

Empowering Women entrepreneurs in the MENA Region towards Equal access with men to business and trade markets

Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia



Gender-Sensitive Value Chain in the Agri-Food, Textiles and Clothing and Information and Communication Technology Sectors

EGYPT GSVCA COUNTRY PROFILE: EXECUTIVE SUMMARY

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BACKGROUND

During the first phase of this project (2017-2019) thanks to a CAWTAR-SIDA partnership, among other interventions, a Gender Audit exercise was conducted scrutinizing the economic policies, legal frameworks and trade agreements in the same six countries assessing the effects of Globalization and Trade Liberalisation on Economic Empowerment of Women and their access to Trade markets. The findings succeeded in drawing attention and raising awareness of directly or indirectly concerned actors and stakeholders on the importance of *empowering women towards gender equality in the MENA region through gender mainstreaming in economic policies and trade agreements*, thanks to evidence-based sensitisation, advocacy and networking interventions as well as institutional capacity building and strengthening. This new project and work have been built on the platform of validated recommendations and priorities selected by the targeted stakeholders.

Based on the above, the main finding of the conducted situation analysis gender audit is that gender is neutral/negative, not really mainstreamed in economic policies and trade and the environment is not conducive to gender equality and empowerment of women in economy and trade.

Therefore the priority of the current project “*Empowering Women entrepreneurs in the MENA Region towards Equal access with men to business and trade markets*” is to strengthen women entrepreneurs’ capacity to increase their access to and control of resources equally with men entrepreneurs with focus on business and trade markets.

Its thematic objective is “*Conducive environment created for women entrepreneurship promotion and integration in business and trade markets*” in Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia. Creating conducive environment required to produce knowledge on businesswomen and men from a comparative gender analysis perspective that includes SMEs profiling and main actors’ mapping of at least three selected sectors, namely agriculture, light industries and services.

It should be recalled that the Gender Sensitive Value Chain Analysis/GSVCA (approach and tools) was used to assess Women-Men Equality, stressing their participation in the economic activity and their access to business and trade markets covers the six countries mentioned. The Value chain fields were selected to focus on three different sectors and more specifically subsectors: 1) Agriculture: Agro-food industries; 2) Light industries: Textile and clothing and 3) Services: Information & Communication Technology/ICT. In addition to the exercise itself (review, assessment and analysis) a number of SMEs owned/managed by women and men were targeted representing a sample from the selected sub-sectors i.e. agrifood, textile and garment and ICT.

The diagnosis of constraints and challenges intends to determine gender inequalities and gaps and assess capacity and resources needs towards priorities’ selection at the level of the SMEs and women entrepreneurs themselves, including during and after the lockdown due to the COVID-19 pandemic and its resulting consequences.

FACTS & FIGURES

1. Overall context

Table 1: overall indicators

General Indicators ¹	Female	Male	Value
GDP, US\$ billions	--	--	361.9
GDP per capita, constant '17 intl. \$ 1000	--	--	12.03
Total population, million people	49.67	50.72	100.39
Population growth rate, %	2.00	1.99	2.00
Population sex ratio (female/male), F/M ratio	49.47	50.53	0.98

Egypt's GDP, the second largest in Africa, was about \$362bn in 2019/20. In 2020 at 3.6% growth, Egypt was the only economy in the MENA to record positive growth. Despite disruptions of the economic activity due to COVID-19, with an easing of lockdown restrictions Egypt's GDP is still projected to grow by 2.5% in 2021.

2. Egypt's global Gender Gap Index Ranking 2021

Table 2 - Egypt's Global Gender Gap Index 2021 ranking

In the latest WEF Gender Gap report, Egypt's global rank is at 129 out of 156 countries, ranking third amongst the MENA countries, after the United Arab Emirates (72nd) on the global ranking) and Tunisia (126th), since it has closed 63.9% of its overall gender gap.

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
109	0.579	129	0.639	-20	+0.094

3. Educational attainment

Table 3– Egypt's Educational attainment comparative ranking 2006-2021 ²

Egypt has the largest education system in the Middle East and North Africa Region (MENA) with 20 million students in pre-tertiary education and in comparison to the same countries, access to education in Egypt is high. There is gender parity at primary and nearly so at secondary levels with actually more girls than boys being enrolled.

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
90	0.903	105	0.973	-15	+0.070

However, there are geographical and gender disparities in educational outcomes given that more than 50% of pupils in community schools, which cater for children who have dropped out or never attended school in Upper Egypt, are girls.

4. Economic participation and opportunity

Table 4 – Egypt's Economic participation and opportunity comparative ranking 2006-2021³

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
108	0.416	146	0.421	-38	+0.005

¹ World Economic Forum: Global Gender Gap Report, 2021, http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

² Idem

³ Idem

Research findings reveal that Egypt has a number of laws and regulations that promote gender equality and support women's participation in the labour force; however, in spite of efforts made by the government in terms of legislation, women's level of participation in both the labour force and employment is very low. Egypt is the MENA country with the lowest male unemployment rate and the highest female unemployment rate, and hence has the largest gender gap of the MENA countries with over 15 percentage point difference. Comparatively, Morocco, the gap is relatively narrow, standing at 2 percentage points.⁴

The latest available data show that the rate of female labour force participation in Egypt is 18.46% vs. that of men with 71.17%, over 3.5 times, higher. Full year 2019 unemployment rate for females was 21.33%, three times higher than that of male unemployment rate at 6.73%.

5. Women in the entrepreneurship world

Noting the limited data available on the topic and sometimes even contradictory, in Egypt, women account for only 17% of private sector employees versus 83% for males and 31% of public sector compared to 69% for males. In governmental agencies, the women presence is of 44.5%. The latest data shared by the Egyptian authorities estimates the percentage of women owning private companies to be 16%. There is a lack of information on women's participation in export activities, trade fairs and government procurement programmes. An added obstacle is that women entrepreneurs represent less than 5% of the members in major business associations and as a result fail to have a voice in the policy dialogue process with government.

6. Women legal status and rights

Egypt, Arab Rep. - Scores for Women, Business and the Law 2021



Over the last ten years, Women, Business and the Law has collected unique data on the laws and regulations that constrain women's entrepreneurship and employment. The index presented is structured around the life cycle of a working woman, with 35 scoring data points on eight indicators. Overall scores are then calculated by taking the average of each indicator, with 100 representing the highest possible score.

Egypt's score in the latest edition of the report is 45 out of 100, lower than the regional average at Middle East & North Africa (at 51.5). The countries that rank first with 100 are mostly in Europe, the highest-ranking Arab country is the UAE with a score of 82.5, the last is Palestine with 26.3.

7. COVID-19 impact on policies

⁴ <https://www.oecd-ilibrary.org/sites/ac780735-en/index.html?itemId=/content/publication/ac780735-en>

Facing the COVID-19 pandemic, Egypt was the first country globally to issue a women policy tracker with 80 measures & policies taken by the government in response to COVID-19, that are considerate to women's need during the first 3 months of the outbreak in Egypt.

As an example, Ministry of Social Solidarity/MoSS announced increasing:

- The number of beneficiaries of conditional cash transfer from Takaful and Karama program to 100,000 households; and, of the social protection especially for women heads of households
- The support to rural women leaders on ground with a monthly income from EGP 300 to EGP 900;
- The number of beneficiaries of soft loans and loans with negligible interest rates to set up micro enterprises so that they can improve the living standards
- The protection of elderly women through integrating women aged 65 and above in nursing homes under the umbrella of social protection...

8. Obstacles and challenges in the entrepreneurial process (Rapid Assessment)

Upon collection of the data on the Mapping, given the lack of information on the internet and the social networks with regards to the different companies mapped under the selected sectors, and the numerous e-mails sent to the companies to request for the missing data, with no response, it was through the support and collaboration of Enroot that data on medium-sized enterprises owners from the three sectors at hand, was collected. A set of 13 entrepreneurs, shared between 7 men and 6 women, were contacted during the interviews conducted via virtual platforms.

The findings regarding the perception of barriers to market access regardless of the sector, were essentially related to the lack of knowledge of the regulations governing potential export markets for their products and the level of competition (see hereunder needs/recommendations).

9. Gender Sensitive Value Chain Analysis/GSVCA

The goal of the GSVCA is to evaluate the competitiveness and performance of a number of Value chains in each selected sector/ sub sector to identify real or potential barriers and opportunities for women and men that may be shaped by custom, law, institutional structure...

The scoring is done on the basis of the interpretation of the answers (while comparing the different value chains through a horizontal reading) for each question at the level of the matrix. Scoring a particular sub-sector or value chain according to the sub-criteria is done using scores between 1 and 4, with 1 being very low/very bad and 4 being good/high.

The overall score for each value chain corresponds to the formula below: *Overall subsector score = %economic dimension X (total scores each time multiplied by %question) + %environmental dimension X (total scores each time multiplied by %question) + %social inclusion and gender dimension X (total scores each time multiplied by %question) + %institutional dimension X (total scores each time multiplied by %question)*. Thus, in the end we get overall scores for each value chain out of a maximum score of 4.

Taking into consideration 3 dimensions: the Economic (40%), the Gender and social innovation (40%) and the Institutional (at 20%) dimensions from a mapping of 3 sectors (Agriculture, light industries and services), 3 selected sub-sectors are Agri-food, Textiles and ICT.

Table 5: GSVCA scores

Criteria and scoring rate	Maximum Score	Sub-sector 1: Agri-food	Sub-sector 2: Textiles	Sub-sector 3: ICT
Economic dimension (40%)	1,6	1	0,7	1
Gender and Social dimension (40%)	1,6	0,52	0,92	1,56
Institutional dimension (20%)	0,8	0,62	0,38	0,62
TOTAL (100%)	4	2,14	2	3,18

10. Preliminary Analysis

Following the comparative analysis of the 3 sub-sectors and based on the literature and available data review,⁵ the Information and Communication Technology/ICT subsector stood out as opposed to the other sub-sectors at hand, as the one with the highest potential in terms of:

- Economic expansion, market estimated to reach \$5 billion in 2022
- Growth is supported by the government's 2030 strategy together with the support of international organizations.
- Gender inequalities are less prominent than in other sub-sectors considering that this sub-sector hires educated women.

CONCLUSIONS & RECOMMENDATIONS

The cross-cutting analysis of the results of the Situation Analysis (quantitative and qualitative), the Rapid Assessment and the GSVCA has brought out a number of concerns and needs that can be summarised as follows:

- Networking with other business owners in a collaborative spirit to exchange information on their field and potential opportunities
- A better understanding of the regulations governing the company's sector of activity but also a watchful eye to keep the company in compliance with regulatory requirements
- Better access to technical and managerial training
- A better capacity on human and financial resources management,

⁵ Difficulties specific to the data collection phase were encountered in terms of (non) availability and consistency. Availability of data on the topic at hand in the various countries is extremely limited, not to say scarce. An added layer of complication was due the fact that when available and depending on the sources consulted, the data found was contradictory, further impeding the process.



- Capacity and skills on business planning including adoption of new technologies in business management such as e-commerce and digital marketing.

It is expected that the concerned stakeholders will be able to enrich these preliminary results based on their own experience and proceed to identify the commonalities and differences of their country with the others and to proceed to the selection of priorities that will serve for the development of a strategic framework that will also be submitted to another round of discussions for validation and adoption at the 2nd regional seminar to be held in the first half of 2022.