

Advancing Women's Empowerment

# **GROWING WOMEN'S ENTREPRENEURSHIP THROUGH ICT IN SOUTHEAST ASIA**

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# Foreword

In the 21st Century, it is anticipated that many countries in Asia will experience rapid economic development and growth. In this time of change, it is critical that social inequalities are addressed and opportunities are made available for all to flourish and thrive. Yet in many aspects of labour, from job opportunities and wages to unpaid work, gender disparity continues to persist. At SPF, we believe empowered women are key agents in building more stable and resilient communities, reducing poverty and stimulating greater social and economic progress. Since 2016, the Sasakawa Peace Foundation has made Women's Empowerment, one of its priority themes, developing a body of research-informed projects and policy recommendations to advance women's economic opportunities, rights, security and well-being in Asia.

This report summarises analyses on the state and challenges of the use of Information Communication and Technologies (ICT) in supporting women entrepreneurs in Southeast Asia. In many countries, it is more difficult for women to find formal employment compared with men. Starting a business is often the only way for women to improve their financial situation and become self-sufficient but major barriers remain in the form of social and religious customs, difficulty in securing funds, and lack of entrepreneurial skills. This report has been compiled from interviews with local people, which inform the numerous proposals on how foundations and policy makers can be more supportive of women's entrepreneurship.



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# Executive Summary

In Southeast Asia,<sup>1</sup> women entrepreneurs comprise a significant percentage of the female workforce. Due to the challenges many women face in accessing formal, salaried jobs, self-employment often represents their only available option to generate income. Entrepreneurship can offer women flexibility and control, which helps them overcome gendered challenges. For Southeast Asian economies to reap stronger socio-economic dividends from female entrepreneurship, they need to both lower the gender barriers and increase the rewards of female entrepreneurial activity. Information and Communication Technology (ICT) solutions can also play a key role in overcoming women's access to and increasing women's income from entrepreneurial opportunities.

**Within Southeast Asia, entrepreneurship is key to sustaining the economic livelihoods of women, but its potential is limited because the growth of women-owned businesses is constrained.**

Micro, small and medium sized enterprises (MSMEs) employ 51-97% of the total workforce within Southeast Asian countries and contribute 30-53% of gross domestic product (GDP).<sup>2</sup> Across Southeast Asia, 8-21% of the female population engages in entrepreneurship. While mainstream entrepreneurship is about pursuing ideas, self-belief and risk-taking, for many women in lower income regions, entrepreneurship is often the only available source of income. In the Philippines, 43% of female entrepreneurs start a business due to a lack of employment options.<sup>3</sup> Successful female entrepreneurship can catalyse the growth of female employment because women entrepreneurs tend to hire more women than men do.<sup>4</sup> However, while female entrepreneurship rates in Southeast Asia are higher than global and regional averages,<sup>5</sup> women-owned businesses are mostly small and informal.<sup>6</sup>

**Socio-cultural norms lie at the root of female entrepreneurs' difficulties in growing their businesses.**

Socio-cultural norms constrain women's entrepreneurial potential across Southeast Asia in three major ways: gender biases mean that (i) women are less accepted as business leaders and business partners than men, (ii) they experience "time poverty" since they carry most of the responsibility for domestic and care work and have little available time to pursue business ventures, and (iii) they face restrictions in independently managing their businesses, such as safety concerns or requirements to get permission from men for some activities.

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1. Southeast Asia includes Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Vietnam
  2. ASEAN, SME Developments in ASEAN, 2015.
  3. ASEAN, ASEAN Regional Entrepreneurship Report, 2015.
  4. Asia Foundation, Women Business Owners in Indonesia Defy Some Long-Entrenched Barriers, 2013.
  5. (1) World Bank Group, IFC Enterprise Finance Gap Database - Raw Data, 2011. (2) World Bank, World Development Indicators, 2017. (Data from 2011)
  6. Note: Informal businesses are all enterprises that are not registered with the municipality / tax authority and all non-employer firms (independent of registration).

**Women face challenges in accessing finance and markets.** In some markets, their access is as low as one-seventh of men's access to finance.<sup>7</sup> While business networks are important to accessing markets, female entrepreneurs report around 7% lower access than men to business-oriented networks.<sup>8</sup>

**In addition, our interviews suggest that women face an entrepreneurial skill gap.** Few women have effective access to entrepreneurial training, and current mentoring programmes need to be more effective in helping female entrepreneurs to solve business challenges and to access business inputs. While the challenges identified affect all female entrepreneurs, they particularly hinder the growth – and thereby the employment and income generation potential – of women's businesses.

**Information and communication technologies (ICT) are significant enablers for female entrepreneurship, particularly for growing businesses.** Beyond the usual business benefits of adopting ICT, there are four primary benefits to female entrepreneurs: (i) a degree of anonymity, which shields women from some gender biases, (ii) greater access to networks and knowledge sharing, (iii) the flexibility to shift the time and place of work, which allows women to both balance domestic and entrepreneurial responsibilities and avoid dangerous commutes, and (iv) time and cost efficiencies in managing their businesses, which disproportionately benefit women given that they are more time impoverished than men. Unfortunately, low access and usage of ICT remain constraints for women.

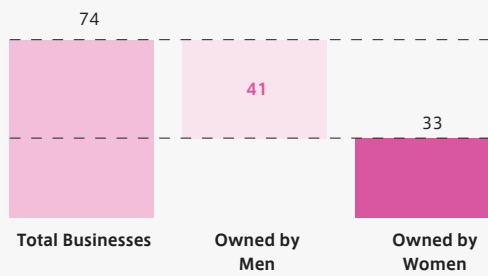
**Coordination amongst policymakers, philanthropies, and private sector businesses is crucial to ensure ICT fosters the transition of female entrepreneurs from owning informal, small businesses to formalised, larger businesses.** Policymakers are uniquely positioned to ensure women have access to ICT tools and connectivity as well as shift regulations to allow digital and more flexible lending to female entrepreneurs. Policymakers can also provide, at a large scale, women with the skills needed to grow a business. Philanthropies are well-suited to catalyse the change of socio-cultural norms to better support female entrepreneurs as well as provide expertise on creating skills training content. Private sector businesses should focus on gendered e-sourcing strategies that prioritise female entrepreneurs. The integrated action and support across all three parties can create an environment that truly allows women to scale from informal, small businesses to larger businesses, thereby increasing the economic empowerment of women and economic growth of Southeast Asia.

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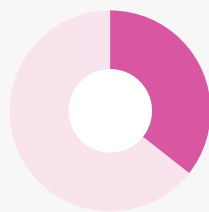
7. World Bank data, Borrowed to Start, Operate, or Expand a Farm or Business, Females and Males (% age 15+), 2014.

8. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women's SMEs in APEC Developing Economies, 2013. The countries analysed include Indonesia, Malaysia, the Philippines and Thailand.





Over 33 million businesses (45%) in Southeast Asia are owned by women



In the Philippines, 43% of female entrepreneurs start a business due to a lack of employment options



Women business owners in Southeast Asia hire 17% more female employees than male business owners do



Yet only 1 out of 10 women-owned businesses in Southeast Asia employ more than 5 people

# Context

**Increasing women's participation in the Southeast Asian workforce can accelerate economic growth by over USD 2 trillion as well as increase the economic empowerment of over 20 million women.<sup>9</sup>**

On a national and regional level, greater female workforce participation leads to stronger and more sustainable growth in gross domestic product (GDP) — for example, if Indonesia increases its female participation in the workforce by around 20% (to be on par with Thailand), it could boost the country's GDP by up to USD 1.8 trillion by 2030.<sup>10,11</sup> On an individual level, there is broad consensus that equipping girls and women to enter and remain in the workforce increases their earning power and economic empowerment. Increasing women's economic empowerment also has positive intergenerational effects; evidence from several countries shows that children receive better food and education when women have greater control over household income.

**In Southeast Asia, entrepreneurs significantly contribute to the regional workforce and economy.**

Worldwide, small and medium enterprises (SMEs) account for approximately 90% of businesses and more than 50% of employment.<sup>12</sup> This trend is particularly strong within Southeast Asia, where entrepreneurship is one of the main contributors to employment and economic growth. Micro, small and medium-sized enterprises employ 51-97% of the total workforce within Southeast Asian countries and contribute 30-53% of GDP.<sup>13</sup>

**Female entrepreneurs in Southeast Asia catalyse the growth of women in the workforce because they tend to employ more women than male entrepreneurs do.<sup>14</sup>**

A study of female entrepreneurs in Indonesia, Malaysia, the Philippines and Thailand showed that women business owners hired 17% more female employees than male owners did.<sup>15</sup> For example, in Indonesia, women-owned firms' employees were 45% female, while male-owned firms' employees were only 27% female.<sup>16</sup> Therefore, easing female entrepreneurship and supporting the growth of female-owned firms in the region is likely to also increase the availability of jobs for women.

**Currently, female entrepreneurship is higher than global and regional averages in almost every Southeast Asian country (Figure 1).** The female entrepreneurship rate in Asia-Pacific's developing countries is one of the highest of any region (15%) when compared globally.<sup>17</sup> Southeast Asia follows this trend with rates of 12-21% in most countries, with the trend the strongest in the efficiency driven

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9. McKinsey and Company, *The Archipelago Economy: Unleashing Indonesia's Potential*, 2012.

10. Organisation for Economic Cooperation and Development (OECD), *Gender Equality in Education, Employment and Entrepreneurship: Final Report to the MCM*, 2012.

11. McKinsey and Company, *The Archipelago Economy: Unleashing Indonesia's Potential*, 2012.

12. International Finance Corporation, *IFC and Small and Medium Enterprises*, 2012.

13. ASEAN, *SME Developments in ASEAN*, 2015.

14. Asia Foundation, *Women Business Owners in Indonesia Defy Some Long-Entrenched Barriers*, 2013.

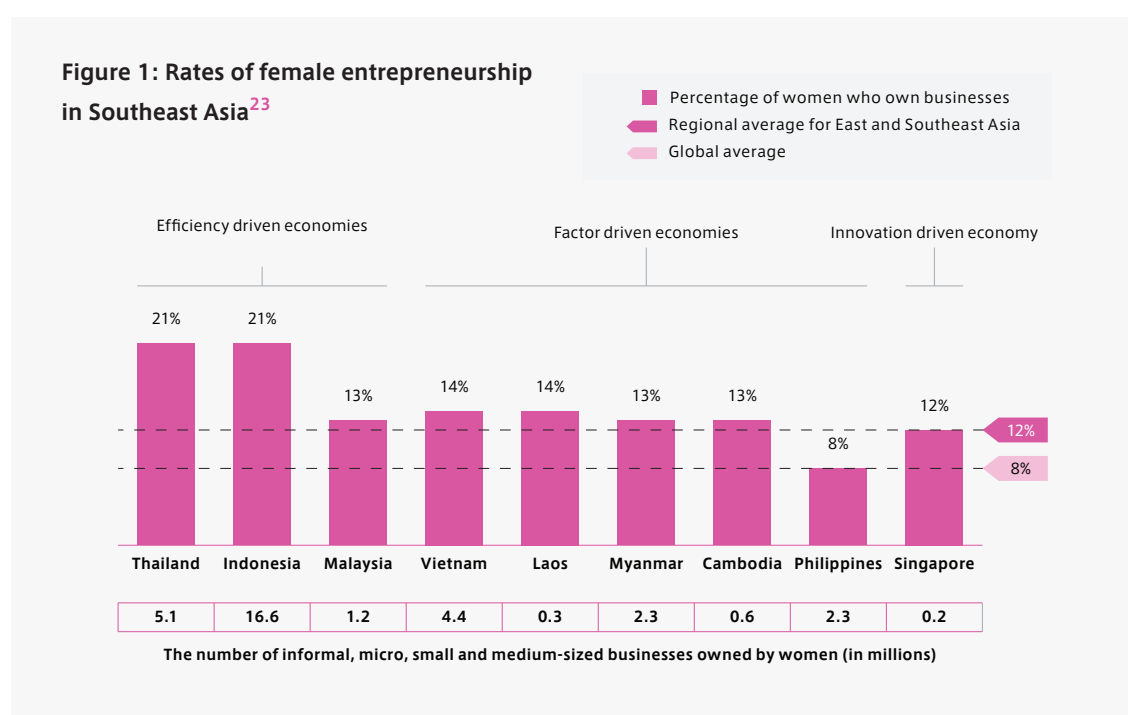
15. Asia-Pacific Economic Cooperation, *Access to Trade and Growth of Women's SMEs in APEC Developing Economies*, 2013.

16. Asia-Pacific Economic Cooperation, *Access to Trade and Growth of Women's SMEs in APEC Developing Economies*, 2013.

17. (1) ASEAN, *ASEAN Regional Entrepreneurship Report*, 2015. (2) *Global Entrepreneurship Monitor, 2012 Women's Report*, 2012.

Note: Female entrepreneurship rates in other regions are: Sub-Saharan Africa: 27%, Latin America: 15%, US: 10%, Europe developing: 6%, Asia-Pacific developed: 5%, Europe developed: 5%, Israel: 5%, MENA and South Asia 4%. This only includes businesses that are less than 3.5 years old.

economies<sup>18</sup> of Thailand and Indonesia. Malaysia, also an efficiency-driven economy, does not conform to this trend; cultural norms contribute to the limited extent of women’s business activity.<sup>19</sup> The only innovation driven economy<sup>20</sup> in the region is Singapore, and it displays comparatively low levels of female entrepreneurship for an innovation economy, perhaps due to the concentration of high technology industries where women are generally under-represented<sup>21</sup> and Singapore’s historical focus on multi-national organisations over start-ups. The Philippines is an anomaly in the region — it is the only country with a female entrepreneurship rate that is well below the East and Southeast Asian regional average. This may be a result of the difficulties women face in sustaining a business in the Philippines. The Philippines has one of the greatest drop-offs between new and established businesses within the region for women; the proportion of women who own new businesses versus established businesses drops from 10% to 7%.<sup>22</sup>



18. Note: In an efficiency driven economy, a country’s advantage comes from producing more advanced products and services highly efficiently. Heavy investment in efficient infrastructure, business friendly government administration, strong investment incentives, improving skills and better access to investment capital allow major improvements in productivity. Source: Malaysia Productivity Corporation, Appendix C – Competition, 2011.

19. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women’s SMEs in APEC Developing Economies, 2013.

20. Note: In innovation driven economies, the ability to produce innovative products and services at the global technology frontier using the most advanced methods becomes the dominant source of competitive advantage. An innovation driven economy is characterised by distinctive producers and a high share of services in the economy and is quite resilient to external shocks. Source: Malaysia Productivity Corporation, Appendix C – Competition, 2011.

21. Global Entrepreneurship Monitor, ASEAN Regional Entrepreneurship Report 2014/15, 2015.

22. ASEAN, ASEAN Regional Entrepreneurship Report, 2015.

23. (1) World Bank Group, IFC Enterprise Finance Gap Database, 2011. (2) World Bank, World Development Indicators, 2017 (Data from 2011). Notes: (1) For this analysis, female entrepreneurship rates are defined by the number of informal, micro, small and medium-sized businesses owned by women as a percentage of the total number of women of working age (15-64) in the respective countries. (2) In factor driven economies, basic factor conditions such as low-cost labour and unprocessed natural resources are the dominant basis of competitive advantage and exports. Factor driven economies are highly sensitive to world economic cycles, commodity prices, and exchange rate fluctuations. Source: Malaysia Productivity Corporation, Appendix C – Competition, 2011.

## DEFINITIONS OF ENTREPRENEURSHIP, MSMES AND INFORMAL BUSINESSES<sup>24</sup>

**Entrepreneurship is any attempt at a new business or new venture creation, such as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals or an established business.<sup>a</sup>**

This includes:

1. **Total early stage entrepreneurial activity:** businesses under 3.5 years (includes business idea generation)<sup>b</sup>
2. **Established entrepreneurial activity:** a business over 3.5 years.<sup>c</sup> This includes:
  - Micro-enterprises: 1-4 employees<sup>d</sup>
  - Small enterprises: 5-49 employees<sup>e</sup>
  - Medium enterprises: 50-250 employees<sup>f</sup>
3. **Informal and owner-operated businesses:** all enterprises not registered with the municipality or tax authority and all non-employer firms (regardless of registration status)<sup>g</sup>

### **Women are more likely than men to pursue entrepreneurship out of a lack of alternative employment options, and entrepreneurship sustains the economic livelihood of numerous women in the region.**

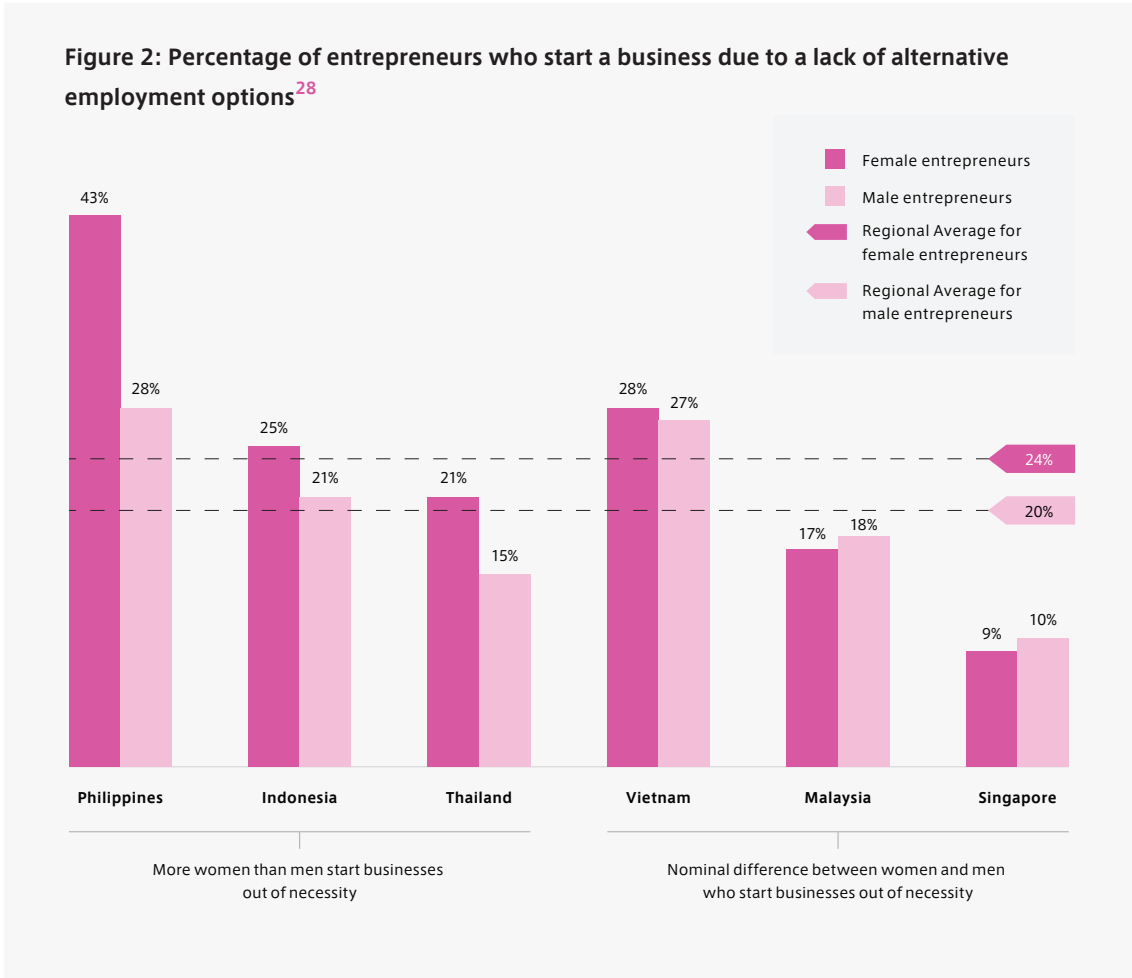
Across Southeast Asia, starting a business because of a lack of employment opportunities is common, and 4% more women than men start such livelihood businesses.<sup>25</sup> This gender gap is largest in the Philippines, where 43% of female (compared to 28% of male) entrepreneurs start a business due to a lack of alternative employment options (Figure 2).<sup>26</sup> This breaks the notion that women pursue business opportunities because of factors that pull them toward entrepreneurship – on the contrary, they are often pushed into creating a business.<sup>27</sup>

24. (a) ASEAN, ASEAN Regional Entrepreneurship Report, 2015. (b, c) Global Entrepreneurship Monitor, Global Report 2016/17, 2017. (d, e, f, g) World Bank Group, IFC Enterprise Finance Gap Database, 2011.

25. ASEAN, ASEAN Regional Entrepreneurship Report, 2015.

26. ASEAN, ASEAN Regional Entrepreneurship Report, 2015.

27. Tulus T.H. Tambunan, Development of Women Entrepreneurs in Indonesia: Are They Being 'Pushed' or 'Pulled'?, 2015.



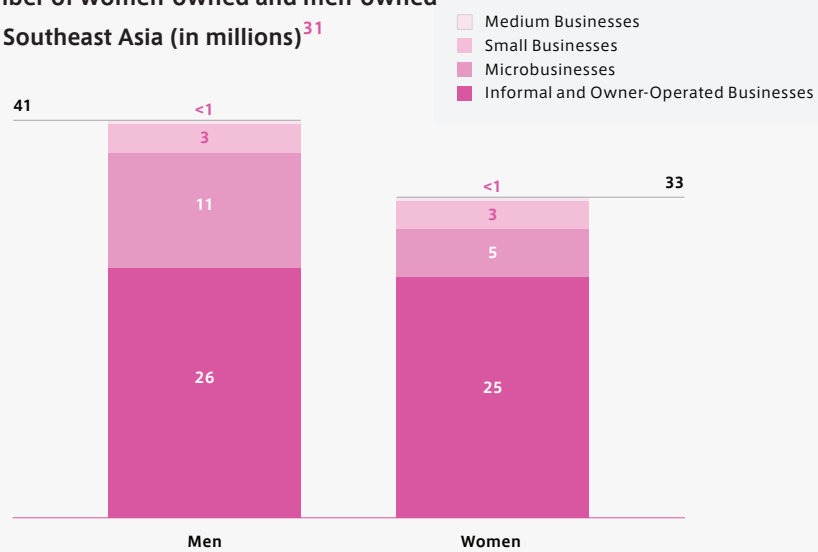
However, the majority of female-owned enterprises in Southeast Asia are informal, owner-operated or microbusinesses and expect to stay small in scale (Figures 3 and 4). Women cluster toward informal and smaller businesses because these are characterised by low barriers to entry and exit, low capital and skills requirements and low technology needs.<sup>29</sup> Female entrepreneurs are less likely than male entrepreneurs to say they will employ more than 5 employees in the next calendar year, primarily due to limited access to business networks, finance and other entrepreneurial inputs. Across the region, more than 4 out of 5 female-owned businesses expect to employ less than five employees.<sup>30</sup> These trends limit the number of jobs that female entrepreneurs can create for other women.

28. (1) ASEAN, ASEAN Regional Entrepreneurship Report, 2015. (2) Global Entrepreneurship Monitor, 2012 Women's Report, 2012. Note: Country-specific percentages are based on survey results from 2,000 adults in each country between the ages 18-64. Regional averages are unweighted and include China, Malaysia and Thailand for developing countries and Japan, Korea, Singapore and Taiwan for developed countries.

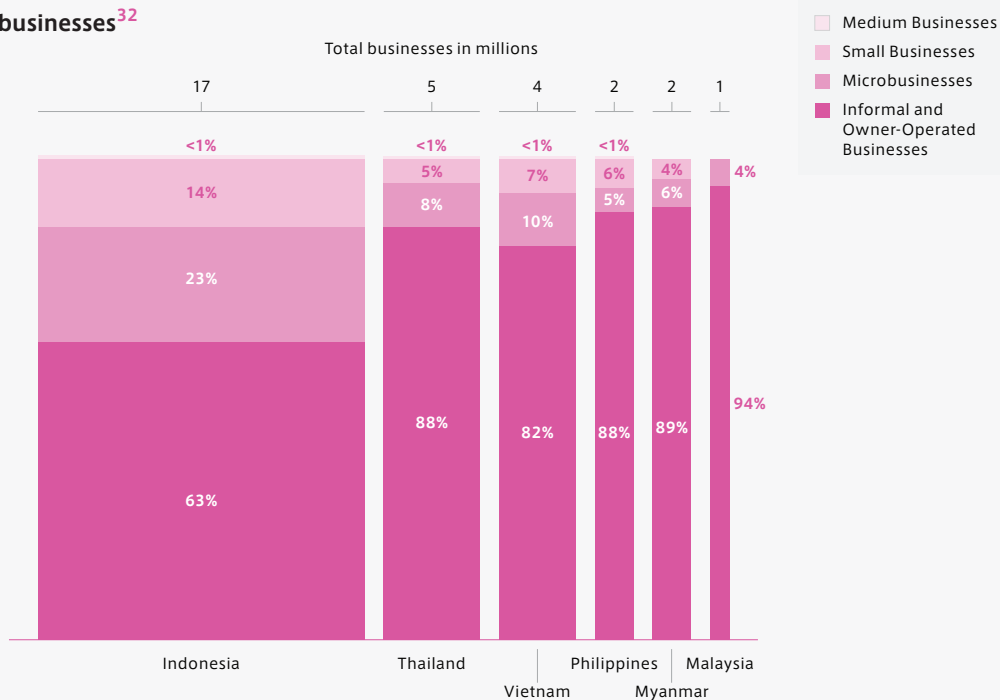
29. World Bank data, Borrowed to Start, Operate, or Expand a Farm or Business, Females and Males (% age 15+), 2014.

30. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women's SMEs in APEC Developing Economies, 2013.

**Figure 3: Number of women-owned and men-owned businesses in Southeast Asia (in millions)<sup>31</sup>**



**Figure 4: Percentages of different sizes of women-owned businesses<sup>32</sup>**



31. World Bank Group, IFC Enterprise Finance Gap Database, 2011.

Note: This analysis only includes informal and owner-operated, micro, small and medium sized businesses. Microbusinesses have 1-4 employees, small businesses have 5-49 employees and medium businesses have 50-250 employees. Informal businesses are all enterprises that are not registered with the municipality / tax authority.

32. World Bank Group, IFC Enterprise Finance Gap Database, 2011.

Note: This analysis only includes informal and owner-operated, micro, small and medium sized businesses. Microbusinesses have 1-4 employees, small businesses have 5-49 employees and medium businesses have 50-250 employees. Informal businesses are all enterprises that are not registered with the municipality / tax authority.

**While female entrepreneurs are important in scaling women's workforce participation and economic empowerment, Southeast Asia is missing out on these benefits because they are salient mostly in larger, formal women-run businesses which the region lacks.** Female entrepreneurship has strong potential in Southeast Asia to support women's economic empowerment and to create new jobs for women. However, the current concentration of women-run businesses in informal and microbusinesses, often owner-operated livelihood businesses, suggests that women still face major barriers in scaling a business, and there is a significant need to support the formalisation and growth of women's businesses. Without growth, female entrepreneurship cannot fulfil its potential to increase economic empowerment and employment for women.

**This report highlights how ICT can best support female entrepreneurs' transition from informal, small businesses to larger businesses.** We assess the barriers female entrepreneurs face and how ICT can help scale women's businesses in Southeast Asia. Using ICT to support female entrepreneurship at a large scale is relatively nascent within Southeast Asia, and only limited data exists. As efforts increase, there is a strong need to connect and align key players in the region, and this report outlines the roles that policymakers, philanthropies, and private sector businesses can play to scale women's businesses in the region. This report aims to (i) raise awareness of the importance of female entrepreneurs and how ICT can be used to support female entrepreneurship, and (ii) encourage key players to take coordinated action to fill gaps within the current female entrepreneurial ecosystem in Southeast Asia, particularly around enabling the growth of women-owned enterprises.

#### **RAPID SCAN METHODOLOGY**

**A rapid scan of 165 documents, covering existing research literature, programme documentation and monitoring and evaluation reports related to ICT and increasing women's labour force participation, was conducted from November 2016 to March 2017.**

**In addition, field visits were conducted in Malaysia, Indonesia and Singapore; and 24 experts on gender, work and ICT in Southeast Asia were interviewed. In total, around 100 programmes were analysed and 19 detailed case studies were developed. This report presents those results of the scan that are relevant to growing female entrepreneurship through ICT.**

# The Barriers to Female Entrepreneurship

## **Women face socio-cultural norms that limit the recognition and support they receive as entrepreneurs.**

The abilities and potential of women entrepreneurs, including in Indonesia and Malaysia, are consistently underrated compared to those of men.<sup>33</sup> Female entrepreneurs also face discrimination from male customers and business partners who prefer to engage with men.<sup>34</sup> For example, in Malaysia it may be socially acceptable for a woman to establish a business but women face discrimination when operating a business with male suppliers and customers; male family members often take over women's businesses once they grow.<sup>35</sup> Negative perceptions of female business leaders are likely to be exacerbated as their firms flourish and receive greater attention.

**Women's time and mobility constraints limit their ability to grow their businesses.** Women in Asia complete over 70% of the total domestic and care work, so they typically have less time and flexibility to pursue business opportunities than men do.<sup>36</sup> While men are estimated to spend only 1.5 hours per day on family care on average, women are estimated to spend over twice that amount of time every day.<sup>37</sup> In an interview, the President of the Cambodian Women Entrepreneurs Association, Keo Mom, attributed small firm size to women spending too "much time taking care of children."<sup>38</sup> Women may also face mobility constraints and may not be able to leave their home without receiving the permission of other household members or due to safety concerns.<sup>39</sup> 87% of the women and girls interviewed for a survey in Ha Noi and Ho Chi Minh City reported that they had experienced sexual harassment in public places.<sup>40</sup> Concerns for women's safety when traveling on public transport are particularly evident in Jakarta, Kuala Lumpur and Bangkok, which are rated among the top cities globally with the most dangerous public transport for women.<sup>41</sup> In early 2017, in a survey of 1,417 men and women conducted by the Bangkok Post, one-third of women in Bangkok reported being sexually harassed in a Bangkok public bus or public hospital.<sup>42</sup>

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33. UNESCAP, Enabling Entrepreneurship for Women's Economic Empowerment, 2013.

34. UNESCAP, Enabling Entrepreneurship for Women's Economic Empowerment, 2013.

35. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women's SMEs in APEC Developing Economies, 2013.

36. Asian Development Bank, Women in the Workforce: An Unmet Potential in Asia and The Pacific, 2015.

37. Organisation for Economic Co-operation and Development, Unpaid Care Work: The Missing Link in the Analysis of Gender Gaps in Labour Outcomes, 2014.

38. Khmer Times, Women Fight Business Bias, 2016.

39. UNESCO, Girls and Women in Science, Technology, Engineering and Mathematics in Asia, 2015.

40. ActionAid, Safe Cities for Women and Girls: Can Dreams Come True? 2014.

41. Thomson Reuters, Ranking the Most Dangerous Transport Systems for Women in Major Cities, 2014.

42. Bangkok Post, Third of Women Groped on Buses, 2017.



**Women entrepreneurs struggle to access larger markets partly due to shallow networks that hinder business growth.** In a study of female entrepreneurs in three Southeast Asian economies, women who were interacting with business associations “at least sometimes” were 24% more likely to say that they would expand business operations in the next three years than women who did not interact with business associations.<sup>43</sup> Despite the importance of business networks to accessing markets, female entrepreneurs report 7% lower usage of business-oriented networks than men.<sup>44</sup> Women’s time and mobility constraints, described above, further limit their ability to serve customers and follow market trends.

**In keeping with global trends, female entrepreneurs, who are concentrated in the informal sector, have limited access to formal finance.** For example, only 3% of women-owned SMEs in Cambodia have adequate access to formal finance – and in the best case surveyed, in Vietnam, only 1 in 5 women-owned SMEs are well-served by formal credit channels (Figure 5).<sup>45</sup> The data suggests that accessing finance may be easier for women in Vietnam and in the Philippines but more difficult in Cambodia and Indonesia.

#### **ACCESS TO FINANCE: SME CREDIT FOR WOMEN IN THE PHILIPPINES**

There are several factors that contribute to the relative success of the Philippines in providing female entrepreneurs with credit. Some private banks place greater weight on non-financial criteria (e.g. age, health, management of the business) rather than on collateral, and they combine financial services with non-financial services, such as training and networking opportunities, which help SMEs strengthen operations. These banks also cooperate with other investors in monthly fora designed to fund smaller businesses.<sup>46</sup> There is strong governmental support, and banks are therefore mandated to set aside 8% of their loan portfolio for SMEs.<sup>47</sup>

43. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women’s SMEs in APEC Developing Economies, 2013.

44. Asia-Pacific Economic Cooperation, Access to Trade and Growth of Women’s SMEs in APEC Developing Economies, 2013. The countries analysed include Indonesia, Malaysia, the Philippines and Thailand.

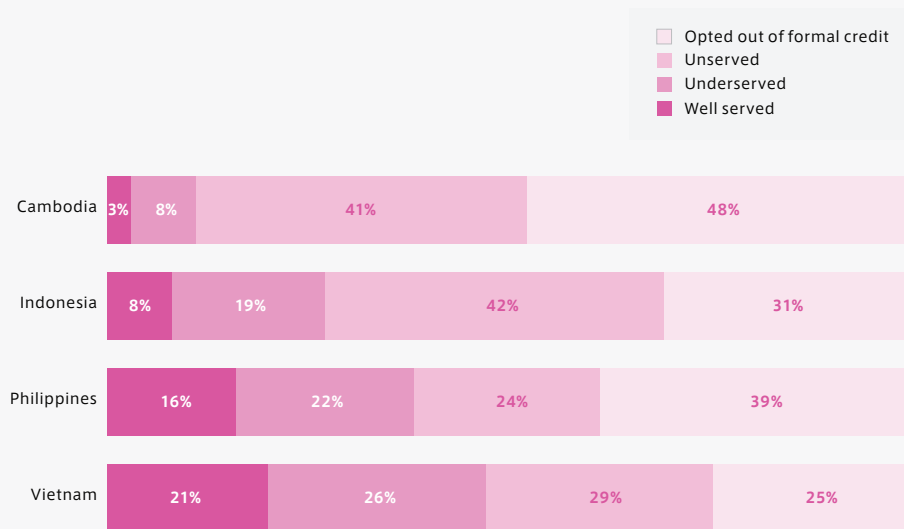
45. Women’s World Banking, Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries, 2015. Countries include Cambodia, Indonesia, the Philippines and Vietnam.

46. Women’s World Banking, Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries, 2015.

47. Women’s World Banking, Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries, 2015.

Female entrepreneurs often cite problems pertaining to loan documentation and asset requirements as reasons for their lack of access to formal credit,<sup>48</sup> and our interviews support this. Women’s access to finance can be up to seven times lower than access to finance for men.<sup>49</sup> While livelihood businesses may survive on informal credit and household savings, greater access to finance is essential for growing a business.

**Figure 5: Female entrepreneurs’ access to formal credit by country<sup>50</sup>**



**Women face further challenges in entrepreneurial skill development.** Our interviews suggest that there is an entrepreneurial skills gap by gender because few female entrepreneurs participate in training focused on creating, sustaining or growing a business. While women can participate in training programmes for entrepreneurship, these programmes often have limited reach and few mechanisms to gauge and ensure learning outcomes.

**Because of the systemic nature of the challenges women face, comprehensive strategies are needed to ensure the growth of women-owned businesses.** Women entrepreneurs struggle significantly with gender biases, time poverty, mobility restrictions, constrained access to finance and markets, as well as skill deficits. The degree to which women’s entrepreneurship will fulfil its potential to catalyse female economic empowerment depends largely on how well women can overcome these barriers.

48. Women’s World Banking, Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries, 2015. Note: Due to rounding, percentages may not add up to exactly 100%.

49. World Bank data, Borrowed to Start, Operate, or Expand a Farm or Business, female (% age 15+), 2014.

50. Women’s World Banking, Access to Finance of Women-Owned SMEs in Southeast Asia: An Assessment of Five Countries, 2015. Note: Countries include Cambodia, Indonesia, the Philippines and Vietnam.



**Women entrepreneurs struggle significantly with gender biases, time poverty, mobility restrictions, constrained access to finance and markets, as well as skill deficits**

# The Role of ICT

**ICT has a central role in helping women entrepreneurs directly by overcoming barriers to entrepreneurship and indirectly by delivering management tools and programmes that help them grow their business.** ICT affords anonymity, greater access to connections and knowledge sharing, the flexibility to shift the time and place of work, as well as opportunities for time and cost savings (Figure 6). Operating on ICT platforms, such as e-commerce market places, can allow women to mask their gender, thereby mitigating some gender biases. Women can connect to distant markets, mentors, investors and suppliers, which may meet their needs better than local options - for example, access to finance directed at women and access to markets where female entrepreneurs can comfortably sell. Virtual networks foster knowledge sharing. ICT lets women flexibly adjust their work timings and locations to better balance domestic and entrepreneurial responsibilities and to avoid unsafe travel. This can also support learning entrepreneurial skills. Leveraging ICT is particularly helpful in improving time and cost efficiencies in managing women's businesses, especially given their greater domestic work burdens. Similarly, digital distribution can decrease the time and transaction costs required to acquire inputs, which disproportionately helps women, given their time poverty (e.g. digital loan disbursement). ICT enabled solutions do not only address barriers that are more immediate surface level constraints on female entrepreneurship but can also affect root causes that fundamentally inhibit female entrepreneurship, as described in Figure 6.

**Women have lower access to ICT devices than men in most Southeast Asian countries; they tend to own mobile phones over other types of ICT, likely making mobile-based programmes most effective for female entrepreneurs.** Across Indonesia, Malaysia and Singapore, women's access to the Internet is 4% lower than men's access to the Internet, while women have 4-14% lower mobile phone ownership than men.<sup>51</sup> Despite the greater gender gap, mobile phones appear to be the best ICT medium to reach women entrepreneurs. Across Southeast Asia, women are far more likely to use mobile phones than laptops. If they access the Internet at all, it is most likely through phone applications (e.g. Facebook). In countries like the Philippines and Thailand, data even suggest a reverse gender gap in mobile phone usage (e.g. more women than men use mobile phones). Therefore, leveraging mobile-based entrepreneurship programmes may be particularly promising for female entrepreneurs (Figure 7).<sup>52</sup> On the one hand, specialised stand-alone or social media apps may be useful; on the other hand, it is important to consider that many women do not own smartphones, which suggests an opportunity for SMS-based interventions. Ensuring that women have greater access to ICT is critical for the success of any ICT based programme.

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51. (1) World Economic Forum, Global Gender Gap Report, 2016. (2) GSMA, Bridging the Gender Gap: Mobile Access and Usage in Low and Middle-Income Countries, 2015. (3) Malaysian Communications and Multimedia Commission, Hand Phone Users Survey 2014, 2014.

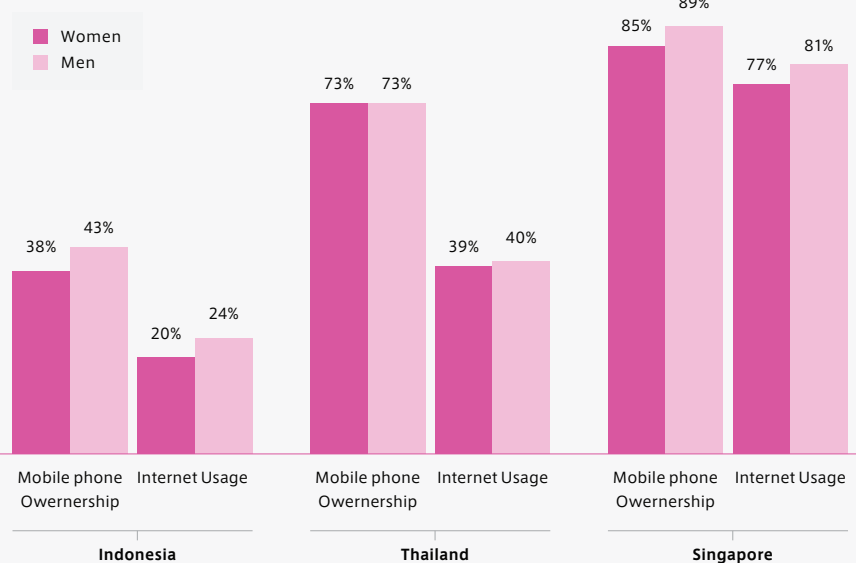
52. GSMA, The Digital Gender Gap, 2016.

Figure 6: Examples of how ICT can help female entrepreneurs grow their businesses<sup>53</sup>

	Increase Anonymity and Reduce Gender Biases	Connections and Knowledge Sharing	Flexibility to Shift Time and Place	Time and Cost Efficiencies
SOCIO-CULTURAL ROOT CAUSES	Women are perceived as less capable business leaders	E-commerce can mask the seller's gender, which allows women to reduce discrimination from male suppliers and customers	Promoting female entrepreneur role models through ICT increases women's confidence and motivation to pursue entrepreneurship	
	Women do 70% of the domestic / care work		ICT-based messaging can advocate for shared domestic responsibilities	ICT enables female entrepreneurs to work flexible hours and from home
	Women have lower mobility than men		Social media enables female entrepreneurs to network from home	Digital fulfillment and e-commerce allow women to access finance and markets from home
BARRIERS	Women have lower access to finance than men	Customised, digital credit scoring for women based on past transactions or mobile history can provide women better loan terms	Online crowdfunding can provide funding tailored for women and diversifies women's funding sources	Digital financial services allow women to circumvent local institutions that may discriminate against them
	Women have lower access to markets than men		E-commerce allows women to access a global customer base and access better market information	E-commerce allows women to sell from anywhere and anytime
	Women face difficulty gaining skills to grow a business		Virtual mentoring allows women to ask questions and reinforces learning skills	E-learning allows women to pursue training anywhere and anytime

53. Note: This figure illustrates the potential benefits of ICT. These benefits may not reflect on-the-ground realities of current programmes, and access to ICT remains a constraint to achieving the full potential benefits.

**Figure 7: Mobile phone ownership and Internet usage by gender<sup>54</sup>**



**E-commerce in Southeast Asia mirrors global trends and represents an important opportunity**

**for women entrepreneurs.** Southeast Asian consumers are increasingly making purchases online. Starting from a base of USD 11 billion in 2015, the Southeast Asian e-commerce market is expected to grow to over USD 25 billion by 2020.<sup>55</sup> Business-to-consumer e-commerce in the six largest Southeast Asian economies is expected to grow by a compound annual growth rate of 17.7% over this same time-period.<sup>56</sup> E-commerce as well as related payment and logistics services help women overcome time poverty and mobility restrictions by reducing the need for physical presence in a shop, office or warehouse, by increasing geographic market reach and by allowing for flexible time management. Similarly, e-commerce helps women stay anonymous and avoid discrimination from male suppliers and customers so that they can better create, sustain and grow their businesses. Women are increasingly recognising the potential of ICT to generate income – for example, in Indonesia, Thailand and the Philippines, up to 35-55% of female Internet users (33 million women) are estimated to have generated income by selling online.<sup>57</sup> ICT solutions are both enablers to overcome current barriers and essential for female entrepreneurs to better compete in an increasingly digital economy.

54. (1) World Economic Forum, Global Gender Gap Report, 2016. (2) GSMA, Bridging the Gender Gap: Mobile Access and Usage in Low and Middle-Income Countries, 2015.  
 55. Frost and Sullivan, Southeast Asia’s E-commerce Market to Surpass US\$25 billion by 2020 Despite Market Challenges, Finds Frost & Sullivan, 2016.  
 56. Frost and Sullivan, Southeast Asia’s E-commerce Market to Surpass US\$25 billion by 2020 Despite Market Challenges, Finds Frost & Sullivan, 2016.  
 57. eMarketer, How Women in Southeast Asia Sell Online, 2015.  
 Note: selling online may include one-off sales, e.g. on second-hand market places, and does not always fall under our definition of entrepreneurship.

**ICT is also ideally suited to help track and coordinate disparate programmes and participants.**

Given the relative nascence of using ICT to support women's entrepreneurship in Southeast Asia, many existing programmes are operating in silos and have limited collaboration. From a supply side perspective, ICT platforms are ideally suited to bridge these gaps and support programmes in tracking programme attributes and results, which can produce valuable insights for programmes to incorporate and share. On the demand side, ICT can help programmes more directly reach participants and track their needs to help guide programme design and delivery.



# Learnings from the field

Programmes in Southeast Asia leverage ICT to target immediate barriers to female entrepreneurship, but very few programmes actively address socio-cultural root causes or access to finance. We assessed over 100 programmes in the space and, while it is difficult to evaluate the overall impact of each programme due to limited monitoring and evaluation available, we have ascertained the purpose of specific programmes in Southeast Asia (Figure 8).

Figure 8: The aims of select programmes in Southeast Asia

	Increase Anonymity and Reduce Gender Biases	Connections and Knowledge Sharing	Flexibility to Shift Time and Place	Time and Cost Efficiencies
SOCIO-CULTURAL ROOT CAUSES	Women are perceived as less capable business leaders			
	Women do 70% of the domestic / care work			
	Women have lower mobility than men		Woomentum eHomemakers Mentoring Women in Business Usaha Wanita	
BARRIERS	Women have lower access to finance than men		Woomentum	
	Women have lower access to markets than men		Mobile Microfranchising Initiative eHomemakers	
	Women face difficulty gaining skills to grow a business		Mentoring Women in Business Usaha Wanita Aidha	



**Our scan suggests that there is greater potential to leverage ICT to change socio-cultural norms, increase access to finance and reduce gender biases for female entrepreneurs.** Programmes have a limited focus on the intentional change of socio-cultural norms, partly because it is much more difficult to address this issue and gauge the results of such a programme.<sup>58</sup> When programmes have focused on socio-cultural norms, they have mostly targeted mobility constraints and focused less on easing the negative perceptions of women in business or the household burdens of female entrepreneurs. Similarly, a limited number of programmes have leveraged ICT to provide finance for female entrepreneurs to scale their businesses, partly because of underlying regulations and rigid asset requirements that currently are not conducive to digital disbursement. Surprisingly, only a few programmes have leveraged the ability of ICT to anonymise gender and bypass biases for female entrepreneurs; as e-commerce increases within Southeast Asia, leveraging this ability will be critical to growing women's businesses.

**There are numerous programmes that leverage ICT to increase access to skill development and markets by building virtual connections, allowing greater flexibility to shift time and place and providing time and cost efficiencies for women.** For example, the Mentoring Women in Business programme launched in Malaysia helped over 180 mentees (90% of total mentees) develop their networks and business contacts through a one-year long virtual mentoring programme (Figure 9). Similarly, the Business Woman (Usaha Wanita) mobile application allowed over 7,000 Indonesian female entrepreneurs to access information on markets.

**However, programmes consistently face two implementation barriers: (i) limited access to ICT tools and connectivity and (ii) difficulty in building lasting women's networks.** Interviews have highlighted that programmes struggle to provide women with the necessary access to ICT tools and connectivity, primarily due to cost constraints. They also suggest that female entrepreneurs lack support after training ends, as the dearth of lasting women's networks precludes the ability to ask follow-up questions and address practical challenges with the fellow female entrepreneurship community.

**Surveyed programmes are nascent, operate on a small to medium scale and could better serve female entrepreneurs with greater coordination.** Most programmes covered in the rapid scan have been created within the past decade. Small-scale programmes often address a single issue but, due to the systemic nature of barriers facing female entrepreneurs in the region, they could be more effective with greater coordination between funding providers and programme leaders. Coordination, particularly through ICT based mechanisms, is necessary to both close gaps in the ecosystem and more effectively design and deliver programmes. This issue is reflected across the entrepreneurial ecosystem, resulting in a landscape where the benefits accrued from overcoming a single barrier through a programme may be outweighed by the pressures that other barriers still exert.

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<sup>58</sup> Note: Programmes that do address socio-cultural norms often do so on an ad-hoc basis and focus on a specific issue relevant to their programme implementation.

Figure 9: Implementation learnings from Southeast Asia<sup>59</sup>

Case Study	Business Woman (Usaha Wanita)	Mobile Microfranchising	Mentoring Women in Business
<b>Overview</b>	Business Woman (Usaha Wanita) is a mobile information service that delivers relevant business setup and management information to female entrepreneurs	The Grameen Foundation helped female entrepreneurs to start and grow small scale telecommunication businesses	The Mentoring Women in Business programme virtually connected mentors from around the world to budding Malaysian female entrepreneurs
<b>Location</b>	Indonesia	Indonesia	Malaysia
<b>Reach</b>	Over 14,000 women	Over 12,000 women	Over 200 mentor-mentee pairs
<b>Entrepreneurship / Employment Outcomes</b>	98% of mentee graduates built business skills that can be leveraged to grow a business	100% of female entrepreneurs reported a profit from the businesses they started	95% of mentees have grown their networks and business contacts
<b>Key Learnings</b>	Country-specific, relevant content covered practical guidance to address real-world business challenges (e.g. sources of capital, customer relationship management)	Selling to other women helped drive the profitability of businesses since women were more likely to buy from other women	Upfront mentee training in ICT improved learning outcomes and ensured mentees had the digital literacy skills needed to benefit from virtual mentoring

**Interview Highlights**

**“ Offering free data to women via one mobile operator to incentivise application usage led to a cap in the adoption by women since they had to be customers of that specific mobile operator to use Usaha Wanita ”**

**“ The Cherie Blair Foundation provided programme expertise, built trust with local organisations and built a network of professional mentors to help female entrepreneurs build their skills ”**

See Cases 2, 3 and 4 for more details

59. (1) Cai, Chew and Levy, Mobile Value-Added Services and the Economic Empowerment of Women: The Case of Usaha Wanita in Indonesia, 2015. (2) Michigan State University, Evaluating Business Women: A Mobile Value Added Service for Women Entrepreneurs, 2014. (3) Cherie Blair Foundation, Accelerating Women’s Entrepreneurship through Mentoring in Malaysia, 2016. (4) Qualcomm, Mobile Microfranchising and Application Laboratory Initiatives give Entrepreneurs New Tools for Success, 2017.

**Southeast Asian programmes can leverage global learnings to overcome barriers to the growth of women’s entrepreneurship.** The rapid scan revealed that more advanced programmes exist outside of Southeast Asia, and learnings from around the world can be applied to the region to foster a more supportive environment for female entrepreneurs. For example, UN Women’s WeLearn initiative provides digital and financial literacy training and second chance education for business women to supplement their skills virtually.<sup>60</sup> Examples from the United States, Tanzania and India demonstrate that dedicated finance for women, providing comprehensive online training and providing SMS-based management tools are beneficial for women entrepreneurs – and can help accelerate women’s entrepreneurship within the region (Figure 10).

**Figure 10: Implementation learnings from around the world<sup>61</sup>**

	<b>She Trades</b>	<b>Virtual Business Incubator</b>	<b>RUDI Sandesh Vyavhar (RSV)</b>
<b>Overview</b>	SheTrades offers women globally the ability to develop skills as well as increase access to finance and markets through online and mobile applications	The Virtual Business Incubator provided entrepreneurship and product development training as well as technical assistance to female entrepreneurs online	RSV allows women to save time and money by digitally optimising the supply chain process for farmers (e.g. tracking orders in real time, finding opportunities to sell locally)
<b>Location</b>	Global	Tanzania	India
<b>Reach</b>	Over 4,600 women-owned businesses	821 women	Over 1,000 women
<b>Learnings from abroad</b>	A one-stop shop online for women entrepreneurs makes it easier for them to connect to networks and markets as well as receive business inputs	Comprehensive training for the multiple skills women entrepreneurs need - and ensuring digital delivery - made it easier for women to develop the skills needed to run successful businesses	SMS-based solutions streamline management information to help rural women entrepreneurs improve productivity and increase income

60. United Nations Women, Virtual Skills School, 2017.

61. (1) SheTrades, 2017. (2) World Bank, Female Entrepreneurship: Programme Guidelines and Case Studies, 2013. (3) Vodafone, Cherie Blair Launches Vodafone Connected Women Report, 2014.

**Figure 11: Design principles for ICT-oriented programmes to support female entrepreneurship<sup>62</sup>**

Design Principle	Description	Supporting Evidence
<b>Family-centric approach</b>	<ul style="list-style-type: none"> <li>A family centric approach, which accounts for and addresses women’s domestic responsibilities</li> <li>Examples include providing flexible online training schedules or a crèche during entrepreneurship programmes</li> </ul>	<ul style="list-style-type: none"> <li>Data suggests that one of the main reasons Southeast Asian women discontinue businesses is due to balancing work and family responsibilities. Including family members in business and training activities can help women combine or decrease their responsibilities and sensitise men<sup>a</sup></li> </ul>
<b>Provide women with access to ICT devices and connectivity</b>	<ul style="list-style-type: none"> <li>Women face difficulty in accessing the hardware and software needed to benefit from ICT-oriented programmes (e.g. computers, mobile phones, the Internet)</li> <li>Affordability of devices and network/data connections is still a major deterrent</li> </ul>	<ul style="list-style-type: none"> <li>Women face a gender gap of up to 5 percentage points in access to the Internet and mobile phone ownership<sup>b,c</sup></li> <li>Interviews suggest that even when women own ICT devices, men and children may use them more than women themselves<sup>d</sup></li> </ul>
<b>Build lasting women’s networks</b>	<ul style="list-style-type: none"> <li>Interventions need to provide support for women entrepreneurs after training ends to clarify follow-up questions, address business challenges and develop lasting networks of female entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Women entrepreneurs have low access to business networks</li> <li>Interviews with programme leaders revealed that women benefitted from trainings but found that they desired additional support after the programme ended and opportunities to network with other women</li> </ul>
<b>Support women in overcoming socio-cultural norms and biases</b>	<ul style="list-style-type: none"> <li>Women’s ability to start and grow their business as well as their access to and usage of ICT is highly dependent on socio-cultural norms within specific regions, towns and villages</li> <li>Programme leaders are increasingly aware of the need to address women’s own confidence to build broader societal support for female entrepreneurship and ICT use</li> </ul>	<ul style="list-style-type: none"> <li>Interviews suggest that women benefit from practical strategies that allow them to confront and change norms that may restrict entrepreneurship (e.g. teaching women how to persuade and negotiate in their social setting to allow them greater access to business inputs)</li> </ul>

62. (a) ASEAN, ASEAN Regional Entrepreneurship Report, 2015. (b) World Economic Forum, Global Gender Gap Report, 2016. (c, d) GSMA, Bridging the Gender Gap: Mobile Access and Usage in Low and Middle-Income Countries, 2015.

**For anyone developing or executing a programme in this space, using four design principles can maximise impact in Southeast Asia (Figure 11).** The design principles, which emerged from the rapid scan, help programmes to more deeply address root causes that hinder female entrepreneurs, encourage experimentation to develop programmes that better serve female entrepreneurs, and apply to a wide range of initiatives across the entrepreneurial ecosystem. These learnings are drawn from our interviews and surveyed programmes, and are further supported by secondary evidence.

**As programmes expand, the challenge will be to shift the focus from supporting aspiring female entrepreneurs to helping existing women-owned businesses grow.** Only if these businesses can increasingly break out of the subsistence model, grow to generate larger revenues and hire more employees will female entrepreneurship truly fulfil its promise of economically empowering women.



## CASE 1 Aidha

### Description<sup>a</sup>

Aidha provides low-cost digital literacy and entrepreneurship courses to over 2,000 foreign domestic workers and lower-income women in Singapore to start their own businesses

### Geography

Singapore

### Key Learnings

#### Considerations for success

- **Combination of ICT and entrepreneurship training:** combining digital literacy with entrepreneurship skill building ensured greater skill adoption among participants
- **Financial literacy training was particularly effective:** majority of participants leveraged money management training to start saving money instantly

#### Lessons for implementation

- Greater need for training specific to varying ICT skill levels of participants. Considerable variation in the skill levels of participants made it difficult to deliver digital literacy trainings

### Project Activities

#### The main programme activity is to provide:

- Training modules and workshops in computer literacy, financial literacy and entrepreneurial skills (e.g. how to start a business, write a business plan, manage a new company)
- Opportunities to pitch business ideas to potential investors
- 1:1 mentoring for 6-12 months alongside training

### Results

#### Reach (2016)<sup>b</sup>

- Trained 2,000 foreign domestic workers in Singapore
- 1,000 classes held:
  - 400 computer workshop classes held
  - 444 leadership classes held

#### Impact on business and digital literacy (2014)

- 90% of participants who owned a business improved their management of the business<sup>c</sup>
- 89% of participants learned how to use a computer<sup>d</sup>
- 92% of participants learned how to use the Internet to access information<sup>e</sup>
- 70% of alumnae started their own business or invested in productive assets (e.g. bought land in their home countries)<sup>f</sup>

### Key Partners

#### Aidha has several partnerships, including with:

- **MasterCard:** funds scholarships for women to enroll in Aidha courses
- **Alexander Mann Solutions:** supports human resources, develops processes for Aidha's operations and trains the core team on interview skills / job postings
- **Barclays, Australian Chamber of Commerce and Deutsche Bank:** provided financial support
- **Kadence Singapore:** tracks the effectiveness of Aidha's programmes



The combination of ICT skills training with entrepreneurial and financial management training successfully created a pipeline of women entrepreneurs

Source: (a) Aidha, Annual Report 2014-2015, 2015. (b) Aidha, Annual Report 2015-2016, 2016. (c, d, e) Aidha, Aidha — Impact Assessment Study, 2014. (f) Aidha, About Us, 2017.

## CASE 2 Business Woman

### Description<sup>a</sup>

Business Woman (Usaha Wanita) is a mobile information service that delivered relevant business setup and management information to over 14,000 women entrepreneurs in Indonesia from 2011-2013

### Geography

Global, including Indonesia

### Key Learnings

#### Considerations for success

- **Country-specific, relevant content:** content covered practical guidance to address real world business challenges (e.g. bookkeeping, customer relations, personnel management and sources of capital)

#### Lessons for implementation

- **Limited platforms for access:** in Indonesia, the app could only be accessed on the Nokia Life+ browser, Indostat network and specific phone models, which restricted the number of users
- **Lack of hyper-localised content:** the application did not push customised information specific to the geo-location of the business woman (e.g. information on the closest financing options)

### Project Activities

The programme ran from 2011-2013, and the service provided women entrepreneurs information on how to:<sup>b</sup>

- Obtain and retain customers
- Analyse and track profits / costs
- Manage and motivate employees
- Manage bank accounts / business loans

### Results<sup>c</sup>

#### Reach

- Reached 100,000 women globally and over 14,000 in Indonesia

#### Ease of use

Results from an independent evaluation conducted by Michigan State University in 2014 indicate:

- 72% of women found the application "easy to use" after only 1-2 months of usage

#### Impact on business activities

- 91% of women believed the app provided practical guidance on growing a business
- 85% of women believed the app offered an affordable way to become a better informed businesswoman
- 67% of women believed the app provided useful information on accessible credit options

### Key Partners

Business Woman has several partnerships,<sup>d</sup> including with:

- **Cherie Blair Foundation for Women:** main facilitator of the project and provided operational support
- **ExxonMobil Foundation:** provided financial support
- **Nokia:** provided Nokia Life+ platform for browsing and developed digital content
- **Change Corp:** created the mobile curriculum



**ExxonMobil**

**NOKIA**

**Mobile service based business training was simple to use for women and gave them practical guidance to address real world business challenges**

Source: (a) Cai, Chew and Levy, Mobile Value-Added Services and the Economic Empowerment of Women: The Case of Usaha Wanita in Indonesia, 2015. (b, c, d) Michigan State University, Evaluating Business Women: A Mobile Value Added Service for Women Entrepreneurs, 2014.

### Description

The programme connects 200 mentor-mentee pairs globally to support Malaysian women through 1:1 online mentorship. Through the use of tablets, wireless connectivity and an online mentoring platform, women in Malaysia connect and engage with a community of skilled business professionals and entrepreneurs from around the world.

### Key Learnings

#### Considerations for success

- **Systematic process for mentor selection ensures quality support for mentees:** the programme has specific criteria in place to select mentors (e.g. mentors must have 7 years of business experience, be fluent in English and be available for 2 hours per month for a year)
- **Breadth of partnerships ensures sustainability and scalability:** a multitude of private and public partners diversified funding and provided the required technical support
- **Upfront mentee training improved outcomes:** an initial online training course ensured mentees had the basic digital literacy and English skills needed to benefit from virtual mentoring
- **Ongoing support and tracking:** constant support and tracking, both during and after the programme, helped ensure success and track progress

#### Lessons for implementation

- **Distribution of more advanced technology can limit scale:** the cost of providing both hardware and software can limit the number of potential female entrepreneurs who benefit from the programme

### Geography

Global, including Malaysia

### Project Activities

#### The programme launched in Malaysia in 2012.

#### It provides:

- Individualised mentoring, where the programme team carefully matches each woman with a mentor and provides support during their year-long mentoring relationship
- Preliminary 1 week training on ICT and English skills to enable participation in the programme
- Pre-programme online training on key mentoring skills and best practices in mentoring
- Ongoing access to a global learning and networking platform, including a range of business, mentoring and leadership resources
- Tablets (through Qualcomm) and 3G data plans (through Tune Talk) for mentees

### Results

#### Reach (2012-2016)

- Connected over 200 mentor-mentee pairs in Malaysia

#### Impact on women's entrepreneurial ability

(2012-2016) Results reported by the Cherie Blair Foundation include:

- 98% of mentees built business skills
- 98% of mentees built ICT skills
- 86% of mentees gained marketing skills
- 97% of mentees increased English skills
- 97% of mentees built confidence
- 94% of mentees have grown their networks and business contacts

### Key Partners

The Mentoring Women in Business programme has 40+ partnerships, including with:

- **Cherie Blair Foundation for Women:** programme manager and implementer
- **Qualcomm:** provides funding, mentors, technical and project management support and Qualcomm tablets to mentees
- **Tune Talk:** provides 3G data plans and helps women access the service
- **Foundation for Women's Education and Vocational Training (YPVWM):** local project coordinator in Malaysia that selects programme participants



**Systematic selection of mentors and 1:1 mentorship support ensures quality support for women entrepreneurs to solve business challenges, develop the right skills and improve access to inputs**

Source: (a) Cherie Blair Foundation, Accelerating Women's Entrepreneurship through Mentoring in Malaysia, 2016.



## CASE 4

# The Mobile Microfranchising Initiative

### Description<sup>a</sup>

The Grameen Foundation's Mobile Microfranchising initiative has helped 12,000+ female entrepreneurs in Indonesia to start and grow their small scale telecommunication businesses from 2008-2012

### Geography

Indonesia

### Key Learnings

#### Considerations for success

- **Regular results tracking ensured timely course correction:** Ruma tracked entrepreneurs' business performance to continually tweak programme design to better serve entrepreneurs
- **Targeting areas with good connectivity improved adoption:** initially targeting areas with high mobile connectivity improved programme performance for phone entrepreneurs
- **Female entrepreneurs developed profitable relationships with female customers:** traveling to other women's homes was particularly successful in driving the sale of mobile services

#### Lessons for implementation

- **Lack of sustainable funding to update a suite of mobile services:** the programme lacked enough funding to continue updating mobile applications

### Project Activities<sup>b</sup>

The programme launched in 2008, with a budget of USD 500,000 – USD 1 million. It has provided women entrepreneurs with:

- Microloans for purchasing mobile phones to resell airtime and use a suite of mobile applications (e.g. online payments, market information and job postings)

### Results

#### Reach (2008-2012)<sup>c</sup>

Results reported by Mobile Microfranchising team include:

- The programme reached 15,000+ entrepreneurs, 82% of whom are women

#### Increases in income from reselling mobile services (2008-2012)

- All female entrepreneurs reported a profit from the businesses started with the microloans provided to them<sup>d</sup>
- Around 50% of entrepreneurs lifted themselves out of poverty after four months of participating in the programme<sup>e</sup>
- 47% of entrepreneurs doubled their income after four months of participation in the programme<sup>f</sup>

### Key Partners

The Mobile Microfranchising initiative had several partnerships, including with:

- **Grameen Foundation:** provided facilitation and implementation support in the field
- **Qualcomm® Wireless Reach™:** provided project funding and project management support
- **Ruma:** implementing partner to recruit, train and develop participants to maximise their potential as entrepreneurs
- **Bakrie Telecom:** strategic mobile operator partner that provided business solutions for entrepreneurs including how to build a brand, marketing materials, training materials and record keeping.



**Bakrie Telecom**



**Regular results tracking to improve programme design and targeting female customers improved profitability for women entrepreneurs**

Source: (a, c, d, e) Qualcomm, Mobile Microfranchising and Application Laboratory Initiatives give Entrepreneurs New Tools for Success, 2017. (b, f) Changemakers, Mobile Microfranchising in Indonesia, 2016.

# The Path Forward

**Coordinated action from policymakers, philanthropies and private sector businesses is needed in Southeast Asia to ensure female entrepreneurs successfully transition from owning informal, small businesses to running larger businesses.** The primary role for each actor is different based on strengths that we have identified and assessed through our rapid scan (Figure 12). For each socio-cultural root cause and barrier, policymakers, philanthropies, and private sector businesses can be involved in shaping and delivering programmes. Coordination between actors will allow them to leverage the strengths of each and better ensure cross-cutting support and reach to female entrepreneurs.

## Policymakers

**Policymakers, given their ability to affect regulation and to implement programmes at a broad scale, are crucial to increasing female entrepreneurs' access to (i) finance, (ii) skills development and (iii) ICT tools and connectivity.** In terms of greater access to finance for female entrepreneurs, policymakers can push for capabilities that allow credit providers to lend to female entrepreneurs through additional digital channels. Additionally, policymakers can change regulations to encourage more flexible loan requirements for women growing an enterprise and aid the transition from using traditional collateral to movable collateral or alternative criteria (e.g. women's historical mobile data) to disburse loans where possible. For example, using existing digital data trails for consumers with no previous credit history has proven successful in assessing consumer creditworthiness in one programme in India, which has seen a 0% default rate thus far.<sup>63</sup> Policymakers can further develop the skills female entrepreneurs need to grow a business by leveraging curated training content from philanthropies and scaling blended training to ensure that women adopt basic and applied ICT skills in person as well as more advanced ICT skills virtually. Policymakers also play a key role in creating a regulatory and fiscal environment that can provide ICT tools and connectivity to women at scale, particularly in countries such as Indonesia where a large number of female entrepreneurs lack ICT access.

**Policymakers can also play a supporting role in (i) increasing women's access to markets and (ii) changing socio-cultural norms.** With regard to accessing markets, policymakers can influence the government procurement protocol by mandating that a certain proportion of all government purchases come from women-owned businesses. This can act as positive pressure for the private sector to adopt a similar procurement strategy. For example, in the United States, the federal government mandates that 23% of all contracts need to be sourced from SMEs, with an explicit focus on sourcing from women-owned SMEs.<sup>64</sup> Within Asia, the Indian government, under the Public Procurement Bill, has a minimum goal of procuring 20% from SMEs, although there is not an explicit

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<sup>63.</sup> Dalberg Global Development Advisors, Making 5-Minute Inclusive Loans a Reality with India Stack, 2016.

<sup>64.</sup> World Bank, Government Procurement – A Path to SME Growth?, 2016.

**Figure 12: Key roles for policymakers, philanthropies, and private sector businesses to scale women-owned businesses**

		Type of role		
		Primary	Supporting	
		Policy-makers	Philanthropies	Private Sector Businesses
SOCIO-CULTURAL ROOT CAUSES	Women are perceived as less capable business leaders	Form <b>partnerships with media</b> producers and outlets to prioritise public awareness and advocacy campaigns around changing socio-cultural norms to foster female entrepreneurship	Execute ICT and media-based public <b>awareness and advocacy campaigns</b> that change socio-cultural norms to foster female entrepreneurship	Leverage <b>popular brands</b> for ICT and media-based public awareness and advocacy campaigns that change socio-cultural norms to foster female entrepreneurship
	Women do 70% of the domestic / care work			
	Women have lower mobility than men			
BARRIERS	Women have lower access to finance than men	Enable digital mechanisms for women to access finance and create more <b>flexible lending</b> for women	Create digital <b>funding platforms</b> for women (e.g. online crowdsourcing)	Enable <b>digital mechanisms</b> for women to access finance and create more flexible lending for women from private banks
	Women have lower access to markets than men	Simplify <b>e-registration</b> of informal businesses to help government procure from more women-owned MSMEs	Match female entrepreneurs with virtual information and <b>networks</b> to access greater markets	Prioritise <b>sourcing</b> from women via e-commerce platforms
	Women face difficulty gaining skills to grow a business	Standardise and distribute at <b>scale</b> ; blended skills training for women to grow businesses	Curate <b>training content</b> for the government and businesses to distribute based on a distillation of past learnings and best practices	Invest in digitally training women-owned business <b>suppliers</b>
	Prerequisite	Enable access to ICT tools and connectivity		

gender component.<sup>65</sup> Given that female entrepreneurs are concentrated in informal businesses within Southeast Asia, this will require policymakers to simplify the registration procedures necessary to formally register a business, particularly through e-registration, to better allow the government to source from more women-owned businesses. While e-registration is not a panacea for increasing access to markets, it addresses some underlying constraints that inhibit women's current access to markets. To support a change in socio-cultural norms, policymakers can leverage existing partnerships to create and prioritise messaging with media producers and outlets; this supporting role is particularly salient for countries where state-owned media has a wide reach (e.g. Indonesia and Malaysia).

## Philanthropies

**Philanthropies, as relatively autonomous organisations with large networks and the flexibility to fund programmes, are uniquely positioned to (i) change socio-cultural norms and (ii) provide content to ICT skills programmes to build the skills women need to grow a business.** Current programmes address socio-cultural norms but often do so on an ad-hoc basis and cannot afford a broad-based, societal approach that has greater potential to help female entrepreneurs. Philanthropies have the unique ability to catalyse and execute ICT and media-based public awareness and advocacy campaigns that can help fill this gap and explicitly promote female entrepreneurship to reduce the biases and barriers female entrepreneurs face. They can enlist the support of media networks, advocacy groups, and on-the-ground programmes to create localised, compelling messages that target several demographic groups, including boys and men, to improve the likelihood of a broad-based change in socio-cultural norms around gender.<sup>66</sup> Philanthropies can also leverage past successful examples of the integration of social change into media to change attitudes on sensitive issues across the world in countries like the United States, Nicaragua, South Africa, and Australia.<sup>67</sup> It is important to note that ICT is one of numerous methods that can be leveraged to change socio-cultural norms. In order to meaningfully shift socio-cultural norms, policymakers, philanthropies, and private sector businesses need to also act outside of the realm of ICT.

**Philanthropies are ideally suited to aggregate and disseminate skills training content for the government (and other training providers) to distribute at scale.** They can collate the results of past on-the-ground skills training for female entrepreneurs, distil learnings and best practices, and package these for country governments to use when designing trainings to help women scale their businesses. For example, the Cherie Blair Foundation could use existing programmes, like Mentoring Women in Business, as a basis to shape learnings and best practices (Figure 13).

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65. Asian Development Bank, SME Development Government Procurement and Inclusive Growth, 2012.

66. The White Ribbon Campaign, Engaging Men and Boys to Reduce and Prevent Gender-Based Violence, 2011.

67. World Health Organization, Changing Cultural and Social Norms that Support Violence, 2009.

### Figure 13: Mentoring Women in Business

The Mentoring Women in Business programme virtually connected over 200 pairs of female Malaysian entrepreneurs and global business professionals. The programme was able to strengthen the networks of 95% of their participants through mentoring support. It is a successful example that can be used to identify learnings and best practices for virtual skills training. (See Case 3 for more details.)

**Philanthropies can also play a supporting role in fostering female entrepreneurs' greater access to finance and markets by providing online funding platforms for women as well as nurturing women's virtual business networks.** Philanthropies can create and execute gender transformative digital funding, such as online crowdsourcing solely for female entrepreneurs. This can be done on a country by country basis to ensure adherence to varying national funding regulations. Similarly, philanthropies can begin to match female entrepreneurs with demand-side opportunities, such as e-commerce platforms or government procurement systems, and continue to provide dedicated support to digital information and networks that expand female entrepreneurs' access to markets. As an example, the Cherie Blair Foundation invested in a previous programme, Business Woman, to help women deepen their connections and knowledge to access markets (Figure 14).

### Figure 14: Business Woman (Usaha Wanita)

Business Woman (Usaha Wanita) is a mobile information service on Nokia Life+ that delivers relevant business setup and management information to over 14,000 women entrepreneurs in Indonesia. Over 84% of the women who used the service believed that it provided them with practical guidance on growing a business. (See Case 2 for more details.)

## Private sector businesses

**Private sector businesses can significantly increase female entrepreneurs' access to markets through gendered e-sourcing strategies.** Private sector businesses have tremendous potential to redefine demand for women entrepreneurs by focusing on e-sourcing from women-owned businesses. For example, Wal-Mart has made a concerted effort to source from women-owned SMEs for products that it sells online.<sup>68</sup> Several e-commerce marketplaces, including Alibaba and Amazon, are introducing programmes to increase the number of women sellers on their platforms.

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68. Fortune, This is Walmart's Plan to Do More Business with Women Entrepreneurs, 2017.

Online businesses can also mask the seller's gender to mitigate the effect of men preferring to buy from other men and instead prioritise the quality of goods or services. Where this is done, it is important for businesses to still internally track the number of women selling on their platform to assess and pivot their gendered sourcing strategy as needed.

**The private sector can also support (i) access to finance, (ii) access to skills training, and (iii) changing socio-cultural norms.** To foster access to finance, private banks can create alternative lending criteria for women-owned businesses that leverage existing digital data trails (e.g. mobile phone call or SMS usage). With regard to increasing the skills of female entrepreneurs, once private sector firms have included women in their procurement strategies, they can also adapt their supply chain trainings to better serve female entrepreneurs. For example, Coca-Cola's 5by20 campaign aims to enable the economic empowerment of 5 million women entrepreneurs in its value chain, partly through providing women with skills training.<sup>69</sup> It is critical for the private sector to track gendered data on training participation and results to ensure the adoption of skills. In terms of changing socio-cultural norms, the private sector can support philanthropies by ensuring that their advertising is both gender transformative and supports norms that encourage women's entrepreneurship.

**The roles presented above illustrate that policymakers should primarily focus on increasing female entrepreneurs' digital access to finance and skills needed to grow a business, as well as enabling their access to ICT tools and connectivity. Philanthropies should direct their efforts towards changing socio-cultural norms that constrain female entrepreneurs and leveraging their networks to share best practices in training; and private sector businesses should create gendered e-sourcing strategies that support female entrepreneurs. The integrated action and support across all three parties is critical to creating an environment that truly allows women to scale from informal, small businesses to larger businesses.**

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69. Coca-Cola, 5by20: What We're Doing, 2017.



**ICT solutions are both enablers to overcome current barriers and essential for female entrepreneurs to better compete in an increasingly digital economy**

# Conclusion

**This report aims to reduce the information gap on how ICT can scale female entrepreneurship in Southeast Asia.** Entrepreneurship continues to be a major source of income for women in the region, with up to 43% of women in some countries claiming to start their businesses because there are no other livelihood options open to them.<sup>70</sup> Female entrepreneurs also catalyse the participation of other women in the workforce – they are 17% more likely to hire women than male entrepreneurs.<sup>71</sup> However, female entrepreneurs face socio-cultural norms that inhibit their potential, and they often have to overcome systemic barriers that limit their access to markets, business inputs, and skills development. These constraints force women to create informal and smaller businesses, and they cap the potential of female entrepreneurs in the workforce.

**However, significant additional work is needed to ensure greater economic empowerment for women.** While this report emphasises the ways that ICT-enabled entrepreneurship can increase women's economic empowerment, there are numerous other strategies to enhance female entrepreneurship and economic empowerment. For example, closing educational gender gaps, especially in technology-related education, and crafting gender transformative workplace policies are two distinct strategies that have great potential to increase female economic empowerment. Additionally, while labour force participation is primarily used to represent economic empowerment, women can also increase income and economic empowerment outside of traditional employment (e.g. financial services, property, and other productive assets).

**Moving forward, renewed cooperation and coordination across the ICT and entrepreneurship ecosystem is needed to help grow women-owned businesses from small scale, informal business to larger, formalised businesses for greater economic empowerment of women and economic growth of Southeast Asian economies.** ICT based programmes that foster the growth of women-owned businesses have tremendous potential to mitigate systemic barriers in the region, but their potential is currently limited by programme design and scale. Policymakers can support digital infrastructure that allows for digital loan disbursement and more flexible lending requirements for women who own businesses. Policymakers can also provide for virtual skills training and access to tools and connectivity for female entrepreneurs at scale. Philanthropies can play a catalytic role in changing socio-cultural norms to foster the growth of women-owned businesses as well as curate gender-sensitive training content. The private sector can accelerate the growth of women's businesses by e-sourcing from female entrepreneurs. An entrepreneurial ecosystem that leverages ICT in a well-designed and coordinated manner to help women grow businesses is a potent force to improve economic empowerment and growth across Southeast Asia.

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