Issues Particular to SME Assistance for Women Entrepreneurs

Submitted by: Mexico
Issues particular to SME assistance for women entrepreneurs

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• An overview of women’s economic development in Mexico

• Issues women entrepreneurs face in financing

• Recommendations to incorporate a gender perspective into small and medium enterprise (SME) assistance programs
Mexican women in economic life

- **Labor force**: 42.5% Women, 77.6% Men
- **Unemployment**: 5.2% Women, 5.3% Men
- **Income up to 1 minimum wage**: 18.5% Women, 10.4% Men
- **Business owners**: 19.1% Women, 80.9% Men
- **Households headed by women**: 23.0% Women, 76.9% Men

National Institute of Statistics and Geography [www.inegi.org.mx]

Mexican women in economic life

- **Domestic work participation by sex and marital status**
  - Single: Women 93.4%, Men 62.9%
  - Married or cohabitating: Women 98.5%, Men 55.0%
  - Divorced, separated, or widowed: Women 92.8%, Men 66.9%

National Institute of Statistics and Geography [www.inegi.org.mx]
Women entrepreneurs

• Of the total of business owners, 19.1% are women and 80.9% are men
• 85.7% of woman-owned enterprises are in the service and retail sectors
• 35% are in the informal sector
• Most of them have not received government assistance
• They have to balance their entrepreneurs jobs with family responsibilities
• 3 out of 10 are heads of household

National Women's Institute [www.inmujeres.gob.mx]

Issues women entrepreneurs face in financing for SMEs

• Lack of information about loans and governmental assistance programs
• Difficulties in fulfilling the requirements to get a loan because they don’t have collateral
• Need for advice on the planning of payments
• Gender issues related to women’s condition and position

National Women's Institute [www.inmujeres.gob.mx]
Women entrepreneurs’ proposals to solve problems on financing

• On the institutional side
  – Facilitate access to information on loans: institutions that provide financing, requisites, availability throughout the country.
  – Simpler procedures to get credit
• On the business owners side
  – Search actively for loans and governmental assistance programs, either federal, state, municipal or private.
  – Plan their financing needs in advance

Why is necessary to develop special assistance for women entrepreneurs?

They have meaningful participation in economic development, but they deal with bigger obstacles to achieving autonomy.

It is necessary to implement public policies and programs to support women entrepreneurs
Information about loans and governmental assistance programs

- Directory of economic and employment assistance programs for women
- More than 300 assistance programs on:
  - Financing
  - Training
  - Technical assistance
- 10,000 copies each year
- Print and on-line

Information about credits and governmental assistance programs

- Web page for women entrepreneurs
  - Basic concepts
  - Programs
  - Publications
- Women entrepreneurs directory
  - News, information on programs and training.

empresarias.inmujeres.gob.mx
Programs specifically aimed at increasing women’s access to credit

<table>
<thead>
<tr>
<th>Microfinance for Rural Women Fund (FOMMUR)</th>
<th>Support for Solidarity Enterprises National Fund (FONAES)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget=15,171,101 USD</strong></td>
<td><strong>Budget=139,059,632 USD</strong></td>
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<tr>
<td>Entire budget of the program dedicated to rural women</td>
<td>Partial budget of the program dedicated to women’s projects</td>
</tr>
<tr>
<td>Groups from 5 to 40 people</td>
<td>Enterprises run by groups</td>
</tr>
<tr>
<td>Microloans from 115 to 460 USD</td>
<td>Includes training and support for sales</td>
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<tr>
<td>fommur.pronafim.gob.mx</td>
<td><a href="http://www.fonaes.gob.mx">www.fonaes.gob.mx</a></td>
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</tbody>
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Recommendations to incorporate a gender perspective in SME assistance programs

- Keep in mind that public policies and programs have different effects on women and men
- Ask women what they need
- Acknowledge women as part of target population
- Train people in gender perspective
Recommendations to incorporate a gender perspective in SME assistance programs

- Identify relationship between paid and non-paid work
- Implement affirmative actions
- Include measures to achieve real empowerment of women
- Use gender statistics and perform assessment with a gender perspective

Thank you

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