

# **Assessing Business Enabling Environments: How Gender Changes the Equation**

**Julie R. Weeks  
President & CEO  
Womenable  
womenable.com**

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## ***Abstract***

There is growing agreement that macro-economic policy alone cannot ensure small business development. Rather, macro-, meso- and micro-enterprise policies should be better integrated, and a more holistic view of the “business enabling environment” (BEE) considered. Toward that end, several BEE assessments have been developed over the past decade. None, however, considers the gender implications of business policies, nor the unique legal and cultural constraints frequently faced by women entrepreneurs. To address this shortcoming, several “engendered” BEE assessments have been developed in recent years. Their differing approaches are discussed in this paper. Each has uncovered factors limiting the growth of women-owned enterprises that would have remained undiscovered in a “gender-neutral” BEE assessment. Gender-aware BEE assessments can thus lead to more effective policies and programs supporting women’s enterprise development.

## ***Introduction***

In recent years, governments and multi-lateral organizations alike have come to realize that macro-economic policy alone is not sufficient to ensure robust entrepreneurial activity and small business growth. It is no longer the case – if it ever was – that policies that work for large corporations work for the entire economy. It has become clear that macro-, meso- and micro-enterprise development viewpoints should be better integrated, and that a more holistic view of the “business enabling environment” (BEE) of economies should be considered. (See Zezza and Llambi, among others.)

This realization is not only impacting domestic economic development activities, but international economic development assistance as well. In 2003 the World Bank launched what has now become an important tool for international economic development assistance, the

“Doing Business” (DB) initiative. Comparing and ranking 183 world economies in 10 major areas using a variety of indicators, the DB reports have helped provide developing (and developed) nations with data to better inform public policy and program support activities to encourage small business development and growth. The DB indicators and relative rankings have also provided donor nations with useful information with which to more effectively target their financial investments and program support in developing economies. The developing countries have often used the DB reports to push reforms in their countries so that they were moved up in the rankings and seen as a “Reformer”.

While the DB reports are the most widely known BEE assessments, there are several other multi-country assessments and rankings of the relative economic strength and competitiveness of nations. They include:

- The Index of Economic Freedom, published annually since 1995 by the Heritage Foundation and the Wall Street Journal;
- BizCLIR (Business Climate Legal and Institutional Reform), developed for the U.S. Agency for International Development by Booz Allen Hamilton beginning in 1998. It originally was developed under the Seldon project as a diagnostic of the Commercial Legal and Institutional Reform (CLIR) areas. Its 16 original assessment areas have been restructured to fit into the 10 Doing Business indicators; and
- The World Economic Forum’s Global Competitiveness Reports, launched in 2004.

None of these assessments and tools, however, considers the gender implications of policy and program development, nor the cultural constraints faced by women as they start and grow their enterprises.

Several recent efforts have been undertaken to assess business-enabling environments taking gender into consideration. These efforts include the International Labour Organization’s Growth-Oriented Women Entrepreneurs (GOWE) framework, the International Finance Corporation’s Gender and Investment Climate Reform Assessments, and the USAID/Booz Allen Hamilton’s new “GenderCLIR” assessment framework.

In reviewing recent efforts to assess the business-enabling environment in general, and gender-aware assessments in particular, several key questions come to mind:

- What’s different about assessing the business-enabling environment with a gender lens?

- How do these gender-aware assessment approaches differ, and what's similar among them?
- What lessons can be learned thus far, and perhaps integrated into broader BEE assessments?
- What are the implications for public policy, program development, and private practice?

***Assessing Business Environments And Gender Constraints, And Blending The Two***  
**Assessing Business-enabling Environments**

Interest in assessing the relative economic strength and competitiveness of nations – and perhaps also the ability to assemble enough comparable data to quantify those differences – is a relatively recent phenomenon. There are four widely-used and cited methodologies for assessing business-enabling environments. The first such assessment was launched in 1995 by The Heritage Foundation and the Wall Street Journal. Entitled “The Index of Economic Freedom,” it rates and ranks countries according to ten freedoms: business, trade, fiscal, government, monetary, investment, financial, property, corruption, and labor.

Three years later, Booz Allen Hamilton developed an assessment process for the US Agency for International Development, called CLIR (Commercial, Legal and Institutional Reform), which originally evaluated information grouped into 16 categories: company, contracts, secured transactions, real property, bankruptcy, commercial dispute resolution, court administration, competition, intellectual property rights, foreign direct investment, financial crimes, international trade, flow of goods and services, flow of money, flow of people, and infrastructure. Further, it assesses each of those areas in terms of legal frameworks, implementing institutions, supporting institutions, and social dynamics. All told, over 1,000 areas are examined in each assessment. In 2007, in response to the success of Doing Business, and as part of the new BizCLIR (Business Climate Legal and Institutional Reform) project, their 16 categories were restructured to fit into the 10 indicators of Doing Business, although the assessment items remained the same.

*Insert Table 1 Here*

In 2003, the World Bank’s “Doing Business” (DB) indicators hit the development world by storm. Its easy to understand framework, quantitative ratings, and combined comparative ranking – and the competition it created among countries who receive development assistance from the World Bank – helped to propel the discussion of “business-enabling environments” and the factors that impact them into policy circles worldwide. Starting with 5 sets of indicators and 133 countries, the DB project now assesses 183 economies on 10 factors: starting a business, construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

A year later, in 2004, the World Economic Forum published its first “Global Competitiveness Report.” This effort is both the oldest and the newest assessment. First started back in 1979 as a way to assess the competitiveness of European economies, it was expanded to a global focus in 2004, then expanded even further in 2006 to include over 100 variables and the incorporation of a Global Competitiveness Index. This index is based on 12 “pillars”: institutions, infrastructure, macroeconomic stability, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market sophistication, technological readiness, market size, business sophistication, and innovation.

What do these assessments tell us? First, collectively they make a strong case that there are known sets of laws and rules that, if implemented successfully, can reduce barriers to entry and growth for all private enterprises. Secondly, they enlighten policy makers and program officials to the fact that “one size does not fit all” – that rules, regulations and policies that are designed to promote economic development in general do not necessarily support entrepreneurial activity in the same way that they may protect the interests of larger corporations and the status quo. Thirdly, they can point out to stakeholders the areas in which some government policies or private sector support programs fall short of the ideal.<sup>1</sup> Finally, they spark the human competitiveness gene in a way to encourage countries to better their scores relative to neighboring countries.

*Insert Table 2 Here*

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<sup>1</sup> There has been some discussion about just what constitutes “ideal.” An independent evaluation of DB (World Bank Independent Evaluation Group, 2008) points out that, rather than simply encouraging less regulation, the DB scoring should include the evaluation of smarter regulation.

There is a good deal of overlap in the results of these assessments, as different as they may be in terms of what items are included, how factors are weighted, and what balance there is between secondary data analysis and the opinion of experts. Comparing the three assessments that result in rankings (the BizCLIR assessments are done in detail in a country-by-country fashion, with the goal of providing recommendations for action in a particular country as opposed to ranking groups of countries) finds that four countries (Canada, Denmark, Singapore and the United States) are ranked in the top ten in all three lists, while another five countries (Australia, Hong Kong, Ireland, New Zealand, and Switzerland) make the top ten in two out of the three lists.

One key ingredient lacking in nearly every element of these assessments, however: a nearly universal lack of any mention of gender or of how the factors that are evaluated may impact women and men (or other populations of interest such as rural areas or socially/economically-excluded groups) – and their enterprises – differently:

- In the detailed description of the Economic Freedom Index and its components there is no mention of women or gender.
- In the BizCLIR assessment process, gender issues do show up several times within major indicators (application of wage laws, access to courts, freedom of physical movement, prevention of trafficking, access to banking), but do not comprise any of the indicators that are scored by members of an assessment team.
- In the World Economic Forum’s Global Competitiveness Report and Index, the labor force participation rate of women compared to men is included as one of the elements of the “labor market efficiency” pillar, but gender issues are not included as elements in any of the other 11 pillars.
- And in the Doing Business indicators, gender-disaggregated data are not used in the construction of any of the 10 indicators. In the most recent DB report, however, women and youth are referred to several times as “vulnerable” groups, stating in one case that, “The most vulnerable groups, women and youth, could benefit the most from reforms.” In addition, specific examples of areas in which women can be disadvantaged are mentioned several times in the report, as are examples of specific initiatives in some countries that have been launched to redress gender inequality.



Interestingly, in an evaluation of the Doing Business methodology and impact conducted in 2008 (World Bank Independent Evaluation Group, 2008), the diversity of those called upon to give input into the items that make up the rankings was called into question, but not the inclusionary aspects of the ranking items themselves.

## **Gender-Based Constraints**

Why should these assessments of the business environment be more gender-aware? Why does this matter? In short, because research has shown that women face both internal and external constraints when starting and growing a business: constraints that differ both in their severity and their character compared to men, and which in part lead to lower business ownership rates among women.

Leaving aside the internal constraints for the purposes of this paper (lower levels of education, less managerial/executive experience, and less connected networks – all of which leave many women with lower levels of human capital at the outset of their entrepreneurial endeavors), some of the external constraints that have been researched and identified include:

- Access to assets and ownership of property, which can lead to challenges with access to capital;
- Access to networks;
- Greater difficulty with obtaining licenses and permits (related to mobility, balancing multiple duties, and active discrimination);
- Access to courts or dispute resolution (related to equal standing and availability of recourse);
- Access to markets (both domestic and international); and
- Social and cultural constraints that can lead to lower start-up and growth rates for women-owned firms.

While not all of these challenges face all women business owners in all countries, where they do exist they can limit the growth potential of the enterprise. And, where they do exist, merely evaluating the official neutrality of a given law or procedure would not uncover any

unique challenges that women may face to a greater degree than men. Indeed, as stated in a recent report by the International Finance Corporation and the Global Reporting Initiative:

“Even a legal and regulatory environment that is ‘gender-neutral’ in principle may have gender-differentiated outcomes. As a result, these laws may impede women to a greater extent than men when it comes to access to credit, assets, education, training, and information needed to start and operate a business.”

(IFC/GRI, 2009)

Environmental assessments that are specifically gender-focused would thus presumably not only evaluate the gender-neutrality of laws and their implementation “in principle,” but the existence of any “gender-differentiated outcomes.” Three such gender-aware assessment protocols have been developed and tested in a limited number of countries, all within the past five years.

It should be noted here that, since our focus is on gender-aware BEE assessments specifically and not on the economic or social status of women more generally, we are purposely leaving aside any discussion of assessments that measure women’s empowerment more generally – such as the UN’s Gender Development Index and Gender Empowerment Measure, the OECD’s Social Institutions and Gender Index (SIGI), the World Economic Forum’s Global Gender Gap report, and even assessments that measure women’s economic empowerment more specifically – such as the Economist Intelligence Unit’s Women’s Economic Opportunity Index, the Global Entrepreneurship Monitor series of reports on women and entrepreneurship, or other work focused on women’s participation in business or in corporate business leadership. While these are all worthy endeavors exploring the rights and status of women worldwide, they focus more broadly on health, education, political and workforce parity, or on the share of women in business (or corporate leadership), rather than on the impact of the business-enabling environment on women’s entrepreneurship. Interestingly, the three countries that consistently place in the top ten in terms of women’s equality (Finland, Norway, and Sweden), do not place in the top ten across the leading BEE assessments. The four countries consistently in the top ten in that regard are: Canada, Denmark, Singapore, and the United States.

*Insert Table 3 here*

## **Gender-Aware Assessments**

“It is widely acknowledged that women are more severely affected by poverty than men and that gender inequalities, especially in education and labour market participation, result in substantive losses in terms of economic growth. Therefore, in order to effectively reduce poverty and stimulate pro-poor growth, interventions and policies should be designed in a gender-sensitive manner and – if required – be complemented by interventions that specifically target women in order to create an equitable situation for both genders.” (DCED, 2008, p. 6)

While there is recognition that gender gaps exist in basic legal rights, in education, and in business ownership – and that gender-aware or, indeed, female-targeted “interventions” may be advisable – it has only been in the past five years that systematic assessments of the business-enabling environment from a gender perspective have been undertaken and field-tested in multiple countries using the same methodologies. Such investigations can help inform policy and program action, and are invaluable in helping stakeholders not only to prioritize efforts but to gather input and recommendations from women business owners themselves and from the supporting institutions that would deliver future services.

Three different approaches have been undertaken, each by international economic development agencies. They are described here, in increasing order of methodological complexity:

*ILO’s Growth-Oriented Women Entrepreneurs (GOWE) Diagnostic Framework:* From 2004 through 2006, with interest and support from the African Development Bank, the International Labour Organization conducted environmental assessments of the state of women’s entrepreneurship in three African countries (Ethiopia, Kenya and Uganda), with an eye toward discovering the major challenges and needs of growth-oriented women entrepreneurs; that is,

women who owned existing, largely formally-registered firms. In this process, an integrated framework was introduced (based on the researchers' experiences in Atlantic Canada), which can be said to be the first gender-focused assessment framework.

This framework has 10 components: policy leadership and coordination, regulatory and legal issues, promotional activities for women entrepreneurship development, access to enterprise education and training, access to credit and financial services, access to business development services and information, networks for/of women entrepreneurs, access to premises, access to markets, research on women entrepreneurs. (See Table 3 for additional details). This framework focuses on issues from a women's enterprise development (bottom up) perspective, as opposed to the policy evaluation (top down) perspective employed by gender-neutral BEE assessments such as those described earlier. Some of the indicators include: promotional activities for women entrepreneurship development, networks for/of women entrepreneurs, and research on women entrepreneurs – all areas that would most certainly not be included in a policy-focused, gender-neutral BEE assessment. In this sense, it raised very important questions and brought to light important issues that heretofore had not been addressed.

So, too, the investigations uncovered important gender gaps and made actionable recommendations for governments and other stakeholders to consider. In these aspects, the framework provided a significant step forward when compared to “one off” specific economy evaluations. One aspect that is lacking in this particular framework, however, is mechanism for weighing or scoring the evaluation factors in each assessment area. There is, however, a checklist of questions to be asked in each of the 10 assessment areas.

*Table 4 Here*

*IFC's Gender and Investment Climate Reform Assessments:* The International Finance Corporation launched a “Gender Entrepreneurship Markets” initiative in 2005. As a part of that initiative (which has now been more fully integrated into IFC diagnostic efforts, acts as an in-house advisory team, and is now known as the Women in Business program), qualitative assessments were conducted in a number of countries using a series of interviews, including sets of in-depth conversations with women business owners. These assessments resulted in a number of “Gender and Economic Growth” reports (in Ghana, Kenya, Tanzania, Uganda), as well as

“Voices of Women Entrepreneurs” reports (in those four countries as well as in Bosnia-Herzegovina, Indonesia, Rwanda, and Vietnam).

Each country assessment differed slightly depending on conditions and on areas of interest among the donors funding the assessments and the government. However, members of the IFC gender team (Simavi, Manuel, Blackden, 2010) recently published a new report that lays out an assessment framework, in the form of modules that are suggested to be included in gender-focused BEE assessments. There is a “core module” focused on a basic analysis of the state of women’s enterprise in the country, and eight additional modules: public-private dialogue, business entry and operations, business taxation, trade logistics, secured lending, alternative dispute resolution, special economic zones, and foreign investment policy and promotion.

Most of the diagnostic work of this type done by the IFC is conducted in response to donor interest or at the request of a government, so this assessment tool framework is laid out as a menu of options to consider – and some of the choices of these modules may have been developed in response to a specific request rather than with the goal of developing a comprehensive assessment framework (as was the goal of the ILO and USAID assessment tools). Because of this, comparing IFC assessments from one country to another may not always be possible.

Like the GOWE framework, there is not a numerical scoring system offered by the IFC framework, but – unlike either of the other two gender-aware assessments – an extensive set of evaluation tools are provided. For example, a six-country assessment that has taken place in the Pacific Rim (Hedditch, Manuel, 2010) has recently been published utilizing this more comprehensive approach, and the summary report contains 21 tools (sample forms, requests for tender and the like) for use in follow-up/implementation activities. As noted in the report, the main areas of focus of this effort were: public private dialogue, starting and licensing a business, access to justice and alternative dispute resolution, and access to and enforcement of rights over registered land – just 4 of the 9 areas of assessment laid out in the new IFC framework. However, the report yielded quantifiable goals for use by stakeholders in each of the six countries.

*The GenderCLIR Assessment:* The newest, most comprehensive and the most quantitative assessment has come from adapting and enhancing the existing BizCLIR assessment framework, developed by Booz Allen Hamilton for the US Agency for International Development, into a

gender-focused assessment tool called GenderCLIR. There is a precedent for adapting the BizCLIR framework in this way: there are AgCLIR and HealthCLIR assessments which have been developed in response to donor interest and used to provide detailed evaluations of those particular industries in a number of countries<sup>2</sup>.

The GenderCLIR assessment builds upon the BizCLIR framework in a unique way, streamlining and reorganizing the 10 subject areas and an extensive number of indicator items. There are a total of 143 indicators assessed in seven major subject areas in GenderCLIR. The seven subject areas are: the impact of social customs and women's role in society, women and the private sector, women and labor, women and credit, women and property, women and trade, women and commercial justice.

In the implementation of the GenderCLIR assessment, a team of four to six experts spends two or more weeks in a country meeting with key stakeholders at all levels: national, regional and local policy and government officials, private sector support organizations, educators and researchers, business association leaders, and women business owners themselves. The situation of women entrepreneurs in each of the major evaluation areas is assessed with respect to the legal framework, the implementing institutions, the supporting institutions, and the social dynamics in that particular aspect of women's enterprise development support. A numerical score between 1 and 5 is assigned to each of the 143 indicators.

For example, in the area of Women and Property, there are eight indicators under Legal Framework, including "the law provides for registration of joint property ownership rights between men and women for real property." With respect to Implementing Institutions there are five indicators, including "an institution exists that solicits and receives input from representatives of rural/ethnic communities and women's groups on intellectual property rights protection." Under Supporting Institutions there are six indicators, including "the company registry is efficient and effective in operation for women." And in Social Dynamics there are six indicators, including "real property rights for women are respected by all sectors of society."

The GenderCLIR assessment was first road-tested in April, 2009 in Rwanda, and developed to its current form later that year after a more extensive assessment trip to Vietnam. The GenderCLIR assessment tool was reintegrated into BizCLIR for use in a full assessment of the BEE for an evaluation conducted in November, 2009 in the West Bank. The first AgCLIR

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<sup>2</sup> Gender indicators have now been introduced into the AgCLIR indicators and are underway for HealthCLIR.

with gender was conducted in Tanzania in 2010 recognizing the important of increasing access to business and markets for women farmers.

### ***Lessons Learned From Gender-Focused Assessments***

Although these three gender-aware assessments are all relatively new, and have not been “road-tested” as extensively as the general BEE assessments of longer standing, it is nonetheless useful to:

- Compare the gendered assessments to the non-gendered assessments;
- Compare and contrast the gendered assessments; and
- Offer suggestions for how these two sets of assessments could be more effectively integrated with one another.

How do the three gender-aware indicators compare to the broader, gender-blind assessments described earlier? In some sense, they are reliant upon the broader assessments, as they incorporate some of the rankings, ratings and quantitative indicators into their gender-focused investigations. Could they be performed without that baseline information? Yes, but the resulting reports and recommendations would not be as strong. The broader, gender-blind assessments are also quite quantitative in nature, relying on that which is known and that which is directly comparable. That is a strength but also a weakness, especially when it comes to assessing constraints and barriers that arise in the implementation of laws. In contrast, the gender-aware assessments are weighted more toward the qualitative than the quantitative, relying strongly on in-person interviews with key subject matter experts at all levels in each country. While this allows for a much richer analysis, these gender-aware assessments would be strengthened by a more formal inclusion of more quantitative elements.

Further, the more general BEE assessments do not appear to go very far beyond the “letter of the law;” they stay affixed primarily on national laws and regulations. Perhaps stated simplistically, general assessments are “top down” with a strong emphasis on the top. In contrast, the gender-aware assessments peer from the “outside in” and, in so doing, look in much more detail both at the effects of laws and policies and on the cultural and social constraints that

women face, both of which are much harder to quantify when building a numerically-based index or ranking.

How do the three gender-focused assessment tools differ from one another? They range in relative complexity, as in their order of presentation in this paper. The ILO's GOWE assessment contains 10 indicators, with a series of checklist items in each area. The IFC's assessment contains one core module and up to 8 additional modules which can be used, or not, according to the nature of the investigation; but each module follows a standard protocol of diagnosis, solution design, and monitoring and evaluation. The USAID's GenderCLIR assessment is structured into seven key environmental factors, evaluating 143 indicators in all and rating each on a 5-point scale. Each of the seven factors is assessed taking into consideration the legal framework, implementing institutions, supporting institutions, and the social dynamics impacting each area.

All three assessment tools incorporate both legal and cultural factors and look both from the outside in and the top down – but to varying degrees. The ILO assessment is weighted more toward the environmental and societal than the legal. The IFC assessment favors the legal over the contextual, and the USAID framework is the most highly integrated of the three.

It is the case, though, that these three approaches are very similar in one key respect: they were designed to be largely diagnostic and prescriptive on a country-by-country basis as opposed to being used as a stepping stone to a comparative ranking system. Perhaps one day, when more sex-disaggregated business data are available internationally, that might be able to be accomplished.<sup>3</sup>

Finally, despite differences in approaches, style, and level of detail in terms of assessment protocols, they would appear to be much more alike than dissimilar in terms of outcomes; the findings that their assessments have uncovered and the recommendations for action that are offered are similar in a number of areas. Some of the common elements of their assessment reports include:

- Legal actions are necessary, but not sufficient, to address entrepreneurial gender gaps. Evaluating their implementation and addressing customary laws and cultural constraints are also necessary;

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<sup>3</sup> In the meantime, the World Bank has started to assemble some of the building blocks of such a system, launching a [Gender Law Library](#) online last year, and recently adding an interactive, searchable [GenderStats page](#). In addition, the OECD has a [Gender, Institutions and Development Data Base](#).

- The ripple effect that customary practices can have on business development, such as the impact that lack of real property or inheritance rights has on access to capital;
- The critical importance of entrepreneurial education and training;
- The value of having a *women's business* focal point (not merely a gender office or ministry) in the national government, as well as advisory or feedback mechanisms between that office and the women's business community;
- The need to build the capacity and reach of women's business associations, to build networks, and to build public-private dialogue;
- The catalytic role that entrepreneurial support organizations (educators, researchers, business advisors) can and should play in supporting women's enterprise development;
- The importance of successful women business owners as role models and ambassadors;
- The value of the media in increasing public awareness and acceptance of women as business owners; and
- The need for more sex-disaggregated, firm-level data, both from business censuses and from business owner surveys.

### ***Implications For Policy And Practice***

The development and implementation of gender-aware assessment tools is an excellent start toward understanding more about the complex inter-relationship among public policy, program development and women's enterprise creation and growth, but it is only that – a start.

What lessons can be earned from this evaluation of gender-aware assessments, and perhaps integrated into broader BEE assessments? First, in assessing a business-enabling environment, it is not sufficient to look only at quantitative indicators and the existence of specific laws, regulations and policies, but to be cognizant of the state of the implementing structures and of the social and cultural environment as well. Secondly, it is not enough to be gender-neutral in action; one must also be aware of the potential for gender-differentiated outcomes from those actions. And, finally, a view only from the top down, or from the policy community outward, ignores a very critical element of the equation: the business owners who, after all, are the customers and potential beneficiaries of these policy actions. Taking into

account their viewpoints and listening to their voices can yield insights that may not ever be captured in a numerical score.

What are the implications for public policy, program development and private practice?

This examination points out the need for more integration of gender-awareness in broad-based business-enabling environmental assessments, as well as a more formal inclusion of the results of broad-based BEE assessments into gender-focused assessments. A greater blending of quantitative and qualitative, of top-down and outside-in, of the impact as well as the letter of the law, and the inclusion of comments and insights from entrepreneurs themselves would strengthen any assessment effort.

This examination also points out the need to follow up on BEE assessments – both general and gender-focused – to further monitor, evaluate, and report on the implementation of recommendations and any resulting improvement in the number and size of women-owned enterprises. There is little or no robust evaluative evidence concerning what actions can bring about the greatest short- or long-term improvements in the number and size of women-owned businesses. There is also not nearly enough sharing of good practices and of lessons learned.

Finally, we are still a long way from being able to rank economies based on their level of gender-awareness and/or the gender-inclusive nature of their business-enabling environment. A key missing link in that regard remains the absence of regularly collected and comprehensive sex-disaggregated, firm-level data – such as from a business census. It is often stated, with good reason, that what is not measured does not get managed. The ability to track the number of business starts or registrations by the gender of the owner, and to measure growth in revenues, employment or other success indicators over time, would go along way toward enabling better, more effective management of business support programs – thereby increasing the economic empowerment of women.

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**Tables**

**Table 1**  
**Summary of Areas and Selected Indicators Contained in**  
**Major BEE Rankings and Assessments**

<b>BizCLIR, USAID/Booz Allen Hamilton<sup>a</sup></b>	<b>Doing Business Indicators, World Bank</b>	<b>Global Competitiveness Index, World Economic Forum</b>	<b>Index of Economic Freedom, Heritage Foundation/Wall Street Journal</b>
<u>Starting a business</u> The law provides for separate company types – small, family, closely-held, widely-held; If there is a substantial informal economy, that problem is understood and the government and business community are taking steps to address it	<u>Starting a business</u> Procedures, time, cost and paid-in minimum capital to open a new business	<u>Basic requirements:</u> <u>Institutions</u> Property rights, ethics/corruption, government efficiency, accountability, corporate ethics, accountability of private institutions	<u>Business freedom</u> Starting a business, obtaining licenses, closing a business (procedures, time, cost)
<u>Dealing with licenses</u> The source of legal authority for all licenses and regulations related to doing business (land use, construction, permits, etc.) is clear and accessible; Corruption does not undermine the regulatory environment	<u>Dealing with construction permits</u> Procedures, time, cost to obtain construction permits, inspection and utility connections	<u>Basic requirements:</u> <u>Infrastructure</u> Quality overall and with respect to roads, rail, ports, air transport, utilities	<u>Trade freedom</u> Absence of tariff and non-tariff trade barriers
<u>Employing workers</u> The labor law provides for core standards as enunciated by the ILO; Wage and hour laws provide for protection of workers	<u>Employing workers</u> Difficulty of hiring index, rigidity of hours index, difficulty of redundancy index, redundancy cost	<u>Basic requirements:</u> <u>Macroeconomic stability</u> Government budget balance, savings rate, inflation, interest rates	<u>Fiscal freedom</u> Personal and corporate tax rates, tax revenue as a percent of GDP
<u>Registering property</u> Owners of real property may sell, lease, donate, exchange, bequest property freely; The courts are regarded as an appropriate institution for resolution of property disputes	<u>Registering property</u> Procedures, time and cost to transfer commercial real estate	<u>Basic requirements:</u> <u>Health and primary education</u> Malaria, tuberculosis, HIV, infant mortality, quality of primary education, education expenditure	<u>Government freedom</u> Level of government spending as a percent of GDP
<u>Getting credit</u> One or more laws support a clear, effective structure for credit reporting; Access to banking and other financial services is universally available	<u>Getting credit</u> Strength of legal rights index, depth of credit information index	<u>Efficiency enhancers:</u> <u>Higher education and training</u> Quantity of education (secondary, tertiary enrollment, expenditures), on the job training	<u>Monetary freedom</u> Weighted average inflation rate over three years, price controls
<u>Protecting investors</u> Company law provides	<u>Protecting investors</u> Strength of investor	<u>Efficiency enhancers:</u> <u>Goods market efficiency</u>	<u>Investment freedom</u> Level of restrictions on

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clear governance structures for all types of companies, consistent with international practices; Ministries and agencies promote a strong environment for foreign investment	protection index, extent of disclosure index, extent of director liability index, ease of shareholder suits index	Domestic competition (intensity, level of local market dominance, business start-up costs), foreign competition (trade barriers, percent of foreign ownership, imports as % GDP), quality of demand conditions	investment (domestic, foreign), restrictions on land ownership
<u>Paying taxes</u> The legal framework for corporate and personal income taxes is sound; Government bodies support the need for targeted and efficient use of public funds in support of economic growth	<u>Paying taxes</u> Number of tax payments, time to prepare and file tax returns and to pay taxes, total taxes as a share of profit before all taxes borne	<u>Efficiency enhancers:</u> <u>Labor market efficiency</u> Flexibility (hiring, firing, taxation, labor-employer relations), efficient use of talent (pay and productivity, brain drain, <b>female participation in labor force</b> )	<u>Financial freedom</u> Measurement of level of banking security, freedom from government control
<u>Trading across borders</u> The country has an established regime of treaties and agreements that supports international trade; Border authorities hire, train and supervise staff based on international best practices	<u>Trading across borders</u> Documents, time, and cost to export and import	<u>Efficiency enhancers:</u> <u>Financial market sophistication</u> Efficiency (access to capital, venture capital, investor protections), trustworthiness and confidence (soundness of banks, legal rights index)	<u>Property freedom</u> Ability to own private property, government protection of private property rights
<u>Enforcing contracts</u> The legal framework pertaining to commercial dispute resolution is readily available, clearly drafted, and easy to use; Judges are independent and impartial	<u>Enforcing contracts</u> Procedures, time and cost to resolve a commercial dispute	<u>Efficiency enhancers:</u> <u>Technological readiness</u> Availability of technology, firm-level technology absorption, internet/mobile phone/computer use, laws related to ICT	<u>Freedom from corruption</u> Government corruption (Transparency International Corruption Perception Index)
<u>Closing a business</u> Accountants and auditors are available in sufficient number and level of expertise to support the sound execution of the bankruptcy law; Micro, small, and medium enterprises have the opportunity and means to	<u>Closing a business</u> Recovery rate in bankruptcy	<u>Efficiency enhancers:</u> <u>Market size</u> Domestic market size index, foreign market size index	<u>Labor freedom</u> Difficulty/ease of hiring, firing workers, severance/notification laws, ratio of minimum wage to worker output

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take advantage of the benefits of bankruptcy		<u>Innovation and sophistication factors:</u> <u>Business sophistication</u> Local supplier quality and quantity, state of cluster development, value chain breadth, reliance on professional management	
		<u>Innovation and sophistication factors:</u> <u>Innovation</u> Capacity for innovation, quality of R&D institutions, company spending on R&D, intellectual property protection	

<sup>a</sup>The BizCLIR assessment gathers information using a 360-degree stakeholder assessment tool, structured according to the Doing Business topics, but with an analysis of more than 1,000 indicators. Within each of the topics, an assessment team evaluates four pillars of the business environment: 1) Legal Framework; 2) Implementing Institutions; 3) Supporting Institutions; and 4) Social Dynamics, and rates each item on a 5-point scale. The detailed items listed above are a small subsample of some of the assessment items in each category.

**NOTE:** For a more detailed comparative analysis of these assessments, plus the Global Entrepreneurship Monitor series of reports, see the USAID report, [Alternative Business Enabling Environment Rankings: A Review](#).

**Table 2**  
**Top 10 Countries in Major BEE Assessment Rankings**

	<b>BizCLIR</b>	<b>Doing Business Indicators</b>	<b>Global Competitiveness Index</b>	<b>Index of Economic Freedom</b>
1	Assessments made on country-by-country basis, and remedial recommendations made to policy and program stakeholders. Not designed as a comparative ranking process.	Singapore	Switzerland	Hong Kong
2		New Zealand	United States	Singapore
3		Hong Kong	Singapore	Australia
4		United States	Sweden	New Zealand
5		United Kingdom	Denmark	Ireland
6		Denmark	Finland	Switzerland
7		Ireland	Germany	Canada
8		Canada	Japan	United States
9		Australia	Canada	Denmark
10		Norway	Netherlands	Chile

Countries in red are ranked in the top 10 in all 3 assessments  
Countries in blue are ranked in the top 10 in 2 out of 3 assessments

**Table 3**  
**Comparing Top Ten Country Rankings:**  
**BEE Assessments & Gender Equality Measures**

<b>BEE Assessments<sup>a</sup></b>	<b>Gender Equality Measures<sup>b</sup></b>
Canada	Finland
Denmark	Norway
Singapore	Sweden
United States	

<sup>a</sup>BEE assessments used: World Bank Doing Business, World Economic Forum Global Competitiveness Index, Heritage Foundation Index of Economic Freedom.

<sup>b</sup>Gender equality assessments used: UN Global Development Index, UN Gender Empowerment Measure, World Economic Forum Global Gender Gap, Economist Intelligence Unit Women's Economic Opportunity Index.

**Table 4**  
**Summary of Areas and Selected Indicators Contained in**  
**Gender-Focused BEE Assessment Frameworks**

<b>GenderCLIR, USAID/Booz Allen Hamilton</b>	<b>Gender and Investment Climate Reform Assessment Framework, IFC/World Bank</b>	<b>GOWE (Growth-Oriented Women Entrepreneurs) Assessment Framework, ILO</b>
<p><u>The impact of social customs and women’s role in society</u>  A woman has legal capacity on her own, women as well as men are in professional positions in key business support positions, there are no restrictions on women’s movement in public places, education is available to women at all levels; women’s mobility</p>	<p><u>Core module</u>  Gender-informed baseline: understanding business data, ensure women’s voices are heard, identify key gaps, link with existing reform efforts.  All additional specific modules follow a process of: 1) diagnosis, 2) solution design, 3) monitoring and evaluation. Examples of specific actions are mentioned below:</p>	<p><u>Policy leadership and coordination</u>  Is there a focal point within government for women’s enterprise development? Is there a strategic framework for the development of the women’s enterprise sector, including provision for both start-up and growth of their enterprises?</p>
<p><u>Women and the private sector</u>  There are explicit government policies to encourage and support women’s entrepreneurship, business registration practices do not deter women from starting a formal business, a business association exists that advocates for women’s businesses</p>	<p><u>Public-private dialogue</u>  Engagement with multiple groups, use existing PPD structures, organizational capacity-building</p>	<p><u>Regulatory and legal issues</u>  Is there a national gender policy that secures the rights of women in society and the economy? Is there a process for reviewing the impact of the implementation of regulations and legislation on women’s enterprise development?</p>
<p><u>Women and labor</u>  At all stages of the employment relationship, the legal and regulatory framework for labor treats women and men as equal, universities/think tanks and other knowledge-oriented institutions provide an effective foundation of understanding of gender equality in the workforce</p>	<p><u>Business entry and operations</u>  Level of formalization of women-owned firms, inventory of procedures, gender analysis, legal checklist</p>	<p><u>Promotional activities for women entrepreneurship development</u>  Is there a supply of women entrepreneurs who can act as credible role models? Are these promoted? Are there initiatives in place to recognize and celebrate the achievements of women entrepreneurs?</p>
<p><u>Women and credit</u>  Women and men are treated equal in the legal framework for secured transactions, there is a competitive, functioning commercial banking sector with services that meet the needs of women and microfinance institutions</p>	<p><u>Business taxation</u>  Tax burden/incidence through a gender lens, existence of sex-disaggregated data</p>	<p><u>Access to enterprise education and training</u>  Are there examples of entrepreneurial training programs targeted specifically to women? Is there an adequate supply of women trainers, advisers and mentors to work within the women’s market?</p>
<p><u>Women and property</u>  Customary law is consistent with formal law in recognizing equitable property rights men and women, women feel like they have equitable property rights</p>	<p><u>Trade logistics</u>  Mechanisms to provide improved service to women entrepreneurs, communications outreach</p>	<p><u>Access to credit and financial services</u>  Are women able to access business financing as “individual” entrepreneurs, and not just on a peer, mutual guarantee lending basis? Are women able to access financing beyond the micro-finance lending limit?</p>

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<b>GenderCLIR, USAID/Booz Allen Hamilton</b>	<b>Gender and Investment Climate Reform Assessment Framework, IFC/World Bank</b>	<b>GOWE (Growth-Oriented Women Entrepreneurs) Assessment Framework, ILO</b>
<p><u>Women and trade</u>  The ministry of trade and commerce hire, train and supervise staff based on international best practices and without discrimination based on gender, there are no explicit or implicit barriers for women-owned businesses in obtaining insurance, trade negotiators negotiate agreements with an understanding of the effect on sectors of the economy that are predominantly run/operated by women.</p>	<p><u>Secured lending</u>  Capacity-building for financial institutions, awareness-raising for women entrepreneurs, legal checklist</p>	<p><u>Access to business development services and information</u>  Is information available on the take-up of government business support and information services by women entrepreneurs? Are business support services linked to the provision of micro-finance for women?</p>
<p><u>Women and commercial justice</u>  The judicial system is non-discriminatory, there is equality for men and women in access to and treatment by the legal framework and process for alternative dispute resolution, the rule of law is respected by all sectors of society and is not undermined by official corruption or gender bias</p>	<p><u>Alternative dispute resolution</u>  Consider legal framework, interview legal experts</p>	<p><u>Networks for/of women entrepreneurs</u>  Do women have access to the networking activities of mainstream business and industry associations? Have women entrepreneurs' joined together to form their own associations (WEAs)? Do WEAs organize regular meetings for members so they can network, learn from each other, and develop cooperative activities?</p>
	<p><u>Special economic zones</u>  Labor law and practice, land rights issues, ensure performance data can be sex-disaggregated</p>	<p><u>Access to premises</u>  Do women entrepreneurs have access to adequate and affordable premises to run their enterprises? Is attention paid to ensuring that women producers have access to adequate production premises and up-to-date commercial technologies?</p>
	<p><u>Foreign investment policy and promotion</u>  Impact of FDI on women, include women in policy formulation</p>	<p><u>Access to markets</u>  (no questions provided)</p>
		<p><u>Research on women entrepreneurs</u>  Is there national quantitative data on the growth of women-owned enterprises versus those owned by men? Are there studies on the growth experiences of women entrepreneurs, including their orientation towards growth, motivations, strategies, use of resources and constraints?</p>