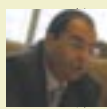


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# Gender Dividend Growth through Gender Equality

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## Cross Regional Experience

PREM Week featured a lively, sometimes hotly debated session entitled “Gender Dividend: Growth through Gender Equality,” which covered women’s entrepreneurship as an engine for job creation and economic competitiveness through experiences in France, Estonia, and Egypt. “Today’s session is both a timely and important one,” said IFC Acting Executive Vice President Assaad Jabre who chaired the session. “There is a compelling body of research that underscores that gender progress is a *cause* of development, rather than just an effect.”

“IFC, for its part has launched its Gender-Entrepreneurship-Markets, or GEM, with the explicit aim to address gender-based issues, and intends to build up such capacity of its PEP-MENA initiative which is run from Cairo,” said Jabre.

Nadereh Chamlou, Senior Advisor in MNA’s Office of the Chief Economist, explained that the central theme of PREM Week 2005 was growth. “Sustainable growth rests on on functioning market systems that provide a level playing field so all individuals can contribute their skills,” said Chamlou. “Removing any barrier, among them gender based constraints, is an important prerequisite for sustained growth.”

Two Ministers contributed—HE Dr. Mohieldin, Minister of Investments from Egypt, and HE Dr. Ameline, Minister of Parity and Professional Equality of France, who could not attend, but submitted a written statement. Both stressed that increasing women’s eco-



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conomic participation is key to increasing productivity and competitiveness vis-à-vis their respective peers. Moreover, they highlighted the importance of public policy in addressing these constraints.

Entrepreneur Silva Tomingas of Estonia and Julie Weeks, Executive Director of the National Women’s Business Council in the USA, gave insight into various gender-based hurdles and public policy solutions. John Speakman, a Lead PSD specialist in MENA, shared some

preliminary findings from Investment Climate Assessments in Syria, Oman, and Morocco. Amanda Ellis, Manager of IFC-GEM reported the findings.

“I think we had a very good discussion here today,” concluded Jabre, “and it was very interesting to hear how much commitment there is to this issue in the Middle East, how everyone is coming to the recognition that involving women in business can really promote growth in our member countries.”

## Egypt Concerned with Ensuring Women’s Competitiveness



His Excellency Dr Mahmoud Mohieldin, Minister of Investments of Egypt

Egyptian Investments Minister Mahmoud Mohieldin outlined some of the reforms his country is carrying out to boost women’s competitiveness. “Women in my country and in the Arab world face serious challenges that must be dealt with,” he said. “What we’ve been doing in Egypt is remarkable, but not enough.”

Mohieldin explained some key changes the government recently made to Egypt’s tax code, including rules regarding family allowance transfers and inheritance. “We’ve made the code supportive of women where it should be supportive, and gender-neutral where it should be neutral,” he said.

He also said an agreement last December among Egypt, the United States, and Israel that establishes “qualified industrial zones” will indi-

rectly benefit women. “The main sectors affected by this will be textiles and garments, where large shares of the workforce are women,” Mohieldin said.

Egypt will also be seeking the Bank’s advice in designing a gender component for its continuing Investment Climate Assessment (ICA) process to gauge the effects of reforms on women and to pinpoint others areas that need work.

“Early findings indicate that we need to consider issues of accessibility—to land, to finance, and to other resources,” Mohieldin said. “These have inspired us to ask the Bank for further support with the ICA.”

Mohieldin said major changes are also in store for Egypt’s constitution, aiming to open more aspects of society to competition. As the economy transforms from one that is mainly centrally planned to one that relies more on market forces, barriers to women entering the workforce should diminish, he said.

“There is another positive transformation underway,” Mohieldin added. “And that is the shift from women being considered victims of economic development to women being seen as partners in the process.”

## Growing the Gender Dividend

The French experience engendering professional equality offered an instructive case study for overcoming challenges with policy solutions. Elisabeth Sandor, Advisor for Social Affairs to the French Executive Director, delivered the prepared speech of Mrs. Nicole Ameline, French Minister of Parity and Professional Equality, who could not join the conference due to an urgent engagement.

“Poverty reduction and shared growth must be based on the principle of gender equality, which is a necessary condition for sustainable development.”

—Minister Nicole Ameline  
“Poverty reduction and shared growth must be based on the principle of gender equality, which is a necessary condition for sustainable development,” Sandor said. “This matters worldwide... Equality involves justice and social cohesion. It also pertains to jobs and opportunities for all that fuel growth.”

France’s Ministry of Parity and Professional Equality is tasked with renewing and modernizing the value of equality. France invests a lot in the education of girls and young women, who perform as well as their male counterparts. What is more, the coun-

try has one of the highest fertility rates in Europe (1.9 children per woman), with a very high rate of female employment (the employment rate is 80.7% for women aged 25 to 49).

“So every day, we illustrate the fact that family and work life can go together, yet when it comes to work-life [opportunities], women are still confronted with very important challenges and inequality.

Women face a higher unemployment rates than men (10.4% for women aged 25-49, versus 7.7% for men), inferior salaries (women earn, on average in the same position, 25% less than men), fewer promotions, and jobs of lower pay grade (less than 10% of the directors of companies employing 10 to 49 employees are female).



Nicole Ameline, French Minister of Parity and Professional Equality

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## Perspectives from Entrepreneurs

When it comes to overcoming obstacles as a woman entrepreneur, take it from Silva Tomingas—she’s been there. Tomingas opened a publishing company in Estonia in 1988 during the first week that the then-Soviet government officially allowed private enterprises to form. Most industry leaders under Soviet rule were men who were well connected to insider networks and had good access to bank financing.

“I remember very well going to the bank and having to present a very detailed business plan with cash flow projections for three years and so on,” Tomingas recalled. “This young man showed up next to me, with barely any plan, and he was given money right there.”

Seventeen years later, however, and Tomingas is President and CEO of a language learning center and a dictionary publishing company—both market leaders with exports to more than 40 countries.

Tomingas pointed out that in many countries, including Estonia, women are more educated than men, meaning they have made more use of the investments that the state has made in the education sector. Not parlaying that investment into more entrepreneur-

ship among women is “probably the biggest waste of human resources in the history of mankind,” she said.

“Getting more women into business isn’t a simple task, but it is achievable,” Tomingas said. A strategy to do so should have support at all levels of government and from all decision-makers, she said. It should also institutionalize, with support from the government, a mentoring system for women by successful businesspeople and ways to give them real, hands-on experience in the business world.

Julie Weeks, Executive Director of the National Women’s Business Council, explained the United States’ recent history in trying to increase women’s participation in business. She singled out the government-backed Women’s Business Center Program as particularly successful.

The 92 centers, spread across the United States, counseled 106,000 women with technical assistance and training in starting and building a business. Between 2001 and 2003, a public investment of \$36 million in such centers yielded \$500 million in gross receipts and \$51 million in profits.

Weeks singled out three important lessons from the US experience:

organize officially with government support, encourage joint initiatives and public-private partnerships, and generate research and information.

“The government can’t do it all, nor should it. That’s not only for economic and resource reasons, but also to ensure the sustainability and effectiveness of these programs,” she said. “Today, such businesses are the fastest growing segment of the private sector and account for over 30 million jobs.”

John Speakman, a Lead PSD specialist in MENA, shared some preliminary information from Investment Climate Assessments (ICAs) he has been working on in the region. The data came from focus groups that asked men and women about the obstacles they face in business.

The information—from Syria, Oman and Morocco—suggested no major differences in terms of strict investment climate constraints for men and women, Speakman said. “But women were less affected than men by corruption but more affected by taxes, inaccessibility to network, which provided them access to information and power”—one of Tomingas’ main points also, he added.

The data also show that women are more technologically savvy than men and they put a greater emphasis on skills, education, and training.



Silva Tomingas, President of TEA Publishers, based in Estonia



Julie Weeks, Executive Director of the National Women’s Business Council, US



John Speakman, Lead PSD Specialist in MNA

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To address these challenges and foster better professional equality, the French Government is aiming to mainstream a wide-reaching gender policy; in so doing, it has renewed a dialogue with unions and employers. Specifically, Minister Ameline has initiated the “equality label,” which is appraised by an independent body and awarded to qualifying organizations. In addition, she has also proposed that salary equality be achieved through a new Parliamentary law within a five-year period.

“There is a growing recognition at the highest level, not only in France but also in Europe,” concluded Sandor, “that women need to play a more active role in the economy and thus that gender equality is key to the success of our economies and of our development.”



Elisabeth Sandor, Advisor for Social Affairs to the French Executive Director



Nadereh Chamlou



Mustapha Nabli

## Q&A with Mustapha Nabli and Nadereh Chamlou

### Q: What are some objectives for the MNA Region?

Nabli: The most daunting development challenge of the MNA region remains unemployment, particularly for youth and women. This is because of low private sector activity, limited integration with the global economy, and a strong dependence on oil. To promote a diversified and modern private sector, there is a need for a new class of innovators, entrepreneurs, investors, and producers, wherever they come from—internally or through foreign direct investment.

### Q: So what does gender have to do with that?

Nabli: With the increased female education levels in the region, women are increasingly willing and able to strike out on their own. This means that they cannot only create their own jobs, but they can also do so for others.

### Q: What are you doing in MNA for women’s entrepreneurship?

Chamlou: An important tool is the Investment Climate Assessment to identify not only barriers that all

investors face but also those that are gender-based. This allows clients to zero in on policies that can reduce or eliminate barriers.

### Q: Are there any recent findings that support this?

Chamlou: The work is still ongoing. Some preliminary findings show that, for instance in Oman, three times as many women-owned businesses (WOBs) use email systems as male-owned businesses (MOBs). In Morocco, twice as many WOBs have websites—a must in a globalized world—relative to MOBs. On average, women entrepreneurs seem to be younger and more educated. They are more concentrated in knowledge-based and leading-edge sectors, the kind of businesses needed to modernize and diversify the MNA economies.

### Q: So what would be your main messages for today?

Nabli: The MNA region has invested significantly in women’s education. Removing any barriers for them to contribute their skills to the economy could help foster growth and prosperity for all.