

Business Environment Reforms. A Call for Gender Responsive Donor Guidelines

1 Business Environment Reforms need to be gender responsive in order to contribute effectively to poverty reduction

“Sustainable enterprises need sustainable societies: business tends to thrive where societies thrive and vis versa. This requires social and economic inclusiveness, as well as equity in the distribution and access of resources. Women’s economic empowerment is crucial for sustainabel societies. ...” (The Promotion of sustainable enterprises, ILO Conclusions concerning the promotion of sustainable enterprises, June 2007)

For further reading see Assessing the Enabling Environment for Women in rowth Enterprises: An AfDB/ILO Integrated Framework Assessment Guide. (ILO/AfDB, 2007)

Why: Facts and Figures calling for well targeted interventions, rules and regulations:

The challenge - gender inequality



In Tanzania women hold 1% of the land title in their own name, 5% on joint titles while men own an overwhelming 94% of the land.

According to a 2004 report by ILO (reaffirmed in 2006), women make up some **60%** of the world's working poor, people who work but do not earn enough to lift themselves above the \$1 per day poverty line.

In some regions, especially Sub-Saharan Africa, women provide **70%** of agricultural labour, produce over **90%** of food, and yet are nowhere represented in budget deliberations, noted the World Economic Forum in 2005. The percentage of women in wage employment in the non-agricultural sector scores lowest among all regions of the world with a value of only 8.5 per cent.

Sex disaggregated data and gender analysis are absolutely critical for well targeted business development reforms.

2 Examples of gender specific obstacles

--- see leaflet on Doing Business Report 2008 disseminated at the conference or the IFC Doing Business website www.doingbusiness.org or www.worldbank.org/gender or www.ifc.org/gender ---

- Nearly **60%** of the reasons given by women in Latin American and the Caribbean for either not entering or leaving the job market relate to their care-giving obligations, according to a 2007 statement from the United Nations Population Fund (UNFPA).

Just imagine only 20% of these women have the educational and skills to be successful business entrepreneurs and managers wouldn't it be a lot cheaper to invest in proper care facilities than to loose out on the human capital investment by forcing these women not to make use of their economic potentials?

AU COMMISSION CHAIRPERSON'S 2ND PROGRESS REPORT ON THE IMPLEMENTATION OF THE SOLEMN DECLARATION ON GENDER EQUALITY IN AFRICA

Article 6: Actively promote the implementation of legislation to guarantee women's land, property, inheritance and housing rights

In a comprehensive region-wide study titled "Bringing Equality Home: Promoting and Protecting the Inheritance Rights of **Women**, A Survey of Law and Practice in Sub Saharan Africa"¹ research in ten countries across the continent (Botswana, Nigeria, Ghana, Ethiopia, Swaziland, Rwanda, Zambia, Senegal, South Africa and Zimbabwe) indicates that under both statutory and customary law, the overwhelming majority of **women** in sub Saharan Africa, regardless of their marital status, cannot own or inherit land, housing or other property in their own right. Instead, in respect to land and housing, **women** are made entirely dependant on their relationship to a male.

If we want to get behind the rhetoric and honestly want to promote pro-poor growth and eliminate poverty we need to address these gender bias obstacles to growth.

¹ Report by Centre on Housing Rights and Evictions, Geneva, Switzerland, 2004

3 The opportunities and risks

The Economist estimates that over the past decade, women's work has contributed more to global growth than has China (Article published in April 2006, "Womenomics"). *We are talking about the Economist not a "women's magazine"*.

World Bank research in Africa shows that reducing structural gender inequality can increase agricultural yields by more than **20%**. For example, a 1996 study conducted in Kenya estimated that crop yields could rise up to **22%** if women farmers enjoyed the same education and decision-making authority as men.

On the other side the MDG report for the Asia Pacific region compiled by ADB, UNDP and UNESCAP stated that gender inequality is costing the region 58 – 77 billion US\$ annually.

Figures that should call economists and development agents involved in business reform processes on the floor to act!!!

4 Existing donor commitments

4.1 G8-Commitments - Summit Declaration (7 June 2007)

4.1.1 GROWTH AND RESPONSIBILITY IN AFRICA

Promoting Investment

29. The G8 emphasize the importance of the political and economic empowerment of women as a contribution to sustainable growth and responsible government. We are promoting the World Bank's Gender Action Plan and welcome this and further initiatives supporting our African partners' efforts to foster the economic empowerment of women such as those taken by the United Nations.

4.2 EU-Council Conclusions

Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council

4.2.1 „Aid for Trade“

(6) ... the Council agrees that enhancing the pro-poor focus and quality of EU Aft includes:

- stressing the importance that the EU attaches to the impacts of Aft on sustainable poverty reduction, recognizing in particular that further economic empowerment of women and increasing the share of women in wage employment deserves utmost attention as an essential cross-sectoral dimension of Aft;

4.2.2 “Gender Equality and Women’s Empowerment in Development Cooperation”

20. The Council recognises the key role of women as private sector entrepreneurs, food producers and managers as well as a major agricultural labour force, and actively supports initiatives investing in opportunities for women with regard to private sector development, agricultural services, credit, training and networking in the context of government sectoral policies and programmes.

Comment [AL1]: This correlates with para 31 (d) of the guidelines. Specific, carefully targeted interventions are necessary to enhance the impact business environment reform has on poverty reduction. This includes giving the poor greater opportunities to participate in markets and reducing the risks and vulnerability poor people tend to experience at greater levels compared with others in the business environment.

4.2.3 „Promoting Employment through EU Development Cooperation“

Underlining its commitment to create opportunities for women and men to obtain full and productive work in conditions of freedom, equity, security and dignity while fully respecting the principle of ownership, the Council calls upon the Commission and the Member States to:

- step up efforts to promote more and better employment through development cooperation policies and programming, in particular for young people and women, and coordinate and harmonise their activities in this field as laid down in the Monterrey commitments and the Paris Declaration;

Comment [AL2]: This correlates with para 11c of the guidelines.

Recalling that a key challenge in developing countries is to encourage a transition from the informal to the formal economy, without taking away the only means of livelihood for millions of people, and given the fact that women more often work in the informal economy with no or limited access to legal services, financial markets and other factors that enable productivity enhancing investments, the Council calls upon the Commission and the Member States to:

- support efforts to address the challenge of gradually formalizing economic activities in the informal sector by improving the business and investment climate to foster private sector development, by adjusting labour market regulation while preventing the loss of jobs and by setting appropriate incentives for informal businesses to move towards formality;
- support efforts to integrate employment promotion activities to further women's economic opportunities and empowerment.

5 Existing Joint commitments

5.1 Call for Action

(Berlin, Feb. 2007 - Germany, Denmark, Sweden, Norway, UK, Canada, OECD, the World Bank and AfDB, ... on the side of the donor community and NEPAD, Liberia and South Africa on the side of the partners ...).

- In concrete terms we commit ourselves to ... scale up measures, activities and resources including aid allocations to women’s economic empowerment and thus make women’s economic opportunity a prominent development theme.
- work towards building managerial skills, securing sustainable private sector development and better access to financial services, including savings, insurance, remittance transfers, payment services, and credit for women;
- adopt measures to accelerate the equality of opportunity between women and men , girls and boys in all economic sectors, employment opportunities and occupational categories; recognize the need for special supports for women to take advantage of the opportunities afforded by international trade and markets;

Comment [AL3]: This correlates with para 32 of the guidelines.

- support women's voices to be fully heard in all decisions about poverty reduction, economic growth and opportunities

5.2 8th Africa Partnership
(Berlin, May 2007 - Co-Chairs: AU/Ghana, NEPAD Secretariat, Germany, Denmark)

We call for women's access to and ownership of productive and financial resources and the provision of capacity development, including management training related to entrepreneurship and employment opportunities.

Comment [AL4]: This correlates with para 11c and 32 of the guidelines.

We call for accelerated action to expand and enforce the land and property rights of women as a lever for women's empowerment and status.

We call for a special financial facility, to increase micro-financing opportunities, both for the poor and in particular for women ('finance for all'), and for growing small and medium enterprises ('finance for growth').

Comment [AL5]: This correlates directly to para 29i. of the guidance: "Functional areas of business environment reforms that provide incentives to graduate to the formal economy include: Enabling better access to finance."

6 African Commitments

6.1 Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol)

Article 13 Economic and Social Welfare Rights

States Parties shall adopt and enforce legislative and other measures to guarantee women equal opportunities in work and career advancement and other economic opportunities. In this respect, they shall:

- a) promote equality of access to employment;
- b) promote the right to equal remuneration for jobs of equal value for women and men;
- d) guarantee women the freedom to choose their occupation, and protect them from exploitation by their employers violating and exploiting their fundamental rights as recognised and guaranteed by conventions, laws and regulations in force;
- e) create conditions to promote and support the occupations and economic activities of women, in particular, within the informal sector;

Article 19 Right to Sustainable Development

Women shall have the right to fully enjoy their right to sustainable development. In this connection, the States Parties shall take all appropriate measures to:

- c) promote women's access to and control over productive resources such as land and guarantee their right to property;
 - d) promote women's access to credit, training, skills development and extension services at rural and urban levels in order to provide women with a higher quality of life and reduce the level of poverty among women;
 - f) ensure that the negative effects of globalisation and any adverse effects of the implementation of trade and economic policies and programmes are reduced to the minimum for women.
-

The progress report on countries that have signed and ratified the Africa Women’s Rights Protocol is as follows (Dec. 2006):

Countries that have neither signed nor ratified	Countries that have signed but not ratified	Countries that have signed and ratified
Angola, Botswana, Central African Republic, Egypt, Eritrea, Sudan, Tunisia and Sao Tome & Principe	Algeria, Burundi, Chad, Cote d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Mauritius, Niger, Somalia, Sierra Leone, Swaziland, Tanzania, Uganda, Zimbabwe, Cameroon, Saharawi Arab Democratic Republic	Benin, Burkina Faso, Cape Verde, The Comoros, Djibouti, The Gambia, Lesotho, Libya, Malawi, Mali, Mauritania, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Togo, Seychelles, Zambia

6.2 SOLEMN DECLARATION ON GENDER EQUALITY IN AFRICA

We, the Heads of State and Government of Member States of the African Union, meeting in the Third Ordinary Session of our Assembly in Addis Ababa, Ethiopia, from 6-8 July 2004:

Re-affirming our commitment to continue, expand and accelerate efforts to promote gender equality at all levels;
 Recognizing that major challenges and obstacles to gender equality still remain and require concerted and collective leadership and efforts from all of us including networks working on gender and development;
 Aware of the digital divide between the North and the South, men and women and the role of information telecommunication technologies (ICTS) in the advancement of the gender issue as stated in the e-gender Forum Declaration of Tunis, May 2004 in preparation for the World Summit on Information Society (WSIS) 2005;

HEREBY AGREE TO:

- 5. Expand and Promote the gender parity principle that we have adopted regarding the Commission of the African Union to all the other organs of the African Union, including its NEPAD programme, to the Regional Economic Communities, and to the national and local levels in collaboration with political parties and the National parliaments in our countries;
- 7. Actively promote the implementation of legislation to guarantee women’s land, property and inheritance rights including their rights to housing;

DECISION TAKEN BY THE AU ASSEMBLY IN DECEMBER 2006 ON THE NATIONAL REPORTS ON THE IMPLEMENTATION OF THE AU SOLEMN DECLARATION ON GENDER EQUALITY IN AFRICA (DOC. EX.CL/306 (X))

The Assembly:

- INVITES the RECs, development partners, civil society organisations and other stakeholders to work closely with the AU and Member States in the implementation of the Solemn Declaration and report on progress made in this endeavour;
- REQUESTS the Commission to urgently organise a continental conference on Economic Empowerment of African Women in order to articulate strategies to elevate the economic status of African women, including the establishment of the African Trust Fund for Women;

Formatted: Bullets and Numbering

6.3 SADC Regional Indicative Strategic Development Plan (RISDP)

Priority Intervention Areas

- Adopt women's economic empowerment policies and strategies in order to address the inequalities in access to, and control of resources; develop specific programmes and put in place gender-responsive budgeting initiatives.
- Target 6: Development, strengthening and implementation of specific programmes for the economic empowerment of women by end of 2007

6.4 COMESA Medium Term Strategic Plan (MTSP) for the years 2007 to 2010 outlines the strategy of implementing of the COMESA regional integration agenda

- Goal 8: *Gender Equality and Equity is mainstreamed at all levels of regional integration and cooperation and specifically highlights the intention to 'develop a programme on mainstreaming gender in trade and business with special emphasis on addressing the disadvantages faced by women',*

6.5 Framework for the Promotion of the Private Sector in West Africa

Recognises that women's role in the management of SME is weak;

- The need at the regional level to: Promote regional programmes for promoting women entrepreneurs;
- At the national level to: Develop national policies and programmes for promoting women entrepreneurs.

7 The Challenge – discriminatory customary laws and traditions as well as social norms and attitudes and gender bias socialisation patterns

The AU COMMISSION CHAIRPERSON'S 2ND PROGRESS REPORT ON THE IMPLEMENTATION OF THE SOLEMN DECLARATION ON GENDER EQUALITY IN AFRICA demonstrates that issues of women's inheritance extend far beyond the crucial challenges of establishing the necessary legal frameworks that would allow women to own and inherit property. For in almost all the 10 sub Saharan countries examined, the fact that women generally cannot rent, lease, own or inherit land and housing is not just the result of gender-biased statutory laws, it is also due to discriminatory customary laws and traditions as well as social norms and attitudes.

Eva Muraya, a single mother of two children and a successful business women and entrepreneur from Kenya employing more than 100 people stressed the fact that you need **“Time to be – be where the deals are sealed!** While men meet in the evenings in the bar etc. she has to attend to her two children at home – thus loose out on

We need to bring the BDS to an arms length of the people. However, bringing them to an arms length of a business women might mean something else than bringing them to an arms length of male business entrepreneurs. A gender response dissemination and service delivery pack and structure would take that into account.

8 What can and needs to be done

Gender inequality will persist and hamper economic growth and prosperity in enterprise development unless decisive actions are taken.

8.1 African Union

The AU COMMISSION CHAIRPERSON'S 2ND PROGRESS REPORT ON THE IMPLEMENTATION OF THE SOLEMN DECLARATION ON GENDER EQUALITY IN AFRICA proposes following actions:

44. The report proposes, and I agree, that in order to adequately address issues of women's land, property, inheritance and housing rights, States should:

- (a) **Review their existing laws in a comprehensive and participatory manner to ensure that all laws adequately protect women's housing and land rights including inheritance rights, and where necessary, adopt new legislation and policies to ensure the complete fulfillment of these rights.**
- (b) Design and implement extensive popular education and sensitization programmes to raise awareness of women's rights to equality and non-discrimination. States should ensure that such programmes address laws and standards related to human rights, especially the right to adequate housing, land and inheritance
- (c)
- (d) Establish enforcement systems, including a special police unit and legal aide, to ensure that women are freely able to claim their rights without fear of reprisal. Such enforcement mechanisms should be generously supported with all necessary financial and other resources.
- (e) Establish shelters for women who are victims of property grabbing, and offer them legal, financial and other necessary support while their property claims are pending. The main aim should be to ensure that such women do not become homeless after their housing, land and other property is stolen.
- (f) **Ensure that women benefit equally with men from all legal and land reform procedures**
- (g) Ensure that legal systems are readily accessible to women, which requires a non-discriminatory and unbiased judiciary, administrative system that adequately protects women's rights, and affordable or even free legal aid for women who cannot afford lawyers.

Changes and reforms need drivers of change – individuals, governments ministries and departments, civil society, lobby and interest groups, private sector representatives and organisations, ... Passion will not change power relations and barriers preventing women from unleashing their full economic potential. Gender sensitive and responsive laws and regulations however form a platform for the same yet not a sufficient one if they are not made known, properly disseminated and enforced.

8.2 Kenya

It was David Nalo the PS in the Ministry of Trade and Industries who commissioned the World Bank to investigate the relationship of "Gender and Economic Growth". As a result of the findings Kenya's Private Sector Development Strategy, 2006-2010 takes account of gender equality concerns in all policy, program, administrative and financial activities and in organisational procedures, ...

8.3 South Africa

The Department of Trade and Industries is committed to addressing the issues of gender equality and economic growth as part of its business mandate. It has established a Gender and Women's Empowerment Unit within the Enterprise and Industry Development Division of the Department. (*The Dep. Minister, Honourable Elisabeth Tabethe, was attending the pre-conference and a representative of the Department is still with us here.*) In addition the Gov. created a women's business and entrepreneurship network.

8.4 Uganda

Relevant data can help promote reform – in Uganda women's groups lobbied for reforms in business laws. The result: increased awareness leading to the law reforms such as the Companies Bill, the Chattels Transfer Act and personal property and security laws drafted by the Ministry of Finance.

8.5 Norway

2 | International Herald Tribune
Thursday, January 12, 2006

Richard Bernstein
Europa

Engendering equality in the boardrooms

But if women are at least numerically well-represented in other areas of life, why not in business? The Norwegian answer to that question is clear: It is that the old boys' business club functions in such a way as to exclude them. The law on sexual equality in business, adopted at the end of 2003 by the previous conservative government, was put into effect this year because earlier voluntary measures to increase women's representation in business didn't work, and some sort of legislative coercion was deemed necessary.

On the first day of this year — and in the teeth of strenuous opposition from many Norwegian businessmen — Norway's leftist government put into effect one of the more radical attempts to achieve sexual equality: requiring that within the next two years, 40 percent of the board members of the large, publicly traded private companies of Norway be women.

"The government's decision is to see to it that women will have a place where the power is, where leadership takes place in this society," Karita Bekkemellem, Norway's minister of children and equality, said in an interview here.

We need to take old decisions and steps towards women's economic empowerment and gender responsive BDS, rules and regulations governing enterprise development are critical.

Supporting Business Environment Reforms: Practical Guidance for Development Agencies

- Extracts with some reference to women -

1 Summary findings

While there is some mention of women in the introduction and one in the chapter III: Supporting stakeholders there is not reference to gender and or women entrepreneurs in chapter II and IV. Meaning the practical guidance falls short of providing the reader and user with a clear indication on the relevance of gender disparities and thus the need for a gender sensitive and gender responsive approach to business environment reforms under the general principles or the proposed phases for business environment reforms. A short fall that should be addressed!!

2 Extracts

Introduction

Figure 1: Some Examples of How Business Environment Reform Contributes to Achieving the Millennium Development Goals (MDGs)

MDG	Contributing Business Environment Reform
MDG 1: THE ERADICATION OF EXTREME POVERTY AND HUNGER	Removing the constraints and barriers to business growth so that domestic firms can contribute more to economic growth, as well as by removing the constraints and barriers to participation by the poor in the private sector
MDG 3: THE PROMOTION OF GENDER EQUALITY AND EMPOWERMENT OF WOMEN	Removing the constraints and barriers to women's participation in markets
MDG 7: ENVIRONMENTAL SUSTAINABILITY	Improving compliance rates among private enterprises and ensuring that sound environmental laws and regulations are enforced
MDG 8: A GLOBAL PARTNERSHIP FOR DEVELOPMENT	Integrating national business environments with global trade and investment opportunities – promoting an open, rule-based, predictable, non-discriminatory trading system, and a commitment to good governance, development, and poverty reduction; developing and implementing of strategies for decent and productive work for young women and men; and transferring new technologies, especially information and communications.

11. For those who own or manage private enterprises – including poor **women** and men – an enabling business enabling environment is one that:

- a. Enables businesses to compete better in markets by reducing the cost of doing **business**;
- b. Promotes public and private governance that leads to growth;
- c. Increases employment opportunities for poor people;
- d. Reduces corruption; **and**
- e. Transforms the use of personal contacts and patronage systems to systems that are based on a market-neutral set of rules to enable entry and market competition.

Comment [AL6]: Robert from Ghana stressed the need to bring services, business enablers to an arms' reach of the people. This will require careful targeting in order to serve men and women alike.

Comment [AL7]: ...protects women from abuse.

The Minister from Zambia, Robert Ahomka Lindsay, stressed the fact that women might be asked for "physical favours" by registration officers before issuing a license etc.

Against this background for example – I can't agree with Michale Klein, who said "Informality is a choice!" – Not for most women entrepreneurs.

29. Functional areas of business environment reforms that provide incentives to graduate to the formal economy include:

- a. Simplifying business registration and licensing procedures;
- b. Improving tax policies and administration;
- c. Improving labour laws and administration;
- d. Improving the overall quality of regulatory governance;
- e. Improving land titles, registers and administration;
- f. Simplifying and speeding up access to commercial courts and to alternative dispute resolution mechanisms;
- g. Broadening public-private dialogue processes with a particular focus on including informal operators, especially **women**;
- h. Improving access to market information; and
- i. Enabling better access to finance

2.1.1 Supporting reforms that reduce poverty

31. While economic growth is an essential prerequisite to poverty reduction, the rate of poverty reduction is also determined by the patterns of growth. Specific, carefully targeted interventions are necessary to enhance the impact business environment reform has on poverty reduction. This includes giving the poor greater opportunities to participate in markets and reducing the risks and vulnerability poor people tend to experience at greater levels compared with others in the business environment. Addressing the challenges of poverty reduction through business environment reform entails two areas of focus:

- a. Ensuring the benefits of economic growth created by business environment reform are diffused so that they benefit the poor (e.g., by increasing the demand for employment).
- b. Ensuring the participation of poor **women** and men in the business environment (i.e., the economy) is increased. The recent developments in the “making markets work for the poor” are a good example of this approach to pro-poor economic development

32. Development agencies should support business environment reforms that target poor **women**, informal enterprises, informal workers, as well as farmer and fisher associations. Moreover, because many poor **women** and men own and manage small informal enterprises development agencies should consider the barriers to formality, as well as the incentives to informality. They should identify ways through which informal enterprises formalise their operations and participate more effectively in new and larger markets. Pro-poor economic growth can be enhanced through the removal of these barriers and through improvements in business competitiveness and the terms and conditions of trade for domestic enterprises.

2.2 Working with the State

47. Governments are required to create a “level playing field” in the business environment in which all firms – regardless of whether they are large or small, rural or urban, domestic or foreign, or owned by **women** or men – operate on an equal footing. Levelling the playing field is a constant process for national and sub-national governments.