



The ISO International Workshop Agreement on the Definition of a "**Woman-Owned Business**"



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Lack of (a) Universally Adopted Definition(s)

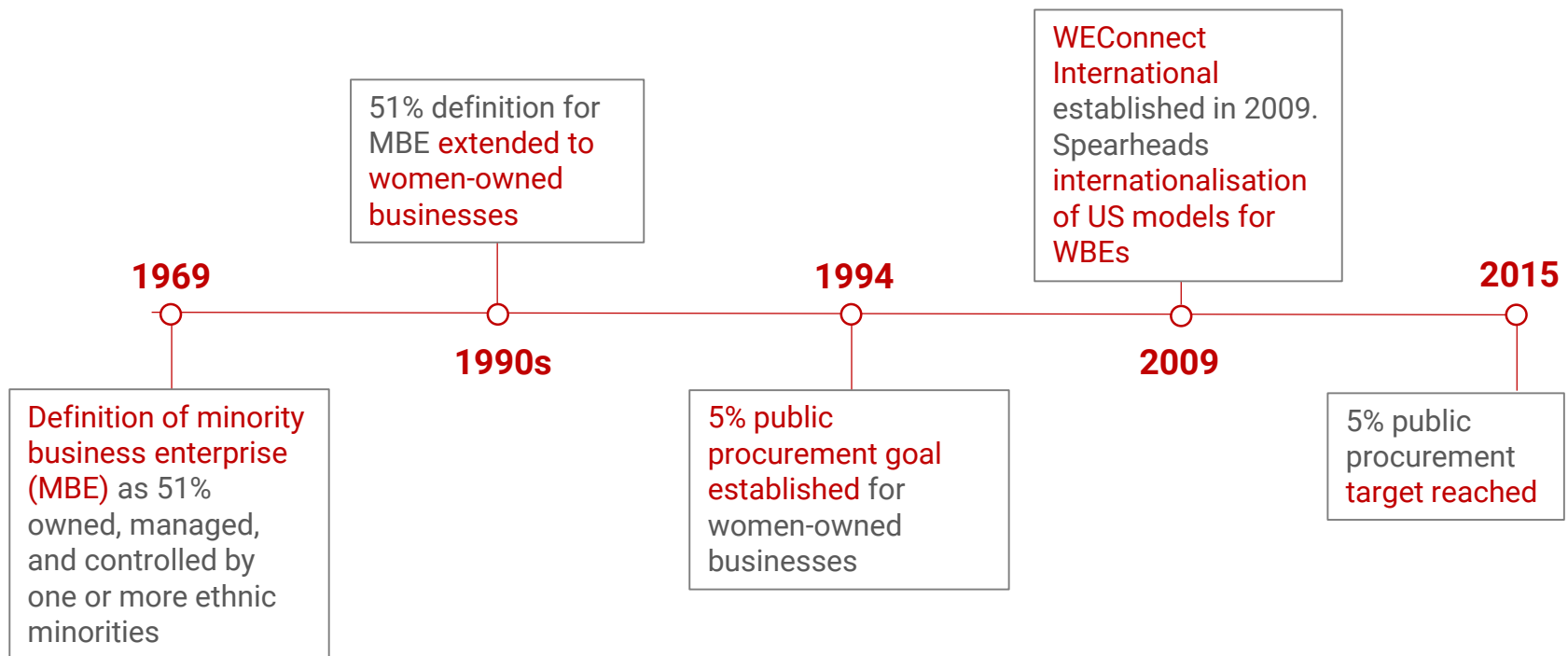


The lack of a **universally adopted definition or definitions** has brought about many challenges for women entrepreneurs:

- Research;
- Collection of sex-disaggregated data;
- Evidence-based policymaking;
- Targeted capacity building;
- Access to finance and markets.

Historical Precedence in the US

The US started supplier diversity initiatives for women-owned firms 10-20 years before most other countries and organisations.



Limitations of Current Definitions

The 51% definition of a woman-owned business can be restrictive as it can potentially:

- **Impede growth** by limiting angel and VC investments by men;
- Create **context-dependent issues**, e.g. taxes, cultural, etc.
- Lead **to insufficient women-owned firms not meeting the 51% requirement** for corporate or public procurement;
- Create **ownership requirements** that are not easily adopted.



Multiple Definitions of a Woman-Owned Business

As the supplier diversity movement gained traction, **both the 51% definition and one or more definitions have been adopted** for various contexts:

- At the **International Finance Corporation**, a combination of:
 - 51% definition *PLUS*
 - ≥ 20.0 percent ownership by a woman/women *AND*
 - ≥ 1 woman in senior management with ≥ 30.0 percent of the board of directors being women (where a board exists).

More Common Terms

Additional terms referring to women's businesses have also emerged:

- “Woman entrepreneur”;
- “Woman-owned” & “women-owned”;
- “Woman-owned small & medium enterprise” (WSME);
- “Woman-owned small business” (WOSB);
- “Female founder” or “female-founded”;
- “Woman-led” & “women-led”.



Resultant Challenges for Women's Enterprise Development

- Poor understanding of gaps in women entrepreneurial ecosystem;
- Undercuts company growth;
- Limits women's market access;
- Delays implementation of policies and laws;
- Impedes evidence-based policymaking;
- Makes international comparisons impossible.



The Case for (a) Common Definition(s)

- Provides consistent and internationally comparable data;
- Identifies women entrepreneurial gaps and promotes targeted capacity building for woman-owned or woman-led enterprises;
- Facilitates knowledge sharing;
- Improves access to debt, equity, and alternative finance;
- Improves access to markets and promotes gender inclusivity.



Political and Technical Sensitivities

Sensitive issues need to be considered when working towards one or more globally agreed upon definition(s) on women-owned/-led businesses:

- A firm belief by some that **51% is the gold standard**;
- Potential **damage to corporate and certification infrastructure**;
- Balancing **short term, tactical goals vs long term, strategic goals**;
- Persuading national statistical organisations of the **value of having international comparability of data**;
- Promoting **growth of women's enterprises** through equity investments that might dilute their 51% ownership.

Operationalisation in Multiple Contexts and with Stakeholders

A win-win situation that enables all stakeholders and women-owned businesses to benefit from more robust definitions can be achieved by:

- Ensuring **full transparency** to women entrepreneurs and stakeholders;
- Making sure that **documentation is available and procedures are set up** with buyers, institutions, etc.;
- Ensuring that **robust verification mechanisms** are in place.





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