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**Center of Arab Women for  
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**CAWTAR**

# Women Entrepreneurs in the Middle East and North Africa:

Characteristics, Contributions  
and Challenges

## EXECUTIVE SUMMARY



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The Center of Arab Women for Training and Research  
and  
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This is an executive summary of a larger, unprecedented research effort by businesswomen's associations and research institutions in the Middle East and North Africa (MENA) to gather the opinions, concerns and recommendations of women business owners in Bahrain, Jordan, Lebanon, Tunisia, and the United Arab Emirates. The project was a collaborative effort of the International Finance Corporation's Gender Entrepreneurship Markets (IFC GEM), and the Center of Arab Women for Training and Research (CAWTAR) as part of a capacity-building initiative to help these organizations learn about, serve and advocate for women business owners.



Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequality, IFC launched the Gender Entrepreneurship Markets (GEM) initiative in December 2004.

If you would like more information on IFC GEM's work, please visit our website at:

[www.ifc.org/GEM](http://www.ifc.org/GEM) or contact:

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CAWTAR's mission is to contribute to the improvement and promotion of Arab women's role and status through fostering Policy Dialogue. The Center undertakes its multi-faceted objectives through five main programs: Research and publication of Arab Women Development Reports (AWDRs), Training, Networking and Partnerships, Media and Communication, Documentation and Databases.

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# Women Entrepreneurs in the Middle East and North Africa:

## Characteristics, Contributions and Challenges



### UNLEASHING HIDDEN VALUE

Women's entrepreneurship is increasingly recognized as an important factor for economic growth and development in the Middle East and North Africa (MENA). Entrepreneurship creates new jobs for men and women, essential in a region with a young population and high unemployment. Research internationally has shown that increases in women's income lead to higher spending on family welfare, often critical for reaching key national development goals in areas such as nutrition and girls' education. In the MENA region, where female labor force participation rates are the lowest in the world, entrepreneurship can offer new opportunities for women to generate their own income, and help others as they do it. Despite increasing economic activity, however, there is a marked lack of quantitative information on the number and growth of women-owned enterprises with which to inform policy making. There is also a growing need for survey-based attitudinal information capturing the self-expressed viewpoints, concerns, challenges and needs of women business owners.

While much can be learned from the results of the surveys shared in this report, the report team realizes that this initial effort at increasing understanding of women business owners is limited by the lack of the ability to compare findings with men business owners and the absence of a broader population framework for study. It is thus not a true "gender analysis".

Importantly, though, this publication provides policy makers, financial institutions and entrepreneurial support organizations with new insight into the attitudes, challenges and needs of women business owners and their firms in five MENA countries: Bahrain, Jordan, Lebanon, Tunisia and the United Arab Emirates. Through surveys<sup>(2)</sup> of 1,228 women, the report identifies:

- Key **characteristics** of women-owned business enterprises in these five countries;
- Their **contribution** to economic development and job creation;
- The **challenges** women face in both managing and growing their businesses; and
- Preliminary **recommendations** for government and private sector action to expand women's entrepreneurship in the region.

This executive report is a first step in redressing a lack of quantitative and qualitative information on women-owned businesses in the MENA region, and is accompanied by a more extensive full regional comparative report. The authors hope this new information will be a catalyst for further work and research in this area. The IFC's Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) facility and the Gender Entrepreneurship Markets (GEM) initiative have been honored to partner with inspiring women's organizations in the region, including @NGED journalists<sup>(3)</sup>, and thank the Center of Arab Women for Training and Research (CAWTAR) for its leadership role in this important project.

1- The survey period coincided with very trying times in Lebanon – civil unrest, an Israeli incursion and a temporary evacuation of Beirut during bombing. During this time, the Lebanon team conducted qualitative surveys and produced a short video documentary.

2- Surveys in each country covered largely the same issues and topics, using methodology from the IFC's Gender Entrepreneurship Markets (GEM) program. They were conducted between May and October 2006 via personal interview by local partners in each country.

3- @NGED is CAWTAR's Arab Network for Gender and Development which includes a media network.

# CHARACTERISTICS OF WOMEN ENTREPRENEURS AND THEIR FIRMS: A REGIONAL SUMMARY

The business characteristics and personal backgrounds of the women business owners surveyed are similar to those in other regions of the world. MENA women entrepreneurs are most likely to own firms in the service sector, in retail trade, or in non-durable manufacturing. The majority are well educated, married, and have children.

## BUSINESS PROFILE

Women business owners surveyed in MENA are well ahead of their counterparts in Western Europe and North America with respect to the size of their firms and many report substantial levels of revenue<sup>(4)</sup>.

### 1. Revenue levels:

- When compared on a USD (United States Dollar) equivalent basis, between 6% (Jordan) and 33% (UAE) of surveyed enterprises are generating more than \$100,000 per annum – comparing favorably to the 13% share found among women-owned firms in the United States.

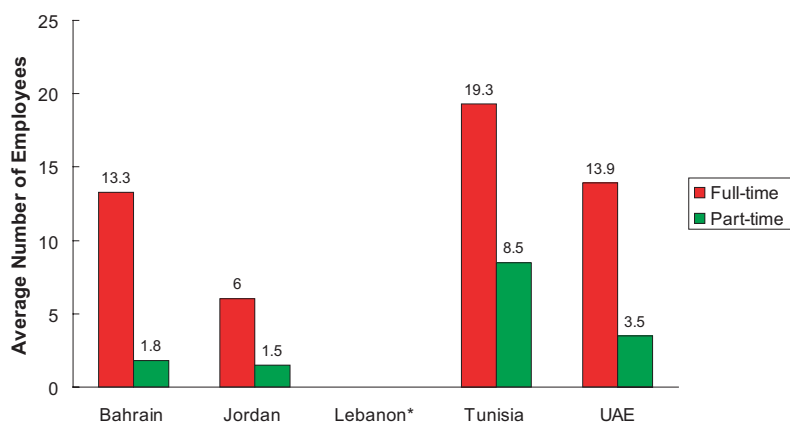
### 2. Ownership structure:

- A majority of the women surveyed in Bahrain and Tunisia are sole owners of their firms, at 59% and 55%, respectively. This compares with 48% sole owners in Jordan and the UAE, and 41% in Lebanon.

### 3. Job creation:

- Women are creating employment. In the five countries (graph 1), Tunisian women-owned firms are the largest, employing 19.3 workers per firm on average, while women-owned firms in Jordan are smallest, with an average of six employees<sup>(5)</sup>.

graph 1: Average Employment of Women-Owned Firms Surveyed



\* In Lebanon, employment asked as a yes/no question. 56% had full-time employees, 35% had part-time employees.

### 4. Experience:

- Most survey participants own established businesses and many have extensive years of experience. Women in Lebanon and Bahrain are the most seasoned business owners of the group. On average, the women in Lebanon have owned their businesses for 10.6 years, in Bahrain for 10.2, in Tunisia for 8.6, in Jordan for 6.1, and in the UAE for 5.9 years.

### 5. Management time:

- Women business owners are actively involved in managing their enterprises (table 1). Close to two-thirds spend at least 40 hours per week operating their businesses and over one in five spends 60 or more hours.

4- In Bahrain, 10% of firms surveyed generate more than \$100,000 per annum, as do 6% in Jordan, 6% in Lebanon, 18% in Tunisia, and 33% in the UAE. US revenue figures are from U.S. Census Bureau, 2002 Economic Census of Women-Owned Firms: <http://www.census.gov/csd/sbo/women2002.htm>.

5- In Lebanon, the survey asked only if the firms had employees in addition to the owner – it did not specify how many employees. Fifty-six percent (56%) of the women-owned firms surveyed in Lebanon did have employees in addition to the owner.





**table 1: The Number of Hours Businesswomen Spend Operating their Enterprises**

	Bahrain	Jordan	Lebanon	Tunisia	UAE
40+ hrs/wk	73	51	70	60	62
60+ hrs/wk	25	9	17	21	24

## PERSONAL PROFILE

### 1. Educational background:

- **The women business owners surveyed are very well educated, as is typically found in surveys among women entrepreneurs, and as regional educational statistics would indicate.**

Fully 91% of the women business owners surveyed in Bahrain have some level of post-secondary education, as do 79% in Tunisia and the UAE, 76% in Jordan, and 40% in Lebanon.

### 2. Age profile:

- **Most women business owners in the MENA region are between 35 and 54 years of age, consistent with worldwide trends.**

### 3. Marital status:

- **The majority of women business owners surveyed are married: 72% in Tunisia, 65% in Bahrain and the UAE, 61% in Jordan, and 56% in Lebanon.**

Most of the women also have children. In Jordan they have the most children, at 3.2 on average, while in the UAE women business owners have the fewest children, averaging 1.4. The women surveyed in Bahrain have an average of 2.3 children, in Lebanon 1.9, and in Tunisia 1.8.

### 4. Gender issues:

Work/family balance is identified as the most challenging of 11 issue areas tested. Approximately half of the women surveyed in all countries (except Bahrain) report that balancing work and family is more challenging for them than it is for men business owners. At the other end of the list, the women surveyed do feel that women have a greater advantage than men when managing female employees. Overall however, the women business owners surveyed see their gender as a net positive rather than an impediment to their business.

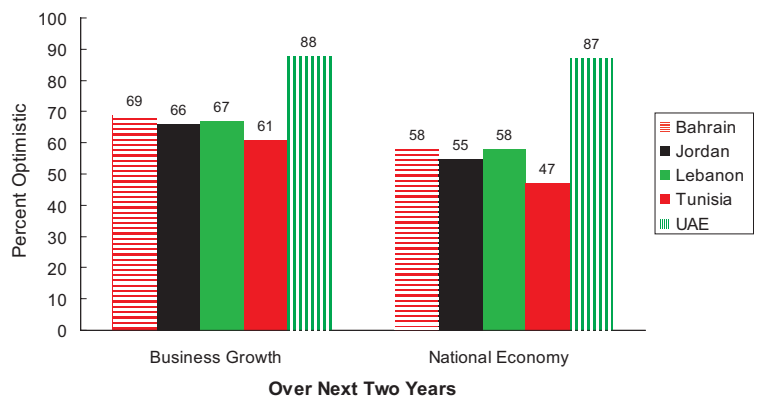
# CONTRIBUTIONS TO ECONOMIC DEVELOPMENT

## POISED FOR GROWTH

The women business owners surveyed are largely optimistic and poised for growth, but in need of some direction and assistance to achieve their goals (graph 2). Between 61% and 88% of survey participants expressed optimism regarding their own enterprises while 47% to 87% expressed optimism about their national economic prospects.



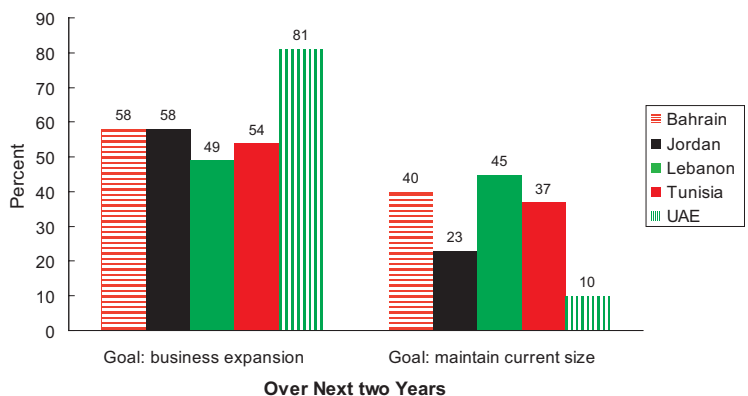
graph 2: Women Optimistic about their Business and Economic Growth



Many more businesswomen plan to expand their businesses rather than maintaining current levels of operations (graph 3).

- The most ambitious women are those in the UAE, where 81% plan to expand their businesses compared to just 10% who wish to maintain the current level of operations.
- Even in Lebanon, which has recently experienced conflict and where women were surveyed during trying times, the outlook is still very optimistic: 49% are planning to grow, while 45% are taking a “wait and see” approach.

graph 3: Most Women Plan to Expand their Businesses

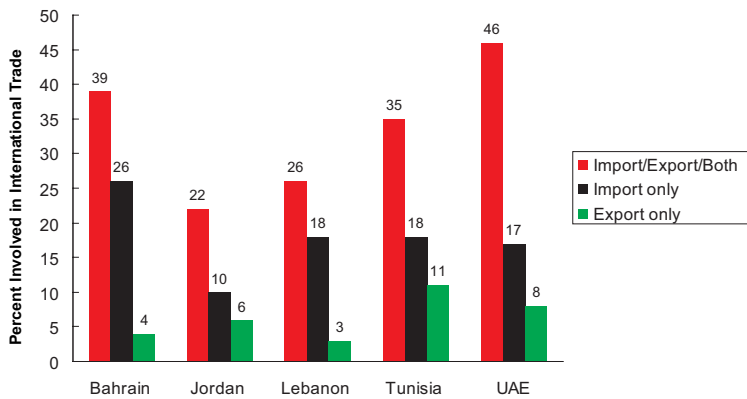


## TRADING INTERNATIONALLY

Between one-quarter and one-half of women surveyed (graph 4) are trading internationally.

Nearly half of women business owners in the UAE are engaged in international trade activities: 17% are importing goods and services, 8% are exporting, and 21% are doing both. Jordanian women were the least likely to be trading internationally, at 22%.

graph 4: Women are Engaging in International Trade

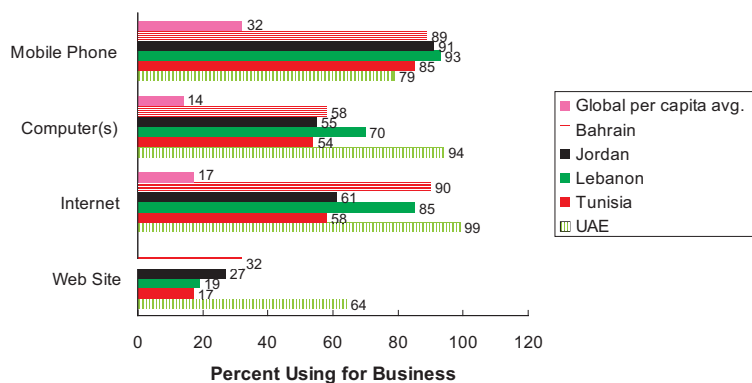


## PROMOTING ICT USE

Women business owners in all five countries use information and communication technology (ICT) for their businesses at rates well above the per capita average worldwide (graph 5).

- Mobile phone usage is nearly ubiquitous, ranging from 79% to 93%. A majority of women surveyed are using computers in their businesses, ranging from just over half in Tunisia, Jordan and Bahrain, to more than 90% in the UAE.
- Internet use is even higher – given improved accessibility through internet cafes and mobile phones – and ranges from 60% in Tunisia to 99% in the UAE. A majority of women business owners in the UAE also have websites for their businesses, at 64%; only 17% thus far have websites in Tunisia.

graph 5: Women are Using ICT in Business Operations



## CHALLENGES FACED BY WOMEN ENTREPRENEURS

Women business owners in different countries cite similar challenges in doing business, but with different rankings that vary depending on their specific business environments (table 2). Among the top challenges faced by the majority of women surveyed are:

- (1) learning financial management skills;
- (2) finding and keeping good employees;
- (3) access to capital and;
- (4) the high cost of public services.

Other key challenges, ranked amongst the top five in at least three countries, were the high cost of labor, the desire for access to general business training and support and the importance of gaining access to new markets for their products or services.

table 2: Top Three Business Concerns Differ Among Countries

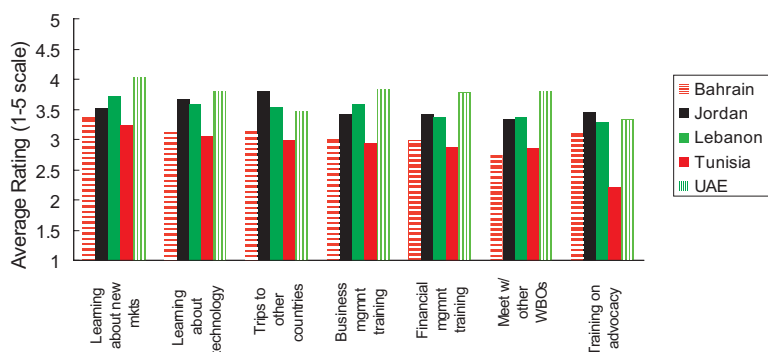
	Bahrain	Jordan	Lebanon	Tunisia	UAE
<b>Most important business issue</b>	Finding/keeping good employees (3.86)	Access to capital (4.11)	High cost of public services (4.58)	Finding/keeping good employees (3.92)	High cost of rent (4.45)
<b>2<sup>nd</sup> most important issue</b>	Low efficiency/Productivity (3.67)	Learning financial management skills (4.09)	Learning financial management skills (4.25)	High cost of public services (3.73)	Learning financial management skills (4.20)
<b>3<sup>rd</sup> most important issue</b>	Access to new markets (3.66)	High cost of public services (4.08)	Access to capital (4.22)	Access to new markets (3.63)	Access to technology (4.12)

Numbers are averages on a 1-5 scale, with 1=not at all important, 5=extremely important.

### 1. Entrepreneurial Training:

Most women business owners are interested in receiving external training and support services, believing it would be helpful in managing the growth of their enterprises (graph 6). Especially desired is more information on how to access new markets at home and abroad and how to use technology to grow a business.

graph 6: Entrepreneurial Training Would Be Helpful



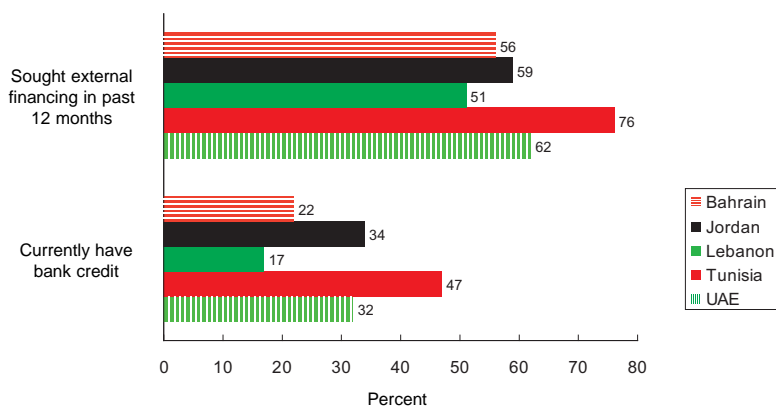


## 2. Access to Capital:

A smaller proportion of women in MENA use formal sources of credit for their businesses compared to other regions of the world (graph 7).

- Between 50% and 75% of the women surveyed have sought external financing for their businesses at some time during the previous 12 months. Most have not received any financing from a formal financial institution.
- Tunisia has the highest number of women business owners having bank credit, at 47%, with Jordan at 34%, the UAE at 32%, Bahrain at 22%, and Lebanon at just 17%.

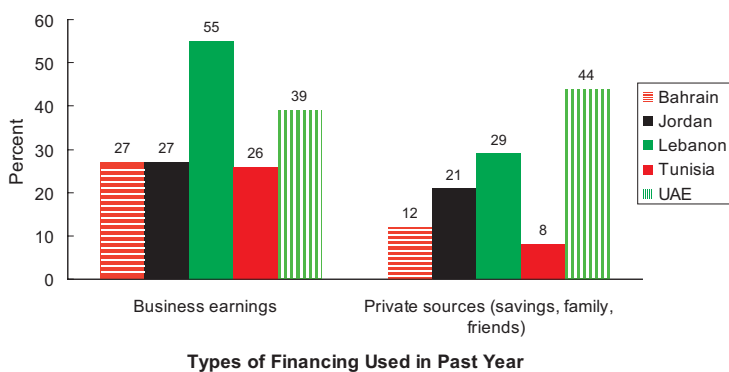
graph 7: Women are Seeking Financing, But Lack Bank Credit



With limited access to formal finance, women are financing their businesses mostly through personal sources such as savings, friends and family, and by reinvesting business earnings (graph 8).

These sources of finance are the top sources being utilized by women in each country during the past 12 months.

graph 8: Business Earnings, Private Sources Top Sources of Financing



## PRELIMINARY RECOMMENDATIONS

During the course of the survey, women business owners were asked not only about their characteristics, contributions and challenges, but what recommendations they would make to improve the environment for themselves and their fellow women business owners. And, while the survey did not include men, they are known to face many similar constraints. Women’s added voices can make a difference in improving the overall business environment, and following are some preliminary recommendations in that regard.

Specifically asked about the recommendations they would make to policy makers, the women surveyed listed the following issues (table 3) among their top priority picks:

**table 3: SME Lending and Reducing Start-up, Employment Barriers are Top Policy Picks**

	Bahrain	Jordan	Lebanon	Tunisia	UAE
<b>Top policy recommendation</b>	Promote business ownership in general (44%)	Reduce time to register/ start a business (42%)	Reduce business registration cost (45%)	Special SME loan funds, guarantees (46%)	Special SME loan funds, guarantees (45%)
<b>2<sup>nd</sup> policy recommendation</b>	Special SME loan funds, guarantees (39%)	Reduce business registration cost (38%)	Special SME loan funds, guarantees (45%)	Provide basic skills training to SMEs (36%)	Reduce business registration cost (37%)
<b>3<sup>rd</sup> policy recommendation</b>	Establish gov’t SME purchasing goals (35%)/ Change employment laws (35%)	Promote business ownership in general (37%)	Change employment laws (35%)	Reduce time to register/ start a business (34%)	Change employment laws (35%)

Numbers are percent response asking for top three policy recommendations.



Drawing from the opinions of the women business owners participating in this project, several recommendations can also be made to entrepreneurial support organizations - such as women’s associations and financial institutions. Many of these recommendations focus on general barriers to business growth. It would be especially fruitful for future research to assess any potential gender differences in both the nature and the relative importance of these barriers. Here, then, is a brief summary of potential recommendations:

## **I. POLICY MAKERS**

- Increase flexibility of employment laws and regulations for more efficient hiring and replacement of workers.
- Consider policies that would encourage greater access to capital for all SMEs, especially women.
- Address the issue of cost and time taken to register a business.
- Undertake gender-focused research: research that can compare and contrast the characteristics, contributions and challenges of women and men business owners.
- Ensure women's voices are heard in policy formulation.

## **II. FINANCIAL INSTITUTIONS**

- Consider the growing market that women-owned enterprises provide and explore their market potential.
- Utilize internal research resources to evaluate existing (and potential) financial portfolio performance by gender.
- Reach potential women clients through closer networking with businesswomen's associations.

## **III. WOMEN BUSINESS ORGANIZATIONS**

- Offer financial management training for members.
- Provide general business management and leadership skill-building focused on post-start-up businesses.
- Provide information and training on new technologies for business development.
- Strengthen external support networks for businesswomen.

## WOMEN BUSINESS ASSOCIATIONS AND RESEARCH CENTERS PARTNERS' LOGOS



جمعية سيدات الأعمال البحرينية  
Bahrain Businesswomen Society  
(Bahrain)



Bahrain Center for Studies  
and Research  
(Bahrain)



Jordan Forum For Business  
and Professional Women  
(Jordan)



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Chambre Nationale Des Femmes  
Chefs D'Entreprises  
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Institut Supérieur de Gestion  
(Tunisia)



مجلس سيدات أعمال دبي  
DUBAI BUSINESS WOMEN COUNCIL  
(UAE)



مجلس سيدات أعمال أبو ظبي  
Abu Dhabi Businesswomen Council  
(UAE)



Dubai Women's College  
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