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Study

Post-pandemic sustainable recovery
options for businesses

EBRD



For the sake of providing equal
opportunities for business women

L. Bolormaa: Globally a Woman- Owned Business definition is a key for gender- equality in business

A Board Member of Golomt Bank, Chairperson of Women Entrepreneurs
Council at Mongolian National Chamber of Commerce and Industry





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**Mongolian
Economy**

FOUNDER, EDITOR-IN-CHIEF:
BEKHBAYAR Damdindorj (9999 4248)

EDITOR:
ENKHBAYAR Narantuya
(9916 1303)

ENGLISH EDITOR:
ROBERT Johan Schrijvers

JOURNALIST:
DAVAADORJ Ganbaatar
ORKHON Gankhuyag
TSELMERG Zorig
SARANGUA Tumur

ENGLISH TRANSLATOR
ARIUNZAYA Munkhbat

DESIGNER:
OYUNDARI Shirmen

MARKETING:
OYUDARI Khurelbaatar
(9409 2904, 80434408)

Address:
Chingeltei district, 1st khoroo
Peace Avenue, Express Tower 11-#1
Ulaanbaatar, Mongolia
Central Post Office, P.O. Box 2762,
15160 Ulaanbaatar, Mongolia
URL: www.mongolianeconomy.mn
E-mail: info@mongolianeconomy.mn
FACEBOOK: Mongolian Economy
TWITTER: EconomyMongolia

Tel/Fax: 976 - 7011 5476, 7011 5477

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Mongol Post (Ph: 976-70078916)
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Who is woman entrepreneur



Editor-in-Chief
D.BEKHBAYAR

The March edition of the Mongolian Economy magazine addresses women's participation in the labor force. This edition is brought to you by the Mongolian Economy magazine and the Women Entrepreneurs Council of the Mongolian National Chamber of Commerce.

This issue sheds light on the current policy and regulatory environment for female entrepreneurs, major challenges in business as well as the advantages and disadvantages of being a female employee. Furthermore, we tried to give an answer on how we can improve policy, laws and regulations so that female entrepreneurs have better opportunities and working conditions.

According to statistical data, it may seem that women outnumber men in all categories in Mongolia. Women account for more than half of the population as well as more than half of all employed. In particular, the majority of workers in micro, small and medium-sized enterprises are women. However, the rate of women working at the decision-making level is significantly lower than men. You can find more detailed statistics from articles and interviews included in this issue.

Countries around the world are recognizing women's leadership, knowledge and skills. Moreover, some of the countries have already adopted policies and measures directed specifically towards women. For instance, the European Union promotes women's economic empowerment and entrepreneurship through specific policy tools and programmes.

The Delegation of the European Union to Mongolia carries policies promoting Mongolian women in business by offering

discounts, rewards and other services. Does the Government of Mongolia provide such support to women? You will find answers from our interviews with two Members of Parliament, Kh. Bulgantuya and D. Unurbolor.

We highlighted L. Bolormaa, the Chairperson of the Women Entrepreneurs Council at the Mongolian National Chamber of Commerce, who is bringing issues faced by women entrepreneurs to the table and putting in all her efforts into producing results. You can learn from her interview with our magazine what she has done so far and what she is working on to accomplish. L. Bolormaa, who has extensive experience working with domestic and foreign banks for many years, is setting a strong example for Mongolian women.

This edition also brings the voice of female entrepreneurs from both capital and rural areas. International organizations operating in Mongolia pay special attention to addressing issues faced by women and female entrepreneurs. Hence, our team attempts to present the key studies and viewpoints of international organizations in Mongolia.

The first step for the Government of Mongolia in order to support women's participation in the labor force is to determine the legal definition of what exactly constitutes a female-owned enterprise. It has been emphasized in our articles and interviews with female leaders and stakeholders.

I would like to wish success to all female entrepreneurs who are going through tough challenges in the business world and working with blood, sweat and tears to improve their business while continuing to support their families. ■

Policy

Women's Employment and Economic Growth



DECLAN MAGEE,
Deputy Country
Director, Asian
Development Bank
Mongolia Resident
Mission (ADB
Mongolia)

**TSOLMON
BEGZSUREN,**
Senior Social De-
velopment Officer
(Gender) at ADB
Mongolia

**BUMCHIMEG
GUNGAA,**
CEO of nongovern-
ment organization
MeARC

Most Mongolians invest more in their daughters' education. This is evidenced by the fact that the majority of university students are women. It is a big decision for Mongolian families to ensure that their daughters are well-educated, employed, financially secure and self-reliant or in short to experience a better life. If higher education was a guarantee of “a better life”, women would dominate the labor market today in many ways. To the same extent, their productivity would account for a significant share of GDP. Unfortunately, this is not the case. Due to gender inequality that stifles employment opportunities, higher education is therefore neither a guarantee for employment nor sufficient for women's empowerment.

According to the Asian Development Bank (ADB) study “Boosting Mongolia's Long-Term Economic Growth through More Equal Labor Force Participation between Men and Women”, only 53.4% of working-age women participated in the labor force compared to 68.3% for men in 2019. Since 2000, the female labor

force participation rate has fallen by 7.6 percentage points, whereas that of men has increased by 3.5 percentage points.

The lower participation rate is largely explained by women's disproportionate burden of unpaid household and care work, gender segregation in occupations, and deeply rooted gender stereotypes. Women spend approximately three times more time on caregiving duties and household chores than men do, even when women are engaged in paid labor. The gap tends to be even larger in rural areas. The coronavirus disease (COVID-19), compounded by the limited availability of childcare services, has made things worse, with female labor force participation rate falling by a further 1.6 percentage points compared to 1.2 percentage points for men.

The gender pay gap is also significant. Gender segregation in occupations results in less participation by women in the more lucrative extractive and construction sectors, with greater concentrations in informal jobs and lower-earning sectors, such as social services, food

► production, and trade. Women also dominate unpaid work both in the household and in family-owned businesses, accounting for 75.9% of nonpaid work in family-owned businesses – this both reinforces and is accentuated by inequality in the labor market.

How do other countries foster women's labor force participation?

In a comparative study of Japan and the Republic of Korea versus Norway and Finland, researchers show, among other results, that public spending on childcare for ages 6–11 is critically important in helping women to continue working. Successful initiatives implemented include public policies ranging from comprehensive parental provision and childcare facilities to statutory rights for paternal paid leave. For instance, in Sweden, parents can stay home for a total of 120 days per child per year until the child turns 12 years old, receiving 80% of their regular income on these days. Norwegian parents are entitled to 10 paid days per year until the child turns 12 years old, with single parents entitled to 20 days.

The Republic of Korea achieved an increase in female employment due to a change in the labor law, which encourages the conversion of nonregular workers, which tend to be female, to regular workers. This has been complemented by efforts to improve work–life balance by facilitating more part-time work opportunities and amending the tax code to encourage second earners in households.

The ADB has estimated that eliminating gender inequality at work and at home in Mongolia could bring female participation rate up to 63.2%. Such an increase would boost Mongolia's annual per capita growth rate by 0.5 percentage points, increasing GDP per capita by 16.1 percentage points overall in 30 years.

According to Vision–2050, Mongolia has set a goal to increase the labor force participation rate to 65% by 2030 and to 70% in 2050. To achieve this, progress on female labor force participation rate is essential. Gender-responsive fiscal policies should be designed to create conditions and incentives for women to work. These may include tax regimes supportive of working families, subsidized childcare, or moving to household taxation and away from individual taxation. The introduction of tax allowances and tax credits to encourage business entities to adopt re-skilling programs for mothers wishing to re-enter the labor market, and female employees aged 45 years

old and above could be also considered. These actions should be complemented by more flexible and family-friendly work arrangements to reduce the limitations that domestic responsibilities place on female labor force participation, such as shorter hours or working weeks, remote working, part-time jobs, and working from home. These efforts must be accompanied by the provision of sufficient affordable and quality childcare services. Furthermore, the government should also consider incentives to recognize and/or incentivize employers to introduce gender-inclusive workplace practices.

In addition to policy incentives and support, experience in ADB projects shows that proactive gender-friendly design features in infrastructure projects can reduce the burden of unpaid work and support women participation in the labor market. Designing infrastructure interventions in urban development that consider the location of water points or sanitation facilities can greatly benefit women. In transport, design features in bus stops and street lighting can foster the use of public transport by women and ultimately their ability to participate in economic activity.

Increasing awareness on gender equality; promoting guidelines on gender-inclusive workplace for private sector entities; collecting sex-disaggregated data in occupations on a regular basis and utilizing them in policy making; promoting women's political participation, agency and leadership are some of the measures that can provide equal development opportunities to both women and men. Women's participation in decision-making can influence these policy designs and decisions. Yet, Mongolia currently ranks 120th out of 153 countries in the gender gap sub-index on political empowerment. Only 22.8% of political appointees are women despite representing 60.4% in public services. When women are involved in decision-making, gender concerns are better addressed in policymaking and budgeting. To ensure gender-responsive policy making and budgeting, almost half of the Group of Twenty countries have established quotas, incentives for political parties, and other special measures to promote women's political participation and representation.

The participation of women in the labor force is an important social and development goal, and it also makes economic common-sense. The following study explains this issue in more detail and provides recommendations for boosting female labor force participation in Mongolia. ■

*For more information visit:
<https://www.adb.org/publications/mongolia-economic-growth-equal-labor-force-participation>*

Leadership



L. Bolormaa: Globally a Woman-Owned Business definition is a key for gender-equality in business

We spoke with L. Bolormaa, A Board Member of Golomt Bank, Chairperson of Women Entrepreneurs Council at Mongolian National Chamber of Commerce and Industry about policies to support women in business and women leadership.

-Can you please tell us about the turnaround management of Golomt Bank?

-In December of 2013 I received an offer to lead the Golomt Bank's turn-around and I was appointed as the Executive Vice President and Chief Investment Officer at Golomt Bank. I have led the efforts of expanding our operations in trade finance, investment banking and a newly established custodian bank. During my tenure we continually increased our funding from international banks and successfully established a partnership with more than 10 banks. Currently Golomt Bank is one of the leading banks in Mongolia in trade finance covering close to 43 percent of all trade finance transactions in Mongolia.

We have also invited IFC to provide us the advisory for the bank governance and as a result Golomt Bank has become one of the leading banks in Mongolia in corporate

governance.

I have also served as a Chairperson of the Board of Golomt Capital LLC, led the efforts of Golomt Bank to acquire a majority shareholding in Mandal Insurance LLC and worked as a CEO of Golomt Financial Group LLC.

I left my position at Golomt Financial Group to pursue my passion of assisting SMEs and start-ups in Mongolia helping them with funding, strategy and management advisory. One of my latest projects is a start-up accelerator company, Kite Mongolia LLC, which organized "Social Innovation Week 2021" event this February. The event was supported by ADB Ventures, a new investment fund that invests in early technology companies in Asia.

I feel honored to represent women leadership in private sector and in social innovation in Mongolia. ►

► **-Can you tell us more about your banking career?**

-When Mongolia was transitioning to a two-tier banking system, I joined one of the first commercial banks in Mongolia and in three years I was promoted to the Head of the Foreign Exchange Department and Deputy Head of the International Division. Many of current large corporations in Mongolia have started their business with our bank.

I completed my master's degree in international economics in the United States in 1998 and a MBA degree in Japan in 2000. My long time dream has been to work for large international banks and to bring back the knowledge I would acquire from working in developed financial markets. I received job offers from Deutsche Bank, Chase and Merrill Lynch and joined Deutsche Bank in Tokyo to become their first Mongolian employee. When I look back I could certainly said that I have a wonderful career serving as the First Deputy CEO of the Development Bank of Mongolia, leading the Golomt Bank's turn-around and creating the first social innovation fund to support start-ups in Mongolia.

-How did you manage your personal life while pursuing your career goals?

-Now that my kids have grown up and I do not have many grandchildren, I am enjoying my time to solely focus on my work. When my kids were small I used to get up early and the only time left for me often would be nights. It is important for working parents to spend quality time with their kids and to provide them with a fertile environment to satisfy their interests and curiosity and to assist them in expanding their minds. For instance, I used to take my kids to every museum, gallery and theatre when we lived in New York and Tokyo, discuss movies, explore different cultures. The more you provide your children with opportunities to learn to discover new things, the more you are contributing to the development of your children's minds. It is very important that you read to your kids, surround them with books, let them paint and draw and answer to all their curious questions, particularly when their young. Therefore, as a working mother you learn to manage your time more efficiently by becoming more organized, reducing redundant tasks through "automation" and creating routines that help you to manage your life-work balance.

-All around the world, the media is celebrating female leaders who performed exceptionally well during the COVID-19 pandemic. Can you please tell us how different women leadership from men leadership?

-Women leaders are good at calculating risks, working in teams and finding collective solutions. They are also better in planning and following it up with detailed execution. They are also more compassionate leaders. I believe this is why female leaders are performing better during the pandemic. I am thankful that the COVID-19 crisis has helped to put a shine on women leadership. I hope that Mongolia will have more female politicians like the Prime Minister of New Zealand, Jacinda Ardern and German Chancellor, Angela Merkel.

-You are the Chairperson of the Women Entrepreneurs Council at the Mongolian National Chamber of Commerce. What are you working on to improve the business environment for women in Mongolia?

-Around eight years ago, I was elected as the Chairperson of the Women Entrepreneurs Council. What I noticed is that women successfully operated their businesses but that are not very good in addressing a range of obstacles that they encounter in running their businesses. We need to improve our business environment, which starts with laws, regulations and policy support for businesses. The Women Entrepreneurs Council at the MNCCI has been quite successful in addressing these issues by providing written comments, suggestions to the laws and regulations and by cooperating with industry associations in bringing our voices.

The Women Entrepreneurs Council at MNCCI has built a strong reputation in brining private sector voices into policy making and our policy advocacy is considered as one of the strongest. For instance, almost 80 percent of the proposals submitted by our council were reflected in the amendments to the tax legislations. Today, every business is enjoying the benefits of these amendments. In terms of the Law of Mongolia on Support of Small and Medium Enterprises and Services, as our council suggested removal of unrealistic provisions such as government agencies providing business management advice to the private sector. However, despite our efforts, the definition of what constitutes a women-owned business and the new provisions on governance of the SME fund were not incorporated in the revised laws.

-What do female entrepreneurs expect the most from our decision-makers?

-First of all, we need a corruption-free society in order to improve and enhance the business environment in ►

Companies with female members on their Board of Directors have 5 to 20 percent better financial indicators than companies without female directors



Members of the Women Entrepreneur Council at the MNCCI

Mongolia. In addition, we can ensure gender equality in business only by including the definition of a women-owned business in the Company Law of Mongolia. Over 46 countries around the world have done so by incorporating a women-owned business definition into their laws, policies and development strategies. It will enable further support to female entrepreneurs through targeted public policies and programs and it will ensure women's participation in public procurements. For women in business, the Labour Law, the Law of Mongolia on Support of Small and Medium Enterprises and Services and the tax legislations have been the most relevant laws in improving the business environment. We have made several suggestions to the Labour Law and it is very important to include our proposals in upcoming changes into the Labour Law. After all, women in business create most sustainable jobs in Mongolia.

-Due to gender inequality, countries, households and citizens fail to fully exploit their resources. Would you agree with this statement?

-Absolutely agree! In 2007, Mongolia agreed to achieve the Sustainable Development Goals set by the United Nations. The goals address all issues concerning social development. Gender equality is not restricted to ensuring equality between men and women but also includes people with disabilities and LGBTs. As men and women will continue to encounter different obstacles in starting and running their businesses we will continue talking about gender inequality in the business sector.

In Mongolia, women's employment has been decreasing each year and at the moment, only 46 percent of women work. According to a study conducted by the Asia Development Bank, if all women started working, the GDP of Mongolia would grow by 0.5 percent each year. If you carefully look at the employment statistics, approximately 1.2 million people registered as working

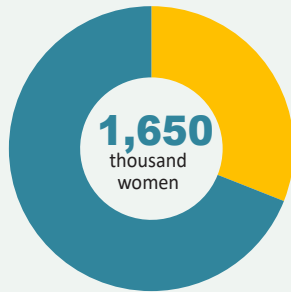
but one in three runs household businesses. Household businesses in Mongolia are created primarily out of necessity because there are not enough jobs in the market. Furthermore, around 20 percent have temporary seasonal jobs in the construction and mining sectors. This means that close to half of the employed people are vulnerable and they can easily slid into poverty in situations like COVID-19.

In Mongolia, the average age of the population is 27.5. By 2045 it is estimated that the population will reach five million with over 60 percent of the population in working age group and the average age of the population will remain at 27.5. How can we ensure for them an employment in the future? I believe more jobs can be created if the government carries out comprehensive and effective policies to support domestic production in non-mining sectors, encourage innovation and new industries such as IT services and prioritize private sector development. The Government of Mongolia could take various economic measures such as setting differing rates on customs duty for imported products and raw materials, reduce value-added tax for domestic manufacturers or offering tax credits to small and medium enterprises that are creating long-term sustainable jobs.

I believe by developing our information technology sector, we could create high-paying jobs for unemployed youth. We need to start discussing how we can close the gap in understanding between the Government and the private sector on what are the priorities in improving the business environment and how we could cooperate to accelerate the development of our country. Mongolia has everything including smart youth, creative private sector and natural resources. We only need a smarter public leadership engaged in productive dialog with the private sector. This has been a key for success for many developed countries and it should be for Mongolia as well. ■

MONGOLIAN WOMEN

AVERAGE LIFE EXPECTANCY **76**
 AVERAGE AGE AT FIRST MARRIAGE **26**
 AVERAGE MONTHLY WAGE **1.13** million

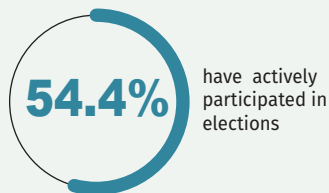


69% live in urban areas
31% live in rural areas



63.5% SERVICE
22.5% AGRICULTURE
14% INDUSTRY

3 out of **1** has a university degree



5.4% is a single parent

Source: NSO

ECONOMICS EMPOWERMENT

Labor force participation rate: **53.4%**
 Overtime workers: **38.8% women**

Employees with low wage
women-39.9% | men-28.8%

Gender discrimination cases
women-22% | men-17.0%

Sexual harassment at workplace cases
women-13.9% | men-9.3%

Recruitment process: Refused due to gender
women-18.5% | men-14.2%

Demanded explanation
women-6.2% | men-3.2%

Women work mostly in sectors where there are less value-added products and profits and owner's property is common, while men work in sectors where owner's property is common and earn a higher salary.

POLITICAL POWER

Member of a party
50%

In management level
22%

Member of a trade union
55%

Candidates run for parliamentary elections
25%

Candidates run for local elections
32%

Employees of NGOs
80%

Women mainly perform supportive roles at primary units of a political party though their number is very limited at the executive and decision-making levels

CIVIL SERVICE PARTICIPATION:

Ministers **17.6%**

Vice ministers **14.3%**

Ministerial State Secretaries
7.7%

Government agency directors **3.3%**

Ministerial department, division directors **40.1%**

Directors of other civil service agencies **44.1%**

Deputy Governors **18%**

District:
 Chairs of Citizen Representative's khurals **44.4%**

Governors **22.2%**

Deputy Governors **28.9%**

Soum:
 Chairs of Citizen Representative's khurals **17.9%**

Governors **13.3%**

Head of the Governor's office of province and capital city **18.2%**

Head of the Governor's office of soum and district **56%**

Special public servants
54.3%

Directors of agencies of public service
29.3%

Members of committee, council or commission **37%**

Total civil servants **61%**

Source: National Committee on Gender Equality, MMCG

Policymaker

Kh. Bulgantuya: Gender inequality is inherent in influencing the decision to start a business



Kh. Bulgantuya, Member of Parliament of Mongolia and Head of the Sub-Committee on Sustainable Development Goals, spoke about possibilities of promoting women's economic participation, leadership and entrepreneurship.

-How is Mongolia doing in terms of women's participation in the labor force?

-In terms of higher education, women outnumber men but women's employment rate is somewhat lower than men. Furthermore, in 2019, women earned about 20 percent less than men. In 2006, the women's labor force participation rate was 64.3 percent and in 2018, the rate had fallen to 53.4 percent. The decrease in women's participation in the labor force is negatively affecting the economy and development of our country. Approximately 52.4 percent of registered unemployed are women. Working along with men, women do three times more housework and childcare

compared to men. The gap is even wider in the provinces. Under the measures against COVID-19, childcare facilities and kindergartens had to close to restrict the spread of the coronavirus. Due to this measure, women's participation rate in the labor force dropped by 1.6 percent and men's by 1.2 percent.

What is more, women's employment in the high-paying sectors such as mining and construction sectors is relatively low. To illustrate this, women constitute only 10 percent of employment in the mining sector which offers the highest paying jobs and attracts most foreign investments. It is indeed unfortunate that most of the women work in low-paying industries including services, food manufacturing, retail and small and medium-sized enterprises. These industries are highly risky and lack adequate social protection hence women's rights are widely violated. That means we should not sit back thinking it is enough that women have an opportunity to work. It is important to ensure that women work in a healthy and safe environment and at the same time receive necessary social insurance and protection.

-What are some of the common issues and obstacles faced by female entrepreneurs?

-According to the latest study, around 60 percent of small and medium-sized businesses are run by women. Every day, they face various challenges such as limited access to loans, high-interest rates, high collateral requirements, numerous documentation requirements and a shortage of human resources. In addition to that, gender bias and perceptions pose certain challenges for women. For instance, there is gender inequality in owning, using and passing property down to children. It further leads to gender gap in opportunities for starting a business and getting financial services. Only 27.2 percent of land and 33 percent of homes are owned by women.

In 2018, Forbes magazine published an article about "8 Major Challenges Women Face In Business". These challenges are: ►

- ▶ • *Limited Funding*
- *Balancing Responsibilities*
- *Fear of Failure*
- *Inadequate Support System (Women lack the relevant connections in needing financial access or emotional support, mentors and sponsors to guide them in this new path.)*
- *Gender Inequality (Women must work their way up in the masculine world while facing stigma and discrimination. Although laws and policies have attempted to create a favorable business environment for everyone, the actual changes have not yet been implemented.)*
- *Limited Knowledge*
- *Unfavorable Business Environment (Women experience are less-established business networks and social and traditional constraints that restrict women's participation in business.)*
- *Timidity (Women who strive and succeed are often shy about touting their accomplishments. They are afraid of being labeled as proud or boastful.)*

The aforementioned challenges might be more common among Asian women. To prove themselves, women need to be more confident, open, direct, knowledgeable and not afraid of failure.

-How does the Government of Mongolia support female entrepreneurs through policies and regulations?

-International organizations give a wide range of recommendations on promoting women's entrepreneurship and participation in the labor force. Parliament plans to hold a discussion on regulations promoting women's participation in the labor force in the upcoming autumn session.

Currently, I am working as the Head of the Sub-Committee on Sustainable Development Goals. One of the main goals is gender equality. Female Members of Parliament aim to promote women's leadership and influence, to raise awareness on gender issues and to improve women's participation in the labor force by providing financial support to female-owned businesses. We plan to achieve these goals with the help of the Government of Mongolia, international and civil society organizations and citizens.

We need to include provisions on infant care leave for fathers, workplace harassment prevention and resolution mechanisms and gender-responsive policies on wages and bonuses. In that context, we are working to create a taxation system favorable to working families, to provide childcare subsidies and training programs for empowering women to return to work, enabling short-time and remote working. Furthermore, we plan to raise public awareness on gender equality, close the gender gap in employment in the private sector, conduct a gendered analysis of the labor market and provide gender equality training for companies. We hope that with this we can contribute to increasing the number of private companies that ensure gender equality in the workplace and have a family-friendly working environment.

-What do you think about women's leadership in politics and business. What needs to be done to strengthen and expand women's participation and leadership?

-According to the Global Gender Gap Report published by the World Economic Forum, Mongolia is ranked 120th out of 153 countries in terms of political empowerment. The statistics show that 60.4 percent of civil servants are female but only 22.8 percent of decision-making positions are filled by women.

By having more females at the decision-making level, we will have higher chances of addressing gender issues through public policies and measures. On top of that having successful female leaders in politics and business will motivate and encourage more women to step forward. The formal and informal women's associations and the network could play an important role in managing risks, getting information and emotional support. Therefore, it is crucial to ensure opportunities to exchange information and experiences, receive advice and mentoring from successful female entrepreneurs. Also, we need targeted policy support.

And last but not least, I would like to express my gratitude to the Mongolian Economy magazine who is addressing gender equality and common issues faced by female entrepreneurs. Also, I would like to wish success to all working women in Mongolia. ■

For female entrepreneurs, a support network can play an important role in managing risks, getting information as well as emotional support

Policymaker

D.Unurbolor: We need to implement gender-responsive fiscal policies



Member of the Parliament, D.Unurbolor, who has been taking a leadership role in the business world and politics, spoke about opportunities of creating a more women-friendly business environment and legal framework and promoting women's participation in politics.

-How is the current legal framework and business environment for women who want to run their businesses in Mongolia?

-As a Member of Parliament, I would like to mention a few examples and show some evidence on that matter.

First of all, to a certain extent, the Law on Labour, Law on Support of Small and Medium Enterprises and Services and key tax legislation promote women's participation in the labor force. Currently, I am also working as the Head of the local council of the Mongolian Women's Federation in Selenge Province. The federation addressed the issues concerning female leadership, economic participation and business environment during the Global Summit of Women which was held in 2018 and 2019.

Today, over 90 percent of business entities are small

and medium-sized enterprises (SMEs), of which, 60 percent are run by a woman. From this statistic, it is clear that women have been running their businesses despite all the obstacles and difficulties in the business environment. By obstacles I mean the following things. So far, only 9 percent of women who are running SMEs received financial support from the SME Program. According to a survey, the underlying reasons were that women had insufficient information regarding the SME program, face overly stringent requirements, do not trust in government programs and do not tolerate bureaucracy and corruption. Moreover, women-owned businesses account for only 23 percent of bids in public procurement and around 53 percent of them lose bids. These statistics indicate that government policy is not achieving its objectives which is to help women to harness their potential and take leadership roles in the business sector.

In short, women lack the opportunities of securing discounted loans for SMEs and the public procurement process is not favorable to women. It is obviously not doing well and not beneficial to economic and business prosperity. Women have no choice but to face many obstacles in running their businesses. Fortunately, to turn this around, the Government of Mongolia has started taking an active interest in that regard. For instance, we are expecting the Government to implement effective measures under the "MNT 10 trillion Comprehensive Plan for Health Protection and Economic Recovery."

-What policies and legislation are necessary for supporting women-owned businesses?

-At least, we need to start publishing gender-based business statistics. By doing so, we can make sure that Mongolia is in line with global standards and ensure gender equality in providing support to businesses.

Secondly, it is crucial that we implement gender-responsive public policy. It is impossible to imagine a green economy and local economic development without women's participation in the labor force. In the last 20 years, climate change has caused an increase in natural disasters by 2.8 times. Mongolia is considered as one of the riskiest countries in terms of water supply. Approximately 76.9 percent of the total area is under desertification and land degradation and 38 percent of

► this area is overgrazed land. Therefore, we should pay utmost attention to helping women to get their voices heard at a governmental level.

-What is necessary to enhance, develop and strengthen women's leadership in politics?

-Today, women are becoming stronger and playing more important roles in both political and business spheres. However, 89 percent of members of the Parliaments around the world are male and only 11 percent are female. Depending on the culture, religion, political system, economic and social development, the percentage of female representatives in parliament varies from 10 to 40 percent.

In Mongolia, we never had more than 10 female members in the Parliament until 2016 when from 174 female candidates 11 female candidates won a seat. In 2020 there were 129 female candidates and 13 of them won a seat. Even though the number of female representatives is increasing, it has still not reached a satisfactory level as around 51 percent of voters are female. In Mongolia, only 17.3 percent of Members of Parliament are female which is 7.6 percent lower than the global average.

Furthermore, in the history of Mongolia, there has never been a female governor of any Province and the Capital. This proves that women's political participation has not reached a sufficient level. To promote women's participation, we ourselves need to become more skilled, experienced and need good ethics. On top of that, I personally think that women should not strive to become a valuable member of a certain political party or for a particular politician but of society and for citizens

-What challenges has the COVID-19 pandemic brought to female leaders in business?

-I would say that the COVID-19 pandemic not only brought more challenges onto the women-owned businesses but also opened new opportunities. Amid the pandemic, the most effective measures to support women-owned businesses were salary loans, furlough schemes and large-scale financial support programs. Female entrepreneurs have proven that they are highly adaptable despite all the obstacles in their sectors. Following the new business trends that emerged out of COVID-19, 42 percent of female entrepreneurs shifted to a digital business model and 34 percent to new business opportunities and options.

-Currently, the draft Law on Labour is under Parliamentary discussion. What provisions does the draft of the Law on Labour offer to promote gender equality in the workplace and family?

-The draft Law on Labor contains several innovative provisions on gender equality. For instance, to abolish gender inequality and gender discrimination in the labor force, the provision that certain jobs prohibited for women shall be approved by the Government, was eliminated.

Formerly fathers were entitled to what is so-called "father's week" which was determined by the company's internal rules. The current draft law includes a provision that requires employers to provide infant care leave for fathers for not less than ten days with an average salary pay. Another innovative measure was the clear and detailed provision on workplace emotional, physical and sexual harassment. Under this provision companies have an obligation to have staff responsible for preventing workplace harassment, receiving and resolving any complaints.

The Law on Labour promotes the employment of people with disabilities to ensure social equality in the workplace. In addition to that, the draft law offers exemptions and relief on payments to the Employment Promotion Fund for employers if they purchase, on a contractual basis, products and services produced by people with disabilities and people caring for a family member with a disability. Moreover, the draft law also ensures equality in the workplace by requiring employers to pay 70 percent of the entry-level wage to interns. I would say this would be tremendous progress regarding equality in the workplace.

-The decision of the Government of Mongolia to include childcare subsidy in the governmental budget promotes women's participation in the labor force. How much gender-responsive is our government budget? What needs to be improved?

-Yes, the decision was one of the policies that promote women's participation in the labor force. In general, the Government of Mongolia has been carrying out its strategies and policies on gender equality since 2016. To ensure the implementation of the Law on Gender Equality, under the mid-term strategy of the Government, gender-sensitive budgeting is being introduced at both national and provincial levels. It is now under its second phase. I think gender-sensitive budgeting is critical for ensuring gender equality.

Within this framework, evaluation of gender responsiveness of the government budget of 2021 has been started recently. That means policies and programs financed through government budget will be reviewed and analyzed to make sure it is in line with the promotion of gender equality. ■

Post-pandemic sustainable recovery options for businesses

Post-pandemic recovery options for Micro, Small, and Medium-sized Enterprises in Mongolia

VERONICA MENDIZABAL JOFFRE

Social Development Specialist (Gender and Development) East Asia Department Asian Development Bank

BOLORMAA LUVSANDORJ

Managing Partner Bodhi Financial Advisory Services LLC

The impact of measures to prevent the spread of the coronavirus disease 2019 (COVID-19) has been severe on businesses in Mongolia, and smaller businesses were hit harder than larger ones.

Mrs. N. Dulmaa, the owner of “Aliman Sar”, a small pastry company, tells us that in December 2019, right before the pandemic, she had received a small loan from the government SME Fund with which she started to modernize her factory. When the Government of Mongolia implemented precautionary measures to prevent the spread of COVID-19, she had to stop production - and so started the hardest year for her business. Sales halved and several contracts were canceled. During the period of strict quarantine, her employees could not get to work and she could not deliver her products to customers. Food delivery services were allowed, but Ms. Dulmaa did not have the financial resources and information to react fast enough to establish a system that would have allowed her to take advantage of delivery services.

Micro, small, and medium-sized enterprises (MSMEs) are one of the most dynamic sectors in Mongolia. This sector comprises 77% of total registered business entities; 72% of the total workforce; 17.8% of Gross Domestic Product; and 2.3% of total exports. Women make up a large share of MSME entrepreneurs in Mongolia. Most MSMEs operate in the trade (51%) and services sectors (32%), followed by manufacturing (19%) and agriculture (6%).

Although, the Government of Mongolia reacted early to prevent the spread of COVID-19, and was highly successful in containing the medical emergency, the impact on businesses has been significant. The Asian Development Bank survey on “Sustainable

Recovery Options for Mongolia’s Micro, Small, and Medium-Sized Enterprises” highlighted that the impact on MSME has been particularly severe, and included a sharp fall in revenue as reported by 77% of MSMEs and 65% of informal businesses, leading to declining liquidity and cash flow problems for 44% of MSMEs and 45% of informal entities.

Compared to 50% of male entrepreneurs surveyed, 85% of female respondents reported supply chain issues such as shortage of raw materials (83% compared to 34% among male respondents), and reduced demand for products and services (59% for females versus 31% for males). Both female- and male-owned enterprises suffered cash flow shortages and difficulties in loan repayments. However, female entrepreneurs indicated slightly less difficulties in paying rent (28% compared to 31% of their male counterparts) and in financing their investments (21% compared to 41% of male respondents). There were more challenges in paying employees for female entrepreneurs at 37%, versus 28% of male entrepreneurs), possibly reflecting the higher share of female entrepreneurs in the manufacturing sector in the sample (31% compared to 6% among male respondents).

Coping mechanism

More than half of the respondents (58%) had slashed costs due to COVID-19 and 27% of them had reduced their number of employees, which is significantly higher than among medium and large businesses. In contrast, the MNCCI survey on “COVID-19 pandemic impact on Mongolia’s business sector” reported that only 4% of larger enterprises reduced their number of employees.

More women-led businesses, particularly MSMEs, had cut jobs (23%) compared to men’s businesses (8%). However, about 18% of the MSME respondents and 12% of respondents in the informal sector had not taken any measures, with only 1% ▶

► closing temporarily. As COVID-19 shaped social lifestyle differently, few businesses had started exploring alternative business models. Especially, among MSMEs, 19% had initiated the transition to online operations and online sales, and 11% were assessing their business model for a post-COVID-19 environment.

The entrepreneurs emphasized that access to working capital became a big concern during the crisis. 60% of respondents reported high collateral requirements for bank loans, followed by 50% concerns on high-interest rates, next was 31% short duration of loans and 19% delays in payments by partner companies. The absence of investors was identified as a challenge by 11% of respondents. Respondents also indicated that the lack of capital could delay their recovery prospects.

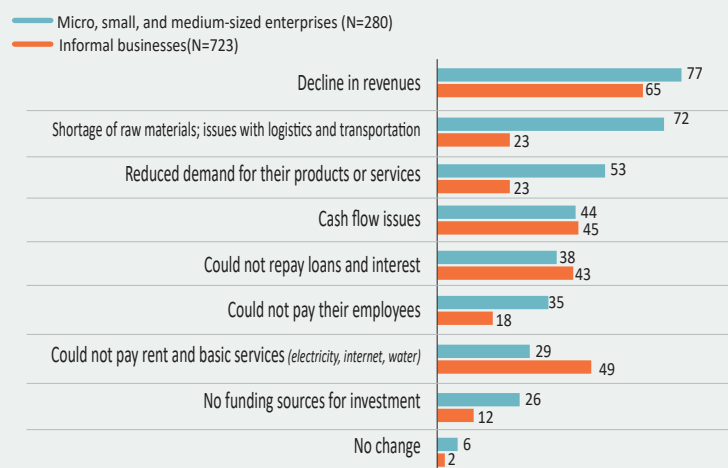
The Government of Mongolia took various support measures for the economy in overcoming the crisis through the government programs including the Bank of Mongolia policy rate cuts.

The Government policies with the highest level of support included those that enabled businesses to maintain liquidity, including the 6-month exemption on social security contributions, personal income tax, and 6-month exemption on corporate income tax for small companies. Nevertheless, the specific circumstances of informal businesses were not reflected in the initial economic response. About a third of informal respondents opted for not assessing the economic measures aimed at businesses, arguing that these were not relevant to them. Furthermore, information regarding initial economic measures failed to reach many MSMEs and informal businesses.

Support for the salary subsidies of MNT200,000 per employee for entities that have suffered 50% or more reduction in revenue but retained jobs was at 30%, while 33% reported no benefit from this measure. Support for subsidies for herders in the cashmere sector was at 29%. This measure supported companies in the cashmere sector with 3% loans to maintain exports. Rural MSMEs had a higher rate of approval (37%). However, lack of demand from Europe, border closures with the People's Republic of China, and a sharp contraction in international tourism may have offset gains from this measure.

Support for reduced fuel prices in line with significantly lower international oil prices stood at 39% and 20% of respondents indicated no impact.

Figure 1: Key Impacts of COVID-19 on Mongolian Micro, Small, and Medium-Sized Enterprises and Informal Businesses (%)



Local travel restrictions and the general reduction of business activities reduced the impact of this measure.

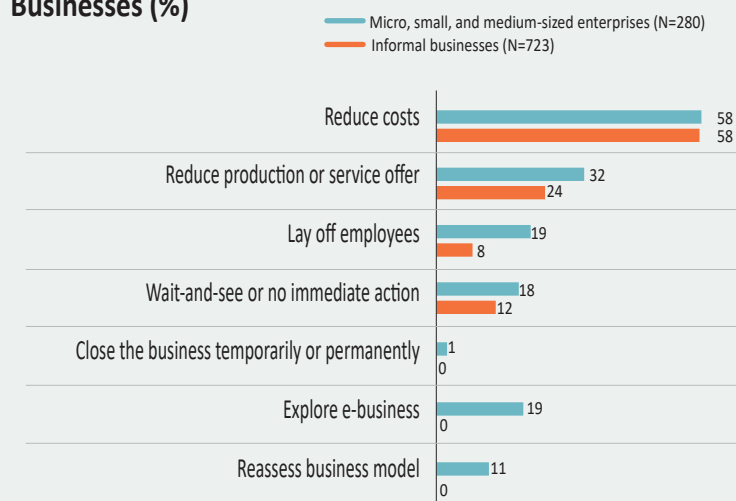
Support for the implementation of 14 large projects to support the economy was at 19%. These are primarily infrastructure projects with a long-term impact on the economy. However, a similar share did not support it; 30% indicated not knowing enough about it; and 32% chose not to respond.

In general, the ADB survey showed that most MSMEs and informal business entrepreneurs had only a general understanding of the economic emergency measures in place, but needed further clarifications.

Additional economic measures requested by entrepreneurs

Access to finance remains the number 1 priority for smaller enterprises, both formal and informal. Under normal circumstances, 50% of the respondents indicated accessing financing through bank loans, 46% from the founders' money, 14% from family and friends, and 7% from business revenue. Only 10% relied on external investors, and the same percentage had accessed the SME Fund and other government funds in the past. Therefore, proposals to facilitate this access included soft loans, long-term mortgage programs for businesses, dedicated business funds, long-term investment loans, short-term revolving credit lines for working capital, and trade finance support. ►

Figure 2. Coping Mechanisms among Mongolian Businesses (%)



N= Total Responses.

Source: ADB East Asia Department.

► The overarching recommendation based on the findings of the ADB rapid assessment is that economic recovery will require a dedicated focus on the recovery of smaller businesses in the formal and informal sectors, as well as promoting their resilience in the medium term. Further areas of action are presented below to ensure that SMEs and formal and informal micro-businesses can overcome this difficult time.

1. Maintain options to preserve liquidity and enhance access to finance

- **Short-term actions.** To boost demand, fiscal measures can be complemented with a mix of incentives in key sectors such as food processing, logistics, manufacturing, and tourism and practical support; including the provision of subsidized personal protective equipment, disinfection inputs, and guidelines to ensure safe business operations.
- **Medium-term remedies.** The Law on the Credit Guarantee Fund of Mongolia should be amended. Amendments will enable the fund to expand its guarantee product menu and ensure sustainable state budget funding to raise its capital and reserve fund to cope with the expansion of the guarantee product menu.
- **Institutionalize and roll out the SME Agency.** Improve its institutional framework towards policy making and sectorial coordination, improve its governance and relevancy of its new roles and

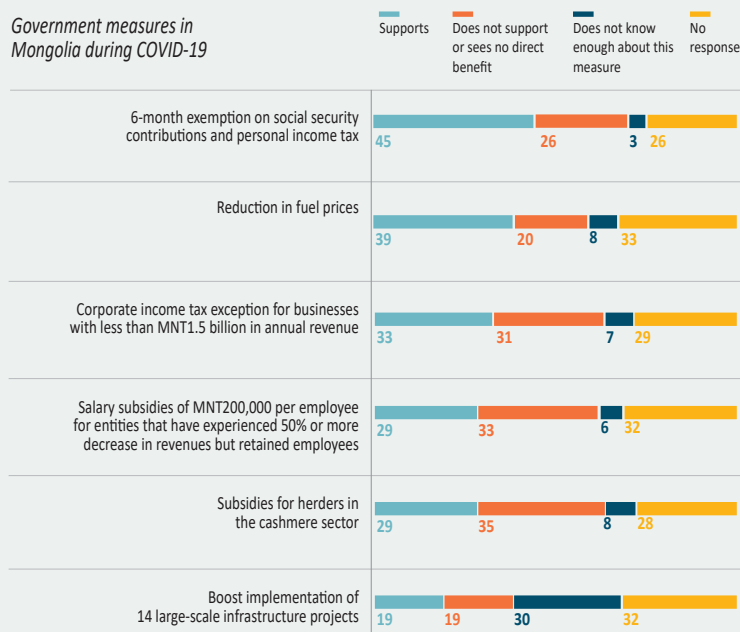
responsibilities in supporting SMEs, in providing transparent and more efficient procedures to enable rapid access to funds;

- **Support affordable and inclusive access to finance for micro and informal businesses.** Enhance inclusive financing, e.g. wholesale funding to increase access for micro and informal businesses, and promote the fintech sector and the necessary ecosystem in the country to maximize its potential.
- **Support the specific financial needs of women-led MSMEs.** Formalize a definition for women-owned business appropriate to the Mongolian context, and improve gender statistics to increase the chances of female entrepreneurs to access support programs during emergencies and beyond.

2. Create an environment for MSME development

- **Enable small businesses to expand to a digital environment.** COVID-19 has demonstrated the need for digital acceleration. Creating an environment to ensure that smaller and informal businesses can enter and operate in this space, and to account for ►

Figure 3: Perception of Government Response to COVID-19 (%)



Note: N=1,0003.

Source: ADB East Asia Department.

FISCAL AND MONETARY RESPONSES TO THE COVID-19 CRISIS

FISCAL MEASURES

- The Government of Mongolia increased spending in the health sector to MNT17 billion (0.04% of gross domestic product)
- Selected food and medical items were exempted from import duties
- Workers in the private sector were exempted from personal income tax for 6 months
- Employees and employers were exempted from social security contributions for 6 months (extended by additional 3 months until the end of 2020)
- Micro, small, and medium-sized enterprises (MSMEs) with annual sales less than MNT 1.5 billion were exempted from corporate income tax for 6 months (extended by an additional 3 months until the end of 2020)
- Soft loans to cashmere producers
- Child money distribution was increased to MNT100 thousand per month per child for 6 months (extended by additional 3 months until the end of 2020)
- Food stamps for poor individuals doubled for 6 months
- Social welfare for the vulnerable groups increased for 6 months

MONETARY MEASURES

- The Bank of Mongolia cut the policy rate in March, April, and September 2020 by 1.0 percentage point each to 8.0%
- Local currency reserve requirement ratio was lowered by 200 basis points to 8.5%
- Interest rate corridor was narrowed to $\pm 1\%$ from the policy rate
- Consumer and housing mortgage loan repayments were deferred by 12 and 6 months, respectively
- A temporary procedure to provide emergency loans to banks to support their liquidity position and ensure smooth functioning of the financial system was ratified
- Asset classification and provisioning regulatory requirements for banks were eased
- Minimum liquidity ratio of banks was reduced by 5.0 percentage points to 20%
- Effective date of new tier-I capital requirement for systemically important banks was postponed
- Short-term foreign exchange swaps with banks were started to support their foreign exchange liquidity
- Long-term foreign exchange swap agreements with banks were continued to support foreign exchange inflows
- A new liquidity support instrument, the Long-Term Repo was launched to support liquidity in the financial sector.

Source: ADB East Asia Department

- ▶ the potential digital divide among urban and rural businesses and businesses run by women.
- **Support value chain creation in non-mining sectors.** Continue support for value chain creation and cluster development in non-mining sectors. The development of cooperatives in the agriculture sector and supporting SMEs in lifting these cooperatives into economic and market linkages is a backbone of value chain development.
- **Promote youth innovation and the development of entrepreneurial skills.**
- **Develop a path for informal business toward formality** by reducing tax and regulatory burdens, such as lowering business registration fees; providing limited exemptions to business registration tax for newly established businesses; legal and business advice and training, paving the way for registration.

3. Communicate, inform, and engage businesses

- **Engage and maintain fluid and effective communication.** Create and formulate evidence-based policy response of further economic measures for recovery including benefits that resonate across business sectors and segments to achieve direct and effective results.
- **Keep the business community informed.** Engage media, industry associations, and civil society in disseminating and educating the diverse business segments in the policy actions and measures to ensure that all participants in the economy receive equal support from the government to overcome the pandemic and rebuild their businesses.
- **Continue monitoring impacts as the crisis evolves.** Understanding of continued surveys and analysis of statistical data of the issues and needs of the diverse business segments in the country, including MSMEs, informal sector, rural and urban businesses, and businesses owned by women to monitor the impacts of the crisis and to develop further steps by the government in support of businesses during and beyond COVID-19. ■

To find out more: <https://www.adb.org/sites/default/files/publication/662086/adb-brief-160-msmes-mongolia-covid-19-impacts.pdf>

Study



What Gender Equality Means In Business and How Women-Business Definition Helps?

In the United States, 42% of all businesses, or around 13 million, are estimated to be women-owned businesses. Similarly, in Mongolia, according to the latest enterprise survey by the World Bank and EBRD, the percentage of women-owned businesses is estimated to be around 40%.

While the percentage of women-owned businesses in all businesses in both countries appears to be similar, there are significant differences in the amount of support they receive. Specifically, in the U.S women-owned businesses have been certified since the 1990s using a definition for a Woman Business Enterprise. To qualify as a women-business enterprise at least 51% should be owned and controlled by women and it has to show fiscal responsibility via tax returns, bank statement and its business credit rating. Following this definition, the United States has added a new definition for a Woman Owned Small Business, if the company meets the guidelines of the Small Business Administration (SBA). The Women Business Enterprise definition has a wider application and is used by local government, NGOs and private sector while a Women Owned Small Business is used for the Government programs for small businesses.

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Managing Partner
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VICES LLC**

How do these definitions help Women Businesses?

The U.S. government has established a 5% government-wide goal for contract awards to women-owned small businesses. Once certified as women-owned small businesses they can access the statutory goal of 5% of federal contracting dollars being awarded to women businesses. Regulations such as “Sole source and set aside” give an opportunity for a Woman Owned Small Business to pitch business to government agencies, which can make a decision on the spot within this 5% regulation, without going out to bid. This is great for smaller firms. Women Business Enterprises can access these opportunities through buyers looking to meet their 5% subcontracting federal goals. In addition, discretionary spending regulations under which a local government gives purchasing agents a certain amount of money that can be used for women businesses enterprises. Large private corporations increasingly use such definitions for their own procurement to ensure gender equality.

The target of 5% was set in 1994 but it was reached only in 2015. To reach the 5% goal, several ►

► organizations such as the US Small Business Administration during the Obama Administration, Women Impacting Public Policy (WIPP), and American Express OPEN collaborated on a programme to help women reach this goal. This is a clear example of public-private dialog to push a gender agenda and economically empower women. The innovative programme included curriculum development, webinars, face-to-face training of WBEs, advocacy, and coalition building.

Three major national certification organisations in the United States use this 51% definition to certify both a Women Business Enterprise and Women-Owned Small Businesses.

- *National Women Business Owners Corporation (NWBOC), founded in 1995*
- *Women's Business Enterprise National Council (WBENC), founded in 1997, whose members include the majority of Fortune 500 companies*
- *US Women's Chamber of Commerce, founded in 2001*

How is Women-Owned Business defined in other countries?

In Italy, women-owned businesses are “companies owned by a sole woman” or “partnerships where more than 50% of the partners are women” or “companies in which on average more than 50% of the shares are owned by women and women account for more than 50% of the administrative roles”.

In India, a woman entrepreneur is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of capital and giving at least 51% of employment generated in the enterprise to women.

The Central Bank of Egypt states that a “business is considered a women-owned business if 51% of the capital of the company is owned by one or more women, or if 20% of the capital of the company is owned by one or more woman and a woman is holding the position of chief executive officer or vice president”.

Armenia's National Strategy for Small and Medium Entrepreneurship Development provides definition of women's business as an enterprise managed by a woman or with at least 30%

shareholding participation.

Each country uses a different definition of a women-owned business. In addition, some countries have legislative acts to impose such definitions while in other countries such definitions are included in their National strategies or central banks policies.

On the other hand, major development institutions use a women-owned enterprise differently. International Finance Corporation defines a woman-owned enterprise as a firm with more than 51% ownership/stake owned by woman/women or more than 20% owned by woman/women and more than one woman as CEO/COO (or President/Vice-President), and 30% of the board of directors is composed of women, where a board exists. This definition is gaining more acceptance globally as it makes access to finance and other capacity building support more inclusive.

In 2020, the International Trade Centre (ITC), the Swedish Institute of Standards (SIS), and the International Standardisation Organisation (ISO), have organized an international consultative process leading to the development of an International Workshop Agreement (IWA) on the definition(s) of a ‘Woman-Owned Business’. The result is the document “ISO/IWA 34 Women's entrepreneurship - Terminology and general guidance” which will be published in early March of this year and has become a major milestone in the history of women's entrepreneurial development and it will guide countries in their gender policies.

What do we lose from the lack of a Woman-Owned Business definition?

The lack of a women-owned definition creates a series of challenges across the women entrepreneurial ecosystem. These include the inability to collect sex-disaggregated data and absence of evidence-based policymaking which lead to significant entrepreneurial gaps with regards to the types of businesses that women operate, funding, management, and markets. It also raises important issues such as what incentives and programmes are needed to support women-owned businesses to overcome these gaps.

More importantly, the lack of a clear women-owned business definition, results in a significant financing gap for women in business. According to the SME Finance Forum, globally the funding gap ►

Incorrect use of the definitions

According to the Financial Alliance for Women (2017), the terms for “women in businesses” – such as “women entrepreneurs”, “women-owned businesses”, and “women-owned SMEs” – are often incorrectly used interchangeably. Different businesses have different life-cycle needs and financing strategies. It is therefore important to identify :

- **“Women entrepreneurs”** generally fall in the design, launch, and initial operation of new businesses;
- **“Women-owned businesses”** tend to include more mature enterprises;
- **The “women-owned SME”** classification refers to the size of the business, regardless of its growth stage;
- **“Women-owned business”** and **“women-led business”** are also sometimes used interchangeably, ignoring the fact that a business that is owned by a woman is not necessarily managed by her, and vice versa.

► for women entrepreneurs is widening, reaching US \$ 1.7 trillion in 2020 or the annual financing gap for women entrepreneurs to be between US \$ 260 billion and US \$ 320 billion. In Mongolia, according to the same source (based on 2015 data), the financing gap for SMEs was US\$ 1.3 billion of which the gap for women-SMEs represented US \$ 765.4mn or 62%.

While there are close to 46 countries that have adopted the women definition, Mongolia still lacks such definition. Women Entrepreneurs Council has been advocating the inclusion of a women-owned business definition into the laws of Mongolia since the public discussions of the Laws on SMEs approved in 2019.

The EBRD’s Women in Business Program in Central Asia supported by the We-Fi funding will support policy advocacy project in Mongolia, the Kyrgyz Republic, Tajikistan and Uzbekistan and seek to develop a Roadmap for a Gender Responsive Investment Climate Reform for each country. While the development challenges for gender equality in women entrepreneurship differ country by country, the policy advocacy for an adoption of a woman-owned business definition and sex-disaggregated gender statistics take an important part of the project. ■

Source: The International Trade Center (ITC);
Technical Note: Definitions for Women’s Businesses -2020

EBRD

S. Baigalmaa: EBRD is committed to providing equal opportunity for men and women in business



Baigalmaa Sanjiv,
Principal Manager,
Advice to Small
Business, SME
F&D, EBRD

We have clarified about the European Bank for Reconstruction and Development’s program on supporting women in business.

-Can you share with us the objective, implementation, and results of the program for women entrepreneurs?

-The EBRD’s programme on supporting women in business is being implemented in 23 countries that we operate in. We launched our Women in Business Programme (WiB) in Mongolia in June 2020 in the midst of COVID-19 pandemic. This initiative is part of the Bank’s Women in Business Programme in Central Asia, which covers four regional states including Mongolia and funded by Women Entrepreneurs Finance Initiative (We-Fi). The Programme will run for 5 years. ►

- The main purpose of the program is to provide equal opportunity for women in business and to support their participation in the economy.

-What type of support do women commonly require in order to identify their entrepreneurship needs?

-EBRD's program on supporting women entrepreneurs included specific activities and services for providing financial and non-financial assistance, and contributing to supportive policy environment for women. We are supporting women entrepreneurs by offering the necessary products and services, such as consultancy projects and training on developing and improving their management skills, mentoring and coaching programs, networking events for experience-sharing opportunities, "Business Lens" for reviewing their businesses, and credit lines by partnering with commercial banks and NBFIs.

-Do you agree that the impact of the business environment is equal to both men and women?

-Gender equality and the legal environment that advocates for women have improved relatively well in most countries. Many partners of the EBRD in Mongolia pondered whether this undertaking was worth the hassle because "men and women are equal here and there are no issues to be addressed". The situation was not unique as we would have the same reaction to the initiative in many other economies, where we operate.

In the reality, it has taken the EBRD quite a long time to change this mindset since the WiB was launched in Turkey in 2014. Our counterparts and financial intermediaries now understand and appreciate the concept of a gender-sensitive approach to banking and business. This approach recognizes the gender-equality requires not exclusion of various stakeholders but to bring them together and to accommodate their unique needs.

Various surveys reveal numerous issues, which stand in the way of women willing to manage or own a business: little or no assets that can be used as collateral, gender bias, social norms and restrictions, child care responsibilities, no or little access to professional training, and few female role models to name some obstacles.

Furthermore, according to the research conducted by the UNDP and Peoples in Need in May 2020, women have been disproportionally affected by Covid-19, as they tend to work in a micro segment

of SMEs and in the sectors that were hit by pandemic more severely. This not to mention child and household care responsibilities, which have not gone anywhere.

-How does your program address this unequal situation and contribute to a favorable policy for promoting women in business?

-The Bank's WiB Programme has now become one of its most known initiatives. Active in 23 countries, and having reached over 70,000 women in the last five years, it is a core part of the EBRD's work to promote inclusive economies in the countries where we work and part of at the heart of our mandate.

Under the WiB umbrella, we offer to the Mongolian female entrepreneurs:

1. *Dedicated financing for women owned or managed SMEs through credit lines via EBRD partner-banks.*
2. *Risk mitigation instrument for the EBRD partner-banks is embedded in the WiB programme to stimulate lending to women entrepreneurs*
3. *Technical assistance mobilised and provided to partner-banks in order to develop financial products that better meet the needs of women-led businesses, changing the way they work.*
4. *Access to know-how and other learning and training platforms for women-led SMEs provided by the EBRD Advice for Small Business team. They will help businesses become more competitive, trainings, mentoring and other supports will be available to enable women entrepreneurs to share experiences and learn from each other as peers.*
5. *In addition, we are helping the preparation of the necessary policies on review and promotion of the legal environment for women entrepreneurs by holding a dialogue between the public and private sector.*

-What are the key entry requirements for your program?

-The foremost requirement will be to have a female leadership in the decision-making process of the business. Any locally-owned private entity running stable operations for the last two years in manufacturing and service industries can be involved in the program. Of course, it is crucial for them to have realized their necessity for growth and be active in the program.

How can Mongolia Mobilize More Financial Resources for Sustainable National Development?



ELAINE M. KONKIEVICH

Resident Representative for UNDP Mongolia

Mongolia needs a significant amount of financial resources to meet its nationalized Sustainable Development Goals (SDGs), and the financing gap has further widened due to the impact of COVID-19 pandemic. Mongolia has lost some of the progress it made towards the SDGs because of the pandemic, therefore heightened efforts are needed to regain the lost momentum and return focus back towards achieving the SDGs.

To increase the available financial resources for Mongolia's development from good health of citizens to decent job opportunities, the state budget cannot be the sole source of financing and thus a number of measures are being identified that would not only increase the financing sources but also help allocate them more efficiently and effectively.

The state budget, the major source for financing national development, is most efficiently allocated when they are closely linked to the development priorities and results, which is termed as 'results-based budgeting'. The adoption of results-based budgeting is a process ongoing in Mongolia and UNDP has successfully piloted at three line Ministries in the past two years and starting two more pilots this year. It is

expected that based on the success of the pilots, the results-based budgeting will be scaled up across all Ministries and sectors, hence contributing to more efficient use of the state budget.

The private sector has a pivotal role in driving the sustainable development. However, private sector engagement has been relatively limited in terms of financing for development not only in Mongolia but also globally. It is now time to address that and create the necessary policy measures and incentives for the private sector to increase its role and contribution in national development.

The Development Bank of Mongolia (DBM) assumes a special role in financing for Mongolia's sustainable development, both as a financier and as a potential role model for the country's banking sector. Improved alignment of DBM operations with sustainable development priorities will shift the weight of financing from regular to sustainable, due to its size and impact in the financing landscape.

All of these processes from mobilizing more resources from the private sector to aligning the development policies with the budget and financial resources are encapsulated in the concept 'Integrated National Financing Framework' (INFF). It is a new concept globally and Mongolia is one of the pioneer countries that is working on the development and implementation of the INFF worldwide.

The INFF is being developed in Mongolia under the leadership of the Ministry of Finance within the Joint Programme 'Rolling Out an Integrated Approach to SDG Financing in Mongolia' implemented by the United Nations. UNDP is providing technical leadership and working with UNICEF, and UNFPA to support the rollout of the INFF in Mongolia.

We encourage the private sector to support efforts not only to develop the Integrated National Financing Framework for Mongolia, but also to become active contributors to the financing of sustainable development. Private sector can thus play a key role in accelerating Mongolia on its path to the attainment of the Sustainable Development Goals. ■

TRAM Project

Increased Mongolian non-mining exports with support from the EU funded TRAM project

The project Trade Related Assistance for Mongolia (TRAM) is funded by the European Union with a budget of almost 4.5 million Euros and it runs from March 2017 until July 2021. Its main objective is to enhance Mongolia's international trade and economic diversification and to contribute to the sustainable economic growth and development of the country, with the goal of reducing poverty and external vulnerabilities. The purpose of the project is to build capacity and to support Mongolian public institutions and the private sector to develop and deliver effective trade policy initiatives with a special focus on specific products/sectors with high potential for export.

The project comprises all necessary levels from the policy framework to product development and it is structured into the three components: Trade Policy, Trade Facilitation and Export Development.

In the Trade Policy component, TRAM has achieved good results such as: Trained and supported MNCCI staff to implement the EU REX system for rules of origin from 1st of January 2021 (until now 95 companies have registered in the REX system, most of them being members of TRAM supported export clusters). TRAM consulted the drafting of the Mongolian Export Program 2018-2022 which was adopted by the Government and supports its implementation. TRAM drafted a regulation on implementing the WTO Safeguard measures that were adopted in December 2020. Another regulation on antidumping and countervailing measures was drafted by TRAM and is currently under review of the Working Group. With the backdrop of ten years of debate whether Mongolia needs a trade law, in 2020 TRAM contracted the National University of Mongolia to analyse the trade policy measures discussed/adopted in the last ten years. This aimed to identify Mongolia's needs in terms of trade policy, in accordance with its obligations under the WTO. The study concluded that Mongolia needs both, a political concept paper on foreign trade policy outlining the clear political direction towards bilateral and/or regional economic integration, as well as a very general but clear law on foreign trade policy defining the roles and responsibilities of each public and private institution in fulfilling the WTO obligations. TRAM has elaborated



and published a Glossary on Trade Policy that was very well received among public officials, private sector and academia. TRAM has provided valuable support to the MFA and other trade related ministries in drafting the WTO Secretariat Report and the Government Report for the WTO Trade Policy Review of Mongolia that is due at the end of March 2021.

The main achievements in the Trade Facilitation component relate to the Law on non-food product safety that was drafted by TRAM together with GASI and MFA in 2019. A precondition for export of Mongolian products from the non-mining sectors are safety and consumer protection regulations at a very similar level as in the EU. Thus, the still outstanding adoption of this non-food product safety law by Parliament is very important to enable the TRAM clusters and other SMEs to export their products to the EU market. TRAM has strengthened the capacity of MASM to appreciate and speed up the implementation of international standards and technical regulations that are needed to increase value-added exports to the EU. TRAM has also supported MASM in developing ISO compatible standards which are related to cosmetic products. TRAM has supported the Customs Administration in

Carmen FRATITA
Team Leader,
Senior Trade
Policy Expert
"EU - Trade Re-
lated Assistance
to Mongolia"
(TRAM) Project

- fulfilling the category C obligations of the WTO Trade Facilitation Agreement (TFA). This included intensive capacity building for customs officials in Ulaanbaatar and at the borders to ensure their understanding of customs reform measures which need to be inserted in the new Customs Law. This law should be adopted by Parliament as soon as possible. TRAM has elaborated and published a Glossary on Trade Facilitation that was very welcomed by customs officers, forwarders, private sector and academia. Furthermore, TRAM has supported the work of the National Trade Facilitation Committee that is chaired by the MFA with membership of the relevant public and private sector members.

In the Export Development component TRAM has increased the capacity of the Mongolian National Chamber of Commerce and Industry (MNCCI) and the National development Agency (NDA) to strengthen their role in the Public-Private Dialogue (PPD) and in developing an effective and structured national mechanism for PPD. TRAM has selected jointly with all stakeholders four non-mining sectors with the potential to increase exports of value-added, high-quality, sustainably made products for which Mongolia can claim a unique selling position: cosmetics especially with livestock-based ingredients, sea buckthorn oil, textiles from yak and baby camel hair, yak leather products. TRAM consulted and facilitated the establishment of export clusters in these four sectors comprising about 100 exporting enterprises, public bodies and scientific/research institutions. To this end TRAM introduced the triple helix cluster approach which is acknowledged by Mongolian stakeholders as appropriate for export cluster development and is already being applied to further sectors. TRAM has supported the setting up of the Information and Trade Promotion Center of Mongolia in the European Union (ITPC), representing a specific measure in the Mongolian Export Program. It serves as an information hub to attract European investors and business partners, as well as a showroom and sales outlet for premium products especially from the supported export clusters. The ITPC store in Berlin, Germany, opened on 30 November 2020 but had to close soon afterward due to the COVID-19 lockdown measures in Germany. During its two weeks of operation, goods with a total retail value of €12,500 were sold, thus meeting the sales target in the ITPC business plan. The store is complemented by the EU-wide B2C online shop www.mongolian-green-labels.eu, which was launched

in February 2021 with TRAM support. In addition, TRAM supports the setting up of the B2B online product catalogue www.made-in-mongolia.info, which will present high quality products with export potential from all non-mining sectors to commercial buyers in the world market. TRAM also works on the registration of products for sale in the EU markets and on international certifications (e.g. EU Organic Food label, Oekotex). Laboratory tests and product registrations are ongoing while certification audits are planned until end of July 2021 but largely depend on the lifting of travel restrictions.

It is worth mentioning that TRAM deployed a lot of human and financial resources for capacity building activities, drafting manuals, guidelines, brochures, printing relevant international documents and performing raising awareness campaigns on Trade Facilitation Agreement and draft Law on non-food products safety. At the same time, we recognize the importance of gender equality and the empowerment of women as an essential precondition for equitable and inclusive sustainable development, for economic growth, prosperity and competitiveness. In this context we can point out the cosmetic cluster, which is a very new industry in Mongolia with huge potential for export and most of the companies are managed by female entrepreneurs. They use in their products very specific Mongolian raw materials such as mare's milk, sheep tail fat, camel bone marrow etc. Most companies in the four TRAM supported clusters employ mainly female workers and contribute to gender equality in Mongolia.

In addition to its previous accomplishment TRAM endeavours to achieve further important results before the project ending in July 2021: adoption of Policy Concept Paper on Trade Policy, draft Law on Foreign Trade Policy, regulation on antidumping and countervailing measures, Law on Customs with obligations under Category C of the WTO TFA included, Law on Non-food Product Safety; support for increased export from four clusters (product development, certification etc.). The team of the TRAM project expresses its confidence that the Mongolian Parliament, MFA, Customs Administration, GASI, MASM, MNCCI, and all other important players provide their support for a coherent trade policy mechanism in Mongolia. This will facilitate companies in the non-mining sector to increase their capacity to export value-added products to the European Union and to the world market. ■

Viewpoint



B. LAKSHMI

Director General of Economic Policy and
Competitiveness Research Center

The importance of having gender statistics on entrepreneurship

In 2006, The Economist published an assessment that the increase in female employment in the advanced world has been the main driving force of growth in the past couple of decades. Those women have contributed more to global GDP than have either new technologies or new giants, China and India.¹¹ Unfortunately, most of the self-employed women are active in the MSME and the informal sector.

The productivity of women active in the MSME sector is higher than in the informal sector. Therefore, it is very important to scope and improve the quality of policies that enhance women's ability to participate in the formal economy. By building a favorable environment for female entrepreneurship and supporting women, it is possible to achieve SDG of achieving gender equality and empower all women and girls and promote the full productive potential in the economy. By empowering women to gain the opportunity to move away from the business sectors with low-productivity, low-skilled and low-payment will give also positive improvements to other sectors.

When are policy measures very effective? It is when availability of sufficient and regular gender statistics become the norm of policy making. Having this type of information provides a basis for analysis and research, as well as an important contribution to forecasting and measure results. There is a proverb if you can measure something, you can improve it.

Gender based statistics can provide a realistic picture of the differences and challenges between men and women. It also suggests that advanced policy analysis requires further advances analysis of existing data than just gender classification. In

particular, gender issues include unpaid but time-consuming work like household work, child and parental care.

Especially the financial inclusion is a big concern. However, without the collection of national-level sex-disaggregated statistics, and supply-side operational data offering a clear picture of the situation and comparison between men and women on their access, usage, and quality indicators of inclusive finance, it will be extremely difficult to close the gender gap in financial inclusion and achieve related economic benefits²².

"The European Bank for Reconstruction and Development (EBRD) is one of the leading development finance institutions promoting women's entrepreneurship and financial sector reform in countries where it invests."³³ Hence, the EBRD in Mongolia proposes an innovative methodology on Gender Responsive Investment Climate Assessment to support women entrepreneurs, which is a combination of policy reform to deliver systemic change towards women economic empowerment.

Are gender statistics, especially on entrepreneurship, available in Mongolia?

From publicly available sources gender disaggregated data is accessible on population, health, education, poverty, employment, violence, and the environment. The National Statistical Office released 216 indicators in 2013 and 241 in 2019, which is an improvement, but not on entrepreneurship.

Sex-disaggregated statistics and production of gender sensitive data is one of the legal principles of the Law on Promotion of Gender Equality (2011, Clause 5.1.5. Principle of gender sensitive data and information: The State shall ensure the availability and accessibility of

Table 1: Gender disaggregated data

1	POPULATION	8	VIOLENCE
2	HEALTH	9	MECHANISM
3	EDUCATION	10	MEDIA
4	POVERTY - WEALTH	11	ENVIRONMENT
5	LABOR	12	GIRLS AND BOYS
6	AUTHORITY	13	GENDER BUDGET
7	HUMAN RIGHTS	14	GENDER INDEX

sex-disaggregated statistical data and other information), and therefore, is one of the principles gender equality is based on. The National Program on Gender Equality approved by the Government Resolution No. 129 of 2017 includes a clause to introduce software to compile gender statistics, develop a methodology for using gender statistics in policy, planning and operations, to create a database of gender to ensure sustainable operation and to strengthen human resource capacity.

Therefore, in order to generate sectoral gender statistics some of the recommendations are: ■

- Definition of women entrepreneurs in the Laws of Mongolia;
- Develop integrated guidelines and tables for data collection in each sector, and organize and implement training on gender data collection at national data collection organizations;
- Introduce a special program to compile gender statistics and disseminate it to stakeholders;
- Develop a methodology for using gender statistics in policy, planning and operations, and disseminate it to stakeholders
- Incorporate women's support policies into SME and other government policies;
- Establish a unified database of enterprises with gender disaggregation
- Conduct gender analysis of women support policies and measures (loans, taxes, technical, technological, human resource development, etc.), submit recommendations to relevant organizations and decision makers, and monitor their implementation

¹¹ The Economist, Women in the Workforce, "The Importance of Sex" and Women and the World Economy, "A guide to Womenomics", April 12, 2006

²² Guideline note on sex-disaggregated data report templates, Guideline Note No.29, AFI, November 2020

³³ Global Findex 2017 data, IMF World Economic Outlook 2018, World Bank Database 2018

MSE

Ring bells for Gender Equality



On March 5th, 2021, the Mongolian Stock Exchange (MSE) organized the ‘Ring the Bell for Gender Equality’ ceremony for the fifth year. The ceremony is organized globally by the stock exchanges to raise awareness on the importance of gender equality in businesses and sustainable development, on the occasion of International Women’s Day. In 2021, 104 exchanges held the “Ring the Bell” event to raise awareness about women empowerment and gender equality, MSE is actively taking the role to be part of the movement and advancement of gender equality in the financial world.

In the event, Ms. Elaine M. Conkievich, Resident Representative of UNDP Mongolia, Mr. Hannes Takacs, Head of Mongolia at EBRD and Ms. Bolormaa, Chairperson of Women Entrepreneurs Council at Mongolian National Chamber of Commerce and Industry participated and rang the bell for gender equality to open the 6,424th trading day of MSE. During her opening remarks, Ms. Elaine Conkievich, Resident Representative of UNDP Mongolia stated that, ‘To guide Mongolia’s sustainable development with a focus on women, it is imperative to use a gender lens when making financing decisions, looking at how any decision taken might empower or hinder women’s advancement. Therefore, UNDP is supporting the Government of Mongolia in the creation of a gender-responsive national financing strategy aimed at tackling the financing gaps for development while considering particularly the needs of women and girls in its development and its implementation.

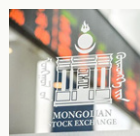
Ms. Bolormaa, Chairperson of Women Entrepreneurs Council at Mongolian National Chamber of Commerce and Industry said, ‘Women are the driving force for the economy, yet still lagging entrepreneurial access. There is lack of definition of ‘women-owned business’ and statistics in Mongolia, which is needed for the Government to provide proper support.’

Among the listed companies, only approximately only 30% of CEOs are female, it is important to enhance equality of females in the business world. It has been shown by international research and practices, gender equality ensures not only human rights and freedom, but also enables businesses and organizations reach their full potential and maximize their performance. Therefore, MSE invites

and encourages all securities market participants, listed companies and member firms to collaborate together in advancing gender equality. We are proud to note that MSE has diversity and promotes gender equality, we have more female employees than male and 50% of executive team consists of females. Our female executives and employees always have demonstrated their skill and knowledge in developing Mongolian Capital markets.

About Mongolian Stock Exchange:

On January 18, 2021, the 30th anniversary of the establishment of Mongolian capital market and Mongolian Stock Exchange was celebrated with great achievement of market. In the last 30 years, MSE has reached many milestones by pioneering generation of financial professionals who have devoted their careers to creating favorable legal environment and efficient market infrastructure in order to develop capital market from the ground up. The MSE is a self-regulated organization with a mandate to exercise regulatory authority over securities trading in Mongolia by enforcing rules and requirements designed to protect investors and enable companies to efficiently raise capital. Mongolian Stock Exchange strives to create a world-class capital market with a well-diversified portfolio of investment products and a well-developed market infrastructure that can help support the growth of the Mongolian economy.



Market capitalization	3.5 trillion MNT+
Listed companies	192
Member companies	53
Underwriters	16
Trade	65 billion MNT+
Custodian banks	3

Despite the challenges of the Covid-19 epidemic around the world, the role of capital market is crucial to recovery of the economy, the long-term sustainability of multi-pillar infrastructure and sustainable and inclusive economic growth. The Mongolian capital market is in the span of its pivotal point with the record high market capitalization of 3.5 trillion MNT and plans of implementing government policy reforms to ensure fair distribution of wealth, including the privatization of state-owned enterprises, IPOs of systematic banks, commercialization of large scale mineral strategic deposits through the stock market, and laying the legal foundation for effective management of contribution for pension fund on the stock market. Further, MSE aims to provide a diverse portfolio of products to investors, improve the listing process in compliance with international standards and increase overall transparency. ■

Samsonite

HOUSE OF SAMSONITE

- Наран Молл 2-р давхарт
/Хүүхдийн 100/
- Наран Плаза 2-р давхарт
/Энхтайваны гүүрний баруун талд/

TRAVEL WORLD SHOP NARAN

- Наран Плэйс 2-р давхарт
/13-р хорооллын дунд зам/
- Наран Пойнт 1-р давхарт
/Засгийн газрын ордны баруун хойно/

SAMSONITE BOUTIQUE

- Шангри-Ла Төв 1-р давхарт
/Олимпийн гудамж 19А/

УТАС: 8616-8646



Interview

Ts. Baigalmaa: Personality of women becomes an advantage to increase their creditworthiness



Mongolian Economy interviewed Ts. Baigalmaa, director of Retail and SME Business division of the Golomt Bank.

-How do you evaluate social importance of a woman entrepreneur loan?

-Women account for more than half of the Mongolian population and their impact on the economy and their skills has been on the rise. In that sense, women who represent almost 60 percent of entrepreneurs working in SME and service sector create wealth and decrease unemployment while becoming a major dynamic of the economy.

The Golomt bank, relying upon its resource and advantage, will contribute to the development of Mongolia by meeting financial demands of women entrepreneurs, assuring long-term cooperation for them to help maintain their market share and to

grow into a businesswoman of national scale. Our continued support for women-led businesses is in line with the gender equality policy of the Golomt bank.

-How is bank management creating an open and honest environment where work, skills and experience of female staff are equally assessed? You mentioned that the bank has a gender equality policy. Does that mean the bank pursues a systematic approach to this issue?

-Around 15.7 thousand people work in the Mongolian banking sector, of which 66 percent are women while that number is 69 percent at our bank. In that sense, there was a necessity to ensure gender equality at the bank.

Starting from 2018, Golomt Bank implemented a “Gender equality policy” and established an environment where gender equality at the workplace ►

- and equal participation of every employee for bank activity are ensured. In addition, opportunity to receive similar benefits from the bank's operation and development policy is enabled.

Thanks to these developments, access to information and an accountability structure are fully ensured within the equal right policy, positive culture is nurtured at the organizational level and employee productivity has increased.

Opportunity to career building and promotion are fully granted to female employees at the Golomt bank and the management pays special attention to these issues. To give you an example, women account for 69 percent of senior managers and career advancement of female employees has increased by 4-5 percent over the last two years at the bank.

-How about gender policy regarding bank clients? What tasks have been planned in this field?

-As well as gender equality policy for internal purpose of the bank, the Board of Directors and executive management team emphasize gender policy and its economic development aspect when dealing with our customers.. In that sense, by offering more sophisticated and accessible financial services to women and helping them turn their skill and experience into business opportunities, we established a Gender equality committee in 2020 in order to empower women and implement activities focused on the prosperity of society.

-Women, especially women entrepreneurs, account for what percentage of total customers at Golomt bank?

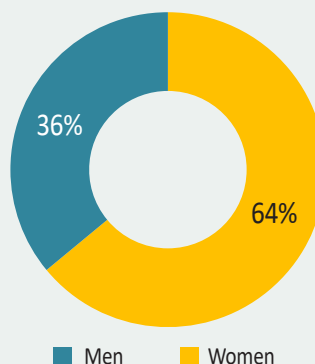
-Women represent almost 70 percent of our customers. Their contribution to the bank's bottom line and loan activities have been increasing annually and their financial literacy has also improved.

On top of that, women account for more than 50 percent of total lenders. For them, we strive to offer opportunities that will improve their financial capability and enable them to pursue production and service-related business actively. The number of female lenders has increased by 26 percent over the last three years.

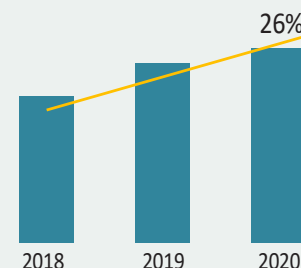
-The Golomt bank began offering special loan products for women entrepreneurs. Could you give our readers some more information on that?

-In 2021, in order to work closely with women

Gender ratio of customers



Increase of female lenders (%)



entrepreneurs and to offer them more practical support, we are working on a loan product with very flexible terms which will help them to finance investment and their current assets in order to start a business or expand their current business operation.

This product with a lower interest rate compared to other commercial loans will have fewer requirements and requires less documentation and boasts a very simple process. Besides, the loan term is up to five years and a grace period is very attractive which makes it suitable for customers to stabilize their business, increase capacity or expand their production and service.

-Besides the loan products, what other measures are implemented by the bank to support women entrepreneurs?

-We work closely with professional associations and councils who support women entrepreneurs in order to meet their financial needs, expand their business reach and increase their market share. For example, we cooperate with the Asia Foundation Women's Business Center and BEST project of the Development Solutions NGO to organize mentorships and fellowships for women-led businesses.

On top of that, we have started collaboration with Women Entrepreneur Mentors Club established by the Mongolian National Chamber of Commerce and Industry. It will enable us to demonstrate roles of women entrepreneurs and their importance to society, to organize training sessions, to increase access to financial services and empower rural women entrepreneurs. ■

Entrepreneur

B. Munkhzul: Women work in sectors that are creating new jobs



B. MUNKHZUL,
A member of the
policy committee
at Jur Ur Bakery
LLC

B. Munkhzul, a member of the policy committee at Jur Ur LLC, spoke about female entrepreneurs and women's participation in society. She started her business with three others and used to produce five types of cakes in a rental apartment in 1998. In the last 20 years, Jur Ur LLC has dramatically changed Mongolia's food consumption by creating a western-style bakery and pastry. Jur Ur LLC which is now considered one of the leading food manufacturers in Mongolia has over 100 employees, offers around 30 types of cakes and over 100 types of bakery products and pastries. They deliver their products not only through their 30 branches in Ulaanbaatar, Darkhan, Erdenet, Uvurkhangai and Dornod Provinces but also through the biggest chain supermarkets and food stores. Jur Ur LLC was chosen as one of Mongolia's Top 100 Enterprises in 2016, 2018 and 2019.

-People are now accepting that women can succeed and take leadership roles in the business world. What are the common obstacles faced by female entrepreneurs? What is different about being a female entrepreneur in Mongolia?

-According to the Global Gender Gap Report published by the World Economic Forum, in terms of economic participation and opportunity, Mongolia is

ranked 29th out of 149 countries, 79th in educational attainment and 120th in political empowerment. Despite the fact that women still do not have equal opportunities to start their own businesses, Mongolia's gender gap in economic participation and opportunity is considered relatively narrow in the world.

In Mongolia, the duties of a wife and mother are the most common problem for female entrepreneurs. Running a business while taking the role of wife and mother definitely requires lots of patience and sacrifice. I, myself, have four children but hardly had quality time with them as I have been mostly spending my time running and expanding the business. Looking back, I think that it was not such a terrible decision and it certainly did not set a bad example for my children. My children grew up to be well-behaved and independent. Of course, it is quite challenging to run a business without any support from your family. When women focus on one thing they have a tendency to neglect other things which must be born in mind.

I also work as a board member of the Mongolian National Chamber of Commerce and Industry's Women Entrepreneurs Council. In the past, we have met with female entrepreneurs from other provinces to conduct surveys and have discussions about running a business in other provinces. Around 24 percent of women who participated in the survey, answered that the most difficult issue is to secure financial sources that are necessary for starting or running a business. Furthermore, 20 percent of the women addressed the issue that there is not enough support for female entrepreneurs. In addition, 60 percent of women pointed out that they lack access to information especially on programs and policies specifically designed for small and medium-sized businesses in their provinces. In other words, only people who have access to information, and are close to administrative centers, or have economic or political power tend to take advantage of financial support provided by the Government of Mongolia.

-What are the advantages of having female entrepreneurs?

-There are great advantages of having female entrepreneurs. Frankly speaking, it is simply noticeable ►

from the entrance that the company is run by women as it tends to be as neat as a new pin. Women are more attentive, careful, flexible and softer than men. I would say that women are more interested in hiring compassionate people as they are always seeking softer and smoother ways to resolve any possible conflicts. It is merely my opinion but women seem to be more fair and square than men. For instance, women are highly unlikely to engage in misconduct or commit fraud.

-We hear so much about promoting women's participation in society. What are the benefits?

-The economy of Mongolia is relatively small. The last budget was worth MNT 13 trillion. Even though the mining sector accounts for 24 percent of GDP it only accounts for 5 percent of employment. On the contrary, the small and medium-sized enterprises which are responsible for 10 percent of GDP employ as much as 30 percent of the workforce. The majority of women work in small and medium-sized enterprises and around 47 percent of the self-employed are women. It can be said that half of the people who are creating jobs in the SME sector are women. In addition, 60 percent of workers in the trade and service industry and over 70 percent in the sewing industry are women. As a matter of fact, almost 70 percent of our workers at Jur Ur LLC are women.

-In terms of women in leadership, how is Mongolia doing in comparison to the rest of the world?

-In Mongolia, 17 percent of Members of Parliament and 25 percent of ministers are women. In terms of employment, the rate is around 50 percent. That means we have more women at the implementation and execution levels but not that many at the decision-making level. The percentage of female Members of Parliament ranges from 30 to 56 percent in countries such as Sweden, Finland, Iceland and Norway. The number of female candidates elected to parliamentary and governmental positions indicates that women's participation is gradually increasing in Mongolia. That also means the social perception of women is changing and improving.

A country is just like a big household. The families that have both their mothers and fathers are the strongest. Hence, it can be said that we can only have a strong country if gender equality is ensured in our country. As 83 percent of Members of Parliament are male, the parliamentary decisions will be reflecting a dominantly male point of view. I notice that type of decision is prone to be biased or limited. Therefore, women should not underestimate themselves and not hesitate to take the initiative.

I started working on making my life better and then improving my business. Now I am beginning to think of contributing to our society by engaging in social issues, sharing my knowledge and expressing my opinion for the sake of my children, the well-being of others and the country as a whole.

-How should we promote women's social participation through public policy?

-We do not have a legal definition that clarifies who constitutes a female entrepreneur. If the Government of Mongolia intends to support women's participation in the labor force, they need to determine the definition of female entrepreneurs and women-owned businesses. According to international practices, there are two criteria in determining if it is a women-owned business or not. The former is by the percentage of women in executive positions and the latter is by the percentage of female workers in the company. Only after classifying businesses by gender, we can start discussing more targeted policies.

Unfortunately, at the moment, we do not have any public policy directed at supporting female entrepreneurs but the social welfare policy. To illustrate, women who were awarded the Order of Glorious Mother and single mothers receive a monthly benefit from the social welfare system. However, we do not have any policies specifically designed to support women's participation in the labor force. We need to have more gender-based statistics in order to be able to create policies and laws directed at providing support to women. In that context, we started closely working with the European Bank for Reconstruction and Development (EBRD) and we have recently submitted our proposals to female members of Parliament. I hope that we can start publishing gender-based statistics in the near future with the support of the Parliament of Mongolia. On the other hand, there are various international programs and projects that support female entrepreneurs. Due to a weak legal framework, Mongolian women are unable to join and participate in such programs.

Consequently, to promote women's participation, we need to have a legal framework, clear policy and gender-based statistics.

-How can women collaborate and support each other?

-I think that women, who are about to start their businesses or running their businesses, need to start thinking more broadly. It seems to me that women tend to restrict themselves to a business-to-consumer approach which is directly selling to consumers. We should start considering business-to-business models such as supplying to and partnering with larger manufacturers and companies. For instance, our company purchases various ingredients from smaller suppliers to produce our final products. It is indeed a well-established business model around the world. The larger companies purchase from new and small suppliers to work more efficiently and grow together.

In Mongolia, the oldest companies that have 30 years of history have kept expanding their business further. Thus, I would like to encourage companies that have been in the business for a long time to support smaller newer businesses. At the Women Entrepreneurs Council of the Mongolian National Chamber of Commerce and Industry, we have launched a mentor's club to share our experiences and explore ways to collaborate with other female entrepreneurs. Moreover, cluster business can present a tremendous opportunity for cooperation between women-owned businesses. ■

Entrepreneur

R.Sansarmaa: Women are persistent and better in executing according to the goal



R. SANSARMAA,
CEO of Trust Trade
LLC

R. Sansarmaa, the CEO of Trust Trade LLC, spoke about women's employment and opportunities for female entrepreneurs. She started her business with her brother in 1998 and established Trust Trade LLC with her husband in 2000. Trust Trade LLC has introduced global standards to the processed meat industry in Mongolia. The company that started its business with six employees and rental equipment has become one of the recognized brands and largest manufacturers in Mongolia.

-Business industry is harsh and extremely competitive. What are the obstacles you have encountered in starting your own business as a woman?

-When I first started my company, I strived to do

everything by myself starting from finding suppliers and selling our products to customers. In the business world, it is not quite that simple to be in charge of human resources, manufacturing, finance, marketing, and quality control alone especially if you are a woman in your 20s. In 1998, my parents sold their two-bedroom apartment and gave the money to my brother and I so that we could finance our business. Since then with my brother and from 2000 with my husband I have been running my own business. I could say I hardly went through the difficulties faced by female entrepreneurs.

I know a number of women who have started and are running their business alone. I have seen cases where women who started their business alone but faced tough challenges or even closed their businesses because their families did not understand or support them. Women are naturally obligated to give birth and take care of their children. It seems impossible to run a business while bearing a natural obligation without encouragement and support from your family.

-How would you evaluate the employment opportunities and environment for women in Mongolia?

-The Government is providing sufficient support to mothers taking care of their children at home but not for female entrepreneurs and workers, with adequate policy measures and regulations. Small and medium-sized businesses including privately and family-owned businesses mainly receive support from international organizations, international investment banks and financial institutions. For women, it is difficult to return to work or start household production after giving birth as there are not enough reliable and proper daycare services and kindergartens in Mongolia. Therefore, I think we could support household production through our public policies or legally require organizations to allocate a certain percentage of international and domestic procurements to products produced by ►

► households. For example, mining companies could purchase gloves produced from households.

We are living and working in a capitalist society. Women who have given birth should have a choice to stay at home and raise their children or carry out economic activities.

-What is the ratio of male and female workers at your company? Do you have internal policies directed to female workers?

-In our company, 55 percent of our workers are female and 45 percent are male. The meat processing industry requires a male workforce for carrying, cutting, distributing and delivering. Various support to women and issues concerning gender equality are included in our internal rules. We strictly prohibit workplace harassment, gender discrimination and any type of violence.

On top of that, our company offers external and in-house training for our female employees. We also hold monthly meetings and discussions on the prevention of domestic violence and on defining family morals and values. Our company policy is focused on ensuring that each employee is fulfilled and strives to spread joy to their families and others.

-What are the benefits of having female leaders in our society and business sectors?

-In terms of natural talent, males are more visionary and females are better at execution. Thus, men would have more advantage in determining the goal to achieve the vision and women in being persistent, careful and in executing according to the determined goal. If we can ensure gender equality, any organization or country can achieve anything and exist for a longer period of time. I think the reason for considerable discussion over women's participation in the labor force and society is that the world is accepting women's skills and performance in all areas.

Former President of the United States, Barack Obama once said in his speech, "I'm absolutely confident that for two years if every nation on earth was run by women, you would see a significant improvement across the board on just about everything." The least suffered countries from the COVID-19 pandemic were countries that have female leaders such as Taiwan, Germany and the Scandinavian countries.

In general, if countries, businesses and individuals could obey the law and carry out policies in a precise manner, we should experience remarkable results

and growth. In our company, we closely follow our internal rules and safety measures. Only employees who have met the company's performance indicators and requirements receive recognition awards. This merit-based system is well appreciated by our employees.

However, in Mongolia, despite the Constitution stipulating that citizens are equal before the law, we have numerous laws and regulations that contradict the Constitution. It is astonishing that a political party or politicians involved in law-making seldom change from election to election. In addition, at the elections, we have no choice but to choose from political factions. The underlying reason is that the laws are formulated, amended and adopted in favor of the interests of the few.

As women tend to be soft, compassionate and constantly worried about their children's future, conspiring or lobbying hardly crosses their minds. Hence, increasing the number of female leaders in the policy and decision-making levels will carry significant importance for our country.

-Why do we need to divide people by gender? Why should we provide support only to women?

-If Mongolia had enough policy and regulatory support for women or at least enough to protect women and children from domestic violence, we would not have to divide people by gender and discuss gender equality and female participation in our society.

In a household, the smallest unit of society, men and women have equal responsibilities and in some cases, women bear heavier responsibilities. But in Mongolia, we have so few female leaders at the decision-making levels. To illustrate, one out three women have a university degree, but by the percentage of women working in decision-making levels, Mongolia is ranked 107th in the world.

I see a lot of women who are dissatisfied and disappointed with their life because after starting a family they take on huge responsibilities and have no financial freedom. Staying home makes women financially dependent on their husbands and vulnerable to domestic violence. Thus, we need a specific policy in order to help women to have financial and emotional freedom in their lives. We can provide women with opportunities to start their businesses. Moreover, we could provide financial support to women who want to unite, create a caring community and advocacy groups. ■

WEMC

About Women Entrepreneur Mentors Club

As we do not have an official legal definition of women entrepreneur, it is hard to provide precise statistical data on the gender gap in entrepreneurship. Nevertheless, studies and surveys conducted by international organizations, such as ADB, IFC shows that majority of entrepreneurs in Mongolia are women (more than 60% of formal and informal business), who are creating jobs, producing value added products and services, hence significantly contributing to the economy of the country.

- *Women entrepreneurs conduct their business operations in sectors, which compete with imported goods, including manufacturing of food, garment industry, vegetable farming etc.*
- *Women entrepreneurs have limited business and managerial experience*
- *Due to lack of networking opportunities, women entrepreneurs are left behind of information and business expansion opportunities*
- *Limited time and mobility*
- *Women entrepreneurs do not get government tenders*

- *Women entrepreneurs lack access to financing*
- *Understanding and support from family members are essential*

Therefore, Women Entrepreneur Mentors Club (WEMC) was established by the initiatives of the Board Members of the Women Entrepreneurs Council at the Mongolian National Chamber of Commerce and Industry.

WEMC's main mandate is to advance women entrepreneurs, to conduct need based mentorship, training and cooperation programs, to promote cooperation towards social entrepreneurship and to progress women entrepreneurs' leadership.

We organize international and national forums to establish a platform for cooperation and co-development. In addition, we conduct mentorship and training programs, practical and based on real cases and needs/ demand from our women entrepreneurs.

Last year, we have expanded our operations and established chapters in Arkhangai, Govi-Altai and Umnugovi provinces on request from women entrepreneurs. Women entrepreneurs from Dornogovi also delivered their initiative to establish a local chapter of our Mentors Club, which will be established in March. ►



► Arkhangai Province Women Entrepreneur Mentors Club

After attending a national forum “Women Entrepreneurs Initiative on Green Economy” on September 6,7, 2019, women entrepreneurs from Arkhangai province united to organize a forum in their province to share the information and knowledge received during the national forum to women entrepreneurs in Arkhangai Province. The Forum gathered 241 women entrepreneurs from 19 soums and 101 bags of the province. As an outcome of the forum. Women Entrepreneurs decided to get together to expand business cooperation among women entrepreneurs, to deliver women entrepreneurs’ voices to the decision makers, to incorporate women entrepreneurs’ opinion and suggestions into projects and programs implemented by the Province Government, to establish cooperation among women entrepreneurs in Mongolia and internationally. Hence, women entrepreneurs in Arkhangai established the chapter of the Women Entrepreneur Mentors Club in 2020.

Women Entrepreneur Mentors Club Arkhangai Chapter organized a fruitful meeting with Mr.Tapan Mishra, UN Resident Coordinator in Mongolia and agreed to cooperate in 2021 on Detailed Plan and Feasibility Study of the Project to develop Arkhangai Province as an International Center of Nomadic Culture and Tourism. This initiative was introduced to the Arkhangai Province Government and Local Government budgeted MNT 150 million to the development of the Feasibility Study for the Project to develop Arkhangai Province as an International Center of Nomadic Culture and Tourism and in addition MNT 30 million to Herder Women and Food Safety Program.



Govi-Altai Province Women Entrepreneur Mentors Club



Women Entrepreneur Mentors Club Govi-Altai Chapter extended the cooperation of women entrepreneurs created from the Women Entrepreneurs Initiative on Green Economy Forum into Green Altai 2020 program (a program initiative to raise awareness on waste management issue to reduce, recycle the waste in Govi-Altai to establish green soums and green province), which they developed and submitted to the Province Government. Women Entrepreneur Mentors Club Govi-Altai chapter organizes breakfast meetings and training to support capacity building of local women entrepreneurs.

Umnugovi Province Women Entrepreneur Mentors Club



Umnugovi Chapter of Women Entrepreneur Mentors Club is currently cooperating with women entrepreneurs from Dalanzadgad City 1-8 bags to support business operations of the local women entrepreneurs, to actively engage them in programs of international organizations, to conduct training and networking events. In near future, we will work with women entrepreneurs from main mining areas of the province, such as Khanbogd, Tsogt Tsentsii and Gurvantes soums. ■