

Promoting access to equal opportunities in the private sector

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Your Excellencies, Ministers, Parliamentarians, Ambassadors, Ladies and Gentlemen, It is a great honour to be here with you in Bahrain for this **High-Level Conference on “Women in Public Life: From Policies to Impact”**, co-organised with Bahrain’s Supreme Council of Women, to whom I would like to extend special thanks.

**Introduction**

As mentioned by OECD DSG Mari Kiviniemi, the OECD has been working on gender equality for more than 30 years. The first OECD Declaration on Gender was issued in 1980. In 2011, we engaged in an OECD-wide initiative which led to the revision of the Recommendation. This work notably shows that **including women into the economy as employees and entrepreneurs has important economic consequences on growth, on innovation, on employment.**

Yet, in OECD countries, women are not equal to men in the labour market (still earn 15% less than men, part-time work, under-represented in leadership positions in business and public life) and they are not equal in entrepreneurship (there are about 2,5 male owned businesses for each female-owned one). Through the OECD-MENA Women Business Forum, a network of over 700 participants which regularly convenes in the framework of the MENA-OECD Investment Programme, we have thought to identify existing support measures and policy needs to enhance women economic participation.

I would like to share a few key findings of the work carried out over the last 5 years.

### **Characteristics of women employment and entrepreneurship**

In MENA, only 24% of women join the labour force compared with the worldwide female average of 52% and 62% in OECD. Women's unemployment rate is about 18% compared with a world average of 8% in OECD. Only 1.2% of managers are women in MENA region, compared to an 18.6% average worldwide.

When we look at women entrepreneurship this is what we see: With only 12% of women running their own businesses, compared to 31% of men, the MENA region has the largest gender gap in entrepreneurship in the world, as well as a high attrition rate for women-led firms. Men and women entrepreneurs in the region differ in three aspects: 1) women entrepreneurs generally come from lower income households than male entrepreneurs and hence can count on fewer resources to set up a business; 2) women owners and managers of ventures have lower education levels than men, although they are more educated than the average MENA woman; 3) women entrepreneurs have much less employment experience than men, a key form preparation for entrepreneurial activity and success.

Women's businesses tend to be concentrated in a very few sectors such as health and beauty and consumer-oriented activities. They generally involve few information and communications technology or science-based components. They thus tend to be in sectors with low entry barriers, but also with limited development potential.

On average, female participation in ownership remains low compared to men, although important disparities exist among MENA countries.

Women tend to have a higher fear of failure, believe less in their own capabilities, and are less optimistic about potential business opportunities.

The support of family and husbands tends to be considered a determining factor for the success of starting a business. Women knowing personally an entrepreneur increase their opportunities to learn from peers and gain confidence.

Entrepreneurial activities can be motivated either by “necessity” or “opportunity.” In the MENA-region, the share of entrepreneurial activity resulting from necessity tends to be particularly high compared to other regions in the world.

### **Challenges and policy options**

The lower levels of women’s entrepreneurship in the MENA region suggest that they face challenges others than those faced by men. And indeed, gender inequality has many different roots, including legal provisions, social norms and practices.

Our current work in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia, which notably builds on the Report “Women in Public Life: Gender, Law and Policy in the Middle East and North Africa”, shows the following preliminary findings, to be published in the first half of 2016:

- Progress has been made in recent years in the field of women’s legal protection in the MENA region. The **Constitutions** of Algeria, Egypt, Jordan, Morocco, and Tunisia as well as the Libyan Constitutional Declaration all guarantee non-

discrimination among citizens and the right to work, some of them (Morocco, Egypt and Tunisia) even set down the **principle of equality** between men and women.

- **Labour codes** prohibit all forms of discrimination, and some state that female and male employees should benefit from equal rights. Yet, it may be questioned to what extent overly protective standards, such as the prohibition of night work or access to some professions for women, as well as employers' obligation to grant them certain social rights may have counter-productive effects.
- **Norms or family law** impair women's mobility and **career choices** e.g. a husband' ability to forbid his wife to leave home or work, or to travel as this adds to family responsibilities falling upon women after marriage. Societal/cultural considerations transversely affect the implementation of these norms. Hence, notwithstanding the right to work, women sometimes restrict their autonomy with respect to employment, self-employment and entrepreneurship.

**Evidence from other regions** shows that 1) Business Development Services (BDS) are critical for creating and developing firms and 2) targeting women has been effective. BDS help new entrepreneurs and existing business obtain key economic, regulatory and market information to make informed decisions when establishing or running a business. Services for entrepreneurs in the MENA region are still limited but "services that are available tend not to be tailored to, or well-known by, women entrepreneurs".

Policies to address women's lack of entrepreneurial experience in MENA include building more awareness and use of the availability and value of business development services, and making these services more accessible to young women through tailored training programmes.

Supporting women **entrepreneurs' networks and mainstreaming those networks** into wider business networks to increase information and experience sharing is another essential avenue to further develop and strengthen women's economic participation in the MENA region.

- **Family law** also has an impact on women's **financial resources** e.g. separate property, alimonies paid for a limited period after divorce, inequality in inheritance. Access to finance, through commercial loans and project financing, is a major obstacle for women entrepreneurs as their financial capacity is hampered by their ability to provide the required collateral to obtain a loan.

Although there is not much data available on credits by the banking sector to women intending to start their own businesses, women generally tend to have lower access rates to bank accounts, credit cards and debit cards than men. (Though, there tend to be large disparities across countries.)

As a consequence, women have to rely more on personal/family resources for starting a business than men. Amending legal provisions may appear to be a challenge so governments could envision a series of policies to facilitate access to finance for women entrepreneurs, such as specific and tailored women's entrepreneurship programmes with personalised services and customised financial products. Governments could also work on improving the functioning and quality of movable assets registries so that these assets can be recognised as collateral when applying for loans.

- **Security and poor infrastructure** impact women's economic integration.

Women tend to have less flexibility than men in their physical mobility, and thus may be confined to entrepreneurial activities requiring less movement or travel, particularly in remote areas. This is also linked to the insecure infrastructure of

public transportation and roads in some areas. Improving infrastructure that supports greater mobility could have a positive impact on women's capacity to undertake a wider variety of entrepreneurial activities.

## **Conclusions**

The differences among countries suggest that the legal frameworks, policies, economic incentives and institutions in place have an impact. Evidence-based policies targeting the specific needs of women, first as employees and then as entrepreneurs can have a real impact on giving women an equal chance to build and sustain a successful business.

But we also need more specific information and tools to help countries track their progress. We, at the OECD, stand ready to help by collecting evidence, evaluating policies and measuring progress now that the G20, the SDGs and the G7 have put women's economic empowerment on the global agenda. We wish to share this spirit with our partners and friends from the Middle East and North Africa.