

Trade Competitiveness Briefing Paper

Addressing Barriers to Accessing Trade Finance by Women-owned Businesses in the Pacific Islands

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The Trade Competitiveness Briefing Paper series provides evaluative and strategic research on new and emerging trade issues of relevance to the Commonwealth member countries. The series focuses on the practicalities of addressing these new issues as well as long existing (but still very current) policy challenges in a time-bound, targeted and effective manner; taking into account both opportunities and challenges that emerge due to changes in global trade landscape. The views expressed here are those of the author(s) and do not necessarily represent those of the Commonwealth Secretariat.

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1. Introduction

Women's economic empowerment is defined by the United Nations as a 'transformative, collective process through which economic systems become just, equitable and prosperous and all women enjoy their economic and social rights, exercise agency and power in ways that challenge inequalities and level the playing field, and gain equal rights and access to, ownership of and control over resources, assets, income, time and their own lives' (UN Women, 2023).

Currently, one in every ten women lives in extreme poverty. By 2030, nearly 342.4 million women and girls will be living on less than US\$2.15 a day (UN Women and UNDESA, 2023). This situation can only be improved by promoting gender equality in law and policy, education, healthcare, and access to land and opportunities in the labour market.

Women's economic empowerment, a key element of gender equality, can be accelerated by transforming existing social norms and macroeconomic policies to be more gender inclusive. Providing women and girls with the opportunity to build their skills through quality education and vocational training, to grow their businesses and engage in trade, to secure decent jobs with pay equity and social security, and to participate fully in the burgeoning digital economy will give them the much-needed financial autonomy and stability to compete on an equal footing with men.

Women's participation in the economy has the potential to contribute significantly to the economic and social growth and development of a country by directly impacting poverty eradication and generally enhancing the country's competitiveness in global trade. By economically empowering women through increased participation in entrepreneurship and the labour force, there can be major improvements in important human development indicators – for instance, in healthcare, education and the standard of living in developing countries. A case in point is the cotton textile industry in sub-Saharan Africa, which is dominated by women and generates US\$31 billion annually (Morsy, 2020).

Although women make up one-half of the world's population, their contribution to global gross domestic product (GDP) has only been up

to 37 per cent (World Bank, 2019). Closing the overall gender inequality gap in economic participation and opportunity can help developing countries boost their GDP by nearly 20 per cent (World Bank, 2024). The inclusion of women at all stages of global value chains can address the gender gaps in entrepreneurship and labour force participation, while utilising the distinct skills and knowledge that they bring to business and trade. Researchers have found that women tend to be more solution-oriented, hence businesses owned and run by women have the tendency to yield higher returns on investment (PSDI, 2024). Besides creating new enterprises, women entrepreneurs can improve business outcomes and profitability because they have a better understanding of the needs of female consumers and, consequently, are able to provide higher-quality customer service.

As drivers of economic growth and development, women-owned micro-, small and medium-sized enterprises (MSMEs) and women entrepreneurs, play an important role in eliminating gender disparities by promoting women's employment in both urban and rural areas. Women entrepreneurs own 22 per cent of micro-enterprises and 32 per cent of small and medium enterprises, a market share too significant to ignore for economic development (WEF, 2019). In East Asia and the Pacific, the International Finance Corporation (IFC) indicates that women own 50 per cent of the MSMEs (ADB and the Asia Foundation, 2018). Meanwhile, in low-income countries globally, one in three high-growth entrepreneurs are women (GEM, 2023). Studies show that women entrepreneurs are more likely to employ a higher proportion of female employees in their firms compared to firms owned by men (ADB, 2023a). However, while women-owned MSMEs add to the economic and social upliftment of families through innovation and job creation, the small scale of their businesses limits their scope to generate employment and further economic development.

A significant proportion of MSMEs, especially those that are women-owned, operate in the informal economy outside all legal realms. According to UN Trade and Development (UNCTAD), around 80 per cent of all businesses

globally are informal in nature (UNCTAD, 2022). Considering the household responsibilities that many women have, informality offers the desired flexibility in terms of work hours. However, this benefit is offset by low-paid work without any social protection and job stability – thus, keeping women workers in lower segments of the work hierarchy and in vulnerable working environments. In the Pacific islands, almost 90 per cent of women-owned MSMEs have been found to be operating in the informal economy. This puts firms in a disadvantageous position, particularly regarding accessing finance and government support schemes to start or scale up their businesses and meet public procurement requirements.

Greater participation in trade and investment can improve the social and economic conditions of women by increasing employment and wages and creating better jobs with social security. However, this entirely depends on the success of efforts to eliminate existing barriers that exclude women from contributing to economic activities, engaging in trade or benefiting from inward investment (World Bank and WTO, 2020). A variety of constraints impact the size and scale at which women-led businesses function as well as their level of formality and the sectors in which they operate. These can broadly be attributed to societal norms, underdeveloped and gender-biased regulatory, legal and policy frameworks in countries, and market factors. Other constraints include lack of access to market information, gender digital divide difficulty in business formalisation, licensing and taxation requirements, and lack of awareness of and access to available finance and other financial services and products. Access to finance has always topped this list, with women MSMEs facing an estimated finance credit gap of US\$1.4 to US\$1.7 trillion in 2022 (IFC, 2022).

Typically, women face more challenges than men when it comes to trade. For example, in a survey conducted by the World Bank in 2021, Pacific women traders had difficulties in finding information on border regulations and trade procedures such as customs declarations (World Bank, 2021). Alternatively, tariff escalations especially on labour-intensive industries often employing women workers and imposition of 'pink tariffs' on women clothing in certain markets threaten the progress of women businesses

and consumers (Agarwal, 2025). Eliminating these barriers (both tariff and non-tariff) would help to unlock the potentials held by women-owned businesses, and allow them to participate in global trade and expand their role in the economy.

This paper seeks to review the non-tariff barriers faced by women entrepreneurs in the Commonwealth Pacific Islands participating in global trade with particular focus on access to finance and is based on existing literature and data. It also analyses the regulatory environment in which women-owned MSMEs in the Commonwealth Pacific islands operate.

It focuses on two economies, namely Fiji Islands and Samoa, while providing a synopsis of available statistics on the other islands – Kiribati, Nauru, Papua New Guinea, Solomon Islands, Tonga, Tuvalu and Vanuatu. The objective of this paper is to expand the evidence base and propose solutions to address barriers to accessing finance faced by women-owned businesses in the Pacific Islands.

The first part of Section 2 of this paper assesses the financial and non-financial barriers that impact the growth of women entrepreneurs in the Pacific and finds that many face similar challenges in accessing finance across islands in the region. This is due to the similar profiles of their businesses, their exposure to common consequences of climate change and the similarities in the regulatory regimes within which they operate. It seeks to proffer both conventional and innovative solutions to eliminating or mitigating these barriers, including through the adoption of digital skills.

The second part presents country profiles for Fiji and Samoa (as a representative sample of the Pacific), examining the legal and regulatory environment under which MSMEs operate highlighting how these affect women-owned businesses while underscoring the criticality of availability of finance for growth and expansion. The paper concludes with recommendations to promote women's entrepreneurship in the Pacific and improve their access to finance. It advocates a multistakeholder partnership approach, involving governments, multilateral institutions and private sector players, to the resolution of these challenges and the implementation of relevant policies and frameworks for women's economic empowerment.

2. Outlook for women's economic empowerment in the Commonwealth Pacific Islands

Given their geographical remoteness, small size and narrow economic bases, the Pacific island countries encounter unique challenges that hinder their potential to reach wider global markets and engage in cross-border international trade. Additionally, the nature of their domestic markets, characterised by high levels of informality and predominantly subsistence-based economic activities, makes it difficult for these islands to fully exploit potential economies of scale. Moreover, a lack of interconnectivity, dispersed populations, isolation from major markets and a host of resource constraints add to high trade costs which, in turn, reduce the export competitiveness of the Pacific islands. Consequently, the participation of Pacific MSMEs in international trade remains low, but among the newly participating exporters, women proprietors with low revenue businesses and few employees are reported to be the most prominent (PTI Australia, 2024).

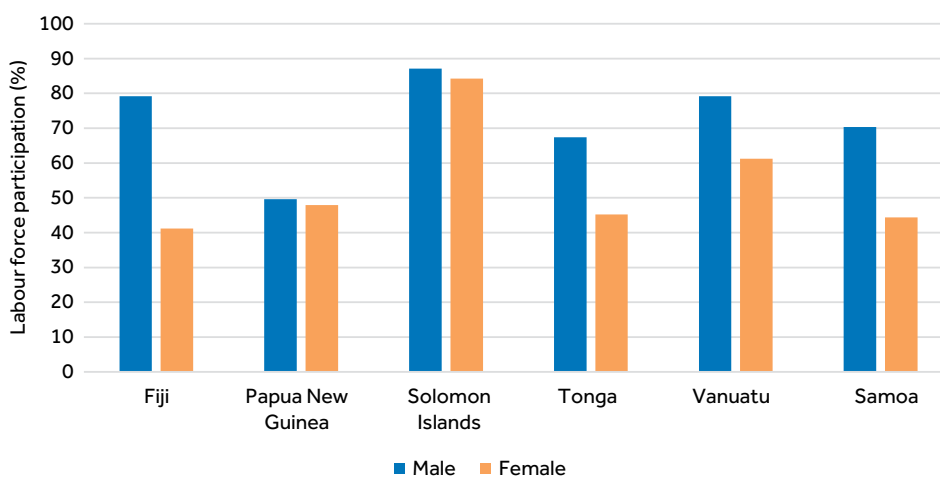
Current statistics for the Pacific islands suggest that the overall business environment for women-led businesses is not satisfactory. Gender disparities are prominent across the Pacific in occupations, employment levels, labour force participation rates (see Figure 2.1) and wage structures. Most Pacific island countries, except for Tonga, are signatories or have ratified and acceded to international commitments on gender equality, including the

Convention on the Elimination of All Forms of Discrimination against Women (CEDAW; UN OHCHR Dashboard). Yet, the current rate of women's participation in the economy within the region is relatively low.

Figure 2.1 shows that male and female participation in the labour market varies between the different countries. Solomon Islands registered the highest rate of female employment at 84 per cent, while Samoa had the lowest at 34 per cent between 2013 and 2022 (ADB, 2023a). However, the International Labour Organization (ILO) suggests that the gender gap in the labour force is much lower. In 2023, women's share of total employment in the Pacific was at 47 per cent, exceeding the global share of 40 per cent (ILO, 2024a).

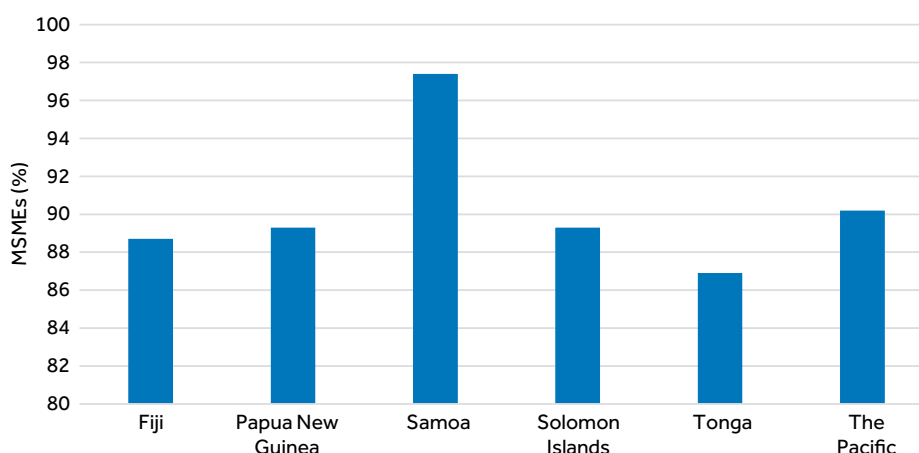
Even so, raising the level of participation by women in the labour force across the Pacific could provide a major boost to economic growth. The Asian Development Bank has estimated that the combined GDP of the Pacific economies will grow at 3.3 per cent and 4 per cent in 2024 and 2025, respectively (ADB, 2023b). This projection can be met and possibly surpassed with greater involvement of women and youths in economic activities, but will depend on measures taken by respective governments, policy-makers and the private sector to implement policies that promote women's entrepreneurship and employment.

Figure 2.1 Labour force participation across Pacific islands (% , between 2013 and 2022)



Source: Commonwealth Secretariat, using data from ILOSTAT¹

Figure 2.2 Women-owned MSMEs in the informal sector across Pacific islands (% , 2019)



Source: Asian Development Bank (2023a)

Women entrepreneurs and workers in the Pacific operate in both the formal and informal sectors. However, women's entrepreneurship and employment are primarily concentrated in micro-firms that are family-run informal businesses. According to the ADB, about 40 to 49 per cent of micro-enterprises in the island countries are owned and led by women, with 90.2 per cent (see Figure 2.2) of these in the

informal sector, a figure higher than the global average of 80.2 per cent (ADB, 2023a).

Besides providing the flexibility to multi-task, one of the reasons micro-scaled businesswomen prefer to remain in the informal sector can be linked to a lack of awareness of the advantages that formalisation can bring to a business. Likewise, unfamiliarity with formalisation processes, made worse by complex

Box 2.1 Women-owned MSMEs' Vulnerability to External Shocks

Post COVID-19 pandemic economic scenario:

Studies have indicated that women-owned businesses were more impacted by market disruptions prevalent during and post the pandemic than their male counterparts. For example, it was noted that around 65 per cent of women-owned firms needed financial support as compared to 49 per cent of men-owned firms (Demirgüç-Kunt et al., 2022). Access to financial services for women-led MSMEs can reduce these shocks during economic emergencies.

Climate change induced disruption:

Industries and economic sectors that have been adversely affected by negative impacts of climate change are largely populated by women-run businesses and the female workforce. For instance, fisheries value chains from pre-to-post harvesting and seafood processing in the Pacific islands are dominated by women fishers and fish workers (Pacific Community, 2024b). Environmental changes caused by ocean warming are leading to redistribution of fish stocks, including tuna stocks, farther away from the Pacific islands' exclusive economic zones. Thus, this has affected the productivity of these sectors in fisheries dependent economies, as well as the source of livelihood and the businesses of the women involved, giving rise to food insecurity and economic risks.

Reports suggest that women account for 80 per cent of the total people displaced by the climate crisis (Women Entrepreneurs Finance Initiative, 2024). This means that women entrepreneurs and workers are usually more vulnerable to the effects of climate change than men mostly due to gender discrimination and societal norms. They often lack the necessary information and financial resources required to adapt and respond to these crises, preventing women MSMEs from developing and adopting climate resilient solutions such as recycling, circular economy and renewable energy.

Funding for climate action initiatives must include gender equality and gender perspectives to increase women MSMEs' access to climate finance for mitigation and adaptation. For example, the gender-responsive, micro-equity, blended financing window delivered by the Sustainable Island Resource Framework (SIRF) Fund and the Commonwealth Secretariat is designed to provide gender-responsive finance and technical assistance to climate vulnerable SMEs in Antigua and Barbuda (Commonwealth Secretariat, 2024).

requirements, limited access to regulatory authorities, added compliance costs (such as taxes, licensing and permit fees), and the lack of logistics and infrastructure to enter distant markets, all discourage women entrepreneurs in the Pacific from registering their enterprises.

2.1 Barriers to women's entrepreneurship in the Pacific

All MSME owners encounter certain constraints to conduct business and trade. However, women-owned MSMEs in the Pacific face additional financial and non-financial barriers in starting, formalising and expanding their businesses. These challenges are broadly classified and discussed below.

2.1.1 Socio-cultural norms

Women and young entrepreneurs endure several gender-based stereotypes that arise in traditionally masculine societies. The roles and practices of women and girls are often preconceived and prioritise unpaid care and household responsibilities. Thus, women entering the labour market or starting their own businesses may not conform to conventional social obligations or expectations by prioritising economic activity over unpaid care work. Such practices and attitudes towards women's entrepreneurship and economic empowerment enormously limit their economic and personal aspirations and growth.

Support from families and the community play a critical role in not just motivating and influencing women's performance in businesses, but also in boosting their self-confidence. In the Pacific, this attitude differs between the islands. For example, in Tonga, entrepreneurial diversity has been growing in recent years. Yet, survey responses have shown that in some remote regions of Fiji and Samoa, women receive little support from society or their families to engage in economic activities (ADB, 2023a). Certain cultural practices that are followed by tribal groups in Papua New Guinea, Solomon Islands and Vanuatu, which involve redistribution of income and jobs within and for the welfare of the community, discourage individual savings and investments in businesses (ADB, 2023a).

In a few societies, women have very little or no control over their own incomes and other economic assets, including their ability to take financial decisions on business-related matters (ADB, 2023a). At the same time, their ability

to focus on jobs is frequently affected by their susceptibility to domestic abuse. The Pacific region has recorded the highest rates of violence against women and girls.² Around 68 per cent of Pacific women have reported experiencing physical or sexual violence in their lifetime (UN Women, n.d.).³ These statistics on the safety of women and girls are alarming and certainly hamper their efforts to generate income.

2.1.2 Insufficient access to market information and business skills

Education has always had a positive impact on women's rate and quality of employment and entrepreneurship. With the right information on changing market dynamics and business development skills, women entrepreneurs can build a plan for starting or expanding their businesses.

Studies have shown that due to cultural stereotyping the numbers of women engaged in entrepreneurship remain low. As a result, women can lack knowledge of the basic information needed to run a successful business. For example, in Papua New Guinea and Samoa, most businesswomen are unaware of business formalisation requirements and compliance measures (ADB, 2023a).

In addition to the foregoing, exporters worldwide are adopting newer methods of marketing, using advanced technological tools and platforms to promote their goods and services in regional and international export markets. Leveraging new technology enhances their access to business opportunities, financial services and products, which further improves their chances of securing financial loans from formal institutions. Despite these benefits, the use of technology in businesses by Pacific women is minimal. This can be attributed to several factors, including a lack of access to technology as a result of infrastructural issues stemming from difficult terrain and remote locations and electricity shortages or power cuts in rural areas. Affordability is another critical factor, as is digital literacy. In Papua New Guinea, only 67 per cent of the population has mobile coverage (Hight et al., 2019); women are also 10 per cent less likely to own a mobile phone and 23 per cent less likely to use mobile internet than male users. Nevertheless, various Pacific governments have switched to online business registration processes, meaning that unless important steps are taken to bridge the digital divide, many women will be left behind.

Women-owned businesses in the region are spread across highly competitive industries and sectors that yield low returns. These include agriculture, fisheries, hospitality and tourism, retail, handicrafts, and the services sector. Data show that 63.8 per cent of female-owned firms are in the services sector. Hence, it is important for women to possess entrepreneurial skills and understand the market capacity of their products and services. Kiribatian women have expressed their concern over limited access to business training programmes on production planning and management, marketing, product packaging and labelling, meeting international food safety standards and so forth that are required to enter international markets. (UNCTAD, 2020). In 2022, women represented 51 per cent of the total enrolment in Kiribati Institute of Technology courses and 23 per cent in non-traditional courses (DFAT, 2023). Similarly, in a case study by the Food and Agriculture Organization (FAO) on the Samoan agricultural sector, there was an increase in the number of women attending training on financial literacy and business skills (FAO and SPC, 2019). These data show that women entrepreneurs are eager to advance and implement new skills and knowledge that can be acquired through training and skills development programmes in the day-to-day functioning of their businesses.

2.1.3 Lack of representation

Women workers and women in business have insufficient representation in trade unions, trade associations and policy forums in the Pacific islands. In addition, women entrepreneurs lack the support of and access to business associations. Fewer women are consulted by governments on trade-related matters and trade rules compared to men. There is a need to facilitate a clear public-private dialogue to encourage the increased inclusion of women.

2.1.4 Limited access to finance

In line with global statistics, access to commercial finance and investment remains the biggest barrier to the growth and development of women-owned firms, especially for the micro family-based businesses in the Pacific. The agricultural sector, which includes a lot of women workers and enterprises, has been the most affected by the shortage of credit schemes (PTI, 2024). While commercial loans are necessary

for a competitive and sustainable private sector, women entrepreneurs in the Pacific tend not to approach banks and other financial institutions for monetary support due to the unaffordability of interest rates, lack of security and inadequate loan amounts being offered. Financial illiteracy and the lack of digital skills to use digital financial services also keep women away from financial institutions. Their lack of financial and digital knowledge is exacerbated by social structures in the Pacific islands that discriminate against women. Some of these are discussed below.

- i. Women and girls may not be permitted control over their incomes and must depend on their fathers or husbands for permission to open bank accounts. This is reportedly practiced in Fiji and Solomon Islands (ADB, 2023a).
- ii. Land is an important element for economic activities. One of the principal reasons commercial banks and lending institutions decline loan requests is the status of women's ownership of fixed assets like property and land that can be used as collateral to secure a business loan. In most Pacific countries, women do not own land, either because legal structures do not allow it or due to customary beliefs. In Papua New Guinea, due to patrilineal ownership, 97 per cent of land is owned by men. Until 2018, only 15.7 per cent of women between the ages 15 and 49 owned land.⁴ Meanwhile, in Solomon Islands, although land ownership is matrilineal in nature, few women have the right to make any decisions regarding their land use. In Fiji and Samoa, women have equal rights to ownership of land and property. However, in Kiribati, Tonga and Vanuatu, women do not hold legal rights to ownership of land or property (ADB, 2023a).
- iii. The lack of business or credit history for new businesses and nascent start-ups owned by women is another reason banks fail to accept loan proposals. The operation of such businesses is untraceable and uncertain; consequently, women are often considered to be high-risk borrowers and this inevitably leads to either a refusal of a loan or high interest rates.
- iv. Most female-owned businesses lack proper structure and documentation of their business processes. This includes the absence

of ‘know-your-customer’ (KYC) documents and proof of previous transactions and savings. This therefore makes it riskier and unattractive for commercial banks and venture capitalists to invest in these businesses. In Kiribati, the time-consuming and stringent process of securing a loan discourages many women entrepreneurs.

The effects of a lack of access to finance for women entrepreneurs are evident in their inability to enter into business in the first place, or to scale up their existing business or compete with other businesses in domestic and international markets. It prevents them from accessing development and government funds and limits their ability to engage in public procurement. According to the International Trade Centre (ITC), only 1 per cent of women-owned businesses get government contracts (ITC, 2024). Ultimately, the lack of access to finance also affects their ability to leverage the potential of digital technology to scale their businesses.

2.2 Women-led businesses’ access to finance in the Pacific: country profiles

Women are often excluded from the formal financial sector and remain unbanked. According to the World Bank Global Findex Report, in 2021, only 68 per cent of women in developing economies had a bank account compared to 74 per cent of men worldwide (Demirgüç-Kunt et al., 2022).⁵ Account ownership, access to seed capital or funding, collateral requirements to avail credit from financial institutions, and awareness and financial competence are all vital requisites for the growth of women’s entrepreneurship. These constraints impact the size and scale at which women-led businesses function, their level of formality and the sectors in which they operate.

Access to finance often includes government programmes and schemes in the form of subsidised loans for MSMEs, financial education to entrepreneurs, and other methods of lending such as through angel investors, micro-finance, venture capital and group lending (What Works Centre for Local Economic Growth, 2016). The total global MSME finance gap for women was estimated to be US\$1.7 trillion in 2017 (Khanna et al., 2017) while the global MSME finance gap has now grown to US\$ 5.7 trillion (IFC, 2024).

Financial access is critical for women-owned businesses, particularly for those in agriculture and other informal sectors, as it boosts their ability to start up or expand. In the United States, 39.1 per cent of firms in 2024 were owned by women and generated US\$2.7 trillion in revenue (Wells Fargo et al., 2024). However, only 1.9 per cent of venture capital funding was found to go to start-ups founded by women (Pitchbook et al., 2023), despite existing evidence of them generating higher returns compared to their male counterparts. Typically, male-owned businesses can access funds for their businesses more easily than women. Women’s inability to access finance for their businesses is affected by both external and internal factors, some of which are listed below.

The external factors include the following.

- Lenders are only willing to extend debt and equity to projects whose profitability or bankability can be easily predicted. When profitability is hard to predict, most lenders refuse to go ahead. Return on investment is far more important to a lender than social causes.
- Financial markets typically disregard social returns in favour of projects with the highest private returns, rejecting projects with positive spill-over effects that can benefit society. They are also wary about giving an opportunity to start-ups, even when they have shown the potential to deliver profit, just because they are new. They tend to prefer firms that already have access to funds and a proven record of delivering profits. Consequently, large companies continue to grow and acquire more market access while small businesses and start-ups are not able to scale. This is detrimental to fair markets.
- Strong risk aversion to micro-enterprises is exacerbated by the presence of underdeveloped financial systems – in which there is often a lack of capacity to prepare deals. Most MSMEs are then forced to borrow from micro-credit or micro-finance institutions at very high interest rates. This, in turn, increases default rates, further compounding the situation.
- Finally, gender biases are found to be embedded in the data that underpins the artificial intelligence algorithms used for credit approvals. This further jeopardises prospects for women’s business loan approvals (Women Entrepreneurs Finance Initiative, 2024).

The internal factors include:

- Women entrepreneurs may have an inadequate understanding of the potential benefits that finance can have on the growth of their businesses. This includes insufficient knowledge of available funding sources in the regions in which they operate.
- Fear of failure of their business and bankruptcy, or self-doubt in qualifying for finance, lead to women not applying for financial aid programmes. This ultimately limits opportunities to scale their business (Morsy, 2020). Among those who do seek financing, a lack of assets for collateral and portfolio diversification is the most common impediment.
- Informal businesses owned by women tend to have weak management structures and lack proper bookkeeping. These issues make accountability difficult.
- Women may lack the requisite skills to pitch their business as a significant opportunity for investors. In a study conducted on the gender gap in entrepreneur persuasiveness, results showed that most investors prefer investment pitches presented by male entrepreneurs, who are also 60 per cent more likely to receive funding as they are perceived to be more logical and fact-based (Wood Brooks et al., 2014).

Against this backdrop, the following sections provide a comprehensive snapshot of the present business environment for women entrepreneurs in Fiji and Samoa⁶, highlighting the specific barriers they face in business and reviewing the legal and regulatory frameworks that are in place to boost women entrepreneurship and employment. They look closely at the ability of women-owned MSMEs to employ digital technology, including digital financial services, to conduct their businesses.

2.2.1 Fiji

Located in the South Pacific, Fiji has a land coverage of around 18,270 square kilometres (km²) spread across 300 islands. As recorded in 2023, there was a total population of approximately 936,375. Of these, the 49.9 per cent female population adds up to approximately 463,626 individuals and the male population across the islands totals 469,490 individuals.⁷

Legal and regulatory frameworks

The legal and regulatory environment in Fiji is designed to improve the status of women's economic empowerment. According to UN Women's Data Hub, 83.3 per cent of the country's legal frameworks aim to promote gender equality. The parliament ratified and adopted the CEDAW Convention in 1995 and the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights in 2018. Similarly, national laws and development plans, such as the National Gender Policy of 2014 and the National Development Plan of 2017 (Government of Fiji, 2017), promote gender equity in employment opportunities, education and training, access to information and technology, and access to financial services, including the removal of any barriers to access to finance experienced by women (Ministry for Social Welfare, Women and Poverty Alleviation, 2014). Most recently, Fiji's National Action Plan for Women's Economic Empowerment 2024–2029, funded by the Government of Australia, is currently being developed to address the structural challenges and difficulties that restrict women's participation in the economy. A study conducted in 2018 showed that Fiji was losing close to 20 per cent of its GDP due to the persistent gender imbalance in Fijian economic activities (ADB, 2018). Unreformed laws on women's rights in some rural and urban regions in the Pacific are likely to be highly discriminatory against women. Moreover, socio-cultural norms restrict women's decision-making powers, and give rise to violence against women and girls. This, in turn, adversely impacts the progress of women and girls in education, upskilling and income generation.

Status of women's employment and entrepreneurship

Current figures show that women and girls above the age of 15 spend, on average, nearly three times more (15.2 per cent) of their time on unpaid domestic care work in comparison to the time spent by men (5.2 per cent) (UN Women Data Hub).⁸ This highlights the extent to which gender inequality is rooted in the customs and traditions of local Fijians.

When it comes to political affairs, through the Constitution Amendment Act of 2013, a 10 per cent quota for female representation in

the national Legislative Assembly was introduced. In 2022, 20 per cent of parliamentary seats were occupied by women. The following year, this fell to only 11 per cent (World Bank data).⁹ Although there has been steady progress in increasing women's participation in parliamentary processes over the decade, more can be achieved in this respect.

Statistics on employment reveal that in the formal economy only 39 per cent of women were employed as compared to 77 per cent of men in 2023 (World Bank Gender Data Portal).¹⁰ However, data also indicated that 38.6 per cent of women held roles in senior and middle management in 2016. This was due to the high rate of women graduating from tertiary education: in 2017, nearly 18,773 females and 15,807 males were enrolled in higher education at the tertiary level (ADB, 2022). In terms of sectoral distribution, as per the Employment, Unemployment Survey of 2016, the services sector is the most robust, accounting for 55.2 per cent of the total labour force, comprising wholesale and retail trade, education, health-care, hospitality and tourism, arts and handicrafts, and food services. This is followed by agriculture, including forestry and fisheries, at 30.6 per cent, and industry and manufacturing at 14.2 per cent (see Figure 2.3) (ILO, 2024b). From this, women account for 33.2 per cent in the wholesale and retail industry, 13.4 per cent in agriculture, forestry and fisheries, 1.3 per cent in construction, 8.6 per cent in manufacturing. Women are most prominent in comparison to men, at 9.2 per cent in education, 8.1

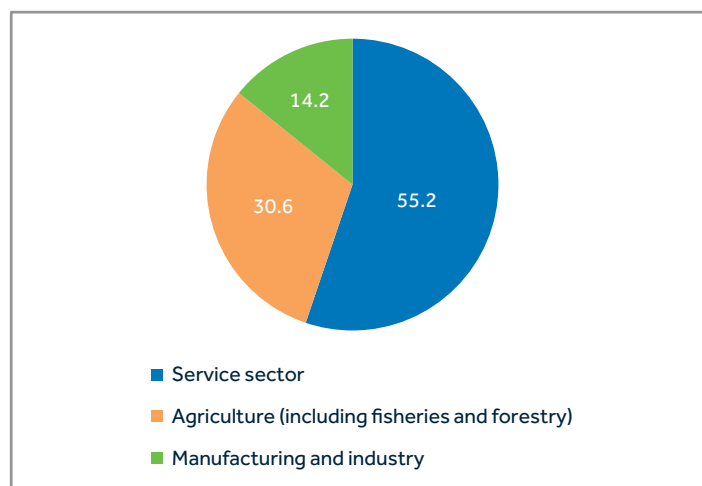
per cent in accommodation and food services, 4.2 per cent in health and social services, 2.3 per cent in professional, scientific and technical activities (see Figure 2.4) (Fiji Bureau of Statistics and ILO, 2018)

Likewise, in total, the informal sector makes up 85 per cent of the economic activity in Fiji. The proportion of informal employment in the non-agricultural sector equals approximately 36.9 per cent for women and 34.4 per cent for men (UN Women Data Hub). While the total employment in the informal sector is 43.6 per cent. Yet, it is women entrepreneurs who operate most in this sector. ADB (2023d) has noted that there are around 18,742 self-employed women in Fiji and 4,650 women working in the handicraft sector. Self-employed women can be found working in small subsistence agriculture and fishing, in fish processing plants and food production centres, in tourism, and as street vendors of fruits, vegetables, fish and handicrafts.

Table 2.1 shows a wide gap between male- and female-owned enterprises with less than 25 per cent of registered businesses owned by women. This further reinforces the assertion that more women operate in the informal sector and are consequently unable to access finance for their operations.

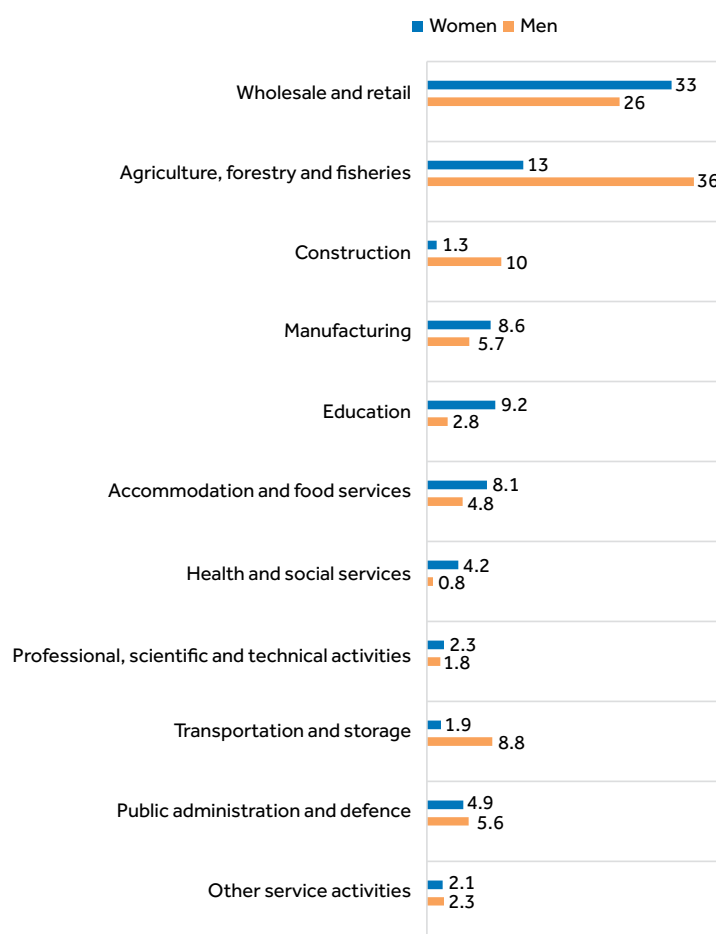
In 2020, it was recorded that almost 82.4 per cent of all enterprises in Fiji could be classified as MSMEs, contributing to 36 per cent of employment and 18 per cent of the country's GDP. among this group, 39.7 per cent were micro-businesses, 23.2 per cent were small

Figure 2.3 Labour market distribution by sector in Fiji (% , 2016)



Source: ILO Fiji Country Factsheet (2024)

Figure 2.4 Employment distribution by sex and industry in Fiji (% , 2016)



Source: Fiji Bureau of Statistics and ILO (2018)

Table 2.1 Number of registered MSMEs owned by women in Fiji

Sectors	Number of registered firms	Number of registered women-owned MSMEs
Transport and storage	1,283	244
Whole and retail	2,120	403
Manufacturing	663	126
Administrative and support services	525	100
Construction	343	65
Real estate	360	68
Accommodation and food services	906	172
Professional, scientific and technical activities	416	79
Total	6,616	1,257

Source: ADB (2023d)

businesses and 37 per cent were medium-sized businesses (ADB, 2023c). In the same year, there were 28,984 MSMEs in transport and storage, wholesale and retail, and in the agricultural sectors registered in the Revenue and Customs Service (ADB, 2023d). From this, ADB (2023d) calculated that, as of 2020, 19 per cent – or over

5,507 – of businesses in the formal sector were owned and run by women. It is important to note that, in 2018, there were only 484 cross-border trading firms owned by women in Fiji out of the total 4,702 firms (World Bank, no date). This shows the low participation of women-owned firms in international trade. Between the years

2020 and 2022, the annual reports published by the Ministry of Justice showed an addition of nearly 31,886 newly registered businesses (Ministry of Justice, 2024). This could mean that the number of women-owned firms may have increased during this period. However, there are no data to confirm the exact figure.

The age dependency ratio is 53 per cent, suggesting that although Fiji's youth population is growing, the number of unemployed individuals is also expanding steadily.¹¹ The percentage of young women that are unemployed is 22.4 per cent. One of the major reasons for a low employment rate, as revealed by employers, is the acute shortage of business skills among the country's working population (ILO, 2024b).

Access to assets, finance and technology

As far as gender equality in ownership and inheritance of land and property is concerned, this is principally controlled by cultural traditions. Although by law Fijian women have full rights to inherit and own immovable property, such as houses or land, under the Inheritance Act and Succession, Probate and Administration Act (ADB, 2022), in reality, these rights are not exercised even among matrilineal clans. Women are not given the right to make decisions concerning their own land. Furthermore, it is often the case that women landowners are not considered by local authorities during the disposition of indigenous communal land (Gigov, 2023). This means borrowing from financial institutions is still a challenge for most women-owned businesses.

However, levels of financial inclusion in Fiji are gradually improving with the prevalence of formal financial services. The market is growing with the availability of digital services, including digital financial services. Through the recently launched DigitalFiji platform, the central bank offers e-commerce subsidies to women-owned businesses to access more digital platforms.¹² However, there remains a knowledge gap in the financial literacy and digital skills of both Fijian men and women. On average, men and women in urban areas score 28.38 and 27.57 respectively on the digital and financial literacy index. Meanwhile, only 58 per cent of women and 66 per cent of men are banked or have current accounts (UNCDF, 2023). To make the most of the subsidies and other incentives offered by the central bank and other development partners, more effort must be made to train and upskill women if they are to be able to take advantage of these opportunities.

The Government of Fiji recognises a lack of access to finance as one of the principal reasons for the shortfall in the growth of Fijian women-owned businesses and, as a result, has been actively promoting financing for women-owned MSMEs. In 2009, the Reserve Bank of Fiji directed all commercial banks to extend their micro-finance services to MSMEs (Reserve Bank of Fiji, 2009). The Fiji Financial Sector Development Plan 2016–2025 allows credit unions and micro-finance institutions to provide loans to MSMEs (Reserve Bank of Fiji, 2009; Reserve Bank of Fiji, 2017). In 2017, the Reserve Bank of Fiji reported that commercial banks provided 1.12 billion in Fijian dollars as loans to small and medium-sized enterprises (SMEs). Additionally, the 2020 MSME Policy Framework outlines improving access to finance as one of its key priorities. The most prominent private sector banks operating in Fiji are ANZ, Westpac and CNB, while in the public sector, Fiji Development Bank and the National Centre for Small and Micro Enterprise Development provide MSMEs with finance. Despite the efforts outlined above, the unmet annual credit for Fijian women-owned MSMEs is calculated to be US\$111 million (ADB, 2023d). This shows that banks and financial institutions, including micro-finance institutions, are yet to fully tap into this market.

To leverage these loans and schemes, formalisation of businesses must be given priority. This will require assisting potential women borrowers by simplifying the process of formalisation and making it easily accessible. Financial education and capacity building are also critical and several organisations are actively engaged in this space. These include Women's Fund Fiji, the Women in Fisheries Network in Fiji, Empower Pacific, the Women Entrepreneurs and Business Council, and the National Centre for Small and Micro Enterprise Development. They all work with women in the formal and informal sectors, providing business support and technical skills training. Meanwhile, the South Pacific Business Development and Fiji Council of Social Services provide micro-finance to MSME owners.

2.2.2 Samoa

Samoa is an island country located in the Pacific consisting of two large islands and several smaller inhabited and uninhabited islands. The total population, as calculated in 2023 by the United Nations Population Division, was 225,681; this included a female population of

110,622 and a male population of 115,059.¹³ Samoa is classified as a lower middle-income country by the World Bank (2024).

Legal and regulatory frameworks

The Government of Samoa has put in place legal and regulatory reforms to reduce gender disparities in society and support the economic, social and political empowerment of women and girls. Having ratified the CEDAW Convention in 1992, Samoa has committed to take necessary legislative measures to ensure the full economic development of women. Herein, several policies and strategies have been formulated for the economic advancement of women and women-owned MSMEs. The economic priorities outlined in the National Policy on Gender Equality and Rights of Women and Girls 2021–2031 focus on understanding the barriers to women's financial inclusion, particularly those women operating in the informal sector (Ministry of Women, Community and Social Development, 2021). One of the long-term objectives stated in the National Financial Inclusion Strategy 2022–2026 (Central Bank of Samoa, 2023) is to expand access to finance for MSMEs, both in the informal and agricultural sectors, while the overarching objective of the MSME Development Policy and Strategy of 2020 is to increase the number of women-owned MSMEs (Government of Samoa, 2020). Despite these ambitious policies and strategies, women entrepreneurs in Samoa still face difficulties in running their businesses. Chief among these is the difficulty in obtaining business licenses (UNESCAP and Ministry of Commerce, Industry and Labour, 2023), which is reported to be time consuming and prone to administrative delays, mostly occasioned by a lack of digitalisation, with the result that the registration process is still manually delivered.

Status of women's employment and entrepreneurship

Samoa's women's level of participation in the economy and politics of the country has risen slowly in recent years. In the political sphere, the Constitutional Amendment Act of 2013 introduced a quota of 10 per cent for women representatives in parliament. Since then, the political participation of women has been limited to 13 per cent of the seats in the national parliament (Pacific Community, 2024). The National Elections held in 2020 resulted in the appointment of the country's first female Prime Minister.

When it comes to the distribution of labour, the female employment rate is as low as 35 per cent, while the male employment to population ratio in 2022 was 54.6 per cent.¹⁴ Among the Pacific island countries, Samoa ranks the highest at 43 per cent for the share of women in senior management roles (UNESCAP, 2020). The leading industries for formal employment are agriculture and fishing, hospitality and tourism (including restaurants and food services), and manufacturing, followed by education, transport, commerce and public administration (Samoa Bureau of Statistics, 2022). Women in the formal sector are mostly employed in education, commerce and other services.

In 2022, the female unemployment rate was 15 per cent whereas the male unemployment rate was 6.6 per cent. Besides unemployment issues, the Samoan domestic labour market has been facing a shortage of skilled and semi-skilled workers due to seasonal employment and increased emigration to nearby countries. The island country largely depends on employment in the informal sector. In 2017, approximately 20.6 per cent of women and 21.7 per cent of men were a part of the informal non-agricultural sector.

MSMEs comprise 96 per cent of all firms in the country, therefore playing a significant role

Table 2.2 Proportion of men and women employed by industry in Samoa (2022)

Industry	Percentage of men employed	Percentage of women employed
Agriculture	76.6	23.4
Fishing	72.2	27.8
Accommodation and restaurants	55.0	45.0
Manufacturing	67.8	32.2
Education	40.7	59.3
Transport	75.1	24.9
Commerce	59.0	41.0
Public administration	45.6	54.4

Source: Samoa Bureau of Statistics (2022)

in Samoa's economy. All enterprises are spread across different sectors, from retail and wholesale, transport and communication, to commerce and other services. Currently, approximately 97.4 per cent of women-owned MSMEs operate in the informal sector (ADB, 2023a). In 2018, women-owned businesses were estimated to make up between 40 and 46 per cent of businesses as opposed to 54 per cent of businesses owned by men in Samoa (UNESCAP, 2020). In 2021, the Ministry of Commerce, Industry and Labour estimated there to be around 4,000 small and medium-sized enterprises in the country (MCIL, 2021). It is difficult to calculate the actual number of MSMEs, as well as women-owned MSMEs and the sectors in which they operate, due to the absence of sex-disaggregated data. According to the 2016 Census, 16,565 women were recorded to be economically active, of whom 26 per cent associated themselves with entrepreneurial activity, primarily owning small shops (Ministry of Commerce, Industry and Labour, 2021). Women-owned businesses are thought to mostly engage in fishing, retail, handicrafts and tourism.

Access to assets, finance and technology

Inheritance and ownership of land and property rights were granted to all women in Samoa under the Administration Act of 1975. Despite the legislative provision, regional customs dictate what takes place in practice. In most cases, land and property are not transmitted to women after the death of their spouses. In certain indigenous communities, women are not allowed to be part of village councils or make any decisions concerning their land (UN Women, 2022).

Meanwhile, only 39 per cent of individuals have bank accounts in Samoa, while 12 per cent have access to other formal financial institutions such as credit unions, micro-finance institutions and insurance companies. From these figures, in 2015, 40 per cent of women were banked as compared to 38 per cent of men (UNESCAP, 2020). This translates to more women being included in the financial system than men, due to them receiving more remittances from families overseas. However, in terms of using financial and digital financial services in their businesses, Samoan women are far behind. On the digital and financial literacy index, Samoa scores a moderate 22.41 out of 52 points. While 79 per cent of Samoans own a mobile phone and 73 per cent have access to the internet, only 13 per cent of these

individuals have used e-commerce (UNCDF, 2023). This underlines the need to increase digital and financial literacy and to improve digital integration between the islands.

MSME loans grew by 29.8 per cent in 2020 and by 7.8 per cent in 2021. Correspondingly, the number of MSMEs borrowing increased by 40.7 per cent in 2020 and 13.1 per cent in 2021. Reportedly, the state-owned Development Bank of Samoa (DBS) provided 18 per cent of MSME finance in 2022. By the end of 2021, MSME borrowers accounted for 13.9 per cent of commercial bank borrowers and 95 per cent of DBS borrowers (ADB, 2023c). During the pandemic, DBS financing schemes were opened to vulnerable communities in the agriculture, fisheries, tourism and commerce industries. While DBS accepts movable and immovable assets as collateral for micro and small firms and farmers, other commercial banks only accept movable assets. This poses a challenge to most women-owned MSMEs in Samoa.

In 2022, credit guarantee schemes were granted to MSMEs in agriculture (30 per cent), wholesale and retail trade (22 per cent), manufacturing (15 per cent), other services (13 per cent), transport and communications (11 per cent), and tourism (3 per cent) (see Figure 2.5). Region-wise, given that most economic activity is concentrated in urban areas, 52 per cent of credit through the schemes was given to those based in Apia and 48 per cent to other provinces (ADB, 2023c). The financial institutions operating and providing financial assistance to micro-firms and start-ups are Samoa Commercial Bank, Bank South Pacific, the National Bank of Samoa, ANZ Bank and DBS.

The Samoa Business Hub, funded by the Government of New Zealand and South Pacific Business Development, supports MSMEs with financial assistance, while the Samoa National Council of Women is a non-government women's movement working towards empowering women and girls in education, employment and health.

2.3 Commonwealth Pacific island countries factsheet

This section intends to determine the significant initiatives on women's economic empowerment in the nine Commonwealth Pacific island countries. It presents gender-disaggregated data on the population, entrepreneurship and

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment

Sr. No.	Country	Population ¹⁵ (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
1.	Fiji	The total island population in 2023 was 936,375 individuals. The 49.9% female population was equivalent to 463,626 individuals, while the male population was 469,490 individuals.	In 2023, the female employment rate was 37% and the male employment rate was 74.5% (retrieved from World Bank Gender Data Portal). The total number of registered MSMEs was 6,616 and women-owned MSMEs was 1,257 (ADB 2023d).	Ratified CEDAW Convention in 1995. International Covenant on Economic, Social and Cultural Rights; International Covenant on Civil and Political Rights, both signed in 2018. The National Gender Policy of 2014 and National Development Plan of 2017 focuses on women's economic participation. Fiji MSME Policy Framework 2020 (Government of Fiji, 2020). Fiji's National Action Plan for Women's Economic Empowerment 2024–2029.	Reserve Bank of Fiji has directed all commercial banks to extend their micro-finance services (Reserve Bank of Fiji, 2009). The Fiji Financial Sector Development Plan 2016–2025 allows credit unions and micro-finance institutions to provide loans to MSMEs. In 2017, the Reserve Bank of Fiji reported that commercial banks provided 1.12 billion in Fijian dollars as loans to SMEs. The 2020 MSME Policy Framework outlines improving access to finance as one of its key priorities. The most prominent private sector banks operating in Fiji are ANZ, Westpac and CNB; in the public sector, Fiji Development Bank and the National Centre for SMED are known to provide MSMEs with finance. The unmet annual credit for Fijian women-owned MSMEs is calculated to be US\$111 million (ADB, 2023d).	Women's Fund Fiji; Women in Fisheries Network in Fiji; Empower Pacific; the Women Entrepreneurs and Business Council; the National Centre for Small and Medium Size Enterprises; the South Pacific Business Development; the Fiji Council of Social Services.

(Continued)

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment (Continued)

Sr. No.	Country	Population ¹⁵ (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
2.	Kiribati	The total population is equivalent to 133,515 individuals. The female population is 68,371 (51.2%) and the male population is 65,144 (49%).	No data were available on the female and male employment rates. The main sectors of female employment are public administration, education and health; male employment is high in agriculture and fisheries (IMF, 2023). As of 2016, there were a total of 2,124 registered businesses on the islands of South Tarawa and Kiritimati; there were fewer than 100 registered businesses on the other 19 outer islands (Government of Kiribati, 2016). Kiribati has only 9% female representation in Parliament.	Ratified CEDAW Convention in 2004. Kiribati National Policy on Gender Equality and Women's Development 2019–2022. The Kiribati 20-Year Vision 2016–2036 contains no specific mention of women's entrepreneurship.	The only operating commercial bank is ANZ Kiribati. There are two public finance Institutions, namely the Development Bank of Kiribati and the Kiribati Provident Fund, which provide personal and small business loans. In 2013, commercial banks had 1,962 borrowers and 1,999 loan accounts (ADB, 2019a).	No data available
3.	Nauru	The total island population comprises 12,780 individuals. Of these, the female population is 6,293 (49.2%) and the male population is 6,487 (51%).	No data were available on the female and male employment rates. No data were available on MSMEs.	Ratified CEDAW Convention in 2011. Nauru's National Women's Policy 2014–2024 (renewed in 2017). Nauru's National Sustainable Development Strategy 2019–2030 (Government of Nauru, 2019).	There was a cash economy for several years after the closure of the Bank of Nauru in 2006. Since 2015, Bendigo and Adelaide Bank, in association with the Ministry of Finance, has been providing basic financial services in Nauru (Government of Nauru, 2019).	Nauru Entrepreneurship Development Centre (NEDC); Nauru Young Women's National Council, formed in 2009 under the Ministry of Home Affairs.

(Continued)

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment (Continued)

Sr. No.	Country	Population ¹⁵ (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
4.	Papua New Guinea	The total population comprises 10,329,931 individuals. Of these, the female population is 5,006,583 (48.5%) and the male population is 5,323,347 (52%).	In 2023, the female employment rate was 45.7% while male employment was at 46.2%. The total number of registered MSMEs was 49,501 as per the SME Policy 2016 (ADB, 2023c).	Ratified the CEDAW Convention in 1995. Launched the SME Policy in 2016, Third National Financial Inclusion Strategy 2023–2027.	In 2022, commercial bank lending to MSMEs was 35.2%. Commercial banks operating in PNG are Bank South Pacific, Kina Bank, ANZ and Westpac. The state-owned bank is the National Development Bank. Women's Micro Bank Limited provided financial services and loans to women during the pandemic. In 2016, 63% of people did not have bank accounts. In 2017, the number of commercial bank accounts was 2,486,823 (ADB, 2019b).	PNG Women's Business Resource Centre; PNG Women in Agriculture Development Foundation; Business Coalition for Women.

(Continued)

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment (Continued)

Sr. No.	Country	Population ¹⁵ (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
5.	Samoa	The total population is 225,681 individuals. Of these, the female population is 110,622 (49%) and the male population is 115,059 (51%).	In 2023, the female employment rate was 35.3% while the male employment rate was 63.1%. Women representation in parliament is 13%. The National Elections held in 2020 resulted in the appointment of the country's first female Prime Minister. Of Pacific island countries, Samoa ranks the highest at 43% for the share of women in senior management roles. In 2018, women-owned businesses were estimated to be between 40 and 46% of businesses compared to 54% of businesses owned by men. According to the 2016 Census, 16,565 women were recorded to be economically active, of which 26% associated themselves with entrepreneurial activity, primarily owning small shops.	Ratified the CEDAW Convention in 1992. National Policy on Gender Equality and Rights of Women and Girls 2021–2031. National Financial Inclusion Strategy 2022–2026. MSME Development Policy and Strategy of 2020.	In 2020, MSME loans grew by 29.8% and by 7.8% in 2021. Correspondingly, MSME borrowers increased by 40.7% in 2020 and 13.1% in 2021. The state-owned Development Bank of Samoa provided 18% of MSME finance in 2022. The financial institutions operating and providing financial assistance to micro-firms and start-ups are Samoa Commercial Bank, Bank South Pacific, the National Bank of Samoa, ANZ Bank and DBS.	Samoa Business Hub, funded by the Government of New Zealand; South Pacific Business Development; Samoa National Council of Women.

(Continued)

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment (Continued)

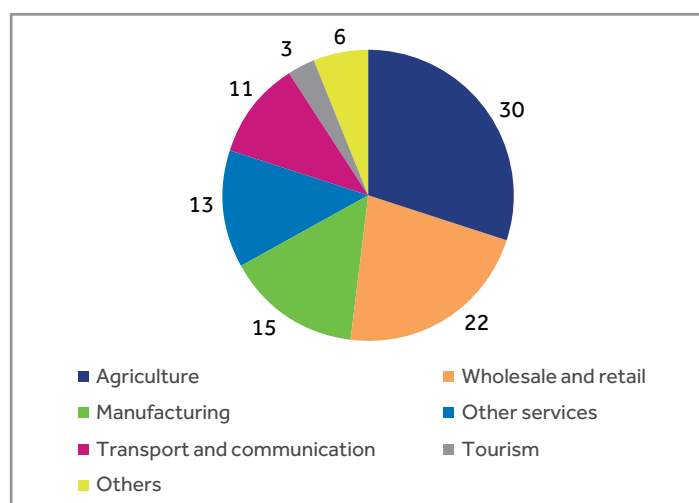
Sr. No.	Country	Population ¹⁵ (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
6.	Solomon Islands	The total population is 740,424, comprising a female population of 362,553 (49%) and a male population of 377,872 (51%).	The female employment rate was 81.4% and male employment was at 84.9% in 2023.	Ratified the CEDAW Convention in 2002. Solomon Islands National Development Strategy 2016–2035. One of the key objectives in the SME Policy 2016 is to put in place mechanisms for SMEs to access appropriate business financing.	ANZ Banking Group, Bank South Pacific, Pan Oceanic Bank and BRED Bank, Solomon Islands National Provident Fund. The Business Loan Guarantee Scheme for MSMEs. In 2015, only 32% men and 20% women had bank accounts. Meanwhile, the number of loan accounts with commercial banks in 2017 was 10,356 (ADB, 2019c).	Solomon Islands Women in Business Association.
7.	Tonga	The total population is 107,773 individuals. Of this, the female population is 54,456 (50.5%) and the male population is 53,317 (49%).	In 2023, the female employment rate was 41.5% and the male employment rate was 64.9%. As per the national survey of informal businesses conducted in 2021, nearly 56% were operated by women (PSDI, 2024).	Tonga has not ratified the CEDAW Convention. Tonga MSME Policy 2013. Tonga Strategic Development Framework 2015–2025. National Women's Empowerment and Gender Equality Policy and Strategic Plan of Action 2019–2025 (PSDI, 2024). Tonga National Financial Inclusion Strategy 2023–2027 ((Reserve Bank of Tonga). ¹⁶	The National Reserve Bank of Tonga (2023) has set a target to increase access to finance by 20% to small businesses by 2027. Tonga Development Bank offers micro-finance to small businesses and unsecured loans to women working in handicrafts in the Tonga National Workers Council. In 2016, Tonga had the third most loan accounts with commercial banks in the Pacific island economies: 11,238 loan accounts (ADB, 2019d).	South Pacific Business Development (SPBD) Microfinance.

(Continued)

Table 2.3 Matrix showing Pacific island countries' initiatives on women's economic empowerment (Continued)

Sr. No.	Country	Population15 (2023)	Entrepreneurship and employment	Legal and regulatory frameworks on women's economic empowerment	Financial sector, access to financial services and products	Institutions and organisations working towards women's economic empowerment
8.	Tuvalu	The total population is 11,396. Of this, the female population is 5,561 (48.8%) and the male population is 5,835 (51%).	No data were available on the female and male employment rates.	Ratified the CEDAW Convention in 1999. The National Trade Development Strategy was launched in 2022.	National Bank of Tuvalu, Development Bank of Tuvalu, Tuvalu National Provident Fund. The Development Bank of Tuvalu provides support to private enterprises (ADB, 2019f). MSMEs face issues in securing loans due to lack of collateral and financial literacy.	No data available
9.	Vanuatu	The total population is 334,506. Of this, the female population is 166,304 (49.7%) and the male population is 168,202 (50%).	The female employment rate was 56.6% and the male employment rate was 75.4% in 2023. Employment Vanuatu is a recently launched digital platform to improve employment for women and youth (ILO Newsletter). ¹⁷ The 2020 Census recorded 10,509 women in business. Of these, 9,245 were self-employed and 1,264 were women owners with employees (ADB, 2023e).	Ratified the CEDAW Convention in 1995. Vanuatu National Financial Inclusion Strategy 2018–2023. National Industrial Development Strategy 2018–2022 (Department of Industry, 2018). Vanuatu National Sustainable Development Plan 2016–2030 (Department of Strategic Policy, Planning and Aid Coordination, 2016).	There are four commercial banks operating on the island: the National Bank of Vanuatu, ANZ Banking Group, BRED Bank and Bank of South Pacific Vanuatu. The number of loan accounts with commercial banks was 28,086 in 2015 (ADB, 2019e). The National Bank of Vanuatu recorded 53% growth in micro-finance lending in 2017, after it introduced rural and seasonal labour loans to rural residents and seasonal workers in 2015.	Vanuatu Resilience Business Council; Vanuatu Chambers of Commerce.

Figure 2.5 Distribution of MSMEs' credit guarantee scheme by sector in Samoa (% , 2022)



Source: ADB (2023c)

employment, legal and regulatory frameworks on women's economic empowerment, availability and accessibility of financial services and

products, and local and international institutions supporting the economic growth of women and women-owned MSMEs in the Pacific.

3. Conclusion and recommendations

While greater participation of women in the labour force, trade and wider economic activity and more women-owned MSMEs can help drive the Pacific islands' economic growth, their presence in these economies is still very limited. On a positive note, the Pacific islands' countries are gradually positioning themselves on a path to supporting increased women's economic empowerment. This paper has explored the barriers to women's employment and entrepreneurship that are prominent in the region, namely limiting socio-cultural norms, a lack of access to market information and business skills, limited financial literacy, a lack of representation, and poor access to finance.

The focus on Fiji and Samoa has revealed that despite the robust provision for women's economic development in these countries' national development plans, they falter at the implementation stage due to limited budget allocation. Like most countries in the Pacific, they rely heavily on donor funding to deliver on their national development plans. This limits their ability to move at their desired pace. Most of the Pacific island countries considered in this

paper lacked reliable data on MSMEs and this contributes to policy failures and other implementation challenges.

The above notwithstanding, countries must continue to prioritise women's economic empowerment, within the limits of their budget, while focusing on the collection of gender-disaggregated data. Governments should endeavour to adopt simple business registration processes at very minimal cost to encourage informal MSMEs to register their businesses. It is important to create a sustainable, inclusive and resilient business environment for the growth of women-owned MSMEs. This can be facilitated by improved education, digitalisation and access to finance.

The following actions are recommended to support women-led MSMEs and increase their financial inclusion in the Pacific:

1. **Involve women in decision-making bodies**
More women must be included in decision-making bodies and in legislative procedures across industries in public administration, and public and private financial services. Women in business

must be consulted by government agencies when making reforms to address the issues of gender inequality through market-vendor associations and women's business councils. Mainstreaming gender in finance and trade policies and strategies will only be successful with increased institutional capacity.

2. Incentivise financial institutions to invest in women-owned MSMEs

Financial infrastructure must be improved to increase women's access to financial products and services. New performance indicators, such as percentage of clientele, can be used to build business cases for loan applications. The scope of assets that can be used as collateral must be broadened to non-land assets, as most women do not own land. There is a need to encourage financial institutions to introduce financial products aimed at meeting the needs of borrowers who traditionally use informal systems of finance; for example, loans that accept smaller and more movable assets and traditional wealth storage mediums such as livestock and gold as collateral. Digital applications can also assist in determining behavioural and consumption patterns and help to identify women who are most likely to repay their loans.

3. Improve access to digital technology and digital financial services

Simplifying and digitalising business registration processes can encourage more women entrepreneurs to formalise their businesses. Similarly, affordable digital technologies and digitally delivered financial services are important in bringing a positive change to women-owned businesses. Commonwealth member countries can benefit from peer-to-peer knowledge sharing on the advancements made in digital payment systems: For example, the success of Kenya's Mpesa, first launched in 2007 as Africa's first mobile payments service. Mpesa has brought financial services and products to the fingertips of over 51 million active users across seven countries in the continent¹⁸ India's Unified Payment Interface, launched in 2016, had processed over 48.6 billion transactions in 2021¹⁹ and is now being accepted in the Commonwealth countries of

Mauritius, Singapore and Sri Lanka.²⁰ In Fiji, Vodafone's M-PAiSA enables digital money transfer.²¹ The Commonwealth Secretariat has also developed a Fintech toolkit²² to support the development of digital financial services in member countries that is worth exploring. However, adoption of digitally delivered financial services must be preceded by education and awareness creation on the benefits to businesses. The laws and regulations that govern the financial services industry in the Pacific islands must be robust enough to protect users from any digital financial frauds and gain their trust in 'going digital'. Members must concert effort to narrow digital divides within the Pacific and between the Pacific and other countries. Without reliable, accessible and affordable internet and other digital technologies, many of the very valuable digital financial services offerings and platforms are non-starters.

4. Strengthen financial education

There is a need to strengthen financial literacy among women and girls from a young age by introducing financial education early in the educational system (primary school). This is indispensable in today's rapidly changing and complex financial markets. Financially literate entrepreneurs make more informed financial decisions overall and assess their creditworthiness more objectively. Hence, arming women entrepreneurs with the appropriate financial knowledge and skills will boost their effective engagement in the credit market.

5. Collect, analyse and use gender-disaggregated data

Tailor-made financial services and financial products can be made available to women-owned MSMEs based on quality and easily available gender-disaggregated data on MSMEs. National policies and strategies can also be better implemented with the collection and reporting of such data.

6. Support women entrepreneurs with skills and training

Breaking out of cultural norms requires educating society on the benefits that women's participation in the economy can bring

to their families and overall standards of living. Digital and business development training can build the capacity of women. The introduction of financial literacy programmes and online business toolkits and advisory services to help smaller enterprises and women entrepreneurs manage and grow their businesses, along with incubation centres, and accelerator and seed funding programmes, will go a long way in supporting women-owned businesses.

7. **Economic diversification**

Economic diversification away from tourism and subsistence agriculture is needed in some of the smaller island countries to boost growth and protect the economy against the threat from natural disasters. In the Pacific islands, several fisherwomen wish to modernise their fishing techniques and increase their income-earning capacity.

Their inclusion in training, access to new technology and climate change financing can help them in this respect.

8. **Web-based knowledge and networking platform**

Networking and mentorship programmes have proven to be great tools in fostering women economic empowerment. Countries should consider adopting web-based information and networking platforms for women-owned MSMEs which can serve as a 'one stop hub' providing all information related to access to finance. Such portals could provide information in a simple and easy to understand format to all levels of women entrepreneurs on the requirements/checklists for accessing finance, including information on developing bankable projects. It could also allow subscribers to network with other businesses.

Notes

- 1 Table does not include Nauru, Tuvalu and Kiribati due to lack of available data.
- 2 ADB presentation, available at https://devpolicy.org/2023-Pacific-Update/Day_2/Ingrid_Fitzgerald.pdf
- 3 UN Women – Asia-Pacific, 'Ending Violence Against Women and Girls', available at <https://asiapacific.unwomen.org/en/countries/fiji/ending-violence-against-women>
- 4 World Bank Gender Data Portal.
- 5 These figures exclude the Pacific islands due to the unavailability of gender-disaggregated financial data.
- 6 Samoa and Fiji were selected for the purposes of this research because of accessible up-to-date data.
- 7 World Bank Database.
- 8 UN Women Data Hub.
- 9 World Bank Data (1998) 'Proportion of seats held by women in national parliaments (%) – Fiji', available at https://data.worldbank.org/indicator/SG.GEN.PARL.ZS?year_high_desc=true&locations=FJ
- 10 World Bank Gender Data Portal, 'Employment to population ratio (%)', available at <https://genderdata.worldbank.org/en/indicator/sl-emp-sp-zs>
- 11 World Bank Database. Age dependency ratio is the ratio of dependents (people younger than 15 or older than 64) to the working-age population (those aged 15-64).
- 12 Fiji Government, e-Services, available at <https://mobile.digital.gov.fj/Eservices/Index>
- 13 World Bank Database, 'Samoa', available at <https://data.worldbank.org/country/samoa>
- 14 ILOSTAT. Data for ages above 15 years.
- 15 World Bank Database.
- 16 <https://pacificcommerce.org/pei-project/tonga-national-financial-inclusion-strategy/>
- 17 ILO Newsletter. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@asia/@ro-bangkok/@ilo-suva/documents/publication/wcms_837366.pdf
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