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Women's entrepreneurship — Key definitions and general criteria



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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

International Workshop Agreement IWA 34 was approved at a workshop hosted by the Swedish Institute for Standards (SIS), in association with the International Trade Centre (ITC) SheTrades Initiative, held virtually in December 2020.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

Gender equality contributes to faster economic growth, productivity, and innovation. Equal access to education, employment, entrepreneurship, trade opportunities, and leadership positions enlarges the pool of labour and talent available to the economy and contributes to productivity and innovation.

Gender equality can help enterprises succeed. Enterprises with supplier-diversity programmes outperform other ones. Finally, gender equality is a precondition to reduce poverty. Expanding women's opportunities contributes to increasing household income, asset accumulation, and spending on child welfare.

There are numerous initiatives at global, regional and domestic levels focused on women's economic empowerment. However, the lack of clear and universally agreed definitions to describe enterprises owned or led by women has created challenges across the women entrepreneurial ecosystem. Particularly, these challenges revolve around collection of gender-disaggregated data, research, policymaking, international comparability, and access to capacity building, finance and markets. Creating a definition for enterprises owned or led by women and guidance on its use will allow for clear and targeted efforts in advancing women's economic empowerment and will contribute to the overall achievement of the United Nations Sustainable Development Goals (SDGs) for 2030, including several gender-specific targets under SDG 5 on gender equality.

Stakeholders worldwide have been using various definitions to describe enterprises owned or led by women. These definitions have often been adapted to context-specific factors, such as cultural norms, policy and legal frameworks, the nature of the initiative, and the ease of verification. Some definitions have been found to be difficult to apply in informal or cooperative sectors, or to not adequately capture the growth stages of an enterprise.

The nuances among the definitions rest primarily on the terminology, women's percentage of ownership, and women's level of management and control of the enterprise. For example, multiple terminologies exist, including "women-owned", "women-led", "women-driven", and "women-influenced" enterprises. Often, various stakeholders apply different sets of criteria to their definitions. Moreover, some stakeholders have not adopted a definition at all, which often slows down the implementation of targeted programmes.

In this context, this document establishes clear and universally agreed terms and definitions for use in programmes and initiatives aimed at women's economic empowerment. This allows stakeholders to use an internationally recognized definition appropriate to their specific objectives and social, cultural and economic context. Recognizing the challenge in establishing one common definition, this document provides a selection of terms and definitions.

This document was developed virtually over two workshops, with a commenting round between the workshops. A list of the experts who participated in one or both workshops and/or submitted written comments in the commenting round is given in [Annex A](#). However, many more registered to the process and were kept informed throughout and had the possibility to provide input if they chose. In total, 368 experts from 77 countries registered to this process.

Women's entrepreneurship — Key definitions and general criteria

1 Scope

This document establishes a set of common definitions related to women's entrepreneurship, such as those for women-owned business and women-led business. This document also defines women-led cooperatives and women-led informal enterprises. These definitions can be used, for example, in women's economic empowerment programmes (such as procurement and trade programmes) and for the collection of internationally comparable data on women's entrepreneurship (including the impact on local and national economies). This document also provides criteria for evaluating important factors related to these definitions, such as ownership, management, and control, as well as how to handle dilution by investment.

NOTE If an enterprise cannot be categorized according to the definitions given in this document, it does not necessarily mean that the enterprise is male-owned or male-led.

This document does not provide recommendations on how to initiate programmes based on the definitions and criteria, for example on public procurement. In addition, this document does not address issues such as how to promote conformity assessment.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 26000, *Guidance on social responsibility*

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <http://www.electropedia.org/>

3.1

women-owned business

business (3.10) that is more than 50 % owned by one or more women, whose *management* (3.5) and *control* (3.7) lie with one or more women, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are not owned by women

3.2

women-led business

business (3.10) that is at least 25 % owned by one or more women, whose *management* (3.5) and *control* (3.7) lie with one or more women, which has at least one third of the board of directors comprised of women, where a board exists, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are neither led nor owned by women