

MEDA submission to UN Women Consultation:

High Level Panel on Women's Economic Empowerment

(June 6, 2016, Robertson Room, Global Affairs Canada)

About MEDA

For over 60 years, Mennonite Economic Development Associates (MEDA) has been designing and implementing innovative economic development programs that unleash the earning potential of millions of people living in poverty around the world.

Founded by a small group of business people, MEDA believes its work is not done until it is proven to be sustainable, replicable, scalable and measurable. MEDA is steadfast in a business focus and recognized as a global leader in pro poor development, inclusive financial services, market systems development and investment-led programming – especially for women, youth and rural populations.

While each of MEDA's projects aims to integrate women, men and youth to create sustainable livelihoods, MEDA also designs and implements women's economic empowerment (WEE) projects that address the specific gender and socio-cultural barriers that women in different communities face.

MEDA began its WEE work in Pakistan and Afghanistan – some of the most challenging environments for women to conduct business – and has applied, adapted, and expanded this experience to work in Ghana, Libya, Haiti, Myanmar, Jordan and Ethiopia. MEDA's WEE programming facilitates solutions that connect women to appropriate financial services; link producers to higher value domestic and global markets; and build women's business skills and negotiating power to grow and control their incomes.

Partnerships with local civil society, public and private sector entities is one key to success. Developing the business case with private sector partners for working with women as producers, suppliers and customers is a central focus of MEDA's country-specific work.



What would you recommend as a priority action for promoting women's economic empowerment?

MEDA concurs with the research of the High Level Panel that the 6 major areas of focus required to stimulate women's economic empowerment *per se* include:

1. Eliminating legal barriers to women's economic empowerment
2. Addressing the care economy
3. Reducing gender pay gaps
4. Expanding opportunities for women who work informally
5. Promoting financial and digital inclusion for women
6. Fostering female entrepreneurship and enhancing the productivity of women-owned enterprises (including the small-holder farm as a business).

In MEDA's experience across Africa, Asia and the Middle East, the most persistent barriers to women's economic empowerment include: lack of access to finance, women's inability to access information technology, and gender inequality manifested in discriminatory social and cultural norms and practices.



Access to Finance

Access to finance is critical whether we are working at the producer level or with women-owned MSMEs and entrepreneurs. We know that women-owned businesses in developing countries face unmet financing needs of USD \$260-\$320 billion annually (World Bank, 2014) and that financial inclusion for women and youth could be the driver to unlocking global economic growth (McKinsey Global Institute, 2015). We also know that economic independence is one of the primary motivators for women to grow their business (MIF/WEGrow, 2014).

MEDA believes that to facilitate women's access to finance, we need to move beyond savings groups and microfinance to working with banks and formal financial institutions to develop appropriate savings and loan products for women. MEDA has used guarantee funds to support financial institutions to on-lend to new women-owned businesses and clients.

We work with private sector actors to develop the business case for working with women suppliers and producers and to explore creative approaches to value-chain financing. Finally, women entrepreneurs who have growth potential need equity investments and support to become investment-ready.

We also know that reaching young women with financial literacy training and access to appropriate financial services, especially savings, will support and build women's economic empowerment. In Morocco, MEDA's YouthInvest project included the 100 Hours to Success training program (funded by The MasterCard Foundation).

This program focused on 36 hours of financial education including budgeting, the value of savings, understanding the use of loan products and how to save for a goal. Youth were encouraged and referred to supportive financial institutions that helped them to open savings accounts. The project's recent Impact Evaluation highlighted the potential and value in investing in young women:

- 3 years after MEDA's 100 Hours training, 23% of young women and 20% of young men had kept a savings account open compared to less than 8% of youth in the MENA region.
- Youth reported a significant increase in decision making power over their money, especially young women. After the training 84% of young women said that they had decision making power over their money vs. 66% before training. For young men, 92% reported more control over their funds vs 82% before the training.

Reaching young women early on with training and financial services facilitates asset building and positive financial behaviours that benefit them and their families throughout their lives. Ensuring that women across the age spectrum have the tools and capabilities to contribute to the global economy must be a key focus in realizing the Sustainable Development Goals (SDGs).



Information Communication Technologies

Underpinning advances to women's economic empowerment is the Information Communication Technologies (ICTs) for development revolution. New technologies are reshaping our global economy and nowhere is that more evident than in underdeveloped countries where technology has the potential to leapfrog over developmental challenges like infrastructure, mobility, and education. And women stand the most to gain from these technologies.

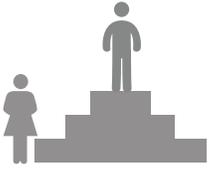
A recent study by the GSMA mWomen Program and the Cherie Blair Foundation for Women found a mobile phone gender gap of approximately 300 million women globally. Not only does that population represent a huge untapped market for mobile communications, but closing that gap would bring immediate social and economic benefits to women entrepreneurs by providing them with greater access to information and linking them to markets.

New technologies in the mobile banking industry also have the potential of providing financial services to women who would otherwise not have access to due to limited mobility, education, or socio-cultural barriers. Crowdfunding and mixed direct investment models have the potential to unlock much needed capital for SMEs, especially for women entrepreneurs who might otherwise be excluded from more traditional funding mechanisms.

ICT is also connecting people to new markets and much needed services like never before and women stand the most to gain from these technologies. MEDA's Greater Rural Opportunities for Women (GROW) project, uses SMS technology and Farmerline Talking Books (www.farmerline.co) to ensure that women farmers have access to vital information on agronomic best practices, weather conditions, and market information in the remotest areas in northern Ghana.

This is critical given women's role in small-holder agricultural, where the majority of poor women are found. Women are responsible for more than 50% of the world's agricultural work (the FAO reports that this reaches 80% in some African countries) and are pivotal to a successful response to issues of climate change.

MEDA also is piloting a Virtual Business Incubation (VBI) strategy through the USAID-funded Libya Women Economic Empowerment project to deliver business services and financial literacy training to women entrepreneurs across conflict-affected areas in Libya.



Discriminatory Social and Cultural Norms and Practices

MEDA has found that despite advocacy at the highest levels for gender equality and the importance of accounting for women's work in national statistics, specific socio-cultural norms and gender related barriers continue to inhibit women from participating as equal economic actors in their communities and societies.

At a recent event in Libya, a female participant reported, "I once had to refuse a job of Managing Director for fear of harm to reputation and defamation." As an unmarried engineer, the woman chose to forgo a promotion in her career rather than be subject to gossip and rumor.

Promoting women role models, addressing women's labour burden (productive and reproductive) and supporting women's agency and negotiating power is critical to influencing shifts in gender, social and cultural barriers and reducing the risk of gender based violence. Women need to be seen, supported and promoted as viable and successful farmers, traders, market actors, business women and entrepreneurs, and men at all levels need to support the shift in mindsets and stereotypes. Addressing gender imbalances in the care economy is a critical step to making this happen.

In all our WEE projects, MEDA seeks to actively engage men in understanding how women's economic empowerment benefits the entire family, community and society. We work with men, as husbands, fathers and community members, to support women to succeed in their work by identifying male champions and advocates at all levels.

We know that the business success of a woman farmer can lead to transformative changes for themselves and their families. Women's confidence, self esteem and decision-making power grows with the acknowledgment and support of the community around them.

From a market systems perspective, reinforcing and promoting the business case for working with women not only builds awareness of women's important contributions to local, regional and global supply chains but it also makes business sense through improving labour productivity and corporate profitability (ITC, 2016).

MEDA has identified several incentives that can be employed with the private sector to actively integrate women: (i) accessing untapped employee talent; (ii) improving supply chain reliability; (iii) reaching female customers; (iv) opening new distribution channels; (v) enhancing the brand and reputation of the business; and (vi) furthering social impact (see [link](#)).



Who should be held responsible for these actions?

Multilateral and bilateral initiatives must continue to support access to finance for women at all levels, working with and alongside national governments, financial regulatory agencies and financial institutions. Promoting blended finance approaches that unlock investment in women entrepreneurs and businesses, including small-holder farmers, should be a critical consideration.

The strength and influence of social attitudes that reject and refuse women in leadership positions also must continue to be addressed. Civil society must hold government to account in enforcing legislation that protects and promotes the rights of women and girls. Both the public and private sector need to invest in the care economy to address gender imbalances and support women's work. Public-private partnerships could be explored.

In terms of development programming, practitioners need to approach unpaid care work as a critical cross-cutting theme and design interventions that will reduce women's burden of unpaid care work. More work can be done to explore unpaid care as a strategic market sector – a value chain with pro-poor growth potential that can reach scale and sustainability through interventions that address the supporting institutions, services and infrastructure (BEAM Exchange, IDS, Oxfam GB, 2016).



MEDA would like to thank the High Level Panel on Women's Economic Empowerment for the opportunity to submit our thoughts and learning for your consideration. We applaud the Panel's work and the UN Secretary General's spotlight on this important issue.