NEW APPROACHES TO CLOSING FINANCE & DATA GAPS FOR WOMEN-LED BUSINESSES

GLOBAL PARTNERSHIP ON FINANCIAL INCLUSION (GPFI) WORKSHOP
21 JULY 2022

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BETTER POLICIES FOR BETTER LIVES

Rationale for collecting gender-disaggregated data

- Women entrepreneurs experience **more difficult access to finance** and **worse financing conditions** than men entrepreneurs.

- As a result, or because of that, women entrepreneurs are **less likely to be involved in entrepreneurship** and tend to operate **smaller businesses** than men entrepreneurs.

- The **demand for more gender-disaggregated information** is not new.
    - OECD Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship.

- The collection of regular gender-disaggregated data is key to **measuring the gender finance gap over time and across places, sectors and firm sizes**, improving the evidence base for effective policy responses.

What is the OECD SME and Entrepreneurship Financing Scoreboard…

- A biennial OECD flagship publication that aims to improve the **evidence base** on SME and entrepreneurship finance.

- It provides information on SME debt, SME equity finance and enterprise distress **indicators**, as well as SME financing **policies** across 48 countries (35 OECD members).

- It builds on **official data** from ministries, central banks, statistical offices, and sector organizations.

- It has contributed to the work of the **G7** and the **G20**, including by supporting the implementation of the 2015 G20/OECD High Level Principles on SME Finance.

- It will continue to support the implementation of the **2022 Updated High-Level Principles**, welcomed by the FMCBG last week.

Financing SMEs and Entrepreneurs 2022
AN OECD SCOREBOARD

… and how it can help with gender-disaggregated data collection

- **Close collaboration with national country experts** from official institutions can help understand existing gender-based data collection processes and potential challenges.

- The **sharing of good practices** is facilitated within the framework of the Scoreboard.

- **Broad and growing country coverage** (from 18 countries in 2012 to 48 countries in the 2022 edition), with the objective to expand further, can facilitate harmonization.

- **Large number of financial indicators** to go beyond traditional debt finance indicators to include asset-based finance, equity finance and enterprise distress indicators.

- The work is overseen by the **OECD Committee on SME and Entrepreneurship (CSMEE)** and guided at the technical level by the OECD/CSMEE **Informal Steering Group on SME finance**, which ensures data quality.

- In 2022, for the first time, the OECE/CSMEE has begun to collect **disaggregated data**, starting with the **gender of the business owner** and the **subnational level** (TL 2 regions).

Nonetheless, there are some challenges

- Based on the experience of the Scoreboard so far, there is **limited availability** of gender-disaggregated data in SME finance.

- On the **supply side**, official institutions (e.g. central banks) tend not to collect and publish data by gender of the business owner.

- On the **demand side**, gender-disaggregated data come from national or local surveys, making information not comparable across countries.

- **Definitional issues** may be worse in the case of gender-disaggregated data.
  - SME loan definitions may already vary across countries.
  - Women-owned or women-led business definitions may also vary.

- **International partnerships**, like this one, can help overcome some of these challenges.