



Task Force 04

TRADE AND INVESTMENT FOR SUSTAINABLE AND INCLUSIVE GROWTH

Closing the Gender Data Gap for Women Entrepreneurs in Trade

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Abstract

While previous G20 meetings have addressed gender issues, particularly concerning women's economic empowerment and labor force participation, there's a critical need to prioritize the role of women in international trade. The promotion of women's involvement in trade, especially as entrepreneurs, is pivotal for sustainable development and inclusive economic growth. However, achieving this necessitates the formulation of robust policies backed by accurate data.

Understanding how trade empowers women entails a comprehensive examination of their roles as entrepreneurs. Yet, effective policies to address barriers to women's trade participation face obstacles due to inadequate data, especially concerning women-owned and women-led enterprises. The absence of a standardized definition for these concepts presents a significant challenge to data collection.

Despite efforts by the International Trade Centre (ITC) and the International Organization for Standardization (ISO) to establish common definitions, challenges persist in implementation, as evidenced by Brazil's experience and other international studies. To bridge this gender data gap, G20 member countries are urged to adopt ISO's proposed definitions to facilitate precise data collection and policymaking.

Moreover, recognizing the intersectionality of gender with other identities is vital for ensuring equitable opportunities for women in trade. Efforts should concentrate on improving national and subnational databases to offer disaggregated gender-sensitive data. The utilization of qualitative surveys and ongoing data collection processes is recommended to monitor progress and inform evidence-based policies.

This policy brief, along with its proposed recommendations, aims to promote greater gender inclusion in international trade and advance sustainable development goals.



Diagnosis of the Issue

Promoting women's participation in trade is not only a matter of gender equality but also essential for achieving sustainable development and inclusive economic growth on a global scale. However, better policies to enable women's participation are only possible with sufficient quality data.

As stated by the Organisation for Economic Co-operation and Development (OECD)¹, understanding how trade can enhance women's economic empowerment requires investigating the many ways women participate and are affected by international trade, including as entrepreneurs.

Effective policies must be in place to address barriers and constraints to business women's participation in trade. However, the lack of accurate data impedes an understanding of the depth of this issue and how to address it. Also, the lack of a standardized definition of what qualifies as women-owned or women-led companies poses a fundamental challenge to data collection, especially of women entrepreneurs, exacerbating the issue.

To standardize this definition, the International Trade Centre (ITC) and the International Organization for Standardization (ISO) developed a methodology to harmonize the concepts and distinction between women-owned and women-led businesses². These concepts have been embraced, either partially or entirely, by other governments and trade institutions, including the informal working group on Micro,

¹ OECD, "[How can trade contribute to women's economic empowerment?](#)".

² ISO, "[IWA 34:2021 Women's Entrepreneurship – Key Definitions & General Criteria](#)".

Small and Medium-sized Companies (MSMEs) within the World Trade Organization (WTO).

While representing a significant step towards standardization, the current definition is not easily implementable, as it relies on updated databases regarding a company's ownership structure and self-declared information. As such, policymakers have limited access to updated and comprehensive data for classifying women-owned and women-led enterprises, hindering understanding of women's real participation in international trade.

To exemplify these challenges, Brazil conducted its first study on women participation in trade last year³. The methodology, aligned with the initial principle defined by ISO, stipulated that a company must have more than 50 percent ownership by at least one woman to be considered women-owned. However, the Brazilian Ministry of Development, Industry, Trade and Services (MDIC) reported challenges accessing national government databases to obtain gender information regarding the companies' partners. Consequently, they had to infer partners' genders based on traditional expectations of a name being female or male in Portuguese. This approach was undertaken to address the existing data gap but is extremely limiting, especially in ensuring inclusivity and accounting for gender neutral names. This example highlights how governments worldwide wrestle to develop gender inclusive policies in international trade.

Recent studies and papers published by key international trade institutions also report challenges in accessing accurate data, thus impairing their ability to partially or completely apply the methodology defined by ITC in conjunction with ISO. Examples

³ MDIC, [“Women in Foreign Trade: An Analysis for Brazil”](#).

include the SMEs Competitiveness Outlook 2023⁴; Unlocking Finance in Zambia: A Women Entrepreneur's Guide⁵; and Women in Trade: New Data and New Insights.⁶ The World Bank's 7th edition of the Entrepreneurship Database⁷ provides insights into the percentage of women owners and directors of companies across multiple countries, covering gender-disaggregated data from 2014 to 2022 for 66 countries, from which only five were G20 member countries. However, its methodology diverges from that defined by ISO, which does not allow for comparison between databases or for accurately gauging the number of companies owned or led by women.

Despite well-intentioned attempts to develop programs and policies that make trade more inclusive globally, the data gap and the lack of concept standardization between countries and trade institutions prevent an acute understanding of women's real role in international trade. This gender data gap makes women's participation in international trade invisible, hindering opportunities for better policies that could lead to greater inclusion. Furthermore, this issue can foster gender washing practices that obscure the reality of gender equality, diminish the seriousness of the problem, perpetuate gender stereotypes, reinforce structural obstacles, facilitate inaction, and undermine public trust. The invisibility of women in public and government data also extends to other axes of power—race, ethnicity, purchasing power, sexual orientation—which, when combined, can represent even greater obstacles to gender equality. In this context, collecting self-

⁴ ITC, [SMEs Competitiveness Outlook 2023](#).

⁵ ITC, [“Unlocking Finance in Zambia: A Women Entrepreneur's Guide”](#).

⁶ ITC, [“Women in Trade: New Data and New Insights”](#).

⁷ World Bank, [“7th edition of the Entrepreneurship Database”](#).

identification data poses an additional challenge to the overall data collection process, as it must consider the complexities of intersectionality.

Recommendations

Standardization of concepts

Standardizing the definition of women-led and women-owned companies is fundamental to filling the data gap about women in trade. An internationally unified concept will streamline and standardize national census and other data collection tools, enabling consistent comparative analysis between countries; clarity on gaps in women's entrepreneurship; applicability of policies related to women-led businesses; traceability of their effects; women's access to finance, markets, and capacity building; and promotion of knowledge sharing⁸.

Therefore, G20 member countries should adopt the definition of women-owned and women-led businesses established by ISO. The adoption of conceptual standards by G20 member countries will encourage widespread adoption of the same definition and enhance the comprehension by governments, private sector, and international organizations of what defines women-owned and women-led businesses in practice. This will facilitate their broad acceptance by both national and international institutions engaged in fostering and regulating international trade. Most importantly, it will provide the baseline for better and more accurate data on women in trade.

⁸ ITC, [“The SheTrades Initiative – Empowering Women to Trade”](#).



Accounting for intersectionality

The intersection of gender with other identities, including race, ethnicity, sexual orientation, nationality, and economic status require tailored approaches to secure equitable opportunities for women.

Following standardized concepts of women-led or women-owned businesses, G20 member countries should continuously seek to understand how other intersecting factors may affect the performance of women businesses in international trade, whether in relation to other women-led or women-owned enterprises or in comparison to male-owned businesses. Adjusting data collection mechanisms to also account for intersecting factors will be imperative in leading to accurate data for such comparisons and more effective, inclusive policies.

To achieve the United Nations Sustainable Development Goals (SDGs) 5, 8, 16, and 17, G20 member countries must refrain from endorsing or implementing discriminatory public policies that exacerbate power imbalances among women-owned and women-led businesses. G20 member countries should strive for a systematic analysis of these disparities and enact public policies that equip all groups of women entrepreneurs with the essential tools for their economic and social advancement.

Database development, updating, and integration

According to the OECD's Toolkit for Mainstreaming and Implementing Gender Equity⁹, gender-disaggregated data and information must be readily available and utilized to inform gender analysis. It is crucial to avoid pitfalls such as (i) assuming that sex-disaggregated and gender-sensitive data are exclusively "women-focused" and, (ii)

⁹ OECD, "[Toolkit for Mainstreaming and Implementing Gender Equity](#)".


allocating inadequate resources and capacity within government institutions and statistical offices to recognize the need for sex-disaggregated data and the integration of gender perspectives into key indicators and data collection efforts.

As such, G20 member countries should make concerted efforts to enhance their national and subnational databases, providing disaggregated information on gender-sensitive data and other intersecting identities. This coordinated approach will better subsidize the development of appropriate, evidence-based responses and policies, including those fostering gender inclusion in international trade. Noteworthy examples of best practices can be drawn from Norway, Spain, Sweden, and Israel. New advancements or developments in digital trade facilitation platforms should also prioritize integration with national databases that include disaggregated information on women-led and women-owned businesses.

Yearly qualitative data collection

To fully implement the concepts of women-owned and women-led companies outlined by ISO and ensure they are firmly rooted in current data, annual supplementary qualitative data collection processes, such as interviews, focus group discussions, semi-structured interviews, direct observations, case studies, stakeholder workshops, trend analyses, and more, should be conducted. The OECD's Toolkit for Mainstreaming and Implementing Gender Equity also suggests that civil society organizations, including women's associations, can serve as valuable partners for collecting data on the potential or real effects of government policies, and engaging with them on a regular basis should be a priority.

The collected quantitative and qualitative data should be carefully analyzed, interpreted, and used to identify patterns, trends, and discrepancies among various



women-led and women-owned companies. G20 member countries should synthesize the analyses and findings into accessible reports that are widely disseminated through government publications, academic papers, short videos, and other easily digestible tools. This effort will enable data-driven policymaking focused on promoting gender inclusion in global trade. Continuously collecting disaggregated information and refining databases will be essential for monitoring progress and assessing the effectiveness of different policies and interventions aimed at enhancing the participation of women-owned or women-led enterprises in international trade.

Centralized data repository and training mechanism

G20 countries should support WTO to consolidate a comprehensive database on gender and trade, readily accessible on their website. This centralized repository holds immense potential to streamline comparative analysis, allowing member states to accurately gauge progress and pinpoint areas for enhancement. Through bolstered transparency and accountability, this initiative is poised to cultivate a trade environment that prioritizes equity and inclusivity.

In a collaborative effort with the WTO, G20 member states must spearhead the establishment of a dedicated fund tailored to financing data collection endeavors and bolstering technical capabilities in non-G20 nations. This fund stands as a beacon of support for integrating gender-disaggregated data into national census and other data collection frameworks, thereby amplifying representation and inclusiveness in trade-related decision-making processes.

By implementing these recommendations, the WTO can advance its commitment to gender equality in trade and foster sustainable development worldwide.



Scenario of Outcomes

The implementation of the recommendations outlined above must take countries' unique realities into consideration, including informality levels, financing, and human capital.

These recommendations will require governments to (i) enhance their technical capabilities for data collection and analysis; (ii) refine cooperative mechanisms for information-sharing across municipal, state, national, and international authorities as well as with other pertinent institutions; and (iii) simultaneously, provide women-owned and women-led businesses access to the necessary resources and tools to succeed in trading.

Countries' data collection efforts vary in quality, frequency, and content, among other indicators (see appendix 2). Standardization and potential international accountability mechanism for key indicators to be included and tracked in national data collection efforts will require countries to either adopt new or adapt old practices. To acquire these data collection tools, update existing methodologies, and streamline this process will require resources and trained technical professionals, which can be challenging to G20 and non-G20 member countries.

In some countries, the varying frequency of national data collection efforts could be a challenge to the timely revision of policies domestically and suitable international comparative analysis. As such, complementary – but standardized – data from municipal- and state-level agencies, Ministries of Commerce, Central Banks, and other relevant organizations, such as business associations, could be helpful. Streamlining this level of cooperation calls for a specialized body that can combine, analyze, and publicize this data with the appropriate actors, both domestically and internationally.

Hand in hand with these recommendations, it is imperative to implement strategies that both encourage and ensure women's effective participation in the economy, particularly as entrepreneurs, in this case. Women-owned and women-led businesses must have access to accurate information and trainings on the ins and outs of trading, while also having the adequate resources to trade. Partnerships with business associations, educational organizations, or other civil society organizations could be helpful to streamline some of these strategies.

Jointly, these recommendations will ensure that there is standardization of data collection processes, resulting in more accurate and sophisticated data. In turn, this data and international comparisons based on it will allow countries to put policies more precisely and effectively in place or adjust existing ones to enable women's full participation in trade.

Appendix

ISO's definition of women-owned and women-led businesses:

Women-owned business that is more than 50% owned by one or more women, whose management and control lie with one or more women, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are not owned by women.

Women-led business that is at least 25% owned by one or more women, whose management and control lie with one or more women, which has at least one third of the board of directors comprised of women, where a board exists, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are neither led nor owned by women.



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