In **India**, out of 100 business owners, only 7 are female. In fact, data from GEM showed a -21.9% decline in Women Entrepreneurial Activity Rate (F/M) from 79.6% in 2017 to 62.1% in 2018 due to an increase in men's entrepreneurial activity rate from 10.3% to 14.0%, leading to a widening in gender gap. Of those who started a business, half (49.9%) do so out of necessity, rather than to pursue an opportunity – this is similar for males (44.2%). The motivation or ability to grow a business among the adult population is very low, with only 8% expecting to create 6 or more jobs over the next 5 years – one of the lowest rates among the 60 markets measured by GEM. This compares poorly against the global and regional averages of 21% and 23%, respectively. This may be due to the fact that more than half of adult are risk-averse: 'Fear of Failure Rate' of 50% compared to 36% globally and 38% regionally. This is reflected in the low entrepreneurial intention rate of 21% (2018) compared to 24% globally and 26% regionally. **Despite this, India stands out for its high proportion of innovative entrepreneurs, with nearly half report they have innovative services or products.** <sup>iii</sup>

Although interest rates have been on a downward trend over the late 2018 and 2019, and the Indian government has recently launched a 59-minute loan platform to make access to credit for micro, small and medium enterprises (MSME) easier, women's inclination to borrow for business purposes remained unchanged, averaging at 5.7% over 2016 to 2018. However, there has been a slight increase in women's tendency to save to start a business, rising from 4.5% in 2016 to 7.3% in 2018. This suggests that for every 100 women who saved, 7 did so with the intention to use the savings to fund a business startup. For most nascent entrepreneurs, despite the availability of a number of private equity and debt funding options, getting funding at the onset of a business idea or early phase of an entrepreneurial pursuit is not easy. Reports showed that less than 5% of MSMEs have access to formal credit, while others rely on informal sources to fund their businesses. This may explain the lower business ownership and low entrepreneurial activity rates.

In order to overcome the challenges of setting up business, the government has recently launched a 59-minute loan platform that allows for easy access to credit for micro, small and medium enterprises (MSME). Data from the World Bank "Doing Business Database, 2018" pointed to an improvement in 'Ease of Doing Business' in India from 60.6 (rank 44) to 67.2 (rank 39) as well as an increase in 'Women Financial Inclusion (F/M)' from 58.2 (rank 51) to 69.0 (rank 43).

## Opportunity versus Necessity-Driven Entrepreneurship

In general, business ownership rates tend to be driven by perceived good opportunities whereby individuals seek to improve their income or financial independence. However, the index findings showed that there are cases where businesses are not always initiated on opportunistic grounds. These are found in the leading women business ownership (WBO) markets in MEA (Uganda, Ghana, Botswana, Malawi and Angola) and in Europe (Russia and Belgium). Here, women tend to start businesses out of necessity, especially in Ghana, Botswana, Russia, Malawi, Angola and Brazil where around 4 in 10 entrepreneurs are driven into business out of necessity. In developed markets such as Australia, Hungary, UK, Switzerland, Canada, Belgium and the US, high fear of failing rates (above 35%) do not appear to deter women from wanting to improve their income or financial situations. In these markets, more than 7 out of every 10 entrepreneurs are driven by opportunities.

The findings also showcased women's ability to thrive as business owners and pursue opportunities even where cultural and social conditions are not optimal. These are demonstrated in Spain, Brazil, Uruguay, and Hungary where WBO rates and Improvement-Driven Opportunity entrepreneurial tendencies are both high in spite of the lack of cultural acceptance/social encouragement. In the United States, New Zealand, Canada, UK, Vietnam and Switzerland, high WBO rates are consistent with high tendencies to pursue opportunities and positive regard for entrepreneurship. In the leading markets of Uganda, Ghana, and New Zealand, women are able to thrive in the business world due to amicable social conditions and very low fear of failure.

| Markets with High WBO Rates | WBO Rates (%) | Improvement-Driven Opportunity Entrepreneurial (Relative Prevalence) | Necessity-Driven Entrepreneurial (Relative Prevalence) | Fear of Failing Rate (%) | Cultural Perception of Entrepreneurs (Index Score) |
|-----------------------------|---------------|--|--|--------------------------|--|
| Uganda                      | 38.2          | 54.2   | 18.9   | 12.6                     | 67.2   |
| Ghana                       | 37.9          | 44.1   | 33.3   | 24.6                     | 63.1   |
| Botswana                    | 36.0          | 50.1   | 35.6   | 18.9                     | 51.9   |
| United States               | 35.1          | 78.3   | 8.1  | 35.2                     | 75.6   |
| New Zealand                 | 31.8          | 78.9   | 7.2  | 22.0                     | 61.6   |
| Russia                      | 31.2          | 54.2   | 39.8   | 46.4                     | 55.1   |
| Malawi                      | 31.1          | 29.4   | 43.7   | 15.1                     | 48.3   |
| Australia                   | 30.9          | 82.2   | 16.8   | 41.4                     | 52.9   |
| Angola                      | 30.3          | 57.0   | 38.8   | 16.6                     | 57.6   |
| Portugal                    | 30.2          | 77.7   | 20.8   | 38.1                     | 58.0   |
| Spain                       | 29.9          | 70.7   | 22.6   | 36.2                     | 48.9   |
| Brazil                      | 28.9          | 61.8   | 37.5   | 32.6                     | 43.2   |
| Uruguay                     | 28.8          | 66.3   | 29.4   | 27.4                     | 39.9   |
| Hungary                     | 28.4          | 77.4   | 20.1   | 43.2                     | 35.8   |
| Poland                      | 28.0          | 90.9   | 8.4  | 31.1                     | 48.6   |
| United Kingdom              | 27.9          | 84.2   | 12.9   | 37.7                     | 59.4   |
| Belgium                     | 27.8          | 44.3   | 27.5   | 48.9                     | 45.7   |
| Peru                        | 27.7          | 73.2   | 23.1   | 30.2                     | 55.2   |
| Canada                      | 27.3          | 79.3   | 13.7   | 42.3                     | 66.2   |
| Vietnam                     | 27.0          | 84.2   | 15.9   | 46.6                     | 60.4   |
| Switzerland                 | 26.6          | 87.1   | 7.4  | 39.9                     | 65.3   |

Table 5: Correlation between Markets with High WBO Rates & Other Entrepreneurial Conditions

Source: GEM 2018 Adult Population Survey



## Inter-Regional Differences in WBO

The results showed that there are **inter-regional differences in women's ability to succeed in the business world**. This is most apparent in Middle East and Africa (MEA) and Asia Pacific. While women outperform as business owners in MEA markets such as Uganda, Ghana, Botswana, Malawi and Angola, their regional peers in Saudi Arabia, Egypt, Iran, Algeria, UAE, Tunisia and Ethiopia trail substantially with very low WBO rates of 15% and below. These markets tend to have very poor scores for all 3 components, especially in terms of women's role as business leaders, professionals/technical workers, active labor force participants, and their ability to have fair access to financial services and products. Similarly, in Asia Pacific, women in New Zealand, Australia and Vietnam surpass their regional peers such as Bangladesh, India, Malaysia, South Korea and Japan in terms of their share of the female business world.

## Changes in WBO Score & Ranking: 2018 to 2019

Table 6 below shows that over the past 12 months, the Women Business Ownership Rate (F%T) scores **and rankings of the 58 markets remained broadly unchanged**. An increase of 2% or more was observed in 4 markets: Tunisia (up 3.0% from 10.6 in 2018 to 10.9 in 2019), Costa Rica (up 3.1% from 20.9 to 21.6), UAE (up 6.5% from 7.2 to 7.7), and Bangladesh (up 3.0% from 4.2 to 4.4). Some markets registered marginal declines, with Saudi Arabia pulling back slightly by -2.8% from 1.65 to 1.60. The overall rankings remained largely similar, with minor shifts in rankings of 1 spot in some markets. Only 3 markets posted changes in rankings of 2 spots: Belgium (down 2 places from 15th to 17th), Algeria (down 2 from 52nd to 54th), and UAE (up 2 from 54th to 52nd).



| Market                   | Women Business Owners (F%T) SCORE |       |                     | Women Business Owners (F%T) RANKING |      |                         |
|--------------------------|-----------------------------------|-------|---------------------|-------------------------------------|------|-------------------------|
|                          | 2019                              | 2018* | Change in SCORE (%) | 2019                                | 2018 | Change in RANKING (+/-) |
| Uganda                   | 38.2                              | 38.1  | 0.3                 | 1                                   | 1    | 0                       |
| Ghana                    | 37.9                              | 37.8  | 0.2                 | 2                                   | 2    | 0                       |
| Botswana                 | 36.0                              | 36.0  | 0.0                 | 3                                   | 3    | 0                       |
| United States            | 35.1                              | 35.1  | -0.1                | 4                                   | 4    | 0                       |
| New Zealand              | 31.8                              | 31.4  | 1.4                 | 5                                   | 5    | 0                       |
| Russia                   | 31.2                              | 31.0  | 0.5                 | 6                                   | 6    | 0                       |
| Malawi                   | 31.1                              | 31.0  | 0.2                 | 7                                   | 7    | 0                       |
| Australia                | 30.9                              | 30.8  | 0.2                 | 8                                   | 8    | 0                       |
| **Angola                 | 30.3                              | 30.2  | 0.2                 | 9                                   | 10   | +1                      |
| Portugal                 | 30.2                              | 30.3  | -0.3                | 10                                  | 9    | -1                      |
| Spain                    | 29.9                              | 29.8  | 0.2                 | 11                                  | 11   | 0                       |
| Brazil                   | 28.9                              | 28.8  | 0.4                 | 12                                  | 13   | +1                      |
| Uruguay                  | 28.8                              | 29.2  | -1.5                | 13                                  | 12   | -1                      |
| Hungary                  | 28.4                              | 28.4  | 0.0                 | 14                                  | 14   | 0                       |
| Poland                   | 28.0                              | 27.9  | 0.4                 | 15                                  | 16   | +1                      |
| United Kingdom           | 27.9                              | 27.8  | 0.4                 | 16                                  | 17   | -1                      |
| Belgium                  | 27.8                              | 28.1  | -1.0                | 17                                  | 15   | -2                      |
| Peru                     | 27.7                              | 27.6  | 0.2                 | 18                                  | 18   | 0                       |
| Canada                   | 27.3                              | 27.3  | 0.0                 | 19                                  | 19   | 0                       |
| Vietnam                  | 27.0                              | 26.6  | 1.1                 | 20                                  | 20   | 0                       |
| Switzerland              | 26.6                              | 26.6  | 0.0                 | 21                                  | 21   | 0                       |
| Argentina                | 26.4                              | 26.5  | -0.5                | 22                                  | 22   | 0                       |
| Romania                  | 26.4                              | 26.4  | 0.0                 | 23                                  | 24   | +1                      |
| Singapore                | 26.3                              | 26.5  | -0.6                | 24                                  | 23   | -1                      |
| Philippines              | 25.8                              | 25.6  | 0.9                 | 25                                  | 26   | +1                      |
| Germany                  | 25.7                              | 25.6  | 0.3                 | 26                                  | 25   | -1                      |
| Mainland China           | 25.6                              | 25.4  | 0.8                 | 27                                  | 27   | 0                       |
| France                   | 25.5                              | 25.4  | 0.3                 | 28                                  | 28   | 0                       |
| Nigeria                  | 25.3                              | 25.1  | 0.8                 | 29                                  | 30   | +1                      |
| Colombia                 | 25.3                              | 25.2  | 0.4                 | 30                                  | 29   | -1                      |
| Italy                    | 25.2                              | 25.0  | 0.5                 | 31                                  | 31   | 0                       |
| Chile                    | 25.0                              | 24.8  | 0.8                 | 32                                  | 32   | 0                       |
| Thailand                 | 23.4                              | 23.2  | 0.7                 | 33                                  | 33   | 0                       |
| Ireland                  | 22.9                              | 22.9  | 0.0                 | 34                                  | 35   | +1                      |
| Denmark                  | 22.7                              | 23.0  | -1.1                | 35                                  | 34   | -1                      |
| Czech Republic           | 22.4                              | 22.3  | 0.6                 | 36                                  | 36   | 0                       |
| Ecuador                  | 22.3                              | 22.0  | 1.3                 | 37                                  | 37   | 0                       |
| Costa Rica               | 21.6                              | 20.9  | 3.1                 | 38                                  | 39   | +1                      |
| South Africa             | 21.5                              | 21.4  | 0.5                 | 39                                  | 38   | -1                      |
| Indonesia                | 20.3                              | 20.0  | 1.4                 | 40                                  | 41   | +1                      |
| Chinese Taipei           | 20.2                              | 20.1  | 0.4                 | 41                                  | 40   | -1                      |
| Hong Kong SAR            | 19.8                              | 19.6  | 0.9                 | 42                                  | 43   | +1                      |
| Sweden                   | 19.8                              | 19.8  | 0.0                 | 43                                  | 42   | -1                      |
| Mexico                   | 19.0                              | 18.9  | 0.7                 | 44                                  | 45   | +1                      |
| Israel                   | 18.8                              | 19.0  | -0.7                | 45                                  | 44   | -1                      |
| Japan                    | 17.3                              | 16.9  | 1.9                 | 46                                  | 46   | 0                       |
| South Korea              | 16.8                              | 16.6  | 1.3                 | 47                                  | 47   | 0                       |
| Malaysia                 | 16.2                              | 16.0  | 1.3                 | 48                                  | 48   | 0                       |
| Ethiopia                 | 15.0                              | 14.9  | 0.5                 | 49                                  | 49   | 0                       |
| Tunisia                  | 10.9                              | 10.6  | 2.9                 | 50                                  | 50   | 0                       |
| Turkey                   | 9.2                               | 9.1   | 1.5                 | 51                                  | 51   | 0                       |
| United Arab Emirates     | 7.7                               | 7.2   | 6.1                 | 52                                  | 54   | +2                      |
| India                    | 7.4                               | 7.3   | 1.0                 | 53                                  | 53   | 0                       |
| Algeria                  | 7.3                               | 7.4   | -1.1                | 54                                  | 52   | -2                      |
| Islamic Republic of Iran | 6.2                               | 6.2   | -0.4                | 55                                  | 55   | 0                       |
| Bangladesh               | 4.4                               | 4.2   | 2.9                 | 56                                  | 56   | 0                       |
| Egypt                    | 4.1                               | 4.0   | 1.6                 | 57                                  | 57   | 0                       |
| Saudi Arabia             | 1.60                              | 1.65  | -2.9                | 58                                  | 58   | 0                       |

Table 6: Change in Score &amp; Ranking for Women Business Ownership (F%T) – 2018 to 2019

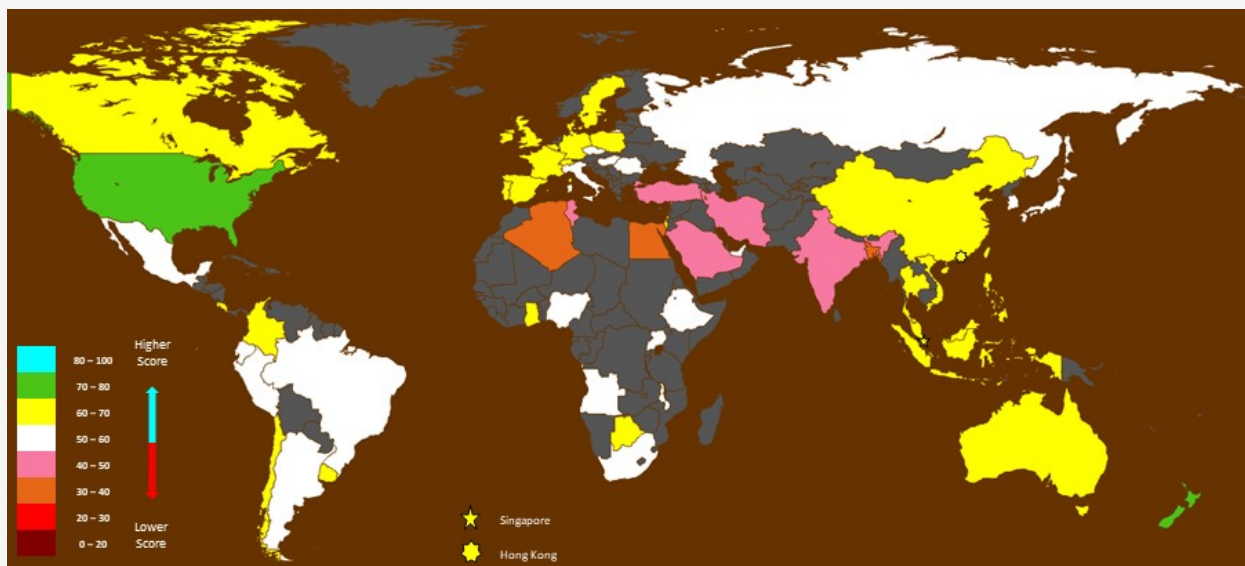
Note: \*Scores for 2018 are different from that shown in the previous year's report due to data updates.

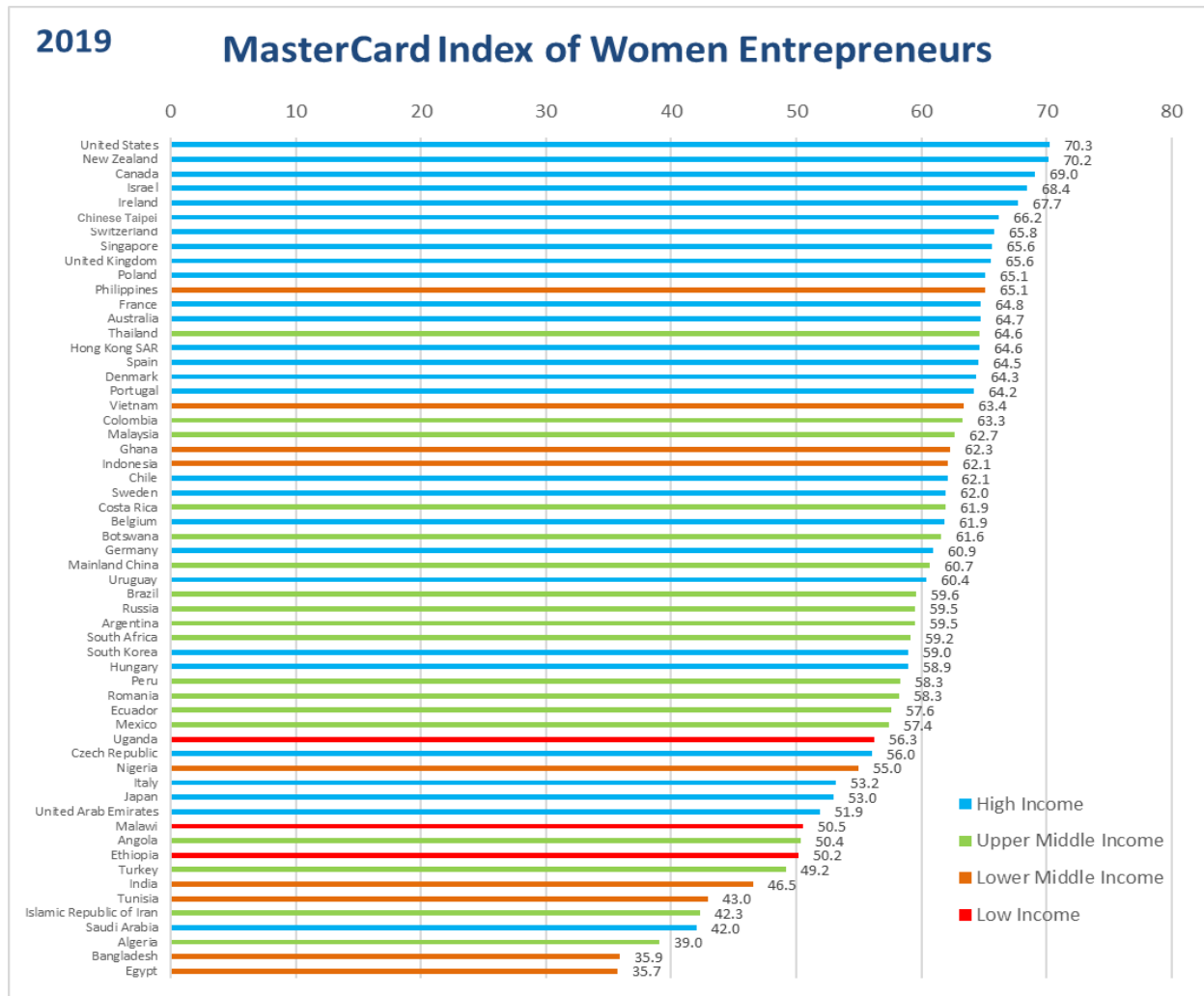
\*\*Angola is the newest market added to MIWE 2019

Source: International Labor Organization, 2018

## 2.2 Results of the Mastercard Index of Women Entrepreneurs (MIWE)

The results from the **Mastercard Index of Women Entrepreneurs (MIWE) 2019 reaffirmed a positive correlation with the Benchmark Women Business Owners (WBO)**. Women in the **United States, New Zealand, and Canada** topped the charts, displaying strong and distinct traits of high WBO driven by highly conducive entrepreneurial conditions. In the map below, markets colored in green and yellow are ranked highly, with WBO rates ranging from 60% to 80%. In these markets, the sub-indicators of 'Women Entrepreneurial Activity Rate – F/M', 'Support for SMEs', 'Ease of Doing Business', and 'Quality of Governance' are quite high.





For the first time since the MIWE’s 2017 publication, the United States moved to first place, fueled by a surge in women’s entrepreneurial activity rate from 64.1% to 76.8%, and strong standing in Component C: Supporting Entrepreneurial Conditions (especially in terms of Ease of Doing Business, Cultural perception of Entrepreneurs, and Entrepreneurial Supporting Factors).

Women in New Zealand continue to make strong strides in the business world, securing 2nd spot in the MIWE (score of 70.2, only marginally lower than US’s score of 70.3,). Although retreating from last year’s top ranking, women in New Zealand continue to be supported by highly enabling entrepreneurial conditions such as ‘Ease of Doing Business’ (86.6, rank 1) and ‘Quality of Governance’ (98.4, rank 1), and high ‘Women Financial Inclusion – F/M’ (100.0, rank 1).

In 3rd place, women in Canada continue to be empowered in the business world by high financial inclusion, superior quality of governance, and positive cultural perception of entrepreneurs. More pointedly, the simultaneous increase in women’s entrepreneurial activity rate from 15.0% in 2017 to 17.0% in 2018 and decline in men’s activity rate from 22.6% to 20.4% helped narrow the gender gap.

## Laggards in MIWE: Middle East & Africa and Asia Pacific

The **MIWE 2019 results showed markets in MEA and Asia Pacific to be the laggards on a global scale.**

Specifically, women in these societies continue to be held back by lack of opportunities to assume higher-level economic roles such as business leaders, and professionals/technical workers. They are also severely marginalized by poor support for SMEs, low financial inclusion, poor opportunities for tertiary education, and often restrictive and underdeveloped business and financial systems that make doing business difficult. More importantly, women here often have to contend with social and cultural norms that discourage them from working, being ambitious or having high status (such as owning a business), or assuming leadership roles. For example, in **Bangladesh**, women are placed the weakest compared to their global peers in terms of: (i) Women Entrepreneurial Activity Rate – F/M, 20.6, rank 58 with only 4.3% of entrepreneurs being a female; (ii) Women Financial Inclusion – F/M (36.1, rank 58, with very few women qualified to own a credit and debit card), and (iii) Ease of Doing Business (42.0, rank 58 due to barriers such as bureaucratic inefficiencies and corruption).

## Correlation between Progress as Entrepreneurs & Wealth/Advancement of Economies

The results revealed that **some of the highest women business ownership (WBO) rates are found in less wealthy and less advanced economies.** For instance, out of the top 10 markets in terms of WBO, 3 are from low income, factor-driven economies (Uganda, Ghana and Malawi), 3 from upper middle income, Factor or Factor/Efficiency driven markets (Russia, Botswana, Angola), and 4 from High Income, innovation-driven economies (United States, New Zealand, Australia and Portugal). In the lower-income and less developed economies where social, economic, financial and educational conditions are less favorable and accessible to women, **the need/pressure to survive or increase income sources by pursuing business opportunities tend to be higher compared to wealthier and more advanced societies** where job opportunities, access to education and business/financial infrastructure is more widespread and prevalent. Women in these wealthier markets tend to have access to more support in the form of government programs for SMEs, high financial inclusion, and more social acceptance, support and recognition of women pursuing entrepreneurial activities. These markets include United States, New Zealand, Canada, Ireland, Switzerland, Australia and Portugal tend to be ranked high in the Mastercard Index of Women Entrepreneurs (MIWE).



## Correlation between Entrepreneurial Activity (TEA) and Established Business Rates

The results also showed that although Women's Entrepreneurial Activity Rate (F/M) is high in some economies such as Angola (99.3%), Canada (88.3%), US (76.8%), Chile (73.1%) and Peru (87.4%), the established business rates here tend to be notably lower, suggesting that not all startup efforts grow into mature businesses. This is observed across all income levels. Such challenges in sustaining and growing a business could stem from competitive pressures, lack of market dynamics or demand, or other factors such as bureaucracy, economic or political stability or corruption. For instance, in general, total early-stage entrepreneurial activity rates (TEA) in Angola is around 40%, but established business rates is less than half at around 15%. Big differences are also noted elsewhere in Chile (TEA of 25% vs around 8% established business rate), Canada (20% vs 7%), US (16% vs 7%), mainland China (11% vs 3%), Saudi Arabia (12% vs 3%), and Israel (12% vs 4%).

## Outliers – Lower & Upper Middle-Income Markets in Asia Pacific & MEA Outperform

The lower- and upper-middle income Asia Pacific markets of Philippines (65.1), Thailand (64.6), Vietnam (63.4), Malaysia (62.7) Indonesia (62.1) and mainland China (60.7) impressed with relatively high MIWE scores despite being less wealthy and developed. In these markets, women's role as professional and technical workers (F%T), labor force participants, and entrepreneurs is quite high. Notably, women in **Indonesia, Philippines and Vietnam** are at par with men in entrepreneurship ('Women Entrepreneurial Activity Rate – F/M' at 100.0). They are also more likely to borrow or save for business purposes (F/M) than their regional peers, especially in the Philippines (88.4, rank 4) and Vietnam (89.9, rank 3). In **Malaysia**, women are strongly placed, driven by conducive business conditions such as high 'Support for SMEs' (71.5, rank 6), 'Ease of Doing Business' (80.6, rank 11), positive 'Cultural Perception of Entrepreneurs' (63.9, rank 13), and strong 'Entrepreneurial Supporting Factors' (72.2, rank 11). In **mainland China**, women are relatively active as entrepreneurs, and are more likely to be driven by opportunities than their male counterparts. Although there is no gender bias in terms of tertiary education enrollment in mainland China, their role as business leaders, professionals and technicians, and business owners is lower than expected.

In MEA, **Ghana** and **Botswana** are the only 2 lower- and upper-middle income markets ranked among the top 30 in the MIWE 2019 results. In Botswana (MIWE score 61.6, rank 28), women outshine nearly all their global peers in terms of their share of the female business world (F%T of 36.0, rank 3). Not only this, they are nearly as ambitious as their male counterparts to pursue business opportunities (as opposed to being necessity-driven) in order to increase their income or financial independence (61.9% for female against 67.9% for male). They also have a strong representation as business leaders in their society, accounting for nearly 4 out of every 10 leaders. This is not surprising, given that women's tertiary education gross enrollment rate (27.3%) is higher than men's (18.9%).

In **Ghana**, women continue to flourish in **Component A: Women's Advancement Outcomes**, including high labor force participation (89.0, Rank 4), women business leadership (37.2% of total, rank 11), and surpassing their male counterparts in engaging in entrepreneurial activities (27.9% vs 23.5% for male). Their ability to thrive in these aspects explain their particularly high standing in society as business owners (37.9%, rank 2, trailing Uganda at 38.2%), despite poor underlying entrepreneurial supporting factors. Compared to their regional peers in Malawi, Uganda and Angola, women in Ghana tend to be more inclined to have a bank account, likely due to their higher level of engagement in business activities. For instance, nearly 40% of women in Ghana have an account at a bank or financial institution compared to only around 20% in Angola, Malawi and Nigeria.

## Wealthy Markets that Underperformed

**Despite being wealthy nations, Saudi Arabia and the United Arab Emirates in MEA, Italy and Czech Republic in Europe, and Japan in Asia Pacific underperformed with lower than expected MIWE scores**

of 56.0 points and below, trailing in the bottom 16 positions. In most of these markets, although women are at par or nearly at par with men in terms of tertiary qualifications, they lag in terms of their ability or inclination to start businesses or rise into positions of leadership, professionals and labor force participants. Even in highly developed markets such as Italy and Japan, the availability of support for SMEs is considerably lower. In addition, the fear of business failure rate among adults in these 2 markets are higher than the global average: 51.7% for Italy and 46.4% for Japan compared to the global average of 36.2% in 2018). In Japan, Czech Republic and Italy, society's perception of entrepreneurship and the quality of governance are notably less favorable compared to other high-income and advanced markets such as Hong Kong SAR, New Zealand and Switzerland.

## High Opportunity & Capability Perceptions but Low Women Business Ownership

GEM's 2018/19 results pointed out **situations where people identified business opportunities around them, yet few are taking the initiative to open shop.** This is observed across the regions in India, Sweden, Poland, Saudi Arabia and the UAE. In Saudi Arabia and India, high fear of business failure may explain why business startups tend to be lower.

The situation in **Saudi Arabia** warrants mentioning. Here, although women's business ownership rate is the absolute lowest compared to the other 57 markets with only an average of only 1.6% business owners being a female, in general, the perception of opportunity and capability to start a business is very strong among the adult population aged 18 to 64:

- Perceived Opportunity Rate of 76% compared to global and regional averages of 46% and 45%, respectively, and
- Perceived Capabilities Rate of 83%, nearly double the global and regional averages of 49%.

This is very surprising, given that the underlying entrepreneurial supporting conditions and in Saudi Arabia are not very conducive: 'Ease of Doing Business' (63.5, rank 43) and 'Quality of Governance' (42.6, rank 40). Data also show **gender bias to be prevalent on many fronts:**

- low women's engagement in entrepreneurial activity rate - only 8.5% of women are entrepreneurs
- very low women labor force participation rate – only 23.4% of working age women are working or actively looking for work,
- very low female parliament representation (19.9% compared to 80.1% for males)
- very weak women financial inclusion, F/M (60.3, rank 50), and extremely low percentage of women in business leadership roles (6.7% vs 93.3% for men).

GEM's findings also placed Saudi Arabia as the most affiliated cohort with entrepreneurs with up to 79% of the general population personally knowing an entrepreneur. These unique circumstances likely explain why Saudi Arabia has the lowest women business ownership, but of those women who own a business, they tend to be very ambitious, innovative and demonstrate high competence in growing and bringing their business to global grounds.

## Markets that Improved

Of the 58 markets, those that improved by 3% or more included: Ireland (+3.7%), France (+7.3%), Indonesia (+3.4%) and Costa Rica (+3.5%). Economies that pulled back in their overall MIWE scores by -3.0% or more included: Sweden (-6.8%), Mexico (-5.2%), South Africa (-4.5%), Islamic Republic of Iran (-4.0%), Colombia (-3.6%), Singapore (-3.5%), Peru (-3.4%), Romania (-3.3%), and Germany (-3.2%).

Of those markets that improved, **France** stood out with the biggest rise in score, up from 60.4 in the previous MIWE publication to 64.8, propelling it upwards by 22 positions from 34th to 12th place. Although French women's business ownership rate remained stable (25.4% in 2017 compared to 25.5% in 2018), Component A: Women's Advancement Outcome rose markedly by 15.0% from 48.8 points (rank 42) to 56.1 (rank 20), driven by a near-double increase in 'Women Entrepreneurial Activity Rate (F/M)' from 43.6 (rank 51) to 75.7 (rank 24). For women, this represented an increase in the percentage of women who plan to start an entrepreneurial activity or has started one for a maximum of 3 and a half years from 2.4% in 2017 to 5.3% in 2018. While the number is small, it is still significant as it shows an increase in women's engagement in business as well as a narrowing of the gender gap, especially given the lack of internal market dynamics and positive social regard for entrepreneurship in France (GEM, 2018).

**Improvement was also observed in France for Component B: Knowledge Assets & Financial Access** with 'Women Borrowing or Saving for Business – F/M' rising from 47.3 (rank 43) to 54.6 (rank 42). Results from GEM 2018 showed the French to be more driven to start a business (Motivational Index of 18.6) compared to their regional peers (average of 10.7) and more inclined to pursue business opportunities with the view to improve their income or financial status.

**Ireland** also recorded similar results, with notable improvement in 'Women Entrepreneurial Activity Rate – F/M' (up from 53.0, rank 43 to 63.0, rank 35), and 'Women Borrowing or Saving for Business – F/M' (up from 48.5, rank 42 to 61.4, rank 29). GEM's data also showed cultural and social norms in Ireland to be highly supportive of entrepreneurship and the highest in Europe in terms of popular regard for successful entrepreneurs. Social media here also strongly embrace and celebrate business success stories. However, the entrepreneurial environment and conditions currently still pose constraints on many fronts. For instance, a fairly high fear of failure rate (around 40%), a lack of self-confidence and low perception of opportunities appear to deter people from regarding entrepreneurship as a good career choice. Even among those who do perceive a good business opportunity in the area they live in, only half believe they have the skill set or knowhow to start a business.<sup>x</sup>



| Market                   | MIWE Score |      |                 | MIWE Ranking |      |                   |
|--------------------------|------------|------|-----------------|--------------|------|-------------------|
|                          | 2019       | 2018 | Change in Score | 2019         | 2018 | Change in Ranking |
| United States            | 70.3       | 68.9 | 2.0%            | 1            | 2    | 1                 |
| New Zealand              | 70.2       | 71.5 | -1.9%           | 2            | 1    | -1                |
| Canada                   | 69.0       | 67.8 | 1.8%            | 3            | 4    | 1                 |
| Israel                   | 68.4       | 67.8 | 0.9%            | 4            | 5    | 1                 |
| Ireland                  | 67.7       | 65.4 | 3.7%            | 5            | 12   | 7                 |
| Chinese Taipei           | 66.2       | 64.3 | 3.0%            | 6            | 15   | 9                 |
| Switzerland              | 65.8       | 66.2 | -0.6%           | 7            | 8    | 1                 |
| Singapore                | 65.6       | 68.0 | -3.5%           | 8            | 3    | -5                |
| United Kingdom           | 65.6       | 65.1 | 0.7%            | 9            | 13   | 4                 |
| Poland                   | 65.1       | 66.1 | -1.5%           | 10           | 9    | -1                |
| Philippines              | 65.1       | 65.6 | -0.8%           | 11           | 11   | 0                 |
| France                   | 64.8       | 60.4 | 7.3%            | 12           | 34   | 22                |
| Australia                | 64.7       | 66.4 | -2.5%           | 13           | 7    | -6                |
| Thailand                 | 64.6       | 63.6 | 1.5%            | 14           | 19   | 5                 |
| Hong Kong SAR            | 64.6       | 63.8 | 1.4%            | 15           | 18   | 3                 |
| Spain                    | 64.5       | 65.1 | -0.9%           | 16           | 14   | -2                |
| Denmark                  | 64.3       | 63.5 | 1.3%            | 17           | 20   | 3                 |
| Portugal                 | 64.2       | 64.0 | 0.3%            | 18           | 17   | -1                |
| Vietnam                  | 63.4       | 64.3 | -1.4%           | 19           | 16   | -3                |
| Colombia                 | 63.3       | 65.6 | -3.6%           | 20           | 10   | -10               |
| Malaysia                 | 62.7       | 62.6 | 0.2%            | 21           | 24   | 3                 |
| Ghana                    | 62.3       | 61.3 | 1.5%            | 22           | 27   | 5                 |
| Indonesia                | 62.1       | 60.1 | 3.4%            | 23           | 36   | 13                |
| Chile                    | 62.1       | 62.6 | -0.8%           | 24           | 25   | 1                 |
| Sweden                   | 62.0       | 66.5 | -6.8%           | 25           | 6    | -19               |
| Costa Rica               | 61.9       | 59.8 | 3.5%            | 26           | 37   | 11                |
| Belgium                  | 61.9       | 62.6 | -1.1%           | 27           | 23   | -4                |
| Botswana                 | 61.6       | 63.4 | -2.8%           | 28           | 21   | -7                |
| Germany                  | 60.9       | 62.9 | -3.2%           | 29           | 22   | -7                |
| Mainland China           | 60.7       | 60.8 | -0.2%           | 30           | 29   | -1                |
| Uruguay                  | 60.4       | 60.8 | -0.7%           | 31           | 28   | -3                |
| Brazil                   | 59.6       | 60.7 | -1.9%           | 32           | 30   | -2                |
| Russia                   | 59.5       | 58.6 | 1.5%            | 33           | 39   | 6                 |
| Argentina                | 59.5       | 60.5 | -1.6%           | 34           | 32   | -2                |
| South Africa             | 59.2       | 61.9 | -4.5%           | 35           | 26   | -9                |
| South Korea              | 59.0       | 57.8 | 2.0%            | 36           | 40   | 4                 |
| Hungary                  | 58.9       | 59.7 | -1.3%           | 37           | 38   | 1                 |
| Peru                     | 58.3       | 60.4 | -3.4%           | 38           | 33   | -5                |
| Romania                  | 58.3       | 60.3 | -3.3%           | 39           | 35   | -4                |
| Ecuador                  | 57.6       | 57.7 | -0.1%           | 40           | 41   | 1                 |
| Mexico                   | 57.4       | 60.6 | -5.2%           | 41           | 31   | -10               |
| Uganda                   | 56.3       | 55.2 | 1.9%            | 42           | 43   | 1                 |
| Czech Republic           | 56.0       | 55.6 | 0.8%            | 43           | 42   | -1                |
| Nigeria                  | 55.0       | 54.6 | 0.7%            | 44           | 44   | 0                 |
| Italy                    | 53.2       | 52.4 | 1.4%            | 45           | 46   | 1                 |
| Japan                    | 53.0       | 53.0 | 0.0%            | 46           | 45   | -1                |
| United Arab Emirates     | 51.9       | 50.5 | 2.7%            | 47           | 48   | 1                 |
| Malawi                   | 50.5       | 49.4 | 2.3%            | 48           | 50   | 2                 |
| **Angola                 | 50.4       | 49.7 | 1.3%            | 49           | 49   | 0                 |
| Ethiopia                 | 50.2       | 50.6 | -0.9%           | 50           | 47   | -3                |
| Turkey                   | 49.2       | 48.6 | 1.3%            | 51           | 51   | 0                 |
| India                    | 46.5       | 46.8 | -0.6%           | 52           | 52   | 0                 |
| Tunisia                  | 43.0       | 42.8 | 0.5%            | 53           | 54   | 1                 |
| Islamic Republic of Iran | 42.3       | 44.0 | -4.0%           | 54           | 53   | -1                |
| Saudi Arabia             | 42.0       | 41.7 | 0.6%            | 55           | 55   | 0                 |
| Algeria                  | 39.0       | 38.2 | 2.0%            | 56           | 56   | 0                 |
| Bangladesh               | 35.9       | 35.2 | 2.0%            | 57           | 57   | 0                 |
| Egypt                    | 35.7       | 34.9 | 2.4%            | 58           | 58   | 0                 |

Table 7: Change in Score &amp; Ranking for Mastercard Index of Women Entrepreneurs (2018-2019)

Note: \*Scores for 2018 are different from that shown in the previous year's report due to data updates.

\*\*Angola is the newest market added to the MIWE 2019

## The Top 10 – Changes in Score & Shuffling in Rankings

Table 7 above showed that the overall MIWE score and ranking for the top 4 markets United States, New Zealand, Canada and Israel did not fluctuate much. **Ireland's** score rose 3.7% from 65.4 to 67.7, pushing it forward by 7 placings from 12th to 5th spot on the back of a sharp rise in 'Women Borrowing/Saving for Business – F/M' (up 26.6% from 48.5 to 61.4) and 'Women Entrepreneurial Activity Rate – F/M' (up 18.9% from 53.0 to 63.0). Ireland's improvement in the MIWE score and ranking is also driven by good performance in Component C2: Cultural Perceptions of Entrepreneurs, especially in the new sub-indicators that measured cultural regard for success in entrepreneurship: 'Values Success through Personal Effort' (68.5, rank 17) and 'Values Culture of Risk Taking' (56.5 rank 18). Ireland also scored well in Component B3: Support for SMEs, especially in terms of Financial Access to Financial Services (100.0, gender parity, rank 1), New Business Single Government Agency (61.4, rank 4), Government Program Support for Business (59.3, rank 7) and 'Physical Infrastructure' (78.7, rank 12).

In contrast, **Singapore's** overall index score fell -3.5% from 68.0 to 65.6, pulling it back 5 spots from 3rd in the previous year to 8th place due to a steep decline in 'Women Entrepreneurial Activity Rate – F/M' (down -22.0% from 61.9 to 48.3) and 'Women Borrowing/Saving for Business – F/M' (down -10.8% from 65.7 to 58.6). Compared to its peers, Singapore did not fare as well in terms of the degree to which the national culture encourages creativity and innovativeness (56.7, rank 31) and entrepreneurial risk taking (51.1, rank 27).

## Markets that Retreated

Of those markets whose MIWE score fell by more than -3.0%, the biggest pullback was observed in **Sweden**. Here, the -6.8% decline in score which led to a drop in MIWE ranking by 19 placings was attributed to a pullback across several sub-indicators: (i) drop in 'Women Entrepreneurial Activity Rate – F/M' by -35.0% from 64.8 to 42.1, (ii) a -12.2% drop in score for 'Women Borrowing or Saving for Business – F/M' from 34.5 to 30.3, the lowest among the 58 markets, (iii) a -9.1% decline in score for 'Support for SMEs', and (iv) a -10.6% decline for 'Cultural Perception of Entrepreneurs'. According to GEM's findings, although the perceived opportunities rate in Sweden is very high with more than 80% of the adult population identifying good business opportunities (compared to global average of 46%), only 38% believe they have the capability or expertise to start a business (compared to global average of 49%). The Entrepreneurial Intentions Rate also remained very sluggish at around 10% compared to a much higher proportion of 24% globally. Additionally, although 'Ease of Doing Business (rank 9)' and 'Quality of Governance (rank 4)' are very high in Sweden, the overall entrepreneurial framework conditions are quite discouraging, especially with regards to poor internal market dynamic and commercial legal infrastructure, lack of governmental policies and targeted programs that support entrepreneurial endeavors, and poor cultural and social norms.

In the Middle East and North Africa, South Africa posted the largest pullback in MIWE score (down -4.5% from 61.9 in 2018 to 59.2 in 2019), weighed down by sharp -15.9% decline in 'Support for SMEs' (60.3, rank 30 to 50.7 rank 45) and a plunge of -25.1% in score for 'Cultural Perception of Entrepreneurs' (50.6 rank 45 to 37.9 rank 57). It should be noted that Botswana also experienced a similar decline in both indicators, but on a smaller scale.



## GIG & Sharing Economy - A Stepping Stone to Entrepreneurship

The latest GEM 2018/2019 Global Report incorporated the notion of how individuals are using online platforms to reach out to customers via global businesses such as TaskRabbit, Foodora, Uber, Airbnb and Grubhub. These individuals who leverage online platforms are referred to as **'gig workers'** and usually engage in part-time or short-term service jobs or 'gigs' such as translations, deliveries or baby-sitting via Internet-based platforms. They may be employed elsewhere but supplement their income with gigs by making their goods and services available to others using Internet or app-based platforms. GEM's 2018 survey found the highest rate of gig and sharing economy activity in **South Korea** where more than 1 in every 5 adults are engaged in such activities. Israel, Chile, Ireland and the US also reported high rates of involvement in gig and sharing. For most of these gig enthusiasts, they reported intentions to start a business in the near future or are, already actively setting up a business.

Results from the Mastercard's Index of Women Entrepreneurs (2019) revealed that women in South Korea, Chile, Ireland, Israel and the US also tended to score higher in Component B: Knowledge Assets & Financial Access and Component C: Supporting Entrepreneurial Conditions. They are among the most inclined to borrow/save to start a business and enjoy high access to financial products and services in an environment where support for SMEs is favorable and ease of doing business is fairly high. Given these enabling conditions, the rising popularity of gig work and it being precursor of future businesses/ entrepreneurial activities, it is likely that women's business ownership rates may rise in the future.

## 2.3 Component A: Women's Advancement Outcomes

The **Women's Advancement Outcome Component (A)** gauges women's progress and degree of marginalization economically and professionally as business leaders, professionals, entrepreneurs and labor force participants. It comprises four indicators: (i) Women Business Leaders - F%T, (ii) Women Professionals & Technical Workers - F%T, (iii) Women Entrepreneurial Activity Rate - F/M, and (iv) Women Labor Force Participation - F/M.<sup>xii</sup>

The results suggest that there is no direct correlation between Women's Advancement Outcomes and Women's Business Ownership Rate. For instance, markets that had a high representation of female business owners did not always rank highly in Component A. There is also no positive correlation between women's ability to thrive as business leaders, professionals or entrepreneurs and their ranking in the Mastercard Index of Women Entrepreneurs 2019.

### Top & Bottom Performers: Component A

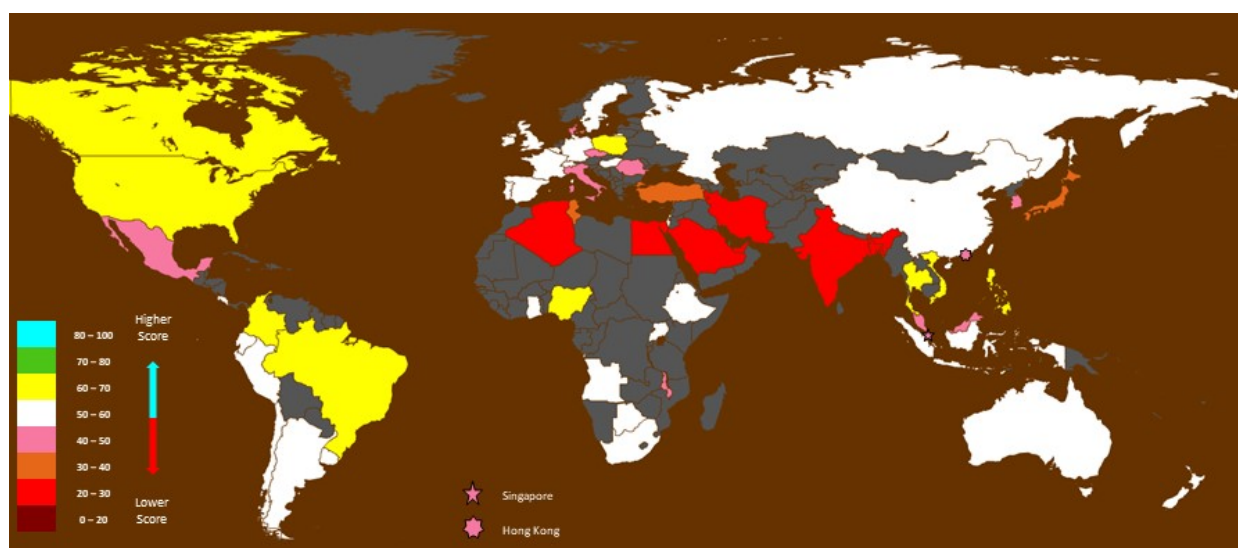
**Women in Asia Pacific continue to make strong positive strides in terms of Women's Advancement Outcome** with 4 markets assuming the top 10 positions: Philippines (score of 65.7, rank 1), Thailand (rank 4), Vietnam (60.5, rank 7) and New Zealand (59.7, rank 10). On a global scale, women in the Philippines are making astounding progress as business leaders, with more than half of business leaders and professional/technical workers being female (52.0% and 58.2%, respectively). Similar to their regional peers in Asia Pacific (Vietnam and Indonesia), Filipino women are equally as likely as their male counterparts to pursue entrepreneurship. This tendency is reflected in the fairly high proportion of Women Business Ownership (WBO, female as % of total) in these markets: New Zealand (WBO of 31.8%), Philippines (WBO of 25.8%), Vietnam (27.0%), and Indonesia (20.3%). The generally high rate of women business ownership and entrepreneurship in Indonesia and Thailand may be explained by the fact that entrepreneurship is positively regarded and perceived as a good career choice, with the majority of the population believing it is easy to start a business.<sup>xiii</sup>

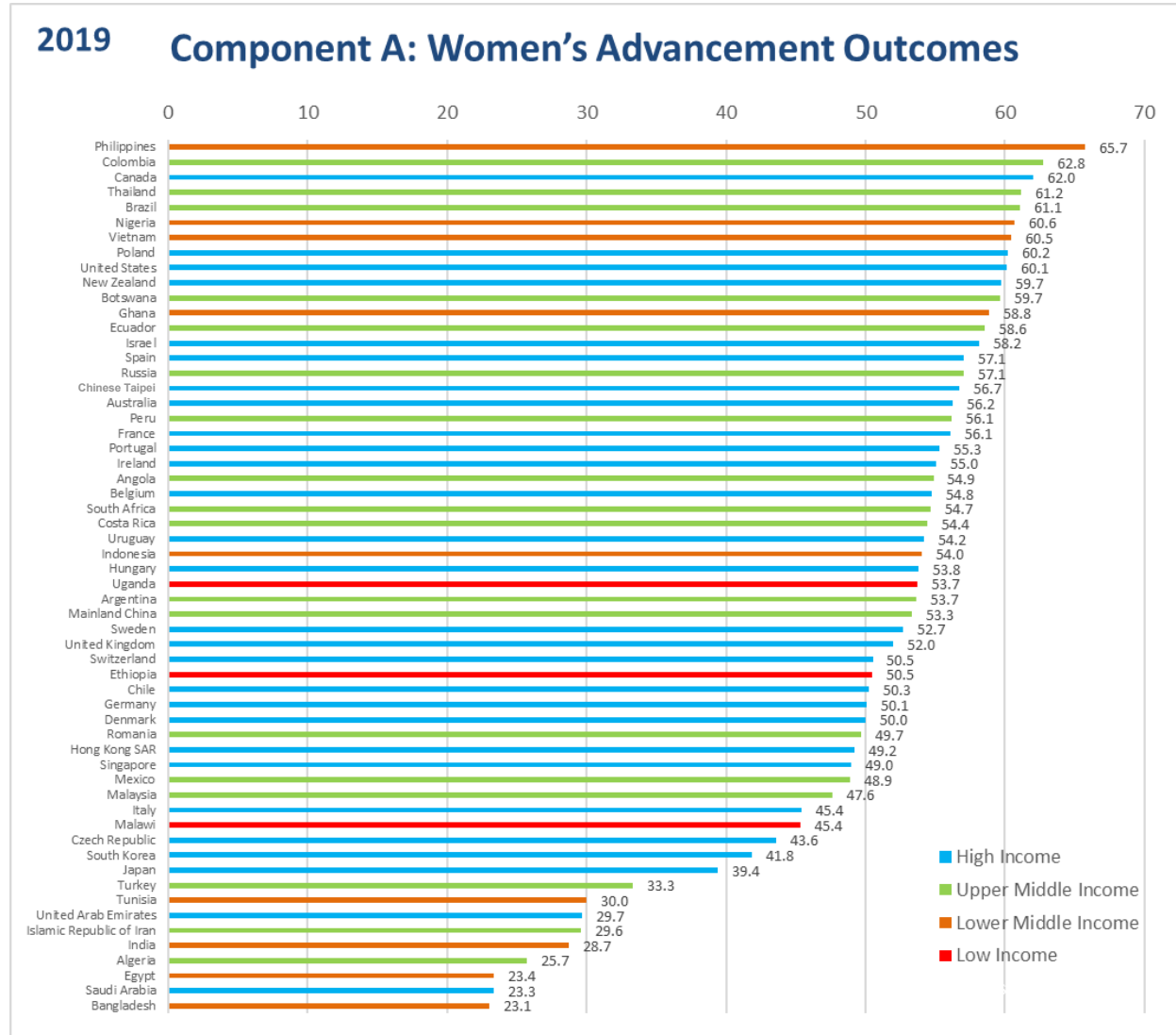
## Laggards

Of the 58 markets, Japan, India, UAE, Egypt, Saudi Arabia and Bangladesh are the laggards in Component A, especially with regards to women's role as business leaders, professionals/technical workers, entrepreneurs, and labor force participants. In Japan, the low inclination towards entrepreneurship may be explained by the fact that few perceive it to be a good career choice (around 27% compared to 65% in Indonesia and Thailand). This is not surprising, given the tight labor market conditions in Japan (unemployment rate at multi-year lows of around 2.4 % through 2018). Research also show a very low perception of business opportunities in Japan, with only 8% of adults identifying good opportunities in the area they live in compared to a global and regional averages of 46% and 45%, respectively). Few feel they are capable of starting and running a business (10.0% compared to global and regional averages of 49%). Nearly half of the adult population are risk-averse when it comes to starting a business (46% as opposed to 36% globally and 38% regionally). Compared to their male counterparts, Japanese women tend to be less inclined to be driven by opportunities (62.8% compared to 73.3% for men).

Ranked 54th in Component A, Indian women trail most of their global peers as business leaders, professionals/technical workers, entrepreneurs, and workforce participants. However, it is encouraging to note that although entrepreneurial activity rate is low among both men and women, innovation among entrepreneurs is the most prevalent in India where entrepreneurs are introducing products or services that are new to customers and not generally offered by competitors (GEM 2018, page 11).

The bar chart below shows the latest overall score and ranking of the 58 markets in relation to Component A.





The color map and graph above indicate that **apart from the Middle East and African markets and South Korea and Japan in Asia, women's advancement as entrepreneurs, business leaders, professionals/ technicians and labor force participants is relatively healthy in most regions.** The results also highlight there is much more room for improvement. Table 4 below summarizes the results for Component A.

| Component A:<br>Women's<br>Advancement<br>Outcome (SCORE) | Color<br>in Map | Regions & Selected Markets   | Comments  |
|---|-----------------|--|---|
| 60-70   | Yellow          | <ul style="list-style-type: none"> <li>▪ 9 markets with very high Women's Advancement Outcome with score in 60-70 range</li> <li>▪ <b>North &amp; Latin America:</b> US &amp; Canada, Colombia, Brazil</li> <li>▪ <b>Asia Pacific:</b> Philippines, Thailand, Vietnam</li> <li>▪ <b>Europe:</b> Poland</li> <li>▪ <b>MEA:</b> Nigeria</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Women outperform most peers in their ability to advance as entrepreneurs and business leaders</li> <li>▪ Representation of women professionals &amp; technicians (F%T) higher than men in all 9 markets (more than 50%)</li> <li>▪ <b>Women at par with men in early-stage entrepreneurial activity</b> (started one for maximum of 3 ½ years) in Philippines, Vietnam, Nigeria &amp; Brazil</li> <li>▪ Fairly <b>high Women Business Ownership (F%T)</b> ranging from 23% in Thailand to 35% in the US</li> <li>▪ High Score likely buoyed by these conditions: <ul style="list-style-type: none"> <li>▪ Women have <b>equal access to tertiary</b> education (except Nigeria)</li> <li>▪ <b>Healthy Entrepreneurial Supporting Factors:</b> <ul style="list-style-type: none"> <li>▪ Relative high ease of doing business (except Nigeria)</li> <li>▪ Fairly positive cultural perception of entrepreneurship especially in Canada, the US, Thailand, Philippines, Vietnam &amp; Nigeria</li> </ul> </li> </ul> </li> <li>▪ <b>Quality of Governance:</b> Ranges from very strong in Canada and the US, to fair in Poland, poor in Thailand, Brazil, Colombia, Philippines &amp; Vietnam, and very poor in Nigeria</li> </ul>  |
| 50-60   | White           | <ul style="list-style-type: none"> <li>▪ <b>30 markets</b> with scores of 50 to 60 points across all regions</li> <li>▪ <b>MEA:</b> Fairly strong representation in 9 markets: Botswana, Ghana, Israel, Angola, South Africa, Uganda &amp; Ethiopia (Botswana top in range at 59.7)</li> <li>▪ <b>Asia Pacific:</b> 5 markets with New Zealand highest in this range at 59.7 (Chinese Taipei, Australia, Indonesia &amp; mainland China)</li> <li>▪ <b>Europe:</b> 11 markets with Spain top at 57.1 points</li> </ul> | <ul style="list-style-type: none"> <li>▪ Markets here represent more than half of the 58 markets ranging from high to low income and spanning all regions.</li> <li>▪ <b>Women's share of business world strong</b> in most markets (except Ethiopia at 15%)</li> <li>▪ Women Business Leadership averaging between 25% to 40% of total.</li> <li>▪ Women Professionals/Technicians usually more than half of total (except some markets in MEA Ethiopia, Uganda, Angola)</li> <li>▪ Women's participation in the labor force generally high across all regions. Angola &amp; Uganda surprise with very high participation rate</li> <li>▪ <b>Entrepreneurial conditions that support women's progress include:</b> <ul style="list-style-type: none"> <li>▪ Good Support for SMEs in most Asia Pacific &amp; European markets</li> <li>▪ Equal opportunity for higher-level education except for MEA (Ethiopia, Uganda &amp; Angola)</li> <li>▪ Ease of Doing Business fairly high in Asia Pacific &amp; Europe but lower in MEA</li> <li>▪ Quality of Governance excellent in some Asia &amp; European markets (New Zealand, Denmark, Sweden and Switzerland) but very poor in MEA markets such as Angola, Ethiopia, Uganda &amp; Ecuador.</li> </ul> </li> </ul>   |
| 40-50   | Pink            | <ul style="list-style-type: none"> <li>- 10 markets with Component A scores of 40 to 50</li> <li>- Mostly in Asia Pacific (Hong Kong SAR, Singapore, Malaysia &amp; South Korea); others in Europe (Romania, Italy, Denmark &amp; Czech Republic)</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Women's Business Ownership Rate (F%T) ranging from 16% in Malaysia and South Korea to 31% in Malawi.</li> <li>▪ Women <b>less opportunity to assume higher socio-economic roles as business leaders</b> (very low in South Korea at 12% &amp; Malawi at 15%); but higher in Hong Kong SAR, Singapore, Romania &amp; Mexico)</li> <li>▪ Women as Professionals &amp; Technicians average at around 35% to 55%</li> <li>▪ <b>Gender gap in Entrepreneurial Activity Rate wider</b> than in other markets, although Malaysia &amp; Malawi's gender disparity are considerably narrower</li> <li>▪ Support for SMEs stronger in Singapore &amp; Denmark, but weak in Malawi, Romania, Italy &amp; Czech Republic</li> <li>▪ Women have equal opportunities to tertiary education except Malawi &amp; South Korea</li> <li>▪ <b>Ease of Doing Business good</b> in most markets</li> <li>▪ Cultural Perception of Entrepreneurship good in Hong Kong SAR, Singapore &amp; Malaysia, but considerably less favorable in Czech Republic, Italy &amp; Romania &amp; Malawi</li> <li>▪ <b>Quality of Governance strong in most markets, but poor in Malawi &amp; Mexico</b></li> </ul>  |
| 30-40   | Orange          | <ul style="list-style-type: none"> <li>- Only 2 markets in this range: Japan &amp; Turkey</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Women here tend to have less opportunities to become business leaders and owners especially in MEA (Saudi Arabia, UAE, Algeria, Iran &amp; Egypt)</li> <li>▪ Gender gap in entrepreneurial activity rate is widest in Turkey, Egypt, Tunisia &amp; Bangladesh. UAE stands out with fairly narrow gender disparity; likely buoyed by conditions such as strong support for SMEs, high ease of doing business &amp; very positive social/cultural regard for entrepreneurship.</li> <li>▪ Women Business Ownership Rates here are among the lowest, with acutely low rates in Saudi Arabia, Egypt &amp; Bangladesh (&lt;5%)</li> <li>▪ Major Constraints to women's ability to advance: <ul style="list-style-type: none"> <li>▪ Women have less access to financial services, therefore less able to obtain funding for business startups (except Japan &amp; Iran).</li> <li>▪ Support for SMEs only average, except for UAE</li> </ul> </li> <li>▪ Women here have fairly high opportunity for tertiary education with gender parity noted in Tunisia, India, Egypt, Algeria, and UAE. However, despite having knowledge assets, women do not always join the workforce. Very low participation rates are observed in Saudi Arabia, Algeria, Iran, Egypt, Tunisia and India (except in Japan).</li> </ul> |
| 20-30   | Red             | <ul style="list-style-type: none"> <li>- 8 markets mostly from MEA</li> <li>- India &amp; Bangladesh lowest in Asia</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Women here have fairly high opportunity for tertiary education with gender parity noted in Tunisia, India, Egypt, Algeria, and UAE. However, despite having knowledge assets, women do not always join the workforce. Very low participation rates are observed in Saudi Arabia, Algeria, Iran, Egypt, Tunisia and India (except in Japan).</li> </ul>   |

Table 8: Summary of Component A: Women's Advancement Outcome

## Component A: North & Latin America

Women that showed strong advancement in **Component A** in North & Latin America included Colombia (62.8, rank 2), Canada (62.0, rank 3), Brazil (61.1, rank 5), and the US (60.1, rank 9). In the US, women are ranked 6th globally as business leaders, while **Canadian** women are ranked 4th in terms of their representation as professionals/technical workers and 8th in terms of Women Labor Force Participation (F/M). In the US, women's ability to rise into business leadership positions appears to be consistent with their high share of the female business ownership (rank 4, 35.1% of total owners). In **Latin America, women in Colombia and Brazil outshine their global peers in Component A**, especially in terms of business leadership (rank 1 for Colombia with 56.4%) and women entrepreneurial activity rate (rank 12 for Brazil at 93.51%, suggesting women are nearly as likely as men to be entrepreneurs). This is probably due to the low fear of failure rate in the region. Findings from the GEM 2018 Global Report showed that in every economy in Latin America, fewer than one-third of those seeing opportunities assert that fear of failure would deter them from venturing into a business.

## Component A: Middle East & Africa (MEA)

**Nigeria outperformed most of its global peers** with a score of 60.6 and ranking of 6 for Component A. **Botswana and Ghana also surprised with comparatively strong scores** of 59.7 (rank 12) and 58.8 (rank 13), respectively. This is driven by notably high proportions of women as business leaders, professionals/technicians, and women's engagement in entrepreneurial activities. For example, **Nigeria had the second highest proportion of women in professional/technician roles among the 58 markets, and exceptionally high percentage of female as entrepreneurs. Specifically, nearly 4 in every 10 working age women are engaged in early-stage entrepreneurial activity (40.7% compared to 39.0% for men, gender parity).** This may be fueled by several factors, including:

- **Highly opportunity-driven:** Women are just as likely as their male counterparts to be engaged in opportunity-driven entrepreneurship (73.8% for both male and female) and labor force (50.5% vs 59.8%). Data from GEM showed that in general, Nigerians demonstrate very high perception of good business opportunities (85% vs 43% for global average and 67% for regional average).
- **Very strong perception of capabilities:** More encouragingly, they have a very strong perception of capabilities to start or run a business (87% vs 51% for global average and 71% for regional average).
- **Positive regard for Entrepreneurship:** A high proportion of the general population (81%) perceive entrepreneurship to be a good career choice (global average of 64% and regional average of 78%).
- **Low Fear of Failure Rate:** Nigerians are generally less deterred by failing in business startups than their global and regional peers (16% compared to global and regional averages of 35% and 27%, respectively).

**Ghana and Botswana also surprised with very high Women Business Ownership Rates (F%T)** of 37.9% (rank 2) and 36.0% (rank 3), respectively. Women's entrepreneurial activity rate in these markets are high, with nearly 3 out of every 10 working age women engaged in early-stage entrepreneurial activity or having started one for a maximum of 3.5 years. The entrepreneurial landscape in Ghana and Botswana is quite similar to that in Nigeria, exhibiting low fear of failure, high perception of opportunities and capabilities, and positive social and cultural regard for successful entrepreneurs and entrepreneurship as a career of choice. However, it should be noted that while engagement in early-stage entrepreneurial activity is high in these markets, the motivation to be innovative and grow the business on a larger scale tend to be lower than the global and regional averages.<sup>xiv</sup>





## Component A: Europe

In **Europe**, women in Poland, Spain, France, and Ireland are making big strides in Component A, with **France** recording the most improvement (up 15.0% from 48.8 to 56.1) due to an increase in the proportion of female entrepreneurs (around 5 out of every working age female are entrepreneurs compared to only 2 the previous year). This engagement rate is better than regional peers such as Germany, Denmark and Italy. In **Ireland**, women's entrepreneurial activity rate also edged up from 6.2 in 2017 to 7.5 in 2018.

Meanwhile, **women in Poland** outperform most of their global peers in the business world as leaders and professionals/technical workers: 'Women Business Leaders (F%T)' at 41.2% and 'Women Professionals & Technical Workers (F%T)' at 57.1%, suggesting that nearly half of all business leaders or professionals/technical employees are females. This is likely aligned to the fact that most adults here perceive good opportunities to start a business in the area where they live: 68% in 2018, surpassing the global and regional averages of around 45%. Although the majority of society confers high status to successful entrepreneurs (76%) and entrepreneurship is perceived as a good career choice (86%), the overall entrepreneurial activity rate remains very low in Poland among both males and females (6.0% and 4.5%, respectively). However, what is encouraging is that of those who do start or manage a business, their ability to keep the business running for more than 3.5 years is far superior than their global and regional peers. This is evident in the much higher 'Established Business Ownership Rate' of 13% for Poland compared to 8% globally and 7% regionally. Moreover, the Polish are also more motivated by improvement-driven business opportunities, as opposed to being necessity-motivated.

In **Switzerland**, women's tendency towards entrepreneurship remains sluggish (only 5 out of every 100 entrepreneurs are women) in spite of highly conducive and enabling underlying conditions such as high quality of governance, strong support for SMEs, positive cultural perception of entrepreneurs, and relatively high ease of doing business. Data from GEM 2018 revealed very low 'Entrepreneurial Intentions Rate' of only 7% compared to the regional average of 11%, suggesting that less than 7% of the adult population are latent entrepreneurs who intend to start a business within 3 years. This compares poorly to markets in Asia such as Malaysia, Vietnam and South Korea where the intentions rates are much higher at 18%, 25% and 31%, as well as other economies such as Canada (14%), Colombia (49%), Mexico (13%), and Saudi Arabia (26.8%). Moreover, the Perceived Opportunities Rate among the Swiss population (45%) and Perceived Capabilities Rate (36%) are quite healthy, and **women are becoming nearly as likely as men to engage in opportunity-driven entrepreneurial activities** ('Female/Male Opportunity-Driven TEA Ratio' of 0.99 for 2018 compared 0.82 in 2017). The overall **sluggish inclination towards businesses/entrepreneurship could be explained by the fact that the Swiss labor market is one of the most attractive and lucrative** in the world owing to the very high quality of life, substantial salaries, and moderate income tax rate, making it more favorable for the individual to seek a secured place in the workplace as opposed to taking business risks.



## Correlation between Women's Entrepreneurial Activity & Wealth of Nation

It is interesting to note that **women in most of the lower-income, factor-driven MEA markets such as Nigeria, Botswana, Ghana, and Israel outperform their global peers in Component A due to their high women participation rate in entrepreneurial activity and the labor force.** In fact, of the 7 markets where women are at par with men in terms of entrepreneurial activity rate, three are from the MEA region. Within the same region, Angola, Malawi, and UAE have near gender parity ratios of 99.3%, 94.5% and 99.0%, respectively (gender parity = 100.0%). However, women's business ownership rates (F%T) vary widely across the region, with Malawi, Uganda, Angola, Ghana and Nigeria posting high rates (average of 3 out of every 10 business owners are females), and Egypt, Algeria and Iran posting significantly lower rates of between 4% to 7% (only 4 to 7 women out of every 100 business owners).

The results also showed that **women from wealthy and developed nations do not necessarily outperform their peers in less-wealthy and less-advanced economies when it comes to their ability to rise to higher socio-economic positions** as leaders, business owners and professionals. For instance, women's advancement outcome in Japan, South Korea, Italy, Singapore, Hong Kong SAR, Denmark and Germany is comparable to the low-income and least developed nations such as Bangladesh, India and Malawi.

The table below shows how various markets' score and ranking for Component A have changed since the last MIWE 2018 iteration.

| Market                   | Component A:<br>Women's Advancement Outcomes SCORE |      |                    | Component A:<br>Women's Advancement Outcomes RANKING |      |                      |
|--------------------------|--|------|--------------------|--|------|----------------------|
|                          | 2019   | 2018 | Change in<br>SCORE | 2019   | 2018 | Change in<br>RANKING |
| Philippines              | 65.7   | 65.7 | 0.1%               | 1  | 2    | 1                    |
| Colombia                 | 62.8   | 67.3 | -6.7%              | 2  | 1    | -1                   |
| Canada                   | 62.0   | 58.6 | 5.8%               | 3  | 11   | 8                    |
| Thailand                 | 61.2   | 59.5 | 2.8%               | 4  | 10   | 6                    |
| Brazil                   | 61.1   | 62.1 | -1.6%              | 5  | 3    | -2                   |
| Nigeria                  | 60.6   | 60.6 | 0.1%               | 6  | 6    | 0                    |
| Vietnam                  | 60.5   | 60.1 | 0.6%               | 7  | 8    | 1                    |
| Poland                   | 60.2   | 60.6 | -0.6%              | 8  | 5    | -3                   |
| United States            | 60.1   | 57.3 | 4.9%               | 9  | 16   | 7                    |
| New Zealand              | 59.7   | 61.1 | -2.2%              | 10   | 4    | -6                   |
| Botswana                 | 59.7   | 60.1 | -0.6%              | 11   | 9    | -2                   |
| Ghana                    | 58.8   | 58.6 | 0.4%               | 12   | 12   | 0                    |
| Ecuador                  | 58.6   | 56.8 | 3.1%               | 13   | 17   | 4                    |
| Israel                   | 58.2   | 57.7 | 0.8%               | 14   | 15   | 1                    |
| Spain                    | 57.1   | 56.1 | 1.7%               | 15   | 18   | 3                    |
| Russia                   | 57.1   | 60.3 | -5.4%              | 16   | 7    | -9                   |
| Chinese Taipei           | 56.7   | 50.8 | 11.7%              | 17   | 35   | 18                   |
| Australia                | 56.2   | 58.4 | -3.7%              | 18   | 14   | -4                   |
| Peru                     | 56.1   | 56.1 | 0.1%               | 19   | 19   | 0                    |
| France                   | 56.1   | 48.8 | 15.0%              | 20   | 42   | 22                   |
| Portugal                 | 55.3   | 53.9 | 2.7%               | 21   | 27   | 6                    |
| Ireland                  | 55.0   | 52.6 | 4.5%               | 22   | 29   | 7                    |
| Angola                   | 54.9   | 54.5 | 0.7%               | 23   | 21   | -2                   |
| Belgium                  | 54.8   | 54.4 | 0.6%               | 24   | 23   | -1                   |
| South Africa             | 54.7   | 54.9 | -0.4%              | 25   | 20   | -5                   |
| Costa Rica               | 54.4   | 50.1 | 8.5%               | 26   | 38   | 12                   |
| Uruguay                  | 54.2   | 53.8 | 0.7%               | 27   | 28   | 1                    |
| Indonesia                | 54.0   | 49.1 | 10.0%              | 28   | 40   | 12                   |
| Hungary                  | 53.8   | 54.3 | -1.0%              | 29   | 24   | -5                   |
| Uganda                   | 53.7   | 52.5 | 2.4%               | 30   | 30   | 0                    |
| Argentina                | 53.7   | 54.0 | -0.6%              | 31   | 26   | -5                   |
| Mainland China           | 53.3   | 54.0 | -1.4%              | 32   | 25   | -7                   |
| Sweden                   | 52.7   | 58.6 | -10.0%             | 33   | 13   | -20                  |
| United Kingdom           | 52.0   | 51.2 | 1.5%               | 34   | 34   | 0                    |
| Switzerland              | 50.5   | 51.8 | -2.4%              | 35   | 33   | -2                   |
| Ethiopia                 | 50.5   | 50.2 | 0.6%               | 36   | 37   | 1                    |
| Chile                    | 50.3   | 49.8 | 1.0%               | 37   | 39   | 2                    |
| Germany                  | 50.1   | 52.2 | -4.0%              | 38   | 31   | -7                   |
| Denmark                  | 50.0   | 48.8 | 2.3%               | 39   | 41   | 2                    |
| Romania                  | 49.7   | 50.5 | -1.7%              | 40   | 36   | -4                   |
| Hong Kong SAR            | 49.2   | 47.6 | 3.3%               | 41   | 44   | 3                    |
| Singapore                | 49.0   | 52.0 | -5.8%              | 42   | 32   | -10                  |
| Mexico                   | 48.9   | 54.5 | -10.2%             | 43   | 22   | -21                  |
| Malaysia                 | 47.6   | 47.8 | -0.3%              | 44   | 43   | -1                   |
| Italy                    | 45.4   | 42.3 | 7.5%               | 45   | 47   | 2                    |
| Malawi                   | 45.4   | 44.2 | 2.6%               | 46   | 45   | -1                   |
| Czech Republic           | 43.6   | 43.2 | 0.8%               | 47   | 46   | -1                   |
| South Korea              | 41.8   | 40.8 | 2.5%               | 48   | 48   | 0                    |
| Japan                    | 39.4   | 36.2 | 8.9%               | 49   | 49   | 0                    |
| Turkey                   | 33.3   | 32.9 | 1.2%               | 50   | 50   | 0                    |
| Tunisia                  | 30.0   | 29.2 | 2.9%               | 51   | 54   | 3                    |
| United Arab Emirates     | 29.7   | 29.2 | 1.7%               | 52   | 53   | 1                    |
| Islamic Republic of Iran | 29.6   | 31.7 | -6.7%              | 53   | 51   | -2                   |
| India                    | 28.7   | 30.5 | -5.8%              | 54   | 52   | -2                   |
| Algeria                  | 25.7   | 24.8 | 3.7%               | 55   | 56   | 1                    |
| Egypt                    | 23.4   | 23.4 | -0.1%              | 56   | 57   | 1                    |
| Saudi Arabia             | 23.3   | 25.8 | -9.5%              | 57   | 55   | -2                   |
| Bangladesh               | 23.1   | 22.7 | 1.4%               | 58   | 58   | 0                    |

Table 9: Change in Score &amp; Ranking for Component A: Women's Advancement Outcome (2018 to 2019)

Note: \*Scores for 2019 are different from that shown in the previous year's report due to data updates.

\*\*Angola is latest market added to MIWE 2019

## Changes in Score & Ranking: Component A

The table above points to variation in score and ranking in Women's Advancement Outcomes in all markets. Notable increases in score was observed in Japan (up 8.9% from 36.2 to 39.4), Indonesia (up 10.0% from 49.1 to 54.0), France (up 15.0% from 48.8 to 56.1), Chinese Taipei (up 11.7% from 50.8 to 56.7), Costa Rica (up 8.5% from 50.1 to 54.4), Canada (up 5.8% from 58.6 to 62.0) and United States (up 4.9% from 57.3 to 60.1). The increases were primarily driven by an improvement in the sub-indicator 'Women Entrepreneurial Activity Rate – F/M'.

Using **Indonesia** as an example, in the previous publication, the 2017 data showed that out of every 100 working age women, only 6 were about to start an entrepreneurial activity, or has started one for a maximum of 3 ½ years. However, the latest data for 2018 pointed to an increase in the proportion of women from 6 to 14, more than double, placing women at par with men in early-stage entrepreneurship. In **France**, an increase of 73.6% in 'Women Entrepreneurial Activity Rate – F/M' from 43.6 in 2017 to 75.7 significantly narrowed the gender gap. Here, the proportion of women in entrepreneurial activity was dismally low at only 2.4% in 2017, before doubling to 5.3% in 2018. This may be attributed to various socio-economic and entrepreneurial conditions such as:

- Economic expansion in 2017 which may have buoyed confidence in starting a business
- Expansionary monetary policy environment (zero interest rate) that kept borrowing costs for business low.
- Fairly high unemployment rate conditions that may make business attractive: The jobless rate averaged between 9% to 10% over 2017 before easing to around 9% in 2018.
- An increase in the proportion of women who are driven into entrepreneurship due to opportunities (as opposed to out of necessity) and the desire to improve their income and financial independence. The data showed 'Opportunity-Driven Entrepreneurship' among women rising from 59.5% in 2017 to 66.9%.



## 2.4 Component B: Knowledge Assets & Financial Access

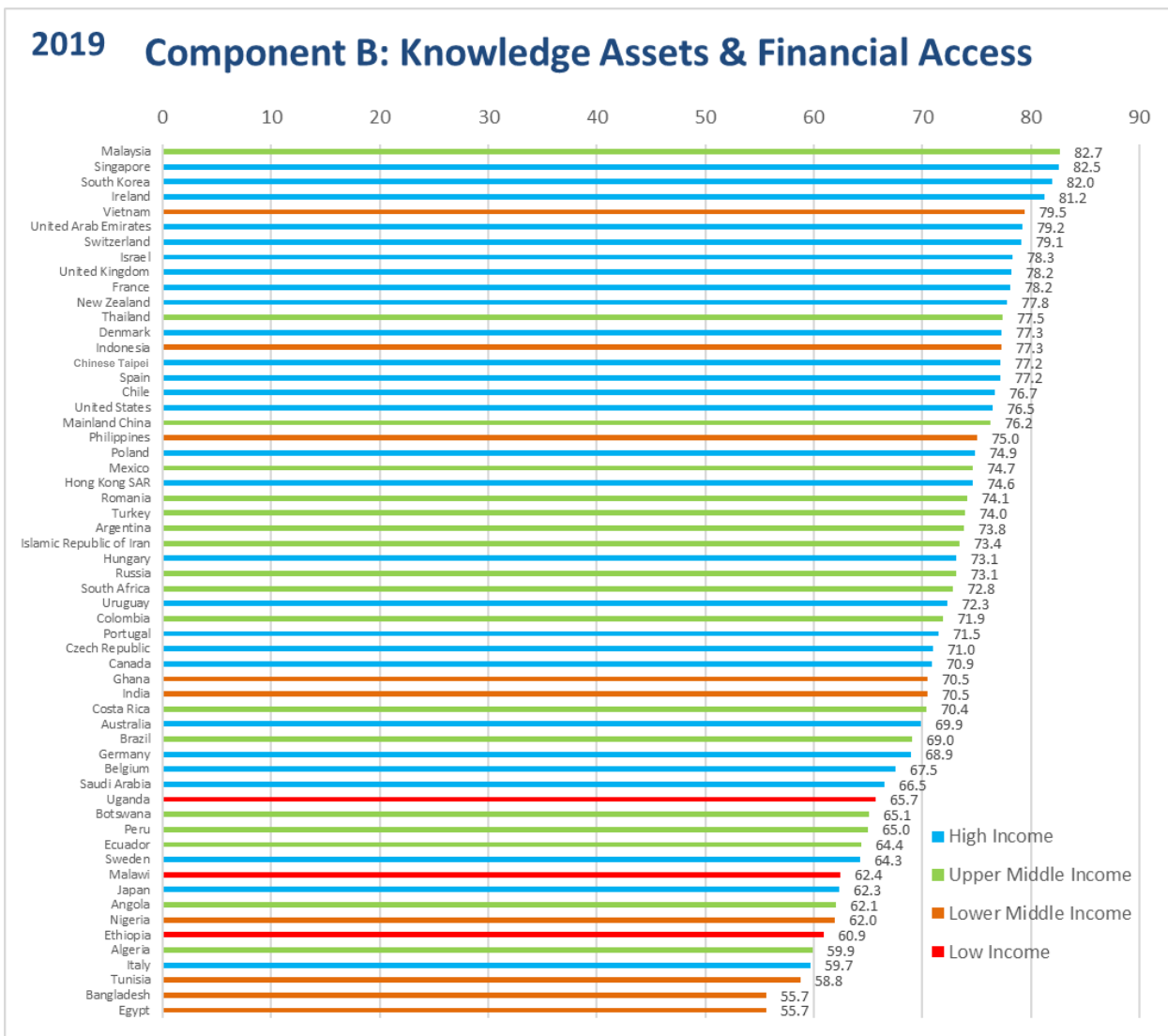
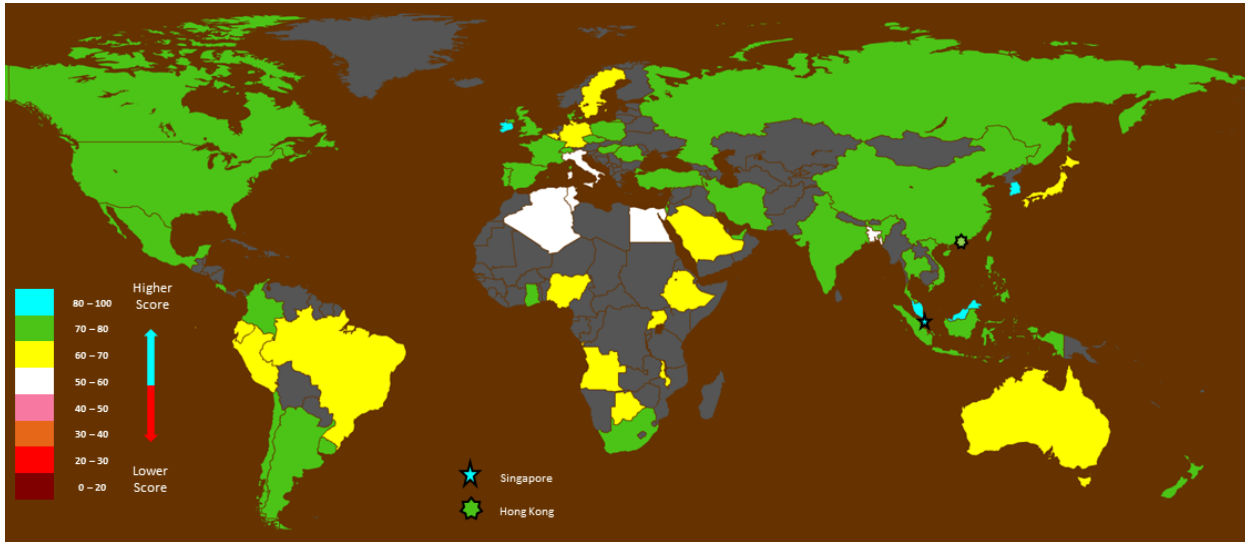
The Knowledge Assets & Financial Access Component (B) gauges women's progress and the degree of marginalization they face in the business world as financial customers and academics in terms of opportunities to enroll in tertiary institutions. It also reflects women's inclination to borrow or save for businesses and how much support is rendered for SMEs. As noted above, some of the sub-indicators under 'Support for SMEs' in Component B have been replaced due to the discontinuation by the sources, or because they are no longer regularly updated.

| Previous Sub-Indicator that has been Replaced due to Discontinuity by Sources | New Sub-Indicator                                  |  |
|---|--|--|
| Availability of Finance Programs for Women                                    | <i>Physical Infrastructure</i>                     | Sub-indicators for ' <b>Support for SMEs</b> ' – Component B |
| SME Training & Development Programs   | <i>Government Program Support</i>                  |  |
| Ease of Access to Loans   | <i>Single Government Agency for New Businesses</i> |  |
| Affordability of Financial Services   | <i>Effective Government Programs</i>               |  |

Table 10: Sub-Indicators that have been replaced in Component B

### Top & Bottom Performers

The results for Component B are the most promising among the 3 components measured. In most markets, the gender gaps between men and women are narrow. As shown in the color world map below, 4 markets had very high scores of between 80 to 100 points (shaded in **light blue**), of which 3 are from Asia Pacific (Malaysia, Singapore, and South Korea). The results show a large cohort of 34 markets within the 70 to 80-point range (colored **green**) that are concentrated in Europe, North America, and some parts of Asia Pacific, and to a lesser extent, Latin America and MEA. In these top 2 ranges, the gender gaps in women's access to financial services and opportunity to enroll in a tertiary education tend to be narrow. The underlying supportive conditions for SMEs are also fairly strong, such as physical infrastructure and the availability and effectiveness of government supportive programs. The remaining 20 markets had reasonably acceptable scores of between 50 to 70 points (**white and yellow**), and tend to be located in Latin America, the MEA, and some parts of Asia such as Australia and Japan. In these markets where the support for SMEs is weaker, the tendency/motivation for women to borrow or save for business startups is low.



However, the results showed that the **degree of knowledge assets and financial access has no direct bearing on women's inclination towards or ability to thrive in business/entrepreneurship.** For example, **Malaysia and Singapore** topped the ranks in Component B, offering excellent physical infrastructure and effective government programs to support businesses. Women's enrollment rate in tertiary education in these markets is nearly at par with men, demonstrating little gender disparity. They are also as likely as men to own credit and debit cards, except in Malaysia where women's ownership of credit cards is low compared to their male counterparts and regional peers. Yet, despite having higher-level education and financial privileges, women's business ownership rates remain low (Malaysia: 16.2% female out of total owners, Singapore: 26.3%, South Korea: 16.8%, and Ireland: 22.9%).

In other regions such as MEA, the low rates of female business owners are even more apparent. For instance, women's tertiary education enrollment rate in the United Arab Emirates far exceeds that of men (77% vs 47% for men), and the support rendered to SMEs is strong (75.9, rank 3) especially in terms of gender equality for financial services, physical infrastructure, and the effectiveness and availability of government programs aimed towards helping business startups. Yet, despite being a strong and fast-growing economy with modernization occurring at fast speeds and efforts taken to cultivate a supportive entrepreneurial ecosystem, women's business ownership rate in the UAE remains dismally low at 7.7% of total (rank 52). Current literature and data suggested that this is largely attributed to other overriding constraints such as low women financial inclusion, lack of access to funding, lack of confidence in being able to balance work and home responsibilities, and most importantly, persistent gender stereotypes and religious norms and values that are restrictive for women seeking to undertake business ventures.<sup>xv</sup>



| Component B:<br>Knowledge Assets<br>& Financial Access<br>(SCORE) | Color<br>in Map | Regions & Selected Markets  | Comments  |
|---|-----------------|---|---|
| 80-100  | Blue            | <ul style="list-style-type: none"> <li>4 markets with high Knowledge Assets &amp; Financial Assets score above 80 points</li> <li><b>Asia Pacific:</b> Malaysia, Singapore, South Korea</li> <li><b>Europe:</b> Ireland</li> </ul>  | <ul style="list-style-type: none"> <li>Women have nearly equal access to financial services &amp; products as men</li> <li>Low to zero gender gap in tertiary education enrolment rate</li> <li>Women just as likely as men to own a credit card (except Malaysia with a gap of 36%)</li> <li>Women in South Korea are the most inclined among the 58 markets to save for a business purpose, while Ireland and Malaysia are slightly lower</li> <li>Women's representation as business leaders and business owners lower than expected (especially in Korea and Malaysia)</li> <li>Wide gender gap in Singapore in terms of entrepreneurial activity rate (Female: 7.2% vs 14.8% for Male)</li> </ul>  |
| 70-80   | Green           | <ul style="list-style-type: none"> <li>34 markets mostly concentrated in Europe, Asia Pacific, North America, and to a lesser extent, Latin America and MEA</li> <li><b>Europe:</b> 12 markets led by Switzerland and the UK</li> <li><b>Asia Pacific:</b> 9 markets led by Vietnam and New Zealand</li> <li><b>North &amp; Latin America:</b> 8 markets led Chile &amp; the US</li> <li><b>MEA:</b> 5 markets led by the UAE &amp; Israel</li> </ul> | <ul style="list-style-type: none"> <li>Women here form the bulk of the markets covered in the MIWE 2019 report</li> <li>Most of the markets are high or upper middle income</li> <li>Zero gender gap in tertiary education enrolment rate (except Turkey, Iran &amp; Ghana)</li> <li>Support for SMEs generally quite good in most markets, except Hungary, Israel, Romania, Turkey, Argentina, Iran, Philippines, Vietnam. Supporting conditions are strongest in Denmark, UAE &amp; Switzerland</li> <li>Gender gap in borrowing/saving for business ranges widely across region. Least gender divide noted in Israel, Romania, Turkey, Philippines, Vietnam &amp; Ghana. Gender gap wider in Portugal, Canada, Russia, Uruguay, and Denmark.</li> <li>Little gender gap in Financial Inclusion except for Turkey, Colombia, Ghana, India, Costa Rica</li> <li><b>Women's Business Ownership ranges widely across regions</b> with top share in New Zealand, Portugal, USA, Russia, and Ghana, and lowest in India, Iran, Turkey, UAE</li> </ul>  |
| 60-70   | Yellow          | <ul style="list-style-type: none"> <li>15 markets, mainly from MEA, Europe, Latin America &amp; Asia</li> <li><b>MEA:</b> 7 markets led by Saudi Arabia &amp; Uganda</li> <li><b>Europe:</b> 3 markets</li> <li><b>Latin America:</b> 3 markets</li> <li><b>Asia:</b> 2 markets</li> </ul>  | <ul style="list-style-type: none"> <li>Most of the markets are high and upper middle income, with 3 low income (Ethiopia, Malawi and Uganda) and 1 lower-middle income (Nigeria)</li> <li>Surprising to find wealthy &amp; highly developed markets such as Australia, Japan, Germany, Sweden &amp; Belgium in the lower score range where knowledge assets &amp; financial access should probably have been higher</li> <li>Gender gap in tertiary education enrolment &amp; financial inclusion wider in MEA markets</li> <li>Support for SMEs tend to be weaker in MEA markets, and in Brazil</li> <li>Women are less inclined to borrow or save for business startup than men in the wealthier &amp; more developed nations such as Australia, Japan, Belgium, Germany &amp; Sweden; while women in the less developed and less wealthy nations in MEA are more likely than men to borrow or save for a business.</li> <li>Women's Business Ownership vary widely from being acutely low (1.60% of total) in Saudi Arabia, to low in Ethiopia, Sweden &amp; Japan, but high in Australia, Malawi, Uganda and Angola</li> </ul>  |
| 50-60   | White           | <ul style="list-style-type: none"> <li>5 markets, mostly lower middle income</li> <li><b>MEA:</b> 3 markets</li> <li><b>Asia:</b> 1 market (Bangladesh)</li> <li><b>Europe:</b> 1 market (Italy)</li> </ul>   | <ul style="list-style-type: none"> <li>Women Business Ownership (F%T) and overall MIWE index score are very low in this range, except for Italy (25%)</li> <li>Gender gap in Women's role as business leaders, professionals/technical and labor force participants low</li> <li>Gender disparity in financial inclusion is wide, with very few women showing inclination to borrow or save for a business compared to other global peers.</li> <li>With the exception of Italy, very few women are financially qualified for credit and debit cards.</li> <li>Support for SMEs noticeably lower here, especially in terms of physical infrastructure, effectiveness &amp; availability of government support programs</li> <li>Tertiary education enrolment rate among both men and women is much lower here compared to other markets</li> <li>Possible reasons for gender gap in women's progress: <ul style="list-style-type: none"> <li>Unstable political environment, especially in Egypt, Tunisia and Bangladesh</li> <li>Government system less effective compared to global peers, especially in Bangladesh, Egypt &amp; Algeria</li> <li>Many barriers to doing business (such as corruption &amp; regulation), especially in Bangladesh &amp; Algeria.</li> </ul> </li> </ul> |

Table 11: Summary of Component B: Knowledge Assets &amp; Financial Access



## Component B: Asia Pacific

**In Asia Pacific, women continue to take a prominent lead**, with Malaysia, Singapore, South Korea and Vietnam assuming 1st, 2nd, 3rd, and 5th spots, respectively. Women here tend to be highly driven by high access to financial products and services, strong support for SMEs, and high opportunities to tertiary education. In **Vietnam**, women are nearly as inclined as their male counterparts to borrow or save to start a business (F/M: 89.9%, rank 3), a tendency that appears to be resonated in their high share of the business world (Women Business Ownership of 27.0%, rank 20). This is aligned with the fact that Vietnamese women tend to be more inclined to start a business/engage in entrepreneurial activity than their male counterparts (24.8% activity rate among females compared to 21.7% for males). They are also nearly as motivated as men to pursue good business opportunities to improve their income and independence (as opposed to necessity).

In **South Korea**, women's entrepreneurial activity rate increased notably from 10.3% in 2017 to 12.2% in 2018, driven by a rise in female entrepreneurs seeking greater income or financial independence (improvement-driven opportunities). In fact, GEM's 2018/19 data revealed opportunity-driven entrepreneurship in East and South Asian markets such as Thailand, Malaysia, and South Korea to be more than 3 times the proportion of necessity-motivated.<sup>xvi</sup> In **Malaysia**, a marked increase in entrepreneurial activity rate was observed among both females and males: up 3.5 times from 4.5% in 2016 to 20.1% in 2017 for females, and up 4.6 times from 5.0% to 23.0% for males over the 2016-2017 period<sup>3</sup>. Among women-led entrepreneurs, 90.2% were aspired by good opportunities (versus necessity-driven or lack of option), surpassing 88.6% for males. The increase in female entrepreneurship rate appears to be consistent with the increase in 'Women Borrowing or Saving for Business (F/M)', up from 72.2% in 2016 to 81.1% in 2017.

In **Singapore**, although the underlying conditions for SMEs are highly conducive and enabling in terms of excellent physical, financial and legal infrastructure and supportive government initiatives via programs and agencies, women's share of the business world is lower than expected (26.3% female out of total). This may be attributed to the highly competitive business environment, high starting business cost, fear of failure, or simply, a preference to remain in the labor force due to the sense of job security.

<sup>3</sup> Based on the latest data update from GEM 2016-2017 for Malaysia



## Component B: Europe

The results also showed **women in European markets such as Ireland, Switzerland, the UK, France and Denmark positioned strongly in Component B: Knowledge Assets & Financial Access**, fueled by very supportive and enabling underlying conditions for SMEs and high access to financial services and products. In this region, women's enrollment rate in tertiary education is not only high but surpasses that of men. This is observed in nearly all European markets where the proportion of 'Female Tertiary Education Gross Enrollment Rate' is greater than men, especially in Denmark (94.7% for female vs 69.2% for male), Spain (100% vs 84.4%), and Poland (81.2% vs 53.4%). A breakdown of the 'Support for SMEs' indicator revealed entrepreneurial conditions to be generally very enabling, especially in terms of physical infrastructure, the availability of supportive government programs, and the effectiveness of government SME programs.

## Ireland

In **Ireland** (the top market in Europe for Component B with score of 81.2, rank 4), women benefit from positive and supportive social and cultural norms towards entrepreneurship and good opportunities for tertiary education (higher female enrollment rate of 82.1% compared to 74.4% for male). Their labor force participation rate is also among the highest at 81%. They account for half of all professionals/technicians (50.5%) and over one-third of business leaders (35.6%). Yet, despite the progress achieved in these aspects amid highly supportive underlying conditions, **Irish women's business ownership is lower than expected**, accounting for only one-fifth of all business owners.

Compared to their male counterparts, Irish women are less inclined to engage in entrepreneurial activities (63% F/M). Such disparity and underperformance may be attributed to various reasons such as: (i) fear of business failure which makes entrepreneurship less attractive as a career choice and (ii) lack of self-confidence to run a business which may be associated with low perception of good business opportunities. This is unfortunate, given that Irish entrepreneurs have high growth expectations (rank 4th in Europe out of 20), with 21% planning to create 10 or more jobs within 5 years. They also rank highly (4th in Europe) for "tech" entrepreneurship, with 1 in 6 reporting their products and services to be innovative and new to all customers. Irish entrepreneurs are also considered as "Born-Globals", with 1 in 4 having very strong international orientation and potential to take their business onto global grounds.<sup>xvii</sup>

With a score of 68.9, **Germany** is ranked quite low at 41 for Component B in terms of women's knowledge assets and financial access. The results show women to be among the least inclined to borrow or save for business (female-to-male ratio of only 34.8, rank 55). For example, out of every 100 person who borrowed to start a business, only 1.5% is a female compared to 4.4% for men. The tendency for women to set aside money for business purposes is also low compared to men (4.4% for female compared to 12.1% for male). When it comes to entrepreneurship, German women are only half as inclined as men to engage in entrepreneurial activities (F/M of 50.0, rank 46). Similarly, women's share of the business world is lower than expected (female business owners rate of 25.7% of total, rank 26). For instance, only 3.3% of the working age population about to start a business or has started one for a maximum of 3 ½ years is a female (compared to 6.6% for men).

This is disappointing given the market confers very favorable entrepreneurial conditions such as high ease of doing business (78.9, rank 15), good quality of governance (89.2, rank 7) and good support for SMEs (69.1, rank 10). GEM's research revealed that one of the major constraints stems from the fact that Germany is characterized by a large number of middle-sized companies that tend to have strong family ties. These businesses perform relatively well both locally and internationally, making it tough for new, small entrepreneurs to compete effectively. This may be hindering business startup rates.<sup>xvii</sup> Other hurdles include:

- **Low entrepreneurial intentions rate compared to regional peers:** Only 5.8% of the population aged 18 to 64 in Germany are latent entrepreneurs and intend to start a business in the next 3 years.
- **Low perceived capabilities rate:** Only 38.3% of the working age population believe they have the required skills and expertise to start a business (lower than regional average of 44.3%).
- **Poor cultural and social perceptions of entrepreneurship** (48.0, rank 45).



## Switzerland

With a Component B score of 79.1 and ranking in 7th place, **Switzerland is strongly placed in terms of Women's Knowledge Assets & Financial Access**, especially in terms of 'Support for SMEs' (73.8, rank 4) and 'Women Tertiary Education Gross Enrollment Rate – F/M' (100.0, rank 1). A breakdown of the 'Support for SMEs' indicator showed the physical infrastructure and effectiveness and availability of government programs to support business to be among the top among the 58 markets. Women here also have equal opportunity to financial services and products. In fact, the results show Switzerland solidly positioned in Component C: Supporting Entrepreneurial Conditions as well with a ranking in 4th place and a score of 78.0, buoyed by very high 'Quality of Governance' (96.8, rank 2), 'Entrepreneurial Supporting Factors' (77.1, rank 2), and 'Cultural Perceptions of Entrepreneurs' (65.3, rank 8). For example, the overall national regard and support for entrepreneurship in terms of success achieved through personal initiative, entrepreneurial risk-taking, creativity and innovativeness, and individuality are very positive. The country also has one of the most effective rules of governance with regards to quality of public services, political stability and control of corruption.

The MIWE 2019 results also positioned **Switzerland** in 7th place with an overall index score of 65.8, trailing only the US, New Zealand, Canada, Israel, Ireland and Canada. However, while the country thrives in Component B and C, it lags considerably in Component A. Specifically, women's representation as business owners, leaders and professionals/technicians is lower than expected given the existing entrepreneurial supporting conditions, access to financial services & products and knowledge assets. The latest 2018 data from GEM showed a decline in women's entrepreneurial activity rate from 5.8% in 2017 to 4.7% in 2018, while men's activity rate dropped from 11.1% to 10.0%. There are various reasons for the low entrepreneurial rate, including:

- **High fear of failure:** In general, the Swiss are more likely to be deterred by business failure compared to their regional and global peers (40% vs global and regional averages of 36% and 39%, respectively).
- **Very Low Entrepreneurial Intentions Rate:** On average, the Swiss show very low intention to start a business within the next 3 years (7% compared to global and regional averages of 24% and 11%, respectively).
- **Low Perceived Capabilities Rate:** Compared to their global and regional peers, the Swiss have less confidence when it comes to believing that they have the required knowledge and skills to start a business (36% vs 49% globally and 44% regionally)
- **Low Perception of Entrepreneurship as a Good Career Choice**

On a positive note, data showed that the **Established Business Ownership Rate in Switzerland to be high** with 12% of the population aged 18 to 64 being a current owner-manager of an established business that has paid salaries, wages, or any other payments to the owners for more than 3 ½ years. This rate is higher than the global and regional averages of 8% and 7%, respectively. The **Job Creation Expectation Rate** among Swiss entrepreneurs is considerably higher than the global and regional readings as well with nearly one-third involved in entrepreneurial activity voicing plans to expand their business by creating 6 or more jobs in the next 5 years (29% versus 21% and 20% for global and regional, respectively). Most entrepreneurs tend to be ambitious and are greatly **driven by opportunities** that will advance their income and financial position (Motivational Index of 9% compared to global and regional averages of 3% and 4%, respectively).



## Component B: Middle East & Africa

While women in most markets are equally or nearly as likely as men to be enrolled in tertiary education, those in the **Middle East & African (MEA)** lower-income markets such as Ethiopia, Malawi, Uganda, Angola, Ghana, and Nigeria continue to be marginalized with very low opportunities for higher-level education. In other high- and middle-income regional societies such as Israel, Saudi Arabia, UAE, Botswana and Algeria where women's enrollment rate is at par with men, the acquired knowledge assets are not reflected in women's empowerment as business leaders, workforce participants, and professionals/technical workers. They also tend to have less access to financial services and products such as opening a bank account or having a credit or debit card. For example, in Malawi, only 18% of women have a bank account, while a dismal 1% reported having a credit card and 7.6% a debit card. This is in stark contrast to women in the US where over 90% have a bank account, 63% a credit card, and 80% a debit card, and Italy where over 90% have a bank account, 34% a credit card, and 78% a debit card. Data from the ILO revealed only 35% of women compared with 52% for men, have a financial account of some sort in the MEA region, representing the widest gender disparity in account ownership of any region (World Bank, International Labor Organization 2017).

According to a **World Bank Development Research Group report**<sup>xx</sup>, the availability of financial services does not always correlate with an increase in the rate of financial inclusion in a community due to the fact that many individuals in the MEA region voluntarily refrain from using financial services for religious or cultural reasons. Research also revealed that although women here generally have the legal right to own property, enter legal contracts, apply for loans and access credit, they frequently abstain from doing so due to widespread gender-based discrimination in other areas. Moreover, members of the MEA Business Women's Network disclosed that some of the biggest hurdles they faced in seeking finances for their businesses included: high interest rates (67%), lack of collateral guarantees (36%), complicated application process (31%), and lack of business track record (17%), and discriminatory treatment from the banks (16%). **Yet, in spite of these constraints, some of the highest Women Business Ownership Rates are observed in the MEA region** in Uganda (38.2%, rank 1), Ghana (37.9%, rank 2), Botswana (36.0%, rank 3), Malawi (31.1%, rank 7) and Angola (30.3%, rank 9).

Findings from OECD research also highlight that although women in the MEA region are making notable progress in terms of education and skill sets, not enough has been done to bring legislation and social norms into line with such advances. With an average of just 24% of employed women in the region, this compares significantly weaker to the figure of 60% in OECD Markets. More pointedly, gender-based discrimination in laws and social norms is costing the region up to USD575 billion annually (OECD Development Centre's SIGI gender index) due to the failure to harness the talent of working-age women.<sup>xxii</sup>

Table 12 below shows how the scores for Component B has changed compared to the previous publication.

| Market                   | Component B:<br>Knowledge Assets & Financial Access SCORE |      |                 | Component B:<br>Knowledge Assets & Financial Access RANKING |      |                   |
|--------------------------|---|------|-----------------|---|------|-------------------|
|                          | 2019  | 2018 | Change in SCORE | 2019  | 2018 | Change in RANKING |
| Malaysia                 | 82.7  | 80.6 | 2.6%            | 1   | 3    | 2                 |
| Singapore                | 82.5  | 85.0 | -2.9%           | 2   | 1    | -1                |
| South Korea              | 82.0  | 78.8 | 4.1%            | 3   | 8    | 5                 |
| Ireland                  | 81.2  | 76.4 | 6.4%            | 4   | 20   | 16                |
| Vietnam                  | 79.5  | 83.4 | -4.7%           | 5   | 2    | -3                |
| United Arab Emirates     | 79.2  | 74.8 | 6.0%            | 6   | 24   | 18                |
| Switzerland              | 79.1  | 77.0 | 2.8%            | 7   | 17   | 10                |
| Israel                   | 78.3  | 77.2 | 1.5%            | 8   | 15   | 7                 |
| United Kingdom           | 78.2  | 78.4 | -0.2%           | 9   | 10   | 1                 |
| France                   | 78.2  | 74.9 | 4.4%            | 10  | 23   | 13                |
| New Zealand              | 77.8  | 78.8 | -1.3%           | 11  | 7    | -4                |
| Thailand                 | 77.5  | 79.1 | -2.0%           | 12  | 5    | -7                |
| Denmark                  | 77.3  | 77.4 | 0.0%            | 13  | 13   | 0                 |
| Indonesia                | 77.3  | 79.0 | -2.2%           | 14  | 6    | -8                |
| Chinese Taipei           | 77.2  | 76.6 | 0.9%            | 15  | 19   | 4                 |
| Spain                    | 77.2  | 78.7 | -1.9%           | 16  | 9    | -7                |
| Chile                    | 76.7  | 77.5 | -1.0%           | 17  | 12   | -5                |
| United States            | 76.5  | 76.1 | 0.5%            | 18  | 21   | 3                 |
| Mainland China           | 76.2  | 78.3 | -2.6%           | 19  | 11   | -8                |
| Philippines              | 75.0  | 79.9 | -6.1%           | 20  | 4    | -16               |
| Poland                   | 74.9  | 73.6 | 1.8%            | 21  | 28   | 7                 |
| Mexico                   | 74.7  | 74.4 | 0.5%            | 22  | 26   | 4                 |
| Hong Kong SAR            | 74.6  | 74.6 | 0.0%            | 23  | 25   | 2                 |
| Romania                  | 74.1  | 77.1 | -3.9%           | 24  | 16   | -8                |
| Turkey                   | 74.0  | 71.4 | 3.6%            | 25  | 33   | 8                 |
| Argentina                | 73.8  | 75.8 | -2.6%           | 26  | 22   | -4                |
| Islamic Republic of Iran | 73.4  | 74.0 | -0.7%           | 27  | 27   | 0                 |
| Hungary                  | 73.1  | 71.0 | 3.0%            | 28  | 34   | 6                 |
| Russia                   | 73.1  | 68.1 | 7.2%            | 29  | 44   | 15                |
| South Africa             | 72.8  | 77.3 | -5.8%           | 30  | 14   | -16               |
| Uruguay                  | 72.3  | 73.4 | -1.4%           | 31  | 29   | -2                |
| Colombia                 | 71.9  | 72.6 | -1.0%           | 32  | 30   | -2                |
| Portugal                 | 71.5  | 76.9 | -7.1%           | 33  | 18   | -15               |
| Czech Republic           | 71.0  | 69.2 | 2.7%            | 34  | 38   | 4                 |
| Canada                   | 70.9  | 72.5 | -2.2%           | 35  | 31   | -4                |
| Ghana                    | 70.5  | 70.7 | -0.3%           | 36  | 35   | -1                |
| India                    | 70.5  | 66.7 | 5.7%            | 37  | 47   | 10                |
| Costa Rica               | 70.4  | 69.1 | 1.9%            | 38  | 39   | 1                 |
| Australia                | 69.9  | 68.9 | 1.4%            | 39  | 41   | 2                 |
| Brazil                   | 69.0  | 69.9 | -1.2%           | 40  | 37   | -3                |
| Germany                  | 68.9  | 70.5 | -2.3%           | 41  | 36   | -5                |
| Belgium                  | 67.5  | 71.5 | -5.6%           | 42  | 32   | -10               |
| Saudi Arabia             | 66.5  | 61.2 | 8.6%            | 43  | 52   | 9                 |
| Uganda                   | 65.7  | 66.3 | -0.9%           | 44  | 48   | 4                 |
| Botswana                 | 65.1  | 68.9 | -5.4%           | 45  | 42   | -3                |
| Peru                     | 65.0  | 69.1 | -5.8%           | 46  | 40   | -6                |
| Ecuador                  | 64.4  | 68.8 | -6.5%           | 47  | 43   | -4                |
| Sweden                   | 64.3  | 68.1 | -5.5%           | 48  | 45   | -3                |
| Malawi                   | 62.4  | 60.9 | 2.5%            | 49  | 53   | 4                 |
| Japan                    | 62.3  | 66.7 | -6.6%           | 50  | 46   | -4                |
| Angola                   | 62.1  | 61.7 | 0.6%            | 51  | 50   | -1                |
| Nigeria                  | 62.0  | 61.3 | 1.1%            | 52  | 51   | -1                |
| Ethiopia                 | 60.9  | 62.1 | -1.8%           | 53  | 49   | -4                |
| Algeria                  | 59.9  | 60.0 | -0.1%           | 54  | 55   | 1                 |
| Italy                    | 59.7  | 59.7 | 0.0%            | 55  | 56   | 1                 |
| Tunisia                  | 58.8  | 60.8 | -3.2%           | 56  | 54   | -2                |
| Bangladesh               | 55.7  | 52.8 | 5.5%            | 57  | 58   | 1                 |
| Egypt                    | 55.7  | 53.0 | 5.1%            | 58  | 57   | -1                |

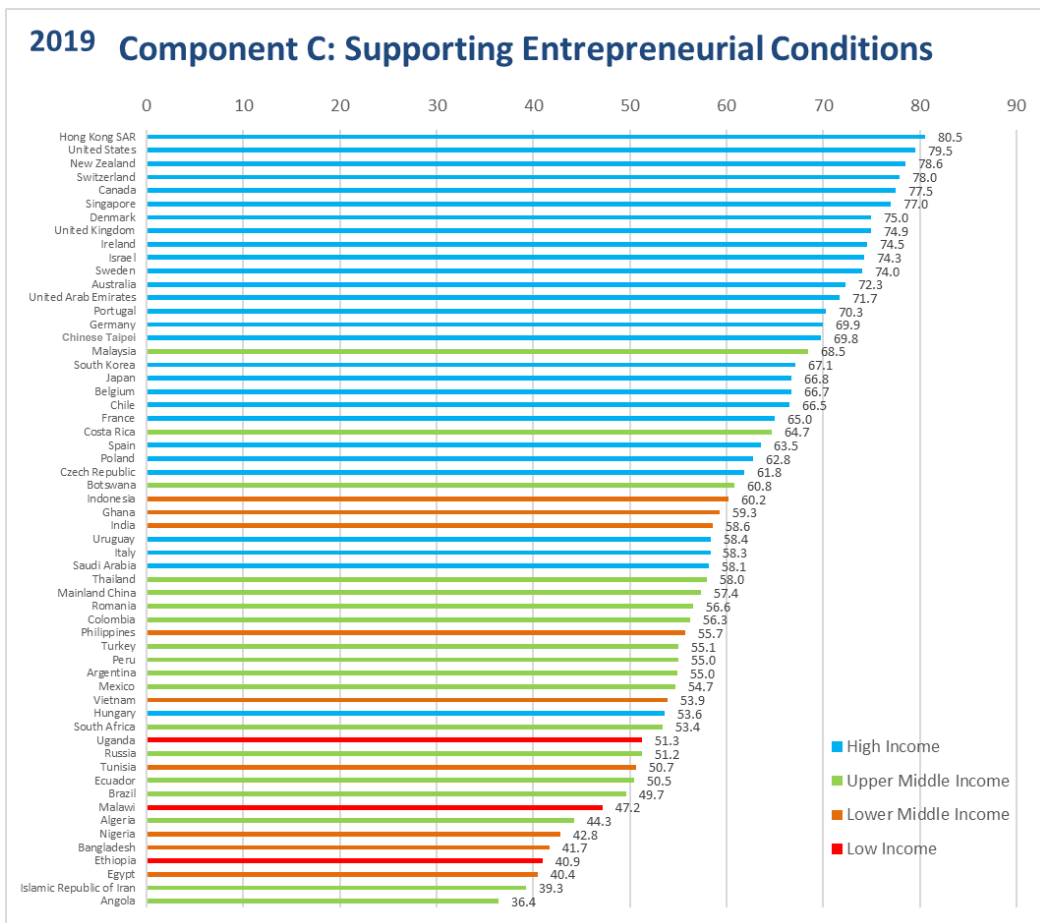
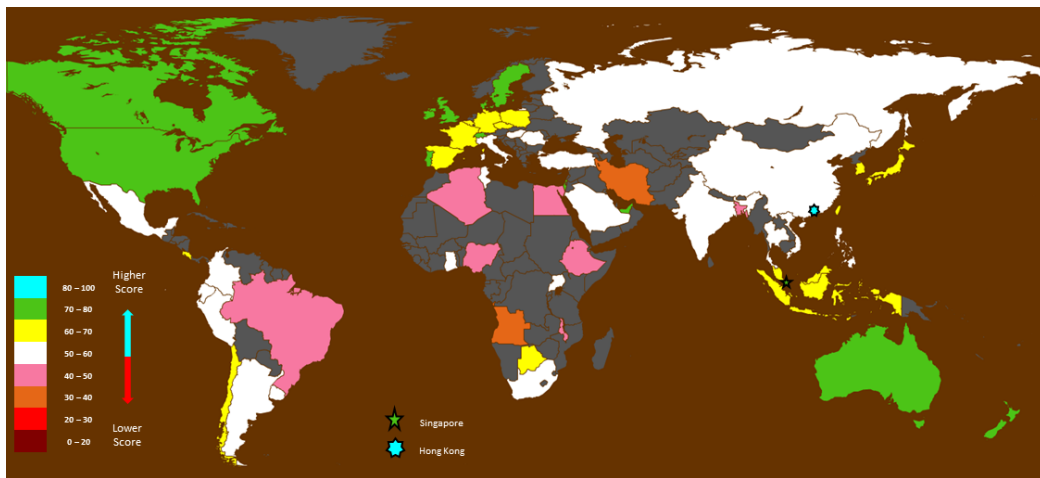
Table 12: Change in Score & Ranking for Component B: Knowledge Assets & Financial Access (2018 to 2019)

Note: \*Scores for 2019 are different from that shown in the previous year's report due to data updates.

\*\*Angola is latest market added to the MIWE 2019

# 2.5 Component C: Supporting Entrepreneurial Conditions

The Supporting Entrepreneurial Conditions Component (C) gauges how supportive entrepreneurial conditions are as enablers or constraints of women business ownership. It comprises 4 indicators: (i) Ease of Doing Business, (ii) Cultural Perceptions of Women Entrepreneurs, (iii) Quality of Governance, and (iv) Entrepreneurial Supporting Factors.





## Top & Bottom Performers

Markets that are wealthy and more developed such as Hong Kong SAR, the US and New Zealand tend to render the most conducive and enabling factors for entrepreneurship, while the less wealthy and less advanced nations such as Egypt, Ethiopia and Malawi are entangled with more constraints and barriers.

The results showed that women entrepreneurs in Asia Pacific, Europe and North America are driven by favorable and enabling conditions such as high ease of doing business, positive cultural and social regard for entrepreneurship, high quality of governance, availability of skilled employees, and ease of market entry for new businesses. In Asia, 8 markets assume the top 20 positions in Component C, with Hong Kong SAR (rank 1), New Zealand (rank 3) and Singapore (rank 6) leading the pack. Similarly, the US and Canada in North America, and Switzerland, Canada, Denmark, the UK and Ireland in Europe are also ranked among the top 10 globally.

Surprisingly, although **Hong Kong SAR** is home to the world's best entrepreneurial supporting factors where society values entrepreneurial risk-taking, business success, creativity and innovativeness, and skilled employees are relatively easy to find, women's share of the business world is surprisingly low (19.8%, rank 42). Conversely, in the US, New Zealand, Australia, Switzerland and Canada, the highly supportive entrepreneurial conditions, among other factors, appear to be play a role in advancing women's ability to thrive in business (e.g. 35.1% female ownership for the US, 31.8% for New Zealand, 30.9% for Australia and 30.2% for Portugal).

**There are also markets that are uniquely placed such as Nigeria, Brazil and Ecuador** that score very disappointingly in Component C due to poor quality of governance and barriers in doing business, but outshine most of their global peers in terms of Component A: Women's Advancement Outcomes and Women Business Owners (F%T). Women here tend to be fairly represented as business leaders (more than 1 in 4), account for more than half of all professionals and technicians and are close to or at parity in terms of engagement in entrepreneurial activity. In **Nigeria**, although women's workforce participation rate is very low with only 13.2% of working age women active in the workforce, and women's tertiary education enrollment rate is low (8%), they have a healthy share of the business world (25%) and very high proportion of female entrepreneurial activity rate (40.7% of working age population are females compared to 39.0% for males). Nigerian women are also highly motivated by improvement-driven opportunities (73.8% compared to 25.3% for necessity-driven). This admirable track record is backed by a very strong and positive culture that applauds entrepreneurial success, business risk-taking, innovativeness and individuality – conditions that appear to override the barriers presented by very poor quality of governance and challenges in doing business.



| Component C:<br>Supporting<br>Entrepreneurial<br>Conditions (SCORE) | Color<br>in Map | Regions & Selected Markets  | Comments  |
|---|-----------------|---|---|
| 80-100  | Blue            | <ul style="list-style-type: none"> <li>Only 1 market (<b>Hong Kong SAR</b>) with score above 80</li> </ul>  | <ul style="list-style-type: none"> <li><b>Supportive Entrepreneurial Conditions in Hong Kong SAR is impressively strong</b>, underpinned by very high ease of doing business, positive social and cultural regard for entrepreneurship, high quality of governance, and highly developed financial infrastructure.</li> <li>Society is the 2<sup>nd</sup> most receptive and open towards business failure (trailing only Malaysia)</li> <li>However, Women's Business Ownership Rate is still lower than expected at 19.8% (rank 42) likely due to high fear of business failure, low self confidence in terms of capabilities to start or run a business, in turn discouraging the motivation/drive towards entrepreneurship (Entrepreneurial Intentions Rate low at 16.3% compared to 22.3% global average)</li> </ul>   |
| 70-80   | Green           | <ul style="list-style-type: none"> <li>13 markets; <b>all high-income &amp; innovation-driven</b></li> <li><b>North America</b>: 2 led by the US</li> <li><b>Asia</b>: 3 markets led by New Zealand</li> <li><b>Europe</b>: 6 markets led by Switzerland</li> <li><b>MEA</b>: 1 (Israel)</li> </ul>                               | <ul style="list-style-type: none"> <li><b>Highly Supportive Entrepreneurial Conditions characterized by</b> ease of doing business, good quality of governance, strong entrepreneurial supporting factors such as rule of law, positive attitude towards business failure, availability of skilled employees.</li> <li>Women just as likely as men to be driven by opportunities (vs necessity)</li> <li>Society generally has high regard for entrepreneurship</li> <li>Gender gap in entrepreneurial activity is wider in Singapore, Sweden Switzerland and the UK, but narrow in Canada, the US, UAE and Israel</li> <li>Women's representation as business leaders &amp; professionals/technicians generally high, except UAE</li> <li>Women's Business Ownership is fairly high in most markets, except UAE, Israel and Sweden</li> </ul>  |
| 60-70   | Yellow          | <ul style="list-style-type: none"> <li>14 markets, mostly high income</li> <li><b>Asia</b>: 6 led by Chinese Taipei</li> <li><b>Europe</b>: 5 markets led by Germany</li> <li><b>Latin America</b>: 2 led by Chile</li> <li><b>MEA</b>: 1 (Botswana)</li> </ul>   | <ul style="list-style-type: none"> <li>Generally high ease of doing business, quality of governance and enabling entrepreneurial supporting factors</li> <li>Cultural perception of entrepreneurs less positive, especially in Japan and some European markets Belgium, Czech Republic, France, Germany, Poland &amp; Spain</li> <li>Women Business Ownership varies widely with highest representation in Botswana, Spain &amp; Poland, and lowest in Malaysia, South Korea &amp; Japan</li> <li><b>Botswana</b>: Does not very high score in Component C (especially in cultural perception of entrepreneurs &amp; entrepreneurial supporting factors) but has very high share of women as business owners (36%), business leaders (38.7%), professionals/technicians (48.7%) and labor force participation (84%)</li> <li><b>Japan, South Korea &amp; Chinese Taipei</b>: High Income &amp; Advanced but weaker than expected supporting entrepreneurial conditions appear to be suppressing women's ability to thrive in society as leaders and business owners</li> </ul>  |
| 50-60   | White           | <ul style="list-style-type: none"> <li>21 markets, mostly upper middle income with some high &amp; lower middle income</li> <li><b>Asia</b>: 5 markets led by India</li> <li><b>Europe</b>: 6 markets led by Italy</li> <li><b>MEA</b>: 5 markets led by Ghana</li> <li><b>Latin America</b>: 6 markets led by Uruguay</li> </ul> | <ul style="list-style-type: none"> <li><b>Ease of Doing Business generally quite high</b>; but Cultural perception of entrepreneurs, Quality of Governance &amp; Entrepreneurial Supporting Factors vary from poor in markets such as South Africa, Hungary, Russia, Tunisia</li> <li><b>Uganda</b>: Outlier with weak Component C score due to poor quality of governance, poor support for SMEs &amp; Ease of doing business, less opportunities for women to seek higher level education; yet tops the index with highest proportion of female business owners (38.2%) &amp; highest rate of Women Entrepreneurial Activity (37% of working age engaged in early-stage entrepreneurial activity is a women compared to 33.7% for men)</li> <li><b>Russia &amp; Turkey</b>: Quality of Governance very poor, reflected in low Component C score, although knowledge assets &amp; financial access are quite healthy. Russia has high women business ownership rate (31.2% of total) and high female business leaders and professionals/technicians compared to regional peers, but Women Entrepreneurial Activity Rate is very low with only 3.9% of working age entrepreneurs being female compared to 7.3% for male.</li> <li><b>Results showed that the entrepreneurial supporting factors did not have a direct bearing on women's ability to thrive in the business world</b></li> </ul> |
| 40-50   | Pink            | <ul style="list-style-type: none"> <li>7 markets, mostly lower middle and low income</li> <li>Latin America: 1 (Brazil)</li> <li>MEA: 5 markets</li> </ul>  | <ul style="list-style-type: none"> <li><b>Poor Supporting Entrepreneurial Conditions</b> appear to constrain women's progress in society as business leaders, professionals/technicians</li> <li><b>Knowledge Assets &amp; Financial Access generally very poor</b>, especially in MEA</li> <li><b>Women's advancement outcome tends to be very poor</b> in lower income markets such as Malawi, Ethiopia, Egypt, Bangladesh</li> </ul>   |
| 30-40   | Orange          | <ul style="list-style-type: none"> <li>3 markets all from MEA (Egypt, Iran &amp; Angola)</li> </ul>   | <ul style="list-style-type: none"> <li><b>Women's Entrepreneurial Activity can be very high</b> (Angola, Nigeria), likely driven by necessity (to make a living or supplement family income due to poor economic conditions)</li> </ul>   |

Table 13: Summary of Component C: Supporting Entrepreneurial Conditions



Table 14 below shows how the scores and rankings for Component C have changed in a year. Markets whose scores rose or declined by +/-3% are highlighted in color below. Of the 58 markets, **Saudi Arabia's** score rose the most, up 7.5% from 54.1 to 58.1, advancing it 11 ranks from 44th to 33rd. This was driven by a jump in 'Cultural Perceptions of Entrepreneurs' (up from 50.1 to 63.2). **Russia's** score rose 5.3% from 48.6 to 51.2, moving it 3 spots up 50th to 47th for Component C, buoyed by an increase in all 4 sub-indicators, especially 'Cultural Perceptions of Entrepreneurs', 'Quality of Governance', and Entrepreneurial Supporting Factors'.

Of those markets whose scores retreated, the most prominent was observed in **South Africa**, with a -8.3% drop from 58.3 to 53.4, bringing it down 12 spots from 33rd to 45th. This decline was weighed down by a sharp pullback in cultural regard for entrepreneurship, especially in terms of the extent to which the nation encourages and supports entrepreneurial success, risk taking, creativity and innovativeness, and individuality. This is reflected in the low entrepreneurial intentions rate among South Africans in general (12% compared to the global and regional averages of 22% and 33%, respectively). Furthermore, economic growth has been sluggish with GDP declining from around 1.6% in late 2017 to nearly zero growth in mid-2018 as the nation grappled with contraction in agriculture amid political and economic setbacks and protracted social challenges such as extremely high income inequality and unemployment. These conditions would have likely dampened sentiment and motivation for business startups and risk taking. **Other markets that retreated in Component C included Peru, Poland and Chinese Taipei** (down -5.0% or more), weighed down by large pullbacks in regard for entrepreneurship.

| Market                   | Component C:<br>Supporting Entrepreneurial Conditions SCORE |      |                 | Component C:<br>Supporting Entrepreneurial Conditions RANKING |      |                   |
|--------------------------|---|------|-----------------|---|------|-------------------|
|                          | 2019*   | 2018 | Change in SCORE | 2019  | 2018 | Change in RANKING |
| Hong Kong SAR            | 80.5  | 80.4 | 0.1%            | 1   | 1    | 0                 |
| United States            | 79.5  | 79.6 | 0.0%            | 2   | 3    | 1                 |
| New Zealand              | 78.6  | 80.2 | -2.0%           | 3   | 2    | -1                |
| Switzerland              | 78.0  | 79.1 | -1.5%           | 4   | 4    | 0                 |
| Canada                   | 77.5  | 77.1 | 0.6%            | 5   | 6    | 1                 |
| Singapore                | 77.0  | 77.7 | -1.0%           | 6   | 5    | -1                |
| Denmark                  | 75.0  | 74.0 | 1.4%            | 7   | 12   | 5                 |
| United Kingdom           | 74.9  | 74.6 | 0.5%            | 8   | 10   | 2                 |
| Ireland                  | 74.5  | 74.6 | -0.1%           | 9   | 9    | 0                 |
| Israel                   | 74.3  | 73.9 | 0.4%            | 10  | 13   | 3                 |
| Sweden                   | 74.0  | 76.8 | -3.6%           | 11  | 7    | -4                |
| Australia                | 72.3  | 76.0 | -4.8%           | 12  | 8    | -4                |
| United Arab Emirates     | 71.7  | 71.0 | 1.0%            | 13  | 15   | 2                 |
| Portugal                 | 70.3  | 66.9 | 5.0%            | 14  | 20   | 6                 |
| Germany                  | 69.9  | 72.2 | -3.1%           | 15  | 14   | -1                |
| Chinese Taipei           | 69.8  | 74.0 | -5.7%           | 16  | 11   | -5                |
| Malaysia                 | 68.5  | 69.5 | -1.5%           | 17  | 17   | 0                 |
| South Korea              | 67.1  | 67.6 | -0.7%           | 18  | 19   | 1                 |
| Japan                    | 66.8  | 69.9 | -4.5%           | 19  | 16   | -3                |
| Belgium                  | 66.7  | 66.0 | 1.2%            | 20  | 22   | 2                 |
| Chile                    | 66.5  | 68.5 | -2.9%           | 21  | 18   | -3                |
| France                   | 65.0  | 64.7 | 0.4%            | 22  | 25   | 3                 |
| Costa Rica               | 64.7  | 65.4 | -1.1%           | 23  | 24   | 1                 |
| Spain                    | 63.5  | 65.7 | -3.3%           | 24  | 23   | -1                |
| Poland                   | 62.8  | 66.5 | -5.6%           | 25  | 21   | -4                |
| Czech Republic           | 61.8  | 62.5 | -1.0%           | 26  | 27   | 1                 |
| Botswana                 | 60.8  | 62.8 | -3.2%           | 27  | 26   | -1                |
| Indonesia                | 60.2  | 59.9 | 0.6%            | 28  | 29   | 1                 |
| Ghana                    | 59.3  | 56.5 | 4.9%            | 29  | 38   | 9                 |
| India                    | 58.6  | 58.2 | 0.6%            | 30  | 34   | 4                 |
| Uruguay                  | 58.4  | 59.4 | -1.8%           | 31  | 31   | 0                 |
| Italy                    | 58.3  | 61.4 | -4.9%           | 32  | 28   | -4                |
| Saudi Arabia             | 58.1  | 54.1 | 7.5%            | 33  | 44   | 11                |
| Thailand                 | 58.0  | 56.0 | 3.5%            | 34  | 40   | 6                 |
| Mainland China           | 57.4  | 55.2 | 4.0%            | 35  | 42   | 7                 |
| Romania                  | 56.6  | 59.5 | -5.0%           | 36  | 30   | -6                |
| Colombia                 | 56.3  | 57.4 | -1.9%           | 37  | 35   | -2                |
| Philippines              | 55.7  | 53.8 | 3.5%            | 38  | 45   | 7                 |
| Turkey                   | 55.1  | 55.6 | -0.9%           | 39  | 41   | 2                 |
| Peru                     | 55.0  | 58.3 | -5.6%           | 40  | 32   | -8                |
| Argentina                | 55.0  | 56.1 | -2.0%           | 41  | 39   | -2                |
| Mexico                   | 54.7  | 57.0 | -3.9%           | 42  | 36   | -6                |
| Vietnam                  | 53.9  | 54.2 | -0.6%           | 43  | 43   | 0                 |
| Hungary                  | 53.6  | 56.9 | -5.8%           | 44  | 37   | -7                |
| South Africa             | 53.4  | 58.3 | -8.3%           | 45  | 33   | -12               |
| Uganda                   | 51.3  | 49.2 | 4.2%            | 46  | 49   | 3                 |
| Russia                   | 51.2  | 48.6 | 5.3%            | 47  | 50   | 3                 |
| Tunisia                  | 50.7  | 50.1 | 1.2%            | 48  | 47   | -1                |
| Ecuador                  | 50.5  | 49.3 | 2.5%            | 49  | 48   | -1                |
| Brazil                   | 49.7  | 51.2 | -2.9%           | 50  | 46   | -4                |
| Malawi                   | 47.2  | 46.4 | 1.7%            | 51  | 51   | 0                 |
| Algeria                  | 44.3  | 43.4 | 2.0%            | 52  | 52   | 0                 |
| Nigeria                  | 42.8  | 42.3 | 1.2%            | 53  | 53   | 0                 |
| Bangladesh               | 41.7  | 41.9 | -0.6%           | 54  | 54   | 0                 |
| Ethiopia                 | 40.9  | 41.8 | -2.0%           | 55  | 55   | 0                 |
| Egypt                    | 40.4  | 39.3 | 3.0%            | 56  | 57   | 1                 |
| Islamic Republic of Iran | 39.3  | 40.7 | -3.5%           | 57  | 56   | -1                |
| Angola                   | 36.4  | 35.4 | 2.9%            | 58  | 58   | 0                 |

Table 14: Change in Score &amp; Ranking for Component C: Supporting Entrepreneurial Conditions (2018-2019)

Note: \*Scores for 2019 are different from that shown in the previous year's report due to data updates.

\*\*Angola is latest market added to the MIWE 2019



3.0

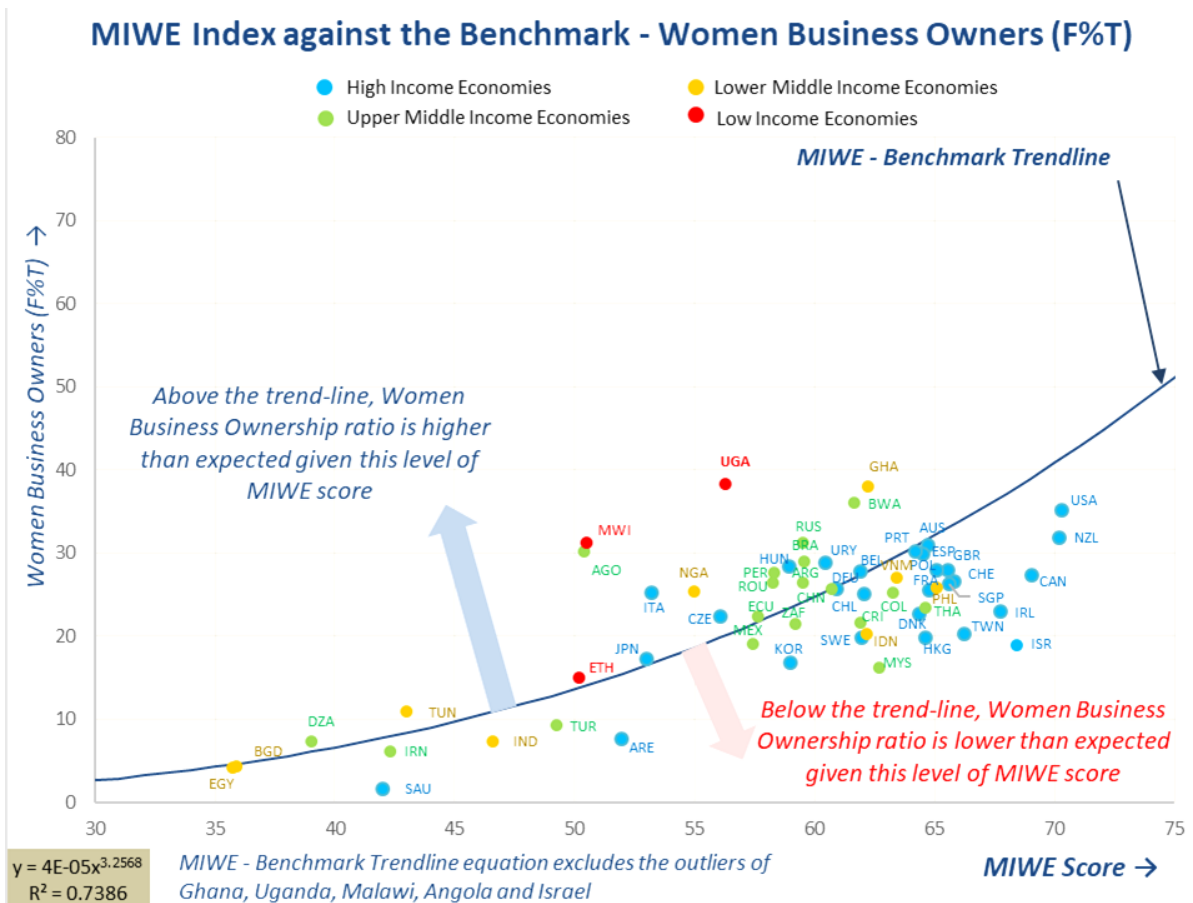


# Expectations of Women's Progress at Work

The matrix chart below depicts the relationship between the Mastercard Index of Women Entrepreneurs (MIWE) 2019 scores and the Benchmark indicator - Women Business Owners (as a percentage of all business owners). The upward-curving dotted trend line suggests there is a **strong, positive correlation between the overall Index scores and Women Business Owners** (as a percentage of all owners). The trend line represents the expected Women Business Ownership score at different MIWE score levels. The clustering of economies near this imaginary 'line of best fit' points to a positive relationship that in general, a high MIWE score - which denotes high women advancement outcomes, high knowledge assets and financial access, and enabling entrepreneurial factors - is aligned with high female business ownership, and vice versa.

The chart shows that, **in general, women in markets with higher MIWE scores of above 55 tend to be more inclined or driven to be business owners, accounting for more than 15% of total business owners. This is at the right of the matrix where the majority of high-income (blue) and upper-middle income (green) markets are concentrated.** These include the North American economies such as United States (US) and Canada (CAN); Asia Pacific markets such as New Zealand (NZL), Singapore (SGP), Australia (AUS), Chinese Taipei, Hong Kong SAR (HKG) and mainland China (CHN); European markets such as Spain (ESP), Great Britain (GBR), Portugal (PRT), Ireland (IRL), Poland (POL), France (FRA), Germany (DEU) and Belgium (BEL). These are wealthy nations that are developed and innovation-driven and tend to provide highly conducive and enabling conditions that help fuel women as business owners/entrepreneurs.

**In contrast women in markets with lower index scores of below 55 are less driven towards business ownership** (less than 15%). This is observed mostly in less wealthy and less developed, factor-driven economies such as Ethiopia (ETH), India (IND), Tunisia (TUN), the United Arab Emirates (ARE), Iran (IRN), Bangladesh (BGD), and Egypt (EGY). Here, the underlying conditions for women business ownership/entrepreneurship are less conducive, and women tend to be marginalized due to cultural and social bias that hinder their ability to be empowered as business owners and leaders. Apart from the lack of government programs to support business startup, women tend to have poor financial backing that prevents them from owning credit cards or having a bank account - conditions that would have restricted them from engaging in large scale businesses or entrepreneurial activities that require large funding.



Women in low-income markets **Uganda (UGA)** and **Malawi (MWI)** surprise and outperform most of their global peers with very high Female Business Ownership (38.2% - Rank 1 and 31.1% - Rank 7, respectively) despite less conducive entrepreneurial conditions such as poor support for SMEs, less effective and availability of government programs rendering business aid, and poor quality of governance.

**Saudi Arabia (SAU)** and the **United Arab Emirates (ARE)** are the only 2 high-income and innovation-driven economies that had very low women business ownership rate (below 10%) and low MIWE index scores (less than 55.0) despite women having very high access and opportunities for higher-level education. Data also showed that the social regard for entrepreneurs and underlying entrepreneurial supporting factors in these 2 markets are very favorable and conducive. For example, the United Arab Emirates ranks very highly in 'Cultural Perception of Entrepreneurs', especially in terms of support for successful entrepreneurs and regard for individuality and innovativeness. Furthermore, a high proportion of the population perceive entrepreneurship to be a good career choice (72% compared to global and regional averages of around 63%). However, although the share of female business owners remains low here, of those who do own a business, the inclination to grow the business is strong. This is evident in GEM's latest 2018 data which showed that on average, more than half of those involved in some form of entrepreneurial activity expected to create 6 or more jobs in the next 5 years ('High Job Creation Expectation Rate' of 53% compared to global and regional averages of 21% and 23%, respectively).<sup>xxiii</sup>

## Markets above the MIWE Benchmark Trendline

The latest results showed a segregation of markets around the MIWE benchmark trendline. **Those that are positioned above the trendline are those that outperform and surpass their global peers in terms of women's ability to thrive in society given their respective local conditions.** This cohort comprises markets from a range of income levels. The less wealthy nations include Ghana (GHA), Uganda (UGA), Malawi (MWI), Nigeria (NGA), and Tunisia (TUN), while the upper-middle and high-income economies include Botswana (BWA), Russia (RUS), Brazil (BRA), among others. Women here are able to thrive in business, with ownership rates ranging from 20% to 40% of total even though the underlying entrepreneurial conditions are not always favorable and women do not necessarily have equal access to financial services and higher-level education. This could be driven by positive cultural norms and the desire to improve one's income and financial independence. It is also likely that these businesses or entrepreneurial activities are small-scale that do not require large amount of funding. Some of the lower-middle income economies include Ghana (GHA) with the 2nd highest women business ownership rate (37.9%), as well as Vietnam (VNM), Philippines (PHL), Indonesia (IDN) and Nigeria (NGA). Most of the markets from Latin America are also located here, including Ecuador (ECU), Peru (PER), Brazil (BRA), Mexico (MEX), Colombia (COL), Costa Rica (CRI), and Argentina (ARG).

**Uganda, a low-income, factor-driven economy with the highest women's business ownership is an exceptional case where women's share of the business world is the highest among the 58 markets (38.2%).**

The entrepreneurial ecosystem here is unique. For instance, the entrepreneurial conditions here are notably below par (very poor quality of governance, low ease of doing business, very poor support for SMEs) and women's enrollment in tertiary education is acutely low (only 4.0% of females of tertiary age are actually enrolled in a college/university). Yet, a very high proportion of working age females are engaged in early-stage entrepreneurial activity (37.1%, surpassing male's rate of 33.7%). Women-led entrepreneurs here also tend to be significantly more opportunity-driven as opposed to necessity. High social regard is conferred to successful entrepreneurs, especially those who demonstrate innovation, individuality, creativity and risk-taking. GEM's data also showed that in general, only a very low percentage (13%) of the general population will be deterred by fear of business failure (compared to regional and global averages of 24% and 36%, respectively). The exceptionally high representation of female business owners is also fueled by a high perception of opportunities (76.9% vs global average of 42.7%) and high perception of capabilities (84.9% vs 51.0%). It should be noted that the established business ownership rate here (36%) far surpasses the global and regional averages (8% and 13%, respectively).<sup>xiv</sup>





## Markets below the MIWE Benchmark trendline

The matrix showed that there are **some markets where women business ownership is not taking off despite promising entrepreneurial conditions**. This is observed in the high-income and advanced economies of US, New Zealand (NAL), Canada (CAN), Singapore (SGP), Ireland (IRL), Switzerland (CHE) and Great Britain (GBR) that **reside below the MIWE benchmark trendline**.

Using top performing market, the **United States** as an example, with a MIWE score of 70.3 (rank 1), the line of best fit suggests that women business ownership could be even higher at around 40% compared to the current rate of 35%. Research findings pointed to a multitude of positive aspects in the American business world, such as vibrant internal market dynamics that spur motivation for business startups; superior commercial, legal and educational infrastructure; and positive cultural and social norms that embrace entrepreneurship and confer high regard for success in business. In addition, the rate of perception of opportunity for women has also been improving (59% in 2017, up 15% since 2015). However, **when it comes to perception of capabilities, women continue to trail** their male counterparts: 61% to 65% for men compared to 46% to 50% for women. Research also show **women to be more risk averse than men** in business, a trend that has been consistent over the past several years. This appears to be withholding women's intention to start a business: men's entrepreneurial intention has been rising from 13% to 19% in 2017 while **women's intention rate has stalled** at 11% over the past 2 years.<sup>xv</sup>





4.0



# Conclusion

The results of the Mastercard Index of Women Entrepreneurs 2019 (MIWE) reaffirmed a **positive correlation between the overall Index score and women's ability to flourish in the business world**. In general, markets with highly favorable and promising entrepreneurial framework and conditions such as high ease of doing business and well-developed infrastructures tend to drive women towards entrepreneurship. These markets are usually open, vibrant and dynamic, and are driven by social norms that deeply encourage and promote innovativeness, creativity, risk-taking and success through personal perseverance. Women in these entrepreneurial ecosystems thrive and succeed while overcoming barriers such as lack of funding. The social/cultural bias tend to be less pronounced, granting women fair opportunities to rise as business leaders and managers, gain tertiary education and contribute to the economy by participating in the workforce, and be perceived and accepted as successful entrepreneurs. Women here are also better positioned to pursue good business opportunities (as opposed to being necessity-driven) and may demonstrate higher motivation to engage in early-stage entrepreneurial activities. These markets reside at the top of the MIWE and are usually high-income, innovative and well-developed economies such as the United States, New Zealand, Canada, Israel, Ireland, Chinese Taipei, Switzerland, Singapore, the United Kingdom and Poland.

At the other end of the spectrum, **markets that are ranked low in the Mastercard Index of Women Entrepreneurs 2019 have less supportive entrepreneurial conditions to empower women**. In these generally less wealthy, less innovative and factor-driven economies such as Egypt, Bangladesh, Saudi Arabia, India and Iran, women encounter more constraints such as cultural bias where they are less accepted and regarded as being equal in business, less opportunities to rise in the economy as leaders, managers and professionals, and less access to financial privileges and ability to seek funding. As a result, female-led entrepreneurial activities here tend to be more susceptible to discontinuity for reasons such as unprofitability and lack of funding. Women here need to overcome infrastructural shortcomings such as less developed financial and commercial systems, lack of effective and efficient government support programs, and less opportunities for higher level education. Under these circumstances, women are less able to grow their businesses and take their aspirations to international markets.

The results also revealed that due to the intrinsically unique and distinctive macroeconomic fundamentals and complexities arising out of multiple market forces at play, there are **some markets where women business ownership has remained stagnant notwithstanding highly favorable and supportive entrepreneurial conditions** (reflected through high MIWE scores). This is observed in the high-income and advanced economies of US, New Zealand, Canada, Singapore, Ireland, Switzerland and Great Britain that **reside below the MIWE benchmark trendline**. In these economies, women may be deterred by various factors such as lack of self-confidence (low perceived capabilities), fear of failure and/or the fact that entrepreneurship is not well regarded as a sound career choice.



Conversely, there are **markets where women business owner's rate is much higher than expected given their respective local conditions**. Women outperform their peers and are **positioned above the MIWE benchmark trendline** and operate in less wealthy and developed markets such as Uganda, Malawi, Angola, Nigeria, Ghana, Botswana and Russia. In these unique settings, the high rate of women businesses owners may be driven by positive cultural conditions and a strong desire to improve one's income and financial situation.

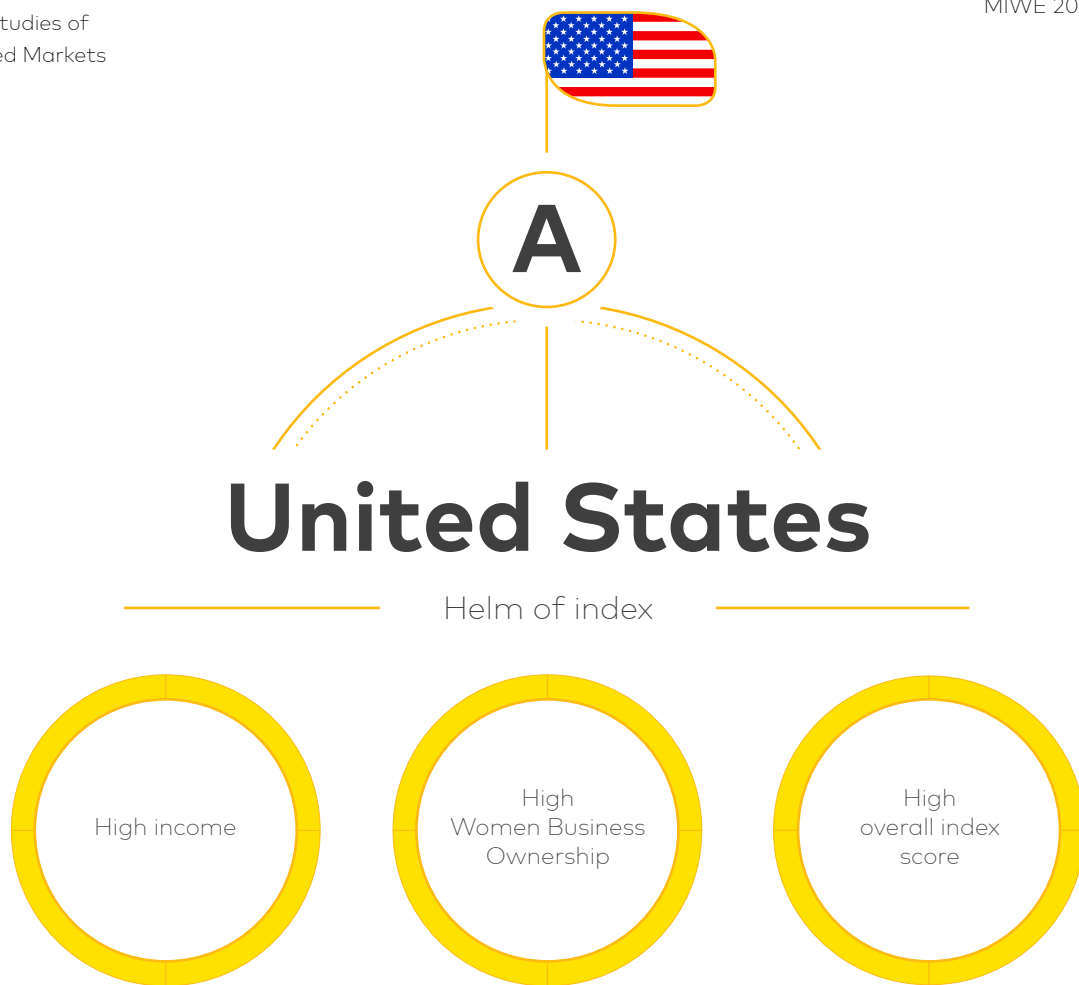
The latest data also show women achieving gender equality in entrepreneurship in 7 markets (1 more than the previous year), including Ecuador, Indonesia, Philippines, Vietnam, Ghana, Nigeria, and Uganda. This suggests that in these economies, women are just as inclined as men to engage in entrepreneurship.

The results underscored that **gender inequality is ubiquitous but manifested across the markets in differing ways**. The findings also suggested that such marginalization hinders the empowerment of women socially, professionally, economically and politically, and is a key constraint holding back women's progress in business. For instance, in top ranking **United States** where the underlying entrepreneurial framework and market dynamics are among the best in the world, women's progress as business owners is still held back by fear of failing and low self-confidence. In **Canada**, women aspiring to start their own businesses are challenged in getting venture capital funding due to gender discrimination. In **Ireland**, the overall high MIWE score is a stark contrast to the low rate of women business ownership owing to fear of failing, low perception of capabilities, and poor mentorship and networking support.

The analysis of the Mastercard Index of Women Entrepreneurs 2019 will not be complete without consideration of the impact of local and global economic events and how these may affect the business landscape. Some of the most impactful ones are the uncertainties associated with Brexit and the 'Yellow Vest' protests in France that has severely dented businesses in many industries, especially in hotels, restaurants, retailers and department stores. In Asia, the uncertainties associated with the protracted US-China trade dispute and the ramifications that have spread across most regional economies have not only dented market sentiments, but would likely have caused those aspiring towards entrepreneurship to hold back their intentions, at least for the time being.

Finally, although it is widely recognized and appreciated that there remains a significant amount of untapped talent in women as valuable contributors towards economic growth and the wellbeing of their societies, all around the world, gender discrimination remains widespread and a lack of targeted support continue to restrain women in their path towards business ownership.<sup>xxvi</sup>





For the first time since the MIWE series started in 2017, the United States assumed 1st place in the Mastercard Index of Women Entrepreneur 2019 with a score of 70.3, up 1.4 points from the previous year. The increase in score and ranking was fueled by a surge in *Women Entrepreneurial Activity Rate (F/M)* from 64.1% to 76.8% and a very strong standing in *Component C: Supporting Entrepreneurial Conditions*, especially in terms of '*Ease of Doing Business*' (rank 6), '*Cultural Perception of Entrepreneurs*' (rank 2), and '*Entrepreneurial Supporting Factors*' (rank 3).



# United States

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

MIWE  
**Score :**

**35.1**

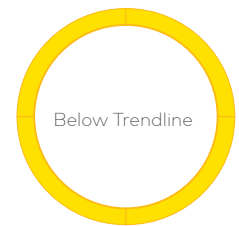
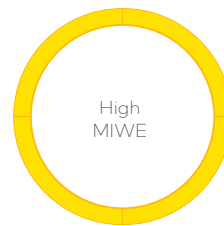
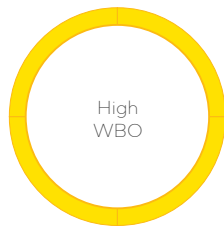
**70.3** ↑

Rank 4

(2018: Score 35.1, Rank 4)

Rank 1

(2018: Score 68.9, Rank 2)



Component A

Women's  
Advancement  
Outcomes:

**60.1** ↑

(2018: Score 57.3,  
Rank 16)

Rank 9

Component B

Knowledge Assets &  
Financial Access:

**76.5** ↑

(2018: Score 76.1,  
Rank 21)

Rank 18

Component C

Supporting Entrepreneurial  
Conditions

**79.5** ↓

(2018: Score 79.6,  
Rank 3)

Rank 2

Women Business Leaders  
(F%T)  
(39.7, rank 6)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Cultural Perceptions of  
Entrepreneurs  
(75.6, rank 2)

Women Professionals &  
Technical Workers (F&T)  
(52.1, rank 18)

Woman Financial Inclusion  
(F/M)  
(96.4, rank 14)

Entrepreneurial Supporting  
Factors  
(76.9, rank 3)

Woman Labor Force  
Participation (F/M)  
(82.2, rank 21)

Support for SMEs  
(59.2, rank 26)

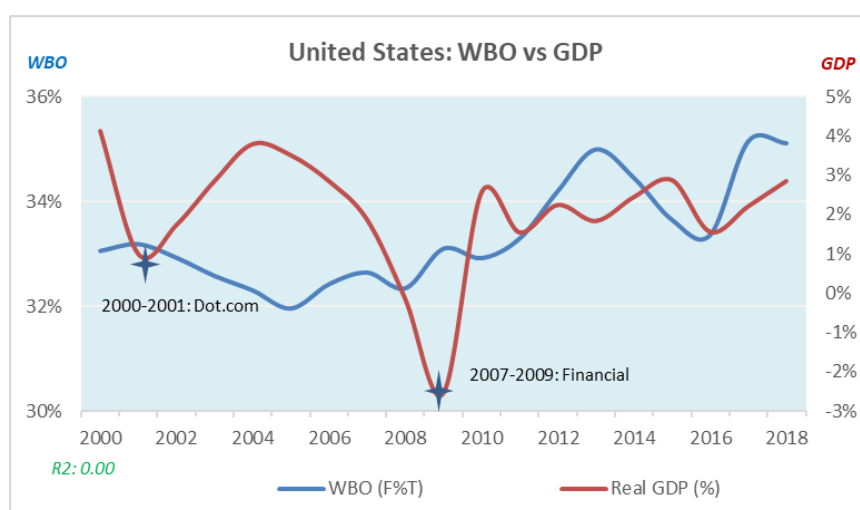
Ease of Doing Business  
(82.8, rank 6)

## Enablers of Women Entrepreneurship/Business Ownership

Here, the **entrepreneurial ecosystem is set against a vibrant, dynamic, innovation-driven and globalized market where the prevalence and degree of gender inequality in business and academics is comparatively less pronounced and restrictive** than in other developed economies such as Japan, South Korea, Australia, Sweden, Algeria, and Chile. Of the 30 million businesses in the US, women own 39% or 11.6 million of these businesses. Since 2007, the total number of women-owned businesses has risen by 3.8 million, an increase of 49%. Women are vital contributors to the American economy, generating more than \$1.7 trillion in receipts.<sup>1</sup>

Women here have **equal opportunities to pursue higher-level education** and are slightly more engaged than men as workforce participants (94.8% of working age women compared to 93.0% for men in 2018). Women also stand to benefit from high quality of governance and ease of doing business in a **society that has very positive regard for success through personal effort, risk-taking, innovativeness and creativity**. Findings from GEM's survey found the majority (79%) of the population agreeing that successful entrepreneurs are applauded and well-regarded in America, a higher figure than the average of the 23 innovation-driven economies. These underlying conditions appear to bode exceptionally well for women in the US to flourish and make inroads commercially and economically as business owners, business leaders, professional/technical workers, and active labor force participants. Ranked 6<sup>th</sup> overall, women in the US account for nearly 40% of the business leaders and more than half of those in professional or technical roles (52%, rank 18).

The entrepreneurial environment in the US is unique and distinctive. A correlation analysis of real GDP growth and Women Business Ownership (F%T) revealed that there is **no direct correlation between the state of the economy and women's business ownership compared to men**. The strength or weakness of the economy does not appear to have an impact on women's inclination towards entrepreneurship. In fact, over the last 16 years, a gender gap has persisted in the TEA startup rates of men and women. Although the gap has remained at about 6% for the past few years, the gap has narrowed to 4% in 2018, driven by an increase in women's engagement in business from 10.7% in 2017 to 13.6% in 2018, while men's have risen from 16.7% to 17.7%.



Data from GEM revealed a **trend of rising perception of opportunities among both men and women** from 2016 to 2017. For women, the rate of opportunity perception rose 5% from 54% to 59%, the highest ever recorded in the US GEM study, while men's gained 8% from 61% to 69%. In fact, since 2015, women's perception of opportunities rose 15%, while that for men rose 19%. This steady increase likely stemmed from the **rise in support and growth in programs at colleges and universities as well as venture accelerators and local ecosystem incentives for business startups across the country.**<sup>i</sup>

GEM's study also highlighted one of the most commonly cited reasons for business exit is to pursue another opportunity (30% for the US compared to 12% on average for the 23 innovation-driven economies). This suggests that there is an abundance of opportunities perceived in the US society and reflects a strong degree of willingness of entrepreneurs to leave any one venture to seek something that may present a more promising opportunity.<sup>ii</sup>

The *Motivational Index* from GEM's 2018 study also showed that Americans are **2.5 times more likely and nearly twice more likely than their global and regional peers, respectively, to be driven by the desire to improve their income or financial independence** (as opposed to being driven out of necessity). Here, as in most industrialized economies, opportunity motivation predominates, with 88% of women being opportunity-driven and 85% for men, a shift from 2016 when the rate was 88% for men and 87% for women.

Of those who are involved in early-stage entrepreneurial activities, nearly **one-third expressed intention to increase their payroll** by 6 or more within the next 5 years (32% compared to around 20% globally and regionally). On average, individuals who are nascent entrepreneurs or owner-manager of a new business **tend to be innovative**, with 34% indicating that their product or service is new to at least some customers and that few or no businesses offer the same (higher than global average of 26%).

| Enabling Factors for Women   | Data & Findings  | Implications   |
|--|--|--|
| Equal opportunities to higher-level education (F/M = 100)                    | Women's Advancement Outcomes in the US has improved from 57.3 (rank 16) to 60.1 (rank 9)                           | The enabling conditions (e.g. infrastructural, social & cultural, academics & professional) empower American women's ability to thrive in the business world |
| High representation as business leaders (39.7% of total)                     | The Supporting Entrepreneurial Conditions are very strong in the US (rank 2)                                       |  |
| Positive Cultural perception of Entrepreneurs                                |  |  |
| Rising trend of perception of opportunities from 2016 to 2017                | Women: up from 54% to 59%<br>Men: up from 61% to 69%   | Increasing the support & growth of entrepreneurship programs at colleges & universities and other venture initiatives will bolster business startups more    |
| Highly opportunistic environment   | Women more driven than men to pursue opportunities (women: 88% vs men: 85%)  | Women have the opportunity to contribute to economic growth & create jobs  |
| Growth-oriented business mindset   | 32% of nascent entrepreneurs plan to hire 6 or more staff in next 5 years (higher than global & regional averages) |  |
| Display of innovativeness  | 34% of products & services are new or offered by few/no other businesses   | Entrepreneurial ecosystem presents opportunities for creativity, globalization, expansion, etc.  |
| Women Business Ownership not impacted by strength or weakness of the economy | No correlation between WBO (F%T) and GDP growth rate   |  |
| Opportunities for Global Business  | Increase in women entrepreneurs making sales to customers outside the US (14.1% in 2017 compared to 8.3% in 2015)  |  |

Table: Summary of Enabling Factors for US Women (2017)



### *Higher TEA among Older Women Entrepreneurs than Men*

In every age category, the total early-stage entrepreneurial activity rate (TEA) for men surpasses that for women, except for the 65 to 74 year-old cohort. Here, the TEA for women is 3% while that for men is 1%. According to a survey of 20,000 small business owners in the US by SCORE, a nationwide network of volunteer business mentors, women entrepreneurs aged 65 and older are more likely to start businesses because they have lost a job or need to boost their income. This is a contrast to millennial women owners who are more likely to be opportunity-driven. Specifically, 28% of older women started a business because they had to, while 18% were opportunity-driven and another 18% started a business to follow their passion. The results also revealed that older women entrepreneurs tend to be in the retail sector (15.5%), health care and social services (14.1%), and educational services (11.3%).<sup>iii</sup>

### *Women in Technology, Internationalization & Profitability*

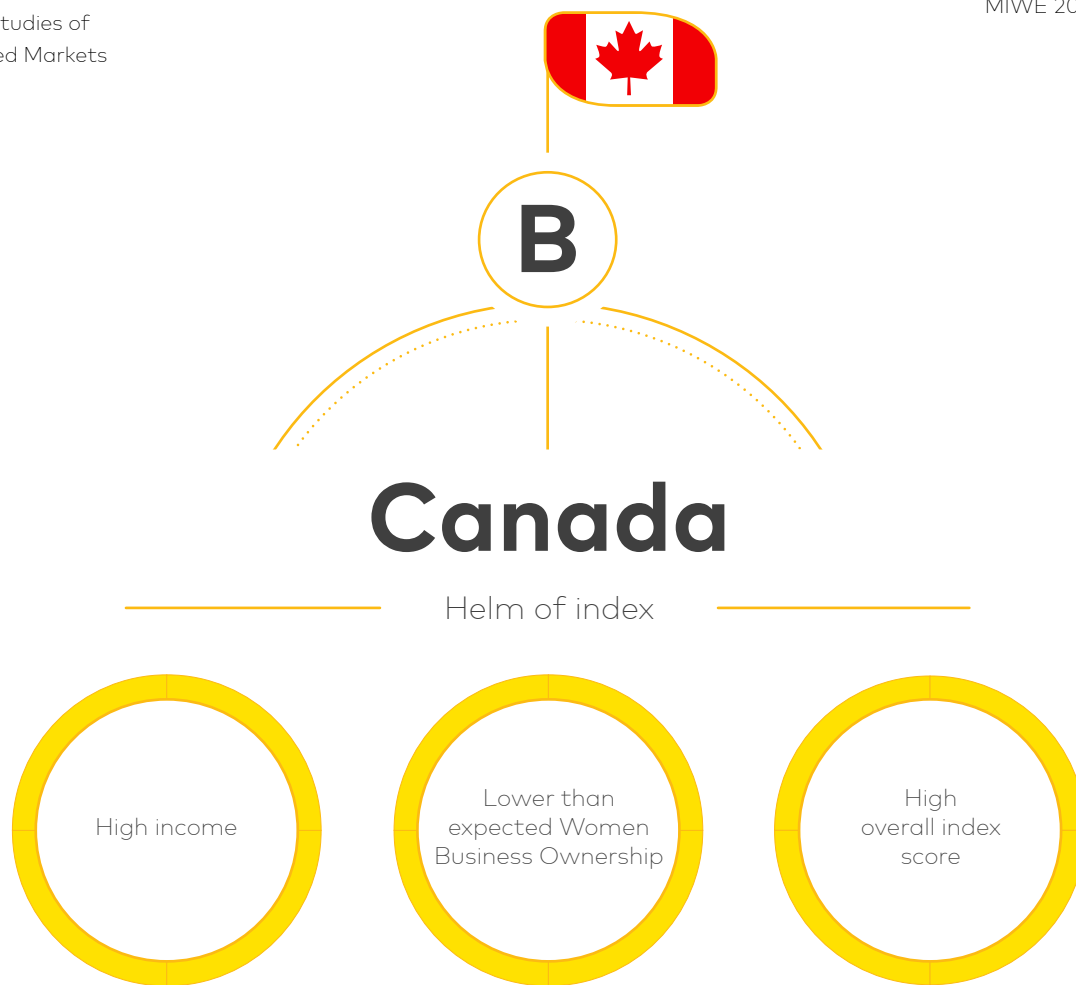
Although there is only a very low percentage of women venturing into IT related businesses (3.9% compared to 11.5% for men), they are nearly as likely as men to adopt new technology in their businesses: 8.9% compared to 10.3% for men. It is also encouraging to note the rise in women taking their businesses onto international grounds. For instance, in 2015, only 8.3% of women reported more than 25% of their sales from customers were from overseas. However, **in 2017, the figure nearly doubled to 14.1%.**

GEM's data also showcased that the profitability gap between male and female run businesses is closing, narrowed to less than 5%. This was a result of a faster rate of profitability decline for men (21%) versus women (9%) in 2017.<sup>iv</sup>

## **Constraints**

### *Fear of Failure & Lack of Self-Confidence*

Compared to men, American women are less confident in terms of their perceived capabilities to start a business (46% to 50% for women since 2011 against 61% to 65% for men. Women also have a greater fear of failing in business than men (gender gap of 7%). These two trends are also observed in other innovation-driven economies.



In 3rd place, Canadian women are **among the most highly represented globally as professionals and technical workers** (57.6, rank 4), and are **very strongly placed in terms of access to financial services and products** (100.0, rank 1), and tertiary education gross enrollment rate (100.0, rank 1). Since the last MIWE 2018 publication, there has also been a marked increase in women's entrepreneurial activity rate (up from 15.0% in 2017 to 17.0% in 2018), contrasting the decline in men's activity rate from 22.6% to 20.4%. It is interesting to note that *not only* did the percentage of necessity-driven entrepreneurship among women decrease from 14.7% to 10.0%, opportunity-driven entrepreneurship among women also increased, now surpassing that of men (83.3% compared to 75.9% for men).



# Canada

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**27.3**

Rank 19

(2018: Score 27.3, Rank 19)

MIWE  
**Score :**

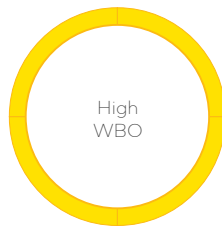
**69.0** ↑

Rank 3

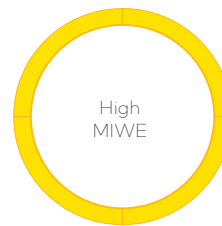
(2018: Score 67.8, Rank 4)



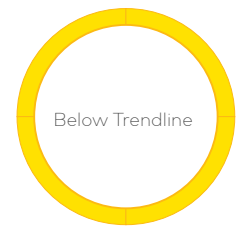
High  
income



High  
WBO



High  
MIWE



Below  
Trendline

Component A

Women's  
Advancement  
Outcomes:

**62.0** ↑

Rank 3

(2018: Score 58.6,  
Rank 11)

Component B

Knowledge Assets &  
Financial Access:

**70.9** ↓

Rank 35

(2018: Score 72.5,  
Rank 31)

Component C

Supporting Entrepreneurial  
Conditions

**77.5** ↑

Rank 5

(2018: Score 77.1,  
Rank 6)

Women Business Leaders  
(F%T)  
(57.6, rank 4)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Quality of Governance  
(95.0, rank 3)

Woman Labor Force  
Participation (F/M)  
(87.2, rank 8)

Woman Financial Inclusion  
(F/M)  
(100.0, rank 1)

Cultural Perceptions of  
Entrepreneurs  
(66.2, rank 7)

Woman Business Leaders  
(F%T)  
(35.3, rank 16)

Support for SMEs  
(65.8, rank 11)

Entrepreneurial Supporting  
Factors  
(72.6, rank 8)

## Characteristics of Canadian Women in Business

On average, women business owners in Canada tend to be younger and have fewer years of management or ownership experience than their male counterparts. Women entrepreneurs are much more likely to choose to start and run businesses in the retail and services sectors, and are more likely than men to be solo entrepreneurs. Although the number of Canadian women entrepreneurs are growing, the income gap between women and men business owners remains, with females drawing in 58% less than males.<sup>v</sup>

According to the **2016 Global Entrepreneurship Monitor (GEM) Canada Report on Women's Entrepreneurship**, nearly 85% of women surveyed expressed interest in starting a business. Most of the women surveyed are **highly educated** with college diplomas or university degrees. **13.3% of the women entrepreneurs were engaged in new businesses** compared to 20.3% for men. However, the **percentage of women running established businesses that have been in operation for more than 3.5 years exceeded that for men**: 10% for women and 7% for men.

Impressively, on a global scale, **Canadian women ranked top in terms of involvement in newer businesses** (early-stage businesses that have been in operation for less than 3.5 years), ahead of the US, Britain and other innovation-driven economies, and 6<sup>th</sup> for established businesses. Most of the early-stage female-led businesses are in the consumer services sector (54%), followed by business services (28%).<sup>vi</sup>

## Strengths & Enablers

### *Strong Societal Values*

The **underlying entrepreneurial conditions remained as one of the top among the 58 markets (77.5, rank 5)**, underpinned by very positive 'Cultural Perceptions of Entrepreneurs' (66.2, rank 7), 'Quality of Governance' (95.0, rank 3), 'Entrepreneurial Supporting Factors' (72.6, rank 8), and 'Ease of Doing Business' (79.3, rank 13). Here, the regard for successful entrepreneurs and entrepreneurship as a good career choice is high. Society tends to be very pro-creative and innovative, and places high value on individuality, taking initiative and achieving success through personal effort. Canadian media also reports fully on entrepreneurship. Furthermore, entrepreneurs seeking to expand or grow their business are able to find skilled employees readily (rank 12), and in times of business failure, society is relatively receptive and understanding (rank 18).

### *Governance Programs & Entrepreneurial Initiatives*

The **pro-entrepreneur spirit is evident in initiatives such as the 'Invest Canada 2018'** premier private equity and venture capital conference which highlighted how entrepreneurs are coming together to:

- Eliminate discrimination and create a level playing field for all entrepreneurs,
- Instill innovativeness into the economy, and
- Seek opportunities in upcoming big industries while still innovating in the traditional ones.

There are also more than 500 governance programs in the country offering support to help entrepreneurs build new companies. These have played an instrumental role in the startup of nearly 10,000 companies nationwide that create new solutions in the financial services, healthcare and information technology fields.<sup>vii</sup>

### *Education & Support for Future Entrepreneurs, Inspiring Innovators*

One of the key factors that is helping to empower Canadian women as entrepreneurs and drive the business landscape lies in the education of future entrepreneurs. With the help of **nearly 200 incubators nationwide funded by government grants** at every university, students are now inspired to create new ideas and start creating and inventing for business startups *before they graduate*.<sup>viii</sup> These efforts have been pivotal in helping to fuel innovativeness in the business world. Compared to their global and regional peers and leading market such as the United States, **innovation rate in Canada is very high** with 41% of entrepreneurs offering new products or services that are unique to no other or only a few businesses. This compared very favorably to the global and regional averages of 26% and 28%, and 34% in the U.S.<sup>ix</sup>

### *Going Global*

On average, female business owners are less inclined to engage in international trade than males, although the gap is quite narrow. For businesses that had 25% or more of their customer base outside of Canada, 32% were run by women compared to 37% by men.<sup>x</sup>

### *High Opportunity-Driven Conditions*

In Canada, **opportunity-driven entrepreneurial activity surpasses necessity-driven activities by a ratio of 4 to 1**. Of the adult population aged 18 to 64, nearly 63% perceive good business opportunities in the local area they live in, a figure that is considerably higher than the global average of 45% and is aligned with other innovation-driven economies such as the UK, US and Australia. Canadians have a strong conviction that they have the necessary knowledge and skills to start a business (Perceived Capabilities Rate of 56% compared to the regional average of 44%). GEM findings also show latent entrepreneurs – those who have a preference for self-employment but still engaged in wage employment – expressing plans to start a business within the next 3 years (14% compared to regional average of 11% and 12% in neighboring US).

## Constraints

According to the report by Pay Pal Canada and Barraza & Associates, one of the key obstacles for women seeking to start a business in Canada is getting access to venture capital funding due to gender discrimination (although the stigma is less now compared to the past). Of those women surveyed, nearly half said they were challenged securing funds, and as a result, most (70%) had to try to finance their small businesses using their personal credit card debt, making it hard to grow or expand product or service lines. This is reflected in the high gender gap in 'Women Borrowing or Saving for Business – F/M' (38.5, rank 51). Specifically, women were 3 times less likely than men to borrow or save for a business (1.7% for females vs 5.1% for males). This compares poorly with other innovative-driven economies such as South Korea, New Zealand, Spain, Switzerland, the US, and Saudi Arabia in different regions.

Some factors that may be constraining women's progress include:

- **relatively high fear of failure** (42% vs global and regional averages of 36% and 39%, respectively); and
- **rising interest rate environment** that may be deterring potential entrepreneurs to seek funding for new business startups (the benchmark interest rate has been hiked from 0.5 per cent in 2017 to 1.75 per cent this year).

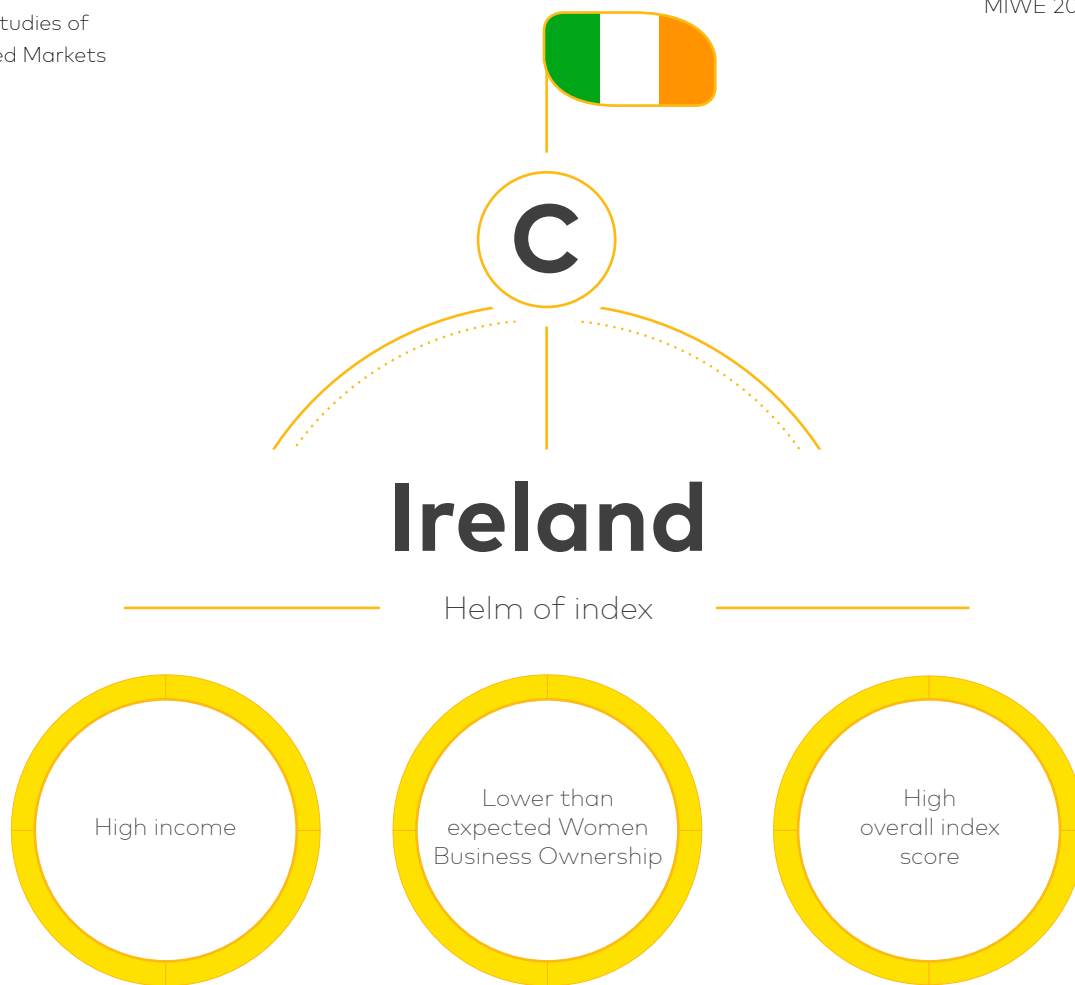
Sluggish economic growth, elevated household debts, global trade tensions and sluggish retail sales are other factors that may be deterring individuals from taking the initiative to start a business.

## The Way Ahead

Although there are numerous barriers and gender gaps in the Canadian small business ecosystem, findings are pointing to avenues whereby the disparity may be bridged. For example, figures showed that e-commerce tools play a pivotal role in helping to close the revenue gap between men and women-owned businesses from 58% to 44%. Online sales platform also helps to boost the revenue potential for women business owners by nearly 75% compared to offline sales. In addition, of those women who owned online businesses, those that reached out to international markets tend to be more successful (61%).<sup>xi</sup>

In recent years, the Canadian government has stepped up its commitment to support female entrepreneurs. In the 2018 Federal Budget, nearly \$1.5 billion in new financing has been set aside for women-led businesses over a period of 3 years, commencing in 2018-2019. To support women entrepreneurs who required funding to tap the global marketplace, the government has also earmarked \$250 million in funding over the next 3 years through the Export Development Canada (EDC). In addition to monetary aid, EDC will also provide expert advice, training programs and partnership to further strengthen women entrepreneurship.<sup>xii</sup> Other sources of export financing for women entrepreneurs wishing to tap international markets include:<sup>xiii</sup>

- *The Business Development Bank of Canada – Women In Technology Venture Fund* that is geared towards supporting women-led tech firms and seed funds for targeted regional initiatives
- *CanExport*: A multi-year Government of Canada program that provides direct financial assistance to SMEs registered in Canada that are seeking to develop new export opportunities and markets
- *FuturpreneurCanada*: The only non-profit organization that provides financing, mentoring and support tools to aspiring business owners aged 18 to 39
- *Innovation, Science and Economic Development Canada – WES Ecosystem Fund*: A funding program that helps to address gaps and build capacity in the entrepreneurship ecosystem for women
- *Startup Canada Women Entrepreneurship Fund*: A fund that invests in high-impact, grassroots initiatives that will advance women's entrepreneurship



With an overall MIWE score of 67.7 and ranking in 5<sup>th</sup> place, Ireland is strongly placed globally in terms of *Component B: Knowledge Assets* (81.2, rank 4) and *Component C: Supporting Entrepreneurial Conditions* (74.5, rank 9). Compared to their peers in other high-income, innovation-driven economies, Irish women are progressing fairly well as **professionals & technical workers (50.5% of total, rank 24) and business leaders** (35.6% of total, rank 14), but lag in their share of the business world (22.9%, rank 34). Compared to men, women are **more likely to engage in opportunity-driven entrepreneurship** than men (77.8% compared to 75.2% for men).



# Ireland

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**22.9**

Rank 34

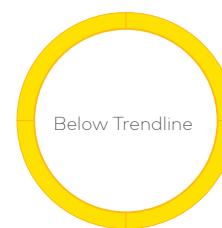
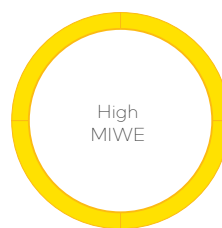
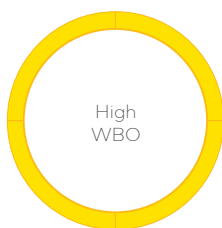
(2018: Score 22.9, Rank 35)

MIWE  
**Score :**

**67.7** ↑

Rank 5

(2018: Score 65.4, Rank 12)



Component A

Women's  
Advancement  
Outcomes:

**55.0** ↑

Rank 22

(2018: Score 52.6,  
Rank 29)

Component B

Knowledge Assets &  
Financial Access:

**81.2** ↑

Rank 4

(2018: Score 76.4,  
Rank 20)

Component C

Supporting Entrepreneurial  
Conditions

**74.5** ↓

Rank 9

(2018: Score 74.6,  
Rank 9)

Women Business Leaders  
(F%T)  
(35.6, rank 14)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Entrepreneurial Supporting  
Factors  
(72.9, rank 7)

Woman Professionals &  
Technical Workers (F%T)  
(50.5, rank 24)

Support for SMEs  
(72.3, rank 5)

Quality of Governance  
(89.1, rank 8)

Woman Labor Force  
Participation (F/M)  
(80.9, rank 24)

Woman Financial Inclusions  
(98.1, rank 11)

Ease of Doing Business  
(78.9, rank 14)



## Strengths & Traits

### *Dynamic landscape underpins established business growth rates*

Findings from the Survey of Entrepreneurship in Ireland 2017 by GEM point to a **fairly vibrant and dynamic entrepreneurial landscape**. Every month in 2017, about 2,200 people started a new business in Ireland, placing it in 9<sup>th</sup> place among 20 Markets in Europe. In terms of nascent entrepreneurs, Ireland is ranked 7<sup>th</sup> in Europe in 2017, with nearly 6 in every 100 people actively taking some steps towards starting a business but remaining in employment. Ireland also **shines in 'Established Business Ownership Rate'** (8.6%), surpassing the regional average of 5.1% and more than doubling the global average of 3.7%. This is probably underpinned by the country's robust entrepreneurial environment where 'Support for SMEs' is very strong (72.3, rank 5) and quality of governance is outstanding (89.1, rank 8).

### *Solo, Customer-Focused & Going Global*

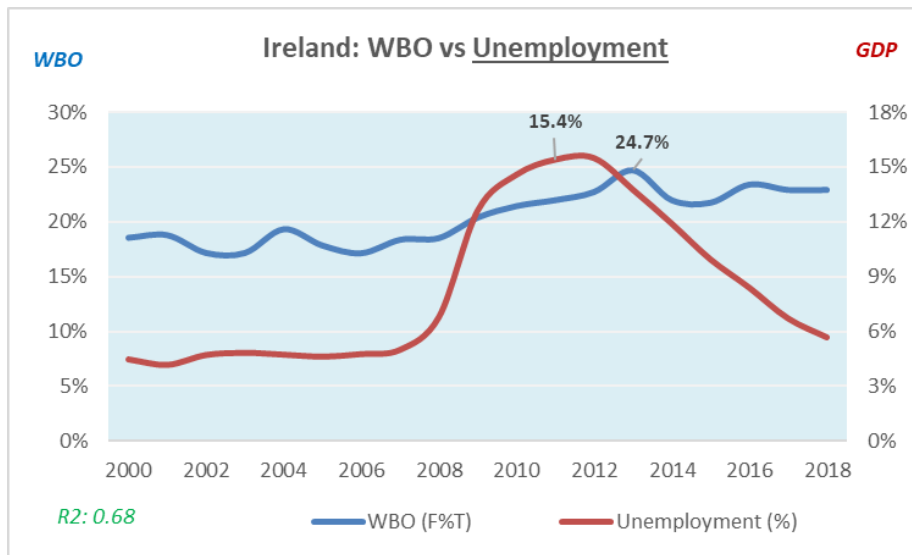
The majority of business startups are **solo** (64%) and oriented towards **Consumer Services such as retail, restaurants, personal services and health & education** (42%) and Extractive & Transformative (34%). Of those surveyed, 68% expressed an intention to start a business within the next 5 years. There is also a **strong orientation towards international entrepreneurship** with 72% reporting an overseas clientele (compared to an average of around 60% in most other European economies). Data also showed 1 in every 4 entrepreneurs being considered 'Born Globals', with more than 25% of their revenues derived from outside the country. This outnumbers most peers in Europe such as Sweden, France, the UK, Germany and Spain.

### *Growing Trend in Women Entrepreneurial Activity Rate*

The latest 2018 data pointed to an **increase in working women's engagement in entrepreneurial activities from the previous year** (up from 6.2% to 7.5%), while that for men's rose marginally from 11.7% to 11.9%, effectively narrowing the entrepreneurial activity gender gap by 10%. In addition, an age profile revealed that quite a **sizeable proportion of the young cohort aged 18 to 24 expressing intentions to start a business (17%)**. This is likely fueled by the fact that the most people in society holds a high regard for successful entrepreneurs (84% in Ireland compared to 70% across Europe), and success stories about entrepreneurs are widely shared in the media (Ireland has highest rate in Europe in 2017).

### *Highly Innovative & Tech-Driven*

Ireland also impresses with an **exceptionally innovative entrepreneurial culture**: 36% of those involved in early-stage entrepreneurial activity indicated their products/services are new to some customers with few/no businesses offering the same. This is notably higher than the global and regional averages of 26% and 28%, respectively, and surpasses peers such as the UK, Spain, Switzerland, Germany and Poland.



#### High-Impact & Growth Mindset

GEM's Survey results positioned Ireland **highly in 4<sup>th</sup> place in Europe for "tech" entrepreneurship**, with nearly 1 in every 9 entrepreneurs operating in "medium" or "high" technology sectors (11.4%, surpassing Switzerland, Poland, Germany, Italy, Spain and the UK). The potential to contribute positively to the economy is high here, with **many entrepreneurs expecting to grow their businesses**: 2 in every 10 expected to employ 10 or more, and to increase the number of jobs by 50% within the next 5 years. One in every 10 have exceptionally high growth expectations, intending to increase staffing by 20 or more within 5 years. In this regard, Ireland outshines most of its European peers.

A correlation analysis of Ireland's Women Business Ownership Rate (F%T) against the country's Unemployment Rate (%) from 2000 to 2018 revealed an interesting relationship. As shown in the diagram above, nearly 70% of the time ( $R^2 = 0.68$ ), Women's Business Ownership Rate moves in tandem with the jobless rate. This suggests that when the unemployment rate is rising or high, job prospects are poor, and women are less likely to open a business compared to men. Conversely, when labor market conditions are favorable and job prospects are strong, women likely feel more ambitious and optimistic, and are more driven and motivated to start a business than men.

#### Necessity-Driven Entrepreneurship

Compared to their regional peers, the percentage of necessity-driven entrepreneurship among Irish women is slightly higher (19.3% of working age females engaged in entrepreneurial activity due to "no better alternative" as opposed to pursuing a business opportunity). This is higher than peers such as Poland (5%), Italy (11.3%), Sweden (1.3%), Denmark (5.0%), and Germany (15.9%).

## Constraints

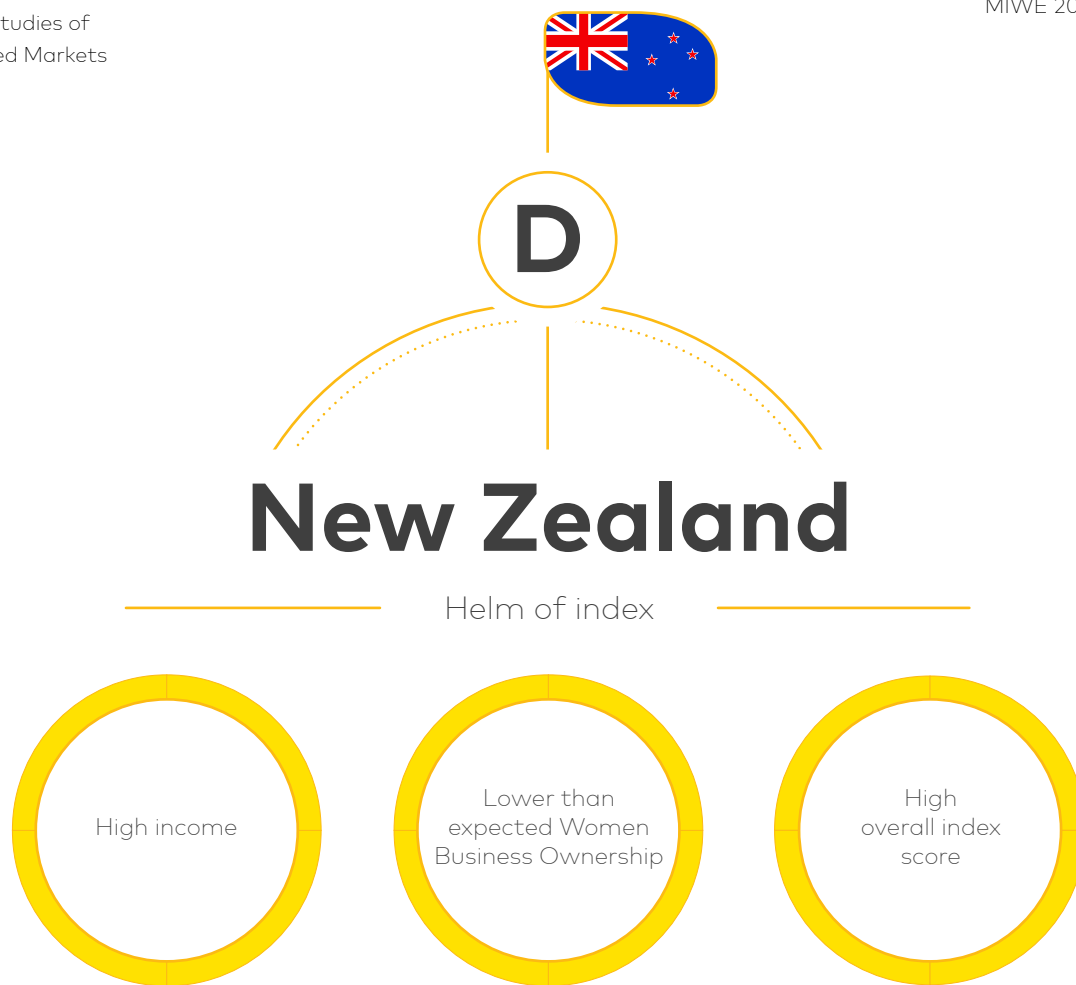
Although women's **enrollment in tertiary education exceeds that of men** (82.1% compared to 74.4%), their participation in the labor force still trails that of men (*Women Labor Force Participation Rate – F/M* 'of 80.9, rank 24). In addition, given the underlying enabling entrepreneurial and cultural supporting conditions, Ireland's **Women Business Ownership Rate of 22.9% of total owners is lower than expected**. The line of best fit (MIWE Benchmark Trendline) suggests that the ideal women business ownership rate for Ireland could potentially be around 35%. This could be attributed to various reasons, including:

- **Fear of Failure & Low Perception of Capabilities:** Of the people that perceive opportunities for new businesses in their local area, up to 4 in every 10 indicated that they will be deterred from starting a business due to fear of failure. In addition, just 1 in 2 believed they have the skills and knowledge to start a business (42%), lower than regional peers such as Poland, the UK, Spain, Netherlands and Greece and other innovation-driven economies such as the US, Canada and Australia.
- **Low Mentorship/Networking Circle:** Compared to other European markets, Irish adults' network of entrepreneurs is fairly weak, with only 3 in 10 knowing a recent entrepreneur that they can look up to as a "role model" or mentor. This is lower than most regional economies such as Poland, Sweden, Switzerland, France, the UK and Spain, and global economies such as Australia, Canada and the US.

## Impact of the Brexit

Looking ahead, with the UK expected to leave the EU on 1 August 2019, there are mounting uncertainties pertaining to the outcome of the Brexit, and its impact on neighboring Markets, especially Ireland. A comprehensive study conducted by Copenhagen Economics for the Department of Business, Enterprise and Innovation, Government of Ireland revealed some of the most significant impact on Ireland's economic and commercial landscape, and how these factors may propel or deter Irish women's ability to thrive in socially, economically and in the business world.<sup>xv</sup> First, the uncertainties stemming from the Brexit may dampen both consumers and business sentiment. For latent entrepreneurs who have intentions to start a business, especially in retailing of goods overseas, they may hold back on taking new risks until there is more certainty.

Second, Ireland's export industry is expected to be negatively affected by the Brexit, with sectors such as pharma-chemicals, and wholesale & retail among the most adversely impacted. Given that most of Irish entrepreneurial activities are oriented towards **Consumer Services such as retail, restaurants, personal services and health & education** (42%), women entrepreneurs (latent and nascent) and established business owners may face challenges, particularly if consumer demand drops. Third, there are predictions that Brexit may impact Irish wages negatively for all skill groups with real wages down, depending on the outcome of the EU-UK trade relationship post Brexit. The decline in salary may prompt individuals to embark on business ventures to boost income.



Women in New Zealand **continue to make astounding strides as business owners in a traditionally male-dominated industry. They inspire other young, ambitious young women like themselves, and impart a significant, positive impact on the business community.**

Securing 2<sup>nd</sup> spot in the Mastercard Index of Women Entrepreneurs with a score of 70.2, New Zealand trails only the US at 70.3. Although losing its top ranking for the first time in 2 years, New Zealand's feat is impressive, with very strong performances across all three Components in the MIWE. In fact, New Zealand is the only market among the 58 covered in the Index that ranked 1<sup>st</sup> in 4 sub-indicators: (i) Women Financial Inclusion – F/M, (ii) Women Tertiary Education Gross Enrollment Rate – F/M, (iii) Ease of Doing Business, and (iv) Quality of Governance.

This admirable achievement is underpinned by **supportive entrepreneurial conditions such as ease of doing business and quality of governance, and high ease of access to financial services and products.** Set against a vibrant, advanced and open business environment, these highly enabling conditions play an instrumental role in promoting women's role in society as business owners. Specifically, there are about 3 female business owners in every 10 owners (31.8%, rank 5), a figure that surpasses most wealthy and innovation-driven economies such as Singapore, Hong Kong SAR, Denmark, Ireland, Spain, Canada and the UK.



# New Zealand

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**31.8**

Rank 5

(2018: Score 31.4, Rank 5)

MIWE  
**Score :**

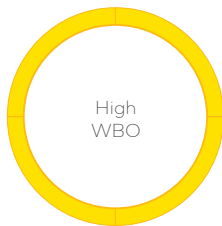
**70.2**

Rank 2

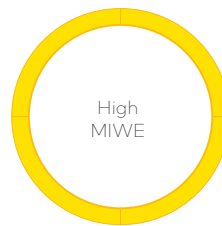
(2018: Score 71.5, Rank 1)



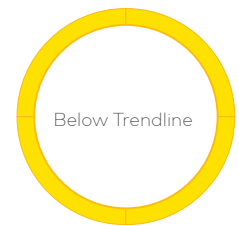
High  
income



High  
WBO



High  
MIWE



Below  
Trendline

Component A

Women's  
Advancement  
Outcomes:

**59.7**

Rank 10



(2018: Score 61.1,  
Rank 4)

Component B

Knowledge Assets &  
Financial Access:

**77.8**

Rank 11



(2018: Score 78.8,  
Rank 7)

Component C

Supporting Entrepreneurial  
Conditions

**78.6**

Rank 3



(2018: Score 80.2,  
Rank 2)

Women Business Leaders  
(F%T)  
(41.3, rank 3)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Quality of Governance  
(98.4, rank 1)

Woman Professionals &  
Technical Workers (F%M)  
(56.8, rank 7)

Woman Financial Inclusions  
(100.0, rank 1)

Ease of Doing Business  
(86.6, rank 1)

Woman Labor Force  
Participation (F/M)  
(85.4, rank 11)

Support for SMEs  
(62.6, rank 16)

Entrepreneurial Supporting  
Factors  
(72.5, rank 9)

**Women's ability to rise in the business world, in their careers, and in the political arena** is reflected in the high proportion of female as business leaders (4 in every 10 leaders, 41.3%, rank 3) and professionals and technicians (nearly 6 in every 10, 56.8%, rank 7). This suggests that women have nearly equal opportunities as men in assuming higher managerial and leadership roles. Over the last 12 months, there has also been an **increase in the proportion of women engaged in political roles** (up from 31.4% in both 2016 and 2017 to 34.2% in 2018). This may be spurred by the positive influence imparted by Prime Minister Jacinda Ardern on women in politics.

It should be noted that although there is a wide gender gap reflected in the '*Women Entrepreneurial Activity Rate - F/M*' (63.5, rank 33), the **proportion of women engaged in early-stage entrepreneurial activities (13.7%) is actually higher than most advanced and wealthy economies such as** Australia (9.2%), Hong Kong SAR (5.0%), France (5.3%), Sweden (4.0%), the UK (5.4%) and Italy (2.8%). Furthermore, this rate has been increasing steadily from 10.0% in 2016, to 12.1% in 2017, and again to 13.7% in 2018.

| Component A:<br>Women's Advancement Outcomes       | 2018<br>Score,<br>(Rank) | 2019<br>Score,<br>(Rank) | Comments  |
|--|--------------------------|--------------------------|---|
| Women Business Leaders (F%T)                       | 41.0 (5)                 | 41.3 (3)                 | <ul style="list-style-type: none"> <li>All sub-indicators in Component A (except Women Entrepreneurial Activity Rate) improved since the last iteration with little gender disparity observed</li> <li>Gender gap in Entrepreneurial Activity Rate due to a greater increase in men's activity rate than women</li> </ul>   |
| Women Professionals & Technical Workers (F%T)      | 56.6 (9)                 | 56.8 (7)                 |   |
| Women Labor Force Participation (F/M)              | 85.3 (11)                | 85.4 (11)                |   |
| Women Entrepreneurial Activity Rate (F/M)          | 70.2 (24)                | 63.5 (33)                |   |
| Component B: Knowledge Assets & Financial Access   |                          |                          |   |
| Women Tertiary Education GER (F/M)                 | 100.0 (1)                | 100.0 (1)                | <ul style="list-style-type: none"> <li>Women have equal opportunities to gain higher level education and financial services &amp; products</li> </ul>   |
| Women Financial Inclusion (F/M)                    | 100.0 (1)                | 100.0 (1)                |   |
| Support for SMEs                                   | 62.2 (26)                | 62.6 (16)                | <ul style="list-style-type: none"> <li>Women &amp; Men have equal access to financial services by law &amp; custom</li> <li>Fairly developed physical infrastructure to support new &amp; growing business</li> <li>Availability &amp; effectiveness of government program support is only fair &amp; below other innovative-driven markets such as Hong Kong SAR, Singapore, Switzerland, Ireland &amp; UAE</li> </ul> |
| Women Borrowing/Saving for Business (F/M)          | 62.1 (24)                | 58.6 (34)                | <ul style="list-style-type: none"> <li>Women are considerably less likely than men to save for a business compared to other markets such as South Korea, Czech Republic, Ireland, Spain, Portugal, Israel, UAE, Canada &amp; the US</li> </ul>  |
| Component C: Supporting Entrepreneurial Conditions |                          |                          |   |
| Ease of Doing Business                             | 86.6 (1)                 | 86.6 (1)                 | <ul style="list-style-type: none"> <li>Highly efficient procedures for business start-ups</li> </ul>  |
| Quality of Governance                              | 98.8 (1)                 | 98.4 (1)                 | <ul style="list-style-type: none"> <li>Effective regulatory policies, little corruption &amp; political stability</li> </ul>  |
| Entrepreneurial Supporting Factors                 | 76.2 (6)                 | 72.5 (9)                 | <ul style="list-style-type: none"> <li>Society is receptive of entrepreneurial failure</li> <li>Relatively easy to find skilled employees</li> <li>Little market entry barriers for new businesses</li> </ul>   |
| Cultural Perceptions of Entrepreneurs              | 63.4 (16)                | 61.6 (18)                | <ul style="list-style-type: none"> <li>Society encourages creativity &amp; innovativeness; but has less regard for personal effort &amp; initiative, risk taking and individuality</li> </ul>   |

Table: Enablers & Constraints - New Zealand Women in Business

## Strengths

### *World-Class Quality of Governance & Ease of Doing Business*

In New Zealand, one of the most outstanding underlying conditions that underpins women's ability to thrive in business is the country's **world-class 'Quality of Governance' (100.0, rank 1) and exceptionally high 'Ease of Doing Business'** (86.6, rank 1). Women seeking to start a business here benefit from a highly efficient business regulation environment backed up by best practices, effective public services and political stability. Women aspiring to start a business are not constrained or hindered by cumbersome or restrictive market entry regulations.

### *Low Fear of Failure*

Compared to their global peers, adults in New Zealand are **considerably less fearful of failing in business** (22% compared to regional average of 36%, 42% for Canada, 39% for Ireland and 35% for the US). Data also showed that society is **fairly receptive of entrepreneurial failure and risk-taking**.

### *Flair for Innovation & Creativity*

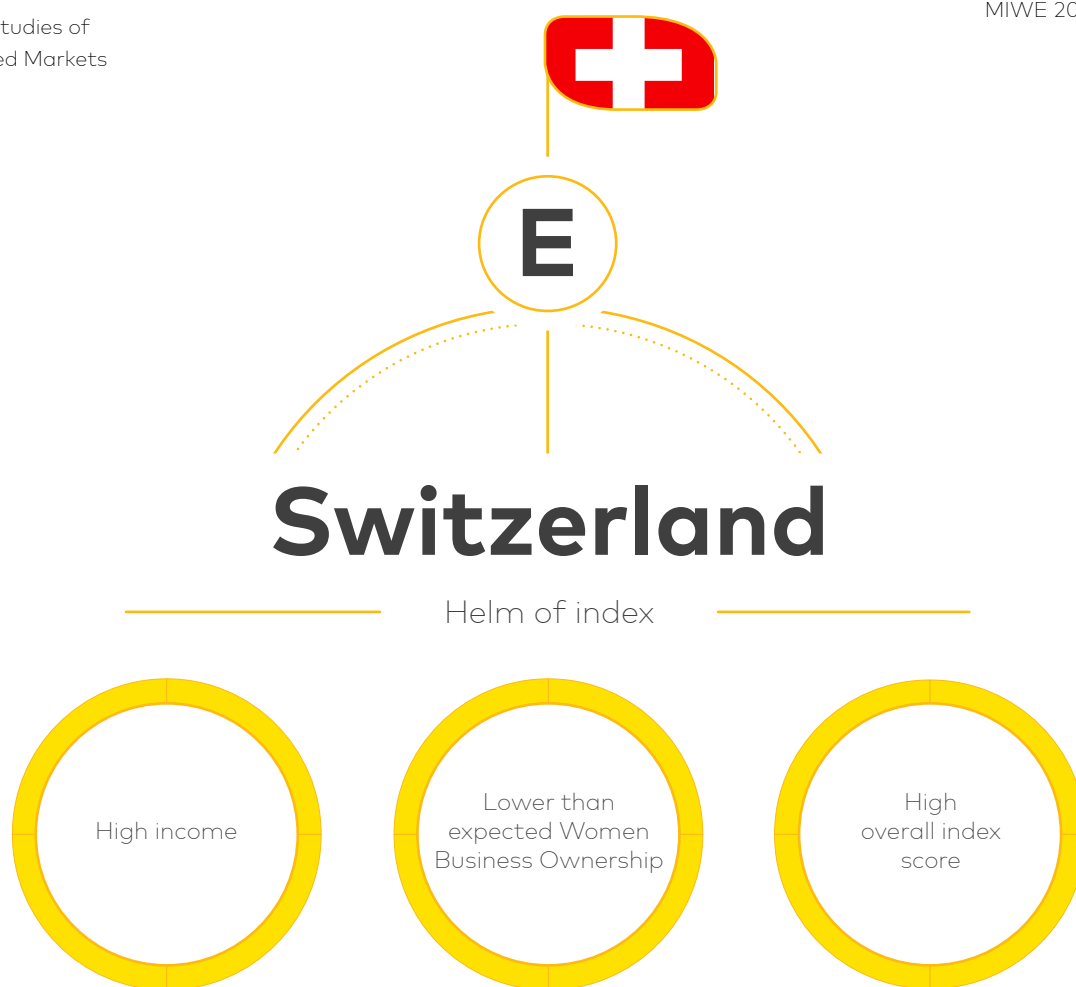
Successful women entrepreneurs are often celebrated and praised by social media in New Zealand, especially those who have made significant strides in their respective fields and niches such as banking & finance, restaurant & catering, lifestyle & nutrition, online learning to bring financial literacy to young people, training & employment opportunities for disabled people, and many more. These women **not only demonstrate flair in creativity, innovation and design**, but take the plunge in trying out new gigs, using selling platforms such as pop-up food trucks, and assuming new roles such as food tech entrepreneurs in the country's fast-rising high-skilled green industry.<sup>xv</sup> These examples demonstrate that women entrepreneurs in New Zealand are driven by a **sheer determination to make a difference, take up new challenges, tap opportunistic niche markets, and make their own mark in business world**.

### *High Perception of Business Opportunities*

Although there is a **clear gender gap in entrepreneurial activity rate** (63.5 female entrepreneurs for every 100 male entrepreneurs, rank 33), the results point to a **very high 'Perception of Opportunities Rate' among women**. For instance, nearly 9 out of every 10 business activities are opportunity-driven (as opposed to necessity-driven), a very favorable figure compared to other high-income, developed economies such as South Korea (77.8%), Japan (62.8%), France (66.9%), Germany (69.7%) and Belgium (44.6%).

## Constraints

The results of MIWE 2019 continue to underscore shortcomings in terms of '*Cultural Perceptions of Entrepreneurs*' (down from 63.4 the previous year to 61.6), weighed down by a decline in society's regard for entrepreneurial risk-taking, creativity & innovativeness, and personal initiative. Women's ability to thrive in the business world, especially when it comes to growing the business, are also likely to be held back by the lack of skilled employees (62.8, rank 32).



Switzerland's **Women Entrepreneurial Landscape is one of the most favorable** among the 58 markets with an overall MIWE score and ranking of 65.8 (rank 7), dipping slightly from the previous year's score of 66.2 (rank 8). Women's Business Ownership (F%T) was the same at 26.6% (rank 21). Of the 3 components, Switzerland shines with exceptionally conducive and enabling entrepreneurial supporting conditions, including: (i) 'Quality of Governance' (96.8, rank 2), (ii) 'Entrepreneurial Supporting Factors' (77.1, rank 2), and (iii) 'Cultural Perceptions of Entrepreneurs' (65.3, rank 8).

Women in Switzerland **compare very favorably with their global peers in terms of attainment of knowledge assets. The degree of support rendered to SMEs** based on adequacy of physical infrastructure, government program support, new business market entry and access to financial services is also among the best (73.8, rank 4). Specifically, the presence of and access to physical resources such as communication, utilities, land and space are **affordable and not discriminatory** of new, small or growing businesses – a reputation earned by the country for many consecutive years.

Rated as the **4<sup>th</sup> most competitive country in the world among 140 Markets by the Global Competitiveness Report 2018**, Switzerland ranks very highly in many of the competitiveness performance indices: finance, infrastructure, innovation, macroeconomic stability, skills, labor market and business dynamism. <sup>xvi,xvii</sup>





# Switzerland

## Summary Findings

Benchmark  
**Women Business Owners**  
- **WBO Score :**

**26.6**

Rank 21

(2018: Score 26.6, Rank 21)

MIWE  
**Score :**

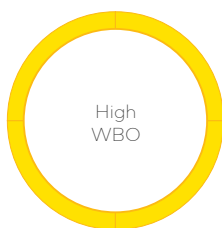
**65.8**

Rank 7

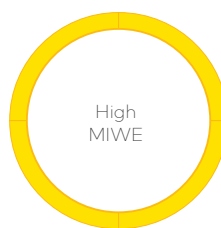
(2018: Score 66.2, Rank 8)



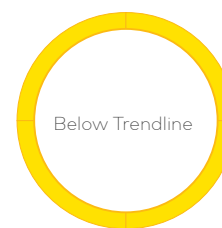
High  
income



High  
WBO



High  
MIWE



Below  
Trendline

Component A

Women's  
Advancement  
Outcomes:

**50.5**

Rank 35



(2018: Score 61.8,  
Rank 33)

Component B

Knowledge Assets &  
Financial Access:

**79.1**

Rank 7



(2018: Score 77.0,  
Rank 17)

Component C

Supporting Entrepreneurial  
Conditions

**78.0**

Rank 4



(2018: Score 79.1,  
Rank 4)

Woman Labor Force  
Participation (F/M)  
(84.5, rank 14)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Quality of Governance  
(96.8, rank 2)

Women Business Leaders  
(F%T)  
(34.0, rank 20)

Support for SMEs  
(73.8, rank 4)

Entrepreneurial Supporting  
Factors  
(77.1, rank 2)

Woman Professionals &  
Technical Workers (F%T)  
(48.2, rank 33)

Woman Financial Inclusions  
(95.5, rank 15)

Cultural Perceptions of  
Entrepreneurs  
(65.3, rank 8)

## Switzerland's Entrepreneurial Framework Conditions

### *Making a Mark as Leaders & Workforce Participants*

Women here have also made **considerable inroads as business leaders**, accounting for around one-third of all business leaders in the country (34.0%, rank 20). They are also **making valuable contribution to the economy as active labor force participants** (84.5 females for every 100 males, rank 14). Based on the latest GEM data, there has been a **considerable jump in women's opportunity-driven entrepreneurship** (up from 69.0% in 2017 to 86.4% in 2018, putting them nearly at par with males at 87.4%).

### *High Established Business Ownership*

The **Established Business Ownership Rate in Switzerland is high** with 10.5% of the population aged 18 to 64 being a current owner-manager of an established business that has paid salaries, wages, or made any other payments to the owners for more than 3 ½ years. This rate is higher than the average of 6.8% in innovation-driven economies, and regional peers such as Germany (6.1%), France (3.6%), Spain (7.1%) and Italy (6.0%).

The percentage of **Discontinued Businesses in Switzerland is very low** (1.1%) compared to other advanced economies such as Canada (6.9%), Israel (4.8%), Ireland (3.3%) and Australia (3.8%). This is a positive development and points to competence in sustaining businesses growth momentum.

The **Job Creation Expectation Rate** among Swiss entrepreneurs also compares well with nearly one-third voicing plans to expand their business by creating 6 or more jobs in the next 5 years (29% in 2018 compared to global and regional averages of 21% and 20%, respectively). This highlights a positive entrepreneurial dynamism in terms of job creation.

### *Ambitious & Motivated, Internationally Focused*

Most entrepreneurs tend to be ambitious and are greatly **driven by opportunities** that will advance their income and financial position (67.5% compared to 53.5% average among innovation-driven economies).

### *Education and R&D Transfer*

Post-secondary education in colleges, universities and professional education offers adequate preparation for starting up and growing new firms. The country's research and development sector is outstanding and has paved the way to many new commercial opportunities.<sup>xviii</sup>

| <b>Component A:<br/>Women's Advancement Outcomes</b>        | <b>2018<br/>Score,<br/>(Rank)</b> | <b>2019<br/>Score,<br/>(Rank)</b> | <b>Comments</b>  |
|---|-----------------------------------|-----------------------------------|--|
| Women Business Leaders (F%M)                                | 34.0 (20)                         | 34.0 (20)                         | <ul style="list-style-type: none"> <li>• Little change observed in women progress as business leaders, professionals/technicians &amp; labor force participants</li> <li>• Role as leaders &amp; professionals lower than expected despite high education attainment</li> <li>• Gender gap in Entrepreneurial Activity Rate widened notably due to a pullback in women's entrepreneurial activity rate</li> </ul>                    |
| Women Professionals & Technical Workers (F%M)               | 48.0 (34)                         | 48.2 (33)                         |  |
| Women Labor Force Participation (F/M)                       | 84.2 (14)                         | 84.5 (14)                         |  |
| Women Entrepreneurial Activity Rate (F/M)                   | 52.3 (46)                         | 47.0 (52)                         |  |
| <b>Component B: Knowledge Assets &amp; Financial Access</b> |                                   |                                   |  |
| Women Tertiary Education GER (F/M)                          | 100.0 (1)                         | 100.0 (1)                         | <ul style="list-style-type: none"> <li>• Women have equal opportunities to gain higher level education and fair access to financial services &amp; products</li> <li>• However, there is still a lack of venture capital, debt finance and funding through IPOs for high growth firms</li> </ul>   |
| Women Financial Inclusion (F/M)                             | 94.8 (15)                         | 95.5 (15)                         |  |
| Support for SMEs  | 78.3 (2)                          | 73.8 (4)                          | <ul style="list-style-type: none"> <li>• Women &amp; men have equal access to financial services by law &amp; custom</li> <li>• Highly developed physical infrastructure to support new &amp; growing business</li> <li>• Availability &amp; effectiveness of government program support is higher than most other innovative-driven markets such as Australia, New Zealand, Belgium, Germany, Italy, Spain &amp; Sweden.</li> </ul> |
| Women Borrowing/Saving for Business (F/M)                   | 47.2 (44)                         | 55.7 (40)                         | <ul style="list-style-type: none"> <li>• Slight narrowing in gender gap but women remain considerably less likely than men to save for a business although the number has been rising gradually in recent years</li> </ul>   |
| <b>Component C: Supporting Entrepreneurial Conditions</b>   |                                   |                                   |  |
| Quality of Governance                                       | 97.1 (2)                          | 96.8 (2)                          | <ul style="list-style-type: none"> <li>• Highly effective regulations, policies and systems in place, minimal corruption, political conditions are stable</li> </ul>   |
| Entrepreneurial Supporting Factors                          | 77.1 (2)                          | 77.1 (2)                          | <ul style="list-style-type: none"> <li>• Society is receptive of entrepreneurial failure</li> <li>• Relatively easy to find skilled employees</li> <li>• Few market entry barriers for new businesses</li> </ul>   |
| Cultural Perceptions of Entrepreneurs                       | 69.1 (5)                          | 65.3 (8)                          | <ul style="list-style-type: none"> <li>• Slight pullback in cultural perception of entrepreneurial qualities such as personal initiative, risk taking, creativity &amp; innovativeness, and independence</li> </ul>  |
| Ease of Doing Business                                      | 75.7 (23)                         | 75.7 (23)                         | <ul style="list-style-type: none"> <li>• Business regulation environment and best practices are acceptable but lower than the average in high-income, developed markets</li> </ul>   |

Table: Enablers & Constraints - Swiss Women in Business

## Constraints

**The results point to a severe gender gap in Women's Entrepreneurial Activity Rate- F/M** (47.0 and rank 52, retreating from the previous year's ratio of 52.3, rank 46). This means that out of the working age female population, only 4.7% have just started an entrepreneurial activity or has started one for less than 3.5 years. This compares very poorly with other innovation-driven markets such as Chile, Uruguay, Canada, the US, New Zealand, South Korea, Israel and the UAE where at least 10% of the working age females are engaged in entrepreneurial activities. There are various reasons for the low entrepreneurial rate:

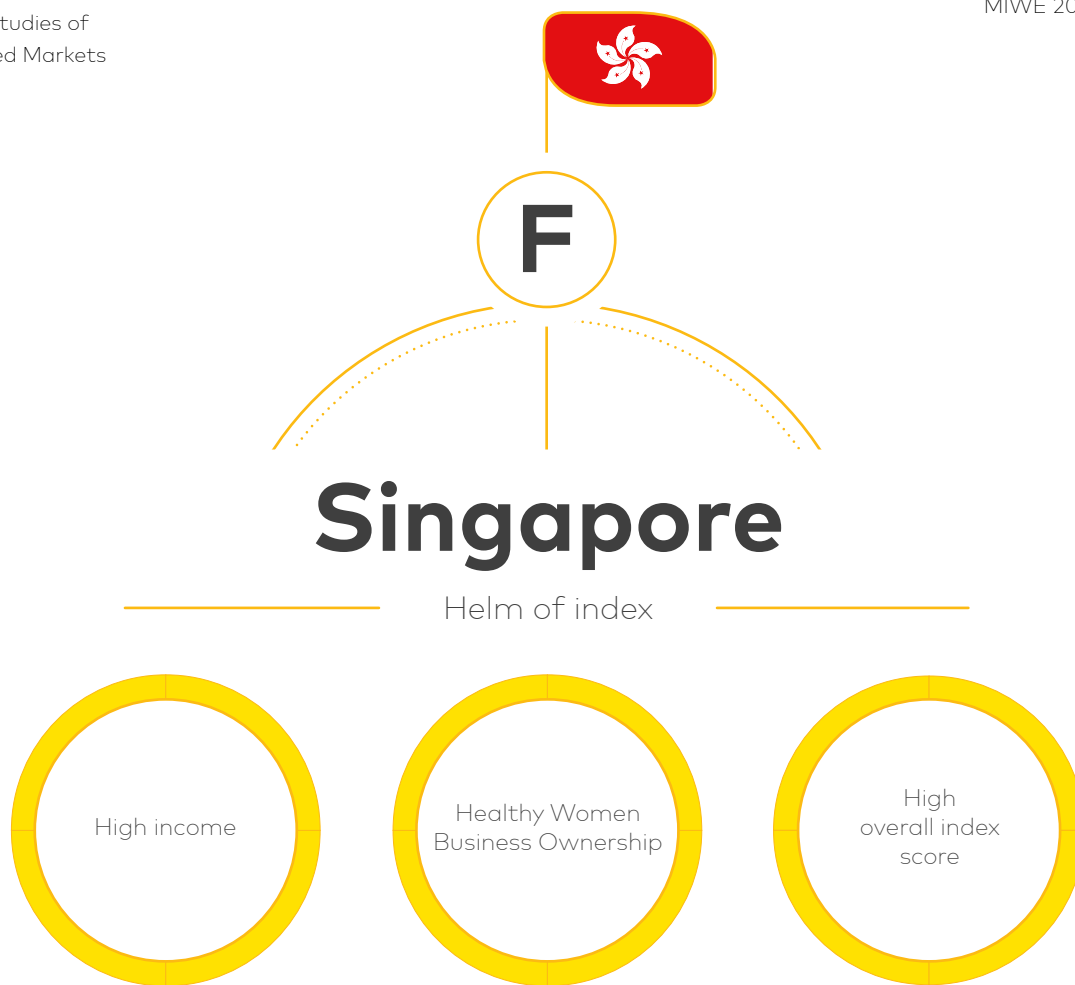
- **Very Low Entrepreneurial Intentions Rate:** On average, the Swiss express very low intention to start a business within the next 3 years (10.5% compared to 15.2% on average in innovation-driven economies)
- **Low Perception of Entrepreneurship as a Good Career Choice:** Although most of the adult population confers high regard to successful entrepreneurs (70%), less than half perceive entrepreneurship to be a good career choice (53% compared to 57% on average in innovation-driven economies).
- **High Fear of Failure:** The proportion of adults who noted they will be deterred by failure in business (40%) is similar to other developed markets such as Ireland (39%), higher than the US (35%) and lower than Canada at (42%).
- **Low Perception of Capabilities:** Most of the adult population are unsure of their entrepreneurial abilities due to a lack of self-confidence or unwillingness to leave the comfort zone or security of being an employee.
- **The Swiss culture is not as encouraging or receptive of entrepreneurial risk-taking** compared to other western European Markets, and other developed economies such as the US.<sup>xxx</sup> This is reflected in the low social media attention extended to entrepreneurship (lower than most Markets such as Spain, Sweden, South Korea, Italy, Israel, Ireland, France, Canada & Australia).

## High Salaries

The low inclination towards entrepreneurship may also be affected by the fact that the **Swiss workforce is one of the most well-paid in the world**. Data from OECD (2017) showed Switzerland having the second highest average wage (nominal USD 88,159) in Europe trailing only Luxembourg.<sup>xx</sup> The work/life balance here is fairly good. According to OECD's *Better Life Survey*, the share of employees in Switzerland working very long hours is lower than the OECD average. Swiss cities are regularly ranked as having among the best quality of life in the world.<sup>xxi,xxii</sup> However, there is still a significant gender pay gap with female employees earning 19.3% less than their male colleagues according to recent Eurostat figures.

## The Way Ahead

In order to boost Switzerland's Women Business Ownership and Women Entrepreneurial Activity Rate, more support or initiatives need to be rendered for early stage funding (seed and venture capital). In addition, bureaucratic procedures associated with founding new ventures and taxation policies need to be eased.<sup>xxiii</sup>



Singapore continues to be **ideally positioned on the global scale for women entrepreneurs to set up shop**. Although pulling back 5 spots from MIWE 2019 to rank 8 (score down from 68.0 to 65.6), the island-state's support for SME remains second to none. Its overall admirable index performance is driven by excellence in the education, financial, physical and legal infrastructure. Women entrepreneurs here **face few barriers** when doing business ('*Ease of Doing Business*' 85.2, rank 2) and benefit from very conducive '*Entrepreneurial Supporting Factors*' 74.5, rank 5).



# Singapore

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**26.3**

Rank 24

(2018: Score 26.5, Rank 23)

MIWE  
**Score :**

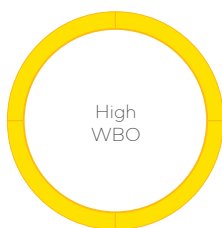
**65.6**

Rank 8

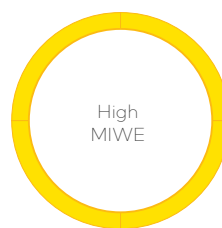
(2018: Score 68.0, Rank 3)



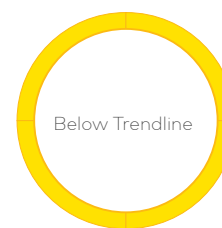
High  
income



High  
WBO



High  
MIWE



Below  
Trendline

Component A

Women's  
Advancement  
Outcomes:

**49.0**

Rank 42



(2018: Score (52.0,  
Rank 32)

Component B

Knowledge Assets &  
Financial Access:

**82.5**

Rank 2



(2018: Score 85.0,  
Rank 1)

Component C

Supporting Entrepreneurial  
Conditions

**77.0**

Rank 6



(2018: Score 77.7,  
Rank 5)

Women Business Leaders  
(F%T)  
(32.9, rank 26)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Ease of Doing Business  
(85.2, rank 2)

Woman Labor Force  
Participation (F/M)  
(79.3, rank 27)

Support for SMEs  
(80.2, rank 1)

Entrepreneurial Supporting  
Factors  
(74.5, rank 5)

Woman Professionals &  
Technical Workers (F%T)  
(45.7, rank 38)

Woman Financial Inclusions  
(98.7, rank 9)

Quality of Governance  
(87.4, rank 10)

## The Entrepreneurial Framework: The Enabling Factors

With a **world-class education system and strong support from government programs**, entrepreneurs can readily find skilled employees to meet their business needs. **Social and cultural norms are fairly receptive and encouraging of entrepreneurship**, especially when individuality, self-sufficiency and autonomy, and personal effort are demonstrated. The underlying supportive infrastructures here are also reinforced by excellent governance, highly stable political conditions, and very effective and efficient rule of law – conditions that are instrumental in driving women's inroad into the business world. Furthermore, the government renders a lot of support in the form of grants, co-working spaces, and a network of international investors.

According to *Dell's 2017 Women Entrepreneur Cities Index (WE Cities)* report, Singapore **is home to some of the youngest business founders in the world**. These young cohort demonstrate impressive talents, competence and drive across a wide spectrum of fields including data science, digital marketing, artificial intelligence (AI), investment banking, fashion, restaurant and online financial solutions provider. These business ventures usually incorporate a high degree of hi-tech creativity and innovation, such as leveraging AI into products and services. <sup>xxiv</sup>

## Support Programs & Funding Schemes

The business start-up culture in Singapore is popular and widespread, gradually replacing the previous trend of seeking jobs in multinational companies. This is partly driven by the large contribution from the government's funds and grants such as incubator schemes that are geared towards helping budding entrepreneurs in the country. Apart from financial aid, these support programs, such as the Incubator Development Program (IDP) are crucial in providing mentoring and networking opportunities for nascent business owners. The advent of Crowdfunding platforms in Singapore has allowed loans to be extended to SMEs that may not otherwise qualify for traditional bank loans. These new platforms have less stringent financial and operation requirements, although the interest rates may be more costly due to the higher degree of risks undertaken by the investors. <sup>xxv</sup>

Other schemes include: <sup>xxvi</sup>

- The *Interactive Digital Media (IDM) Jump-start and Mentor (i.JAM)* administered by Media Development Authority that is focused on encouraging innovation and nurturing start-up entrepreneurship in interactive digital media.
- The *NRF Technology Incubation Scheme (TIS)*, an initiative of National Research Foundation that co-invests up to 85% with a cap of S\$500,000 per company and provides guidance and mentoring for start-ups.
- *Fast-Track Environmental and Water Technologies Incubator Scheme (Fast-Tech)*, an incubator grant supported by Environment and Water Industry Board Office designed to help start-ups co-share the cost and risk of commercialization of new environmental and water technologies.

| Component A:<br>Women's Advancement Outcomes       | 2018<br>Score,<br>(Rank) | 2019<br>Score,<br>(Rank) | Comments  |
|--|--------------------------|--------------------------|---|
| Women Business Leaders (F%M)                       | 32.7 (26)                | 32.9 (26)                | <ul style="list-style-type: none"> <li>• Little change observed in women progress as business leaders, professionals/technicians &amp; labor force participants</li> <li>• Role as leaders &amp; professionals low despite high knowledge assets</li> <li>• Gender gap in Entrepreneurial Activity Rate <b>widened</b> from 2018 to 2019 due to a pullback in women's entrepreneurial activity rate and an increase in men's</li> <li>• Women's inclination towards entrepreneurship fell notably despite strong government support &amp; schemes; may be dragged by slowdown in economy, downbeat business confidence, and high borrowing &amp; operating costs</li> </ul> |
| Women Labor Force Participation (F/M)              | 79.3 (27)                | 79.3 (27)                |   |
| Women Professionals & Technical Workers (F%M)      | 45.6 (38)                | 45.7 (38)                |   |
| Women Entrepreneurial Activity Rate (F/M)          | 61.9 (38)                | 48.3 (51)                |   |
| Component B: Knowledge Assets & Financial Access   |                          |                          |   |
| Women Tertiary Education GER (F/M)                 | 100.0 (1)                | 100.0 (1)                | <ul style="list-style-type: none"> <li>• Women have equal opportunities to gain higher level education and fair access to financial services &amp; products</li> <li>• Highly developed education, legal, financial &amp; physical infrastructure &amp; government support programs and schemes to support new and growing businesses</li> </ul>  |
| Support for SMEs                                   | 80.8 (1)                 | 80.2 (1)                 |   |
| Women Financial Inclusion (F/M)                    | 98.3 (11)                | 98.7 (9)                 | <ul style="list-style-type: none"> <li>• Women have high access to financial services by law &amp; custom</li> </ul>  |
| Women Borrowing/Saving for Business (F/M)          | 65.7 (28)                | 58.6 (33)                | <ul style="list-style-type: none"> <li>• Widening in gender gap, women considerably less likely than men to borrow or save for a business</li> </ul>  |
| Component C: Supporting Entrepreneurial Conditions |                          |                          |   |
| Ease of Doing Business                             | 85.0 (2)                 | 85.2 (2)                 | <ul style="list-style-type: none"> <li>• World-class business regulation &amp; best practices</li> </ul>  |
| Entrepreneurial Supporting Factors                 | 76.5 (5)                 | 74.5 (5)                 | <ul style="list-style-type: none"> <li>• Society is receptive of entrepreneurial failure</li> <li>• Large pool of skilled resources</li> <li>• Little market entry barriers for new businesses</li> </ul>   |
| Quality of Governance                              | 87.4 (9)                 | 87.4 (10)                | <ul style="list-style-type: none"> <li>• Highly effective regulations, policies and systems in place, minimal corruption, stable political conditions</li> </ul>  |
| Cultural Perceptions of Entrepreneurs              | 64.3 (13)                | 63.3 (15)                | <ul style="list-style-type: none"> <li>• Cultural norms are receptive of entrepreneurial qualities such as personal initiative, risk taking, creativity &amp; innovativeness, and independence</li> </ul>   |

Table: Enablers &amp; Constraints - Singaporean Women in Business



## The Constraints: What is holding women back in business?

Despite the lively entrepreneurial scene in Singapore set against world-class infrastructures and systems, the **percentage of women business owners remains low** with only 1 in every 4 businesses being led by a female (26.3, rank 23, broadly unchanged from previous year). **Women's Entrepreneurial Activity Rate compared to men is also low**, with only 7.2 female entrepreneurs for every 14.8 male entrepreneurs (F/M ratio of 48.3, rank 51). The gender gap has also widened from 61.9 (rank 38) to 48.3 (rank 51), placing Singapore among the lowest in the MIWE study. There are various reasons that may be holding women back from engaging in entrepreneurial activities or starting a business.

### *Risk Taking*

In general, when **it comes to taking business risks, the national culture is slightly less amenable** when compared to most other advanced, neighboring economies such as Hong Kong SAR, New Zealand, Indonesia, Philippines, Vietnam, Malaysia, Thailand, and global peers such as the US, Canada, Israel and the UAE. Global Entrepreneurship Monitor's data for Singapore showed that on average, adults here are more apprehensive about failing in business (39%) compared their global and regional peers (34% and 37%, respectively).

### *Low Perception of Opportunities & Capabilities*

Another reason why women's inclination towards entrepreneurship is low could be due to the **low perception of opportunities** among the adult population: 17%, 2.5 times lower than the global average of 43%, and 2 times lower than the average among Asia Pacific markets at 37%. The average adult is also notably **less confident in setting up a business** due to a perceived lack of skills and knowledge: Perceived Capabilities Rate of 21% compared to the global and regional averages of 51% and 44%. Such low perception may be attributed to the highly competitive business environment in Singapore.

### *Low Entrepreneurial Intentions Rate*

The **rate of entrepreneurial intentions in Singapore is very low** at around 9.4% compared to global and regional averages of around 20%, respectively.<sup>xxvii</sup>

### *Sluggish Economic Growth & Downbeat Business Sentiment*

The **motivation or drive to start new businesses may be dampened by sluggish economic growth performance**, muted business sentiment and overall concern over uncertainties stemming from the slowdown in global electronics and tech demand, impact of the US-China trade dispute, and rising interest rate environment.

### *High Costs of Business Setup*

**One of the biggest barriers to starting a business is the high cost** associated with seeking professional advice, legal and insurance fees, rental and operation, communication and transport, equipment upgrade, working capital requirement, product/service expansion, among others. Those seeking a business loan may be deterred by the credit criteria and procedures associated. Although there are new crowdfunding platforms that offer loans with less stringent financial and operation criteria, the borrowing costs are often higher, making it less affordable for those looking to start a business.

### *Gender Inequality*

The results show **Singaporean women to be under-represented not only as business owners, but in the corporate world as business leaders, professionals/technical workers and labor force participants as well.** For example, women account for only one-third (32.9%, rank 26) of all leaders, less than half of all professionals/technical workers (45.7%, rank 38), and less than 80% of the labor force compared to men (F/M 79.3%, rank 27). **The imbalance in these regards may instill an underlying belief or acceptance that women are not business savvy or capable of assuming higher position in society as men, thus discouraging females from pursuing entrepreneurship.**

## **The Way Forward**

According to findings from McKinsey Global Institute (MGI), reducing gender inequality in Singapore by increasing the number of hours worked by women and their participation in higher-productivity sectors can contribute an astronomical S\$26 billion to the country's GDP by 2025. The results revealed that women are marginalized or under-represented when it comes to full-time work and working in sectors where they can command higher pay and improve their economic prospects. Women tend to be more inclined to work part-time and are less likely to work when they are married due to restrictions associated with child-rearing responsibilities and the lack of flexible workforce policies. Women are also more likely to be working in lower-paying and lower-productivity roles that are most prone to being displaced by automation, and least represented in high-growth sectors such as information and communications where the female-to-male ratio is 0.63. McKinsey's study called for investments to be made to help shift current attitudes towards the role of women in society and in the workplace using platforms such as public awareness campaigns to foster deeper recognition and forums for corporate leaders to share best practices on gender equality. <sup>xxviii</sup>



G

# United Kingdom

Helm of index

High income

Healthy Women  
Business Ownership

High  
overall index  
score

With more than 5.4 million SMEs trading across one of the most matured, modern and innovative markets in the world, **British women's role as entrepreneurs remains surprising low compared to their male counterparts and neighboring peers.** The latest data showed the female to male entrepreneurial activity ratio remaining at half, with only 5.4 female entrepreneurs for every 11.1 male, despite there being one million more women in the UK than men. This ratio trails most neighboring high-income and innovation-driven economies in Europe such as Italy, Ireland, France, Denmark, Germany, and Australia, Hong Kong SAR, Japan, South Korea in Asia Pacific, and the US and Canada from North America.

Meanwhile, **business ownership rates reflect similar disparity, with women accounting for around one-quarter (27.9%, rank 16) of all business owners in the country.** This is broadly unchanged from the previous years' figure, suggesting **stagnant progress in the business world despite performing strongly across all 3 Components** in the Mastercard Index of Women Entrepreneurs 2019 report. On the Matrix graph, the UK remains below the MIWE – Benchmark Trendline/Line of Best Fit, suggesting underperformance.



# United Kingdom

## Summary Findings

Benchmark  
**Women Business Owners**  
- **WBO Score :**

**27.9**

Rank 16

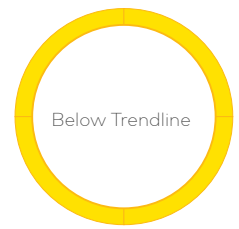
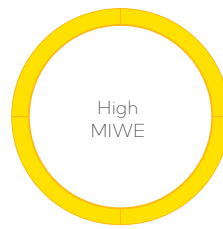
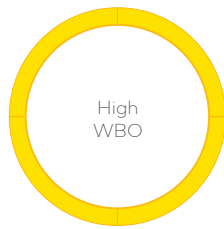
(2018: Score 27.8, Rank 17)

MIWE  
**Score :**

**65.6**

Rank 9

(2018: Score 65.1, Rank 13)



Component A

Women's  
Advancement  
Outcomes:

**52.0**

Rank 34



(2018: Score 51.2,  
Rank 34)

Component B

Knowledge Assets &  
Financial Access:

**78.2**

Rank 2



(2018: Score 78.4,  
Rank 10)

Component C

Supporting Entrepreneurial  
Conditions

**74.9**

Rank 8



(2018: Score 74.6,  
Rank 10)

Women Business Leaders  
(F%T)  
(35.9, rank 13)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Ease of Doing Business  
(74.8, rank 4)

Woman Labor Force  
Participation (F/M)  
(84.3, rank 15)

Woman Financial Inclusions  
(99.7, rank 6)

Entrepreneurial Supporting  
Factors  
(82.7, rank 7)

Woman Professionals &  
Technical Workers (F%T)  
(49.6, rank 27)

Support for SMEs  
(60.2, rank 22)

Quality of Governance  
(85.9, rank 11)

There is also a notable **increase in necessity-driven entrepreneurship** among women since the previous year, up 2.5 times from 6.6% to 16.6%, while that for men dropped from 16.8% to 11.1%. In contrast, women's engagement in opportunity-driven entrepreneurship dropped from 84.7% to 81.0%, while that for men rose from 81.0% to 85.7%. This suggests that women perceived slightly less startup opportunities in the local area they live in compared to the previous year and are **engaging in more entrepreneurial activity out of necessity**.

A breakdown of **Component A: Women's Advancement Outcomes (52.0, rank 34)** showed that **women's share of business leadership is fairly acceptable** at 35.9% (rank 13, unchanged from the previous year), and above the average among high-income, developed economies. Although women's enrollment rate for tertiary education is higher than men (68.8% vs 50.6%), women's share of the workforce continues to trail that of men (57.1% vs 67.8%). Women also account for less than half of the employees in professional or technical positions (49.6%, rank 27).

In terms of **Component B: Knowledge Assets & Financial Access, women are positioned quite favorably** with a score of 78.2 and ranking of 9, mostly unchanged from the previous update. In terms of access to financial services such as opening a bank account, and owning credit and/or debit cards (99.7, rank 6), the margin segregating men and women is negligible. **'Support for SMEs' remain lower than the average** among developed and high-income economies (60.2, rank 22), weighed down by a lack of government program support (41.3, rank 39) and single government agency that oversees new business (38.5, rank 33).

Meanwhile, women in the UK stand to benefit from **fairly strong and stable Supporting Entrepreneurial Conditions** (Component C, 74.9, rank 8), especially with regards to *'Ease of Finding Skilled Employees'* (73.6, rank 6), *'Intellectual Property Protection'* (86.6, rank 3), and *'Attitude towards Entrepreneurial Failure'* (73.0, rank 5). The UK is also positioned favorably in terms of *'Ease of Doing Business'* (82.7, rank 7) and *'Quality of Governance'* (85.9, rank 11) in terms of best practices and control of corruption.

## Grants for Business

At present, there are various grant types in the UK for women entrepreneurs or *'mumpreneurs'* (mothers who wish to be entrepreneurs). These grants include funding for business investment, research and development, business solutions and training & skills development. However, the **eligibility of some grants is dependent on the areas where one resides in and tends to be restrictive in some regards**. For example, the chances of qualifying for a grant increases if the applicant lives in a 'socially deprived area or an area where unemployment is quite high', or if the business brings out some socially benefiting product or service. Another stumbling block is that for most women business grants, there is a requirement of at least 250 employees in the payroll to qualify, effectively displacing those who wish to go solo or operate on a small scale. Furthermore, to be considered worthy of a grant, each application has to be closely assessed and scrutinized with stringent requirements.<sup>xxx, xxx</sup>

## Mental Barriers That are Hampering Entrepreneurial Women from Securing the Backing They Need

Although women in the UK are much more empowered in many respects and the social and corporate mindsets have changed notably overtime to become much more receptive and encouraging of women in business, there are still **some barriers that are holding women back from unleashing their full potential**.<sup>xxxi</sup> For instance, The *Entrepreneurs Network* found just 9% of funding for UK startups are being awarded to women-led businesses in the UK annually.

Data also showed that men are 86% more likely to be funded by venture capital and 56% more likely to secure angel investment than women (*Entrepreneurs Network and Beauhurst*). A new study by the *Federation of Small Businesses* revealed that around 25% of female small business owners found it **challenging to obtain funding via traditional channels**, with many resorting to alternative options such as crowdfunding, personal cash and credit to expand their businesses. Research also showed **women entrepreneurs having lower loan approval rates** than men on average and are charged higher interest rates. Estimates from *Deloitte* showed that targeted help for nascent female entrepreneurs could help boost the UK economy by £100 billion over the next 10 years. <sup>xxxii</sup>

Other barriers include: <sup>xxxiii</sup>

- **Self-Doubt:** Some women still feel that the corporate world is a domain mostly for males, given that most top managerial positions are held by men. This belief is deeply ingrained in the mindset of society despite women being equally capable and talented as men.
- **Low-Self Confidence:** Because some women are skeptical about what they can achieve, they are in doubt about whether they are capable of managing a business, leading a team, making financial decisions, and executing policies. This is reflected in the GEM UK 2018 results which showed 'Perceived Capabilities Rate' among the adult population (46.6%) to be slightly lower than the global average (49.2%).
- **Fear of Failure:** In general, around two-fifths of the adult population are deterred from starting a business due to fear of failing (37.7%, 2018).
- **Lack of Finance:** Although there are stringent requirements to qualify for business grants, some women might be discouraged by the fact that their business plan or strategy is not good enough or profitable to be eligible. Data from Global Findex revealed that only 1.6% of females borrowed funds to start, operate or expand a business compared to 3.7% for their male counterparts. This is lower than regional peers such as Switzerland (4.0%), Spain (3.0%), Ireland (2.5%), France (2.8%), and other high-income economies such as South Korea (3.4%), Saudi Arabia (4.1%), and UAE (3.1%). The challenges in securing funds for expansion or operation may be one of the reasons why UK's 'Established Business Ownership Rate' (6.4%) is lower than the global and regional figures of 8.4% and 7.1%, respectively.
- **Cultural Barriers:** Another constraint that is holding back women's ability to thrive in the entrepreneurial landscape is cultural barriers, with women not receiving adequate support or encouragement as entrepreneurs. Research findings by Unilever Foundry showed British women business owners reporting gender stereotyping and a lack of female role models in business as some of the key hindrances commonly encountered. This is echoed in the GEM Country Report for UK 2017 which showed that only around one-quarter of females in 2017 personally knew someone who has started a business in the last 2 years. <sup>xxxiv</sup>
- **Low Entrepreneurial Intentions Rate:** The latest GEM 2018 figures showed entrepreneurial intentions rate among the adult population in UK to be significantly lower than the global and regional averages (7.2% for UK compared to 23.7% globally and 10.7% regionally).

| <b>Component A:<br/>Women's Advancement Outcomes</b>        | <b>2018<br/>Score,<br/>(Rank)</b> | <b>2019<br/>Score,<br/>(Rank)</b> | <b>Comments</b>  |
|---|-----------------------------------|-----------------------------------|--|
| Women Business Leaders (F%T)                                | 35.9 (13)                         | 35.9 (13)                         | <ul style="list-style-type: none"> <li>• Little change observed in women progress as business leaders, professionals/technicians &amp; labor force participants</li> <li>• Role as leaders &amp; professionals low despite high knowledge assets</li> <li>• Gender gap in Entrepreneurial Activity Rate very pronounced</li> <li>• Women's inclination towards entrepreneurship low despite strong government support &amp; schemes; deterred by fear of failure, low self-confidence and lack of funding</li> </ul> |
| Women Labor Force Participation (F/M)                       | 84.1 (15)                         | 84.3 (15)                         |  |
| Women Professionals & Technical Workers (F%T)               | 49.6 (27)                         | 49.6 (27)                         |  |
| Women Entrepreneurial Activity Rate (F/M)                   | 46.1 (48)                         | 48.6 (50)                         |  |
| <b>Component B: Knowledge Assets &amp; Financial Access</b> |                                   |                                   |  |
| Women Tertiary Education GER (F/M)                          | 100.0 (1)                         | 100.0 (1)                         | <ul style="list-style-type: none"> <li>• Women have equal opportunities to gain higher level education and equal access to financial services &amp; products</li> <li>• Availability of government support programs less than most advanced economies</li> </ul>   |
| Women Financial Inclusion (F/M)                             | 98.8 (8)                          | 99.7 (6)                          |  |
| Support for SMEs  | 62.5 (25)                         | 60.2 (22)                         | <ul style="list-style-type: none"> <li>• Women are considerably less likely than men to borrow or save for a business; likely discouraged due to difficulty in getting loans</li> </ul>  |
| Women Borrowing/Saving for Business (F/M)                   | 61.1 (27)                         | 62.3 (26)                         |  |
| <b>Component C: Supporting Entrepreneurial Conditions</b>   |                                   |                                   |  |
| Entrepreneurial Supporting Factors                          | 76.5 (4)                          | 74.8 (4)                          | <ul style="list-style-type: none"> <li>• Society is receptive of entrepreneurial failure</li> <li>• Large pool of skilled resources</li> </ul>   |
| Ease of Doing Business                                      | 82.3 (7)                          | 82.7 (7)                          | <ul style="list-style-type: none"> <li>• Efficient &amp; effective business regulation and best practices</li> </ul>   |
| Quality of Governance                                       | 86.8 (11)                         | 85.9 (11)                         | <ul style="list-style-type: none"> <li>• Highly effective regulations, policies and systems in place, minimal corruption, stable political conditions</li> </ul>   |
| Cultural Perceptions of Entrepreneurs                       | 56.7 (38)                         | 59.4 (24)                         | <ul style="list-style-type: none"> <li>• Cultural norms are fairly receptive of entrepreneurial qualities such as personal initiative, risk taking, creativity &amp; innovativeness</li> <li>• Slight improvement from previous publication in cultural perception of personal effort, risk taking and creativity</li> </ul>   |

Table: Enablers &amp; Constraints - UK Women in Business



The latest MIWE 2019 results suggest the Swedish **entrepreneurial ecosystem to be less favorable since the last publication**, retreating notably by 19 places from 6<sup>th</sup> to 25<sup>th</sup>. The overall index score shed -6.8% from 66.5 to 62.0, the biggest percentage drop among the 58 markets. This was mainly attributed to a **pullback in scores across all 3 components**, with *Component A: Women's Advancement Outcomes* declining the most by -10.0% from 58.6 to 52.7, a massive drop in ranking of 20 places. This was mostly due to a sharp widening in gender gap in '*Women Entrepreneurial Activity Rate*' – F/M from 64.8 (rank 36) to 42.1 (rank 53). This means that there are **on average more than twice as many male entrepreneurs as females** (9.5 males vs 4.0 females).

Component B's decline of -5.5% in Knowledge Assets & Financial Access arose due to a deterioration in '*Support for SMEs*' (down from 65.1 rank 19 to 59.2 rank 27) and '*Women Borrowing/Saving for Business – F/M*' (30.3, lowest at rank 58). Likewise, the score for Component C: Supporting Entrepreneurial Conditions also retreated, although by a smaller degree (-3.6% from 76.8 rank 7 to 74.0 rank 11) as **cultural perceptions of entrepreneurs became less favorable**.

On a positive note, Swedish women are making a firm standing in the leadership field, comprising nearly 40% of all leaders in the country (39.1%, rank 8). They also account for more than half of the professional and technician positions in the workplace (51.8% of total, rank 19).





# Sweden

## Summary Findings

Benchmark  
**Women Business Owners**  
- **WBO Score :**

**19.8**

Rank 42

(2018: Score 19.8, Rank 43)

MIWE  
**Score :**

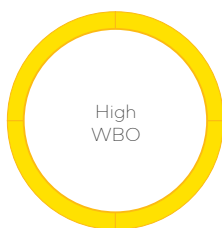
**62.0**

Rank 25

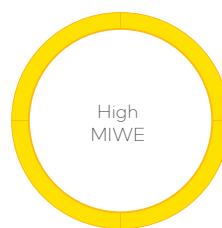
(2018: Score 66.5, Rank 6)



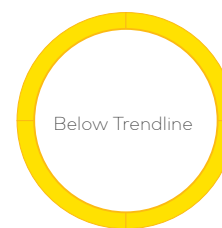
High  
income



High  
WBO



High  
MIWE



Below  
Trendline

Component A

Women's  
Advancement  
Outcomes:

**52.7**

Rank 33

(2018: Score (58.6,  
Rank 13)

Component B

Knowledge Assets &  
Financial Access:

**64.3**

Rank 48

(2018: Score 68.1,  
Rank 45)

Component C

Supporting Entrepreneurial  
Conditions

**74.0**

Rank 11

(2018: Score 76.8,  
Rank 7)

Woman Labor Force  
Participation (F/M)  
(90.3, rank 2)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Quality of Governance  
(94.2, rank 4)

Women Business Leaders  
(F%T)  
(39.1, rank 8)

Woman Financial Inclusions  
(95.2, rank 16)

Ease of Doing Business  
(81.3, rank 9)

Woman Professionals &  
Technical Workers (F%T)  
(51.8, rank 19)

Support for SMEs  
(59.2, rank 27)

Entrepreneurial Supporting  
Factors  
(71.5, rank 12)

## Increase in Opportunity-Driven Entrepreneurship among Women

Compared to the previous year, there was a marked decline in female necessity-driven entrepreneurship (down from 7.5% to 1.3%), while that for male rose from 7.6% to 12.5%. In contrast, the percentage of females involved in total early-stage entrepreneurial activity (TEA) that were **driven by good business opportunities rose from 75.6% to 80.0%, surpassing men's** figure of 70.7%. This is **exceptionally high** compared to global and regional averages among adult population of only 45.6% and 45.4%, respectively. The average entrepreneur here is also quite **innovative**, with around one-third of entrepreneurs indicating that their product or service is new to at least some customers *and* few/no businesses are offering the same. This compares well to the global and regional averages of 26.3% and 27.9%, respectively. This is not surprising, given that some of the world's most innovative companies such as IKEA, Ericsson and Spotify are founded here.

| Component A:<br>Women's Advancement Outcomes       | 2018<br>Score,<br>(Rank) | 2019<br>Score,<br>(Rank) | Comments  |
|--|--------------------------|--------------------------|---|
| Women Labor Force Participation (F/M)              | 90.2 (2)                 | 90.3 (2)                 | <ul style="list-style-type: none"> <li>Women workforce participation remains very high, nearly at par with men; likely fueled by very favorable labor market conditions such as strong labor union &amp; very good employee benefits</li> </ul>                               |
| Women Business Leaders (F%M)                       | 39.0 (8)                 | 39.1 (8)                 | <ul style="list-style-type: none"> <li>Women's share of business leadership quite high</li> <li>Women's role as professionals &amp; technicians lower than expected given high knowledge assets</li> </ul>  |
| Women Professionals & Technical Workers (F%M)      | 51.8 (20)                | 51.8 (19)                | <ul style="list-style-type: none"> <li>Gender gap in entrepreneurial activity rate widened considerably</li> </ul>  |
| Women Entrepreneurial Activity Rate (F/M)          | 64.8 (36)                | 42.1 (53)                | <ul style="list-style-type: none"> <li>Women's inclination towards entrepreneurship low; constrained by marginalization in funding &amp; low perception of capability</li> </ul>  |
| Component B: Knowledge Assets & Financial Access   |                          |                          |   |
| Women Tertiary Education GER (F/M)                 | 100.0 (1)                | 100.0 (1)                | <ul style="list-style-type: none"> <li>Women have equal opportunities to gain higher level education and fair equal access to financial services &amp; products</li> </ul>  |
| Women Financial Inclusion (F/M)                    | 95.4 (14)                | 95.2 (16)                | <ul style="list-style-type: none"> <li>Availability and effectiveness of government support programs not as high as desired</li> </ul>  |
| Support for SMEs                                   | 65.1 (19)                | 59.2 (27)                |   |
| Women Borrowing/Saving for Business (F/M)          | 34.5 (56)                | 30.3 (58)                | <ul style="list-style-type: none"> <li>Women are now the least likely to borrow to start, operate or expand a business; likely discouraged by the challenges in getting loan approvals</li> </ul>   |
| Component C: Supporting Entrepreneurial Conditions |                          |                          |   |
| Quality of Governance                              | 95.3 (3)                 | 94.2 (4)                 | <ul style="list-style-type: none"> <li>Highly effective regulations, policies and systems in place, minimal corruption, stable political conditions</li> </ul>  |
| Ease of Doing Business                             | 81.3 (8)                 | 81.3 (9)                 | <ul style="list-style-type: none"> <li>Efficient &amp; effective business regulation and best practices</li> </ul>  |
| Entrepreneurial Supporting Factors                 | 73.2 (9)                 | 71.5 (12)                | <ul style="list-style-type: none"> <li>Society is receptive of entrepreneurial failure</li> <li>Large pool of skilled resources</li> </ul>  |
| Cultural Perceptions of Entrepreneurs              | 61.4 (20)                | 54.9 (36)                | <ul style="list-style-type: none"> <li>Society has low regard for success achieved through personal effort and individuality</li> <li>Society does not really encourage entrepreneurial risk taking, but recognizes and encourages creativity &amp; innovativeness</li> </ul> |

## Constraints

### *Lack of Confidence*

Unfortunately, **although the perception of good opportunities is high, the average adult lacks confidence** in running a business, with around 4 in every 10 believing they are incapable of doing so. This is reflected in the low entrepreneurial intentions rate, with less than 10% of latent entrepreneurs expressing an intention to start a business within 3 years.

### *Women Business Ownership Rate Still Very Low*

Swedish women's share of the business world remained unchanged, **accounting for 1 in every 5 businesses (19.8%, rank 43). This figure is discouragingly low, despite women's work experience and high education attainment** evident from the high labor force participation rate (94.2% of working age women are working) and 77% of tertiary age females are enrolled for tertiary education. GEM's data for Sweden also revealed **very low established business** ownership rates: only 5.3% compared to global and regional averages of 8.4% and 7.1%, respectively. This means that out of every 100 businesses, only 5 has been in operation for more than 3.5 years.

### *Very Attractive Labor Market that May be Foiling the Motivation to Start a Business*

One possible reason for the high workforce participation rate (and thus low business startup rates) is the fact that **Sweden has one of the most attractive labor markets in the world**. Not only do workers have strong rights, they are back up by powerful labor unions that fervently advocate the health and safety of employees as well as a government agency, the Swedish Work Environment Authority that oversees employees' well-being at work. Labor laws also ensure that employees receive comprehensive social benefits such as subsidized healthcare, childcare, children's education, among many others. Parents are also granted an incredible 18 months of paid parental leave per child, coupled with job security when parents return to work. All these lucrative and comprehensive benefits may actually be deterring individuals from wanting to leave the workforce and take on new business adventures. <sup>xxxv</sup>

### *Discrimination When Seeking Funding*

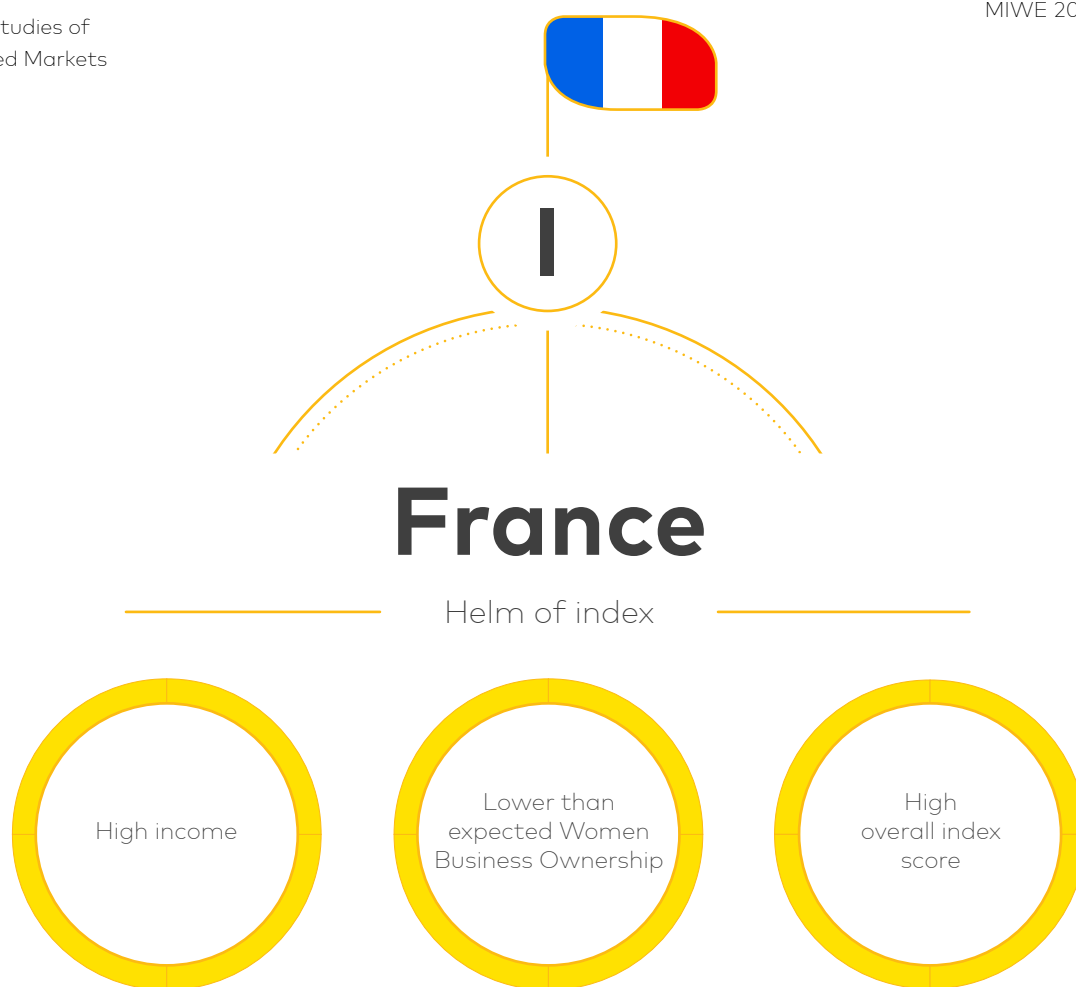
A research report "*Entrepreneurship Theory and Practice*" undertaken at Sweden's Luleå University of Technology in 2017 revealed that as one of the world's most egalitarian societies with women owning and running one-third of Swedish businesses, only 13% to 18% of government venture funding are conferred to women-owned firms. More than that, the findings also showed that men generally received up to 52% of the requested funding, while women received only a quarter. Although there was no difference between men's and women's ability to run a business, men enjoyed a higher chance of receiving grants (62%) compared to women (48%). <sup>xxxvi</sup>

### *Cultural Norms*

Findings from GEM's 2018 report on Sweden suggest that only half of the population perceives entrepreneurship to be a good career choice (compared to the global and regional rates of around 60%).

## The Way Ahead

Although Sweden has good physical, education, commercial and legal infrastructures, there are many shortcomings to be overcome, such as: (i) granting more access to funding for women; (ii) instilling women with more confidence by improving entrepreneurship training at colleges and universities; (iii) streamlining government policies and support programs for small businesses; and (iv) inspiring more women to venture into business <sup>xxxvii</sup> by improving networking and mentoring initiatives.



As noted in the Handbook on Well-Being of Working Women, **women's socio-economic performance in France is paradoxical**. Although women are more educated than their male counterparts (71.8% female tertiary enrollment vs. 57.9% for men) and are increasingly represented in the labor market (up from 47.9% in 2013 to 50.3% in 2018) and positions of responsibility (female leadership 32% of total), **their ability to thrive as entrepreneurs has not really taken off**. Although the latest Mastercard Index of Women Entrepreneurs 2019 results shows France advancing notably from rank 34 (60.4 points) to rank 12 (64.8), **the proportion of women who have just started an entrepreneurial activity or has started one for less than 3.5 years remains very low** (5.3% compared to 7.0% for men in 2018). While this represents a more than two-fold increase from 2.4% to 5.3%, this is lower than what has been achieved in global economies such as Australia (9.2%), New Zealand (13.7%), Ireland (7.5%), Canada (17.0%), the US (13.6%), and Chile (21.2%).

On a positive note, French women **are highly driven by business opportunities**, with nearly 7 in every 10 women-led entrepreneurial activity arising out of opportunities (66.9% compared to 77.5% for men). **Recent data showed that more French women are turning to entrepreneurship as a way to further their careers, balance family life, and tap into traditionally male-dominated industries**. The **increase in women's entrepreneurship from 2.4% to 5.3% may also be driven by the influence of the business-friendly administration of French President Emanuel Macron's** commitment to gender equality and entrepreneurship. Some initiatives that have positively nurtured the business setup environment for women in France include institutionalized public funding for entrepreneurs and increased sharing of success stories involving female founders in social media.<sup>xxxviii</sup> Other factors include: (i) expansionary monetary policy environment (zero interest rate) that kept borrowing costs for business low; (ii) economic expansion in 2017 which may have buoyed confidence in starting a business; and (iii) fairly high unemployment rate conditions that may make starting a business an attractive alternative.



# France

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**25.5**

Rank 28

(2018: Score 25.4, Rank 28)

MIWE  
**Score :**

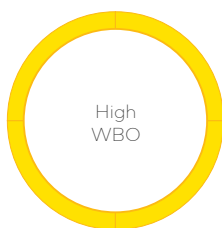
**64.8**

Rank 12

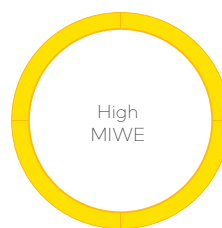
(2018: Score 60.4, Rank 34)



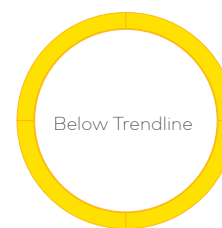
High  
income



High  
WBO



High  
MIWE



Below Trendline

Component A

Women's  
Advancement  
Outcomes:

**56.1**

Rank 20



(2018: Score (48.8,  
Rank 42)

Component B

Knowledge Assets &  
Financial Access:

**78.2**

Rank 10



(2018: Score 74.9,  
Rank 23)

Component C

Supporting Entrepreneurial  
Conditions

**65.0**

Rank 22



(2018: Score 64.7,  
Rank 25)

Woman Labor Force  
Participation (F/M)  
(90.3, rank 2)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Quality of Governance  
(79.8, rank 18)

Women Entrepreneurial  
Activity Rate - (F/M)  
(75.7, rank 24)

Support for SMEs  
(70.8, rank 8)

Entrepreneurial Supporting  
Factors  
(67.0, rank 18)

Women Business Leaders  
(F%T)  
(32.1, rank 28)

Woman Financial Inclusions  
(96.6, rank 13)

Ease of Doing Business  
(77.3, rank 19)

## Social Structures that Highly Incentivize Women to Work or Stay Home Instead of Starting a Business

Although some inroads have been made in driving French women's motivation to start businesses, there are still some factors that are stopping women from venturing into business. Research also revealed that **entry into the entrepreneurship field is significantly more challenging for women** because they are "*under structural social pressure*"<sup>xxxx</sup> and face marginalization at various fronts. As is observed in many other Markets, although a large amount of research work has been dedicated to advocate gender equality and efforts have been made via programs, policies and laws to support women in business, the **effects of gendered division remains widespread** in the workplace, national institutions and corporate world.<sup>xi</sup> Such deeply ingrained discriminatory practices prevent societal attitudes from changing to be more receptive of female entrepreneurship.

Over the last 2 decades, various national framework measures have been adopted to promote and enhance the empowerment of French women as entrepreneurs. Successive governments have also used different measures such as networks, support and mentoring structures and dedicated programs that directly support women entrepreneurship. These include '*Entreprendre au féminin*' (a female business network that helps setup women-led businesses) and the '*Racines-Clefe*' (an innovative financial support program designed for women entrepreneurs only). These initiatives have helped boost the rate of female entrepreneurship, although **progress remains slow due to social structures that incentivize women to stay at home**,<sup>xii</sup> or work (as opposed to start a business).

For instance, **labor laws are very family-friendly and geared towards supporting women** who want to have children and keep working. These policies have been effective, with France having the second-highest birth rate in Europe, trailing Ireland. These enviable policies are very similar to those in Sweden, including paid maternity leave, paid preschool, and generous paid leave policy that allows parents to take a year off work and get their job back upon their return.<sup>xiii</sup> It is therefore not surprising that women may avert from assuming business risk and choose to remain in the comfort and security of their job.

Another reason for the slow growth rate in women-led businesses could be due to the fact that society in general has very poor regard for entrepreneurial risk-taking, creativity and innovativeness, and individuality compared to peers in Europe such as Denmark, Ireland, Sweden, Switzerland and the UK. This is evident in 2 sub-indicators: '*Attitude to Entrepreneurial Failure*' (53.9, rank 43) and '*Cultural Perceptions of Entrepreneurs*' (43.1, rank 50). This compares poorly with other neighboring peers in Europe such as Denmark, Germany, Sweden, Switzerland, the UK and Ireland where the national culture is considerably more receptive towards entrepreneurship failure. In fact, France ranks the 4<sup>th</sup> lowest in the whole MIWE research in terms of the degree to which the nation encourages or supports entrepreneurial risk taking. The lack of encouragement and inspiration from society may also explain **why the entrepreneurial intention rate among French adults is low** compared to their global peers (18.6% compared to 23.7%).

| <b>Component A:<br/>Women's Advancement Outcomes</b>        | <b>2018<br/>Score,<br/>(Rank)</b> | <b>2019<br/>Score,<br/>(Rank)</b> | <b>Comments</b>   |
|---|-----------------------------------|-----------------------------------|---|
| Women Labor Force Participation (F/M)                       | 83.6 (8)                          | 83.8 (18)                         | <ul style="list-style-type: none"> <li>Women workforce participation fairly high but still trails men</li> <li>Women driven to work by very favorable labor market conditions such as good employee benefits</li> </ul>   |
| Women Entrepreneurial Activity Rate (F/M)                   | 43.6 (51)                         | 75.7 (24)                         | <ul style="list-style-type: none"> <li>Women's entrepreneurial activity rate doubled from 2.4% to 5.3%</li> <li>Likely driven by the government's proactive stance to push female entrepreneurship forward</li> <li>However, rate is low when compared to other Markets, weighed down by poor cultural perception of entrepreneurs</li> </ul> |
| Women Business Leaders (F%T)                                | 31.9 (29)                         | 32.1 (28)                         | <ul style="list-style-type: none"> <li>Women's share of business leadership and role as professionals and technicians lower than expected despite being well-educated.</li> </ul>   |
| Women Professionals & Technical Workers (F%T)               | 48.6 (31)                         | 48.7 (30)                         |   |
| <b>Component B: Knowledge Assets &amp; Financial Access</b> |                                   |                                   |   |
| Women Tertiary Education GER (F/M)                          | 100.0 (1)                         | 100.0 (1)                         | <ul style="list-style-type: none"> <li>Women have equal opportunities to gain higher level education</li> </ul>   |
| Support for SMEs  | 71.0 (10)                         | 70.8 (8)                          | <ul style="list-style-type: none"> <li>Availability and effectiveness of government support programs is favorable</li> </ul>  |
| Women Financial Inclusion (F/M)                             | 93.6 (21)                         | 96.6 (13)                         | <ul style="list-style-type: none"> <li>Physical infrastructure provides good support for new and existing businesses</li> </ul>   |
| Women Borrowing/Saving for Business (F/M)                   | 47.3 (43)                         | 54.6 (42)                         | <ul style="list-style-type: none"> <li>Proportion of women who borrow/save to start, operate or expand a business is very low</li> </ul>  |
| <b>Component C: Supporting Entrepreneurial Conditions</b>   |                                   |                                   |   |
| Quality of Governance                                       | 78.6 (18)                         | 79.8 (18)                         | <ul style="list-style-type: none"> <li>Regulations, policies and systems are in place</li> </ul>  |
| Entrepreneurial Supporting Factors                          | 66.2 (19)                         | 67.0 (18)                         | <ul style="list-style-type: none"> <li>Efficient &amp; effective business regulation and best practices</li> </ul>  |
| Ease of Doing Business                                      | 76.3 (21)                         | 77.3 (19)                         | <ul style="list-style-type: none"> <li>Society is not very receptive of business failure</li> <li>Fairly easy to find skilled employees</li> </ul>  |
| Cultural Perceptions of Entrepreneurs                       | 44.2 (54)                         | 43.1 (50)                         | <ul style="list-style-type: none"> <li>Society has extremely low tolerance and regard for entrepreneurial risk taking, individuals who take initiative, and those who achieve success through personal effort</li> </ul>  |

Table: Enablers & Constraints - French Women in Business

## The Way Ahead

France's female entrepreneurial activity rate appears to be well-set on a gradual, upward trend, fueled by young and ambitious women turning towards founding a startup. This new trend is expected to help bolster the country's fast-growing tech ecosystem, with 1 out of four companies created since 2015 having at least one female entrepreneur. However, although the progress achieved today is encouraging, women will continue to face an uphill battle to change society's perception of women-led businesses. This challenge is multiplied many folds when it comes to starting a business in technology fields. Furthermore, the adverse impact of the 'Yellow Vest' protests on French businesses such as hotels, restaurants, retailers and department stores nationwide since last Nov'18 is likely to have severely dented intentions to start new businesses, at least for the time being. The ongoing unrest has taken its toll on multiple fronts, including slumps in hiring, a switch from traditional brick-and-mortar shopping to e-commerce, and sharp declines in sector revenues by between 15 and 50 percent.<sup>xiiii</sup> The results in the next data update by Global Entrepreneurship Monitor will probably reflect the extent of the impact.





United Arab Emirates continues to be uniquely placed on the MIWE matrix: lower than expected overall index score and **very low Women Business Ownership rate** (7.7% of total, rank 52). The results remain baffling, given the numerous highly conducive and supportive entrepreneurial conditions in the country. Although women here are **well-educated** (parity with men for tertiary education enrollment), their **participation in the workforce remains below aspirations**, with only half of working-age females working or looking for work. This compares very poorly with their male counterparts whose participation rate is 93%. Women's representation in the field of professional and technical job, as well as in legislative and high administration positions are low. This points to poor women's visibility in politics and weak empowerment when it comes to matters related to the economy and finance. <sup>xliv</sup>



# UAE

## Summary Findings

Benchmark  
**Women Business Owners  
- WBO Score :**

**7.7**

Rank 52

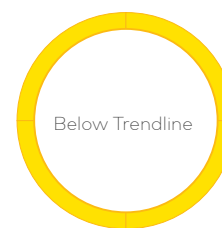
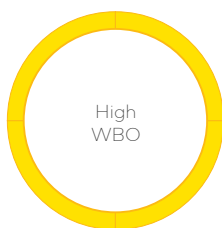
(2018: Score 7.2, Rank 54)

MIWE  
**Score :**

**51.9**

Rank 47

(2018: Score 50.5, Rank 48)



Component A

Women's  
Advancement  
Outcomes:

**29.7**

Rank 52

(2018: Score (29.2,  
Rank 53)

Component B

Knowledge Assets &  
Financial Access:

**79.2**

Rank 6

(2018: Score 74.8,  
Rank 24)

Component C

Supporting Entrepreneurial  
Conditions

**71.7**

Rank 13

(2018: Score 71.0,  
Rank 15)

Woman Entrepreneurial  
Activity Rate (F/M)  
(91.8, rank 13)

Women Tertiary Education  
GER (F/M)  
(100.0, rank 1)

Cultural Perceptions of  
Entrepreneurs  
(67.8, rank 4)

Woman Labor Force  
Participation (F/M)  
(54.8, rank 50)

Support for SMEs  
(75.9, rank 3)

Ease of Doing Business  
(81.3, rank 8)

Women Business Leaders  
(F%T)  
(10.6, rank 55)

Woman Borrowing/Saving  
for Business (F/M)  
(65.3, rank 20)

Entrepreneurial Supporting  
Factors  
(70.7, rank 15)

Although the **perception of good business opportunities is very high** (66% versus global and regional averages of 46% and 45%, respectively), and the **intention to start a business is high** (one in 3 adults compared to 1 in 4 globally and regionally), **only 1 in every 10 adults are actually engaged** in early-stage entrepreneurial activities. It is interesting to note that **women are nearly as likely as men to start an entrepreneurial activity** or has started one for a maximum of 3.5 years (*Women Entrepreneurial Activity Rate F/M* of 91.8, rank 13). In fact, the results showed both females and males to be slightly more engaged in entrepreneurial activity rate since the last GEM update: females up from 8.3% in 2017 to 10.1% in 2018 and males from 9.3% to 11.0%.

## Promising Infrastructure & Strong Support Programs

Compared to most economies in the Middle East & Africa and high-income economies globally, the UAE has admirably **very well-developed physical, education, commercial and financial infrastructures** that supports entrepreneurship. Here, the support for women-led entrepreneurs is very strong and the market presents bountiful business opportunities for women entrepreneurs to explore and flourish in. **Rapid growth in female entrepreneur support groups has also led to increased funding for new businesses.** For instance, there are female-specific investment groups that introduce early-stage accelerator programs for female-founded startups and development consultancy firms that provide guidance on business skills and confidence building to women in SMEs. Efforts have also been made by companies in the UAE to develop technology-based solutions to make the return-to-work process easier for women who have given birth. Some of these include online platforms for women to be trained, acquire new skills, or get upskilled.<sup>xlv</sup>

**Such focused and ongoing effort to support female entrepreneurs at both the institutional and governmental level are reflected in the steady increase in score for 'Support for SMEs'**, up from 70.2 in 2016 to 73.1 in 2017, and again to 75.9 in 2018, bringing UAE to rank 3 among the 58 markets analyzed. The results also show improvement in some of the MIWE sub-indicators, including *'Ease of Doing Business'*, *'Cultural Perceptions of Entrepreneurs'*, *'Women Financial Inclusion – F/M'*, and *'Women Borrowing or Saving for a Business – F/M'*.

## New Policies: 100% Foreign Ownership & 10-Year Visa for Expats

In January, the UAE cabinet begun the implementation of new regulations that allow full foreign ownership of businesses and 10-year residency visas for expats, investors and businesspeople. The new law is expected to draw foreign investors seeking to set up businesses or acquire local companies. Specifically, the 10-year long-term visa will be granted to investors, entrepreneurs and specialists working in the fields of medicine, science or research.<sup>xlvi</sup> It is envisaged that this will help to invigorate market dynamics in the Gulf country and provide more opportunities and scope for female entrepreneurship to take off.

## Key Deterrents

Recent research showed that some of the biggest barriers that limit the growth of female entrepreneurship and business ownership include **lack of funding, inadequate or insufficient practical skills, and confidence**.<sup>xlvii</sup> Women's ability to thrive in the business world is also hindered by other circumstances such as low access to financial privileges, lower opportunities to assume business leadership and professional roles (compared to men) and low participation in the workforce and thus less exposure to the entrepreneurial landscape and chances to gain hands-on work experience.

Although there are notably more women with bachelor's degree (43%) than men (23%), gender discrimination is still deeply entrenched across the nation, particularly in the legal system which places men's rights in the family and personal life matters such as marriage, divorce and custody of children above women's.<sup>xlviii</sup>

| Component A:<br>Women's Advancement Outcomes       | 2018<br>Score,<br>(Rank) | 2019<br>Score,<br>(Rank) | Comments   |
|--|--------------------------|--------------------------|--|
| Women Entrepreneurial Activity Rate (F/M)          | 89.2 (12)                | 91.8 (13)                | <ul style="list-style-type: none"> <li>The gender gap for entrepreneurial activity rate narrowed from the previous publication</li> <li>Women's engagement in early-stage entrepreneurial activities rose from 8.3% to 10.1%</li> </ul>                            |
| Women Labor Force Participation (F/M)              | 54.8 (50)                | 54.8 (50)                | <ul style="list-style-type: none"> <li>Women workforce participation is among the lowest in the MIWE study</li> </ul>  |
| Women Business Leaders (F%M)                       | 10.4 (54)                | 10.6 (55)                | <ul style="list-style-type: none"> <li>Women's role as business leaders is among the lowest in the MIWE study, with only 1 female in every 10</li> </ul>   |
| Women Professionals & Technical Workers (F%M)      | 14.3 (58)                | 14.6 (58)                | <ul style="list-style-type: none"> <li>Lowest in the MIWE study</li> <li>Likely due to deeply rooted cultural beliefs</li> </ul>   |
| Component B: Knowledge Assets & Financial Access   |                          |                          |  |
| Women Tertiary Education GER (F/M)                 | 100.0 (1)                | 100.0 (1)                | <ul style="list-style-type: none"> <li>Women have equal opportunities to gain higher level education</li> </ul>  |
| Support for SMEs                                   | 73.1 (6)                 | 75.9 (3)                 | <ul style="list-style-type: none"> <li>Availability and effectiveness of government support programs among highest of 58 markets</li> </ul>  |
| Women Borrowing/Saving for Business (F/M)          | 57.2 (31)                | 65.3 (20)                | <ul style="list-style-type: none"> <li>Women are less inclined to borrow or save for a business than men</li> </ul>  |
| Women Financial Inclusion (F/M)                    | 74.8 (41)                | 79.5 (38)                | <ul style="list-style-type: none"> <li>Women's access to financial services &amp; products is fair; less compared to men</li> </ul>  |
| Component C: Supporting Entrepreneurial Conditions |                          |                          |  |
| Cultural Perceptions of Entrepreneurs              | 64.8 (10)                | 67.8 (4)                 | <ul style="list-style-type: none"> <li>Majority of society believes entrepreneurship to be a good career choice</li> <li>Society recognizes and encourages putting in own's effort to achieve success, taking business risks, and rewards individuality</li> </ul> |
| Ease of Doing Business                             | 78.9 (12)                | 81.3 (8)                 | <ul style="list-style-type: none"> <li>Highly efficient &amp; effective business regulation and best practices</li> </ul>  |
| Entrepreneurial Supporting Conditions              | 73.0 (10)                | 70.7 (15)                | <ul style="list-style-type: none"> <li>High pool of skilled resources</li> <li>Society is fairly tolerant of entrepreneurial failure</li> </ul>  |
| Quality of Governance                              | 68.0 (28)                | 67.9 (28)                | <ul style="list-style-type: none"> <li>High quality public &amp; civil services</li> <li>Citizens have not much freedom to choose their own government, express their voices and have freedom in social media</li> </ul>   |

Table: Enablers & Constraints - UAE Women in Business

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