

Supporting Women Entrepreneurs and Women-Owned Businesses Across the Indian Ocean Rim



Photo: UN Women/Pathumporn Thongking

The Indian Ocean Rim is host to a vibrant economy of women entrepreneurs and women-owned micro, small and medium-sized enterprises (MSMEs). Available data reveals that the percentage of women who are either nascent entrepreneurs or owner-managers of a new business has increased in the region.* Nevertheless, barriers persist for women entrepreneurs in terms of accessing funding and finance, markets and available digital technologies, as well as the burden of unpaid care work. Furthermore, COVID-19 has exacerbated inequalities and posed additional and compounded barriers to business growth.

Methodology

The Indian Ocean Rim Association (IORA) Action Plan for 2017-21 commits to increasing gender equality and women's economic empowerment in the region. In support of these goals, the Australian Government Department of Foreign Affairs and Trade (DFAT) has engaged UN Women to implement a three-year project on Promoting Women's Economic Empowerment in the Indian Ocean Rim in collaboration with the IORA Secretariat. In April 2021, UN Women and IORA hosted a Virtual Café - an interactive and participatory methodology to facilitate the sharing of experiences, networking and knowledge exchange on the issue of "Supporting women entrepreneurs and women-owned businesses amid COVID-19." Thirty-five women entrepreneurs and government officials from across the region shared insights regarding the barriers women entrepreneurs and women-owned MSMEs face, particularly in the face of the global COVID-19 pandemic, and the supports required for business development and growth. The Virtual Café discussions led to the development of recommendations in five key areas:

1. Access to funding and finance
2. Access to markets
3. Access to technology
4. Support for care responsibilities
5. Access to COVID-19 specific support

Recommendations:

Governments, the private sector, and civil society have a role to play in supporting women entrepreneurs and women-owned MSMEs across the five key areas:

Access to funding and finance

All:

- Ensure information on funding opportunities is widely available and develop centralized platforms for information-sharing
- Increase financial literacy programming, training, and courses
- Expand funding criteria and definitions of innovation and entrepreneurship beyond the STEM field to ensure that women entrepreneurs in other fields have equal access to grant opportunities
- Increase communication between banks and governments to ensure that banks are aligned with government policy to support women entrepreneurs with access to funding and finance options
- Enhance crowd-funding platforms for women entrepreneurs and women-led businesses
- Streamline funding and financing opportunities by eliminating intermediaries between banks, governments and women entrepreneurs

Private Sector:

- Ease requirements for accessing loans and financial supports, and reduce margin requirements for instruments like letters of credit, bonds, guarantees, etc.
- Create agencies and/or support women's business associations that can coordinate between woman entrepreneurs and lending agencies to support on documentation
- Offer reduced interest rates and service charges for facilities like factoring, bill discounting, etc.

Access to markets

All:

- Develop procurement platforms and online marketplaces for B2B solutions (e.g. SheTrades) that include information and training courses on applying for contracts, selling to governments and international clients, etc. to reduce informational barriers and centralize procurement opportunities

- Increase procurement opportunities for women-led businesses in private and public sectors through strategic sourcing and diverse supply chain management programs and policies
- Support virtual trade missions as a way to access new markets through funding, marketing and enhanced support

Civil Society/Private Sector:

- Create a mentoring system where big businesses support smaller businesses in accessing markets and navigating business growth

Public Sector:

- Reduce regulatory barriers and be flexible in the provisions of supports, particularly toward women entrepreneurs who have pivoted their businesses amid the pandemic
- Reserve a percentage of public procurement for women entrepreneurs and women-owned businesses

Access to technology

All:

- Develop a centralized online hub where women entrepreneurs can embed their websites to advertise their products/services and reach consumers

Public Sector:

- Address gender stereotypes that prevent women from using technology by implementing policies to support women's access to ICT, especially in rural areas
- Invest in STEM education and encourage women's equal access and participation in this field
- Provide free Wi-Fi to those who cannot afford services

Civil Society / Private Sector:

- Offer services to support women in building digital strategies for their businesses and provide information on which technologies are needed to support their specific business needs
- Build mobile platforms for currency transfers

Support for care responsibilities

All:

- Promote the equal uptake of childcare responsibilities among parents through the provision of shared entitlements

Public and Private:

- Provide affordable childcare and kindergarten services, as well as paid parental leave policies for self-employed women
- Offer services to support mental health

Access to COVID-19 specific support

Private Sector:

- Provide loan moratoriums and grants, as well as an interest moratorium for one year
- Reschedule payments against existing loans and provide top-ups for existing loans

Public Sector:

- Lessen tax requirements and eliminate crippling interest rates
- Provide sector-specific funding targeted at women entrepreneurs

Civil Society:

- Develop incubators for women entrepreneurs and women-owned MSMEs
- Provide access to mentorship and networking opportunities while highlighting successful diverse women entrepreneurs across various regions and industries
- Increase data collection and research on the impacts of COVID-19 on women's entrepreneurship
- Provide information and courses on business agility and pivoting one's business model during times of uncertainty

*UN Women, "Women's Economic Empowerment in the Indian Ocean Rim: Progress and Challenges," (2020). Available at:

<https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/womens-economic-empowerment-in-the-indian-ocean-rim-progress-and-challenges-en.pdf?la=en&vs=3049>