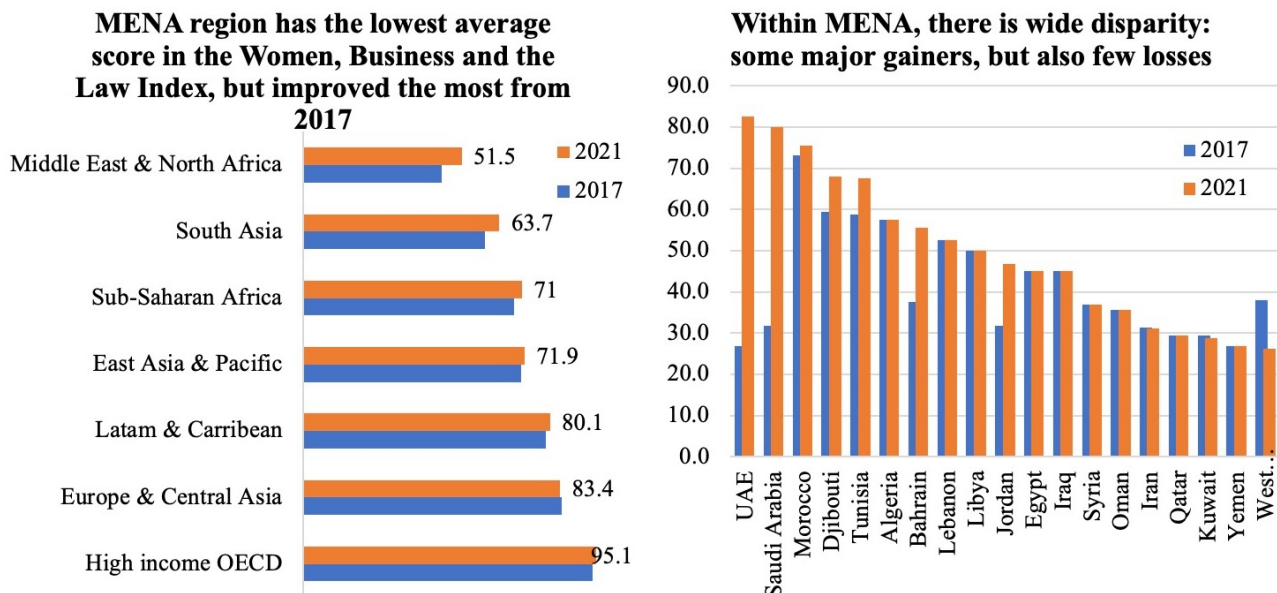


Weekly Insights 11 Mar 2021: Will removing legal & regulatory barriers reduce MENA's yawning gender gap?

Download a PDF copy of this week's insight piece [here](#).

Chart 1. MENA & OECD high-income economies reformed the most in Women, Business & the Law Index 2021



Source: Women, Business and the Law (WBL) database. Charts created by Nasser Saidi & Associates

- The latest edition of Women, Business and the Law found that **economies in MENA reformed the most, posting an average score of 51.5 in 2021**. Agreed, most started from a low base, have lot to catch up on and cross-country variations are the highest!
- **Within the region, the lowest score is at 26.8 (West Bank & Gaza) and highest at 82.5 (UAE)**
- WEF's **Global Gender Gap Index** found that gender gap in MENA narrowed by 3.6 points b/n 2006 & 2019: assuming same progress rate, **it will take approx. 150 years to close gender gap in MENA**

Chart 2. Removing Regulatory Barriers Is Only the Start: it's a Long Way to Gender Parity!

Where are the Middle East nations lagging behind when it comes to the Law related to women and...

	Mobility	Workplace	Pay	Marriage	Parenthood	Entrepreneurship	Assets	Pension
UAE	100	100	100	60	60	100	40	100
Bahrain	50	75	25	40	40	100	40	75
Djibouti	100	100	50	20	60	100	40	75
Algeria	75	75	50	60	60	75	40	25
Egypt	50	75	0	0	20	75	40	100
Iran	0	0	50	0	60	75	40	25
Iraq	25	100	50	0	20	75	40	50
Jordan	25	0	75	20	40	100	40	75
Kuwait	50	0	0	40	0	75	40	25
Lebanon	100	50	50	60	20	75	40	25
Libya	75	50	75	20	40	75	40	25
Morocco	100	100	50	60	80	100	40	75
Oman	0	75	25	20	0	75	40	50
Qatar	25	0	50	20	0	75	40	25
Saudi Arabia	100	100	100	60	40	100	40	100
Syria	25	25	0	40	40	75	40	50
Tunisia	100	100	25	60	40	75	40	100
West Bank & Gaza	25	25	0	20	0	75	40	25
Yemen	25	25	25	0	0	75	40	25

Source: Women, Business and the Law (WBL) database. Table created by Nasser Saidi & Associates

- Consider the “best performing” regulatory aspects in MENA (from the table below):
 - **Entrepreneurship**: 7 of the 19 nations score a perfect 100 and others 75;
 - **Mobility & workplace** regulations should encourage women to enter the workforce;
- *Does this translate into practice?*

Chart 3. Have Better Regulations Supported Entry of More Women Entrepreneurs in MENA?

Women's Entrepreneurship: Is the gap narrowing in the Middle East?

	Owners of new LLCs	Sole proprietors	Directors of new LLCs
	Share of female business owners	Share of female sole proprietors	Share of female directors
Algeria_2014	6.2%	6.0%	6.1%
Algeria_2018	6.9%	6.6%	6.8%
Bahrain_2014	22.6%	n.a.	17.5%
Bahrain_2018	21.5%	n.a.	19.2%
Jordan_2014	14.6%	16.0%	n.a.
Jordan_2018	17.8%	17.8%	n.a.
Morocco_2014	15.6%	n.a.	10.6%
Morocco_2018	16.7%	41.0%	13.1%
Oman_2014	17.3%	23.1%	12.1%
Oman_2018	13.8%	29.7%	10.6%
Qatar_2014	13.3%	29.3%	7.9%
Qatar_2018	12.6%	21.6%	8.0%
Saudi Arabia_2014	n.a.	n.a.	n.a.
Saudi Arabia_2018	14.6%	n.a.	10.7%
UAE_2014	9.7%	13.5%	n.a.
UAE_2018	8.8%	14.4%	n.a.

Source: World Bank's Entrepreneurship Survey and database.

- **Less than one-fifth of new limited liability company owners are women in the Middle East:** ranges between a high of 21.5% in Bahrain to low of 6.9% and 8.8% in Algeria & UAE respectively
- **Sole proprietorships are more frequently used by female entrepreneurs:** but, evidence shows a wide disparity of women business owners relative to men. This male-female **gap is the lowest in Morocco** with share of women business owners (as sole proprietors) at 41% versus men at 59%

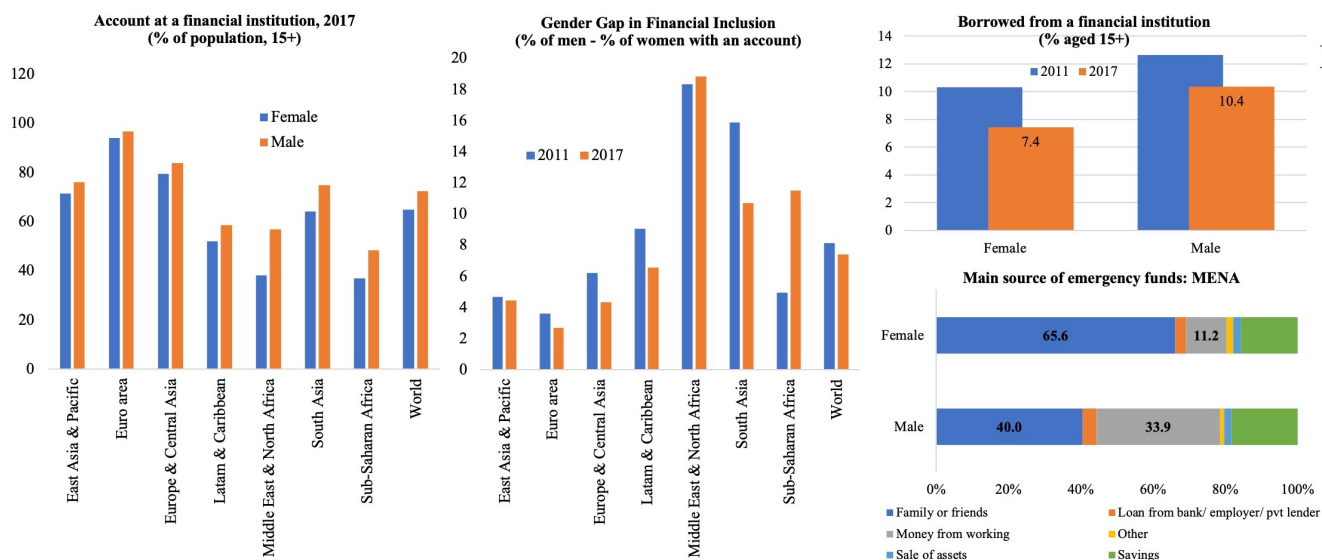
Chart 4. Access to Finance is a Major Barrier

- **One of the biggest challenges when it comes to women**

entrepreneurs is access to finance

1. Higher the access to bank accounts for women, the higher the share of female entrepreneurs;
2. Higher the lending to women, the higher the share of female entrepreneurs

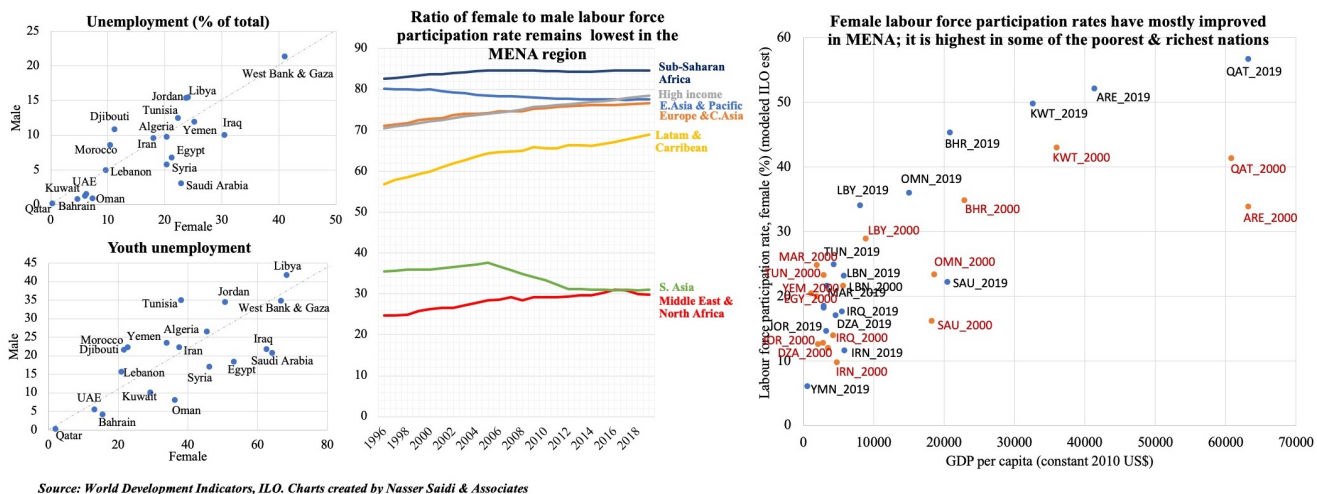
- **MENA reported the largest access to finance gender gap of any region:** 52% of men vs only 35% of women have an account; the **gender gap in financial access increased between 2011 and 2017!**
- **Borrowing from a financial institution was low for both men and women in MENA:** 10.4% and 7.4% respectively in 2017 (lower than in 2011). When in need of emergency funds, **women raise money from friends & family (65%) than other sources**



der Inequality in Labour Market Outcomes Persist in the MENA region

- **Ratio of female to male labour force participation rates (LFPR) continue to be the lowest in MENA**
- **Large variations in Female LFPRs within MENA:** as high as 56% in Qatar, 34% in Libya (low-income) to lows of 6% & 11% in Yemen and Iran respectively. In most cases, **female LFPR is higher among single women than married** (signalling the influence of cultural/ social norms)

- Even when women actively participate in the workforce, their **share of employment in senior & middle management is small**: 15.8% in the UAE, 19.3% in Tunisia, 19.8% in Iran and 28.9% in Lebanon (ILO)
- Despite relatively high levels of education, **female unemployment is high in MENA & female youth unemployment even higher!**



What can be

done to support regulatory reform aiming for gender equality?

- Removing legal and regulatory barriers is necessary but not sufficient condition to reduce the yawning gender gap in the Middle East & North Africa region
- The IMF estimates that reducing the gender gap in labour force participation to double (rather than triple) the average for emerging market and developing economies would have doubled GDP growth in MENA over the past decade: a gain of USD 1trn in cumulative output
- Digital economy and labour market reforms (part-time, flexible work arrangements) will boost women's overall participation
- Support for women entrepreneurs via: (a) access to finance (loan guarantees, grants, microfinance); (b) women-led networks (VC, angel investors) to invest in women-owned businesses; (c) a "sandbox" for testing new products/ concepts

- Encourage the collection of disaggregate data by gender by the private sector, share them with regulators for policymaking (e.g. share of females employed in senior & management levels, reason for leaving employment, banks' loan portfolios etc.)

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