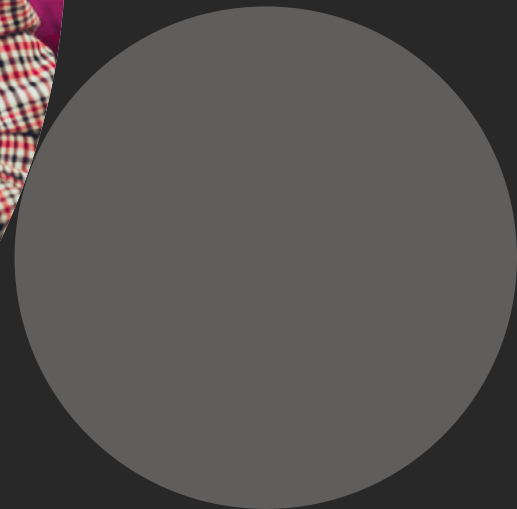


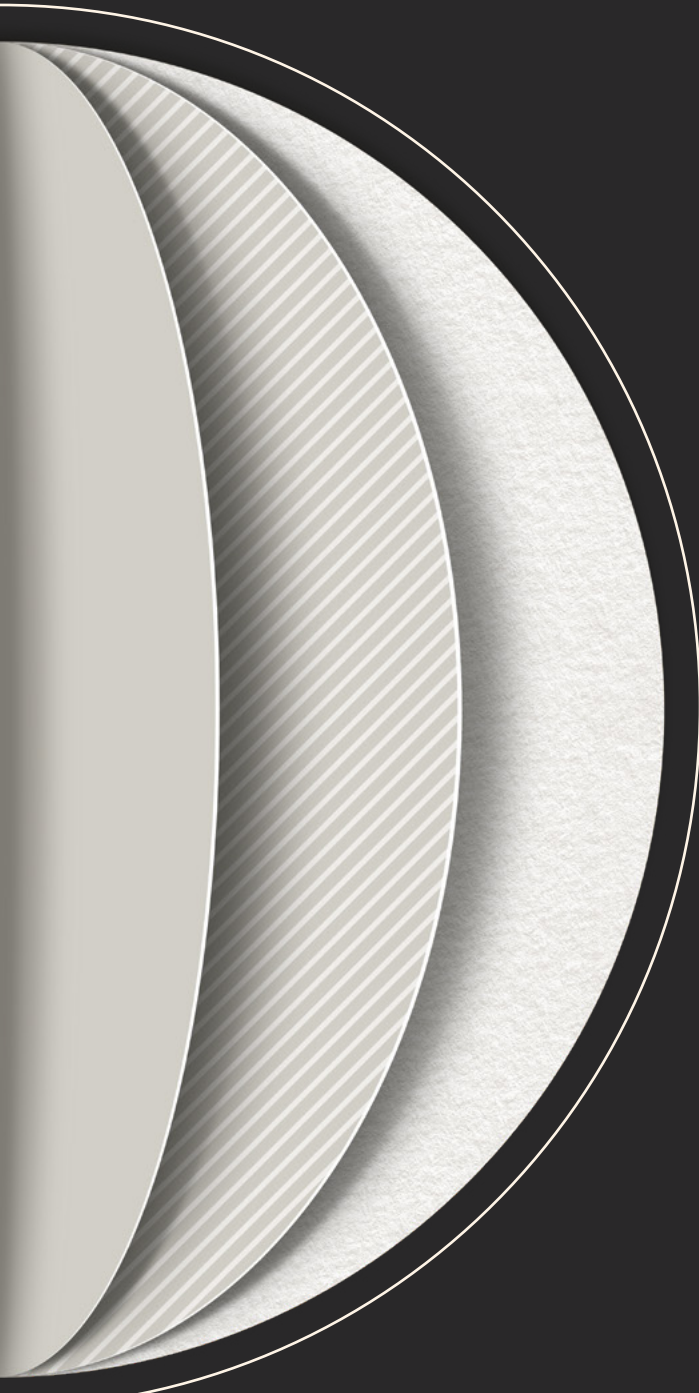


# The Mastercard Index of Women Entrepreneurs

**2020** Report



<b>1</b>	<b>INTRODUCTION</b>
1.1.	Participation and Parity of Women in Business is Pivotal to Economic Recovery
1.2.	The MIWE 2020 Methodology and Global Rankings
1.3.	Highlighting the Impact of the Covid-19 Pandemic on Women Entrepreneurs
1.4.	Mastercard's Role in Driving Forward Inclusion
<b>2</b>	<b>RESULTS OF THE MASTERCARD INDEX OF WOMEN ENTREPRENEURS (MIWE) 2020</b>
2.1.	Global Rankings
2.2.	Drivers of Women's Advancement
2.3.	Deterrents of Women's Advancement
<b>3</b>	<b>COMPONENT A: WOMEN'S ADVANCEMENT OUTCOMES</b>
3.1.	Impact of Covid-19 on Women Labor Force Participation Rate (F%T)
3.2.	Employment Support in Selected MIWE Economies
3.3.	Analysis of Sub-Indicator: Women Entrepreneurial Activity Rate (F/M)
3.4.	Analysis of Sub-Indicator: Women Business Leaders (F%T)
<b>4</b>	<b>COMPONENT B: KNOWLEDGE ASSETS &amp; FINANCIAL ACCESS</b>
4.1.	Impact of Covid-19 on Women Financial Inclusion (F/M)
4.2.	Impact of Covid-19 on Women Tertiary Education Gross Enrolment Rate (F/M)
<b>5</b>	<b>COMPONENT C: ENTREPRENEURIAL SUPPORTING CONDITIONS</b>
5.1.	Implications for MIWE 2020 Findings
5.2.	Impact of Covid-19 on Ease of Doing Business
5.3.	Impact of Covid-19 on Quality of Governance
<b>6</b>	<b>BENCHMARK: WOMEN BUSINESS OWNERS</b>
6.1.	Women Business Ownership in Low-Income & Developing Economies
6.2.	Women Business Ownership in Higher-Income & Developed Economies
6.3.	Changes in WBO Score & Ranking: 2019 to 2020
<b>7</b>	<b>IMPACT OF COVID-19 &amp; ECONOMIC DOWNTURN ON WOMEN BUSINESS OWNERSHIP</b>
7.1.	Business Sectors by Vulnerability Impact Analysis
7.2.	Women Business Owners: Most Exposed to High-Impact Sectors
7.3.	Support for SMEs in Response to Covid-19 & Economic Crisis
7.4.	SME Support in Selected MIWE Economies: By Region
7.5.	Change in Modus Operandi – Transiting to the Digital World
7.6.	New Norm, New Opportunities & Post Covid-19 Lockdown Preferences
7.7.	Traits of Innovation, Proactivity & Opportunism
<b>8</b>	<b>CONCLUSION</b>
<b>9</b>	<b>APPENDIX 1: ECONOMY CASE STUDIES</b>
<b>10</b>	<b>APPENDIX 2: WORLD BANK MAP OF SME SUPPORT MEASURES IN RESPONSE TO COVID-19</b>
<b>11</b>	<b>APPENDIX 3: MIWE METHODOLOGY</b>
<b>12</b>	<b>APPENDIX 4: MIWE REFERENCES</b>



# Mastercard Index of Women Entrepreneurs

## **Introduction**

The Mastercard Index of Women Entrepreneurs provides world-leading analysis on how women in business are progressing globally, highlighting the socioeconomic factors propelling and inhibiting their success, and providing a performance ranking for the 58 economies measured.

### 1.1. Participation And Parity of Women in Business is Pivotal to Economic Recovery

Across the world, entrepreneurial-minded women are determined to break into, and become a success in, the competitive business landscape. However, the still dominant gender gap means these women continue to face challenges of disproportionate number and scale when compared to their male counterparts.

The vast economic cost of gender inequality has long been recognized as a pressing global issue, and its impacts are increasingly acute. This year, the World Bank<sup>1</sup> highlighted that economies across the globe are losing \$172 trillion solely due to the differences in lifetime earnings between women and men – a significant increase from the \$160 trillion it projected only 2 years earlier in 2018.<sup>2</sup>

Now in the midst of what has been termed the worst global recession since World War I<sup>3</sup>, the need to narrow this gender disparity is even more critical in driving forward an equitable and sustained economic recovery.<sup>4</sup>

Recognizing that greater participation and parity for women in business is vital to not only economic recovery, but also to the societal and cultural advancement for all, the Mastercard Index of Women Entrepreneurs (MIWE) serves as a centralized source of analysis on the broad set of variables affecting this advancement internationally.

Only through understanding what drives and inhibits women in business can governments, policymakers, businesses and individuals alike, continue to inspire and foster their further progress.



## 1.2. The MIWE 2020 Methodology and Global Rankings

Drawing on data sources from leading academic institutions including ILO, GEM, World Bank, UNESCO, World Economic Forum (WEF), Inter-Parliamentary Union and the OECD, Mastercard's Index of Women Entrepreneurs examines the working environments of 58 economies, representing almost 80% of the world's female labor force.

Through a unique methodology – involving in-depth analysis across 12 indicators and 25 sub-indicators spanning *Advancement Outcomes, Knowledge Assets & Financial Access, and Supporting Entrepreneurial Conditions* – the index ranks each economy according to its performance over the past year. Aggregating these scores, the index can provide an overall grading of how successful individual economies are advancing female entrepreneurialism in comparison to their peers in pre-Covid conditions.

This year's report highlights gains made in factors fueling women's entrepreneurialism across the world; from access to education and supportive entrepreneurial frameworks, to cultural perceptions of entrepreneurs and willingness to take calculated risks. These advancements have seen significant movement across top performers, indicating that the formulation of gender-focused policies and ground-up investment in their realization makes a marked difference in the progress of women in business.

2020's top performing economy is a prime example of this in action – for the first time in the Mastercard Index of Women Entrepreneurs' 4-year history, Israel tops the chart, advancing from 4th place in 2019, largely driven by a focused institutional support for SMEs. With an ambition to double the number of female entrepreneurs within 2 years, Israel has rolled out targeted initiatives focused on funding and advancing networking

opportunities. This has seen its *Support for SMEs* ranking jump from 42nd place in 2019, to 1st just 1 year later. Similarly, Switzerland has advanced from 11th position in 2019, to 3rd overall in 2020, buoyed by a sharp improvement in government-led support for SMEs (up 37% from 2019), and a significant uptick in cultural perceptions of entrepreneurialism (up 45% from 2019).

Last year's strong performers, the US and New Zealand – although dropping from 1st to 2nd, and 2nd to 4th places respectively – demonstrate that economies with mature gender focused initiatives still out-perform on the global stage through continued focus on advancing conditions for women in business. In both these economies, favorable cultural perceptions of entrepreneurship, the high visibility female leaders that provide role models for aspiring entrepreneurs and supportive entrepreneurial conditions play a crucial role in their success.

Examining the successes in each of these leading economies provides a valuable blueprint for economies positioned at the lower end of the rankings. For example, in Japan, India, Bangladesh, Saudi Arabia, Algeria, Egypt, Tunisia and Turkey, women represent only 6 – 15% of business leaders. In the Philippines, Belgium and Japan, supportive SME initiatives have been significantly scaled back.



### 1.3. Highlighting the **Impact of the Covid-19** Pandemic on **Women Entrepreneurs**

To curb the rapid spread of the Covid-19 virus, governments across the world implemented full or partial lockdowns. At speed, we were forced to shift the way we interact, both socially and professionally, to digital platforms. The ramifications on individual businesses, as well as the national and the global economy have been vast.

Added analysis on the early consequences of these emergency measures drawn from latest available data<sup>5</sup> across 40 world economies, have been encapsulated in this year's Mastercard Index of Women Entrepreneurs. The findings are stark – regardless of an a economy's wealth, level of development, size, and geographic location, women are disproportionately more vulnerable to the wholesale disruption caused by the pandemic.

Data demonstrates that there are 2 broad factors at work here: firstly the over representation of women in the jobs and sectors that have been hit the hardest (such as tourism, travel & transport, retail, food services, accommodation, entertainment & recreation, and manufacturing); secondly, the pre-existing gender disparity in business (spanning inferior digital skills, financial marginalization, lack of access to education and disproportionate domestic duties, to name only some of the most salient factors). Those in developed economies have been shielded in part from the more drastic impacts due to higher knowledge assets such as tertiary

qualifications, advanced skillsets such as business leadership and who are employed in the formal sector as professional or technical workers. While women in developing economies have been harder hit due to on-average lesser knowledge assets and an overrepresentation in the informal and harder-hit business sectors.

However, the pandemic has also generated opportunities for female entrepreneurs.

For instance, the virus outbreak has highlighted women's ability to lead under extraordinary circumstances. As the world grappled with monumental loss of lives and livelihoods, female world leaders – such as Prime Minister Jacinda Ardern of New Zealand, Chancellor Angela Merkel of Germany, Prime Minister Sanna Marin of Finland, and The Leadership of Chinese Taipei, Tsai Ing-Wen – have presided over some of the most successful efforts in containing the virus while instilling order, assurance, trust and calm across their economies. The implication of this is paramount; it demonstrates the untapped value of women as leaders, provides prominent role models at a time when a lack of confidence and fear of failure still hold many women back, and will particularly resonate with the almost half of female entrepreneurs (48.7%) around the world who report being driven by a desire to contribute to the greater societal good.



On the frontline, some women business owners are already reacting to our new world of work with renewed confidence and adaptability



On the frontline, some women business owners are already reacting to our new world of work with renewed confidence and adaptability, tapping into new business opportunities or realigning their business models to cater to new consumer behavior and local or global needs. We can see this as 42% have shifted to a digital business model, 37% are developing an area of business to meet local or global needs, and 34% have identified new business opportunities since the pandemic. The desire to transform and be nimble has strengthened women business owner's resilience and this will certainly be needed in helping their economies on the path to recovery.


Whilst women embrace opportunism and are armed with the resilience to succeed, the situation is not without immense challenges. The MIWE finds government policies across the world to escalate measures to support businesses (particularly SMEs) have been effective, but to balance the scales of opportunity, gender-specific support measures are needed to advance women business owners and employees who are already at a disadvantage. Now is the time for governments, institutions and organizations to take decisive action in implementing targeted gender-specific support, particularly in aligning domestic and business gender parity, tackling financial marginalization

#### 1.4. Mastercard's Role in **Driving Forward Inclusion**

Through the Mastercard Index of Women Entrepreneurs, Mastercard is committed to providing a bedrock of information which enables governments, businesses and individuals to take decisive action in implementing targeted gender-specific support resulting in greater gender parity in the world of work.

This annual report provides one component in our broader mission to drive forward the advancement of the disconnected and disadvantaged. This year,

Mastercard expanded its worldwide financial inclusion commitment, pledging to bring a total of 1 billion people and 50 million micro and small businesses into the digital economy by 2025. As part of this effort, there will be a direct focus on providing 25 million women entrepreneurs with solutions that can help them grow their businesses, through a range of initiatives across funding, mentoring and the development of inclusive technologies.



## 2. Results of the Mastercard Index of Women Entrepreneurs (MIWE) 2020



**The results from the Mastercard Index of Women Entrepreneurs (MIWE) 2020 echoed a positive correlation with the Benchmark Women Business Owners (WBO). The rising number of women participating in entrepreneurial activities reflects the transformation in the economic and social landscapes.**

## 2.1. Global Rankings

There has been a notable shift in overall MIWE rankings with women in Switzerland, Poland, Sweden and Spain advancing strongly towards the top 10. Women in Israel, the United States and Switzerland took the reins as the top 3 MIWE performers, underpinned by remarkably unique and strong business ownership traits against a backdrop of highly conducive and supportive entrepreneurial conditions. Women in New Zealand, the United Kingdom and Canada secured high rankings in the top 10 positions at 4th, 6th and 7th place.

### MIWE 2020's Top 3

Women in Israel took the lead on the MIWE chart for the first time since the series began in 2017, driven by very strong scores in Component B: Knowledge Assets & Financial Access (rank 1, score of 97.4 vs 76.6 in 2019) and Component C: Supporting Entrepreneurial Conditions (rank 3, score of 80.4). This stellar performance was buoyed by a strong surge in score for 'Support for SMEs' from 52.7 points in 2019 to 126.0 and 'Cultural Perceptions of Entrepreneurs' from 82.4 to 113.5. Women in Israeli are also making commendable inroads economically as active labor force participants (rank 9) and skilled professionals & technical workers (rank 10). An important international hub for start-ups in the high-tech sector, women in business receive support from government programs and initiatives in the form of R&D grants, start-up funding, and networking opportunities. These play a huge role in strengthening the underlying supporting entrepreneurial conditions in Israel. Data from GEM also showed Israeli women to be slightly more driven than men, by 2.3% on average, to pursue business opportunities to improve independence, economic self-reliance as well as to generate income.

In 2nd place, women in the United States (overall MIWE score of 74.0) continue to make remarkable inroads in the business world underpinned by highly supportive entrepreneurial conditions. The favorable cultural regard for entrepreneurship is encouraging and reflects the high visibility and leadership that role models provide for entrepreneurs. These enabling, underlying factors remain crucial in promoting women's strong standing socioeconomically as business leaders, professionals and technical workers and especially as business owners (3 out of every 10 business owners are female). There is also a rising trend in female entrepreneurial activity rate (up from 10.7% of total female working age population in 2018 to 13.6% in 2019, and 16.6% in the latest GEM data).

In 3rd place with a MIWE score of 71.5, women in Switzerland advanced strongly from a score of 65.2 (rank 11) in 2019 to 71.5 this year, buoyed by a sharp improvement in 'Support for SMEs' (up 37% from 73.8 to 101.2), 'Cultural Perceptions of Entrepreneurs' (up 45% from 65.3 to 95), and 'Women Entrepreneurial Activity Rate - F/M' (up 26% from 47 to 59.3). Positive cultural perceptions of entrepreneurship that applaud individuality and success through personal effort and initiative against a backdrop of strong government support for SMEs play an instrumental role in strengthening Swiss women's confidence when starting a business (optimism up 40% since 2015/2016).<sup>6</sup> The economy is also rated top in GEM's 2019 National Entrepreneurship Context Index (NECI) in terms of ease of starting and developing a business.

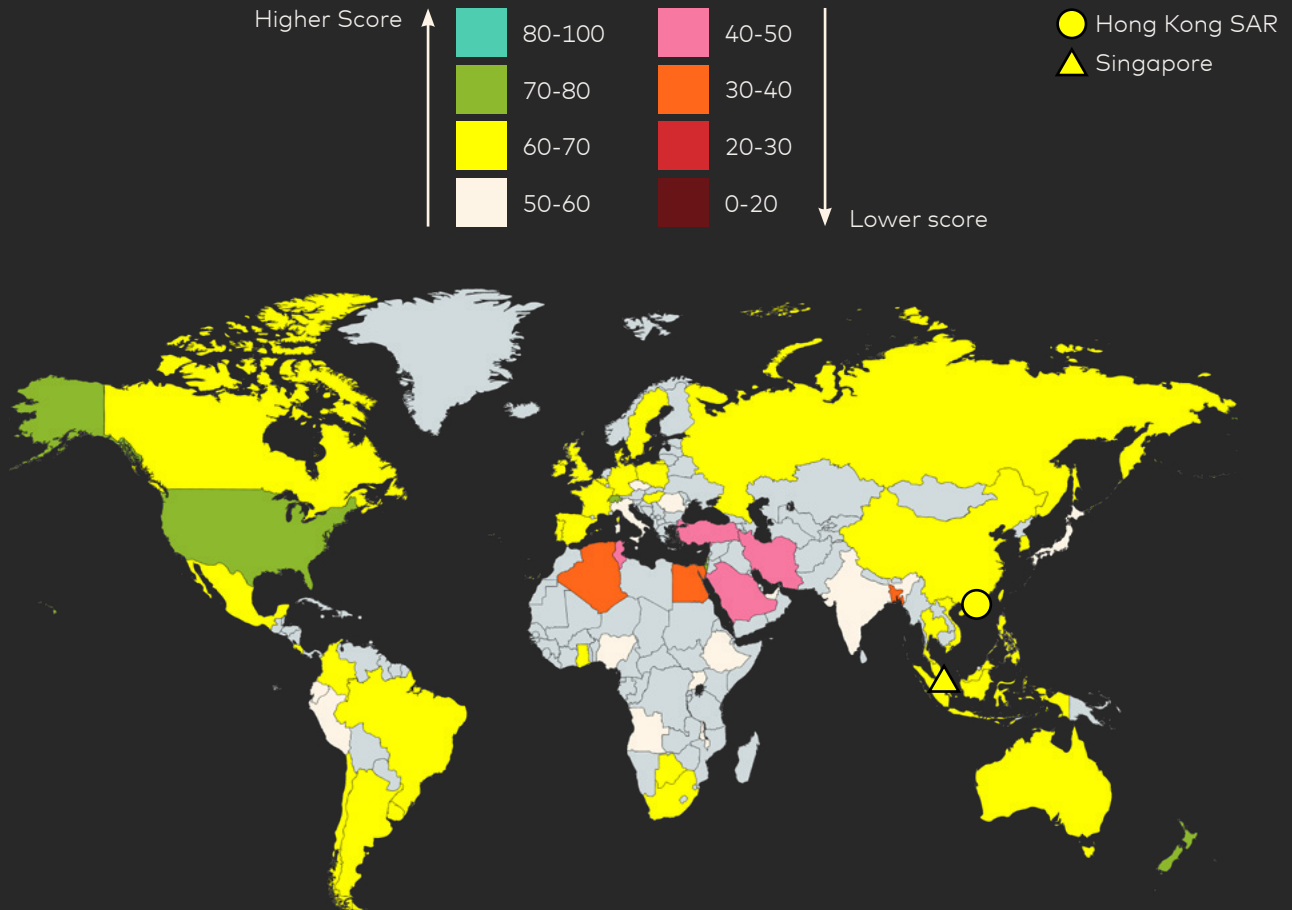
**Anomalies/Outliers**

This year’s MIWE revealed women’s economic contribution as business owners and entrepreneurs to be substantially more prominent in the less wealthy and advanced economies of *Uganda, Angola, Malawi, Ghana and Botswana*. Here, women continue to defy sociocultural barriers and structural impediments such as lack of opportunities in education, personal wealth and access to capital, emerging with the highest percentage of women business ownership on the charts (between 30% to 40% of all businesses are women-owned). The results also point to anomalies among the high-income and developed economies of Japan and Saudi Arabia where women continue to be marginalized in the business world. Here, although women are academically well qualified (as likely as men to be enrolled in tertiary education) and have relatively high access to financial services and products (able to obtain loans), their ability to thrive as business owners remains very low compared to other high-income economies.

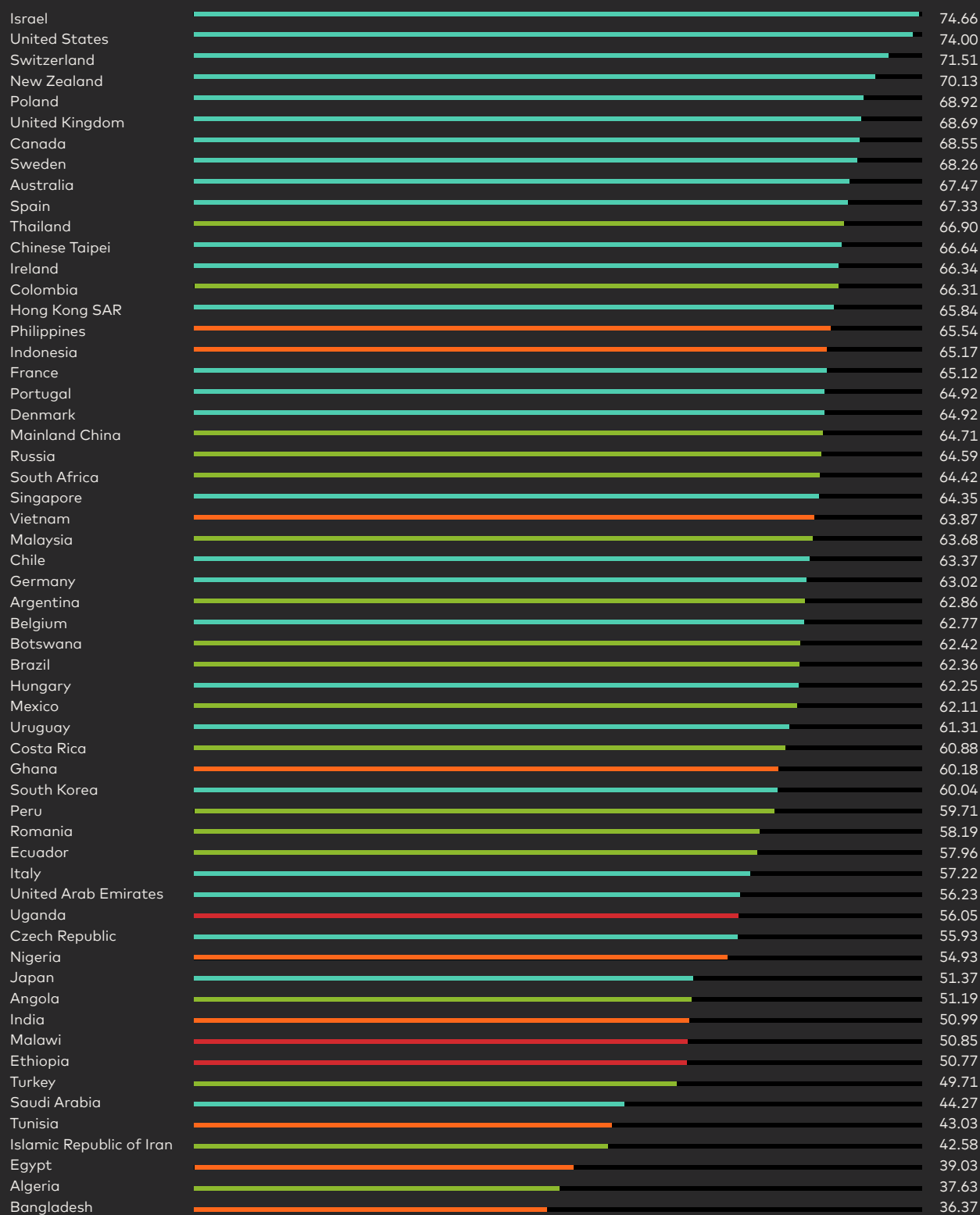
**Women Business Ownership**

The latest updates from the *International Labour Organization* revealed women’s share of the business world remaining broadly stable from the previous year with only slight variations noted in a few economies: Egypt (up from 4.1% in 2019 to 4.3%) and Bangladesh (up from 4.3% in 2019 to 4.5%). This year’s MIWE results show high women business ownership rates in the less developed economies of Uganda, Botswana, and Ghana. At the same time, advanced and high-income economies such as the United States, New Zealand, Spain, and Australia continue to report a fairly healthy representation of female business owners (around 3 females out of 10 owners).

The map overleaf shows the distribution of the 58 economies across the globe in terms of overall MIWE score.



## 2020 Mastercard Index of Women Entrepreneurs\*



\*Score to one decimal place

High income    Upper Middle Income    Lower Middle Income    Low Income

4 economies stand out with high scores of 70 to 80 index points (green colour in map), with Israel taking the lead at 74.7, followed by the United States in second place (74.0), Switzerland in third place (71.5), and New Zealand in fourth place (70.13). Women engaged in entrepreneurial activities in these economies operate within an incredibly vibrant and dynamic entrepreneurial ecosystem, offering conducive social norms, strong business networks, creativity and innovation, and strong support system.

The majority of economies (34 out of a total of 58 in this report) have healthy MIWE scores 60 to 70 (yellow) such as New Zealand, Sweden, Thailand, Indonesia, France and Mexico, while 13 economies

have lower scores of 50 to 60 (white) such as Japan, the United Arab Emirates, Italy and Romania. In these locations, the underlying entrepreneurial conditions are less conducive with gender gaps more prevalent in terms of employment, financial inclusion, and academic opportunities. Economies in pink have weaker scores of 40 to 50 (e.g. Tunisia, Saudi Arabia, and Turkey), while the remaining 3 (Bangladesh, Algeria, and Egypt) have exceptionally low scores of 30 to 40 points. In these economies, women continue to be held back by deeply rooted sociocultural as well as economic and financial constraints such as lack of work opportunities, government support, and access to funding and capital.

	MIWE SCORE*			MIWE RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Israel	74.7	68.3	9.4%	1	4	3 ↑
United States	74.0	69.9	5.9%	2	2	-
Switzerland	71.5	65.2	9.7%	3	11	8 ↑
New Zealand	70.1	70.7	-0.8%	4	1	3 ↓
Poland	68.9	64.5	6.8%	5	16	11 ↑
United Kingdom	68.7	65.5	4.9%	6	8	2 ↑
Canada	68.6	69.5	-1.3%	7	3	4 ↓
Sweden	68.3	62.6	9.1%	8	25	17 ↑
Australia	67.5	65.4	3.2%	9	9	-
Spain	67.3	64.9	3.8%	10	14	4 ↑
Thailand	66.9	65.2	2.5%	11	10	1 ↓
Chinese Taipei	66.6	64.6	3.1%	12	15	3 ↑
Ireland	66.3	66.8	-0.7%	13	5	8 ↓
Colombia	66.3	62.7	5.8%	14	24	10 ↑
Hong Kong SAR	65.8	65.6	0.4%	15	7	8 ↓
Philippines	65.5	66.5	-1.4%	16	6	10 ↓
Indonesia	65.2	63.0	3.4%	17	22	5 ↑
France	65.1	64.4	1.2%	18	19	1 ↑
Portugal	64.9	64.9	0.0%	19	13	6 ↓
Denmark	64.9	64.5	0.7%	20	17	3 ↓
Mainland China	64.7	61.5	5.3%	21	27	6 ↑
Russia	64.6	60.5	6.7%	22	29	7 ↑
South Africa	64.4	60.2	7.1%	23	32	9 ↑

\*Score to one decimal place

	MIWE SCORE*			MIWE RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Singapore	64.4	64.9	-0.9%	24	12	12↓
Vietnam	63.9	64.4	-0.8%	25	18	7↓
Malaysia	63.7	62.2	2.3%	26	26	-
Chile	63.4	62.7	1.1%	27	23	4↓
Germany	63.0	61.0	3.3%	28	28	-
Argentina	62.9	60.0	4.8%	29	35	6↑
Belgium	62.8	63.3	-0.9%	30	21	9↓
Botswana	62.4	64.1	-2.6%	31	20	11↓
Brazil	62.4	59.1	5.6%	32	37	5↑
Hungary	62.3	57.4	8.4%	33	41	8↑
Mexico	62.1	58.9	5.5%	34	38	4↑
Uruguay	61.3	60.4	1.5%	35	31	4↓
Costa Rica	60.9	60.5	0.7%	36	30	6↓
Ghana	60.2	60.0	0.3%	37	33	4↓
South Korea	60.0	58.3	2.9%	38	39	1↑
Peru	59.7	59.5	0.3%	39	36	3↓
Romania	58.2	60.0	-3.0%	40	34	6↓
Ecuador	58.0	58.1	-0.3%	41	40	1↓
Italy	57.2	53.0	7.9%	42	47	5↑
United Arab Emirates	56.2	56.1	0.2%	43	42	1↓
Uganda	56.1	56.0	0.1%	44	43	1↓
Czech Republic	55.9	55.6	0.5%	45	45	-
Nigeria	54.9	54.5	0.8%	46	46	-
Japan	51.4	55.8	-8.0%	47	44	3↓
Angola	51.2	50.2	2.0%	48	50	2↑
India	51.0	45.0	13.3%	49	52	3↑
Malawi	50.8	50.7	0.4%	50	48	2↓
Ethiopia	50.8	50.4	0.6%	51	49	2↓
Turkey	49.7	48.4	2.6%	52	51	1↓
Saudi Arabia	44.3	40.6	9.1%	53	55	2↑
Tunisia	43.0	43.6	-1.3%	54	53	1↓
Islamic Republic of Iran	42.6	42.6	-0.1%	55	54	1↓
Egypt	39.0	35.1	11.3%	56	58	2↑
Algeria	37.6	37.2	1.0%	57	56	1↓
Bangladesh	36.4	35.4	2.7%	58	57	1↓

\*Score to one decimal place

Source: Mastercard Analysis 2020



## 2.2. Drivers of Women's Advancement

### Greater Support for SMEs & More Positive Sociocultural Mindset

The results for the MIWE 2020 point to progress among some European economies, including Switzerland, Poland, the United Kingdom, Sweden, Hungary and Italy. For instance, Sweden advanced from 62.6 (rank 25) in 2019 to 68.3 (rank 8) due to an increase in 'Women Entrepreneurial Activity Rate (F/M)', 'Entrepreneurial Supporting Factors' and a sharp increase in 'Support for SMEs'. In fact, GEM's data showed a high percentage of Swedish adults perceiving good start-up opportunities. Women in Poland are also making strong progress, moving up 11 spots from with an overall MIWE score of 64.5 (rank 16) in 2019 to 68.9 (rank 5), fueled by a narrowing gender gap in entrepreneurial activity rate from 25% to 10%, a sharp improvement in 'Support for SMEs', and an increase in 'Cultural Perceptions of Entrepreneurs'. Like Sweden, the perception of good business opportunities among the adult Polish population aged 18 to 64 is very high (87%).

In the low, low-middle and upper-middle income economies in Latin America, Asia Pacific, MEA such as Chile, Ecuador, India, Nigeria, Egypt, Botswana, Uganda and Angola, the percentage of females engaged in early-stage entrepreneurial activities are high (around 30% to 40% out of the total female working age population). Notwithstanding the lack of underlying supporting entrepreneurial conditions, the cultural perception of entrepreneurship is quite positive. For example, society's acceptance and regard for risk taking, innovativeness and individuality and creativeness in entrepreneurship is high in Uganda, Nigeria, Angola and Chile compared to other wealthier and developed economies.

Given that women are disproportionately more vulnerable due to their exposure in highly impacted sectors, such positive cultural mindset and regard for risk taking and innovativeness will be paramount in motivating women to step up to pursue new business opportunities.





Given that women are disproportionately more vulnerable due to their exposure in highly impacted sectors, ... positive cultural mindset and regard for risk taking and innovativeness will be paramount in motivating women to step up to pursue new business opportunities

### 2.3. **Deterrents** of Women's Advancement

#### **Fear of Failure**

The factors that weigh on women's ability to thrive in the business world differ by region and economy due to unique economy dynamics and socioeconomic landscape. In some economies, the fear of business failure is a major deterrent to starting a business. For instance, data from GEM (2017 and 2019) showed nearly half or more of the adult non-entrepreneur population aged 18 to 64 were deterred from starting a business due to fear of failure. GEM's data also revealed perceived capabilities rate to be low in some economies, suggesting a lack of confidence in pursuing business ventures. This is observed in Russia (36%) and Japan (14%).<sup>7</sup>

#### **Lack of Funding**

A lack of financial assistance and funding is also a major deterrent to women's ability to thrive in the business world. A recent survey of 571 enterprises in Indonesia by the International Labor Organization (ILO) in April 2020 revealed that 2 out of every 3 companies in the economy had suspended their operations temporarily or permanently due to financial problems. Furthermore, 90% of respondents reported need for urgent funding

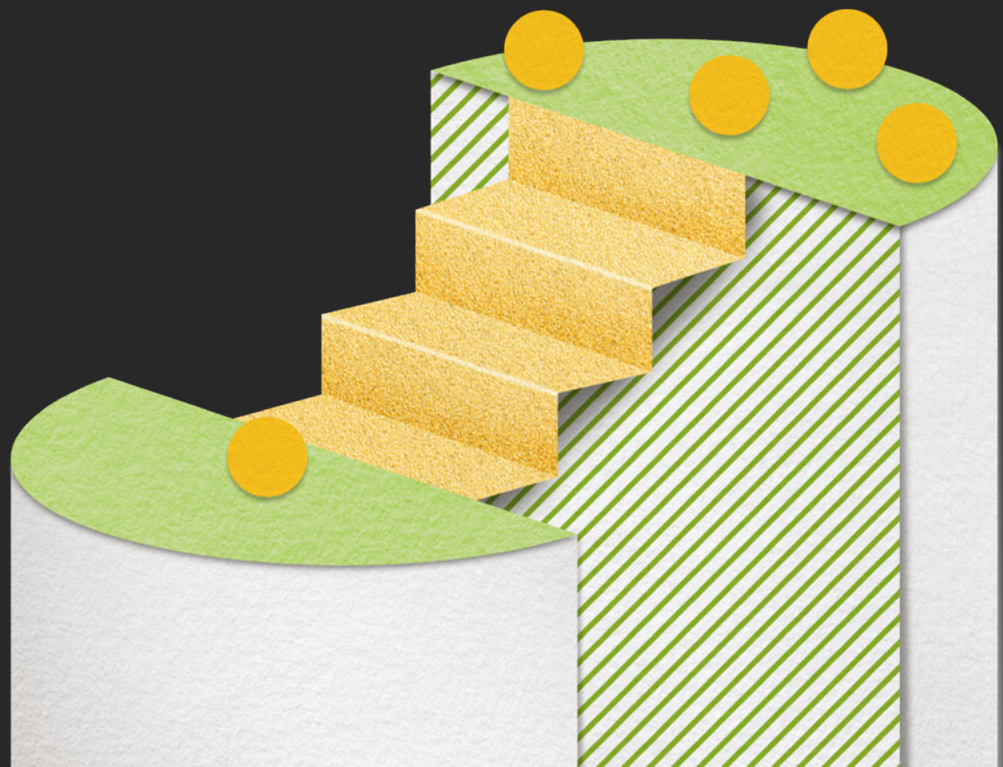
support, while more than a quarter reported losing more than half of their income. According to the Cooperatives and Small and Medium Enterprises Ministry, as of mid-April, 37,000 SMEs in Indonesia had reached out to the government seeking assistance due to the virus outbreak. More than half (56%) are related to declining sales, 22% to lack of funding, 15% to goods distribution and 4% to shortage of raw materials.<sup>8</sup>

#### **Lack of Motivation**

Although GEM's 2019 findings point to encouraging entrepreneurial traits of innovativeness, opportunism, and tendency towards long-term career planning among the majority of population (>60%),<sup>9</sup> the underlying motivation and proactiveness when it comes to entrepreneurship remains acutely low. For instance, in the United Arab Emirates where the proportion of women business owners is acutely low (7.8% women owners out of total owners), 84.8% operate in sectors that are worst hit by the coronavirus crisis. Looking ahead, the resulting economic slowdown will likely dent women's inclination towards entrepreneurship further.

# Mastercard Index of Women Entrepreneurs

## **Component A: Women's Advancement Outcomes**





As a proxy of women's progress and degree of marginalization economically and professionally as business leaders, professionals, entrepreneurs and labor force participants, the Women's Advancement Outcome component comprises 4 indicators:

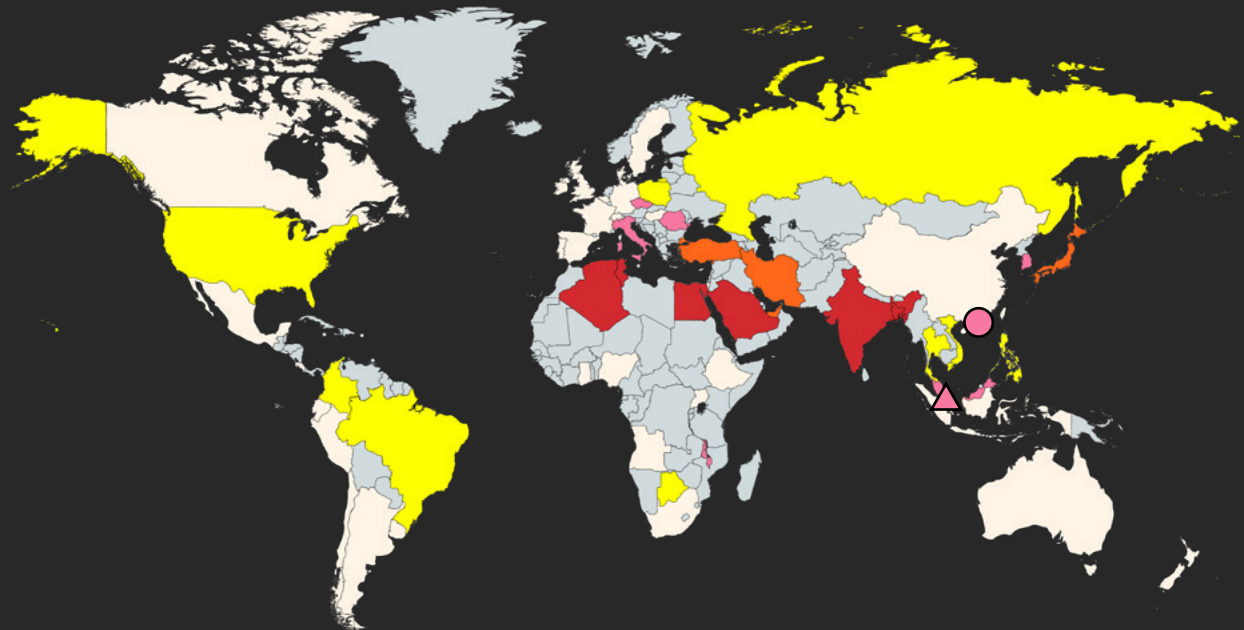
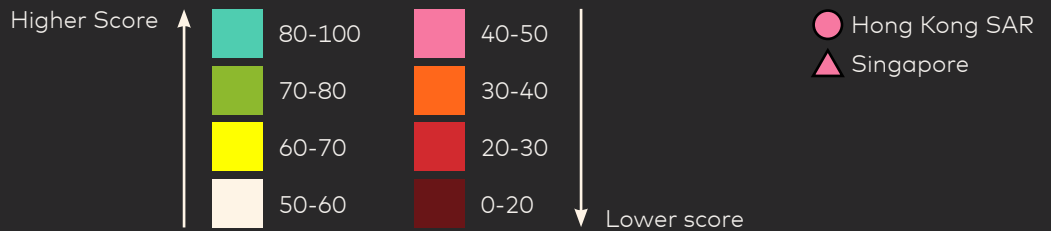
- Women Business Leaders
- Women Professionals & Technical Workers
- Women Entrepreneurial Activity Rate
- Women Labor Force Participation

**Findings of Component A: Women's Advancement Outcomes**

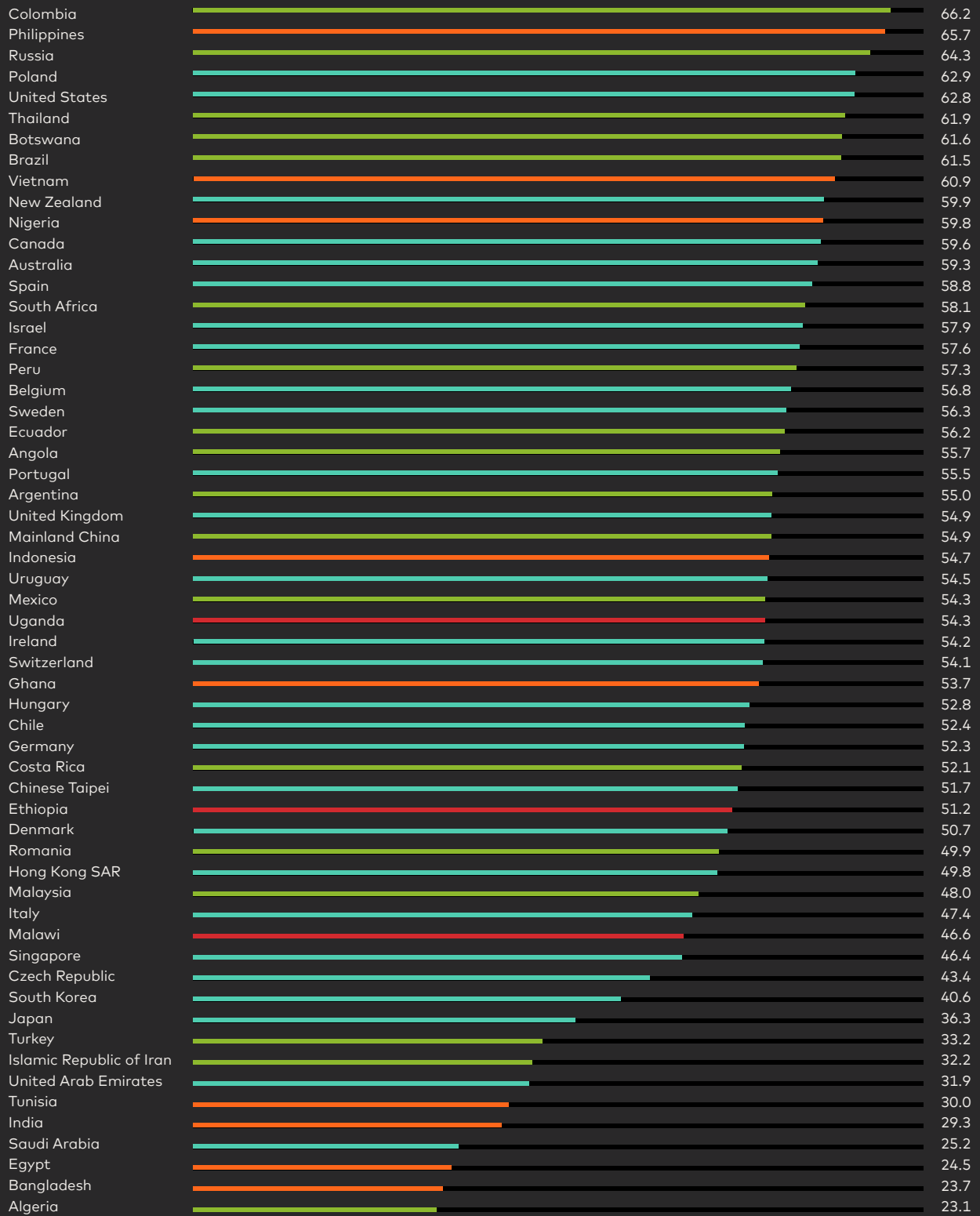
This year's results for Component A show women in Colombia taking the lead with an overall component score of 66.2, driven by very high representation of women business leaders (57% female leaders of total leaders), women professionals and technical workers (54% female of total), and female entrepreneurial activity rate (21 out of every 100 working age females are entrepreneurs). Women in Asia Pacific continue to make admirable progress in the business world, with Philippines, Thailand, Vietnam, and New Zealand among the top 10. Women in Brazil (North America), Botswana

(Middle East & Africa), Russia and Poland (Europe) and the United States are also ranked highly.

The chart below shows the latest overall score and ranking of the 58 economies in relation to Component A. The color map and graph indicate that apart from the Middle East and African economy and Bangladesh, India, Japan and South Korea in Asia Pacific, women's advancement as entrepreneurs, business leaders, professionals/ technicians and labor force participants is relatively healthy



2020 Mastercard Index of Women Entrepreneurs



High income Upper Middle Income Lower Middle Income Low Income

### Top Performers

This year's top 3 performers are Colombia, Philippines and Russia with component scores of 66.2, 65.7 and 64.3 respectively. Women in the Philippines retain their strong lead in terms of representation as business leaders (51.4% of total), professionals/technical workers (57.6% of total) and are top in entrepreneurial activity rate (at par with men). Women in Colombia advanced from 2nd spot the previous year to 1st place, buoyed by an increase in the women entrepreneurial activity rate (F/M) from 71.5 to 87.8. This was attributed to a substantial increase in necessity-driven entrepreneurial activities. In 3rd place, Russian women achieved tremendous progress with the entrepreneurial activity gender gap narrowing from 47% to 16%. This is driven by an increase in both necessity and opportunity entrepreneurship. Women in Asia Pacific continue to make admirable progress in the business world, with Philippines, Thailand, Vietnam, and New Zealand among the top 10 in rank 2, 6, 9 and 10, respectively. Women in Brazil (North America), Botswana (Middle East & Africa), Russia and Poland (Europe) and the United States are also ranked highly.

### Outperformers & Underperformers

This year's MIWE 2020 results show economies with high overall rankings such as Switzerland (MIWE rank 2), the United Kingdom (rank 6) and Hong Kong SAR (rank 15) underperforming in Component A due to constraints in aspects, such as gender gap in entrepreneurial activity and less positive cultural regard for entrepreneurship.

However, in other economies such as Colombia, Poland, the United States, Thailand, the Philippines, New Zealand, Canada, Spain, Israel and France, high progress in women's professional and economic roles did contribute to their overall high MIWE rankings.

### Gender Bias

This year's MIWE findings echoed that from the previous years, with gender disparity widely noted in Component A: Women's Advancement Outcomes. Across regions, women's representation in the business and economic landscape remains low compared to men, especially in terms of business leadership. This persistent discrepancy is most acute in Japan, South Korea, India and Bangladesh (Asia Pacific), Saudi Arabia, Algeria, Egypt, Tunisia and Malawi (Middle East & Africa), and Turkey (Europe) where there are only around 6 to 15 females business leaders for every 100 leaders. In economies such as Saudi Arabia, Egypt, India and Bangladesh, women's progress as skilled professionals and participation in the labor force tends to trail that of global peers. Here, female professionals make up only around 30% of all professions, while the female to male ratio in the workforce is discouragingly low at around 3 to 10.

According to the United Nations, narrowing the gender gaps in business ownership and tertiary education will go a long way in allowing women play a role towards helping their economy to rebound post-Covid-19 with stronger, more equitable and sustainable growth.<sup>10</sup>



According to the United Nations, narrowing the gender gaps in business ownership and tertiary education will go a long way in allowing women to play a role towards helping their economy rebound post-Covid-19 with stronger, more equitable and sustainable growth

	COMPONENT A: SCORE			COMPONENT A: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Colombia	66.2	62.9	5.2%	1	2	1 ↑
Philippines	65.7	65.7	0.0%	2	1	1 ↓
Russia	64.3	57.4	12.0%	3	16	13 ↑
Poland	62.9	60.2	4.5%	4	8	4 ↑
United States	62.8	60.1	4.4%	5	9	4 ↑
Thailand	61.9	61.7	0.3%	6	4	2 ↓
Botswana	61.6	61.5	0.2%	7	5	2 ↓
Brazil	61.5	60.8	1.1%	8	6	2 ↓
Vietnam	60.9	60.4	0.9%	9	7	2 ↓
New Zealand	59.9	59.9	-0.1%	10	11	1 ↑
Nigeria	59.8	60.0	-0.3%	11	10	1 ↓
Canada	59.6	62.2	-4.0%	12	3	9 ↓
Australia	59.3	57.9	2.3%	13	13	-
Spain	58.8	57.8	1.8%	14	14	-
South Africa	58.1	56.2	3.4%	15	19	4 ↑
Israel	57.9	58.5	-1.1%	16	12	4 ↓
France	57.6	57.4	0.4%	17	17	-
Peru	57.3	57.2	0.2%	18	18	-
Belgium	56.8	55.9	1.4%	19	20	1 ↑
Sweden	56.3	52.6	6.9%	20	32	12 ↑
Ecuador	56.2	57.5	-2.3%	21	15	6 ↓
Angola	55.7	55.4	0.5%	22	22	-
Portugal	55.5	55.5	0.1%	23	21	2 ↓
Argentina	55.0	55.0	0.0%	24	24	-
United Kingdom	54.9	52.0	5.6%	25	33	8 ↑
Mainland China	54.9	54.3	0.9%	26	28	2 ↑
Indonesia	54.7	54.5	0.4%	27	27	-
Uruguay	54.5	54.6	-0.1%	28	26	2 ↓
Mexico	54.3	51.8	4.7%	29	35	6 ↑
Uganda	54.3	54.1	0.3%	30	29	1 ↓
Ireland	54.2	55.4	-2.3%	31	23	8 ↓
Switzerland	54.1	50.8	6.4%	32	38	6 ↑
Ghana	53.7	53.6	0.2%	33	30	3 ↓
Hungary	52.8	52.8	0.1%	34	31	3 ↓
Chile	52.4	51.4	2.0%	35	36	1 ↑
Germany	52.3	50.0	4.6%	36	41	5 ↑
Costa Rica	52.1	51.9	0.2%	37	34	3 ↓

	COMPONENT A: SCORE			COMPONENT A: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Chinese Taipei	51.7	54.8	-5.5%	38	25	13↓
Ethiopia	51.2	50.9	0.8%	39	37	2↓
Denmark	50.7	50.7	-0.1%	40	39	1↓
Romania	49.9	50.0	-0.3%	41	40	1↓
Hong Kong SAR	49.8	49.6	0.4%	42	42	-
Malaysia	48.0	47.8	0.5%	43	43	-
Italy	47.4	45.4	4.4%	44	46	2↑
Malawi	46.6	46.5	0.2%	45	44	1↓
Singapore	46.4	46.3	0.3%	46	45	1↓
Czech Republic	43.4	43.3	0.3%	47	47	-
South Korea	40.6	41.9	-3.1%	48	48	-
Japan	36.3	40.8	-11.0%	49	49	-
Turkey	33.2	33.2	-0.1%	50	51	1↑
Islamic Republic of Iran	32.2	30.6	5.0%	51	52	1↑
United Arab Emirates	31.9	34.0	-6.2%	52	50	2↓
Tunisia	30.0	30.1	-0.3%	53	53	-
India	29.3	28.0	4.5%	54	54	-
Saudi Arabia	25.2	22.0	14.5%	55	58	3↑
Egypt	24.5	23.3	5.5%	56	55	1↓
Bangladesh	23.7	23.1	2.5%	57	56	1↓
Algeria	23.1	23.0	0.4%	58	57	1↓

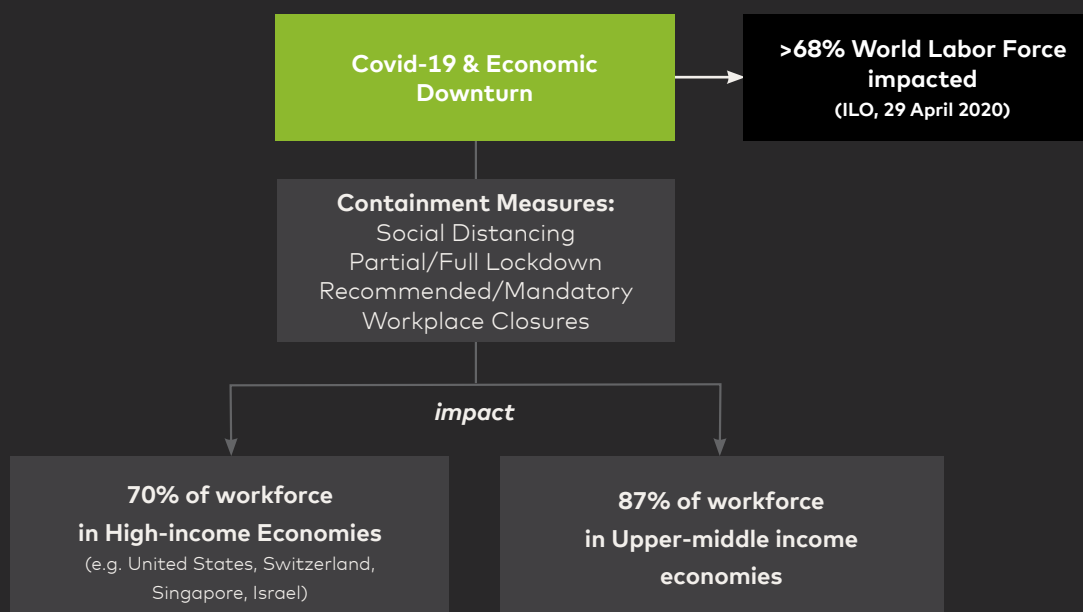
Source: Mastercard Analysis 2020

### 3.1. Impact of Covid-19 on Women Labor Force Participation Rate (F%T)

The International Labor Organization (ILO)'s latest analysis of the impact of Covid-19 revealed that as of 1 April 2020, social distancing and lockdown (partial or full) measures have impacted nearly 81% of the world's labor force, equivalent to 2.7 billion workers. As of 29 April, the proportion of affected decreased to 68%, mainly driven by the lifting of workplace closures in Mainland China although the situation worsened in other parts of the world as 64 other economies adopted recommended or required

workplace closures (mostly in Africa, Europe, Central Asia and the Americas). Employment in economies with mandatory or recommended workplace closures have impacted around 87% of the workforce of upper-middle income economies such as Mainland China, Russia, Brazil and Angola and 70% of workforce in high-income economies such as the United States, Switzerland, Singapore and Israel (See diagram below).<sup>11</sup>

## Impact of Covid-19 on Global Workforce



Source: Mastercard 2020 In-House Analysis and ILO Monitor: Covid-19 and the world of work. Fourth edition, 27 May 2020

According to a *CNBC/Survey Monkey Small Business Survey* conducted April 21-27 among 2,200 entrepreneurs in the United States, almost a third (32%) say their headcount decreased in the past 2 months, while nearly a quarter (22%) reported having to lay off or furlough some or all of their employees as a direct result of the Covid-19 outbreak. On a positive note, nearly all small business owners who have had to lay off or furlough employees intend to hire again when business resumes. This includes 52% who expect to hire everyone back, 37% expecting to hire a portion back, while 9% reported not re-hiring anyone back.<sup>12</sup>

As of mid-June, the proportion of workers in economies with the strictest form of workplace closure had declined to 32% compared to 70% in late March, although many businesses remain constrained in restoring operations to full capacity.<sup>13</sup>

### Women More Exposed to Risk of Job Losses

Sectors that are hardest hit such as wholesale & retail trade, accommodation & food services, manufacturing, real estate and business activities are facing a severe decline in output, substantial scale down in operations, or in the worst-case scenario, business closure. As of 29 April, this

represents nearly 436 million enterprises around the world. The most vulnerable cohort in the labor economy are informal workers who amount to nearly 1.6 billion worldwide.<sup>14</sup>

One of the biggest concerns is that gender gaps in employment, wages and status (work seniority) in the labor economy will leave women even more vulnerable to job loss than men and compared to pre-crisis times due to the sudden, unprecedented call for nationwide shutdown across many economies. These concerns are especially acute in many low-income, developing economies and emerging economies where large numbers of women continue to work in the informal sector with considerably less social protection.<sup>15</sup> In ILO's latest 5th edition of *"Covid-19 and the world of work"*, the proportion of women employed in hard-hit sectors is especially high in Central America (58.9%), South-East Asia (48.5%), South Europe (45.8%) and South America (45.5%). In Canada, Columbia and the United States, women's employment declined by more than 16% from April 2019 to April 2020, with the downward trend evident in May.<sup>16</sup>

**The United States**

The economic downturn arising due to the coronavirus is impacting the United States on an unprecedented scale. In April 2020, the U.S. Bureau of Labor Statistics revealed the unemployment rate soaring to 14.7%, the highest in the history of the series.<sup>17</sup> Of those who have been displaced, women account for the lion's share, especially those in the leisure and hospitality sector. Between February and March alone, women accounted for nearly 60% of the 700,000 terminated work positions compared to 40% for men. Of more concern is that women *lost* jobs while employment for men rose across nearly

*all* sectors of the economy (Institute for Women's Policy Research, IWPR).<sup>18,19</sup> Of the millions who have yet to receive their claims for unemployment benefits from the US federal bailout, more than half were made by women, a stark contrast to the last 25 years where women only accounted for about one-third of unemployment claims. Some of the key reasons reside on women being engaged in careers that are not readily adaptable to teleworking,<sup>20</sup> and their high representation in part-time employment – roles that are usually the first to be cut in times of economic crisis or business downturns.<sup>21</sup>

**Impact of Covid-19: Women Employees More Vulnerable**



Source: Mastercard 2020 In-House Analysis and ILO Monitor: Covid-19 and the world of work. Fourth edition, 27 May 2020

In India and Bangladesh, women's labor force participation rate compared to men remains disproportionately low. For Bangladesh, only 36% of the working age females are engaged in the workforce compared with 81% for men. In India, the disparity is just as large with only 20% females active out of the total working age female population, compared with 76% for men. However, in the apparel & textile industry in these areas, females comprise a significantly large proportion of the workforce. According to *The Bangladesh Garment Manufacturers Exporters Association*, 1,149 companies have reported suspended or cancelled export orders amounting to \$3.17 billion

as of 26 April, effectively displacing the jobs of 2.27 million workers – most of them being women.<sup>22</sup>

In Tunisia, nearly 80% to 90% of all clothing manufacturers had to be closed. With most of Tunisia's female labor force heavily concentrated in the manufacturing sector (43%), this points to job losses for thousands of women, a situation that will likely widen the existing labor force participation rate gender gap from 65% to higher.

The situation is compounded by the fact that women tend to be employed in industries that are at higher risk of business closures (e.g. retail, services, education). According to research by



The Brookings Institution, around 26% of small business establishments in the United States (equivalent to 2 million and collectively employing 27.5 million Americans) related to clothing, general merchandise, retailing, food services and transportation in the United States are at "immediate risk" of severe operational disruption or even closure. Another 28% of small businesses such as apparel and furniture manufacturing, real estate, administrative & support services, merchant wholesalers and transportation – equivalent to 20.3 million jobs – are at "near-term risk". Combined, these 2 risk categories (54% of all small businesses) account for 4.2 million establishments and 47.8 million jobs. Other industries such as oil & gas extraction, information & computer technologies (ICT) and chemical/machinery/electronic manufacturing are at "long-term risks".<sup>23</sup>

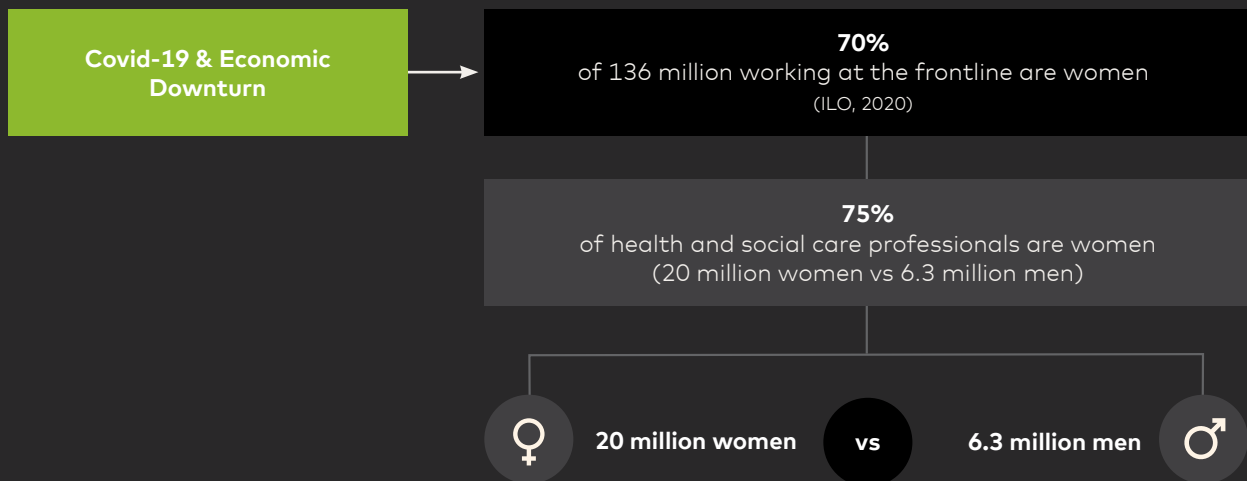
In the United Kingdom, lower-paid, female, and young workers are 7 times more likely to work in sectors that have shuttered due to efforts to contain the spread of the virus (ILO, April 2020, 2<sup>nd</sup> Edition).

**Women on the Frontline:**

**Job Security vs High Risk of Infection**

For those who continue to work, especially in the health sector where women's representation surpasses that of men disproportionately, they face even greater health and economic risks. Data from ILO revealed that globally, of the 136 million fighting at the frontline, 70% are women.<sup>24</sup> As of March 2019, around 75% of health and social care professionals are women, equivalent to around 20 million female health care professionals compared with 6.3 million men. In the long-term care sector, women's representation is even more overwhelming at around 90%.<sup>25</sup> Women account for 70% of health care professionals in Denmark, Finland, and Sweden (OECD, 2019).

**Impact of Covid-19: Women More Exposed to High-Risk Jobs**



Source: Mastercard 2020 In-House Analysis and ILO Monitor: Covid-19 and the world of work. Fourth edition, 27 May 2020

Table 1 below shows ILO's analysis on workers at risk at the sectoral level based on real-time economic and financial data.<sup>26</sup>

**Table 1: Global Workers at Risk – Sectoral Perspective**

Economic Sector	Impact of Crisis on Economic Output	Baseline Employment Situation (Global estimates for 2020 prior to Covid-19)				Mastercard Analysis
		Level of Employment (million)	Share of Global Employment (%)	Wage Ratio	Share of Women (%)	
Education	Low	176.6	5.3	1.23	61.8	Large proportion of females in teaching profession; may be able to teach online; lower risk of job loss
Human Health & Social Work	Low	136.2	4.1	1.14	70.4	Women health workers at highest health risk; economic risk from job loss may be lower
Public Admin & Defense; Compulsory Social Security	Low	144.2	4.3	1.35	31.5	Women engaged in these sectors may be able to continue working from home
Utilities	Low	26.6	0.8	1.07	18.8	Low share of women impacted
Agriculture; Forestry & Fishing	Low-Medium*	880.4	26.5	0.72	37.1	Lower average pay; women in less developed economies who are less qualified, working in informal sectors or have lost their jobs may be forced to seek substitute jobs back home in rural areas. High risk of falling deeper in poverty
Construction	Medium	257.0	7.7	1.03	7.3	Low share of women impacted
Financial & Insurance	Medium	52.2	1.6	1.72	47.1	High representation of females; professionals/technical workers; most may be able to continue working from home
Mining & Quarrying	Medium	21.7	0.7	1.46	15.1	Low share of women impacted
Arts, Entertainment, Recreation & Others	Medium-High*	179.9	5.4	0.69	57.2	High proportion of women; lower average pay. High risk of job loss or inability to generate income due to lockdown & social distancing requirement
Transport; Storage & Communication	Medium-High*	204.2	6.1	1.19	14.3	Severe disruption in transport, travel & global supply chains puts women working in these sectors at high risk of job loss

Notes: \*denotes sectors that include subsectors that have been affected in different ways

Source: "ILO Monitor: Covid-19 and the world of work". 2nd edition, updated estimates and analysis. 7 April 2020. International Labour Organization.

Table 1: Global Workers at Risk – Sectoral Perspective

Economic Sector	Impact of Crisis on Economic Output	Baseline Employment Situation (Global estimates for 2020 prior to Covid-19)				Mastercard Analysis
		Level of Employment (million)	Share of Global Employment (%)	Wage Ratio	Share of Women (%)	
Accommodation & Food Services	High	143.7	4.3	0.71	54.1	Lower average pay; high proportion of women; high risk of job loss due to closure of hotels and restaurants
Real Estate; Business & Admin	High	156.9	4.7	0.97	38.2	High risk of job loss or less income due to social distancing requirements that make home viewing impossible
Manufacturing	High	463.1	13.9	0.95	38.7	High risk of job loss due to factory closures to reduce risk of disease spread. Women in textile industry in low-income economies at highest risk due to cancellations of export orders
Wholesale & Retail; Repair of Motor Vehicles & Motorcycles	High	482.0	14.5	0.86	43.6	High representation of women; lower average pay, high risk of job loss

Notes: \*denotes sectors that include subsectors that have been affected in different ways

Source: "ILO Monitor: Covid-19 and the world of work". 2nd edition, updated estimates and analysis. 7 April 2020. International Labour Organization.

The figures in Table 1 above point to 2 observations. First, women are over-represented in high-risk sectors such as accommodation & food services across economies of all income categories. Globally, 42% of women are employed in high-risk sectors compared to 32% for men. In high-income economies such as the United States, Israel, Saudi Arabia, and Chile, the ratio is 51% female workers to 47% for male, while in low-income economies such as Ethiopia, Malawi and Uganda, the ratio is 28% female compared to 17% men. Secondly, women account for a large share of the workforce in sectors such as Arts, Entertainment & Recreation and Accommodation & Food Services where the average monthly earnings tends to be lower. Given that these are among the most severely impacted sectors, the risk of job loss may be high.

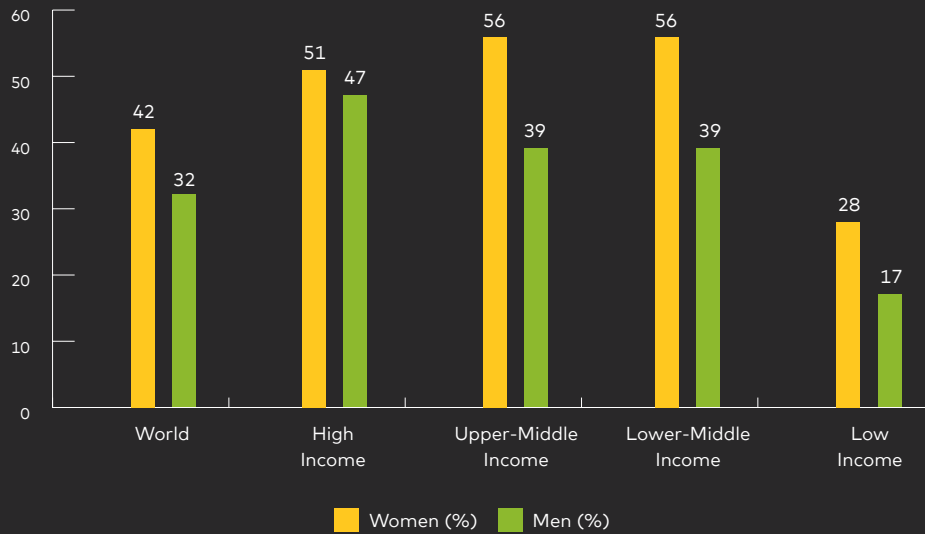
Of the 4 categories of business sectors that are highly impacted by the crisis, women's representation is the highest in Accommodation & Food services (54.1%, equivalent to around 78 million female workers). This is followed by the Wholesale & Retail and Repair of motor Vehicles & Motorcycles sector (43.6%, 210 million female workers). For the remaining high impact sectors of Real Estate, Business & Administration and Manufacturing, women account for 38.2% and 38.7%, respectively, representing a total of 60 million and 179 million. The average monthly wage in all 4 highly impacted sectors are also lower than the average.<sup>27</sup>

**Overrepresentation of Women Employees in Informal Sector**

ILO’s data reveal that in the informal sector, female employees are notably more exposed in high-risk

business sectors compared to men (See diagram below).<sup>28</sup> This is observed across all national income levels and point to the urgent need for scaled up and targeted support measures.

**Impact of Crisis in Informal Economy:**  
% Women & Men in High Risk Sectors



**3.2. Employment Support in Selected MIWE Economies**

According to the World Bank, the economic dividend from closing the gender gap globally amounts to \$172 trillion.<sup>29</sup> This, coupled with the fact that women tend to be at higher risk of being displaced due to the impact of large-scale global crises such as the Covid-19 heightens the need for policies and actions to be stepped up at all levels to support women employees who tend to be more vulnerable.

**Asia Pacific: Singapore, New Zealand, Australia**

Despite being one of the most advanced economies and a key financial and logistic hub globally, Singaporean women remain underrepresented in the workforce compared to men (62% of working age females in workforce compared to 78% for males, gender gap of 21%). They also account for less than half of all employees holding professional and technical positions (41.8% of total). Like their global peers, the outbreak of the novel coronavirus has exposed many women in highly impacted business sectors such as wholesale & retail and

accommodation & food services. The escalation of the crisis in April prompted the government to drastically step up measures to support firms in all sectors via a 75% wage subsidy under the Jobs Support Scheme for the month of May. The aim was to mitigate risk of widespread job loss as well as to support businesses in the island state. This follows an original 25% wage subsidies, with those in the food services sector receiving 50%, while aviation and tourism sectors received 75%.<sup>30</sup> Steps are also taken to boost job creation, such as the SGUnited Jobs initiative, which is expected to create about 10,000 jobs over the next year. Despite these measures, the abrupt pullback in economic activity is expected to weigh heavily on labor economy this year.<sup>31</sup>

Compared to its regional peer Singapore, the gender gap in the labor force in New Zealand is narrower (65% of working age females in the workforce compared to 75% for men, gap of



According to the World Bank, the economic cost of gender inequality globally amounts to USD 160.2 trillion

14%). Women also account for more than half the professional and technical positions (56.5%, rank 7). Not unlike their global peers, the Covid-19 outbreak has imparted a huge hit on the economy's workforce. As of end April, 184,404 people were on a Jobseeker benefit, a rise of 32,600 in just a month.<sup>32</sup> To cushion the impact of job loss, cut in salaries and reduced working hours, a series of employment support measures were rolled out, including:

- Total of USD 5.1 billion in wage subsidies committed for affected businesses in all sectors and regions. Full-time workers (more than 20 hours/week) will receive \$585/week under the scheme, with USD 350 paid to part-time workers. Subsidy paid as lump sum and covers 12 weeks per employee
- Payments to self-isolated people: USD 585.50 per worker per week for full-time workers and USD 350 per worker per week for part-time workers
- Wage subsidies available for all employers

significantly impacted by Covid-19 and struggling to retain employees

In Australia (MIWE overall ranking of 9), employment support came in the form of:<sup>33</sup>

- Allowances for employees to work on a short-term basis over a period of up to 4 months with possible extension of another 3 months while retaining 80-90% of their net salary
- One-off emergency relief payment of USD 250 for informal casual workers
- Coverage of up to 90% of employees' wages rather than being laid off
- Apprentices and trainees' wages subsidized by government by up to 50%

Despite these support measures, the latest figures from the Australian Bureau of Statistics showed that as of mid-April, job losses among women (8.1%) surpassed that of men (6.2%). However, women's loss of wage income fell slightly less (7.0%) compared to men (8.9%).<sup>34</sup>

### **Middle East & Africa: United Arab Emirates & Saudi Arabia**

In the higher income MEA economies such as the United Arab Emirates and Saudi Arabia, relief measures have been rendered to employees. For instance, the Dubai Health Authority is offering guidelines to pregnant female workers, urging them to work from home. Most organizations sent employees home on paid leave, while others worked from home on unpaid leave. Others remained on the payroll but took up to a 50% salary reduction, while others were terminated where the financial impact on the business was too immense. In Saudi Arabia, the Ministry of Human Resources and Emiratization Resolution No. 281 of 2020 has urged businesses to give priority to pregnant women as well as those aged 55 and above, those with disabilities, respiratory or chronic diseases and female workers who are mothers of children in grade 9 and below. Pregnant female workers and those who are breastfeeding are entitled to 14 day's paid leave.<sup>35,26</sup>

### **Europe: Denmark, Israel, Italy, Portugal, France, Germany, United Kingdom**

In Denmark, women and men who are self-employed or working in the informal sector experiencing a drop in turnover of more than 30% are eligible for cash support amounting to 75% of the loss with a maximum cap of EUR3,100 per month. The Danish government has also put in place measures to protect the workforce by covering 75% of employees' salaries if firms committed not to lay off workers.<sup>37</sup> Such quality of governance and proactive stance in nurturing a conducive and supporting entrepreneurial framework have been vital in not only easing the burden on women business owners and employees financially, but socially and personally as well. This is reflected in Denmark's high ranking (9th) for Component C: Supporting Entrepreneurial Conditions, and strong position (3rd) in Quality of Governance.

In MIWE's top ranking economy Israel, support has been extended to all employees of SMEs on unpaid leave for at least 30 days due to containment measures related to Covid-19. Although the gender gap in labor force participation between females and males is not very large (60% of working age

population are females compared to 68% for men), the crisis appears to have exacerbated the disparity. Figures provided by Israel Employment Service revealed that 116,000 more women than men filed for unemployment benefits in March and April. As of 16 April, 535,000 women and 419,000 men lost their jobs, meaning that women account for 56% of the newly unemployed compared to 44% for men, even though the number of women and men in Israel are nearly equal.<sup>38</sup> The figures highlight Israeli working women joining millions of their peers globally in bearing the brunt of the coronavirus crisis' economic impact.

In other economies such as Italy and Portugal, governments have taken positive steps by introducing a statutory right to partial paid leave for parents with children below a certain age, while in France, working parents impacted by school closure and/or self-isolation are entitled to paid sick leave if no alternative care or work such as teleworking arrangements are available. Other economies such as Denmark, France, Germany and the United Kingdom also extended childcare support by allowing some school premises to remain open with minimal staff to provide care for children of parents who had to continue working in the essential healthcare sector.<sup>39</sup>

Unemployment benefits and other forms of emergency income support were also reinforced in some economies such as Australia, Canada, Ireland, Sweden, the United Kingdom, and the United States.<sup>40</sup>

### **The Employment Outlook for Women Labor Force Participants**

Although the longer-term impact on employment and distribution of job loss is, at the current stage, hard to predict due to uncertainties surrounding the evolution and duration of the pandemic, differences in containment measures, and depth and breadth of economic contraction in each region, what is certain is that women's place in the workforce has become even more vulnerable due to permanent layoffs, temporary furloughs, or reduction in hours and pay.

Research by *McKinsey* on the impact of the coronavirus suggests that in the coming months, the loss of employment will likely continue to cascade, especially in the United States where state and local governments are being forced to cut public-sector jobs due to budget constraints (e.g. Cincinnati, Santa Barbara). As consumers increasingly migrate to digital banking, online shopping and online schooling/learning, job demand in sectors such as banks, retail, and department stores, and learning institutions has declined.<sup>41</sup>

However, *McKinsey's* gender analysis suggests that although women sustained the bulk of the initial wave of job loss, this may change going forward as labor economy conditions rebalance over time. Specifically, *McKinsey's* model reveals men are 10% more likely than women to hold vulnerable jobs. This is because men tend to be employed in sectors such as construction and manufacturing that were less vulnerable at the onset of the outbreak.

However, as time goes on, these sectors are more likely to suffer longer-term risks and be harder hit due to declines in consumer demand.<sup>42,43</sup> In contrast, women were initially harder hit due to their high representation in sectors such as retail, F&B, and services that were at immediate risks at the onset of the pandemic. However, in time, as the economy reopens, businesses in these sectors can resume operations more readily.

As most economies around the world commence to ease restrictions to jumpstart economic activity in May, it remains unclear how displaced and disadvantaged women employees will fare on the road to recovery. For those who continue to struggle with childcare responsibilities, returning to the workforce may not be feasible unless there are targeted policies and programs to assist.



### 3.3. Analysis of Sub-Indicator: **Women Entrepreneurial Activity Rate (F/M)**

As a measure of bias against women compared to men in early stage entrepreneurial activity based on the percentage of working age population both about to start an entrepreneurial activity and that have started one for a maximum of 3 and a half years, the pandemic is hitting entrepreneurial activities on a monumental scale. Without a doubt, many would have been deterred from starting a new business, while others may have found new opportunities to tap on, especially in e-commerce or digital related solutions. For young businesses (< 3.5 years) that have not built a strong customer base, working capital or cash reserves, an interruption in business operations due to containment measures may have led to temporary or even permanent closures.

#### **United States: Potential Hit on Entrepreneurship**

Based on the GEM's research, at the macro level, the United States has higher entrepreneurship rates than other developed economies in the west with more than 30 million adults qualifying as early-stage entrepreneurs (0 to 3.5 years) and over 20 million qualifying as established, independent business owners (3.5 or more years of independent business ownership).<sup>44</sup> Using the 2008-2009 financial crisis as a guide to determine the potential loss of entrepreneurial activity for the current crisis, data pointed to a decline in early-stage entrepreneurs of more than 20% between 2008 and 2010 with a rebound occurring only in 2012. However, it is likely that the potential loss stemming from the current crisis will be larger due to the drastic and abrupt cessation of operations nationwide.<sup>45</sup>

#### **China: Entrepreneurs Becoming Job Seekers**

In China, entrepreneurs who struggled to stay afloat have been forced to seek work in the labor force even as businesses and factories started to resume operations in May. During March and April, thousands of job applications for managers

at 30,000 new courier package pick-up stations across 100 cities in the economy were individual entrepreneurs who previously operated businesses from home or ran traditional courier businesses, convenience stores and other small grocery shops. The continued struggles of SMEs – a key contributor to the job economy and a growth engine for the economy – are expected to add further pressure to the job economy. Third-party business registration data showed 460,000 company closures in Q1, while the establishment of new companies fell 29% from a year ago.<sup>46</sup>

#### **Crisis Impact: New Entrepreneurial Opportunities**

The global entrepreneurial landscape will be vastly different from the pre-crisis times. According to GEM's latest analysis of the impact of Covid-19, the mass displacement of workers arising from the virus outbreak will likely lead to an increase in necessity-driven entrepreneurial activity as the unemployed seek alternative means to make a living.<sup>47</sup> Containment measures have also led to a surge in opportunity-driven entrepreneurship via online platforms. For many, a revamp or change in marketing and branding is called for to reach out to consumers whose needs, priorities and behavior have changed drastically. For others in the fashion industry, production chains have been re-purposed to produce essential healthcare equipment such as hospital gowns, masks and protective equipment for medical staff and patients. In the automotive sector, and across other manufacturing firms, production lines have been modified to produce ventilators that are in severe short supply.

#### **Surge in Online Start-ups**

The crisis has stirred a drastic shift in mindset and attitude to make the world a safer and environmentally friendlier place to live in. Nascent or aspiring entrepreneurs who find pockets of



opportunity to achieve this in new business sectors such as healthcare and delivery logistics may find their place in the new normal as the global economy gradually reopens. For instance, the outbreak has led to a surge in online grocery start-ups in the Middle East and North Africa (MENA) region. For GoodsMart, a leading grocery start-up offering contactless delivery experience in Egypt reported a surge in increase of both new clients and order numbers from existing customers. For some, the number of customer care agents and delivery vehicles were increased to boost service capabilities. Similar success stories are reported in Oman, Bahrain, Saudi Arabia and other MENA economies. For these grocery start-ups, extra hygiene measures and practices, including strategies to make the experience 'as contactless as possible' were taken to ensure the health and safety of customers and staff are not compromised. Some have gone the extra mile to provide relief to their customers by waiving delivery fees, relaxing minimum order policies, or offering express delivery to quarantined individuals by assigning separate logistics staff to cater to them.<sup>48</sup>

In India, technology-backed businesses in education, agriculture, health services, content, and essential retail trade are also witnessing a surge in business

growth due to the increase in demand for online platform services following lock down measures such as school closures and work-from-home requirements. Mostly start-ups, these digital businesses are also receiving funding from 'social impact investors' – investors who fund small businesses or projects to attain positive social gains as well as financial returns. Other categories of start-ups that are thriving in India include those focused on agriculture and rural sectors that have received relief support from the government.<sup>49</sup>

GEM's latest insight on the impact of the coronavirus pandemic on Ecuador's business landscape suggested that strong entrepreneurial spirit and effective technology transfer from university to the private sector offer vital pockets of silver lining for those seeking to tap into opportunities in new digital services.<sup>50</sup>

#### Switch from Employee to Entrepreneurs

Recent survey also revealed that 14% of women (versus 11% for men) in the United States considered giving up their full or part time work due to family demands and childcare responsibilities amid the coronavirus pandemic.<sup>51</sup>



The crisis has stirred a drastic shift in mindset and attitude to make the world a safer and environmentally friendlier place to live in



### 3.4. Analysis of Sub-Indicator: **Women Business Leaders (F%T)**

This year's MIWE results point to slow progress in women business leadership, especially in the Middle East & Africa region. For instance, in Saudi Arabia, Egypt and Algeria, women account for only around 6% of total business leaders, while Japan, South Korea, Turkey, Islamic Republic of Iran, Tunisia, India and Bangladesh, and Malawi have between 10% to 20%. In contrast, economies such as Colombia and the Philippines have the highest representation of female business leadership at 57% and 51%, respectively. Women in New Zealand, Poland, Russia, Botswana, the United States, Sweden, and Brazil have around 40% of women in leadership positions.

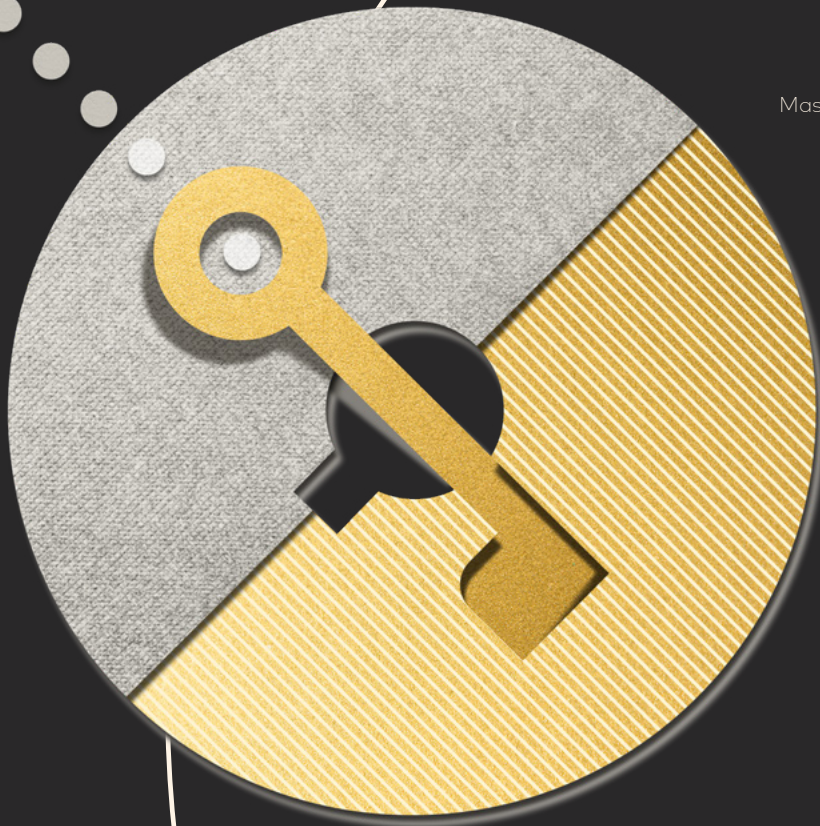
#### **Role of Female Leadership in Mitigating Risks During Crisis**

Although women often have lower status in the corporate world as leaders, the current Covid-19 crisis is demonstrating the incredible role and importance of female leadership at the national

level. As the world grappled with heightened uncertainty, widescale apprehension, and immeasurable losses where billions of lives and millions jobs and businesses are at stake, these women have presided over some of the most successful efforts at containing the virus while instilling order, assurance, trust and calm across their economies. They include Prime Minister Jacinta Arden of New Zealand, Chancellor Angela Merkel of Germany, Prime Minister Sanna Marin of Finland, and The Leadership of Chinese Taipei, Tsai Ing-Wen. The efforts of these female leaders have earned the praise and acknowledgement from many who attributed their efficacy to 'inclusivity', whereby diverse perspectives from different backgrounds and areas of expertise are carefully considered when major decisions need to be made. The implication of this is paramount. It demonstrates the untapped value of women as leaders and calls for a step up in policies that are inclusive of both genders on more equal grounds.<sup>52</sup>



Although women often have lower status in the corporate world as leaders, the current Covid-19 crisis is demonstrating the incredible role and importance of female leadership at the national level



Mastercard  
Index of Women  
Entrepreneurs

**Component B:  
Knowledge Assets  
& Financial Access**

**A measure of women's progress and the degree of marginalization they face commercially as financial customers and academically in terms of access to tertiary education enrolment, Component B: Knowledge Assets & Financial Access also gauges women's inclination to borrow or save for business purposes, and how much support is rendered for SMEs in terms of availability of government support and underlying infrastructure.**

Women Borrowing or Saving for Business

Women Financial Inclusion

Support for SMEs

Women Tertiary Education Gross Enrolment Rate

## Findings of Component B

---

### Top Performers

The results for Component B show women in Middle East & Africa, Asia Pacific and Europe taking a lead among the top 10 in terms of access to financial products and services, support for SMEs and opportunities to enroll in higher-level education.

In first place, women in Israel top the charts for the first time in the MIWE series, propelled by a 27% increase in component score from 76.6 to 97.4 points. This surge was underpinned by a 139% rise in the sub-indicator 'Support for SMEs' where substantial improvement was noted in physical infrastructure, and effectiveness and availability of government support for SMEs. In contrast, women in most Middle East & Africa economies such as Tunisia, Algeria, Ethiopia, Nigeria, Malawi, Angola, and Uganda remain undermined by a lack of opportunities financially and academically, less developed physical infrastructure and lower business support.

### Outperformers & Underperformers

Women in the United Kingdom, Switzerland, and Hungary (Europe) and South Korea, Malaysia, Mainland China, Indonesia, and Chinese Taipei in Asia Pacific are strongly placed against a backdrop of high access to financial products and services

and supportive entrepreneurial framework. Low and lower-middle income economies in Middle East & Africa (MEA) and Asia Pacific continue to trail their global peers in the overall MIWE charts. Here, although the proportion of women engaged in entrepreneurial activity and women business ownership are among the highest, they remain largely constrained by less favorable and supportive economic, sociocultural, financial and academic conditions. For instance, in Angola, Ghana, Nigeria, Malawi, India and Bangladesh, there are markedly less opportunities for women to progress professionally, as skilled workers, and assume business leadership positions compared to their peers in other regions. They are also more constrained by the lack of developed physical infrastructure and government programs to support their business undertakings.

	COMPONENT B: SCORE			COMPONENT B: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Israel	97.4	76.6	27.1%	1	17	16 ↑
United Kingdom	89.7	77.7	15.4%	2	11	9 ↑
South Korea	88.1	78.8	11.9%	3	9	6 ↑
Malaysia	86.7	80.4	7.8%	4	4	-
Mainland China	86.6	77.3	12.1%	5	14	9 ↑
United Arab Emirates	86.4	80.8	7.0%	6	3	3 ↓
Indonesia	86.4	79.9	8.2%	7	5	2 ↓
Chinese Taipei	86.4	74.7	15.8%	8	24	16 ↑
Switzerland	85.6	75.8	12.9%	9	20	11 ↑
Hungary	85.2	68.5	24.3%	10	41	31 ↑
Thailand	84.2	78.8	6.9%	11	10	1 ↓
Spain	83.9	77.4	8.4%	12	12	-
United States	83.5	74.9	11.5%	13	22	9 ↑
Poland	82.9	72.7	14.0%	14	28	14 ↑
Singapore	82.5	85.0	-2.9%	15	1	14 ↓
Argentina	82.4	73.7	11.8%	16	27	11 ↑
Russia	80.6	76.3	5.6%	17	19	2 ↑
Hong Kong SAR	80.0	79.5	0.7%	18	7	11 ↓
Vietnam	79.5	83.4	-4.7%	19	2	17 ↓
Portugal	79.5	73.9	7.5%	20	26	6 ↑
Ireland	79.4	76.6	3.7%	21	18	3 ↓
Mexico	79.1	75.3	5.0%	22	21	1 ↓
South Africa	78.8	74.0	6.5%	23	25	2 ↑
Turkey	78.2	70.3	11.3%	24	34	10 ↑
France	78.0	74.8	4.3%	25	23	2 ↓
New Zealand	77.8	78.8	-1.3%	26	8	18 ↓
Denmark	77.3	77.4	0.0%	27	13	14 ↓
Chile	77.0	76.8	0.2%	28	16	12 ↓
Sweden	76.5	66.5	15.0%	29	46	17 ↑
Brazil	76.2	68.0	12.0%	30	44	14 ↑
Colombia	76.0	69.5	9.5%	31	35	4 ↑
Uruguay	76.0	71.8	5.9%	32	30	2 ↓
Australia	75.5	69.2	9.2%	33	38	5 ↑
India	75.2	65.0	15.8%	34	48	14 ↑
Philippines	75.0	79.9	-6.1%	35	6	29 ↓
Canada	74.8	72.1	3.8%	36	29	7 ↓
Romania	74.1	77.1	-3.9%	37	15	22 ↓

	COMPONENT B: SCORE			COMPONENT B: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Germany	73.4	69.2	6.1%	38	36	2↓
Islamic Republic of Iran	72.1	71.6	0.7%	39	32	7↓
Ghana	71.4	71.7	-0.3%	40	31	9↓
Czech Republic	71.0	69.2	2.7%	41	37	4↓
Costa Rica	70.4	69.1	1.9%	42	39	3↓
Saudi Arabia	68.4	64.1	6.7%	43	49	6↑
Belgium	67.5	71.5	-5.6%	44	33	11↓
Peru	66.6	68.0	-2.0%	45	43	2↓
Ecuador	66.5	68.1	-2.4%	46	42	4↓
Egypt	66.4	52.6	26.1%	47	58	11↑
Botswana	65.1	68.9	-5.4%	48	40	8↓
Italy	65.1	59.2	9.9%	49	56	7↑
Uganda	64.7	65.2	-0.9%	50	47	3↓
Angola	62.4	62.0	0.6%	51	51	-
Japan	62.4	66.7	-6.6%	52	45	7↓
Malawi	62.1	60.6	2.5%	53	54	1↑
Nigeria	62.0	61.3	1.1%	54	52	2↓
Ethiopia	61.0	62.1	-1.8%	55	50	5↓
Algeria	59.9	60.0	-0.1%	56	55	1↓
Tunisia	58.8	60.8	-3.2%	57	53	4↓
Bangladesh	55.8	52.9	5.5%	58	57	1↓

Source: Mastercard Analysis 2020

### Components that Changed the Most

Of the 3 MIWE Components, the results for *Component B: Knowledge Assets & Financial Access* changed the most from the previous year. In fact, a notable improvement in score of more than 10% was observed in 17 economies with Israel, Egypt and Hungary leading with an increase in scores of over 20%. India and Chinese Taipei improved by 16%, while the United Kingdom and Sweden

advanced 15%. Specifically, Israel's improvement of 27% from 76.6 points in 2019 to 97.4 placed it firmly in 1st place for Component B, way ahead of the United Kingdom at 89.7 and South Korea at 88.1. In contrast, declines in scores for Component B was recorded in Japan, the Philippines and Belgium due to a drop in 'Support for SMEs'.



Progress in addressing the global gender disparity in financial inclusion remains slow with the gap at 7 percentage points since 2011

#### 4.1. **Impact of Covid-19 on Women Financial Inclusion (F/M)**

Progress in addressing the global gender disparity in financial inclusion remains slow with the gap at 7 percentage points since 2011. In MEA economies such as Nigeria, Ghana, Tunisia, Malawi, Uganda and Angola, the gender gap in 'Women Financial Inclusion' is much larger (around 40 percentage points). Here, only around 20% to 30% of females have a bank account that grants them the freedom and flexibility to manage their finances, while only 1% to 4% qualify for a credit card. This is a stark contrast to what is observed in higher-income and more advanced economies such as Australia, Singapore, Chinese Taipei, Ireland, the United Kingdom, Israel, and the United States where the financial inclusion gender gap is narrower between 1.5% to 2%, and a significantly larger proportion of women own a bank account (more than 90%) and own a credit card (50% to 60%).

#### **Financial Marginalization: A Hurdle in the New Virtual World**

In the current context of the pandemic, disparities in 'Women Financial Inclusion' have significant implications not only for women business owners, but women business leaders, professionals/technical workers, employees and those enrolled in tertiary education as well. As shown in the diagram below, with most businesses and institutions around the world transitioning to the virtual world of work and living, women who do not have bank accounts or credit/debit cards are finding themselves in a predicament because this means they have no avenue to access any cash relief payments provided by the government (usually deposited directly into accounts). For women business owners seeking loans to pay workers' salaries or to boost reserves for rental payments, the challenge of lower credit

scores due to low wages or credit standing is disqualifying them altogether from obtaining loans. Financial exclusion is observed even in advanced economies such as the United Kingdom where ministers were faced with pressures to set-up bank accounts for around 1.2 million people who did not have one during the Covid-19 outbreak.<sup>53</sup>

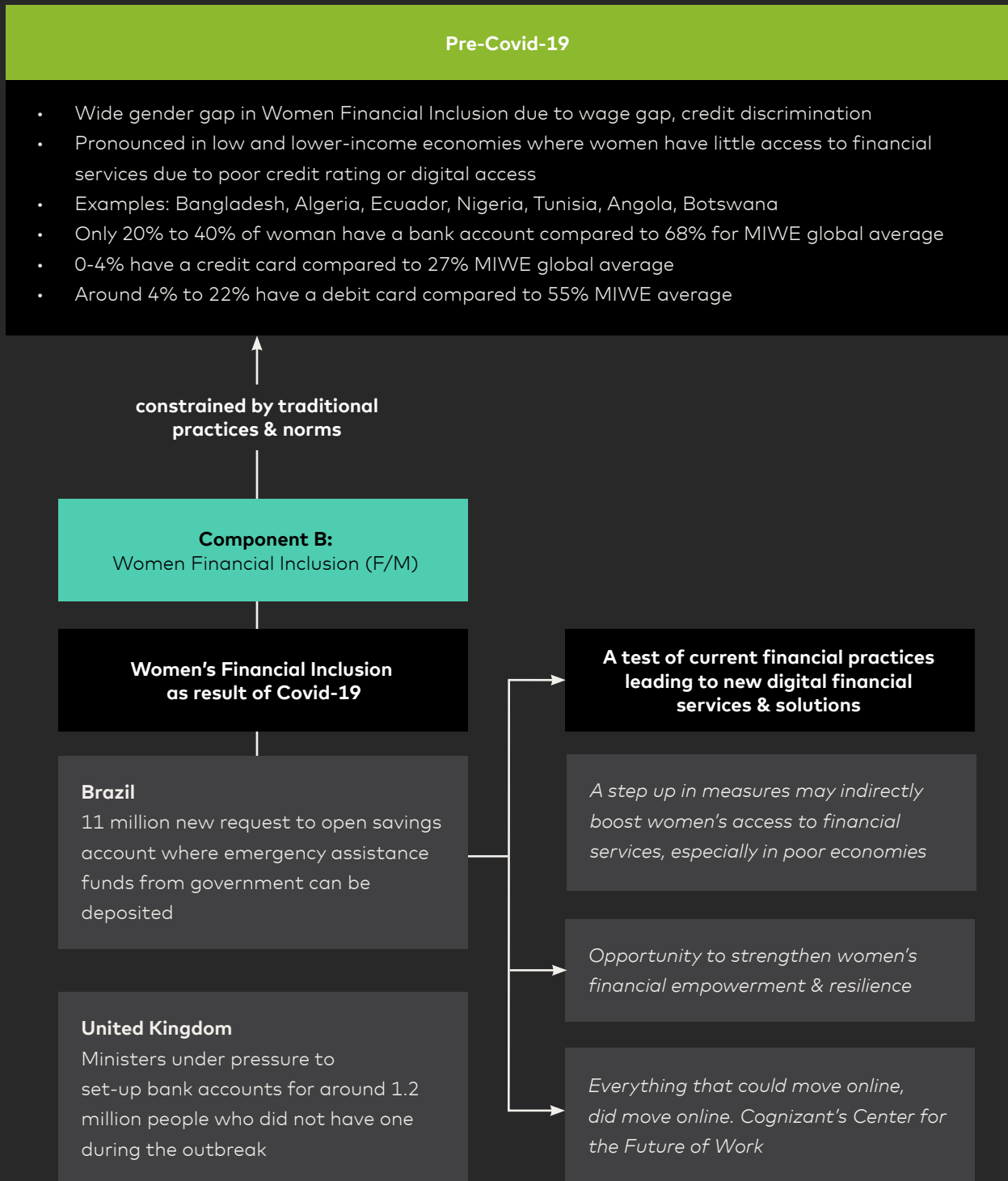
In Brazil, prior to the Covid-19 outbreak, women's financial inclusion was comparatively lower than their global peers. For instance, data from FINDEX show only 67% of women in Brazil having an account at a bank or financial institution. This is in stark contrast with women in Israel, Australia, Hong Kong SAR, Japan, New Zealand, Belgium, Ireland, Sweden and Switzerland where over 90% of

all women have an account. However, the crisis has changed the dynamics of financial exclusion to some extent. According to *Glenbrook Partners*, a global strategy consultancy firm, the government of Brazil is having some success at getting emergency social payments to the most vulnerable populations using digital channels. Caixa, the government-owned bank in Brazil, reported receiving 11 million requests from informal workers over 2 days to open a savings account to which emergency assistance funds from the government can be deposited. With 60% of the Brazilian adult population owning a smartphone, the government expect more workers to use the required online app to access the cash relief.<sup>54</sup>



Financial exclusion is observed even in advanced economies, such as the United Kingdom, where ministers were faced with pressures to set-up bank accounts for around 1.2 million people who did not have one during the Covid-19 outbreak





Source: Mastercard Analysis 2020

### Pandemic Paving a Way to Challenge Existing & Explore New Financial Approaches

According to *Women's World Banking*, a recent survey of their network of more than 48 financial service providers in 28 developing economies revealed that many providers view the Covid-19 crisis as a test of previous traditional banking practices leading to explorations of new digital financial services. The requirement for social distancing and movement control orders has led millions to switch to the virtual world of finance. New solutions such as digital loan disbursement, digital savings, use of chat bots for remote customer service and voice SMS in local languages are increasingly being used to reach out to a broader spectrum of customers.<sup>55</sup>

### Empowering Women for Crisis Resilience

Independent global think tank Center for Financial Inclusion has put forth some recommendations to equip women with the necessary financial tools so that they are more resilient in mitigating the economic effects of the pandemic.<sup>56</sup> The implementation of effective and equitable policies and interventions is especially relevant for women in developing economies where wider financial gender disparities make them more vulnerable.

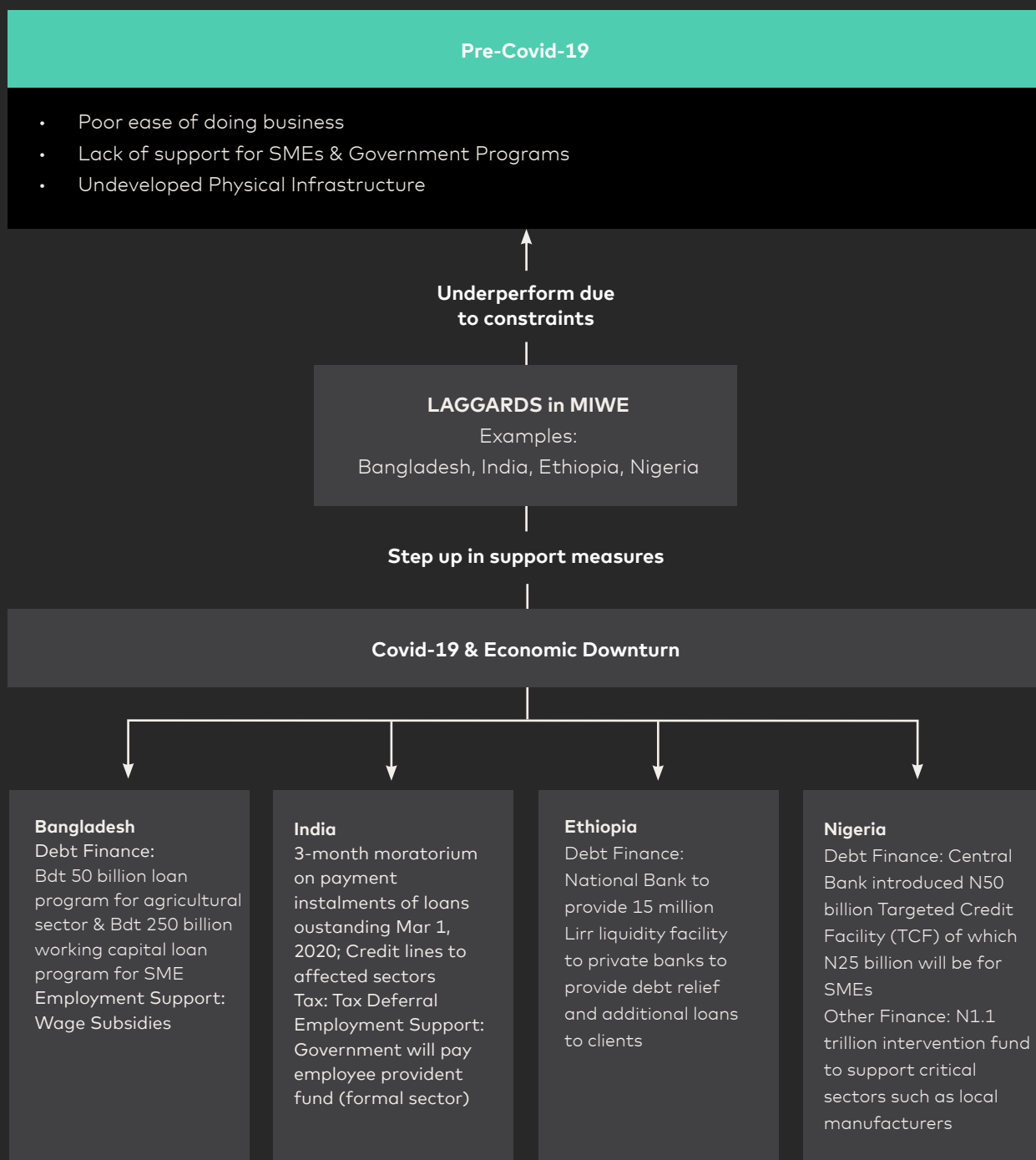
**Table 2: Recommendations to empower women for crisis resilience**

Recommendation	Description	
<p>Ensure women have equal access to technology</p>	<p>Women are 10% less likely to own a mobile phone (184 million fewer women than men), 26% less likely to have access to the internet (327 million fewer women than men) and 9 percentage points less likely to be literate</p> <p>Such technological and information constraints may mean vital public health messages may not reach women as easily as men, limiting their ability to prepare for the virus and change their behavior to reduce risk of infection</p>	<p>These measures will help narrow the financial gender gap, strengthen women's financial empowerment, and broaden their independence by allowing them to have their own financial agency, access to savings, insurance, collateral and decision-making capability</p>
<p>Increase women's access to digital financial services</p>	<p>This will allow women to access funds, make deposits, and make payments without having to travel or physically interact with another person</p> <p>Most need to borrow a family member's phone for digital financial access, meaning they lose out on benefits of secure, private digital payments</p>	
<p>Enable full functionality of government-to-person (G2P) accounts for financial health</p>	<p>Around 100 million people around the world receive a government payment in response to the pandemic. Most of these support payments are directed to the women in the household. However, most only know how to use these accounts for cash withdrawal. Some are unaware they have these accounts and that funds have been deposited</p>	

Source: Women's World Banking 2020

**Weaker Underlying SME Support Systems:  
Boosted by Covid-19 Response Measures**

The diagram below shows how the support systems in underperforming economies such as Bangladesh, India, Ethiopia and Nigeria have been enhanced as a result of Covid-19 response initiatives.



## 4.2. Impact of Covid-19 on **Women Tertiary Education Gross Enrolment Rate (F/M)**

The pandemic has drastically reshaped the way we learn, work, play and engage with each other. Apart from a few economies such as Chinese Taipei and Sweden, governments across multiple economies have made unprecedented calls for schools of all levels to close, forcing millions of students to switch to online learning. For some women, the transition to online schooling may be well-received, especially in societies where it may be deemed unsafe for women to travel to the cities to attend universities, or improper for women to stay in dormitories in colleges or universities due to lack of security arising from protracted ethnic violence and sexual violence against women. In these cases, women's ability to enroll in tertiary education may not be adversely impacted by the pandemic.

However, in families where the financial situation has been substantially hurt due to loss of work income or business earnings, a compromise may lead to postponing or foregoing children's tertiary enrolment. Gender bias towards giving males (sons) priority to gain tertiary education may lead to less academic opportunities for females (daughters). In economies such as Malawi and Uganda where women's tertiary education gross enrolment rate is already acutely low (0.6% and 4.1% of females of tertiary age enrolled, respectively), this will hurt women's progress academically even further. In

fact, research is showing that employees without bachelor's degrees are nearly twice as likely to hold vulnerable jobs. In the United States, they account for 58% of the workforce but 82% of all vulnerable jobs.<sup>57</sup>

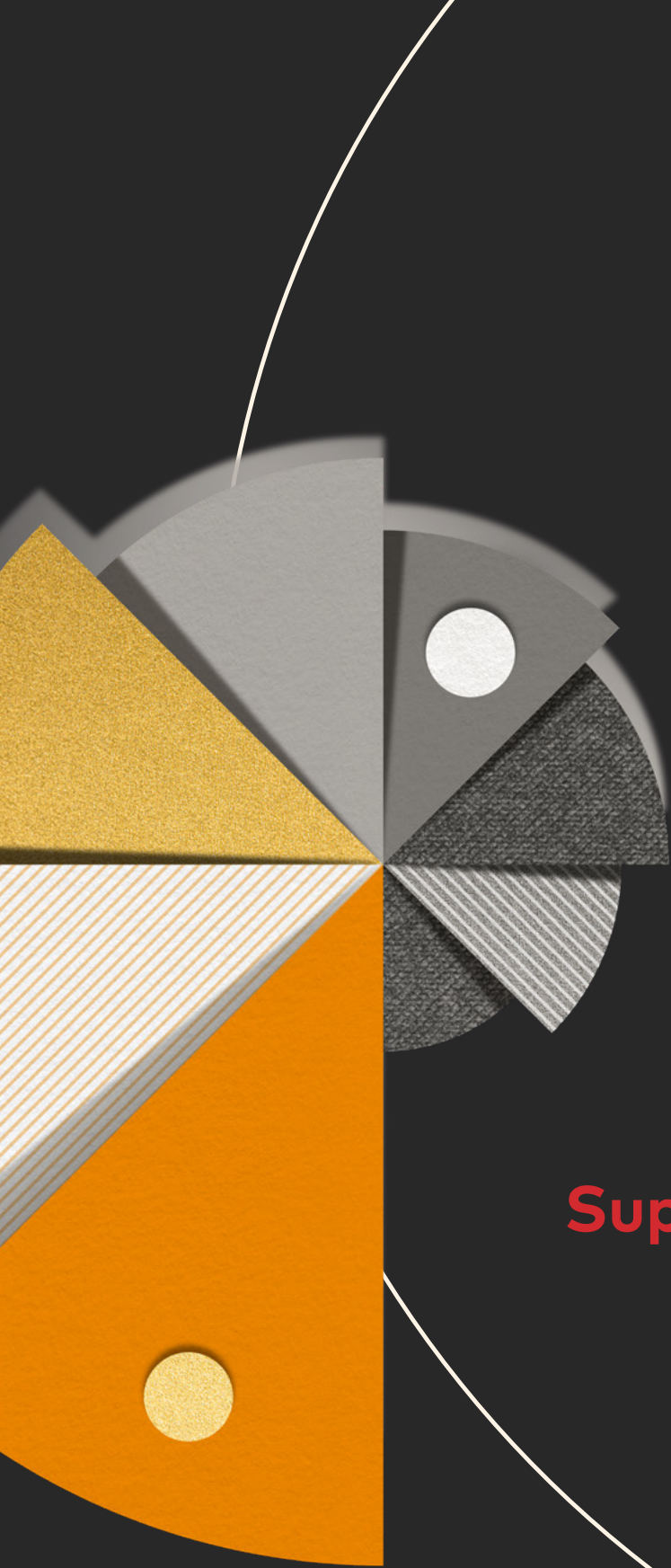
### **Gender Digital Gap**

Containment measures due to the Covid-19 crisis are also posing challenges due to the prevalent gender digital divide. According to the U.S. Agency for International Development (USAID), women are on average, 14% less likely to own mobile phones than males and are 43% less likely to engage online. For women enrolled in tertiary-education, a lack of access to mobile phones, computers or Internet connection means that they may lose out on the opportunity for distance learning.<sup>58</sup>

For women in the workforce, this means that they will not be able to work remotely from home due to social distancing constraints (unless their company provides them laptops or equipment). This may affect their ability to maintain their work performance or keep their position altogether. For women business owners, such digital divide means that they are less able to adapt their businesses readily to e-commerce platforms that are increasingly adopted due to containment measurements.



For women business owners, [the] digital divide means that they are less able to adapt their businesses readily to e-commerce platforms that are increasingly adopted due to containment measurements



# Mastercard Index of Women Entrepreneurs

## **Component C: Entrepreneurial Supporting Conditions**

As a measure of entrepreneurial conditions as enablers or constraints of female ability to progress and thrive as business owners, Component C also measures the sociocultural conditions in each region as a driver or inhibitor of female entrepreneurship.

Ease of Doing Business  
Cultural Perceptions of Entrepreneurs  
Quality of Governance  
Entrepreneurial Supporting Factors

### Findings of Component B

The results for Component C show women in Europe (Israel, Switzerland, Sweden, Denmark), North America (the United States and Canada), Middle East & Africa (United Arab Emirates) and Asia Pacific (Hong Kong SAR, New Zealand and Singapore) positioned strongly among the top 10.

#### Top Performers

In top 3, women in Switzerland, the United States and Israel are making firm strides in the business

world, propelled by favorable conditions such as high ease of doing business and quality of governance. Specifically, positive cultural perception and regard for entrepreneurial success in Israel, United States and the United Arab Emirates continue to play an instrumental role in motivating women to engage in entrepreneurial activity (more than 10 females per 100 working age females are engaged in entrepreneurial activities).

Table 3: Improvement in Cultural Acceptance & SME Support Driving Women Entrepreneurship

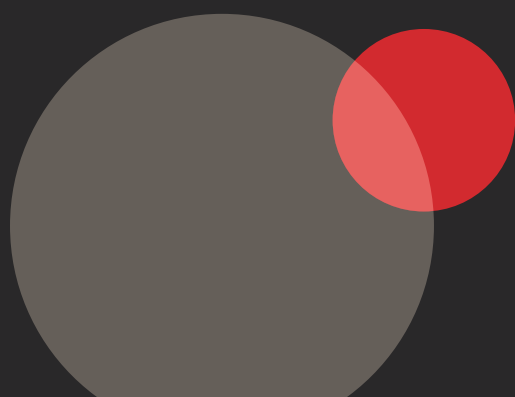
Regions & Economy	% Improvement in Cultural Perception of Entrepreneurs	% Improvement in Support for SMEs	% Increase in Women Entrepreneurial Activity Rate (F/M)
<b>Europe</b>			
Italy	37.5%	41.0%	17.9%
Poland	13.2%	50.0%	19.3%
Sweden	10.1%	99.8%	30.0%
Switzerland	45.4%	37.2%	26.3%
<b>Latin America</b>			
Brazil	25.4%	48.0%	5.1%
Colombia	11.2%	24.9%	22.8%
Mexico	13.9%	25.5%	19.8%

Source: Global Entrepreneurship Monitor, OECD

	COMPONENT C: SCORE			COMPONENT C: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Switzerland	86.7	78.2	10.8%	1	4	3 ↑
United States	81.7	79.8	2.4%	2	1	1 ↓
Israel	80.4	74.7	7.6%	3	10	7 ↑
Sweden	78.9	74.2	6.2%	4	11	7 ↑
Hong Kong SAR	78.5	78.6	0.0%	5	3	2 ↓
New Zealand	78.0	79.1	-1.3%	6	2	4 ↓
United Arab Emirates	77.9	76.2	2.3%	7	7	-
Singapore	77.5	77.9	-0.5%	8	5	3 ↓
Denmark	75.9	74.0	2.6%	9	12	3 ↑
Canada	75.6	77.6	-2.6%	10	6	4 ↓
Ireland	72.6	74.7	-2.8%	11	9	2 ↓
India	72.4	58.7	23.5%	12	30	18 ↑
Chinese Taipei	72.0	69.7	3.2%	13	17	4 ↑
Australia	71.6	72.5	-1.3%	14	13	1 ↓
United Kingdom	71.0	75.2	-5.6%	15	8	7 ↓
Germany	69.3	70.0	-1.0%	16	16	-
South Korea	68.8	67.0	2.6%	17	19	2 ↑
Malaysia	68.1	68.5	-0.6%	18	18	-
Japan	67.2	71.0	-5.3%	19	14	5 ↓
Chile	67.1	66.7	0.7%	20	20	-
Belgium	66.7	66.2	0.8%	21	21	-
Portugal	65.3	70.3	-7.1%	22	15	7 ↓
Costa Rica	64.9	64.8	0.2%	23	22	1 ↓
Spain	64.7	63.5	2.0%	24	24	-
Poland	64.7	62.7	3.2%	25	26	1 ↑
Italy	64.6	58.5	10.5%	26	31	5 ↑
France	64.0	64.6	-0.8%	27	23	4 ↓
Indonesia	62.1	60.3	2.9%	28	28	-
Czech Republic	61.8	62.6	-1.2%	29	27	2 ↓
Botswana	60.8	62.9	-3.4%	30	25	5 ↓
Saudi Arabia	60.7	57.9	4.7%	31	35	4 ↑
South Africa	60.4	53.5	12.8%	32	45	13 ↑
Mainland China	60.2	57.6	4.6%	33	36	3 ↑
Ghana	59.0	58.5	0.9%	34	32	2 ↓
Thailand	58.9	58.2	1.3%	35	33	2 ↓
Mexico	58.4	54.6	7.0%	36	42	6 ↑
Colombia	58.0	56.3	3.0%	37	37	-

	COMPONENT C: SCORE			COMPONENT C: RANKING		
	2020	2019	% Change from 2019 to 2020	2020	2019	% Change from 2019 to 2020
Uruguay	57.8	58.1	-0.5%	38	34	4 ↓
Argentina	57.3	54.8	4.6%	39	41	2 ↑
Philippines	57.0	56.2	1.5%	40	38	2 ↓
Hungary	56.6	53.8	5.2%	41	44	3 ↑
Peru	56.4	54.9	2.8%	42	40	2 ↓
Romania	56.1	59.5	-5.7%	43	29	14 ↓
Vietnam	54.7	54.2	0.9%	44	43	1 ↓
Turkey	54.1	55.2	-2.0%	45	39	6 ↓
Ecuador	52.7	50.4	4.6%	46	48	2 ↑
Russia	52.0	51.6	0.9%	47	46	1 ↓
Brazil	52.0	49.3	5.4%	48	50	2 ↑
Tunisia	51.0	51.4	-0.8%	49	47	2 ↓
Uganda	50.7	50.4	0.7%	50	49	1 ↓
Malawi	46.7	47.4	-1.4%	51	51	-
Algeria	45.2	43.9	3.0%	52	52	-
Nigeria	43.4	42.6	1.9%	53	53	-
Egypt	42.6	40.4	5.4%	54	56	2 ↑
Bangladesh	41.9	41.8	0.3%	55	54	1 ↓
Ethiopia	41.7	40.5	3.0%	56	55	1 ↓
Angola	37.6	35.6	5.5%	57	58	1 ↑
Islamic Republic of Iran	36.6	39.5	-7.4%	58	57	1 ↓

Source: Mastercard Analysis 2020





## 5.1. Implications for MIWE 2020 Findings

The implications of findings mentioned in this report warrant attention and resonate deeply with the Mastercard Index of Women Entrepreneurs 2020. Women's role as contributors to economic growth is profound, yet in times of both economic growth and downturn, their vastly untapped potential leads to tremendous loss in economic value. The impact and ongoing effect arising from the current pandemic underscores the importance of women's advancement in building their economic resilience in times of great uncertainties.

Drawing on the findings from ILO, WEF and other leading international organizations, the MIWE 2020 report points to 4 key things. First, women are more vulnerable than ever before due to the Covid-19 crisis. Second, women's leadership skills are stronger than ever before due to the pandemic. Third, women's advancement and empowerment socioeconomically are fundamental in building their resilience during times of crises and severe uncertainties. Fourth, women's ability to thrive and survive – whether as business owners, professionals/technical workers, or employees in the formal or informal sector depends heavily on the interplay of various supporting factors.

### Interplay of Supporting Factors at Different Levels

The current crisis has demonstrated the crucial role of various MIWE sub-indicators at different levels. At the government level, funding and support for businesses (especially SMEs) in the form of wage subsidies, tax relief/deferment or other job support schemes goes a long way in sustaining businesses, mitigating risk of mass layoffs and picking up momentum again during the recovery phase.

At the national level, developed '*Physical Infrastructure*' and '*Ease of Doing Business*' allow remote working, online learning, e-commerce and other information, communication & technology-

related activities to continue in cities under partial or full lockdown. For women in business, high financial inclusion facilitates access to a multitude of financial transactions such as receipt and disbursement of grants and relief, application for business loans, and online payments, among others. This is reflected in the 'Women Financial Inclusion' indicator in component B.

At the corporate and institution level, strong underlying entrepreneurial supporting factors allow businesses and governments to tap onto the skills and expertise of 'Skilled Employees' as part of the economy's collective effort to contain and mitigate the impact of the economic and health crises presented by the pandemic or other unforeseeable events. The great shutdown has also drastically altered consumer behavior and the world of work. At the same time, it has presented opportunities for both aspiring and existing business owners, especially in the healthcare, education, consultation, and food retailing and services where business operations could still be conducted virtually. In this regard, enabling conditions of 'New Business Economy Entry' will allow such opportunities to be tapped.

High 'Quality of Governance' in the form of efficient and effective rule of law such as timely implementation of partial or full lockdowns and social distancing and stable political and social conditions are vital in allowing stay-at-home and work-from-home requirements to be performed. The crisis has also shown the importance of 'Government Effectiveness' as a proxy for quality of policy formulation and implementation. In Singapore and Chinese Taipei, Quality of Governance is among the highest on the MIWE charts (rank 10 and 15, respectively). In both economies, the governments' timeliness, and efficacy in mitigating the spread of the virus via

strict rules of law has helped kept infection cases and death rates low. Emergency stimulus packages unveiled to support businesses in the form of wage subsidies and tax relief measures are helping to curb business and job losses, underscoring the

importance of 'Support for SMEs' and 'Quality of Governance'.

The diagram below shows the interplay of all the 3 MIWE components and the 13 sub-indicators in



### Traits that Bolster Women's Resilience in Times of Crisis

The findings show that women in developed economies with higher knowledge assets such as tertiary qualification, advanced skillsets such as business leadership and who are employed in the formal sector as professional or technical workers are likely to be better positioned to retain their jobs. In contrast, women in developing economies who possess less skillsets, knowledge assets and are overrepresented in the informal and harder-hit sectors with less pay, little to no employment

benefits and protection from exploitation are more at risk of being displaced during times of crisis and economic downturn. This is shown in the case of women employed in the apparel & textile manufacturing sector in Bangladesh and Tunisia where mass closures of clothing factories led to displacement of thousands of women from their jobs. This brings to light the need for policy responses to be targeted on providing immediate relief to disadvantaged women to protect their livelihoods. This is most urgent in less developed economies.

## 5.2. Impact of Covid-19 on Ease of Doing Business

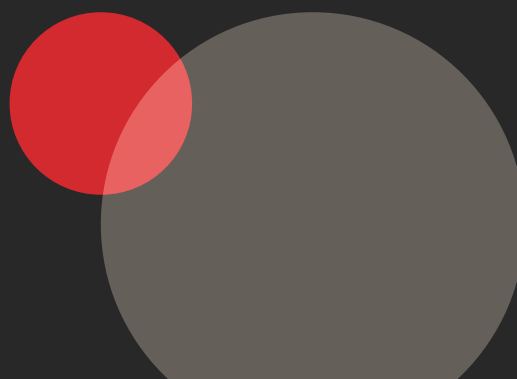
The coronavirus crisis has been particularly punishing on women business owners when compared to men. Mastercard's Vulnerability Analysis revealed women to be generally more exposed to highly impacted business sectors than men. Female business owners are also more likely to operate in sectors such as human health & social work where the risk of infection is considerably higher as compared to other sectors (18.5% women-owned businesses vs 3.2% for men, ILO).

In addition, although governments in most economies have rolled out emergency relief measures to ease the financial burdens of businesses and businesses have transited to teleworking and digital platforms, the sudden halt in work and nationwide containment measures due to the pandemic have rendered business operations more challenging due to higher costs, disruption in supply chains and reduction in operating hours.

## 5.3. Impact of Covid-19 on Quality of Governance

The Covid-19 crisis has prompted governments in many economies to step up their policy responses by boosting support to businesses in the form of tax reliefs, lower borrowing costs, employment support and subsidies (e.g. rental and utilities). For instance, in Israel, funding for state guaranteed loans to support SMEs with cash-flow difficulties has been increased, while in Switzerland, unemployment insurance funding and targeted spending on

hardest-hit sectors were swiftly rolled out to mitigate the impact of the crisis. In New Zealand where 'Quality of Governance' is ranked 1st among the 58 economies, emergency relief measures were swiftly implemented (e.g. wage subsidies, tax relief, leave support scheme and interest-free loans) to alleviate the impact stemming from the Covid-19 crisis and economic slowdown.



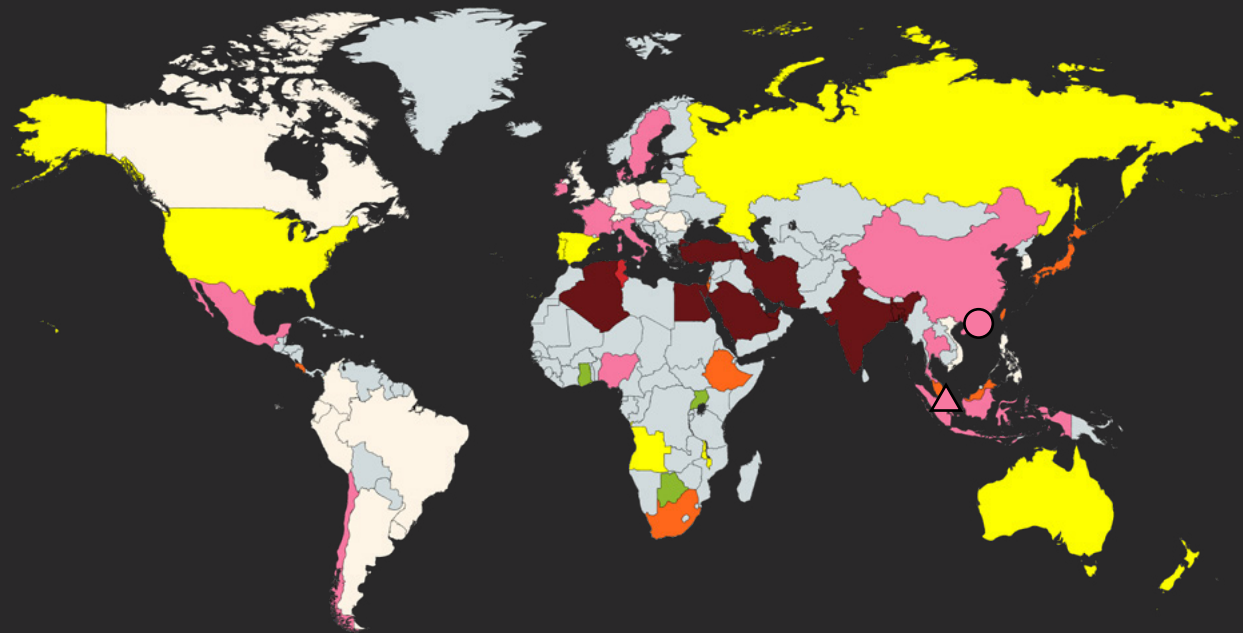
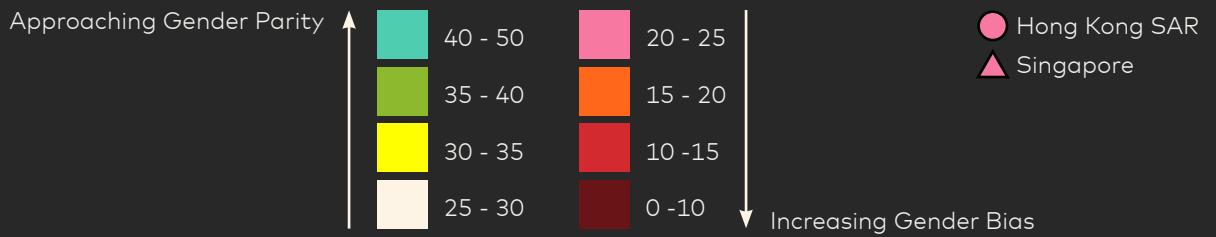
Mastercard  
Index of Women  
Entrepreneurs

**Benchmark:  
Women  
Business Owners**

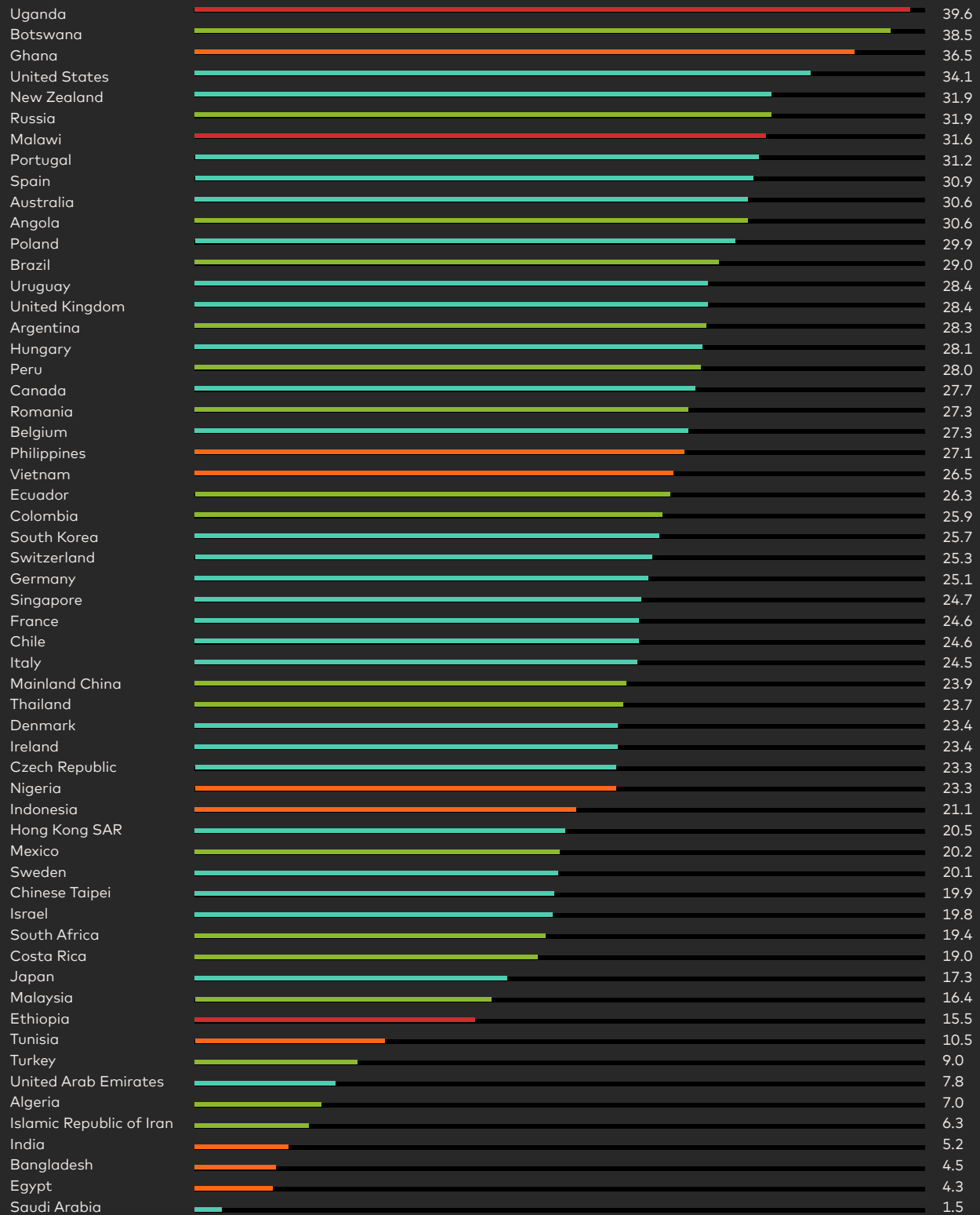


**Women Business Owners (Female Owners as a percentage of Total Business Owners, F%T) is the benchmark indicator of the Mastercard Index of Women Entrepreneurs 2020 (MIWE).** The latest updated women business ownership across the 58 economies is depicted in the map below. Those that are shaded in green and yellow color have the highest representation of women business ownership (30% to 40%), such as New Zealand,

Russia, Spain, and Australia. Economies shaded white have WBO of 25% to 30% (e.g. Canada and Brazil), while those in pink have WBO of 20% to 25% (e.g. Mainland China, Thailand, and Nigeria). Economies in orange and red have low WBO of 10% to 20% (e.g. Japan and South Africa). Of the 58 regions, 8 are in the dark red zone with less than 10% of WBO, with Saudi Arabia lowest at 1.5%.



## 2020 Benchmark: Women Business Owners (as % of Total Business Owners)



High income

Upper Middle Income

Lower Middle Income

Low Income

## 6.1. Women Business Ownership in Low-Income & Developing Economy

The results point to a *strong representation of women as business owners in the less wealthy and less developed economies in the Middle East & Africa region*, including Uganda, Botswana, Ghana, Malawi, Angola, and Nigeria. Women here are more

inclined to engage in early-stage entrepreneurial activity compared to most of their global peers and are equally or more likely to pursue entrepreneurship than men (See Table 4 below).

**Table 4: Women Business Ownership & Entrepreneurial Activity in Low-income & Developing Economy**

	Women Business Ownership (F%T)	Women Entrepreneurial Activity Rate (F/M) (100 = gender parity)	Female Entrepreneurial Activity Rate (Total early-state entrepreneurial activity for female working age population)	Male Entrepreneurial Activity Rate (Total early-state entrepreneurial activity for male working age population)
<b>Uganda</b>	<b>39.6%</b>	<b>100.0</b>	<b>36.5</b>	<b>32.3</b>
<b>Botswana</b>	<b>38.5%</b>	<b>81.1</b>	<b>30.2</b>	<b>37.3</b>
<b>Ghana</b>	<b>36.5%</b>	<b>100.0</b>	<b>28.4</b>	<b>24.5</b>
<b>Malawi</b>	<b>31.6%</b>	<b>96.7</b>	<b>28.1</b>	<b>29.0</b>
<b>Angola</b>	<b>30.6%</b>	<b>99.5</b>	<b>41.0</b>	<b>41.2</b>
<b>Nigeria</b>	<b>23.3%</b>	<b>100.0</b>	<b>41.2</b>	<b>38.8</b>

Source: International Labor Organization, Global Entrepreneurship Monitor (GEM)

Although the entrepreneurial ecosystems in these locations are comparatively less vibrant, developed, and supportive compared with advanced and wealthier economies, women business ownership remains high. This could be spurred by factors such as:

**Low fear of business failure:** Results from the Global Entrepreneurship Monitor reveal that in general, the degree of fear of business failure among women in the Middle East & African economies such as Angola, Botswana, Malawi, Nigeria and Uganda

are the lowest compared to other regions.<sup>59</sup> This could be attributed to the fact that most of the businesses tend to be small-scale requiring lower start-up costs, capital equipment and technological know-how and support.

**Absence of alternative income sources:** Findings from GEM suggest that the motivation to start a business in low-income economies may stem from the need to generate income due to the lack of alternative income sources (e.g. employment and investment opportunities).

**High perception of capabilities:** The higher rates of women business ownership could be because most types of businesses are sole-proprietary

or family-run businesses of small-scale in the consumer services and retail sector that are usually less technology-intensive.

## 6.2. Women Business Ownership in Higher-Income & Developed Economies

High rates of women business ownership (WBO of around 30% or more of total) are also observed in high-income and developed economies such as the United States, Australia, New Zealand, Spain, Portugal and the United Kingdom where the overall MIWE rankings are high as well. In these wealthier economies, women may have higher access to the resources necessary to start a business. Entrepreneurs are also able to tap on more extensive and established distribution channels,

business networks, and international economy. Here, women thrive against a backdrop of a highly supportive entrepreneurial ecosystem nurtured by high ease of doing business, supportive government programs, developed physical infrastructure and financial and business systems, availability of business networks & mentorship, and favorable sociocultural regard for entrepreneurship. These locations are listed in Table 5 below.

## 6.3. Changes in WBO Score & Ranking: 2019 to 2020

Women Business Ownership as a percentage of total business owners remained broadly stable with only 2 economies recording a change of more than 2%: Bangladesh (up 3.9% from 4.3 in 2019 to 4.5)

and Egypt (up 3.0 % from 4.1 to 4.3). The overall rankings remained largely similar, with minor shifts in rankings of 1 or 2 in some regions.

**Table 5: Women Business Ownership & Entrepreneurial Activity in Higher-income & Developed Economies**

	Women Business Ownership (F%T)	Overall MIWE Ranking (2020)	Female Entrepreneurial Activity Rate (100 = gender parity)	Favorable, Supportive Entrepreneurial Conditions
United States	34.1%	2	90.7	Generally strong progress as business leaders, professionals & low gender gap in entrepreneurial activity
New Zealand	31.9%	4	64.1	
Portugal	31.2%	19	61.5	
Spain	30.9%	10	95.2	High knowledge assets, low gender gap in access to financial services, strong support for SMEs
Australia	30.6%	9	71.5	
Poland	29.9%	5	89.5	High ease of doing business & quality of governance
United Kingdom	28.4%	6	59.8	

Source: ILO, Global Entrepreneurship Monitor (GEM), World Bank, Global Findex Database, OECD





Mastercard  
Index of Women  
Entrepreneurs

**Impact of Covid-19  
& Economic  
Downturn on  
Women Business  
Ownership**



The impact [of Covid-19] on business irrespective of size, type and location is far reaching, with tourism, travel & transport, retail, food services, accommodation, entertainment & recreation, and manufacturing hurt the most

## 7 Impact of Covid-19 & Economic downturn on Women Business Ownership

The recent global outbreak of Covid-19 has thrown the global economy into disarray, severely stalling economic growth across economies of all wealth and stages of development. Containment measures such as nationwide shutdown, travel restrictions, social distancing and mandatory stay-at-home orders have sent businesses and communities into a standstill. For the millions of businesses worldwide, the shift to the "new normal" meant little to zero physical contact with customers, a sharp downscaling or complete cessation in business operations, shorter working hours, or a transition to teleworking, e-commerce platforms or other forms of remote operation.

The impact on business irrespective of size, type and location is far reaching, with tourism, travel & transport, retail, food services, accommodation, entertainment & recreation, and manufacturing hurt the most. The losses in terms of human lives and the cost to the social, physical, and economic health of economies are immeasurable.

For women-led businesses, the impact has been considerably greater. A recent study conducted by the International Trade Center revealed that 64% of businesses owned by women were strongly affected compared with 52% of businesses owned by men. More than 90% of women entrepreneurs reported a decrease in sales during the pandemic. Another survey conducted by the International Finance Corporation (IFC) and partners on companies in Africa, Asia and the Middle East spanning more than 600 female-led micro, small and medium-sized businesses (MSMEs) revealed the following:<sup>60</sup>

- 1/3 female entrepreneurs feel that increased care demands have compromised their ability to focus on their businesses and generate income
- Many firms are struggling to adapt to digital platforms and access digital economy for business continuity
- More than 1/3 respondents expressed concerns on how to support the health and wellbeing of employees due to the impact of the pandemic

## 7.1. Business Sectors by Vulnerability Impact Analysis

According to OECD report “SME Policy Responses” last updated 20 April 2020, the risk to SMEs globally is so colossal that more than half are not expected to ride the storm out.<sup>61</sup>

To assess the impact of Covid-19 on women business owners, we conducted a “Business Sectors

by Vulnerability Impact Analysis” of 40 economies based on data from ILO. Due to data restrictions, we were unable to include all 58 economies into this analysis. For the Vulnerability Impact Analysis, employer categories are grouped into 3 types of economies by classification as shown in Table 6 below:

**Table 6: Classification of Economy Type: Business Sectors**

CLASSIFICATION BY ECONOMY TYPE	EMPLOYER CATEGORY	BUSINESS SECTORS	MIWE ECONOMIES BELONGING TO TYPE
<b>Default Type: 31 Economies</b>	<b>Owns a business that employs at least one worker apart from the owner to represent Business Owners</b>	<b>17 ISCE93 sectors*</b>	<b>Argentina, Bangladesh, Belgium, Brazil, Chile, Costa Rica, Czech Republic, Ecuador, Egypt, France, Germany, Ghana, Hungary, India, Israel, Italy, South Korea, Mexico, Philippines, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom, Uruguay, Vietnam</b>
<b>Type 1: 3 Economies</b>	<b>Same as Default Type</b>	<b>A less granulated 7 sectors derived from the 17 ISCE93 sectors</b>	<b>Colombia, Indonesia, South Africa</b>
<b>Type 2: 6 Economies</b>	<b>A combined grouping of the employer category and solo operator to represent Business Owners</b>	<b>17 ISCE93 sectors*</b>	<b>Denmark, Ireland, Peru, Uganda, United Arab Emirates and United States</b>

Source: ILO Monitor: Covid-19 and the world of work. 3rd Edition. Note: \* 2 sectors “Electricity” and “Water Supply” were not included due to negligible numbers of employers

### Vulnerability by Sector

Each of the Business Owner-Sector groupings are assigned risk levels from "High" to "Low" corresponding to their potential impact of the Covid-19 virus. The table below shows a total of

17 different business sectors, of which 7 are in the "High" impact category, 3 sectors are in the "Medium-High" impact category; 3 in "Medium", 1 in "Low-Medium" and 3 in "Low".

**Table 7: Covid-19 Impact – Vulnerability: By Sector**

ECONOMIC IMPACT FROM COVID-10	BUSINESS SECTORS
<b>HIGH</b>	Wholesale and retail trade
	Accommodation and food services
	Manufacturing
	Real estate activities
	Administrative & support services
	Professional, scientific and technical
	Information and communication
<b>MEDIUM-HIGH</b>	Arts, entertainment & recreation
	Other service activities
	Transportation and storage
<b>MEDIUM</b>	Construction
	Financial and insurance
	Mining and quarrying
<b>LOW-MEDIUM</b>	Primary sectors
<b>LOW</b>	Human health and social work
	Education
	Public administration and defense

Source: ILO Monitor: Covid-19 and the world of work. Fourth edition, 27 May 2020, International Labor Organization

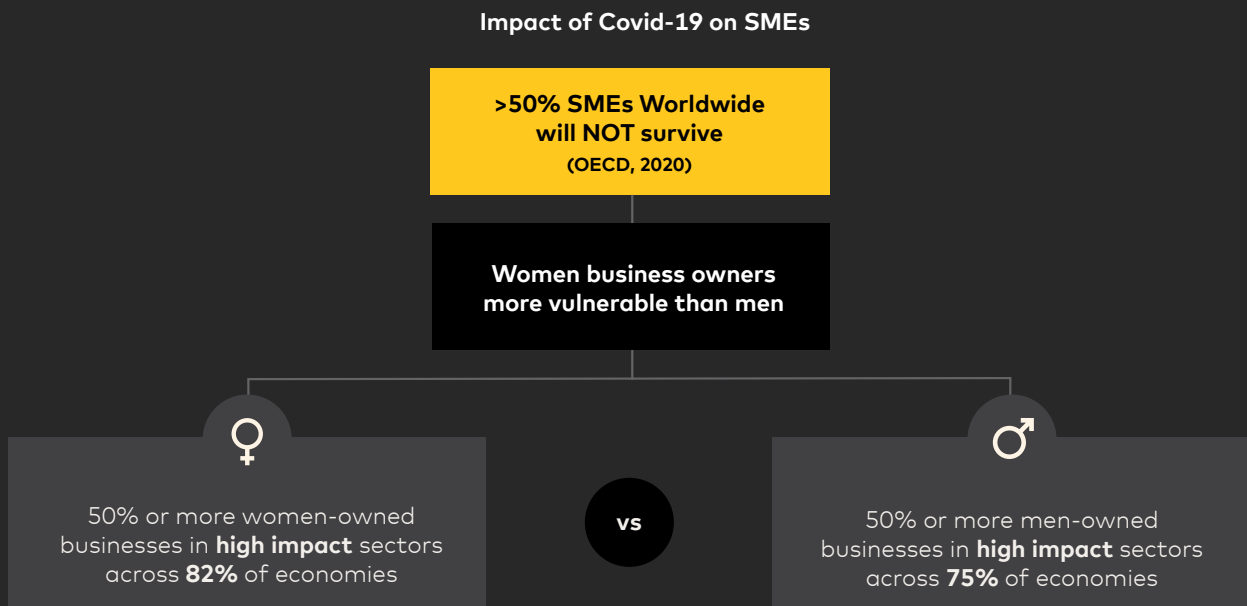
The coronavirus crisis showed that sectors such as wholesale & retail trade, accommodation & food services, manufacturing, real estate, and information & communication are the most severely impacted due to various reasons such as: the need for full or partial closure due to risk of exposure stemming from frequent personal or face-to-face contact between employees and customers (e.g. retail outlets), employees working in close proximity within confined areas (e.g. factories), requirement for travel and movement (e.g. real estate, logistics), or customers gathered closely

together (e.g. restaurants, entertainment). These businesses are impacted at a "High" level as there is little to no avenue for remote working, leading to a large drop in revenue. In contrast, businesses in the human health & social work, education, and public administration & defense sectors are the least impacted ("Low") as they are considered essential whereby the delivery and receipt of services can be conducted virtually via online teaching and learning or online transaction and communication, respectively.

## 7.2. Women Business Owners: Most Exposed to High-Impact Sectors

The vulnerability analysis revealed that women-owned businesses are generally more concentrated in sectors that are highly impacted by the Covid-19 crisis than men-owned businesses. For instance, in 33 of the 40 MIWE economies covered by ILO<sup>1</sup>, 50% or more women-led businesses operate in highly impacted industries such as wholesale

& retail, accommodation & food services, and manufacturing. This is observed in economies such as Argentina, Brazil, Ecuador, Italy, South Korea, Russia, Thailand, Uruguay, and Vietnam. In contrast, 50% of men-owned businesses operate in high impact sectors in 30 of the 40 economies.

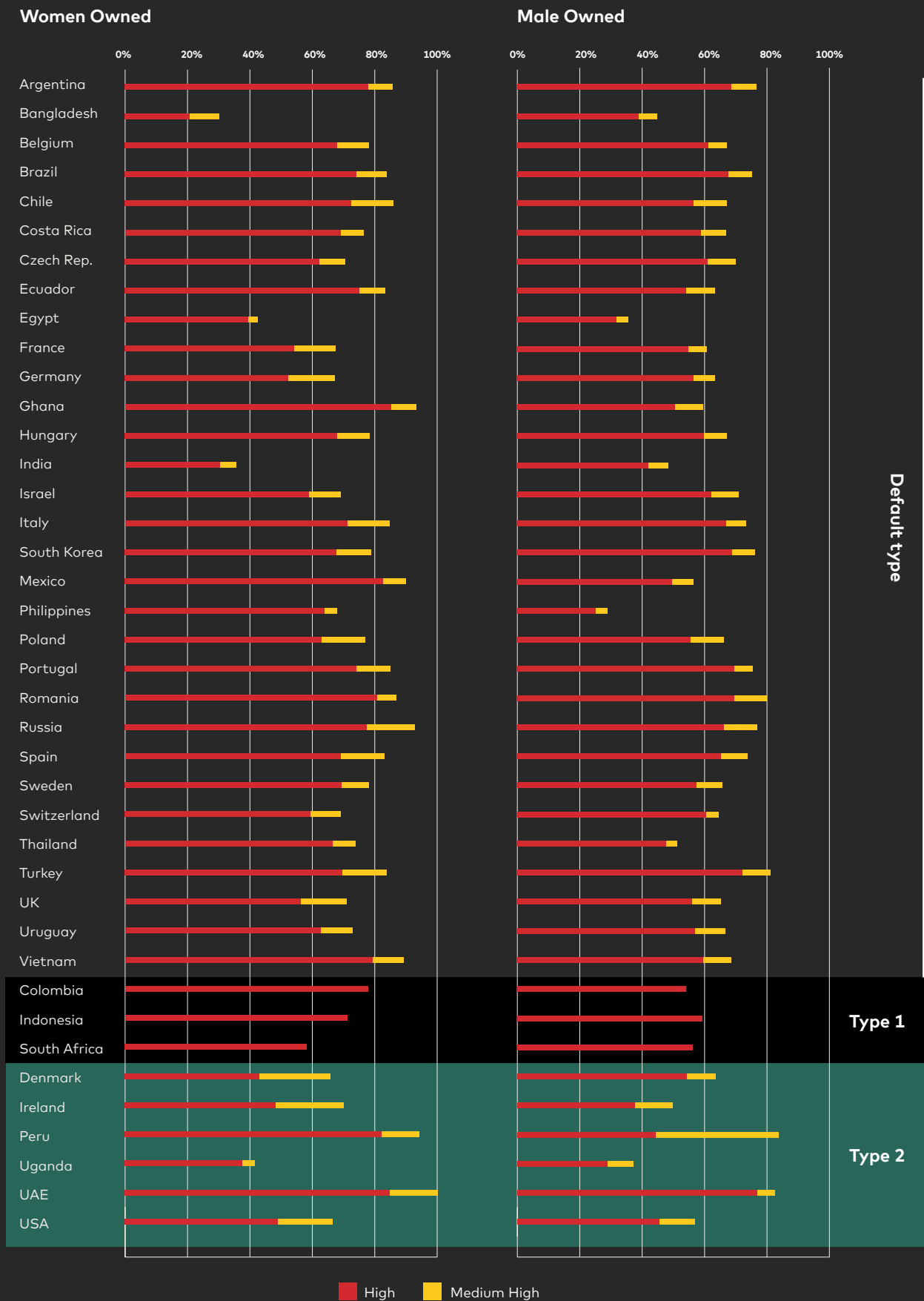


<sup>1</sup>Note: Only 40 of all economies included in ILO's breakdown of women and men's business ownership fall within the MIWE list of 58 economies.



Women-owned businesses are generally more concentrated in sectors that are highly impacted by the Covid-19 crisis than men-owned businesses

Business Sectors by Vulnerability Impact from Covid-19





## In the absence of clear and targeted government support programs, Ghanaian women's business ownership ... I may decline in the near term due to their exposure to high-impact sectors

Of the 40 economies, United Arab Emirates had the highest representation of both male and female-owned businesses and solo operators exposed to highly impacted sectors (84.8% for female and 76.7% for male), especially the wholesale & retail trade sector. In Mexico, women business owners are significantly over-represented in the highly impacted sector (82.7%) compared to 49.5% for men. The disparity is particularly acute in the accommodation & food services sector where female owners are 4.5 times more vulnerable than male owners (33.8% for female compared to only 7.5% for men).

In the United States, the economy is taking an astronomical hit, especially the small business sector. The anchor of the economy, SMEs account for more than 99% of all businesses and employing nearly half of the economy's workforce. Here, around half of all women and men business owners and solo operators operate within highly impacted sectors (49.0% female and 45.5% male). A breakdown by sectors showed female-owned businesses to be nearly 6 times more concentrated in the low impact sector human health & social work than male (18.5% vs 3.2%). In contrast, male-owned businesses are 10 times more exposed to the medium impact sector of construction (26.3% vs 2.5% for females). According to JP Morgan

Chase, most businesses lack the cash reserves and working capital to weather a month-long, let alone a few months, interruption<sup>62</sup>. Of more concern is the possibility of a "startup depression" wherein entrepreneurs will be deterred from starting a new business due to the pandemic and severe economic downswing.<sup>63</sup>

Meanwhile, CNBC/Survey Monkey's results showed confidence among 2,200 small businesses dropping to an all-time low in the United States over the April-June quarter. The Small Business Confidence Index Q2 2020 fell to 13 points from the previous quarter to 48. Nearly 1/3 small business owners have been required by their state or local government to close their in-person business operations, while around one-quarter (23%) have temporarily closed their business entirely.<sup>64</sup> On a positive note, the latest third quarter's survey results were more optimistic with the majority of owners (64%) expressing confidence in continuing business operations under current conditions for more than a year, double the number recorded from the previous quarter (32%). Nearly a quarter (24%) who had to lay off or furlough employees due to shutdowns in the March/April period have hired all their staff back, while 34% have hired some back.<sup>65</sup>

<sup>2</sup>Note: It should be noted that although the human health & social work sector is considered extremely essential, especially given the circumstance of a virus outbreak, and thus not subject to shuttering, the risk of infection for workers in this sector is immensely high.

In contrast, Bangladesh, Egypt, and India have considerably less women-led businesses in "High" impact sectors (20.7%, 39.5% and 30.3%, respectively). In these less developed, factor-driven economies, women-owned businesses are mostly concentrated in the primary industry related to agriculture, forestry, hunting, gathering, and fishing that are not subject to strict containment measures requiring shutdown, hence taking a "Low-Medium" degree of impact.

The implication of this is significant in many ways. Using Ghana as an example where women's share of total business ownership is among the highest on the MIWE chart (36.5% of total, rank 3), a sectoral breakdown reveals that a large proportion of women-owned businesses (85.1%) operate in highly impacted sectors compared to 50.5% for men. This suggests that Ghanaian female business

owners will likely be hit more severely than male business owners. Second, given that the underlying entrepreneurial supporting conditions are weak in Ghana relative to global peers (58.4 points, rank 43), many businesses will be challenged in adjusting to the abrupt changes following the government's imposition of a 2 week partial lockdown in major cities, including border closures (air, land, sea), school shutdown, social distancing and restrictions on public gatherings commencing 16 March 2020. Third, although the World Bank has extended a US\$100 million emergency support package to Ghana, little has been earmarked towards supporting businesses.<sup>66</sup> Looking ahead, in the absence of clear and targeted government support programs, Ghanaian women's business ownership as a percentage of total may decline in the near term due to their exposure to high-impact sectors, before recovering again.

### 7.3. Support for SMEs in Response to Covid-19 & Economic Crisis

Around the world, many governments are initiating support schemes to provide much needed relief to SMEs that are severely impacted by the Covid-19 crisis. *The World Bank* has created a world dashboard tracking the different types of assistance rendered to SMEs in response to the pandemic using information from official sources, other international organizations, and the World Bank Group regional teams. Released on the 14 April, the list is not exhaustive but provides a vital snapshot of the different types of support instruments provided in relation to matters such as tax, debt & financial regulations, business costs

(grants & relief), employment support (e.g. aid for informal & self-employed), business advice on changes in legal requirements, business upgrading and production (e.g. relief for production downturns in various sectors). The list of SME support for the MIWE economies is listed in Appendix 2.

Table 8 below shows the different types of support rendered to micro and small- and medium-sized enterprises (MSMEs) in response to the Covid-19. As of April 14, this year, there are 10 categories of support:





**Table 6:** Types of MSME Support Measures in Response to Covid-19

TYPES OF MSME SUPPORT	TYPES OF INSTRUMENTS
Debt Finance	350 types of support under debt finance such as credit guarantees, new lending
Employment Support	212 types of support for employment purposes such as new working schemes, wage subsidies, increased labor training subsidies
Tax	167 types of tax support such as reduction, waivers or deferment in tax payment
Business Costs	61 types of support for business costs such as labor flexibility, reduction/waiver of administrative and government fees, reduced rent & utilities
Other Finance	49 types of support on finance such as aide for firms which need to close or reduced activities
Business Climate	27 types of support due to changes in business climate. Example: Reduced import restrictions on intermediate goods
Demand	13 types of support due to decline in demand. Example: Targeted expenditure programs by sector or region
Business Advice	10 types of support on business advice such as mediation services for contracts & financial matters
Production	3 types of support on production related matters such as expenditure programs
Business Upgrading	3 types of support for business upgrading such as support for corona-related production such as healthcare products

Source: World Bank, Map of SME support measures in response to Covid-19, 2020

#### 7.4. SME Support in Selected MIWE Economies: By Region

The section below highlights how SME support has been rolled out in selected MIWE regions in response to Covid-19. According to insight from the OECD, there are some economies that stand out in

terms of rolling out public policies that are focused specifically on helping women business owners deal with the repercussions of the crisis. In MENA, these include Egypt and Tunisia (see below).



## Asia Pacific

### SME Support: Singapore

Although 'Support for SMEs' is below par in 23rd place in Singapore, strong 'Quality of Governance' (rank 10) meant that the government was exceptionally swift, focused and committed in putting forth stringent measures to not just contain the spread of the coronavirus, but render vital support to businesses of all scales to relieve their cost, debt and financial burdens. These came in the form of a waiver in all government fees and charges for 1 year, up to 2 months' rental waiver for commercial and other non-residential tenants in government properties, deferrals of principal payments on secured term loans until end of 2020, and targeted expenditure programs for SMEs to help businesses transit to operations online (e.g. the SME Go Digital Program that offers more digital solutions for business continuity). Subsidies for increased labor training are also helping businesses

and self-employed workers enhance their skill and knowledge set during the downtime. Although the transition and need to adapt to the "new normal" of working from home and switching to conducting businesses digitally are riddled with challenges, these changes are made possible and less cumbersome due to an exceptionally conducive and favorable entrepreneurial ecosystem driven by best practices, effective governance, and strict rules of law. This is reflected in the island state's high performance in 'Ease of Doing Business' (rank 2) and 'Entrepreneurial Supporting Factors' (rank 5). As of August, the Singapore Government continues to roll out crisis-related measures to support businesses, including 50% wage support for 7 more months in hardest-hit sectors such as aerospace, aviation, and tourism. This brings the cost of crisis-related measures to nearly \$108 billion.<sup>67</sup>

### SME Support: Australia

In Australia (MIWE 2020 overall ranking of 9) where women's business ownership is among the top 10 (30.6% female business ownership), 'Support for SMEs' is only slightly above the MIWE global average. However, the government has been proactive in extending support to SMEs. This came in the form of: (i) \$187 million allocated to creating 56,000 new training positions; (ii) guaranteeing 50% of new loans issued by eligible lenders to SMEs; (iii) boosting cash flow for employers up to \$100,000 to eligible SMEs; (iv) investing \$187 million to create 56,000 new training places; (v) wage subsidies of up to 50% for apprentices or trainees for 9 months from 1 January 2020; (vi) cash flow assistance of up to \$25,000 tax free; and (vii) business tax breaks to

provide deduction for some equipment purchases. Although Australia has been one of the most successful economies globally in curbing the spread of the virus, a second wave of infections in the state of Victoria in late June has prompted the government to extend its coronavirus loan guarantee scheme to small businesses. Commencing in October this year, the second phase of extended scheme raises the credit limit to up to A\$1 million (US\$700,000) from A\$250,000 and allows businesses to use the loan for working capital purposes, investment and adoption to the new COVID-safe operating requirements. As of July 20, more than 15,600 businesses have applied for loans worth A\$1.5 billion in the first phase of the

### SME Support: New Zealand

Although the underlying supporting entrepreneurial conditions in New Zealand are ranked among the highest on the MIWE charts, support for SMEs is less than the global average. However, this was more than offset by good quality of governance (rank 1) which ensured the swift roll out of relief measures such as wage subsidies and tax relief for employers adversely impacted. Employment support was extended to sole traders, contractors

and employees who were unable to work any hours to ensure a source of income. The *Covid-19 Leave Support Scheme* is also available for businesses to pay workers who need to take leave due to public health guidance. SMEs may be eligible for funding to protect jobs and receive interest-free loans for a year. Small businesses employing 50 or fewer full-time employees may also receive up to \$100,000 in aide.<sup>69</sup>

## Europe

### SME Support: Israel

In MIWE's top ranking economy Israel, 'Support for SMEs' is the highest (rank 1) among the 58 economies while 'Quality of Governance' is below average (rank 18) due to poor political stability conditions, control of corruption and quality of regulations. Although support has been extended to SMEs in response to the Covid-19 crisis in the form of unemployment benefits to all employees

on unpaid leave for at least 30 days as well as loans to SMEs with cash-flow problems, the rise in domestic violence against women during the coronavirus lockdown and the disproportionate number of women being laid off as a result of the crisis has brought to light the concern that gender discrimination remains pervasive and is a major hindrance to women's progress socioeconomically.

### SME Support: Denmark

The Covid-19 crisis has also shown that while some economies such as Denmark may not score so highly in certain aspects such as 'Support for SMEs' (rank 26, 77.3 points), during times of emergency and heightened uncertainties, the government reacted swiftly to step up measures to boost support for SMEs (e.g. subsidies for employee

sick leave, and wage subsidies for firms who are committed to retain workers). Firms experiencing a drop in turnover of more than 30% are eligible for cash support to cover part of their fixed costs. For those forced to temporarily close due to lockdown measures, the government will fully compensate the fixed costs.

### SME Support: Switzerland

Compared to its global peers, Switzerland's SME support system in terms of physical infrastructure, availability and effectiveness of government program support, and access to financial services is among the strongest globally (rank 6 on MIWE chart). Quality of governance in terms of commitment by government to implement effective policies is second to only New Zealand. This is evident in the efficiency with which SME relief measures were rolled out during the pandemic, including: (i) a CHF 8 billion emergency package

earmarked for unemployment insurance funds whereby companies only have to bear one day's lost work independently before they are entitled to unemployment insurance support; and (ii) CHF10 billion expenditure program aimed at helping ease the cost burdens of companies so that they may tide through the crisis. Such rapid response and targeted support measures will be vital in not only sustaining the business sector, but in the forthcoming months as the crisis unfolds and the economy gradually reopens.



The rise in domestic violence against women during the coronavirus lockdown and the disproportionate number of women being laid off ... has brought to light the concern that gender discrimination remains pervasive

#### **SME Support:** United Kingdom

In the United Kingdom, various support programs were also offered for SMEs, such as: (i) unconditional one-off grant of £3,000 to help meet ongoing business costs; (ii) Coronavirus Business Interruption Loan Scheme (CBILS) whereby businesses may apply for loans of up to £5 million

with the government covering up to 80% of any losses with no fees; (iii) business interruption loans allowing businesses to recover 2 weeks of sick pay due to Covid-19 for business with less than 250 employees; and (iv) deferment of VAT payment.

#### **SME Support:** Germany

The underlying support for SMEs, ease of doing business and quality of governance in Germany are strong. In response to the pandemic, the German Federal Government and the German Federal States have enacted various new financial support programs targeted towards cushioning the blow of the Covid-19 pandemic on the economy, especially the business sector. Private equity financed companies and start-ups can access amended or newly established protective financial programs. For young German companies, start-ups and SMEs that are particularly hard hit, the German Federal Government has designed a 2 billion Euro "Special

Start-up Support Program" to assist. In addition, the "KfW Special Loan Program 2020" reaches out to companies of all sizes and entrepreneurs granting them access to instant loans. For small companies, a 50 billion Euro funding package was earmarked to render assistance to small companies, professionals, freelancers and farmers via a one-time non-repayable grant.<sup>70</sup> Other targeted aid rendered to the business sector and workforce include credit guarantees, new lending schemes, employment support and changes to bankruptcy rules for virus-impacted businesses.<sup>71</sup>

## North America

### SME Support: United States

Despite having one of the world's most enabling and vibrant entrepreneurial ecosystems, the pandemic has thrown the business landscape into disarray. To cushion the blow, various support measures were rolled out to SMEs, including business advice on emergency support measures and business operations, credit guarantees for small business loans, debt relief, bridging loans, and relief funds for farming and agricultural sectors. For employment, New York is offering small businesses with fewer than 5 employees a grant to cover 40% of payroll costs for 2 months to help retain employees, while San Francisco is offering \$10,000 for employee salaries and rent for businesses with less than 5 employees. Self-employed workers will receive paid sick leave in the form of tax credit. In addition, the Small Business Administration (SBA)

also introduced the Paycheck Protection Program (PPP) to help ease the financial burdens of small businesses. However, many SMEs and entrepreneurs were denied a loan as the program ran out of funds by April 16. It is estimated that up to 90% of minority and women small business owners will be denied a PPP loan due as preference is given to pre-existing customers.<sup>72</sup> Given these limited resources and existing obstacles in accessing capital, the period over which SMEs can survive the pandemic will be notably more restricted compared to bigger firms. Research in the United States by the Federal Reserve Bank of New York showed that 50% of small businesses in the economy are operating with less than 15 days in buffer cash while healthier SMEs have less than 2-month cash reserves.<sup>73</sup>



SMEs with under 20 employees have been hardest hit, with women-led business owners particularly harder hit as they are more likely to own newer and smaller businesses



### SME Support: Canada

The Canadian government responded to the Covid-19 crisis swiftly, launching emergency support relief measures such as payment for self-employed and part-time workers who do not qualify for employment insurance, postponement of debt repayments for up to 6 months, lowering borrowing costs for small business loans, subsidies to help employers retain skilled workers, and tax deferral. However, data from Statistics Canada revealed the SMEs with under 20 employees have been hardest

hit, with women-led business owners particularly harder hit as they are more likely to own newer and smaller businesses. During the pandemic, 62% of women-owned businesses had to lay off employees (compared to 45% observed for most businesses). More significantly, although eligibility changes were recently made to allow more businesses to seek crisis support, a large proportion of women business owners were excluded as most relied on contractors instead of employees.<sup>74</sup>

## Latin America

### SME Support: Mexico

The underlying entrepreneurial supporting conditions in Mexico are weak, especially in terms of ease of doing business and support for SMEs. The pandemic has prompted the government and central bank to step up relief measures:

**Borrowing Costs:** Reduction in overnight interbank interest rate by 50 basis points to 5.50%, the lowest since November 2016

**Debt Finance:** Capital buffer safeguards. Bank of Mexico channeled MXN 50 billion to support active transactions of commercial & development banks to boost liquidity and capacity to grant credits

**Financial Support:** Partial or total deferral of capital and/or interest payment for up to 4 months

**New Lending:** Good-faith loans of up to MXN 25,000 with interest rate of 6.5% for 500,00 informal micro-enterprises owned by low-income families

**SME Support:** Government allocate 25 billion MXN (USD 1 billion) to support SMEs in both formal and informal sectors

**Employment Support:** The National Institute for Workers' Housing (INFONAVIT) will cover up to 3 months of credit payments for workers who become unemployed. This extension will continue up to 6 months without additional charges





Some of the highest proportion of women's business ownership are observed in Uganda (39.1% female business owners out of total owners), Botswana (38.5%) and Angola (30.6%) despite extremely poor support for SMEs

## Middle East & Africa

### **SME Support:** Uganda

In the Middle East & African region (MEA), women's ability to thrive in the business world varies significantly. On one spectrum, some of the highest proportions of women's business ownership are observed in Uganda (39.1% female business owners out of total owners), Botswana (38.5%) and Angola (30.6%) despite extremely poor support for SMEs. For instance, compared to their global peers, Uganda's SME support measure in response to the Covid-19 outbreak is considerably limited whereby employers/businesses are allowed to reschedule the National Social Security Fund (NSSF) contributions for the next 3 months without accumulating a penalty.<sup>75</sup> According to a recent survey on the impact of the Covid-19 pandemic in 6 African economies (Kenya, Nigeria, Rwanda, South Africa,

Uganda and Zambia) by FinMark Trust – a non-profit organization focusing on financial inclusion of women and underserved communities in developing economies, women business owners' ability to generate income and resume business operations are disproportionately affected compared to their male counterparts. This was observed in both informal retail economies as well as services sector such as catering and domestic services. In Uganda, 61% of women-led small businesses failed to generate income even as lockdown measures were eased. Looking ahead, these women entrepreneurs will continue to experience increased cost burden due to stricter operation requirements such as sanitization of facilities.<sup>76</sup>

### SME Support: Angola

In Angola, support for SMEs, quality of governance, and entrepreneurial supporting conditions are lacking severely even prior to the pandemic outbreak. As such, despite the low number of coronavirus infection cases reported (6 as of May 7th), the government had to step up support measures considerably in the form of: (i) reduced compliance requirements whereby commercial license are only required for selling food products,

live plants, animals, birds, fisheries, medicines, vehicles, fuel, lubricants and chemical products; (ii) mandatory requirement for all financial institutions to suspend debt payments for 60 days for all borrowers in good standing; (iii) financial support to micro, small and medium enterprises especially in the agricultural and fishing sector; and (iv) deferment of tax payments and social security contributions.<sup>77</sup>

### SME Support: United Arab Emirates

On the other extreme, the United Arab Emirates has remarkably strong support system for SMEs and entrepreneurial supporting conditions (rank 3 and 4, respectively) although women's inclination towards business remains incredibly low (only 7.8% of owners are females). The kingdom has one of the most developed physical infrastructures that is conducive for doing business ('Ease of Doing Business' rank 12 on MIWE charts). It was one of the first economies to take action to control the spread of Covid-19 in March by postponing school Spring/Easter holidays, reducing government office and shopping malls opening hours, banning large-scale events and conferences before proceeding on to stricter 24/7 lockdowns until 18 April. This has drastically impacted businesses, especially SMEs which account for more than 98% of the total

number of companies operating in the United Arab Emirates and contribute towards more than half (52%) of the non-oil GDP.<sup>78</sup>

To ease the impact, the government proactively rolled out initiatives to ease cost burdens of businesses, including rebates of 20% on rental values for SMEs in the restaurant, tourism, and entertainment sectors as well as subsidizing 10% of utilities costs. This was done to encourage and enhance the ease of doing business in trade, import, export, innovation, investment and production. The government also dispatched manpower support for disinfection programs nationwide, provided free fuel to vehicles and equipment used to combat the virus, as well donating essential medical equipment such as hand sanitizers and free meals to workers.

### SME Support: Egypt

Compared to their global peers, Egyptian women business owners are confronted with significantly more barriers and challenges. Ranked the 3rd lowest in the MIWE Index and with women representing only 4.3% of all business owners, women entrepreneurs' progress remains constrained due to lack of support, poor ease of doing business and quality of governance and poor cultural perception of entrepreneurship. The outbreak of the novel coronavirus has prompted the Ministry of Trade and Industry, in partnership with the National Council for Women and the UN Women, to extend support to women-led

businesses through consultancy services and the development of online platforms and e-marketing tools so that they may continue to operate digitally. Training programs on entrepreneurship targeted at women entrepreneurs are being digitalized to support them in e-marketing and e-commerce. In addition, the Financial Regulatory Authority (FRA) has announced measures to aid micro-finance activity including postponement of payments and reduction of fees that are geared primarily towards benefiting women who comprise 70% of microcredit beneficiaries in 2018.<sup>80</sup>



### Support in other economies

For women entrepreneurs who are self-employed, support measures are also extended, including an emergency one-off or monthly cash payments (e.g. Australia, Canada, the Czech Republic, France, Denmark, Germany, Poland, Japan, Korea, Malaysia,

Philippines, Singapore, Thailand, and the United States).<sup>81</sup> In Lebanon where the economy was already burdened with severe crisis prior to the virus outbreak, room for fiscal relief measures are limited<sup>82</sup>

## 7.5. Change in Modus Operandi Transiting to the Digital World

Widescale economy and city lockdowns, social distancing, stay-at-home requirements, and other measures to mitigate the risk of spread meant that many businesses had to drastically change their pre-crisis mode of operation and switch to teleworking or e-commerce platforms, or search for other means of conducting businesses without physical contact with their customers or business partners. For some women business owners, the lack of digital facilities and capabilities for remote work likely meant that the scope of business services had to be scaled down or stopped entirely. For others, there are simply insufficient resources and time due to amplified burdens such as childcare and other household responsibilities and lack of targeted supporting programs such as grants to relieve the burden of ongoing working capital costs amid declining business earnings. In the United Kingdom, women-led businesses represent less than one-quarter of businesses in the economy's 5 most productive and high value sectors. Given that women entrepreneurs generally have less capital than men and are more likely to draw on their private capital and family finances, this places them in a particularly vulnerable position due of the pandemic.

A recent study by the *International Institute of Rural Reconstruction (IIRR)* suggest that the transition to the digital and cashless mode of operation will be hugely challenging, if not impossible, for agricultural-based SMEs in rural Africa and Asia. For the majority of women entrepreneurs, the impact of the virus outbreak and economic downturn has been particularly harsh with most reporting drastic declines in sales, closed or reduced economies, and no income alternatives and safety

nets such as insurance products, pension schemes, agricultural finance, government-to-person e-payment options and low-value equity investment opportunity. On top of this, most are "unbanked" due to the lack of gender-inclusive digital services supporting rural-based supply chains and overall food security systems. Poor IT skills and limited digital connectivity and access to technology are also preventing women entrepreneurs and employees – especially in developing economies – from transitioning to digital platforms to ease the adverse economic impact of the pandemic.<sup>84</sup>

*Nielsen's* exclusive study recently revealed a notable surge in online shopping in the United Arab Emirates and Saudi Arabia (more than 40%) and Qatar, Bahrain, Nigeria, and Kenya (more than 30%). However, a significant portion of consumers were not able to shop online due to lack of access to technology or digital solutions, prohibitive data costs and speed, limited FMCG e-commerce providers, and inadequate modern trade readiness or resources (e.g. logistics, fulfilment, online technology, mobile ordering apps, and payment options for unbanked consumers). This has prompted some service providers to offer aggregated store app functionalities such as *Zulzi* in South Africa that allows consumers to place their orders with multiple retailers. In Bahrain, a virtual mall has been set up that allows more than 100 shops to continue serving their customers. In areas where consumers do not have access to formalized or modern trade shops, businesses such as *Yebo Fresh* in South Africa are offering delivery services to underserved and outlying communities for essential items.<sup>85</sup>



For the majority of women entrepreneurs, the impact of the virus outbreak and economic downturn has been particularly harsh with most reporting drastic declines in sales, closed or reduced economies, and no income alternatives or safety nets

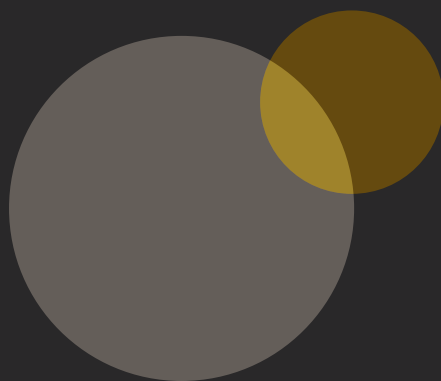
## 7.6. New Norm, New Opportunities & Post Covid-19 Lockdown Preferences

The Covid-19 crisis has far-reaching implications and impact on millions of businesses worldwide. It has changed the way we think, communicate and behave. Confidence among many has shifted whereby risks have become less tolerable and familiar concepts and experiences more valuable. From marketing to branding to occupational therapy, mental health to feminine health care and physical fitness and thousands other business clusters in between, the Covid-19 crisis has forced entrepreneurs to adapt swiftly to the different way of life, and especially consumer behavior.<sup>86</sup>

For those businesses in the worst-hit sectors such as tourism, leisure & entertainment, wholesale & retail, and hotel & accommodation, the crisis and severe economic downturn have forced them into business closure. However, for others, the calamity has presented new opportunities that have significantly boosted revenues because the Covid-19 crisis has sent more customers their way. These include businesses that are innovative, creative and strengthen their digital capabilities by tapping into the new virtual world of digital working, consuming and socializing. For those that create a new image or rebrand their products and services based on familiarity, trust, value and meaningfulness, their businesses will be more resilient and better positioned to ride the storm and sustain in the long haul. Conversely, business owners that resist or are deterred by the need to change from the old business model are at higher risk of failure.

According to Accenture, businesses need to deeply consider and factor in consumers' shift in priorities and behaviors related to health concerns and the 'home' as the epicenter of life and experience.<sup>87</sup> *McKinsey's* insights suggested businesses take the opportunity to reconfigure shared office spaces, create new health protocols, introduce new experiences that boost the comfort and trust of customers, and increase interactions with customers virtually (e.g. contactless payment and pickup methods).

The implications of these findings are significant for women in business. Given their large exposure to the most severely impacted sectors such as wholesale & retail trade, manufacturing, and accommodation & food services, it is paramount for them to act swiftly to reposition themselves to cater to new consumer behavior and purchasing trends. This is especially vital as many economies battle a second wave of infection 8 months into the first outbreak in China. Nielsen's study of online shopping in MEA revealed that even as economies are proceeding to ease restrictions, a substantial proportion of consumers have expressed intentions to continue shopping online in a contactless environment post Covid-19 lockdown. For women business owners, key considerations will need to be given to putting in place greater precautions in-store, realigning business set ups to allow for open rather than confined spaces as well as limiting points of contact.<sup>89</sup>



## 7.7. Traits of Innovation, Proactivity & Opportunism

GEM's new Adult Population Survey (APS) 2019 probed deeper into the individual outlook of entrepreneurs in 50 economies. Compared to previous surveys where respondents were only asked if they perceive good business opportunities in the area they live in, the new series of questions dived further into one's tendency to recognize opportunities and tendency to act on them:

- You rarely see business opportunities, even if you are very knowledgeable in the area
- Even when you spot a profitable opportunity, you rarely act on it
- Other people think you are highly innovative
- Every decision you make is part of your long-term career plan

These survey statements are reflective of the level of positive disposition towards entrepreneurship and the entrepreneurial potential of people in

a society. These insights are both relevant and valuable to the Mastercard Index of Women Entrepreneurs (2020) as indicators of opportunism, innovation, and proactivity within a society.

Based on GEM's approach, we may infer that businesses that are started with low degrees of differentiation such as innovation and creativity are more difficult to sustain in the longer term, especially in a competitive environment or in times of great uncertainties and crisis such as Covid-19 and the ensuing economic downturn. In contrast, businesses that are initiated with innovative flare create strong foundations for sustainability and have the potential to transform and enhance the business environment by improving people's lives. These are the businesses that take advantage of new opportunities presented by new circumstances. Table 9 below shows the results of GEM's analysis on entrepreneurial outlook.



**Table 9: Snapshot of Opportunism, Proactivity, Innovation and Long-Term goals by Economy**

RESULTS FROM GEM ANALYSIS ON ENTREPRENEURIAL OUTLOOK		% OF ENTREPRENEURS WHO NOTED THEY RARELY SEE OPPORTUNITY		MASTERCARD 2020 ANALYSIS
		<25%	>60%	
"You rarely see business opportunities, even if you are very knowledgeable in the area"	Asia Pacific	-	South Korea, India	Opportunism observed in most economies except South Korea & India
	Europe	-	-	
	North America	-	-	
	Latin America	-	-	
	Middle East & Africa	-	-	

		% OF ENTREPRENEURS WHO NOTED THEY RARELY ACT ON A PROFITABLE OPPORTUNITY		
		<25%	>60%	
"Even when you spot a profitable opportunity, you rarely act on it"	Asia Pacific	-	Australia, India	People in most economies are proactive except in Australia, India, the UK & Egypt where more than 6 in ten respondents are unlikely act on a profitable opportunity
	Europe	-	The UK	
	North America	-	-	
	Latin America	-	-	
	Middle East & Africa	-	Egypt	

		% OF ENTREPRENEURS WHO NOTED THEY ARE THOUGHT BY OTHERS TO BE HIGHLY INNOVATIVE		
		<25%	>60%	
"Other people think that you are highly innovative"	Asia Pacific	Japan, Chinese Taipei, South Korea	India	Very few consider themselves to be perceived as innovative by others in Japan, Chinese Taipei, South Korea, Ireland & Italy
	Europe	Ireland, Italy	Israel	
	North America	-	United States	
	Latin America	-	Colombia, Brazil, Chile	
	Middle East & Africa	-	Saudi Arabia, Iran, United Arab Emirates, Qatar, Egypt	

**% OF ENTREPRENEURS WHO NOTED THEY ARE THOUGHT BY OTHERS TO BE HIGHLY INNOVATIVE**

		<25%	>60%	
"Every decision is a part of a career plan"	Asia Pacific	-	Australia, Mainland China, India	Strategic thinking for career prevalent in most economies, less so in Ireland
	Europe	Ireland	Portugal	
	North America	-	United States	
	Latin America	-	Spain, Mexico, Ecuador, Chile, Colombia, Brazil	
	Middle East & Africa	-	Iran, South Africa, United Arab Emirates, Qatar, Egypt	

Source: Global Entrepreneurship Monitor 2019/2020 Global Report, 33-34

The findings above suggest that traits of opportunism, proactivity, innovativeness, and long-term planning appear to vary across economies irrespective of wealth and level of development. It is encouraging to note that opportunism and proactivity among entrepreneurs prevails in most regions as a reflection of disposition and inclination towards entrepreneurship that keeps the underlying ecosystem vibrant, dynamic and on a growth track.

GEM's findings show innovativeness and long-term planning to be commonly noted in India in Asia Pacific; the United States in North America; Colombia, Chile & Brazil in Latin America and the United Arab Emirates, Qatar, and Egypt in MEA. In Asian economies such as Japan, Chinese Taipei and South Korea, and Ireland in Europe, the perception of innovativeness by others is less frequently reported. In Japan, the inclination towards entrepreneurship is low with less than 3 females engaged in early-stage entrepreneurial activity out of every 100 working age females. The participation rate among Japanese males is also low (around 8).

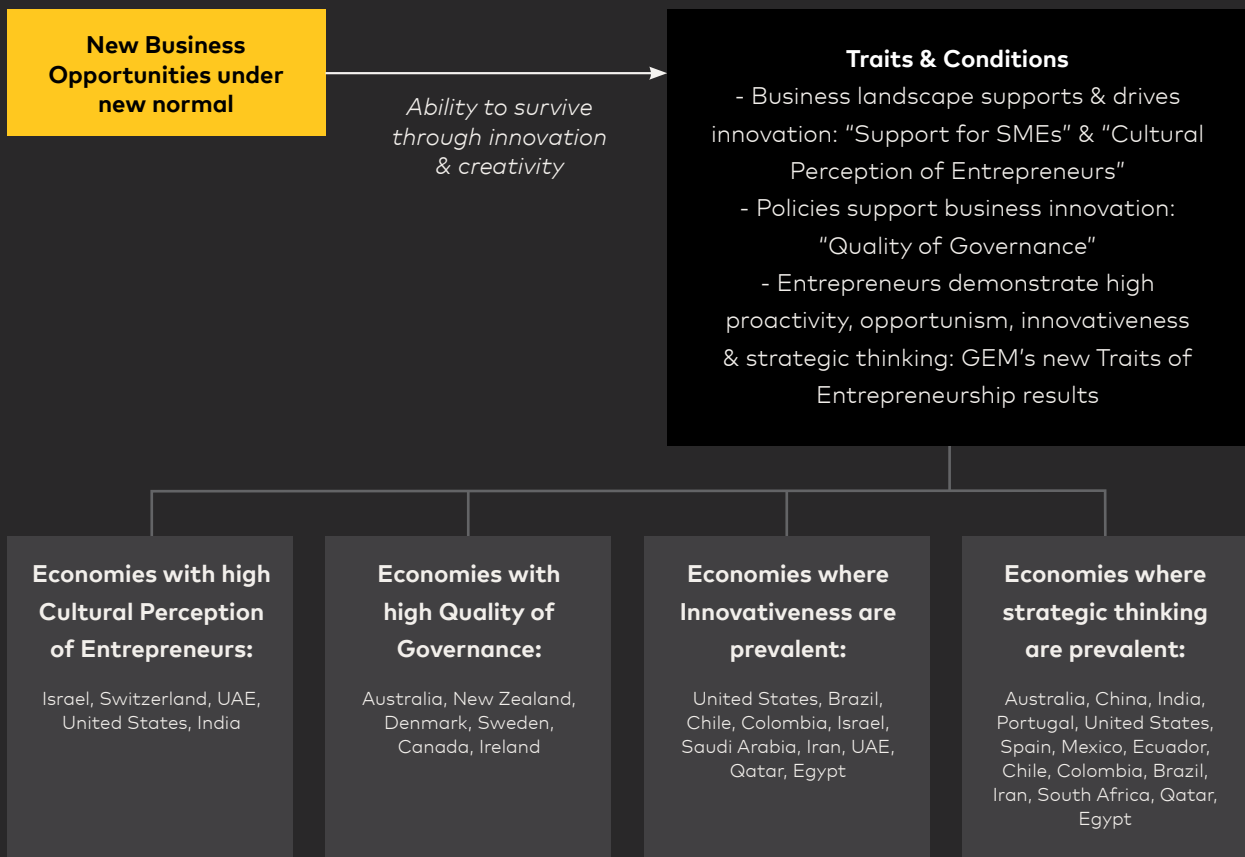
The lack of pursuit of innovation and creativity here is also explained by the poor regard by society towards entrepreneurship where individuality, personal success and creativity is less appraised. These unsupportive conditions appear to weigh down on Japanese women's ability to thrive in the business world, which explains Japan's low MIWE ranking in 47th place.

In contrast, women in Israel and the United States (MIWE ranking of 1st and 2nd place, respectively) are able to flourish against a backdrop of less constraining conditions where innovation, creativity and risk taking are more widespread and acknowledged. For instance, the Covid-19 outbreak has driven many women entrepreneurs in fields such as marketing and health consultancy, fitness and IT solutions to operating in the digital world. Such ability to adjust and transition is enabled by the economy's highly accommodative and enabling entrepreneurial framework in terms of ease of doing business, cultural perception of entrepreneurship, advanced physical infrastructure (e.g. information & communication technology) and support for SMEs.

During such times of economic downturn, women business owners who are innovative and proactive in finding new and creative means to engage customers may be able ride out the storm or even take their business further. In fact, recent survey results on the impact of the coronavirus outbreak among 590 global women-led companies in April this year showed that although the majority of respondents (87%) have been negatively impacted, some were able to optimize or refocus their business by shifting to a digital platform, catering to new opportunities and local and global

customer needs, and eliminating expenses. A significant proportion expressed desires to tap into business opportunities with other women-owned businesses (68%).<sup>90</sup>

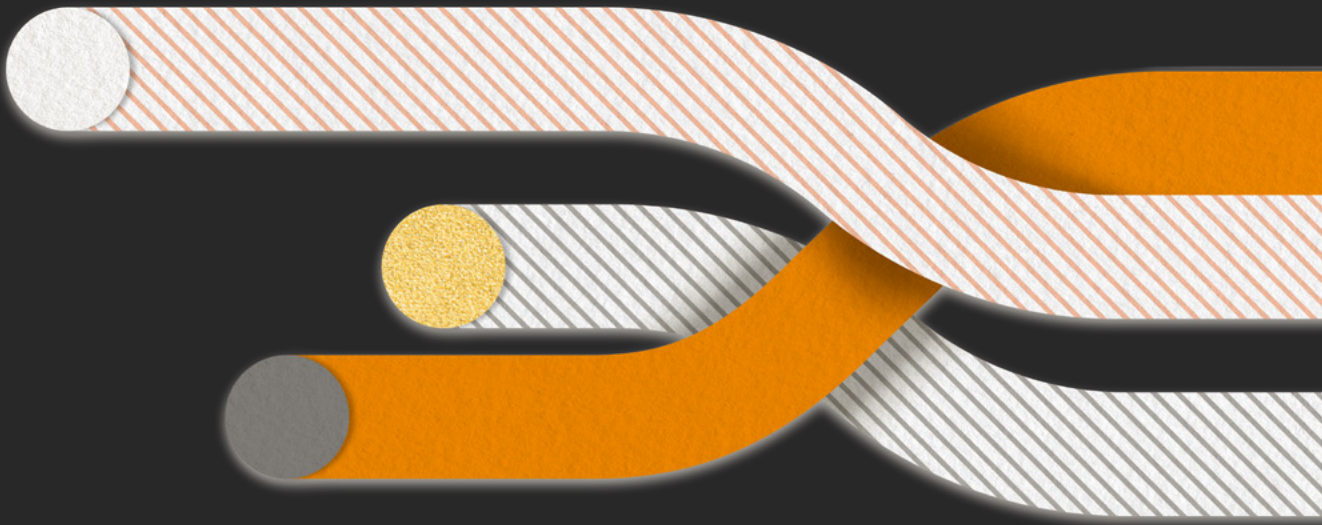
The diagram below shows how women business owners who are innovative may take advantage of new opportunities to leverage their business offerings and services, especially in economies where entrepreneurial innovativeness and creativity are encouraged and supported.



Source: Mastercard Analysis 2020, Global Entrepreneurship Monitor 2019/2020 Global Report, 33-34

In economies such as Egypt where the women business ownership rates are among the lowest (4.1% female owners out of total owners) and entrepreneurial traits of proactivity are low, the compounding challenges of poor physical

infrastructure, low access to financial products & services and less favorable quality of governance and regulation will make it tough to adapt to new ways of doing business such as online trading and digital marketing.



# Mastercard Index of Women Entrepreneurs

## **Conclusion**



## 8 Conclusion

The outbreak of the novel coronavirus has brought to light the vital role that women play in the global setting and women's ability to lead under extraordinary circumstances. The pandemic also underscores the crucial role women play on the front lines and the sacrifices and elevated burdens they bear both at work and at home as primary caregivers.

In the business setting, the pandemic and resultant economic downswing has been particularly more punishing on women than men. The business sectors by vulnerability analysis reveal women to be generally more exposed to highly impacted business sectors than men. Although governments have extended emergency relief measures to help ease the financial burdens of businesses and many have transitioned to digital platforms and teleworking, the abrupt cessation of work and widescale containment measures and social distancing have hurt business drastically. In terms of work, women's overrepresentation in the human health and social work sectors greatly compromises their health and well-being due to the profound risk of infection. Women also tend to assume part-time work roles in informal, less high value sectors, making them considerably more susceptible to being laid off or furloughed.

Our findings reveal that although the pandemic has presented new business opportunities for

women, especially in terms of online shopping and services, the lack of access to technology or digital solutions, prohibitive data costs and inadequacies in modern trade readiness or resources in some economies make it challenging for women to tap onto these opportunities. This is particularly testing for women in societies where the access to financial services and products are restrictive, underlying entrepreneurial conditions and cultural norms are unfavorable, and physical infrastructure and quality of governance are poor.

Looking ahead, the slump in economic conditions and uncertainties associated with the evolution of the Covid-19 will invariably lead to the closure of businesses and deter many from venturing into new business in the near term, especially for those who are particularly risk averse. However, as the global economy stabilizes and recovers over time, businesses that survive may emerge more efficient, innovative, resilient, and adaptive.

Our findings beckon us to consider the cost of untapped potential in women as contributors in our lives, not just in business and society, but on the national and global scale as the key backbone to the path of recovery post Covid-19. The long-awaited call for governments, institutions, and organizations to close the gender gap has never been more urgent.



[The MIWE 2020] findings beckon us to consider the cost of untapped potential in women as contributors in our lives, not just in business and society, but on the national and global scale as the key backbone to the path of recovery post Covid-19