

# **Gender Entrepreneurship Markets (GEM)**

## **International Finance Corporation (IFC)**

### **GEM Country Brief – Tunisia 2007**

The Gender Entrepreneurship Markets (GEM) Country Brief series is intended to provide an overview on the status of women entrepreneurship in countries of the Middle East and North Africa (MENA) region. The focus of IFC'S PEP MENA GEM program is to expand women's participation in the private sector by providing support to growth-oriented small and medium enterprises and expanding women's employment opportunities.

#### **Labor Force Participation**

Female labor force participation in Tunisia has increased over the years. However, "the increased number of educated females and the progress made in acceding to their reproductive rights have not translated into an equally massive participation of women in the labor force which progressed slowly to reach 33 percent of the overall active population in 2003 against 25.3 percent in 1999"<sup>1</sup>.

Women in Tunisia also 'constitute a large part of the unskilled labor force in the food and the garment and knitwear industries, and the share of female workers in factories producing for export markets is particularly high.'<sup>2</sup> Discrimination in the industrial sector exists where a UNIDO report showed how 'women's industrial employment' was 'characterized by horizontal segregation (access only to a narrow range of "feminized" jobs in textiles/garments, leather, and food processing) and vertical segregation (location at the lowest echelons of the hierarchy), thus receiving between 20-25 percent less than the wages given to men.'<sup>3</sup> While female labor force participation rates have been unprecedented, such discrimination still persists. However, government policy towards a more positive discrimination to encourage female participation aims to remedy such problems in the labor market.

#### **Women-owned businesses in Tunisia**

A CREDIF and UNDP on women's entrepreneurship in Tunisia showed that the survival rate after five years for women-owned start-up businesses was almost twice as high as for businesses started and owned by men. <sup>4</sup> Women-owned businesses have been growing over the years as more and more women are encouraged through country policies and entrepreneurial opportunities to set up their own businesses. In 1994, the number of women entrepreneurs was 4,950, with 85 percent in industry and crafts, 8 percent in commerce and 7 percent in services. The *Chambre nationale des femmes chefs d'entreprise* (CNFCE – the National Chamber of Women

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<sup>1</sup> World Bank Tunisia. 2005

<sup>2</sup> Valentine Moghadam 'Women's Industrial Employment in the Middle East and North Africa' in Forum, Vol. 2, No. 2, July 1995.

<sup>3</sup> ibid

<sup>4</sup> Valentine M Moghadam 'Women's Rights in the Middle East and North Africa: Citizenship and Justice: Country Report Tunisia' 14/10/05

Entrepreneurs) estimates that women entrepreneurs represent 8.5 percent of all entrepreneurs, employing some 100,000 people<sup>5</sup>.

A 2006 supported survey undertaken by the International Finance Corporation (IFC) and the Center for Arab Women Training and Research (CAWTAR) and implemented by CNFCE and the Institut Supérieur du Gestion (Tunisia) involving 197 women business owners, found that the female respondents were involved in three principal sectors of activities: 41 percent in services (business and personal), 25 percent in non-durable manufacturing (food, clothing, textiles), and 22 percent in wholesale and or retail trade, with only 10.66 percent in handicrafts.<sup>6</sup> In 2000, Tunisia was said to have some '2000 women heads of business enterprises; 1,500 women farmers and countless policewomen, attorneys and doctors.'<sup>7</sup> A 2003 study by the National Chamber of Commerce found a greater concentration of women's entrepreneurship in the District of Tunis (2100), followed by the central eastern part of the country (1091), with the number of women entrepreneurs in the North East being 542 women, North West 396 women, Central West 256, South East 173 and in the South West only 98 women entrepreneurs are working.<sup>8</sup> 'Women can be found in senior positions throughout Tunisian society, from Parliament and high-ranking civil servants to public agencies and private enterprises, from Universities even to the police and armed forces with at least one female air pilot in Tunis.'<sup>9</sup> In 1997, 1.3 percent of working women were employers and 15 percent were self-employed (compared to 5.8 percent and 21.2 percent of working men respectively)<sup>10</sup>.

### **Opportunities and Obstacles to Women's Enterprises and Business Expansion**

Businesswomen in Tunisia have come a long way, with the present generation overcoming social biases and prejudices which once dominated the public domain. 'The business success of Tunisian women is due as much to their own drive and ambition, as it is to legislation.'<sup>11</sup> Companies like Maille fil, a cotton spinning company owned and managed by the Bouchamaoui sisters testify to the kind of opportunities and avenues available to female entrepreneurs. 'With a strategy anchored on three fronts — quality, equipment and training programs for the labor force — the sisters have been able to carve a niche for their business,' working with designers like the children's clothes manufacturer Petit Bateau of France.<sup>12</sup> However, women entrepreneurs in Tunisia are in need of greater access to resources to be able to expand further<sup>13</sup>

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<sup>5</sup> World Bank. Draft MNA Women Entrepreneurship Institutional Study June 2005.

<sup>6</sup> International Finance Corporation and the Center for Arab Women Training and Research 'The Characteristics, Contributions and Challenges of Women Business Owners in Five MENA Countries: Bahrain, Jordan, Lebanon, Tunisia and the United Arab Emirates' February 2007.

<sup>7</sup> 'Equal pay for equal work for Tunisian women since 1957' The Washington Times July 10-14, 2000

<sup>8</sup> National Chamber of Women Entrepreneurs 'Breakdown of Women Entrepreneurs by Region' 2003

<sup>9</sup> Essma Ben Hamida 'Empowering Women through Micro-Credit: A Case Study from Tunisia' MDF3 Cairo, Egypt March 2000.

<sup>10</sup> World Bank, Tunisia: Gender Overview, September 2004

<sup>11</sup> *ibid*

<sup>12</sup> 'Equal pay for equal work for Tunisian women since 1957' The Washington Times July 10-14, 2000

<sup>13</sup> *ibid*

### **Access to Finance**

A 2005 study undertaken by CREDIF and the UNDP on women's entrepreneurship in Tunisia showed that 'women have difficulty obtaining financing and loans for new enterprises,' are 'less likely than men to request bank financing' being less willing to carry debt.<sup>14</sup>

Micro credit schemes directed towards female entrepreneurs have been instrumental in the expansion of women-owned businesses with women being more inclined towards micro credit than banking.<sup>15</sup> However, a 2001 study by CAWTAR discovered discrimination existing within the microfinance sector with male employees in the micro-enterprise sector earning on average 1.1 times the minimum wage, whereas the rate for female employees was 0.8.<sup>16</sup> Organizations like *Environnement et Développement dans le monde Arabe* ENDA have been working actively in the region providing micro credit to both male and female entrepreneurs. ENDA has particularly "provided female micro-entrepreneurs with opportunities to meet, network and develop their skills, creating 'a social safe-haven for them.'" <sup>17</sup> ENDA's micro-credit program in Hay Ettadhmen, the largest poor suburb of Tunisia provided 'the first source of institutional credit to unbankable low income women' with women representing more than two third of their clients. <sup>18</sup> ENDA's program was also awarded US \$150,000 as reward for winning the "2004 Micro Credit Helping to Achieve Millennium Development Goals" prize.<sup>19</sup> The Grameen-Abdul Latif Jameel Initiative has also been actively working with ENDA Inter-Arabe providing a \$375,000 guarantee to 'support ENDA's expansion and outreach in Tunisia's urban districts.'<sup>20</sup>

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<sup>14</sup> Valentine M Moghadam 'Women's Rights in the Middle East and North Africa: Citizenship and Justice: Country Report Tunisia' 14/10/05

<sup>15</sup> Despite the reliance on micro credit schemes the financial environment of the country is hardly conducive to micro credit development. 'The supply of microfinance in the country is dominated by the Banque Tunisienne de Solidarité,(BTS) a government-sponsored microfinance wholesaler providing cheap loan funds to eligible microfinance associations that agree to on lend at subsidized rates (5 percent).' Since BTS is designated as the microfinance associations' main source of funds for on lending and partial coverage of start-up costs and operational costs,' many of the local NGOs have pulled out of the micro finance sector, unable to compete in such a restrictive environment. (Judith Brandsma and Deena Burjorjee 'Microfinance in the Arab States Building Inclusive Financial Sectors' United Nations Capital Development Fund, October 2004.)

<sup>16</sup> CAWTAR Arab Women's Development Report 'Globalization and Gender Economic Participation of Arab Women' 2001.

<sup>17</sup> Arab Gulf Programme For United Nations Development Organizations (AGFUND) 'Prize Subjects 2005' <http://www.agfund.org/english/prize/prize-winners-2005.htm>

<sup>18</sup> Essma Ben Hamida 'Empowering Women through Micro-Credit: A Case Study from Tunisia' MDF3 Cairo, Egypt March 2000.

<sup>19</sup> Arab Gulf Programme For United Nations Development Organizations (AGFUND) 'Prize Subjects 2005' <http://www.agfund.org/english/prize/prize-winners-2005.htm>

<sup>20</sup> Grameen Foundation 'Grameen-Abdul Latif Jameel Initiative Makes Historic Investment in ENDA. Us\$375,000 Guarantee Will Help Boost Microfinance in Tunisia.' 03/02/06

### **Access to Markets**

Accessing markets for women can be problematic when they are required to balance their household responsibilities with their business. Furthermore, access to markets is often restricted because of lack of awareness, where 'overwhelmed by the operational activities,' businesswomen 'are not always aware of some strategic considerations that can help them boost their businesses (access to capital, access to foreign markets, and technology).'<sup>21</sup>

CNFCE's program 'Expo Femina' was established to promote the 'made in Tunisia by women entrepreneurs' label. Indeed, Expo Femina has now become an international affair with 'women from more than 16 countries' displaying their products and services at last year's fair.<sup>22</sup> ENDA has also been actively promoting greater access to markets for women providing business development services, such as promotional fairs all over the country, providing women greater access to markets and networks.<sup>23</sup>

### **Access to Networks**

Networks are integral for the expansion and development of entrepreneurship, essential for sharing knowledge and experience, exchanging goods and services, and fostering collaboration amongst local and global entrepreneurs. According to the recent survey supported by the IFC and CAWTAR, 13.7 percent of the respondents were members of professional associations, 8.6 percent were part of mixed chamber of commerce, 7.11 percent were members of the Tunisian Chamber of Commerce, 9.6 percent were members of CNFCE (National Chamber of Women Entrepreneurs), 4.6 percent were part of the sector federation and other membership organizations, including the CJD (for business owners under 40 years-old) and UNFT (a general women's organization).<sup>24</sup> Business women in Tunisia have also been able to build networks across the region through the Middle East and North Africa Business Women's Summit held in Tunisia where over 200 Arab women entrepreneurs gathered from 15 countries across the region.<sup>25</sup> The First Itinerant forum of women micro-entrepreneurs was also instrumental in expanding networks.<sup>26</sup>

### **Businesswomen's Associations and Chambers of Commerce**

The number of businesswomen associations have grown over the past few years. The National Chamber of Women Entrepreneurs (CNFCE), Tunisian Union of Industry was established in 1990 in affiliation with the Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat, World

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<sup>21</sup> ibid

<sup>22</sup> 'Equal pay for equal work for Tunisian women since 1957' July 10-14, 2000

<sup>23</sup> Arab Gulf Programme For United Nations Development Organizations (AGFUND) 'Prize Subjects 2005' <http://www.agfund.org/english/prize/prize-winners-2005.htm>

<sup>24</sup> International Finance Corporation and the Center for Arab Women Training and Research 'The Characteristics, Contributions and Challenges of Women Business Owners in Five MENA Countries: Bahrain, Jordan, Lebanon, Tunisia and the United Arab Emirates' February 2007.

<sup>25</sup> International Finance Corporation-Gender Entrepreneurship Markets 'Gender Entrepreneurship Markets Third Quarter Edition Global Newsletter: July 2005'

<sup>26</sup> ibid

Association of Women Entrepreneurs (FCEM) and Council of Arab Business Women. Its aim is to represent the interest of women entrepreneurs before national and international organizations and institutions, to reinforce the presence and representation of women within employer organizations and national chambers, to promote women's entrepreneurship and the advancement of women-owned enterprises by providing a supportive framework responsive to the specific needs for assistance, training and information for women entrepreneurs. It further aims to ensure dissemination of information and to encourage local and global networks amongst women entrepreneurs.<sup>27</sup> Tunisia also hosts the regional Centre of Arab Women for Training and Research (CAWTAR) which has promoted research and training activities to promote women's entrepreneurship.<sup>28</sup> Tunisia is a member of the Union of North African Women's Association (UAMF).<sup>29</sup>

### **Country Policy and Promotion of Women-Owned Businesses**

The Government of Tunisia has been instrumental in encouraging female entrepreneurship in the country. In July 1993 the amendments made to the Labor Laws of the country was unprecedented, guaranteeing work as a fundamental right of women in Tunisia. The Labor Code entails positive discrimination towards women, where the rights of mothers and pregnant women is guaranteed, women being allowed flexible hours to assist their domestic responsibilities.<sup>30</sup> The Ministry for Women and the Family set up in the 1990s, is now an independent part of the government aimed at protecting the rights of women, encouraging greater empowerment of females.<sup>31</sup> The Ministry also houses the Centre de Recherches, d'Etudes, de Documentation et d'Information sur la Femme (CREDIF) which has been publishing research to promote women's economic activity, including women in the private sector. Furthermore, the Ministry of Vocational Training and Employment in conjunction with UNFT has been training women in rural and urban fringe areas providing them with technical know-how to increase economic integration.<sup>32</sup> With an increase in female participation in the labor force the National Commission on Working Women was created in July 1991 within the Tunisian General Federation of Workers. The Commission has 27 branches throughout Tunisia, and carries out surveys and studies pertaining to women and the workplace.<sup>33</sup> Tunisia's Code of Personal Status is still unmatched in the region.<sup>34</sup>

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<sup>27</sup> IFC-GEM 'Middle East and North Africa (MENA) Regional Directory of Businesswomen's Associations,' June 2006

<sup>28</sup> Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) 'Tunisia', August 2, 2000.

<sup>29</sup> *ibid*

<sup>30</sup> *ibid*

<sup>31</sup> Essma Ben Hamida 'Empowering Women through Micro-Credit: A Case Study from Tunisia' MDF3 Cairo, Egypt March 2000.

<sup>32</sup> Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) 'Tunisia', August 2, 2000.

<sup>33</sup> Valentine M. Moghadam 'Gender and Globalization: Female Labor and Women's Mobilization.' Journal of World-Systems Research, Vol. V, 2, 1999.

<sup>34</sup> International Herald Tribune 'Women in Tunisia Celebrating 50 years of equality' 06/10/06

### **Donor Activities for Assistance to Women Entrepreneurs**

International donors have been actively working for the promotion of Tunisian women entrepreneurs. The World Bank has been active in providing financial support for research and training to encourage women's participation in the private sector. The USAID Asia and The Near East (ANE) Regional Activities have also been supporting the North Africa Regional Trade and Investment Initiative 'to address the legal, policy and regulatory constraints to increased trade and investment among Morocco, Tunisia and Algeria.' While not targeting female entrepreneurs directly, this initiative is significant in increasing access to markets through trade, for both male and female entrepreneurs.<sup>35</sup> The UNDP has been working with CREDIF supporting female entrepreneurship in the country. The International Labor Organization (ILO) has been involved in targeting the youth of the country setting up advisory services and technical cooperation activities to provide assistance and training to both men and women who have entered the labor force.<sup>36</sup>

### **IFC PEP-MENA GEM Program**

GEM aims to bring a gender dimension to IFC's investment projects, address gender barriers in the business environment, provide advisory services to financial intermediaries, and deliver training for women entrepreneurs. Along with sub-Saharan Africa, the Middle East and North Africa is one of the program's priority regions.

The IFC's Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) launched a regional technical assistance and advisory program for women entrepreneurs called Gender Entrepreneurship Markets (PEP-MENA GEM). The Program's goal is to maximize women's contribution to private sector development. The PEP-MENA GEM Program aims to improve women's access in PEP-MENA's four areas of activity: SME and financial market development, business environment improvements, privatization advisory services, and public-private partnerships. The Program targets growth-oriented women-owned SMEs with solutions that facilitate and promote fast track growth.

The regional GEM Program has the following main objectives:

- Demonstrate the potential contribution female entrepreneurship offers to MENA's economic growth.
- Improve female access to private sector jobs, business opportunities, business resources and skills.
- Help increase outreach and impact of Women Business Associations in the public and private sectors.

These general objectives are based on findings from regional studies of issues affecting women SME owners in the Middle East and North Africa and on the PEP-MENA GEM-commissioned country studies.

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<sup>35</sup> USAID 'Asia and the Near East Regional Activities' 2002.

<sup>36</sup>International Labor Organization 'ILO Activities in Africa 2000-2003 Tenth African Regional Meeting' 2003

As part of a regional capacity project GEM has successfully linked businesswomen associations and research centers in five countries (Bahrain, Jordan, Lebanon, Tunisia and UAE), to build the institutions' local capacity to apply GEM-developed survey tools and conduct research on women's entrepreneurship to better meet businesswomen's needs. Implemented in collaboration with CAWTAR, the *Chambre nationale des femmes chefs d'entreprise* (CNFCE) and the Institut Supérieur du Gestion (Tunisia), the project is expected to demonstrate women's contributions to private sector growth, and identify areas of potential technical assistance intervention. A regional report that includes findings on Tunisian businesswomen is forthcoming shortly.

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World Bank

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World Bank Tunisia. 2005

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## **List of Useful Resources**

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### **The International Finance Corporation's Gender Entrepreneurship Markets (IFC GEM) Initiative**

Private Enterprise Partnership - Middle East and North Africa (PEP-MENA)  
International Finance Corporation (IFC), World Bank Group  
Nile City Towers - North Tower, 2005 C, 24th Floor  
Corniche El Nil, Ramlet Boulac, Cairo, Egypt  
Phone: +20 2 461 9140 and +20 2 461 9150  
Fax: +20 2 461 9130 and +20 2 461 9160  
Email: [mena-gem@ifc.org](mailto:mena-gem@ifc.org)  
Website: [www.ifc.org](http://www.ifc.org)

For more information on the IFC corporate-wide and regional GEM initiative and a global businesswomen association directory see: <http://www.ifc.org/menagem>

### **The Center of Arab Women for Training and Research (CAWTAR)**

P.O. Box 105, Cite El Khadra  
1003 Tunis, Tunisia  
Phone: +216 71 773 511  
Fax: +216 71 773 611  
Email: [hela.gharbi@cawtar.org](mailto:hela.gharbi@cawtar.org)  
Website: [www.cawtar.org](http://www.cawtar.org)

### **Centre de Recherches, d'Etudes, de Documentation et d'Information sur la Femme (CREDIF)**

Avenue du Roi Abdelaziz Al Saoûd, Rue (Chahid) Farhat Ben Afiya El Manar II - 2092 Tunis, Tunisia  
Phone: (216-71) 885 322 / 885 717/ 885 718  
Fax : (216-71) 887 436 / 882 893  
Email: [directeur.general@credif.rnrt.tn](mailto:directeur.general@credif.rnrt.tn)  
Website : <http://www.credif.org.tn/>

### **The National Chamber of Women Entrepreneurs (CNFCE)**

Immeuble Yasmine, App.1.1, Les Berges due Lac,1053 Tunis  
Phone: +216 71 862 399  
Fax: +216 71 862 609  
Email: [wpresd.fcem@planet.tn](mailto:wpresd.fcem@planet.tn)  
Website: <http://www.cnfce.org.tn/english/activites.htm>

### **Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat (UTICA)**

Address: 103, avenue de la Liberte 1002 Tunis-Belvedere Tunisie  
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Email: [utica@utica.org.tn](mailto:utica@utica.org.tn)  
Website: <http://www.utica.org.tn>

### **Women of the Arab World and America United for Business (FAARE)**

Address Tunisia: Ennour Building Centre Urbain Nord - 1082 Tunis.  
Phone: Tunisia +216 71 702 703, +216 98 306 169  
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**Les Femmes Chefs d'Entreprises Mondiales**

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