

## **Roundtable on the Role of Women in the Development of the Private Sector of the Middle East and North Africa Region**

February 21-24, 2006  
The World Bank  
Washington, DC

Draft Concept Note

### **Background**

The world economy is undergoing a quiet and profound revolution. The low cost of communications and the opening of markets - the essential forces of globalization - have spurred high growth in East and South Asia, as well as the emergence of some 3.3 bln cheap and hard working laborers into the world economy. This flood of workers will impact labor intensive industries, which in turn will affect the demand and job opportunities for low skilled workers, of whom the large majority are women. Female labor force participation in the formal sector, such as textiles, is likely to be affected worldwide. In the Middle East and North Africa Region, where formal female labor force participation has been lowest among all regions, these developments have the potential to affect women more disproportionately than they might in other parts of the globe.

**Why is women's entrepreneurship important?** The Beijing+10 meetings in March of 2005 revealed that, of the ten Beijing platform points, the least progress had been made toward advancing women's economic opportunities. Improving women's employment opportunities is also one of the key indicators of the third Millennium Development Goal which is focused on Gender Equality and Women's Empowerment. Among the developing regions, the MENA region has the lowest rate of women's labor force participation, despite the significant investments that have been made in education at all levels.

Increasing levels of female education and the growing accessibility to markets through ICT, combined with the significant financial resources that women possess, make women's entrepreneurship an important and promising strategy to pursue in order to spur growth of the private sector. Women entrepreneurs represent an important yet underutilized economic potential, not only in terms of their own labor but also in their potential to create jobs for others, particularly other women. Worldwide, women account for about 48% of employees in women-owned businesses, compared to 28% in male-owned ones. Surveys from MENA countries show a similar result. Women prefer to work for the public sector, large private firms or women-owned businesses of any size, but especially SMEs. As the growth of MENA countries will lie in the creation of small- and medium-sized businesses, promoting women-owned SMEs is likely to promote female employment.

Much of the gender debate in MENA has centered around human rights, family rights, political rights, and other issues, which at times can be contentious and cause backlash. In contrast, women's economic rights are strongly stipulated and safeguarded within Islam and Sharia based codes and laws that give women the right to the following, which are important building blocks for developing the private sector and entrepreneurship <sup>1</sup>:

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<sup>1</sup> Additionally, a revered and often referenced role model in Islam is Khadija, the Prophet's first wife, who was a large-scale business and community leader of her society whose influence was critical to the spread of Islam in its early days. Hence, women's rights in this dimension of the public sphere are widely accepted and uncontested, though they remain largely utilized.

- Right to inherit, albeit half of what men receive (in many other cultures, the right to even this half is questioned). This right has resulted in a large number of women having independent financial resources;
- Right to own property, including land, in their own name, and
- Right to enter into legal contracts in their own name.

Lastly, micro-finance has often been touted as the instrument for women's entrepreneurship. Yet, micro-finance schemes have produced few real entrepreneurs who advanced into the small or medium scales. Such schemes mostly function as poverty alleviation schemes, aimed at poor and low-skilled women. Micro-finance remains an important tool for women's empowerment, but not for developing women's entrepreneurship at a scale that will create significant jobs. Nor does it satisfy the needs of the growing class of women whose financial needs exceed micro-finance ceilings. Information asymmetries and lack of access to networks due to social barriers increase the failure risk of women entrepreneurs. As a result, women are likely to invest in assets that are inflation hedges, such as real estate or gold, and may not necessarily create employment. Exploring schemes to reduce the start-up risk and connect women to internal and external business networks, which can upgrade entrepreneurial capacity, would put to use idle human and financial resources within these countries.

**Why now?** The last few years have seen an increased interest in advancing gender issues from an economic angle, at least in and for the MENA region, as demonstrated by the frequency of this topic on conference agendas. Additionally, many donors (MEPI, OECD and EU) are also starting to focus on and have dedicated significant resources to promoting women entrepreneurs. There is consensus that something needs to be done. There is still a dearth of ideas about what can be done. As such, there is lack of depth in the discussion. If there are no new ideas on the table, there exists a danger of topic fatigue and/or ineffective utilization of resources. This is already somewhat apparent by the repetitious nature of the events, topics that are covered and/or speakers. The Bank can play a leading role in pushing the agenda forward, within the region and with partners, in order to capitalize on the momentum and the availability of resources.

### **Objective of the Roundtable**

The audience and participants in the proposed Roundtable consist of leading women entrepreneurs (and business leaders in some cases) from Morocco, Algeria, Tunisia, Egypt, WBG, Jordan, Saudi Arabia, Oman, Qatar, Kuwait, Yemen, Lebanon, Syria, Iraq and Iran. These women have succeeded within their own environment and are familiar with the opportunities and pitfalls that women entrepreneurs can face. Many of them participate in various business and policy forums. Hence the objective of the Roundtable is twofold:

- Learn from the perspective of these women and develop jointly an agenda and strategy that can be advanced by the Bank Group as well as donors and partners.
- Present to these women and build capacity around the latest thinking on gender and corporate/private sector development issues. These issues are cutting edge in developed countries. Exposure to these themes could help to make these women agents for change in their own countries.

### **Key issues addressed and areas for recommendations**

Among the key questions that policy makers face are how to address the high female unemployment rate and how to put to effective use the tremendous investments made to advance women's education in the MENA region. How can the recent gains that MENA has made in

social sectors be used to create new industries and spur growth in knowledge- intensive industries, so as to create jobs and address the overall challenge from East and South Asia?

### **Alignment with Regional Strategy**

The MENA region has a three-pronged strategy for implementing the recommendations of the MENA flagship report to advance women's economic rights:

- (1) Increase women's access to public resources mainly through effective gender budgeting,
- (2) Increase women's access to employment and safety nets, and
- (3) Increase women's access to asset-creating opportunities through women's entrepreneurship and private sector development.

The Bank has advanced all pillars, particularly the last pillar through its Investment Climate Assessment work. Because women's employment generation and private sector development are key challenges in MENA, this body of work has enabled the Bank to engage a new cadre of decision makers, such as economic cabinets, in the strategy, which has opened up channels for policy and operational work. This Roundtable is central to the Bank's strategy and to deepening the understanding of what strategies can help to advance women's economic opportunities and rights, as well as what challenges are faced in the process. It will further build a network of 40-50 high-powered women from across the region to push this agenda forward in their respective countries.

### **Methodologies and data to be used, knowledge bases to be accessed, and analytical techniques to be employed**

The design of the Roundtable is based on discussions with women entrepreneurs inside the region, participation in conferences on this topic, and recent trends in the US/Europe to address similar issues. The Roundtable will use various formats to arrive at the agenda, to share information and to expose participants to new topics.

- Pre event-activity
  - Development of a supporting website and involvement of conference participants in an e-discussion on women entrepreneurs (facilitated by WBI).
- Presentations on recent World Bank Group analytical work to showcase the unrealized potential of women's economic participation and entrepreneurship: Gender Flagship Report, Gender ICAs, Doing Business, and IFC/PEPMENA work.
- Exposure/interaction and discussion on the latest thinking on Gender in the private sector issues.
- Networking with peer women entrepreneurs, organizations in DC area.

Day 1: Formulation of a joint agenda for action -- this agenda will be developed jointly by and with the high- level participants like yourself. The first-day interactive program will focus above all on (1) gaining access to networks of power inside countries, (2) gaining access to networks outside the countries, (c) improving access to finance, and (4) lowering barriers to women's work by focusing on creating an infrastructure to balance work and family.

Day 2: Using the private sector -- corporations and the private sector determine more than any other institutions the developments of our societies. How can they be used as agents for change? The agenda for this day will focus on how to use recent developments in the corporate world, such as the increased attention on corporate social responsibility and corporate governance, to

advance gender equality, how to leverage partnerships between corporations and NGOs, and how to use the presence of women in the corporate world and on boards to promote women's leadership.

Day 3: Expanding in knowledge-driven sectors -- because of social norms, access to networks, and inequality under the law across the world, women tend to be more risk averse than men. Particularly in MENA, they may be especially risk averse due to constraints in mobility, which may increase the risk of failure. The program of the third day will focus on innovative ways and means to expand the entrepreneurial capacity of women in the Region—at all levels—through mechanisms that can mitigate business risks for start-ups at various scales and in diverse sectors. The presentation and interactions with experts will focus on three areas:

- Franchising: in the US, nearly 80 percent of businesses fail in the first five years of their operation. The rate for franchised businesses is 20%. Franchising is a mechanism to develop entrepreneurial skills across all sectors, in cutting edge goods and services, trademark recognition, up-to-date systems and governance, and inclusion in networks among producers combined with just-in-time mentoring and training by the franchisor, which has a vested interest in the success of the business.
- Home-based and web-based (B2B, B2C) entrepreneurship: women have to balance work/family demands. This may affect women's time use, limiting their access to public and private networks. Mechanisms to increase home-based entrepreneurship will be explored as a means to expand women's economic opportunities, particularly when women's access to the public sphere is constrained by geography (such as women in rural areas) or social norms. The advance of ICT opens new opportunities for women and can serve as a bridge between the public and the private spheres.
- Government contracts and e-procurement (B2G): governments are a major source of business for small/medium contractors as they provide a continuous demand for goods and services. Transparency in government procurement processes and rules and e-government will enhance the ability of all businesses, particularly women-owned businesses, which may be outside of existing networks of patronage, to effectively compete for contracts.

Day 4: Tapping into resources -- meetings with women's leadership networks and associations in the Washington DC area who can provide sustained help in the future. The objective here is to develop a network that could support women's business association with cutting edge information and techniques.

### **Performance Indicators**

- Development of the framework for women's greater economic participation via a) greater opportunities as entrepreneurs and b) female employment in the private sector.
- Development of an Action Plan by participants for future action by the World Bank Group (incl. IFC/PEP MENA) and other donors.

### **Strategies for dissemination, follow-up and assessment of impact**

The content, findings and recommendations of the Roundtable will be developed into a website and a document of Roundtable proceedings. To the extent possible, simultaneous interpretation

will be provided during the Roundtable and the proceedings and website will be translated into regional languages.

The developed framework will be used to the extent possible by the Bank and participants in various policy discussion and donor driven forums. Of immediate interest are several high profile events in which the Bank has been asked for input into design of sessions, such as:

- MENA-OECD Investment Programme: OECD Taskforce on Promoting Women's Entrepreneurship in the MENA Region
- Various events around March 8 (Int'l Women's Day)
- World Economic Forum in Sharm-el-Sheikh (May 2006)
- The World Bank German Forum in Hamburg (June 2006)
- Women's Davos in Deauville, October 2006

### **Expected team members and their skills mix**

The Roundtable will make use of expertise, both inside and outside the Bank, that is cutting edge on business environment and entrepreneurship development. Internal team members include: Nadereh Chamlou, Sahar Nasr and Randa Akeel (MNSIED), Najy Behassine and John Speakman (MNSIF), Djordjija Petkoski and Isabel Bleas (WBI), Amanda Ellis and Carmen Niethammer (IFC)

External experts include:

- Professor Thomas Donaldson of Wharton School of Business, leading expert in Corporate Social Responsibility
- Nell Minow, leading author and expert on corporate governance
- Penninah Thomson, Author of 'Women in the Boardroom'
- Aliza Pilar Sherman, Award-Winning Author, Speaker, Web Pioneer, E-Marketing Expert, Freelance Writer, Television & Radio Producer
- Donna Sibley, Founder and CEO of Sibley International, a Franchising Consulting Firm

### **Quality assurance measures to be undertaken**

Peer Reviewer: Darius Mans (Director, WBI), Najy Behassine (Senior Economist, MNSIF), Amanda Ellis (Program Manager, Gender Unit, IFC)

The networking and partnership that is envisaged with DC-based SME associations and women entrepreneurs ensures that there is a sustainable network of capacity building that these entrepreneurs can tap into.

### **Delivery schedule, including key milestones**

Invitations sent out	December 15-January 15
Website	Mid-January to Mid-February 2006
e-Based Discussion	Mid-January to Mid-February 2006
Roundtable	February 21-24, 2006
Conference Proceeding	May/June 2006

### **Projected budget plan**

The funding for the Roundtable will come from three main sources:

- An existing BNPP for Gender Mainstreaming (\$130,000) and a recently approved BNPP for gender and private sector (\$50,000) to cover the cost of participants' travel, speaker fees, conference facility etc.)
- Regional Gender mainstreaming budget to cover staff costs (\$25,000)
- MNA country WPAs for Gender Mainstreaming
- Potential co-financing from IFC/PEP MENA resources for speaker participation and knowledge management (\$20,000 for speaker fees, plus resources as necessary for knowledge management and publication of results)

Draft Agenda

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**February 19-20, 2006**

Arrival and Welcoming events

**February 21, 2006: Building a Common Agenda**

Opening Statements

Chair: Nadereh Chamlou, Senior Advisor, Middle East and North Africa Region

Key-Note Speaker: Christiaan J. Poortman, Vice President of the World Bank for the Middle East and North Africa (MENA) Region

Panel 1 – Women's Access to Business Opportunities

Chair: Mustapha K. Nabli, Chief Economist of the MENA

Discussants: Women Entrepreneurs from MENA Region

Panel 2 – Women's Access to Finance and Resources

Chair: Hossein Razavi, Director for Finance and Private Sector Development, MENA Region

Discussants: Women Entrepreneurs from MENA Region

*Lunch: Hosted by Mr. Nabli:*

*Guest: Francois Bourguignon, Chief Economist of the World Bank*

Panel 3 – Women's Access to Policy Making and Networks of Influence

Chair: Hasan Tuluy, Director of Operations, MENA Region

Discussants: Women Entrepreneurs from MENA Region

Panel 4 – Building of an Agenda for Action

Chair: Darius Mans, Director of World Bank Institute

Working Groups to discuss around identified themes to determine agenda

[Reception and Dinner hosted by Mr. Christiaan Poortman – Vice President ]

**February 22, 2006: Using the Private Sector to Advance Women's Empowerment and Access to Opportunities**

Panel 1: Corporate Social Responsibility

Chair: Djordjija Petkoski, World Bank Institute

Presenter: Dr. Thomas Donaldson, Wharton Legal Studies and Business Ethics Department.

Panel 2: Corporate Governance – How to make the most of Corporate Boards

Chair: Nadereh Chamlou, Gender Coordinator MENA Region

Presenters: Robert Monks and/or Nell Minow (Authors of: Corporate Governance and The New Global Investors: How Shareowners can Unlock Sustainable Prosperity Worldwide)  
TBC

*Lunch: Hosted by Michael Klein, Chief Economist of the International Finance Corporation (tbc)*

*Guest: Stephen Roach, Chief Economist, Morgan Stanley*

Panel 3: Corporate Governance – How to make the most of Corporate Boards (cont.)

Chair: Nadereh Chamlou, Gender Coordinator MENA Region

Presenters: Nell Minow (co-Authors of: Corporate Governance and The New Global Investors: How Shareowners can Unlock Sustainable Prosperity Worldwide)

Panel 4: Women's Leadership in the Board Room – new findings and strategies

Chair: Nadereh Chamlou

Presenter: Peninah Thomson (Author of: Women in the Boardroom)

[Reception hosted by the Italian Embassy plus presentation of the Silk Road Project Women as Backbone of International Trade]

### **February 23, 2006: New Business Opportunities to Expand in Knowledge Driven Sectors**

Presentation: Doing Business and the Investment Climate

Chair: TBD

Presenters: Simeon Djankov (Co-Author of 'Doing Business') and Najy Benhassine

Panel 1: Expanding Entrepreneurship Skills: Franchising

Chair: TBD

Presenter: Donna Sibley, Founder and Owner of Sibley International

Panel 2: Home-based, Web-based Entrepreneurship and Government Contracts (e-Government) and the Role of Business Associations

Chair: TBD

Presenter: Aziza Pilar Sherman (Author and Columnist)

*Lunch: Hosted by Dr. Danny Leipziger, Vice President for Poverty Reduction and Economic Policy*

Panel 3: Meeting with the International Finance Corporation and Multi-lateral Investment Guarantee Association

Chair: TBD

[Dinner hosted TBD]

### **February 24, 2006: (Optional) Developing New Networks and Mentorship**

Networking meetings with women leadership associations and Professional Association in DC area

Friday Night: Departure