Towards Understanding Women Entrepreneurship in MENA Countries

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Abstract
Over the past 30 years there has been an increase in the number of women entering self-employment and business ownership driven by the political, economic and technological transformations occurring everywhere. These changes created economic opportunities for women who are willing to own and operate businesses. Middle Eastern women were no exception and increasingly they are turning into entrepreneurship at unprecedented rates and became a phenomenon that requires in-depth study and analysis.

The main purpose of this research is to get a thorough and deep understanding of women entrepreneurship in the Arab countries participated in Global Entrepreneurship Monitor Cycles for 2009 and 2008.

Due to the lack of literature discussing women entrepreneurship in Middle Eastern context, the research highly recommends developing theories exploring women entrepreneurs based on the particularities of MENA countries.

Introduction

In recent years, there has been a considerable and growing interest in entrepreneurs and entrepreneurship (Kirby, 2003) at both national and international levels because it symbolizes innovation and a dynamic economy (Orhan, 2001). Nevertheless, the topic of female entrepreneurship has been relatively neglected both in society and the social sciences, despite the fact that generations of women from across the world have contributed to their environment, demonstrating encouraging signs of entrepreneurial spirit (Global Entrepreneurship Monitor, 2004).
Women entrepreneurs and their businesses is a rapidly growing segment of the business population creating a variety of new ventures and contributing to the development of a range of services and products. Nevertheless, the share of women entrepreneurship is still significantly low when comparing women’s participation rate to that of their men counterparts (Minniti, 2003).

In Middle East and North Africa, women’s entrepreneurship is increasingly recognized as an important factor for economic growth and development (CAWTAR, 2007). However, their share is far lower than in the other middle-income regions of East Asia, Latin America and the Caribbean, and Europe and Central Asia (World Bank, 2007). In addition to the lack of quantitative and qualitative data describing women entrepreneurs, thus it was deemed necessary to study this phenomenon.

**Objectives**

In 2009, 10 Arab countries, among other 54 countries participated in the annual cycle of Global Entrepreneurship Monitor, which is an international research programme aimed at measurement of the national level of entrepreneurial activity by assembling relevant harmonised data from a number of countries on an annual basis.

Although there is a prevailing assumption that the Middle Eastern countries are a collection of similar states due to the common if hardly identical religious, cultural and ethnic profiles of the region's nations, elements of a common historical narrative, and a range of shared political, security, diplomatic, and economic challenges (Bodewig, 2005), nevertheless the MENA countries vary in size, natural
and energy endowments, income levels, human capital and skills, social and political structures and institutions.

Women’s entrepreneurship, particularly in the Middle East, deserves attention, in order to access an underutilized resource and increase economic growth, entrepreneurship can offer new opportunities for women and hence generate income and create wealth for themselves, their families and countries. Thus the main objective of this research is to get a thorough and deep understanding of female entrepreneurs in the Arab countries who participated in the GEM 2009 cycle in addition to Egypt, through looking at their personal traits and their enterprise’s characteristics using cross-country comparison.

Methodology

The main aim of this research is to understand women entrepreneurship in MENA countries in general and in 7 Arab countries participating in Global Entrepreneurship Monitor 2009 cycle under the umbrella of IDRC (the countries are Algeria, Jordan, Lebanon, Morocco, Syria, West Bank and Gaza and Yemen) and Egypt who participated in 2008 cycle, in addition to shedding light on Tunisia, Saudi Arabia and United Arab Emirates (who participated in 2009 cycle but conducted the survey as individual countries).

In order to understand women entrepreneurship in MENA countries, the researcher used different sources and methods for data collection:
1. Secondary data. Where the researcher relied on surveying the literature pertinent to the topic, including the statistical tables, publications issued by
governmental and non-governmental organization, research papers, articles and editorials.

2. The Adults Population Survey (APS), which is the main tool for data collection used by GEM. It provided a comprehensive set of data about women involved in entrepreneurial activities throughout the region. The researcher exploited the following data in order to profile women entrepreneurs and their enterprises:
   
a. The demographics of women entrepreneurs
   b. The characteristics of women-owned enterprises
   c. Access to Finance
   d. Social networks
   e. Training and education
   f. Expectations of growth

3. Primary data, generated using a questionnaire, which was distributed on a group of women who are categorized as being entrepreneurs and who own and run their businesses. The judgemental sampling technique used to select these women, based on prior knowledge of the researcher and use of different networks in different countries. The aim of this questionnaire was to get a thorough understanding of the factors affecting women. The main points that were tackled in the questionnaire are:
   
a. Influencing factors in the decision to launch a venture:
   b. Problems encountered by female business owners:

**Literature Review**

Although women entrepreneurship is expanding around the world, yet very few women entrepreneurs made it to the frontier and captured the attention of the
media. In Arab countries, very little is still known about women entrepreneurs and as Lamsky (2005) has recognised.

**Women in the Middle East**

Although Islam proclaimed woman capable of exercising all her rights with no exception and to pursue her social and economic activities, yet, women in the Middle East, like women in many different parts of the world, struggled against inequality and restrictive practices in education, economic participation and family roles. Many of these oppressive practices and limitations are said to emanate from local cultural traditions (Nazir, n.d.), and creating obstacles towards rights and liberties reflected in laws dealing with criminal justices, economy, education and health care.

However, over the last five years, important steps have been made to improve the status of women; 14 out of 17 Arab countries have recognised some gains (Kelly, 2010). Women have become more visible participants in public life, education and business throughout the region. In terms of Education, primary school enrolment is high in most MENA countries (Fahimi and Moghadam, 2004), and gender gaps in secondary school enrolment have already disappeared in several countries. This rise in education is reflected through the slowly growing number of working women, which is also the result of slowly changing cultural attitudes and in some countries.

Nevertheless, statistics on women’s rates of participation in economic activities in the Arab region show these to be lower than in any other part of the world (UNDP, 2005), on average, only 28% of the adult women in the Middle East is economically active, the lowest rate in the world (Freedomhouse, 2010). This is due
to many factors; some of which are, the slow growth in the region predisposes economies towards low demand for female labour. In addition, the traditional view that men are the breadwinners further obstructs the employment of women and contributes to an increase in women’s (blatant) unemployment relative to men (UNDP, 2005); the uncertain security situation and internal political tensions, especially in Yemen and West Bank and Gaza (Freedomhouse, 2010) imposing constraints on women and limiting their access to employment opportunities, access to education and freedom of movement; and the Arab culture that defines the roles of men and women, men are expected to support their families and women to take care of house and family and hence culture promoted that the right place for the woman is her house.

Nonetheless, the situation of women in the Middle East has seen lots of changes, all aiming at improving the overall status of women. More women are turning into entrepreneurship and hence contributing to the development and economic growth of their countries. Women’s capacity to become successful businesswomen and entrepreneurs can be highlighted against a backdrop of economic, social and demographic changes in the Middle East and North Africa (MENA) countries and the real need to create and supply jobs for a young and well-educated workforce. The following paragraphs shed light on these changes and its consequences.

**Women Entrepreneurs in MENA countries**

In most of the Arab world countries’ constitutions, women and men were declared equal in terms of rights and obligations. No law that prohibits women’s work or ownership of a business exists. However the business environment in MENA
region is still highly affected by gender issues. Women entrepreneurs have their fair share of challenges and constraints that hinder their economic participation and thus make their contribution rates lower than men.

It is noticeable that not only women in MENA region face such constraints. There is yet no country in the world where women’s share of business ownership constitutes the majority (Carter and Jones-Evans, 2006). This share varies from one country to another, but reasons underlying this phenomenon might be almost the same, especially that many of the barriers and constraints that women experience are gender specific (Carter and Allan, 1997). Arab women entrepreneurs are faced with external barriers such as lack of financing, exclusion from male-dominated informal networks and the social attitude that business ownership is a male activity. Such barriers are mainly informal barriers based on cultural norms, values and customs (Mohsen, 2007). For example, in Egypt, one of the factors influencing level of women’s entrepreneurial activity is the low participation rate of women in workforce (SMEpol, 2007), which means that women lack the opportunity to gain business skills and experiences required to start and manage a business. In Lebanon, the 2006 conflict has destroyed the infrastructure (IFC, 2007) and thus limiting female mobility within the region. In Syria, women have little access to financial services, in addition to low education attainment levels (Katta and Hussien, 2009). In Jordan, businesswomen claim that their male counterparts receive more favourable treatment when apply to loans from bank, which limits their access to credit (IFC, 2007) in addition to lack of effective business training. In Yemen, although the laws pertaining to MSMEs are relevant to all owners, regardless of gender, the impacts of these
requirements affect men differently from women because of women’s different socially defined roles and limited access to networks (IFC, 2006).

APS Data Analysis

The lack of studies in the MENA region discussing women entrepreneurship has promoted the execution of this study in order to get a deep and thorough understanding of the phenomenon that is, though slowly, spreading.

In 2009, 10 Arab countries, among other 54, countries participated in the annual cycle of Global Entrepreneurship Monitor (GEM). These countries vary in the level of their economic development based on the level of GDP per capita and the extent to which these countries are factor-driven in terms of the shares of exports of the primary goods in total exports according to Global Competitiveness Index. These countries are:

2. Efficiency-Driven: Jordan, Tunisia
3. Innovation-Driven: United Arab Emirates

Women's Entrepreneurial Orientations (Attitudes and Perception)

For many individuals, the entrepreneurial process starts with a personal assessment dealing with attitudes and perceptions towards entrepreneurship (GEM, 2007). According to data collected through the APS as part of GEM 2009 cycle (and 2008 cycle in case of Egypt), women in MENA region have a positive attitude towards entrepreneurship (Table 1).
Table 1
Entrepreneurial Attitudes and Perceptions Of women in MENA countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Knows someone who started business in past 2 years</th>
<th>Good cond to start business next 6 months in area I live</th>
<th>Has required knowledge/skill s to start business</th>
<th>Fear of failure would prevent starting a business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>39.84</td>
<td>46.35</td>
<td>66.67</td>
<td>28.77</td>
</tr>
<tr>
<td>Algeria</td>
<td>49.45</td>
<td>48.03</td>
<td>43.23</td>
<td>32.37</td>
</tr>
<tr>
<td>Tunisia</td>
<td>35.07</td>
<td>11.25</td>
<td>33.47</td>
<td>26.27</td>
</tr>
<tr>
<td>Egypt</td>
<td>48.1</td>
<td>47.95</td>
<td>68.7</td>
<td>35</td>
</tr>
<tr>
<td>Lebanon</td>
<td>37.89</td>
<td>55.81</td>
<td>67.04</td>
<td>29.96</td>
</tr>
<tr>
<td>Jordan</td>
<td>32.1</td>
<td>44.93</td>
<td>40.08</td>
<td>46.6</td>
</tr>
<tr>
<td>Syria</td>
<td>24.66</td>
<td>49.47</td>
<td>48.93</td>
<td>28.31</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>19.87</td>
<td>71.54</td>
<td>60.88</td>
<td>46.83</td>
</tr>
<tr>
<td>Yemen</td>
<td>33.26</td>
<td>12.49</td>
<td>65.04</td>
<td>47.95</td>
</tr>
<tr>
<td>West Bank &amp; Gaza Strip</td>
<td>33.89</td>
<td>48.44</td>
<td>36.46</td>
<td>45.44</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>32.37</td>
<td>36.59</td>
<td>45.55</td>
<td>39.38</td>
</tr>
</tbody>
</table>

** Source : GEM APS 2009 & GEM APS Egypt 2008

Starting a business requires some basic skills such as planning, technical skills, marketing and monetary skills. When women were asked if they think they have the required skills to start a business, women in Lebanon showed a great confidence in their knowledge, followed directly by Morrow and Yemen. Women in Saudi Arabia demonstrated confidence on their knowledge of how to start a business and ranked fourth. Though these figures are expected for Lebanon and Morocco, yet it was not the case of Saudi and Yemen, where women are still struggling to get their basic needs. Women in Tunisia were the last on the list which is something unpredicted as women in Tunisia have long enjoyed rights for which women in other countries within the region continue their struggle to acquire.

Fear of failure is a major inhibiting factor prevents people from pursuing their ideas. Low fear of failure means that the entrepreneur is prepared to risk things going wrong and can handle setbacks without being deterred. When women were asked whether fear of failure would prevent them from starting their own businesses, the answers varied, between low rate as in the case of Tunisia and Syria, 26.27% and
28.31%, respectively to high rate as in West bank and Gaza, Saudi Arabia and Yemen, i.e. 45.44%, 46.83% and 47.93% respectively.

When women were asked whether people in their countries perceive starting a new a business a desirable career choice, the majority of women were very positive about it, in case of Yemen, 97% of women said yes. It is noticeable that the highest rate was among the factor driven economies, Yemen, Syria, West Bank and Gaza and Lebanon respectively.

**Figure 1**
Starting Business is a Desired Career Choice, Women, MENA Countries

![Bar chart showing starting business as a desired career choice for women in MENA countries](chart)

**Women’s Early-Stage Entrepreneurial Activity Prevalence Rates**

The early-stage entrepreneurs include “entrepreneurially-active” adults aged 18-64 who are in the process of setting up a business that they will own wholly or in part (nascent entrepreneurs) and/or who currently own and manage an operating young business that is less than 3.5 years. The early-stage entrepreneurial activity (TEA) prevalence rate of the adult population is presented in Figure Two.
The TEA rate is unexpectedly low across all countries regardless the level of its economic development with a high disparity between countries, ranging from 19% in case of Yemen to less than 1% in case of Saudi Arabia. TEA rate is the highest among factor-driven economies, i.e. Yemen, Algeria, Morocco and Lebanon, respectively. UAE, although considered as innovation driven economy, but TEA for women is low compared to its level of economic development and is positioned almost in the middle among other countries. Although women in SA see good conditions in their area to start business in the coming 6 months (71.5%, Table 1), however they have high fear of failure (almost 50%).

Figure 2

Early-Stage Entrepreneurial Activity (TEA), Women, MENA countries

Women's Entrepreneurial Motivation

GEM distinguishes “necessity entrepreneurship,” which has to become an entrepreneur because you have no better option, from “opportunity entrepreneurship,” which is an active choice to start a new enterprise based on the perception that an unexploited or underexploited business opportunity exists (Acs, 2006). Table Two presents the ratio of opportunity to necessity entrepreneurship for women in MENA
countries revealing an interesting behaviour. It is noticeable that women are driven by opportunity rather than necessity except in the case of West Bank and Gaza Strip.

### Table 2

**Motives for Early-Stage Entrepreneurial Activity**

<table>
<thead>
<tr>
<th>Country</th>
<th>Opportunity Motive</th>
<th>Necessity Motive</th>
<th>Ratio of “Opportunity” to “Necessity”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>9.33</td>
<td>3.04</td>
<td>3.07:1</td>
</tr>
<tr>
<td>Jordan</td>
<td>2.63</td>
<td>1.35</td>
<td>1.95:1</td>
</tr>
<tr>
<td>Lebanon</td>
<td>7.88</td>
<td>1.67</td>
<td>4.72:1</td>
</tr>
<tr>
<td>West Bank &amp; Gaza Strip</td>
<td>1.58</td>
<td>1.58</td>
<td>1.00:1</td>
</tr>
<tr>
<td>Yemen</td>
<td>11.04</td>
<td>6.3</td>
<td>1.75:1</td>
</tr>
<tr>
<td>Egypt</td>
<td>4.7</td>
<td>1</td>
<td>4.70:1</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>5.39</td>
<td>0.87</td>
<td>6.20:1</td>
</tr>
<tr>
<td>Tunisia</td>
<td>3.38</td>
<td>1.11</td>
<td>3.05:1</td>
</tr>
<tr>
<td>Syria</td>
<td>2</td>
<td>1.13</td>
<td>1.77:1</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>0.71</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>8.85</td>
<td>2.94</td>
<td>3.01:1</td>
</tr>
</tbody>
</table>

The “zero’ necessity motive and the low opportunity motive in case of SA indicates the low participation on entrepreneurship or not starting a business. While women in West Bank and Gaza are driven by both motives and with the same intensity, and this is due to unstable political situation leading to worsening economic situation, creating need for capturing any opportunity in the market to start a business and, at the same time, to alleviate poverty and support family on one side and as a substitute for employment as Palestinian women’s participation in the workforce is among the world’s lowest rates (Frykberg, 2010).

### Demographics and Entrepreneurial Activity for Women in MENA Countries

The TEA rate for women in MENA countries was calculated for different age, education, marital status, labour force status and regional variations groups. The following sections present the results of this demographic analysis.
Age and Entrepreneurial Activity. Figure 3 shows that in most of the MENA countries, women aged 25-35 are the most entrepreneurially active. In UAE, the TEA rate for women who are 25-34 reached almost 50% and Jordan is little more than 40%. However, in Lebanon, women aged 34-45 are more active followed directly by the age group 25-35. In Yemen, the youngest group, 18-24 years old are the most active group and are either trying to start a business or already started one, their TEA rate is almost 43% or they comprise half of women entrepreneurs in the country. In Algeria and Egypt, the age group of 18-24 is ranked second in terms of its entrepreneurial activity.

It is noticeable that the involvement in entrepreneurial activities decreases with the increase in age, where women aged 55-64 are the least active; whereas, in Syria and UAE they are not involved at all in any entrepreneurial activity. Overall conclusion is women entrepreneurs in MENA countries are young and aged between 25-44 years old (the two age groups with the majority of entrepreneurs).

Figure 3
TEA Rate by Age Group – Women
Education and Entrepreneurial Activity. The TEA increases with education, till it reaches its highest rate among secondary certificate holders, the highest second TEA rate is for completed college/technical category and then university degree holders (Table Four). While the lowest TEA rate is in the categories with less or no education attainment. However, in some countries, like Egypt, Morocco and Yemen, women adults with no education at all are involved in entrepreneurial activities. On the other hand, the highly-educated women are less entrepreneurially active; their activity levels are low compared with women with less educational attainment. In case of Morocco, TEA rate for women with no education is 11%, while the TEA rate for post university certificate holders is zero%. In all countries and at all the levels of education attainment, Yemeni women who completed secondary education are the most entrepreneurially active with TEA rate of 68%.

Table 3
**Distribution of Women and Early-Stage Entrepreneurs by Level of Completed Education – MENA Countries**

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>SY</th>
<th>JO</th>
<th>LB</th>
<th>AZ</th>
<th>Pal</th>
<th>Ye m</th>
<th>MO</th>
<th>EG</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>11%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>No formal Education but reads and writes</td>
<td>0%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>3%</td>
<td>6%</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some Elementary</td>
<td>6%</td>
<td>5%</td>
<td>1%</td>
<td>2%</td>
<td>9%</td>
<td>0%</td>
<td>7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed Elementary</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some preparatory</td>
<td>10%</td>
<td>5%</td>
<td>4%</td>
<td>1%</td>
<td>6%</td>
<td>0%</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed preparatory</td>
<td>3%</td>
<td>5%</td>
<td>13%</td>
<td>8%</td>
<td>9%</td>
<td>3%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some Secondary</td>
<td>6%</td>
<td>14%</td>
<td>8%</td>
<td>25%</td>
<td>24%</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Completed Secondary</td>
<td>23%</td>
<td>42%</td>
<td>11%</td>
<td>17%</td>
<td>18%</td>
<td>68%</td>
<td>11%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Some College / Technical</td>
<td>6%</td>
<td>0%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
<td>10%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed College / Technical</td>
<td>13%</td>
<td>12%</td>
<td>17%</td>
<td>2%</td>
<td>12%</td>
<td>1%</td>
<td>2%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Some University</td>
<td>3%</td>
<td>5%</td>
<td>12%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed university</td>
<td>16%</td>
<td>7%</td>
<td>25%</td>
<td>25%</td>
<td>18%</td>
<td>1%</td>
<td>0%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Some Post Graduate</td>
<td>3%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed post graduate</td>
<td>6%</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Labour Force Status and Entrepreneurial Activity.** TEA rate was calculated for different types of attachment to work groups, i.e., full-time employee, part-time employee, self-employed, unemployed, retired, housewives and students. Figure Four shows that TEA rates vary for the different types of employment and within countries. In general, the highest TEA for all categories and in all countries was for Lebanese women who are self-employed and it reached 63%. TEA is largely high for women who are self-employed in most of MENA countries except in Yemen. In full-time employment category, the TEA for women in UAE is the highest (44%), then Yemen (43%) and Egypt (36%) while it is as low as 3% and 5% in Morocco and Jordan, respectively. For the women whose labour force status falls in the categories of students, unemployed and seeking, and unemployed due to retirement and disability, the involvement in entrepreneurship is low and the TEA is low and in most of the cases doesn’t exceed 5%, except in Yemen, where TEA for female students is 26% and this can be attributed to economic situation, which makes students work in order
to cover their expenses. Being housewives didn’t stop women from pursuing entrepreneurship, TEA rates vary, from as high as 50% in case of Jordan to 35% for Egypt to as low as 8% in UAE.

**Figure 4**

**Labour-Force Attachment of Early-Stage Women Entrepreneurs**

![Graph showing Labour-Force Attachment of Early-Stage Women Entrepreneurs](image)

**Regional Variations and Entrepreneurial Activity.** Women were asked to classify the regions where they live into urban and rural. In Algeria and Palestine women who are living in rural regions are more entrepreneurially active; the TEA prevalence rates are 58% and 53% respectively (Figure Five). Nevertheless, the TEA rate is higher for the urban areas in the rest of countries compared to rural. In Jordan, Syria and Yemen, women who are entrepreneurially active in the urban areas are 91%, 74% and 66% respectively.

**Figure 5**

**TEA Prevalence Rates by Region, MENA countries**

[Type text]
**Marital Status.** TEA is high among married women (Figure Six) in all the 7 MENA countries. TEA rate reaches up to 88% in Palestine and 77% in Jordan for married women. Single women are also actively participating in entrepreneurial activities, yet with lower rates than married women, in Palestine and Jordan the TEA rates is lower than other countries (9% and 14% respectively). The participation of divorced and widowed women in entrepreneurship is very low and insignificant in all the countries and the TEA doesn’t exceed 5%. In Palestine it is zero% for divorced women, and in Syria it is zero% for widowed women.
Characteristics of Women-owned enterprises in MENA Countries

In order to complete our understanding of women entrepreneurship in MENA countries, it is important to shed light on their enterprises.

Start-up capital. Due to the differences in the purchasing power of the local currencies of the Arab countries participating in GEM, which in turn is reflected in the value of the currencies compared to each other’s and hence start-up capital requirements will be different, it wouldn’t be possible to compare the start-up requirement among countries. Both women and men were asked whether they will provide the start-up capital completely by themselves or will seek external fund. Women more than are likely to depend on external resources to fund their projects (Figure Seven). The only exception is Jordan where more than half of the women will finance their start-up capital requirements by themselves.

Figure 7
The total amount of money required self-provided, Men and Women

[Type text]
Employment Prospects. Figure Eight shows that women-owned enterprises are small in size in terms on number of jobs they create. In Morocco and Syria, the majority of businesses is based solely on the business owner. The pattern of being owner-manager-employer at the same time can be seen in other countries, like in Lebanon, Palestine and Egypt to a lesser extent. In Syria, women owned-businesses don’t create more than five jobs. In Lebanon, Algeria, Jordan and Egypt, business owners provide 1-5 jobs mostly. However, very few businesses provide more than 20+ jobs and this can be seen only in Jordan, Lebanon and Algeria. In Yemen, the number of jobs created is between 6 and 19.

Figure 8
Current Number of Jobs, Women

Enterprise Sectors. The survey attempted to spot the firm type that attracted mostly the early stage entrepreneurs and thus started their businesses within this sector. Adult population were asked to choose their firm type from four categories; consumer oriented firm, business service, transforming activities and extractives activities firm. Both men and women in all the Arab countries were actively working in the consumer oriented firms (Figure Nine). Except in Egypt, men are active in the transformation sector. While Business service firms are the least attractive for women.
Transformation sector is ranked 2\textsuperscript{nd} in its attraction to women followed by extractive sector, however, in Lebanon, women are not involved in any activity related to the extractive sector.

Figure 9
Firm Type, Men and Women in MENA countries

Export Orientation. Women entrepreneurs participated in the survey were asked whether they have customers outside of their respective countries or not and if yes what is their percentage (Figure Ten). In Egypt and Morocco, majority of women don’t have customers outside the country (60% and 66% respectively). In other MENA countries, women-owned enterprises export part of their products and services with various rates. In Yemen, 100% of women-owned enterprises have less than 10% out of the country, while in Egypt, Syria and Algeria, 2%, 17% and 9% respectively of women owned enterprises have more than 90% of their customers out of their countries.
**Questionnaire Analysis**

Women in MENA countries, like women in other parts of the world, are looking for better standards of living. They realised the particular nature of their societies and endeavoured to achieve for themselves what others can’t do it for them. When women were asked about what made them launch their ventures, the answers varied across the region. In Jordan, women start their own ventures to contribute to their family’s income and at the same time, spend more time with their families and enjoy the flexibility in allocating time between house and work. In Egypt, it is to pursue an opportunity, either to fill a market need or to fulfil a desire inside them to start something they own. However, many women in Egypt are driven by the lack of choices in terms of working opportunities, no other way to create income under worsening economic conditions. In Syria, it is a mean to balance between their work outside the house and their care responsibilities, as many of them act as heads of households, which is in turn reflected in their desire to generate extra income. In Lebanon, it is the desire to enhance their role in the economy especially with the
unstable political situation. They also seek to sustain themselves and their families and move away from the typical stereotype of the Lebanese woman.

In Palestine, it is to alleviate poverty especially with the unstable political situation which contributes to deteriorating not only women’s status in the community but the stability of families in specific and society in general. In Yemen, women try to circumvent the distressed economic situation by starting their businesses, in addition to attempting to take control of their lives. Women in Algeria are trying to achieve self-sufficiency through self-employment and prove that they are active players in economic development of the country. In Morocco women are driven by the desire to be economically independent and to contribute to the overall economic progress within the country. Table Four recaps the main factors behind women’s pursuit of entrepreneurship in MENA countries.

**Table 4**  
**Influencing Factors In The Decision To Become Entrepreneurs**

<table>
<thead>
<tr>
<th>No.</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Flexibility in time-allocation between family and house</td>
</tr>
<tr>
<td>2</td>
<td>Income generation</td>
</tr>
<tr>
<td>3</td>
<td>Use the time in something useful and be productive</td>
</tr>
<tr>
<td>4</td>
<td>Dissatisfaction with current job</td>
</tr>
<tr>
<td>5</td>
<td>Self-actualization</td>
</tr>
<tr>
<td>6</td>
<td>Financially and economically independence realization</td>
</tr>
<tr>
<td>7</td>
<td>Attainment of status in the society</td>
</tr>
<tr>
<td>8</td>
<td>Contribution to the Economic progress of the country</td>
</tr>
</tbody>
</table>

Although the percentage of women-owned enterprises is in increase, yet women are still facing many constraints and difficulties that may hinder the growth and development of their businesses. Women were asked to specify the problems they encounter in their attempt to manage and run their ventures.
The answers showed that women in MENA countries face almost the same constraints although their degree varies from one country to another and may manifest itself differently, due to the combination of the different prevalent factors in each country (i.e. social, economic, political, etc.). For example, in Morocco, women are faced with cultural limitations that restrict their image to a typical housewife, but in Yemen these cultural constraints slow down their public and economic participation and limit their entrepreneurial opportunities. In Jordan, access to finance poses itself as a hindering factor in addition to the complicated and bureaucratic business registration process.

There was almost a consensus among women on the role played by the prevailing culture in MENA countries on holding them back not only in terms of owning and running the business but when it comes to their rights in education, movement, joining workforce, political participation and freedom of choice. They believed that norms, traditions and attitudes of the conservative society pose a burden on them. They feel their societies still perceive them as housewives no matter how educated they are or how successful in their businesses they are. More women are leaving their traditional role and trying to play a more active role, yet the society still handles their work with discomfort.

The traditional role puts another limiting factor on women entrepreneurs which is the work-home role conflict. The combination of two jobs, one at work and one at home, is difficult for women in MENA countries where poverty and lack of infrastructure can make the most basic tasks harder and time-consuming for them. Owning a business as itself requires full dedication and attention from women, but
with the presence of chores limit their abilities to devote enough time and efforts to growth their businesses.

Of the constraining factors facing women entrepreneurs in MENA countries is the laws and regulations, though there is no law that forbids women’s ownership of business of any type, however women believed it is the applications of these laws that slow down their entrepreneurial endeavours. Women expressed their dissatisfaction with the mechanisms with which laws and regulations are applied, stating that they feel that it discriminates between them and men and working in favour of men.

Access to finance, though is universally known to be one of the main obstacles facing entrepreneurs, is negatively affecting women in MENA. Women reported though they think that their men counterparts also face the difficulties in securing finance, they feel it is more difficult for them and they sensed gender-discrimination especially when applying for loans from banks, who, according to women, require male guarantor and to provide more collaterals. Also, when they seek funding from their families or friends, they feel they are not sometimes taken seriously. However, on a positive side, they expressed “somehow” their satisfaction with micro-credits organisations, due to their “softer” stipulations compared to banks.

Another factor that may hold up women’s venture’s growth is the complicated and cumbersome business environment. According to MENA women, procedures are complex, length and costly, i.e. obtaining licenses and permits. Paying taxes and other contributions (i.e. social insurance) and bankruptcy and exit procedures, all are working against them and hence may drive them towards the informal sector. Lack of
training and support services also perform against the growth of women’s entrepreneurship. Women stated that they don’t possess the required knowledge or skills of a successful businesswoman though they believe that they cannot grow without the right tools and skills and at the same time, they find it hard to acquire these skills, due to its cost or scope.

Other hindering factors are the political instability and war threats (which is most obvious in West Bank), lack of skilled and dedicated labour, the limited market expansion opportunities, poor infrastructure, lack of access to technology and innovation and high fertility rate.

In Yemen, West Bank, Jordan and Syria the effect of these factors are obvious in limiting female entrepreneurship but in a more positive side, women feel that their family support mitigates the consequences of these limiting factors. In Jordan, Morocco and Syria, the efforts exerted by the First Ladies also worked towards encouraging women to be active participants in the economic life within their countries.

**Findings and Recommendations**

**Findings**

1. The early-stage entrepreneurial activity (TEA) prevalence rate of women in the MENA countries vary. In Yemen it is as high as 19% and in Saudi Arabia is as low as 0.71% and the rest of countries fall between those two rates.
2. Women have positive perception towards entrepreneurship.
3. Fear of failure is low among women in the MENA countries.
4. Women start their businesses driven by opportunity rather than necessity.

5. The demographics of the early stage women entrepreneurs can be described as, educated with post-secondary certificates and higher, their age fall between 25-44, married, live in the urban areas of their countries and they are working as full-time employees or self-employed.

6. Women’s involvement in entrepreneurship increases with the increase in the household income till it reaches certain level and then starts decreasing.

7. The main characteristics of women entrepreneurs’ enterprises are 1) more likely to be in consumer oriented businesses, 2) small ventures hiring between 6-19 jobs; and 3) 10% or less of their customer outside their countries.

8. Most women entrepreneurs will seek external sources to finance their start-ups.

**Recommendations**

A research should be conducted for each of the countries included in this research. Although there is a prevailing perception that all Arab countries are the same, which is partially true, due to the common religion, language, norms, etc., however, the region is heterogeneous and MENA countries vary in terms of size, natural and energy endowment, human capital and skills and social and political structures. Thus it is important to understand the effect of each country’s particular factors on women entrepreneurship.

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