



Economic Commission for Europe**Committee on Sustainable Energy****Twenty-ninth session**

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**Report of the Committee on Sustainable Energy
on its twenty-ninth session****Addendum****Women entrepreneurship in natural resource management:
Challenges and opportunities for the micro-, small, and
medium enterprises sector in the post-COVID-19 socio-
economic recovery****I. Introduction**

1. Micro-, small-, and medium-sized enterprises (MSMEs) fill crucial roles in economies all over the world. MSMEs can often innovate, pivot, and generally navigate the global economic waters more quickly than their large counterparts. Globally, MSMEs account for 90% of business enterprises; micro- and small enterprises together account for a staggering 70% of employment worldwide. The MSME sector generates approximately 40% of Gross Domestic Product (GDP) in developing economies; in developed economies 7 out of 10 jobs are created by MSMEs. MSMEs have very high job creation potential, and the sector is considered to be critical to socioeconomic development in most countries. In addition, as most economies are transitioning to sustainability, MSMEs are particularly well-placed to drive solutions to climate change. However, women are underrepresented in MSMEs in every economic sector. This may be linked to a lack of confidence to voice opinions and social and cultural barriers blocking them from decision-making roles.

2. While opportunities exist for women entrepreneurs in all sectors of economy, there are few that can be considered as particularly well suited as MSMEs. These sectors include services, the circular economy, information technology, and management of natural resources. Each of them has at least one of the following characteristics: relatively low capital requirements, reliance on technological advancements such as machine learning and big data, and the need to adapt to quickly changing circumstances. This report has focused on the natural resources management (NRM) sector as uniquely suited for MSMEs, because it has all three of these characteristics. Further, the sector presents appealing, diverse, and long-term impactful opportunities. As non-renewable resources deplete, the natural resources industry is shifting away from the paradigm of “take, make, dispose” towards integrated systems approaches to increase resource efficiency and reduce waste. Innovations such as these are knowledge-intensive, rather than capital-intensive, and hence accessible to MSMEs. In an industry in transition, enterprises that adapt quickly will be the most successful.

II. Challenges for women-led MSMEs in natural resource management and impact of COVID-19 pandemic

3. Despite the high level of importance, potential for economic growth, and multiple opportunities for MSMEs, women-led MSMEs in NRM face many challenges. Due to their size, many MSMEs are especially vulnerable and face hardships caused by natural and man-made disasters. A significant number of women-led MSMEs operate in the agriculture sector, recruiting informal labour who are not guaranteed fair pay, decent work conditions, and job security. Such MSMEs tend to have lower productivity levels and limited opportunities to expand operations or access financing and markets. MSMEs and their workforce are generally more vulnerable to economic shocks. The ongoing COVID-19 pandemic is a perfect example of this; it has created challenges for MSMEs across all economic sectors in nearly all economies, including those countries, in which containment measures were not too stringent. When surveyed about the impact of COVID-19 on their business operations, nearly 90% of micro- and small enterprises categorized the impact as moderate to severe, as opposed to just over 80% of large companies.

4. In addition to the challenges faced by all MSMEs, there is evidence suggesting that women-led MSMEs must overcome additional obstacles. Women tend to operate smaller and safer businesses. While this is likely due to a general preference for stability and security, it could also be due to a systematic bias, discouraging their participation as entrepreneurs. Fear of failure prevents women from starting their business, and if they decide to become entrepreneurs, they make safer business choices. Women are often discriminated against in accessing credit; 95% of women entrepreneurs surveyed say they self-finance their business. Furthermore, women are often conspicuously absent from managerial or decision-making roles within organizations promoting MSMEs, which could instil and uphold any existing cultural biases that may be hindering the participation of women. In NRM, women are underrepresented in every area. Among the possible reasons are a lack of confidence to voice opinions, feeling out-of-place in an entrepreneurship discourse that is predominantly masculine in nature, and social and cultural barriers that block them from decision-making roles.

5. It is critical to ensure that systemic gender bias does not hinder the economic development of women-led MSMEs. Men and women each account for about half of the potential workforce, so any such bias would limit the contributions of a substantial portion of the population. There are research data that indicate that innovation is more prevalent in women-led MSMEs. As economies wrestle with the COVID-19 crisis while already trying to drive climate change mitigation efforts and transition to a low-carbon economy, innovation is particularly important. By promoting environmental awareness and supporting economic transition, women-led MSMEs can lead the change towards building a greener, gender-equal, and more sustainable economy.

III. Key findings of a study on women entrepreneurship in natural resource management

6. A study on women entrepreneurship in NRM, which has been conducted by the United Nations Economic Commission for Europe (ECE) and is in the process of being finalized, explores different ways for women entrepreneurs to contribute to the NRM sector. It includes case studies from several ECE member States, highlighting challenges, best practices, and success stories. There are several key findings from this study:

(a) **There is an evident gender diversity problem in NRM.** For example, the oil and gas industry has struggled over the years to attract, retain, and promote women in the workforce, and it is important for this sector to decrease the gender gap as it is already facing employment challenges. The majority of NRM women entrepreneurs are in the agriculture sector;

(b) **The COVID-19 pandemic simultaneously presents unprecedented challenges and unique opportunities to women-led MSMEs.** MSMEs in general, and women-led MSMEs in particular, have been especially vulnerable to the impacts of the

pandemic. However, the pandemic has also caused a dramatic shift in the business as usual approach, and paved the way for innovations, green growth, and sustainable development. Women-led MSMEs may be best equipped to take advantage of these opportunities;

(c) **There are few policies to promote women entrepreneurship in NRM.** In part, this could be due to the lack of sufficiently detailed data. The severely limited amount of relevant data hinders analysis and makes it difficult to design public policies to promote the participation of female entrepreneurs in the sector;

(d) **In recent years, the number of women studying science, technology, engineering, and mathematics (STEM) topics has increased.** An increase in women skilled in STEM topics should result in more women-led MSMEs taking advantage of opportunities presented by Fourth Industrial Revolution technologies, such as machine learning, cloud computing, and big data.

IV. Recommendations

7. Based on the study and its key findings, the following are the recommendations for priority actions that countries can take to encourage participation of women-led MSMEs in natural resources management.

(a) **Education and awareness:** Empower women with entrepreneurship and technical skills and address cultural norms that may discourage women from acquiring these skill sets;

(b) **Information and data distribution system:** Collect and process up-to-date relevant data on women-led MSMEs across all sectors that would allow development of proper support policies;

(c) **Enabling business environment:** Ensure stable transparent legislation and policies that support all entrepreneurs, and women entrepreneurs in particular, including easy access to publicly available information on starting a business;

(d) **Disaster management strategy:** A coordinated approach on planning rules, tax reforms, subsidies, and other measures to mitigate the impact of COVID-19 can be beneficial for identifying reform priorities and to implement new regulations that can be used to overcome consequences of future pandemics and other disasters;

(e) **Pro-growth tax systems:** Ensure that tax systems foster rather than impede entrepreneurship and growth of start-ups;

(f) **Labour market flexibility:** Ensure that labour policy frameworks support flexible working approaches for women entrepreneurs and their businesses;

(g) **Non-discrimination:** Ensure that property rights and access to finance, including for equity investment, do not discriminate by gender;

(h) **Networking and mentoring:** Find ways to support connections among female and male entrepreneurs, including through small business initiatives and connecting large and small business;

(i) **Affordable childcare and healthcare:** Access to quality affordable childcare and healthcare is critical for promoting women entrepreneurship in all sectors, including natural resource management;

(j) **Capacity development:** Provide opportunities for women to access training and education programmes that improve entrepreneurship and technical skills to increase chances for success of women-led MSMEs in natural resource management.

(k) **Green economic recovery:** Investments in the natural resources sector supporting innovation, green growth, and sustainable development can create multiple opportunities for women entrepreneurs to “build back better” and promote low-carbon solutions for a successful recovery from the COVID-19 crisis.

V. Further information

8. ECE is planning to organize an online training on the topic “Women entrepreneurship in natural resource management: Challenges and opportunities for the micro-, small, and medium enterprises sector in the post-COVID-19 socio-economic recovery.”

9. This work is conducted under the Regional Advisory Services of the ECE Sustainable Energy Division, in close cooperation with the Division’s activities on the United Nations Resource Management System (UNRMS). The study will be available on the ECE Sustainable Energy website under the Regional Advisory Services.¹ Additional information is available on the ECE Sustainable Energy website under the Projects section of the Regional Advisory Services web pages.² For further information on ECE’s work on UNRMS, visit the ECE Sustainable Resource Management website.³

¹ http://www.unece.org/energy/regional_advisor.html

² <http://www.unece.org/energy/welcome/areas-of-work/regional-advisory-services/projects/un-development-account-project.html>

³ <https://www.unece.org/energy/se/reserves.html>