

”Stronger Together: Promoting Export through Female-only SME Consortia” Münch, Scheifele, and Bouziri

Discussion by
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Summary

- This paper studies the role of a bundle of interventions (including the establishment of consortia) on female-led firms.
- Using an RCT the paper finds evidence of the following effects:
 - ▶ An increase in network size of the entrepreneurs (including a higher prevalence of female CEOs in their network).
 - ▶ An increase in self-reported confidence/empowerment of female entrepreneurs.
 - ▶ An improvement on managerial practices.
 - ▶ An improvement of knowledge regarding trade, but no effects on exporting/export readiness (yet).
 - ▶ On average, an improvement in business profitability (results are less consistent).

Contribution

- Exporting activity affects aggregate ([Melitz, 2003](#); [Bernard et al., 2003](#)) and firm ([Atkin et al., 2017](#); [Garcia-Marin and Voigtländer, 2019](#)) productivity; and technology adoption ([Bustos, 2011](#); [Aw et al., 2011](#)). Despite the importance of trade; policies aimed at promoting exports have mixed results ([Lederman et al., 2010](#)).
- Exporting can have significant fixed costs; including the development of trade relationships (not trivial for young firms).
- Female-led firms are likely to find it even harder because of higher financing barriers ([Hebert, 2023](#)), less representation in entrepreneurial positions (less than 10% of firms are managed by females in their context), and potential gender bias ([Ewens and Townsend, 2020](#))
- This paper shows that policies aimed at improving female-led firms through managerial training and network creations can decrease these barriers.

Comment 1: what is the mechanism?

- The intervention provides both business/managerial training and the offering of belonging to a consortium.
- There is good evidence that financial education and/or business training improves entrepreneurial capacity and management overall ([Gonzalez-Uribe and Reyes, 2021](#); [Custódio et al., 2023](#))
- It is unclear whether the is mostly driven by the training or the creation of the consortia.

Example

Table 6: Business Networks

	(1)	(2)	(3)	(4)	(5)	(6)
	Network size	Female CEOs met	Male CEOs met	Network quality	+ view CEO exchange	- view CEO exchange
Panel A: Intention-to-treat (ITT)						
Treatment	2.187 (2.295)	2.242* (1.197)	0.106 (1.435)	0.188 (0.397)	0.239* (0.136)	-0.168 (0.128)
	0.342	0.063	0.941	0.637	0.082	0.192
	.568	.107	.874	.568	.05	.107
Panel B: Treatment Effect on the Treated (TOT)						
Consortium participant	2.924 (2.676)	2.994** (1.382)	0.142 (1.692)	0.252 (0.454)	0.324** (0.162)	-0.229 (0.153)
	0.275	0.030	0.933	0.579	0.046	0.136
	.543	.082	.874	.543	.034	.082
Control group mean	8.46	3.67	4.80	7.76	2.43	0.44
Control group SD	12.35	6.23	8.27	2.26	0.84	0.67
Observations	141	141	141	123	145	145
Strata controls	Yes	Yes	Yes	Yes	Yes	Yes
Y0 controls	Yes	Yes	Yes	Yes	Yes	Yes

Comment 2: Baseline differences

	(0.11)	(0.10)	
R&D expenditure	53,044.41 (318,164.24)	18,825.96 (36,859.08)	0.32
Age	7.13 (9.85)	6.66 (8.31)	0.73
Sales	391,879.33 (856,501.52)	624,609.70 (3,419,255.86)	0.54
Profit	29,258.93 (106,668.96)	17,594.97 (219,209.12)	0.66
Employees	7.94 (10.44)	14.68 (48.49)	0.21
Export readiness	-0.04 (0.53)	0.01 (0.52)	0.60
Export costs	5.74 (2.60)	5.54 (2.82)	0.62
investment in export activities	10,520.96 (22,582.69)	24,624.40 (97,126.99)	0.19
Export sales λ_0	0.37 (0.49)	0.40 (0.49)	0.67
Export sales	96,287.29 (465,104.02)	127,063.70 (419,091.85)	0.65
number of countries exported to in 2021	1.14 (2.12)	1.41 (2.72)	0.45
N	89	87	
F-test of joint significance (F-stat)			6.46***
F-test, number of observations			176

Conclusions

- This is a very relevant paper that shows that policies targeting only female-led firms can improve outcomes in the absence of monetary compensation.
- The RCT is also very well implemented and it is very ambitious.
- However, the study is yet to find significant economic effects on exports (early to tell).
- It is also unclear whether the effects are driven by training and/or by the establishment of trade consortia.

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