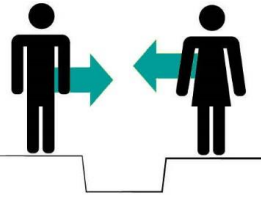


**REDUCING THE
GENDER GAP IN
FIRM PRODUCTIVITY
IN THE CARIBBEAN**



a partnership of



Canada

Main Challenges Faced by Female Owned Businesses across the Caribbean

Jamaica || Trinidad & Tobago || Barbados || Guyana || Belize || Bahamas || Suriname || OECS

Research Team



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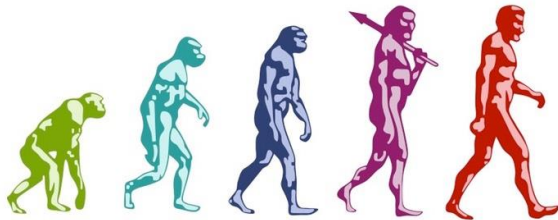


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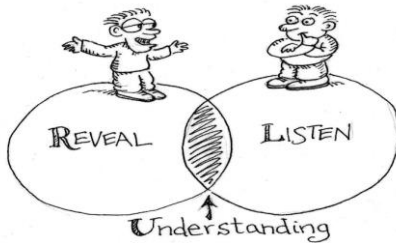
Objectives



To investigate whether the challenges facing women-led firms in the region vary according to their **stage of development**



To investigate how these **challenges change over time** using a three-period panel dataset



To develop an understanding of the **causes of these challenges**



To provide **evidence-based targeted recommendations** for future programmatic and policy interventions to support women-led firms in the Caribbean

Methodology

1st Stage: Quantitative

- ❑ Quantitative survey of **104 women-led** firms from the WINC Acceleration Program;
 1. data collected, on **entry** to the program in 2015 (1st point);
 2. on **exit** in 2016 (2nd point) and
 3. a final **tracer survey** in 2018 (3rd point)
- ❑ This is our “short panel dataset” of women-led businesses, their growth & constraints over **28-30 months**

Methodology Cont.

2nd stage: Qualitative

- ❑ 25 **interviews** were completed:
 1. firms which had demonstrated **most growth** (13 firms)
 2. versus firms with **static or declining growth** (12 firms)

- ❑ All interviews were **transcribed** and thematic analysis done

(Growth measures: employment growth & market expansion - requires deliberate action)

Overview

Analysis of Findings:

1st. Tracer survey, looking at businesses at different levels of growth and the Challenges they face.

2nd. Thematic analysis, where we highlight identified causes of challenges experienced.

3rd. Programmatic/policy recommendations to support the growth of women-owned businesses at different stages of development,

Tracer Survey: Country & Sectors

Country	%
Bahamas	5%
Barbados	10%
Belize	10%
Guyana	12%
Jamaica	8%
Suriname	10%
T&T	16%
OECS	30%

The original WINC AP database contained information on 104 participants, all of whom were invited to complete the Tracer survey online.

Data collection closed with 61 responses, resulting in a **59% response rate**.

Main Sectors	%
Manufacturing	26%
Arts, Entertainment and Recreation	10%
Wholesale/Retail	8%
Food Service Activities	8%
ICT	8%
Other	40%

Firms were in business from 3 years to 76 years.

Respondents' firms mostly provided both services and products (54%), reflective of the full AP pool where the percentage was 47%



Overview Tracer Survey

△Employment: Increased

Firms with
**Increased
Employment***



- Firms doing business for **11 years** or more
- Firms with **6** or more **employees**
- Approximately half (53%) of these Firms typically **export**

*in the last 12 months

△Employment: Decreased

Firms with
**Decreased
Employment***

The diagram consists of an orange circle on the left containing the text 'Firms with Decreased Employment*'. A horizontal arrow points from the right side of this circle to a light gray rounded rectangle on the right. Inside the rounded rectangle is a bulleted list of three items.

- Firms doing business for **7 to 8 years**
- Firms with approximately **4 employees**
- About two (24%) out of ten firms from this group **export**

*in the last 12 months

Tracer Survey: Firms' Growth Characteristics

1. Highest growth - increased employment and /market reach (market expansion = 12 firms). Change in employment ranged from +1.5 to +22 FTEs*

2. Some growth in job creation and/ market reach (market expansion =14 firms). Change in employment ranged from +0.5 to +2 FTE*

3. Marginal decline or stasis in employment and/ market reach (market contraction =17 firms). Change in employment ranged from -1 to 0 FTEs*

4. Greatest decline or stasis in employment and/ market reach (market contraction =15 firms). Change in employment ranged from -24 to -0.5 FTEs*

Tracer Survey: 2 Main Groups

1. Some Growth - Overall, median employment was '3', with growth firms being larger at '5'.

- ❑ Since exiting the programme, growth firms experienced changes of between '+0.5' (1 part-time employee) to '+22', with a median of '+2' employee increase.

2. Decline/ stasis - Overall, median employment was '3', with decline/ stasis firms being smaller at '1.5'.

- ❑ Since exiting the programme, these firms have experienced changes of between '0' to '-24', with a median of '-1' employee decline.

Main Constraints: Group 1

Firms with
**Increased
Employment***



```
graph LR; A((Firms with Increased Employment*)) --> B[Constraints];
```

The diagram consists of a blue circle on the left containing the text 'Firms with Increased Employment*'. A horizontal arrow points from the right side of this circle to a green rounded rectangle on the right. Inside the green rectangle is a bulleted list of five constraints. The first constraint, 'lack of growth finance (50%)', and the last constraint, 'lack of skilled staff (33%)', are in black text. The second constraint, 'lack of networking opportunities', is in blue text. The third and fourth constraints, 'lack of access to technology or equipment' and 'lack of access to markets', are in black text.

- lack of growth finance **(50%)**
- lack of networking opportunities
- lack of access to technology or equipment
- lack of access to markets
- lack of skilled staff **(33%)**

*in the last 12 months

Main Constraints: Group 2

Firms with
**Decreased
Employment***



- Lack of access to growth financing (**71%**)
- Lack of suitable / affordable business support services
- Lack of skilled staff (**41%**)

*in the last 12 months

Three Survey Points

1

Baseline Survey 2015

2

Exit Survey 2016

3

Tracer Survey 2018

Main Challenges: Baseline 2015



Lack of Access to Growth Financing (**66%**)



Lack of Suitable/Affordable Support Services (**44%**)



Lack of Skilled Staff (**36%**)



Lack of Access to Markets (**36%**)



Lack of Networking for Business Opportunities (**30%**)

Main Challenges: Exit 2016



Lack of Access to Growth Financing (**63%**)



Lack of Skilled Staff (**36%**)



Lack of Suitable Space (**29%**)



Customs and Trade Regulations (**27%**)



Lack of Equal Treatment by Financial Institutions (**27%**)

Main Challenges: Tracer 2018



Lack of Access to Growth Financing (**62%**)



Lack of Suitable/Affordable Support Services (**36%**)



Lack of Skilled Staff (**36%**)



Lack of Access to Markets (**31%**)

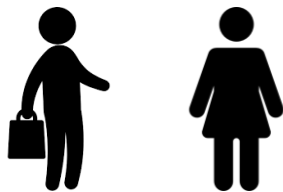


Lack of Access to Technology or Equipment (**25%**)

Main Challenges: All 3 Points*



Lack of Access to Growth Financing (**62%**)



Lack of Skilled Staff (**36%**)

*across all three data points (Baseline 2015, Exit 2016 & Tracer Surveys 2018)



Qualitative Analysis

Main Themes: 1

High Costs of labour,
technology, international trade
(importing and exporting),
finance and business support
services



Main Themes: 2

Lack of info/skills

(sourcing inputs and export markets, obtaining certification, human resource management, marketing, branding, franchising, sourcing financing & ability of staff)



Main Themes: 3

Inadequate resources

(financial, production space, technology) or services (networking opportunities)



Main Themes: 4

High levels of

bureaucracy in

finance and business support
services



Main Themes: 5

Constraints surrounding
**external market and
societal conditions**
(competition for labour and customers,
and gender biases and discrimination)



Main Themes: 6

Personal and familial
constraints (differential
motivations, lack of time, lack
of self-confidence, aversion to
debt, and lack of support)





Programmatic & Policy Recommendations

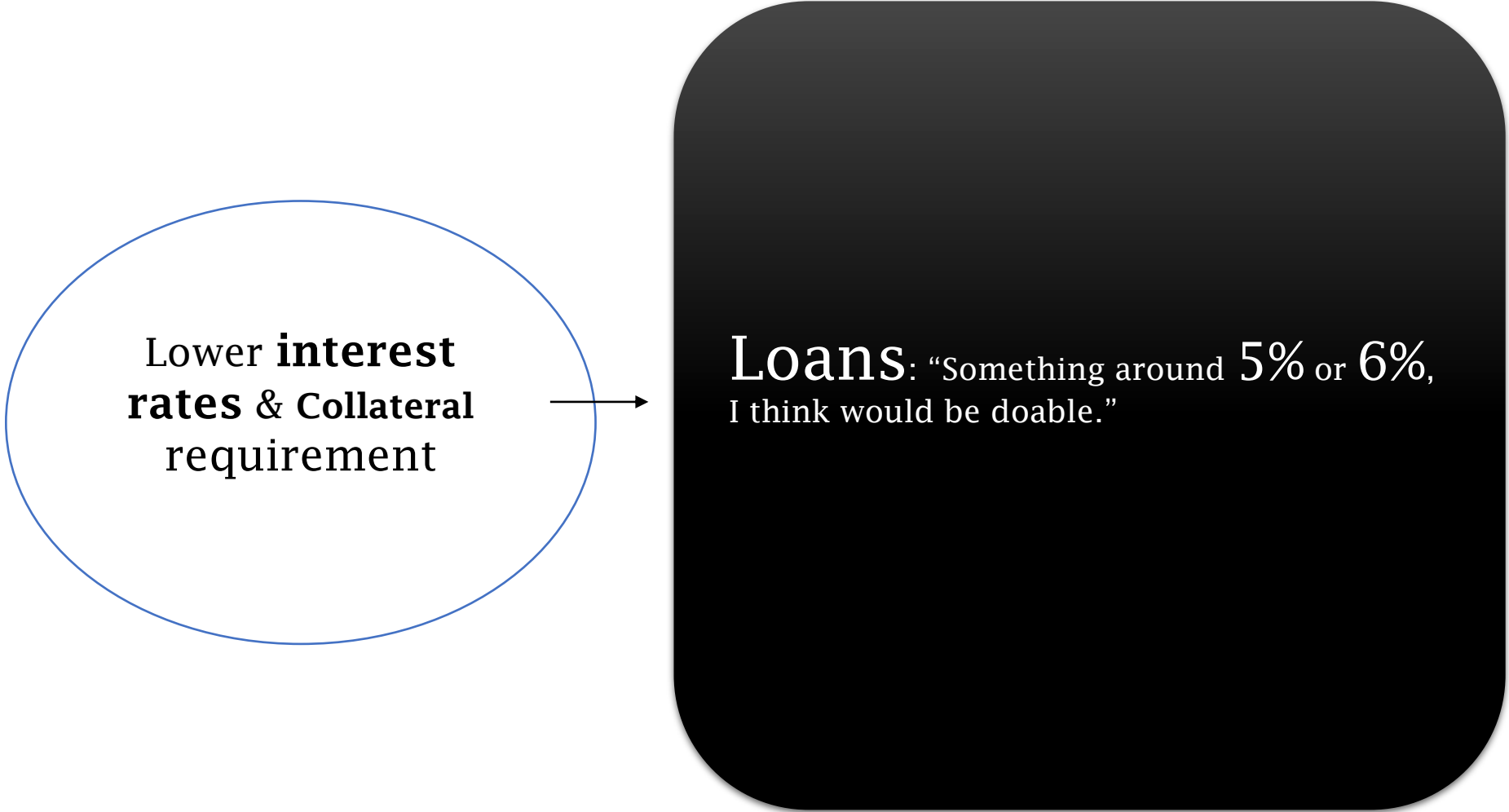
Recommendation: 1



**Grants +
Loans + TA**

Development of a mixed **Grant
+ Loan + Technical
Assistance** financial product
targeting female business owners

Recommendation: 2



Lower **interest rates** & Collateral requirement

The diagram consists of a light blue circle on the left and a dark grey rounded rectangle on the right. A horizontal arrow points from the right side of the circle to the left side of the rectangle.

Loans: “Something around 5% or 6%, I think would be doable.”

Recommendation: 3



Business
Support
Services

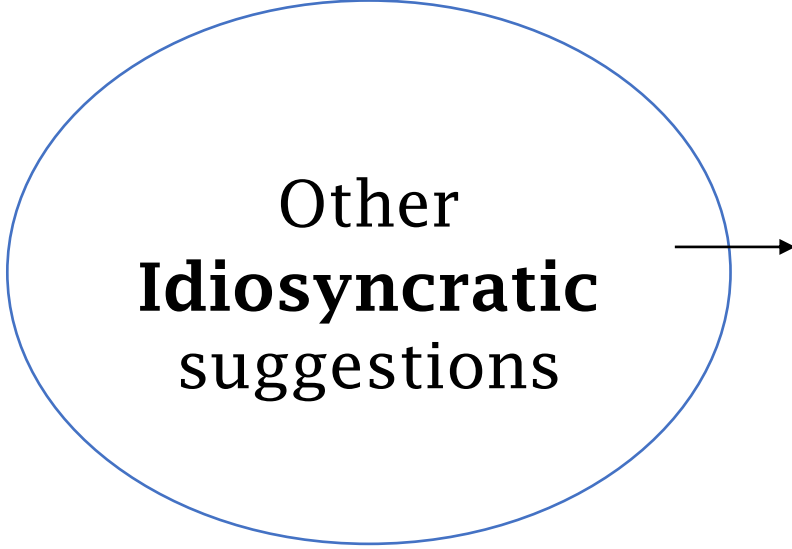
Development of **Business
Support Clinic:**

“Think of it as a **business
health clinic** where you are
looking at different areas of the
business, (...and) **having a
check-up** (like what) you do every
year ...for your body.”

*These “Support clinics” could be designed to dovetail into the processes of financial institutions, where they could be used to pre-qualify businesses for financing

Recommendation: 4

Other
Idiosyncratic
suggestions



- Internal & External **Training** for Staff
- Support with attending **Trade Shows and Market Visits**
- Positive messaging to **reduce gender bias/ discrimination/ sexual harassment**
- Calls for countries to improve **Customs, Import Duties & Processes** to better facilitate MSMEs

To Learn more about team

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About Compete Caribbean



a partnership of



Canada



Canada

Compete Caribbean is a multi-donor facility whose objective is to support the Caribbean region in increasing productivity and Caribbean firms' contribution to economic growth, by providing technical assistance for business climate reforms, clustering initiatives, and stimulating innovation in the Caribbean region.

The program, jointly funded by the Inter-American Development Bank (**IDB**), the United Kingdom Department for International Development (**DFID**), the Caribbean Development Bank (**CDB**) and the **Government of Canada**, supports projects in 13 Caribbean countries.

Appendix

Notes About WINC.

WINC was a component of the 'Entrepreneurship Program for Innovation in the Caribbean' (EPIC), a seven-year program launched in 2011 which was funded by the Government of Canada (CAD 20 million) and implemented by infoDev, a multi-donor program in the World Bank Group's Trade & Competitiveness Global Practice.

As one of WINC's core activities, the AP provided business development support with a self-development focus over a nine-month period to growth-oriented women entrepreneurs selected from across the region so that they could grow their businesses with confidence and, at the same time, build their professional networks. A summary profile of the WINC AP Participants is provided in the results section.

Notes re Methodology

This research employs a mixed method approach, using both quantitative and qualitative methodologies. Quantitative methods are utilised to provide a general descriptive account of the characteristics of female-owned businesses in the region and the constraints they face, as well as highlight any differences to male-owned businesses.

The results of the quantitative analysis are then utilised to inform the structure and direction of the qualitative research which follows, allowing for a deeper understanding of the causal relationships between gender, constraints experienced, and the development stage of the business.

The Compete Caribbean **PROTEqIN data** is utilised to provide a general descriptive overview of female-owned businesses in the region, while the quantitative and then qualitative research activities focus on the female-owned firms which graduated from infoDev/World Bank WINC Acceleration Program (AP)

Notes re Methodology cont.

A profile of this group was created at the project's outset using previously-collected quantitative data on the firms from the AP's Baseline survey (on their entry to the program, in 2015) and the AP's Exit survey (at the program's conclusion, in 2016) . These two data points are complemented by a third, in April/May 2018, when data was collected through an online survey as this project's first research activity.

The data collected at all three time points includes numerous business metrics as well as the personal characteristics of the women leading the firms, and includes constraints to their growth. The three survey instruments were designed to dove-tail into the preceding one(s); they used the same online platform (Survey Monkey); and, in the case of the AP Exit survey (2016) and the Tracer survey (2018), were opened via personalised emails only to the 104 women who had completed the WINC AP in 2016.

Notes re Methodology cont.

The next stage of the research employed a qualitative approach to understand the underlying causes of the constraints identified from the three surveys (including their interactions), and how these change with time as the firm grows and develops. To this end, in-depth interviews were conducted with a sample of respondents to the Tracer survey.

The target for this element of the research was 25-30 firms to be interviewed in total, with half of them having experienced growth over the period and the remainder contraction or no change. In order to provide contrasts, businesses were selected into those that experienced growth over the period and those that either contracted or experienced no change with respect to employment and/or market reach .

Notes Tracer Survey

Employment constraints.

Overall, it is clear that finance is the most prominent constraint for all firms, a situation mirrored for all firms in region as revealed by the Compete Caribbean PROTEqIN survey in 2014. Not being able to access skilled staff is also a consistent challenge across all firms regardless of their level of growth.


The main differences are seen in relation to lack of suitable/affordable business support services which is a top constraint for firms experiencing no growth or decreases, although this is not a noted constraint for growing firms. .

Notes Thematic Analysis.

Of particular interest are constraints related to access to **finance** and the **utilisation of technical assistance**.

This focus is primarily because these are constraints that have been recognised from a detailed analysis of the data to emerge from the Compete Caribbean PROTEqIN survey conducted in 2014

Recommendation: 1.2



Easier access to
credit for small
& growth-oriented
businesses

The diagram consists of a light blue oval on the left containing the text 'Easier access to credit for small & growth-oriented businesses'. A horizontal arrow points from the right side of this oval to a large blue rounded rectangle on the right, which contains a testimonial.

“When I first started out as self-employed, we had like (equivalent of US\$10,000) in the business account. I went to the **bank** as an individual and said I would like to **get a credit card** (with) very minimal credit, (so) I can start building up my credit. And they said **no** because you're **too high risk**, you're female, you're self-employed, you should probably get married, yeah.”*

*After more than five years in business, Rebecca NM is still not eligible for a credit card; only a Visa debit card

Recommendation: 1.3



Affordable business
Insurance

With first-hand experience of losing all her business, Charli NLS stressed the importance of “some **insurance company** offering some **really good rates** (...) where people could contribute (...) on a **monthly basis**.”

Recommendation: 1.5



Financing
**Application
Process**

The diagram consists of a light blue oval on the left containing the text 'Financing Application Process'. A black arrow points from the right side of this oval to a dark blue rounded rectangle on the right. Inside the rectangle, there is a quote in white text and a sentence in light blue text below it.

“It took a lot of **time away from my business**, and it was not an outright grant, you had to compete for it, which is fine, but it took away so much time from my business. I lost because most of the time I had to be in sessions...”

Attention must therefore also be given to **reducing the ‘burden of application’**, financial and otherwise