

TRIPS Council – February 2015 – Women and innovation

The World Bank Group works to achieve two goals: eliminating extreme poverty globally by 2030, and boosting economic prospects for the poorest 40% so that there is greater sharing of the gains of growth. These goals only be achieved with the full economic participation of both men and women. At the same time, we also know that innovation is an important engine of development. Robust innovation performance helps build dynamic and resilient economies. Innovation allows firms to specialize, meet international best-practice standards, and upgrade quality. It also allows them to formalize, grow and provide good quality jobs. At the same time approaches combining innovative business models and technology are allowing key services like health, energy and education and finance to reach the poorest in ways that were previously thought too difficult.

The Bank is working to address challenges at the nexus of women's economic participation and innovation in a number of ways. I would like to address four aspects of the issue of women and innovation:

- The relationship between entrepreneurship and innovation in women-owned businesses.
- Inclusive innovation models that bring women into the design and delivery of products for low-income households
- Addressing the under-representation of women in innovation-related education
- Addressing barriers to women's participation in the economy and trade in particular

Entrepreneurship

Entrepreneurship and innovation go hand-in-hand. There is growing evidence that within every economy a subset of high growth young companies make a disproportionately large contribution to productivity and job creation. They bring new ideas and approaches to existing sectors driving competition, or create entirely new sectors bringing new products and choice to consumers.

Female entrepreneurs must be a critical part of this. However, women tend to face barriers to their entrepreneurial activity beyond those faced by men. These include limited access to finance, less access to education, or laws explicitly discriminating against women. Because of these constraints, women entrepreneurs are more likely to work in the informal economy and in low productivity sectors with limited potential for growth. This deprives them and their families of opportunity, and the economy of the full potential of entrepreneurship.

Addressing these constraints can help foster women's entrepreneurship and drive innovation in the economy. The challenges should not be underestimated, but two examples of World Bank projects indicate the kind of approach that can be taken.

In the **Caribbean**, the Bank supported the development of the Caribbean women innovators network. This connects women entrepreneurs and helps them scale their businesses through mentoring, training, and peer-to-peer learning. Experience shows that entrepreneurs learn best from peers and role models they can identify with. This is why women in the region lead the network, which has engaged hundreds of women online and provided hands-on training to women entrepreneurs.

In **Côte d'Ivoire**, the Bank is helping the government implement reforms to its family law to increase female participation in business. For example, amendments to the Family Code allowed both spouses a role in choosing the family domicile and pursuing their career of choice, taking into account the interests of the family. The code was also reformed to eliminate provisions providing childcare benefits only to men as head of household. In addition, married women no longer need to provide their marriage certificates to obtain passports. These changes have helped to facilitate a greater role of women in business in Cote d'Ivoire.

Inclusive innovation

The second dimension of this issue is in terms of what is commonly known as “inclusive innovation”. This refers to the growing attention globally on how to find and scale innovative business models that reach the poorest – what is often called the “Base of the Pyramid” – in order to supply basic services in areas like health, education, energy, and water. Many of the ultimate users of these services are women – and women are increasingly involved in the design and delivery of these innovative approaches.

Let me give two examples of these inclusive innovation approaches that show the relevance of this agenda to women.

First of these is the “Chotu Kool” – a low cost, low-energy refrigerator developed by Indian firms and designed in conjunction with low-income women. This innovative system has helped make food safer, by lowering the cost of refrigeration, while also bringing other benefits like refrigerating medicines and vaccines. With women in Indian rural households typically responsible for food storage and preparation, their role in designing and fostering adoption of this innovative product was essential.

Another is an example from Mexico. CEMEX, a Mexican building materials company, used enterprising women in target communities to develop a distribution, marketing, and financing network for housing. This helps women earn additional income while also access improved housing.

The Bank and other partners are leading efforts to promote the frameworks needed so that these sorts of inclusive innovation models can be replicated elsewhere. Although the private sector drives the development and adoption of inclusive innovation models, governments have an essential role to play by creating an enabling environment for inclusive innovation, but also by using these providers and their models for services they previously tried to deliver in-house

Participation of women in STEM education

The third dimension of this issue that I would like to address is the under-representation of women in science, technology, engineering and mathematics education.

These areas are critical to participation in the innovation economy. However, women are under-represented in these fields globally.

In Africa, for example, whereas women now constitute 38 percent of higher education enrollments in the continent, they make up less than 20 percent of science and technology students. The disparities are even greater at the level of science and technology postgraduate programs.

Of course, such disparities are not limited to one region alone. Women are also under-represented in the education system and innovative industries in the largest developed economies - witness the ongoing debate about the underrepresentation of women in Silicon Valley. This problem must be tackled to allow women the full potential to participate in innovation.

Participation of women in trade

Finally, there is growing awareness of the constraints to women's participation in trade. In many low-income countries, the majority of small traders crossing borders are women. Trade itself can be a key driver of innovation – and innovative products and services may give a firm a competitive edge allowing it to break into export markets and generate additional income. However, a range of limitations can hinder the participation of women in trade.

For example, in Africa, up to 70% of small traders crossing borders on a daily basis are women. These traders are subject to specific risks and vulnerabilities because of their gender. A lack of transparency on trade-related rules and regulations – and an absence of mechanisms for reporting abuse – makes these small women traders particularly vulnerable to abuse. And the ability of women to grow their businesses from small trader status into more formal businesses is then often inhibited by the constraints I mentioned earlier in relation to entrepreneurship.

The links between trade and women must also be kept in mind as countries seek to foster greater innovation.

World Bank's work

I would like to close with a few points on wider work by the World Bank at the global level on gender. The first is to remind Members that the World Development Report 2012, entitled "Gender Equality and Development," documented that gender equality is a longer-term driver of competitiveness and equity that is even more important in an increasingly globalized world.

Another publication – the Women, Business & the Law Report, an off-shoot of the WBG's Doing Business report, focuses on setting out the legal differentiations on the basis of gender in 143 economies around the world, and covers 6 areas. The 2014 is the latest edition and is the third in this series of reports and has significantly expanded in depth of data covered.

We are currently working on a new gender strategy, to be launched later this year (September 2015). This new strategy will focus on how the Bank can address deep-seated issues of gender inequality through its operations and results with a focus on the transformational solutions areas. The strategy will have a renewed focus on the world of work and jobs; asset ownership; as well as how voice and agency can have transformational effects globally.