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Paper 5 FDI and Women's Access to Market

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How to Maximize FDI's Benefits to Women Entrepreneurs?

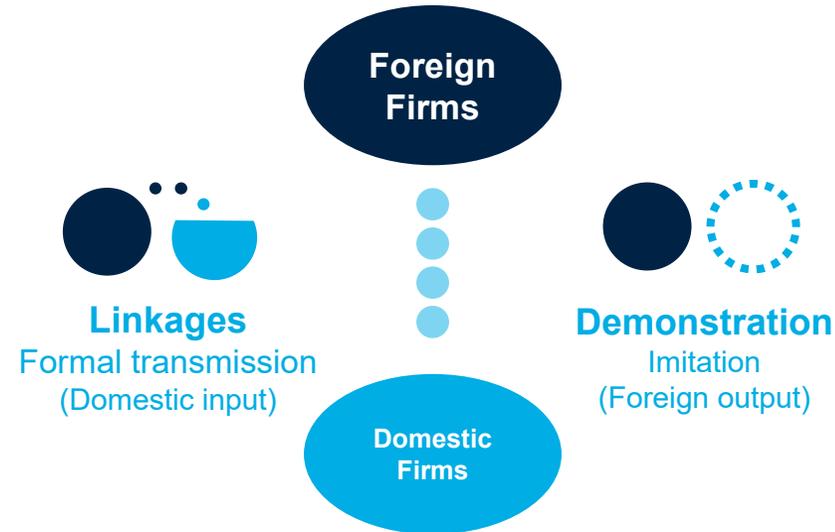
FDI as a source of development financing must be maximized towards gender equality. The role of FDI in encouraging more gender equality in the work place through the employment channel has been explored in the literature with evidence of some positive effect. The impact on women-led firms, less so.

If we know how and when FDI benefits women owned/led firms in the domestic market, we can design policy and development assistance interventions to support this beneficial effect.

Share of WSME by Size Segment

Micro	32-39%
Small	30-36%
Medium	17-20%

How do domestic firms benefit from FDI? Linkages and demonstration channels.



High-growth firms (HGFs) with greater absorptive capacity of foreign knowledge are most likely to benefit most from FDI. Women SMEs as typically smaller firms are would thus be less ready to benefit.

Research Approach

FDI firms hire more women when: the home country is significantly more equal than the host firm, after three years of operation and when the firm is large. **Would FDI similar impact on procurement from WSME?**

Lit. Rev

Impact of FDI on women entrepreneurship: Spontaneous and policy induced effects.

- Review literature on the specific question as well as the general literature on effects of FDI on domestic firms and apply the findings to WSMEs based on their characteristics.
- Review the literature on government and corporate policies on supply chains diversification and their impact on procurement from WSMEs.

Case Studies & Experiments

- Using firm surveys in target countries (Pakistan, Bangladesh, Philippines and South Africa) examine firms practices and share of WSMEs in corporate procurement.
- Observing sectoral differences in the same country as well as subsidiaries of the same foreign firms the research aims to identify channels and conditions for FDI linkages with WSMEs