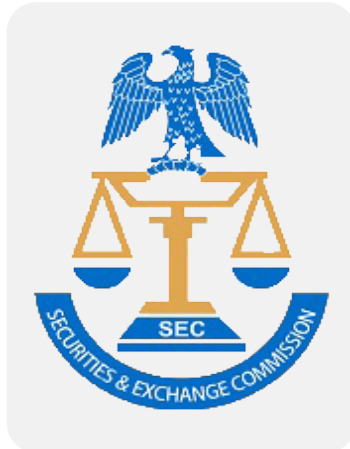


SECURITIES AND EXCHANGE COMMISSION



A WOMAN AS A CHIEF EXECUTIVE IN AFRICA

KEYNOTE ADDRESS

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1. I commend the Nigerian Institute of Advanced Legal Studies for this very successful Law Summit. The success of the Summit is evidenced by the quality of the presentations and discussions so far as well as the high level of attendance of key officials from all arms of Government, notably, our President Dr. Goodluck Ebele Jonathan who attaches significant value to the rule of law and the development of the legal profession in Nigeria. I am therefore honoured to share my perspective with you as a female Chief Executive Officer in Africa. I am also pleased to share my views on Gender and Law from my perspective as a female business leader because I believe that having women in decision making positions is critical to taking Africa to the next level.
2. In this respect, I will start by presenting key economic data for Africa as a whole and for Nigeria specifically. I will then outline the challenges that Africa still faces and highlight how gender can assist us with tackling these challenges. I will also review the barriers to leveraging gender, outline measures to address these barriers and conclude with a personal perspective as a woman CEO in Africa.

Key Highlights of the African Economy

3. Africa has a combined GDP of over \$2 trillion with a population of about a billion people, about 15% of the world's total population. It has one fifth of the world's landmass (more than China, India, the US, Japan and most of Western Europe put together). Despite the worst global recession since the 1930's Africa has enjoyed robust growth over the last 12 years. Since the turn of the 21st century, real GDP growth across Africa has averaged over 5.7% according to the IMF while the world economy grew, on average, 3.2% during the same period. Specifically, the Nigerian economy grew by about 7.1% per annual average between 2000 and 2011. In 2012 growth

slowed slightly to about 6.7% and in Q1 2013 growth rate in was 6.6% according to the NBS.

4. The implication of this growth is that over the past decade, Africa's GDP has more than tripled. According to *The Economist*, in eight out of the ten years from 2000 to 2010, Africa grew faster than East Asia. For the past seven years, six of the ten fastest growing economies have been in Africa. The IMF projects that five of the ten fastest growing economies in 2013 will be in Africa, in fact, the top three positions will be all African.
5. This unprecedented growth has many positive aspects including creating a burgeoning middle class with rising incomes. Specifically, Africa's middle class, those who make USD 2 to USD 20 per day has expanded from 196 million to 350 million within the last 10 years. The median age in Africa is just 20 — making it the world's "youngest" continent. As a result, by 2040, Africa's potential labor force is expected to be more than 1.1 billion people (about half of that number will be women!). This exceeds projections for the Chinese and Indian workforces. Africa's economic performance has been largely based on smart reforms such as remarkable progress in the area of political stability and governance, improved legal and regulatory environment, higher commodity prices and macroeconomic reforms.
6. According to the World Bank's 2013 Doing Business Report, among the 50 economies globally that have most improved their regulatory environment for business since 2005, the largest share — a third — are in Sub-Saharan Africa. In that ranking, eight African countries rank ahead of China, the highest ranked BRIC country.
7. Most African economies have also opened up to trade and investment. According to Ernst & Young's 2012 *Africa attractiveness survey*, over the past three years, the perception of Africa as a place in which to do

business has improved — and will improve further over the next three years. Ernst & Young estimates that the debt burden in Africa— measured as the stock of external debt to gross national income (GNI) — decreased from an average of 120% in 1994 to 21% in 2011.

8. The African economy continues to enjoy an impressive macroeconomic performance. In 2012, average inflation rate in Africa was 9.1% (although higher than other parts of the world where the average is 6%, it is a significant improvement from the highs of the period between 2007 and 2009). Fiscal balances were moderate in 2012 with average deficits of 2.5% of GDP (down from 3.1% in 2011. Renaissance Capital predicts that by the year 2050, there will be 2 billion Africans with a combined GDP of over \$29 trillion, this will be more than the combined GDP of the USA and the Eurozone today.
9. Our continent has become the preferred destination of investment capital as investors the world over have come to appreciate that our continent offers the best returns possible. Despite global challenges, net foreign direct investment remained high in 2012 at \$42.7 billion. Since In 2012, Ghana, Kenya and Nigeria were amongst the world's top ten performing stock markets. As at year-end 2012, the All Share Index rose by 35% and since the beginning of 2013, has risen by more than 32%, to 38,486.08 as at June 4, 2013. Market capitalization year to date is more than 12 trillion Naira (USD 80 billion). The fixed income market in Nigeria has also witnessed remarkable growth. It is currently valued at about \$37.44 billion. Nigeria's Government bonds have been admitted into the J P Morgan, Barclays Global and Citi emerging market bond indices.

Challenges of Africa: Poverty, Unemployment, Income and Inequalities

10. In spite of these great improvements, analysts acknowledge that growth in Africa and in Nigeria has neither been sufficiently inclusive nor broad based. Unemployment rates remain high in most parts of Africa. Income inequality seems to be rising.
11. Africa accounts for a large share of the world's people living in absolute poverty (about 25%). Nearly 50% of the population in sub-Saharan Africa lives on less than \$1 a day. In addition to being one of the poorest regions in the world, Africa is also the world's second most inequitable region, after Latin America. The GINI coefficient, which measures income inequality, for Africa shows the extent of the problem. Between 2008 and 2009, the countries in Africa had the highest pre-tax Gini coefficient. South Africa was the world's highest that year at 0.70. In 2011, Nigeria's Gini index was 0.39, albeit an improvement from 0.488 in 2010.
12. Unemployment and underemployment are huge problems in Africa and are particularly more acute among the youth and women. Average unemployment rate in Africa is over 12%. Among the youth and women, the figure is over 20% according to The African Economic Outlook. In some countries, youth unemployment is over 50%. The World Bank estimates that 56% of Nigeria's youth are either unemployed or underemployed.

Addressing Gender inequalities can assist with inclusive and sustainable growth

13. Several studies have shown that gender diversity positively impacts performance at the company level and at the national level. For example, results from a McKinsey study which covered 89 listed companies in Europe that practice gender diversity (more than two female directors, or women holding leadership roles on the board) and

with a market cap of over 150 million dollars showed that these companies outperformed their sectors financially: Return on equity - 11.4% vs 10.3%; Earnings Before Interest and Taxes - 11.1% v 5.8% and; Stock price growth - 64% vs 47% in the 2005 – 2007 period. A related study by Ernst & Young, confirmed that gender diversity on boards has a positive impact on financial performance.

14. At 80.2 million, womenfolk make up 49% of Nigeria's population. If you are not paying attention to half of your population, you are like a locomotive operating with one engine instead of two.
15. Women and men bring unique attributes to the workplace. Research suggests that while men are more prone to risk taking, women are better at execution and developing teams. A winning team is therefore one that encourages women and men to equally contribute and realize their potential.
16. Women own 20% of small and medium scale enterprises in Nigeria and SMEs are the engines of job creation. A recent publication of Global Partnership for Financial Inclusion indicated that women in developed countries are starting businesses at a faster rate than men. This is corroborated by the findings of the American Express OPEN State of Women-Owned Businesses Report. According to the report, between 1997 to 2011 when the number of businesses in the US increased by 34%, women-owned businesses increased by 50%. In 2011, there were over 8.1 million women-owned businesses in America generating nearly \$1.3 trillion in revenues and employing nearly 7.7 million people.
17. It is also widely reported that women are on average better debtors than men. Grameen Bank in Bangladesh has 98% repayment rates for loans made to women. For a microfinance scheme in Delta State, the recovery

rate for loans made to women was twice as much as for loans made to men.

18. By virtue of the traditional roles that women play, they have a greater impact on society which is why you have widely acclaimed sayings such as 'When you educate a woman, you educate a village'. The critical role that women play in molding Africa's teeming youth further underscores the importance of addressing gender inequalities. However in Africa, women are often times discriminated against in health, education, labour market and even financial inclusion.

Gender Inequality Statistics

19. Africa is not the world's frontier performer in gender parity / equity. The Organization for Economic Cooperation and Development, OECD has fashioned the Social Institutions and Gender Index (SIGI), an index for measuring underlying discrimination against women in over 100 countries. While other indices measure gender inequalities in outcomes such as education and employment, the SIGI helps policy-makers and researchers understand what drives these outcomes. The SIGI captures and quantifies discriminatory social institutions - these include among others, early marriage, discriminatory inheritance practices, violence against women, son bias, restrictions on access to public space and restricted access to productive resources.
20. As a composite index made up of 14 unique variables, SIGI and its sub-indices provide powerful and interpretable tools to compare the level of underlying discrimination against women for over 100 countries and economies, allowing cross-country, regional and sub-regional analyses. The scores and ranking of each country is complemented with detailed country profiles which set the context and describe how social institutions discriminate against women with country specific information.

- 21 African countries constitute a disproportionately high percentage of the lowest ranked countries in the world on gender discrimination going by the evidence thrown up by SIGI across the years. This is scientific proof of institutionalized discrimination which translates into empirical evidence that Africa's significant population of women and girls have worse life chances than men.
- 22 While Nigeria is ranked 79 out of 86 in the 2012 Social Institutions and Gender Index, Morocco, Tunisia, Rwanda, Niger, and Uganda are ranked 17, 22, 28, 72, and 73 respectively and ahead of Nigeria. Nigeria poor SIGI ranking is corroborated by Nigeria's 2011 human developments index ranking of 156 out of 187 countries and its ranking of 120 out of 135 countries in the Global Gender Gap Index.
- 23 Empirical evidence from politics underscores Nigeria's weak scores. For instance, only 9% of the contestants for elective office in 2011 were women. Only 25 out of the 360 members of House of Representatives are women, only some 4% of local councilors are women and an even smaller percentage of women constitute chair persons of Nigeria's 774 local governments; there is no single female governor; there are only three deputy governors; women occupy fewer than 30% of all positions in Nigeria's public sector and only 17% of senior positions.
- 24 In terms of participation in economic activities, female representation manifests more in the SME subsector. They are however less likely to access credit and are therefore handicapped in sourcing capital for growing their businesses. Fletschner (2009) reports that women's access to financial resources is limited by biased lending practices by the banks and Institutions are yet to offer products that are tailored to women's preferences and constraints. The lot of women in Nigeria's corporate business landscape is far worse. Of the about 20 banks in the economy, no more than three have female CEOs. Out of over 200 quoted

companies on Nigeria's Stock Exchange (NSE), no more than five have female CEOs. Female representation on the Boards of these companies takes direct cue from their dismal showing as CEOs.

- 25 This is why we must celebrate, institutionalize and emulate the leadership that President Goodluck Ebele has shown on gender issues. As you know, he has not only delivered on an election promise to reserve more than 30% of his cabinet for women, but has also ensured that the women he appointed occupy strategic positions in his government, including the Chief Justice of Nigeria, the Coordinating Minister of the Economy and Minister of Finance. Others include Aviation, Defense, Education, ICT, Petroleum, Power, Women Affairs and Water Resources. He has also visibly supported women to deliver. His support of my work is well reported in the media and we have not disappointed him either. As I earlier mentioned, our capital market is one of the top performing markets in the world. The President has also established government sponsored initiatives such as the Youth Enterprise with Innovation in Nigeria (YouWIN), business planning competition. The second edition, titled YouWiN Women targeted female entrepreneurs below the age of 45, solely. This programme not only provides seed funding for young entrepreneurs but also provides them training as well as mentorship from successful business leaders.

Barriers to Gender Equality

26 Access to Education:

The 2010 Nigeria Education Data Survey revealed that on average, men have completed 1.5 more years of schooling than women in urban areas and 1.8

more years of schooling than women in rural areas. Males are more likely than females to attend primary school (64 percent versus 58 percent, respectively). It also showed that rural dwellers are about twice as likely to have no schooling as urban dwellers, 46 versus 20 percent, respectively. Zamfara State has the lowest net primary school attendance ratio of 15.8% while Ekiti State has the highest of 87.6% for females. In Jigawa State, has a female net secondary school attendance rate of 6.9%. 35% of women in Nigeria lack formal education as against 25% for men and only 4% of women have higher education as against 7% for their male counterpart.

27 Lack of Capital and Collateral/Property Rights

While access to capital is an important success factor for businesses, the limited access to capital has stifled opportunities for growth of African businesses. African women in general and Nigerian women in particular suffer from this the most. National Bureau for Statistics (NBS) 2009 data show that women are twice less likely to secure funding for their business than men in Nigeria. According to a World Bank report, only about 1% of Nigerian female entrepreneurs obtain capital from formal financial institutions. This limits them to relying on their own savings and retained earnings to fund their business operations. A lot of this could be attributed to bias but much of it also has to do with the lack of collateral among women due to our cultural inheritance systems that discriminates against women inheriting landed properties.

28 Insufficient relevant training particularly vocational skills and Entrepreneurship

It is not just access to education that is important. The quality of the education matters too. To prepare women for leadership, significant changes have to be made to our current curriculum to include adequate entrepreneurship training

that teaches young female students how to run businesses, vocational and digital skills.

29 Financial Illiteracy

Women are astute savers. In handling household finance, women learn the virtues of saving for the rainy day. This culture of saving and investing must be inculcated among female youth and nurtured amongst women. For this reason, SEC has a number of financial literacy initiatives. To commemorate this year's International Women's Day, we invited dozens of market women, female students from various schools in Abuja, female journalists and other female dignitaries to listen to an expert talk on securing their financial future. We intend to broaden such programs. We have leveraged Nollywood to create a better understanding of the importance of saving and investing. You can download two edutainment movies that we have sponsored – “Breeze” and “Easy Money”

30 Insufficient female representation on Boards

While Norway has achieved 40% Board level female representation, Nigeria has only achieved 7%. This could be because of Norway's introduction of mandatory quotas in 2003. In a 2011 report by the European Parliament's Committee on Women's Rights and Gender Equality, leaders called for legislation to be introduced enforcing female representation in corporate management bodies of 30 percent by 2015 and 40 percent by 2020. We will be assessing the possibility of introducing similar measures in Nigeria given the importance of diversity to corporate performance.

31 Our Current Laws

There are all kinds of gender insensitive provisions in our laws that hinder the upward mobility of women. You are familiar with the discriminatory native and customary laws. Here are some other examples:

32 Sections 55, 56, 57 of the Nigerian Labour Act:

These sections empower the Minister of Labour to make regulations that prohibit women from undertaking certain jobs. The sections are discriminatory to the extent that they limit women's access to work yet the International Equal Remuneration Convention of 1951 calls for equal job opportunities for men and women.

33 **Regulations 121-127 of the Police Act(now amended) :**

The Nigeria Police Act used to be another discriminatory Act before the recent amendment in 2013. Though now amended, Regulations 121 – 127 of the old Act discriminated against women on the basis of their gender. Regulation 124 mandatorily demanded every policewoman desirous of marrying, to first apply to the Commissioner of Police of the state she is serving, requesting permission to marry. Ironically, no such requirement was imposed on her male counterpart who wished to marry. Furthermore, Regulation 127 provided that unmarried Policewoman who becomes pregnant shall be discharged from the Force.

It is heartwarming that the said Act has been amended and unfavourable sections expunged.

34 Taxation Law :

The Nigerian Tax Law operates under the assumption that a man is the “bread winner” of the family and hence only men enjoy tax exemption, it fails to take cognizance of the fact that there are also single mothers with dependants, and as such ought to enjoy similar tax exemptions. This unequal taxation offends Article 2 (1) of the Committee on the Elimination of Discrimination against Women (CEDAW), which guarantees equal pay for equal work, as well as equal treatment, for both sexes.

Given the Institute's role in promoting first class research in the legal profession, I recommend that the Summit establish a technical committee to vet our laws and isolate those aspects which offend gender sensitivity with a view to subjecting them to the due process of review and amendment within a specified and definite time frame.

Conclusion

33 In addition to what society should do, women themselves, their mentors, family members especially parents and husbands must take steps to prepare and support women for leadership positions. This has clearly been true of most successful female chief executives in Nigeria. As we continue deliberations on the key challenges facing African women, on fact remains incontrovertible, that women are capable of exceeding expectations when given the opportunity to serve.