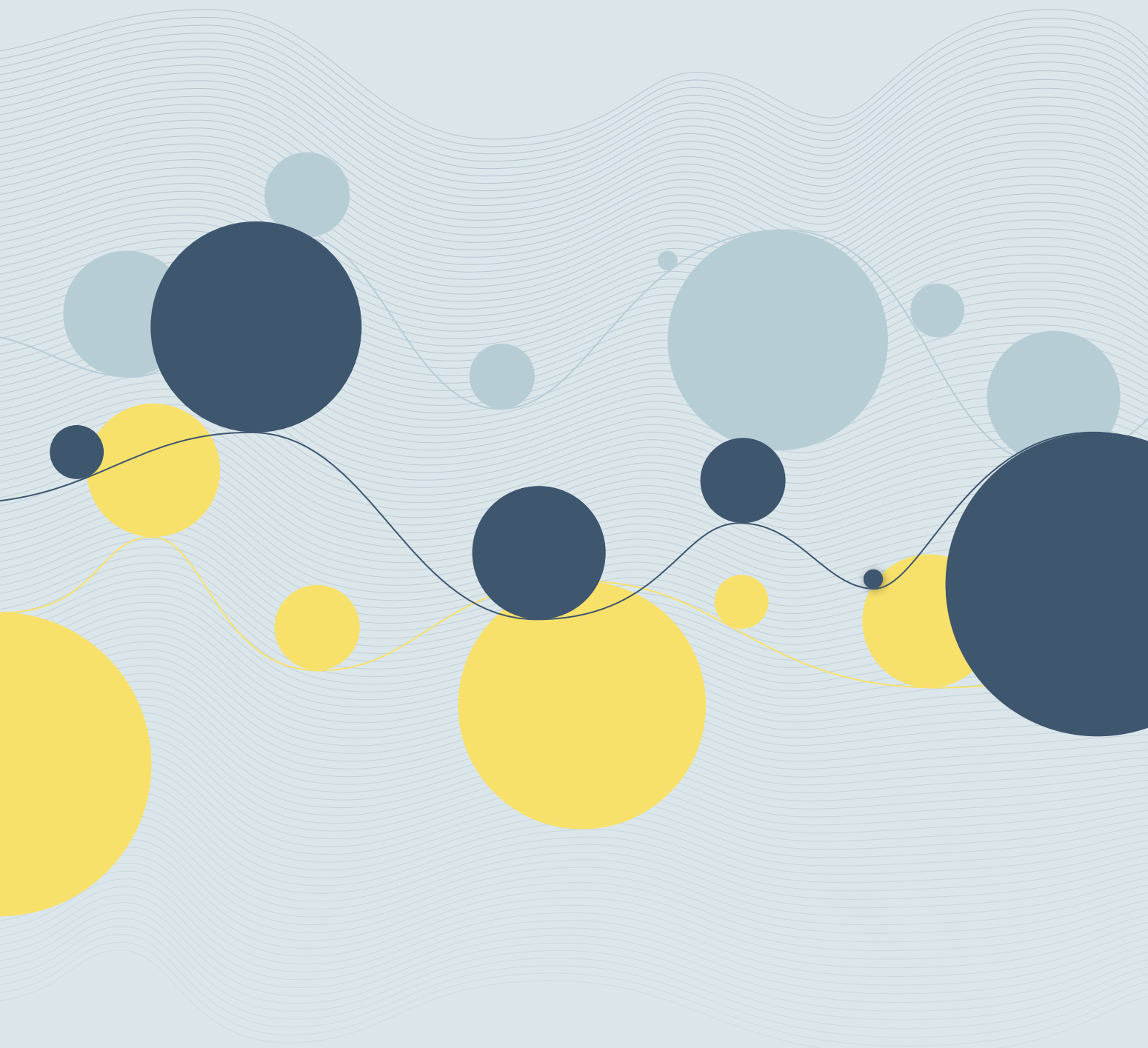




ENTREPRENEURSHIP AND
GENDER

2023





**NATIONAL
STATISTICS OFFICE
OF MONGOLIA**



ENTREPRENEURSHIP AND GENDER 2023

This research is based on the results of the 2021 Enterprise Census by National Statistics Office of Mongolia.

Ulaanbaatar
2023

ННА 65.290-2





ДАА 650

О-98

Report written by:

- Lakshmi.B Director General of the Economic Policy and Competitiveness Research Center, PhD Candidate
Tungalag.E Researcher of the Economic Policy and Competitiveness Research Center
Oyunbileg.D Head of the Business Registration and Census Division of the Census and Data Analysis
Department, National Statistics Office
Narangerel.G Consultant, PhD Candidate of the Department of Political Science, International Relations and
Public Administration, National University of Mongolia
Dr. Ankhbayar.B Consultant, Gender Equality Research Program Coordinator, Mitchell Foundation for Arts and
Sciences

NATIONAL STATISTICS OFFICE

-  Mongolia, Ulaanbaatar
Sukhbaatar district, Baga Toiruu
Government Building - 3
-  1900-1212
-  www.nso.mn, www.1212.mn
-  information@nso.mn

Report design and data visualization were created in Tungaahui Data Studio.

ISBN 978-9919-9907-2-5

FOREWORD

The National Statistics Office (NSO) has successfully organized and presented the results of the 2021 Enterprise Census in accordance with the Statistics Law of Mongolia. The 2021 Enterprise Census is unique in that it provides gender-disaggregated business data while meeting its primary goal of creating a comprehensive database of business owners.

This research report thematically presents the results of the 2021 Enterprise Census, classified by gender or by gender of directors of enterprises. Also, the data of the enterprise owners classified by gender was compiled and compared by merging the census database and the Legal Entity Database of the General Authority for State Registration.

Preparation of this research report was supported by the "Central Asia Women in Business" programme of the European Bank for Reconstruction and Development (EBRD). This program is being implemented to support women entrepreneurs in Central Asia to create a favorable business environment and provide technical assistance simultaneously in Tajikistan, Kyrgyzstan, Uzbekistan and Mongolia.

The regional webinar was successfully organized to exchange experience in forming and analyzing gender-disaggregated statistics on May 18, 2022, within the framework of the program of the EBRD, and initiated by the NSO, in cooperation with the Financial Initiative for Women Entrepreneurs Finance Initiative (We-Fi) and the Economic Policy and Competitiveness Research Center (EPCRC). In the webinar, the statistical institutions of Mongolia, Georgia, Moldova, and Ireland exchanged their experiences in compiling gender-disaggregated statistical data, shared information, and created an effective partnership. Moving on, we will focus on expanding gender-disaggregated statistics by improving gender statistics and consolidating databases of related organizations.

I would like to express my gratitude to EBRD's "Central Asia Women in Business" programme for their support in the development of the research report, the researchers of the EPCRC and the staff of the Census and Data Analysis Department of the NSO. I would also like to thank Tungaahui Data Studio team for creating the report design and data visualization.

We believe that the results of the research will be used as a source for further detailed gender analysis and the development of gender-sensitive policies and programs to improve the business environment.

BATDAVAA BATMUNKH

CHAIRMAN
NATIONAL STATISTICS OFFICE

CONTENTS

1	CONCEPTS OF ENTREPRENEURSHIP AND GENDER	21
2	ENTREPRENEURSHIP AND GENDER	29
3	BUSINESS ECONOMIC CAPACITY AND GENDER	55
4	SKILLS IN BUSINESS AND GENDER	77
5	TECHNOLOGY, INNOVATION, R&D AND GENDER	93
6	BUSINESS PROSPECTS, ATTITUDES AND GENDER	113

FOREWORD	3
LIST OF FIGURES	6
ABBREVIATIONS	11
INTRODUCTION	12
SCOPE, DEFINITIONS AND UNDERSTANDINGS	14
SUMMARY	16

1.1	Gender and gender policy	22
1.2	Gender-sensitive business policy	24
1.3	Gender statistics of entrepreneurship	25

2.1	Basic indicators of entrepreneurship	30
2.2	Measuring gender differences in key indicators of entrepreneurship	38

3.1	Business income generation and gender differences	56
3.2	Business financing, investment and gender differences	68

4.1	Gender differences in the workplace	78
4.2	Gender differences in average wages	88

5.1	Technology use and gender differences	94
5.2	Innovation adoption and gender differences	100
5.3	R&D and gender differences	106

6.1	Entrepreneurship challenges and gender differences	114
6.2	Impact of the Covid-19 pandemic and gender differences	118
6.3	Business prospects, attitudes and gender differences	122

CONCLUSION	124
RECOMMENDATION	128

LIST OF FIGURES

1. CONCEPTS OF ENTREPRENEURSHIP AND GENDER

Figure 1. Scope of the research	14
Figure 2. Classification by gender	15

2. ENTREPRENEURSHIP AND GENDER

Figure 3. The total number of enterprises included in the census, by years	30
Figure 4. The number of enterprises managed by Mongolian citizens, by legal type, 2021.....	31
Figure 5. The number of enterprises managed by Mongolian citizens, by activity, 2021	32
Figure 6. Number of non operating enterprises managed by Mongolian citizens, by reasons, 2021	33
Figure 7. Number of enterprises managed by Mongolian citizens operating in 2020, by region	33
Figure 8. Number of enterprises managed by Mongolian citizens operating in 2020, by ownership	34
Figure 9. Number of enterprises managed by Mongolian citizens operating in 2020, by activity	34
Figure 10. The number of enterprises managed by Mongolia citizens operating in 2020, by the period of operation	35
Figure 11. The number of enterprises managed by Mongolia citizens operating in 2020, by number of employees	36
Figure 12. The number of enterprises managed by Mongolia citizens operating in 2020, by sales income group	37
Figure 13. The number of enterprises managed by Mongolian citizens, by gender of the director, by female owners, by activity, by percentage, 2021	39
Figure 14. The number of enterprises managed by Mongolian citizens in 2020, by legal type, by gender of the director, by percentage	40
Figure 15. Number of enterprises managed by Mongolian citizens in 2020, by ownership, by gender of the director, by percentage	40
Figure 16. The number of enterprises managed by Mongolian citizens in 2020, by legal type, by female owner, by percentage	41
Figure 17. The number of enterprises managed by Mongolian citizens in 2020, by ownership, by female owner, by percentage	41
Figure 18. The number of enterprises managed by Mongolian citizens in 2020, by region, by gender of director, by female owner, by percentage	42
Figure 19. The number of enterprises managed by Mongolian citizens in 2020, by provinces and the Capital, by gender of director, by percentage	43
Figure 20. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by gender of the director, by percentage	46
Figure 21. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by female owner, by percentage	47
Figure 22. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by gender of director, by female owner, by percentage	48
Figure 23. The number of enterprises managed by Mongolian citizens that operated in 2020, by number of employees, by gender	

of director, by female owner, by percentage	49
Figure 24. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by gender of director, by female owner, by percentage.....	50
Figure 25. The number of enterprises managed by Mongolian citizens that operated in 2020, by duration of operation, by gender of director, by female owner, by percentage	51
Figure 26. Who are the entrepreneurs?	52

3. BUSINESS ECONOMIC CAPACITY AND GENDER

Figure 27. Total sales income of enterprises managed by Mongolian citizens that operated in 2020, by gender of director, by female owner	57
Figure 28. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by gender of director, by female owner, by percentage	58
Figure 29. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by sector, by male director, by percentage.....	60
Figure 30. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by sector, by gender of director, by female owner, by percentage	61
Figure 31. The number of enterprises managed by Mongolian citizens that operated in 2020, by duration of operation, by sales income group, by sector, by gender of director, by female owner, by percentage	62
Figure 32. The number of enterprises managed by Mongolian citizens that operated in 2020, by premises ownership of production and services, by gender of director, by percentage	64
Figure 33. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by premises ownership of production and services, by gender of director, by percentage	65
Figure 34. Number of enterprises managed by Mongolian citizens operating in 2020, by whether they export products or services, by gender of the director, by female owner	67
Figure 35. Number of enterprises managed by Mongolian citizens operating in 2020, by loan, by gender of the director, by female owner, by percentage	69
Figure 36. Number of enterprises with loans managed by Mongolian citizens operating in 2020, by number of employees group, by gender of the director, by female owner, by percentage	70
Figure 37. Number of enterprises with loans managed by Mongolian citizens operating in 2020, by sales income group, by gender of the director, by female owner, by percentage	71
Figure 38. Number of enterprises managed by Mongolian citizens operating in 2020, by loan origination, by gender of the director, by female owner, by duplicated number, by percentage	72
Figure 39. Number of enterprises managed by Mongolian citizens operating in 2020, by reason of non granted loan, by gender of the director, by female owner, by duplicated number, by percentage	73
Figure 40. Number of enterprises managed by Mongolian citizens operating in 2020, by foreign investment, by gender of the director, by female owner, by percentage	74
Figure 41. Percentage of enterprises managed by Mongolian citizens with foreign investment in 2020, by percentage of foreign investment, by gender of the director, by female owner, by percentage	75

4. SKILLS IN BUSINESS AND GENDER

Figure 42. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees, by gender of employees	78
Figure 43. Number of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of directors, by female owner	79
Figure 44. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by sector, by male director, by percentage.....	80
Figure 45. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees, by sector, by female director, by female owner, by percentage.....	81
Figure 46. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by gender of employees, by gender of director, by female owner	82
Figure 47. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by gender of employees, by gender of director, by female owner, by region	83
Figure 48. Gender ratio of employees of enterprises managed by Mongolian citizens operating in 2020, by region	84
Figure 49. Gender ratio of employees of enterprises managed by Mongolian citizens operating in 2020, by legal type	85
Figure 50. Proportion of male and female employees among the total employees of enterprises with male directors managed by Mongolian citizens operating in 2020, by sector	86
Figure 51. Proportion of male and female employees among the total employees of enterprises with female directors managed by Mongolian citizens operating in 2020, by sector	87
Figure 52. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, thousand MNT	89
Figure 53. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, by number of employees group, thousand MNT	90
Figure 54. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, by sales income group, thousand MNT	91

5. TECHNOLOGY, INNOVATION, R&D AND GENDER

Figure 55. The number of enterprises managed by Mongolian citizens operating in 2020, by use of computers and smart devices in their operations, by gender of director, by female owners, by percentage	94
Figure 56. The number of enterprises managed by Mongolian citizens operating in 2020, by number of employees that use computers and smart devices regularly, by gender of director, by female owners, by percentage	95
Figure 57. The number of enterprises managed by Mongolian citizens operating in 2020, by percentage of use of computers and smart devices, by number of employees by group, by gender of director, by female owners, by percentage	96
Figure 58. The number of enterprises managed by Mongolian citizens operating in 2020, by percentage of use of computers and smart devices, by sales income group, by gender of director, by female owners, by percentage	97
Figure 59. The number of enterprises managed by Mongolian citizens operating in 2020, by use of network for operation, by gender of director, by female owners, by percentage	99
Figure 60. The number of enterprises managed by Mongolian citizens operating in 2020, by regular use of internet for operation, by gender of director, by female owners, by percentage	99

Figure 61. The number of enterprises managed by Mongolian citizens operating in 2020, by use of database for operation, by gender of director, by female owners, by percentage	99
Figure 62. The number of enterprises managed by Mongolian citizens operating in 2020, by use of server for operation, by gender of director, by female owners, by percentage	99
Figure 63. The number of enterprises managed by Mongolian citizens that operated in 2018-2021, by percentage of new or significantly improved product and service innovations introduced in 2018-2021, by gender of director, by female owners	100
Figure 64. The number of enterprises managed by Mongolian citizens that operated in 2018-2021 and introduced business process innovation, by type of innovation, by gender of director, by female owners, by duplicated numbers, by percentage	101
Figure 65. The number of enterprises managed by Mongolian citizens that introduced new or significantly improved product and service innovations in 2018-2021, by gender of director, by female owners, by sector	102
Figure 66. Cost of innovation activities in 2020 of enterprises managed by Mongolian citizens operating in 2018-2021, by gender of director, by female owner, billion MNT	104
Figure 67. Cost of innovation activities in 2020 for per enterprises managed by Mongolian citizens operating in 2018-2021, by gender of director, by female owner, million MNT	105
Figure 68. The number of enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners, by percentage	106
Figure 69. The number of enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners, by sector, by duplicated number.....	107
Figure 70. The number of R&D work in 2020 done by enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners	108
Figure 71. The cost of R&D work in 2020 done by enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners	108
Figure 72. The expense of R&D per enterprises managed by Mongolian citizens in 2020, by gender of director, by female owners, million MNT	109
Figure 73. Share of 2020 expenses to sales revenue of per enterprise managed by a Mongolian citizen operating in 2018-2021, by gender of director, by female owner	109
Figure 74. The number of enterprises managed by Mongolian citizens that operated in 2018-2021 and carried out R&D work in 2018-2020, by gender of director, by sector	110
Figure 75. The number enterprises managed by Mongolian citizens that introduced ISO standard in 2020, by gender of director, by sector	110
Figure 76. The number enterprises managed by Mongolian citizens that carried operation to support sustainable development goals in 2020, by gender of director, by sector	111

6. BUSINESS PROSPECTS, ATTITUDES AND GENDER

Figure 77. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the production and service volume of your enterprise change compared to the first 9 months of 2020?	114
Figure 78. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the income of your enterprise change compared to the first 9 months of 2020?.....	115
Figure 79. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the customer order size of your enterprise change compared to the first 9 months of 2020?.....	116

Figure 80. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the number of employees of your enterprise change compared to the first 9 months of 2020?.....	117
Figure 81. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did your enterprise operate during the strict lockdown?	119
Figure 82. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the Covid-19 pandemic affected your enterprise operation in the first 9 months of 2020?.....	119
Figure 83. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What was the difficulties and problems to your enterprise during strict lockdown?.....	120
Figure 84. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What is the business expectation of your enterprise for the coming year?	122
Figure 85. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What priority actions should be taken at the level of government policy for the development of enterprises?	123

ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
EPCRC	Economic Policy and Competitiveness Research Center
GDP	Gross domestic product
JSC	Joint stock company
LLC	Limited liability company
MNT	Mongolian Tugrug
MTA	Mongolian Tax Authority
NBFI	Non-Bank Financial Institutions
NSO	National Statistics Office
R&D	Research and development
SCC	Savings and Credit Cooperatives
SME	Small and medium enterprise
SOE	State owned enterprise
We-Fi	Women Entrepreneurs Finance Initiative

INTRODUCTION

Entrepreneurs are a major force behind new ideas, creative solutions, and value creation in any economy. Studying the business environment and creating an accurate database is the basis for assessing economic potential, determining future prospects and opportunities, and implementing optimal policies.

The business sector reaches and affects all groups of the population through many factors such as products, services, technology, and jobs. Therefore, gender equality is a topic that must be carefully considered in this context to improve the business environment, ensure equal participation, and enjoy equal benefits.

In order to measure entrepreneurship in a gender-disparate manner, it is necessary to solve two problems, such as to define entrepreneurship by gender and to generate gender-disaggregated data on entrepreneurship.

There is currently no legal definition of 'entrepreneurship by gender' in Mongolia. Although there are organizations that compile, report, and use data and statistics related to entrepreneurship, they differ in methodology and definition, making it difficult to create and use consolidated gender-disaggregated database.

One of the main sources of the most comprehensive collection of business-related data and official statistics is the Enterprise Census conducted every 5 years by the NSO. The 2021 Enterprise Census disaggregated the broad data by gender and by gender of company director, creating the first gender-disaggregated business sector database.

In this research, the gender-disaggregated data of the 2021 Enterprise Census was presented in detail, and it was aimed to clarify and identify existence of gender differences. Within the scope of the research, by merging the database of the census and the database of the Legal Entity Database of the General Authority for State Registration, data classified by gender of the enterprise owner was compiled and compared. The data was analyzed and classified by one gender, i.e. 51% or more owned by women, and 33.4% or more owned by women and with a female director.

The research, based on the data classified by gender of entrepreneurship, intended to clarify the gender differences in following 5 areas.

1. Entrepreneurship and gender
2. Business economic capacity and gender
3. Skills in business and gender
4. Technology, innovation, R&D and gender
5. Business prospects, attitudes and gender

If the definition of entrepreneurship by gender is created in the legal environment, it becomes the basis to create consolidated database. It enables more detailed gender analysis to be done, as more comprehensive gender-disaggregated databases become available.

SCOPE, DEFINITIONS AND UNDERSTANDINGS

ABOUT THE ENTERPRISE CENSUS

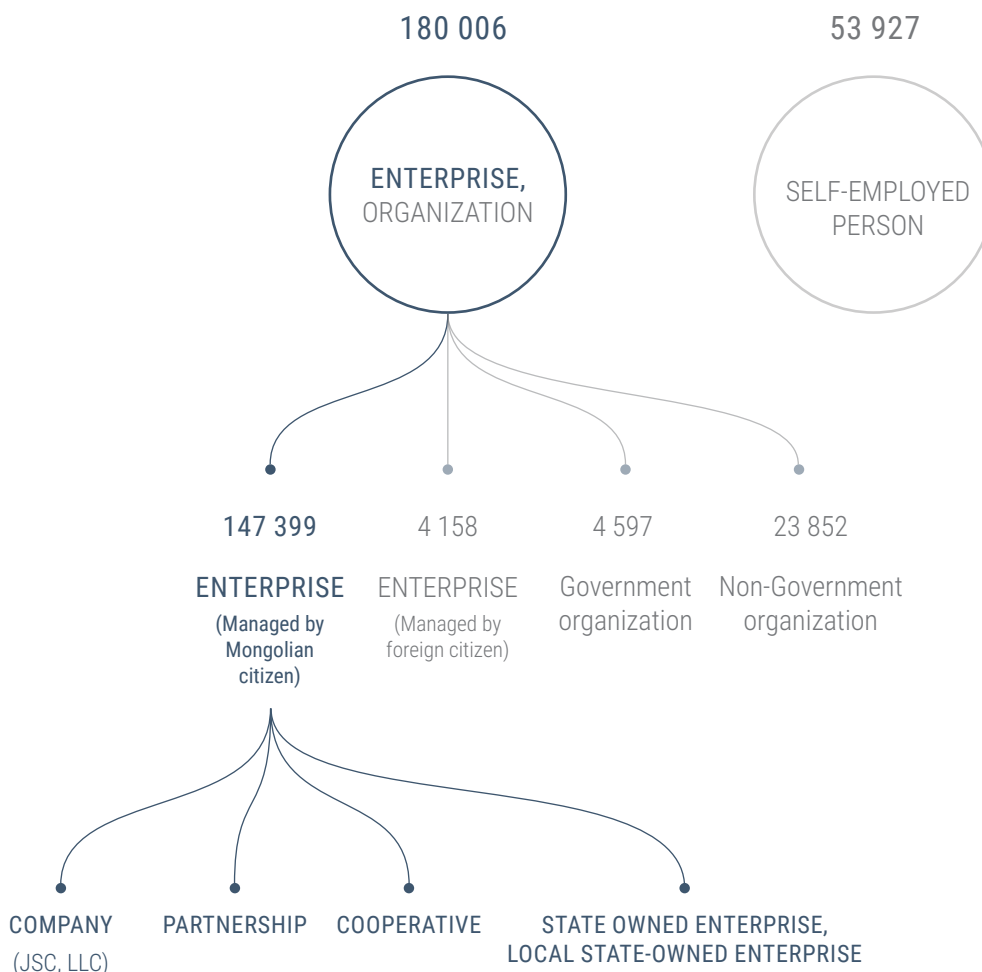
The purpose of Enterprise Census is to generate source of information necessary for policies and decisions, based on determining the direction and location of the work and services of enterprises, organizations and self-employed persons registered to operate in the territory of Mongolia, and their impact on the economy and society.

NSO has organized the Enterprise Census a total of 7 times in 1991, 1994, 1998, 2006, 2011, 2016, and 2021. The regular enterprise census for 2021 was held across the country from November 1 to December 3, 2021, and census data was collected through an electronic survey.

SCOPE OF THE RESEARCH

The 2021 Enterprise Census included enterprises, organizations and self-employed persons of all types of ownership throughout Mongolia. However, within the framework of this research, "Enterprises managed by Mongolian citizens" were studied. Furthermore, the enterprises referred to in this research report will be the enterprises managed by a citizen of Mongolia.

Figure 1. Scope of the research



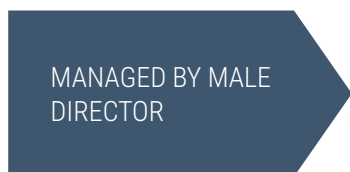
DATA CLASSIFIED BY GENDER OF ENTREPRENEURS

This research report presented the experimentally derived gender statistics based on gender-classified data of the enterprise directors, owners, and employees, by consolidating enterprise census database with the Legal Entity Registration database.

When analyzing the data, it was classified by one gender, where 51% or more owned by women, and 33.4% or more owned by women and managed by a female director.

Figure 2. Classification by gender

Male entrepreneurs:



Female entrepreneurs:



MEASURING THE GENDER DIFFERENCE IN THE BUSINESS SECTOR

In order to assess the gender gap in entrepreneurship in detail, it is necessary to consider various indicators, such as gender differences in business ownership and board participation, gender differences in the positions of employees, whether the business organization has a gender policy etc., However, the report based on the current available data which are the difference between the gender of the director and the gender of the employees was clarified. In addition, data disaggregated by one gender or female ownership were compiled and examined for comparison purpose.

The report aims to clarify the extent of gender differences in general entrepreneurship indicators, business economic potential, business skills or employees, technology, innovation, R&D, business outlook and attitude indicators by gender of the directors.

SUMMARY

KEY BUSINESS INDICATORS

Out of 151.6 thousand enterprises included in the census, 147.4 thousand enterprises are managed by citizens of Mongolia. Of which, 37.4% or 55.1 thousand enterprises are actively operating. Two years prior to the census, 44.6 thousand enterprises operated, while in 2020, the number of active operating enterprises were 40.3 thousand.

Looking at the enterprises operating in 2020 by sector, the majority or 73.2% were in the service sector, including wholesale and retail trade, while 22.1% were in the industry and construction sector and 4.6% were in the agricultural sector.

The majority of enterprises managed by Mongolian citizens operating in 2020, 82.7% have 1-9 employees, while only 0.5% are large enterprises with 200 or more employees. Also, in terms of sales revenue, 71.5% of enterprises have annual sales revenue of up to 300 million MNT, while 6.1% have sales revenue of more than 2.5 billion MNT. The enterprises have been relatively stable or have operated for more than 10 years were 39.8% of total operating enterprises.

ENTREPRENEURSHIP AND GENDER

Of the 147.4 thousand enterprises managed by Mongolian citizens included in the 2021 Enterprise Census, 92.5 thousand enterprises or 62.8% have male directors, and 54.9 thousand enterprises or 37.2% have female directors. The gender ratio of directors of enterprises is 169, which means 169 male directors for every 100 female directors.

Furthermore, 60.4% of operating enterprises have male directors and 39.6% have female directors. As for enterprises operating in 2020, the percentage of enterprises with male and female directors is 59.8% and 40.2%, respectively.

In addition to gender of directors, the data is specified by gender of owner, the enterprises with 51% or more owned by women make up 29.6% of the enterprises included in the census and 32.4% of the enterprises operating in 2020. Also, enterprises with 33.4% or more are owned by women and managed by female directors is 31.2% of the enterprises included in the census and 33.1% of the enterprises operating in 2020.

Although both men and women contribute to the business sector, there is a difference in participation. The decrease in the percentage of female directors compared to the gender of the ownership indicates that women's participation in the business sector is lower than that of men in terms of power, especially at the level of business ownership.

In all legal types of enterprises and organizations, except for partnerships, the gender ratio remains male-dominated. Also, all forms of enterprise ownership

are dominated by men. Gender gap in entrepreneurship is also observed when looking at regions of residence such as provinces and the capital.

BUSINESS ECONOMIC CAPACITY AND GENDER

There are fewer women in business than men and the business income of female entrepreneurs is less than males. An enterprise managed by a male director generated an average of 2.0 billion MNT in sales revenue, while an enterprise managed by female director generated twice less sales revenue of 1.0 billion MNT.

Looking at the difference in the representation of men and women by gender at different levels of income, the representation of women decreases with increasing income levels. For example, for enterprises with revenue up to 2.5 billion MNT, 59.0% of directors are male and 41.0% are female directors, while for large enterprises with sales revenue of more than 2.5 billion MNT, the gender gap deepens, with 71.6% of enterprises with male directors and 28.4% of enterprises with female directors.

In 2020, 37.0% of enterprises managed by Mongolian citizens have loans and 63.0% do not have loans. The approach to debt financing is generally equal for both male and female directors. Enterprises with both male and female directors have generally the same level of access to loans, and the problems they face are similar, but according to the gender-disaggregated statistics of loans granted to SMEs by the Bank of Mongolia, the amount and duration of loans differ by gender. Women borrow for longer terms, but the average loan amount is lower than that of male borrowers.

SKILLS IN BUSINESS AND GENDER

The tendency of male domination in management and ownership of business persists in related skills and workplaces.

A total of 419.6 thousand employees work for 40.3 thousand enterprises managed by Mongolian citizens operating in 2020, of which 58.5% are male employees and 41.5% are female employees. Considering the gender ratio of employees, the number of male employees per 100 female employees is 141.

The gender ratio of employees is also different for enterprises with male and female directors. In enterprises with female directors, female employees predominate, while in enterprises with male directors, male employees predominate, and the gender ratio seems distorted.

The gender ratio among employees is generally male-dominated, but some differences observed by industry. For example, the health and education sector has comparatively higher percentage of female workers than other sectors, and more than half of the employees in the health, education, accommodation and food, finance, insurance, other services, wholesale and retail trade, art, entertainment, and real estate sectors are women.

There is a wage gap between male and female workers in the business labor market. The average salary of enterprises operating in 2020 was 1.1 million MNT, of which for male employees it was 1.4 million MNT, while for female employees it was 912.0 thousand MNT. Considering the gender of the director, an enterprise with a female director pays an average of 15.4% higher salary than an enterprise with a male director.

TECHNOLOGY, INNOVATION, R&D AND GENDER

Enterprises use computers and smart devices in their operations counted as 33.0 thousand or 81.8% of the 40.3 thousand enterprises managed by Mongolian citizens that operated in 2020. Looking at the gender of the company directors, 80.9% of companies with male directors and 83.2% of companies with female directors use computers and smart devices in their operations.

Enterprises with female directors are slightly more likely to use computers, smart devices, the Internet, and networks than those with male directors. However, the number of enterprises with male directors with data servers is more than the number of enterprises with female directors.

There are 55.8 thousand enterprises managed by Mongolian citizens that operated in 2018-2021, of which 4.4 thousand introduced new or significantly improved product and service innovations. Considering the gender difference of directors, 8.1% of enterprises with female directors (1.8 thousand) and 7.9% of enterprises with male directors (2.7 thousand) introduced new or significantly improved product and service innovations.

Enterprises with female directors invest more in innovation activities. In 2018-2021, an enterprise with a male director spent an average of 48.8 million MNT on innovation activities in 2020, while an enterprise with a female director spent an average of 205.1 million MNT.

In terms of R&D, enterprises with male directors are doing better than enterprises with female directors. Also, in terms of protection of intellectual property rights, enterprises with male directors are better than those with female directors. An enterprise with a male director spent an average of 10.0 million MNT on R&D, while an enterprise with a female director spent an average of 7.0 million MNT.

BUSINESS PROSPECTS, ATTITUDES AND GENDER

Total of 44.6 thousand enterprises managed by Mongolian citizens that operated continuously for 2 consecutive years before the census, of which 13.7% saw an increase in production and services, while 51.3% remained unchanged and 35.0% decreased. The decrease in production and services is 34.9% for enterprises with male directors and 35.2% for enterprises with female directors. On the other hand, the effect of the decrease in sales income is 43.9% for enterprises with male directors and 45.0% for enterprises with female directors. For

enterprises with male directors, the number of employees decreased by 16.3%, which is 0.5 percentage points higher than the enterprises with female directors.

During the strict lockdown of the Covid-19 pandemic, 11.2% of enterprises with male directors and 14.4% of enterprises with female directors operated normally in 2020. But, during the strict lockdown of the pandemic, 30.1% of enterprises with male directors and 25.9% of enterprises with female directors that operated in 2020 decided to completely shut down the operations. This indicator is slightly higher, 26.6%, for enterprises with 51% or more ownership by women and 26.7% for enterprises with 33.4% or more ownership by women with female directors. For enterprises with male directors, the percentage of negative effects of the pandemic is higher than for enterprises with female directors.

Business expectation of 2022 for enterprises that operated continuously for 2 consecutive years before the census was 45.0% positive and 10.2% negative. When classifying the expectations by gender of director, 44.7% of enterprises with male directors have positive expectations, while 45.5% of enterprises with female directors have positive expectations.



1

CONCEPTS of

ENTREPRENEURSHIP and GENDER

- 1.1 Gender and gender policy
- 1.2 Gender-sensitive business policy
- 1.3 Gender statistics of entrepreneurship

1.1

GENDER AND GENDER POLICY

Sex is defined by biological differences in the human body, while gender refers to the broader concept representing socially constructed characteristics, values, roles, and positions of people of different sex. The concept of gender is a relative concept that varies and evolves according to social, economic and cultural contexts.

4.1.1. "gender" means the concepts, ideas and attitudes that have been inherited and evolved over the course of history regarding the roles and responsibilities of men and women in political, legal, economic, social, cultural and family relations, as well as their position in society.

Law on Ensuring Gender Equality of Mongolia (2011)

The different characteristics, roles, values, opportunities and problems that are "assigned" to a person in society cannot be determined by gender alone. Therefore, the world is paying attention to the issue of gender, the so-called "gender of society", defining gender equality as one of the goals of sustainable development and working towards to achieve it. Gender equality means that people of different sexes participate equally in social life, are provided with equal opportunities, enjoy the benefits of development equally, and are free from gender discrimination.

4.1.2. "gender equality" means to be free from discrimination by men and women participating equally in political, legal, economic, social, cultural and family relations, benefit equally from the welfare of economic, social and cultural development, and contribute equally to development;

Law on Ensuring Gender Equality of Mongolia (2011)

Section 11 of Article 16 of the Constitution of Mongolia states that "men and women have equal rights in political, economic, socio-cultural life, and family relations...", guaranteeing equal rights in any relation regardless of sex. More than 10 years have passed since Mongolia passed the Gender Equality Law in 2011 to regulate gender equality in depth. There is still work to be done to ensure full implementation of the law, and several measurable quotas for gender equality stated in the law has not yet to be met.

In the "Gender Disparity Index 2022"¹ report by the World Economic Forum, Mongolia was ranked 70th out of 146 countries with score of 0.715 (evaluated on scale from 0 to 1, 0 - inequality, 1 - equality). Our country was rated relatively equal in terms of education (0.994 points) and health (0.980 points), while inequality was disclosed in terms of economic participation (0.765 points) and political power (0.121 points). Although the level of education of women is high, the participation of women in the decision-making level is insufficient, the employment rate of women is low, and there is inequality in terms of wages.

The evaluation of the Gender Inequality Index² calculated by the NSO is 0.367 as of 2021, and "Vision 2050" the long-term development policy of the Government of Mongolia includes a gender policy to reduce the index to zero. Achieving gender equality requires gender-sensitive policies. Gender-sensitive policy is not a separate policy for one gender, but rather a policy that takes into account the characteristics of both genders and aims to meet their needs and ensure equal rights for different genders.

Gender-sensitive policies are important to reduce inequality in society, provide equal opportunities, and further improve the quality of life for everyone.

¹ Global Gender Gap Report 2022, World Economic Forum

² A composite index measured by three measures of human development related to gender inequality: reproductive health, educational status and decision-making power, participation in the labor market, 0 – equality, 1 – inequality, NSO

1.2

GENDER-SENSITIVE BUSINESS POLICY

The business sector is the foundation of the country's development. Employment of the population, living standards, economic potential, technological development, and the level of development of the country are inextricably linked to the scale of the business sector. As for Mongolia, the business sector has developed and the contribution of the private sector to the economy has increased since the transition to a market economy, and the private sector makes up 76.2%³ of the GDP as of 2021.

Mongolia is a low-to middle-income country according to the World Bank's income classification, and a developing country with a small population, weak economic diversification, and the majority of the private sector consists of small and medium-sized enterprises. It focuses improving the quality of life of the population by creating a favorable business environment and strengthening the economy by supporting entrepreneurs.

The business sector reaches and affects all groups of the population through various factors such as products, services, technology and jobs. Therefore, it is important to improve the business environment, ensure equal participation, and enjoy equal benefits, yet gender equality is one aspect that must be considered in this context.

Mongolia has carefully considered the issue of gender equality and has reflected it adequately well in laws, policies and related programs. However, there is a lack of gender-sensitive and targeted policies and detailed assessments of gender differences of the business sector. For example, in the business sector, the policy of establishing a gender quota on the Board of Directors of companies whose shares are publicly traded and listed on the stock exchange can be implemented in Mongolia. The world's major stock exchanges, such as NASDAQ, have started requiring their listed companies to achieve gender equality starting in 2022. When public companies set such a standard, private and closed companies will have the effect of following this standard.

Gender sensitivity in any sector or level is an approach that considers gender differences, promotes equal participation and equal opportunities regardless of gender, and seeks to change gender stereotypes that limit opportunities. On the other hand, gender-sensitive policy means making policies gender-sensitive by incorporating gender perspectives.

³ Share of private sector value added in GDP, NSO, 2021

1.3

GENDER STATISTICS OF ENTREPRE- NEURSHIP

Effective gender-sensitive policies must be based on real data, gender-disaggregated data, gender analysis and research. Although the law on gender equality includes the principle of transparency, openness and accessibility of official statistical data classified by sex, a comprehensive and accurate database that can be used for policy decision-making in the business sector not established yet.

Government institutions such as the National Statistics Office, the Bank of Mongolia, the Mongolian Tax Authority, the Financial Regulatory Commission, the Small and Medium Enterprises Development Fund and commercial banks have been compiling gender-disaggregated business data within their respective activities, but the difference in terms of methodology and definitions make it difficult to use as consolidated gender-disaggregated database. The main reason is that there is no official definition of a male or female entrepreneur, and each organization uses its own definition. Due to the lack of unified understanding and definitions, it is difficult to correctly assess the situation based on real data and determine targeted policies, the implementation of policies is distorted, policies can not reach the target group, and makes it hard evaluate the implementation of policies. Therefore, in order to generate accurate gender-disaggregated data on entrepreneurship, there is a need for a clear definition that can be used in the country.

Recently, due to the lack of women's participation in the labor market and business environment in any field, there have been discussions about creating a definition of a female entrepreneur and creating a legal framework to support women's entrepreneurship. Supporting women entrepreneurs and empowering them economically is not only a matter of supporting women, it creates equal participation in the business environment and invigorates the entire business sector, also it is believed to have significant impact such as comprehensively solves social problems by increasing household and family income, and improving children's education and health.

Internationally, there is experience in creating a legal framework to support female entrepreneurs and creating a definition of a female entrepreneur. For example, in the United States, the Women's Business Ownership Act was established in 1988, in South Korea the Ministry of Small and Medium Enterprises and Start-Ups was established in 1996, the Women's Business Support Act was established in 1999, and in the Philippines, the Act to Support Women in Micro and Small Medium Businesses was established. Approved and implemented in 1995 respectively. In Mongolia, there is no gender-oriented policy and legislation related to the business sector, small and medium enterprises, and taxes.

As for the definition of a female entrepreneur, international organizations and countries have developed different definitions. Some examples are:

- **European Bank for Reconstruction and Development:** A woman-led business is a business in which the general management of the company's operations is carried out by women, or the business is wholly or partially owned by women.
- **International Finance Corporation:** A woman-owned business is 51% or more owned by a woman, or 20% or more owned by a woman or women, and 1 or more women Chief Executive Officer/Chief Operating Officer (President/Vice President) and 30% or more of the Board of Directors are women.
- **Asian Development Bank:** A business is considered to be owned or operated by women if at least 50% of the business is owned or held by women, or at least 60% of top management is women, or at least 50% of all registered employees are women.
- **US Small Business Administration:** A woman-owned business is one at least 51% of the business is directly or indirectly owned by one or more women and controlled by one or more women.
- **India:** A women's business is a business where women own and control more than 51% of the capital, and women account for at least 51% of the jobs created by the business.
- **UK Department of the Economy and Finance:** A business is female-led if at least 51% owned by one or more women and has a woman on the list of Chief Executive Officers/Chief Operating Officers.

Looking at the above mentioned definitions, women entrepreneurs are generally defined based on the gender of the business owners, the gender of the management, or the gender of the employees. In the case of Mongolia, by developing the definitions of female and male entrepreneurs in accordance with the characteristics of its own country and incorporating it into the relevant laws and regulations, there will be a single concept to follow at the policy level. It will be the basis for the formation of gender data in the business sector, a detailed assessment of gender differences in the business sector, creating equal gender participation the labor market and the business sector and implementing gender-sensitive policies.

The 2021 Enterprise Census data presented in the research is the largest database of the business sector, as well as gender-disaggregated data. The enterprise census is conducted by the NSO every 5 years, and for the first time, the 2021 census is creating a comprehensive database disaggregated by gender or the gender of the enterprise director.

Within the scope of the research, by merging the database of the census and the database of the Legal Entity Database of the General Authority for State

Registration, data classified by gender of the enterprise owner was compiled and compared. The data was analyzed and classified by one gender, i.e. 51% or more owned by women, and 33.4% or more owned by women and with a female director.

Disaggregating enterprise data only by gender of director does not give a complete picture of the gender situation in the business. Most of the time the main decision making is related to its owner of the business and this type of information is necessary. However, as there is currently no definition of male and female entrepreneurs, as well as no detailed open database of business owners, the single-gender data were compiled for comparison based on research scope, time, and availability. Although this is insufficient in terms of gender statistics, it is considered to be significant as additional information to the data classified by gender of the director. In particular, the selection of female owner data was not intended for any specific purpose, and was due to the fact that international definitions of female entrepreneurs are common and easy to use.

In the future, if an official gender-differentiated definition of an entrepreneur is created, in accordance with it, this database can be further expanded and integrated with the databases of other organizations to create a database classified by gender in the business sector, and it can be used to develop gender-sensitive policies that reflect the characteristics and differences of entrepreneurs.



2

ENTREPRENEURSHIP and

GENDER

- 2.1 Basic indicators of entrepreneurship
- 2.2 Measuring gender differences in key indicators of entrepreneurship

2.1

BASIC INDICATORS OF ENTREPRENEURSHIP

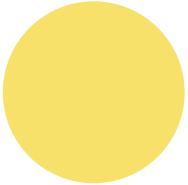





Considering the scale of entrepreneurship in numerical terms, the number of enterprises has continuously increased during the last 5 censuses, and 151.6 thousand enterprises were included in the 2021 Enterprise Census. The number of enterprises increased by 49.9% compared to the census of 2016, which was held 5 years ago. For the last 3 censuses, the average rate of increase in the number of enterprises was 79.6%, or between each census, there was an increase in entrepreneurship activity.

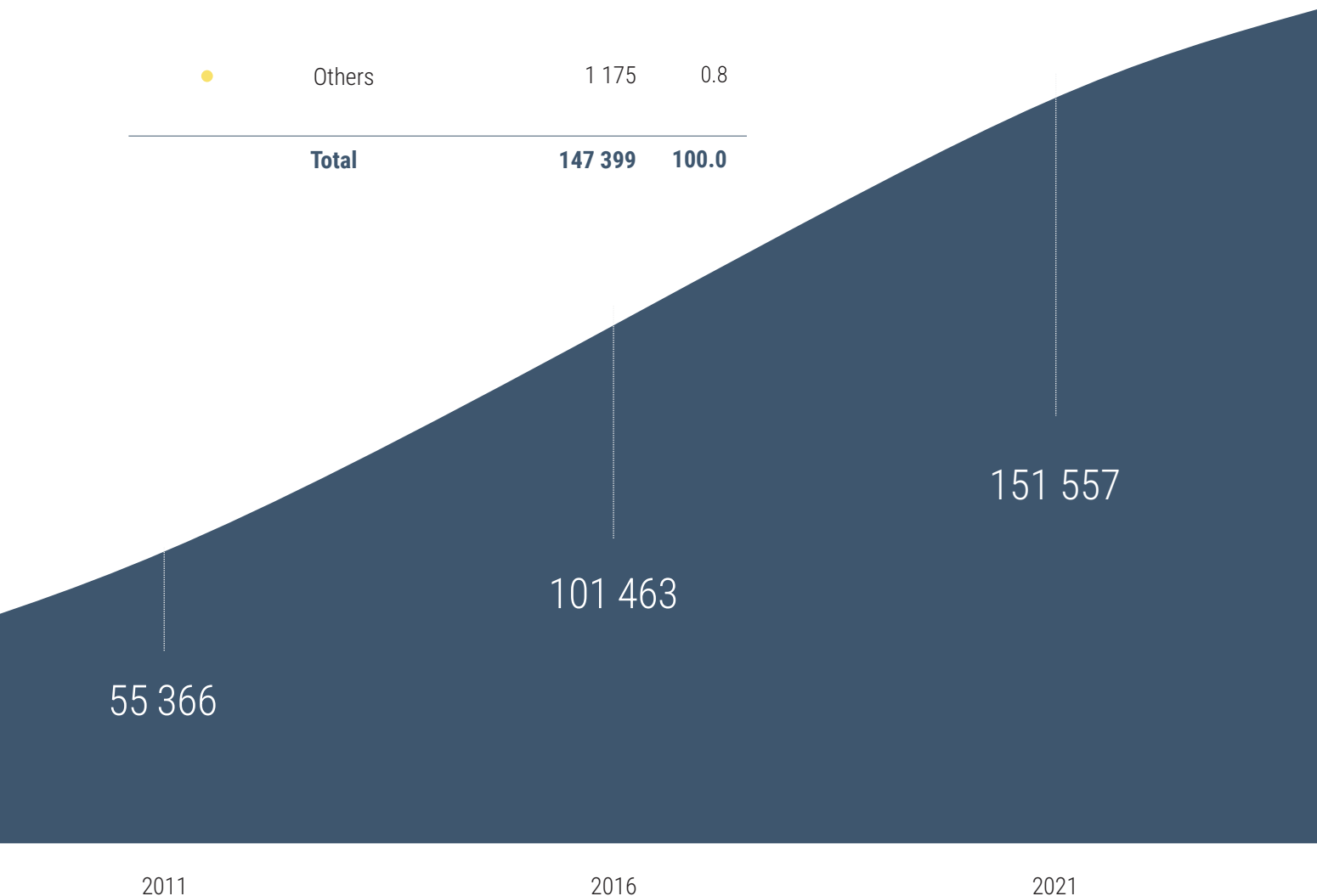
Out of 151.6 thousand enterprises included in the census, 147.4 thousand enterprises are managed by Mongolian citizens. The most common form of entrepreneurship is LLC, and 92.7% of enterprises managed by Mongolian citizens are limited liability companies. On the other hand, open joint-stock companies are counted less and it formed only 0.2% of the total number of enterprises.

Figure 3. The total number of enterprises included in the census, by years



Figure 4. The number of enterprises managed by Mongolian citizens, by legal type, 2021

		Number	%
	LLC	136 692	92.7
	Partnership	4 713	3.2
	Cooperative	4 097	2.8
	State owned enterprise/ Local state-owned enterprise	428	0.3
	JSC	294	0.2
	Others	1 175	0.8
Total		147 399	100.0

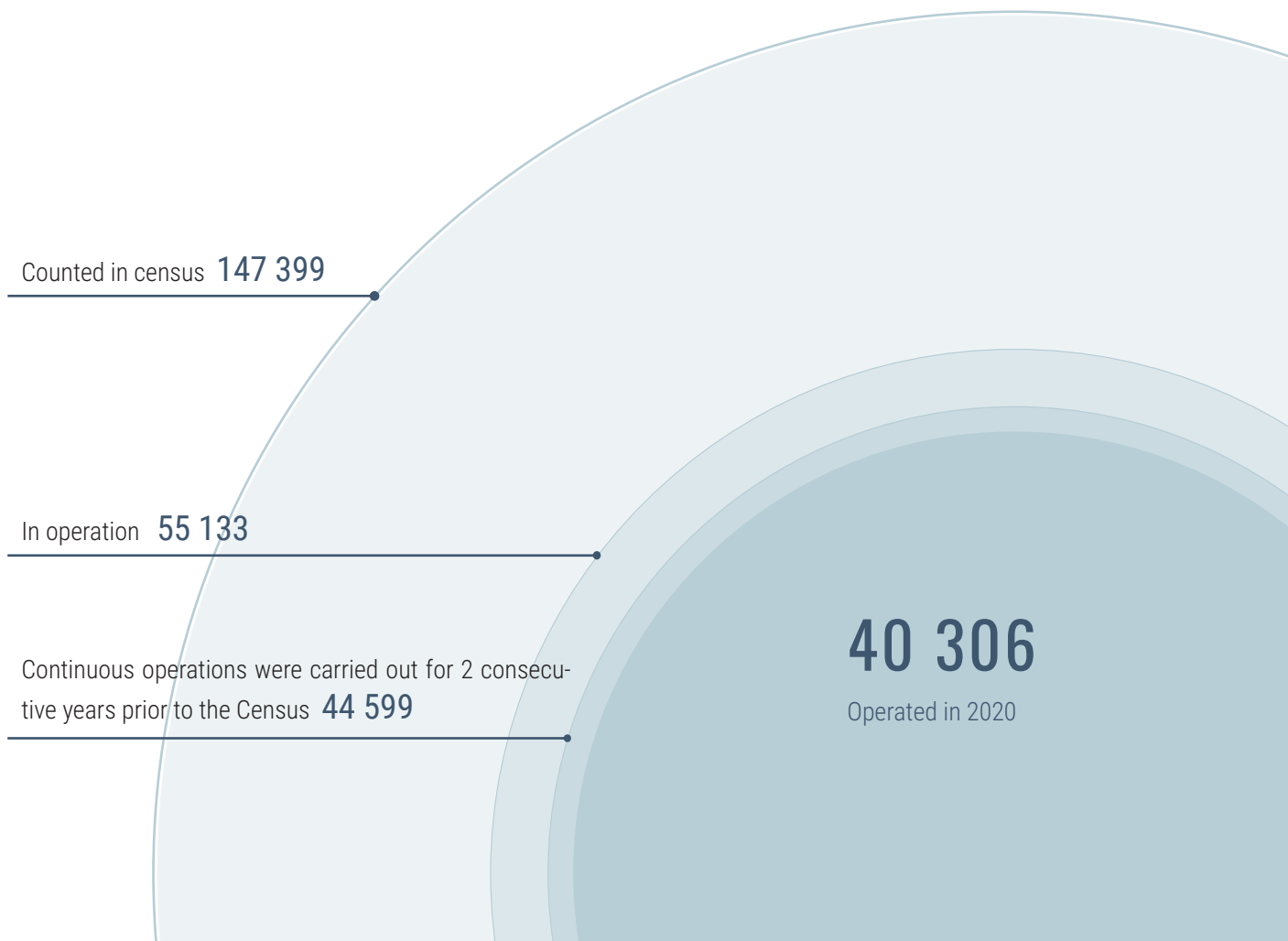


Over the last 3 years, due to the impact of the Covid-19 pandemic, the business environment has contracted and business operations have been disrupted. Within the framework of the census, enterprises are registered as operating and not operating (not started, suspended, completely stopped, others) according to their activity. Out of the 147.4 thousand enterprises managed by Mongolian citizens included in the 2021 Enterprise Census, 92.3 thousand were inactive, while 55.1 thousand were active.

Furthermore, out of 55.1 thousand operating enterprises, 44.6 thousand enterprises operated continuously for 2 consecutive years before the census, while 40.3 thousand enterprises operated in 2020.

For inactive enterprises, 48.1% of the 92.3 thousand non-operational enterprises have temporarily stopped their operations, 19.8% are expected to have completely stopped their operations, and 31.4% are enterprises that have not started operations at all. It is necessary to make a solution to activate and support those entrepreneurs by further detailed study of the data of 44.4 thousand businesses that have suspended their operations. Also, for the 29.0 thousand enterprises that are registered but have not yet started their operations, it is advisable to clarify the reasons and take measures such as removing them from the registration if they are not given a certain time to activate their operations.

Figure 5. The number of enterprises managed by Mongolian citizens, by activity, 2021



The concentration of enterprises varies depending on many factors such as the economy, business environment, population density, and mobility, but in general, the concentration is higher in cities and towns by geographic region. The 73.8% of the 147.4 thousand enterprises managed by Mongolian citizens included in the census and 65.6% of the 40.3 thousand enterprises managed by Mongolian citizens in 2020 are concentrated in Ulaanbaatar.

The enterprises operating are relatively concentrated in the central region, such as Darkhan-Uul aimag, which is relatively high in terms of population density and economic potential, Selenge aimag, which is an agricultural region, and Umnugobi aimag, which is active in mining activities. Compared to other provinces, Orkhon province has the largest number of active entrepreneurs after Ulaanbaatar city, and it is concentrated in Khangai region. But in the Western region, Uvs and Khovd provinces have the highest number of entrepreneurs.

Figure 7. Number of enterprises managed by Mongolian citizens operating in 2020, by region

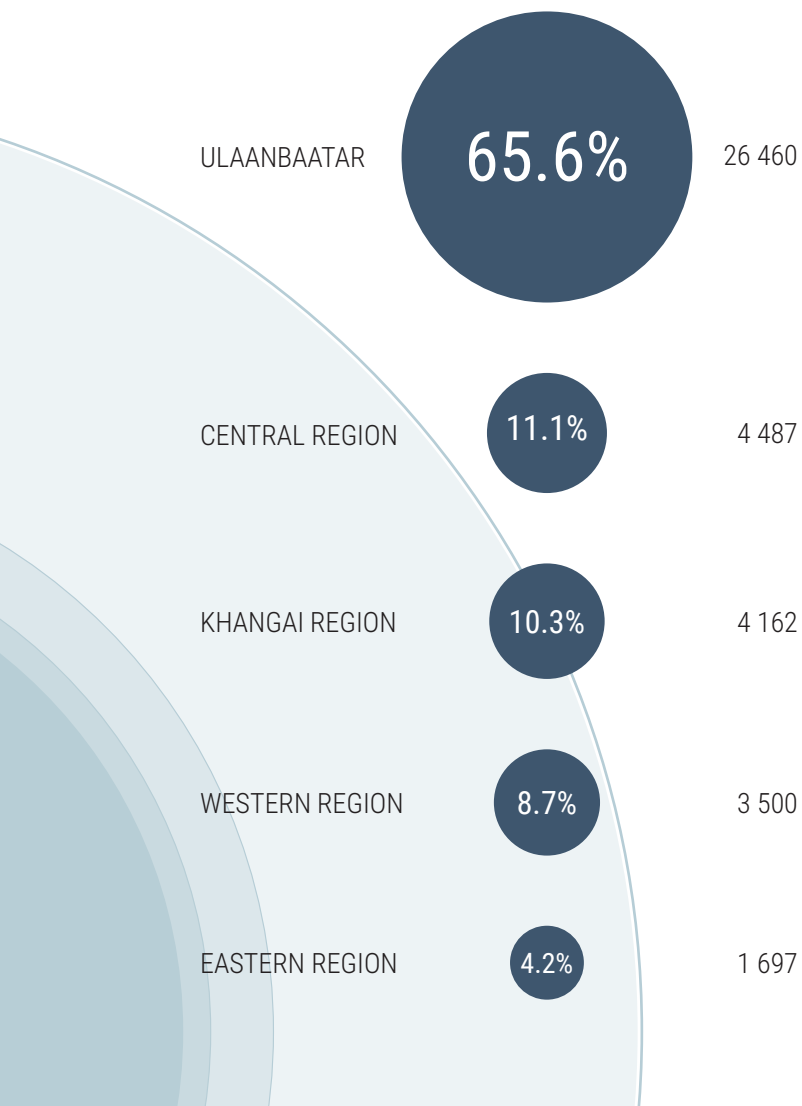


Figure 6. Number of non operating enterprises managed by Mongolian citizens, by reasons, 2021

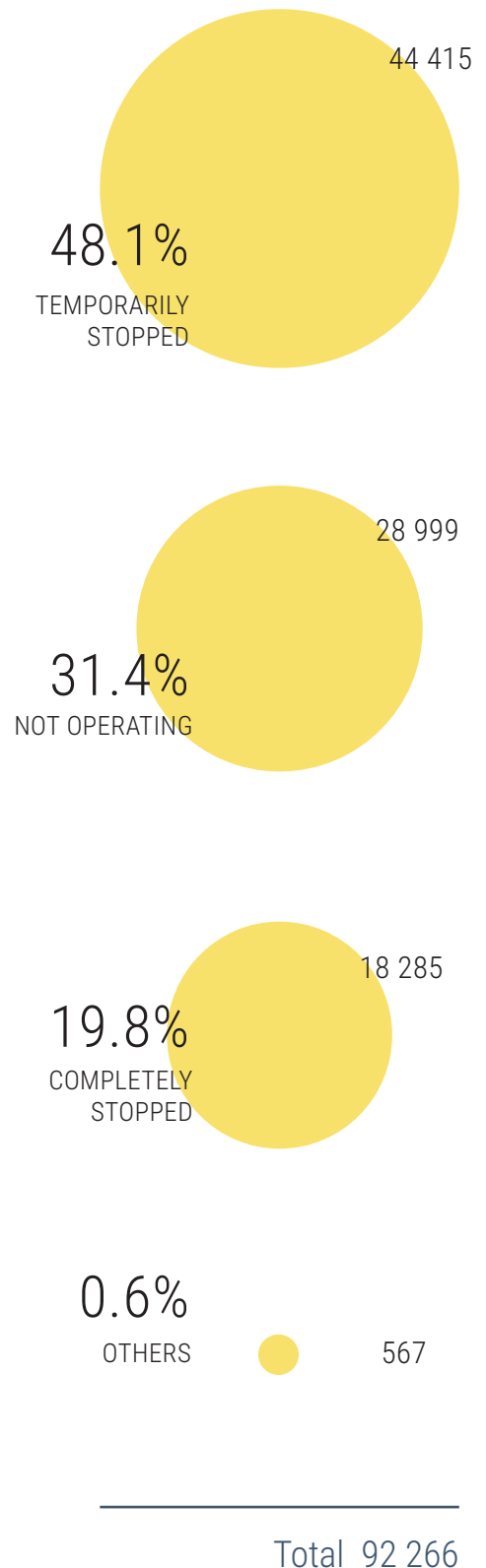


Figure 8. Number of enterprises managed by Mongolian citizens operating in 2020, by ownership

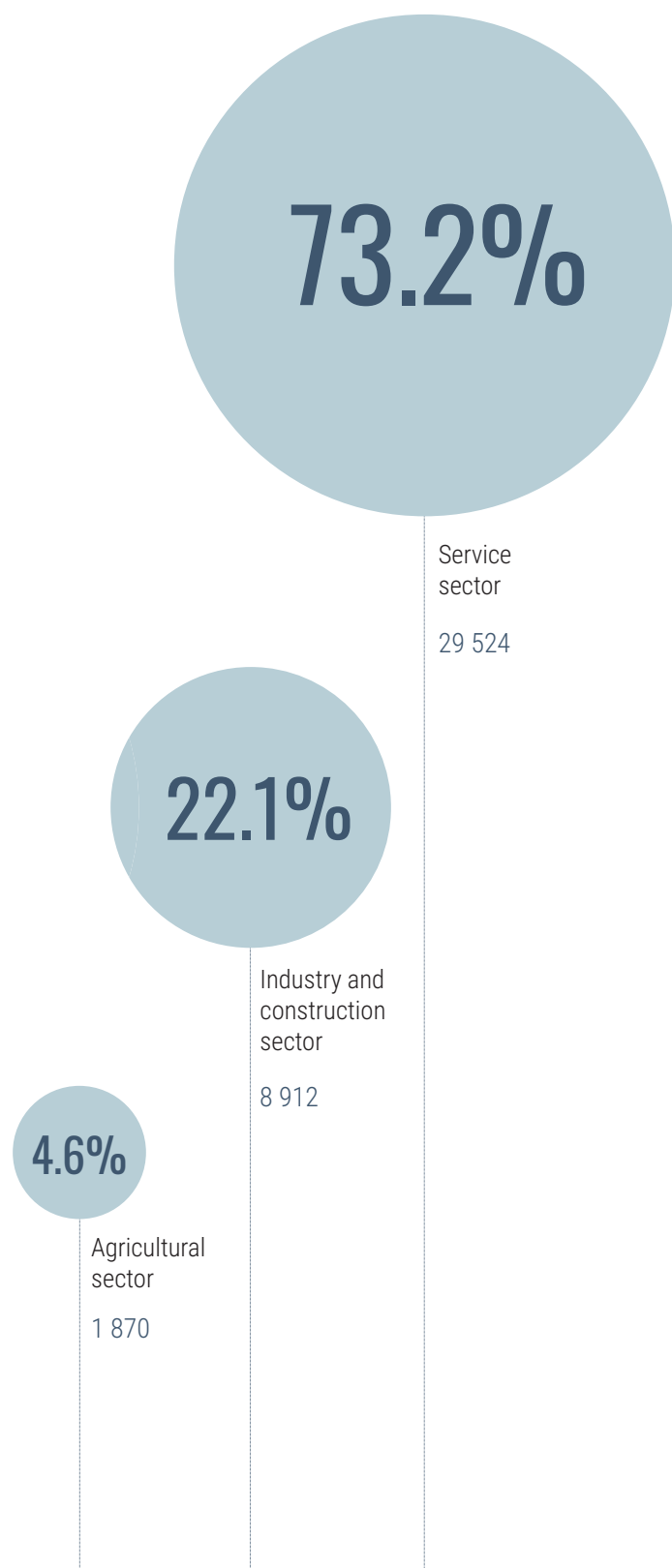
	Number	%
Property of Mongolian citizens	39 401	97.8
State and local property	396	1.0
Property of foreign citizens	296	0.7
Jointly owned by foreign and Mongolian citizens	213	0.5
	40 306	100.0

Considering the form of ownership of enterprises, 97.8% or the the majority of enterprises managed by Mongolian citizens operating in 2020 are privately owned by Mongolian citizens.

Closer look at the structural sector of the entrepreneurship, 73.2% or the majority of enterprises managed by Mongolian citizens operating in 2020 or was in the service sector, including wholesale and retail trade, 22.1% was in the industry and construction sector, and 4.6% was in the agricultural sector.

In the service sector, mostly wholesale and retail trade businesses are operating, while in the industry and construction sector, there are mostly manufacturing and construction businesses such as food products, beverages, furniture, and clothing manufacturing operating.

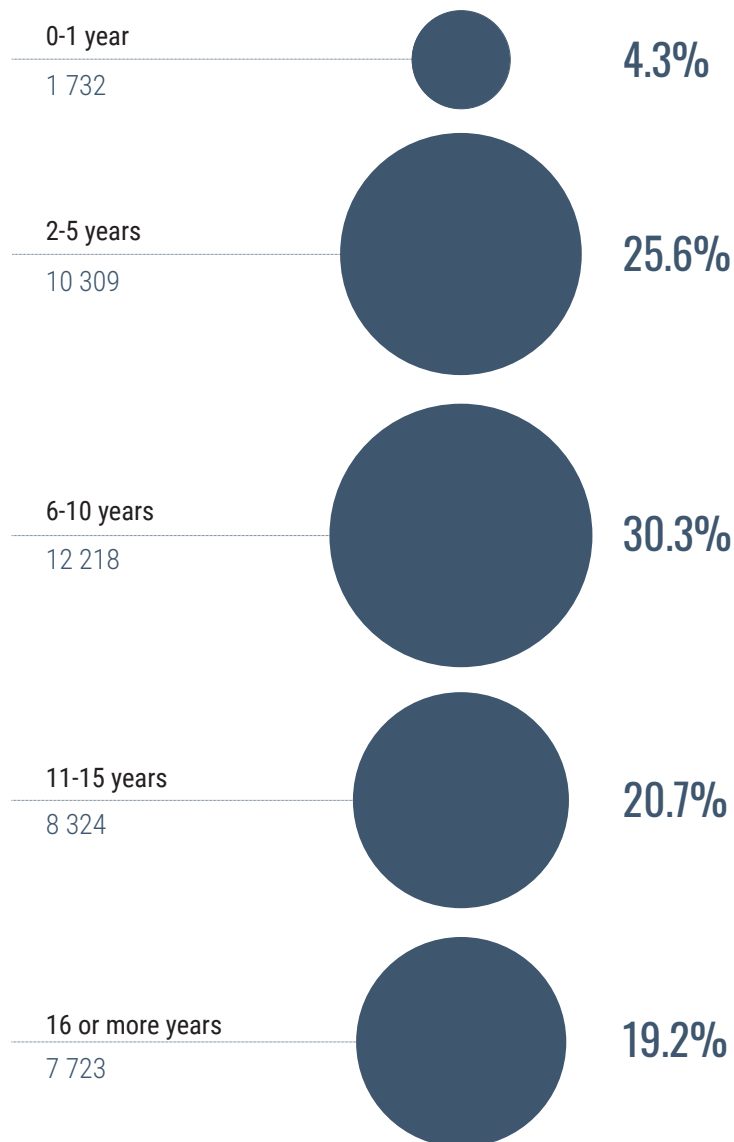
Figure 9. Number of enterprises managed by Mongolian citizens operating in 2020, by activity



In 2020, 39.8% of the 40.3 thousand enterprises managed by Mongolian citizens were relatively stable or had been operating for more than 10 years, 30.3% had been operating for 6-10 years, and 25.6% had been operating for 2-5 years. But 4.3% or 1.7 thousand enterprises are new businesses that have been operating for up to 1 year.

The majority of enterprises have stable operation, of which 29.9% of enterprises that have been operating for up to 5 years, and 70.1% of enterprises that have been operating for more than 5 years. On the other hand, only 4.3% of enterprises that have been operating for up to 1 year may indicate that there was little opportunity to start a new business due to the impact of the pandemic.

Figure 10. The number of enterprises managed by Mongolia citizens operating in 2020, by the period of operation

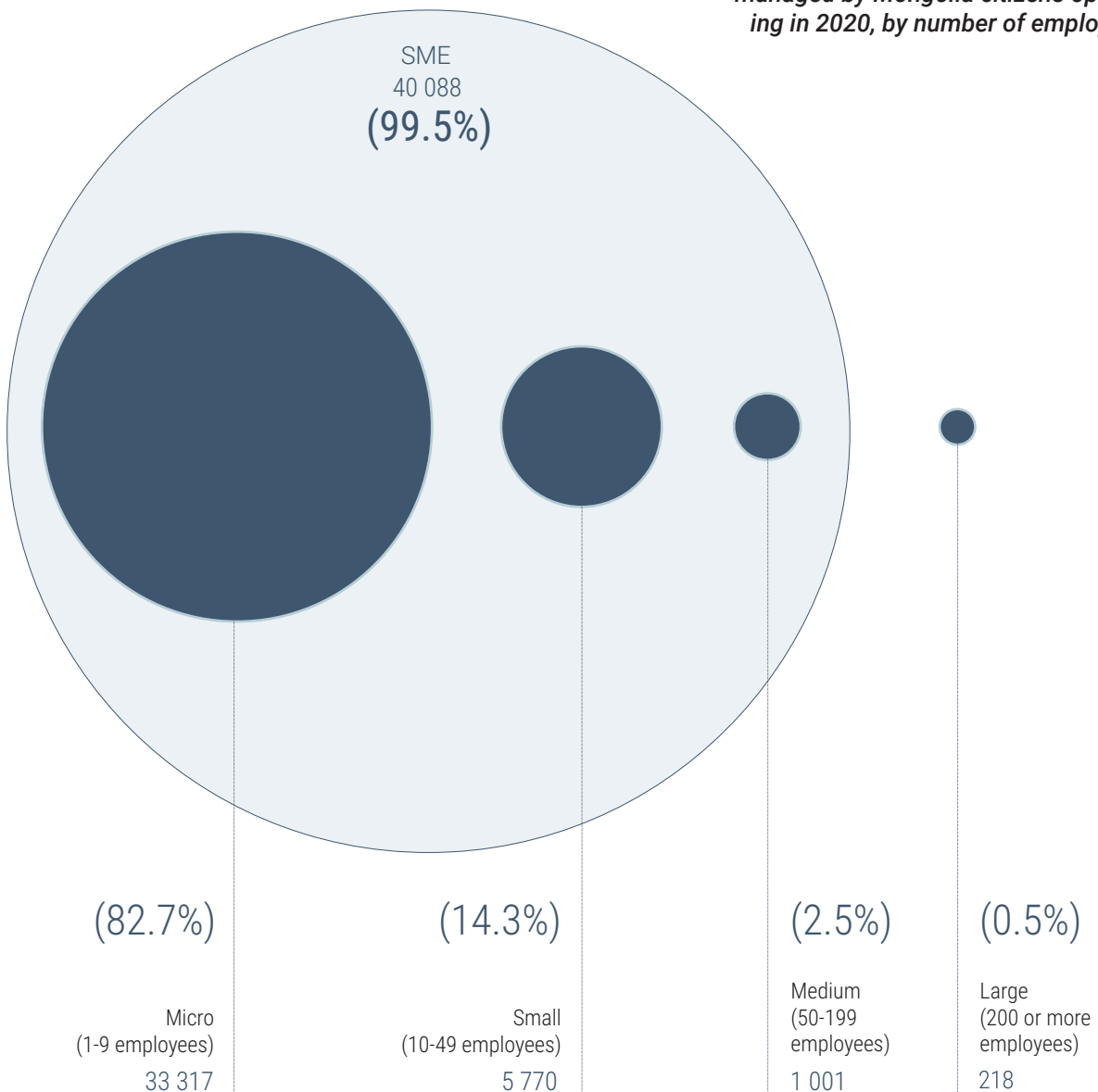


According to the Law on Support of Small and Medium-sized Enterprises and Services (2019), "small and medium-sized enterprises and service providers" are defined as enterprises with up to 200 employees, annual sales revenue of up to 2.5 billion MNT, and operating in the fields of production, trade, and services.

It is difficult to identify an SME by both the number of employees and the amount of sales income, and even though there are statistical data on enterprises registered as SME, it is difficult to see the complete picture because they are registered only to participate in a project, program, or subsidized loan.

According to the legal definition, if we consider only the number of employees, 99.5% of the enterprises managed by citizens of Mongolia that operated in 2020 have up to 200 employees, and only 0.5% of the enterprises in the SME category are large enterprises with 200 or more employees. More specifically, 82.7% of enterprises are classified as micro-enterprises with 1-9 employees. This is only an amount based on census data and is not an official statistic for registered SMEs.

Figure 11. The number of enterprises managed by Mongolia citizens operating in 2020, by number of employees

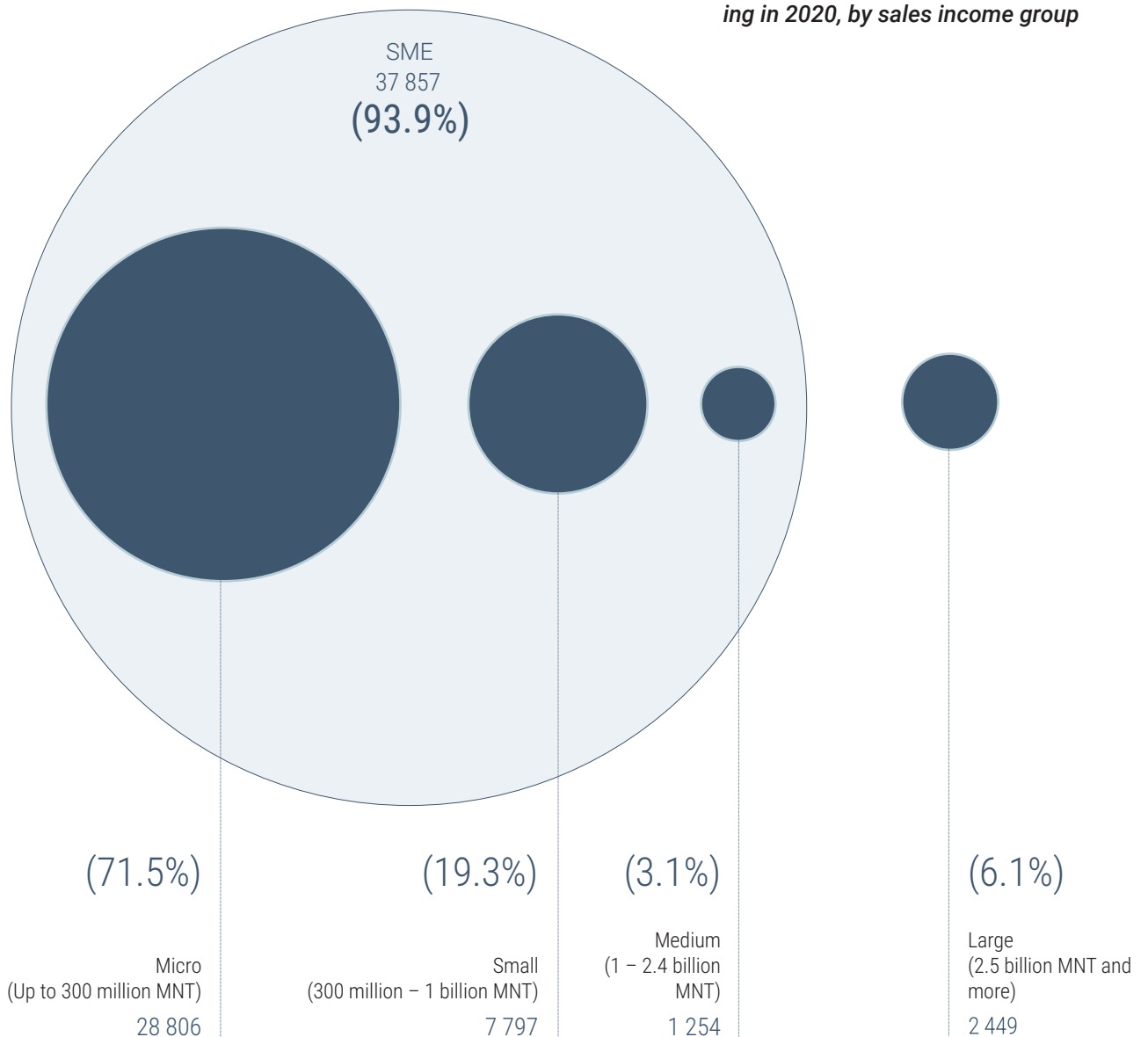


Also, according to the category of sales income specified by law, the majority of the enterprises or 93.9%, fall into the category of SMEs with an annual sales income of up to 2.5 billion MNT, while 6.1% of them fall into the category of large enterprises with a sales income of more than 2.5 billion MNT.

More specifically, 71.5% of the enterprises can be classified as micro-enterprises with an annual sales income of up to 300 million MNT.

It is important to classify enterprises according to their size and implement policies aimed, and in order to determine such policies, it is necessary to create real data. Formulating the definition of SMEs stipulated by the law in a more understandable way, specify in detail which indicators should be taken into account when classifying them by the number of employees and sales revenue, state how to compile statistical data according to the definition, and create a registration database by simplifying the process of registration as SMEs.

Figure 12. The number of enterprises managed by Mongolia citizens operating in 2020, by sales income group



2.2

MEASURING GENDER DIFFERENCES IN KEY INDICATORS OF ENTREPRE- NEURSHIP

The study of entrepreneurship indicators or gender-disaggregated enterprise data is problematic for two main reasons: the lack of a definition gender-disaggregated entrepreneur and the lack of a gender-disaggregated database.

As part of the 2021 Enterprise Census, enterprise information was disaggregated by director gender, creating the most comprehensive gender-disaggregated database of its kind for the first time. However, it is not possible to measure the gender difference by classifying the entrepreneurship indicator by gender of director alone, and according to the internationally used definitions, it is common to measure the gender difference by focusing on the gender of the owner of the enterprise, and by including the gender of the employees. Therefore, the gender data of the directors was used from the census, and additionally, based on the possibility of the research, the data of the owner classified by one gender or the data of the female owner was studied for the purpose of comparison within the framework of the research.

Out of the 147.4 thousand enterprises managed by Mongolian citizens included in the 2021 Enterprise Census, 92.5 thousand enterprises or 62.8% have male directors, and 54.9 thousand enterprises or 37.2% have female directors. The gender ratio of corporate directors is 169, or 169 male directors for every 100 female directors.

Furthermore, 60.4% of the active enterprises managed by Mongolian citizens have male directors and 39.6% have female directors. In 2020, the percentage of enterprises managed by Mongolian citizens was 59.8% and 40.2%, respectively, with male and female directors.

Although both men and women contribute to the business sector, there is a difference in participation. In addition to the gender of the director, when the data is detailed by gender of owner, 29.6% of enterprises managed by Mongolian citizens included in the census have female owners or 51% or more owned by women, and enterprises managed by Mongolian citizens that operated in 2020 made up 32.4%. Also, when the data criteria is detailed, 31.2% of enterprises managed by Mongolian citizens included in the census is 33.4% or more owned by women, and enterprises managed by Mongolian citizens that operated in 2020 made up 33.1%.

The decrease in the percentage of women entrepreneurs calculated by gender of director compared to the gender of the female owner indicates that the participation of women in the business sector is lower than that of men in terms of power, especially at the level of business ownership. However, it is not possible to directly conclude the gender differences in the business sector, and based on available data or census results, this research aims to investigate in detail.

Figure 13. The number of enterprises managed by Mongolian citizens, by gender of the director, by female owners, by activity, by percentage, 2021

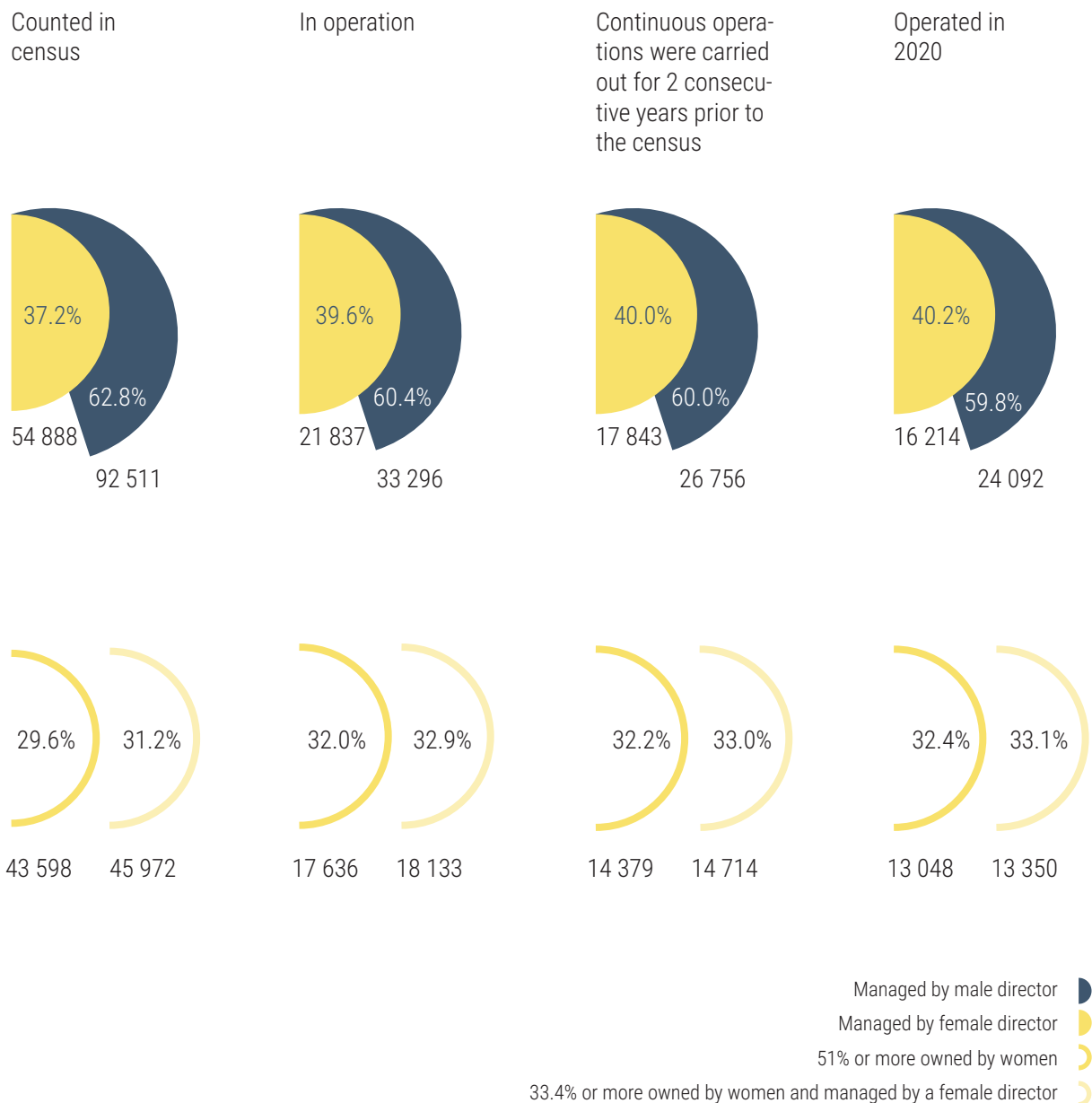


Figure 14. The number of enterprises managed by Mongolian citizens in 2020, by legal type, by gender of the director, by percentage

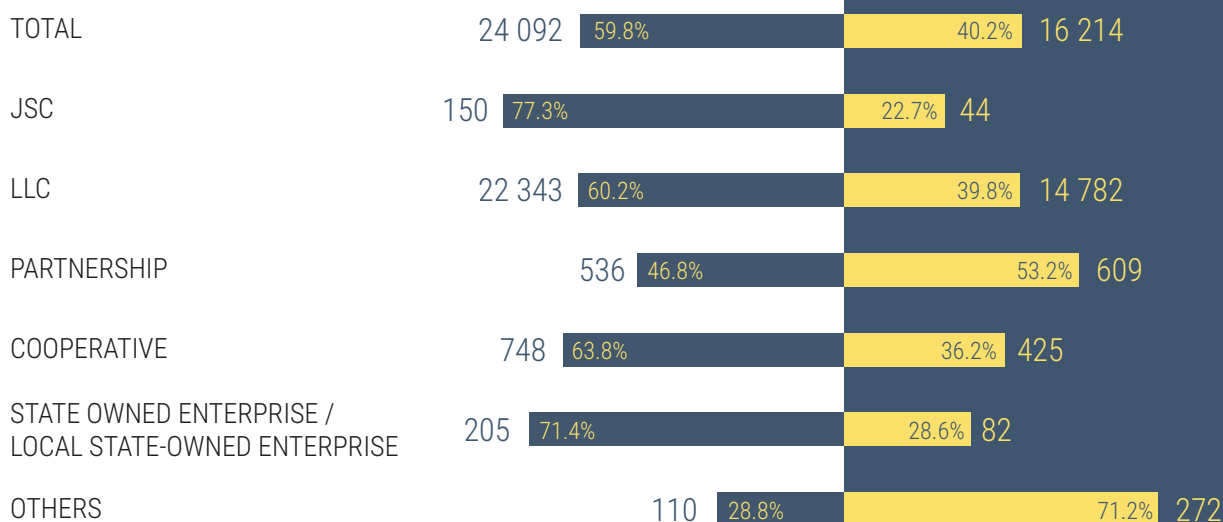
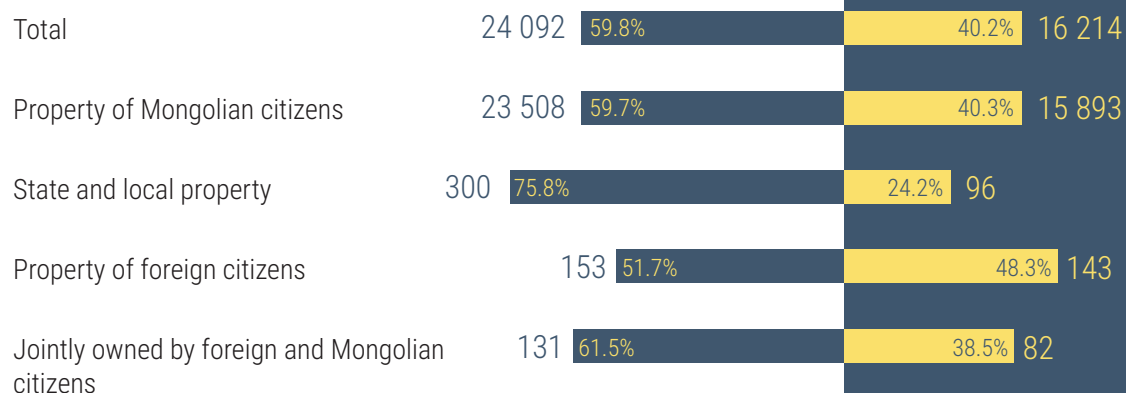


Figure 15. Number of enterprises managed by Mongolian citizens in 2020, by ownership, by gender of the director, by percentage



In all legal types of enterprises, except for partnerships, the gender ratio remains male-dominated. The gender ratio of directors is the highest at 341 for joint-stock companies. The gender ratio is 151 for the most common form of entrepreneurship, LLC, while for the gender ratio is 88 for partnerships, with female directors predominating. The percentage of businesses with female owners is lower than the percentage of businesses with female directors, and the gap is even higher for partnerships and cooperatives.

Managed by male director Managed by female director

Figure 16. The number of enterprises managed by Mongolian citizens in 2020, by legal type, by female owner, by percentage

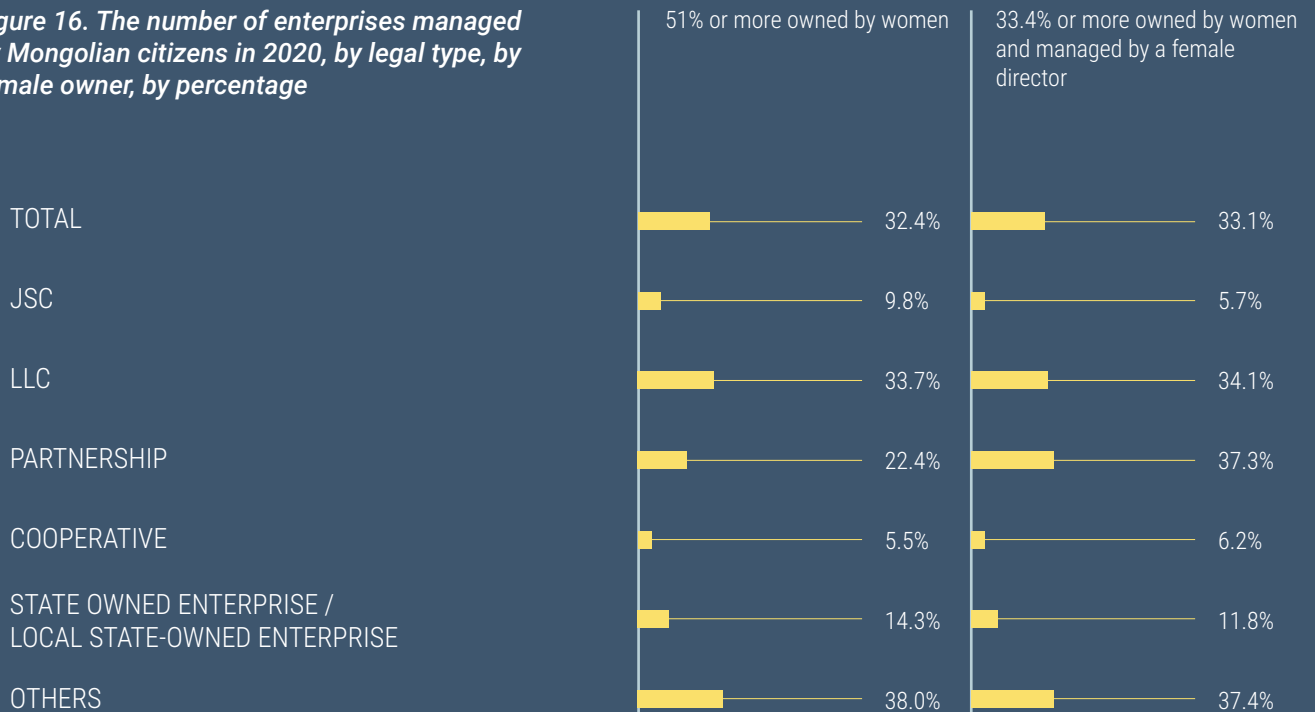
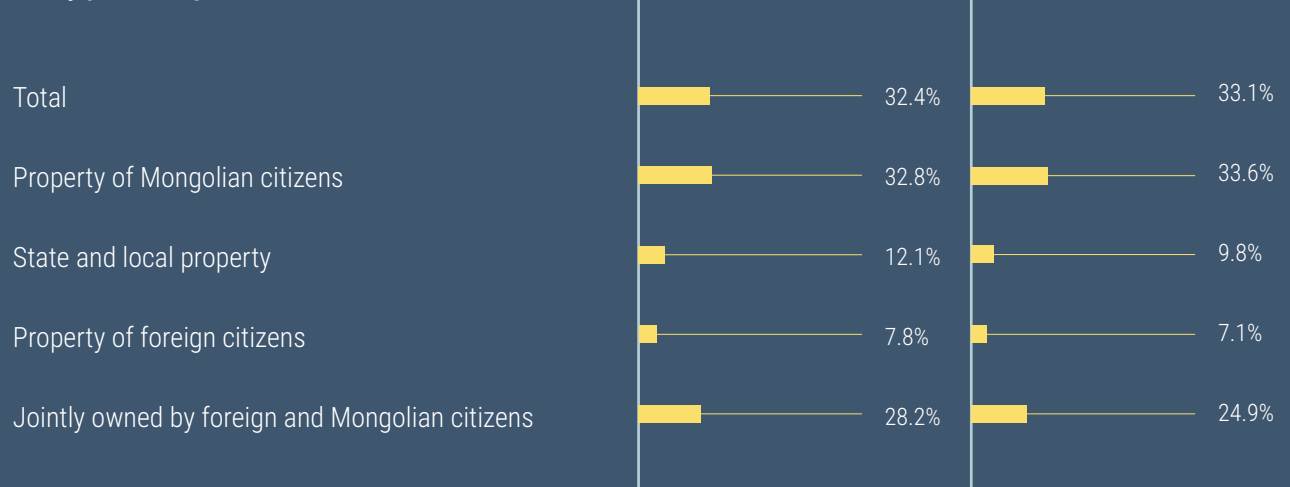


Figure 17. The number of enterprises managed by Mongolian citizens in 2020, by ownership, by female owner, by percentage



All forms of enterprise ownership are dominated by men. Among them, the gender ratio of directors of state-owned and local enterprises is the highest at 313, while it is 148 for civil-owned enterprises in Mongolia. The gender ratio of directors is relatively balanced or 107 for enterprises owned by citizens of foreign citizens,.

The percentage of businesses with female owners is also lower than the percentage of businesses with female directors, and the gap is highest for foreign citizen owned enterprises. In other words, as ownership power in business increases, male participation tends to dominate.

Gender differences in entrepreneurship are also observed when looking at the capital, provinces or regions of residence. Among the regions, the gender difference in entrepreneurship in the Eastern region is 53.4% for men and 46.6% for women, which is relatively balanced, while in other provinces and Ulaanbaatar, women are significantly less involved in business than men.

The number of enterprises with female directors is 1.8 to 3.3 times lower than the number of enterprises with male directors and the gender gap in entrepreneurship is the highest in Bayan-Ulgii, Khovd, Arkhangai and Uvs provinces.

The gender gap is the highest in the west region, where the gender gap in entrepreneurship is high Bayan-Ulgii, Khovd, and Uvs provinces are located. Also, in other regions and provinces, as the business activity measured by the number of enterprises increases, the probability of having a female director decreases.

Majority or 60.6% of the enterprises managed by Mongolian citizens operating in Ulaanbaatar have male directors and 39.4% female directors, while the average of 21 provinces has 58.2% male directors and 41.8% female directors. In Ulaanbaatar city and regions, the percentage of businesses with female owners is 7%-8% lower than the percentage of businesses with female directors.

Figure 18. The number of enterprises managed by Mongolian citizens in 2020, by region, by gender of director, by female owner, by percentage

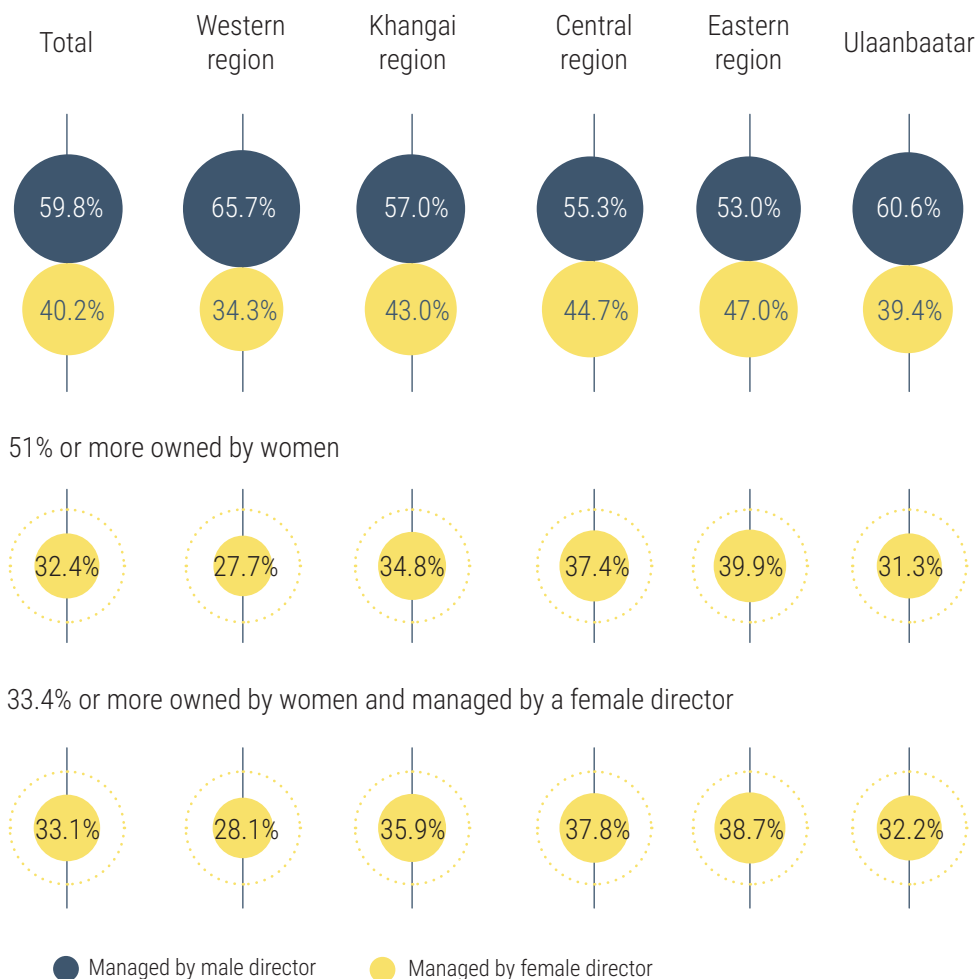
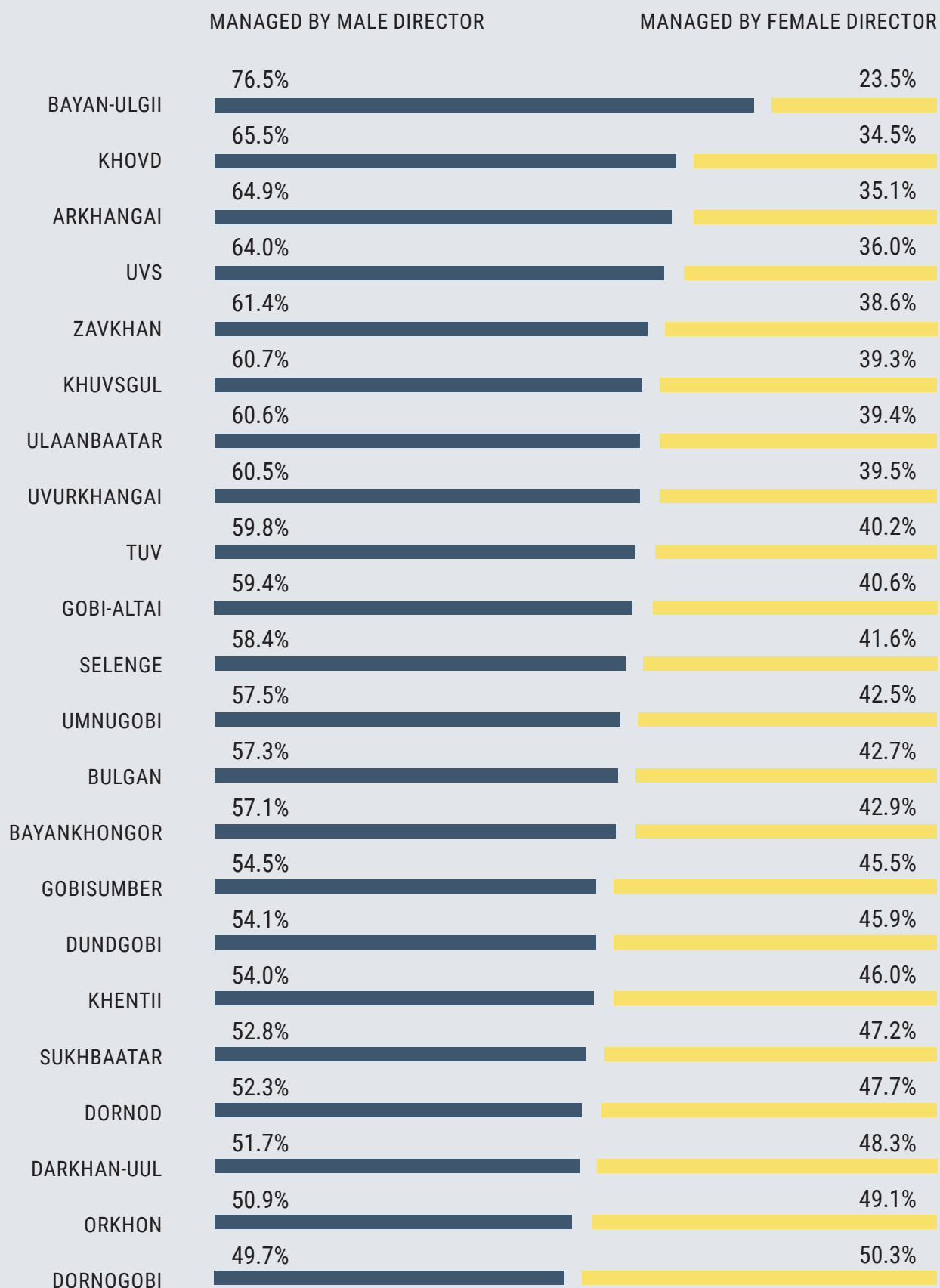


Figure 19. The number of enterprises managed by Mongolian citizens in 2020, by provinces and the Capital, by gender of director, by percentage



When the gender ratio of the population is almost equal, it is necessary to clarify the reasons and problems behind the dominance of one gender and to investigate in detail whether equal opportunities can be provided, rather than stating men and women should participate in equal numbers in the business sector.

The gender ratio is generally balanced in Mongolian population of 3.3 million⁴, where 49.3% is male and 50.7% is female. However, 52.9% of the total workforce of 1.2 million is men and 47.1% are women. Furthermore, the labor force participation rate, which shows what percentage of the working-age population is in the labor force, is 65.2% for men compared to 49.9% for women, and the employment rate, which shows what percentage of the working-age population is occupied by employees, is 59.6% for men and 46.0% for women.⁵

What accounts for declining female participation as employment indicators narrow? The female labor force participation rate dropped in 14 years by 12.9% from 62.8% in 2008 to 49.9% in 2021. One of the main reasons is related to the reproductive role of women. Coinciding with the decrease in the participation of women in the labor force, the general fertility rate increased since 2008, from an average of 19.4 per year in 2000-2007 to 25.0 in 2008-2021⁶. In particular, the gender gap in labor force participation is greatest among the 20-34 age group, which has the highest birth rate.

Women's pregnancy and childbirth is not a short-term process, which requires stop working for at least 1-2 years. Especially in today's situation where access to childcare services, kindergartens and schools is poor, women are forced to take care of their children at home for longer period of time. On the other hand, the social stereotype that childcare is a woman's role is still strong. In order to increase the employment of the population and increase the participation of women in the labor market, a policy is necessary to improve the services related to child care in addition to supporting childbirth, and to increase the opportunities for women to actively participate in social life while fulfilling their reproductive duties.

The revision of the 2021 Labor Law includes regulations on the possibility of working from home electronically, which is considered to be a form of support for women's employment, and further, it is necessary to create more detailed policies to increase the opportunities for women to work while taking care of their children. While there are obvious reasons behind the women's participation in the labor market has steadily declined in recent years, their participation in the business sector cannot be increased.

According to the results of the 2019 Time Use Survey of the NSO, Mongolian

⁴ Number of people living in Mongolia, NSO, 2021

⁵ Basic indicators of employment, NSO, 2021

⁶ Number of live births per 1,000 population in a given year, NSO

women spend 1-8 times more time than men on unpaid work such as housework and child care. Men spend an average of 2 hours a day taking care of children and family members and doing housework, while women spend an average of 4.7 hours a day. This difference increases depending on age group, marriage, number of children, employment, living condition such as urban or rural area, and women spend 1-8 times more time for unpaid work than men.

Childcare, housework, and caring for elderly and sick family members often fall into women's duty. During the shutdown of kindergartens and schools due to the impact of the Covid-19 pandemic, women's hours of unpaid work have increased. For these reasons, women have limited opportunities to spend time on work and business. Valuing women's unpaid work, eliminating social stereotypes, and improving services related to unpaid work such as childcare are important to support women's employment and entrepreneurship.

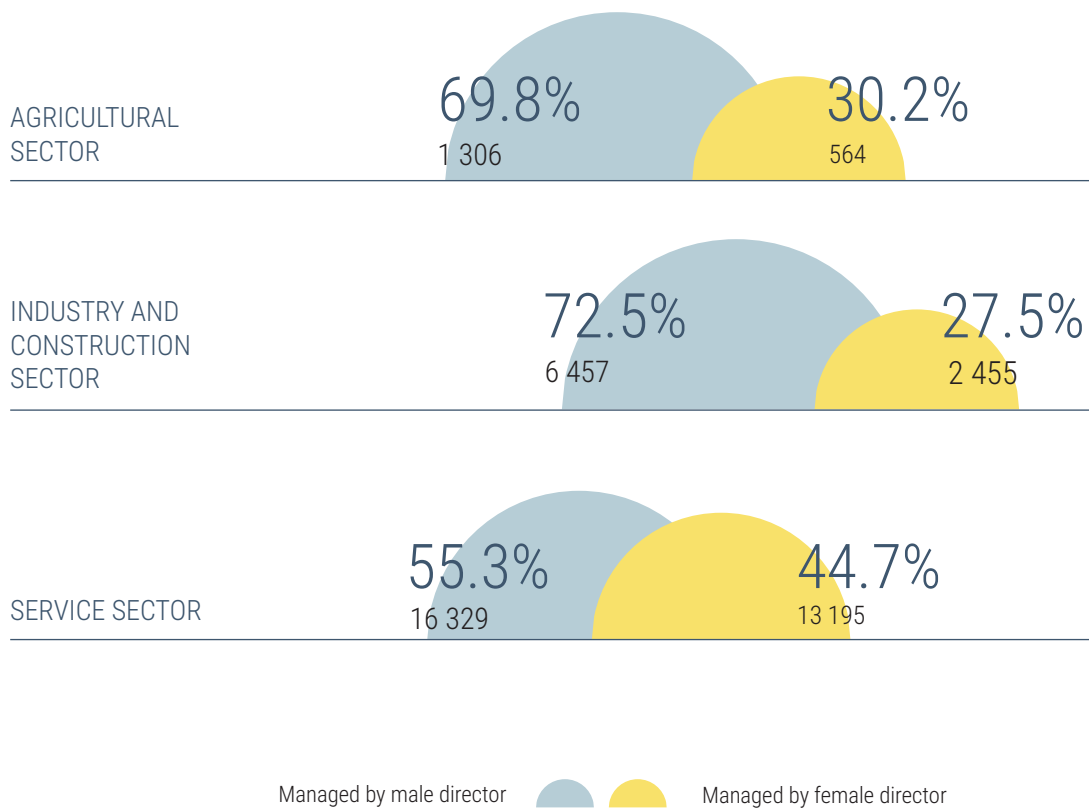
Women have higher level of education than men and spend more time on education, but when they enter the labor market, the ability to spend the same amount of time as men is limited. The higher education of male directors of enterprises managed by Mongolian citizens is 68.8%, while this indicator is 74.9% of the female directors.⁷ Gender differences in employment also persist in entrepreneurship. The gender difference between the directors of enterprises managed by citizens of Mongolia, men and women account for 60.4% and 39.6%, respectively.

⁷ Population and Household Database, NSO

There are many factors that influence women's entrepreneurial decision-making and their ability to manage a business, but the characteristics of business sectors also influence women's entrepreneurship, which could be sectors that are open or suitable for women, because women-dominated businesses are located in a different sector than men's. For example, there are relatively many businesses with female directors in the health, education, accommodation and food services sectors, while men clearly dominate in the mining, construction, transportation, information, communications, and agriculture sectors.

In 2020, 55.3% of all enterprises operating in the service sector, 69.8% of enterprises operating in the agricultural sector, and 72.5% of enterprises operating in the industry and construction sectors have male directors. In terms of ownership, the percentage of enterprises with female owners is also lower than the enterprises with female directors.

Figure 20. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by gender of the director, by percentage



The gender gap is higher in the industry and construction sectors, although in the service sector is relatively balanced, male directors still predominate. Looking at the sectors in detail, businesses with female directors are slightly more dominant with 50% or more in healthcare, education, hotels, restaurants, finance, insurance and retail sectors. Sectors in which women are engaged in business are relatively limited, and the low participation of women in leading economic sectors such as mining and construction is highly likely to cause economical gender issues.

In all sectors of the economy, the percentage of female-owned enterprises is lower than that of female-managed enterprises, indicating that even if women work at the management level of the business, men dominate the ownership of the business. The gap is greatest in the finance, insurance, education and health sectors. It is noteworthy that the share of enterprises with female directors in these sectors was 50 or more, but the participation of women as business owners is decreasing. In addition, the differences of participation in the business sectors may indicate the need to reconsider the gender issue of choice of profession. Having too high gender gap among entrepreneurs in some sectors is a matter of concern that need further attention.

Figure 21. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by female owner, by percentage

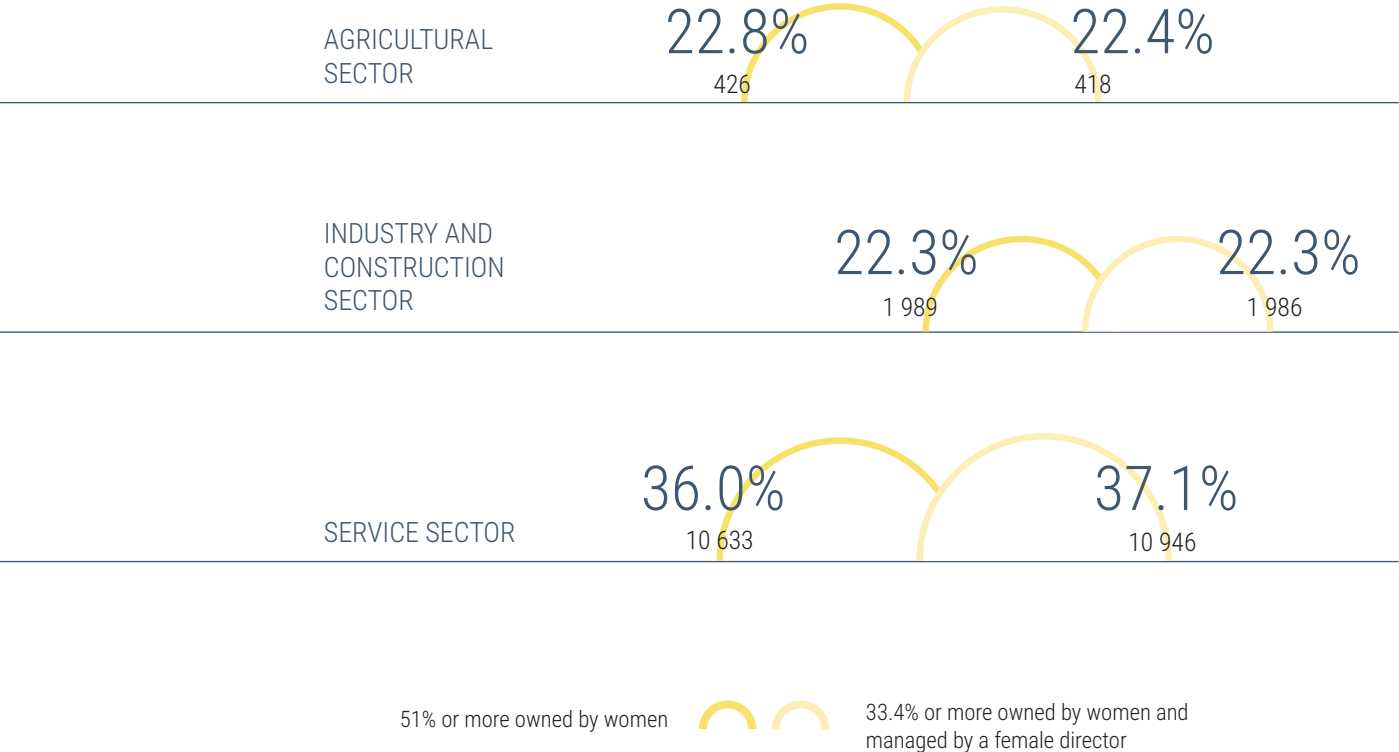
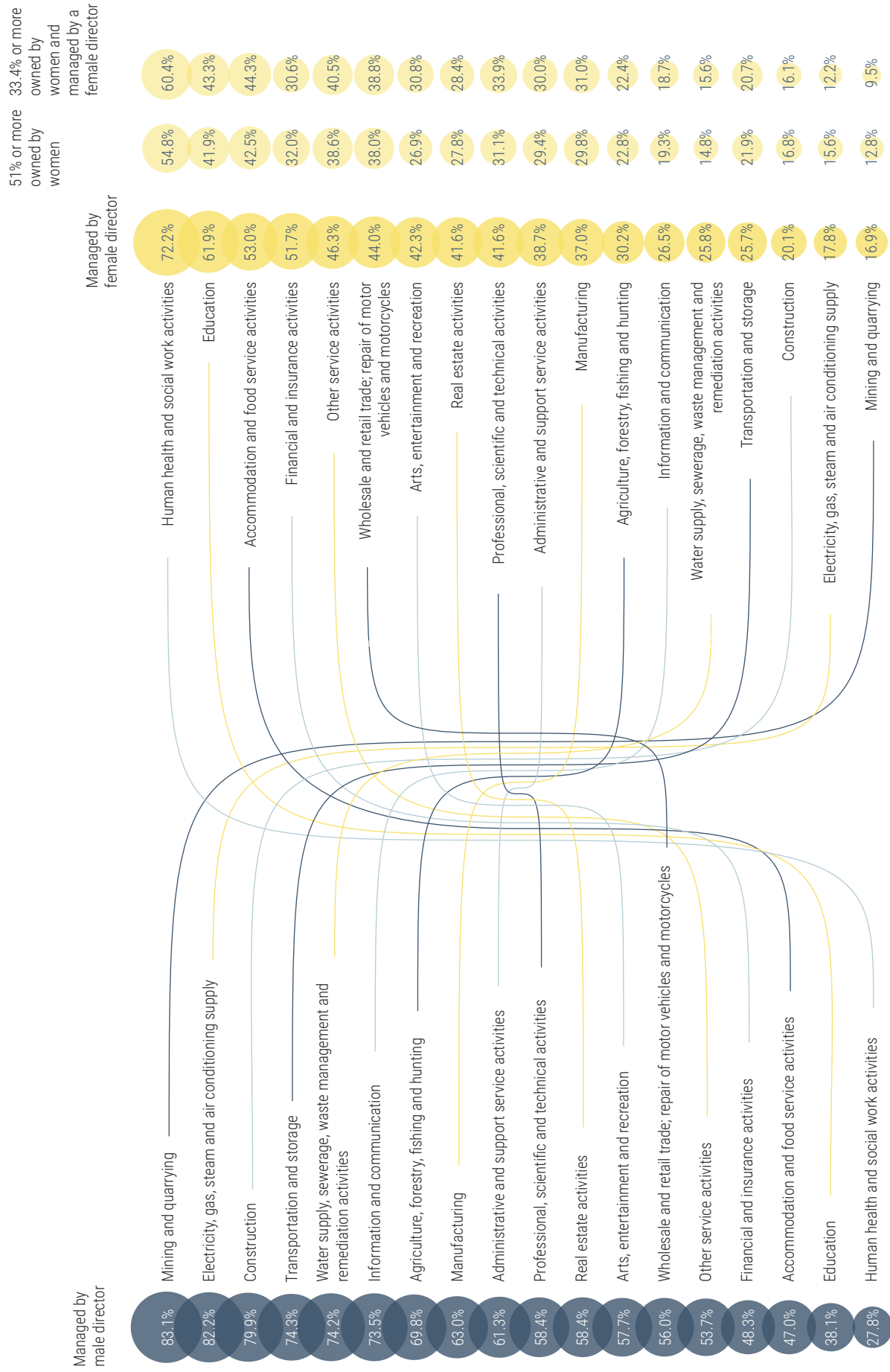


Figure 22. The number of enterprises managed by Mongolian citizens operating in 2020, by sector, by gender of director, by female owner, by percentage

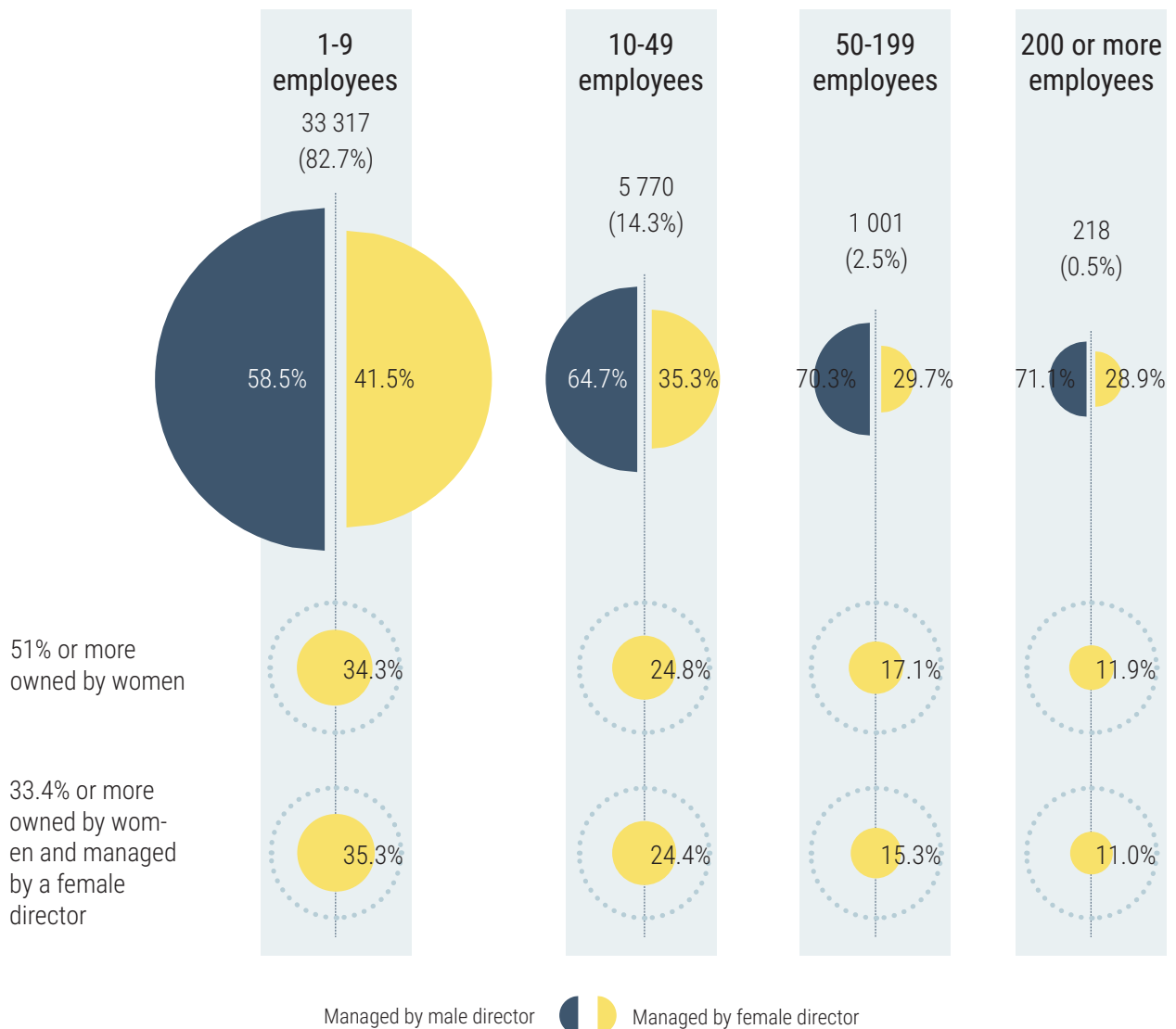


When the size of the business is classified by the number of employees, there is a tendency to have male directors as the number of employees increases, 19.1% of enterprises with male directors have more than 10 employees, while 14.8% of enterprises with female directors have more than 10 employees. For enterprises with more than 200 employees, the gender gap of directors is increasing, with 71.1% male directors and 28.9% female directors.

By number of employees, the percentage of female-owned businesses is lower than the percentage of female-managed businesses, especially as the number of employees increases. 28.9% of enterprises with 200 or more employees had female directors, while 11.9% of the enterprises, 51% or more were owned by women, had female directors, but this number decreases to 11.0% for enterprises 33.4% or more were owned by women.

An enterprise with a male director has an average of 12 employees, while an enterprise with a female director has an average of 8 employees.

Figure 23. The number of enterprises managed by Mongolian citizens that operated in 2020, by number of employees, by gender of director, by female owner, by percentage



In terms of sales revenue, enterprises with male directors are also more capacity, 31.0% of enterprises with male directors have an annual sales income of more than 300 million MNT, while 24.8% of enterprises with female directors have an annual sales income of more than 300 million MNT. As business sales revenue increases, the percentage of female-owned enterprises decrease compared to the percentage of enterprises with female directors.

Out of 2.4 thousand enterprises with an annual sales income of more than 2.5 billion MNT operated in 2020, 1.8 thousand enterprises have male directors and 696 enterprises have female directors. The average sales revenue of an enterprise with a male director is 2.0 billion MNT, while the average sales revenue of an enterprise with a female director is 1.0 billion MNT.

Figure 24. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by gender of director, by female owner, by percentage

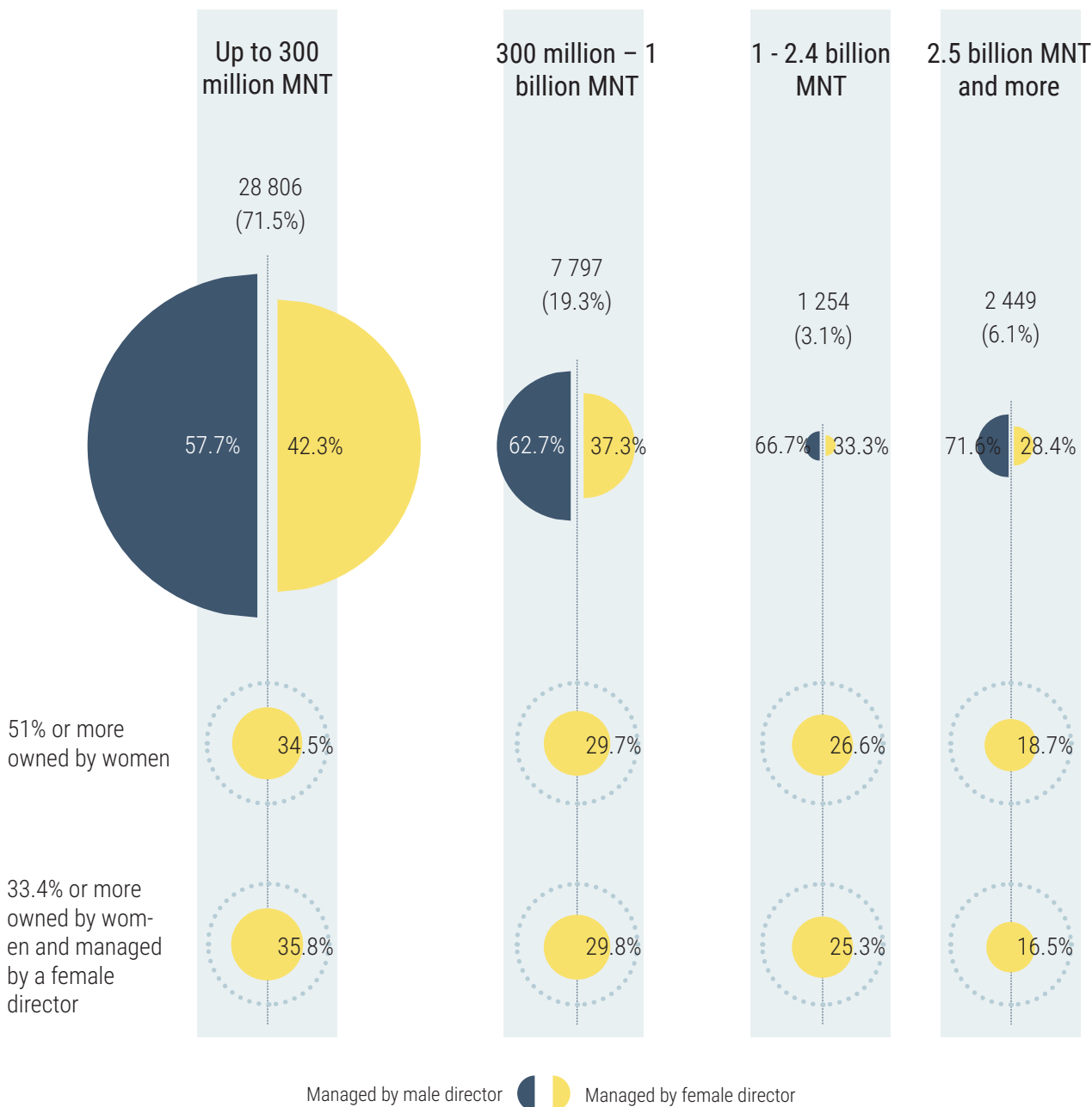
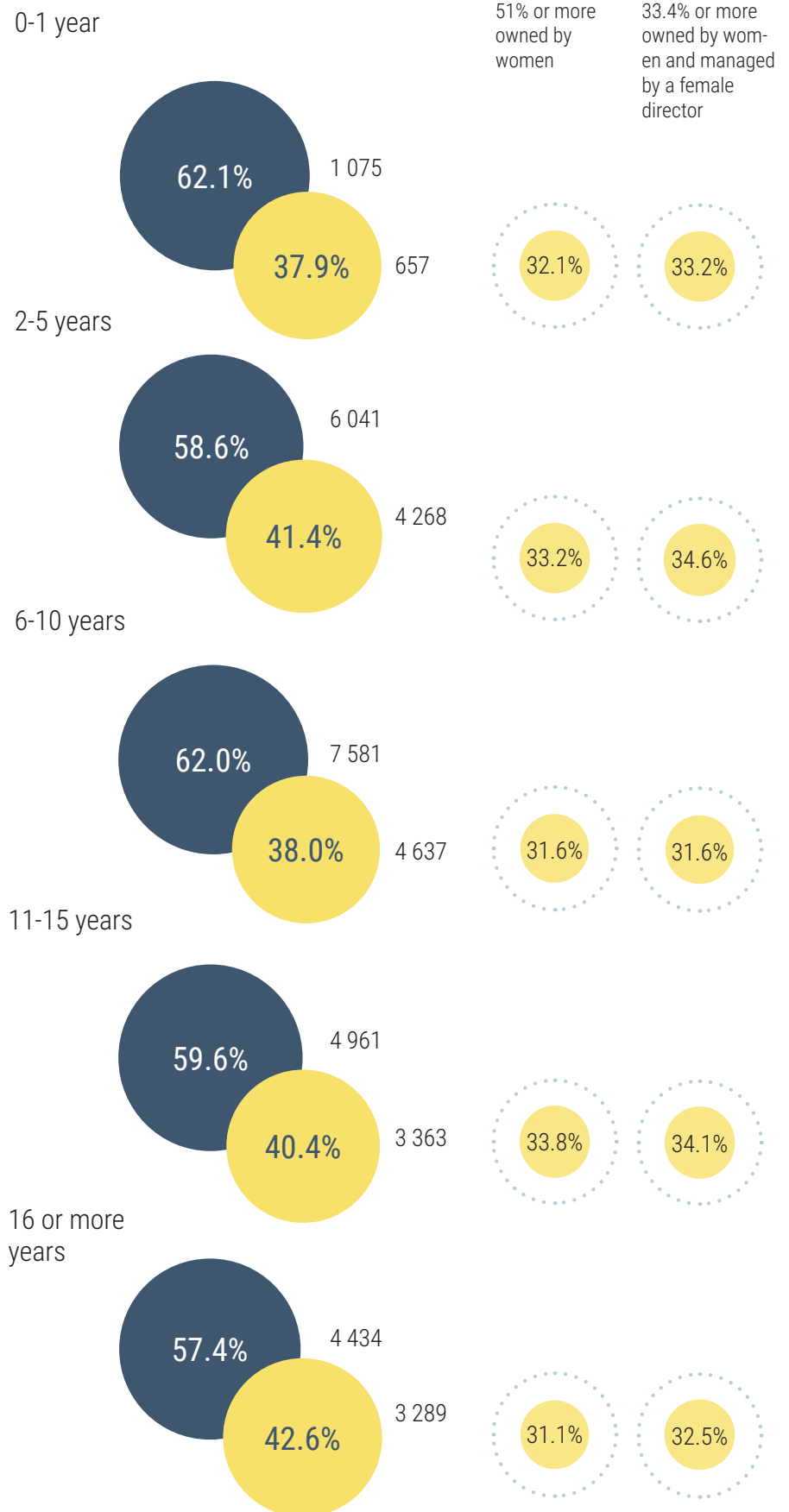


Figure 25. The number of enterprises managed by Mongolian citizens that operated in 2020, by duration of operation, by gender of director, by female owner, by percentage

By sales revenue group, the representation of enterprises with male and female directors differs, with male predominance in all groups, reflecting the prevailing gender bias in the business environment.

If we look at the structure of enterprises with male and female directors according to the duration of operation, enterprises with female directors are slightly more stable, 39.0% of enterprises with male directors have operated for more than 10 years, while 41.0% of enterprises with female directors have operated for more than 10 years and 40.0% of enterprises with 51% or more ownership by women, 40.1% of enterprises with 33.4% or more ownership by women and female directors have been operating for more than 10 years.

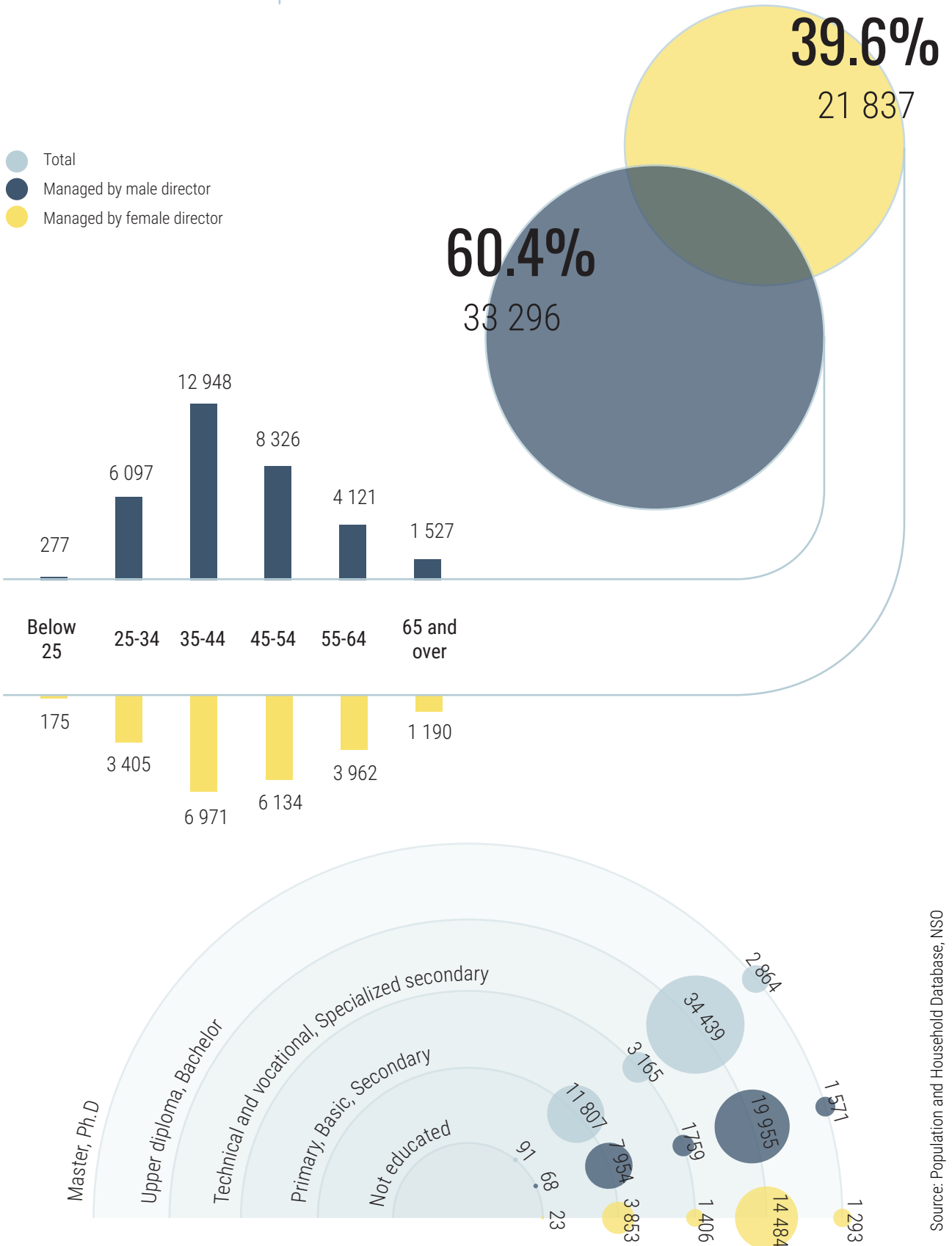
A male-owned business has higher sales revenue, more employees, and is more likely to be in business for a long time.



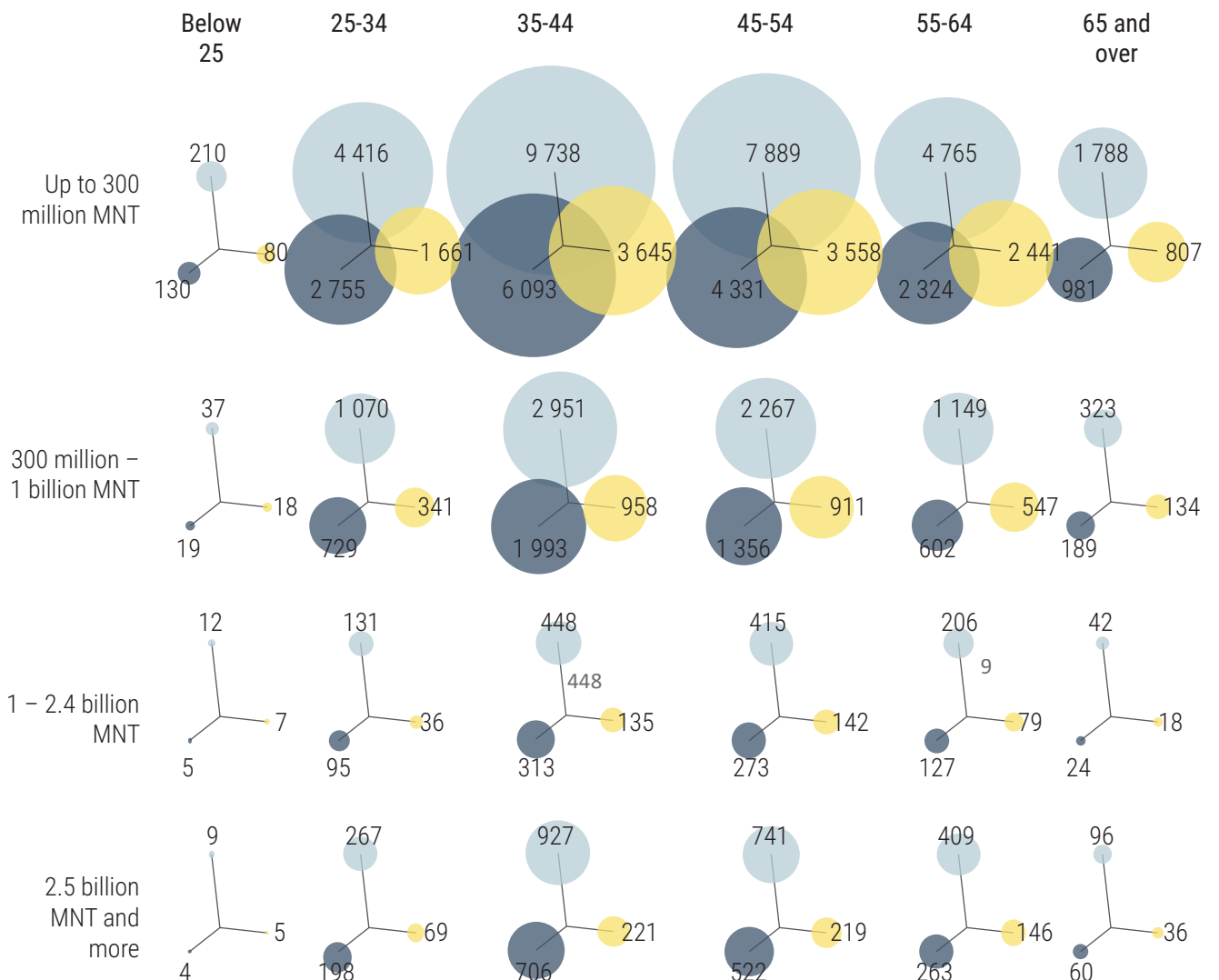
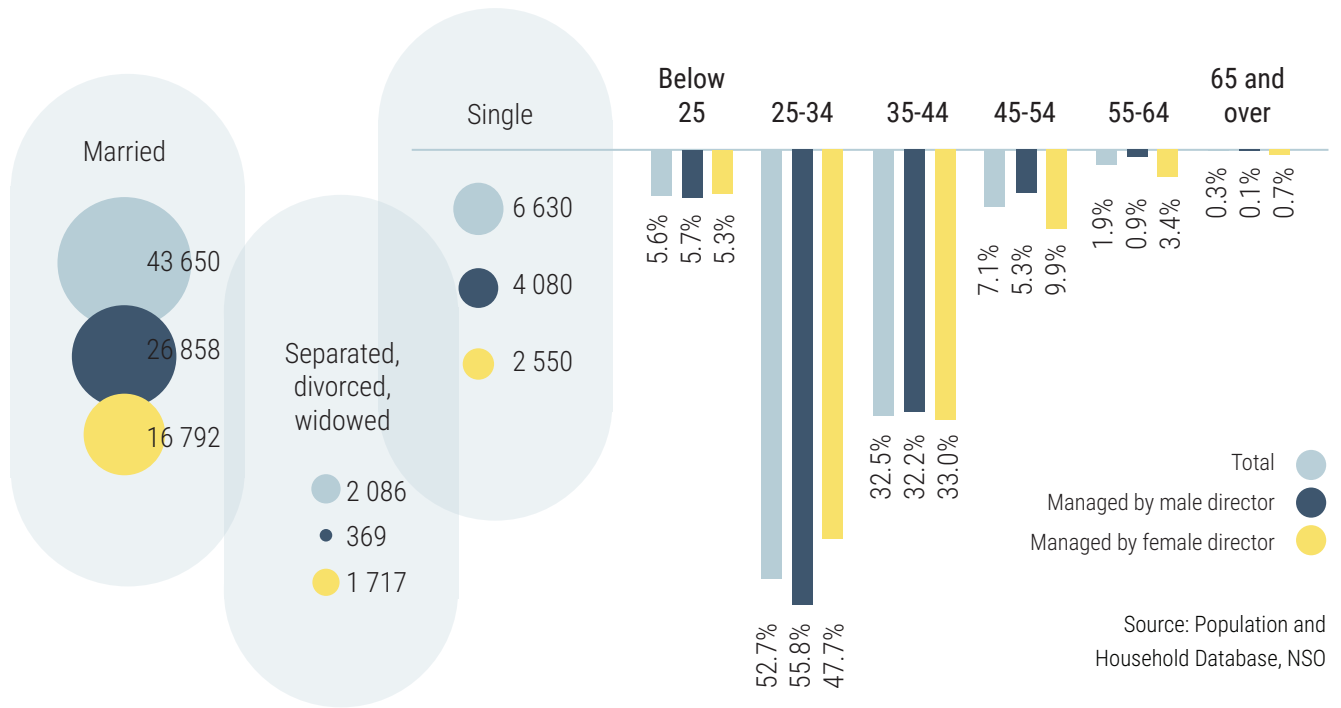
Managed by male director ●
Managed by female director ●

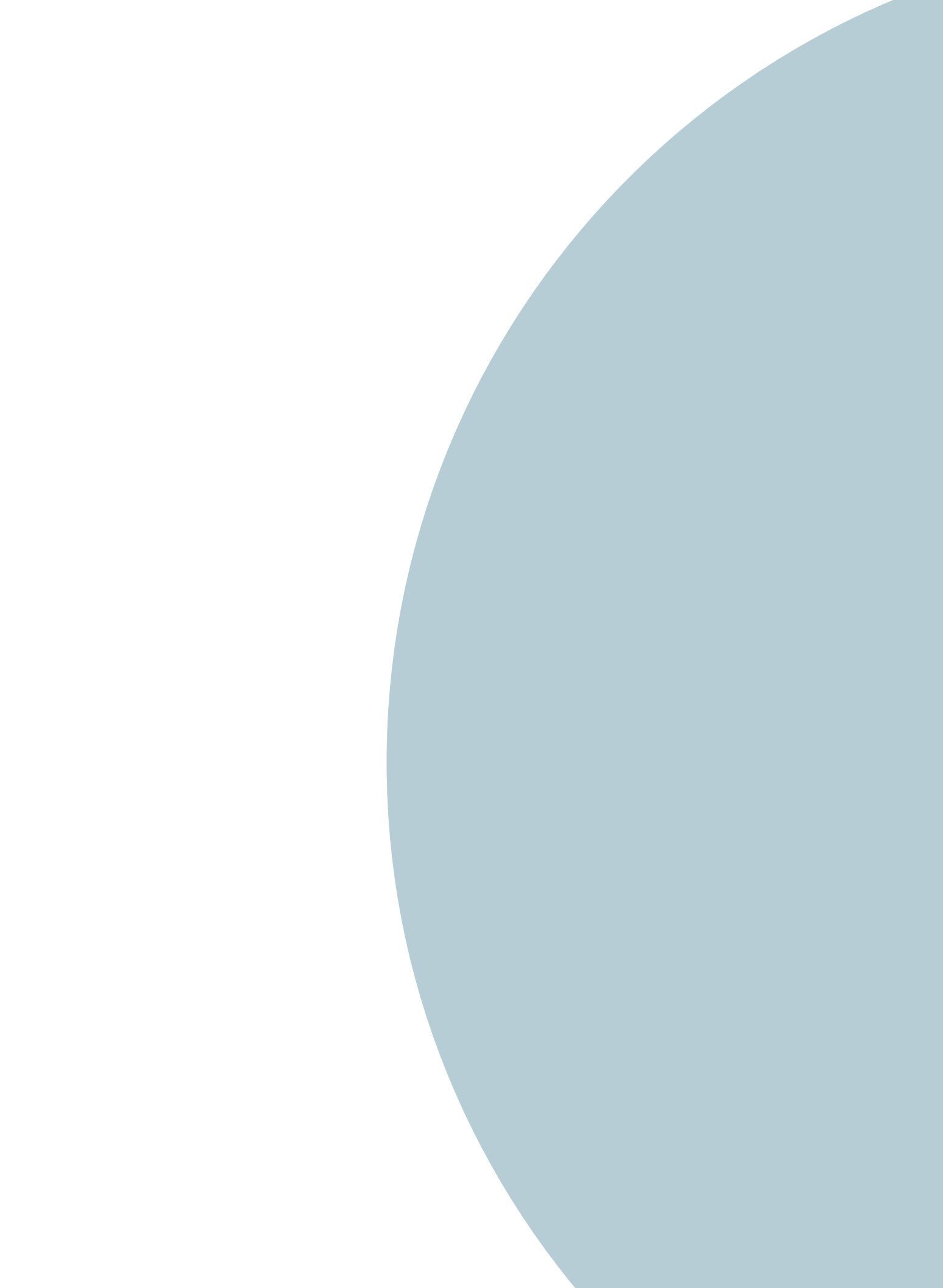
FIGURE 26.
WHO ARE THE
ENTREPRENEURS?

55.1 thousand Entrepreneurs who hold the director position of enterprises managed by citizens of Mongolia:



Source: Population and Household Database, NSO





3

BUSINESS ECONOMIC CAPACITY and

GENDER

- 3.1 Business income generation and gender differences
- 3.2 Business financing, investment and gender differences

3.1

BUSINESS INCOME GENERATION AND GENDER DIFFERENCES

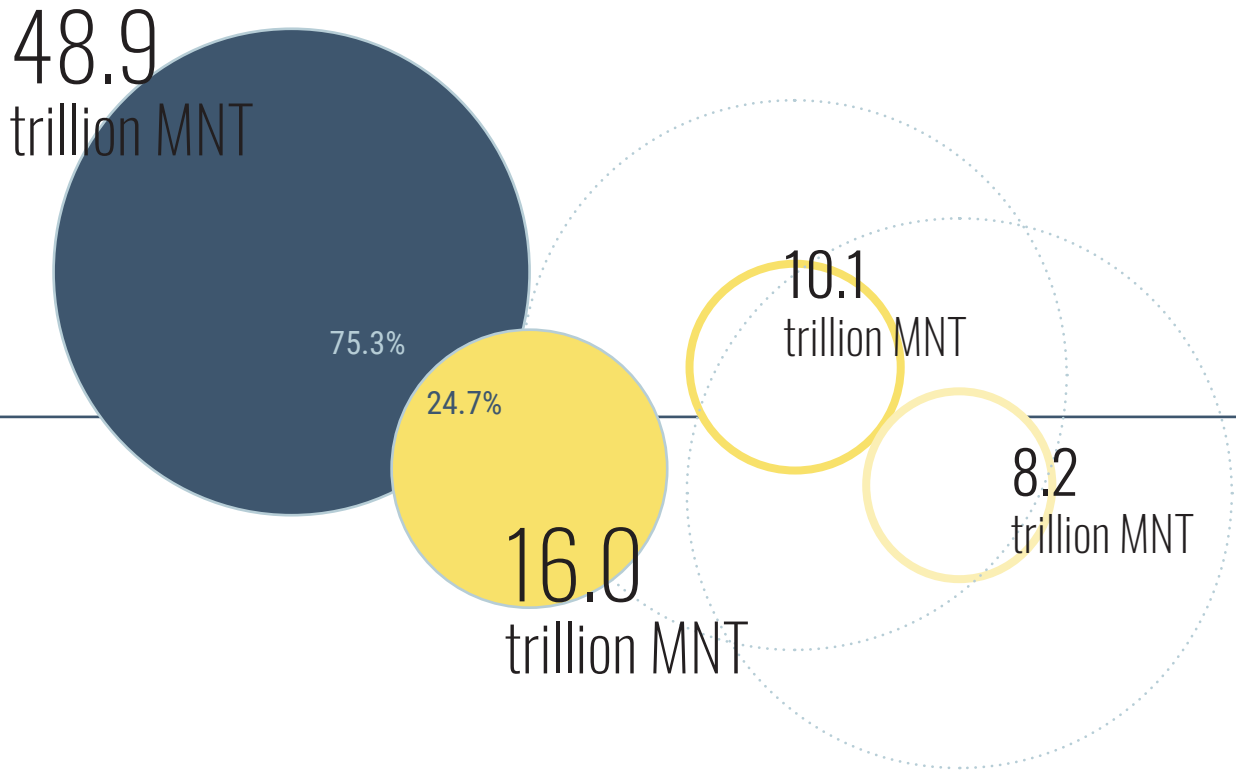
When measuring the scale of business results by the level of sales income, 24.1 thousand enterprises with male directors managed by Mongolian citizens generated a total of 48.9 trillion MNT in 2020, while 16.2 thousand enterprises with female directors generated a total of 16.0 trillion MNT in sales revenue. As for the owner of the enterprise, the total sales revenue of the business in which 51% or more of the enterprise is owned by a woman is 10.1 trillion MNT, 33.4% or more is owned by a woman and with a female director is 8.2 trillion MNT.

An enterprise with a male director generated an average of 2.0 billion MNT in sales revenue, while an enterprise with a female director generated twice less sales revenue of 1.0 billion MNT.

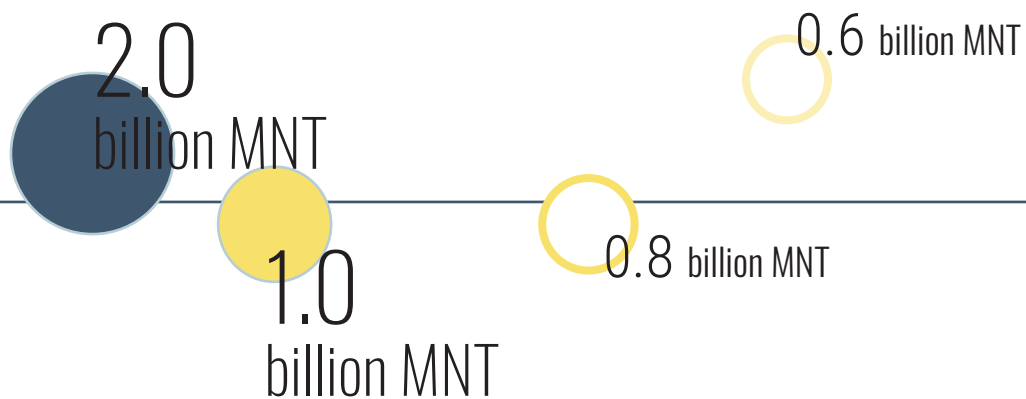
The small number of women compared to men in terms of running business and generating less revenue indicates that there is some distortion in the equal participation of men and women in the business sector and the equal benefits of development.

Figure 27. Total sales income of enterprises managed by Mongolian citizens that operated in 2020, by gender of director, by female owner

Total sales revenue, trillion MNT



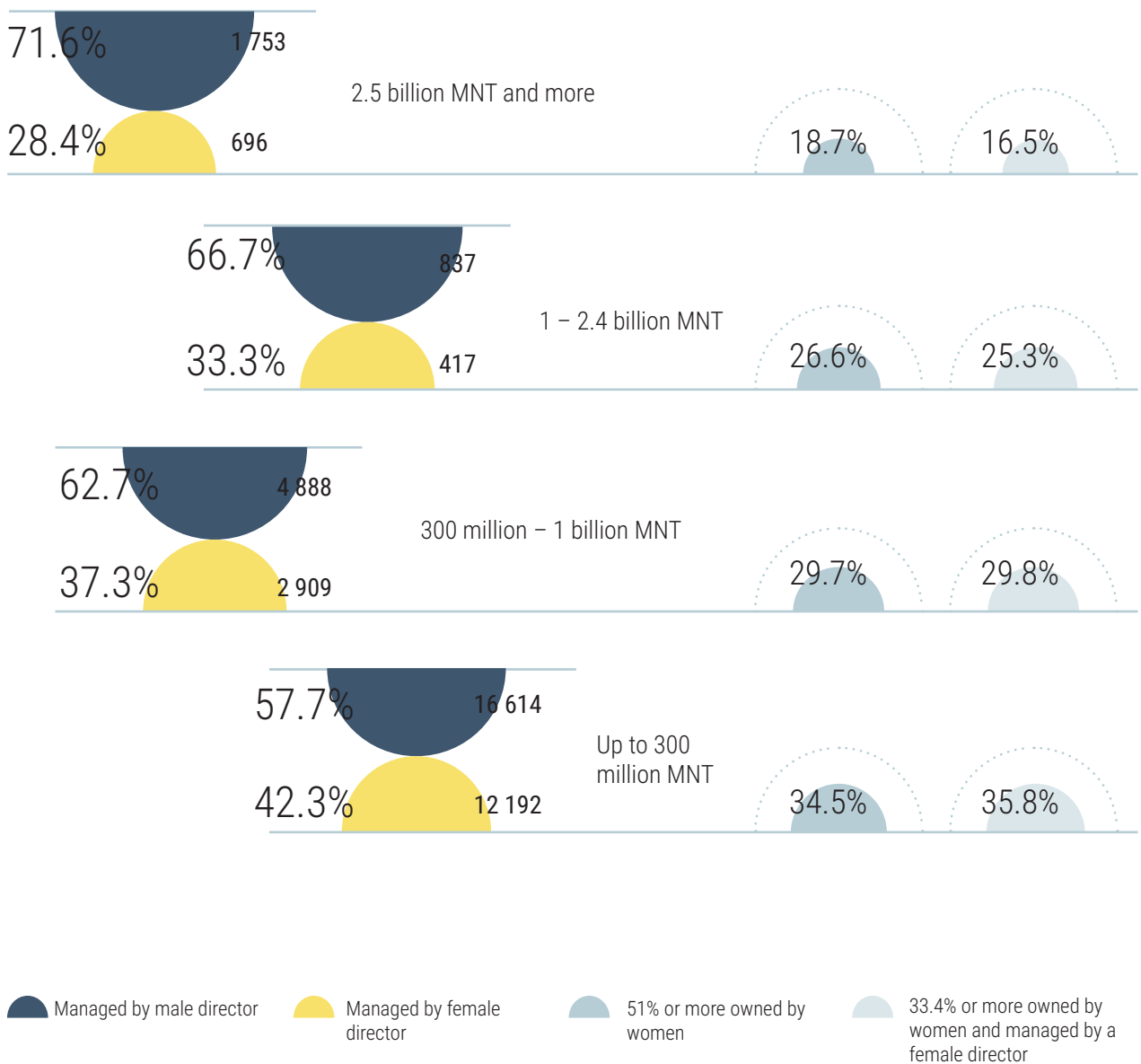
Average sales revenue per enterprise, billion MNT



- Managed by male director
- Managed by female director
- 51% or more owned by women
- 33.4% or more owned by women and managed by a female director

Looking at the representation of gender as a director at different levels of income, the representation of women decreases as income level increases. For example, for enterprises with revenue up to 2.5 billion MNT, 59.0% of directors are male and 41.0% are female directors, while for large enterprises with sales revenue of more than 2.5 billion MNT, the gender gap deepens, with 71.6% of enterprises with male directors and 28.4% of enterprises with female directors. Furthermore, in terms of female-owned enterprises, 18.7% of large enterprises with sales revenue of more than MNT 2.5 billion are 51% or more owned by women, while 16.5% are 33.4% or more owned by women and have female directors.

Figure 28. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by gender of director, by female owner, by percentage



What accounts for the increasing gender gap in directors of businesses and the decreasing number of businesses with female directors as sales revenue increases?

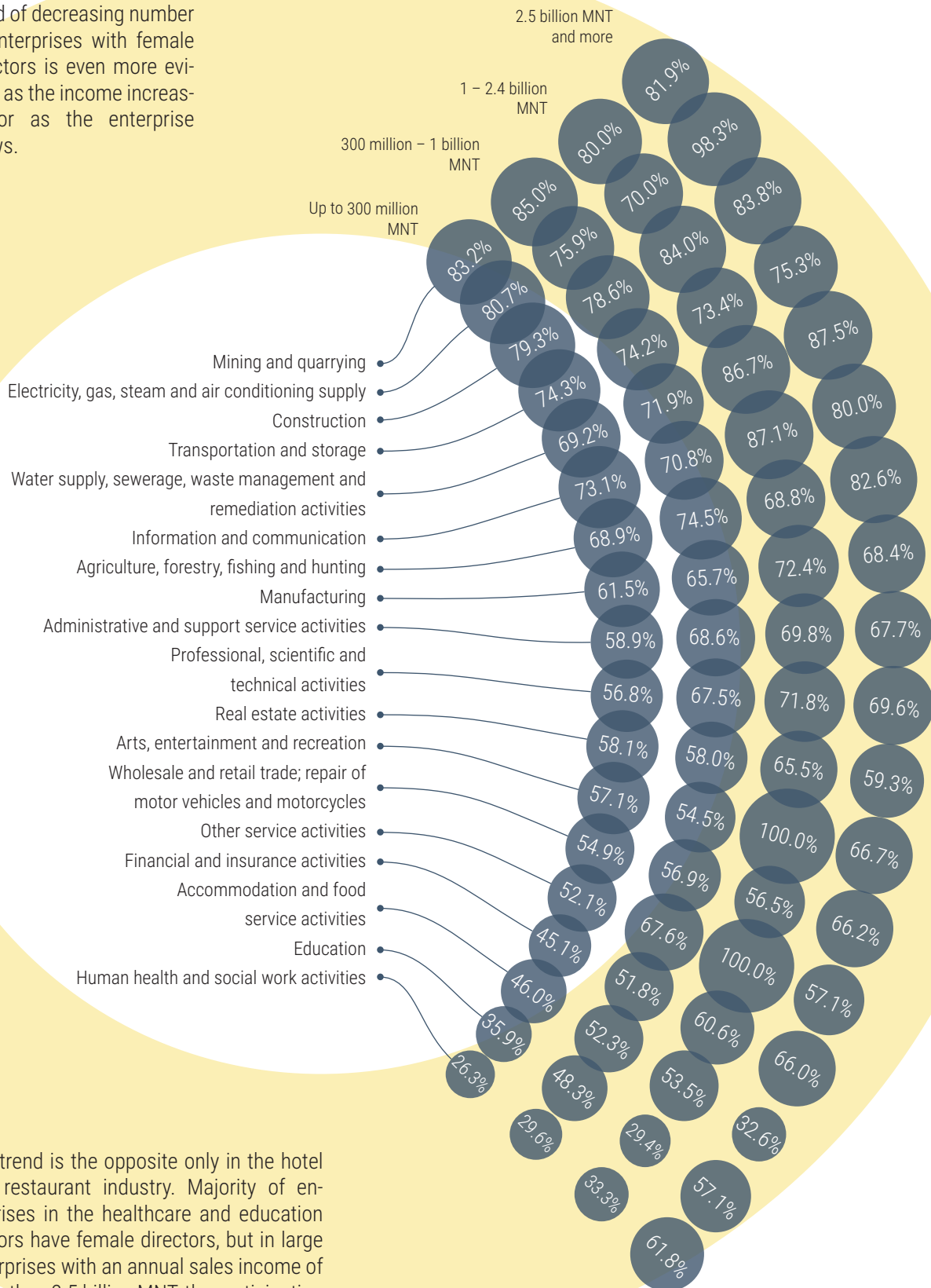
Bank of Mongolia started to announce some key indicators of the banking sector by gender since 2021. For example, it has become possible to see the indicators of citizens' such as current accounts, savings, loans, and loans granted to SMEs by gender. There are 5.9 million current accounts and 3.2 million savings accounts registered in banking sector as of the end of 2022, 47.1% of current accounts are held by male customers, 52.9% are held by female customers, 43.3% of savings accounts are held male customers, and 56.7% are held by female customers. For current accounts, the average balance per account is 18.6% higher for male customers than for women, and for savings, the average balance per account for men is 10.1% higher than for women.

Males account for 39.5% of loan accounts and women account for 60.5%. On the other hand, one male customer received a loan of 10.3 million MNT on average, while one female customer received a loan by 47.4% less which is 5.4 million MNT. Although women use more current and savings accounts, save more than men, and take out more loans, these indicators are lower than men on a per-customer basis.

Furthermore, according to the data of the Bank of Mongolia classified by gender of loans granted to SMEs and enterprises, as of the end of 2022, 63.7% of the outstanding loans of 5.4 trillion MNT for male borrowers and 36.3% for female borrowers. The average loan amount per borrower is 89.9 million MNT for male borrowers, while it is 45.2% lower or 49.3 million MNT for female borrowers. Considering the average loan duration, men received loans with an average duration of 31.0 months and women with an average duration of 34.3 months. Also, the average annual loan interest is 13.1% for male borrowers and 13.0% for female borrowers. The rate of non-performing loans is 13.2% for men and 9.6% for women. It is worth noting that female SME owners have lower loan defaults, longer terms and lower interest rates than men, but the amount of loans they receive is lower than that of men. The fact that women are getting loans with longer terms and lower interest rates may be due to the introduction of subsidized loan in the banking sector specifically for female borrowers. Also, women may have limited access to large loans due to credit requirements and collateral. The Asian Development Bank and NSO jointly organized a pilot study "Determining Asset Ownership and Entrepreneurship by Gender Status" in 2018. According to the results of the research, male members tend to own/own family real estate, and 2 times more likely to own houses than women, 3-6 times more for agricultural land, and 1.5 times more for other real estate. 60% of men and 33% of women reported that they own their own home. It cannot be denied that women's businesses are smaller than men's because of difficulties in finding sources of financing.

Figure 29. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by sector, by male director, by percentage

Looking at enterprises by sales income group, the trend of decreasing number of enterprises with female directors is even more evident as the income increases or as the enterprise grows.

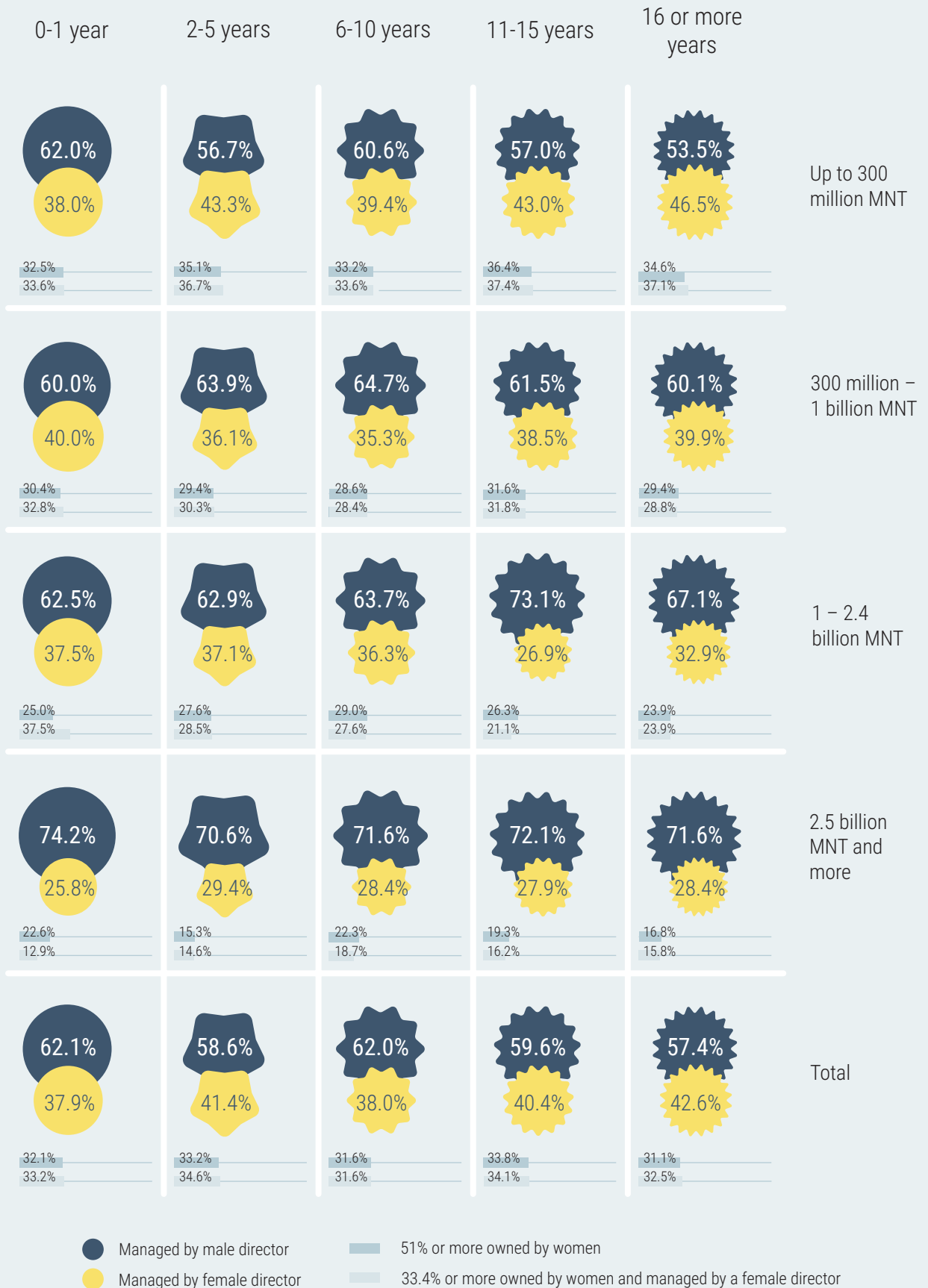


The trend is the opposite only in the hotel and restaurant industry. Majority of enterprises in the healthcare and education sectors have female directors, but in large enterprises with an annual sales income of more than 2.5 billion MNT, the participation of women is decreasing.

Figure 30. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by sector, by gender of director, by female owner, by percentage



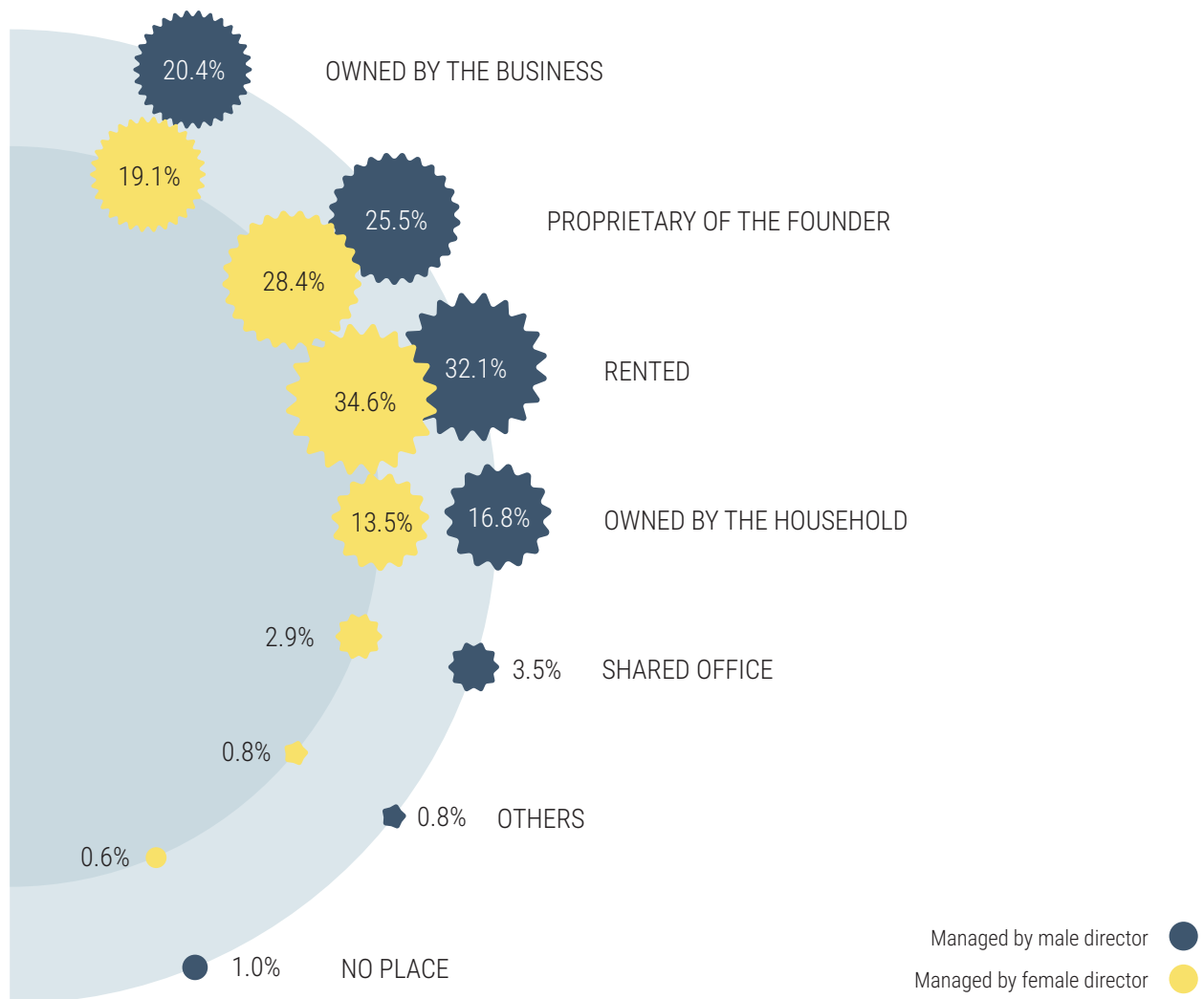
Figure 31. The number of enterprises managed by Mongolian citizens that operated in 2020, by duration of operation, by sales income group, by sector, by gender of director, by female owner, by percentage



Considering the gender difference of business by sales revenue and duration of operation, as the sales revenue and duration of operation of the enterprise increases, the percentage of enterprises with female directors decreases.

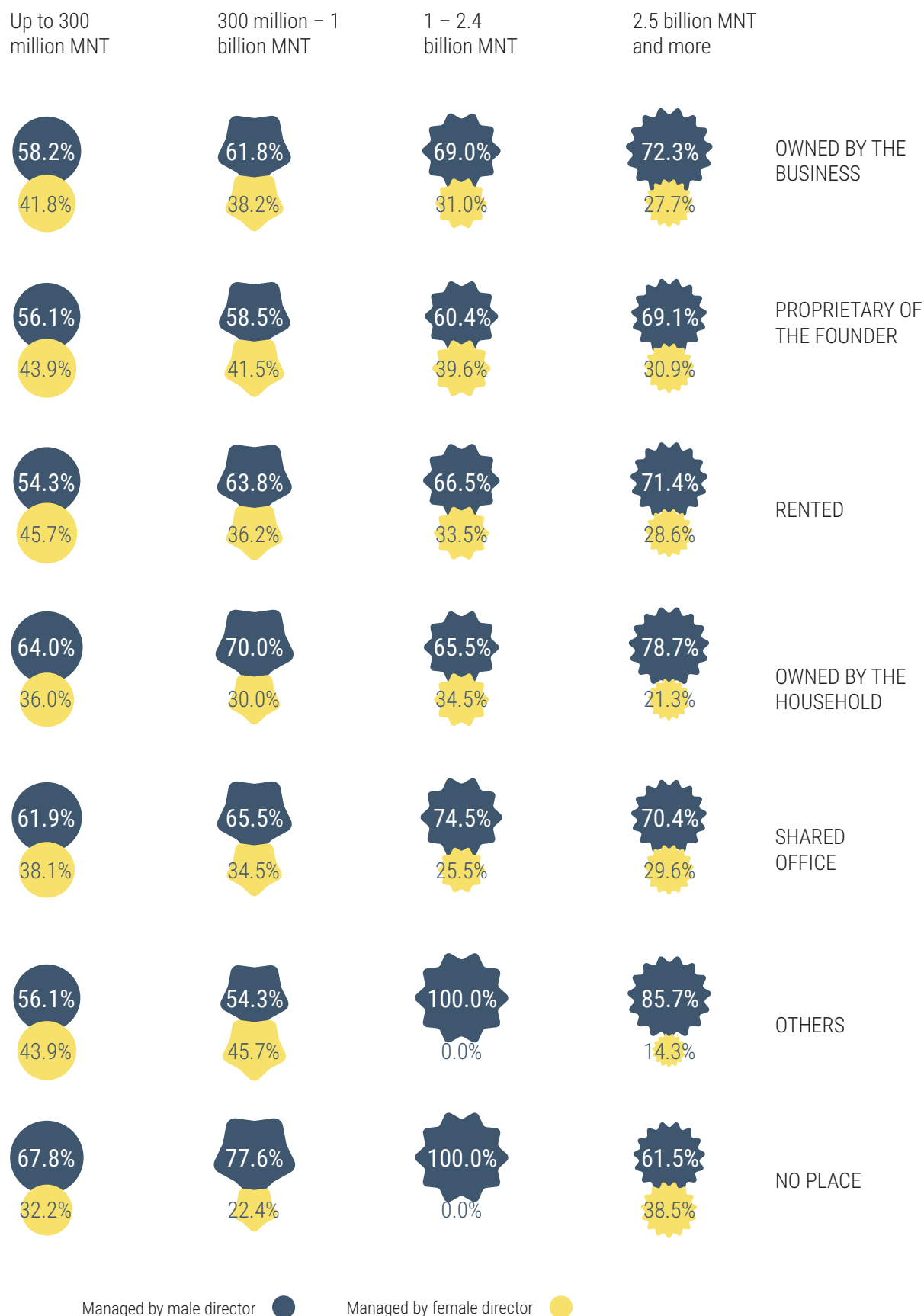
While the percentage of businesses with female directors generating low sales revenue in the long term is relatively high, the likelihood of having a male director increases as business revenue increases. As the size of the business expands, the participation of female owners declines more than that of female directors.

Figure 32. The number of enterprises managed by Mongolian citizens that operated in 2020, by premises ownership of production and services, by gender of director, by percentage



Regarding the ownership of premises where enterprises conduct production and services, 45.9% of all enterprises with male directors own the premises where they conduct production and services, or have premises owned by the enterprise or its founder. However, this indicator is 47.6% for enterprises with female directors. Enterprises with female directors are lower in terms of income than enterprises with male directors, but the ownership of production and service premises is relatively high.

Figure 33. The number of enterprises managed by Mongolian citizens that operated in 2020, by sales income group, by premises ownership of production and services, by gender of director, by percentage



EXPORTS AND INTERNATIONAL SUPPLY CHAIN

Out of the 40.3 thousand enterprises managed by Mongolian citizens operating in 2020, 3.8% or 1.5 thousand enterprises are exporting its products and services. Of these, 552 enterprises export products and services for regular basis, while 965 export products and services for occasional or irregular basis.

When 63.6% of enterprises that export products and services are managed by men and 36.4% are managed by women, 27.0% are owned by women for 51% or more, and 26.7% are owned by women for 33.4% or more with a female director. 61.1% of enterprises that regularly export products and services have male directors and 38.9% have female directors.

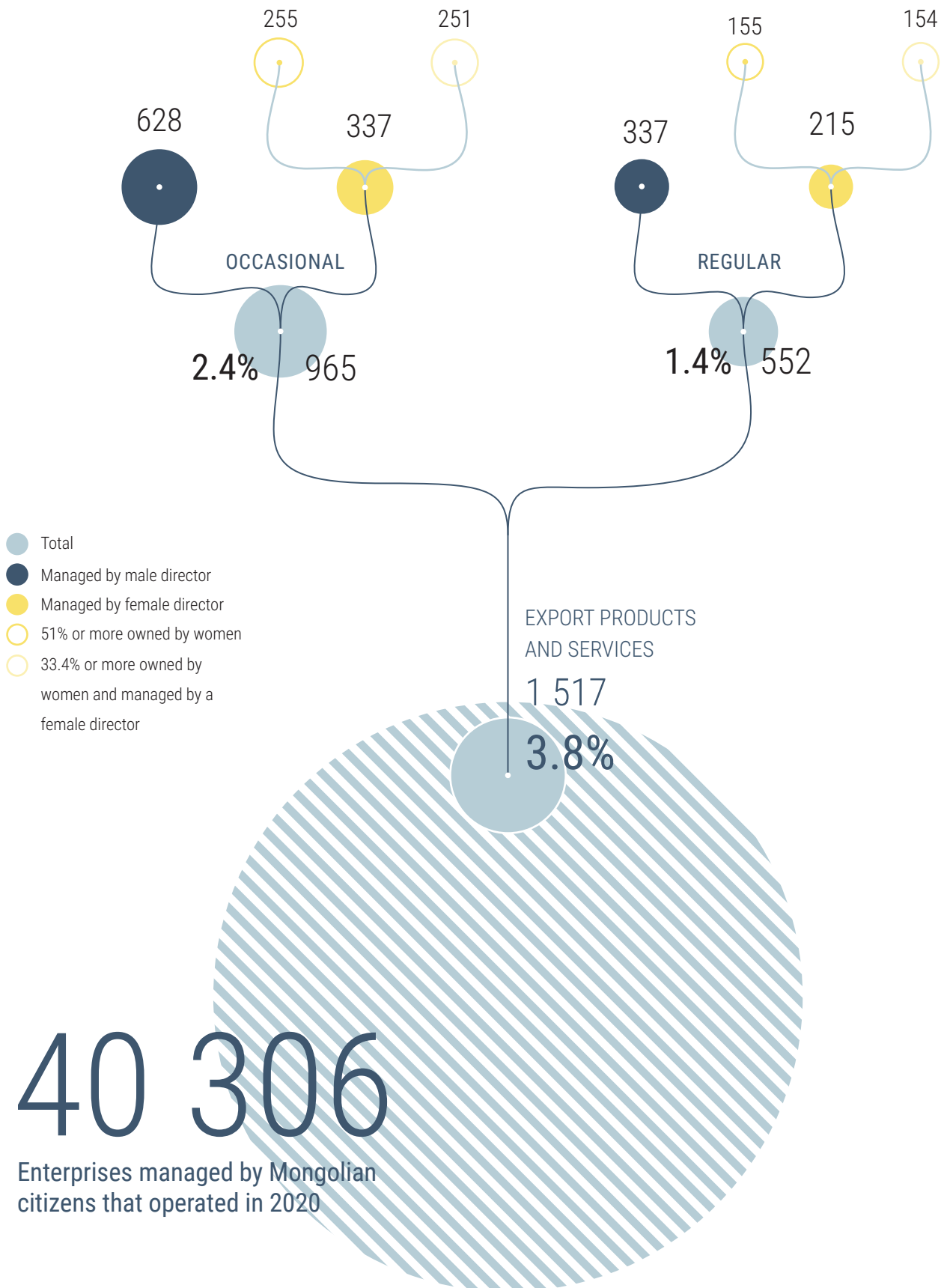
Of the enterprises managed by citizens of Mongolia that operated in 2020, 97 enterprises were involved in the international supply chain, of which 48.5% had male directors and 51.5% had female directors.

Interestingly, 57.9% of the enterprises that export products and services are small enterprises with a sales income of up to 300 million MNT. Also, in terms of the number of employees, 64.3% of the total enterprises that export products and services are enterprises with 1-9 employees.

Enterprises with a sales income of more than 2.5 billion MNT make up 17.3% of enterprises that export products. Enterprises with 200 or more employees make up only 3.2% of enterprises that export products and services.

Small enterprises tend to export products and services more than large enterprises, which is generally the same when considering the gender of the company director.

Figure 34. Number of enterprises managed by Mongolian citizens operating in 2020, by whether they export products or services, by gender of the director, by female owner



3.2

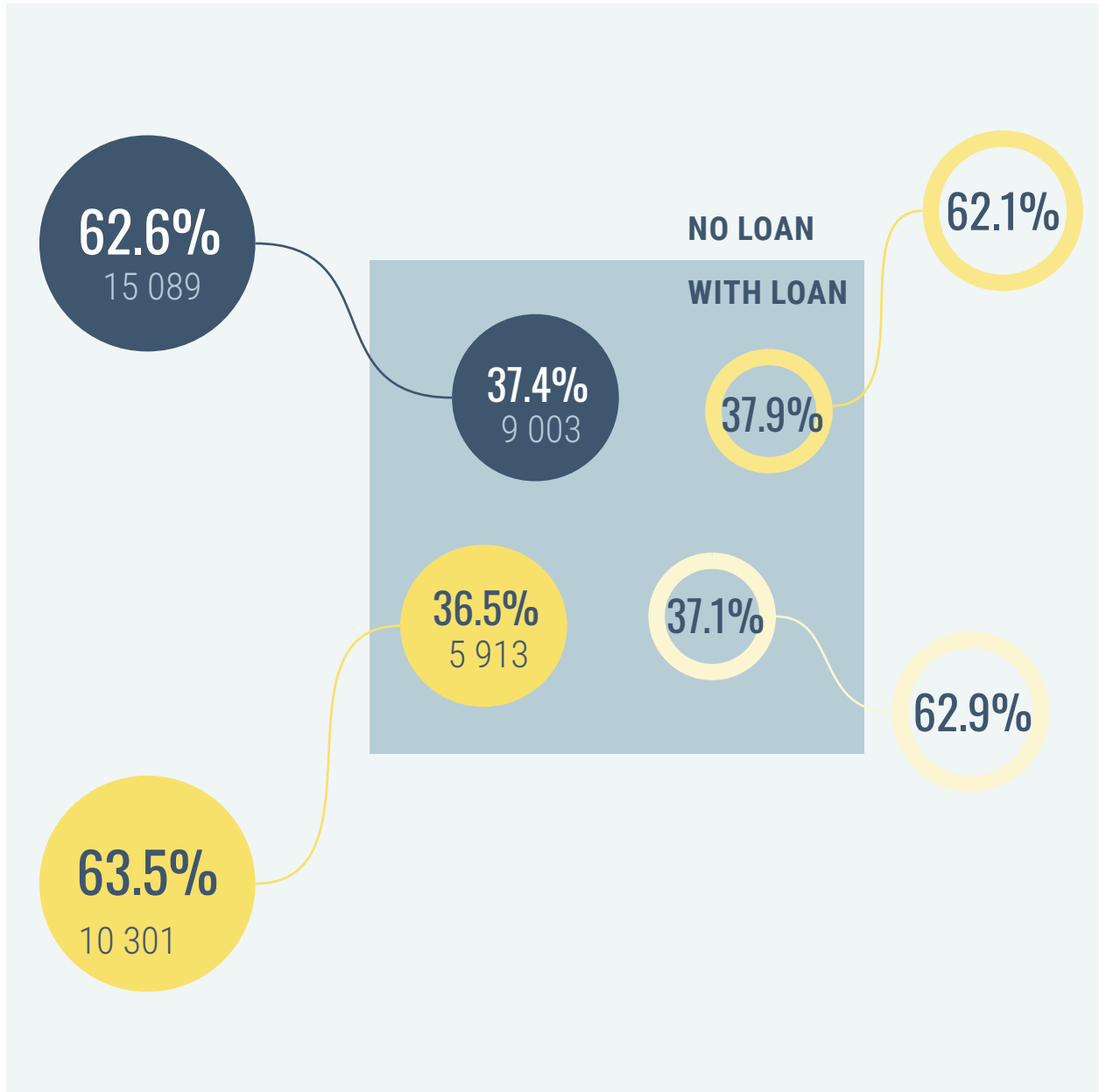
BUSINESS FINANCING, INVESTMENT AND GENDER DIFFERENCES

In 2020, 37.0% of enterprises managed by Mongolian citizens have loans and 63.0% have no loans.

Considering the tendency to generate financing by loan in terms of gender of the director, the percentage of enterprises managed by women with loan is 0.9% lower than that of enterprises managed by man with loans.

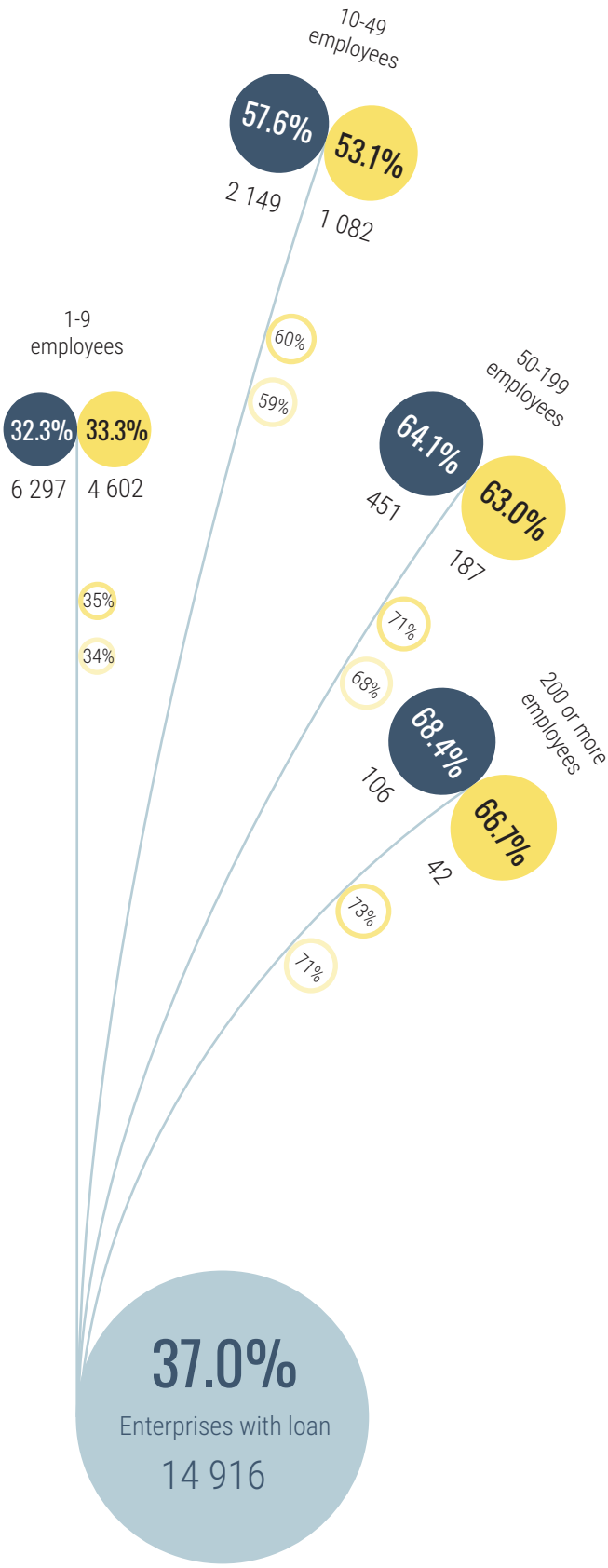
The percentage of enterprises with loan is 37.1-37.9 among enterprises owned by women.

Figure 35. Number of enterprises managed by Mongolian citizens operating in 2020, by loan, by gender of the director, by female owner, by percentage



- Managed by male director ●
- Managed by female director ●
- 51% or more owned by women ○
- 33.4% or more owned by women and managed by a female director ○

Figure 36. Number of enterprises with loans managed by Mongolian citizens operating in 2020, by number of employees group, by gender of the director, by female owner, by percentage



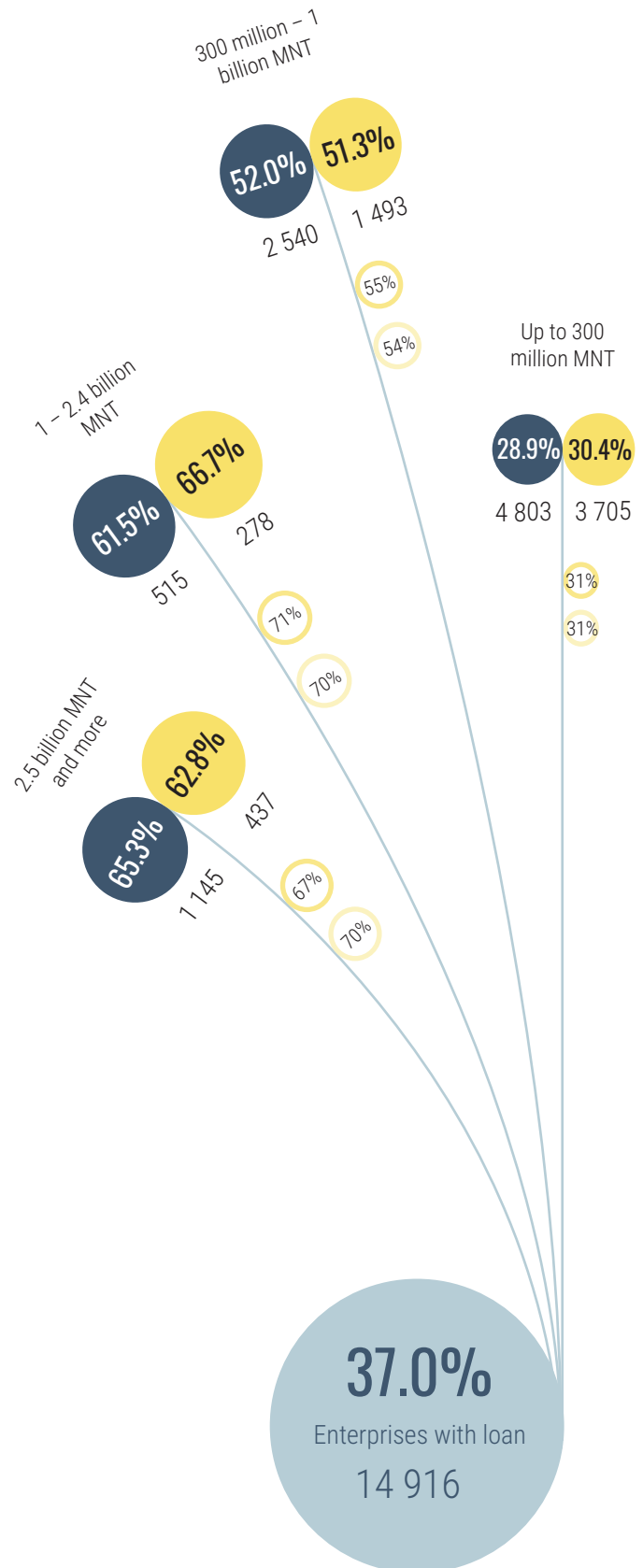
Funding from credit sources is higher as the number of employees of the enterprise increases. In total, the credit participation of enterprises with female directors and owners is the same, but for enterprises with 200 or more employees, the participation in loans is higher for enterprises with female owners. 66.7% of enterprises with 200 or more employees with female directors received loans, 73.1% of enterprises with 51% or more owned by women, and 70.8% of enterprises with 33.4% or more owned by women and with female directors received loans.

- Managed by male director ●
- Managed by female director ●
- 51% or more owned by women ○
- 33.4% or more owned by women and managed by a female director ○

Figure 37. Number of enterprises with loans managed by Mongolian citizens operating in 2020, by sales income group, by gender of the director, by female owner, by percentage

Financing from credit sources is higher as the number of employees of the enterprise increases, the same replies to enterprises as the sales income increases, so the access to loans is higher. Also, as the number of employees increases, the percentage of women-owned enterprises participating in loans is higher.

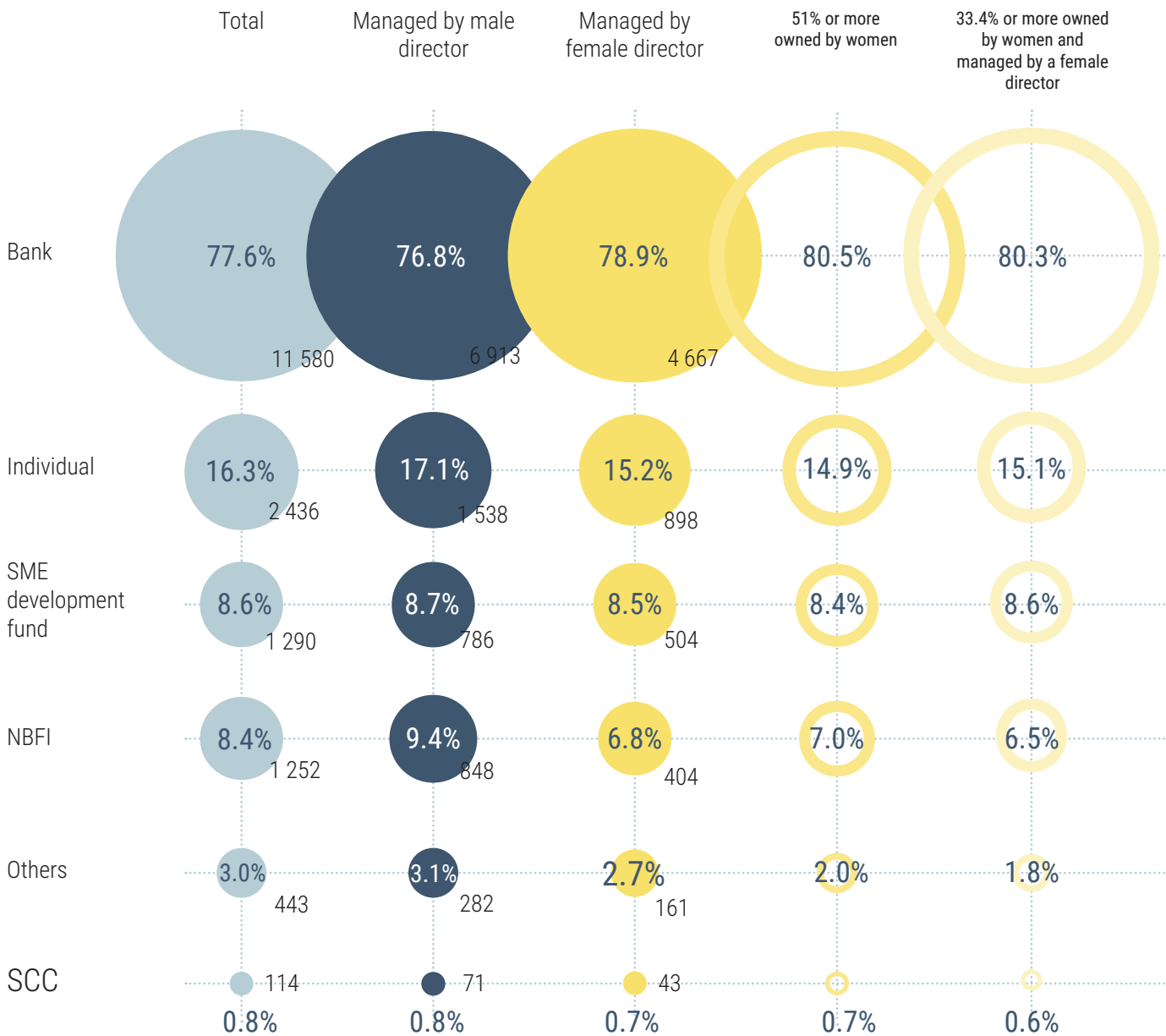
For enterprises with male and female directors, access to loans is generally the same, but according to the SME loan data by the Bank of Mongolia, the amount of loans received by women is lower than that of men, which should be considered.



- Managed by male director
- Managed by female director
- 51% or more owned by women
- 33.4% or more owned by women and managed by a female director

Looking at the source of credit, the majority of the enterprises or 77.6% are taking loans from banks. It is worth noting that 16.3% of them take loans from individuals, which has higher loan interest than organizations such as NBF and SCC, which may depends on the terms and conditions of the loan.

Figure 38. Number of enterprises managed by Mongolian citizens operating in 2020, by loan origination, by gender of the director, by female owner, by duplicated number, by percentage

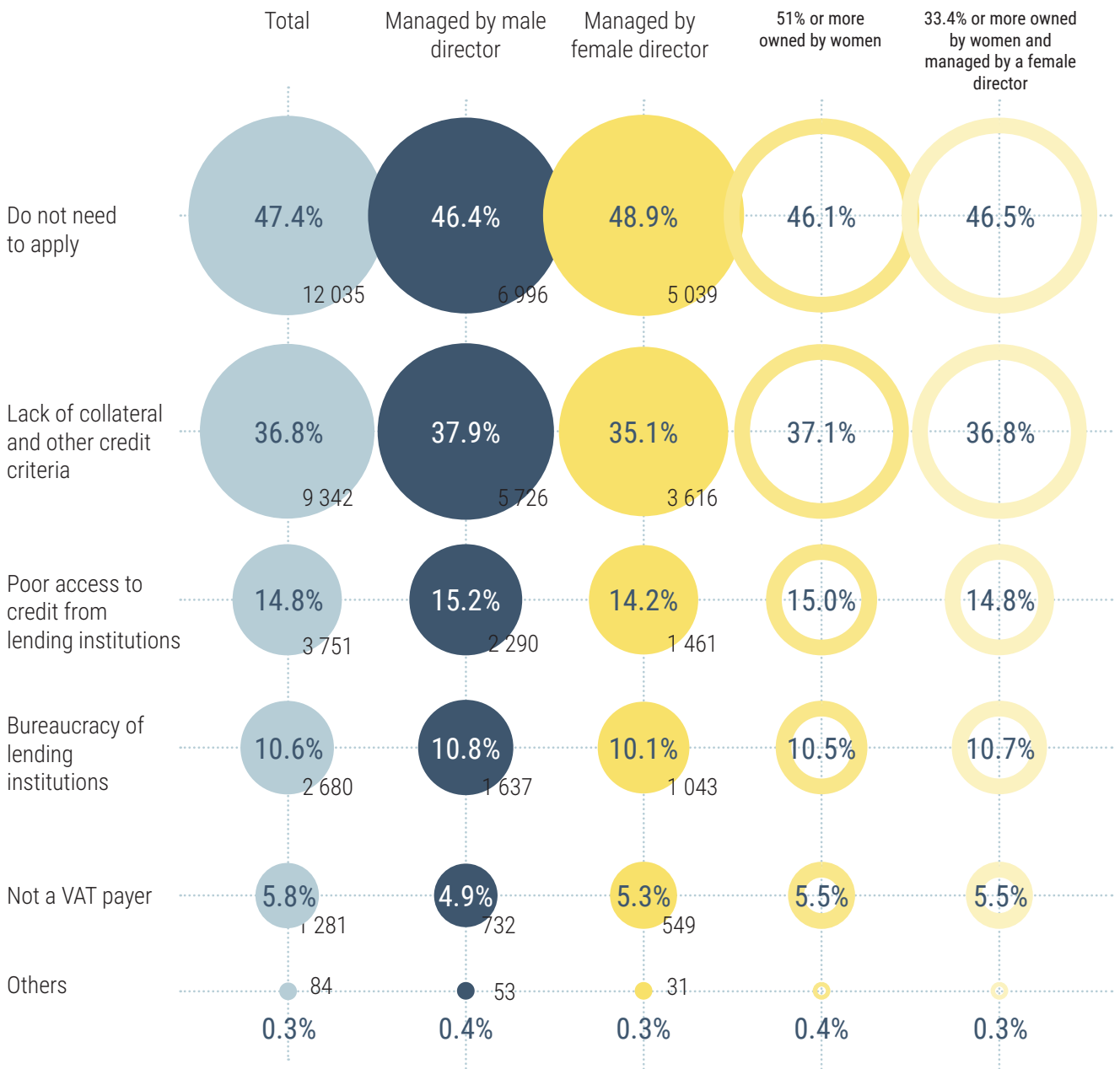


Women tend to take loans from banks more than men, and take loans from individuals is less than men. Women may have more interest in borrowing from a less risky and reliable institution.

In recent years, domestic banks and financial institutions have started to offer financial products specifically for women, and since there is no common definition of a female entrepreneur, each institution defines it differently and sets different criteria.

In 2020, 63.0% of the enterprises managed by citizens of Mongolia or 25.4 thousand enterprises did not receive any loans. Considering the reasons, 47.4% do not need to apply for loans, while 36.8% could not apply for loans due to lack of collateral and other credit criteria. Also 35.1% of enterprises with female directors could not get a loan because they did not meet the credit criteria, while 37.9% of enterprises with male directors could not get a loan for the same reason.

Figure 39. Number of enterprises managed by Mongolian citizens operating in 2020, by reason of non granted loan, by gender of the director, by female owner, by duplicated number, by percentage

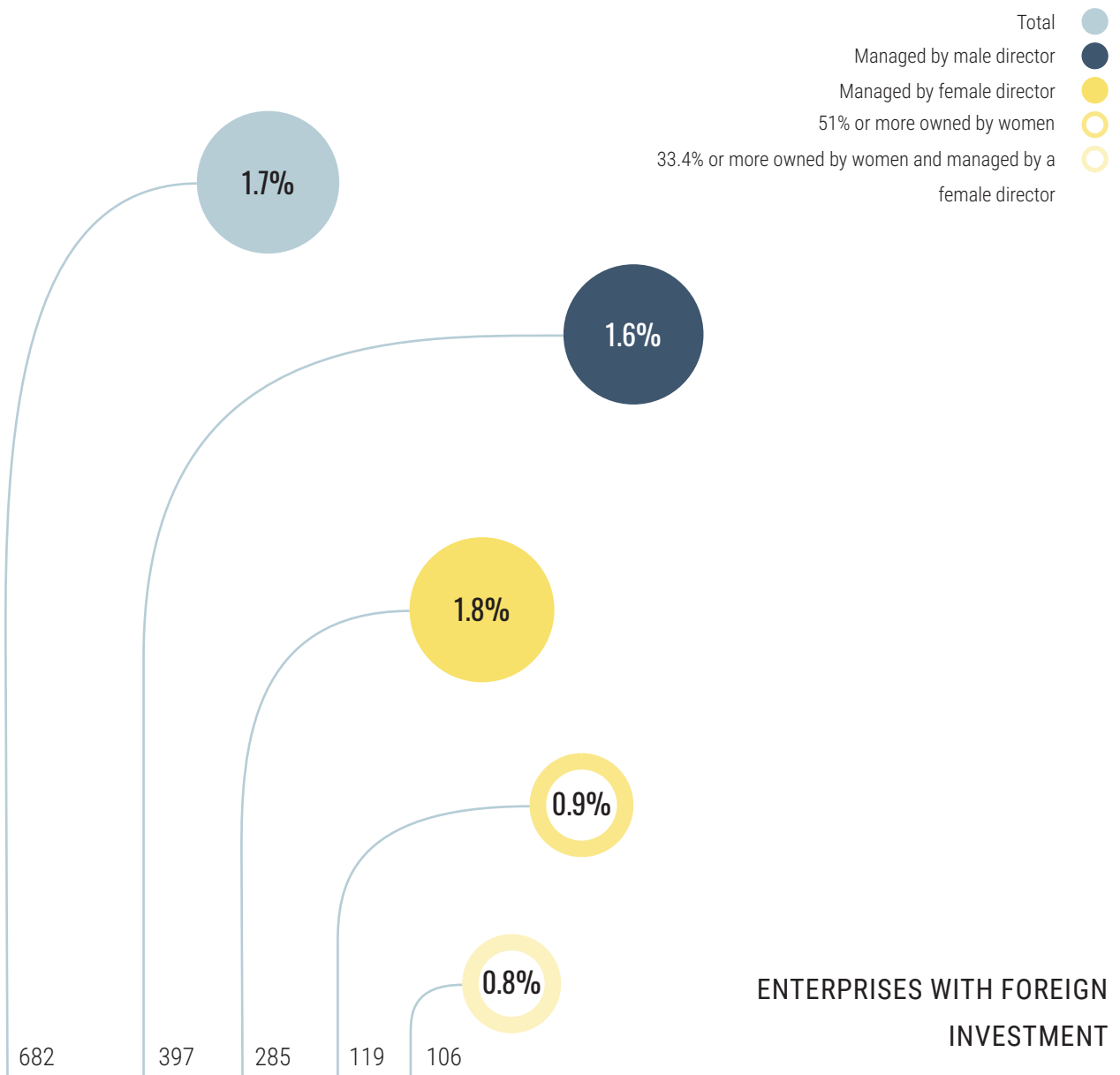


For enterprises with female owners, the percentage is generally the same. The issue of financing is the most important to support the business sector, and the level of credit participation of enterprises with male and female directors is generally the same, and the problems they face are similar, but the loan amount and term are different, which indicates need for more differentiated and effective policy in developing financial products.

FOREIGN INVESTMENT

In 2020, 1.7% of the 40.3 thousand enterprises managed by Mongolian citizens were foreign-invested enterprises. Of which 1.6% of enterprises with male directors and 1.8% of enterprises with female directors are foreign-invested enterprises. But in terms of ownership, 0.9% of enterprises with 51% or more ownership by women, 0.8% of enterprises with 33.4% or more owned by women and with female directors has foreign investment.

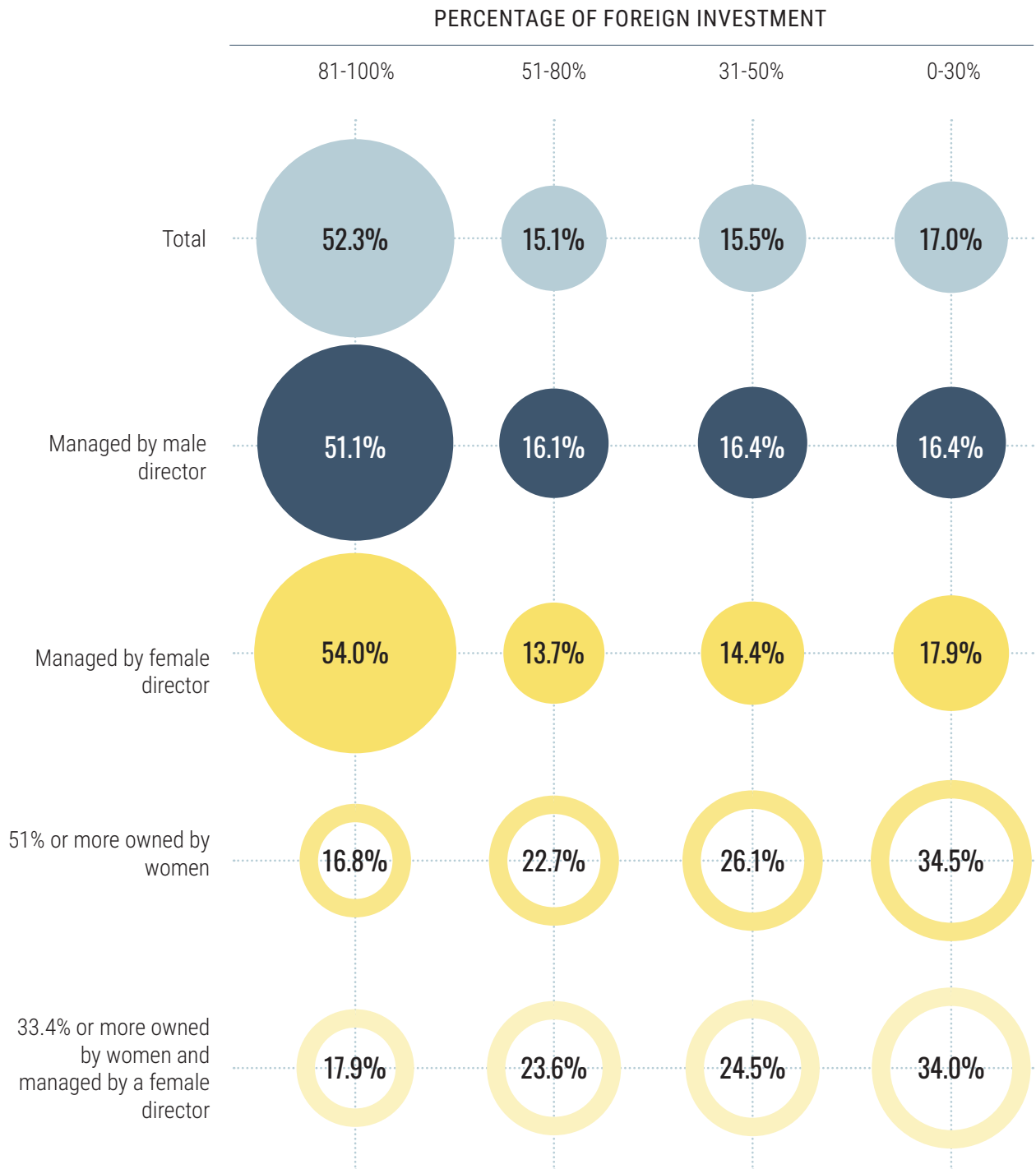
Figure 40. Number of enterprises managed by Mongolian citizens operating in 2020, by foreign investment, by gender of the director, by female owner, by percentage



Enterprises managed by Mongolian citizens that operated in 2020
40 306

Considering foreign investment as a percentage of investment, the majority of enterprises with foreign investment have 80% or more foreign investment.

Figure 41. Percentage of enterprises managed by Mongolian citizens with foreign investment in 2020, by percentage of foreign investment, by gender of the director, by female owner, by percentage





4

SKILLS IN BUSINESS and

GENDER

- 4.1 Gender differences in the workplace
- 4.2 Gender differences in average wages

4.1

GENDER DIFFERENCES IN THE WORKPLACE

The male-dominated approach in management and ownership in business persists in non-management skills and workplaces.

In 2020, 40.3 thousand enterprises managed by citizens of Mongolia have a total of 419.6 thousand employees, of which 58.5% are men and 41.5% are women and the gender ratio of employees, or the number of male employees per 100 female employees, is 141.

As women's participation in the labor market is lower than men's, there is also a gender imbalance in the number of employees in the business sector. An imbalanced gender ratio in the workforce not only creates gender inequality in the workplace, but can also affect gender balance in social, economic, and political life.

The weak participation of women in the labor market can be explained by statistics related to educational ambition, the responsibilities assigned to them to take care of children and family members, and early retirement. In addition, the data of women engaged in business activities that are not registered as enterprises is needed to look at. For example, according to the 2021 Census of Enterprises, 39.6% of the enterprises managed by citizens of Mongolia have female directors, while 53.3% of the self-employed are female.

As shown in the previous chapters, enterprises with female directors and owners were generally less likely to have more employees than enterprises with male directors and owners. Women are creating jobs, but their contribution to job creation is small. An enterprise with a male director has an average of 12 employees, while an enterprise with a female director has an average of 8 employees. As the number of employees increases, the participation of women in management decreases.

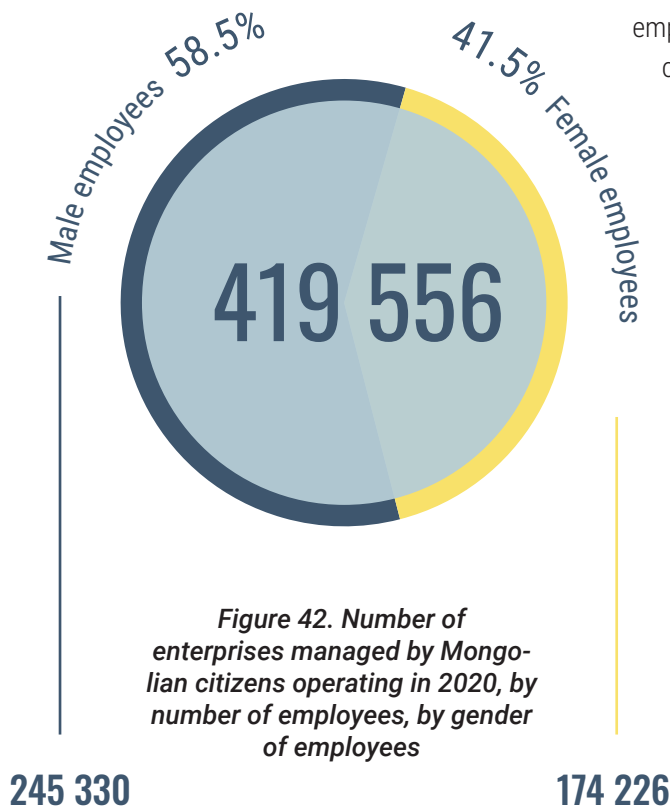


Figure 42. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees, by gender of employees

The gender ratio of employees is also different for enterprises with male and female directors of Mongolian citizens. In 2020, 65.1% of all employees of enterprises with male directors were male and 34.9% were female. But in enterprises with female directors, 44.1% of all employees are men and 55.9% are women.

In the case of enterprises with a Mongolian female director, female employees predominate in terms of gender, while in the case of enterprises with a male director, male employees predominate in terms of gender, and the gender ratio is further lost.

The gender ratio of employees is generally the same for enterprises with female directors and female owners.

Figure 43. Number of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of directors, by female owner

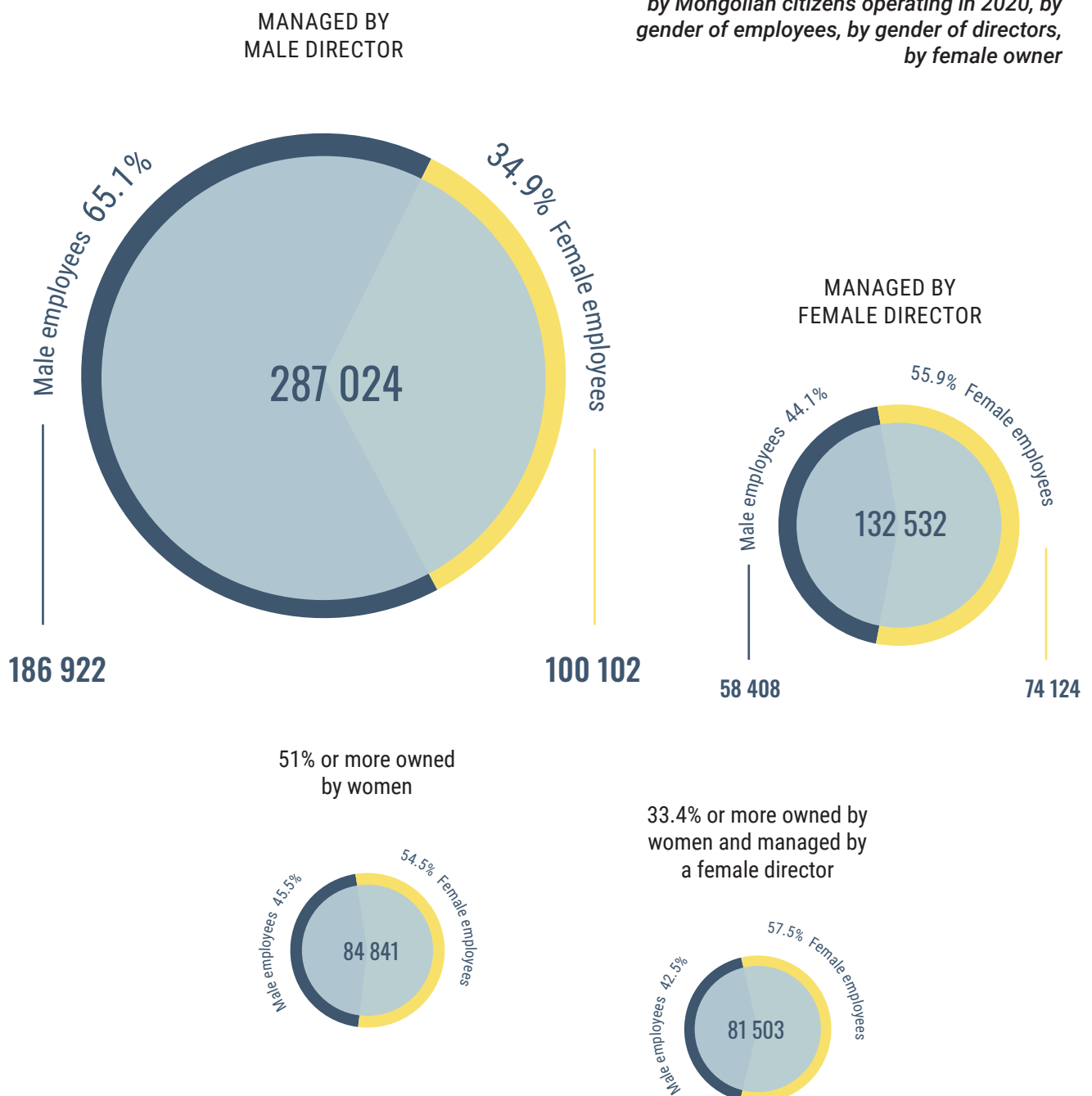
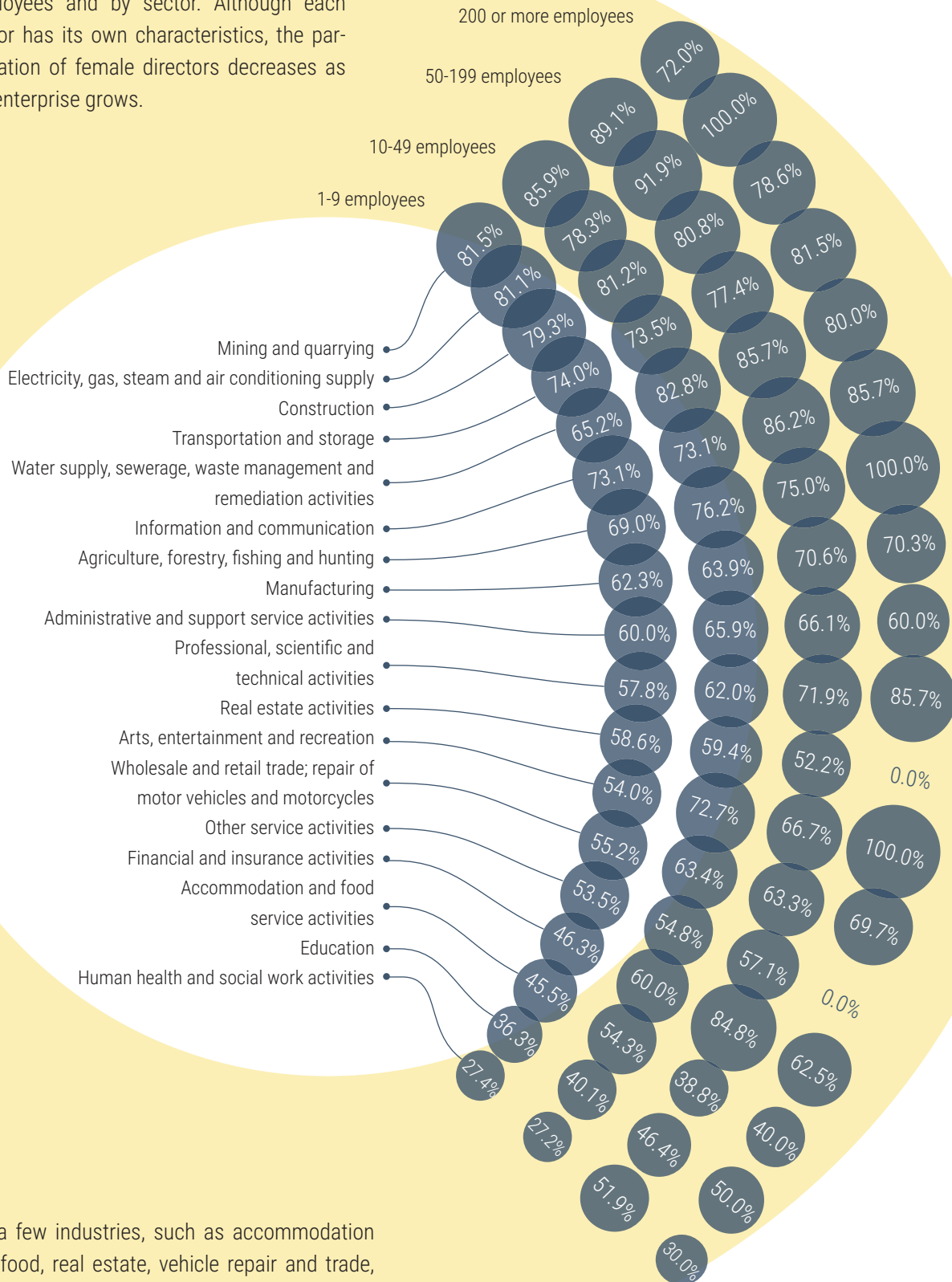


Figure 44. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by sector, by male director, by percentage

The proportion of enterprises with female directors is distinguished by the number of employees and by sector. Although each sector has its own characteristics, the participation of female directors decreases as the enterprise grows.

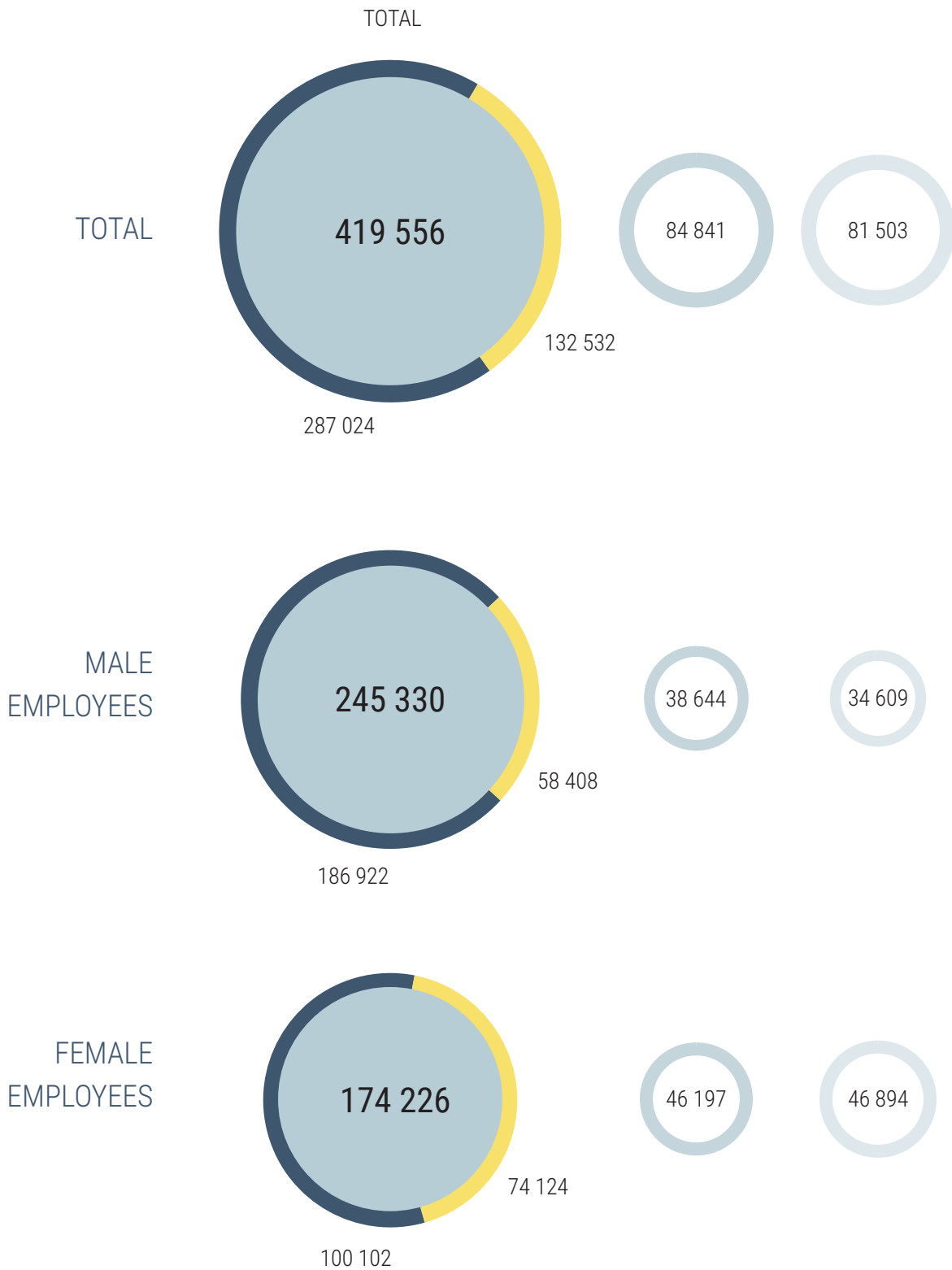


For a few industries, such as accommodation and food, real estate, vehicle repair and trade, the percentage of enterprises with female directors increases as the number of employees increased.

Figure 45. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees, by sector, by female director, by female owner, by percentage



Figure 46. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by gender of employees, by gender of director, by female owner



- Total
- Managed by male director
- Managed by female director
- 51% or more owned by women
- 33.4% or more owned by women and managed by a female director

Figure 47. Number of enterprises managed by Mongolian citizens operating in 2020, by number of employees group, by gender of employees, by gender of director, by female owner, by region

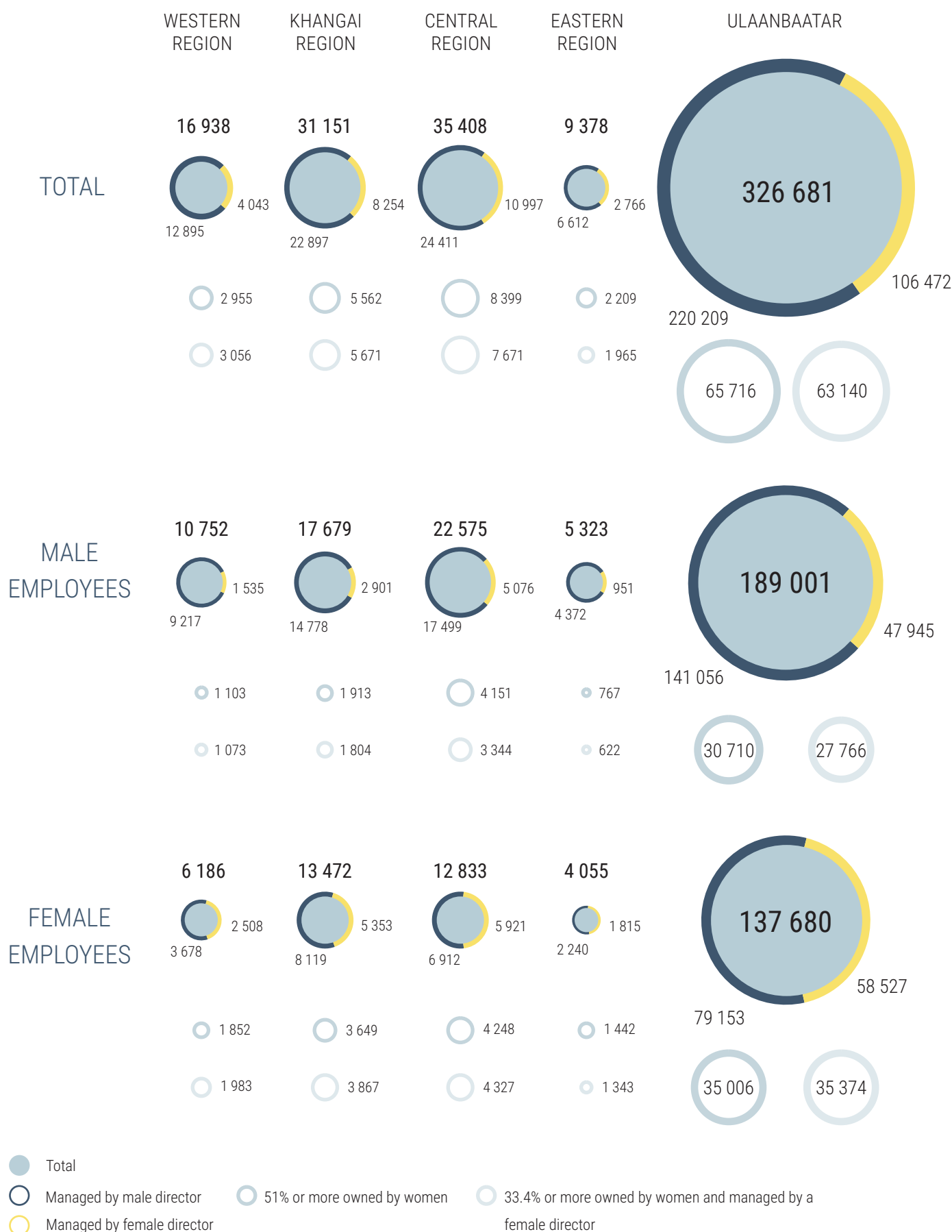
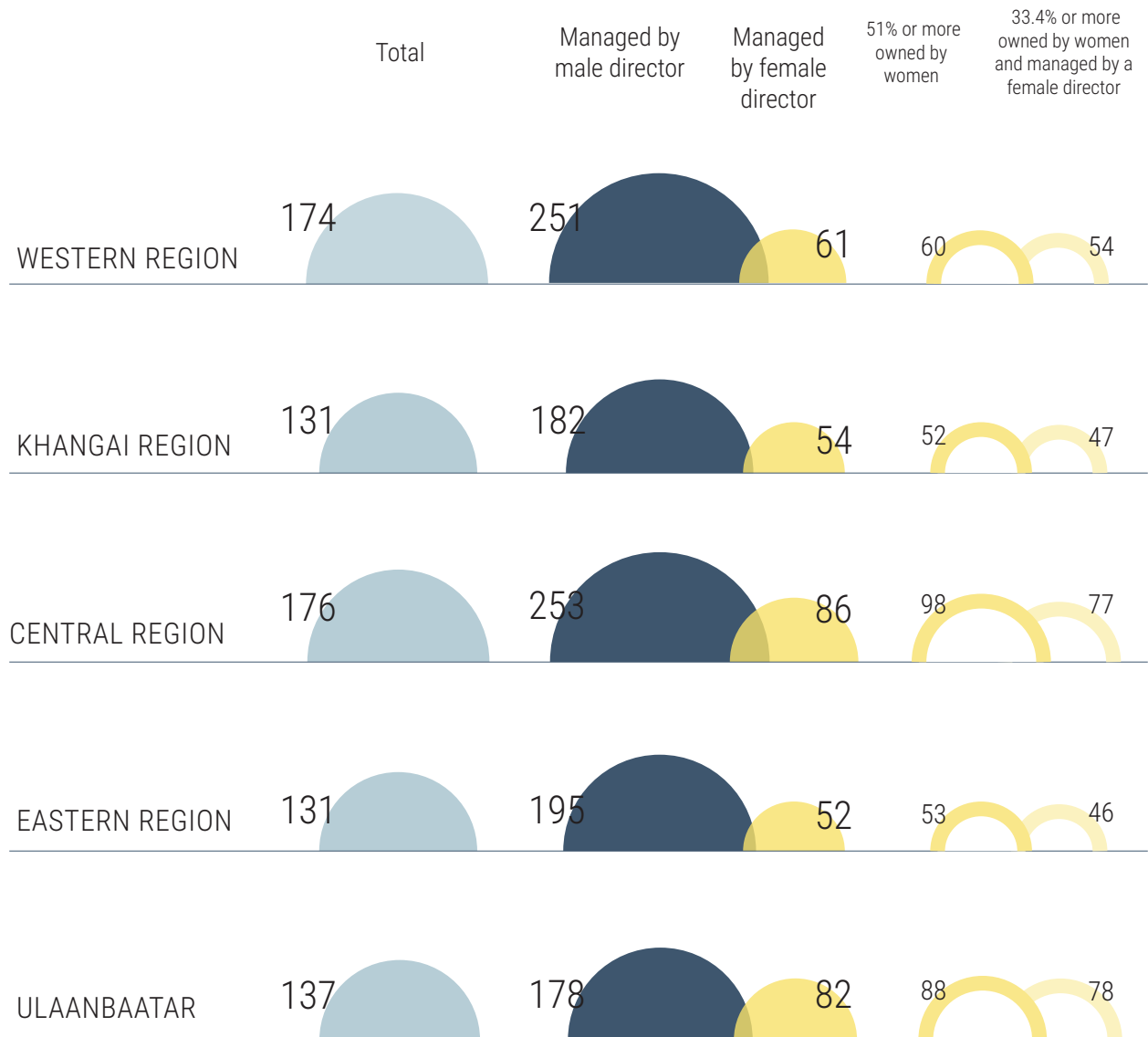


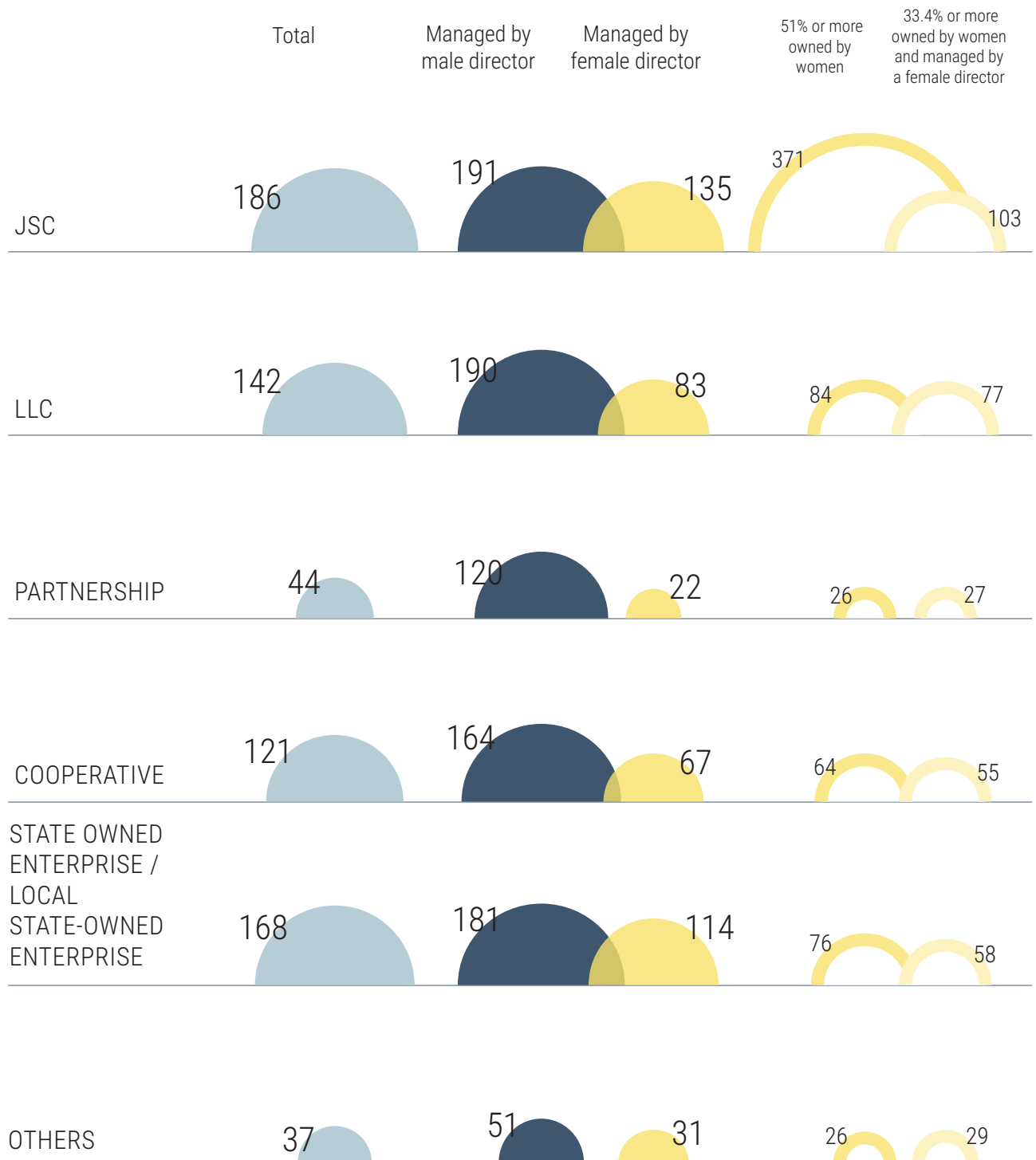
Figure 48. Gender ratio of employees of enterprises managed by Mongolian citizens operating in 2020, by region



The gender ratio of employees also varies by province and capital. There are 131 male workers for every 100 female workers in Khangai region and Eastern region, and 174-176 male workers in Western region and Central region.

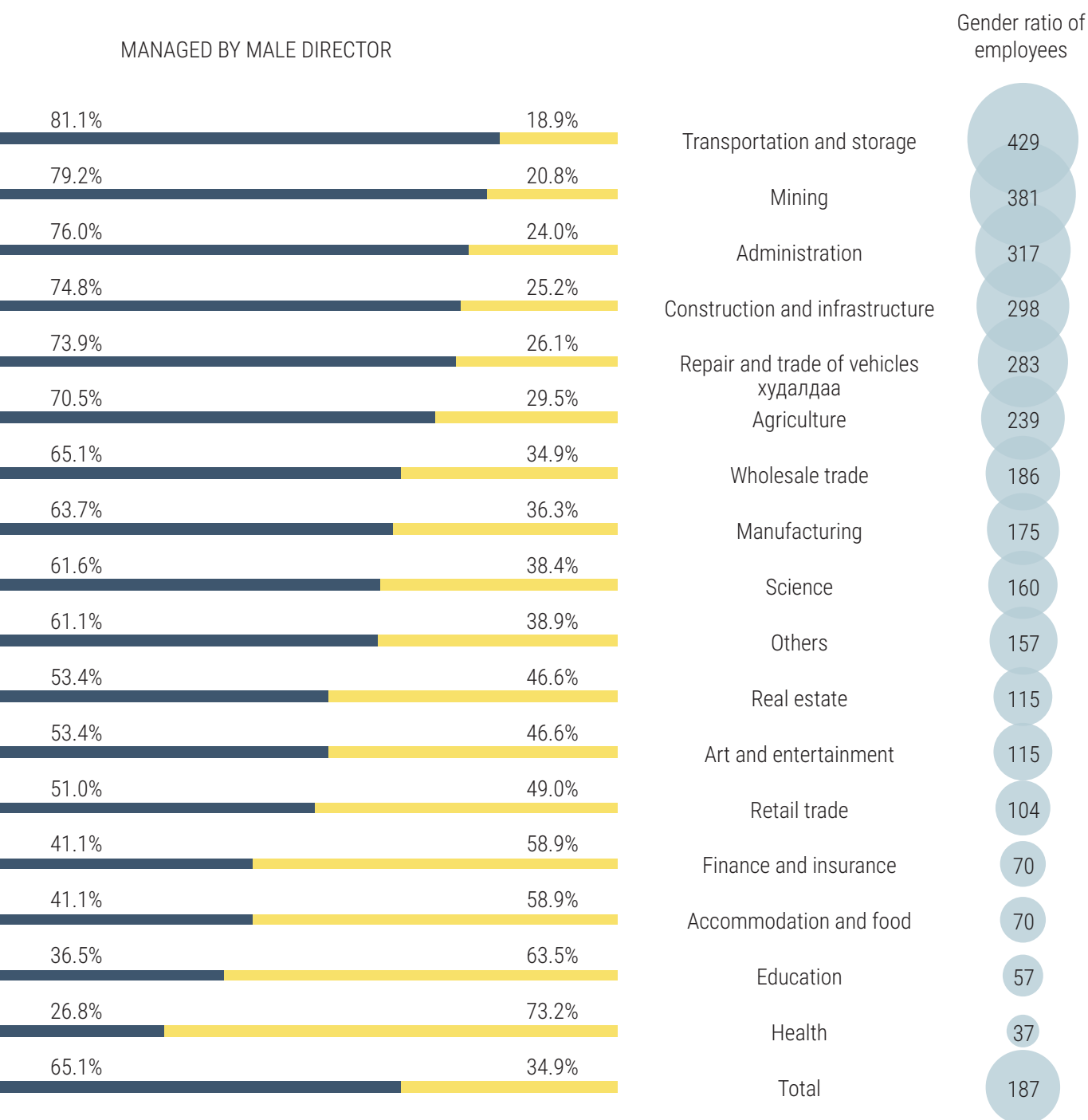
In all regions and in Ulaanbaatar, the gender ratio of employees is dominated by men. The ratio is 137 in Ulaanbaatar.

Figure 49. Gender ratio of employees of enterprises managed by Mongolian citizens operating in 2020, by legal type



The gender ratio also differs in all legal types of enterprises. The gender ratio is higher in JSCs, SOEs, and LLCs, while the gender ratio is relatively low in cooperatives and partnerships. Also, in terms of the gender of the director, it is observed that the gender ratio is high in businesses with male directors, and the gender ratio is low or relatively stable in businesses with female directors.

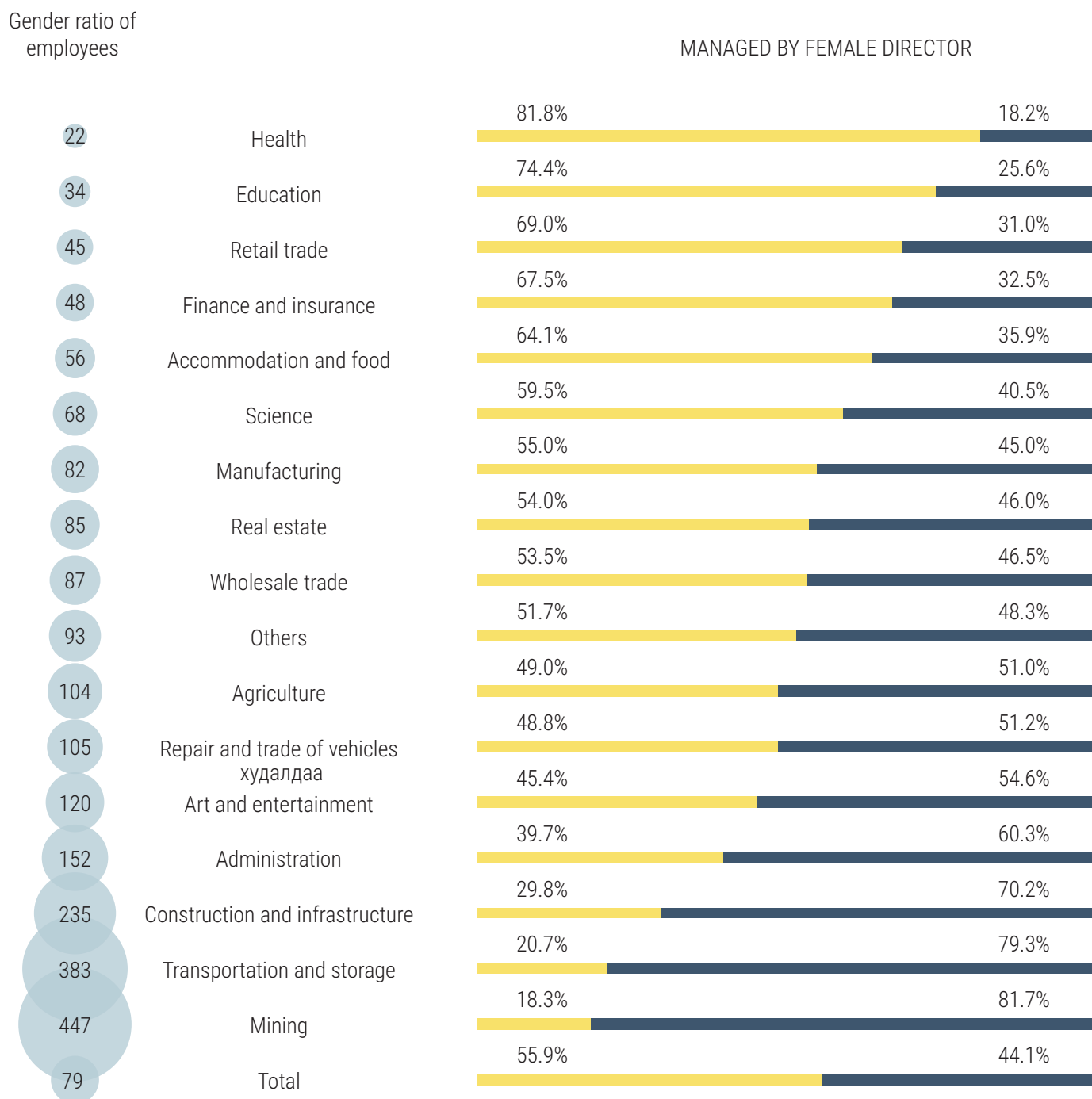
Figure 50. Proportion of male and female employees among the total employees of enterprises with male directors managed by Mongolian citizens operating in 2020, by sector



The gender ratio of employees is generally male-dominated, with some differences by sectors. For example, the proportion of female workers in health and education is higher, and more than half of workers are women in health, education, accommodation and food, finance, insurance, other services, wholesale and retail, art, entertainment, and real estate.

Male employees Female employees

Figure 51. Proportion of male and female employees among the total employees of enterprises with female directors managed by Mongolian citizens operating in 2020, by sector



Most sectors are dominated by men, with the least number of women working in mining and construction. On the other hand, the sector with the most balanced gender ratio of employees is the science sector.

Unbalanced gender ratio of employees of the enterprise indicates the loss of gender balance in the labor market, and recalls the need to support women's employment and pay attention to the gender ratio of career choices.

Male employees Female employees

4.2

GENDER DIFFERENCES IN AVERAGE WAGES

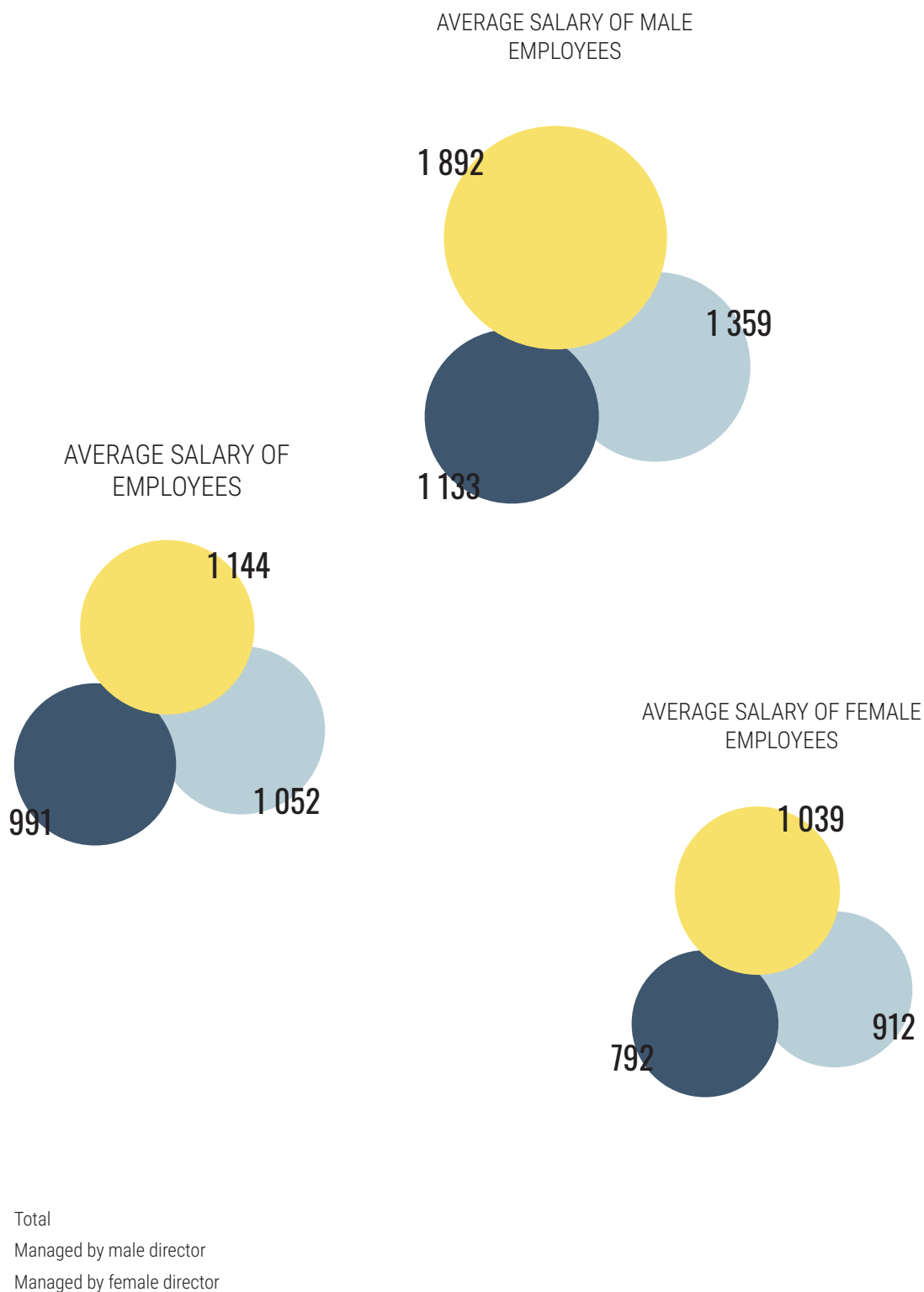
There is a wage gap between male and female workers in the business labor market. The average salary of enterprises that operated in 2020 is 1.1 million MNT, the average salary of male employees is 1.4 million MNT, and the average salary of female employees is 912 thousand MNT. The average salary of male employees of enterprises operating in 2020 is 49.0% higher than that of women.

The certain percentage of the wage gap can be explained by the differences of the industries in which men and women work. Men are more likely to work in mining, agriculture, and manufacturing, which account for a higher percentage of GDP. Also, it can be seen from the statistics of industrial accident victims (71.6% of industrial accident victims are men on average in 2016-2022) that men work in higher risk workplaces⁸. The gender wage gap in the business sector needs to be examined in detail for equally valued jobs, positions and skills.

Considering the gender of the director, companies with female directors pay an average of 15.4% higher wages than companies with male directors.

⁸ Industrial accident victims statistics, NSO

Figure 52. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, thousand MNT



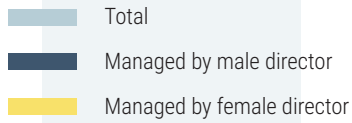
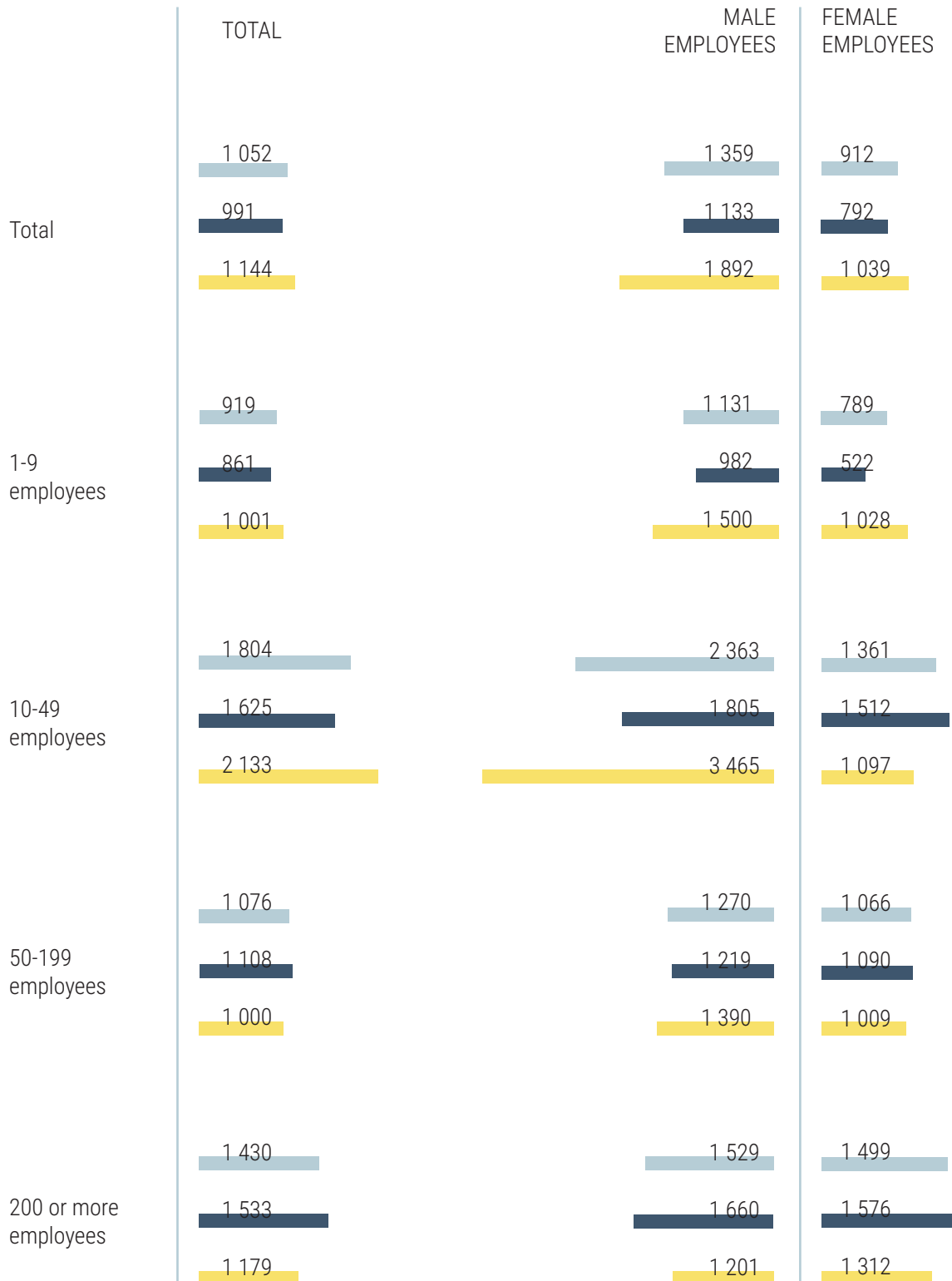
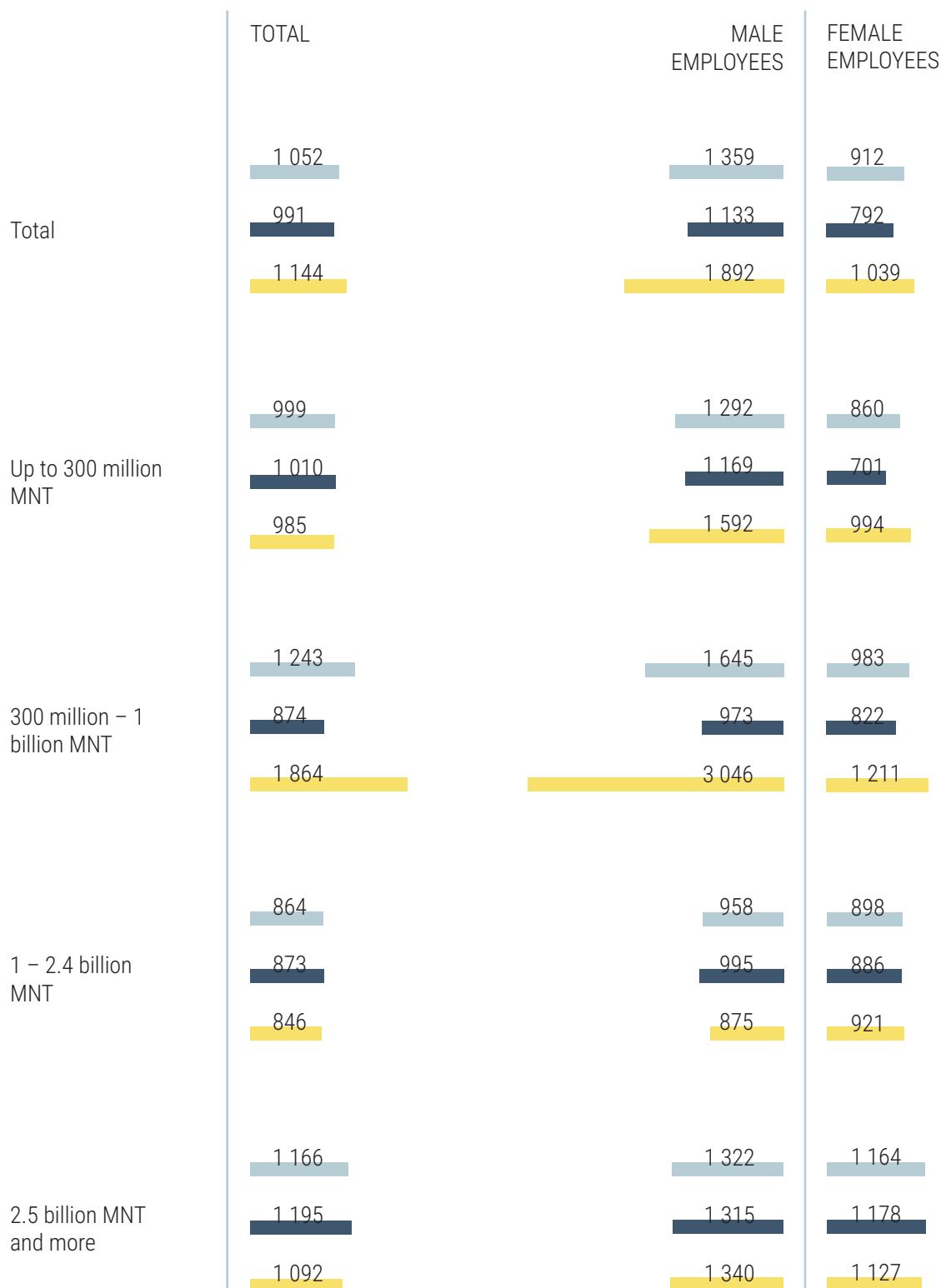


Figure 53. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, by number of employees group, thousand MNT



Gender differences in wages will affect many indicators such as the income level, quality of life, financial independence, and even the amount of pensions, so it is necessary to study the gender imbalance of salary in detail and reflect it to the policy in Mongolia.

Figure 54. Average salary of employees of enterprises managed by Mongolian citizens operating in 2020, by gender of employees, by gender of director, by sales income group, thousand MNT





5

TECHNOLOGY, INNOVATION, R&D and

GENDER

- 5.1 Technology use and gender differences
- 5.2 Innovation adoption and gender differences
- 5.3 R&D and gender differences

5.1

TECHNOLOGY USE AND GENDER DIFFERENCES

The development of the business sector cannot progress without technology, innovation and R&D. The business sector contributes to solving social problems by leading the economy with creation new technologies and know-how and by introducing new products and services.

In the census of enterprises, information on technology, innovation and R&D of the business sector has started to be compiled, which is important for the creation of a database of the technology and knowledge sector and for determining policies based on it.

In 2020, 81.8% or 33.0 thousand of the 40.3 thousand enterprises managed by Mongolian citizens are using computers and smart devices in daily operations. Looking at the gender of the enterprise director, 80.9% of enterprises with male directors and 83.2% of enterprises with female directors use computers and smart devices in their operations. The use of computers and smart devices in the operations of female-owned enterprises is generally the same as that of enterprises with female directors.

Even 92.5% of the 33.0 thousand enterprises that use computers and smart devices in their operations, only up to 9% of their employees regularly use computers. The use of computers and smart devices by employees in their work is slightly more prevalent in enterprises with female directors. It may depend on the specifics of the sector.

Figure 55. The number of enterprises managed by Mongolian citizens operating in 2020, by use of computers and smart devices in their operations, by gender of director, by female owners, by percentage

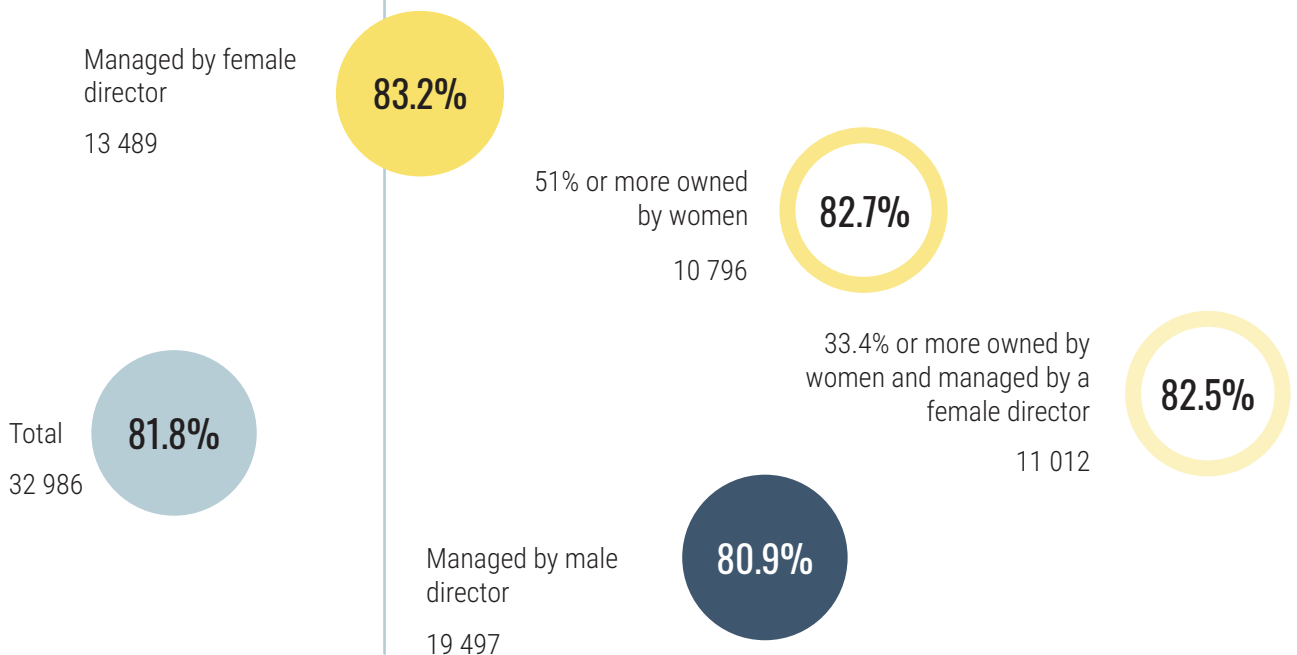
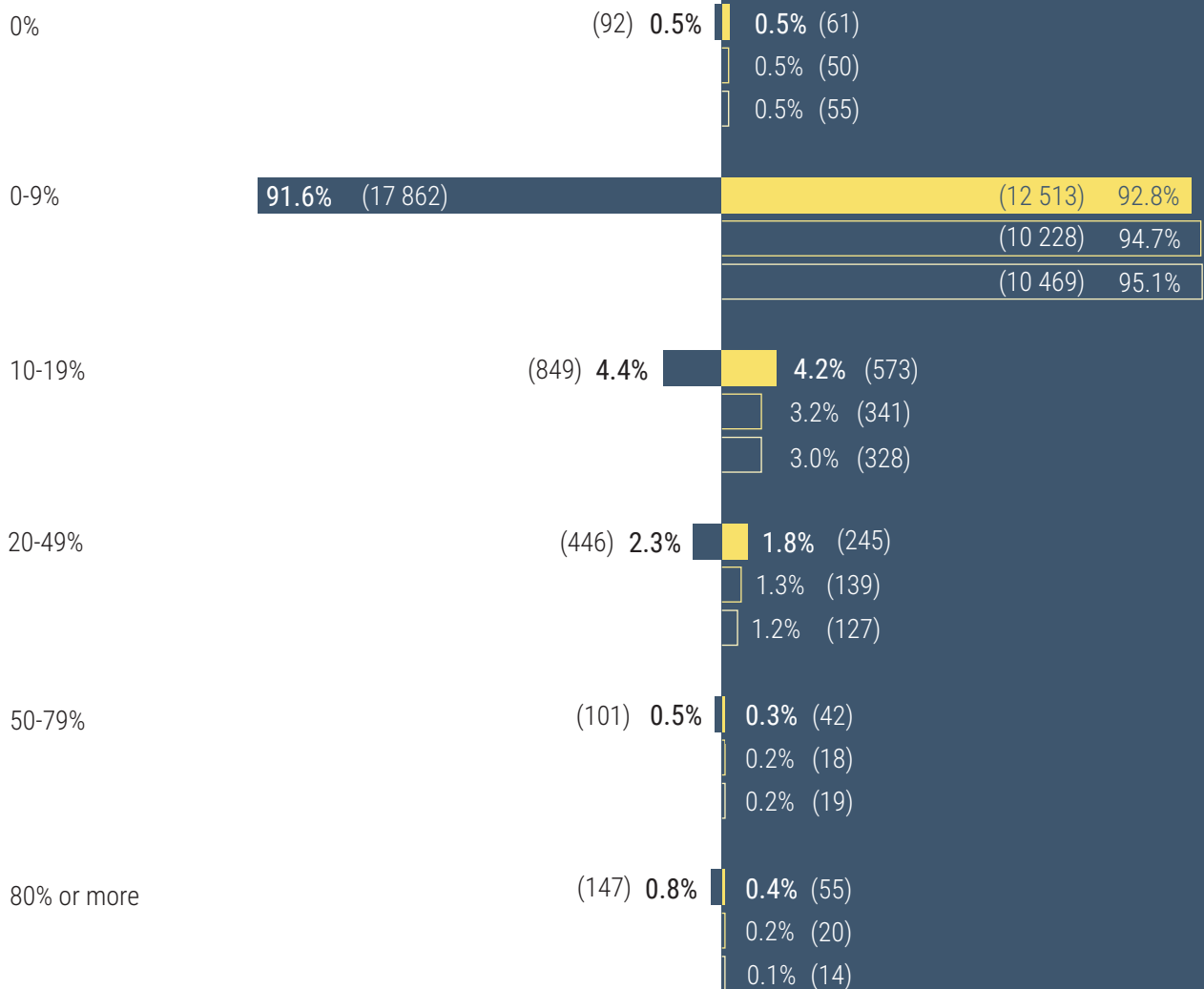


Figure 56. The number of enterprises managed by Mongolian citizens operating in 2020, by number of employees that use computers and smart devices regularly, by gender of director, by female owners, by percentage



When comparing the sales revenue and the number of employees, the use of computers and smart devices in its operations is increasing as the enterprise grows.

95.2% of enterprises with a sales income of more than 2.5 billion MNT use computers and smart devices in their operations, while 97.7% of enterprises with 200 or more employees use computers and smart devices. Enterprises with female directors are slightly more likely to use computers and smart devices than those with male directors.

Managed by male director

Managed by female director

51% or more owned by women

33.4% or more owned by women and managed by a female director

Figure 57. The number of enterprises managed by Mongolian citizens operating in 2020, by percentage of use of computers and smart devices, by number of employees group, by gender of director, by female owners, by percentage

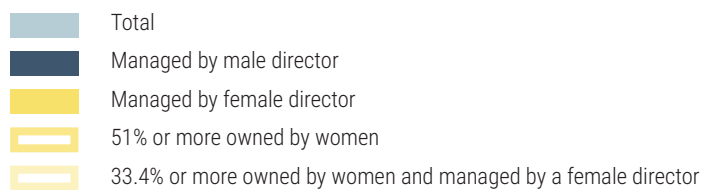
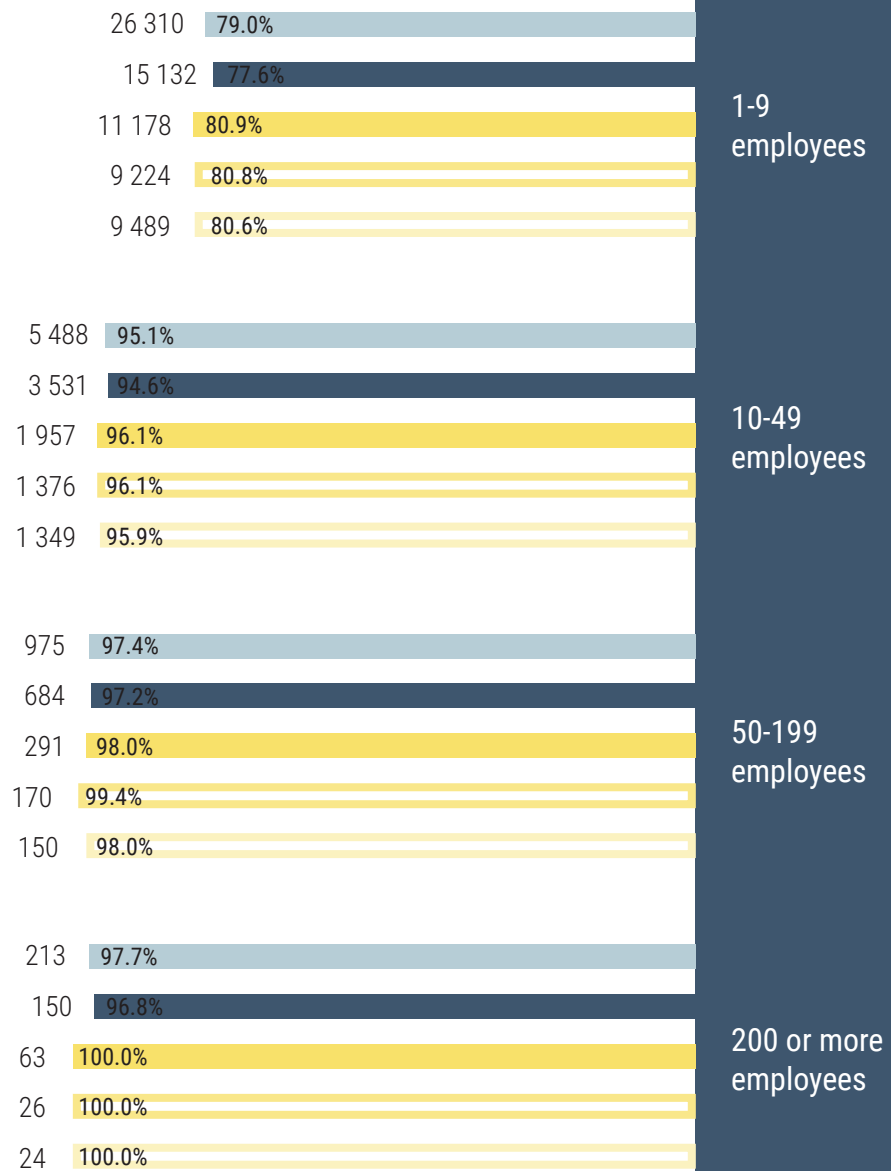
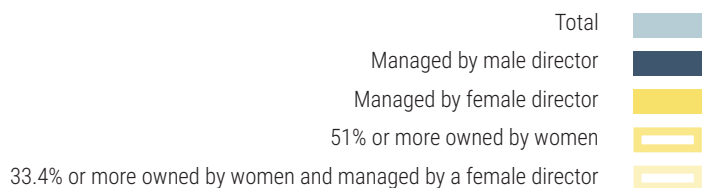
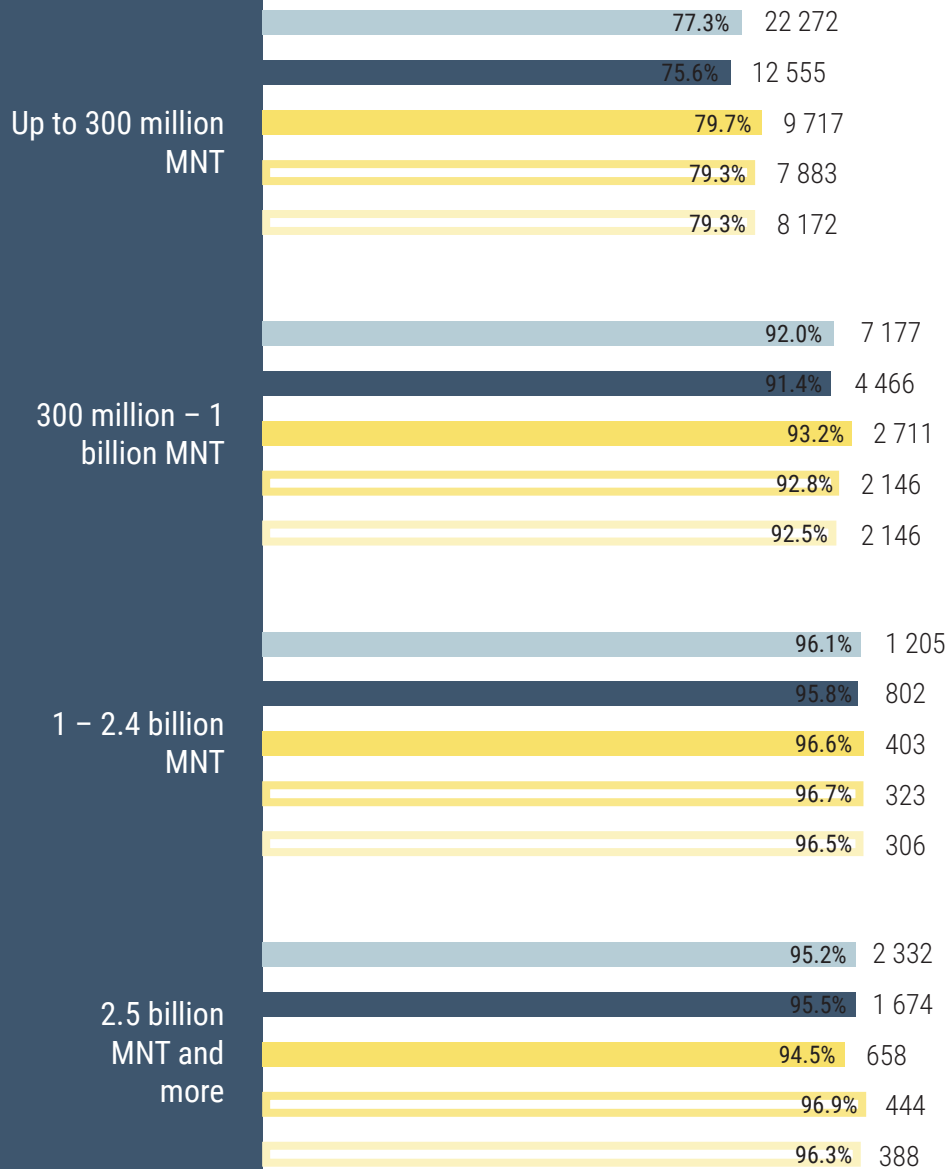


Figure 58. The number of enterprises managed by Mongolian citizens operating in 2020, by percentage of use of computers and smart devices, by sales income group, by gender of director, by female owners, by percentage



In 2020, 70.1% or 28.2 thousand of the 40.3 thousand enterprises managed by citizens of Mongolia, use the network in their operations. Enterprises with female directors are slightly more likely to use networks in their operations than enterprises with male directors.

In 2020, 57.3% of enterprises managed by citizens of Mongolia are using the Internet in their operations. The percentage of regular Internet use is also slightly higher in enterprises with female directors.

Furthermore, 11.1% or 4.5 thousand of the enterprises managed by Mongolian citizens operating in 2020 have a database, and 11.9% or 4.8 thousand have a data server.

The information and communications sector has the highest number of enterprises (29.2%) with data servers, and 29.9% of enterprises with male directors have data servers, while 27.3% of enterprises with female directors have data servers. It can be seen that enterprises with male directors tend to use data technologies more.

Figure 59. The number of enterprises managed by Mongolian citizens operating in 2020, by use of network for operation, by gender of director, by female owners, by percentage

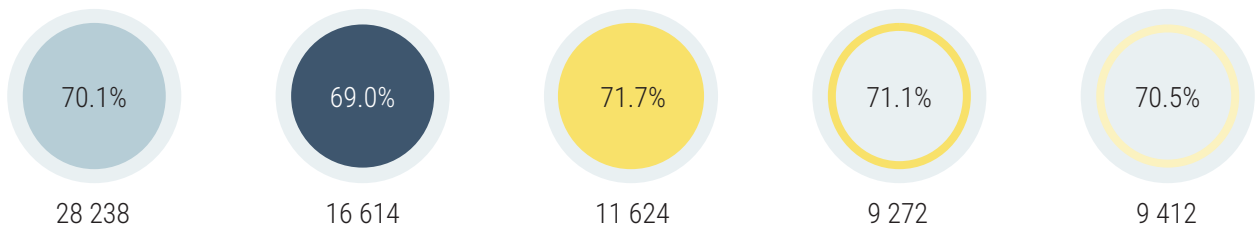


Figure 60. The number of enterprises managed by Mongolian citizens operating in 2020, by regular use of internet for operation, by gender of director, by female owners, by percentage

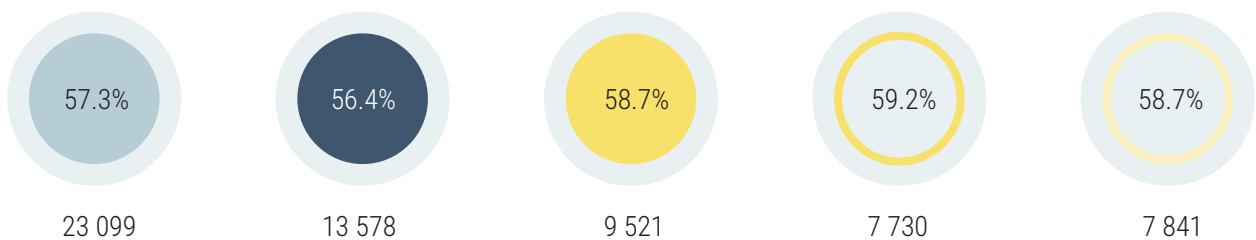


Figure 61. The number of enterprises managed by Mongolian citizens operating in 2020, by use of data-base for operation, by gender of director, by female owners, by percentage

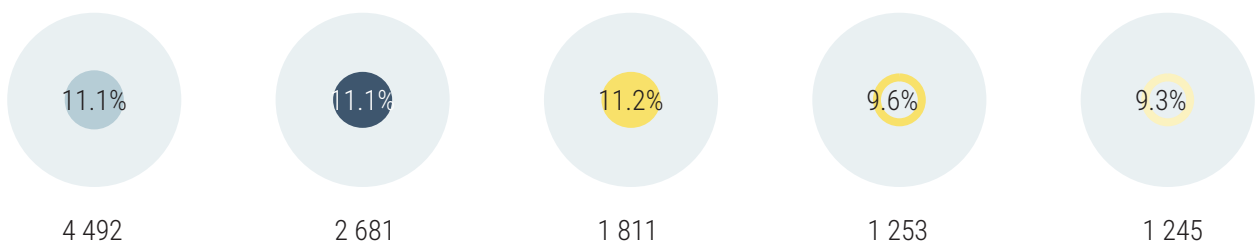
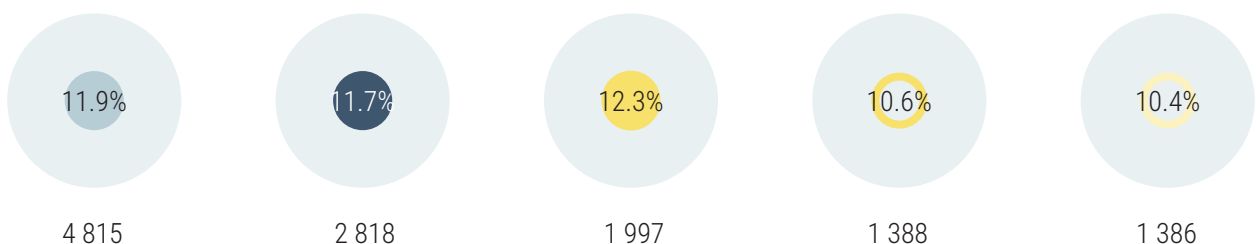


Figure 62. The number of enterprises managed by Mongolian citizens operating in 2020, by use of server for operation, by gender of director, by female owners, by percentage



- Total
- Managed by male director
- Managed by female director
- 51% or more owned by women
- 33.4% or more owned by women and managed by a female director

5.2

INNOVATION ADOPTION AND GENDER DIFFERENCES

In 2018-2021, 8.0% or 4.4 thousand enterprises of 58.8 thousand enterprises managed by Mongolian citizens, introduced new or significantly improved product and service innovations. Considering the difference in the gender of the director, innovation adoption is slightly higher for enterprises with female directors than for enterprises with male directors.

In terms of the type of innovation, enterprises have introduced the innovation of information and communication system and organization and management the most. 59.9% of the 4.4 thousand enterprises that have introduced innovations are managed by male directors and 40.1% are managed by female directors.

Figure 63. The number of enterprises managed by Mongolian citizens that operated in 2018-2021, by percentage of new or significantly improved product and service innovations introduced in 2018-2021, by gender of director, by female owners

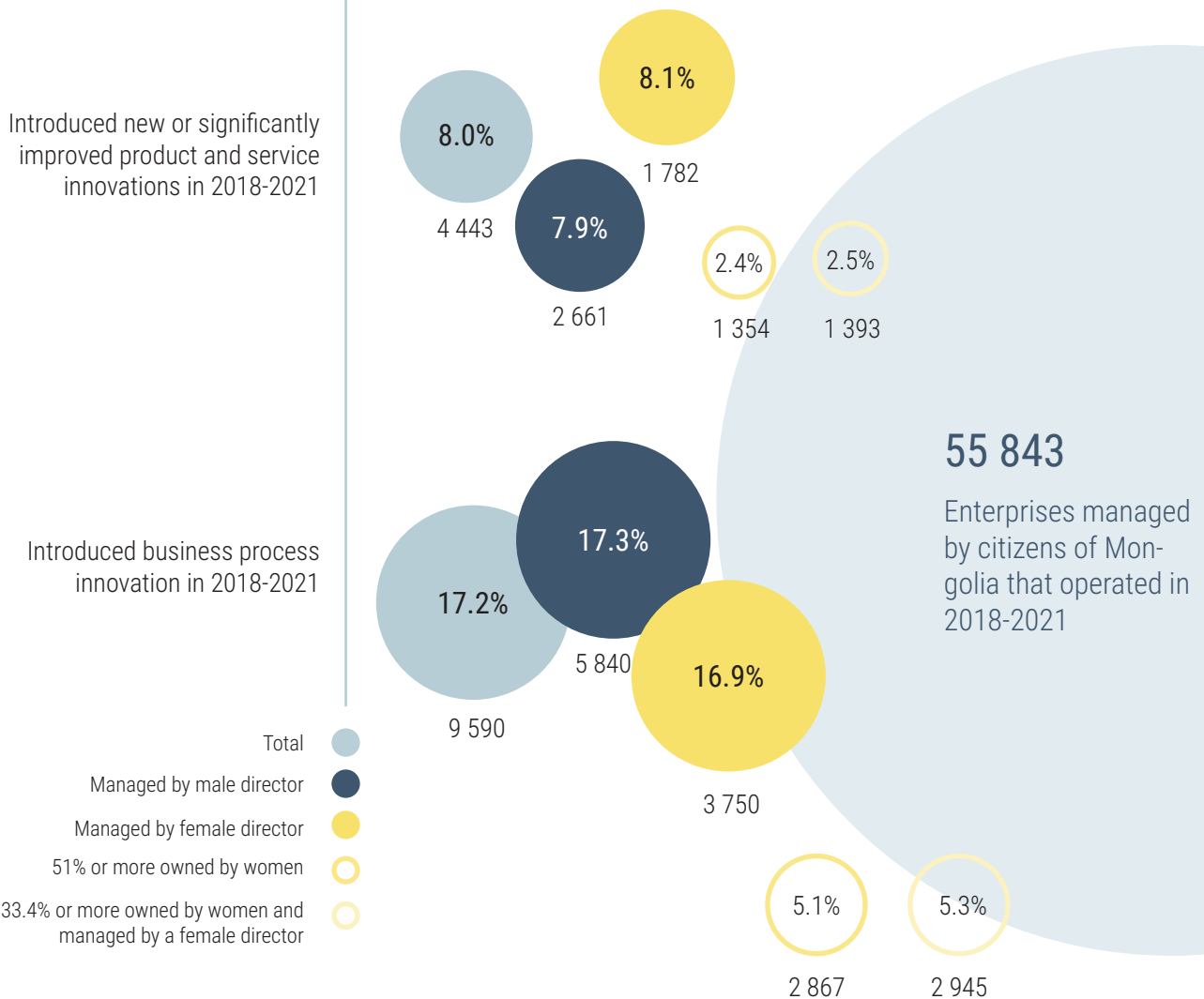


Figure 64. The number of enterprises managed by Mongolian citizens that operated in 2018-2021 and introduced business process innovation, by type of innovation, by gender of director, by female owners, by duplicated numbers, by percentage

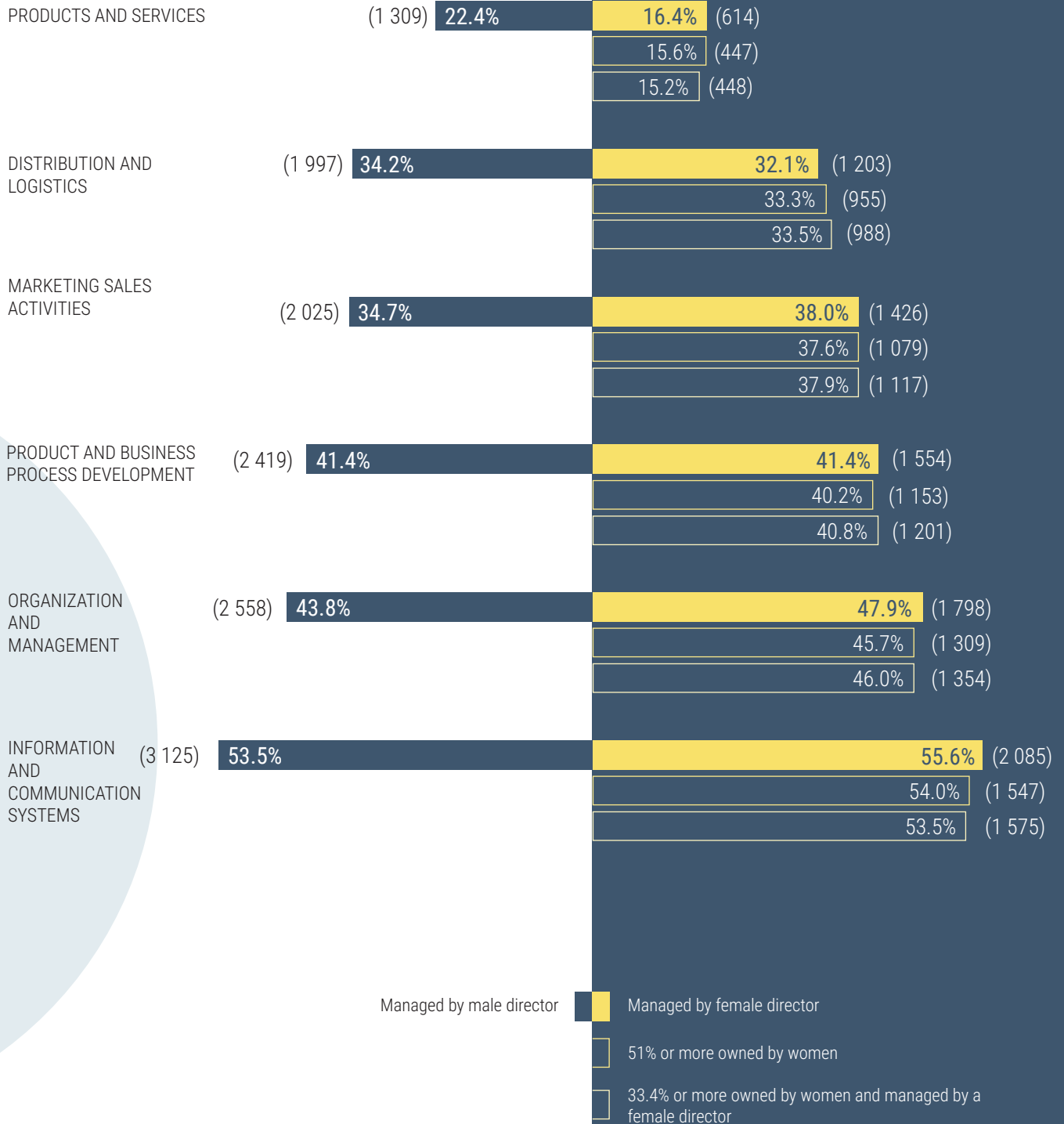


Figure 65. The number of enterprises managed by Mongolian citizens that introduced new or significantly improved product and service innovations in 2018-2021, by gender of director, by female owners, by sector

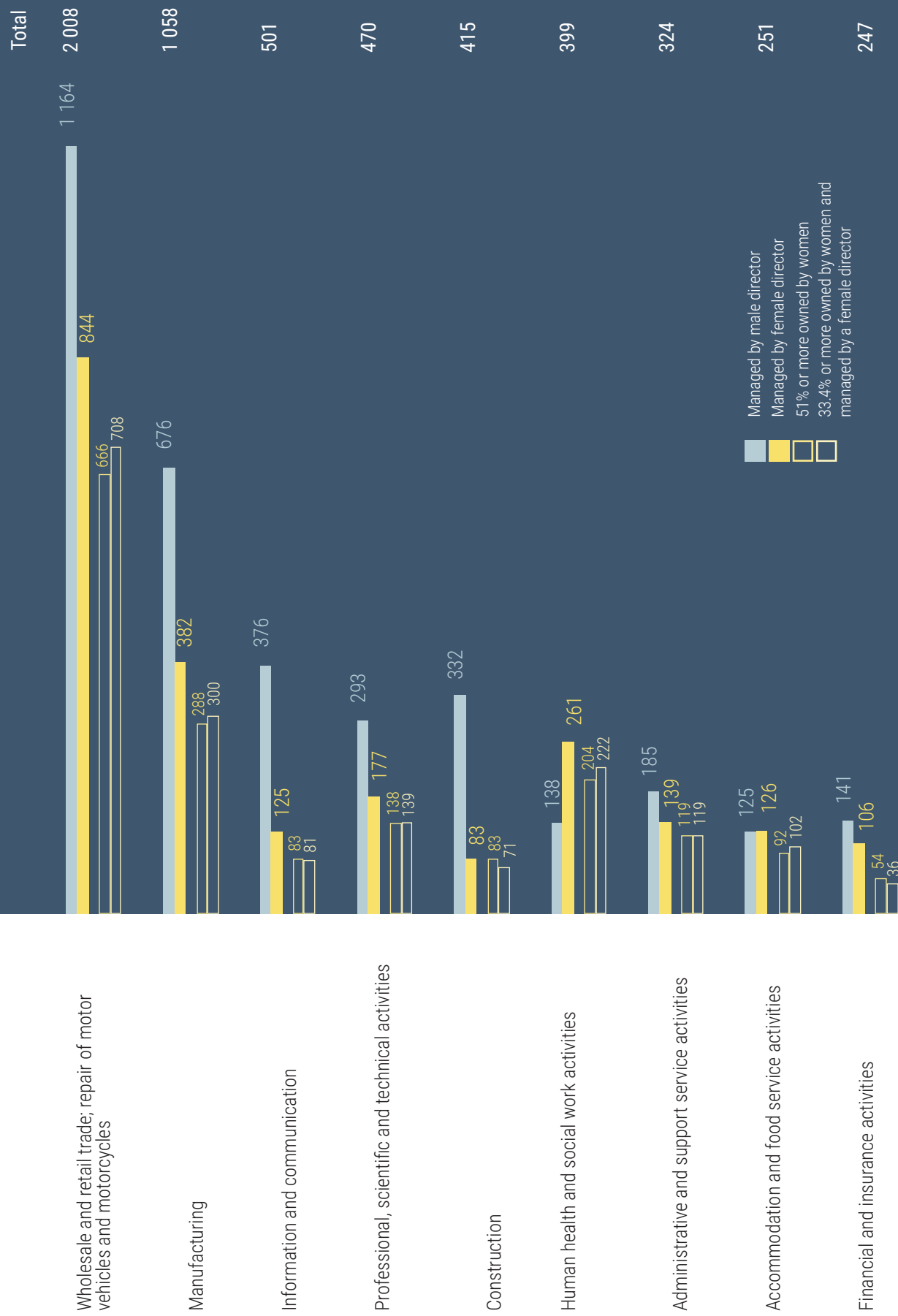
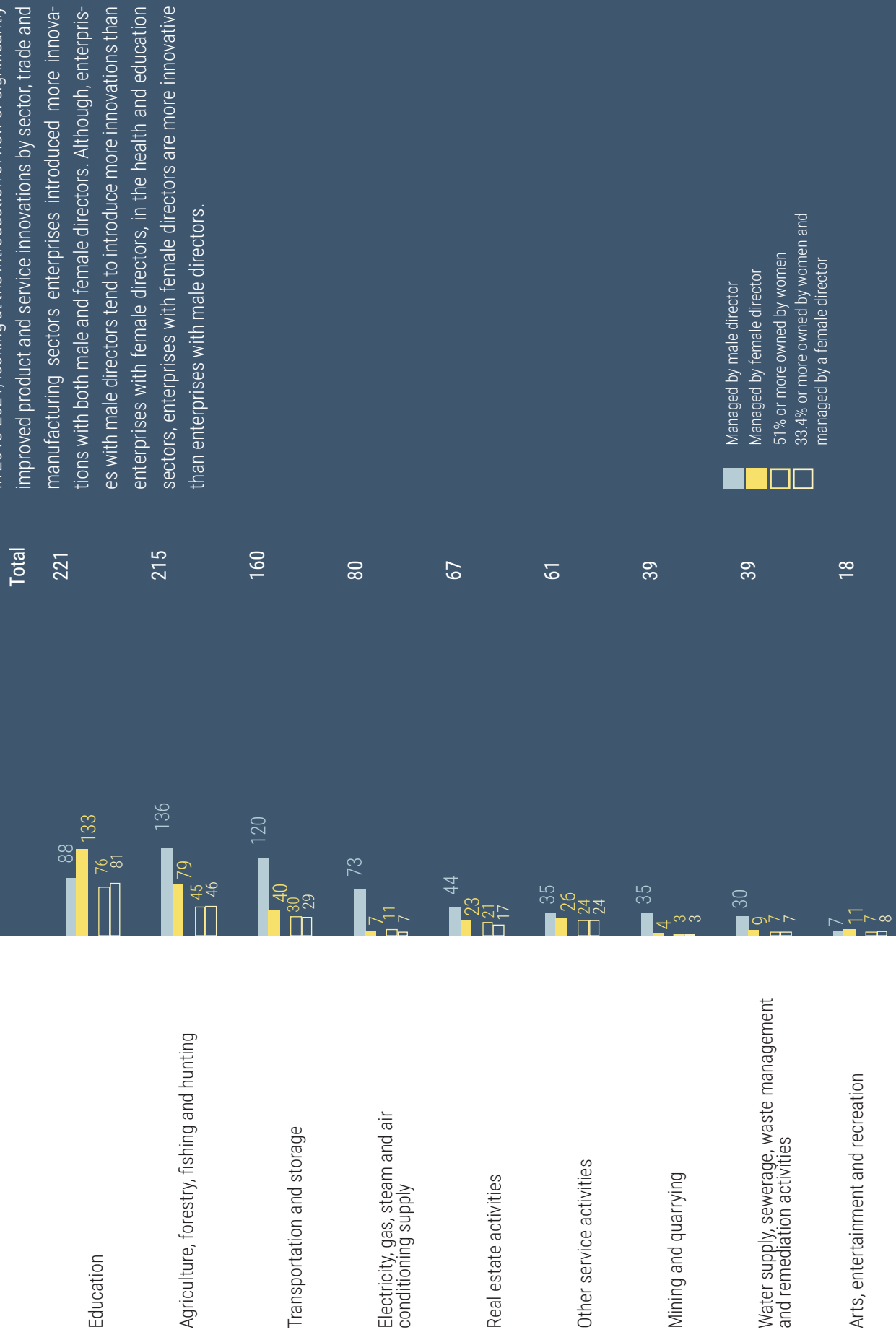


Figure 65. /continuation/ The number of enterprises managed by Mongolian citizens that introduced new or significantly improved product and service innovations in 2018-2021, by gender of director, by female owners, by sector



In 2018-2021, looking at the introduction of new or significantly improved product and service innovations by sector, trade and manufacturing sectors enterprises introduced more innovations with both male and female directors. Although, enterprises with male directors tend to introduce more innovations than enterprises with female directors, in the health and education sectors, enterprises with female directors are more innovative than enterprises with male directors.

Managed by male director
 Managed by female director
 51% or more owned by women
 33.4% or more owned by women and managed by a female director

Figure 66. Cost of innovation activities in 2020 of enterprises managed by Mongolian citizens operating in 2018-2021, by gender of director, by female owner, billion MNT

Enterprises operating in 2018-2021 spent a total of 213.2 billion MNT on innovation activities in 2020. A total of 1.9 thousand enterprises incurred innovation costs in 2020, or one enterprise spends an average of 112.1 million MNT on innovation costs.

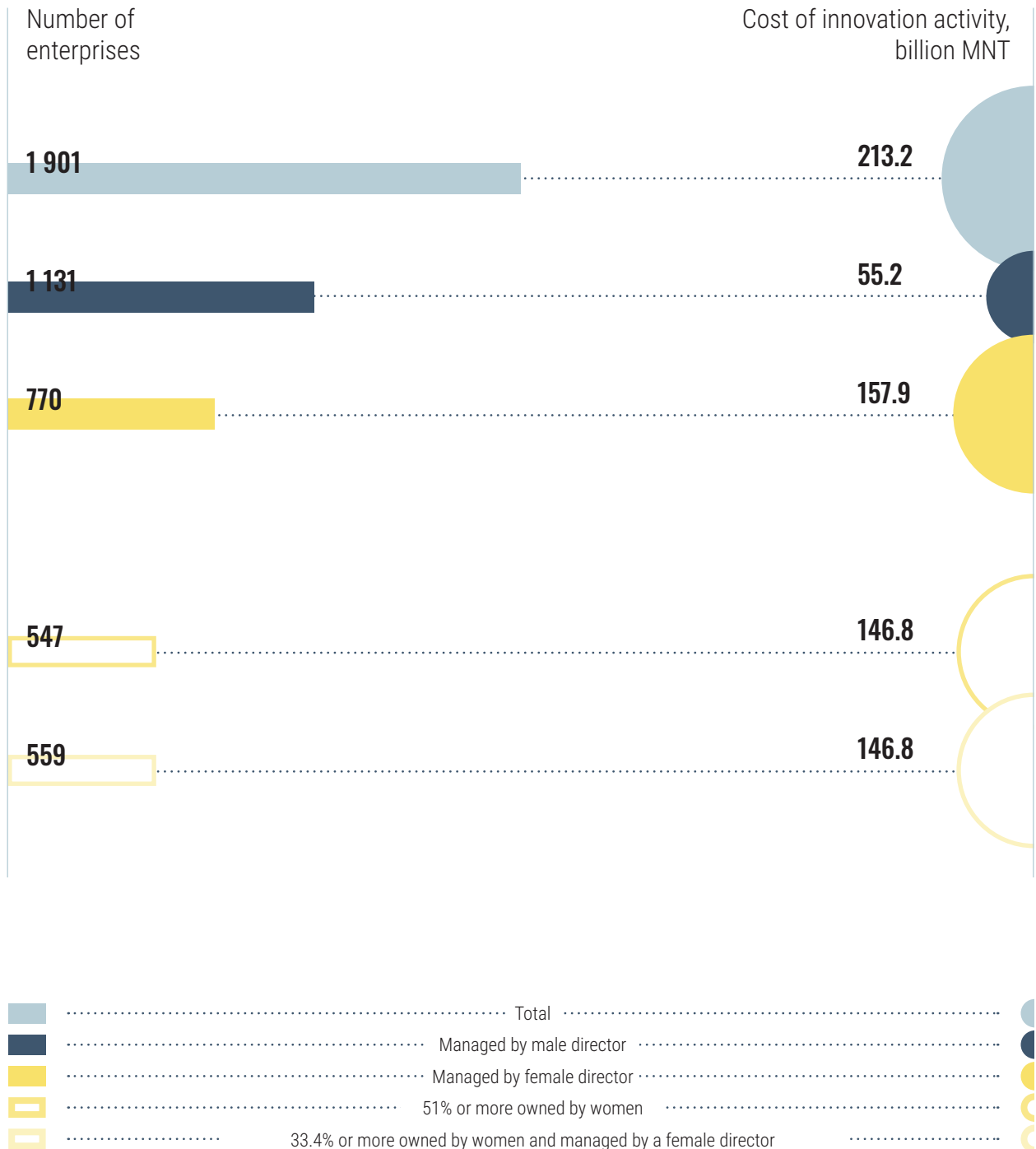
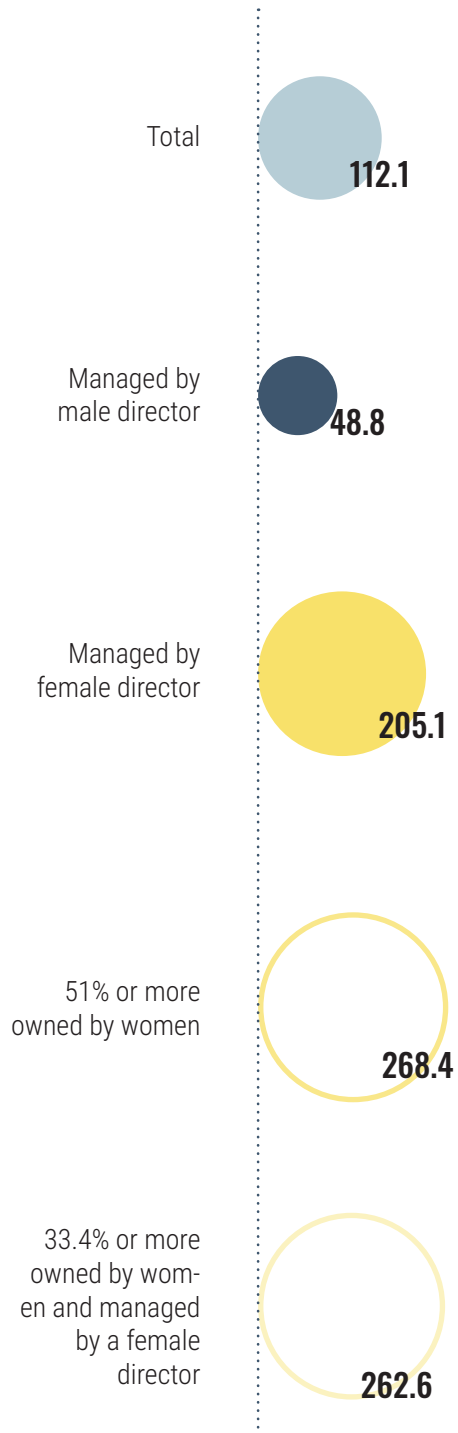


Figure 67. Cost of innovation activities in 2020 for per enterprises managed by Mongolian citizens operating in 2018-2021, by gender of director, by female owner, million MNT

Enterprises with female directors, including female owners, invest more in innovation activities. An enterprise with a male director spent an average of 48.8 million MNT on innovation activities, while an enterprise with a female director spent an average of 205.1 million MNT. 268.4 million MNT was spent by enterprises owned by women for 51% or more.



5.3

R&D AND GENDER DIFFERENCES

In general, there is a low tendency for business R&D to be implemented, 2.1% or 1.2 thousand enterprises of 55.8 thousand enterprises operating in 2018-2021, carried out R&D activity in 2018-2021.

In 2018-2021, a total of 3.1 thousand basic research works, 2.4 thousand applied research works, and 4.1 thousand experimental development works were carried out. In terms of R&D, enterprises with male directors are more concerned than enterprises with female directors.

Figure 68. The number of enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners, by percentage

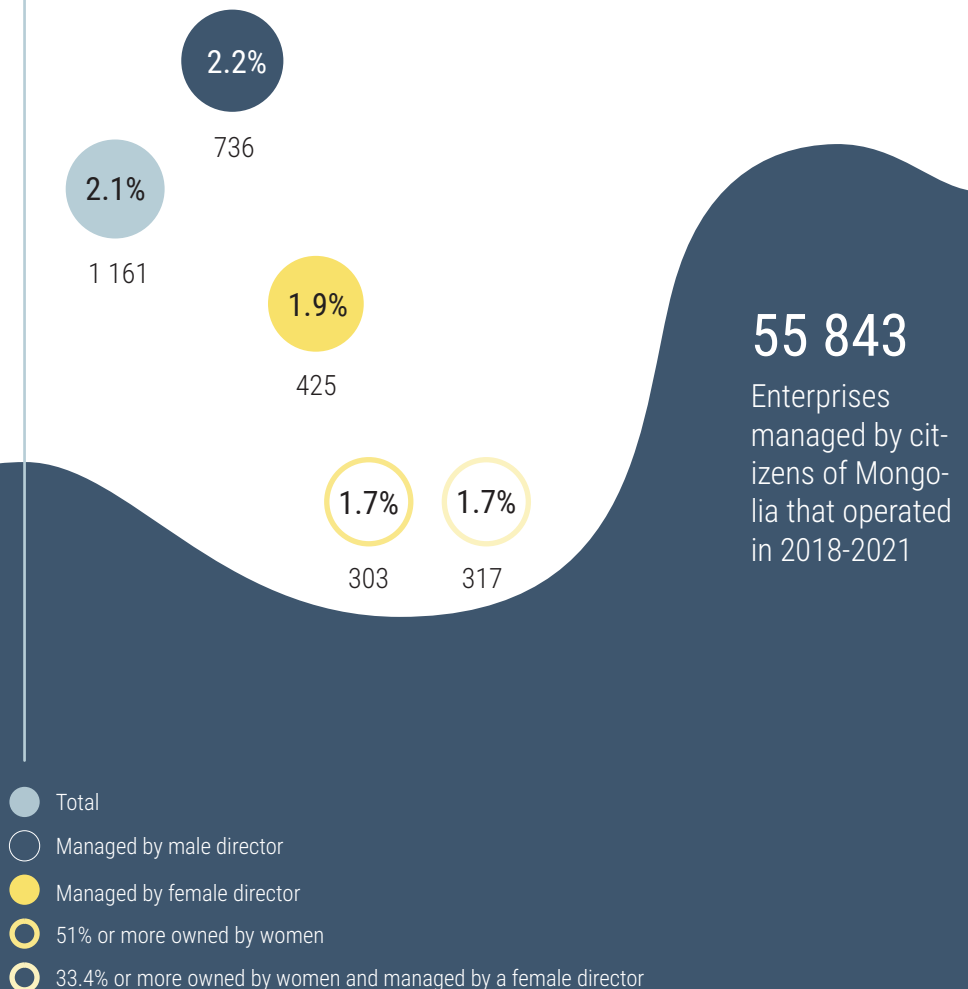


Figure 69. The number of enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners, by sector, by duplicated number

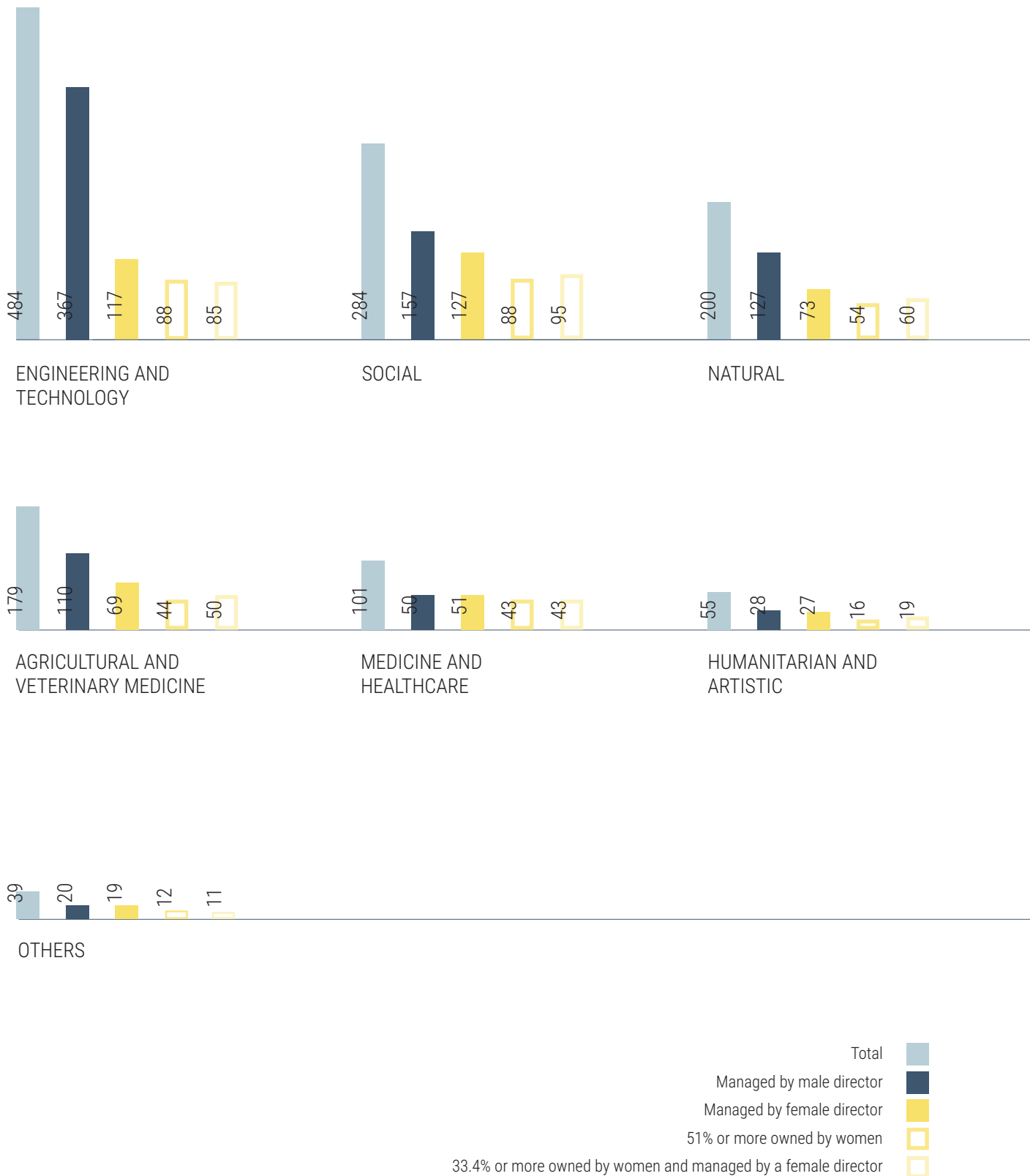


Figure 70. The number of R&D work done by enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners

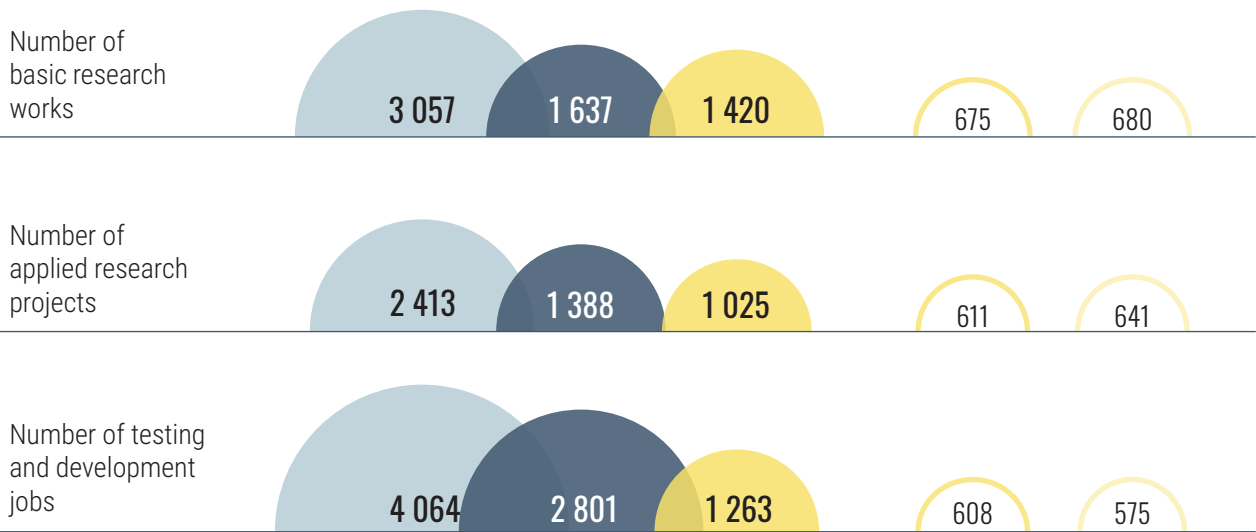
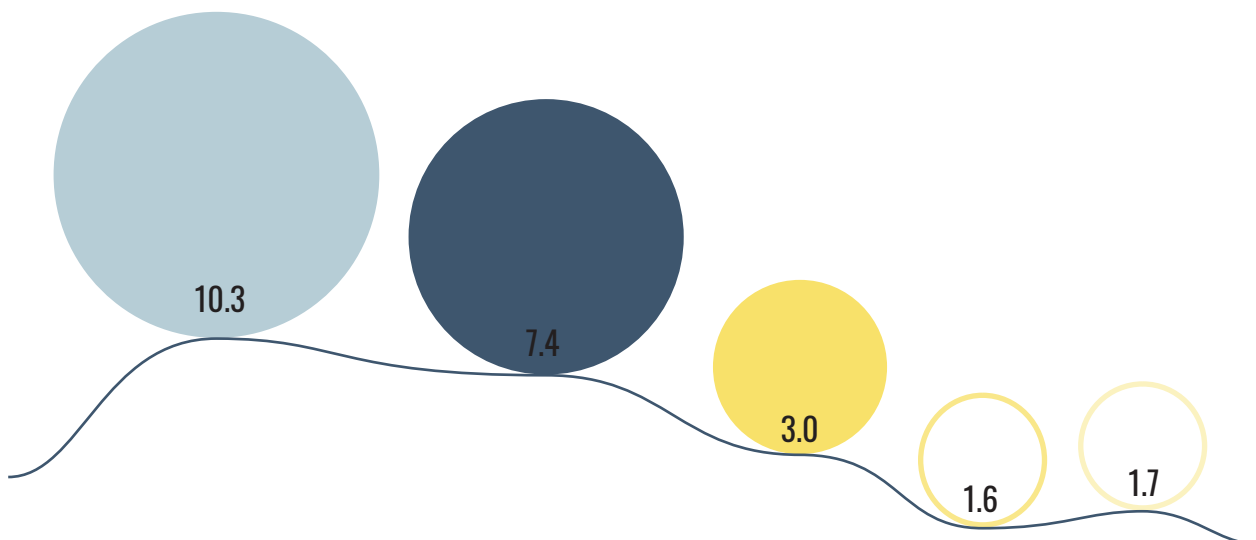


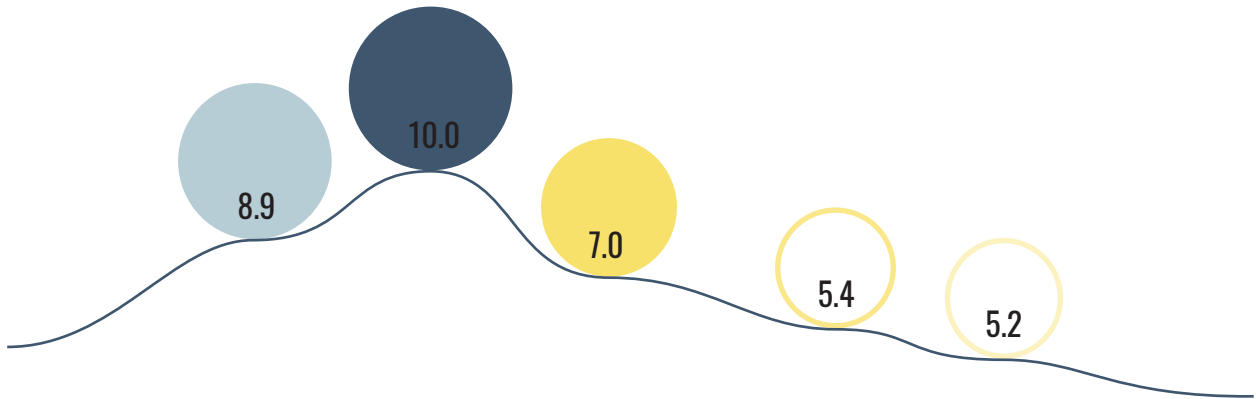
Figure 71. The cost of R&D work done by enterprises managed by Mongolian citizens that conducted R&D in 2018-2021, by gender of director, by female owners



Enterprises operating in 2018-2021 spent a total of 10.3 billion MNT on R&D activities in 2020. A total of 1.2 thousand enterprises spent on R&D activities in 2020. The average R&D expense per enterprise was 8.9 million MNT.

- Total
- Managed by male director
- Managed by female director
- 51% or more owned by women
- 33.4% or more owned by women and managed by a female director

Figure 72. The expense of R&D in 2020 per enterprises managed by Mongolian citizens in 2020, by gender of director, by female owners, million MNT



An enterprise with a male director spent an average of 10.0 million MNT on R&D activities, while an enterprise with a female director spent an average of 7.0 million MNT.

Figure 73. Share of 2020 expenses to sales revenue of per enterprise managed by a Mongolian citizen operating in 2018-2021, by gender of director, by female owner



● Total
○ 51% or more owned by women
● Managed by male director
○ 33.4% or more owned by women and managed by a female director
● Managed by female director

Figure 74. The number of enterprises managed by Mongolian citizens that operated in 2018-2021 and carried out R&D work in 2018-2020, by gender of director, by sector

Figure 75. The number of enterprises managed by Mongolian citizens that introduced ISO standard in 2020, by gender of director, by sector

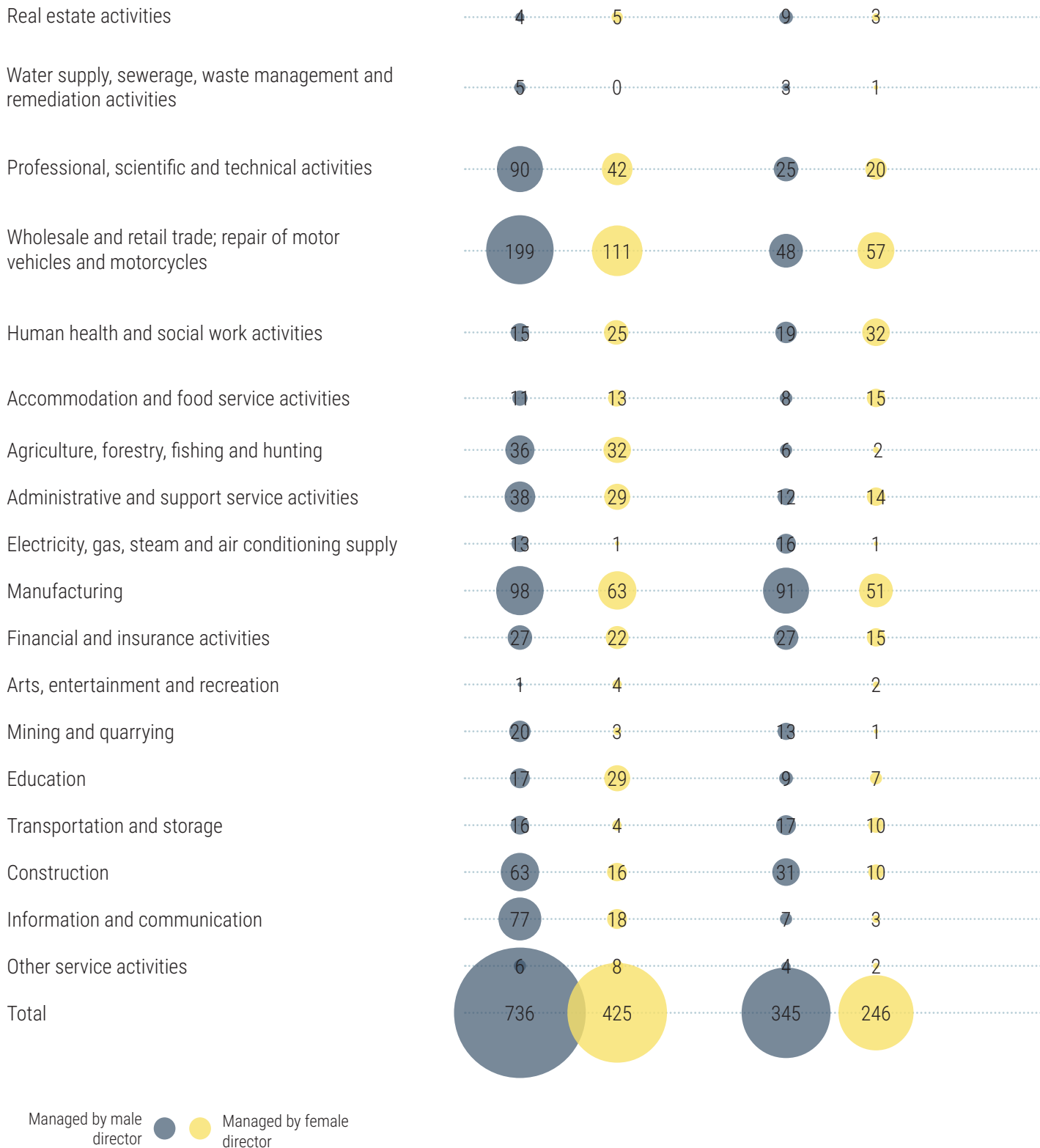
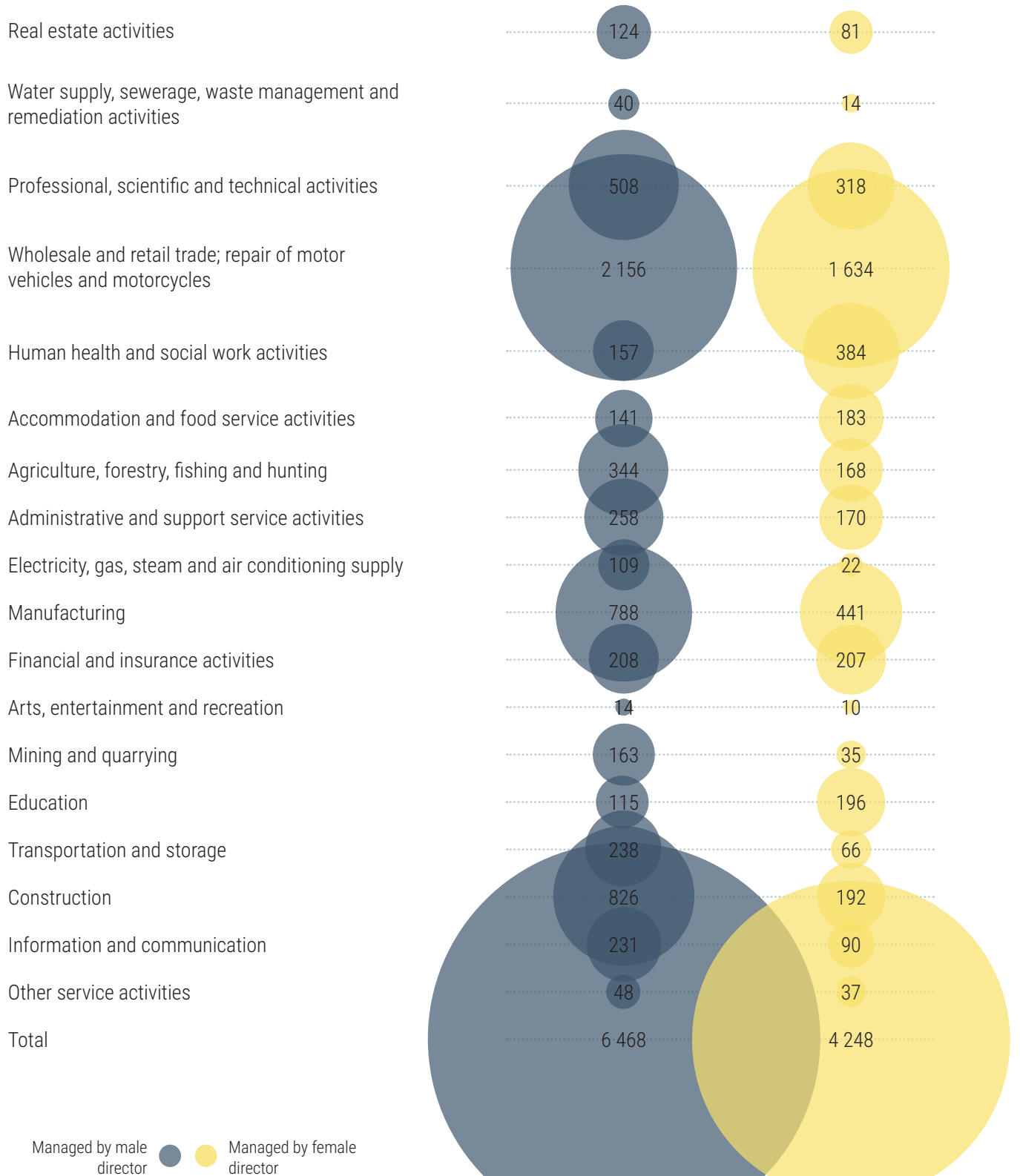


Figure 76. The number enterprises managed by Mongolian citizens that carried operation to support sustainable development goals in 2020, by gender of director, by sector





6

BUSINESS PROSPECTS, ATTITUDES and

GENDER

- 6.1 Entrepreneurship challenges and gender differences
- 6.2 Impact of the Covid-19 pandemic and gender differences
- 6.3 Business prospects, attitudes and gender differences

6.1

ENTREPRENEURSHIP CHALLENGES AND GENDER DIFFERENCES

The volume of production and services of enterprises that operated continuously for 2 consecutive years before the census increased by 13.7%, 51.3% remained unchanged, and 35.0% decreased.

On the other hand, 18.2% of enterprise income increased, 37.5% remained unchanged, and 44.4% decreased.

Figure 77. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the production and service volume of your enterprise change compared to the first 9 months of 2020?

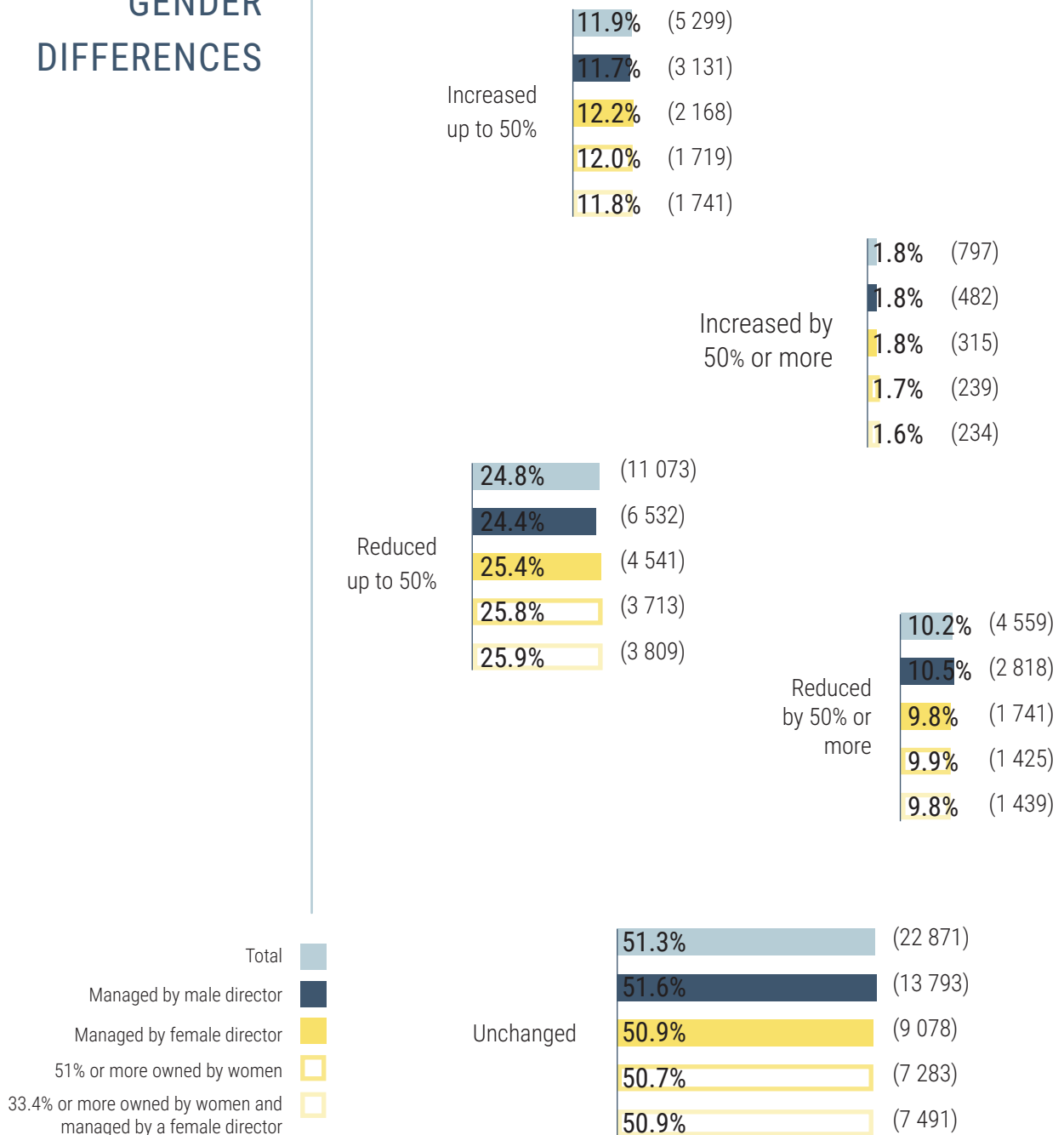


Figure 78. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the income of your enterprise change compared to the first 9 months of 2020?

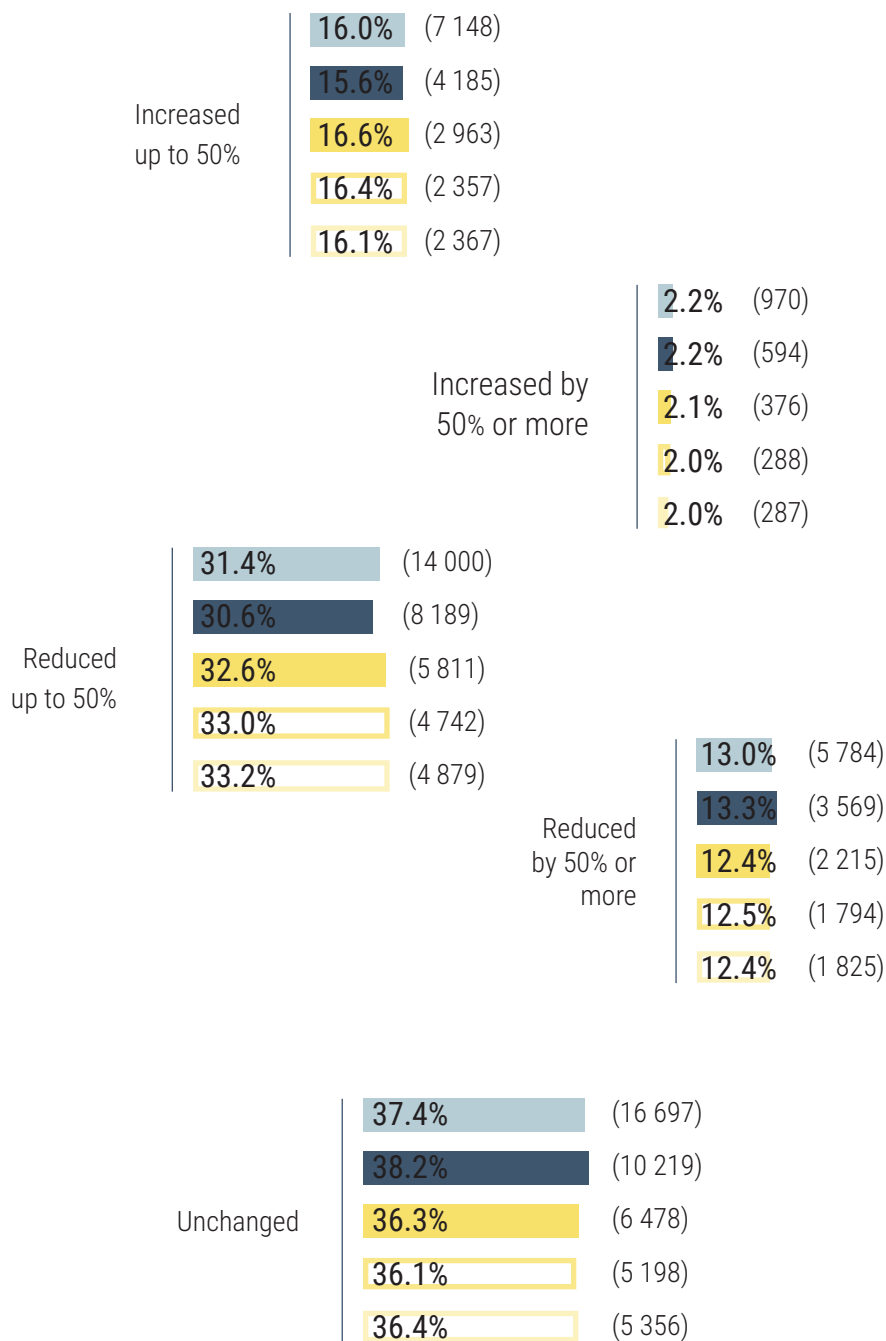
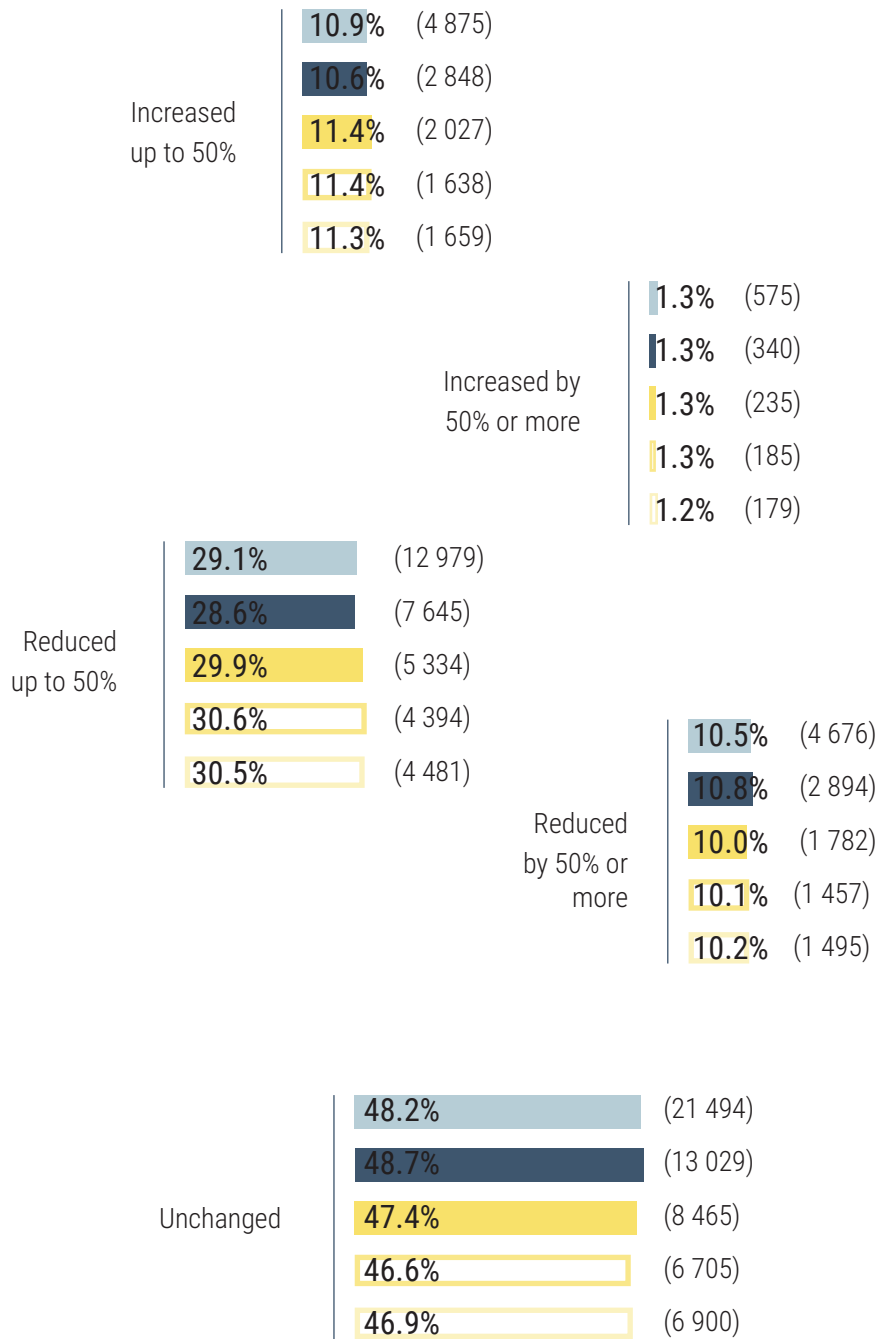
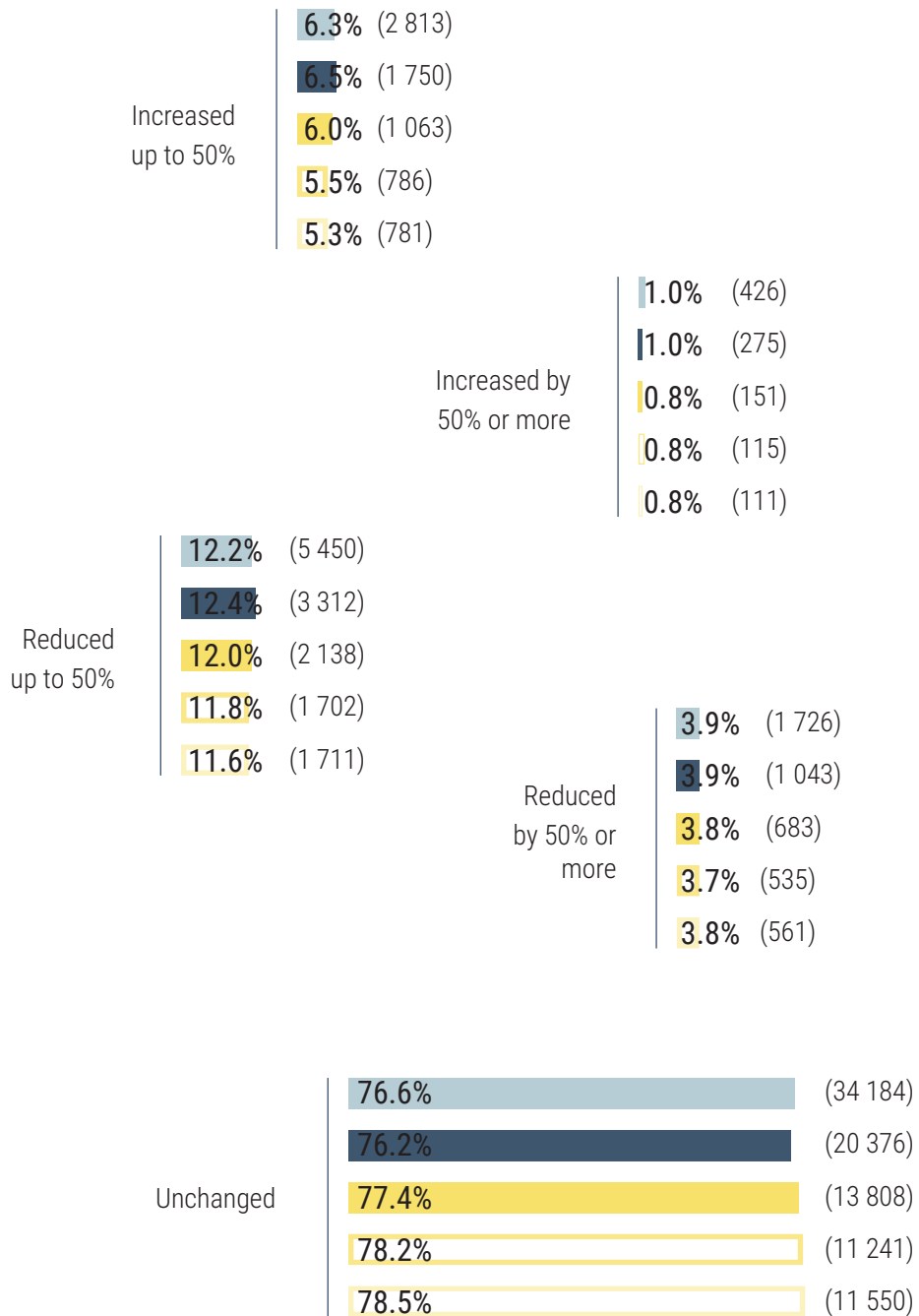


Figure 79. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the customer order size of your enterprise change compared to the first 9 months of 2020?



In terms of consumer orders, 12.2% of enterprises increased, 48.2% remained unchanged, and 39.6% decreased. The number of employees of enterprises increased by 7.3%, 76.6% remained unchanged, and 16.1% decreased.

Figure 80. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the number of employees of your enterprise change compared to the first 9 months of 2020?



6.2

IMPACT OF THE COVID-19 PANDEMIC AND GENDER DIFFERENCES

More than 2 years have passed since the first case of Covid-19 pandemic infection was registered in Mongolia on March 10, 2020. During this period, there have been several changes, such as lockdown, business interruptions, business models shifting to the electronic version, and employees working from home, etc.

In 2020, it was revealed that only 12.5% of enterprises were operating normally, while 59.1% were operating remotely and in a limited scope, and 28.4% of all enterprises have completely stopped their activities.

Considering the gender of the director of the enterprise, 11.2% of the enterprises with a male director were operating normally during the strict lockdown, while 14.4% of the enterprises with a female director were operating normally. This may be due to the characteristics of the sector in which enterprises with male and female directors operate, and the fact that enterprises with female directors are dominant in the use of technology.

30.1% of enterprises with male directors stopped their operations, while 25.9% of enterprises with female directors decided to stop their operations.

In the first 9 months of 2021, 86.0% of companies were negatively affected by the Covid-19 pandemic, while 7.2% were positively affected.

For enterprises with male directors, the percentage of negative effects of the pandemic is higher than for enterprises with female directors.






-  Total
-  Managed by male director
-  Managed by female director
-  51% or more owned by women
-  33.4% or more owned by women and managed by a female director

Figure 81. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did your enterprise operate during the strict lockdown?

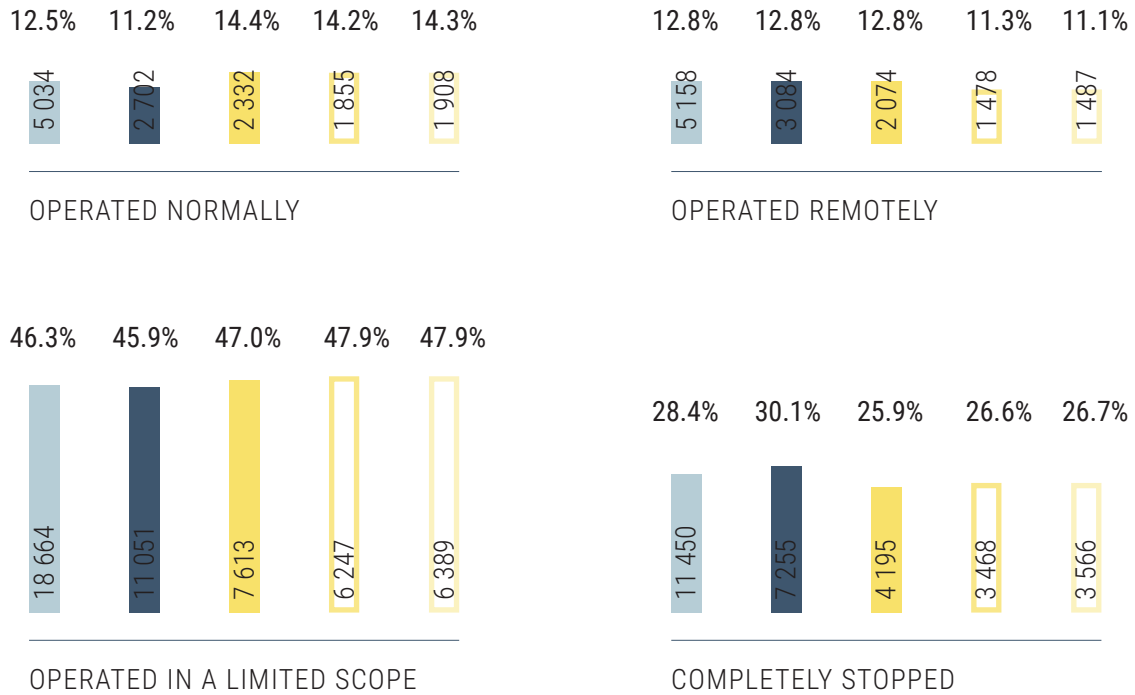
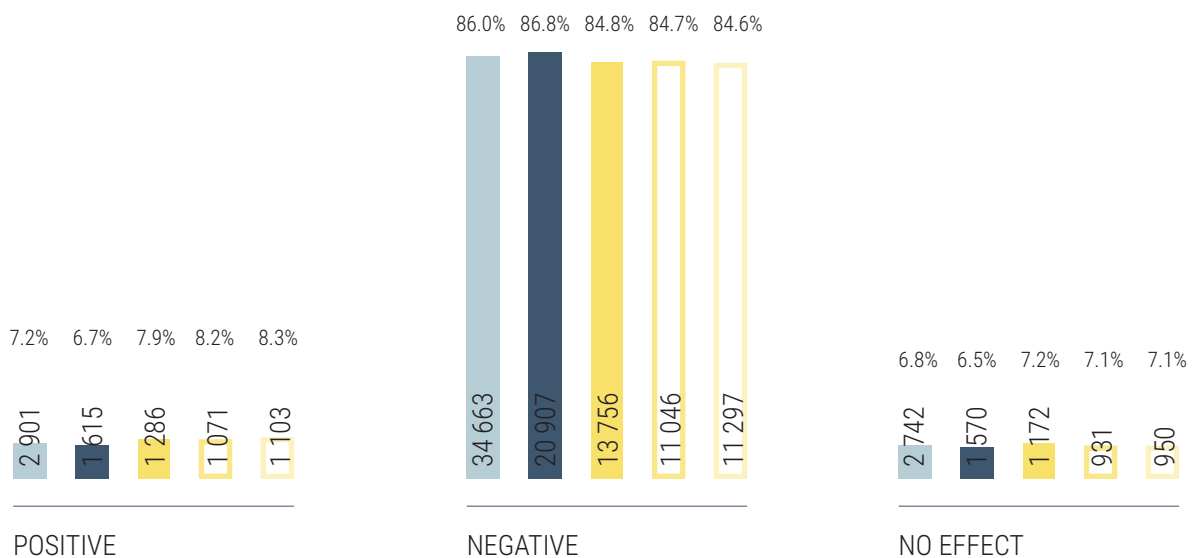


Figure 82. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: How did the Covid-19 pandemic affected your enterprise operation in the first 9 months of 2020?



The difficulties and problems related to the strict lockdown occurred to the enterprises that operated continuously for 2 consecutive years before the census were studied, 37.4% had difficulty in keeping the jobs, 19.8% had difficulty in understanding and incoherence of the decisions implemented by the government, 17.3% had difficulty in paying the salaries of the employees.

Figure 83. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What was the difficulties and problems to your enterprise during strict lockdown?

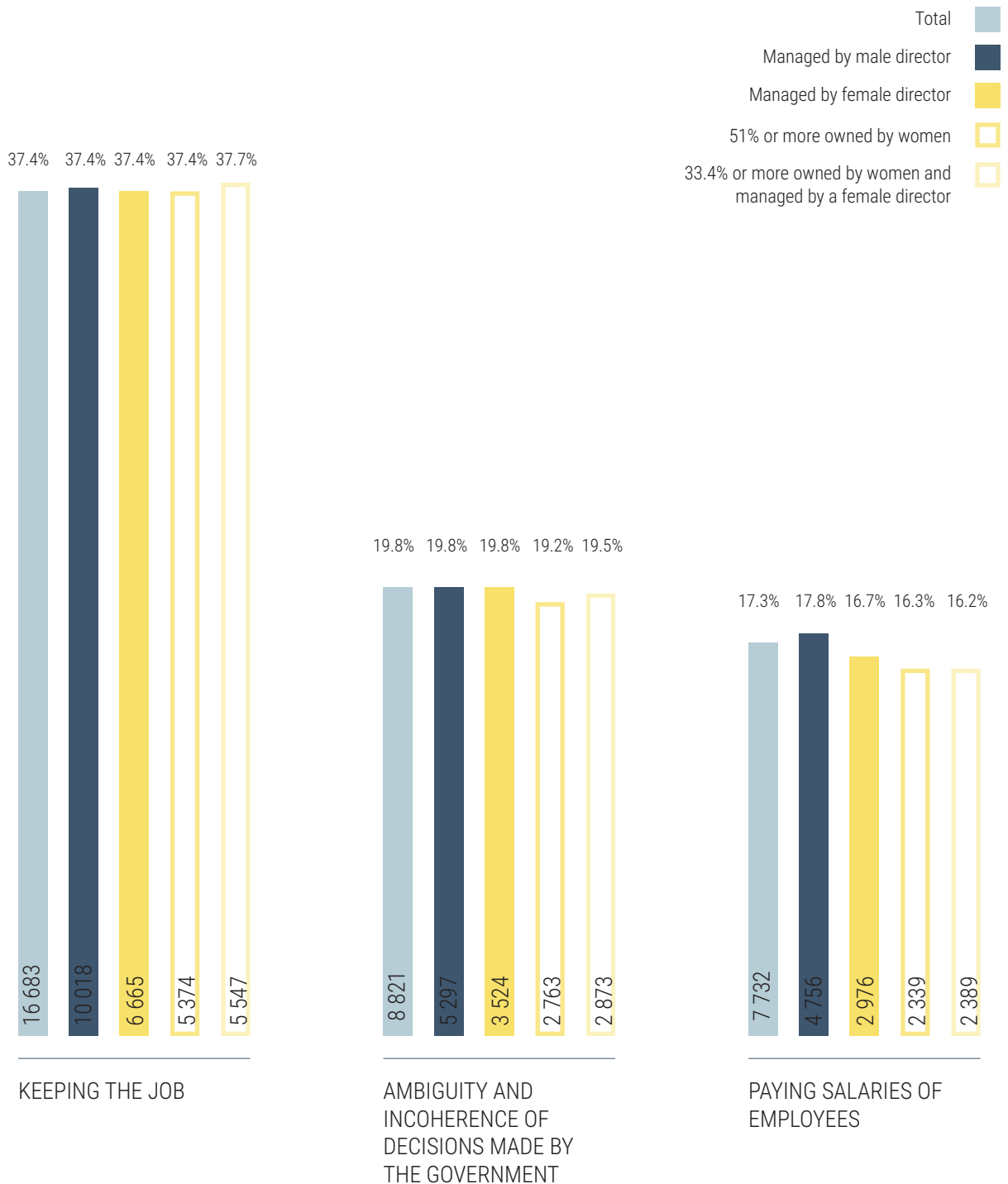
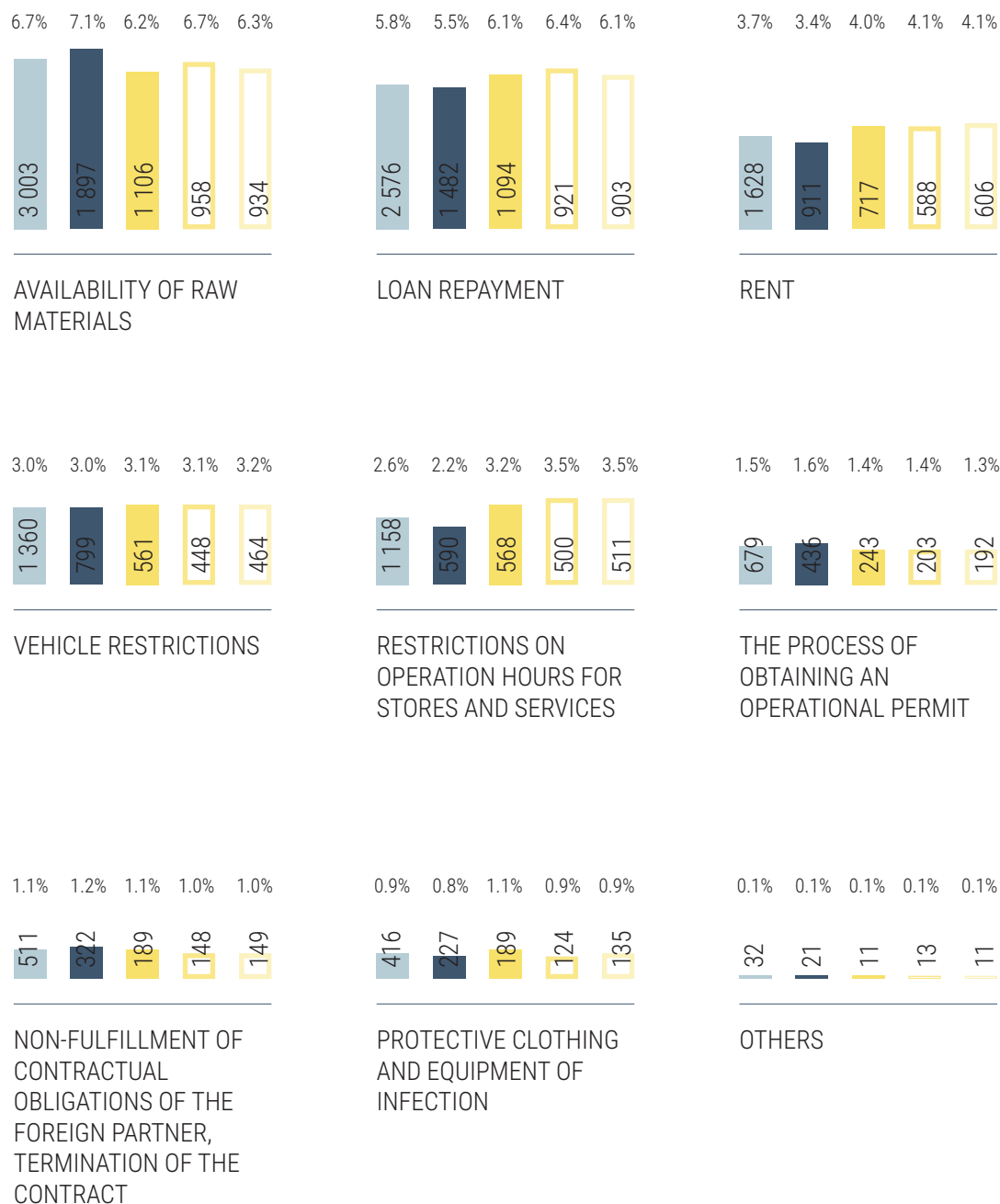


Figure 83. /continuation/ Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What was the difficulties and problems to your enterprise during strict lockdown?



Problems related to the availability of raw materials occurred to 6.7% of enterprises, while problems related to loan repayment occurred to 5.8% of enterprises. When looking at the difference between the gender of the director, it is generally the same, and the difficulties related to the payment of wages and the availability of raw materials were slightly more encountered by male directors, while the difficulties related to loan repayment and rent payment were more encountered by female directors.

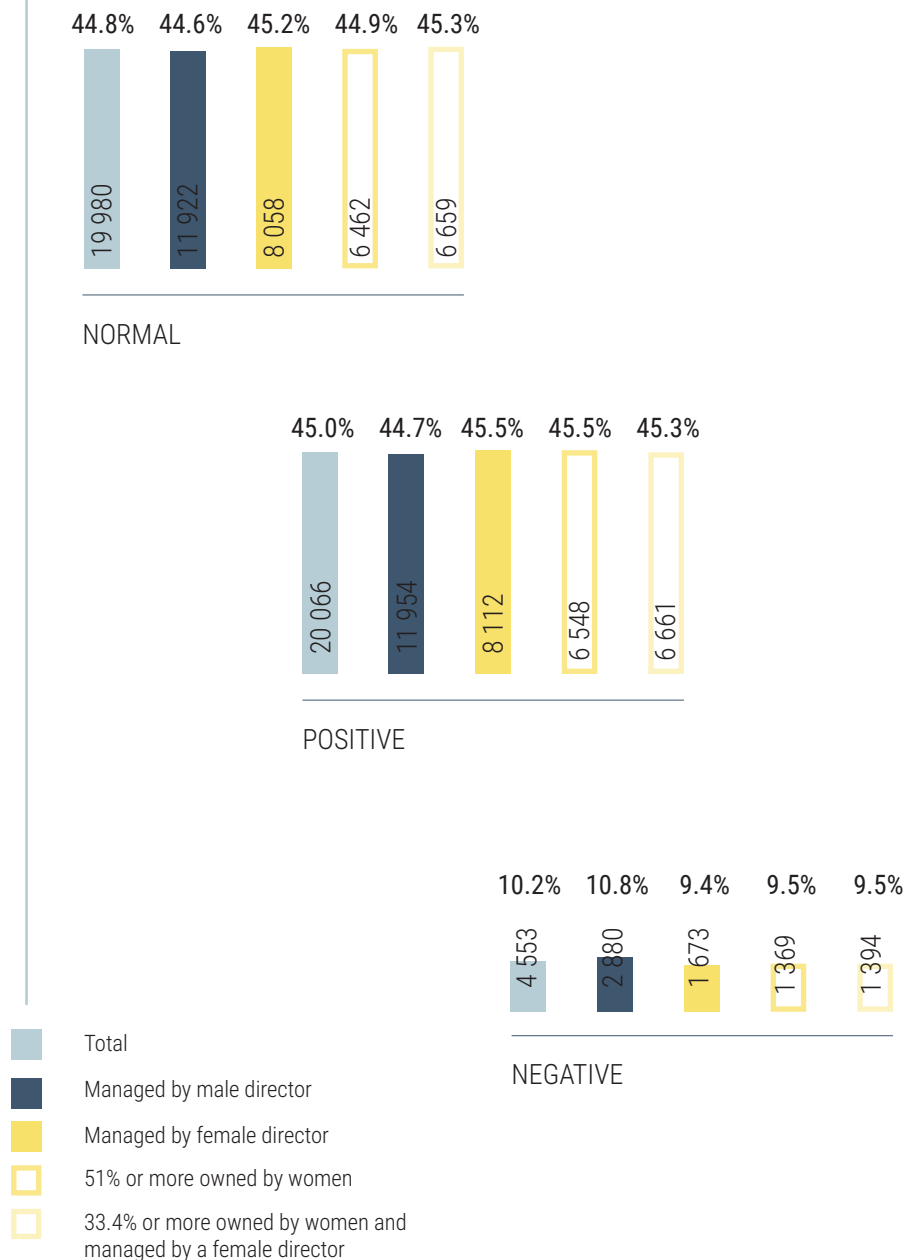
6.3

BUSINESS PROSPECTS, ATTITUDES AND GENDER DIFFERENCES

The business expectations for 2022 of enterprises that have been operating continuously for 2 consecutive years before the census were studied, 45.0% have positive expectations and 10.2% have negative expectations.

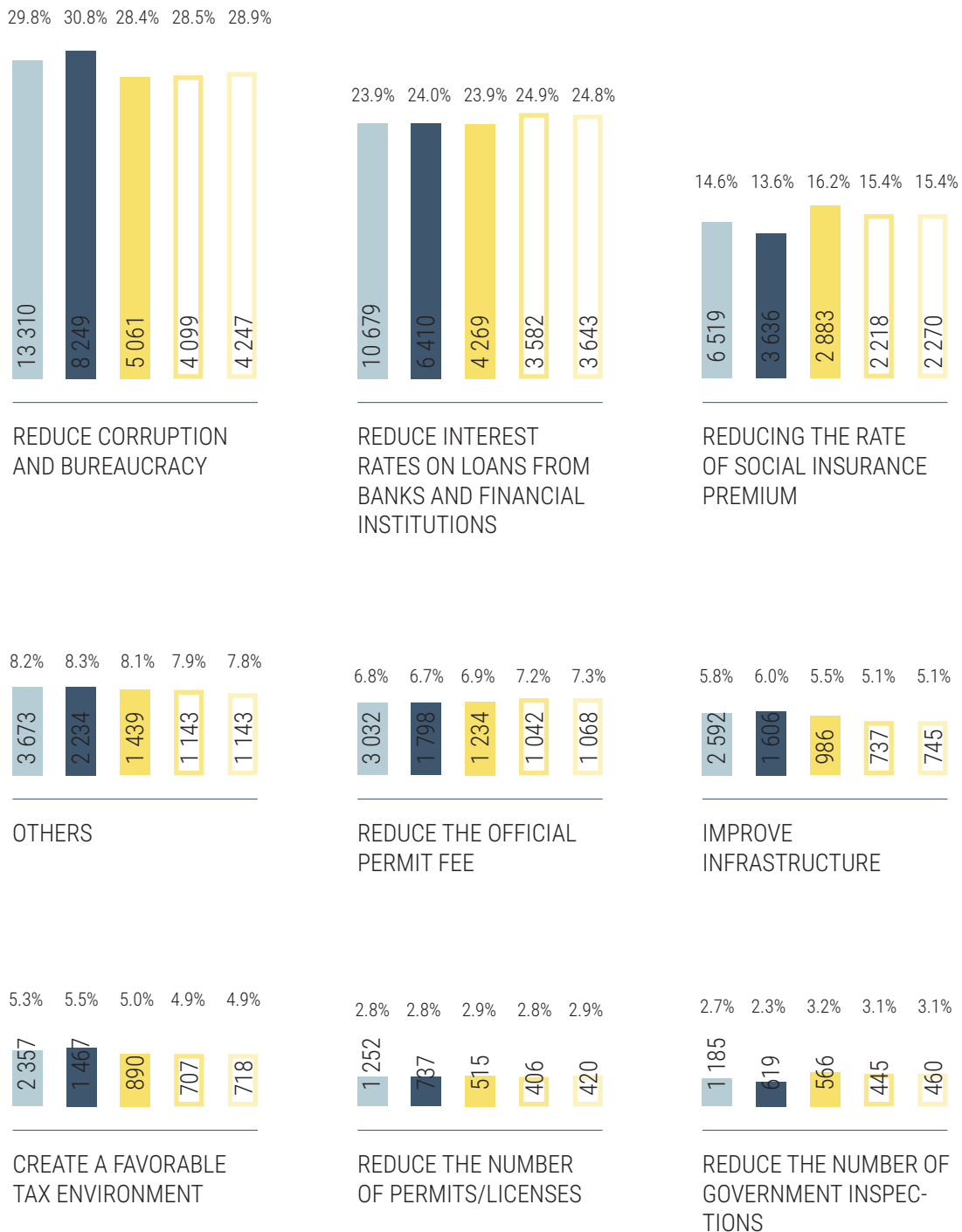
When distinguishing the expectations of the director by gender, 44.7% of enterprises with male directors have positive expectations, while 45.5% of enterprises with female directors have positive expectations.

Figure 84. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What is the business expectation of your enterprise for the coming year?



Enterprises that have been operating continuously for 2 consecutive years before the census identified the issues that should be paid attention to in the business sector as reducing corruption and bureaucracy, loan interest, and the rate of social insurance premium. Enterprises with male directors emphasized the issue of corruption and bureaucracy more, while enterprises with female directors emphasized about the high rate of social insurance premium.

Figure 85. Enterprises managed by Mongolian citizen, which operated continuously for 2 consecutive years before the census: What priority actions should be taken at the level of government policy for the development of enterprises?



CONCLUSION

Mongolia does not have an official gender-disaggregated definition of business owners and a consolidated business gender-disaggregated database, but the 2021 Enterprise Census provided an opportunity to assess gender differences in entrepreneurship for the first time by disaggregating data by gender of business directors.

Although both men and women make a certain contribution in the business sector, there is a difference in terms of participation, when the enterprises classified by gender of director.

Many factors can influence the subsequent business success of men and women, entrepreneurial decision-making and opportunities. These include the educational level of men and women, participation in the labor market, family and social responsibilities, established roles, social and cultural stereotypes, and government policies.

The main differences in the participation of men and women in the business sector are manifested in the participation in the labor market, the motivation and reasons for starting a business, the different choices of the sector and the indicators of business performance and results. It can be considered that men and women have different opportunities to participate in the labor market, to start a successful business, and to benefit from development.

1. GENDER DIFFERENCES IN BUSINESS ACTIVITY

In Mongolia, the gender ratio of the population is relatively balanced, but women are disadvantaged in terms of participation in the labor market and entrepreneurial activity. The labor force participation rate of women is 15 percentage points lower than that of men, and the percentage of female directors of operating enterprises is 21 percentage points lower than that of male directors.

Differences in the reproductive characteristics of men and women and socially defined work and roles affect not only their choice to start a business, but also their success in running a business.

According to the results of the Time use survey⁹ of the population, women spend 1-8 times more time than men on unpaid work such as housework and child care. Women have a higher level of education than men and spend more time in education, but when they enter the labor market, the ability to spend the same amount of

⁹ Time use survey, NSO, 2019

time as men in employment is limited. This restricts women's ability to advance and develop a solid career, and gain sufficient experience in business.

Entrepreneurial activity begins with participation in the labor market. Women have different opportunities to choose whether or not to participate in the labor market than men, and not participating in the labor market may be a decision based on need or obligation to family and society rather than choice. In addition to unpaid work, it is common for women to engage in informal work and self-employment to earn income.

Most female-owned and operated businesses are micro or small businesses due to the differences of the time available to men and women to run a business or because women carry the majority of unpaid labor, such as childcare and household chores.

2. THE FACE OF BUSINESS LEADERSHIP IS DEFINED BY MALE GENDER

In addition to the low participation of women in the labor market and the business sector, the success of female-owned businesses lags behind that of men. As power increases in business, male participation dominates.

An enterprise with a male director generated average sales revenue of 2.0 billion MNT, while an enterprise with a female director generated 2 times less average sales revenue of 1.0 billion MNT. For large enterprises with a sales income of more than 2.5 billion MNT, the gender gap deepens, with 71.6% of enterprises with male directors, while 28.4% of enterprises with female directors.

An enterprise with a male director has an average of 12 employees, while an enterprise with a female director has an average of 8 employees.

In terms of the duration of operating time, enterprises with male and female directors are generally similar, and women are slightly more persistent, but enterprises with male directors earn twice as much and employ 4 more employees on average.

In addition, in terms of business sectors, men dominate in the leading sectors of the economy that can generate higher profits. These results reinforce the stereotype that men are more likely to succeed and earn more money than women in business.

3. EVERY ENTREPRENEUR, MEN OR FEMALE, FACE FINANCING PROBLEMS, BUT NEED DIFFERENT SOLUTIONS.

In 2020, 37.0% of enterprises managed by Mongolian citizens have loans and 63.0% have no loans. The debt financing approach is generally balanced by director gender. Also, in general, the same difficulties are encountered when studying the reasons for failure to access financing or loans. However, it is worth noting that according to the data on SME loans of the Bank of Mongolia, the amount of loans received by women is lower than that of men.

Businesses run by women are less profitable than men's, and even if they have been operating for the same period of time, they have not grown to the same extent. Research on asset ownership shows that women own less assets, making it difficult for them to access the desired amount of loan and obtain to meet loan collateral requirements, which is the necessary financing to expand their business sufficiently. Also, women make up 53.3% of the self-employed, but the opportunity to formalize and expand their business is weak compared to men.

The issue of financing is the most important to support the business sector, and the level of credit participation of enterprises with male and female directors is generally the same, and the problems they face are similar, but the loan amount and term are different, which indicates need for more differentiated and effective policy in developing financial products.

4. GENDER RELATED SALARY INEQUALITY IN CERTAIN BUSINESS SECTORS IS MOST LOST.

In addition to the difference in the participation of men and women among entrepreneurs, the gender balance of the workforce in the business sector is lost.

Overall, the ratio of male and female workers is 58.5% and 41.5%, respectively. However, if you look at the gender of the directors and segregate by sector, the gender gap of employees is increasing even more. In enterprises with male directors, the gender imbalance of employees is higher than in enterprises with female directors.

The choice of industry for workers is already gender-inequitable, with separate sectors for men and women. More than 70% of workers in key economic sectors such as mining, transportation, warehousing, construction, and agriculture are male, while more than 70% of workers in health and education are female.

Gender differences and stereotypes persist in career and sector choices, men predominate in high-value-added sectors, also they work in sectors with high occupational safety risks.

The gender difference in the business sector is a factor that directly affects male

and female entrepreneurship. An imbalanced gender ratio in the workforce not only creates gender inequality in the workplace, but can also affect gender balance in social, economic, and political life.

Furthermore, there is a gender gap in the average salary level. In 2020, the average salary of male employees of enterprises managed by Mongolian citizens is 49.0% higher than that of women. Although differences in wage levels are related to industry and professional characteristics, it is an important issue affecting women's income and economic independence, so it is necessary to pay attention to gender wage inequality.

RECOMMENDATION

In 2011, Mongolia adopted the Law on Ensuring Gender Equality, carefully considered the provision of gender equality and clearly reflected it in policies and programs. However, specifically considering the business sector, there is still a need and demand for a thorough assessment of the gender gap and the implementation of gender-sensitive and targeted policies.

Increasing the participation of women in the business environment will not only benefit women, but also increase the employment of the population, increase family income, and bring economic and social benefits to the transition from unpaid work that women usually do to paid work. Development of the business sector is an opportunity to increase the country's competitiveness and ensure the livelihood of citizens.

1. SUPPORTING ENTREPRENEURSHIP BY INCREASING WOMEN'S PARTICIPATION IN THE LABOR MARKET

In order to increase the employment of the population and to allow women participate more in the labor market, it is effective to make economically valuable policy changes to facilitate and replace the social roles assigned to women. In addition to supporting population growth, policies are needed to improve services related to child care and to increase opportunities for women to actively participate in social life while fulfilling their reproductive responsibilities.

On the other hand, it should be noted that the participation of women among entrepreneurs operating in the form of enterprises is low; on the contrary the participation of women among informal and self-employed workers is high. It starts with identifying the specific challenges women face in formalizing and scaling their businesses. In addition to unpaid work, women are often forced to engage in self-employment due to the demands of life. In order to increase women's participation in employment, entrepreneurship, and even decision-making, women need to be empowered to make choices.

Increasing the number of jobs with flexible conditions for women who are responsible for caring for children and family members can help prevent women from not participating in the labor market and losing opportunities to gain stable career experience.

Gender equality in the business sector cannot be achieved without increasing women's participation in the labor market.

2. WOMEN EMPOWERMENT IN GROWING AND SCALING A BUSINESS

In addition to increasing the participation of women in the business sector, there is need to focus on empowering the businesses. Since women are mostly engaged in micro-businesses and self-employment, effective policies should be implemented to convert the businesses into officially registered enterprises and to expand the businesses from micro and small enterprises.

Majority of women working in the informal sector are not registered, therefore access to any project, program or government support is limited for them. By officially registering those women and providing with information, the number of registered women entrepreneurs would increase and it opens up opportunities to participate in potential projects and programs.

Major commercial banks are increasing subsidized loan sources to support women entrepreneurs, but the mechanism for providing this financial opportunity to women entrepreneurs and spreading knowledge and information about it needs to be improved.

In order to fully unlock the potential of women micro-entrepreneurs, it is important to strengthen the support for micro-entrepreneurs by implementing policies that take into account the uneven circumstances of men and women.

3. COMPILATION OF MORE DETAILED DATA CLASSIFIED BY BUSINESS SECTOR AND GENDER

Gender equality is the concept of understanding the different needs of men and women, thus by assessing the different needs and situations, appropriate policy solutions can be supported to the extent that they can be equalizing the opportunities.

There is still a need for more detailed gender-disaggregated data in the business sector. In particular, although organizations related to the business sector, such as the Bank of Mongolia, NSO, MTA, the Financial Regulatory Commission, the Small and Medium Enterprises Development Fund and commercial banks, have been creating gender-disaggregated business data, due to differences in methodology and definitions, it is difficult to use it as consolidated gender-disaggregated database. The main reason is that there is no gender-specific definition of an entrepreneur, and each organization has used its own definition. Therefore, in order to create integrated and accurate information on entrepreneurship by gender, it is necessary to create a clear and precise definition of men and women, as well as micro, small and medium entrepreneurs.

In addition, there is a lack of detailed research and data on business expansion and career growth rates by gender, as well as appropriate policies in the business sector.

4. IMPLEMENTING GENDER SENSITIVE POLICY

Gender equality is not about the participation of men and women in equal numbers, but about balancing the contributions and benefits of men and women by providing equal opportunities to make choices and implementing necessary policies that considered the different needs.

Recognizing different needs is the first step, thus understanding and implementing policies that target different needs is the key focus.

Gender specific differences exist in the business sector as well, so it is imperative to define targeted policies that considered it. Section 7.1 of Article 7 of the Law on Ensuring Gender Equality of Mongolia states that "Within the framework of the state policy specified in Section 5.2 of this law, special measures aimed to eliminating inequality in social and family relations between men and women and protecting reproductive health will be implemented, these special measures shall not be considered discrimination".

5. CORRECTING GENDER STEREOTYPES IN THE BUSINESS SECTOR

There is a need to correct and enlighten the wrong gender stereotypes in which the face of leadership in business is defined by the male gender. It is believed that cultural elements are one of the major problems that hinder the creation of gender equality in Mongolia. The victims of cultural elements are often women. The fact that women lag behind men in owning property, owning a business, starting a business, and expanding a business can be seen as a manifestation of the influence of cultural elements. Therefore, it is necessary to study in detail the interrelationship between entrepreneurship and cultural elements, to correct and eliminate stereotypes.

Socially assigned gender responsibilities and roles differentiate the opportunities to men and women, thereby closing opportunities for equal participation.



ISBN 978-9919-9907-2-5



9 789919 990725