

“Sexual harassment and survival rates of women-owned business”

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- Women-owned businesses (WOB) lag behind male-owned counterparts (several sources)
- Gender gap related to gender-specific constraints
- This paper explores sexual harassment as another potentially relevant gender-specific constraint
- Authors are clear “while our study does not establish causality, the negative association between sexual harassment and firm survival calls for further research...”
 - ▶ 16% WOB report suffering harassment in 2014
 - ▶ Mostly by clients
 - ▶ Those suffering harassment are 37% more likely to close within five years
 - ▶ More profitable WOB more likely to suffer harassment
- Authors also state, “... women who close their original business and remained in the labor force report lower earnings from their new occupations than women who kept their original business.”

- Ethiopia, data from 6 cities, Women Entrepreneurship Development Project
- Businesses are selected with a focus on formality and growth
- Work with different questions to alleviate underestimation of sexual harassment in survey answers
- Combine initial survey in 2014 with follow-up in 2019, 653 total answers
- No correlation between attrition and (measured) sexual harassment

My reaction

- Obviously, thought-provoking
- Quantitatively relevant: higher rate of sexual harassment than violence (3%)
 - ▶ Please provide a comparison to other barriers
 - ▶ Even if not gender relevant
 - ▶ Use the same survey and program
- Mostly by clients
 - ▶ But not just them
- Who? Younger, more profitable, and those that do not have a male co-owner
- There are geographical differences
- It has meaningful consequences for businesses and the owners... and maybe more than just that

- Selective harassment
 - ▶ More profitable WOB more likely to suffer harassment
 - ▶ Less likely to be observed 5 years later (likely a lower bound)
 - ▶ But no impact on profits conditional on surviving
- You could also report % of female employees and relate it to the likelihood of harassment
- Coupled selection \implies impact might be higher...
- Is it cultural?
 - ▶ Any differences across cities?
 - ▶ Impact of male co-owner (is it the husband?)
 - ▶ Family composition also matters
- Having a male competitor does not significantly increase the likelihood of harassment

- Another reason for women hiring women?
- Could the increase of WOB lead to a network that shelters itself by doing business with each other?
- From a research perspective, lots to do... starting with attempts at causality
- Think of models of consumer discrimination or team assignment: could WOB reduce the risk of harassment by using male employees in the front office?
 - ▶ Maybe the male co-owner handles the clients/suppliers, and it is not just culture
 - ▶ What if you have a female co-owner? You could control for that to remove other reasons for co-ownership to matter
- Did you ask about harassment in 2019? If so, check if you can predict harassment in 2019 among those who reported no harassment in 2014 (akin to table 3); if you cannot predict it, estimate FE regression for those in 2019 (akin to table 6)
- One idea: use marital status and family composition in 2014 as instruments