



## Trade and Women's Economic Empowerment: Survey Results for SMEs Across Six Developing Countries

**Abstract** In this chapter, the authors present and discuss the survey data on trade and women's economic empowerment that was collected for this project in 2021–2022 from 610 SMEs across the six developing countries selected for the study, namely Cambodia, Ghana, Madagascar, Nigeria, Senegal and Vietnam. The chapter includes basic contextual country-level information about trade, development and gender equality in the selected countries. The discussion of the survey results includes a comparison with secondary data from World Bank Enterprise Surveys. The authors find that SMEs face various challenges that are often context-specific and recommend that policy options be tailored to address these differences. Women-owned SMEs across the six country cases face varying levels of both gender-related and more general constraints. Among the recommendations in this chapter is the need for more gender-disaggregated data to understand the difference between women-owned exporting and non-exporting SMEs.

**Keywords** Exports · SMEs · Survey · Trade · Women's economic empowerment · Women-owned SMEs

## 2.1 INTRODUCTION

This chapter presents and discusses the survey data on trade and women's economic empowerment that was collected from 610 SMEs spread across the six developing countries chosen for this study: Cambodia, Ghana, Madagascar, Nigeria, Senegal, and Vietnam. A copy of the survey questionnaire is included in the Appendix of this chapter. The survey was developed by Trade Facilitation Office Canada in consultation with Mekong Institute and the Centre for the Study of the Economies of Africa in 2021. It was administered by Mekong Institute and the Centre for the Study of the Economies of Africa in 2021–2022 across each of the six countries as follows: Cambodia and Vietnam by Mekong Institute; Ghana, Madagascar, Nigeria and Senegal by the Centre for the Study of the Economies of Africa. With a focus on trade and women's economic empowerment, the survey included a range of questions, namely: background information about the SMEs; sector of operation and products manufactured; production value; evolution of employment by categories and gender; trade-related questions such as whether the SME is exporting or not, the value of exports, export constraints including whether these constraints are more pronounced for female-owned SMEs, and the use of digital platforms by SMEs engaged in trade. Since the research for the current project took place during the global pandemic, the survey included questions about the impact of COVID-19 on the ability of SMEs to conduct their operations and engage in trade.

The rest of the chapter is organized as follows. The next section briefly presents some basic contextual country-level information about trade, development and gender equality across the six candidate countries, as well as information about the SMEs that were surveyed.<sup>1</sup> This is followed by an analysis of the survey results in Sect. 2.3. This section is the primary focus of the current chapter and includes a comparison of our survey results with secondary data from the most recent World Bank Enterprise Surveys.<sup>2</sup> The final section of the chapter summarizes our findings and offers some policy recommendations.

## 2.2 CONTEXT

As discussed in Chapter 1, the countries examined in the current project were chosen for both practical and conceptual reasons, and also to ensure that two important developing regions were included in our analysis. In

their examination of SME participation in Global Value Chains (GVCs) in Southeast Asia, Lopez Gonzalez et al. (2019) find that SMEs face various challenges (namely limited experience; lower productivity; lack of access to finance, skills, and technology). As a result, their participation in GVCs is lower when compared to larger firms. It is suggested that these SMEs would benefit from reduction in trade costs (through tariffs, trade agreements and trade facilitation), and from an enabling environment that allows them to build linkages with bigger firms or trade policy measures that would allow them to export indirectly or directly. Many of the problems mentioned in the Southeast Asia region are magnified in the African context (Beck & Cull, 2014; Endris & Kassegn, 2022; Muriithi, 2017). Lack of access to finance, insufficient infrastructure, and high trade costs act as barriers that prevent SMEs from being more engaged in trade. For example, the African Development Bank Group and African Export-Import Bank (2020) noted that the trade finance gap in Africa has contracted but remains high, and that a high share of SME applications for trade finance are rejected; from 2011 to 2019, the average trade finance gap for Africa was estimated at US\$91 billion. Many of the issues mentioned above are also more pronounced for women entrepreneurs and workers across the developing world.

In Table 2.1, we provide some basic contextual information for the six countries selected for this study. We observe significant variations across development, gender and trade indicators at the country level. Except for Madagascar, which is a low-income country, the other five countries are lower-middle income countries according to the World Bank's classification of countries.<sup>3</sup> In terms of human development, Vietnam is the only "high" human development country while the others are either classified as "medium" or "low" (UNDP, 2022). Although both Nigeria and Senegal are lower-middle income countries, they are classified in the low human development category because of their weaker performance on health, which is measured by life expectancy, and knowledge, which is measured by expected and mean years of schooling (UNDP, 2022). Data from the UNDP Gender Development Index (GDI)<sup>4</sup> indicates that Vietnam is the best performer followed by Madagascar, Cambodia and Ghana while the worst performers are Nigeria and Senegal. Only Vietnam is in the top grouping of countries for the GDI. Madagascar is an interesting case because it performs well on the GDI despite being a poor country. Most indicators related to gender equality and empowerment indicate that significant challenges remain in our sample of case-study

countries when it comes to achieving gender equality and women's empowerment. All of the six countries rank quite low on the Gender Inequality Index (GII),<sup>5</sup> Vietnam being again an exception.

The countries are also quite different in terms of population size and trade openness. Among the four African countries, Nigeria stands out both in terms of its population and trade openness. As a large country, both its trade, and exports, to GDP ratios are lower than the other countries. However, crude oil exports, which is a major source of foreign exchange, account for a significant proportion of the country's exports. Taken together, the four African countries score relatively low on trade facilitation and indicators such as trade logistics,<sup>6</sup> and they trade mostly with countries outside of their own region when compared to the two Southeast Asian countries. Most estimates of intra-African trade place it at less than 15% of total trade, even if informal cross-border trade is not accounted for.<sup>7</sup> It should be noted that African women play a very important role in the trading of essential agricultural products and economic services across borders and yet the continent's trade potential is negatively affected by the different constraints that these women face.

In recent times, different programmes (such as The African Women in Business Initiative [AWIB] and Affirmative Finance Action for Women in Africa [AFAWA], both by the African Development Bank) have been created to reduce the gender inequality gap and promote the activities of women in trade. However, the impact of trade and trade policies on closing the gap, and the contribution of women, are still low, across the African continent. Women continue to face political, economic, social, technological, legal and environmental barriers. This outcome is partly due to several structural factors which include employer discrimination, gender norms, cultural barriers and lack of productive resources (OECD, 2021). Hence, it is essential that we investigate how these various factors play out and intersect with trade across different African countries. In South-East Asia, rapid economic growth has been accompanied by enhanced trade linkages, particularly through cross-border value chains. Although the female participation rate is high in both Cambodia and Vietnam, it still lags behind male participation in the labor market. Female participation rates in the workforce may be affected by the propensity to remain in the informal sector and part-time work due to caring responsibilities. The rate at which countries such as Cambodia and Vietnam are closing the gender wage gap, and the latter's variation between tradeable

**Table 2.1** Country profiles, 2021, selected indicators

	<i>Cambodia</i>	<i>Vietnam</i>	<i>Ghana</i>	<i>Madagascar</i>	<i>Nigeria</i>	<i>Senegal</i>
Income Classification	Lower-middle income	Lower-middle income	Lower-middle income	Low income	Lower-middle income	Lower-middle income
Human Development	Medium	High	Medium	Low	Low	Low
Population (m)	16.6	97.5	32.8	28.5	213.4	16.9
Trade (% of GDP)	132.2	186.5	58.4	50.4	22.6	63.3
Exports (% of GDP)	64.6	93.2	29.9	21.0	10.7	22.3
Gender Development Index (GDI)	0.926 (3)	1.002 (1)	0.946 (3)	0.956 (2)	0.863 (5)	0.874 (5)
Gender Inequality Index (GII)	0.461 (116 <sup>th</sup> )	0.296 (71 <sup>st</sup> )	0.529 (130 <sup>th</sup> )	0.556 (143 <sup>rd</sup> )	0.680 (168 <sup>th</sup> )	0.530 (131 <sup>st</sup> )

Source: World Bank World Development Indicators Database; UNDP (2022)

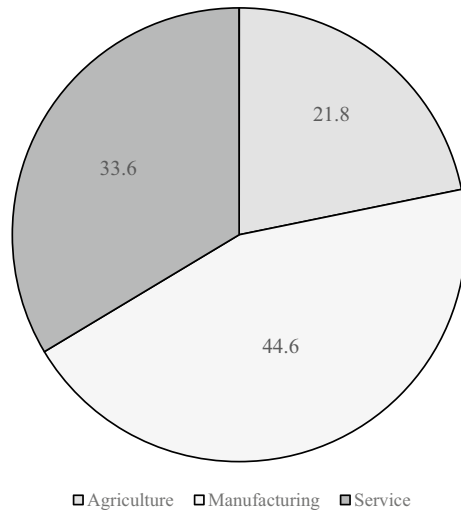
and non-tradeable sectors, makes the economic empowerment of women an interesting area worthy of further study.

As can be seen in Table 2.2, around 100 SMEs were surveyed in each country. The sample size is certainly not big when compared to the estimated numbers of SMEs in these countries, even when compared to typical sample sizes from the World Bank Enterprise Surveys. However, as can be seen in the Appendix, the survey was quite extensive and asked many questions, while ensuring to the extent possible sufficient representation across sectors and products. For instance, while many studies of SMEs tend to focus on manufacturing, we wanted to make sure that there was some representation from the agriculture and services sector across the six countries (see Table 2.2 and Fig. 2.1). In the case of Cambodia, we had significantly more representation from the services sector whereas in the case of Vietnam it was the manufacturing sector. More than 70% of the SMEs that were surveyed produce final products, started their operations in the last 10 to 15 years, and only a few have been around in earlier decades. In general, the sample of SMEs surveyed was fairly evenly split between women-owned and non-women-owned SMEs. Management was mostly, and slightly, dominated by men in the case of Nigeria and Senegal, respectively. In the other cases, it was dominated by women.

**Table 2.2** SMEs surveyed, distribution by sector and products

	<i>Cambodia</i>	<i>Vietnam</i>	<i>Ghana</i>	<i>Madagascar</i>	<i>Nigeria</i>	<i>Senegal</i>	<i>Total</i>
# of SMEs	101	107	112	90	98	102	610
<i>Sector (%)</i>							
Agriculture	12.9	8.4	8.0	40.0	41.8	24.5	21.8
Manufacturing	26.7	71.0	54.5	38.9	35.7	37.3	44.6
Services	60.4	20.6	37.5	21.1	22.4	38.2	33.6
<i>Division of products</i>							
Primary	16	1	6	11	12	19	65
Intermediate	10	4	20	38	9	18	99
Final	75	102	86	41	77	65	446

**Fig. 2.1** Overall sectoral distribution of SMEs surveyed (*Source* Constructed from Survey Data)



## 2.3 SURVEY RESULTS

This section analyses the survey data that was collected for this project. It first considers the favourability of various SME sectors to women-ownership, the categorical distribution of employees, and their wages and benefits. This is followed by a discussion of trade-related data, including a comparison between exporting and non-exporting SMEs. The use of technology and the impact of Covid-19 is then examined, and the section ends with a comparison of the survey results with secondary data from World Bank Enterprise Surveys.

### 2.3.1 *Favourability to Women-Ownership, Employee Distribution, Wages and Benefits*

When asked how they perceived the favourability of their sector of operation to women-owned SMEs (see question 104 in the Appendix), on a scale of 1 to 5, where 5 is more favourable, the average rating was 3.4. The highest rating was in Cambodia at 3.9, followed by Ghana at 3.5, and the lowest in Nigeria at 2.8. Across the two regions, the favourability rating was higher for Cambodia and Vietnam combined, compared to the four African countries. This is perhaps not surprising since women

entrepreneurs tend to face significant challenges, which are examined further in Chapter 4, across the African region. However, Vietnam's favourability rating is only marginally lower than some of the African countries. When examined by sector, the favourability towards women-owned SMEs is higher in the manufacturing sector, followed by services and then agriculture; in the case of products, there is a higher favourability for primary products and a lower favourability for intermediate ones. These findings confirm that women engaged in agriculture often face significant barriers even if they represent an important proportion of the labour force in that sector.

Our survey results also indicate that the distribution of employees in SMEs is more favourable to women in Cambodia, Senegal and Vietnam but more favourable to men in the case of Ghana, Madagascar and Nigeria. Ownership structures are, on the other hand, more tilted towards women when they are not equal. The same is true of management structures, except in the case of Nigeria and Senegal. Overall, we find that even if women represent a significant proportion of the labour force in SMEs, comparatively, ownership and management positions are occupied by a smaller proportion of women. At the sectoral level, the distribution of employees is almost equal in the service sector, but more men are employed in agriculture and manufacturing, which is most likely due to the nature of work. When we examined whether there were gender differences for the "type" of employees, we did not find any clear trends overall; there were very few exceptions, such as more women being employed for business support in Madagascar and Senegal, or more male workers and supervisors in the case of Nigeria, again likely due to the nature of work. While there are also no significant differences in salary by gender when we considered all the countries together, we observe differences on a country-by-country basis. For example, among the four African countries, male workers in Nigeria are paid more on average while it is the other way around for Ghana, Madagascar (slightly) and Senegal. In Cambodia and Vietnam, female workers are paid more on average than male workers. One important caveat to this is that we collected data on yearly average salary and are thus unable to determine if it could be a function of hours worked or not. Once we look beyond wages, we also find that almost 90% of SMEs that provide benefits (pensions, health insurance and leaves—such as paid maternity leave) to their employees provide the same level of benefits to both men and women. However, except in the



case of Cambodian SMEs, there are no government or regulatory incentives to hire women in the other countries, and female hiring decisions are largely based around productivity and technical skills. To complement these findings, qualitative survey responses for why women are hired (or not) to work in SMEs provided some interesting insights. The responses ranged from nature of work (which seems to be the overwhelming factor), to specific skills (such as attention to detail, punctuality, professionalism etc.), and in some cases the promotion of social and gender equality.

### 2.3.2 *Trade-Related Data*

About half of all the SMEs surveyed for the current study were engaged in exports but there was quite a bit of variation across countries, with Ghana and Madagascar at the lower end (22 and 31% respectively), and Nigeria and Senegal at much higher levels (88 and 87%), for the four African countries. So even if at the country-level Nigeria's trade, and exports, to GDP ratios are the lowest among the four African countries, the sample of Nigerian SMEs surveyed in the current study is dominated by exporting ones. In the case of Vietnam, more than half of the surveyed SMEs export their products while it is only around 11% in Cambodia's case. Surprisingly, when asked whether women-led SMEs encounter more difficulties in trade (see question 124.a in the Appendix), only 20% said yes overall, with the highest percentages in the case of Nigeria (39%) and Ghana (33%). Not a single respondent said yes in Madagascar's case. These responses were somewhat surprising (since only one in five SMEs said yes overall) given the extensive literature around barriers that female entrepreneurs face across the developing world. The two Southeast Asian countries—Cambodia and Vietnam—also had a fairly low positive response to this question at 21 and 9% respectively, even if in the case of Cambodia it was marginally higher than the overall average of 20%. Overall, and despite Madagascar being an outlier, women-led SMEs across the four African countries encounter more difficulties in trade than the two Southeast Asian countries.

Of the SMEs that export, there is a usually a lag between the time they started operations and when they began to export. This indicates that at least initially most of the SMEs operate in their domestic markets, and that not all of them end up exporting their products. In terms of the decision to export or not, reasons cited included the nature of the business (costs of inputs, volume of production and price obtained for the

goods/services), the size of the local market, access to finance/capital, knowledge of external markets and support that is available (or not) from the government. When respondents mentioned that women-led SMEs might encounter more difficulties to trade, they cited cultural and social (often family-related) perceptions of women, family obligations, difficulties to obtain finance and collateral, as well as the relative strength and competitiveness of male-owned SMEs.

Respondents were also asked about the existence of contextual and/or structural and/or gender-related constraints that prevent their company from exporting and whether gender-related constraints were more important than other constraints (see questions 125 and 126 in the Appendix). When we cross-checked those responses with female-owned SMEs, most said—perhaps surprisingly—that gender was less of a factor in the case of Cambodia, Vietnam, Ghana and Madagascar. Gender constraints were highlighted more in the case of Nigeria and Senegal but even in those cases they were not always flagged as being the most important factor. Overall, there were more responses that characterized gender constraints as being less or equally important, as opposed to more important, than other constraints. This does not mean that gender is not important but that it is not seen as being the predominant factor. About 20% of all respondents also mentioned that women-led SMEs face technological challenges while almost 30% mentioned that trade-related information is difficult to find. Finally, many respondents indicated that the Covid-19 pandemic had a significant impact on their business, whether it was difficulties obtaining inputs, challenges related to maintaining production as a result of lockdowns, labour shortages and negative impacts on their profits. Almost 65% of respondents mentioned that the effects of the pandemic had persisted over time.

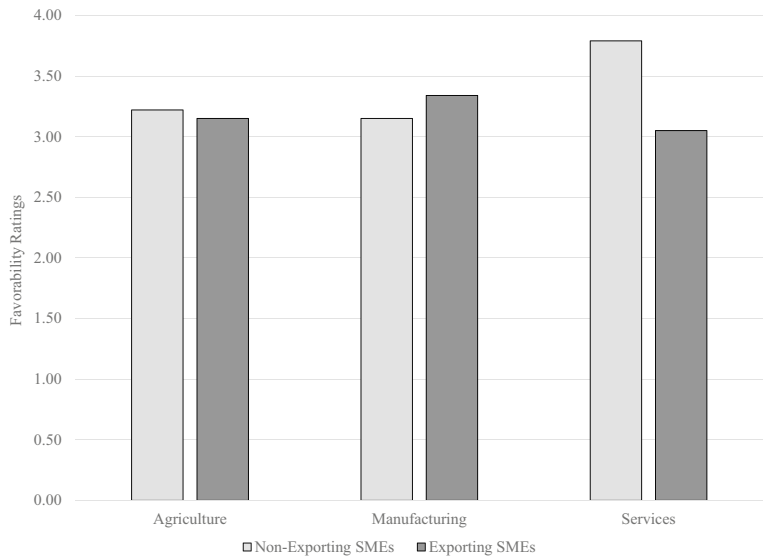
### 2.3.3 *Exporting vs. Non-exporting SMEs*

Using production and employment data for all the SMEs that we surveyed, we find that output per worker is significantly higher for exporting SMEs than that of non-exporting SMEs. This is in line with the broader literature that exporting improves firm productivity (see for example, De Loecker [2007]). When we examine data on salaries, we also find that average salaries for exporting SMEs are higher than non-exporting ones, even if there are no gender differences. It is worth again mentioning that we only had data on average salaries and not hours

worked. With this caveat, there is a tight connection between productivity and wages, which is an important reason for supporting those SMEs that are thinking of exporting their products since they tend to offer better salaries to both men and women. We also found that certain SME sectors are more important in terms of the value that they generate. Specifically, the value of exports in the last 5 years (from 2017 to 2021) is generally higher for the manufacturing sector, followed by agriculture. It is also always higher for primary products. However, service exports are quite low. On the other hand, the value of production in the last 5 years (from 2017 to 2021) is significantly higher for SMEs in the service sector, followed by agriculture and then manufacturing. So, although manufacturing SMEs are not generating the highest production value, they export more of their products than the other sectors.

The favorability of the sector of operation to women-owned SMEs is rated slightly higher in the case of manufacturing SMEs that export their products compared to non-exporting ones while in the case of services it is the other way around and more pronounced. In the case of agriculture, there is not a big difference (see Fig. 2.2). Overall, and statistically speaking, the differences are too small to be significant. However, when we compare the favorability ratings for exporting vs. non-exporting SMEs, we find that they are higher and statistically significant for non-exporting SMEs compared to exporting ones. In other words, we did not find any compelling evidence across the entire sample that women-owned SMEs were being treated more favorably, whether they exported or not.

At the country level, and for exporting SMEs in the four African countries, the favorability of women-owned companies is much lower in Nigeria, and higher in Madagascar. Cambodia has higher favorability of women-owned companies than in Vietnam, for exporting SMEs. Importantly, even if there is a higher favorability of women-owned companies (for example, manufacturing SMEs that export vs. those that do not), it does not always translate into better salaries or benefits for women compared to men. For example, the salaries of female workers in manufacturing SMEs that export their products is slightly higher than their male counterparts; in the case of agriculture, it is significantly higher. On the other hand, male workers earn more than female workers in service sector SMEs that engage in international trade. So, while there is a difference across sectors, when we examine average salaries across the board, both male and female workers earn higher wages in exporting SMEs compared to non-exporting ones. Similarly, a higher proportion of exporting SMEs



**Fig. 2.2** Favorability to women-owned SMEs (*Source* Constructed from Survey Data)

provide benefits to their employees compared to non-exporting SMEs, even if in terms of employment there is not a big difference. At the product level, we find that more female employees are found in SMEs that export food products, which again confirms that the nature of work, more than deliberative policies to hire women, has an impact on the distribution of employees.

Another interesting finding from the survey data that we collected is that there is a positive relationship between exporting SMEs that are owned by women and their propensity to hire more women than men. We cannot ignore the possibility that the nature of the type of activities carried out by these women-owned SMEs may be the determining factor as to why more women than men are hired, instead of the fact that they are women-owned. However, if women-owned SMEs tend to hire more women in general, this carries implications for why supporting women-owned SMEs is important if the idea is to empower women by providing them more job opportunities. What we also find from the survey data

is that among exporting SMEs, an overwhelming majority of all respondents (almost 90%) report that employees—men and women—receive the same benefits. In other words, there are no added incentives to attract, and empower women further, into various exporting sectors.

The issue of measures or incentives matters more broadly because of the difficulties that women-owned or women-led companies face in trade. As mentioned above, on average about 20% of the SMEs surveyed indicated that women-owned or women-led companies face more difficulties than men-owned or men-led companies in trade. In Cambodia, the reasons cited included time constraints and difficulties reconciling work and family obligations, lack of support from husbands and the family, difficulties exercising authority over men in business dealings, and lack of business knowledge. In the case of Vietnam, similar reasons, including cultural norms, were cited. Across the African countries, the answers varied considerably. As mentioned earlier, in Madagascar, none of the SMEs surveyed mentioned that women-owned or women-led SMEs faced more difficulties in trade whereas in the case of Senegal it was 14%; in Ghana and Nigeria, it was one third and more than one third respectively. Reasons cited included culture, family obligations, lack of respect for women, and importantly lack of access to finance, which was mentioned several times. The lack of access to finance was also mentioned in the case of Nigeria whereas discrimination against women and difficulties reconciling work and family obligations often came up in the case of Senegal. At the sectoral level, the challenges faced by women-owned and women-led SMEs in trade are more prevalent in the agricultural sector.

When probed further, less than 20% of SMEs surveyed mentioned that there are contextual and/or structural and/or gender-related constraints at the country/region/sector levels that prevent them from increasing exports to destination markets. Participants were provided with examples of these constraints and many of the answers focused on contextual factors related to infrastructure and structural factors in the form of cumbersome regulations and lack of government support. In the case of Madagascar and Nigeria, for example, poor infrastructure and difficulties getting goods out of the country due to complicated customs procedures were often mentioned. Even if gender-related constraints such as lack of support or access to finance for women were sometimes cited, only about 10% of SMEs mentioned that gender-related constraints were more important than other constraints that prevented companies from exporting. The number was somewhat higher in Vietnam and Nigeria, when compared to the other four countries, and also higher in the agricultural sector.

### 2.3.4 *Technology Use and Covid-19*

The use of digital platforms for trade or cross-border ecommerce is quite high across the six countries. Cambodia tops the list at 66% but Vietnam was quite low at 46%, and so was Madagascar at 50%; others were higher than 60%. Fewer than 20% of the SMEs surveyed mentioned that women-led SMEs faced specific technological challenges. Lack of IT training and knowledge, as well as poor infrastructure in places such as Nigeria and Senegal, were given as examples of technological challenges. If there is one area where the responses were fairly consistent across countries, it was about the negative impact from the Covid-19 pandemic. However, whereas the effects of the pandemic were deemed to be overwhelmingly persistent over time in Ghana and Madagascar, and to a somewhat lesser extent in the case of Vietnam, they were much less so in Senegal and Nigeria and almost non-existent in the case of Cambodia. Respondents indicated the various ways in which the pandemic had affected their ability to trade, whether in terms of lower sales, incomes and profits, lack of customers, and supply chain challenges that made it difficult to both access inputs and send their goods overseas. Finally, around 30% of SMEs surveyed mentioned that it was difficult to find information about trade and exports to other countries. However, the number can be misleading as it applied to only three out of the six countries, namely Nigeria, Senegal and Vietnam. In the case of the other three countries (Cambodia, Ghana and Madagascar), it seems that other factors, rather than information constraints, play a more important role in the decision of SMEs to engage in trade.

### 2.3.5 *Comparison with Secondary Data*<sup>8</sup>

Enterprise surveys conducted by the World Bank constitute a good benchmark to compare some of our findings. These surveys are conducted across various countries and include both SMEs and large companies. A representative sample of firms from the private sector is surveyed, but agricultural firms are not considered. The sample size is also larger, and sometimes significantly larger than the survey data collected for the current research project. However, most (except in the case of Madagascar) are from a few years back and predate the Covid-19 pandemic, and their scope is not as broad as the survey that was conducted for the current project.

Let us first consider Cambodia and Vietnam. In the case of Cambodia, business owners and managers in 373 firms (309 of which were small and medium) were interviewed in 2016. Cambodia's regulatory environment is usually comparable to, or worse than, the average for the East Asia and Pacific region. The percentage of full-time female workers, top managers, female owners and female participation in ownership ranged from 44 to 57% and was generally higher than the East Asia and Pacific region. This number seems to align with our own survey results which found that the distribution of employees, ownership and management is more favorable to women or mostly even for Cambodia. Investments financed by Cambodian banks had declined from 4% in 2013 to 1% in 2016, which is significantly below that of comparator economies. Electricity was identified as a major constraint by only 6% of firms and its provision had become more reliable. Only 8% of firms identified customs and trade regulations as a major constraint while 14% of firms were exporting directly or indirectly.

In Vietnam's case, business owners and managers in 996 firms (718 of which were small and medium) were interviewed during the period 2014–2016. Government regulations (for example, days to obtain an operating license or construction-related permit, firms that identify tax rates as a major constraint) are better than the average for the East Asia and Pacific region. The percentage of firms with full-time female workers, top managers and female ownership, ranged from about 19 to 34% and is lower than for the East Asia and Pacific region. However, these numbers are lower than what we found in our survey. Less than 4% of firms identified electricity as a major constraint in the Enterprise Survey, and electricity provision in Vietnam is seen as more reliable than in other lower-middle income economies. Access to finance is considered as the biggest obstacle for Vietnamese firms. The percentage of firms that identified customs and trade regulations as a major constraint (7%) and the percentage of firms that export directly or indirectly (13%) are very similar to the numbers for Cambodia. While our survey results include other SME-related aspects, the favourability rating for women-owned SMEs is consistent with the gender indicators from the Enterprise Surveys for Cambodia and Vietnam. Access to finance, especially in the case of Cambodia is also consistent with what we found, but less so in the case of Vietnam. As discussed earlier, our results indicate that cultural and family obligations were cited more often than access to finance in the case of Vietnam. It is possible that the difference could be due to our primary focus on exporting firms only.

Let us now turn our attention to the most recent Enterprise Surveys for the four African countries considered in the current study. The survey of business owners and top managers for Ghana is from 2012–2014 and included 720 firms (which included 659 SMEs). Ghanaian government regulations were either worse or similar to the average for sub-Saharan Africa. Keeping in mind that the average female participation—as owners, managers or workers—is low when compared to East Asia and the Pacific, the numbers in the case of Ghana are reasonable. Nearly two-thirds of Ghanaian firms identified access to finance as a major constraint and half considered it as the biggest obstacle to their operations. Even if power supply has improved, 61% of firms identified electricity as a major constraint. At 17%, the percentage of firms exporting directly or indirectly is higher than the regional average and a quarter of firms identified customs and trade regulations as a major constraint.

Madagascar's latest Enterprise Survey was recently released in 2022 and included 402 firms (including 346 SMEs). As a low-income country, government regulations are reasonable, and female participation at both upper and lower levels of decision making for SMEs is strong, when compared to the sub-Saharan African average and other low-income countries. The percentage of small and medium firms that identify finance as a major constraint is 22 and 23%, respectively, which is significantly lower than the regional average. However, access to credit for small firms is almost non-existent, although medium-sized firms generally have good access to financial services. Infrastructure—whether electricity or water—is also good by international standards. The percentage of firms (6% for all firms; 3% and 10%, respectively, for small and medium firms) that export directly or indirectly is lower than the regional average and about 15% of small firms and 21% of medium firms identified customs and trade regulations as a major constraint. Just as in the other African countries considered in the current study, a higher percentage of firms (26%) chose access to finance as their biggest obstacle, followed by electricity and political stability (tied at 17%).

Nigeria's latest Enterprise Survey took place during 2014–2015 and included 2,676 firms (including 2,487 SMEs). This is reasonable given the size of the Nigerian economy and the number of SMEs that operate in the country, and is much higher than the number of SMEs that we surveyed. Only about 9% of firms identified business licensing and permits as a major constraint, compared to 16% for sub-Saharan Africa at the time. The percentages of full-time female workers, female owners or female



top managers all tend to be lower than or around the average for sub-Saharan Africa. A major obstacle for SMEs is access to finance; one-third of the firms surveyed identified this factor as a major constraint. Nearly half of the firms identified electricity, and 17% identified transportation as a major constraint. Customs and trade regulations were seen as a major constraint by 15% of the firms.

Last but not least, Senegal's Enterprise Survey of 601 firms (of which 554 are SMEs) was conducted in 2014–2015. While it takes more days than the average to obtain an operating license, only 7% (less than twice the average) identified business licensing and permits as a major constraint. Senegal's performance on gender indicators (ownership, management and workers) is below the average and more than half of the firms identified access to finance as a major constraint. Despite some improvement, almost half of the firms also identified electricity as a major constraint. 13% of the firms surveyed engaged in exports (directly or indirectly) and the same percentage responded that customs and trade regulations were a major constraint.

To complement the above discussion, Table 2.3 provides a summary of selected indicators from the World Bank Enterprise Surveys related to regulations, gender, finance and infrastructure. Though a bit dated for most countries (except for Madagascar), the findings from the Enterprise Surveys corroborate some of the findings from our own survey for the four African countries. Access to finance and reliable infrastructure clearly stand out. An important difference is that the percentage of exporting SMEs in our survey was much higher than in the Enterprise Surveys, but this was helpful in our case since we were more interested in the intersection between trade and women's economic empowerment. Unlike the Enterprise Surveys, we were also able to focus more on other aspects related to empowerment that go beyond income/salaries to those related to other work benefits as well as various (e.g. gender-related) constraints, including a differentiation between exporting and non-exporting SMEs.

## 2.4 CONCLUSIONS AND RECOMMENDATIONS

This chapter is a first step to answer the three questions that we set out to explore as part of this project. (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women's economic empowerment? (3) What strategies and policies are needed to

**Table 2.3** Enterprise surveys, selected indicators

<i>Survey year</i>	<i>Cambodia 2016</i>	<i>Vietnam 2014–2016</i>	<i>Ghana 2012–2014</i>	<i>Madagascar 2022</i>	<i>Nigeria 2014–2015</i>	<i>Senegal 2014–2015</i>
# of firms	373	996	729	402	2676	601
• SMEs	309	718	659	346	2487	554
Days to obtain import license	15.9	16.7	14.6	17	18.8	15.0
% of firms identifying business licensing and permits as a major constraint	11.1	2.4	16.5	16.8	9.3	7.0
% of firms with female participation in ownership	46.2	51.1	31.6	24.2	16.2	22.9
% of firms identifying access to finance as a major constraint	16.9	10.8	62.2	26.2	33.1	51.6
% of firms identifying electricity as a major constraint	6.1	3.7	61.2	17.3	48.4	48.2

*Source* World Bank Enterprise Surveys, <https://www.enterprisesurveys.org/en/enterprisesurveys>

ensure these sectors work optimally? Below is a summary of the survey findings and our policy recommendations.

We found that the perceived favourability to women-owned SMEs as determined by survey respondents varies across the six countries, the two regions and sectors of operation. Context matters and SME sectors (including those in the same regions) do not face the same set of challenges across countries. For example, when examined further, the survey results revealed that the distribution of employees across the SMEs is more favourable to women in some countries than others. There is also no clear trend when we examine the different types of employees in these SMEs. In fact, the reasons most often cited for hiring women have more to do with their skills and very rarely did respondents mention that women were hired in an attempt to bridge gender gaps. In situations where these gaps are too big, especially because of social and cultural norms highlighted in the survey responses (for both trading and non-trading SMEs), we argue that policies could be developed to encourage the hiring of women. An interesting finding from the survey results is that women-owned exporting SMEs tend to hire more women than men. As we have pointed out, we cannot ignore the possibility that this may have to do with the nature of work. Together with the fact that output per worker, and salaries, are higher in exporting SMEs than in non-exporting SMEs, this indicates that women-owned exporting SMEs or those that are interested in exporting their products should be better supported. There is no guarantee that trade by exporting SMEs will lead to more jobs for women and hence women's economic empowerment. However, the jobs that are created as a result of trade tend to pay both men and women higher wages, and they come with better benefits, than in non-exporting SMEs. Also, gender differences appear to be more visible in salaries than other benefits when examined on a country-by-country basis.

One in five SMEs surveyed mentioned that women-led SMEs encounter more difficulties in trade, but here again there is more variation across countries. Women-led SMEs across the four African countries encounter more difficulties in trade than the two Southeast Asian countries. Gender-related constraints, such as lack of access to finance for women, while important in some cases (e.g. Nigeria and Senegal), was generally not seen as more important than other constraints such as government regulations and infrastructure. This was somewhat surprising since there is a broader literature about the various challenges that women entrepreneurs face across the developing world, including their ability to

engage in international trade. This result is reminiscent of various global surveys about the SDGs that typically do not rank SDG 5 on gender equality among the top SDGs. Instead, participants often choose the SDGs related to climate change, education and health among the top priorities.<sup>9</sup>

Access to information about trade and exports is clearly lacking in some cases more than others and is an area where more resources could also be invested. Both exporting and non-exporting SMEs mentioned that access to information was often lacking. Finally, it is clear that the Covid-19 pandemic had a significant and persistent impact on SMEs. Given some of the challenges that SMEs were facing even before the pandemic, it will be important that more support is provided to them in the short- to medium-term. The survey findings have implications for regional initiatives such as the African Continental Free Trade Area, whose objective is to increase the continent's global trade footprint and intra-country trade, and for achieving the objective of Agenda 2063 of inclusive and sustainable development. Given the importance of SMEs for growth, development and livelihoods, and the various challenges—market access information, access to finance and training, regulatory barriers, among others—that women entrepreneurs and workers face, both in the formal and informal sectors, a better understanding of these complex issues is important for effective policy action.

In terms of recommendations, the survey results clearly show that context matters and that there are important differences across regions, countries and sectors, and between exporting and non-exporting SMEs. It is thus paramount to continue collecting gender-disaggregated data for both exporting and non-exporting SMEs, and for more countries and regions. It would also be helpful to complement the findings in this chapter with qualitative analysis to understand what was behind some of the survey responses. For instance, not a single respondent from Madagascar mentioned that women-led SMEs encounter more difficulties in trade, and gender-related constraints were not always identified as being more important than government regulations or infrastructure. The next two chapters will thus attempt to understand what is behind these responses. Another recommendation is to implement policies that directly support women entrepreneurs, including those that are interested in exporting their products, given the benefits that they provide in terms of higher salaries to women (and men also). This is necessary since rarely do employers hire women to consciously address gender gaps resulting

from social and cultural constraints that prevent women from integrating the labor force. Policies should also address the trade-related (and gender-related) constraints that women-led SMEs encounter such as lack of access to finance or market access information, including how to improve the services offered by trade support organizations. Last but not least is the need to ensure that SMEs are supported in the short- to medium-term to facilitate their recovery from the pandemic.

## APPENDIX

### *Survey Questionnaire*

#### *Section 1—Background Information*

##### **Country:**

**Respondent's Name:** \_\_\_\_\_

**Gender:** Female/ Male

**Respondent's Email Address:** \_\_\_\_\_

**Telephone no.:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_

**Respondent's Position in the Company:** \_\_\_\_\_

**Company's Mailing Address:** \_\_\_\_\_

---

**Company's Website:** \_\_\_\_\_

**Data Collector's Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Start Time:** \_\_\_\_\_

**End Time:** \_\_\_\_\_

100. What is the full name of your company? (Note to data collector: please record country of location) \_\_\_\_\_

102. What year did your company start its operations? \_\_\_\_\_

103.a In what sector is your company operating?

---

*Options*


---

- |   |               |
|---|---------------|
| 1 | Agriculture   |
| 2 | Service       |
| 3 | Manufacturing |
- 

103.b What product(s) does your company manufacture? Or What does you company produce?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

103.c Are you selling final, intermediate or primary products?

---

*Options*


---

- |   |              |
|---|--------------|
| 0 | Primary      |
| 1 | Intermediate |
| 2 | Final        |
- 

104. On a scale of 1 to 5, where 5 is more favourable, would you characterize your sector of operation as being more favourable to women-owned companies or not? (*Drop down on the online survey tool*)

---

*Option*


---

- 1
- 2
- 3
- 4
- 5
- 

105. For the last five years, list the yearly value of production of your

company (in local currency or in USD).

<i>Year</i>	<i>Value in local currency or in USD</i>
2021	
2020	
2019	
2018	
2017	

### *Section 2—Employee*

106.a How many male and female employees has your company employed in the following years:

<i>Today</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

106.b How many male and female employees has your company employed in the following years:

<i>Two years ago</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

107. How many of your current employees are regular?

<i>Options</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

108. How many of your current employees are casual?

<i>Options</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

109. Thinking about your ownership structure, how many people own the company?

<i>Options</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

110. Thinking about your management structure/team (i.e., individuals who plan and make decisions in the business and/or are in supervisory roles)—how many are women/men?

<i>Options</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	



*Section 3—Nature of Work, Wages and Benefits*

111.a In your company, are there employment or social protection benefits provided to your employees?

<i>Options</i>	
0	No
1	Yes

Examples of Social Protection: Pension, Health Insurance, Leaves (paid maternity leave)... etc.

111.b If yes, what employment or social protection benefits does your organization offer?

---



---



---

111.c If yes, do all employees receive the same benefits?

<i>Options</i>	
0	No
1	Yes

111.d How are these benefits different for men and women?

112.a Please provide a breakdown of the following types of jobs in your company in terms of men and women:

<i>Worker</i>	
<i>Gender</i>	<i>Number of persons in this category</i>
Women	
Men	

112.b Please provide a breakdown of the following types of jobs in your company in terms of men and women:

---

<i>Supervisor (Head of Dept. Directors/ Managers)</i>	
<i>Gender</i>	<i>Number of persons in this category</i>
Women	
Men	

---

112.c Please provide a breakdown of the following types of jobs in your company in terms of men and women:

---

<i>Business support (accounting, marketing, HR, etc.)</i>	
<i>Gender</i>	<i>Number of persons in this category</i>
Women	
Men	

---

112.d Please provide a breakdown of the following types of jobs in your company in terms of men and women:

---

<i>Senior management (non-production related)</i>	
<i>Gender</i>	<i>Number of persons in this category</i>
Women	
Men	

---

112.e Please provide a breakdown of the following types of jobs in your company in terms of men and women:Specify Other Positions \_\_\_\_\_

---

<i>Other Positions</i>	
<i>Gender</i>	<i>Number of persons in this category</i>
Women	
Men	

---

113.a What is the yearly average salary for women and men THAT ARE WORKERS?

---

*Currently*

<i>Gender</i>	<i>Value in local currency</i>
Women	
Men	

---

113.b What is the yearly average salary for women and men THAT ARE SUPERVISOR?

---

*Currently*

<i>Gender</i>	<i>Value in local currency</i>
Women	
Men	

---

113.c What is the yearly average salary for women and men THAT ARE BUSINESS SUPPORT (ACCOUNTING, MARKETING, HR, ETC)?

---

*Currently*

<i>Gender</i>	<i>Value in local currency or USD</i>
Women	
Men	

---

113.d What is the yearly average salary for women and men THAT ARE SENIOR MANAGEMENT (NON-PRODUCTION RELATED)?

---

*Currently*

<i>Gender</i>	<i>Value in local currency or USD</i>
Women	
Men	

---

113.e What is the yearly average salary for women and men THAT ARE OTHERS?

Please Specify Others: \_\_\_\_\_

<i>Currently</i>	
<i>Gender</i>	<i>Value in local currency or USD</i>
Women	
Men	

113.f What is the yearly average salary for women and men THAT ARE WORKERS?

<i>Two years ago</i>	
<i>Gender</i>	<i>Value in local currency or USD</i>
Women	
Men	

113.g What is the yearly average salary for women and men THAT ARE SUPERVISOR?

<i>Two years ago</i>	
<i>Gender</i>	<i>Value in local currency or USD</i>
Women	
Men	

113.h What is the yearly average salary for women and men THAT ARE BUSINESS SUPPORT (ACCOUNTING, MARKETING, HR, ETC) ?

---

*Two years ago*

---

<i>Gender</i>	<i>Value in local currency or USD</i>
---------------	---------------------------------------

---

Women

Men

---

113.i What is the yearly average salary for women and men THAT ARE SENIOR MANAGEMENT (NON-PRODUCTION RELATED)?

---

*Two years ago*

---

<i>Gender</i>	<i>Value in local currency or USD</i>
---------------	---------------------------------------

---

Women

Men

---

113.j What is the yearly average salary for women and men THAT ARE OTHERS?

Please Specify Others: \_\_\_\_\_

---



---

*Two years ago*

---

<i>Gender</i>	<i>Value in local currency or USD</i>
---------------	---------------------------------------

---

Women

Men

---

114.a Does your company hire specific groups based on specific skills being sought after?

---

*Options*

---

0	No
1	Yes

---

114.b If so, what specific skills are you looking for when hiring female employees?

Options	
1	better productivity
2	leadership qualities
3	better technical skills
4	Others

115.a Are there government/regulatory incentives for hiring women rather than men for different job positions?

Options	
0	No
1	Yes

115.b If yes, please explain.


116.a Are there government/regulatory disincentives for hiring women rather than men in different job positions?

Options	
0	No
1	Yes

116.b If yes, please explain: \_\_\_\_\_


117. Are there any other reasons why you would choose to hire a woman rather than a man? \_\_\_\_\_


- 
- 
118. Are there any other reasons why you would choose to not hire a woman rather than a man? \_\_\_\_\_
- 
- 
- 

*Section 4—Trade-Related Questions*

- 119.a Does your company engage in exports?

**Hint: If no, then skip to 120.a**

---

*Options*

- 
- |   |     |
|---|-----|
| 0 | No  |
| 1 | Yes |
- 

- 119.b What year did your company start exporting? \_\_\_\_\_
- 

- 119.c What are the main countries you are exporting to?

**Hint: Please specify all the countries you export to**

Africa: \_\_\_\_\_

\_\_\_\_\_ Other Regions: \_\_\_\_\_

---

- 120.a Do you work with 'subcontractors' or 'agents' to market and sell your products?

---

*Options*

- 
- |   |     |
|---|-----|
| 0 | No  |
| 1 | Yes |
- 

Hint: Some form of middlemen involved in the international trade.

- 120.b If yes, Please specify: \_\_\_\_\_

121. What was your main motivation for exporting your products as opposed to selling locally?

---

---

---

122. For the last five years, list the yearly value of exports (in local currency ₦).

<i>Year</i>	<i>Value in ₦</i>
2021	
2020	
2019	
2018	
2017	

123.a If you are not currently exporting, why is that the case?

*Hint: Relevant on No 119.a*

123.b What are the main constraints that prevent you from exporting?

---

---

---

123.c What are some of the factors or incentives that would encourage you to export?

---

---

---

124.a In your opinion, do women-led SMEs/women-owned SMEs encounter more difficulties than men-led SMEs/men-owned SMEs in trade?

<i>Options</i>	
0	No
1	Yes



124.b If yes, please explain and provide examples.

---



---



---

125.a In your opinion, are there contextual and/or structural and/or gender-related constraints\* at the country/region/sector levels that prevent your company from increasing exports to destination markets?

Hints: Contextual constraints could be infrastructure, information, product standards/quality; structural constraints could be government procedures and regulations, business environment, absence of capacity development; gender-related constraints could be lack of support for women-led businesses, lack of access to finance for women.

---

*Options*

---

0	No
1	Yes

---

125.b If yes, please explain and provide examples.

---



---



---

126. Do you think that gender-related constraints are \_\_\_\_\_ as other constraints that prevent your company from exporting?

---

*Options*

---

0	less important
1	more important
2	equally important

---

127.a Does your company use digital platforms for trade or cross-border ecommerce?

<i>Options</i>	
0	No
1	Yes

- 127.b If yes, which digital platforms does your company use?
- 128.a Do you think that women-led SMEs face specific technological challenges?

<i>Options</i>	
0	No
1	Yes

- 128.b If yes, can you provide examples?
- 

- 129.a What have been the effects of external shocks such as COVID-19 on your company?
- 

- 129.b Have these effects persisted over time?

<i>Options</i>	
0	No
1	Yes

- 129.c How has COVID-19 affected your company’s ability to trade?
-

130. If you need information about trade and exports to other countries, where and how do you obtain them?

---



---



---

130.a Are there challenges in obtaining this information?

*Options*

0	No
1	Yes

If yes, please state the challenges:

---



---



---



---



---



---

## NOTES

1. Additional contextual information is presented in Chapters 3 and 4.
2. For more information about World Bank Enterprise Surveys, see: <https://www.enterprisesurveys.org/en/enterprisesurveys>.
3. The World Bank classification of countries is available at: <https://datahelppdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.
4. To measure gender gaps in human development achievements, the GDI considers disparities between women and men using the same dimensions—health, knowledge and living standards—as the Human Development Index (HDI). See: <https://hdr.undp.org/gender-development-index#/indicies/GDI>.
5. The GII measures gender disparities in reproductive health, empowerment and the labor market. See: <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>.
6. See the Trade Facilitation Indicators 2022 edition from the OECD at: <http://compareyourcountry.org/trade-facilitation>.

7. See, for example: <https://unctad.org/news/blog-new-opportunities-accelerating-pan-african-trade>.
8. This section draws from findings of Enterprise Surveys conducted by the World Bank (see also endnote 2).
9. See for example: <https://www.convergences.org/en/global-survey-health-education-and-climate-action-selected-as-top-priorities/> (Accessed on November 6, 2022).

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