MEPI
AUB American University of Beirut
OSB Suliman S. Olayan School of Business
CENTER FOR INCLUSIVE BUSINESS AND LEADERSHIP FOR WOMEN | CIBL
EXECUTIVE EDUCATION
SAWI PROJECT
Support and Accelerate Women's Inclusion
تعزيز مشاركة المرأة في سوق العمل

GENDER-LENS INVESTING IN THE ARAB MENA: A COMPARATIVE STUDY

ABOUT

Gender Lens Investing (GLI) is an approach to investing that targets and improves investment processes and structures in order to advance women's inclusion in the MENA workforce (CIBL, 2021). GLI can play a significant role in addressing the challenges that women, as consumers, employees, and entrepreneurs contend with, such as lack of access to finance, social biases, inequality in opportunities, among others. Even though GLI has shown some success in developed countries, there is a need to promote the practice and contextualize underlying strategies for application in developing countries. Improved awareness across the investor and employer involvement of women in investing and the creation of frameworks for gender analysis, further help promote GLI. Across all sectors of MENA economies, women continue to be excluded from decision-making roles and are under-represented in the workforce. According to the KIP Index (2021), representation of women in decision-making ranks the lowest in both sectors and countries.

GLI has a strong track-record of success facilitating women's inclusion in the workforce and fostering more equitable societies. It has also demonstrated being good for business and investment returns because it leads to better:

- Financial return for investors
- Value Creation for sustainable societies
- Dignified work condition for women
- Investment opportunities for all
- Workplace diversity
- Attention to dignified opportunities and transactions across supply chains

WHY IS GLI IMPORTANT?

It is essential for investors, employers and stakeholders across the supply chain to understand the importance of GLI in relation to their roles.

For employers:

- Attract investments
- Gain new makers
- Receive better financial rates
- Showcase trailblazing policies

For investors:

- Attract depositors/customers
- Develop a gender credit metric to evaluate employers

- Direct investments to employers with inclusive policies

For stakeholders across the supply chain:

- Access to financing, networks, and trainings for women entrepreneurs
- Access to fair business opportunities for women-led suppliers
- Access to fair work conditions for workers both formally and informally employed

The Center for Inclusive Business Leadership (CIBL) has begun to invest in structural changes that can lead to more gender-equitable systems in the workplace. Support to Accelerate Women's Inclusion (SAWI) is CIBL's inaugural project commitment to partnerships that transform workplace policies and practices. Together with our employers across the MENA region, CIBL is beginning to invest in structural changes that lead to more gender-equitable investing practices, through the following objectives:

1. Lead a regional conversation around GLI in the MENA.
2. Map and build a network of trailblazing inclusive publicly listed employers based on four criteria centering on a commitment to increasing:
    - Female representation on BOD and in decision making roles
    - Gender sensitive RRP (Recruitment, Retention, and Promotion) policies
    - Reporting on international criteria concerning women's inclusion (eg: ESG, SDGs, WEPs, etc.)
    - Gender sensitive supply chain
3. Showcase activities of inclusive employers to help them attract investments from impact investors seeking to empower women
4. Raise awareness among investors and employers about the potential of GLI and the importance of integrating gender analysis into investment strategies
5. Work with investors to develop and implement action plans and policies to help integrate GLI into their investment processes

As part of fourth objective on raising awareness among investors and employers on GLI, CIBL has developed a mini-certificate program made up of 3 modules, aimed to empower investors, capital providers, employers, and executives in a rapidly changing regional economic environment, through the design of state-of-the-art and forward-thinking solutions to dignified economic empowerment through gender lens investing.

The objective of this paper is to summarize feedback from gatekeepers and decision makers that took part in the program, on their current knowledge, awareness, and additional insights on GLI, while also highlighting any country and sector nuances. The paper will also touch closely on the fifth objective by closing with guidance and recommendations on how employers as well as investors can leverage best practices in order to maximize the opportunity to accelerate women's inclusion through GLI.

METHODOLOGY

The data presented in this paper is based on the collection of survey data from employers and investors working in each of the following sectors:

Although this paper will touch on sector-based analysis where applicable, it will also take another lens that allows for country nuances and other demographic differences.

COUNTRIES:

OTHER DEMOGRAPHIC DIFFERENCES:

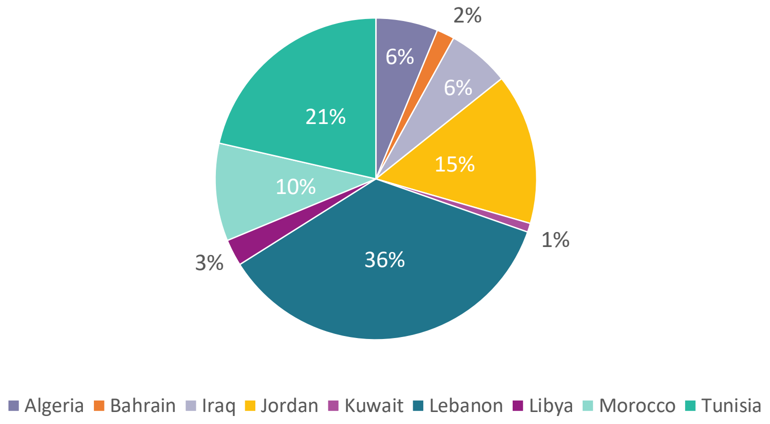
- Privately held vs. Publicly listed
- Yearly Revenue Range

FINDINGS

1. Demographics

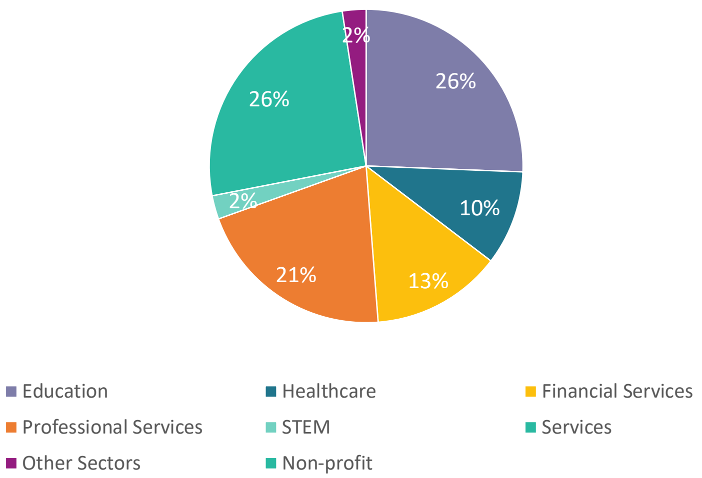
1.1 Employers

Figure 1: Employer breakdown by country



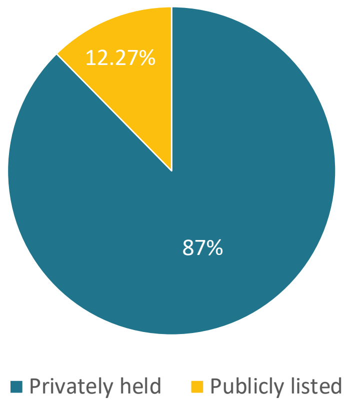
The participants were employers from the 9 selected countries in the MENA region as part of the SAWI Project (Algeria, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Tunisia). Most of the employers were from Lebanon (35.71%), followed by Tunisia (21.43%) and Jordan (15.18%). The rest of the participants were scattered across the rest of the countries.

Figure 2: Employer breakdown by sector



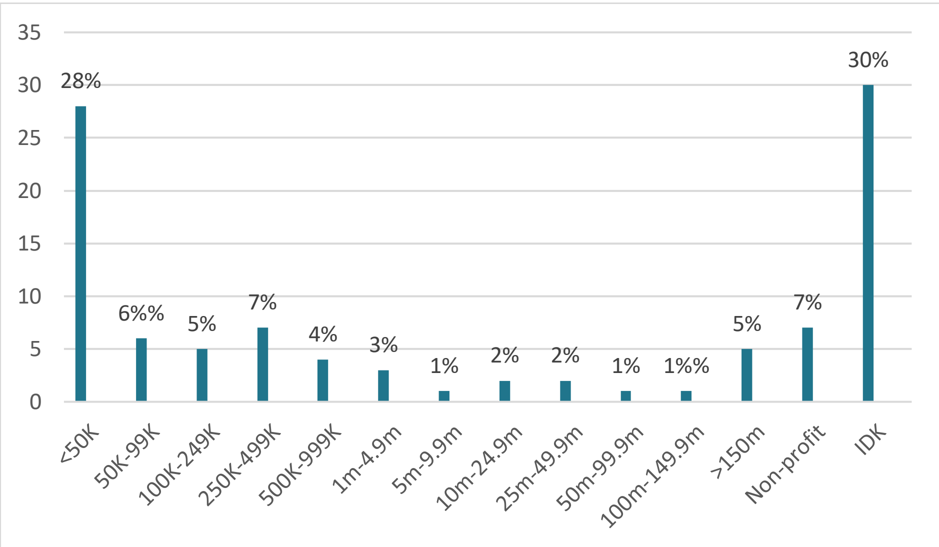
Employers were mostly from the Service sector (tourism and hospitality, retail, etc.) (21%) and Education sector (21%). The rest were from the Professional Services (consulting, advertising, legal services, etc.), STEM, Financial Services, Non-profit, and Healthcare.

Figure 3: Employer breakdown private vs. public



87% of the participants' organizations are privately held while 12.27% are publicly listed.

Figure 4: Employer Revenue Range

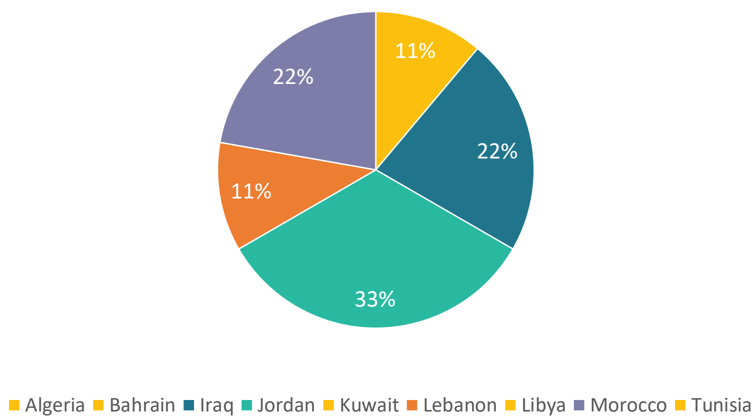


*IDK refers to "I don't Know"

28% of employers have a revenue range of less than 50,000 USD followed by 30% who were not sure of the revenue range of their organization. The remaining participants range from 1% to 7% that have revenue ranges from 50 000 USD or less than 150 000 000 USD, and 7% as non-profit.

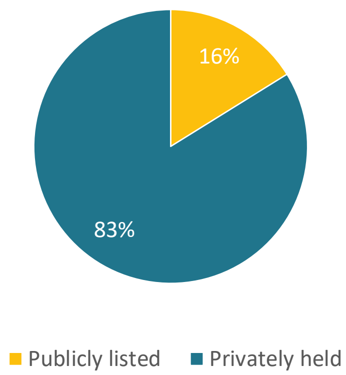
1.2 Investors

Figure 5: Investor breakdown by country



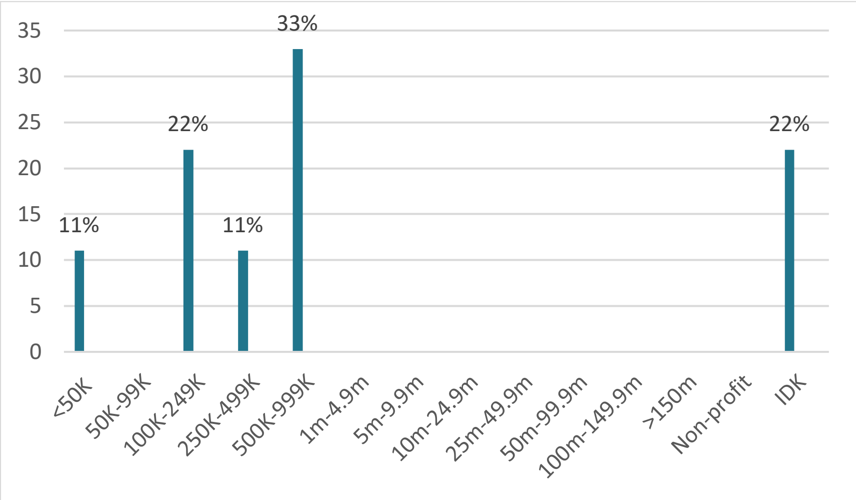
Most investors were from Jordan (33%) followed by 22% from Tunisia, 22% from Morocco, 11% from Lebanon and 11% from Algeria. We would like to note that there were no participants from Bahrain, Iraq, Kuwait, and Libya).

Figure 6: Investor breakdown private vs. public



83% of the investors' organizations are privately held while 16% are publicly listed.

Figure 7: Investor revenue range



*IDK refers to "I don't Know"

33% of the investor's organizations have a revenue range between 500, 000 USD to 999, 000 USD. 22 % range between 100, 000 USD and 240, 000 USD. 11% have a revenue range of less than 50, 000 USD and 250, 000 USD to 499, 000 USD. Finally, 22% of the investors were not sure of the revenue range of their organization.

2. General findings

2.1 Companies want to be inclusive, but more efforts are needed

More than half of the employers surveyed reported to be actively engaging in steps that promote gender equality and women's economic inclusion and empowerment. In fact, an average of 76% of employers work in organizations that have expressed and publicly communicated that gender equality and inclusion are central to the company's mission or have components of diversity and inclusion included in some way in the vision, mission, and/or core values. However, when asked about implementation of policies, programs, and initiatives, including training programs and budget allocations, the number of organizations actively implementing inclusive strategy in their day-to-day operations decreased significantly, in some cases to almost half. For example, only 37% of organizations have discussed allocating budgets for programs and initiatives that support gender diversity. And around 50% have implemented actionable policies and programs. This indicates that there seems to be a lack of commitment or discourse on the actual execution of communicated objectives and values.

Another similar trend observed is the lack of females in leadership positions. While 85% of organizations reported having females in their management teams, the number seemed to decrease the higher the position was. Less than half of the organizations have a female CEO, with only Bahraini, Jordanian, and Tunisian organizations having more female than male CEOs. This is also evident in organizations with board of directors: 71% of organizations reported having at least one female members in the boards, however only 26% have female chairs, with Jordan and Tunisia again being the countries with the highest percentage of female chairs.

As for the investors, the number of females in leadership roles were higher than for employers, however the trend of decreasing numbers in leadership positions was the same. Most investors (94%) have female members on their management team and/or board of directors. However, 61% reported having a female CEO or equivalent, and of the investors with BODs, only 20% have female chairs.

2.2 Even if not present, the need for more female representation and inclusive systems is recognized

As previously stated, CIBL has identified 4 criteria that organizations can commit to track, implement, and increase inclusive structures and policies within their organization. When employers were asked about the most important criteria that are needed in the MENA region, the top two ranking criteria were more female representation in leadership and the implementation of gender-sensitive RRP policies in organization. The results echo the previous findings of a lack of females in BODs and decision-making roles, as well as a lack of funding and attention given to inclusive programs and policies in organizations. Even though female leadership representation is ranked as a highly important criteria to implement, when employers were asked about working with female-owned/led organizations or female-majority owned/led, less than 50% reported to do so.

2.3 There seems to be a lesser sense of urgency for criteria 3 and 4

It is important that more effort is put into the tracking and implementation of the 2 criteria discussed in the previous section. However, it is equally as important to also put efforts into reporting on international standards and criteria related to women's inclusion as well as engaging in a gender-responsive procurement or supply chain process that considers the impact of their purchase of goods and services on gender equality and women's empowerment. According to the survey, only 6% of employers viewed these two criteria as GLI-related initiatives that need to be addressed. In fact, when asked about their understanding on the competitive advantage that can be gained through the implementation of the GLI criteria, more neutrality and disagreement was observed on the same criteria that were ranked as least important for implementation: reporting on international standards and engaging in gender-inclusive supply chain efforts. Lack of knowledge on the subject is unsurprising considering that GLI is an emerging topic especially in the region, with only 20% of employers having attended trainings and similar programs on GLI. It is therefore important to raise awareness on GLI and the impact each criterion has in creating value for organizations.

The results for investors were similar, where emphasis was put on the first 2 criteria (female leadership and gender-inclusive policies). Additionally, most investors believed that it is essential to incorporate gender into the investment process. This perception is encouraging since it might mean that investors will more likely work to ensure that gender is a component throughout their current and/or future investment processes.

2.4 Employers have a better understanding of the importance and drivers of GLI compared to challenges and opportunities

More than 85% of employers reported having a good understanding on the importance that GLI has on social impact, business growth, and sustainable economic development. An even higher percentage of around 90% also reported having a good understanding of the drivers of GLI especially when it comes to how the empowerment of women can create individual and financial value for organizations. However, when it came to understanding the gaps and challenges of GLI in the MENA, the level of understanding slightly dropped, especially around the need for more local investors and capital, where almost 20% of employers had either a neutral or negative stance. The least amount of understanding employers showed is on the opportunities of GLI in the MENA region, especially on increasing angel and GLI investing, as well as incorporating inclusive strategies in organizations and considering gender in the investment process.

Investor awareness on the importance and drivers of GLI was also high, averaging around 80%.

3. Country Findings

3.1 Algeria

In Algeria, female in leadership positions were low, with only 28% of Algerian employers having a female CEO in their organization compared to 85% of them having female managers. Alarmingly, none of the participants reported that their organizations work with companies where greater than 50% is owned by women, however almost half do work with companies with a female CEO. When asked about if and how they follow national and international standards that improve women's engagement, the most common activity that employers in Algeria engage in is training on said guidelines. However, some employers indicated that they do have an intention in the future to implement other activities. This is also mirrored in the finding that when asked about what current steps in their organizations they have taken to improve gender equality, with the majority reporting that their organizations provide trainings on diversity and inclusion, implement actionable inclusive policies, and all of them reporting that gender equality is part of their mission, vision, and/or core values. Alarmingly, 28% of Algerian organizations reported not engaging in any practices related to gender equality, second highest to Libya. It is important here to note that Algeria was one of the few countries that reported to receive funding to improve the status of women. Finally, only 1 employer from Algeria had previously attended a conference on GLI, a low number in comparison with other countries, however in general, the majority of participant's awareness about GLI and its importance was high.

3.2 Bahrain

In Bahrain, both participants reported having a female CEO in their organization, while only one of them reported the presence of female managers. Both participants report working with organizations majority owned by women and with organizations with female CEOs. Similar to Algeria, when asked about if and how they follow national and international standards that improve women's engagement, both reported to engage in training on guidelines. Both organizations also reported that they improve gender equality in their organizations through trainings on the topic, as well as publicly communicating how gender equality is central to their mission. However, neither participants had previous trainings on GLI.

3.3 Iraq

Iraq had one of the lowest reported female leadership numbers, with only 28% of participants reporting that their organizations have a female CEO, 50% reporting having female chairs on their BOD, and 85% reporting having female managers. Alarmingly, more than half of participants reported that their organizations do not work with female majority-owned companies nor with companies with female CEOs. When it came to GLI awareness, Iraq interestingly had the highest rate of participants with previous GLI training (42%). Participants level of understanding of the importance of GLI was also among the highest reported. In line with results seen across most countries, when asked about if and how they follow national and international standards that improve women's engagement, the majority reported in engaging in training on guidelines, as well as participating in trainings aimed at improving the status of women. It is important to note here that Iraq was one of the few countries where the majority of participants reported that their organizations attempt to implement national gender action plans. Iraq was also one of the few countries that engages in a variety of steps to promote gender equality in their organization, rather than focusing on a few. Similar to results across all countries, the most common activities were trainings on diversity and inclusion, as well as placing diversity within their mission, vision, and/or core values. However, participants also reported that their organizations implement inclusive policies, and allocate budgets towards gender inclusive programs and initiatives.

3.4 Jordan

Jordan reported high female leadership rates consistently across all criteria. 78% of participants reported having female CEOs (second highest after Bahrain), 94% reported having female managers (3rd highest), 70% reported having female chairs for their BOD (highest rank) and 90% reported having female BOD members (also highest rank). When it comes to working with companies that are majorly owned by women or with a female CEO, over half of the participants reported that they do so. As mentioned in the previous section, all countries had a good awareness of GLI importance, however it must be noted here that Jordan is one of the few countries that placed importance towards the less favorable criteria that other participants did not appear to emphasize: reporting on international standards and engaging in an inclusive supply chain. The results are also mirrored in how they align with national and international standards where over 50% of participants reported that their organizations attempt to implement national gender action plans. Results in this category are also similar to other countries where the most common activity organizations engage in is trainings on international standards and trainings on improving the status of women. It should be noted here that Jordan ranked among the top countries that have received funding to improve the status of women. And finally, Jordan was also one of the few countries, similar to Iraq, Lebanon, and Tunisia, that engages in a variety of steps to promote gender equality in their organization. In like with results across all countries, the most common activities were trainings on diversity and inclusion, as well as placing diversity within their mission, vision, and/or core values. However, participants also reported that their organizations implement inclusive policies.

3.5 Lebanon

Lebanon has some of the lowest female leadership rates across the countries. 38% of participants reported having female CEOs in their organization, and 80% having female managers (second to lowest after Bahrain). When it comes to board of directors, Lebanon ranks slightly better, ranking 3rd on presence of female chairs (21%), and female board members (75%). An alarming percentage of over 65% of participants reported that their organizations do not work with women-led nor women-owned companies. A relatively high percentage of Lebanese participants have previous trainings on GLI (27%), with awareness on GLI and its importance also at high levels. Similar to other countries, Lebanese organizations engage in a variety of activities that consider national and international standards on improving women's engagement in the workplace, with the most common being providing trainings aimed at improving women's work status, participating in training on international standards, and implementing national plans. It is important to note here that Lebanon, along with

Libya and Algeria, have an alarmingly high rate of participants that reported their organization does not engage in practices at all (25%). When it comes to specific practices in their organizations, most common initiatives participants reported were communicating the importance of gender equality in relevance to their company mission, followed by trainings on gender diversity and inclusion, and adopting policies.

3.6 Libya

In Libya, only 1 out of the 3 participants have a female CEO, however all 3 of them reported having female managers in their organizations. Moreover, all of the participants work in organizations that do not work with women-led nor women-owned companies. 2 of the participants reported that organizations do not engage in practices that consider international standards on women's inclusion. And only 1 participant reported that their organization publicly communicates that diversity and inclusion is central to their mission. An alarming finding here is that all 3 participants reported that their organization does not work with women-owned or majority-led businesses.

3.7 Morocco

Morocco has a low rate of female leadership when referring to the presence of female CEOs in the organization (27%), as well as no female chairs. However, the number of female managers and board members is high (90% and 83% respectively). The majority of participants reported that their organization works with organizations that are at least 51% owned by women or the CEO or equivalent is a woman. Similar to other countries, Moroccan organizations engage in a variety of activities that consider national and international standards on improving women's engagement in the workplace, with the most common being implementing national gender action plans, providing trainings aimed at improving women's work status, as well as participating in training on international standards. As for the steps their organizations take internally to promote women's inclusion, the majority of participants reported that their organization implements actionable policies and programs and publicly communicates having gender equality at the center of their organization's mission.

3.8 Tunisia

In Tunisia, the rate of female leadership differs across levels, where the participants stated that 58% of female CEOs are present in their organization and 25% have female chairs. The numbers progress slightly when reporting on female managers, where 87% of them have female managers within their organizations and 66% have female board members. Tunisian companies are split, where half of them do not work with women-owned or women-led businesses. Tunisia, similar to Jordan, is one of the few countries who places emphasis on the less favorable criteria that other countries did not appear to emphasize: reporting on international standards and engaging in an inclusive supply chain. In fact, when asked about their initiatives in applying international criteria, other than participating in trainings that promote diversity and inclusion, participants also report receiving funding to improve the status of women and provide training workshops on international standards. Their organizations take into account training and funding when considering adopting inclusive policies. As for the steps their organizations take internally to promote women's inclusion, the most common one was communicating the importance of gender equality through their mission statement.

4. RECOMMENDATIONS

Given the data that we have at hand, we address ways to move forward and devise achievable targets for systematic change across the Arab MENA.

RECOMMENDATION #1

Increase female representation on BOD and decision-making roles:

1. Ensure executive leadership commitment and campaign for more women in leadership positions
2. Implement board diversity with an intersectional lens that takes into consideration different elements such as race, age, ethnicity, identity and social background, and others
3. Expand board selection criteria and recruitment channels, institute term limits for board members, and add more seats to the board
4. Governmental efforts to ensure female representation such as putting gender quotas in place for organizations that operate in their stock exchange

RECOMMENDATION #2

Draft and implement women-inclusive recruitment, retention, and promotion policies:

1. Widen their reach to encourage women across different communities and locations to apply
2. Ensure fair and standardized practices throughout their processes by sensitizing managers and staff on gender-inclusive practices and biases that exist
3. Ensure that structural protections are in place through policies and mechanisms that ensure the wellbeing of employees and safeguard against forms of workplace violence, discrimination, and harassment
4. Offer an equitable and inclusive compensation and benefits package that includes flexible working arrangements, family-friendly benefits, and ensure equal pay for equal work
5. Ensure equal opportunities in training, development, and recognition

6. Collect gender-disaggregated data, track trends, and leverage the data to create more inclusive practices

RECOMMENDATION #3

Report and track performance on international criteria concerning women's inclusion (eg: ESG, SDGs, WEPs, etc.):

1. Monitor and report on system-wide compliance with intergovernmental mandates on gender balance, including at the senior and decision-making levels
2. Monitor and report on international gender criteria and efforts to develop and apply internal gender equality policies, including achieving gender balance, eliminating harassment, and promoting work-life balance

RECOMMENDATION #4

Develop an inclusive supply chain process:

1. Seek out and solicit suppliers owned by women, suppliers owned or staffed by members of vulnerable, marginalized or underrepresented social groups, and/or small to medium-sized suppliers
2. Measure gender-disaggregated data related to your supply chain by examining where men and women are participating in your supply chain (and whether they are getting compensated or not for that participation)
3. Provide gender-sensitive assistance to women smallholders and producers in their supply chain
4. Require inclusive policies from suppliers you work with or choose to work with suppliers with inclusive policies
5. Ensure senior leader support of procurement and purchasing policies that minimize/reduce/do no harm in buying practices with vendors and suppliers.

5. CONCLUSION AND WAYS FORWARD

The data shows that the Arab MENA region consistently ranks last when it comes to metrics on gender diversity, inclusion, and female employment. Experts believe that our region will take more than 150 years to close the gender gap. Therefore, the time to act and to accelerate the pace of change is now. There is a lot that can be done in the region by the entire eco-system. Employers, investors, policy makers, and official governing bodies all have a role to play in advancing GLI in the Arab MENA. The findings show that there is an urgent need to raise awareness about GLI and its impact on a financial, economic, and sustainable level. There is also a need to go further than just communicating the need for diversity and inclusion. HR decision makers should focus on translating company values into impactful change through the actual drafting and implementation of inclusive HR recruitment, retention, and promotion policies and practices in their organizations. Policy makers and official governing bodies should address systematic inequities through the adoption of national gender action plans, inclusive and progressive labor and union laws, and commitment to international and transnational standards and conventions. Despite challenges that investors and employers across the MENA region face, the opportunities to accelerate women’s inclusion in the economy through gender lens investing are present. GLI, through its impact on women’s economic empowerment of women, has the potential to drive progress and contribute to business growth all while fostering societies that are more equitable.