



## Towards a World Bank Group Gender Strategy Consultation Meeting with the Private Sector, 15 July 2015 Feedback Summary Brasilia, Brazil

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The consultation meeting with **private sector leaders** was held on **June 15, 2015** in **Brasilia, Brazil**. After a dialogue with the World Bank Group Gender Team on the background, intended scope and process for the strategy, the floor was open for participants' comments and recommendations. The summary below captures the main points and recommendations raised during the meeting.

**Total Number of Participants: 4.** A participant list is available [here](#).

### Feedback from Stakeholders

#### 1. TYPES OF CONSTRAINTS/ BARRIERS THAT WOMEN AND MEN FACE WHEN IT COMES TO OPPORTUNITIES IN THE PRIVATE SECTOR

- The World Bank Group (WBG) should consider the following constraints that limit opportunities in the private sector:
  - **Complexity of formalizing businesses.** Often, when owners of small and medium enterprises (SMEs) formalize their businesses, they face overwhelming complexities and high tax burdens and sometimes prefer to return to informality. In addition, SME owners receive more support in microcredit programs and face barriers to access through formal programs, therefore, many decide to remain in microcredit programs.
  - **High interest rates.** Often interest rates are so high that most working class people cannot borrowing funding for housing or other investments, so they find informal sources, particularly women. Although, it is possible to spread repayments over time for credit credits, interest is applied to each payment and compounds rapidly thereby indebting the poor. Interest rates for credit cards average 24-35 percent per month. Microfinance rates average 25-34 percent per year.

- **Cultural and social norms.** The Northeast in particular is still grappling with these issues. Sometimes women cannot participate in the formal labor market because their husbands do not give them permission or they limit the types of jobs they can do. The private sector alone cannot tackle these issues, the government needs to develop relevant social policies.
- **Limited transport options.** Transport is a barrier for both sexes.

## 2. BEST EXAMPLES OF POLICIES AND PRACTICES THAT COMPANIES HAVE PUT IN PLACE TO ADDRESS QUALITY OF EMPLOYMENT FOR MEN AND WOMEN

- The WBG could learn from the following policies and practices:
  - **Young apprenticeship programs.** These programs can help to break the cycle of poverty, particularly for vulnerable youth. Such programs enable young men and women to gain education and obtain jobs in the private sector thereby promoting social mobility. Often these young people end up making more money than their parents. Additionally, many become entrepreneurs and generate jobs and wealth in their communities. While these programs are creating positive results, more are needed. The impact will remain limited if there are only a few actors in this space.
  - **Microfinance programs.** An example that works at the municipal level with low-income borrowers was provided. This program is sustainable and profitable with good repayment rates. Borrowers are proud to show that they have repaid the loan and that they have assets in their own names. Such programs create value and are producing concrete results for the borrowers, as well as the banks. In addition, a microcredit program that assesses the entire ecosystem of the borrower, such as background and family life, shows promise.
  - **Social mapping.** In order to better serve the communities in which it works, one company is conducting a mapping of social issues in order to structure a responsive social policy. Such initiatives provide concrete data from which to base these policies.
  - **Corporate Social Responsibility initiatives.** Background on a “adopt a public school” program was shared. The initiative focuses on support to schools because this approach promotes the integration of students, parents and teachers. In addition, students who spent more time in school due to engagement in a sporting activity show lower rates of failure. Other companies and clients are also encouraged to direct their income to these CSR projects. This program has helped to improve employment conditions with partner organization. For example a courier company in Sao Paulo encouraged insurance for their employees and provided other employment protections. Now the company is considered one of the best places to work. Partnerships with clients and suppliers can have a large impact.
  - **Evaluation of work conditions with employees.** Having in-depth evaluative conversations with managers to assess working environments have proved promising. These conversations help to identify core challenges and joint solutions.
  - **Financial management programs that teach women how to manage their earnings.**

### 3. RECOMMENDATIONS ON HOW THE WORLD BANK GROUP CAN BETTER SUPPORT COMPANIES IN THEIR EFFORTS TO STRENGTHEN THEIR SYSTEMS WITH RESPECT TO GENDER EQUALITY TO YIELD MORE SUSTAINABLE RESULTS

- The WBG can help to create more sustainable results by:
  - **Considering regional differences/specificities.** Due to its size and diversity, a more “continental approach” is needed for Brazil. In some areas, such as the Northeast, the needs are vast. For example, formal land ownership is an issue. Without land titles, men and women cannot get access to credit. This is an example of a regional issue for the Bank Group’s attention the private sector cannot provide a single solution to the wide array of challenges in Brazil.
  - **Focusing on financial literacy at an early age.** Developing awareness about saving and consumption at an early age, can help to increase financial literacy later on.
  - **Considering issues of care.** In Brazil, most companies give women 4 months of maternity leave, sometimes 6 months if the private company receives subsidies from the government. Often women have their children and do not have childcare, therefore they need to go back to work soon after. In a corporate setting, this holds women back from advancing. In addition, companies need to provide benefits that enable women to access childcare. One needs to evaluate how long such benefits would last. Moreover, the government incentivizes breastfeeding up to 6 months, however, this is not possible because they need to go back to work. Women are also fearful about stepping away from their job for 6 months, due to concerns that there will not be space for re-entry after that. Lastly, the public daycare centers are a step forward, but they do not provide services for everyone.
  - In this vein, the WBG should pay attention to issues of **flexibility in the workplace.**
  - **Using both “carrots” and “sticks”.** On one hand, mandating desired changes through relevant analyses and corresponding actions can inform policy and start to shift culture. Conversely, other participants thought that a focus on incentives was needed. In addition, both the public and private sectors need to be involved. For example, when investors require a social diagnosis, then it will happen. Using such evidence-based diagnoses to inform policy can start to shift culture.
  - **Working with the private sector on gender-based violence.** The issue remains taboo in Brazil. More needs to be done by the government, but the private sector can also help to advance this agenda.
  - **Connect with GIFI (Group of Institutions, Foundations and Firms).** This group has the objective of creating common agendas across sectors regarding social investments. However, gender has not been a focus, therefore this could provide an opportunity to yield more sustainable gender results.
  - **Addressing credit gaps in rural areas.** This requires tailored engagements that generate credit and provide guidance to borrowers about how to productively use loans.

#### 4. ANY ADDITIONAL COMMENTS OR SUGGESTIONS.

- Other considerations were raised for the Bank Group's attention:
  - **Immigration.** Brazil is currently receiving about 5000 Haitians per month. Without any actions, the homeless population in the capitals is likely to increase. Support is needed in the form of training, for example, to promote access to livelihood opportunities.
  - **Mobile Banking.** While such initiatives are taking place in Brazil, a challenge in "usership" exists. Many members of the low-income population lack access to smart phones, therefore, sometimes mobile banking privileges clients at the top of the pyramid.