

KEYNOTE INTERVIEW

Breaking down barriers to gender equality



*Companies in Africa need to challenge gender stereotypes or risk losing out on women's skills and, ultimately, profitability, says **Rajaa Berrkia** of Mediterrania Capital Partners*

Africa is a world leader in female entrepreneurship, with women accounting for 58 percent of the continent's self-employed and almost half of its business owners in non-agricultural sectors, according to a report from the World Bank. Yet, McKinsey found in a 2019 report that women remain grossly under-represented in professional and technical jobs – the ratio of women in middle management roles falls to as low as 9 percent in North Africa. Covid-19 has placed further obstacles in the way of women's economic empowerment.

A host of organisations have warned of widening gender inequality, in addition to women facing greater poverty

and a loss of educational opportunities.

Mediterrania Capital Partners has portfolio companies operating in multiple sectors, mainly in North and West Africa. The firm has been a UN Principles for Responsible Investment signatory since 2016 and its portfolio companies follow the UN's Sustainable Development Goals and the International Finance Corporation's Performance Standards guidelines. In July 2021, it became a Global Impact

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Investing Network signatory. Rajaa Berrkia, director of sustainability and risk officer at the firm, tells *Private Equity International* that Mediterrania Capital Partners is seeking to build on recent progress towards boosting female employment while chipping away at stereotypes that continue to limit women's roles in some industries.

Q How has female employment changed in your portfolio companies in recent years? Are you seeing more women take on leadership roles?

Women's employment in our portfolio

companies has been growing steadily over the last decade, but just in the past two years we have almost doubled the proportion of female employees. Our workforce went from being 17 percent female in 2018, to 29 percent female in 2020. We have also made progress in increasing the number of women in leadership positions. In 2019, we had 205 women in management roles – this increased to 504 women by the end of 2020.

These positive results are driven by specific measures implemented by the companies to ensure women have the same opportunities as men in hiring processes. Also, in the last few years we have invested heavily in sectors such as healthcare, education and fashion retail, which tend to employ large numbers of women and have dedicated teams and policies to support and empower female workers.

Through our funds, we invest in companies that engage with the UN SDGs addressing key issues to help achieve a better and more sustainable future for communities in Africa. We are very pleased to confirm that, with our support and guidance, all Mediterania's portfolio companies now implement policies that support the Gender Equality and Decent Work and Economic Growth SDGs.

Q What challenges do you face in making further progress towards employing more women?

We use the criteria from the 2X Challenge, which is an initiative that sets specific targets around ensuring that women are adequately represented within different areas of the workforce. We track women in the workforce as a whole, women in management positions, women in leadership positions, women at the C-suite level and women on the board of directors.

Despite the progress we have made so far, women are still under-represented in some industries within our portfolio. We have invested in some sectors, such

Q How can you encourage more women to participate in your portfolio companies that operate in male-dominated sectors?

Construction is a good example of an industry that is overwhelmingly male everywhere in the world. But we should not accept that there is nothing that we can do about it. We are working with TGCC, one of our portfolio companies, to empower more women in management positions, including on construction sites.

Of course, there are constraints. It is not easy to persuade women they can work in a sector like construction and there are system-wide barriers that are seen worldwide. TGCC has been making efforts to challenge the barriers since we invested in 2018. The management team and the HR department are serious advocates for gender equality. We have supported HR to talk about what promoting women can bring to the company. We are convinced that in terms of productivity and economic efficiency, having more women in leadership will make a big difference. We know that missing out on women's skills will ultimately affect profitability.

as construction, which are historically male dominated, so we are working with the portfolio companies to challenge the bias that women face in their day-to-day work or the expectations that they are not equipped for leadership.

On the other hand, we are investing in sectors that have a high proportion of female employees, such as education, retail, healthcare and financial services. This includes Groupe Scolaire René Descartes, a private educational institution in Tunisia (90 percent of the teachers are female); Aziza, one of the leading food retail operators in Tunisia with 344 stores across the country and 2,650 employees (45 percent female employees at head office); Akdital Holding, the largest group of private clinics in Morocco with 1,150 employees (81 percent of the workforce is female); and Groupe Cofina, the leading mesofinance and transactional financial services institution in West and Central Africa (46 percent of employees are female).

In all cases, with the companies' management teams and HR departments, we are continually improving our policies to address the perception of some professional functions as 'male jobs' and others as 'female jobs', because this often exacerbates the gender pay

gap. It is very important that we continue to develop career development opportunities for women. We are focused on providing mentoring for female employees, so that our future female leaders have role models they can relate to within the portfolio companies.

Q How do you practise gender-lens investing at the time of deciding on an investment opportunity?

Our strategy builds on gender-lens investing to positively impact gender imbalances via our portfolio management choices. We promote gender equity through conscientious approaches from pre-investment activities through to post-deal monitoring, and we invest with the aim of addressing gender issues in companies that promote workplace equity in staffing, management, boardroom representation, etc, and in companies that offer products or services that substantially improve the lives of women and girls.

In 2018, we adopted a more formal approach to investing in women, screening potential deals for gender impact and inclusiveness and creating specific metrics to track our progress. We have also been collecting



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high-quality data to assess the impact of women’s participation in senior leadership and board positions on financial performance, and we look forward to exploring the dynamics in the future.

Gender equity is not only a moral obligation, but also a critical business consideration that both business owners and investors need to take very seriously as it undoubtedly has an impact on the future success of any company.

Q Do you believe your portfolio companies have opportunities to challenge societal attitudes around gender equality?

By investing in education, Mediterranean Capital Partners is trying to challenge gender stereotypes. Our work in

education can help address the attitudes that are quite deeply embedded within society in North and West Africa.

We try to put in place workshops for these children to explain to them that girls and boys are equal. We teach them that it does not mean that you are stronger or more powerful if you are boy, and that tomorrow you will have the same opportunities no matter who you are. We know that children who grow up understanding that men and women are equal will be advocates for gender equality as adults.

One of the most important things we can do is put in place role models for women. Progression is difficult within a company as a woman, and a role model can help aspiring leaders to overcome obstacles. We have to open up opportunities to make female leaders more visible and challenge the perception of women.

Peer support is also something we work alongside our portfolio companies on. If, as women, we make a mistake at some point, it might be treated more negatively than if the same mistake was made by a man. So, there must be peer support for women within a company to help them get through tough times and continue to reach for opportunities to progress.

With performance reviews, we provide personalised feedback to women employees that integrates some direct issues they are facing. There is not a single format for feedback that we use across our portfolio companies, but there is a requirement to talk about the direct issues faced by our female employees.

Q How has covid-19 affected female workers in Africa?

Over the last year, we have all had to radically change our way of living and working. In Africa, the strict lockdown measures abruptly implemented by governments helped limit the spread of the virus, but they also had significant repercussions on daily life and industries across the continent.

There have been many reports showing that covid-19 has had a negative impact on employment and slowed down progress on gender equality in emerging markets. In the regions where we operate, the effects of the pandemic have been harsher on women. We see women feeling more exhausted or more burnt out or feeling under more pressure, compared to before covid – or compared to men. Women can also be impacted when they experience a lack of connectivity with the other members of their team. And we know that increased household responsibilities have been an issue for some women, especially if both partners in their household have to work through the pandemic.

In my view, the covid-19 crisis has demonstrated why stakeholders matter and accelerated the shift from a shareholder value perspective to a broader focus on stakeholders. Companies that include stakeholder considerations in their decision-making and strategy will be more resilient over time.

Q As the region begins to recover from the pandemic, what do companies need to do to sustain progress in female employment and gender equality?

As we look to a post-covid-19 future, we will continue to focus on a disciplined consideration of the non-financial performance aspects of our portfolio companies, such as strong corporate governance, ethical business conduct, systematic risk management processes and employment equality. At the same time, we are realising that impact measurement is becoming more critical every day, so we will continue to seek more detailed data on the wider-ranging impacts of our investments.

We will also continue to partner with clients, co-operate with fellow investors and join forces with leading development finance institutions to define and implement the most relevant ESG practices in the most effective way. ■