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Unit

An index and study by the Economist Intelligence Unit

Women's Entrepreneurial Venture Scope



Commissioned by



Multilateral Investment Fund
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*WE*VentureScope 2013



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Preface

Women's Entrepreneurial Venture Scope (WEVentureScope) is an Economist Intelligence Unit publication funded by and developed in close collaboration with the Multilateral Investment Fund, a member of the Inter-American Development Bank Group. This is the first edition of the WEVentureScope. This Findings and methodology paper discusses the major results of the index and the accompanying global benchmarking model. Lucy Hurst, the Economist Intelligence Unit's Associate Director for Custom Research in the Americas in New York,

was the research director. Jamie Morgan, Analyst in Washington, was the project manager, working with Jimena Serrano, Research Associate in Washington. Leo Abruzzese, the Economist Intelligence Unit's Global Forecasting Director and Executive Editor for the Americas, served as senior adviser. William Shallcross advised on construction of the model, and Mike Kenny was responsible for layout and design. We would like to thank the many researchers who lent their expertise to this project. A full list of acknowledgments follows. ■



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Executive summary

Women entrepreneurs in Latin America and the Caribbean are potentially one of the greatest underutilised resources in the region. More than almost anywhere else, Latin American women are starting businesses because they are identifying opportunities, and their countries have much to gain.¹ As more women in the region have become active in the workforce in the past two decades,

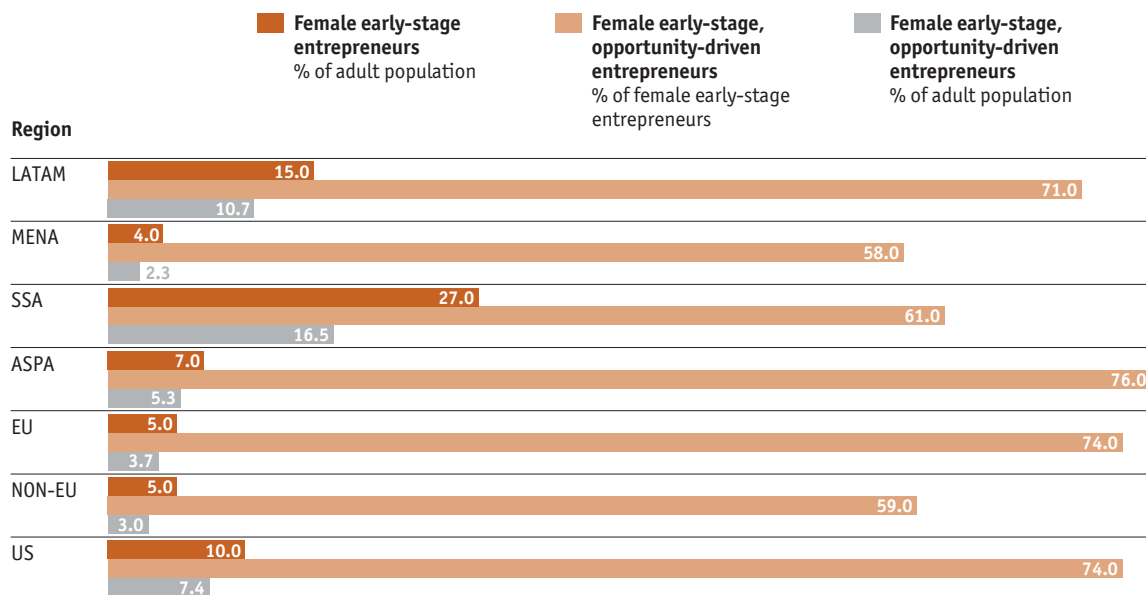
national economies have expanded.² Between 2000 and 2010 income growth among women in Latin America and the Caribbean contributed to a 30% reduction in extreme poverty.³ Arguably, women entrepreneurs offer similar economic benefits. The abundance in Latin America of opportunity-driven female entrepreneurs—those who form businesses because they see opportunities, not because they have no other

1 The share of opportunity-driven early stage women entrepreneurs in the overall population in Latin America and the Caribbean is second only to Sub-Saharan Africa. EIU calculations with Global Entrepreneurship Monitor (GEM) data on female early-stage entrepreneurship as a percentage of the total population, and female improvement-driven opportunity entrepreneurs as a percentage of total female early-stage entrepreneurs. Global Entrepreneurship Monitor, *GEM 2012 Global Report*.

2 Economist Intelligence Unit data. Women's workforce participation in Latin America rose from 40% in 1990 to 53% in 2010, while the region's average annual GDP growth was on average 3%.

3 World Bank, *World Development Report 2012: Gender Equality and Development*.

Prevalence of female opportunity-driven entrepreneurs, by region



Source: EIU calculations with Global Entrepreneurship Monitor data

choice—suggests that women's business aspirations may be particularly important to the region's growth. Indeed, evidence shows that opportunity-driven entrepreneurship has a decisively positive impact on economic expansion in the region.⁴

Nonetheless, many countries in Latin America and the Caribbean are not reaping the full benefit women entrepreneurs present. The vast majority of women-led businesses in the region are unable to grow beyond microenterprises or move out of the informal economy, which reduces the earning potential of those businesses. Women lead 23% of small businesses in the region, but only 9% of large ones.⁵ Firm size matters, as it is positively linked to the income of the firm and owner.⁶ The growth potential of women's businesses is also constrained by informality: between 55 and 91% of women's entrepreneurial activity in the region is in the informal economy.⁷ Operating informally can make entrepreneurs more vulnerable to corruption and restrict access to formal sources of credit.⁸ Limiting expansion opportunities for women-led businesses reduces incomes, innovation and economic growth, damaging national competitiveness.

Improving opportunities for female entrepreneurs in the region requires a better

understanding of the business environment and the factors that drive women's business success. The Economist Intelligence Unit (EIU), in collaboration with the Multilateral Investment Fund (MIF), a member of the Inter-American Development Bank (IDB) Group, has created the Women's Entrepreneurial Venture Scope (WEVentureScope) to meet this need. The WEVentureScope is the first comprehensive assessment of the environment for all female entrepreneurs in Latin America and the Caribbean, creating a standardised framework to help the public and private sectors empower women business owners. Although other studies have analysed the impediments faced by women in the workplace—from the World Economic Forum's Global Gender Gap report to the EIU's Women's Economic Opportunity Index—no study has extended its reach to assess the factors affecting women entrepreneurs operating micro, small and medium-sized enterprises (MSMEs) in Latin America and the Caribbean. The WEVentureScope calls attention to this need, providing a platform for dialogue about the most relevant factors that influence the start-up and growth of women's businesses. ■

4 Zoltan Acs, "Innovations: Technology, Governance", *Globalization Winter 2006*, Vol. 1, No. 1: 97–107.

5 World Bank, Enterprise Surveys, 2005–2010.

6 World Bank, Inter-American Development Bank, GTZ, "Women's Economic Opportunities in the Formal Private Sector in Latin America and the Caribbean: A Focus on Entrepreneurship", 2010.

7 International Labour Organisation, 2006–10. Employers and members of producers' co-operatives and self-employed own-account workers that own an enterprise in non-agricultural activities were used as proxies for entrepreneurship.

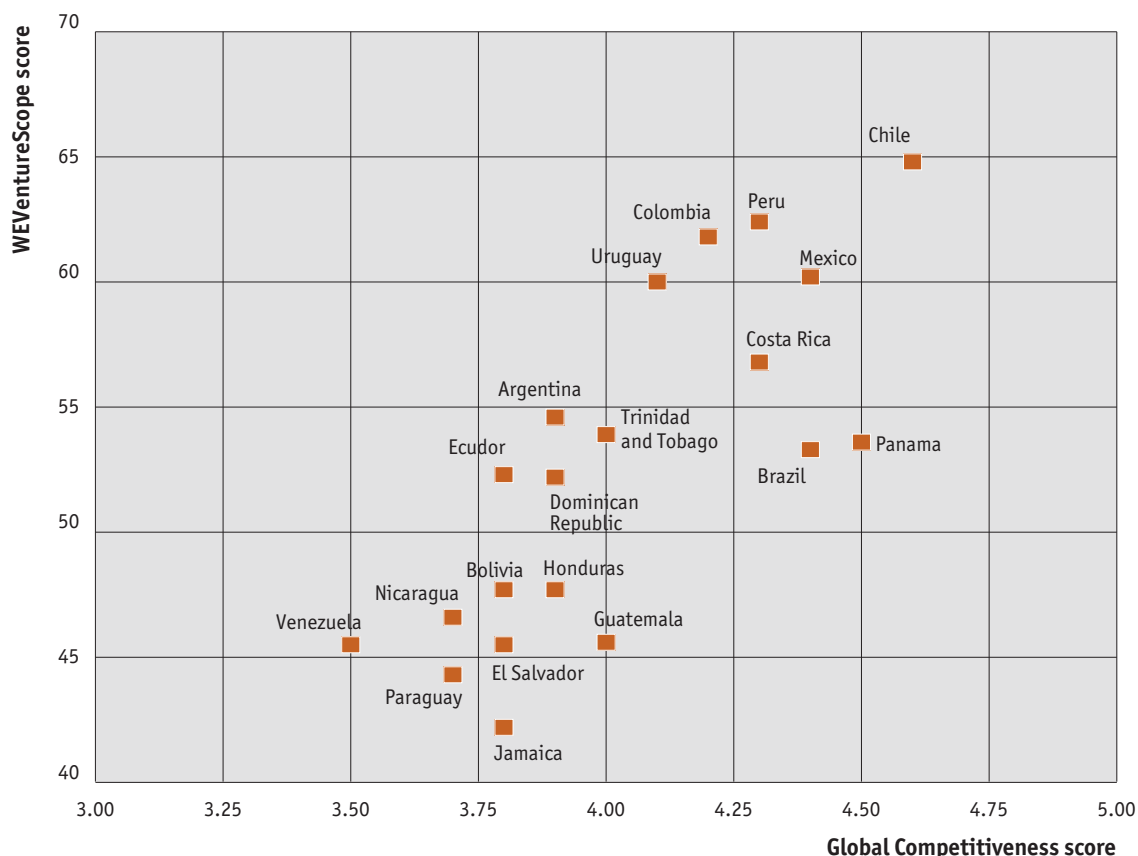
8 World Bank, Inter-American Development Bank, 2010.



Key findings

- **Chile, Peru and Colombia have the best environments for female entrepreneurs.** Chile leads the overall rankings, with low macroeconomic risk, particularly strong supplier diversity initiatives and robust social services. Strong business networks, SME technical support programmes and a stable macroeconomic environment place Peru just behind Chile. Colombia finishes third; it has well-developed SME training programmes and provides broad access to university-level education for women.
- **Countries with better environments for women entrepreneurs are also more competitive.** The findings of the WEVentureScope suggest that countries which provide women with the economic, regulatory, financial, educational and familial support they need to start and grow businesses also tend to be better at building competitive economies. Overall scores on the WEVentureScope have a strong positive correlation with the Global Competitiveness Index, an assessment of national competitiveness produced annually by the World Economic Forum.
- **Chile, El Salvador, Mexico, Peru, Colombia and Brazil share the top ranks in individual category measures.** Chile performs the best in the Business Operating Risks category, reflecting a stable macroeconomic environment and low perception of corruption. El Salvador offers strong support for entrepreneurs, particularly through low tax rates and wide access to financial auditors. Women in Mexico enjoy some of the best access to finance in the region. Peru and Colombia provide strong education and technical training—Peru through public- and private-sector technical training programmes and Colombia through high levels of school-life expectancy and strong vocational programmes for women. Brazil performs well in measures of childcare and elderly care; in 2009, 86% of the elderly population received public pension benefits.
- **Many countries in the region score well for educational opportunities and business skills training for women, but offer fewer opportunities in non-traditional fields and do not always encourage women to pursue them.** In particular, more than half of the countries in the index offer sufficient access to business organisations that include networking opportunities. In nearly all countries more than 50% of tertiary education graduates are women, although educational opportunities in non-traditional fields for women leave opportunity for improvement.

WEVentureScope overall score vs Global Competitiveness Index overall score



Source: EIU and World Economic Forum

- Access to personal finance is poor for women in many countries in the region.** A sizeable portion of women business owners remain unserved or underserved when it comes to formal financial products such as checking and savings accounts and loans. In the majority of countries in the index, less than one-third of all women had saved money in a financial institution in the past year or made monthly deposits and withdrawals.
- More advanced and diversified financial instruments at the SME level present the greatest financial gaps for women-led businesses in the region.** Women enjoy the greatest access to microcredit, yet growth-oriented women entrepreneurs are often unable to access more sophisticated forms of financing, especially with appropriate terms and conditions. To accommodate women's needs during their micro-to-SME transition, financial institutions must expand the scope and size of their credit and other basic financial products and services. On average, just over 21% of women entrepreneurs' working capital and 22% of capital investments are financed by banks. Additionally, women entrepreneurs lack access to equity financing and other types of financial instruments, such as supplier credit, which constrains business size at start-up as well as growth. ■



About the report

Scope of the index

The WEVentureScope examines and ranks 20 countries in Latin America and the Caribbean according to their positive and negative influences on women entrepreneurs. It also offers insights into the measures that help support women's business start-ups and contribute to their growth. The index analyses women's entrepreneurship across five areas: Business Operating Risks, Entrepreneurial Business Environment, Access to Finance, Capacity and Skills, and Social Services.

- The **Business Operating Risks** category assesses the underlying economic and security environment in which all entrepreneurs (male and female) operate and covers macroeconomic risks, security risks, and vulnerability to corruption.
- The **Entrepreneurial Business Environment** category evaluates the costs and regulatory requirements for starting a new business, and the extent of programmes to support MSMEs, particularly those led by women.
- **Access to Finance** measures the availability and use of formal financial products by female managers of MSMEs.
- **Capacity and Skills** considers the availability and affordability of traditional education programmes for women, as well as basic and advanced business and financial skills training. It also examines the availability of education in

non-traditional fields for women, such as manufacturing or computer engineering, which are disciplines researchers have linked to higher growth enterprises.

- The **Social Services** section examines the degree to which governments have provided adequate support for families. This is a critical enabler for women to move beyond traditional care-giving roles to those offering greater economic opportunity, particularly in a region where domestic and family responsibilities are assigned disproportionately to women.

Building the index

In creating the WEVentureScope, the EIU and the MIF worked with a panel of experts on women's entrepreneurship and economic development. The team considered a wide range of indicators that influence the environment for the formation and growth of women's businesses. Many of the indicators were drawn and adapted from the work of respected international organisations, including the World Bank's Enterprise Surveys and its Global Financial Inclusion Database. When data for critical assessments did not exist, the EIU created new, qualitative datasets. Among the eight new indicators in this index are measures of supplier diversity, the presence of women's business networks, and the depth of the supporting regulatory environment for small and medium-sized enterprises (SMEs). An EIU country analyst conducted primary and secondary research to score

the new indicators for each of the 20 countries in the index. The EIU also carefully filtered existing datasets to extract detailed information on women and the business environments in which they operate, adding to the underdeveloped world of sex-disaggregated information.

Once the data had been collected, the EIU normalised them on a scale of 0-100, in which 100 represents the best score. The normalisation of the data produces a consistent scale for ranking the findings. The result is a comprehensive picture of the conditions that women entrepreneurs face, both informal and formal, throughout the region, with a clear indication of where countries do well and where further progress is required.

Understanding the powers and limitations of an index

The index, constructed with the support of experts with decades of experience in economic development and women's issues, is a tool. It is meant to identify successes and challenges at a national level, and to serve as a starting point for dialogue and analysis. It should be used in tandem with the many other excellent studies of women's entrepreneurship and business opportunities. By analysing conditions at the national level, indices such as this can miss some of the local context. Although this is an important limitation, the overall depth and comparative power of this index sheds a brighter light on the environments in which women entrepreneurs operate. The index also provides a unique tool for policymakers, investors and researchers to improve their understanding of what drives the economies of Latin America and the Caribbean, and the challenges they face.

While some aspects of this index examine issues that impact both male and female entrepreneurs, it does so from the perspective of women business owners. In constructing this index, the expert panel advised on the impact each indicator in the index has on men and women entrepreneurs in Latin America and the Caribbean. For indicators that are believed to affect men and women equally,

or indicators for which sex-disaggregated data do not exist, the index employs data on male and female entrepreneurs. For indicators that can impact men and women entrepreneurs differently, the index uses women-specific data, as long as sex-disaggregated data are available. For example, female entrepreneurs, like their male counterparts, are influenced by the entrepreneurial business environment where they live. If the general business environment is unstable, or if the procedures for starting, running or exiting a business are highly regulated or bureaucratic, this would form a disincentive for both male- and female-led businesses. However, other factors, such as access to finance, are believed to affect male and female entrepreneurs in different ways; lending practices that are labelled gender-blind often do not support women-owned firms in the same way as male-owned firms. For this reason the index captures women-specific data in its Access to Finance category.

Finally, it is important to note that several countries in the region were not included in this study because of poor data availability. Their absence from this index shows the need for greater attention to data collection, which has become a key enabler of discussion and action.

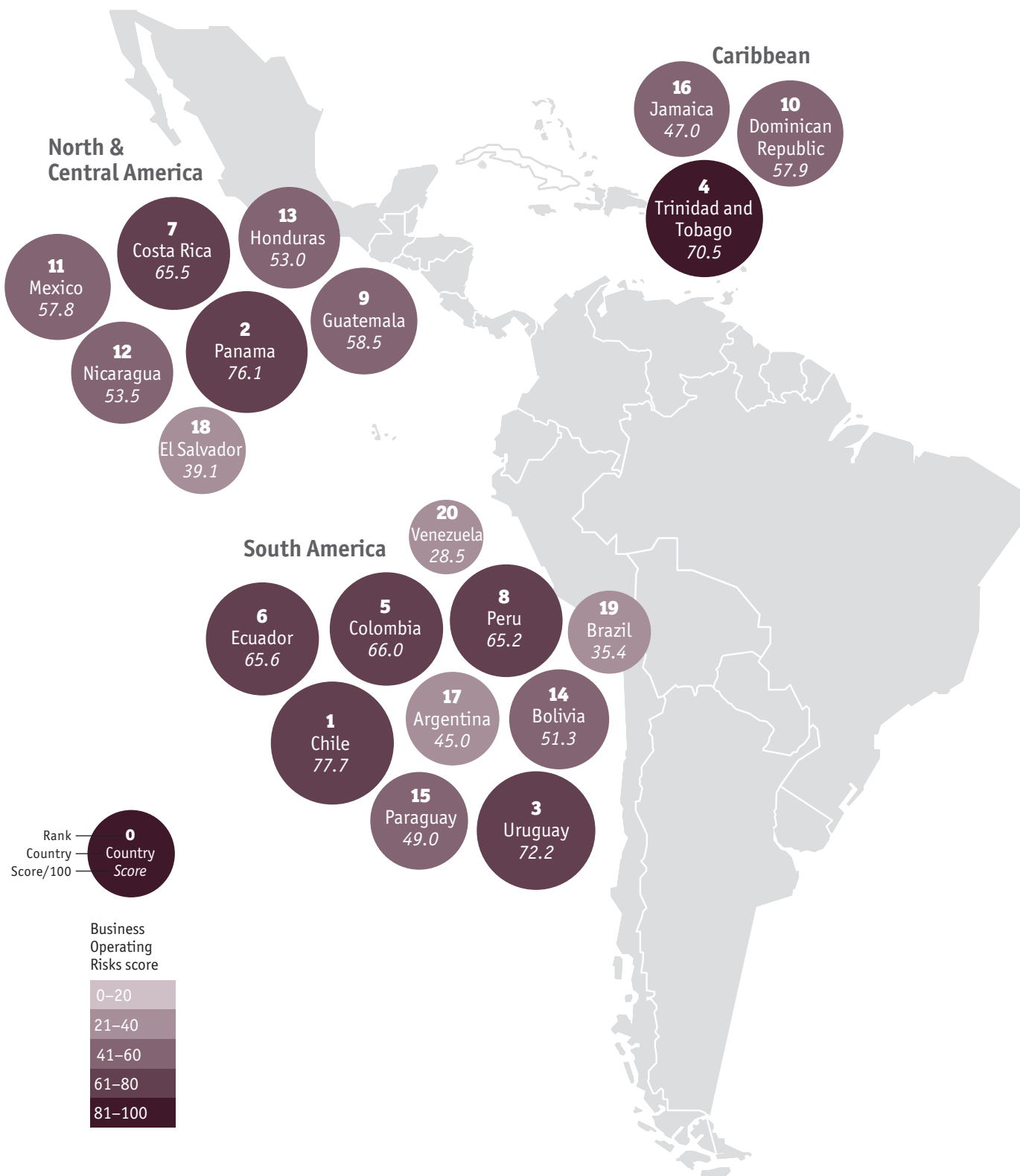
Using the index

The index is presented in both Excel and online versions, which include a range of analytical tools. Users can examine the strengths and weaknesses of a particular country through detailed profiles in the model, as well as the descriptions in this report. Any two countries may be compared directly, and individual indicators can be isolated and examined. Where the EIU has created new datasets through internal, qualitative scoring, users can see the justification for the scoring in the Commentary section of the model. The online tool enables users to explore the data through visual representations that bring the findings to life and make them available to a wider audience. www.weventurescope.com ■

Overall rankings

Rank		Country	Score/100
1		Chile	64.8
2		Peru	62.4
3		Colombia	61.8
4		Mexico	60.2
5		Uruguay	60.0
6		Costa Rica	56.8
7		Argentina	54.6
8		Trinidad and Tobago	53.9
9		Panama	53.6
10		Brazil	53.3
11		Dominican Republic	52.3
12		Ecuador	52.2
=13		Bolivia	47.7
=13		Honduras	47.7
15		Nicaragua	46.6
16		Guatemala	45.6
=17		El Salvador	45.5
=17		Venezuela	45.5
19		Paraguay	44.3
20		Jamaica	42.2

Business Operating Risks



Indicators and sub-indicators in this section include:

- 1.1 Macroeconomic risk
- 1.2 Security risk
 - 1.2.1 Average security costs, % of MSME revenue
 - 1.2.2 Crime perception, % of MSMEs
- 1.3 Vulnerability to corruption
 - 1.3.1 Perception of bribery prevalence, % of MSMEs
 - 1.3.2 Corruption perception, % of MSMEs

The data in this category are gender-neutral (combined measures for both men and women).

Overall results in Business Operating Risks

The Business Operating Risks category assesses the basic business environment in which entrepreneurs operate, including macroeconomic risk, security risk and corruption. Chile, Panama and Uruguay provide the least risky environments for women seeking to start and grow a business. Chile's combination of low **macroeconomic risk** and minimal **vulnerability to corruption** places it at the top of this category, even though other countries offer lower security risks and better macroeconomic performance. Ecuador, Panama and Peru, for example, are tied for the lowest macroeconomic risk in the study, in part because of strong economic growth, while **average security costs** as a percentage of revenue among small and medium-sized enterprises (SMEs) were lowest in Uruguay. Micro, small and medium-sized enterprises (MSMEs) in Panama were the least likely to identify crime, theft and disorder as a major constraint, all of them reflected in the **crime perception indicator**. In addition to Chile, fewer than 5% of MSMEs in Colombia and Costa Rica expected to have to make informal payments or give gifts to officials in the normal course of business—that is, to give bribes to get things done, as captured in the **perception of bribery prevalence** indicator.

Although the Business Operating Risks category considers elements of the national business

Rank	Country	Score/100
1	Chile	77.7
2	Panama	76.1
3	Uruguay	72.2
4	Trinidad and Tobago	70.5
5	Colombia	66.0
6	Ecuador	65.6
7	Costa Rica	65.5
8	Peru	65.2
9	Guatemala	58.5
10	Dominican Republic	57.9
11	Mexico	57.8
12	Nicaragua	53.5
13	Honduras	53.0
14	Bolivia	51.3
15	Paraguay	49.0
16	Jamaica	47.0
17	Argentina	45.0
18	El Salvador	39.1
19	Brazil	35.4
20	Venezuela	28.5

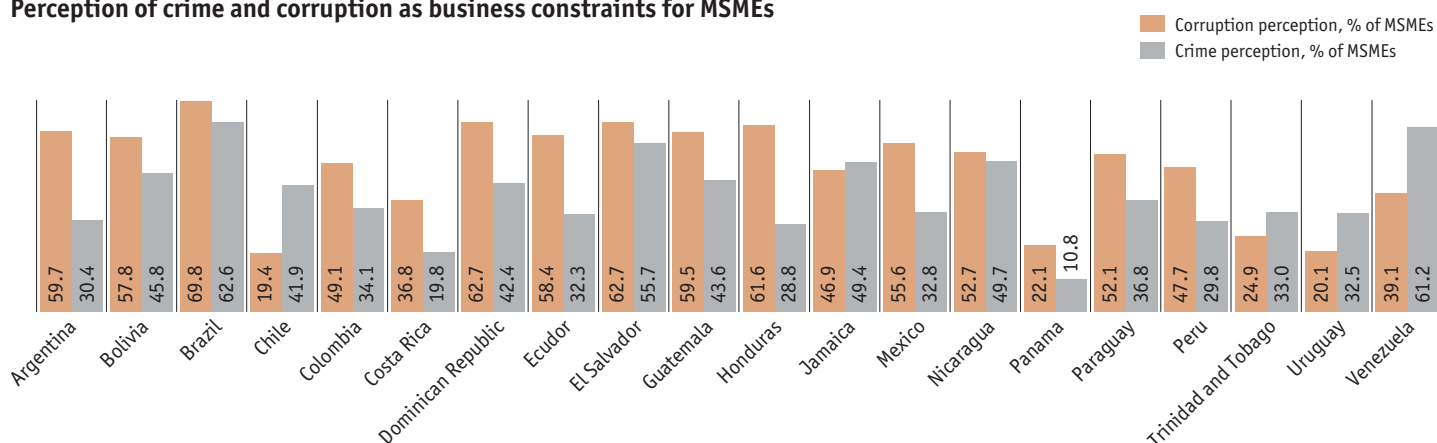
environment that affect businesses of all sizes and both male and female entrepreneurs, these factors can be especially significant deterrents for female entrepreneurs. Small-scale business people, for example, are particularly vulnerable to economic fluctuations, as they lack the financial, physical and social capital in the early stages of their businesses to withstand shocks. Theft and robbery can also drain the limited resources of a female entrepreneur before she has established the reserves necessary to mitigate these risks. Corruption and bribery can add further to the start-up and operating costs, to the point where entrepreneurship is not sufficiently profitable to balance the risk.

Indicator results in Business Operating Risks

Macroeconomic policies matter to MSMEs

Research shows that macroeconomic factors—that is, economic growth, inflation, exchange rates and other barometers of the business environment—are of significant concern to MSME managers, and

Perception of crime and corruption as business constraints for MSMEs



Note: Data shows the percentage of MSMEs that consider crime/corruption as a significant constraint for doing business. Source: World Bank

that macroeconomic instability or uncertainty are among the top impediments to expanding their businesses.¹ In Ecuador and Panama, dollarisation—the use of the US dollar in parallel with the local currency—has reduced inflation, maintained price stability and kept interest rates low. Peru, meanwhile, has enjoyed two decades of price and currency stability through conservative fiscal and monetary policies. A diverse group of export industries and trading partners can also limit the economy's vulnerability to external shocks. Sound macroeconomic policies, therefore, create more stable operating environments for entrepreneurs, including women. The flow of benefits goes in the other direction as well. Ample research shows that female-led businesses contribute significantly to economic growth in many countries. Over the past three decades US firms owned by women have grown twice as fast as businesses owned by men.² Women-owned firms in Canada have shown similar results. While these growth rates are not yet repeated in developing countries, they demonstrate the potential of female-led businesses.³

1 Thorsten Beck, "Financing Constraints of SMEs in Developing Countries: Evidence, Determinants and Solutions", World Bank, May 2007.

2 "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", International Finance Corporation, October 2011.

3 Ibid.

Security risks affect smaller businesses disproportionately

With fewer resources than their larger competitors, small businesses experience investment climate challenges more acutely than large enterprises. Small businesses have fewer resources to invest in preventative measures such as security services, or risk-mitigation strategies such as insurance. Indeed, research has shown that security spending is among the first items MSMEs cut when they need to lower costs to remain competitive.⁴ Limited staffing also means that many small businesses may not develop holistic risk management strategies to address security risks. As businesses run by women are more likely to be small than those run by men,⁵ security risks may affect women entrepreneurs disproportionately.

In the study, Panama, Uruguay and Costa Rica scored best on the **security risk** indicator, with firms having low **average security costs** in Uruguay and low **crime perception** in Panama and Costa Rica. These results were derived from surveys of enterprises conducted by the World Bank. In Uruguay, security costs make up less than 1% of annual revenue for MSMEs. Security costs account for a similarly low share of annual revenue for MSMEs in Mexico, the Dominican Republic and Argentina, despite the fact that crime is seen to be

4 "Financial impact of crime still number one concern for commercial SME'S", COVER, July 2011.

5 "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", International Finance Corporation, October 2011.

a more significant obstacle to their growth in these countries. In Argentina, half as many MSMEs identified crime as a problem as did comparable enterprises in Brazil.

The perception of security risk, as much as the risk itself, can be an impediment for potential entrepreneurs. The Dominican Republic has the third-lowest average security costs, just below Uruguay and Mexico. Yet Dominican managers of MSMEs still see crime as a significant barrier to business growth, with 42% saying that crime, theft or disorder are a constraint, compared with 32% in Uruguay and Mexico. Thus, although security costs may not directly affect budding businesses in Mexico, according to the study, the perception of the risk posed by criminality and violence in the country may be a barrier in itself to MSME growth.

Just as security costs can drain the limited resources of MSMEs, corruption also saps energy and resources that could be more productively spent on building and growing a business. In a 2010 study by the World Bank, SMEs reported corruption among the top six obstacles to growth. Medium-sized enterprises, according to the study, consider corruption an even greater obstacle than small businesses, suggesting that as businesses grow, corruption becomes a more constraining

factor.⁶ Additionally, surveys show that where corruption is more prevalent, fewer MSMEs are present in the formal economy.⁷

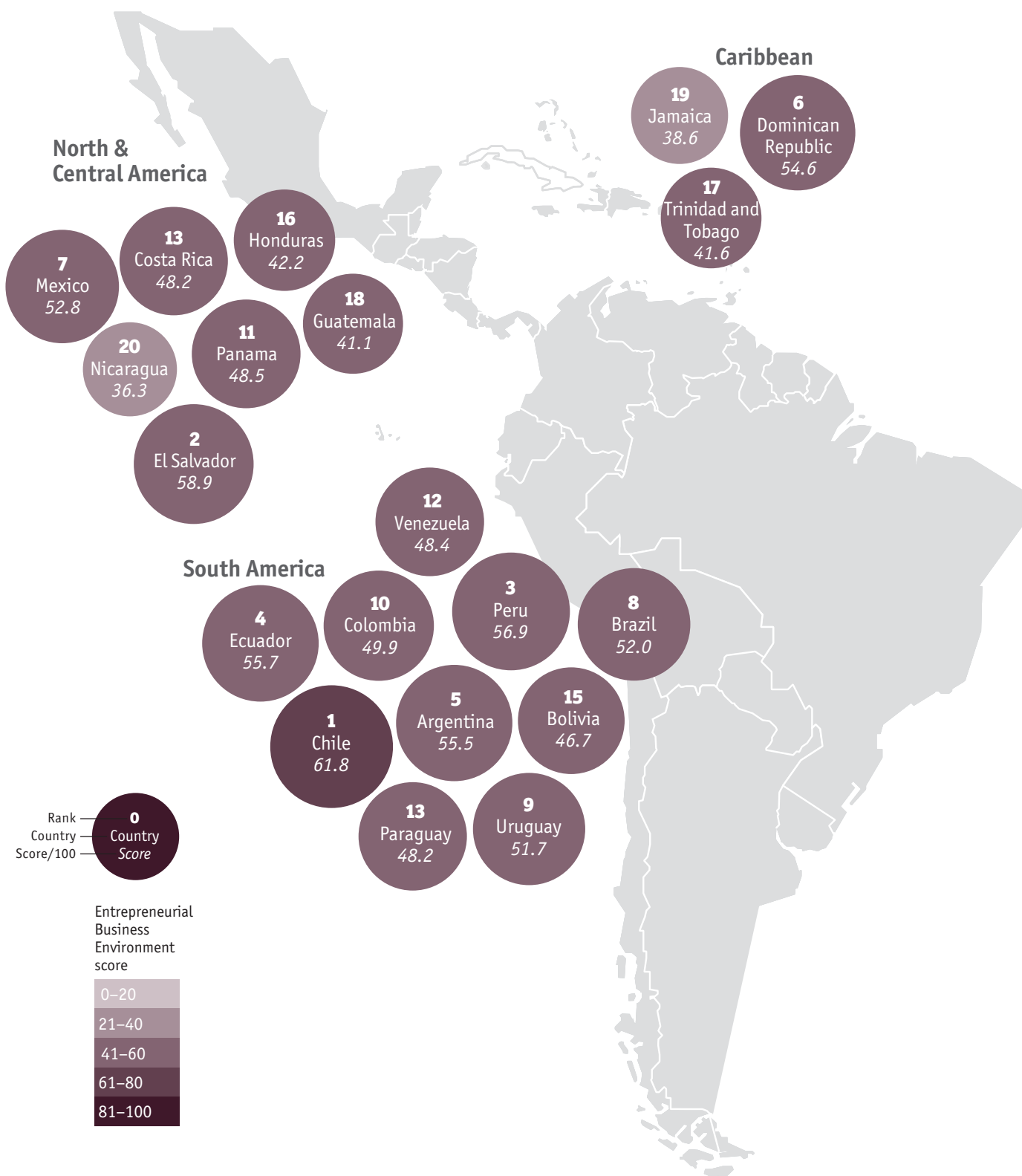
Perception of corruption varies among countries

Chile leads the region with the lowest **vulnerability to corruption**. Less than 1% of MSMEs in the country believe that firms similar to theirs pay bribes “to get things done”— as captured by the **perception of bribery prevalence** sub-indicator—and fewer than one in five perceive corruption as a major constraint. Brazil ranks at the bottom in vulnerability to corruption, with 70% of MSME managers saying that corruption is a major constraint. The index also suggests that despite the realities of bribery, it deters entrepreneurs in some countries more than in others. In Uruguay, MSMEs were ten times more likely than their Chilean counterparts to expect to pay bribes, but the percentage of small businesses reporting corruption as a major constraint in the two countries was roughly the same. In Panama, firms were 45 times more likely than Chilean firms to expect to pay bribes, but the number reporting corruption as a major constraint was roughly the same. ■

⁶ Khrystyna Kushnir et al., “Micro, Small, and Medium Enterprises Around the World: How Many Are There, and What Affects the Count?”, World Bank/IFC, 2010.

⁷ Gil Avnimelech et al., “The Effect of Corruption on Entrepreneurship”, Druid Society, June 2011.

Entrepreneurial Business Environment



Indicators and sub-indicators in this section include:

- 2.1 Property rights
 - 2.1.1 Default marital property regime
 - 2.1.2 Joint titling
- 2.2 Costs of doing business
 - 2.2.1 Starting a business
 - 2.2.2 Depth of credit
 - 2.2.3 Total tax rate
 - 2.2.4 Contract enforcement
- 2.3 Business sophistication
 - 2.3.1 International quality certification, % of women-led MSMEs*
 - 2.3.2 Audits, % of women-led MSMEs*
 - 2.3.3 Firms with website, % of women-led MSMEs*
 - 2.3.4 Firms using email, % of women-led MSMEs*
- 2.4 Supporting regulation
- 2.5 Supplier-diversity initiatives*
 - 2.5.1 Supplier-diversity initiatives, public sector*
 - 2.5.2 Supplier-diversity initiatives, private sector*
- 2.6 Female-headed households*

There is a mix of gender-neutral (combined measures of both men and women) and women-specific data in this category. All women-specific data are marked with an asterisk (*) above.

Overall results in Entrepreneurial Business Environment

The Entrepreneurial Business Environment category evaluates the costs of starting a new business and the presence of regulations and programmes to support MSMEs, specifically those led by women. The category considers factors that affect female entrepreneurs in particular, such as property rights—which can serve as collateral for a loan—and the prevalence of female-headed households, which may increase the need and motivation for a woman to start a business. The category also considers factors that affect both

Rank	Country	Score/100
1	Chile	61.8
2	El Salvador	58.9
3	Peru	56.9
4	Ecuador	55.7
5	Argentina	55.5
6	Dominican Republic	54.6
7	Mexico	52.8
8	Brazil	52.0
9	Uruguay	51.7
10	Colombia	49.9
11	Panama	48.5
12	Venezuela	48.4
=13	Costa Rica	48.2
=13	Paraguay	48.2
15	Bolivia	46.7
16	Honduras	42.2
17	Trinidad and Tobago	41.6
18	Guatemala	41.1
19	Jamaica	38.6
20	Nicaragua	36.3

male and female business owners: property rights, the costs of doing business, business sophistication, regulations that support MSMEs, and supplier-diversity initiatives in the public and private sectors. These components describe the entrepreneurial experience from start-up (property rights, start-up costs) to operation (supporting regulation, contract enforcement) to growth and sophistication (international quality certifications, supplier-diversity initiatives). Much of this information is filtered to capture the experience of female managers of MSMEs.

Indicator results in Entrepreneurial Business Environment

Overall, the 20 countries in the index performed more poorly in this category than in the category of Business Operating Risks, demonstrating an opportunity for improvement across the region. In particular, the public and private sectors could do more to expand **supplier-diversity initiatives** and ensure that they include incentives for employing

female-led MSMEs. In more than half of the countries in the index women enjoy equal rights over marital property. Well over half of the countries surveyed also feature low costs of doing business that do not discourage entrepreneurs. Chile performed the best, with strong property rights for men and women, the lowest costs of doing business, and adequate regulation to support the growth of MSMEs. Jamaica ranked at the bottom, owing in particular to the lack of property rights for women and the absence of supplier-diversity programmes in the private or public sectors.

Property rights inequality highest in Central America

The index's scoring of **property rights** reveals a strong divide between Central and South America. With the exception of Guatemala, women in Central American countries do not enjoy the same equality in property rights as their South American counterparts. A country's marital property regime determines whether property titles bear the names of both spouses by default. Banks tend to prefer titled land as collateral, so a default regime that ensures property titling in the names of both spouses increases women's access to bank credit. Financing sources beyond bank loans can be limited, especially for entrepreneurs and start-ups that have little experience and/or limited credit histories. Access to and control of property is fundamental to entrepreneurship, so policies and programmes that promote women's access to marital property increase their opportunities as entrepreneurs.

The **default marital property regime** sub-indicator shows that women in all South American countries in the index, from Argentina to Venezuela, have full equality in marital property rights. In Central America, women fare best in El Salvador, where both spouses administer property and are entitled to the property in the case of divorce. In Honduras and Nicaragua, the weakest in the region, joint titling exists, but there is no presumption of joint ownership of marital assets, and the default marital property regimes do not create equal access to marital assets.

Cost of doing business lowest in Chile, Peru and Panama

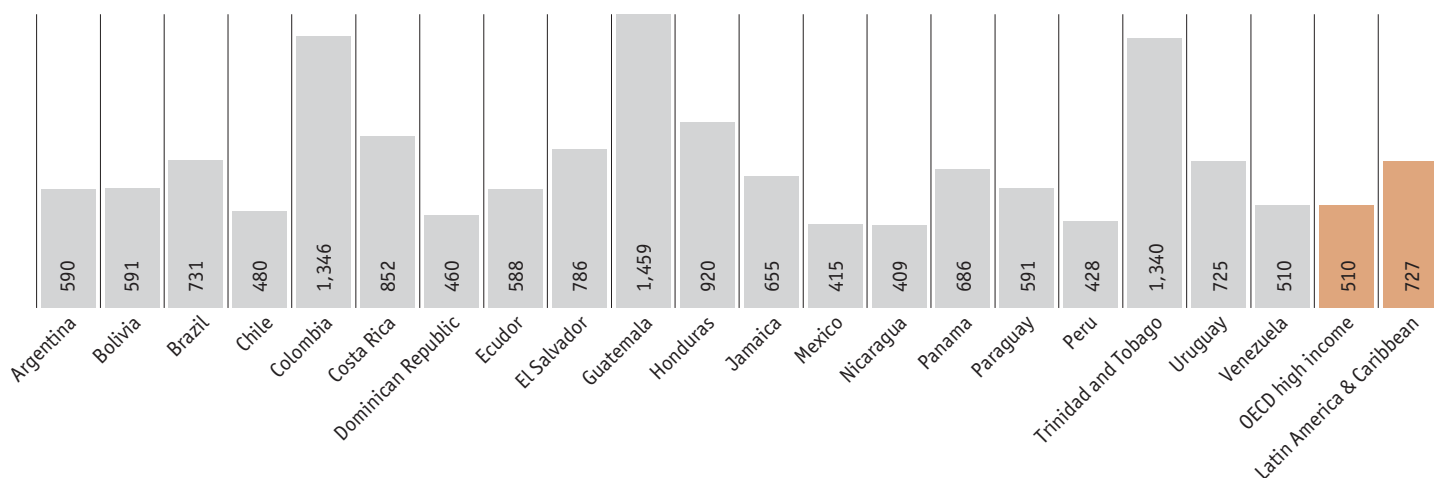
High start-up and operating costs can ward off potential entrepreneurs and slow the growth of newly established businesses. Some of the most significant costs to entrepreneurs are forming and registering a business, the cost of credit, paying taxes and the legal costs associated with contract enforcement. Operating costs influence an entrepreneur's ability to invest in business growth and include the cost of credit, taxes and legal costs. Credit histories enable financial institutions to accurately price credit and increase availability. Credit information is widely available throughout the region, except in Jamaica, which, as of 2012, had no public or private credit bureaus that track such information. Plans are under way to create such a bureau. Lack of credit information can make it more difficult for entrepreneurs to obtain loans.

Using World Bank data, the WEVentureScope finds that the **costs of doing business** are lowest in Chile, Peru, Panama, Uruguay and Mexico. Costs in the region are nonetheless relatively high. According to the World Bank's *Doing Business 2012* survey, the **costs of starting a business** are greater in 11 countries in the index than in half of the countries measured globally. Reducing costs to entry is one way in which countries can boost MSMEs' share of employment and participation in the formal economy. In Bolivia and Guatemala, the large informal sectors keep the tax bases small, limiting their governments' ability to meet urgent spending needs.

Just five countries have total tax rates below 40%

The index measures total tax rates to assess the burden placed on young enterprises. **Total tax rates** for businesses at the end of their second year of operation were lowest in Chile, Trinidad and Tobago, El Salvador, Paraguay and Ecuador. Colombia is ranked 18th out of 20 countries on the total tax rate. It has a complex and unpredictable tax system that was even more cumbersome and prohibitive for business in the past, although in

Days for contract enforcement



Note: Days for contract enforcement measures the number of days required for enforcing a contract, counted from the day the plaintiff files a complaint in court until the day of payment. Source: World Bank

recent years the government has made efforts at reform. Between 2007 and 2012 the government reduced the number of annual tax payments from 69 to nine. Regulatory simplification benefits MSMEs because they generally operate with fewer administrative and support staff.

Protracted and costly contract enforcement

The cost of **contract enforcement** is also a challenge for many MSMEs in the region. None of the countries measured in the index resolved contract complaints filed in court in less than one year. In seven of the countries measured, enforcement takes more than two years, with the longest enforcement time at 1,459 days in Guatemala. Nicaragua, Mexico and Peru have the shortest enforcement times. Nonetheless, even in countries with speedier judicial results, corruption remains a problem. Nicaragua's judiciary is highly politicised, while litigation to recover debts in Peru can cost up to half the amount being contested. Consequently, businesses tend to prefer trusted suppliers and customers, creating a low-competition environment that does not favour start-ups.

The index measures several aspects of **business sophistication** of female-led MSMEs, including international quality certifications, audits and the use of email and the Internet to interface with customers. Access to these services increases a

firm's growth potential. According to World Bank data, filtered and normalised by The Economist Intelligence Unit, Argentina and the Dominican Republic are home to the most sophisticated women-led MSMEs. Brazil leads the region by far in **international quality certifications** at women-led MSMEs, with 58% of such enterprises holding an internationally recognised quality certification. Panama comes next in this study, with 30%. Such certifications allow MSMEs to enter export markets or participate in multinational supply chains. In the Dominican Republic and El Salvador, more than 90% of women-led MSMEs have an annual financial statement reviewed by an external auditor, as captured by the **audits** sub-indicator. The use of financial statements and outside auditors means that a significant percentage of female-led MSMEs in these countries are able to make strategy and investment decisions based on measured results.

Business email use is widespread at women-led MSMEs in Latin America and the Caribbean

Technology usage at MSMEs can increase efficiency, expand the customer base and provide opportunities for innovation. Some 67% of women-led MSMEs in Argentina **have a website**, followed by 58% in Chile and 57% in Colombia. Email usage for business purposes at women-led **firms using email** is even higher, ranging from 65% in Honduras to 99% in Colombia.

Regulation supports access to credit and fiscal incentives for MSMEs

A country's regulatory environment determines the ease with which entrepreneurs can start a new enterprise and access the resources available to them. It can also provide new opportunities and incentives for growth. The WEVentureScope measures the regulatory environment for MSMEs—captured in the **supporting regulation** indicator—on a scale of zero to four, where four equals comprehensive regulations supporting the creation and growth of MSMEs. An extra point was awarded for countries with regulations specific to women-led MSMEs. None of the 20 countries scored in the index received the full four points, suggesting that the region could do more to support MSME growth. Eighteen out of 20 countries in the index did have some form of regulation supporting MSMEs. In El Salvador and Jamaica, the lowest-scoring countries on this indicator, a formal legal framework for MSMEs is still being established and is awaiting approval in the countries' respective legislative bodies.

Public-sector supplier diversity still a work in progress

Public-sector supplier-diversity programmes are another area in which governments can positively impact microenterprises and SMEs. Many governments have used quotas and set-asides to mandate a minimum number of purchases from MSMEs. Experiences in Latin America and the Caribbean are varied; many programmes are still under development or not fully implemented. While some **public-sector supplier-diversity initiatives** exist to support MSMEs, including in Venezuela, Nicaragua and Mexico, none of the countries in the index have programmes specifically for female-led businesses.

Chile has one of the most comprehensive MSME purchasing programmes in the region. The

government advertises opportunities online, expanding access, and assists with financing by providing credit for working capital. The Mexican government prioritises public purchases from SMEs, with a legal requirement gradually to source 35% of government supplies from SMEs. Trinidad and Tobago recently began implementing a 10% set-aside of government purchasing from SMEs.

Other countries, including Argentina, Colombia and Panama, have established legal requirements for procurement from MSMEs, but the systems have not yet been implemented. In Bolivia and Jamaica, the requirement for government suppliers to formalise and register their businesses has limited MSME participation in government procurement. Although MSMEs in Paraguay can bid for government procurement contracts, a lack of sufficient and timely information has hindered their participation.

Private-sector supplier-diversity initiatives are not widespread in the region, but some pockets of activity exist. In Argentina, programmes based on business size are common. A few companies also have programmes targeting women-led businesses. WalMart's Mujeres 360 programme aims to improve opportunities for women throughout the company's supply chain. WalMart has worked to develop local suppliers throughout Central America since 2008, offering training and advice to potential suppliers. The Argentinian government has expanded the presence of supplier-diversity programmes by insisting that large companies increase MSME sourcing. In contrast, the Chilean government uses public relations tools to encourage MSME sourcing, awarding a pro-MSME seal of approval to businesses which commit to sourcing 5% of their purchases from Chilean MSMEs. In some cases, MSME sourcing has developed more informally. In Trinidad and Tobago, several large energy companies report having strong relationships with MSME suppliers, despite the lack of a formal programme. ■

In focus

Sector analysis of women's employment in Latin America and the Caribbean

To understand women's potential as leaders of micro, small and medium-sized enterprises (MSMEs), it is important to look at the role women are playing in the economies of Latin America and the Caribbean (LAC).

The International Labour Organisation (ILO) collects data on employment in the formal and informal economy, disaggregated by sex and industry, in 16 LAC countries.¹ The Economist Intelligence Unit has analysed these data to provide a snapshot of female employment in the region. In the 16 LAC countries surveyed, approximately 40.1% of women on average are employed in the formal sector. Bolivian women are the most engaged in formal employment, with 44.9% of women working in formal employment, whereas women in the Dominican Republic have the lowest representation in the workforce—just 34% of women are working formally. Overall, the female workforce participation rate in the region is low relative to the global average, but it is growing. In the past two decades the number of women in the workforce has increased by 41%. In 1990 the ratio of women to men in the labour force was approximately 48 to 100. By 2010 women matched men in the workforce at a rate of 68 to 100.²

As in many developing countries, the informal sector is a significant source of employment for women in the LAC region. Informal jobs can pose fewer barriers to entry for women seeking new sources of income, and they can be more adaptable to women's responsibilities at home. However, informal employment also has

many drawbacks. Women in the informal sector, the majority of whom are domestic workers or street vendors, are excluded from the rights, responsibilities and protection of the laws that govern the formal business environment, and they also lack the potential for income growth.

Informal economic activity is, by nature, ambiguous and unstructured, making it difficult to consistently define or quantify. Nonetheless, the significant number of Latin American and Caribbean women working in the informal sector means that an analysis of women's employment without the informal sector would be incomplete. The ILO defines "informal economy" as "all economic activities by workers and economic units that are—in law and practice—not covered or insufficiently covered by formal arrangements".³ According to the ILO, economic activities are still considered informal if they are within the law but the law is not applied or enforced, or if the law is too cumbersome and costly to make compliance feasible.

The ILO data are broken down into three broad categories: agricultural versus non-agricultural activities; the sub-sectors within non-agricultural activities; and self-employment.

About 10% of women in Latin America and the Caribbean work in agriculture.⁴ In 11 of the 16 countries captured in the ILO dataset these women are predominantly employed in the formal sector. It is possible that informal access to land is difficult to obtain owing to land and property regulations, and that there is greater financial advantage to be gained from working in formalised agricultural systems. Large, formal companies which concentrate on large-scale output dominate the agricultural sector in many LAC countries.

Women not working in agriculture are concentrated in the services sectors—often

in tourism and domestic work. On average, 48.1% of women across the 16 LAC countries in the ILO dataset are employed in the services sector, regardless of whether they are in the formal or informal sector. The data also indicate that as a country's GDP per capita rises, more women in the non-agricultural sector work in the services sector.

Looking at women in the formal sector, the services industry employs the highest share of women on average, at 61.2%, regardless of the country's income. In 14 of the 16 countries surveyed, trade (21.5%) is the second-largest employer of women, followed by manufacturing (12.9%), transport (3.4%), and construction (0.8%). For two lower-income countries, Nicaragua and El Salvador, manufacturing is the second-largest formal employer, while trade comes third.

In the informal sector, a slight majority of women work in trade, although employment is more evenly distributed across the different industries than in the formal sector. In the informal sector, 42.5% of women work in trade, while 40.7% work in services, followed by manufacturing (14.8%), transport (14.8%), and construction (0.4%).

For women working in the economies of Latin America and the Caribbean, informal self-employment—which can be used as a proxy for entrepreneurship—takes place predominantly outside the agricultural sector. The ILO data show that of the total number of women who are self-employed in non-agricultural work, 89.8% are self-employed informally. This means that, on average, only 10.2% of self-employed women operate as a formal business entity. This proportion is highest in El Salvador, where 99.6% of informally self-employed women work outside the agricultural sector, and lowest in the Dominican Republic, at 73.1%. Women's high participation rates in informal self-employment underscore the barriers to entry for women who seek to operate formal MSMEs. ■

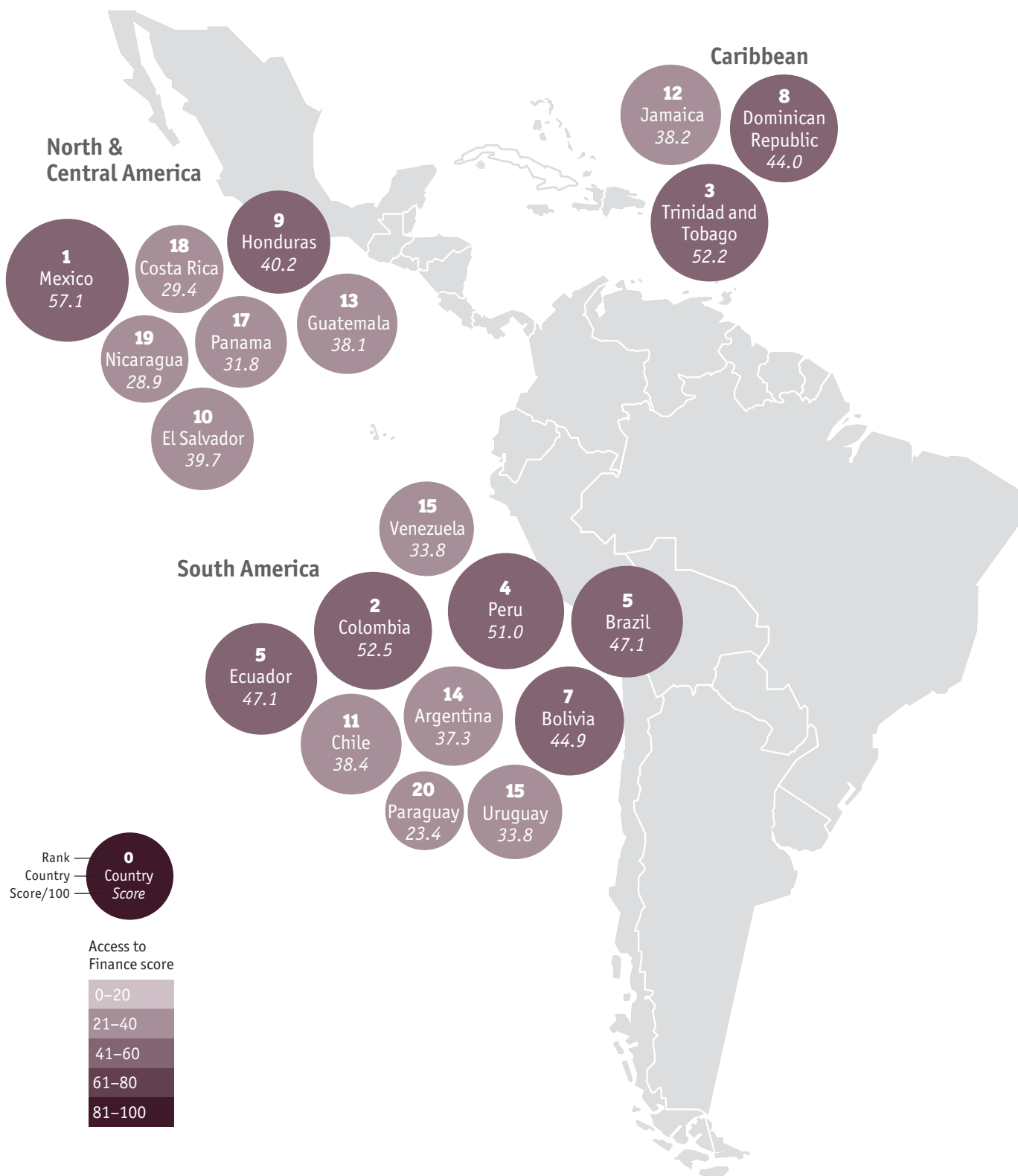
1 The ILO data are from national-level sources; the data years range from 2006 to 2009.

2 World Bank, Gender and Equality Data and Statistics: Latin America and the Caribbean.

3 Ralf Hussmanns, "Defining and measuring informal employment", International Labour Organisation, <http://ilo.org/public/english/bureau/stat/download/papers/meas.pdf>

4 *Women in Agriculture: Closing the Gender Gap for Development*, Food and Agriculture Organisation, 2011.

Access to Finance



Indicators and sub-indicators in this section include:

- 3.1 General access to finance*
- 3.1.1 Account used for business purposes, % women*
- 3.1.2 Loan from a financial institution in the past year, % women*
- 3.1.3 Saved money at a financial institution in the past year, % women*
- 3.1.4 3+ withdrawals in a typical month, % women*
- 3.1.5 3+ deposits in a typical month, % women*
- 3.2 Access to SME finance*
- 3.2.1 Percentage of firms with a bank loan/line of credit, % women-led SMEs*
- 3.2.2 Value of collateral needed for a loan for women-led SMEs, % of loan*
- 3.2.3 Proportion of investments financed by banks for women-led SMEs, %*
- 3.2.4 Proportion of investments financed by equity or stock sales for women-led SMEs, %*
- 3.2.5 Proportion of working capital financed by banks for women-led SMEs, %*
- 3.2.6 Proportion of working capital financed by supplier credit for women-led SMEs, %*
- 3.3 Access to microfinance
- 3.3.1 Microscope on microfinance business environment
- 3.3.2 Female borrowers, % of total*
- 3.3.3 Female gross loan portfolio, % of gross loan portfolio*

There is a mix of gender-neutral (combined measures of both men and women) and women-specific data in this category. All women-specific data are marked with an asterisk (*) above.

Rank	Country	Score/100
1	Mexico	57.1
2	Colombia	52.5
3	Trinidad and Tobago	52.2
4	Peru	51.0
5	Brazil	47.1
5	Ecuador	47.1
7	Bolivia	44.9
8	Dominican Republic	44.0
9	Honduras	40.2
10	El Salvador	39.7
11	Chile	38.4
12	Jamaica	38.2
13	Guatemala	38.1
14	Argentina	37.3
15	Uruguay	33.8
15	Venezuela	33.8
17	Panama	31.8
18	Costa Rica	29.4
19	Nicaragua	28.9
20	Paraguay	23.4

Overall results in Access to Finance

This category measures the availability and use of formal financial products, primarily by female managers of SMEs. It specifically evaluates women's access to finance at three levels: everyday access to banking services, access to investment or working capital for SMEs, and access to microfinance for microenterprises. Financial resources enable entrepreneurs to start new enterprises and upgrade successful models more quickly than self-funding might allow. Financial access allows entrepreneurs to take chances on new and innovative ideas they might otherwise forgo if they had to bear the entire financial risk independently.

Access to Finance was the weakest category overall in the index. On a scale of 0-100, where 100 equals the most favourable score, the highest-ranking country scored 57, indicating room for improvement across the region.

Indicator results in Access to Finance

Nonetheless, individual countries offered different stories of success across the index. Jamaica and Trinidad and Tobago led the rankings on women's access to banking services. The share of Jamaican women with bank accounts for business purposes is four times that of any other country in the index. Women in Trinidad and Tobago were the most likely to have saved at a financial institution in the past year. In Chile, 73% of women-led MSMEs had a bank loan or line of credit. In Mexico, women made up 95% of micro borrowers. Overall, the region performed best on access to microfinance, suggesting that efforts to support female-led microenterprises now need to expand so that they can continue to support women-led businesses as they grow.

Jamaica leads in use of bank accounts for business

According to the indicator **General access to finance**, women in Jamaica, Trinidad and Tobago, Bolivia and Mexico make the greatest use of banking services in the region. More than one-fifth of Jamaican women have a **bank account for business purposes**. Jamaican women seem to use their accounts predominantly for saving: 47% of women reported **saving money at a financial institution**, while only 21% reported making three or more withdrawals in a month from that account. Even fewer Jamaican women took out loans from a financial institution in the past year. In contrast, women in Bolivia tend to use financial institutions for saving and borrowing money: Bolivia has the highest percentage of women in the region who take out loans from financial institutions, and the

In focus

Access to Finance

Of all the factors in women's entrepreneurial success in Latin America and the Caribbean, the WEVentureScope shows that obtaining funding is the most difficult part of starting and growing a micro, small or medium-sized enterprise (MSME). The challenge in accessing financing for women is daunting, and the low scores for all countries in this category stand out from the rest, indicating women-specific barriers that need attention. Even the highest-scoring country, Mexico, had an overall score of 57 for the Access to Finance indicator. The average score for all countries in this category was 5 to 20 points less than the average score for all other categories of indicators.

General access to finance, an indicator within the Access to Finance category that measures access to personal banking

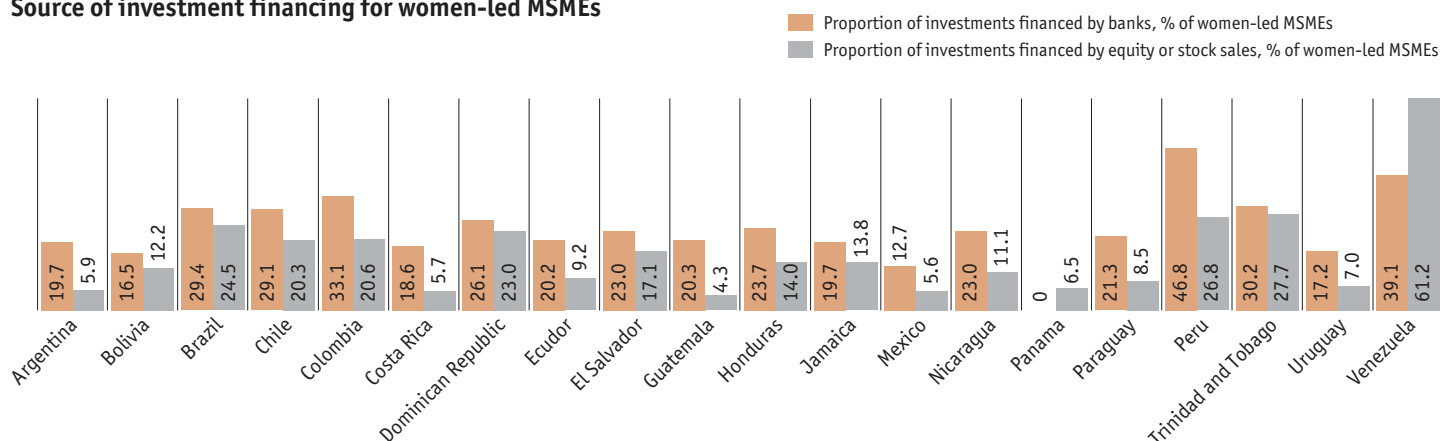
services, varied across the countries surveyed. The numbers reveal that women in Jamaica, at 22.3%, are the most likely to use a bank account for business purposes; no other country in the study came close to this rate. The next-highest was Bolivia, with 5.5% of women using an account at a formal financial institution for business purposes. At the lowest end of the spectrum was El Salvador, with just 0.2% of women accessing formal financial institutions for business.

Overall, women entrepreneurs in Latin America and the Caribbean enjoy the greatest access to microfinance—out of all financing opportunities—perhaps because they do not require the classical form of collateral involved in traditional commercial loans, although this indicates that most women-owned businesses are very small with low growth potential. Indeed, the value of collateral needed for a commercial loan is steep in many countries. For all the countries

in the index except Brazil, the value of collateral women need to obtain a loan is greater than the size of the loan. In some cases, for example in Paraguay and Costa Rica, it is far greater, at 369% and 267% of the value of the loan, respectively.

The greatest barrier is the fact that women are often unable to access financing beyond microcredit, particularly financing for investment or working capital through banks, equity or stock sales, or suppliers. Within commercial financing, a line of credit or a bank loan is the most accessible for women, while supplier credit is the most difficult to obtain. According to the study, women-owned MSMEs with a bank loan/line of credit represent at least 50% of the total MSMEs in eight countries, with the highest, Chile, at 73.61%, and the lowest, Venezuela, at 25.4%. The highest proportion of working capital financed by suppliers to women-led enterprises was still only 12.5%, in Panama. ■

Source of investment financing for women-led MSMEs



Source: World Bank Enterprise Surveys

third- highest percentage of women who saved money at a financial institution in the past year. Mexican women who use financial services do so frequently—the proportion of women who make at least three deposits or three withdrawals per month is the highest in the region—but they are among the least likely (2.46% of women nationally) to use accounts for business purposes. At 3% nationwide, Salvadorian women are among the least likely to access credit from formal financial institutions.

Women in Colombia and Peru have the greatest access to SME finance

Research has repeatedly shown that access to finance is one of the biggest barriers to growth faced by SMEs in developing countries. According to a study by the International Finance Corporation (IFC) conducted in 2011, up to 70% of women-owned SMEs in Latin America and the Caribbean were underserved or unserved financially.¹ The **Access to SME Finance** indicators measure women-led SMEs' access to bank credit, the amount of collateral required, and the extent to which SMEs can finance their investment and working capital needs externally. Colombia and Peru lead in these measures. In Peru, banks finance 47% of women-led SMEs' investments and 20% of their working capital; in Colombia, women enjoy similarly high

levels of support from banks relative to other countries in the region. Notably, the proportion of investments financed by banks can differ greatly from the proportion of working capital financed by the same institutions. In Ecuador, 39% of the working capital of women-led SMEs is provided by banks, which is the highest percentage in the region. Only 20% of women-led SMEs' investments in Ecuador are financed by banks—the eighth-lowest rate in the region.

The **value of collateral needed for a loan** can also be a barrier for female entrepreneurs. Brazil is the only country in the index to require less than one-to-one coverage for collateral on loans to women-led SMEs; the coverage ratio is 75%. For other countries in the survey, coverage ratios range from 129% in second-best Trinidad and Tobago, to 199% in Ecuador, and up to 369% in Paraguay—by far the highest coverage ratio in Latin America and the Caribbean. The second-highest coverage ratio is required in Costa Rica, at 267%. These coverage ratios determine how much collateral women-led SMEs need in each country to take out a loan of a specified amount. Higher coverage ratios mean that entrepreneurs have access to less money given the value of the collateral they own, and make it more difficult for entrepreneurs with fewer resources to access sufficient credit to start a business.

The WEVentureScope evaluates the access women-led SMEs have to a range of financing

1 "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", International Finance Corporation, October 2011.

mechanisms. With the exception of the indicator measuring the **percentage of women-led SMEs with a bank loan/line of credit**, the overall assessment points to the greater need for financing for these enterprises. An average of 23% of the investment of women-led SMEs is financed by banks across the region, 14% by equity or stock sales. These trends are embedded in the **proportion of investments financed by banks** and the **proportion of investments financed by equity or stock sales** sub-indicators. Access to finance is a crucial factor for increasing entrepreneurship. While women-led SMEs are not entirely shut out of the financial system, the majority of them do not have access to the type of financing that could spur significant growth.

Latin American countries offer strong microfinance opportunities

Access to microfinance can be vital to getting first-time entrepreneurs started. In countries with responsible microfinance systems, obtaining a loan through a microfinance institution can be critical for women entrepreneurs, not only in building their business, but also in establishing a credit history that will facilitate greater financial access in the future. On the whole, the countries in the index performed better on the microfinance measures than on others in the Access to Finance category. Women made up a large share of micro borrowers in the region, with 95% and 70% of microloan users being female borrowers in Mexico and Guatemala, respectively. Women also make up a significant share of the gross loan portfolio of many micro lenders. In Guatemala, loans to women make up 55% of the gross microloan portfolio. In Colombia, they account for a 58% share of the portfolio, and in Mexico for 72%. Women make up 40% or more of the **gross loan portfolio** in 13 of the countries in the index.² These trends bode well for the growth of women-led microenterprises, particularly if microfinance institutions expand their services to women entrepreneurs in countries

where they are currently less well served, such as Chile, Panama, Paraguay and Costa Rica.

Venture capital availability for women in Latin America and the Caribbean

Venture capital is an important engine for entrepreneurship. By allocating capital to young firms and often uncertain markets, it promotes the transformation of disruptive ideas into innovative products that can create scores of new jobs. Beyond job creation, such innovation requires highly skilled labour that encourages country knowledge to diversify beyond what is needed in low value-added activities, such as raw materials extraction, in which emerging economies can become entrenched.³ Currently, natural resources exploitation plays a significant role in the economy in Latin America and the Caribbean. As with labour skills, venture capital can be a catalyst for greater diversification in industry towards higher value-added sectors.

The question is whether this kind of capital is benefiting women's businesses, which tend to operate in less innovative sectors. The region's venture capital reached US\$10.1bn in 2011, but there are currently no data that allow estimating venture capital flows to women-led businesses. However, the WEVentureScope and the 2013 Latin American Private Equity and Venture Capital (LAVCA) Scorecard, measuring the regulatory environment for private equity and venture capital in Latin America, provide interesting insights about the experiences of women entrepreneurs in the region.

Higher private equity and venture capital flows ratio does not necessarily translate into higher investment financing in women-led SMEs

Although some countries with high private equity (PE) and venture capital (VC) investment levels (Brazil and Colombia) are among the countries with the largest share of equity-financed investments in women-led small and medium-sized

² Note that the percentage of female borrowers is different from the percentage of the gross loan portfolio allocated to women. Whereas the former refers to the share of micro borrowers that are women, the latter refers to the share of the portfolio assigned to women borrowers.

³ "Best Practices in Creating a Venture Capital Ecosystem", Multilateral Investment Fund, <http://services.iadb.org/mifdoc/website/publications/b8e73c67-0260-41d2-9edd-2172d323b585.pdf>

In focus

Perception vs. reality, SME access to finance

The World Bank Enterprise Surveys provide an interesting window into perception and reality surrounding access to finance for women-led small and medium-sized enterprises (SMEs). The data provide insights into the proportion of women entrepreneurs and managers in each country who see access to finance as a major constraint in business development. Comparing these data to the proportion of women-led SMEs actually using a bank loan or line of credit in a given country

demonstrates where perception meets reality. In certain countries, improving access to finance for women-led SMEs may not correspond to an increase in formal credit use. This gap between perception and reality surrounding credit financing is important for policymakers to consider when looking for ways to support women entrepreneurs.

In some countries in the WEVentureScope, perception closely matches reality according to this measure, while other countries have much starker contrasts. In Colombia, for example, 66% of women entrepreneurs did not list access to finance among their major constraints to business development. In

the same group, 64% had a bank loan or line of credit for their businesses. At the other end of the spectrum, 99% of women entrepreneurs in Panama did not find access to finance to be a major constraint—yet just 27% had a bank loan or credit line for their businesses. In Venezuela as well, 91% of women entrepreneurs did not consider access to finance a major problem, but only 25% used bank credit for their businesses. The reason for such a similar gap in both Venezuela and Panama is unclear. Perhaps these discrepancies reflect women's increasing access to personal sources for financing, such as savings, and family's and friends' resources. ■

enterprises (SMEs), this is not the case in Panama. This Central American country ranks fourth in terms of PE and VC investment flows, yet it is among the five poorest performers in terms of the proportion of investment financed by equity or stock sales in women-managed MSMEs. Instead, a country like Trinidad and Tobago, which has women-led SMEs with the largest proportion of equity-financed investments, ranks second to last in the PE and VC investment flows as a share of GDP indicator.

These findings suggest areas to explore in making venture capital flow to women's businesses. First, more PE and VC investment does not automatically benefit women's businesses, as the Panama example shows when comparing the LAVCA scorecard with the WEVentureScope. Second, and as a complement to the former idea, regulation is likely to play an important role in increasing and allocating this type of capital financing.

The countries that score best in the 2013 LAVCA Scorecard tend to have overall higher flows of venture capital availability.⁴ This is the case for

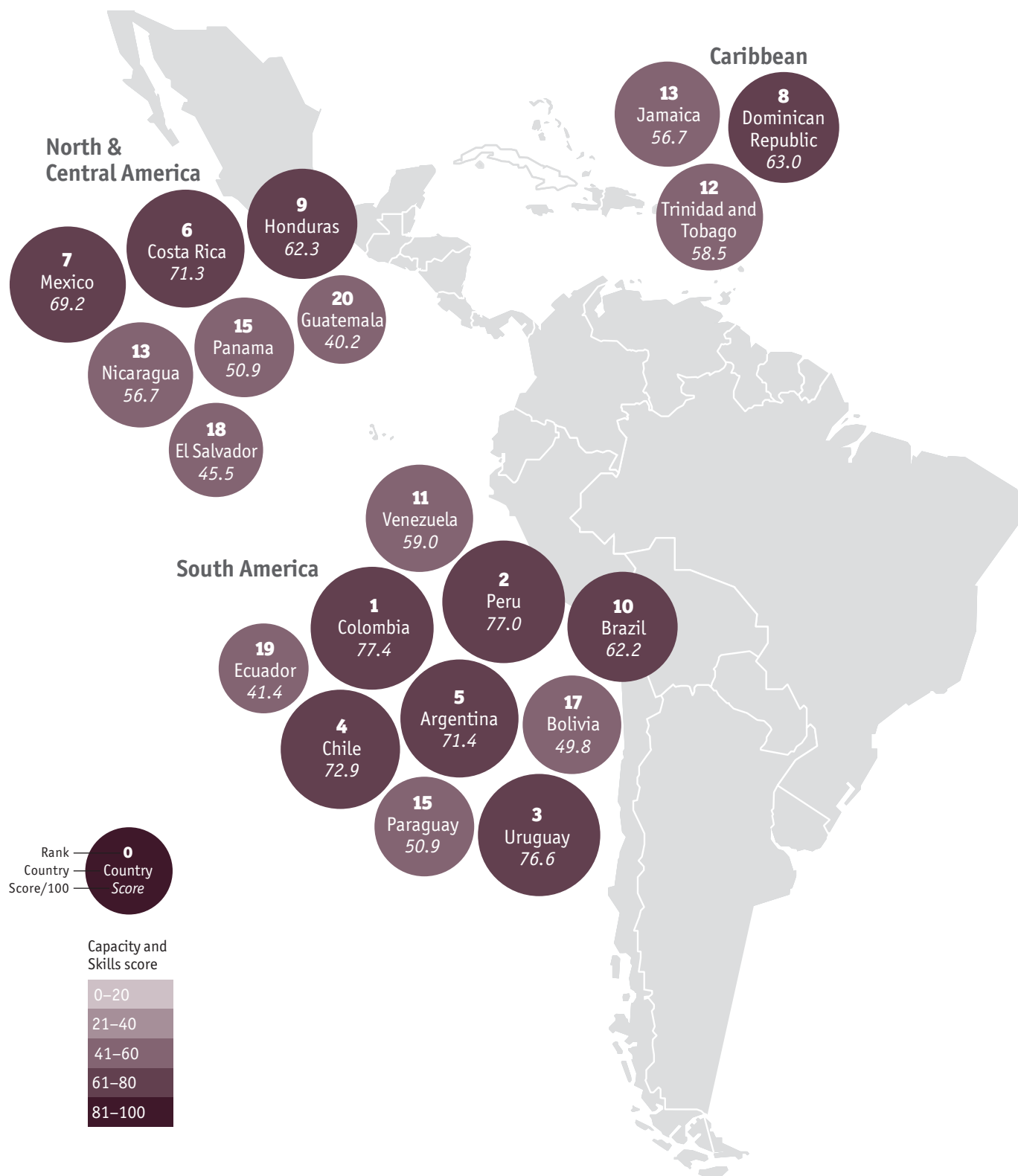
Chile, Brazil and Colombia. In other words, factors such as favourable tax treatment of VC funds and lighter requirements for the formation and operation of VC funds may account for higher rates of PE and VC flows as a share of GDP. Regulation is most likely to exert a direct influence on the amount of investments flows to the region, and a tool to alleviate VC scarcity.

In addition, even though levels of venture capital investment are low compared with the region overall, Trinidad and Tobago has one of the top five most accommodating regulatory environments for PE and VC. At the same time, the country tops the list in terms of equity as the main source of financing for women-led SMEs in the region. This suggests that regulation plays a role not only in increasing VC availability, but also in the allocation of these resources to women. The fact that the difference between the number of male and female entrepreneurs is relatively low in Trinidad and Tobago⁵ reinforces the need for a further exploration of the country's regulatory environment to account for these trends. ■

4 LAVCA 2013 Scorecard: The Private Equity and Venture Capital Environment in Latin America.

5 "Trinidad and Tobago 2010 Report", Global Entrepreneurship Monitor, <http://www.gemconsortium.org/docs/download/640>

Capacity and Skills



Indicators and sub-indicators in this section include:

- 4.1 Microenterprise technical support*
- 4.2 SME technical support*
- 4.3 Business networks*
- 4.4 Educational levels*
 - 4.4.1 School-life expectancy*
 - 4.4.2 Tertiary education*
 - 4.4.3 Vocational programmes*
 - 4.4.4 Advanced degree programmes*
- 4.5 Access to technology
 - 4.5.1 Electronic payments*
 - 4.5.2 Internet access*
 - 4.5.3 UN Online Services Index

There is a mix of gender-neutral (combined measures of both men and women) and women-specific data in this category. All women-specific data are marked with an asterisk (*) above.

Overall results in Capacity and Skills

This category considers the availability and affordability of traditional education programmes for women, as well as basic and advanced business and financial skills training programmes. It also evaluates education levels, as research has shown that a lack of formal education impacts the growth potential for female entrepreneurs.¹ Although the education gap between women and men has largely closed in Latin America and the Caribbean over the past decade, women are still not getting the advanced training they need to start businesses in high value-added sectors, most of which is offered through on-the-job training.² Access to technology is also evaluated, to assess the ease with which women can grow their businesses.

Overall, the Capacity and Skills category is the strongest category for the region. Sixteen out of the 20 countries in the index scored more than 50

¹ "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", International Finance Corporation, October 2011.

² Jennifer Powers and Barbara Magnoni, *A Business to Call Her Own: Identifying, Analyzing and Overcoming Constraints to Women's Small Businesses in Latin America and the Caribbean*. EA Consultants, April 2010.

Rank	Country	Score/100
1	Colombia	77.4
2	Peru	77.0
3	Uruguay	76.6
4	Chile	72.9
5	Argentina	71.4
6	Costa Rica	71.3
7	Mexico	69.2
8	Dominican Republic	63.0
9	Honduras	62.3
10	Brazil	62.2
11	Venezuela	59.0
12	Trinidad and Tobago	58.5
=13	Jamaica	56.7
=13	Nicaragua	56.7
=15	Panama	50.9
=15	Paraguay	50.9
17	Bolivia	49.8
18	El Salvador	45.5
19	Ecuador	41.4
20	Guatemala	40.2

points, reflecting the strong representation of women in formal education and business training courses in the region.

Indicator results in Capacity and Skills

Colombia and Peru topped the rankings in this category overall, with strong performances on **microenterprise technical support** and **SME technical support**, respectively. Ecuador and Guatemala finished at the bottom of this category, owing to nascent technical training programmes in Ecuador and low levels of formal education among women in Guatemala.

Costa Rica, Paraguay and Peru offered the most comprehensive basic skills training for women entrepreneurs, and Peru was also rated highest for more advanced training targeted at high-growth, dynamic women entrepreneurs and their MSMEs. A solid majority of countries demonstrated adequate women's access to business associations and networking opportunities, including Nicaragua, the Dominican Republic and Mexico, as captured by the **business networks** indicator.

Average school expectancy shows that the

number of years women spent in education was greatest in Argentina and Uruguay. **Vocational/technical training programmes** were strongest in Colombia, Guatemala and Jamaica, while Jamaica also joined Trinidad and Tobago with the greatest representation of women in **advanced degree programmes**, particularly in non-traditional fields for women. **Access to technology** was greatest in Chile and Brazil.

Rural and urban access programmes designed for women characterise top performers

All countries covered in the WEVentureScope demonstrated at least a moderate presence of basic skills training for entrepreneurs. Top-ranked countries, such as Costa Rica, Uruguay and Peru, extended coverage of their programmes to both rural and urban areas and targeted women entrepreneurs with specialised training and support programmes. In Costa Rica, more women than men (57% in September 2012) participated in basic business skills education programmes offered by the national training agency. Women's agencies and organisations that offer training programmes to entrepreneurs have partnered with the financial sector to increase access to finance for women entrepreneurs, an important area for improvement in the country.

Promising programmes throughout the region

Beyond the top performers, other countries have also developed promising programmes to train women entrepreneurs. Brazil hosts an annual competition at regional and national levels to promote female entrepreneurship. Argentina has training programmes for girls in secondary and university education who are interested in entrepreneurship, targeting an educational and entrepreneurial attitude gap that experts from other countries have highlighted among their own entrepreneurs. The Dominican Republic reaches out to women via broadcasts of educational programmes and a television soap opera that promotes basic financial literacy for women.

Private-sector initiatives are also instrumental in countries such as Honduras, where the Tegucigalpa Chamber of Commerce and Industry offers training for women owners of MSMEs, and Bolivia, where a microfinance institution, ProMujer, has led women's entrepreneurship promotion.

The WEVentureScope also assesses the availability of more advanced technical training programmes. Peru is the only country in the index that scored four points, on a scale of zero to four, for microenterprise technical support and SME technical support programmes. Peru has a strong presence of non-governmental organisations (NGOs) and private-sector companies that provide training specifically targeted at women, grouped under an umbrella organisation to ensure co-ordination and wide geographical coverage. In Nicaragua, one of the leading national business association has partnered with the Multilateral Investment Fund to create a business accelerator, and local chambers of commerce assist member MSMEs in co-ordination with national organisations. Ecuador has announced plans to promote linkages between start-ups and universities.

The appropriateness of targeting women in these programmes has been a topic of discussion in at least one country. In Argentina, some experts want programmes tailored to meet women entrepreneurs' needs, while others claim that designing programmes in this way is discriminatory. In both Brazil and Chile, women's participation in some business training and acceleration programmes is just 25% or less. Mexico's business incubator system covers the entire country, but there is no evidence that women are specifically targeted.

Online platforms to share information with entrepreneurs

Sharing information with entrepreneurs has been a challenge for many governments and programmes. Increased Internet accessibility and greater usage across the region have increased opportunities for one- and two-way communication with entrepreneurs. In Mexico, the National Institute

for Women operates an office with a website that serves as a clearinghouse for information about programmes that support women entrepreneurs across the country and all levels of government. Similarly, the Uruguay Fomenta platform operates as an online clearinghouse of both in-person and online training programmes for entrepreneurs. Although entrepreneurship programmes in many countries have an online presence, the strength of the sites in Mexico and Uruguay is that they collect information from various sources in a single location for easy access by busy entrepreneurs.

Business networks are another important tool for information-sharing. Although research on

women's access to business networks in the region generally finds that women's access to networks is not as robust as men's, the WEVentureScope found that in the majority of countries analysed women had sufficient access to business networks, although they may still be under-represented in such networks. In Colombia, where female managers hold 38% of top management positions, efforts are under way to connect local businesswomen's networks under a national umbrella organisation. Women in the Dominican Republic lead major business associations that participate actively in policymaking discussions with the government.

In focus

Women's participation in education and motivations of entrepreneurship

What role does education play in influencing entrepreneurship? Numerous studies have shown that education can lead to greater female participation and greater entrepreneurial success.¹ The impact of education varies depending on the type of education—financial literacy training can equip an entrepreneur with the skills she needs to open her business, while secondary or tertiary education can increase self-confidence, which is often associated with entrepreneurial success.

Education has also been shown to differentiate the motivations of female entrepreneurs in developed economies. Highly educated women in wealthy countries tend to start businesses because they identify an opportunity—opportunity-driven entrepreneurs, whereas less educated women in the same countries tend to start businesses because of financial

need—necessity-driven entrepreneurs.² The relationship in developing economies, however, is less clear. There is relatively little research on this phenomenon in developing countries. A study conducted in 2007 in Brazil suggests that level of education can be a determinant of entrepreneurial success. However, the Gender Global Entrepreneurship and Development Index's 2013 pilot study on high-impact female entrepreneurship suggests that highly educated women in middle-income countries are less likely to be entrepreneurs at all.³ To lend greater insight into this question, The Economist Intelligence Unit has analysed the relationship between data on education levels from the UN Educational, Scientific and Cultural Organisation (UNESCO) and entrepreneurial motivations from the Global Entrepreneurship Monitor (GEM) for eight Latin American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Panama and Uruguay).

The results of the EIU's analysis tentatively suggest that highly educated women in Latin America and the Caribbean

may be more likely to pursue opportunity-driven entrepreneurship. Countries with a greater proportion of female graduates in tertiary education also tend to have a higher percentage of women engaged in opportunity-driven activity. Data on female tertiary graduates are not significantly correlated with rates of necessity-driven entrepreneurship in the region. The data also suggest that the fields of study women embark upon may be related to motivations in entrepreneurship. The percentage of women with degrees in social sciences, business and law showed the strongest relationship with opportunity-driven entrepreneurial activity for women. Female graduates in physical sciences, on the other hand, registered no correlation with either opportunity- or necessity-driven entrepreneurial activity.

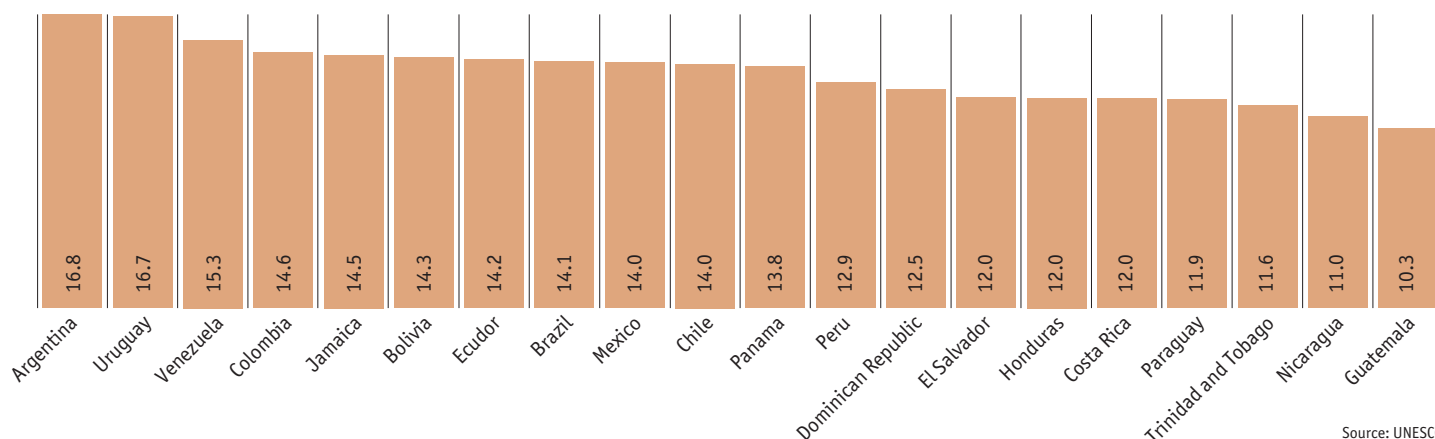
Nonetheless, it is important to understand the results of this analysis within the context of the broader body of research on the subject. The data available for this analysis only allowed for a small sample size. Thus, more than anything else, the results of this analysis point to the need for more in-depth research on the subject. ■

1 Ejaz Ghani, William Kerr and Stephen O'Connell, "What Explains Big Gender Disparities in India? Local Industrial Structures and Female Entrepreneurship, Policy Working Paper 6228", The World Bank, October 2012; Gender Global Entrepreneurship and Development Index (GEDI), 2013.

2 Yves Robichaud, Roland LeBrasseur and KV Nagarajan, "Necessity and Opportunity-driven Entrepreneurs in Canada: An Investigation into their Characteristics and Appraisal of the Role of Gender", *Journal of Applied Business and Economics*, June 2010.

3 Gender Global Entrepreneurship and Development Index (GEDI), 2013.

School life expectancy



Women under-represented in online networks

As in other parts of the world, online professional networks have increased in popularity in Latin America and the Caribbean. LinkedIn is one such network, but female professionals in the region use the site less than their male counterparts. In only six countries in the WEVentureScope did women comprise more than one-third of LinkedIn users on a monthly basis. The proportion of women visitors to the site was highest in Jamaica at 36%. In Trinidad and Tobago, Bolivia, Honduras, Ecuador and Costa Rica the proportion of female visitors was also at least one-third. In the region's largest economies, Brazil, Mexico and Argentina, only one-quarter of visitors to the site were women.

Educational outcomes a key component of entrepreneurial success

Women's educational outcomes influence how and when they become entrepreneurs and what level of sophistication their enterprises are likely to achieve. Higher levels of education not only increase skills and business acumen, but are also associated with a greater awareness of business opportunities and career potential. Improving education helps to reduce poverty; areas with longer school-life expectancy also enjoy higher levels of economic growth. Moreover, well-educated workers are vital for entrepreneurs because they increase a business's productivity

while saving time and money. Business leaders have signalled the importance of labour productivity and school-life expectancy for increasing economic dynamism.

On overall **educational levels**, Jamaica, Uruguay, Venezuela, Colombia and Argentina lead the WEVentureScope rankings. Colombia and Argentina are also countries where sophistication among women-led MSMEs is greatest. In all of these countries women's **school-life expectancy** through tertiary education is 14.5 years or more, and nearly 17 years in Argentina and Uruguay. Women make up 60% or more of university graduates in Venezuela, Argentina, Panama, Uruguay, Costa Rica, Brazil and Honduras. In 15 of the 20 countries surveyed women make up at least 50% of university graduates. In several countries, including Jamaica, Trinidad and Tobago and Mexico, women account for the majority of postgraduate students as well.

Vocational/technical training programmes offer women an alternative to university education. Colombia, Guatemala and Jamaica lead the region with vocational education that is widely accessible, targets both youths and adults and enrolls men and women in similar numbers, including in non-traditional fields of study. In Colombia, women account for 55% of vocational enrolment, and in Jamaica women's enrolment meets or exceeds men's enrolment in non-traditional fields such as metalwork and construction. Upper-secondary education is 85% vocational in Guatemala,

providing broad rural and urban access, and girls are enrolled in higher numbers than boys. Women's access to non-traditional fields is removing the same barriers that discouraged some from becoming entrepreneurs in the past and opens up all sectors of the economy to innovative entrepreneurs regardless of their gender.

In countries where systems could be improved, rural access to vocational education is a challenge, and women's enrolment in non-traditional fields lags men's enrolment. In Argentina, women's enrolment is low overall because most programmes focus on occupations that are non-traditional for women. Costa Rica, El Salvador, Ecuador, Panama and Paraguay could increase rural access to create more training opportunities for women and men.

Guatemala's experience suggests that integrating vocational education into public education systems is one way to increase rural access, assuming that existing public education systems reach rural areas. Mexico has had a similar experience.

The cost of higher education is another factor that lowered the scores of some countries in Latin America and the Caribbean. In Chile and Costa Rica, observers highlighted the cost of university education as a factor that could limit accessibility. In Chile, households pay almost 70% of university costs, leaving less expensive vocational education as the only option for some students. Growing enrolment demand in Costa Rica has limited admission slots in more affordable public universities, pushing some students into higher-

In focus

Women in Latin America and the Caribbean are less afraid to start businesses than women in other regions

The world has started to recognise the impact of women-owned businesses on economic growth in developed and emerging economies through innovation, job creation and revenue. According to the Center for Women's Business Research, women-owned businesses in the United States contributed an estimated US\$3,000bn to the economy in 2009. While small, female-owned businesses play a significant role in developing economies, they contribute a much smaller share of annual GDP than in developed countries, even though entrepreneurial rates are higher. A study conducted by the International Finance Corporation (IFC) showed that women-owned businesses are concentrated in less profitable industries than their male counterparts.¹

In Latin America and the Caribbean,

as in other parts of the world, male entrepreneurial activity exceeds that of women. In order to account for this differential, research has increasingly focused on women entrepreneurs' attitudes as compared to those of men. The Global Entrepreneurship Monitor (GEM) conducts an annual survey to identify elements in the social and cultural environment in which entrepreneurs operate that are key to influencing entrepreneurs' attitudes and perceptions. The Economist Intelligence Unit has disaggregated 2009 GEM data by gender to explore the perceptions of women entrepreneurs in Latin America and the Caribbean.

Despite many studies showing that lack of skills is a barrier to women's entrepreneurship in developing countries, that perception is not shared by many women in Latin America and the Caribbean. In fact, almost 60% of women surveyed believe that they have the right skills to start a business. This compares with 34% of women in OECD countries. Among the 11 Latin American countries that form part of the survey, women in Jamaica and Peru have the greatest confidence in their skills for starting a business, while only 46% of women surveyed in Brazil believe they

are technically prepared to embark on an entrepreneurial activity.

The survey also found relatively high rates of entrepreneurial intentions among women in Latin America and the Caribbean compared with OECD countries. Whereas 23% of women in Latin America and the Caribbean intend to start a business in the next three years, only 7% plan to do so in OECD countries. Intention translates into reality—the rates of nascent and established business ownership in the countries surveyed in the WEVentureScope are as much as ten times higher than the OECD average.

Latin American women are also somewhat less afraid of failure than their peers in OECD countries. In Latin America and the Caribbean, 32% of women surveyed expressed fear of failure as a constraint to starting a business, compared with 37% of women who expressed the same feeling in OECD countries. However, countries in the region where a higher number of women reported being afraid of failure did not necessarily have a lower percentage of nascent female entrepreneurs. This suggests that fear of failure might not deter a woman from starting a business, but other barriers might play a more significant role. ■

¹ "Strengthening Access to Finance for Women-Owned SMEs in Developing Countries", International Finance Corporation, October 2011.

priced private universities that they can only afford with loans. At the other end of the spectrum, affordability has not been a problem in Trinidad and Tobago, where the government pays tuition fees for undergraduate students and up to 50% of tuition for graduate students who commit to stay and work in the country.

Increased access to information technology could spur entrepreneurship

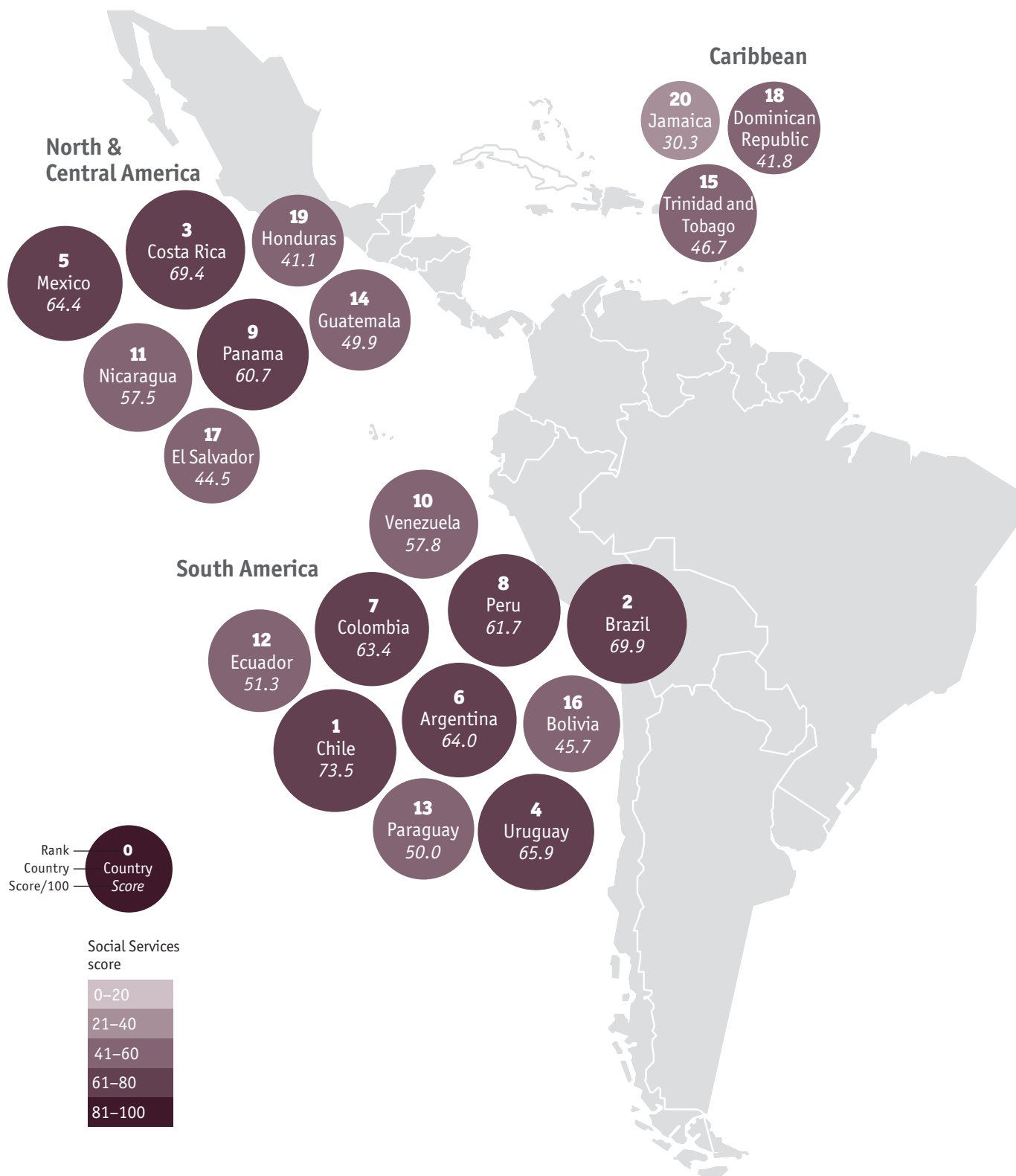
Technology enables entrepreneurs to connect more easily with suppliers, clients and government, streamlining their business operations while also facilitating access to the latest information on production and other trends. **Internet access** in Latin America and the Caribbean has increased, but in only three countries (Trinidad and Tobago, Chile and Uruguay) do Internet users make up more than 50% of the population. In Central America, with the exception of Panama and Costa Rica, Internet users comprise less than 20% of the population, and just 11% in Nicaragua. In high- and medium-income countries the information technology (IT) sector has been one of the most dynamic and entrepreneurial sectors in the economy. Competitive IT sectors are characterised by low start-up costs and level playing fields, where the best ideas win the most users. Increasing access to technology and education could help to develop dynamic, entrepreneurial IT sectors throughout the region.

Despite low to moderate levels of Internet access, governments have increased their online offerings through e-government initiatives. Colombia, Chile, Mexico, Brazil and El Salvador lead the region in delivering government services via the Internet. E-government can increase efficiency for entrepreneurs seeking to register their businesses with a minimum of hassle and extends the reach of government services to every region with an Internet connection.

Adoption of new technologies lags financial access

Women who make electronic payments are in a minority in every country in the region, ranging from 12.5% in Brazil at the top of the list to just 0.6% in Bolivia and Guatemala. Even in countries where women are likely to save at financial institutions, such as Trinidad and Tobago (56%) and Jamaica (47%), less than 7% have used electronic payments. In Bolivia, 43% of women saved at a financial institution during the year and 18% took out a loan, but less than 1% had used electronic payment services. In a country where women head 31% of households, the low-tech financial system is a drain on time and resources for women entrepreneurs. But Bolivia is not alone: access to finance has increased in the region, but adoption of technologies that could improve efficiency and further broaden access has not kept pace. ■

Social Services



Indicators and sub-indicators in this section include:

- 5.1 Childcare
- 5.2 Elderly care
 - 5.2.1 Old-age dependency ratio
 - 5.2.2 Pension coverage
- 5.3 Maternity and paternity leave
- 5.4 Healthcare access
 - 5.4.1 Government social security expenditure on health
 - 5.4.2 Maternal mortality*

There is a mix of gender-neutral (combined measures of both men and women) and women-specific data in this category. All women-specific data are marked with an asterisk (*) above.

Overall results in Social Services

The Social Services category determines the degree to which governments have provided adequate support for families, which is a critical enabler for women to move beyond traditional care-giving roles to those offering greater economic opportunity.

Childcare and care for elderly family members have traditionally been women's responsibilities. In countries where alternative systems for child and elderly care exist, women enjoy increased freedom to pursue entrepreneurship. Maternity leave schemes that include support for entrepreneurs remove disincentives for entrepreneurship among women. Paternity leave programmes allow fathers to assume parental responsibilities, giving mothers who are entrepreneurs more time to manage their businesses.

The provision of social services is highest in Brazil, Chile, Uruguay and Argentina, while Jamaica, Honduras, Trinidad and Tobago and El Salvador show the greatest need for improvement.

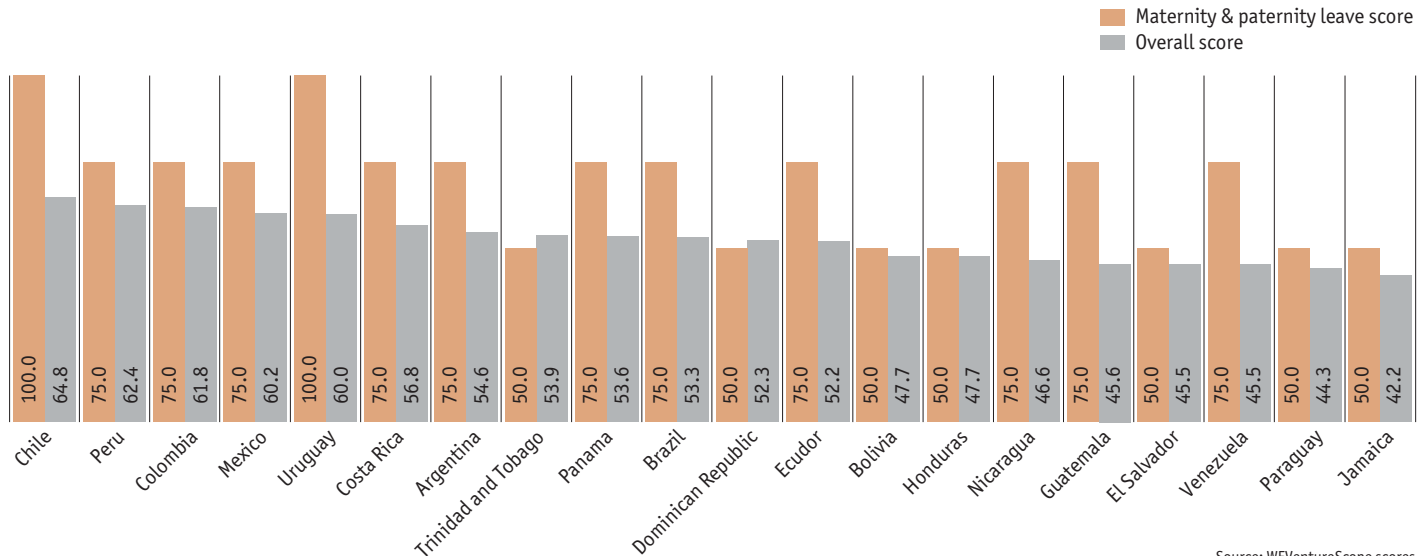
Rank	Country	Score/100
1	Chile	73.5
2	Brazil	69.9
3	Costa Rica	69.4
4	Uruguay	65.9
5	Mexico	64.4
6	Argentina	64.0
7	Colombia	63.4
8	Peru	61.7
9	Panama	60.7
10	Venezuela	57.8
11	Nicaragua	57.5
12	Ecuador	51.3
13	Paraguay	50.0
14	Guatemala	49.9
15	Trinidad and Tobago	46.7
16	Bolivia	45.7
17	El Salvador	44.5
18	Dominican Republic	41.8
19	Honduras	41.1
20	Jamaica	30.3

Indicator results in Social Services

Childcare in Chile and Uruguay is the most accessible and of the highest quality in the region. In a majority of countries childcare options are sufficient to allow women to pursue entrepreneurial activities. Women in Brazil and Argentina spend the least amount of time in elderly care, owing to high levels of pension coverage despite old-age dependency ratios above the regional average. Brazil and Chile provide the most generous **maternity and paternity leave** schemes, which cover maternity and paternity leave for entrepreneurs as well as salaried employees. Costa Rica leads the **healthcare access** indicator ranking with the highest social security expenditure on healthcare as a percentage of general government spending and the third-lowest maternal mortality rate in the region. Chile's **maternal mortality** rate is the lowest in Latin America and the Caribbean, but its social security spending on healthcare lags most other countries in the region.

In Chile and Uruguay, childcare is least likely to present an obstacle to women entrepreneurs, while

Maternity & paternity leave scores vs. WEVentureScope overall scores



Source: WEVentureScope scores

Brazil and Argentina lead in terms of **elderly care**. In seven countries childcare availability, affordability or quality could limit women entrepreneurs' options. In terms of elderly care, the **old-age dependency ratio** is highest in Uruguay and Argentina at 22% and 17%, respectively. However, in both countries most of the population over the age of 65 receives pension benefits—90% in Argentina and 86% in Uruguay, according to the **pension coverage** sub-indicator. In Brazil, too, 86% of the population over the age of 65 receives pension benefits, but outside these three countries coverage drops, with only 57% in Chile, 45% in Panama and 41% in Costa Rica receiving benefits, although these countries are among the most generous in Latin America and the

Caribbean. Mexico and Ecuador are two examples of countries which have old-age dependency ratios close to the regional average (both at 10%), but their pension coverage is below the regional average, at 25% in Mexico and 20% in Ecuador.

Maternity and paternity leave systems in Brazil and Chile qualify as the most generous in Latin America and the Caribbean. Systems in these countries provide at least 14 weeks of maternity leave and include provisions that cover entrepreneurs as well as salaried employees. In addition, paternity leave schemes increase options for working mothers and entrepreneurs. Systems in Colombia, Bolivia, Mexico, Nicaragua, Panama and Peru also scored well, but coverage for entrepreneurs varied. ■



Methodology

The Women's Entrepreneurial Venture Scope (WEVentureScope) assesses the environment for supporting and growing women's businesses in 20 Latin American and Caribbean countries, from microenterprises to small and medium-sized firms. The Economist Intelligence Unit (EIU) and the Multilateral Investment Fund (MIF) have consulted a wide range of experts in economic development and women's business environment to identify factors affecting female entrepreneurs. The result is a dynamic index of qualitative and quantitative metrics measuring Business Operating Risks, the Entrepreneurial Business Environment, Access to Finance, Capacity and Skills and the presence of Social Services. With 49 indicators and sub-indicators, it is one of the most detailed benchmarking studies undertaken by the EIU.

We have created eight new qualitative measures for this index to assess previously unmeasured aspects of the business environment that support the participation of women, such as access to business networks and the quality and availability of tertiary education programmes for women. We have also filtered and normalised existing data sets to gain new insights into the business environment for women. Our goal in producing this index is to stimulate dialogue and promote research into women's entrepreneurial advancement.

Scoring criteria and categories

Categories and indicators have been selected on the basis of expert analysis by the EIU in consultation with the MIF and a panel of experts on economic development and women's issues. The goal of the experts' meeting, which was held in September 2012, was to refine the index framework and the selection of indicators, and to ensure a transparent and robust methodology.

To produce the overall WEVentureScope score for each country, five category scores are calculated from the weighted mean of underlying indicators and scaled from 0-100, where 100 = the most favourable environment for supporting women's businesses. The categories and indicators are as follows:

1. Business Operating Risks

- 1.1 Macroeconomic risk
- 1.2 Security risk
- 1.3 Vulnerability to corruption

2. Entrepreneurial Business Environment

- 2.1 Property rights
- 2.2 Costs of doing business
- 2.3 Business sophistication
- 2.4 Supporting regulation
- 2.5 Supplier-diversity initiatives
- 2.6 Female-headed households

3. Access to Finance

- 3.1 General access to finance
- 3.2 Access to SME finance
- 3.3 Access to microfinance

4. Capacity and Skills

- 4.1 Microenterprise technical support
- 4.2 SME technical support
- 4.3 Business networks
- 4.4 Educational levels
- 4.5 Access to technology

5. Social Services

- 5.1 Childcare
- 5.2 Elderly care
- 5.3 Maternity and paternity leave
- 5.4 Healthcare access

Please see the *Appendix* for indicator definitions.

Data for the quantitative indicators are drawn from national and international statistical sources. Where quantitative or survey data were missing values, the EIU has provided estimates. We have also created qualitative indicators based on interviews conducted in-country as well as reports and surveys from national governments and international organisations, taking into account relevant data where available.

The main quantitative sources used in the WEVentureScope are the EIU; the World Bank Group; the Economic Commission for Latin America and the Caribbean; the UN Educational, Scientific and Cultural Organisation; the Global Entrepreneurship Monitor; the World Health Organisation; the International Labour Organisation, and national statistical offices.

Country selection

The 20 countries in the index were selected by the EIU in consultation with the MIF. The goal was to include a wide selection of countries in the region, on the understanding that serious data limitations would make it impossible to include many smaller and less-developed economies. Haiti has been included in the model but not scored owing to limited data availability.

- 1. Argentina
- 2. Bolivia
- 3. Brazil
- 4. Chile
- 5. Colombia
- 6. Costa Rica
- 7. Dominican Republic
- 8. Ecuador
- 9. El Salvador
- 10. Guatemala
- 11. Honduras
- 12. Jamaica
- 13. Mexico
- 14. Nicaragua
- 15. Panama
- 16. Paraguay
- 17. Peru
- 18. Trinidad and Tobago
- 19. Uruguay
- 20. Venezuela

Data modelling

Indicator scores are normalised and then aggregated across categories to enable a comparison of broader concepts across countries. Normalisation rebases the raw indicator data to a common unit so that they can be aggregated. The indicators where a higher value indicates a more favourable environment for women entrepreneurs—such as the percentage of female tertiary-school graduates or the prevalence of women with bank accounts—have been normalised on the basis of:

$$x = (x - \text{Min}(x)) / (\text{Max}(x) - \text{Min}(x))$$

where $\text{Min}(x)$ and $\text{Max}(x)$ are, respectively, the lowest and highest values in the 20 economies for any given indicator. The normalised value is then transformed from a 0-1 value to a 0-100 score to make it directly comparable with other indicators. This in effect means that the country with the highest raw data value will score 100, while the lowest will score 0.

For the indicators where a high value indicates an unfavourable environment for women entrepreneurs—such as the value of collateral needed for a loan or macroeconomic risk—the normalisation function takes the form of:

$$x = (x - \text{Max}(x)) / (\text{Max}(x) - \text{Min}(x))$$

where $\text{Min}(x)$ and $\text{Max}(x)$ are, respectively, the lowest and highest values in the 20 economies for any given indicator. The normalised value is then transformed into a positive number on a scale of 0-100 to make it directly comparable with other indicators.

Calculating the WEVentureScope

Once the values are normalised for each indicator, they are aggregated into an overall score, which is calculated as the unweighted average of the normalised scores for each of the indicators. The 20 countries assessed can then be ranked according to these indices. The benchmarking model also provides the option for users to create alternative weighting profiles according to individual policy priorities. Changing the weightings for an individual category or indicator increases or decreases the emphasis for that metric, causing the countries to be re-ranked based on their respective strengths in the adjusted areas. ■



Country profiles

Argentina	40
Bolivia	42
Brazil	44
Chile	46
Colombia	48
Costa Rica	50
Dominican Republic	52
Ecuador	54
El Salvador	56
Guatemala	58
Honduras	60
Jamaica	62
Mexico	64
Nicaragua	66
Panama	68
Paraguay	70
Peru	72
Trinidad and Tobago	74
Uruguay	76
Venezuela	78

Argentina

Overall score:

54.6

Overall rank:

7

Real GDP (PPP US\$
at 2005 prices):*

667.3

Population (m):

41.7

% of firms with a
female top manager:

9.4

Global Competitiveness
Index rank:

94/144

Category		All-country average
Business operating risks	45.0	56.7
Macroeconomic Risk	25.0	61.3
Security Risk		54.9
Vulnerability to corruption	34.6	54.0
Entrepreneurial business environment	55.5	49.5
Property rights		76.3
Costs of doing business	49.3	67.9
Business sophistication		48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	13.3	27.7
Access to finance	37.3	40.4
General access to finance	30.9	35.9
Access to SME finance	37.9	45.6
Access to microfinance	42.9	39.8
Capacity and skills	71.4	60.6
Microenterprise technical support	75.0	67.5
SME technical support	50.0	53.8
Business networks		80.0
Educational levels	75.5	58.9
Access to technology	56.3	43.1
Social services	64.0	55.5
Childcare	75.0	68.8
Elderly care	67.9	54.6
Maternity and paternity leave	44.4	46.1
Healthcare	68.7	52.4

* EIU estimate for 2013



Argentina

Argentina ranks seventh out of 20 countries in the overall environment for female entrepreneurs. Social Services, Capacity and Skills training and the Entrepreneurial Business Environment provide favourable fundamentals for women managing micro and small and medium-sized enterprises (MSMEs). Macroeconomic risk and perceived vulnerability to corruption continue to challenge entrepreneurs—Argentina is ranked second-to-last in both categories.

Women benefit from various attributes that favour entrepreneurial activity. Property rights, which account for the default marital property regime and joint titling, give equal treatment to men and women in the eyes of the law, facilitating women's entitlement to own assets. Business networks for women are well established. In education, women's enrolment in advanced degree programmes has increased significantly over the past few years, and Argentina ranks first in the region for school-life expectancy. In 2009 women accounted for 59% of total enrolment in tertiary programmes, according to the UN Educational, Scientific and Cultural Organisation (UNESCO). Social services for women in Argentina are also

strong, and the country ranks in the top three for childcare, elderly care, pension coverage and healthcare. These services give women more time and resources to pursue entrepreneurial activities.

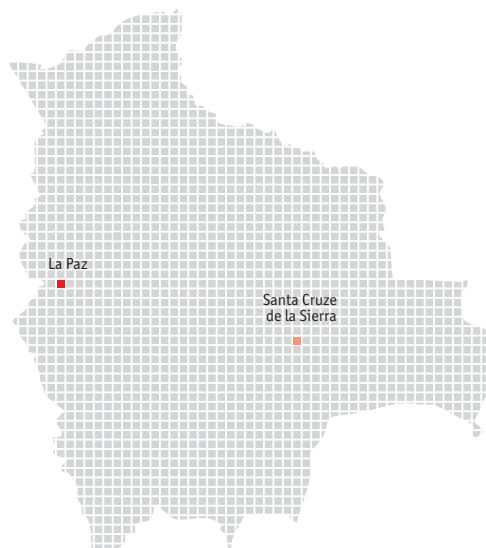
The main risk faced by businesses operating in Argentina—both men's and women's—is macroeconomic risk. High inflation, the result of expansionary fiscal and monetary policy, has led to sustained real appreciation of the local currency and an erosion of the current-account surplus in recent years. The deterioration of the balance of payments has in turn produced peso devaluation pressures. Foreign-exchange and import controls imposed to reduce pressure on the currency and the foreign reserves have impacted negatively on economic activity. Vulnerability to corruption is also a challenge for entrepreneurs, as 60% of MSMEs managers see corruption as a constraint for doing business. The country ranks 19th out of 20 countries in Latin America and the Caribbean for the overall costs of doing business, which include the fees associated with starting a business, the availability of credit information and the total tax rate and contract enforcement. According to the World Bank, the total tax rate (including labour contributions) for businesses in Argentina was 108% in 2012, which acts as a deterrent to entrepreneurship. ■

Bolivia

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
47.7	13	50.2	10.4	27.6	104/144

Category		All-country average
Business operating risks	51.3	56.7
Macroeconomic risk	65.0	61.3
Security risk	50.2	54.9
Vulnerability to corruption	38.6	54.0
Entrepreneurial business environment	46.7	49.5
Property rights		100.0 76.3
Costs of doing business	54.1	67.9
Business sophistication	44.5	48.4
Supporting regulation		60.0 46.0
Supplier-diversity initiatives	12.5	30.6
Female headed households	9.1	27.7
Access to finance	44.9	40.4
General access to finance		48.6 35.9
Access to SME finance	36.3	45.6
Access to microfinance		49.7 39.8
Capacity and skills	49.8	60.6
Microenterprise technical support		75.0 67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	53.0	58.9
Access to technology	21.0	43.1
Social services	45.7	55.5
Childcare	50.0	68.8
Elderly care	54.8	54.6
Maternity and paternity leave		55.6 46.1
Healthcare	22.4	52.4

* EIU estimate for 2013



Bolivia

Bolivia is tied for 13th place out of 20 countries for the overall environment for female entrepreneurs. High business operating risks and low access to technology are the biggest challenges facing women managing micro, small and medium-sized enterprises (MSMEs). Perceived vulnerability to corruption is a key area of concern. A series of reform efforts launched in the 1990s has improved the efficiency of some bureaucratic processes, but many institutions still suffer from weak accountability, cronyism and red tape.

Female entrepreneurs in Bolivia report a greater bribery prevalence than their regional counterparts. Security risks are also an area where there is room for improvement. Although managers regard crime as only a moderate obstacle for MSMEs and challenges such as terrorism, kidnapping and violent crime are still relatively rare in Bolivia, security costs for firms are the second-highest in the region.

Access to technology to streamline business operations is also a challenge for female entrepreneurs. This is especially relevant in the area of electronic payments, where Bolivia has the lowest share of women making use of this mechanism. Internet access lags much of the region, with only 30% Internet usage. This compares with Trinidad and Tobago, Chile and

Uruguay, where over half the population is connected to the Internet. Supporting regulation to ensure access to procurement opportunities could also be improved. Policies are in place prioritising the selection of MSMEs for government contracts of a certain size, but implementation has so far been ineffectual because many of these businesses operate informally. There are no co-ordinated supplier-diversity initiatives in the private sector.

Taking into account the default marital property regime and joint titling, Bolivia scores favourably for women's property rights. This is considered an important finding, because regulation enhancing women's rights over assets facilitates their access to finance. Although education levels are not high, women's enrolment is similar to men's in vocational and advanced degree programmes. Financial assistance is available to low-income students, and there are specialised and indigenous-focused universities which receive public funds. Women also have access to basic skills training through numerous private- and public-sector initiatives. These programmes have a wide geographical reach through Bolivia's extensive microfinance network, although many do not specifically target women. Still, the prevalence of a few microfinance institutions specifically targeting women provides robust resources for microenterprises and gender-based training. ■

Brazil

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
53.3	10	2103.0	196.5	18.4	48/144

Category		All-country average
Business operating risks	35.4	56.7
Macroeconomic risk	55.0	61.3
Security risk	18.1	54.9
Vulnerability to corruption	33.0	54.0
Entrepreneurial business environment	52.0	49.5
Property rights		100.0 76.3
Costs of doing business	58.8	67.9
Business sophistication		62.1 48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	25.0	30.6
Female headed households	25.9	27.7
Access to finance	47.1	40.4
General access to finance	35.8	35.9
Access to SME finance		63.8 45.6
Access to microfinance	41.6	39.8
Capacity and skills	62.2	60.6
Microenterprise technical support		75.0 67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	54.3	58.9
Access to technology		81.8 43.1
Social services	69.9	55.5
Childcare		75.0 68.8
Elderly care		86.1 54.6
Maternity and paternity leave		77.8 46.1
Healthcare	40.6	52.4

* EIU estimate for 2013



Brazil

Brazil ranks tenth out of 20 countries for the overall environment for women entrepreneurs. High Business Operating Risks are the biggest challenges facing women in business. However, women in Brazil benefit from a wide access to and availability of Social Services. The country ranks among the best in the Access to Finance category.

Brazil excels in several aspects. Female entrepreneurs receive good support through social services, such as elderly care and childcare, allowing for more time availability. Access to finance for micro, small and medium-sized enterprises (MSMEs) is particularly good. A large percentage of women-led SMEs in the country is able to obtain loans from banks and finance investments through the same institutions or equity. In terms of Capacity and Skills training, women entrepreneurs benefit from technical support through government entities such as the Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Sebrae) and the Serviço Nacional de Aprendizagem Industrial (Senai), although these programmes do not specifically target women. This is an effort also complemented by the private

sector, which has embarked on several initiatives to foster women's entrepreneurship. In addition, Brazil scores reasonably well in tertiary education.

According to the UN Educational, Scientific and Cultural Organisation (UNESCO), 60.8% of tertiary graduates are women.

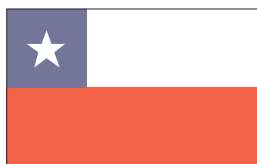
Brazil has room for improvement in some areas. Vulnerability to corruption is a concern. Despite recent reforms seeking to address the problem, 70% of MSMEs included in the study see corruption is a major constraint for their business. To a lesser extent, security risk remains an issue, as it acts as a deterrent to starting a business. Crime perception is greater among MSMEs managers in Brazil than in any other country in the index. Despite successful endeavours to address hyperinflation during the 1990s, price levels remain a concern, as expectations have come adrift from the 4.5% central target. This poses a challenge to entrepreneurial activity. The low prevalence of supplier-diversity initiatives is also a concern. Although both the public and the private sector are involved in the few initiatives that are present, their implementation is reportedly poor. There are very few programmes that specifically target women entrepreneurs. ■

Chile

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
64.8	1	291.0	17.6	12.8	33/144

Category		All-country average
Business operating risks	77.7	56.7
Macroeconomic risk	75.0	61.3
Security risk	58.0	54.9
Vulnerability to corruption	100.0	54.0
Entrepreneurial business environment	61.8	49.5
Property rights	100.0	76.3
Costs of doing business	93.1	67.9
Business sophistication	52.9	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	50.0	30.6
Female headed households	14.7	27.7
Access to finance	38.4	40.4
General access to finance	25.0	35.9
Access to SME finance	61.8	45.6
Access to microfinance	28.2	39.8
Capacity and skills	72.9	60.6
Microenterprise technical support	75.0	67.5
SME technical support	50.0	53.8
Business networks	100.0	80.0
Educational levels	54.3	58.9
Access to technology	85.2	43.1
Social services	73.5	55.5
Childcare	100.0	68.8
Elderly care	57.9	54.6
Maternity and paternity leave	77.8	46.1
Healthcare	58.2	52.4

* EIU estimate for 2013



Chile

Chile tops the index for offering female entrepreneurs the most favourable overall business environment. Chile ranks among the top four in four out of the five categories of the index, coming first for its low Business Operating Risk, highly supportive Entrepreneurial Business Environment and adequate provision of Social Services. Robust economic fundamentals, along with political and institutional stability, encourage investor confidence and micro, small and medium-sized enterprise (MSME) activity. Sound public finances and strong fiscal savings put Chile in a good position to face possible global shocks, while strong links to China offset tepid growth in US and European markets. Wage pressures from tight labour markets suggest the risk of inflation acceleration, but this is limited by sound monetary policy.

Security risk in Chile is among the lowest in the region, with employment gains in recent years precluding any unexpected rise in crime and violence. Strong institutional traditions mean that public officials are generally held accountable for their actions, and resignations by high-profile officials in recent years have demonstrated the low level of tolerance towards suspicions of corruption or irregularities. Bribery is uncommon as a result, and managers report a weak perception of corruption vis-à-vis other countries in the region. Low corporate taxes and mandatory contributions significantly drive down the costs of doing business

in Chile, making the country the most favourable in the region for this indicator. MSMEs, in particular, qualify for a more flexible process of starting a business and a simplified tax regime, thereby facilitating their establishment and operation.

Widespread use of the Internet strengthens entrepreneurs' access to online resources. This extends to online business networks: Chile has the largest number of LinkedIn users as a percentage of the total population of any country in the region. Moreover, high access to technology increases the ability of MSMEs to streamline business operations through mechanisms such as electronic payments.

Certain features of Chile's Social Services framework provide key support to female entrepreneurs. Women have easy access to childcare, either through their extended family or high-quality professional services, although the costs of these services may be prohibitive. Maternity benefits are generous, with public funds available to female entrepreneurs who take maternity leave. Women's general Access to Finance is the only identifiable area for improvement, with relatively low rates of women using accounts at formal financial institutions for savings and loans. In addition, less than 50% of microloan borrowers are women and the female loan gross portfolio remains low, with only 34.2% of the portfolio of the microfinance institutions in the region allocated to women's loans. ■

Colombia

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
61.8	3	454.7	48.8	25	69/144

Category		All-country average
Business operating risks	66.0	56.7
Macroeconomic risk	70.0	61.3
Security risk	60.6	54.9
Vulnerability to corruption	67.3	54.0
Entrepreneurial business environment	49.9	49.5
Property rights	41.7	76.3
Costs of doing business	51.3	67.9
Business sophistication	62.6	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	46.2	27.7
Access to finance	52.5	40.4
General access to finance	34.4	35.9
Access to SME finance	68.3	45.6
Access to microfinance	55.0	39.8
Capacity and skills	77.4	60.6
Microenterprise technical support	75.0	67.5
SME technical support	75.0	53.8
Business networks	100.0	80.0
Educational levels	68.6	58.9
Access to technology	68.3	43.1
Social services	63.4	55.5
Childcare	75.0	68.8
Elderly care	55.4	54.6
Maternity and paternity leave	66.7	46.1
Healthcare	56.6	52.4

* EIU estimate for 2013



Colombia

Colombia ranks third out of 20 countries for the overall environment for female entrepreneurs. Relatively low Business Operating Risks, easy Access to Finance, wide availability of business networks for women operating micro, small and medium-sized enterprises (MSMEs) and high levels of education are advantages that benefit women entrepreneurs. There is, however, room for improvement in other areas. The cost of doing business in Colombia is higher than average, which places the country in tenth position in the Entrepreneurial Business Environment category. Colombia also scores relatively poorly in indicators of usage of financial services.

From a macroeconomic perspective, the government has focused on improving the business environment and attracting foreign direct investment in infrastructure, mining and the hydrocarbons industry. Another major focus of economic policy is the promotion of more inclusive growth and formal job creation. In December 2012 Congress approved a long-awaited tax reform, which is expected to reduce the overall cost of doing business. This tax reform should help entrepreneurs and business managers, since the high business costs are currently driven by taxes and delays in contract enforcement. In fact, the

WEVentureScope ranked Colombia second-to-last in contract enforcement with a score of 10.8 out of 100. Another category where Colombia needs to make improvements is the use of financial products, as it placed in the bottom third for women with a bank account at a formal institution who make three or more withdrawals and deposits in a typical month, based on data from the World Bank's Global Findex.

Women managers of MSMEs enjoy wide access to business organisations. In fact, Women's World Banking, a microfinance network, has a strong presence in Colombia and promotes networks for women entrepreneurs. In addition, education and Capacity and Skills training at all levels are particularly strong. In 2003 Colombia passed legislation to institutionalise the obligation to offer technical, organisational and management support to MSMEs belonging to women in all regions of the country, both urban and rural. Today, programmes that target women and offer basic skills as well as sophisticated training are moderately available in both urban and rural areas. INNPulsa Mipymes is a government programme which provides both financing and training to MSMEs to promote modernisation and innovation. Women entrepreneurs also receive strong support through Social Services, particularly for childcare and maternity and paternity leave. ■

Costa Rica

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
56.8	6	54.0	4.9	16.5	57/144

Category		All-country average
Business operating risks	65.5	56.7
Macroeconomic risk	40.0	61.3
Security risk	77.7	54.9
Vulnerability to corruption	78.7	54.0
Entrepreneurial business environment	48.2	49.5
Property rights	41.7	76.3
Costs of doing business	63.2	67.9
Business sophistication	52.9	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	33.6	27.7
Access to finance	29.4	40.4
General access to finance	41.4	35.9
Access to SME finance	31.3	45.6
Access to microfinance	15.6	39.8
Capacity and skills	71.3	60.6
Microenterprise technical support	100.0	67.5
SME technical support	50.0	53.8
Business networks	100.0	80.0
Educational levels	49.1	58.9
Access to technology	57.4	43.1
Social services	69.4	55.5
Childcare	75.0	68.8
Elderly care	62.7	54.6
Maternity and paternity leave	44.4	46.1
Healthcare	95.5	52.4

* EIU estimate for 2013



Costa Rica

Costa Rica ranks sixth out of 20 countries for the overall environment for female entrepreneurs. Capacity and Skills training is available to business women in areas such as financial literacy and bookkeeping. In the Access to Finance category Costa Rica ranks 18th in the region, as overall access to finance for female business owners and managers can present a major obstacle.

Perception of corruption and bribery is relatively low, and so is the perception of crime, theft and disorder as a major constraint to micro, small and medium-sized enterprises (MSMEs). This places Costa Rica in the top 30% for the lowest business operating risks for entrepreneurs. Costa Rican women also have some Social Services infrastructure to support them. The availability of childcare and healthcare access are good. In addition, business networks and basic skills training programmes are widely available and target women.

The largest obstacle for women in business, according to this study, is Access to Finance. Costa Rica is among the countries demanding the highest collateral for women entrepreneurs, and women-led enterprises find little support in banks to

finance investments. In addition, women represent only 40.8% of the microfinance portfolio, the lowest proportion in the region, and Costa Rica ranks last in terms of the share of portfolio allocated to women borrowers. This contrasts, however, with the great technical support available to women running MSMEs in the country.

Although on a macroeconomic level the Costa Rican economy has demonstrated moderate resilience in the face of the global economic crisis, with growth averaging around 4.5% every year since 2009, the risk of macroeconomic instability remains relatively high owing to the country's vulnerability to external shocks, given its small size and openness.

MSMEs are essential to Costa Rica's growth, since they account for approximately 70% of GDP, according to the World Bank.¹ Although there is comprehensive regulation supporting the creation and growth of MSMEs, gender differentiation and microenterprise support could be improved. Implementation of supplier-diversity programmes in the public sector is poor; there is as yet no register of SME suppliers, and the only one currently available is not disaggregated by company size or gender. ■

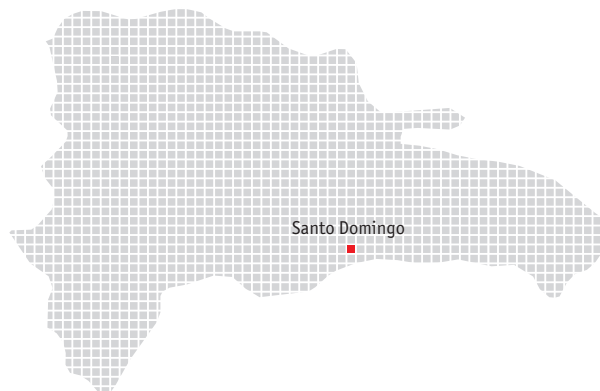
¹ http://www1.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Financial+Markets/msme+finance/sme+banking/msme-countryindicators

Dominican Republic

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
52.3	11	105.2	9.8	19.9	105/144

Category		All-country average
Business operating risks	57.9	56.7
Macroeconomic risk	65.0	61.3
Security risk	63.8	54.9
Vulnerability to corruption	44.9	54.0
Entrepreneurial business environment	54.6	49.5
Property rights	83.3	76.3
Costs of doing business	74.6	67.9
Business sophistication	70.4	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	25.0	30.6
Female headed households	34.3	27.7
Access to finance	44.0	40.4
General access to finance	37.7	35.9
Access to SME finance	58.9	45.6
Access to microfinance	35.3	39.8
Capacity and skills	63.0	60.6
Microenterprise technical support	75.0	67.5
SME technical support	50.0	53.8
Business networks	100.0	80.0
Educational levels	51.3	58.9
Access to technology	38.9	43.1
Social services	41.8	55.5
Childcare	50.0	68.8
Elderly care	43.8	54.6
Maternity and paternity leave	44.4	46.1
Healthcare	29.0	52.4

* EIU estimate for 2013



Dominican Republic

The Dominican Republic is ranked 11th in terms of its overall business environment for female entrepreneurs among 20 countries in the region. The country benefits from a variety of enablers for women's entrepreneurship. Women, who account for over 50% of the labour force and benefit from equal property rights, have a strong presence in the business sector. In fact, in 2010 a total of 48.2% of firms had female owners, and 19.9% reported having a woman in their top management. Furthermore, women enjoy full access to and are well represented in business networks, with one of the highest scores in the region. Women entrepreneurs also benefit from the relatively low costs of doing business, and in the categories of depth of credit and contract enforcement the Dominican Republic scores much higher than its Caribbean neighbours. A range of microenterprise technical support programmes targeted at women, such as basic financial management skills and vocational traditional training, is also available.

Two of the biggest challenges faced by female managers are insufficient public-sector supplier initiatives and limited usage of financial services. The first obstacle is mainly attributable to a high level of informality in the sector,¹ which means that the majority of small and medium-sized enterprises (SMEs) are ineligible to participate in procurement processes. Although the law mandates a quota for SMEs for all public-sector

purchases (for which informal SMEs do not qualify), there are no quota distinctions based on gender.

The second obstacle is women's limited use of financial services, such as money withdrawals. However, it must be noted that female SME owners do relatively well in the Access to Finance category and have moderate access to microfinance, as banks and co-operatives cover over 70% of the market, with non-governmental organisations (NGOs) attending to the remainder. A third challenge for women entrepreneurs is access to Social Services. Government spending on health services and social security is low. Indeed, maternal mortality in the Dominican Republic is among the highest in the region.

Other areas in need of improvement include regulation and institutional transparency. In terms of supporting regulation for the creation and growth of micro and small and medium-sized enterprises (MSMEs), the Dominican Republic has a comprehensive regulatory framework, although it lacks a formal dispute resolution procedure specific to SME loans and a bankruptcy law, which often results in long delays in resolving legal battles. In addition, institutional weakness slows the process of implementing new laws and undermines the efficiency of the public sector, which ultimately impacts the entrepreneurial environment for women. The country ranks among the lowest in the region in terms of perceptions of corruption, as more than 60% of MSMEs in the Dominican Republic perceive corruption as a constraint for doing business. ■

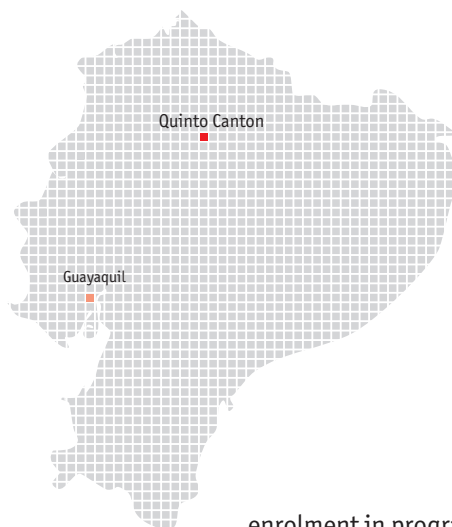
¹ Mario Davalos and Marina Ortiz, President and Executive Director, Fondo para el Financiamiento de la Microempresa, Inc (FondoMicro). 11/12/2012.

Ecuador

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
52.2	12	135.2	15.1	22.8	86/144

Category		All-country average
Business operating risks	65.6	56.7
Macroeconomic risk	90.0	61.3
Security risk	62.7	54.9
Vulnerability to corruption	44.0	54.0
Entrepreneurial business environment	55.7	49.5
Property rights	100.0	76.3
Costs of doing business	68.8	67.9
Business sophistication	60.3	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	7.7	27.7
Access to finance	47.1	40.4
General access to finance	39.8	35.9
Access to SME finance	56.1	45.6
Access to microfinance	45.4	39.8
Capacity and skills	41.4	60.6
Microenterprise technical support	50.0	67.5
SME technical support	25.0	53.8
Business networks	50.0	80.0
Educational levels	52.9	58.9
Access to technology	28.9	43.1
Social services	51.3	55.5
Childcare	75.0	68.8
Elderly care	49.6	54.6
Maternity and paternity leave	33.3	46.1
Healthcare	47.2	52.4

* EIU estimate for 2013



Ecuador

Ecuador ranks 12th out of 20 countries for the overall environment for female entrepreneurs. Poor scores for technical assistance, maternity and paternity leave and access to technology are the biggest challenges facing women managing micro and small and medium-sized enterprises (MSMEs). Ecuador scores well for enforcement of property rights and macroeconomic risk. This reflects strong economic growth over recent years (real GDP growth was 8% in 2011 and 4.8% in 2012), while dollarisation in 2000 has helped to ease the hyperinflation problems of the past. As well as reducing macroeconomic risks, this has contributed to bringing down the costs of doing business, another category in which Ecuador scores well.

Experts on the operating environment for female entrepreneurs in Ecuador see regulations supporting the creation and growth of MSMEs as being comprehensive, with both small and medium-sized enterprises legally defined under the country's 2010 Production Code. The current government has made progress in broadening access to both vocational programmes and advanced degree programmes. Courses at public universities are free, and female enrolment has grown over the past decade. This has also included

enrolment in programmes that have traditionally been dominated by men, such as agriculture, law and medicine. However, while women make up more than half of all graduates from tertiary education programmes, their enrolment is still below that of men in non-traditional disciplines such as engineering, manufacturing and construction, according to data from the UN Educational, Scientific and Cultural Organisation (UNESCO) for 2007 and 2008.

Ecuador ranks poorly in the provision of technical support for MSMEs—most technical training is provided by non-governmental groups. However, the availability of these programmes is not consistent across the country, and many are inaccessible for more remote rural communities. Furthermore, unlike training programmes in other countries in the region, they do not specifically target women. A lack of supplier-diversity initiatives by the private sector to promote MSMEs is another area in which Ecuador has room for improvement, although it does have programmes in place for public bodies to include MSMEs in their procurement processes. Finally, access to technology is challenging. The ability of the government to provide services online and women's usage of electronic payments, both of which are essential to reduce transaction costs, remain aspects that Ecuador will need to improve. ■

El Salvador

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
45.5	17	39.1	6.3	20.5	101/144

Category		All-country average
Business operating risks	39.1	56.7
Macroeconomic risk	70.0	61.3
Security risk	6.6	54.9
Vulnerability to corruption	40.6	54.0
Entrepreneurial business environment	58.9	49.5
Property rights	83.3	76.3
Costs of doing business	69.1	67.9
Business sophistication	55.9	48.4
Supporting regulation	20.0	46.0
Supplier-diversity initiatives	25.0	30.6
Female headed households	100.0	27.7
Access to finance	39.7	40.4
General access to finance	17.0	35.9
Access to SME finance	50.8	45.6
Access to microfinance	51.2	39.8
Capacity and skills	45.5	60.6
Microenterprise technical support	50.0	67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	44.5	58.9
Access to technology	32.9	43.1
Social services	44.5	55.5
Childcare	50.0	68.8
Elderly care	40.4	54.6
Maternity and paternity leave	33.3	46.1
Healthcare	54.4	52.4

* EIU estimate for 2013



El Salvador

El Salvador ranks 17th out of 20 for the overall environment for female entrepreneurs and second for its Entrepreneurial Business Environment for women. In the categories of Capacity and Skills, Social Services and Business Operating Risks, it is among the worst performers in the business environment for women. Access to Finance is average for the region, with El Salvador ranked tenth in this category.

From a macroeconomic perspective, the Economist Intelligence Unit forecasts that El Salvador will have the slowest pace of GDP growth in Central America in 2013-17, reflecting a very weak local production and investment base, which limits domestic demand and leads to a persistently negative foreign balance. Despite this, macroeconomic risk is relatively low, as El Salvador is ranked seventh in this indicator. Security risk remains a concern, and El Salvador is ranked last in this category. Managers of micro, small and medium-sized enterprises (MSMEs) identify crime as a constraint to conducting business, with security costs accounting for the highest share of profits among MSMEs in the region.

A major challenge for all small entrepreneurs is the fact that El Salvador does not yet have legislation in place to define, support and promote MSMEs. The National Commission for MSMEs was created in 1996; however, legislation has stalled, and the overall perception of government policies towards MSME development is negative owing to excessive bureaucracy and the high cost of administrative procedures. Although the National Council for MSMEs (Conampyme) has put forward a law to assist these firms, the bill has yet to be approved by Congress.¹ General Access to Finance for women entrepreneurs and managers is low, and El Salvador ranks second to last in this category.

Despite the lack of a legislative framework for MSMEs, El Salvador ranks second for the Entrepreneurial Business Environment for women. Relatively strong property rights, a low total tax rate and better than average business sophistication contribute to the strength of this indicator. However, contract enforcement and supplier-diversity initiatives are weak and require improvement. The availability of social services varies; women have moderate access to healthcare, but there is little support for elderly care and maternity/paternity leave. ■

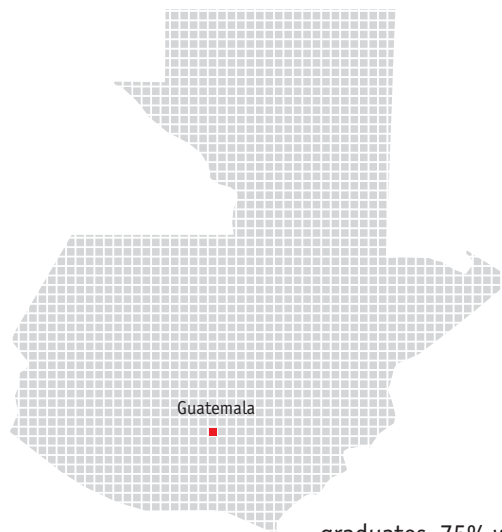
¹ <http://www.conampyme.gob.sv/index.php/novedades/noticias/1115-2013-05-06-21-06-58>

Guatemala

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
45.6	16	114.7	15.5	19.8	83/144

Category		All-country average
Business operating risks	58.5	56.7
Macroeconomic risk	75.0	61.3
Security risk	46.8	54.9
Vulnerability to corruption	53.8	54.0
Entrepreneurial business environment	41.1	49.5
Property rights	100.0	76.3
Costs of doing business	45.9	67.9
Business sophistication	41.6	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	12.5	30.6
Female headed households	6.3	27.7
Access to finance	38.1	40.4
General access to finance	26.0	35.9
Access to SME finance	35.6	45.6
Access to microfinance	52.6	39.8
Capacity and skills	40.2	60.6
Microenterprise technical support	50.0	67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	40.5	58.9
Access to technology	10.7	43.1
Social services	49.9	55.5
Childcare	75.0	68.8
Elderly care	53.7	54.6
Maternity and paternity leave	22.2	46.1
Healthcare	48.7	52.4

* EIU estimate for 2013



Guatemala

Guatemala ranks 16th out of 20 countries surveyed for the overall environment for female entrepreneurs. Business Operating Risks and Access to Finance for women in business are about average for the region. Capacity and Skills and the Entrepreneurial Business Environment are weak. In addition, there is room for improvement regarding the availability of Social Services.

From a macroeconomic perspective, the risk of instability is relatively low. Demographics play a major role, as Guatemala has the largest population in Central America and the youngest population in all of Latin America, with approximately 50% aged 19 or below. In 2009 (latest available data) small and medium-sized enterprises (SMEs) accounted for 40% of GDP and 85% of employment, according to the Guatemalan Federation of Small and Medium Enterprises. In addition, women entrepreneurs benefit from adequate property rights regulation and childcare support.

The Ministry of Economy offers basic business development services to SMEs via 11 regional centres. Between 2008 and 2010 some 30,000 entrepreneurs took advantage of these services, and 58% of these were women. Also, according to the UN Educational, Scientific and Cultural Organisation (UNESCO), in 2007 some 50% of all tertiary graduates were women. Of science

graduates, 75% were women, the highest percentage in Latin America and the Caribbean.

Guatemala has room for improvement in various areas. Although regulation for micro, small and medium-sized enterprises (MSMEs) exists, it does not meet certain basic standards, such as differentiated taxes and an effective bankruptcy system. Beyond this lack of basic legislation for MSMEs, a greater problem in Guatemala is the high cost of doing business. Entrepreneurs are at a huge disadvantage because starting a business can be very expensive, and the time it takes to enforce a contract is the longest in the region. Even if an entrepreneur can overcome these hurdles, MSME promotion is weak. Supplier-diversity programmes, which can stimulate MSME growth, have not yet gained much traction in the country. The risks attached to starting and growing a business—for both men and women—are high.

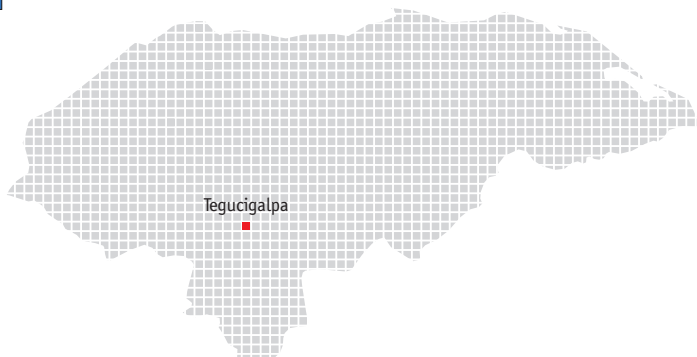
Guatemala also has room for improvement in other areas that support the promotion of female entrepreneurship. General Access to Finance needs to be strengthened, as Guatemalan women have low rates of savings at financial institutions. Access to technology is weak: Guatemala has one of the lowest Internet penetration rates, and women tend not to use electronic payments. Maternity and paternity leave is another aspect that needs to be addressed to ensure that women have the time and the means to embark on entrepreneurial activities without compromising their family needs. ■

Honduras

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
47.7	13	29.2	8.1	27.7	90/144

Category		All-country average
Business operating risks	53.0	56.7
Macroeconomic risk	70.0	61.3
Security risk	37.6	54.9
Vulnerability to corruption	51.4	54.0
Entrepreneurial business environment	42.2	49.5
Property rights	25.0	76.3
Costs of doing business	60.4	67.9
Business sophistication	28.5	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	25.0	30.6
Female headed households	74.1	27.7
Access to finance	40.2	40.4
General access to finance	26.8	35.9
Access to SME finance	48.8	45.6
Access to microfinance	45.1	39.8
Capacity and skills	62.3	60.6
Microenterprise technical support	75.0	67.5
SME technical support	75.0	53.8
Business networks	100.0	80.0
Educational levels	52.1	58.9
Access to technology	9.3	43.1
Social services	41.1	55.5
Childcare	50.0	68.8
Elderly care	50.0	54.6
Maternity and paternity leave	22.2	46.1
Healthcare	42.0	52.4

* EIU estimate for 2013



Honduras

Honduras ranks 13th out of 20 countries for the overall environment for female entrepreneurs. Generally, women in business face high operating risks in an environment that is not conducive to entrepreneurial endeavours, given lack of access to quality Social Services, while Access to Finance is difficult to secure. Opportunities to acquire Capacity and Skills are good, and Honduras has its highest ranking—ninth place—in this category.

Women entrepreneurs benefit from sufficient access to business networks. Technical support for micro, small and medium-sized enterprises (MSMEs) is another area where Honduras performs significantly well. Women have access to financial literacy and basic skills programmes specifically targeted at them, as well as business training programmes offered by the Chamber of Commerce of Tegucigalpa. The Entrepreneurial Business Environment in Honduras also benefits from low risks of macroeconomic instability.

There is, however, room for improvement in some other areas. The country's framework for MSME promotion is only five years old and lacks comprehensive legislation governing creditor protection, dispute settlement and differential tax systems. The 2008 MSME law specifically mentions that strengthening gender equality is a main goal, but it is not clear whether implementation of this law has occurred or been monitored. The law also

specifies that 30% of government purchases should be awarded to small and medium-sized enterprises (SMEs), but that goal does not yet appear to have been met. Corruption and old business relationships prevent the entrance of new players such as MSMEs. Almost 12% of MSMEs with a female top manager reported that they believed other firms gave gifts to officials in order to get things done, one of the highest percentages in the region.

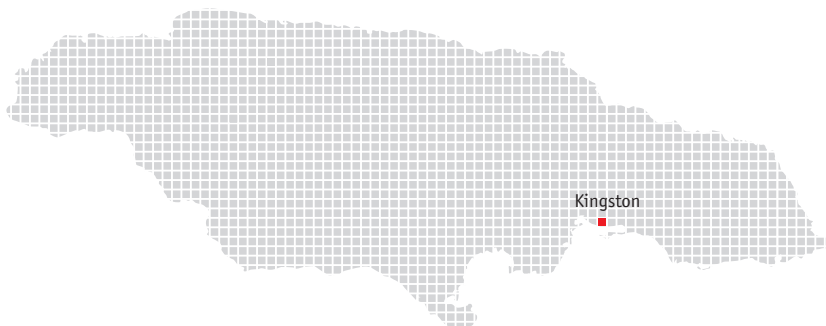
According to a study by the Inter-American Development Bank (IDB), in 2011 there were more than 950,000 microenterprises in Honduras, and 60% of these were in rural areas. Thousands of MSMEs open and close every year; most of these are microenterprises in the subsistence economy. According to the sub-secretary for MSMEs, the most common reasons why these businesses fail are lack of business development support, low access to affordable finance and difficulties accessing markets, given the country's poor infrastructure and frequent weather disruptions. The results of this study also suggest that in order to level the playing field for female entrepreneurs, several additional factors must be addressed. Specific areas include the following: a) property rights should be equal between men and women; b) training programmes for women should include more sophisticated concepts and promote access to technology; and c) the government should try to improve support for maternity and paternity leave. ■

Jamaica

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
42.2	20	11.6	2.7	22.7	97/144

Category		All-country average
Business operating risks	47.0	56.7
Macroeconomic risk	40.0	61.3
Security risk	54.5	54.9
Vulnerability to corruption	46.4	54.0
Entrepreneurial business environment	38.6	49.5
Property rights	41.7	76.3
Costs of doing business	63.0	67.9
Business sophistication	42.3	48.4
Supporting regulation	20.0	46.0
Supplier-diversity initiatives	12.5	30.6
Female headed households	52.4	27.7
Access to finance	38.2	40.4
General access to finance	60.6	35.9
Access to SME finance	31.8	45.6
Access to microfinance	22.3	39.8
Capacity and skills	56.7	60.6
Microenterprise technical support	50.0	67.5
SME technical support	25.0	53.8
Business networks	100.0	80.0
Educational levels	76.3	58.9
Access to technology	32.0	43.1
Social services	30.3	55.5
Childcare	50.0	68.8
Elderly care	35.9	54.6
Maternity and paternity leave	11.1	46.1
Healthcare	24.2	52.4

* EIU estimate for 2013



Jamaica

Jamaica has few formal institutions or programmes to support micro, small and medium-sized enterprises (MSMEs). Although women enjoy strong business networks and benefit from effective vocational programmes, Jamaica ranks last for the overall environment for female entrepreneurs. Social Services, the Entrepreneurial Business Environment and high Business Operating Risks are among the areas with the greatest need for improvement. Access to Finance and the availability of Capacity and Skills training also rank below average.

Women in Jamaica benefit from a wide access to business networks. Several organisations, such as WEConnect and Women Business Owners, provide network opportunities and support to women entrepreneurs. Women in Jamaica also benefit from moderate levels of education, with women accounting for 56% of tertiary graduates. School-life expectancy is among the top five in the region. Vocational and advanced degree programmes are highly prevalent in the island, with women's enrolment exceeding that of men.

Nevertheless, Jamaica is among the poorest performers in the macroeconomic risk category. The government's weak fiscal situation remains a

concern, as it damages investor confidence. Domestic demand is forecast to remain feeble, owing to tax increases and government austerity measures mandated under a new, recently approved four-year IMF loan programme, and GDP growth is expected to be a minimal 0.2% in 2013.

SME technical support is available to the public, but not at the tertiary or managerial level. Moreover, the lack of supporting regulations compounds the challenges facing women managing MSMEs in Jamaica. Female entrepreneurs receive poor support from social services, particularly where paternity and maternity leave and elderly care are concerned. A large proportion of households are headed by women, creating a high burden of care, with assistance more likely to be provided by the extended family than by formal childcare. Low levels of government spending on healthcare mean that a significant burden of healthcare costs also falls on women, constraining their ability to save money.

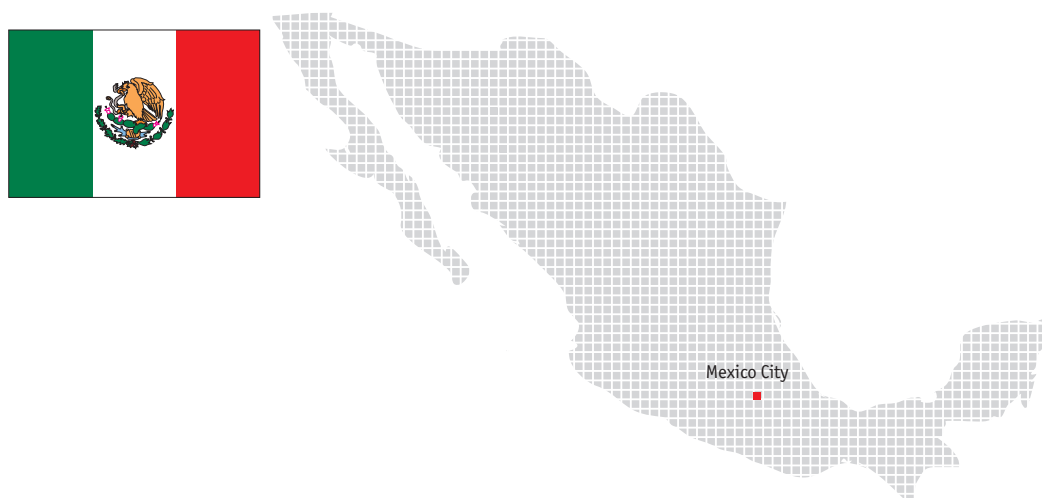
Access to Finance is another challenge for female entrepreneurs. The lack of credit availability often makes it difficult for MSMEs to expand. Jamaica does not have a formal dispute resolution process specific to SME loans, and firms often face long delays in resolving legal battles, which deters potential loan providers. ■

Mexico

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
60.2	4	1573.0	116.2	24.5	53/144

Category		All-country average
Business operating risks	57.8	56.7
Macroeconomic risk	55.0	61.3
Security risk	73.2	54.9
Vulnerability to corruption	45.3	54.0
Entrepreneurial business environment	52.8	49.5
Property rights	100.0	76.3
Costs of doing business	82.8	67.9
Business sophistication	44.0	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	50.0	30.6
Female headed households	0.0	27.7
Access to finance	57.1	40.4
General access to finance	52.7	35.9
Access to SME finance	33.9	45.6
Access to microfinance	84.5	39.8
Capacity and skills	69.2	60.6
Microenterprise technical support	75.0	67.5
SME technical support	50.0	53.8
Business networks	100.0	80.0
Educational levels	60.0	58.9
Access to technology	60.8	43.1
Social services	64.4	55.5
Childcare	75.0	68.8
Elderly care	52.5	54.6
Maternity and paternity leave	55.6	46.1
Healthcare	74.6	52.4

* EIU estimate for 2013



Mexico

Mexico ranks fourth out of 20 countries for the overall environment for women entrepreneurs. Access to Finance and the Entrepreneurial Business Environment are the main challenges faced by micro, small and medium-sized enterprises (MSMEs). However, women in Mexico benefit from good Capacity and Skills training and Social Services.

Despite ranking first in the category Access to Finance, women find access to SME finance particularly difficult. Credit remains low as a share of GDP, and anecdotal evidence suggests that MSMEs have difficulty gaining access to credit. Women entrepreneurs' usage of formal financial institutions for business purposes is relatively low, as is the number of women who have obtained a loan from a financial institution. Women entrepreneurs in Mexico also face relatively low levels of business sophistication, hindering the growth potential of their businesses.

Women entrepreneurs enjoy reasonable access

to business networks compared with other Latin American countries. For example, the online network Mujer Empeende offers news, networking opportunities and training materials to 2,000 women. Mexican women also achieve relatively good educational levels and have access to a substantial number of skills training and technical support programmes. However, many of these do not specifically target women, and those that do offer only basic skills and financial literacy programmes, most of them in urban areas.

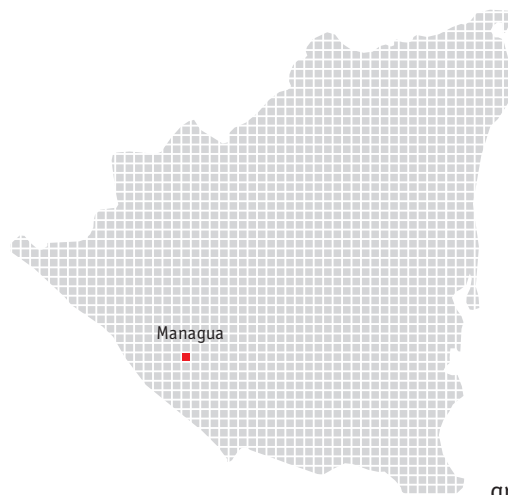
Start-up and operating costs do not represent a significant barrier to female entrepreneurs. Microfinance services and products, in particular, are available to women, who comprise more than 90% of borrowers from microfinance institutions. Additionally, the government offers relatively robust social services in Mexico compared with other regions, although the services are often only available in cities and in practice not always available to women, even though they may be under the law. ■

Nicaragua

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
46.6	15	20.6	7.1	31.9	108/144

Category		All-country average
Business operating risks	53.5	56.7
Macroeconomic risk	75.0	61.3
Security risk	30.5	54.9
Vulnerability to corruption	54.9	54.0
Entrepreneurial business environment	36.3	49.5
Property rights	25.0	76.3
Costs of doing business	65.1	67.9
Business sophistication	24.6	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	25.9	27.7
Access to finance	28.9	40.4
General access to finance	10.2	35.9
Access to SME finance	31.5	45.6
Access to microfinance	45.1	39.8
Capacity and skills	56.7	60.6
Microenterprise technical support	50.0	67.5
SME technical support	75.0	53.8
Business networks	100.0	80.0
Educational levels	55.7	58.9
Access to technology	2.9	43.1
Social services	57.5	55.5
Childcare	75.0	68.8
Elderly care	57.1	54.6
Maternity and paternity leave	55.6	46.1
Healthcare	42.2	52.4

* EIU estimate for 2013



Nicaragua

Although small and medium-sized enterprises (SMEs) play a significant role in Nicaragua's economy, accounting for 40% of GDP and 70% of employment, the country ranks 15th out of 20 for the overall environment for female entrepreneurs. Poor Access to Finance and a weak Entrepreneurial Business Environment are the main challenges facing female managers. Nicaragua scores last overall on general Access to Finance, with women facing particular difficulties obtaining SME loans. Poor depth of credit information and conservative lending practices by Nicaragua's small banking system make scaling up a micro or small business difficult and prevent faster economic expansion. Weak creditor protection also discourages lending, as Nicaragua's bankruptcy system does not ensure equitable treatment of creditors or reliable methods for recovering debt.

Female entrepreneurs also identify heavy tax rates as a burden on business growth, although a new tax reform law is currently under consideration that would differentiate tax rates for SMEs depending on income level. Equality of property ownership rights is also a challenge for Nicaraguan women, as access to legal protection may be arbitrary and subject to political or corrupt influence peddling. The effective protection of property rights has a poor track record, but is generally improving. Low female education levels and poor access to technology constitute significant barriers to Capacity and Skills development for Nicaraguan women. Furthermore, female business managers cite poor business sophistication as an obstacle to

growth, as many small enterprises lack a website or email. Although the

government has highlighted the importance of women's participation in SMEs, existing government programmes still lack a focus on women's needs as entrepreneurs and business owners.

Nicaragua performs better in Business Operating Risks and access to Social Services for women entrepreneurs. Low macroeconomic risk, aided by strong export growth, rising domestic demand and moderate inflation, has created an environment hospitable to entrepreneurs. Security risks, however, remain a concern. Even though Nicaragua has the lowest crime rate of any Central American country, micro, small and medium-sized enterprises (MSMEs) continue to invest a fair amount of resources in protection from theft, and MSMEs' perception of crime is among the worst in the region. Despite a low performance in other corruption perception indices, vulnerability to corruption and bribery is not a major concern for MSME managers.

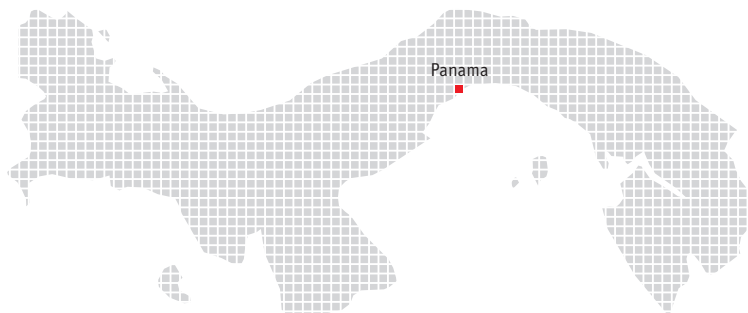
Nicaraguan women's access to business networks has improved, with new business networks focusing on female entrepreneurs, including in rural areas. Social Services are also available to provide support for female entrepreneurs, particularly with regard to maternity leave, childcare and elderly care. Compared with neighbouring countries in Central America, women in Nicaragua have been more successful in obtaining leadership positions, with a high percentage of women owning firms or occupying top management positions, while others act as legislators or senior officials. ■

Panama

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
53.6	9	69.0	3.9	26.2	40/144

Category		All-country average
Business operating risks	76.1	56.7
Macroeconomic risk	90.0	61.3
Security risk	91.0	54.9
Vulnerability to corruption	47.3	54.0
Entrepreneurial business environment	48.5	49.5
Property rights	41.7	76.3
Costs of doing business	86.5	67.9
Business sophistication	45.7	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	19.6	27.7
Access to finance	31.8	40.4
General access to finance	42.6	35.9
Access to SME finance	28.3	45.6
Access to microfinance	24.6	39.8
Capacity and skills	50.9	60.6
Microenterprise technical support	50.0	67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	63.6	58.9
Access to technology	41.0	43.1
Social services	60.7	55.5
Childcare	75.0	68.8
Elderly care	62.5	54.6
Maternity and paternity leave	55.6	46.1
Healthcare	49.9	52.4

* EIU estimate for 2013



Panama

Panama ranks ninth out of 20 countries for the overall environment for female entrepreneurs. Female entrepreneurs and managers of micro and small and medium-sized enterprises (MSMEs) face low Business Operating Risks and have good access to Social Services. However, Access to Finance is low, supplier-diversity programmes remain scarce in the public sector, and Capacity and Skills training does not reach a wide segment of women.

From a macroeconomic perspective, the main policy focus in Panama, according to the Economist Intelligence Unit, will be on accelerating the upgrade of the country's transport and logistics infrastructure, in order to capitalise on Panama's location and develop it into a regional logistical hub. Opportunities exist in financial services, logistics, telecommunications, retail and tourism. Women entrepreneurs face few obstacles in doing business, since MSME legislation is solid and the cost of doing business is low. The legislative framework includes a guarantee fund that provides financing and technical assistance. Women business owners in Panama also benefit from low macroeconomic risks and low vulnerability to corruption. Social Services available to women are plenty, and Panama ranks

in the top six for childcare, elderly care and maternity and paternity leave.

Female entrepreneurs in Panama face challenges in accessing finance. According to the World Bank's Enterprise Surveys databank, MSMEs with a female top manager represent a very low proportion of the bank-financed portfolio in the country. Access to microfinance for women is also very low, as Panama ranks 17th in the region with less than 50% of women accounting for microloan borrowers.

Women entrepreneurs also face difficulties in learning the necessary business skills to become effective leaders. Although educational levels are high and 56.8% of university degree holders are women, female presence is low at high levels of business. One reason may be that although Panama has basic and sophisticated training skills programmes, they do not specifically target women. Formal business networking opportunities are also limited, as women have only moderate access to business organisations, whose influential boards have considerably more male than female members. Finally, Panama has room for improvement in the realm of supplier-diversity programmes, where implementation is poor. Although these programmes exist in the private sector, there is no evidence of such programmes specifically targeting women. ■

Paraguay

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
44.3	19	38.9	6.8	20.9	116/144

Category		All-country average
Business operating risks	49.0	56.7
Macroeconomic risk	40.0	61.3
Security risk	61.5	54.9
Vulnerability to corruption	45.5	54.0
Entrepreneurial business environment	48.2	49.5
Property rights	100.0	76.3
Costs of doing business	78.6	67.9
Business sophistication	30.0	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	25.0	30.6
Female headed households	15.4	27.7
Access to finance	23.4	40.4
General access to finance	19.6	35.9
Access to SME finance	31.2	45.6
Access to microfinance	19.3	39.8
Capacity and skills	50.9	60.6
Microenterprise technical support	75.0	67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels	51.0	58.9
Access to technology	28.7	43.1
Social services	50.0	55.5
Childcare	50.0	68.8
Elderly care	52.9	54.6
Maternity and paternity leave	44.4	46.1
Healthcare	52.8	52.4

* EIU estimate for 2013



Paraguay

Paraguay ranks 19th out of 20 countries for the overall environment for female entrepreneurs. Women in Paraguay benefit from regulations that support their property rights, moderate costs of doing business, and significant microenterprise technical support. The total tax rate for operating a business remains relatively low compared with other countries in the region. In addition, there are several public and private programmes supporting the development of female entrepreneurs' skills in the country, both in urban and rural areas. Efforts have been focused on money management and financial literacy.

Paraguay's economy is characterised by a large informal sector with thousands of microenterprises and urban street vendors. As a small, open economy largely dependent on a small number of commodities to drive growth, Paraguay remains exposed to external and to weather-related shocks. Although the public finances remain sound and public indebtedness low, inflation and GDP growth rates have both been volatile in recent years, reflecting the impact of drought on agricultural production and prices. This poses significant challenges to

entrepreneurial activities. Micro, small and medium-sized enterprises (MSMEs) see corruption as a moderate obstacle, and 8% of those included in the study reported the need of paying bribes to accomplish their companies' goals. Although the total tax rate remains low, which facilitates starting and growing a business, tax collection in Paraguay is low, with tax revenue accounting for just 12% of GDP in 2011. This limits capacity for expenditure on human capital and infrastructure, and helps explain Paraguay's relatively poor educational indicators, including women's school-life expectancy and low level of fixed investment.

There is room for improvement in some areas. For example, female enrolment in vocational programmes is limited. Overall, the presence of women in business networks and business organisations is poor too, as demonstrated by the representation of women on the boards of the main business associations in Paraguay. Access to Finance is another area that needs to be improved, since Paraguay is in the bottom three in the region for women's general Access to Finance and SME finance and microfinance. Finally, access to technology is significantly low, with only 23% of the population having Internet access. ■

Peru

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
62.4	2	299.9	31.2	17.3	61/144

Category		All-country average
Business operating risks	65.2	56.7
Macroeconomic risk	90.0	61.3
Security risk	62.3	54.9
Vulnerability to corruption	43.2	54.0
Entrepreneurial business environment	56.9	49.5
Property rights	100.0	76.3
Costs of doing business	89.5	67.9
Business sophistication	45.3	48.4
Supporting regulation	60.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	9.1	27.7
Access to finance	51.0	40.4
General access to finance	41.0	35.9
Access to SME finance	66.9	45.6
Access to microfinance	45.1	39.8
Capacity and skills	77.0	60.6
Microenterprise technical support	100.0	67.5
SME technical support	100.0	53.8
Business networks	100.0	80.0
Educational levels	49.7	58.9
Access to technology	35.5	43.1
Social services	61.7	55.5
Childcare	75.0	68.8
Elderly care	54.0	54.6
Maternity and paternity leave	55.6	46.1
Healthcare	62.2	52.4

* EIU estimate for 2013



Peru

Peru ranks second out of 20 countries for the overall environment for female entrepreneurs. The availability of Capacity and Skills training for women in Peru is the second-best in the region. Access to Finance and the overall Entrepreneurial Business Environment are also among the best in the region for women. Although Social Services and Business Operating Risks may present moderate challenges to women in business, Peru still manages to rank above average for the region in these categories.

From a macroeconomic perspective, Peru ranks among the countries with the lowest risk of instability, reflecting the country's strong performance in recent years. A 2010 study by Harvard University found that micro, small and medium-sized enterprises (MSMEs) comprised 98% of all businesses in Peru, and that women owned and operated over 40% of them. Collectively, these MSMEs generate approximately half of Peru's GDP. Peru has a regulatory framework that supports the creation and growth of MSMEs, but it does not specifically address gender issues. The public sector supports MSMEs with a quota system that makes it mandatory for small and medium-sized

enterprises (SMEs) to provide 40% of state purchases. The efficacy of the quota system, however, remains unclear.

The perception of crime among MSMEs is also relatively low compared with the rest of the region, although anecdotal evidence suggests that gender-based violence may still be a challenge for women entrepreneurs. Women leading MSMEs see corruption as a moderate obstacle, and more than the regional average report paying bribes to accomplish their goals.

Although women in Peru have access to business networks and training programmes that focus on developing both basic and sophisticated business skills, research into these programmes has found that there are an insufficient number available. In addition, according to business development experts, high growth rates in non-traditional sectors such as construction and logistics have attracted women workers in the past years. Access to Finance is high, especially for SME financing, as Peruvian banks have aggressively targeted SME clients. Social Services for women are also good compared with the rest of the region, and Peru ranks above average for the availability and affordability of childcare and healthcare services. ■

Trinidad and Tobago

Overall score:

53.9

Overall rank:

8

Real GDP (PPP US\$
at 2005 prices):*

18.1

Population (m):

1.4

% of firms with a
female top manager:

32.4

Global Competitiveness
Index rank:

89/144

Category		All-country average
Business operating risks	70.5	56.7
Macroeconomic risk	65.0	61.3
Security risk	70.1	54.9
Vulnerability to corruption	76.4	54.0
Entrepreneurial business environment	41.6	49.5
Property rights	41.7	76.3
Costs of doing business	60.8	67.9
Business sophistication	45.4	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	24.5	27.7
Access to finance	52.2	40.4
General access to finance	56.6	35.9
Access to SME finance	63.1	45.6
Access to microfinance	36.9	39.8
Capacity and skills	58.5	60.6
Microenterprise technical support	50.0	67.5
SME technical support	25.0	53.8
Business networks	100.0	80.0
Educational levels	63.3	58.9
Access to technology	54.1	43.1
Social services	46.7	55.5
Childcare	50.0	68.8
Elderly care	48.6	54.6
Maternity and paternity leave	44.4	46.1
Healthcare	43.6	52.4

* EIU estimate for 2013



Trinidad and Tobago

Trinidad and Tobago ranks eighth out of 20 countries for the overall environment for female entrepreneurs. High Business Operating Risks, a weak Entrepreneurial Business Environment and poor Social Services are the biggest challenges facing women managers of micro and small and medium-sized enterprises (MSMEs).

Despite its energy-based economy, Trinidad and Tobago scores tenth overall for macroeconomic risk owing to weaknesses in the non-energy sector and relatively high inflation, which places upward pressure on wages and discourages small business expansion. The volatile external environment has also impacted economic growth in recent years as demand—particularly from other Caribbean countries—for Trinidad's manufacturing exports has fallen. In addition, weak domestic demand, still lingering in the wake of the 2009 recession, makes scaling up a micro or small business difficult.

Female entrepreneurs face challenges in finding SME technical support. Sophisticated skills training programmes are minimally present in the island and they do not target women. This is starting to change, however, with the government's recently launched national Integrated Business Incubator System. Property rights is another area in need of improvement, as it does not provide enough protection for women's assets. Women entrepreneurs view corruption as a major challenge, although fewer top female managers of microenterprises and SMEs in Trinidad and Tobago

report the need to pay bribes to public officials to "get things done" than in other countries included in the survey.

Access to Finance is not generally a challenge for female entrepreneurs, and provisions for dispute settlement and market access do exist for women-owned businesses; however, the regulatory environment is lacking, particularly with regard to protection for creditors and the creation of a differential tax system.

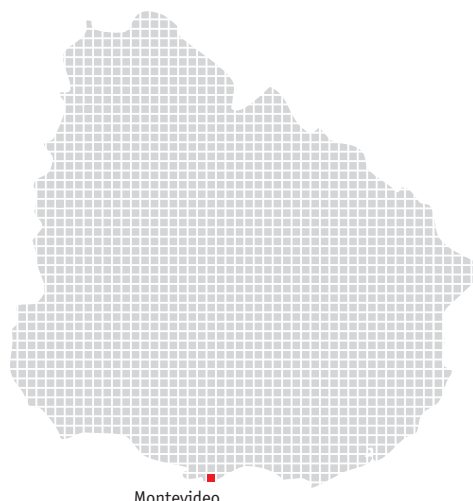
Female entrepreneurs in Trinidad and Tobago struggle with poor Social Services, particularly where healthcare and elderly care are concerned. Although maternity leave benefits are generally on a par with other countries in the region, good quality and affordable childcare can be difficult to find, as the sector is unregulated by the state. Education levels are high—Trinidad and Tobago ties with Jamaica as the country with the highest female enrolment in advanced degree programmes—and women are strongly represented in non-traditional degree programmes, including agriculture, sciences, business, law and engineering. Women who do not pursue higher education, which is fully subsidised by the government, have access to non-traditional skills training programmes, but the majority of them continue to receive training in traditional vocations such as hairdressing, housekeeping and food preparation, where available. Programmes are mainly concentrated in urban centres and do not specifically target women, unlike training programmes in other countries in the region. ■

Uruguay

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
60.0	5	48.9	3.4	24.1	74/144

Category		All-country average
Business operating risks	72.2	56.7
Macroeconomic risk	50.0	61.3
Security risk	79.0	54.9
Vulnerability to corruption	87.6	54.0
Entrepreneurial business environment	51.7	49.5
Property rights	100.0	76.3
Costs of doing business	85.7	67.9
Business sophistication	38.6	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	12.5	30.6
Female headed households	33.6	27.7
Access to finance	33.8	40.4
General access to finance	40.0	35.9
Access to SME finance	34.6	45.6
Access to microfinance	26.8	39.8
Capacity and skills	76.6	60.6
Microenterprise technical support	75.0	67.5
SME technical support	75.0	53.8
Business networks	100.0	80.0
Educational levels	80.4	58.9
Access to technology	52.5	43.1
Social services	65.9	55.5
Childcare	100.0	68.8
Elderly care	47.2	54.6
Maternity and paternity leave	33.3	46.1
Healthcare	82.9	52.4

* EIU estimate for 2013



Montevideo

Uruguay

Uruguay ranks fifth out of 20 countries for the overall environment for female entrepreneurs. According to a study by the Ministry of Industry, Energy and Mining, in 2012 approximately 40% of micro, small and medium-sized enterprises (MSMEs) belonged to women. Capacity and Skills training and Social Services targeting women are among the best in the region. The business environment is good, with female business owners facing very low operating risks. However, Access to Finance for women is very low.

Economic policymaking is supportive of business in Uruguay, combining prudent macroeconomic policy with an emphasis on social development and a generally welcoming environment for investment. Inflation is the main economic policy challenge in the country. Long-term inflationary expectations remain well above target, and amid a very high level of wage indexation inflation will come down only very gradually, hurting competitiveness and the development of MSMEs. According to the Economist Intelligence Unit, the government will continue to support businesses with prudent macroeconomic policies and a generally open environment for investment. Vulnerability to corruption is low. Corruption perception among MSMEs is among the lowest of

the region, and the country ranks in the top six for perception of bribery.

There is, however, room for improvement in some areas. Legislation for MSMEs at a national level exists, but does not yet offer meaningful incentives such as tax benefits or strong subsidies on social benefit payments. Supplier-diversity initiatives are virtually non-existent, especially in the public sector. Accessing finance, particularly microfinance, presents further challenges to female entrepreneurs. While education levels are high and training is widely available, business sophistication among female business managers is low. Only 7% of female-led businesses have an internationally recognised quality certification.

Since Uruguay is a relatively small and urban country, there are few formal business networks. However, the main network, Organización de Mujeres Emprendadoras del Uruguay (OMEU), provides many opportunities for women to meet and make business connections. Tertiary education is free and female enrolment, which was 64.1% in 2010, is in the top five in the region. Spending on Social Services in Uruguay is high, and the availability of childcare services and high spending on health as part of social security favours an entrepreneurship culture that addresses women's needs. However, elderly care and maternity/paternity leave lag the regional average. ■

Venezuela

Overall score:	Overall rank:	Real GDP (PPP US\$ at 2005 prices):*	Population (m):	% of firms with a female top manager:	Global Competitiveness Index rank:
45.5	17	349.4	30.0	26.3	126/144

Category		All-country average
Business operating risks	28.5	56.7
Macroeconomic risk	20.0	61.3
Security risk	18.7	54.9
Vulnerability to corruption	46.7	54.0
Entrepreneurial business environment	48.4	49.5
Property rights		100.0 76.3
Costs of doing business	56.8	67.9
Business sophistication	47.2	48.4
Supporting regulation	40.0	46.0
Supplier-diversity initiatives	37.5	30.6
Female headed households	9.1	27.7
Access to finance	33.8	40.4
General access to finance	30.9	35.9
Access to SME finance	41.4	45.6
Access to microfinance	29.2	39.8
Capacity and skills	59.0	60.6
Microenterprise technical support	50.0	67.5
SME technical support	50.0	53.8
Business networks	50.0	80.0
Educational levels		81.9 58.9
Access to technology		63.1 43.1
Social services	57.8	55.5
Childcare		75.0 68.8
Elderly care		59.9 54.6
Maternity and paternity leave	44.4	46.1
Healthcare	51.8	52.4

* EIU estimate for 2013



Venezuela

Venezuela ranks 17th out of 20 countries for the overall environment for female entrepreneurs. High Business Operating Risks and poor Access to Finance are the biggest challenges facing women managing micro, small and medium-sized enterprises (MSMEs). Venezuela comes last overall in the macroeconomic risk category, as exchange-rate and price distortions continue to fuel high inflation and capital flight, placing upward pressure on wages and capital inputs. These factors act as deterrents to entrepreneurship at all levels.

Massive fiscal imbalances are also causing pressure on Venezuela's economy and are requiring the government to take corrective measures. Although the government managed to bring inflation down in 2012, to an annual average of 21%, it has risen sharply in the first few months of 2013 and will remain very high into the medium term. In addition, weak domestic demand, still lingering from the 2009 recession, makes scaling up an MSME difficult. Although female business managers see corruption as a significant obstacle, far fewer of them report needing to pay bribes to accomplish their goals than other women entrepreneurs in the region.

Access to Finance is also a challenge for female entrepreneurs. Women have trouble obtaining loans, partly owing to poor protection for creditors. The lack of credit availability often makes it difficult for small enterprises to expand. Venezuela does not have a formal dispute-resolution process specifically geared to loans extended to MSMEs, and these firms often face long delays in resolving legal battles, deterring potential loan providers.

Venezuela's female entrepreneurs receive much better support from Social Services, particularly with regard to support for elderly care. Venezuela has a relatively youthful population, creating a comparatively low burden of care, which often falls on females. Education levels are high—Venezuela has the highest percentage of female tertiary graduates in the region—but opportunities for vocational training are reportedly low. Women have access to basic skills training through a national network of programmes under the umbrella of the Ecosistema Nacional de Emprendimiento. However, these programmes are mainly concentrated in urban centres and do not specifically target women, unlike training programmes in other countries in the region. ■

Appendix: Sources and definitions

Indicators	Definition	Sources
1.0 Business Operating Risks		
1.1 Macroeconomic risk	Measures macroeconomic stability based on exchange-rate volatility, recession risk, price instability and interest rate volatility. Without a relatively stable, well-functioning economy, all entrepreneurs, including women, will have few opportunities to start or expand businesses. This is a qualitative indicator, scored on a 0-100 scale, based on the EIU's forecast of economic performance during the next two years.	EIU, Risk Briefing
1.2 Security risk	Measures the cost and perception of crime as a barrier to business. High security risk can deter both external investors and entrepreneurs. It can lead to a loss in financial commitments and a decreased willingness to start a business.	World Bank, Enterprise Surveys
1.2.1 Average security costs, % of MSME revenue		
1.2.2 Crime perception, % of MSMEs	<p>This is a composite indicator, comprised of two sub-indicators:</p> <ul style="list-style-type: none">● Average annual security cost for MSMEs, calculated as a percentage of annual sales (of firms paying for security)● Percentage of MSMEs identifying crime, theft and disorder as a major constraint <p>Each of these sub-indicators has been normalized across countries, on a scale of 0-100, and combined and weighted to produce a single indicator score.</p>	
1.3 Vulnerability to corruption	Measures the perception of the presence of corruption and the perception of it as a barrier to business. Corruption by public officials can raise costs and risks, along with reducing operational efficiency, when conducting business.	World Bank, Enterprise Surveys
1.3.1 Perception of bribery prevalence, % of MSMEs		
1.3.2 Corruption perception, % of MSMEs	<p>This is a composite indicator, comprised of two sub-indicators:</p> <ul style="list-style-type: none">● Percentage of MSMEs which expect that firms similar to theirs are making informal payments or giving gifts to public officials "to get things done" regarding customs, taxes, licences, regulations or other services● Percentage of MSMEs identifying corruption as a major constraint <p>Each of these sub-indicators has been normalized across countries, on a scale of 0-100, and combined and weighted to produce a single indicator score.</p>	

Where the quantitative or survey data have missing values, the Economist Intelligence Unit has estimated the scores.

Indicators	Definition	Sources
2.0 Entrepreneurial Business Environment		
2.1 Property rights 2.1.1 Default marital property regime 2.1.2 Joint titling	<p>Measures equality of ownership rights over property by law and in practice. Property can be an important source of collateral for women seeking loans.</p> <p>This is a composite indicator, comprised of two sub-indicators:</p> <p>Default marital property regime: Measures the extent to which women are granted property rights under the country's default material property regime.</p> <p>The rating is an average of the following three measures:</p> <ul style="list-style-type: none"> ● What is the default marital property regime? ● Who legally administers the joint marital property? ● Who is entitled to the ownership of the marital home in the case of a dissolution of marriage? <p>Joint-titling: Measures the extent to which joint titling exists for assets acquired during the course of marriage.</p> <ul style="list-style-type: none"> ● For property acquired during the course of a marriage, is there a legal presumption of joint ownership between husband and wife? ● Does joint titling of major assets exist for married couples? <p>A 0-1 scoring system was used for these binary sub-indicators; a score of 1 was assigned to sub-indicators where the outcome is generally favourable to equality for women and a 0 where it is not. The scores were then combined to form a single indicator score.</p>	World Bank, Women, Business and the Law database
2.2 Costs of doing business 2.2.1 Starting a business 2.2.2 Depth of credit 2.2.3 Total tax rate 2.2.4 Contract enforcement	<p>Measures the costs of doing business. Higher start-up and operating costs discourage entrepreneurs from embarking on new business initiatives and investing in business growth.</p> <p>This is a composite indicator, comprised of four sub-indicators:</p> <ul style="list-style-type: none"> ● Starting a business: Qualitative ranking of the cost of starting a business in 185 countries. This measure captures the overall score in the Starting a Business category of the World Bank's Doing Business index. Records all procedures officially required, or commonly done in practice, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete them and the paid-in minimum capital requirement. ● Depth of credit: Qualitative ranking of the depth of credit information available on a scale of 0-6, where 6=most information available. This measure captures the scores for one indicator in the Getting Credit category of the World Bank's Doing Business index. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. ● Total tax rate: Assessment of the total taxes and mandatory contributions owed in the second year of operating a business, expressed as a percentage of commercial profit. This measure captures the scores for one indicator within the Paying Taxes category of the World Bank's Doing Business index. ● Contract enforcement: Number of days required for contract enforcement, counted from the day the plaintiff files a complaint in court until the day of payment. This measure captures the scores for one indicator within the Enforcing Contracts category of the World Bank's Doing Business index. <p>Each of these sub-indicators has been normalized across countries, on a scale of 0-100, and combined and weighted to produce a single indicator score.</p>	World Bank, Doing Business

Indicators	Definition	Sources
<p>2.3 Business sophistication</p> <p>2.3.1 International quality certification, % of women-led MSMEs</p> <p>2.3.2 Audits, % of women-led MSMEs</p> <p>2.3.3 Firms with website, % of women-led MSMEs</p> <p>2.3.4 Firms using email, % of women-led MSMEs</p>	<p>Measures the level of business sophistication. The level of business sophistication increases the growth potential of a business. Business sophistication and innovation also have important spillover effects and signal the growth of formal enterprises. It is an input here since it also represents, in this format, another aspect of the general business environment in which women entrepreneurs operate.</p> <p>This is a composite indicator, comprised of four sub-indicators:</p> <ul style="list-style-type: none"> ● Percentage of MSMEs that have a female top manager and have internationally recognised quality certification ● Percentage of MSMEs that have a female top manager and have an annual financial statement reviewed by an external auditor. Filtered by the EIU to create a sex-disaggregated dataset ● Percentage of MSMEs that have a female top manager and have a company website ● Percentage of MSMEs that have a female top manager and use email to communicate with clients/suppliers <p>Each of these sub-indicators has been normalized across countries, on a scale of 0-100, and combined and weighted to produce a single indicator score.</p>	World Bank, Enterprise Surveys
2.4 Supporting regulation	<p>Qualitative assessment of the degree to which the regulatory environment facilitates the creation and growth of MSMEs. It assesses whether existing regulation incorporates a legal definition of MSMEs as well as provisions related to the promotion of i) protection for creditors; ii) dispute settlements and/or arbitration; iii) access to markets; iv) a dedicated agency responsible for MSME growth; and v) differential taxation system.</p> <p>The scoring scale is as follows:</p> <p>0= The country has no regulation supporting the creation and growth of MSMEs.</p> <p>1= The country has draft legislation that is currently being formulated to facilitate the creation and growth of MSMEs.</p> <p>2= The country has regulation supporting MSMEs. However, the regulation is not comprehensive.</p> <p>3= The country has regulation supporting the creation and growth of MSMEs that addresses the elements specified above.</p> <p>4= The country has clear and comprehensive regulation supporting the creation and growth of MSMEs that includes all the elements mentioned above.</p> <p>An additional point is awarded if regulation explicitly considers MSMEs that are owned by women.</p>	EIU qualitative assessment based on government reports and websites, legal texts and World Bank regulatory assessments
<p>2.5 Supplier-diversity initiatives</p> <p>2.5.1 Supplier-diversity initiatives, public sector</p> <p>2.5.2 Supplier-diversity initiatives, private sector</p>	<p>Measures the ability of women's businesses to access government and private-sector procurement opportunities.</p> <p>This is a composite indicator, made up of two sub-indicators:</p> <ul style="list-style-type: none"> ● Measures the degree to which the government and non-profit organisations have generally implemented policies that foster supplier diversity based on gender and/or size of business ● Measures the degree to which corporations have generally implemented policies that foster supplier diversity based on gender and/or size of business <p>The scoring scale is as follows:</p> <p>0= Supplier-diversity programmes do not exist.</p> <p>1= Supplier-diversity programmes exist, but actual implementation is poor.</p> <p>2= Supplier-diversity programmes based on size of business are common.</p> <p>3= Supplier-diversity programmes based on gender are common.</p> <p>4= Supplier-diversity programmes based on size of business and gender are highly prevalent.</p>	EIU qualitative assessment based on interviews, government websites, company websites and legal texts

Indicators	Definition	Sources
	<p>Other scoring considerations:</p> <p>Have government and corporations set goals and accountability reports on a yearly basis? Has the government sponsored studies to determine in which sectors/industries women businesses are under-represented and the degree to which they are under-represented? Have corporations and government agencies engaged in outreach mechanisms to find women business owners?</p>	
2.6 Female-headed households	Total households where a woman is the main breadwinner in urban areas. This includes extended family households, two-person households and single-parent households.	Economic Commission for Latin America and the Caribbean

3.0 Access to Finance

3.1 General access to finance	Measures the extent to which women access formal financial institutions through loans, as well as savings and checking accounts.	World Bank, Global Financial Inclusion Database
3.1.1 Account used for business purposes, % women	This is a composite indicator, comprised of five sub-indicators:	
3.1.2 Loan from a financial institution in the past year, % women	<ul style="list-style-type: none"> Account used for business purposes, % women: Percentage of women who reportedly used an account at a formal institution for both business and personal purposes 	
3.1.3 Saved money at a financial institution in the past year, % women	<ul style="list-style-type: none"> Loan from a financial institution in the past year, % women: Percentage of women who reported receiving a loan from a bank, credit union, microfinance institution, or another financial institution such as a co-operative in the past year 	
3.1.4 3+ withdrawals in a typical month, % women	<ul style="list-style-type: none"> Saved money at a financial institution in the past year, % women: Percentage of women who reported saving money at a bank, credit union, microfinance institution, or another financial institution such as a co-operative in the past year 	
3.1.5 3+ deposits in a typical month, % women	<ul style="list-style-type: none"> 3+ withdrawals in a typical month, % women: Percentage of women who have an account at a formal financial institution and who withdrew money three or more times in a typical month 3+ deposits in a typical month, % women: Percentage of women who have an account at a formal financial institution and made three or more deposits in a typical month 	
3.2 Access to SME finance	Measures the extent to which women managers of SMEs report access to formal financial institutions through loans as well as savings and checking accounts.	World Bank, Enterprise Surveys
3.2.1 Percentage of firms with a bank loan/line of credit, % women-led SMEs	This is a composite indicator, comprised of six sub-indicators:	
3.2.2 Value of collateral needed for a loan for women-led SMEs, % of loan	<ul style="list-style-type: none"> Percentage of SMEs that have a female top manager and have a bank loan/line of credit 	
3.2.3 Proportion of investments financed by banks for women-led SMEs, %	<ul style="list-style-type: none"> Value for collateral needed for a loan (% of loan), for SMEs with a female top manager 	
3.2.4 Proportion of investments financed by equity or stock sales for women-led SMEs, %	<ul style="list-style-type: none"> Proportion of investments financed by banks (%), for SMEs with a female top manager 	
3.2.5 Proportion of working capital financed by banks for women-led SMEs, %	<ul style="list-style-type: none"> Proportion of investments financed by equity or stock sales (%), for MSMEs reported with a female top manager 	
3.2.6 Proportion of working capital financed by supplier credit for women-led SMEs, %	<ul style="list-style-type: none"> Proportion of working capital financed by banks (%), for SMEs with a female top manager Proportion of working capital financed by supplier of credit (%), for SMEs with a female top manager 	

Indicators	Definition	Sources
3.3 Access to microfinance 3.3.1 Microscope on microfinance business environment 3.3.2 Female borrowers, % of total 3.3.3 Female gross loan portfolio, % of gross loan portfolio	Measures the ease of access and use of microfinance services and products. This is a composite indicator, comprised of three sub-indicators: <ul style="list-style-type: none">● Overall country score on EIU Microscope on the Microfinance Business Environment Index 2012● Female borrowers from microfinance institutions as a percentage of total micro borrowers● Female gross loan portfolio from microfinance institutions as a percentage of total gross loan portfolio	EIU, Global Microscope on the Microfinance Business Environment Microfinance Information Exchange

4.0 Capacity and Skills

4.1 Microenterprise technical support	Measures the existence of public- and private-sector initiatives that support the development of women entrepreneurs through basic skills training, which includes general financial literacy, bookkeeping, registry of contacts and recordkeeping, self-esteem etc. The scoring scale is as follows: 0= No evidence of basic training programmes or financial literacy programmes. 1= Financial literacy and/or basic skills training programmes are minimally present and do not target women. 2= Financial literacy and/or basic skills training programmes are only moderately present and do not generally target women. 3= Financial literacy programmes and basic skills training programmes are targeted at women and are moderately present in either urban or rural areas. 4= Financial literacy programmes and basic skills training initiatives are highly prevalent and specifically targeted at women in both urban and rural areas.	EIU qualitative assessment based on information from business organisations and interviews
4.2 SME technical support	Measures the prevalence of initiatives from the public and private sector that support the development of women entrepreneurs through technical training targeted at high-growth, dynamic entrepreneurs. Sophisticated training includes training on business development, strategic planning, mentoring and networking. The scoring scale is as follows: 0= No evidence of training programmes. 1= Sophisticated skills training programmes are minimally present and do not target women. 2= Sophisticated skills training programmes are only moderately present and do not generally target women. 3= Sophisticated skills training programmes are targeted at women and are moderately present in either urban or rural areas. 4= Sophisticated skills training initiatives are highly prevalent and specifically targeted at women in both urban and rural areas.	EIU qualitative assessment based on information from business organisations and interviews
4.3 Business networks	Measures the prevalence of women's business associations, women's presence in general business networks, and access to networking opportunities that promote access to information. The scoring scale is as follows: 0= There is a minimal presence of women's business organisations and/or networking opportunities. 1= Women have moderate access to business organisations and networking opportunities. However, women's business organisations are not formally established or networking events are minimally attended. 2= Women have sufficient access to business organisations that include networking opportunities through such avenues as business conferences.	EIU qualitative assessment based on business organisations websites and interviews

Indicators	Definition	Sources
	<p>Other scoring considerations:</p> <p>What is the presence of LinkedIn users relative to other Latin American and Caribbean countries? Do women have a fair representation in general business networks such as chambers of commerce? Do women's business associations exist? If so, do they have a website? Do they organise events? Does the government or non-profit sector organise business conferences? Is it easy to find information on these events? Are these events well attended? Do these events take place only in urban areas?</p>	
<p>4.4 Educational levels</p> <p>4.4.1 School-life expectancy</p> <p>4.4.2 Tertiary education</p> <p>4.4.3 Vocational programmes</p> <p>4.4.4 Advanced degree programmes</p>	<p>Measures the duration, quality and availability of schooling accessible to women. Higher levels of education not only increase skills and business acumen, but are also associated with a greater awareness of business opportunities and career potential.</p> <p>This is a composite indicator, comprised of four sub-indicators:</p> <ul style="list-style-type: none"> ● The average years of schooling a female student enrolled in primary through tertiary education can expect to receive ● Percentage of tertiary graduates that are female ● Measures the availability of and women's enrolment in vocational programmes that provide technical skills to enter specific trades (i.e. engineering, accounting, nursing). This indicator gives more weight to vocational programmes that supply women with skills needed to enter non-traditional fields (i.e. manufacturing, construction, technology) ● Measures the availability and women's enrolment in general advanced degree programmes. It also considers the presence of and women's enrolment in non-traditional advanced degree programmes. Examples of non-traditional degree programmes include: agriculture, sciences, social science/business/law, and engineering/manufacturing/construction. <p>The scoring scales are as follows:</p> <p>0= Advanced degree programmes are rare.</p> <p>1= Few advanced degree programmes exist, and those that do exist are minimally attended by women.</p> <p>2 = Advanced degree programmes are common only in urban areas or are unaffordable. Women's enrolment is limited.</p> <p>3= Advanced degree programmes are common and easily accessible. Women's enrolment is similar to men's enrolment.</p> <p>4= Advanced degree programmes are highly prevalent and women's enrolment is equivalent to men's enrolment (including in non-traditional educational programmes).</p> <p>0= Vocational programmes are rare.</p> <p>1= Few vocational programmes exist and those that do exist are minimally attended by women.</p> <p>2 = Vocational programmes are common only in urban areas and women's enrolment is limited.</p> <p>3= Vocational programmes are common and easily accessible. Women's enrolment is similar to men's enrolment.</p> <p>4= Vocational programmes are highly prevalent and target both youths and adults. Women's enrolment is equivalent to men's enrolment (including non-traditional vocational programmes).</p> <p>Each of these sub-indicators was normalized across countries, on a scale of 0-100, and combined weighted to produce a single indicator score.</p>	<p>UN Educational, Scientific and Cultural Organisation (UNESCO)</p>

Indicators	Definition	Sources
4.5 Access to technology 4.5.1 Electronic payments 4.5.2 Internet access 4.5.3 UN Online Services Index	<p>Measures the availability and use of technology in order to increase connectivity and streamline business operations.</p> <p>This is a composite indicator, comprised of three sub-indicators:</p> <ul style="list-style-type: none"> ● Percentage of women who used electronic payments to make payments ● Number of Internet users per 100 people ● Measures the ability of governments to provide online services delivery through e-government initiatives, information and communication technologies applications <p>Each of these sub-indicators was normalized across countries, on a scale of 0-100, and combined weighted to produce a single indicator score.</p>	<p>World Bank, Gender Equality database; Global Financial Inclusion database</p> <p>International Telecommunication Union</p> <p>UN Public Administration Network</p>

5.0 Social Services

5.1 Childcare	<p>Considers the availability, affordability (including the price of childcare as a percentage of average wages) and quality of childcare services. The scoring is as follows:</p> <p>0= Professional childcare is expensive, available for only a small minority and of low quality; or the extended family is unwilling to provide childcare, owing to strong and widely prevalent societal/cultural barriers to women working.</p> <p>1= Professional childcare has two of the three following conditions: it is expensive, difficult to obtain or of low quality; or the extended family is generally unwilling to provide childcare, owing to societal/cultural barriers to women working. The extended family may find it difficult to provide childcare if they themselves work or owing to distance.</p> <p>2= Professional childcare is moderately affordable, often available and of reasonable quality; or the extended family is willing to provide childcare but may be able to do so only occasionally because they themselves work, or owing to distance.</p> <p>3= Professional childcare meets two of the three following conditions: it is affordable, easily available and of a high quality; or the extended family is willing to provide childcare and is able to do so only with some difficulty.</p> <p>4= Professional childcare is affordable, easily and widely available and of a high quality; or the extended family is willing and able to provide childcare.</p>	EIU qualitative assessment
5.2 Elderly care 5.2.1 Old-age dependency ratio 5.2.2 Pension coverage	<p>Qualitative evaluation, through proxies to understand how much time women may devote to elderly care.</p> <p>This is a composite indicator, comprised of two sub-indicators:</p> <ul style="list-style-type: none"> ● Old-age dependency ratio ● Percentage of the elderly receiving pension benefits <p>Each of these sub-indicators was normalized across countries, on a scale of 0-100, and combined weighted to produce a single indicator score.</p>	<p>World Bank Development Indicators</p> <p>International Labour Organisation, Pension Coverage in Latin America</p>
5.3 Maternity and paternity leave	<p>Assesses the length of maternity and paternity leave and maternity benefits coverage. While this indicator most directly affects women employees, it also signals general attitudes towards incentivising women in the workplace. The scoring is as follows:</p> <p>0= No paid maternity leave (regardless of length of maternity leave).</p> <p>1= Employer-funded benefits (regardless of length of maternity leave).</p> <p>2= Mixed systems (contributions from both employers and public funds) and less than 14 weeks maternity leave.</p> <p>3= Mixed systems (contributions from both employers and public funds) and at least 14 weeks maternity leave; or less than 14 weeks maternity leave, with maternity leave benefits covered by social insurance or public funds.</p>	EIU assessment based on documents from the International Labour Organisation, Social Security Online and the McGill Institute for Health & Social Policy

Indicators	Definition	Sources
	<p>4= At least 14 weeks maternity leave, with maternity leave benefits covered by social insurance or public funds.</p> <p>Countries score bonus points if they have schemes in place for entrepreneurs. That is, if countries have mixed systems for entrepreneurs, an additional 1 point is added to the scoring system above. If they have public funding of maternity leave for entrepreneurs (social insurance or public funds) an additional 2 points are added to the scoring system above.</p> <p>Countries will score 1 to 3 additional bonus points if the government mandates paternity leave. The scoring is as follows:</p> <p>0= No paid leave 1= Less than 2 weeks 2= 2-13 weeks 3= 14-51 weeks</p> <p>The maximum score a country can receive is 9, where 9= most favourable.</p>	
5.4 Healthcare access	Considers the extent to which the population can affordably access healthcare	World Health Organisation
5.4.1 Government social security expenditure on health	Sub-indicators include:	
5.4.2 Maternal mortality	<ul style="list-style-type: none"> ● Level of social security funds expressed as a percentage of general government expenditure on health. It considers health expenditure by government social security schemes and other schemes of compulsory health insurance. Any donor (external) funds channeled through these institutions are included ● Measures the number of women who die while pregnant or within 42 days of termination of pregnancy per 100,000 births 	

6.0 Output variables

6.1 Percentage of firms with female participation in ownership	Measures the percentage of firms with females among the owners.	World Bank, Enterprise Survey
6.2 Percentage of firms with a female top manager	Measures the percentage of firms that reported to have females as the top manager.	World Bank, Enterprise Survey
6.3 GDP per head (PPP); US\$	Nominal gross domestic product per head, in US dollars at purchasing power parity (PPP) exchange rates.	EIU, Country Data
6.4 EIU Democracy Index	Measures the depth of democratic institutions and participation.	EIU
6.5 Vulnerable employment	Measures the share of vulnerable employment in total employment, women (5).	United Nations
6.6 Gender-related development index	The Gender-related Development Index (GDI), measures achievement in the same basic capabilities as the UNDP's Human Development Index (HDI), but takes note of inequality in achievement between women and men. The methodology used imposes a penalty for inequality, such that the GDI falls when the achievement levels of both women and men in a country go down or when the disparity between their achievements increases. The greater the gender disparity in basic capabilities, the lower a country's GDI compared with its HDI. The GDI is simply the HDI discounted, or adjusted downwards, for gender inequality.	UN Development Programme Gender measure
6.7 Gender Empowerment Measure	The Gender Empowerment Measure (GEM) is a measure of agency. It evaluates progress in advancing women's standing in political and economic forums. It examines the extent to which women and men are able actively to participate in economic and political life and take part in decision-making.	UN Development Programme
6.8 Informal employment	Measures female informal employment as a percentage of total female employment. The number of persons in informal employment (a job-based concept) represents the sum of informal jobs in formal enterprises, informal-sector enterprises and households producing goods for their own consumption or hiring paid domestic workers.	International Labour Organisation

Indicators	Definition	Sources
6.9 Women's Economic Opportunity Index	An aggregate index that measures economic opportunity for women in 128 countries worldwide, across five categories: labour policy and practice; access to finance; education and training; legal and social status; general business environment. Scores are for the 2012 edition of the index.	EIU, Women's Economic Opportunity Index
6.10 Women leaders	The percentage of women who are legislators, senior officials or managers.	International Labour Organisation
6.11 Total early-stage female entrepreneurial activity	The percentage of women aged between 18 and 64 who are either nascent entrepreneurs or owner-managers of a new business.	Global Entrepreneurship Monitor
6.12 Necessity-driven entrepreneurship	Measures the percentage of women aged between 18 and 64 who are entrepreneurs owing to the absence of other options for work.	Global Entrepreneurship Monitor
6.13 Opportunity-driven entrepreneurial activity	Measures the percentage of women aged between 18 and 64 who are involved in total early-stage entrepreneurial activity who (i) claim to be driven by opportunity as opposed to finding no other option for work; and (ii) indicate that the main driver for being involved in this opportunity is being independent or increasing their income, rather than just maintaining their income.	Global Entrepreneurship Monitor
6.14 Female established business ownership rate	The percentage of the female population aged between 18 and 64 who are currently owner-managers of an established business, i.e., who own and manage a going concern that has paid salaries, wages or any other payments to the owners for more than 42 months.	Global Entrepreneurship Monitor
6.15 Early-stage female entrepreneurship rate relative to the OECD average	Compares the rate of early-stage female entrepreneurship in each country to the OECD average. The OECD average is calculated based on data from 19 countries.	EIU calculation, data from the Global Entrepreneurship Monitor
6.16 Global Entrepreneurship and Development Index	Overall country score on the Global Entrepreneurship and Development Index (GEDI), which assesses the entrepreneurial strengths and weaknesses of the economies of 120 countries based on entrepreneurial action, aspirations and attitudes.	The Global Entrepreneurship and Development Institute
6.17 Human Development Index	The Human Development Index (HDI) ranks countries by their level of "human development". The index is constructed using statistics for life expectancy at birth, the adult literacy rate and gross domestic product per head.	UN Development Programme

Whilst every effort has been taken to verify the accuracy of this information, neither The Economist Intelligence Unit Ltd. nor the sponsor of this report can accept any responsibility or liability for reliance by any person on this white paper or any of the information, opinions or conclusions set out in the white paper.

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