

The G8-Deauville Partnership with Arab Countries in Transition

Chair's Summary of the meeting on

“Supporting Open Economies and Inclusive Growth – Women’s Role in Arab Countries”

Members of the G8-Deauville Partnership with Arab Countries in Transition (DP) met with business women from the Arab Countries in Transition (Egypt, Jordan, Libya, Morocco, Tunisia, Yemen), G8 and regional partner countries (Kuwait, Qatar, Saudi Arabia, Turkey, UAE), and other nations on 25-26 June 2013 to strengthen opportunities for women in employment and trade following the calls of women during the uprisings of 2011-13. This Conference Report will be sent to Deauville Foreign Ministers and conference participants.

Executive Summary of Key Actions

- 1. Establish a legal task force of experts who will report to the DP Foreign Ministers meeting in September on legal measures to enhance women’s economic participation.**
- 2. For DP and private sector partners to support the “Arab Women in Business Challenge Fund” announced at the conference by Justine Greening (The UK Secretary of State for International development), which will promote trade and decent work for women in Arab supply chains.**
- 3. For the DP to continue to support women’s access to finance through other DP activities.**
- 4. For DP to support business development services (BDS) for female entrepreneurs through the DP Transition Fund and FORSA scheme. For Business Networks associated with the conference to support women access resources and expertise through LinkedIn.**
- 5. For DP to encourage women’s participation in trade and investment forums such as the DP Investment Conference in September.**

Why Women’s Economic Participation is important to Growth

Women are central to supporting “open economies and inclusive growth”, which is the Deauville Partnership’s vision for 2013. Increasing the participation of women in entrepreneurship and corporate business is more important than ever before for generating job creation and broad based economic growth as well as achieving development outcomes in the Middle East and North Africa (MENA) region. Women are at the forefront of the global economy as producers, suppliers and business leaders and around 1 billion women are due to enter the global workplace in the next decade¹. Countries that fail to support the talents of half their population who could be engaging with these markets will lose out economically.

The DP governments heard a range of views from international corporations such as HSBC and Capri Capital to women running their own businesses and women workers. Women have equal potential to contribute to their economies as men, yet face disproportionate challenges. Support services must be resourced and tailored to address their specific financial, legal, social and educational needs which vary according to life stage and role in supply chains.

While the MENA region witnessed a fast increase in women’s share of economic activity between 1990 and 2010, levels of women’s employment and entrepreneurship remain well below those of

¹ http://www.booz.com/global/home/what-we-think/third_billion

others parts of the world. The Conference participants identified a range of ways to address the imbalance and make sure MENA does not fall behind.

These findings build on the World Bank Report “Opening Doors: Gender Equality and Development in the Middle East and North Africa”² and the OECD-MENA Women’s Business Forum (WBF) 2012 publication on *Women in Business: Policies to Support Women’s Entrepreneurship Development in the MENA Region*³. A short synthesis of the literature on women’s economic role in the Middle East and North Africa Region was commissioned to inform this event.⁴

Participants noted that:

- ***Legal frameworks* prevent women from fulfilling their economic potential** - both on paper (*de iure*) and in practice (*de facto*); particularly in relation to family and labour laws, finalising contractual arrangements as well as bankruptcy penalties and wider access to justice.
- ***Women workers* are less well paid and more vulnerable to exploitation and poor working conditions than male colleagues.** Women can be unfairly treated at employment tribunals, particularly where a woman’s voice has less influence in a court of law than a man’s. Women also lose out where benefits are paid to men and statutory costs for employing female workers can be a disincentive to business from hiring female talent. More support is needed to help businesses extend social security and other benefits to women, adopt flexible working arrangements and manage maternity cover. Businesses should be helped to promote the career development of women and promote women’s talent within companies.
- **While *women’s entrepreneurship* is a key driver of economic growth the region lacks financial products and business development services** that meet the needs of business women.

Women’s share of capital and assets is increasing in the region, particularly in the Gulf States, and there is emerging evidence that women are more reliable borrowers. Yet financial service providers avoid lending to women, many of whom lack collateral and/or a track record. An IFC report found that 71% of 431 business women surveyed in MENA asserted that bank staff members lacked adequate knowledge and experience to handle Small and Medium Enterprise (SME) customers effectively. Less than 10% of these women had a business line of credit⁵.

Services for women entrepreneurs’ could be further extended through public or private sector providers and should be adapted to the type of company, size, growth speed, sector and location (rural or urban). BDS should be linked with market promotion and financial support services. Improved data-collection and coordination among government and business, using new technology, could further ensure services are better adapted to different types of business.

² <http://www.worldbank.org/en/news/feature/2013/03/14/missing-voices-gender-equality-in-the-arab-world>

³ <http://www.oecd.org/daf/psd/womeninbusiness-policiesupportwomensentrepreneurshipdevelopmentinthemenaregion.htm>

⁴ <http://www.gsdr.org/go/display&type=Helpdesk&id=889>

⁵ http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_report_vv-sme

- **Women's talents as negotiators should be recognised** – in trade arrangements as well as in peace and political agreements. The audience called for greater participation of women in trade missions and heard how women have played core roles in negotiating trade agreements and promoting investment in Jordan, Tunisia and the UAE.
- **Women's networks generate business.** Networks need to be strengthened and resourced as providers of mentoring and trade expertise as well as to facilitate partnerships. Participants also recognised the need to increase women's representation in wider business networks including Chambers of Commerce and labour organisations.
- **Governments have an important role in scaling up initiatives that support women's economic opportunities.** Participants discussed the Social Fund for Development in Egypt's provision of microfinance and business development services to women, the Ilyaki Guarantee Fund which provides credit to female entrepreneurs in Morocco and the UAE Women's Business Council among other examples.
- **Governments can promote growth by targeting policies to promote women's entrepreneurship and leadership in the public and private sectors.** Government Ministers discussed improvements to labour and enterprise policies and legislation as well as in enabling equal access to employment, pay, education, justice and social protection - for example the UAE shared their experience of introducing legislation to require female board members in every company and government agency.

Governments can facilitate women's economic development through broader economic programmes to improve the business climate, business registration and operations. Establishing units to promote women's economic development and entrepreneurship in economic ministries with links to ministries responsible for women's affairs can for example encourage women to apply for government contracts and public-private partnerships. Government can also provide opportunities for business women to contribute to developing new growth strategies (e.g in technology and renewable energies) generating investment opportunities and growth.

- **Women's economic role depends on governments meeting their existing international commitments** in relation to gender equality and supporting women's active engagement in all spheres of society, governance, security and politics. These commitments are enshrined in the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Millennium Declaration and the Millennium Development Goals as well as the 2007 MENA-OECD Ministerial Declaration on Fostering Women's Entrepreneurship in the MENA region and the 2013 OECD Recommendation on Gender Equality in Education, Employment and Entrepreneurship. UN Security Council Resolutions 1325 and 1820 relating to Women, Peace and Security are also particularly important for the region in the context of violence and conflict.

Areas for action identified during the conference

- **Secure women's equality under the law.** The Conference proposed the establishment of a legal task force of experts to report to the Autumn Meeting of the Deauville Foreign Ministers on

measures to enhance women's economic participation. This will build on existing work by the OECD, The World Bank and the European Bank of Reconstruction and Development (EBRD) in consultation with legal firms: DLA Piper, Norton Rose, Clifford Chance and the Law and Development Partnership. These recommendations will also be taken forward under the auspices of the MENA-OECD project "Supporting women as economic actors during the transition period" (2013-2015) which analyses legal provisions and their implementation in Egypt, Jordan, Morocco, Tunisia, Libya and Algeria.

- ***Promote opportunities for women in Arab supply chains.*** Justine Greening, The UK Secretary of State for International Development, announced an initial £4 million for an "Arab Women in Business Challenge Fund" which will co-finance initiatives with the private sector that deliver new job opportunities, improve conditions of work or support regulatory reform to enhance women's role in the workplace. The UK seeks other Deauville and private sector partners to work with us in developing the initiative, which we hope will build on existing women's economic programmes in the region for example those supported by Germany, Canada and the US. The fund will support initiatives across a variety of sectors and at different levels of the supply chain, focussing both on those that promote trade between women suppliers and buyers as well as those that promote good and fair working conditions.
- ***Develop access to credit and finance schemes.*** The DP will continue to support women's access to finance, including through the planned EBRD expansion in the region (Morocco, Egypt, Tunisia and Jordan), the SME Country Action Plans and contributions to the World Bank International Financial Corporation (SME) Financing Facility. A wider MENA working group on women's access to finance was proposed at the conference to develop and scale up specific finance products. These mechanisms could improve financial literacy, ensure gender sensitive training for financial institutions and develop financial services for women that compensate for a lack of collateral.
- ***Develop business development services (BDS), mentoring, networking, knowledge and technology literacy.*** The DP Transition Fund⁶ has agreed resources for BDS for women entrepreneurs through a partnership between EBRD and the Social Fund for Development in Egypt. A new mentoring programme for entrepreneurs, Forsa, has also been developed and funded by the UK under their chairmanship of the DP⁷. Forsa is open to all SMEs but is to have a particular focus on women and young people.
- The ***Business Networks*** associated with the event (including The Arab-British Chambers of Commerce, the Middle East Association, Women in Business, City UK and British Expertise) agreed to work collaboratively through a LinkedIn site to support women in the region access resources and expertise. Sector specific sub-groups are being established for: the creative industries, education and infrastructure⁸.

⁶ <http://fiftrustee.worldbank.org/index.php?type=page&ft=mena>

⁷ <http://forsa-mena.org/>

⁸ The group can be found under the name "Arab Business Women's Forum" at the website www.linkedin.com

- ***Include women in trade and investment forums*** - The DP Investment Conference⁹ in September and the World Islamic Economic Forum¹⁰ in October will both take place in London. Fiona Wolf CBE, Baroness Morris (UK Trade Envoy to Kuwait, Jordan the Palestinian Territories) and Kit Malthouse (Deputy Mayor of London) spoke to participants about the opportunities to promote trade and investment between the Arab World and the City of London through these and other forums. Participants are encouraged to contact their governments to nominate themselves to take part, thus ensuring that there is participation by women in official delegations to events such as these as well as in all trade missions. Further opportunities for Arab business women to market and improve their branding of business products were identified, for example through the ITC Global Platform for Action on Sourcing from Women Vendors¹¹.

Monitoring Progress

- ***Monitor Progress - Women from Morocco and Bahrain specifically asked for a clearer framework to monitor progress in the region on women's economic participation.*** The OECD Women's Business Forum, the World Bank and IFC could expand their work (with appropriate funding) to monitor women's entrepreneurship across the region including: access to BDS, women's access to finance or policies to promote women on boards and senior management. DP leaders are asked to ensure resources are available to support longer term funding. A stock-take of progress on these recommendations will be undertaken in the margins of the summer 2014 meeting of the OECD-MENA Women's Business Forum.

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⁹ <https://www.gov.uk/government/news/g8-deauville-partnership-investment-conference>

¹⁰ <http://wief.org/>

¹¹ <http://www.intracen.org/projects/women-and-trade/>