

Discussion on 'Can Online Platforms Promote Women-Led
Exporting Firms?' by Jennifer P. Poole and Christian Volpe
Martincus

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Motivation

- ▶ Exporting is positively correlated with firm productivity and frictions (informational, financial) result in inefficiently low exporting.
- ▶ Women-led firms observationally export less and proxies for frictions are higher for this group
 - ▶ Possible mechanisms: industry choice, preference for flexibility, lower connectivity to useful networks, less access to formal finance, and so forth
- ▶ Evidence that traditional trade support policy can be delivered effectively online, including specifically the IDB platform ConnectAmericas (Carballo, Chatruc, Salas Santa, and Volpe Martincus (2022))

This paper

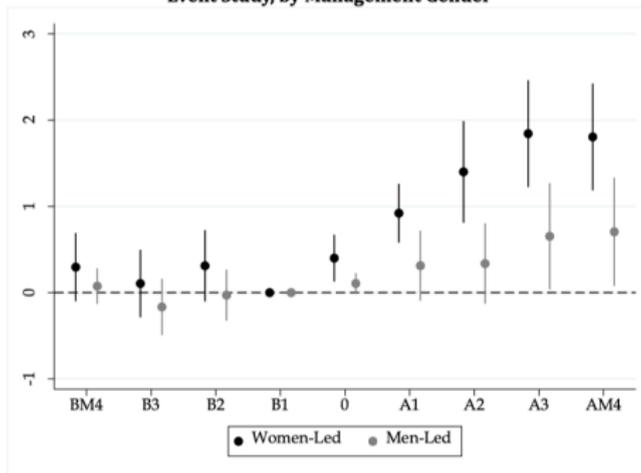
Can *online* platforms promote gender equality in trade?

Approach:

- ▶ Match Peruvian user data from the ConnectAmericas trade-promotion platform to export data from the Peruvian customs and tax agency
- ▶ Event studies with high-dimensional fixed effects
 - ▶ Compare 2 firms, one a women-led exporter using ConnectAmericas and the other doesn't use ConnectAmericas but exports the same product to the same destination in the same period.
 - ▶ Control for the effect of being a male-led exporter using ConnectAmericas and allow for firm-year-specific intercepts.
- ▶ Focus on intensive margin.

Key Takeaway

Figure 8.
Event Study, by Management Gender



- ▶ Women that use ConnectAmericas increase the value of their exports by 40% relative to non-users while male users increase their exports by 10% relative to non-users.

Comment #1: What is the tension?

- ▶ If we know that online trade-promotion platforms work in general and ConnectAmericas works in particular, why wouldn't we expect it to work for women-led firms?
 - ▶ **Suggestion:** Focus on providing generalizable evidence on *why* it works.

Comment #2: Provide more context about specific policy

connect
americas

Search Why ConnectAmericas? Join Now Sign In EN

**A free business platform
created by the IDB to help you
access international markets.**

MADEAMERICAS 19
outsource2lac

Enter your corporate email [Join Now](#)

Evento Outsource2LAC, Buenos Aires, Argentina, 2019

< > 2/5

- ▶ Users access purchasing announcements, business communities, training, networking events, and links/help with financial services
- ▶ Directly speaks to informational, search, networking, and financial frictions

Comment #2: Give examples



Elizabeth Montano

Montanos' Chocolate Co. Ltd. (Trinidad & Tobago)

In 2019 Montanos' Chocolate Company from Trinidad and Tobago had the opportunity to pitch the Machel Montano 60% dark Chocolate at Trade Missions in Colombia and South Korea. This was made possible through ConnectAmericas. As a result, we met with buyers and Distributors who have since indicated their interest in our product and resulted in a distribution agreement. These experiences have definitely provided our company with opportunities to export our product. Thanks to ConnectAmericas. Love and greetings from TT.



Aldemar Noguera

Global Service International (Venezuela/Panama)

The sales of his company, Global Service International, increased 36.3% between 2018 and 2019, and he has already found partners and buyers in 11 countries in Latin America: *"The platform is well done, it is what SMEs need. It is difficult to do it [export] in another way and my company's growth has been evident."*

Comment #2: Illustrate data source



1. General information



2. Company description



3. Contact information



4. Commercial information

Company name *

Are you the business owner? *

Yes No

Role *

What is your current role in the company?

Company verification **Important Information**

Tax ID number

This information will not be visible in your public profile

Country *

Is your company a women-owned business (at least 51% owned by one or more women)? *

Is the office of the President and/or the company's top management positions (C-level) controlled by one or more women? *

Comment #2: Female versus male user experience

ConnectAmericas for Women

Join the women in business network for the Americas, where you will find events, content and tools specifically designed to help you strengthen and grow your business.

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WE INVITE YOU TO LEARN MORE ABOUT

Women Growing Together in the Americas

The Inter-American Development Bank's program for the integration of Latin American and Caribbean women entrepreneurs in foreign trade and value chains.

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Digitalization for International Trade

Adopt technologies to optimize your company's processes, improve communication with your customers and increase your sales.



Participation in value chains

Promote capacity building and make improvements in productivity for your company to achieve insertion in foreign trade and value chains.



Access to financing

Improve your company's financial management to access new financing opportunities.

Comment #2: Female versus male user experience

TYPE OF ORGANIZATION

- Company (2076)
- Big Buyer (9)
- Business Support Organization (1)

BADGES

- Exporter of goods (4)
- Exporter of services (6)
- Certificates (1)

OTHER FILTERS

- Not verified by ConnectAmericas (1212)
- Verified by ConnectAmericas (874)
- Women-owned or led company (2086)



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Comment #2: Female versus male user experience

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Publications

Last update

CATEGORY

Business (1)

COUNTRY

Peru (1)

Brazil (2)

Argentina (1)

Chile (1)

Comunidad Mujeres Empresarias AP

Business

1329 members



La Comunidad de Mujeres Empresarias AP ha sido creada con el objetivo de impulsar el empoderamiento económico de las mujeres en los países que integran la Alianza del Pacífico.

Closed Community

[343 sell offers](#) [25 buy offers](#)

Comment #2: Summary

- ▶ It matters for the interpretation, and generalizability of results what the specific institutional details and treatment are. Could also help narrow down potential mechanisms.
 - ▶ **Suggestion:** Provide context and examples
 - ▶ **Critical:** Provide many more descriptive statistics and analyses

Comment #3: Interpretation and robustness of main result

- ▶ The main result is surprising! If ConnectAmericas works primarily by leveling the playing field, we would expect a pre-existing difference in exporting and no difference after treatment.
 - ▶ It cannot both be that male-led users had access to the platform benefits already from other sources *and* that there is no ex ante difference between the two groups.

Comment #3: What could explain this surprising result?

1. Omitted variable bias that is time-invariant at the firm level
 - ▶ Many possibilities; e.g., entrepreneurial ability. ConnectAmericas firms less informed, connected, etc., so both male and female improve relative to untreated.
 - ▶ But discrimination implies average female manager higher ability than the average male manager → large ex post difference between these groups even absent treatment.
2. Reverse causality
3. Data flaws
4. There is actually a larger treatment effect on female-led businesses.

Comment #3: What could explain this surprising result?

1. Omitted variable bias that is time-invariant at the firm level
2. Reverse causality
 - ▶ E.g. women-led companies disproportionately sign up when ready to expand (e.g., because of women-focused outreach)
3. Data flaws
4. There is actually a larger treatment effect on female-led businesses.

Comment #3: What could explain this surprising result?

1. Omitted variable bias that is time-invariant at the firm level
2. Reverse causality
3. Data flaws
 - ▶ There are benefits to registering as women-led firm. Better/savvy male and female led firms will both choose to report as women-led.
4. There is actually a larger treatment effect on female-led businesses.

Comment #3: What could explain this surprising result?

1. Omitted variable bias that is time-invariant at the firm level
2. Reverse causality
3. Data flaws
4. There is actually a larger treatment effect on female-led businesses. But then the burden is on the authors to demonstrate why.
 - ▶ It could be women-led given better access to external finance, so that the extra effect is from differential treatment (in intensity and kind in this example)

Comment #3: I suggest changing the main specification

At least two possible perspectives:

1. Carballo et al is about the effect of using Connect Americas versus not, this paper is about male-led versus female-led users
 - ▶ Focusing on the population of users helps with selection onto platform
 - ▶ Use propensity score matching on observables for better counterfactuals
 - ▶ Ideally, find plausibly exogenous within-firm variation so can include firm fixed effects
 - ▶ E.g., the manager dies and is replaced with opposite gender manager

2. This paper is about the effect for women-led firms specifically
 - ▶ Match on observables to women-led non-users
 - ▶ Look into usefulness of "Verified by ConnectAmericas" data filter
 - ▶ Use Heckman selection model or similar to predict selection onto platform.

Return to Comment # 1: Focus on mechanisms

Move evidence on larger proportion of women-led firms on ConnectAmericas than their proportion of firms to the appendix (mechanical?) and instead propose and test mechanisms

- ▶ Must be something about treatment itself that impacts female-led (much) more strongly than otherwise similar (i.e., not better connected or otherwise different ex-ante) male-led firms
- ▶ Take spillovers seriously. The platform explicitly allows firms to bid against each other, so there should be competitive effects. It also explicitly provides more support for women-led competitors.
- ▶ Worth the trouble to access the entire formal firm population and adding extensive margin evidence on firms that use the platform to start exporting.
 - ▶ If there is not civil registry data on management gender, gender-classification algorithms based on names work well with South American names.

Comment # 4: I suggest MANY more robustness tests

- ▶ Balance tests - Are treated and control observationally similar?
- ▶ Placebo treatment time - Is there no effect?
- ▶ Randomly assign treatment - Is there no effect?
- ▶ Control properly for bias from using staggered event studies
- ▶ And many more. I keep a check list against well-published papers utilizing the same empirical strategy.

Conclusion

- ▶ Clearly worthwhile to study a mechanism to aid women-led exporters with the potential to offer generalizable insights to other platforms and policymaking.

- ▶ Myriad achievable paths forward to deepen the analyses to achieve this goal.

- ▶ I look forward to seeing the paper in print!