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Union for the Mediterranean
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“Promoting women empowerment for Inclusive and Sustainable Industrial Development in the Middle East and North Africa region”

Assessment on the situation of Women Entrepreneurship in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia and benchmarking analysis of the best practices in the field

REPORT



This paper summarizes the results of two research studies conducted in the framework of UNIDO's project "Promoting women empowerment for Inclusive and Sustainable Industrial Development in the Middle East and North Africa region".

The first part is an assessment report of the situation of women entrepreneurship in the MENA region and is based on a desk review and a survey carried out among women entrepreneurs in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. The report was presented at the conference on "Women Economic Empowerment in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia" held in Milan on 14 October 2015 (EXPO venue) and includes its conclusions and recommendations.

The second part of the document summarizes the results of the benchmarking analysis carried out with Australia, Italy and Turkey as model countries to identify best practices in the area of women entrepreneurship development.

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INTRODUCTION

The project “Promoting women empowerment for Inclusive and Sustainable Industrial Development in the Middle East and North Africa region”, implemented by UNIDO and funded by the Italian government, seeks to enhance women’s economic inclusion and thus to create conditions for sustainable and inclusive growth in the MENA region by harnessing the great potential of women entrepreneurs in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. The project is in line with the newly adopted Sustainable Development Goals (SDGs), namely SDG 1: “End poverty in all its forms everywhere”, SDG 5: “Achieve gender equality and Empower all women and girls”, SDG 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, SDG 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” and SDG 16: “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”.

The project’s rationale arises from the fact that the region registers the largest gender gap in entrepreneurship in the world (OECD 2014). In fact, while women own and manage 31 to 38 percent of all businesses at worldwide level, in MENA countries they make up around 13 (ILO 2015) to 15 percent (WB 2013¹) of those who are self-employed.

There are no standardized national data allowing comparisons of women entrepreneurship in the six targeted countries, but in 2013 it was estimated that the percentage of firms with female participation in ownership in the MENA region was 22.7 percent, compared with an overall of 35.2 percent worldwide. In the six countries, the percentages were as follows: Egypt, 16.1 percent; Jordan, 15.7 percent; Lebanon, 43.5 percent; Morocco, 31.3 percent; West Bank and Gaza, 12.6 percent; and Tunisia, 49.5 percent. These country figures fall to 7.1 percent, 2.4 percent, 4.4 percent, 4.3 percent, 1.2 percent and 8.5 percent, respectively, for firms having a female top manager².

In order to address the problem, UNIDO’s project has been formulated using a holistic approach based on three levels of intervention:

- (1) At the macro level, it intends to nurture, facilitate and accompany inclusive policy dialogue between the key stakeholders with the objective of producing a set of recommendations and action points endorsed by all parties to promote women entrepreneurship in the region,
- (2) At the meso level, the objective is to strengthen the capacities of national business women’s associations in providing better-quality demand-driven services to women entrepreneurs for creating/growing their businesses and in advocating for a better enabling environment for women entrepreneurship,
- (3) At the micro level, it promotes women-led investments in the target countries through training, coaching, identification and facilitation of business partnership opportunities and access to finance.

The project’s implementation relies on strong partnership with six national associations from the target countries, namely: the Association for Women’s Total Advancement and Development (AWTAD - Egypt); Business & Professional Women Amman (BPWA - Jordan); The Lebanese Association for Development, Al Majmoua (Lebanon); Association des Femmes Chefs d’Entreprises du Maroc (AFEM - Morocco); Business Women Forum (BWF - Palestine); Femmes Et Leadership (F&L - Tunisia), as well as with the respective Ministries of Industry.

As part of the activities foreseen by the project at the macro level, two research studies have been carried out with the aim of supporting the identification of targeted and effective policy reforms to promote women entrepreneurship at national level.

A research study on women entrepreneurship covering the six countries of intervention has been conducted through a desk review and a survey carried out among women entrepreneurs in collaboration with CAWTAR (Center of Arab Woman Training and Research – Tunisia). The object of the research was to

¹ The World Bank carried out a survey on 5,887 firms in 10 MENA countries between 2003 and 2010. The findings concluded that only 15 percent of the firms were female-owned.

² Source : <http://www.enterprisesurveys.org/Data/ExploreTopics/gender#middle-east-north-africa>

1) provide an updated set of information on the status of women entrepreneurship development in the target countries; 2) identify the specific challenges, perceptions and expectations of women entrepreneurs in each country when creating and expanding enterprises; 3) provide recommendations to promote a conducive business environment; and 4) reinforce the dialogue among key public and private stakeholders.

In addition, a benchmarking analysis has been carried out with Australia, Italy and Turkey to identify best practices in the area of women entrepreneurship development, in collaboration with Fondazione Giacomo Brodolini (Italy). The benchmarking analysis had two specific objectives:

- Comparing the entrepreneurial ecosystems of the MENA region with those in three country models;
- Proposing short-to-medium term recommendations on how to promote women entrepreneurship in the region, based on the consideration of the identified best practices;

The results of both research studies were presented at the “Conference on Women Economic Empowerment in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia” organized at Milan EXPO on 14 October 2015 and are included in the present report.

The first part is an assessment report of the situation of women entrepreneurship in the MENA region and is based on a desk review and a survey carried out among 406 women entrepreneurs in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia. The second part of the present report summarizes the results of the benchmarking analysis carried out with Australia, Italy and Turkey as model countries to identify best practices in the area of women entrepreneurship development.

An expansion of the survey to increase the number of respondents to 1,200 (and include respondents from rural regions) is currently under implementation and will be completed by July 2016. The report will be updated including the expanded target.

I. ASSESSMENT OF THE SITUATION OF WOMEN ENTREPRENEURSHIP IN EGYPT, JORDAN, LEBANON, MOROCCO, PALESTINE, TUNISIA AND RECOMMENDATIONS

A. Methodology

The focus on the six countries (Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia) was kept throughout the desk review and the survey. However, in agreement with potential donors, it is planned that the research will be extended to include other countries of the MENA region.

The survey, carried out between August and September 2015 amongst women in Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia, aimed to collect direct information on the personal/business characteristics of women entrepreneurs in the six countries, the challenges they face, their perspectives and expectations, and their perception of the conduciveness of their business environment.

The desk review took into account previous research work and analysis in the region on the topic of women entrepreneurship development carried out by other organizations such as: the World Bank and International Finance Corporation (IFC); the Organization for Economic Cooperation and Development (OECD); the International Development Research Centre (IDRC); and the Center of Arab Woman for Training and Research (CAWTAR).

The Survey. A questionnaire was prepared by CAWTAR, National Women Associations and UNIDO. In addition to the quantitative data, the questionnaire was designed to put emphasis on women's voices and perceptions, giving room and consideration to those aspects throughout the entire process of data collection and analysis. The online survey³ was launched early August 2015 and disseminated by the National Business Associations to their members.

The conceptual questions that guided the formulation of the questionnaire were as follows:

- Who are the MENA women entrepreneurs? How do they perceive themselves as women entrepreneurs? What motivated them to become entrepreneurs? What are the economic sectors they are investing in? How do they balance managing a business and coping with family responsibilities?
- What do women perceive as being the most important legal, regulatory (and other) constraints in the business environment as entrepreneurs? What are the major challenges women face in the creation and development of their enterprises? What kind of support are they expecting from governments, Associations, BDS and other relevant stakeholders?
- To what extent are financial and business services used and suitable for women, considering the existing country-specific gender constraints: cultural barriers/lack of women's mobility, time constraints, etc.? What investment challenges and opportunities do women face?
- How do they perceive their abilities as women entrepreneurs in comparison with men? How do culture and social norms affect women entrepreneurship in the country?
- Do women in MENA advocate for their rights? Are women empowered as groups (groups, associations), and has their voice been able to influence decision-making? Does the coordination mechanism that ensures dialogue for women's associations function well? If not, what can be done to strengthen women's associations and networking and enhance dialogue between those groups (among themselves) and women groups and decision makers? How to create leadership among women's representatives?

³ The survey was hosted on the Survey Monkey platform and made accessible through the following link: <https://www.surveymonkey.com/r/H6G692K>

In order to have a comprehensive picture of the status of women entrepreneurs in the MENA region, the survey covered seven (7) *interlinked areas and 55 questions*. All of them are consistent parts of the overall picture defining the status of women entrepreneurs in the six targeted countries of the MENA region. It also maps out areas for improvement and specific support needed, especially in terms of access to particular services (including training), as well as policy and regulations.

The seven interlinked areas covered by the questionnaire are:

- **Personal and business characteristics that distinguish women business owners**
- **Social norms and perspectives**
- **Optimism and outlook for business growth**
- **Membership of associations and networking**
- **The business environment: government policies, regulations and laws**
- **Institutional support and access to credit and financial services**
- **BDS, technology, mentoring, counselling and training**

1. Personal and business characteristics that distinguish women business owners

This part of the questionnaire aims to identify key characteristics that distinguish women business owners and how these personal and business attributes determine the sectors they are active in, the products and services they provide, their roles in decision-making and how they contribute to job creation. This is usually largely influenced by culture, traditions and stereotypes that remain deeply ingrained in the social dynamics and is translated into the fact that gender roles apply to employment and business opportunities. Specific occupations are considered more suitable either for men or for women determining in many cases a low presence of women entrepreneurs in the business sectors. Hence, the theme identifies: 1) the ownership structure of women-owned businesses; 2) the preferences of job opportunities and sectors; and 3) the motivation and obstacles that they face and their involvement in expanding entrepreneurship.

2. Social norms and perspectives

As social norms and culture-determining gender roles are recognized as factors influencing women's access to and participation in entrepreneurship activities, the aim is to dig more deeply into this area to understand the barriers that women face due to the gender roles and gender stereotypes that result from the different social and economic roles that both men and women are expected to perform in society. Hence, this theme identifies: 1) how women business owners are viewed in society; 2) the social norms, attitudes and perspectives towards them; 3) how these women are able to balance work, family and social roles; and 4) whether women perceive their abilities as entrepreneurs as being different from men?

3. Optimism and outlook for business growth

This area explores women's outlook regarding their business growth and their plans to invest more in resources to expand their business and reach out to new markets. However, this depends on how conducive the business environment is, and therefore the theme tries to understand: 1) how optimistic business owners are about their business future; and 2) what their plans are.

4. Membership of associations and networking

A supportive environment is determining factor for women entrepreneurs. In particular, it is crucial that representatives of women entrepreneurs regularly meet among themselves and also with policymakers to ensure that women's perspectives and interests are taken into account at the design stage of strategies and policies. Strong business associations, particularly women's business associations, can ensure that women entrepreneurs are adequately supported and that their voices reach the policymaking level. Promoting women as entrepreneurs can contribute to a positive shift in societal perceptions about the role of women in the economy, and can encourage women to consider entrepreneurship as an option. Hence, this theme explores the involvement, attitude and expectations of women entrepreneurs towards networks and other professional associations.

5. The business environment: government policies, regulations and laws

The questionnaire tries to capture the different constraints that women business owners face in the business environment. The aim is to understand the complexity of registration and licensing procedures for women entrepreneurs, especially those in small and medium-sized enterprises. Is there a need for specific procedures, including policies and regulations, to ensure that women business owners get the necessary support to promote their businesses and to ensure that policies and laws do not hamper enterprise growth for women? Therefore, this theme identifies the conduciveness of the business environment for women and establishes whether there are any procedures taken and/or in place which reduce barriers to entrepreneurship, particularly where women are concerned.

6. Institutional support and access to credit and financial services

This part of the questionnaire aims at understanding the relationship that women business owners have with the financial sector and the facilities offered. Facilities may include commercial bank loans, credit guarantee schemes, venture capital funds, business angel networks, micro-finance institutions and others. Targeted institutional support to women can signify that the agency has publicly announced its intention to reach out to women entrepreneurs. It can also mean that the agency has a dedicated bureau for women entrepreneurs. Hence, this theme identifies the way in which women entrepreneurs satisfy their financing needs, their general attitude towards financial institutions and the obstacles (real or perceived) that can exist in reaching them.

7. BDS, technology, mentoring, counselling and training

BDS can range from common facilities (photocopying, reception and telephone services) to more technical services (bookkeeping, IT support, support in business plan formulation), skills development (training and coaching) and strategic assistance (advice and consulting). This may also include legal and accounting services. In this respect, the questionnaire was formulated to understand to what extent women use BDS and what their needs are in terms of training and counselling, given that entrepreneurship is not only a way to generate income for women, but also to gain self-confidence, leadership and social status. Therefore the survey looked into the perception and self-perception of interviewed women entrepreneurs.

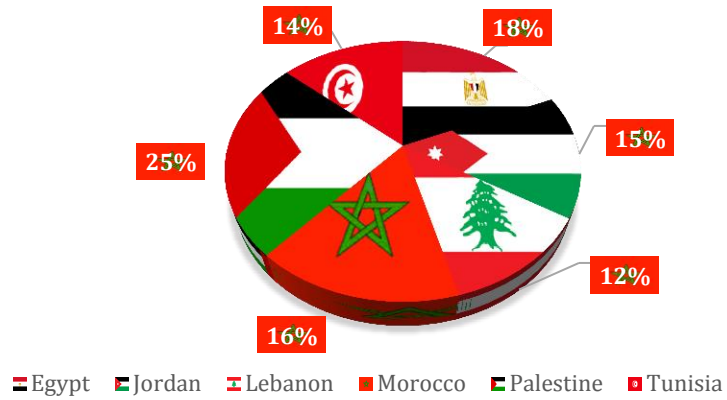
B. Findings of the survey

The analysis is based on 406 questionnaires collected by mid-September 2015.

It is relevant to note the profile of the surveyed women in terms of country of origin, age, level of education, marital status, number of children and years in business, as shown in the below graphs.

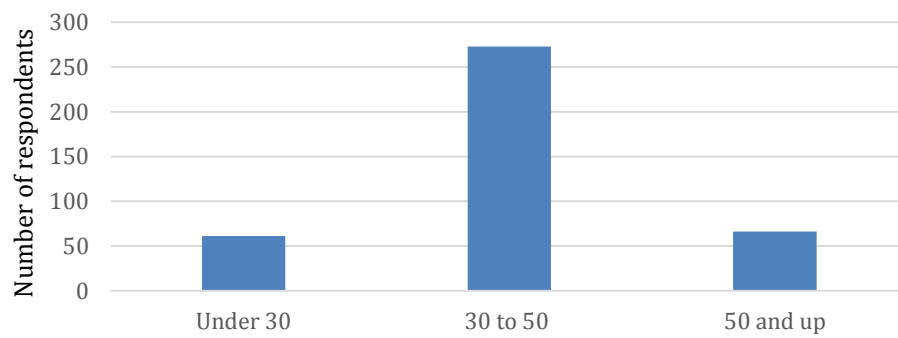
➤ Country representation of respondents

Representation of respondents by country of origin



➤ Average age of respondents: 40

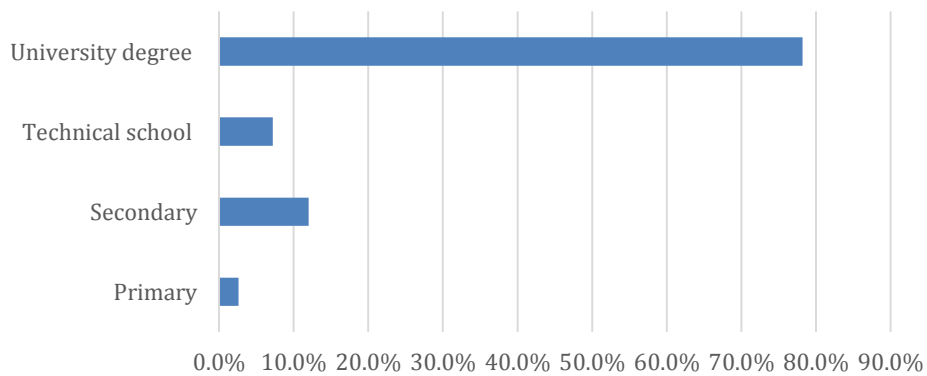
Age of respondents



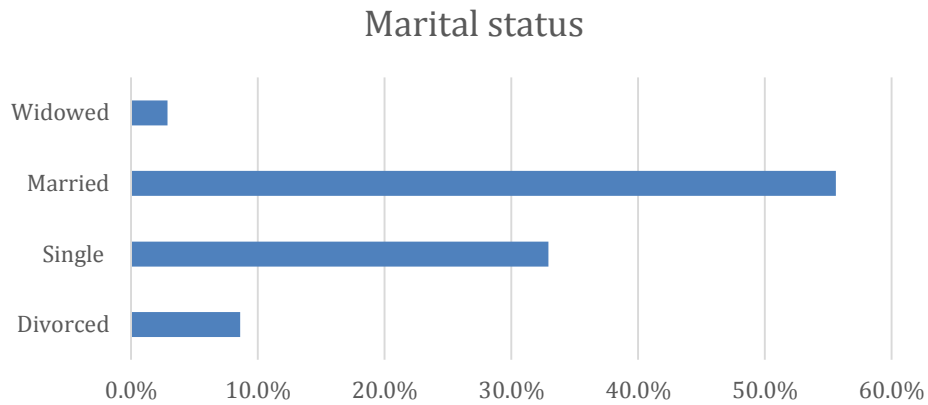
➤ Level of education:

A large majority of respondents has a university degree

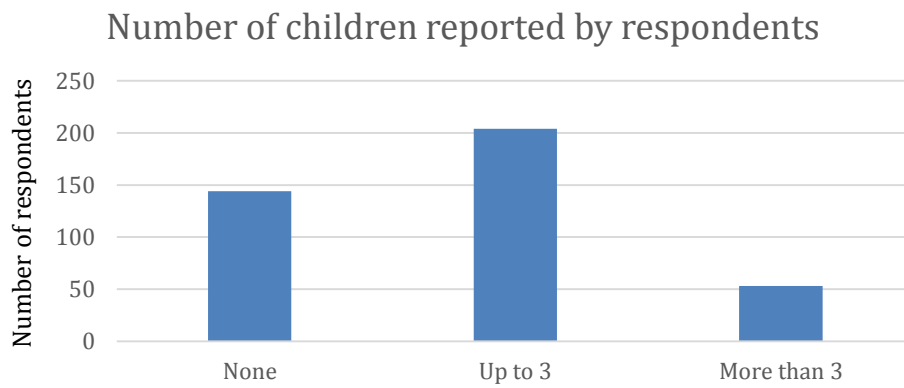
Education level of respondents



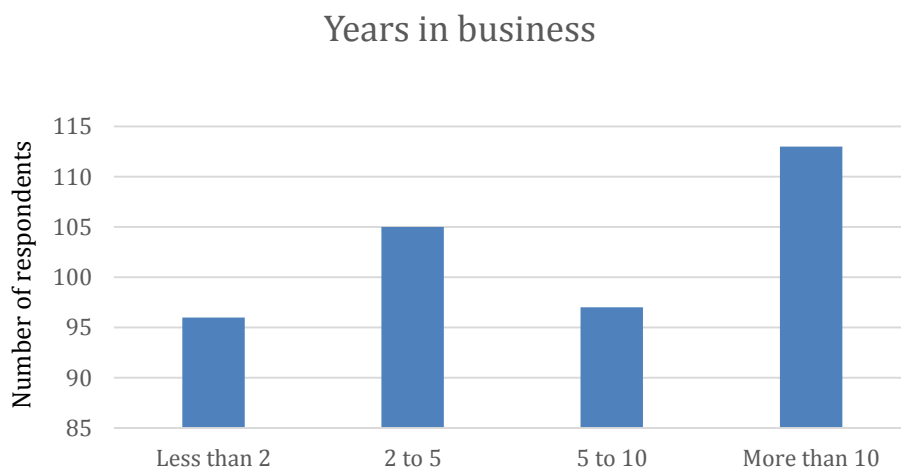
- Family / Marital Status: a majority of the surveyed women entrepreneurs are married.



- Children: 62.5 percent of the surveyed women have children



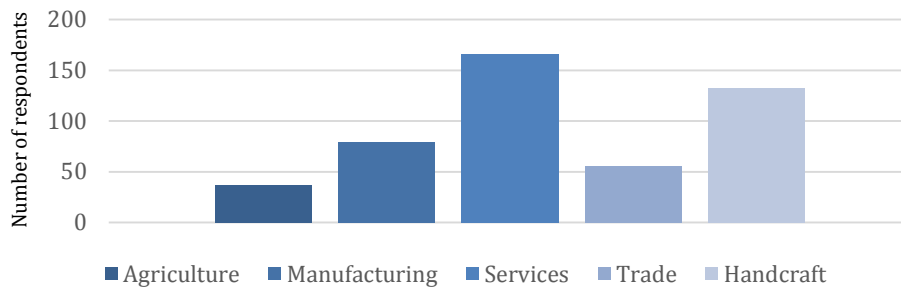
- Years in Business



1. Most women run businesses in the handcraft and services sectors

The survey confirms the stereotype of women managing small businesses, who are mainly active in services and handcraft, both sectors concentrating 63.4 percent of the activity of the surveyed entrepreneurs.

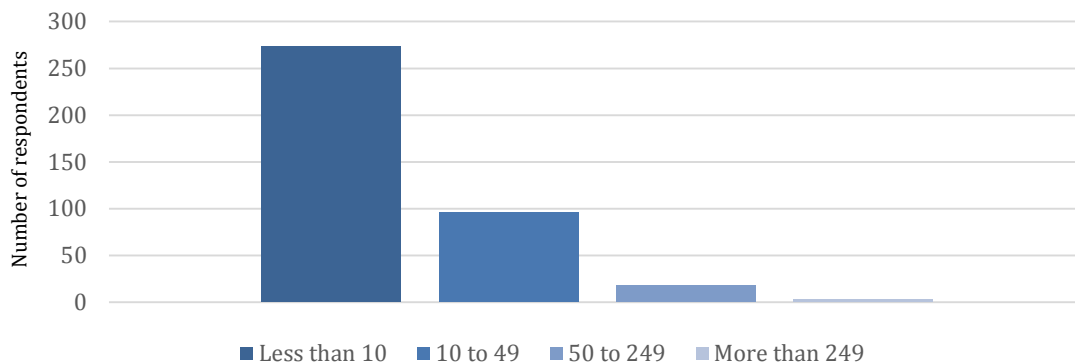
Sectors of activity



Manufacturing appears to be the third sector in which women entrepreneurs are engaged (17 percent), whereas agriculture ranks last with only 8 percent of the businesses led by respondents.

This concentration of women-led businesses in services and handcraft explains that 70 percent of the respondents declared fewer than ten employees, which defines them as micro enterprises according to the European classification of SMEs. Twenty-four percent declared that they employed between 10 and 49 people, 4.6 percent between 50 and 249, and 0.8 percent more than 249.

Business size



The survey also reveals that the share of women employees in women-led businesses (51 percent) is well above their labour force participation rate, which is, on average, around 25 percent in the MENA region.

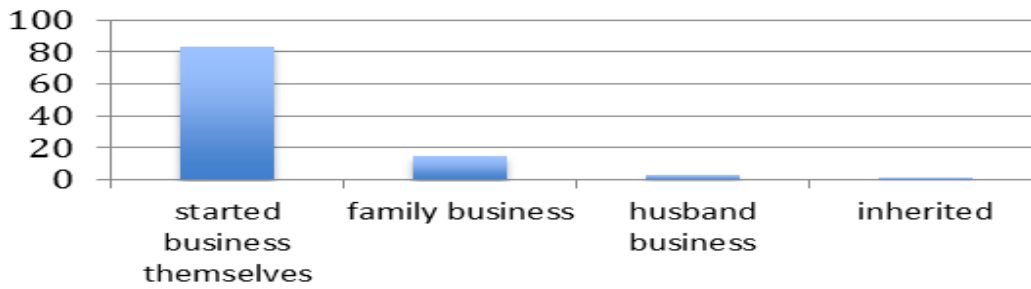
Finally, in terms of internationalization, 57 percent of women-led businesses surveyed do not export and only 7.5 percent of respondents reported having foreign associates.

2. Entrepreneurship is a choice

Based on the data collected, it appears that women want to engage in entrepreneurship due to a strong willingness to initiate their own businesses and to a desire to achieve a good work-life balance. Business is seen as an opportunity rather than a constraint to a good family life even if it may entail financial insecurity.

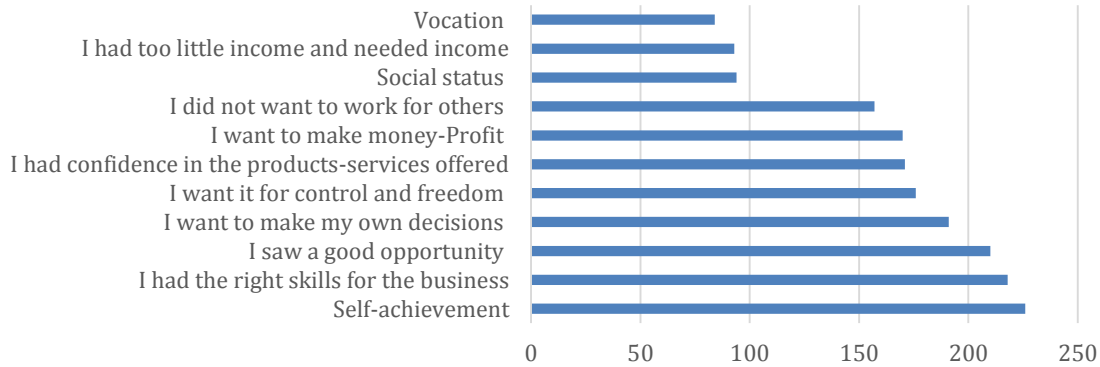
The survey shows that entrepreneurship is a choice; women take their own initiative in starting their business. Data from the survey reveals that 83 percent of the respondents started their businesses themselves, compared with 15 percent who took on family businesses. Less than 1 percent inherited a business, and over 3 percent mentioned they worked for their husband’s business.

How did women get into business (% of responses)



Self-achievement is the first cited reason for women when starting their business (cited by 51.4 percent of respondents) followed by the *conviction they had the right skills* (cited by 49.5 percent) and the *opportunity* (47.7 percent).

Cited reasons for starting a business (by number of respondents)



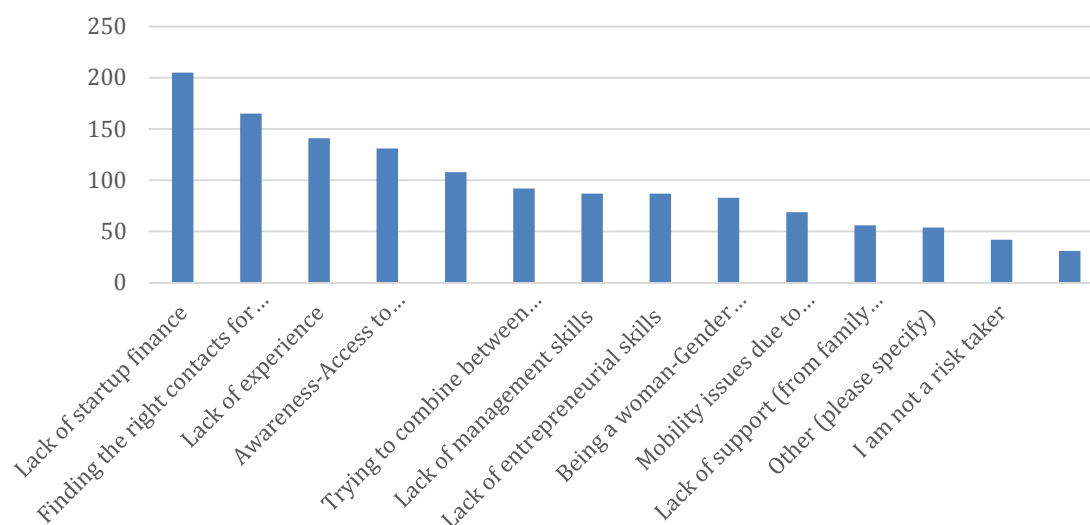
Further, women appear determined in their entrepreneurship career choice. Despite the fact that entrepreneurship can entail financial insecurity, with nearly 60 percent of respondents declaring they do not pay themselves a regular salary, three in four respondents declared that they would not want to have another job (in the public or private sector).

In addition, 90 percent of respondents declared being, very or somewhat, optimistic about the development of the business. Despite the difficulties in the general economic environment, a majority of respondents stated they intend to invest (42 percent), hire (50 percent) and expand markets at national (50 percent) and international (40 percent) level in the coming months.

3. Major challenges for women entrepreneurship development: Access to finance and access to markets

Access to finance is a recurrent issue for women entrepreneurs whether nascent or already established. The survey reveals that the main challenges for nascent women entrepreneurs creating businesses are the *lack of start-up finance* (cited by 50.4 percent of respondents), followed by *finding the right contact for a business venture* (cited by 41.4 percent), *lack of experience* (cited by 36 percent), and *access to business support* (cited by 33.8 percent).

Cited obstacles to starting a business (by number of responses)



For one in two women, access to start-up capital is made difficult by the lack of collaterals and assets (e.g. being the owner of the premises). This can explain that although a woman is a self-starter entrepreneur, only a small percentage of women are the sole owner of their business, while the majority share it with other family members. The survey reveals in fact that around 35 percent are sole owners of their business, around 47 percent of the respondents have joint ownership with family members, compared with around 19 percent with institutions, and around seven percent have joint ownership with foreign investors.

The results of the survey also showed that over 46 percent of the respondents stated that they rent the premises, compared with around 29 percent who said they owned it. Almost 22 percent said they work from home and just over 2 percent co-rent.

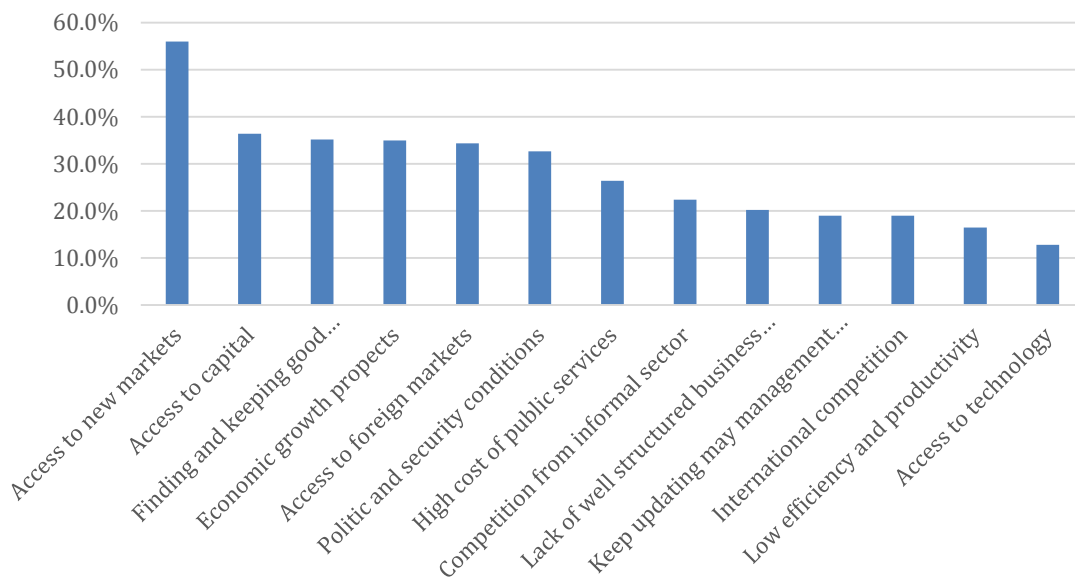
For women already in business, access to finance remains a challenge: 36.7 percent of the women entrepreneurs surveyed mentioned it as a major constraint in managing their business. As a consequence, the survey also reveals that self-financing is favoured by women: 58 percent of surveyed women reported that they have used or intend to use personal sources of financing (own savings or from friends and family), 54 percent reported that they have used or intend to use earnings from their business and 42 percent declared that they have used or intend to use commercial bank loans. In contrast, 25 percent of respondents said that they have never even tried to get a loan from banks.

In this regard, the survey revealed that 50 percent of surveyed women entrepreneurs thought their banks lacked the adequate programmes or products specifically targeted for their businesses. However, although 67 percent of respondents agreed that they did not feel discriminated against in banks due to gender, one in three women entrepreneurs believes that it is still more difficult for women entrepreneurs to access loans than men. This is due to: *complicated procedures* (20 percent), *collateral issues* (23 percent), the fact that women are *not taken seriously* (13 percent), and *lack of efficient human resources* (six percent).

Aside from access to finance, **access to markets** appears to be the other main challenge faced by women entrepreneurs, in particular for those intending to grow their business: around 56 percent of respondents mentioned access to new markets as a main challenge, followed by access to capital. As a consequence, information/training on how to access new markets ranks first in formulated needs for women entrepreneur capacity development.

As for other obstacles, 35 percent mentioned finding and keeping good employees; 35 percent mentioned economic growth prospects in the country; 33 percent mentioned political and security conditions; 27 percent mentioned high cost of public services; 20 percent mentioned the lack of a well-structured business model; 19 percent mentioned competition from other countries; 22 percent mentioned competition from the informal sector; and 13 percent mentioned that getting access to technology was the major obstacle.

Obstacles to growing a business (% of responses)

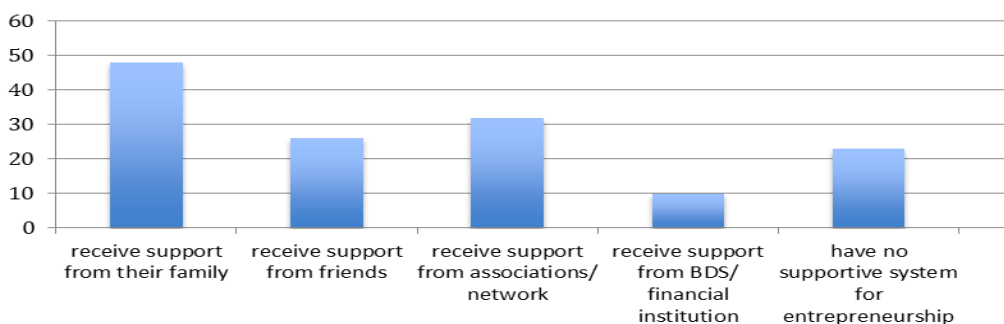


4. Women entrepreneurs mostly turn to their private environment for support

Women in the surveyed countries largely rely on their private environment (family and, to a lesser extent, friends) to support them in their entrepreneurship career choice.

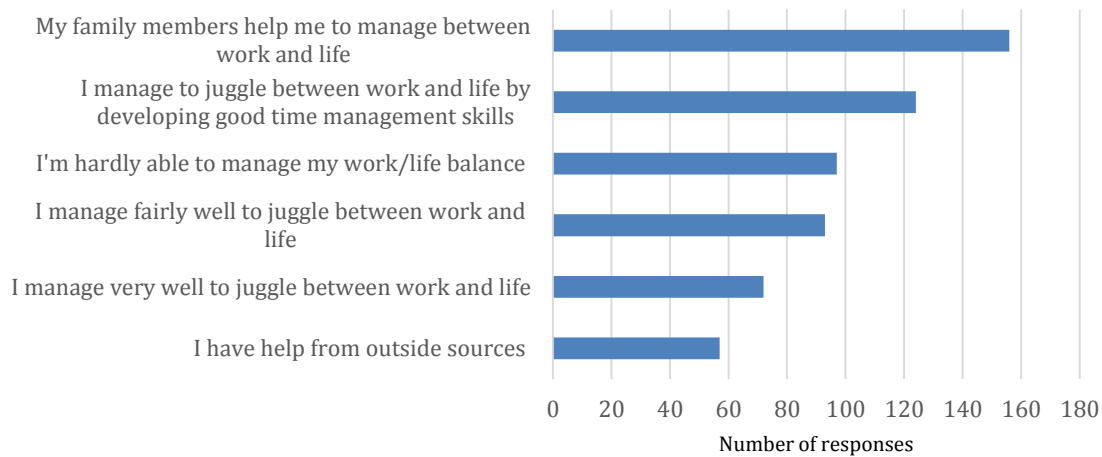
Nearly 50 percent of respondents declared that their family is the strongest support system for entrepreneurship. Only 9 percent of respondents reported to have received support from Business Development Services (BDS) or financial institutions, while 32 percent reported support from networks and associations. The latter figure however should be interpreted with care since, as already mentioned, the survey has been largely carried out among members of business associations. Finally, 23 percent of surveyed women declared they are not supported at all.

Women's support system (% of responses)



Family support can range from moral support to child and household care as well as finance (as already mentioned in the previous paragraph). This support is often essential to help women balance their time between their various responsibilities: 26.6 percent of surveyed women dedicate more than 50 hours per week to managing their business while 58.3 spend 30 to 50 hours on it. Family support helps 39 percent of surveyed women to find this balance. Eighteen percent of respondents declared that they perfectly manage work and family life, while 25 percent said they could hardly manage to reconcile both. In addition, 31 percent of respondents mentioned that they manage to juggle work and life by developing management skills.

Juggling life and work



However, at the household level, a majority of the surveyed women declared that *running a business had a positive and even a very positive impact on the family*. Around 51 percent of the respondents stated that their business had a *positive impact on their families*, compared with almost 28 percent who considered their business to have a *very positive impact on their family's life*. Only 6 percent stated that it negatively affected their family life, compared with less than 2 percent who considered their business to have affected their family life very negatively.

Besides their private support system, women also turn to “external” support providers, albeit to a lesser extent: Business Development Services providers (whether private or public) as well as Associations and networks who support women in their aspirations and entrepreneurial activities.

Based on the survey results, women seem generally to turn to BDS following a segmented approach. Among those having benefitted from business development services, around 59 percent received business advice (e.g. legal, financial and taxation), around 53 percent received management training, 44 percent received leadership training, 35 percent received training on how to build a team structure, 35 percent on financial training, 31 percent technical training and 32 percent on market information. Around 45 percent have a mentor or someone who offers business advice. Most respondents from the six countries believe that support provided at the business start-up stage for both female and male entrepreneurs is equal, indicating that the *business-operating environment is not in itself systematically gendered*, but that women's weaker status and their minor legal status in other areas of the law affect their ability to run a business.

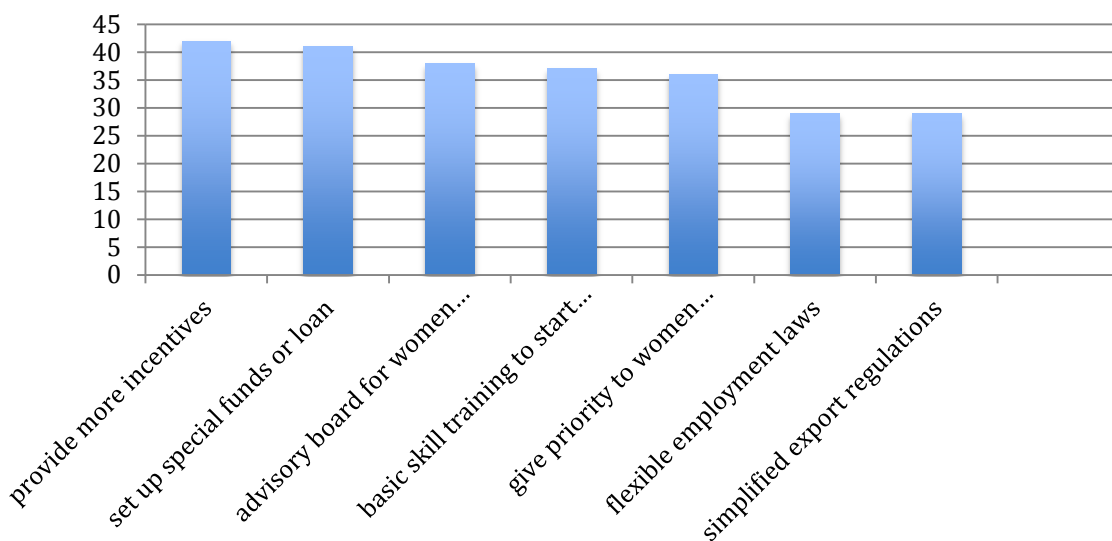
In addition, the survey reveals that *networking is perceived as very important* for women entrepreneurs, who think however that *they have less time for it than men*. In particular, women think that it is more challenging for them to network and build informal business relationships than it is for men. Moreover, 42 percent of interrogated women considered *exclusion from informal networks as a major barrier* to entrepreneurship for them.

Further support from the business environment stakeholders, governments, BDS, Associations, Financial institutions, etc., can help to facilitate the development of women entrepreneurship. The survey reveals that women entrepreneurs are in *need of information and training* on how to access markets, financial training and facilitation services to access finance. More managerial and business development training is needed. BDS programmes need to be made more accessible and integrated with access to finance strategies for women.

The survey also showed that the role of *government and the country regulations are key* for women entrepreneurs in getting off the ground. To the question “Do you think that the present business policy environment discriminates against women business owners?” 35 percent responded, “No”, 22 percent said, “Yes”, while 43 percent had no opinion. However, women still have expectations with regard to how governments could facilitate entrepreneurship.

The results of the survey (as shown in the below graph) show what women expect from government measures that specifically target women. Around 42 percent of respondents believe that, in order to support more women in growing their businesses, *governments should provide more incentives* for women-owned SMEs (e.g. tax incentives); and a similar 41 percent believe that governments should set up *special loan funds or loan guarantee schemes* for small businesses. Over 38 percent would like governments to establish a special advisory board for women entrepreneurs and 36 percent believe that women business owners should be given priority/preferential points in governmental procurement biddings. Other expected measures are not gender oriented: almost 37 percent believe that the government should provide basic business skill training to new and prospective business owners; 29 percent believe that employment laws should be changed to increase business flexibility for hiring employees or replacing them; 29 percent believe that export laws and regulations must be simplified, and 28 percent believe that governments must establish goals for purchasing goods and services from SMEs.

Government support role (% of responses)

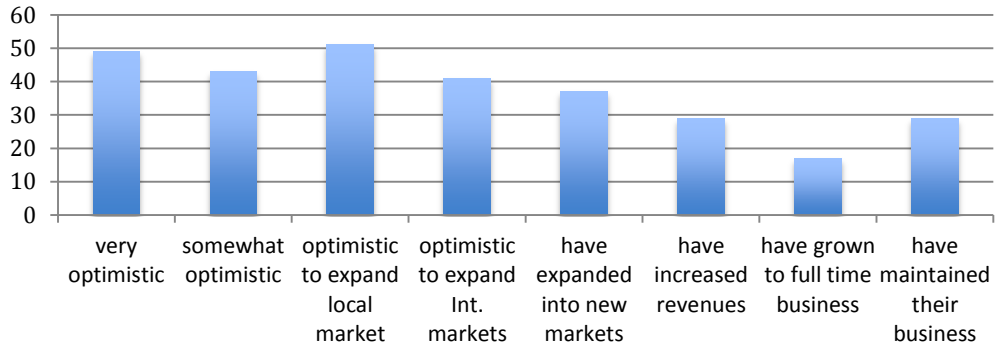


5. Despite the obstacles, women entrepreneurs are optimistic

Despite the challenges described above, the perception of women regarding their business and growth is optimistic. In fact, around 49 percent of surveyed women entrepreneurs stated that they were *very optimistic for the growth and development of their business* over the next two years, and around 43 percent said they were somewhat optimistic.

Around 51 percent of respondents believe that they will expand into new local markets in the coming year and 41 percent believe they will expand into international markets.

Optimism, growth and new markets (% of responses)



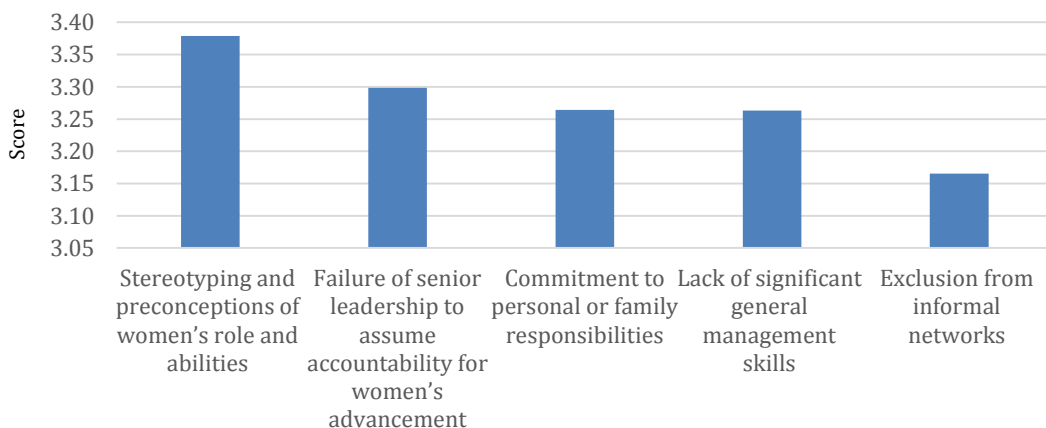
Optimism and outlook for business growth along with expansion into new markets seems related to performance in recent years: in fact, during the past two years, around 37 percent of respondents expanded into new markets; 29 percent increased revenues/employment; 17 percent grew from a part-time venture to a full-time business; and 29 percent maintained their full-time business at its present size and level of activity.

6. Collective norms still hamper women entrepreneurship development

When asked to rank by order of importance five barriers holding women back from entrepreneurship, 26 percent of surveyed entrepreneurs ranked “Stereotyping and preconceptions of women’s role abilities” first, while 23.6 percent ranked “Commitment to personal or family responsibilities” first. This indicates that, for nearly half of the respondents, preconceptions and collective norms which expect women to “shoulder the brunt” of household responsibilities are still hampering female entrepreneurship. Other highly ranked reasons are “*Failure of senior leadership to assume accountability for women’s advancement*” and “*Lack of significant general management skills*”.

When looking at the average score, the five main barriers appear to be in order as per below graph:

What is holding women back



C. Findings from the desk review

Today, women own and manage 31 to 38 percent of all businesses across all regions except the MENA countries, where they make up around 13 (ILO 2015) to 15 percent (WB 2013⁴) of those who are self-employed. The region registers the largest gender gap in entrepreneurship in the world (OECD 2014).

There are similar institutional and procedural constraints that both male and female entrepreneurs face in the business environment such as: corruption, transportation, licenses and permits. Other impediments affect women more than men. In Egypt for example, female-owned firms are more likely to perceive access to land and electricity as constraints. They report a yearly average of 40 percent more power interruptions and losses of sales caused by power outages or surges from the public grid. They also report greater legal constraints than male-owned firms, with an average of eight months longer to resolve disputes over overdue payments. Women-owned firms report higher losses as a result of these problems (7 percent of total sales compared with 5 percent for male-owned firms), (World Bank 2007).

Women business owners also face social constraints related to family responsibilities. As in most countries, women are the main caregivers in all six countries, and spend more time on household activities, reducing the number of hours they can allocate to productive and income-generating activities. This situation is especially pronounced in societies where there is a lack of good-quality social services, such as childcare centres.

Women entrepreneurs in many of the countries are further constrained by mobility issues. As a result of cultural norms and traditions, some women are prevented from traveling alone, which limits their effectiveness as entrepreneurs.

1. Main challenges for women entrepreneurs starting up, managing and growing a business in the MENA region

Women entrepreneurs in general face problems in gathering start-up capital through traditional banks due to conservative lending policies and a degree of unfamiliarity or outright distrust between bankers and female entrepreneurs. Loan officers may be unfamiliar with the types of businesses women may want to establish, for example. This is exacerbated by the fact that women with household responsibilities may generally have less time to engage in banking and other business-related transactions (GSDRC 2013).

A survey of five MENA countries (Bahrain, Jordan, Lebanon, Tunisia and UAE) undertaken by the International Finance Corporation demonstrates the effects that limited access to finance has on women's entrepreneurship in the region (IFC 2007). This multi-country survey found that between half and three-quarters of women who had sought external financing for their businesses had not received any financing from a formal financial institution. This was attributed to a combination of difficulties, including high interest rates, lack of collaterals, lack of track record and complicated application processes. For example, in Lebanon, only 17 percent of women business owners surveyed were granted finance out of 51 percent who had applied. In Tunisia, high interest rates were reported to be a significant barrier to women seeking financing. The study found that in the absence of formal finance, most female entrepreneurs were instead relying on private sources (savings, family and friends) to finance their business. This was considered likely to hinder the long-term growth potential of these businesses (GSDRC 2013).

Women are less likely to know an entrepreneur or to have a role model in their social network. This is true of entrepreneurs across different stages of development: discovery, start-up and young enterprise stage. This means that exposing women to more entrepreneurs is likely to play an important part in encouraging more women to become entrepreneurs⁵.

Several important initiatives have been established to assist women in starting up their business. One of these initiatives is funded by the MEPI (Middle East Partnership Initiative), in partnership with the Business Women Forum (BWF).

⁴ The World Bank carried out a survey on 5,887 firms in 10 MENA countries between 2003 and 2010. The findings concluded that only 15 percent of the firms were female-owned.

⁵ <http://www.dailynewsegypt.com/2013/11/25/will-women-rise-up-as-egypts-entrepreneurs/>

For a business environment to be conducive for female entrepreneurship development, the following should be included⁶:

- Support Mechanisms: (Mentors/advisors; Professional services; Incubators/accelerator; and Networks)
- Funding and Finance: (Friends and family; Private equity; Venture capital; Angel investors)
- Human Capital/Workforce Availability: (Technical and management talent; Entrepreneurial experience; Outsourcing availability)
- Regulatory Framework and Infrastructure: (Tax incentives; Ease of business establishment/registration; Business-friendly policies; Access to basic infrastructure)
- Culture: (Tolerance of risk and failure; Preference for self-employment)
- Success stories; (Celebration of innovation)
- Market: (domestic, international)
- Education and Training: (university education, executive training).

In terms of communication with bank staff in particular, a survey conducted by Vital voices and AFAEMME⁷ in eight countries of the MENA region (Algeria, Bahrain, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia) revealed that 64 percent of women favoured a bank with a relationship rather than transactional orientation in their business approach. Another clear majority of respondents – up to 67 percent – claimed that they wished their bank would contact them more often to enquire about their businesses and adapt their services to their demands.

The majority of business owners – 68 percent – agreed that bank staff members lacked adequate experience and knowledge to effectively handle SME customers. Additionally, up to 70 percent of respondents agreed that, to varying degrees, bank-lending conditions were prohibitive for them⁸.

The same survey points out that most of the Banks in the countries targeted (Algeria, Bahrain, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia) did not seem to view women-led businesses as a market with specific needs, although some reported their intention to develop targeted services and products for women business owners in the near future. Therefore, very few banks have annual targets for increasing financing for women entrepreneurs. Women-led businesses represent less than 10 percent of banks' loan portfolios, and when banks make financing decisions, they regard credit history, collaterals and business experience as the most important factors. This is why banks usually exclude projects initiated or led by women entrepreneurs, given their limited use of formal bank accounts, their reduced access to collaterals and their reduced amount of formal work experience.

Women's share in bank loans does not seem to be lower than that of men, since a majority of bank loans in the survey come from special banks that run programmes targeting the financing of new ventures and micro and small enterprises. These banks usually extend credit without asking for collateral, which may prove to be of greater use for women than men who usually have better access to assets. This may stand as evidence that females have less access to assets that can be used to self-finance their business than males.

Based on the review of existing research, it is possible to say that access to finance is the main obstacle that women face when starting a business and that too many women still perceive bankers as less likely to be cooperative when they are treating a woman's request for a loan, either to start a new business or to expand an existing one. Improving women's skills to become 'bank ready' and better meet banks' expectations, and to be able to present their projects in a convincing manner will enhance the demand side of bank credit.

2. Access to business services, market and information

⁶ World Economic Forum 2012

⁷ Women's finance in the MENA Region; Vital Voices Global Partnership & AFAEMME

⁸ Banks have a different perspective on the difficulties, and justify their high interest rates on different facts: SMEs, or a majority of them, do not prepare coherent and structured business plans with a 3, 6 or 10 year horizon - Some of the SMEs lack tracking of financial records such as balance sheets or audits.

The frameworks and tools needed to support business creation remain inadequate in the MENA region in general, but even more so for women. Women entrepreneurs face specific obstacles and constraints that stem from both the demand side, i.e. the use of finance and Business Development Services (BDS)⁹, and the supply side, i.e. bank lending practices and the range of BDS and incubators available. Services are very limited, not only because of the overall weak business support infrastructure, but also because the services that are available are often not tailored to women entrepreneurs, and because they are not aware of the availability and importance of such services. Moreover, women entrepreneurs in the MENA region limit themselves to 'traditionally female' areas where barriers to entry may be low, but where there are limited opportunities for competitive advantage, as well as limited prior experience in starting and running a business. In addition, there may be a lower level of education, especially in rural areas. Often, women need flexibility in their training schedules to carry out family duties, which is not always provided by the existing BDS. A number of BDS organizations stressed lack of funding as an issue preventing them from developing women-focused programmes (World Bank, 2014).

The provision of BDS services is most developed in Tunisia where there are intensive public networks of entrepreneurship development centres, SME support offices, technology development centres, and employment bureaus offering advice, counselling and information to new entrepreneurs and existing SMEs. In other countries, where support mechanisms receive less investment from the public sector, these BDS are often offered by women associations.

Services to women entrepreneurs could be further extended through public or private sector providers and should be adapted to the type, size, growth speed, sector and location (rural or urban) of a company. BDS should be linked with market promotion and financial support services. Improved data collection and coordination among government and businesses, using new technology, could further ensure services are better adapted to different types of businesses.¹⁰

Business incubators are a form of BDS that have become increasingly popular over the last decade, based on their demonstrated ability to positively influence entrepreneurial success. Incubated firms are stated to have higher survival rates than the national average and may grow faster than non-incubated firms due to the support they receive, and the clustering and networking provided by their advisors. Hence, the development of business incubators may be a suitable way of improving enterprise support to women-led businesses in the MENA region¹¹.

3. Access to networks

Women business owners in the MENA region lack the necessary network diversity that is critical for the success of entrepreneurial initiatives. They do not have adequate connections for credible introductions to industry associations, chambers of commerce and other key business networks. Consequently, women entrepreneurs tend to be at a disadvantage in terms of getting the resources, information and advice needed to succeed, and money alone does not solve this issue (IFC, 2012; OECD, 2012).

Such networks could assist women in entering into legal transactions, organizing supply chains or effectively marketing their businesses (ibid). Lack of access to information via the Internet is also a barrier to women running or growing their own businesses. Research shows that women in the Arab world use social media less than men (Dubai School of Government, 2011). This is partly attributable to environmental factors, including social and cultural barriers to women using the Internet, but also personal factors, including IT literacy and confidence in ICT privacy.

Female entrepreneurs in the MENA region have largely been operating in the retail, service and education sectors, however they need to broaden their horizon to contribute to society at large. Having access to

⁹Evidence from other regions show that BDS targeted at women have been effective in increasing access to support for starting and growing their business. BDS are critical for creating and developing companies. They provide assistance to entrepreneurs and existing business owners to obtain key economic, regulatory and market information to make informed decisions when establishing or running a business.

¹⁰The G8-Deauville Partnership with Arab Countries in Transition Chair's Summary of the meeting on "Supporting Open Economies and Inclusive Growth – Women's Role in Arab Countries"

¹¹Recommendation from the OECD-MENA WBF meeting, March 2012

business networks and contacts is of great support here. A networking group of like-minded women is beneficial for several reasons, including inspiration, motivation, learning from each other's experiences, and willingness to support each other. Several countries have taken a step in this direction.

Local business clubs have also been of great benefit for networking, especially in areas where vulnerable groups of women reside. Among other things, the responsibilities of business clubs include providing a suitable venue and environment for women to meet and exchange expertise and discuss business, purchase goods at wholesale prices, and obtain support from qualified women who can train women entrepreneurs at their places of residence. Business clubs can lobby women at the communities to meet and take part in training courses, and conduct advocacy campaigns, networking activities and awareness-raising activities.

4. Access to markets

MENA region governments have shown efforts to increase women's access to markets and to information on market opportunities. This includes participation in the Gender Entrepreneurship Markets for Middle East and North Africa (GEM PEP-MENA), a regional technical assistance and advisory programme for women entrepreneurs initiated by IFC's Private Enterprise Partnership.

Access to markets represents a massive hurdle for women-owned businesses in North Africa, especially for those with significant growth potential aiming to leverage online opportunities. The need to effectively place products on local markets or to access more distant markets in many regions as in North Africa is not recognized as an issue in which women need extensive support. In Tunisia, for example, women entrepreneurs are trying to overcome the challenges in selling their products or services online.

Several initiatives in the MENA region include the organization of comprehensive export programmes (e.g. Tunisian participation in the Access Program for Women Entrepreneurs in Africa or Women Export Club run by the Moroccan AFEM - Association des Femmes Chefs d'Entreprises du Maroc).

Therefore, in addition to information about market features and market opportunities, women should be assisted with higher market exposure, export readiness programmes, licensing and franchising programmes, development of business clusters and access to procurement opportunities. Ultimately, when implemented, all of these programmes lead to growth of existing women's businesses but also to further integration in regional and global markets¹². Online marketing is increasingly seen as an option for many women entrepreneurs.

5. Cultural and social barriers

Although women's participation in entrepreneurship is still limited and many face social, legal and financial constraints, a previous survey conducted by CAWTAR and IFC in 2007 concluded that the self-perception of women entrepreneurs was positive. Women were becoming more independent and self-reliant, and were optimistic about their business growth and the ability to open up to new ventures, markets and sectors despite the challenges described above.

Women were perceived as being very passionate about their business, which is a key factor to success, and as increasingly accessing the male-dominated society. At the time, this was considered a big achievement, albeit slow in terms of social empowerment accompanying the economic empowerment of women.

6. Regulations and laws

There are several legal, regulatory and other constraints that women face in the business environment as entrepreneurs. Among the first constraints is the early start-up stage of an entrepreneurial activity.

Men are much more likely than women to be involved in **early-stage entrepreneurial activity**. This is due to the fact that at the start-up stage, women's businesses tend to be under-capitalized compared with their

¹²Džindo, Dajana (2015), Women's Entrepreneurship in North Africa: Looking into the Western Balkans' Experience; a new paradigm: perspectives on the changing Mediterranean

male counterparts; they are less likely to want to access external finance generally and equity finance in particular; and they may experience gender-specific obstacles that create a perception that accessing finance is a barrier. Differences also exist between the perceptions and attitudes of men and women. Although men and women are about equally likely to see good opportunities for starting a business, women are much less likely to be perceived as having the knowledge, skills and experience required, and are much more likely to report that fear of failure would prevent them from starting a business. This suggests a much lower level of confidence among women. Women are also less likely to know other people who started a business in the past two years within their social networks, all placing women at an entrepreneurial disadvantage.

In addition to the difficult procedures in general of starting and closing a business in the MENA region¹³, gendered laws outside the business sector and other elements of the legal framework can lead to gendered implementation of laws, which can disadvantage women entrepreneurs and female-owned firms. These obstacles make starting formal businesses more difficult for women, directly by creating additional barriers and indirectly by raising the costs and uncertainty of resolving conflicts and enforcing contracts. Such costs and uncertainty can affect the initial decision to pursue entrepreneurship in the formal sector.

Many governments in the MENA region have taken action to create a better **regulatory environment** and to smooth the process of starting a business in stages, and often as part of a larger regulatory reform programme (Doing Business MENA, 2010). Reformers focused on easing business start-up, lightening tax burdens, simplifying import and export regulations, and improving credit information systems. The MENA region continued its upward trend with 27 reforms in two-thirds of the region's economies, moving from the third-fastest reforming region in 2008 to the second-fastest reforming region in 2009. Most reforms took place in the following areas: starting a business, registering property, dealing with licenses, getting credit information, trading across borders, paying taxes and protecting investors (Doing Business in the Arab World, 2009).

Though restrictions remain in the MENA Region, and most countries have at least one legal differentiation in both accessing institutions and using property¹⁴, some constraints to equality have been removed in most laws.

D. Highlights and recommendations

Based on the first and second source data collection, **five main issues** for women entrepreneurship development in the MENA region have been identified:

- 1) Preconceptions and stereotypes still shape women's role and identity in MENA societies.
- 2) Women entrepreneurs need further access to networks, information, technology, sharing of experience and additional skills.
- 3) Women's access to finance remains a major challenge, hampering not only the creation of businesses but also their expansion.
- 4) The support system for women entrepreneurs is still mostly limited to family and friends: legal regulation and institutional support needs to be more gender sensitive and to reach out to women.
- 5) Women businesses are generally small and concentrated in the handcraft and services sectors.

1. Preconceptions and stereotypes still shape women's role and identity in MENA societies

Changing the way society perceives women, and in particular women entrepreneurs, is critical in boosting women entrepreneurship and women's businesses. Although it requires long-term objectives and commitments, it is important to highlight that gender roles and gender biases still play a role in shaping women's identity, self-confidence, leadership and other aspects that determine the profile (and the success) of a woman entrepreneur.

¹³The procedures required for starting a business are more significant in the Middle East than elsewhere, even if the time required is less significant, and closing a business is fairly difficult in the Middle East. On average it takes three years to close a business, and the recovery rate on initial capital is 30 percent.

¹⁴ Women, Business and the Law 2014: Removing Restriction to Enhance Gender Equality - World Bank - IFC

There is anecdotal evidence that cultural beliefs about gender and entrepreneurship have consequences for women. Gender stereotypes may systematically disadvantage women entrepreneurs to the extent that cultural beliefs about gender roles might impact men and women in the initial decision-making process of choosing to start a business in the first place.

These reasons, although apparently less “tangible” than others, represent concrete issues that women face: shared cultural beliefs in the MENA region about gender roles that prescribe different expectations of competence for women and men in the area of entrepreneurship, have considerable implications for women's career choices and life.

These observations lead to some conceptual questions: Do gender stereotypes break female entrepreneurship? Is the smaller number of women in business due to their level of education or number of children, or even due to the economy or the national character? Or both? If the break is related to gender stereotypes, which actions can be taken to change the image of women? What should be done to sensitize the society and change the social mind-set to perceive women as key actors in the business sector? What should be done to change the image of the business sector as a traditionally male-dominated area and make it more gender-balanced and inclusive?

In order to improve the image of women entrepreneurs in society and change the mindset towards a business sector that is more inclusive, actions that cut across all levels of society are needed. Dedicated interventions should involve individuals, groups and family, as well as institutions.

- First, in order to break stereotypes and create awareness at a social level, involvement of both men and women in *awareness creation* processes is crucial, keeping a strong focus on sensitization of men, on the one hand, coupled with coaching and training to enhance women leadership, on the other. *Investing in women's leadership* (for both youth and adult women) is key to improving their capacity, confidence and therefore their pro-active role and participation in a sector that is not traditionally perceived as a woman's domain.
- Furthermore, in order to have a more enabling environment for women entrepreneurship, the business sector should not be seen as a male-dominant activity, but as an opportunity for both. This may also require support from the media and a strong communication strategy to help shape the image of the business sector as a more gender-sensitive place that creates room for women's opportunities. As highlighted by several speakers during the conference held in Milan, role models are essential in this regard, to give more visibility to female entrepreneurs of the MENA region and to raise awareness of entrepreneurship as a career path for women.
- To support women's empowerment, especially young girls, and encourage them to invest in entrepreneurial activities, *education* has a crucial role: strengthening education towards business for women from an early age, by enhancing skills, is key and it should involve institutions from the early stages. From schools to universities and training centres, these institutions can play a relevant role in young girls' skills enhancement, capacity building and opportunities for their career development.

2. Women entrepreneurs need access to networks, information, technology, sharing of experience and additional skills

- The importance of female networks as a means to learn from others at local, regional and international level and a way to expand opportunities and access new markets was highlighted by women entrepreneurs during the conference held in Milan.
- Over the past years, there have been many initiatives and efforts invested in developing women's networks in the MENA region. Unfortunately, most of these initiatives were not sustainable due to lack of time and to the skills needed to manage these networks. Between balancing the time women entrepreneurs dedicate to family and business, there also needs to be time to network and share experience. There is thus a need to *identify practical and viable solutions for women to free up time for these activities*.

- Training to build women’s managerial skills, coaching. Incubators, which are important vehicles for business support services, business mentoring and coaching, are integral means of supporting the creation and growth of women-owned firms. The *role of women associations* in this regard is major, and should be expanded to reach out to women in rural regions. Furthermore, there is a need to focus not only on individuals, but also on women as groups and educate them towards collective action. This is especially true in a competitive marketplace.
- Women business owners lack equal access to training, but also access to and use of technology, which is leading to gender-based barriers in business growth, and the need to effectively leverage technology in order to facilitate the growth of women-owned businesses. Training and individual technical assistance are considered by the respondents to be the most common and direct recommendations to meet this need.

3. Women’s access to finance remains a major challenge, hampering not only the creation of businesses but also their expansion

The participants of the Conference in Milan confirmed what both the survey results and existing research on the subject revealed, which is that access to finance is crucial for women entrepreneurship development. In order to facilitate the raising of funds by women entrepreneurs, and based on the findings of the two studies discussed herewith, the following could be suggested:

- Reinforcing women entrepreneurs’ financial literacy (business plan formulation) and raising awareness of various funding solutions. In this regard, it was highlighted during the Conference in Milan that banks are not the only option for women entrepreneurs to raise funds. Crowdfunding, Business Angels and Seed funds are also an opportunity for women entrepreneurs. Options like crowdfunding, being internet based, are considered less gender sensitive.
- Increasing the coordination and dialogue between financial institutions, women associations and other BDS providers.
- Creating targeted funding mechanisms/guarantee schemes for women and implementing specific programmes adapted to the needs of women entrepreneurs, particularly in rural areas (taking into account seasonal activities and suggesting flexible refunding).
- Developing gender sensitivity of staff and human resources dealing with women business owners.
- Facilitating the migration from microfinance to classic banking by offering targeted BDS to women willing to grow their businesses and by incorporating microfinance into credit history.

4. The support system for women entrepreneurs is still mostly limited to family and friends

The general environment needs to be supportive beyond the circle of family and friends. In this regard, **laws, regulations and institutional support** could be **more gender sensitive** by:

- Supporting governments in their compliance with international conventions, covenants and laws that call for more gender equality, and ensuring that those principles are also embedded into the specific national laws/regulations and reflected in specific actions that can make policies and procedures more gender sensitive at national level.
- Ensuring that existing and new policies are sufficiently resourced, better coordinating women’s entrepreneurship policies across ministries, and giving women’s associations a stronger voice in the public-private dialogue.
- The option of “affirmative actions” (positive discrimination) and tailored services for women entrepreneurs was largely discussed during the Conference in Milan, leading to the conclusion that although they can boost women entrepreneurship in the short run, men and society as a whole need to be involved in the process to make that change sustainable in the long run.
- Integrating developed access to childcare and other facilities into national policies in the MENA region to help ease the work-life burden of women entrepreneurs, especially those who cannot rely on their family support system.

5. Women businesses are generally small and concentrated in handcraft and services

As confirmed by the survey, most women-led businesses in the MENA region employ fewer than ten employees and are concentrated in the handcraft and services sectors. Although it can be dynamic, the SME sector is often marked by out-dated and inefficient practices and technologies. As a result, small enterprises tend to operate far below their productive capacity. Improving their efficiency and introducing new techniques could therefore yield large returns to women and the economy in general in terms of income and job creation.

To support women enterprise creation and growth in the manufacturing industries, Institutions and Policy-makers should take into account the following objectives:

- Facilitate women's access to know-how, technologies and quality standards, through training programmes and technical tours. Small-scale businesses often use inefficient low-cost technologies which yield products of poor quality, pose hazards to health and the environment, and hamper competitiveness and access to markets;
- Facilitate the establishment of business partnerships at national, regional and international level;
- Encourage women-led business creation and growth in the manufacturing sector by facilitating access to finance and investments in new technologies through dedicated sectoral credit lines and incentives;
- Enhance their entrepreneurial and business skills, in particular in the fields of marketing, business negotiations, strategy, human resources management, etc.

II. BENCHMARKING ANALYSIS OF THE BEST PRACTICES TO SUPPORT WOMEN ENTREPRENEURSHIP

A. Methodology

To identify the benchmark countries, a group of potential candidates has been selected following a two-step methodology aimed at:

- gauging the current position of the selected MENA countries against a set of relevant indicators and
- identifying critical categories of policy improvement for the promotion of women entrepreneurship in the MENA countries.

The indexes used as a guideline to rank countries are the Global Entrepreneurship Index (GEI), the Female Entrepreneurship Index (FEI), the Global Gender Gap (GGG) and the Ease of Doing Business ranking. GEI measures "the quality of the entrepreneurial environment, the entrepreneurial eco-system, and women's entrepreneurial aspirations" through a range of individual and institutional variables. FEI is a barometer of a country's current situation, with reference to a group of other countries, concerning the existing conditions that fuel high potential female entrepreneurship development. The GGG Index, introduced by the World Economic Forum in 2006, is a framework that captures the magnitude of gender-based disparities and tracks their progress. The Index benchmarks national gender gaps in terms of (i) economic participation and opportunity, (ii) political empowerment, (iii) educational attainment, and (iv) health and survival, and provides country rankings that allow for effective comparisons across regions and income groups. The Ease of Doing Business ranking is a World Bank Group indicator that compares 189 countries with reference to 10 topics, each consisting of several indicators, namely: Starting a Business; Dealing with Construction Permits; Getting Electricity; Registering Property; Getting Credit; Protecting Minority Investors; Paying Taxes; Trading Across Borders; Enforcing Contracts; Resolving Insolvency. The rankings for each topic are determined by sorting the aggregate distance to frontier scores.

Once the shortlist of potential countries was established, the selection of model countries was finalized by taking into account those having adopted policy measures and practices, with the potential to address some of the constraints specific to female entrepreneurship identified by the assessment research, and that offered the largest spectrum for learning, whether in the short or longer run. Generally, the

constraints that both male and female entrepreneurs face when starting their businesses are similar. For all entrepreneurs the main problems are access to credit, access to market information, registering costs, licenses and permits, and dispute resolution. However, especially in the six MENA countries, there are impediments that affect women more than men, mostly because of social and regulatory rules. According to the assessment report on the situation of women entrepreneurship and the six countries and to a complementary desk analysis, the nine areas of improvement, object of the benchmarking analysis, are the following:

1. Regulatory, institutional and legal framework
2. General gender policies
3. Education and training on entrepreneurship
4. Access to business registration/enterprise creation
5. Access to BDS, technology, networks, representation
6. Access to credit and financial services
7. Access to markets and to information
8. Leadership promotion
9. Gender stereotyping and social constraints

As a result of the adopted methodology, three benchmark countries were selected: Australia (top of the range), Italy (middle of the range and with some interesting policy measures targeting female entrepreneurs) and Turkey (middle of the range and with interesting examples of policy measures aimed at reducing the economic participation gender gap).

Table 1: The 3 benchmark model countries at a glance and their learning potential

Countries	GEI 2015 (GEDI) Ranking / Score	FEI 2015 (GEDI) Ranking / Score	GGG 2015 Ranking / Score	Doing bus. (WBG) Ranking on 189	Learning potential
Australia	3 rd 78.0	2 nd 74.8	36 th 0.733	13 th	Top of the range → gives an idea of the widest gap and can provide MENA public and private sector with a comprehensive picture of the areas on which efforts can be directed to create a more nurturing environment for women entrepreneurs
Italy	48 th 41.1	30 th 51.4	41 st 0.726	45 th	Middle in the range, better performing in supporting women entrepreneurship than on creating an adequate business environment → can show some interesting policy measures targeting female entrepreneurs, reflecting the political will to use female self-employment as a lever to increase the female employment rate
Turkey	28 th 52.7	45 th 39.3	130 th 0.624	55 th	Middle in the range, better performing in creating an ecosystem than in favouring healthy women entrepreneurship → can show some initial policy measures aimed at reducing the economic participation gender gap

B. Benchmarking analysis results at a glance

The below table summarises the score and ranking of the three benchmark countries compared with the six MENA countries under the different indexes selected.

Table 2: Compared indicators in the benchmark model countries and the six MENA countries

Index	Australia	Italy	Turkey	Egypt	Jordan	Lebanon	Morocco	State Palestine	Tunisia
GEI 2016 Ranking / Score	3 rd 78.0	48 th 41.1	28 th 52.7	89 th 27.3	64 th 33.5	50 th 39.9	78 th 29.5	--	62 nd 34.4
FEI 2015 Ranking / Score	2 nd 74.8	30 th 51.4	45 th 39.3	66 th 27.7	--	--	--	--	61 st 30.7
GGG 2015 Ranking / Score	36 th 0.733	41 st 0.726	130 th 0.624	136 th 0.599	140 th 0.593	138 th 0.598	139 th 0.593	--	127 th 0.634
Doing Business 2015	13 th	45 th	55 th	131 th	113 th	123 rd	75 th	129 th	74 th
GNI / capita PPP int \$ 2014	42,760	34,700	18,980	10,260	11,910	17,590	7,290	5,000	11,020

The below tables assess the situation in the three benchmark countries and six MENA countries according to each area of improvement using the following colour coding.

Excellent	Good	Fair - With some problems	Weak

As for the three benchmark countries, we can see that Australia is excelling in any single area of improvement identified. Some areas of excellence or good performance can also be found in both Italy and Turkey, combined with some areas of fair and ongoing weak performance.

Table 3: the 3 model countries at a glance

	Legal and Regulatory	Gender policies	Entrepr Educ. Training	Enterprise creation	BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender stereotyp. social constraints
Australia									
Italy									
Turkey									

As for the six MENA countries, the table below shows their situation for each area of improvement identified.

Table 4: the six MENA countries at a glance

	Legal and Regulatory	Gender policies	Entrepr Educ. Training	Enterprise creation	BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender stereotyp. social constraints
Egypt	Orange	Yellow	Orange	Orange	Yellow	Orange	Orange	Yellow	Orange
Jordan	Orange	Yellow	Green	Orange	Yellow	Orange	Orange	Yellow	Orange
Lebanon	Orange	Yellow	Orange	Orange	Yellow	Orange	Orange	Orange	Orange
Morocco	Yellow	Yellow	Green	Orange	Yellow	Orange	Orange	Yellow	Orange
Palestine	Orange	Yellow	Orange	Orange	Yellow	Orange	Orange	Yellow	Orange
Tunisia	Yellow	Yellow	Green	Yellow	Yellow	Orange	Orange	Green	Orange

According to the benchmarking analysis, the main gap between the six MENA countries and the three benchmark countries concerns the aspects related to access to credit, access to markets and information, and the gender stereotyping and social constraints.

Access to credit is a common problem to all SMEs and is linked to the reluctance of banks towards SMEs but also to the inadequate capacity of entrepreneurs to prepare and defend a bankable business plan. If the entrepreneur is a woman, the bank's reluctance can be higher and the requests of collateral, formal documents, credit history can be a problem. Italy and Turkey address this issue by providing dedicated credit services to women such as a woman officer, guarantee schemes, coaching and mentoring.

Another key constraint for SMEs, particularly when venturing into export markets, is access to market and information. This is strongly felt by women due to lack of knowledge of specific sectors / technologies, lack of informal business networks, such as men's clubs and, for some, mobility restrictions. Italy and Turkey do not seem to address this constraint with specific initiatives tailored to women, whereas Australia supports specifically women's access to markets through Austrade (Australian Trade Commission) and the WIGB (Women in Global Business) Program. Specifically, the WIGB program helps women entrepreneurs to export their products and services by acting as a central source of information and resources, support and connections. The services provided include: mentoring programmes, on-going skills and capability-building workshops, annual speaker series and active social media presence.

Finally, the role of social constraints and gender stereotypes is still very strong in the MENA countries. If the gap with Australia is very wide, with Italy and Turkey it is smaller and differentiated by geographical areas, but many similarities exist. Acting through early childhood education seems the main path to tackle gender stereotypes on a sustainable basis.

C. Best practices identified in Australia, Italy, Turkey

Based on the benchmark analysis and the strengths in the nine areas of policy improvement crossed with the gap between the MENA countries and the benchmark countries per area of improvement, the following best practices were selected.

Table 5: Areas of improvement matched by good practices

Ref	Gender Policy Area	Specific Benchmark	Good practices
1	Regulatory and legal framework	Australia, Italy and Turkey	Laws protect individuals from gender-based discrimination
2	General gender policies	Australia	Gender budgeting
3	Education and training on entrepreneurship	Australia Italy	Early entrepreneurship education CIF trainings for women entrepreneurs
4	Access to business registration/ enterprise creation	Italy	CIF help desk for women entrepreneurs
5	Access to BDS, technology, networks, representation	Australia, Turkey, Italy	WIGB; B-Fit Sports Centre; CIF
6	Access to credit and financial services	Turkey, Italy	Garanti Bank; 215/92, Guarantee Fund
7	Access to markets and to information	Australia	WIGB
8	Leadership promotion	Turkey, Italy	Kadiger, Giro d'Italia
9	Gender stereotyping and social constraints	Australia, Italy, Turkey	Early programs to contrast stereotypes; CIF mentoring; B-fit Sports

Laws protecting individuals from gender-based discrimination – All benchmark countries

Well-resourced and highly capacitated governmental institutions are required to co-ordinate initiatives and policies and create a favourable environment for gender inclusion such as gender-responsive budgeting. For instance, Australia ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1983 and has a long tradition of gender equality, offering suffrage to women for the first time in 1901. Italy ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1985 and its constitution enshrines the principle of gender equality in its article 3, the principle of equal pay in article 37 and equal terms for the eligibility for public offices and elective positions in article 51. Turkey ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1985 and article 10 of its Constitution includes an anti-discrimination clause asserting among other things that women and men have equal rights.

Gender-responsive budgeting (GRB) - Australia

GRB is a government planning, programming and budgeting initiative that contributes to the advancement of gender equality and the fulfilment of women's rights. GRB entails identifying needed interventions to address gender gaps in sector and local government policies, plans and budgets, while seeking also to create enabling policy frameworks, build capacities and strengthen monitoring mechanisms to support accountability to women. GRB's initiatives have impacted multiple sectors and fostered improvements in many aspects of women's lives, including health, security (freedom from violence), economic security and social protection. The work on gender-responsive budgeting was pioneered in Australia in 1984, when Federal and state governments started to implement 'Women's Budget Statements' (WBSs) as a tool for mainstreaming gender into economic and social policy, but became more widespread from 1995. Since 2001, UNIFEM¹⁵ has supported GRB initiatives in over 40 countries because of its potential for advancing gender equality through more equitable budgetary frameworks and its replicability all over the world. The potential for replication and upscaling of gender-responsive budgeting work is demonstrated by the increased number of countries initiating gender-responsive budgeting programmes, as is happening in the MENA Region (specifically Morocco, Egypt and Lebanon).

CIF (committees of women's entrepreneurship) - Italy

Committees for the Promotion of women's Entrepreneurship (CIFs) were established by National Associations of Chambers of Commerce in agreement with the Ministry of Productive Activities in 1999. There is one CIF in every single local Chamber (one in every Italian Province), staffed with 1,000 experts who have been delegated by local business associations and trade unions to provide tailored programmes for women. CIFs have activated informative tools for new entrepreneurs, mainly open to women and young people. These services offer: self-assessment of individuals' attitude to self-employment and the risk

¹⁵ United Nations Development Fund for Women - UNWOMEN

degree of the new activity; information on the pros and cons of different forms of legal status for the new firm; information on financing opportunities and indications on the services available to start the new activity.

The success of this instrument is related to its extensiveness: chambers of commerce are well rooted and well known in the territory and citizens are accustomed to using their services.

The Women in global business (WIGB) program - Australia

WIGB is a programme launched by the government to support women entrepreneurs through the provision of information, support and connections in order to help them to export and invest. WIGB is funded by the Australian Trade Commission (Austrade) and delivered in partnership with Australia's state and territory governments. The purpose of the programme is to increase the participation of women in international trade and investment; to help women develop sustainable business; to encourage, support and advance the involvement of women in international business success; to raise the profile of Australian business women involved in international trade within the local and international business community. Internationalisation is a difficult step to take and this programme aims at supporting women-led businesses in entering new markets. Generally, all entrepreneurs encounter difficulties in entering new foreign markets because of: lack of local knowledge – of entrepreneurship culture, economic environment, wants and needs, local laws; costs of land and capital; local competition; language barriers; no brand established so unknown to market. However, this programme was designed especially for women, since according to Australian Trade Commission data, women-led SME businesses in Australia were not achieving their export potential when measured against the general SME population. The success of this programme relies on the very good trade infrastructure that prevails in Australia. Austrade is deeply engaged in contributing to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens towards internationalization. Austrade achieves this by generating market information and insight, promoting Australian capabilities, developing policy, making connections through an extensive global network of contacts, leveraging the badge of government offshore and providing quality advice and services. In this propitious background, a specific programme designed for women has all the necessary infrastructure to be successful.

B-Fit sports centre - Turkey

B-Fit sport centres are franchise gyms opened and handled by women where, in addition to sports courses, the centre organizes sessions of discussions and networking among women entrepreneurs. The purpose of this organization is to offer sports and a social setting for women and to encourage them to gain their independence, promoting women in terms of entrepreneurship and job creation while meeting their sports requirements. B-fit is different from other gyms in this sense. Having developed from a small idea, B-fit reaches 180,000 women in 48 cities with its 220 centres, and provides all kinds of support necessary for a healthy life. The successful factor of this initiative is directly connected with the strict gender segregation of Islamic societies, since only women can perform certain services for other women (i.e. a sport centre dedicated to women), where women interact only with women, free of dress codes.

Law 215/92 - Italy

For many years, **law 215/92** represented the key legislation for the promotion of female entrepreneurship in Italy and demonstrated the government's commitment to this policy field. The key to its success is the fact that many governments continued to fund and support it. The main objective of the law was to promote targeted measures for women entrepreneurs in terms of training and access to finance and to foster the creation of women-owned enterprises in innovative industrial sectors. Financial assistance was provided to women-owned businesses and support services through six different calls for proposal, both at national and regional level. The measure was discontinued in 2006 (after 14 years), but some regions still issue annual calls for tender in the frame of the law and they finance them through EU funding. A recent evaluation by the Bank of Italy on the impact of the law argues that supported women-owned enterprises showed higher survival rates than a control group for an initial period of five years from their establishment (Gennari and Lotti, 2013). In 2014, an OECD study on key issues and policy suggested that the institutional emphasis on women's entrepreneurship should be renewed. Law 215/92 could be reshaped, placing a stronger accent on business training and coaching in addition to financial support.

Guarantee Fund - Italy

The **Guarantee Fund** is a special State-guaranteed revolving fund for SMEs set up under the control of the Italian Ministry of Economic Development to afford more favourable lending conditions to entrepreneurs. It provides guarantees to those SMEs that cannot offer enough security to obtain a standard commercial loan. The issue of collaterals requested by banks for SME loans has a particularly negative impact on women entrepreneurs since they often lack land or immovable assets. For women entrepreneurs the maximum percentage of the guarantee is 80% of the financing required, up to an amount of €2.5 million. In comparison, male entrepreneurs are guaranteed only up to 60%. This intervention of the government to facilitate access to credit represents one instrument for adjustment with respect to unequal starting conditions and may have a significant impact on women, who have less access to external financing and less capital for the development of their business. Moreover, this instrument represents positive discrimination in favour of women (who can benefit from a larger guarantee). The success of the fund lies in the win-win situation created: the guarantee substantially modifies the relationships between lender and borrower, inasmuch as the lender has a keen interest in granting a loan to a viable entrepreneur who has a security set up by the state, while the borrower benefits from a guarantee that she/he would not otherwise have obtained at good conditions¹⁶.

Garanti Bank - Turkey

Garanti Bank was the first Turkish bank to start providing credit (financial support) and services (training and counselling) tailored to women. Evidence from internal research by Garanti supported the notion that women make profitable SME customers. Indeed, the difference in profitability is strongly and positively correlated with the size of the firm, so that as a woman entrepreneur grows her business, her value as a client grows significantly for the Bank also. Garanti Bank offers dedicated financial services to women, mainly:

- Women Entrepreneur (WE) Support Loans: loan with terms up to 60 months at special rates exclusive to women entrepreneurs.
- SME Project Finance Loans: a type of loan developed jointly by Garanti and Credit Guarantee Fund (CGF) and offered on the basis of the investment's return and cash flow generation periods. The loan features a 6-month grace period and can be taken out with terms up to 7 years depending on the return and cash flow generation periods of the investment. The maximum loan amount is USD 30,000. The loan is offered with a special annual commission rate exclusive to women entrepreneurs.

Garanti Bank also offers some training programmes aimed at (i) providing information on essential subjects needed to run a business; (ii) encouraging female entrepreneurs in exploring and identifying new business

¹⁶ Serena Romano, *Analysis of public policies for women's empowerment in Euro-Mediterranean countries, their impact on job creation and potential implementation in other countries*, in *Societal government and innovative public management: challenges for the Euro MENA area*, Euro Mediterranean Dialogue on Public Management, MED7, Rome, 2014

opportunities through networking; (iii) supporting the development of personal and business management skills needed to successfully run a business. Since 2007, Garanti Bank has organised, in conjunction with KAGIDER, “Women Entrepreneur Gatherings”, a sustainable method of providing business education to Women Entrepreneurs across Turkey. Gatherings are typically held in five cities each year, with local Garanti branches helping organize and advertise the events. In general, such events host on average of 150-200 participants, including around 30 percent non-clients. The local press and KAGIDER’s own network are extensively leveraged to advertise and promote the event in the community.

KAGIDER - Turkey

KAGIDER, the Women Entrepreneurs Association of Turkey, was founded in Istanbul in September 2002 by 38 successful women entrepreneurs. KAGIDER is a nation-wide, non-profit civil society organization. Today, KAGIDER has 200 members, all active in various sectors such as textiles, communication, public relations, tourism, mining, chemistry and health. Kagider provides different tailored services to its members, mainly:

- Entrepreneurship and Leadership Activities
- Biz. (We) Women Development Center
- Advocacy Activities for Women Empowerment
- Activities related to the European Union, KAGIDER Brussels Office
- Cooperation with the international organizations and NGOs
- Cooperation with the national NGOs
- Member Relations
- Communications

Kagider ensures that Turkish women entrepreneurs are connected to each other and are part of global entrepreneurship trends. Indeed, the mission of the association is to develop and support entrepreneurship among women to strengthen their status economically and socially and to have a world in which women produce and establish their existence freely and play an effective role in decision-making processes. KAGIDER established the EU Brussels office in March 2008 with the cooperation of TUSIAD (Turkish Industrialists' and Businessmen's Association) to support Turkey's accession process to the EU and especially to increase the role of women in this process. The basic aim of this office is to make KAGIDER easily accessible and a solution partner vis-à-vis the European Parliament, the European Commission, the European Women's Lobby (EWL) and other European NGOs on the women's movement in Turkey; and vis-à-vis Ankara to become a port to the EU on issues regarding women. KAGIDER is the first women's NGO in Turkey that opened a representative office in Brussels.

Giro d'Italia – Italy

Giro d'Italia is the name of a famous Italian bicycle race that every year crosses the whole country. Like the bicycle race, this initiative touches on the major cities of the country and is organized by the Chambers of Commerce and the Committee of Women’s entrepreneurship (CIFs) with the scope of diffusing the information on “how to do business” and to spread awareness on entrepreneurial spirit amongst women and young potential entrepreneurs. They are exposed to basic training about how to start a business and informed on the BDS available in the territory to help and support them in doing their business.

D. Replication/Adaptation of Best Practices in MENA Countries

Based on the above identification of best practices, some indications have been drawn for possible replication in the six targeted countries.

1. Egypt

The table below (orange code) shows that Egypt is progressively implementing policies to support the role of women in society. The country is initiating gender-responsive budgeting programmes and including women in the policy-making process (the electoral system obliges political parties to nominate at least one woman as part of their district candidate lists). The table also shows that there are a number of constraints that affect both male and female entrepreneurs, such as licenses, permits, procedures and shortage of tailored entrepreneurship training. However, women also face additional and more specific difficulties (as

indicated by the red code). They report facing greater legal constraints than male-owned firms due to a lack of information and/or higher levels of corruption against them. Women have more difficulties in accessing credit because the lack of capital and collateral is structural for them, since it is linked to persisting legal discriminations in inheritance law. Cultural norms and traditions further limit women's effectiveness as entrepreneurs, notably mobility restriction, which negatively affects their capacity to create networks, synergies and representations and to access markets.

	Legal and Regulatory	Gender policies	Entrepreneurship Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender Stereotypes social constraints
Egypt	Red	Yellow	Red	Red	Red	Red	Yellow	Red

In view of the situation presented above, the practices that could be inspiring for Egypt and that offer good prospects for improving the entrepreneurship environment for women in the short term are the following:

- CIFs (Italy) to increase the chances of receiving support for enterprise creation and accessing BDS;
- B-fit Sport Centre franchise (Turkey) to enhance the opportunities for networking and increasing representation;
- Guarantee Fund (Italy) to counter the difficulties linked to the lack of collateral in accessing credit;
- WIGB (Australia) to improve access to market information.

All these practices have been described above, and their main features will be reiterated below to see in practice how they could be beneficial to the women entrepreneurs' ecosystem in Egypt.

The Italian **Committees for the Promotion of Women's Entrepreneurship** (CIFs) were established by the National Association of Chambers of Commerce to provide customized services (training, counselling, start-up support, etc.) focused on women entrepreneurs' needs. The success of this instrument is the close relationship between the CIF and the female entrepreneurs, who can receive services that are tailored to their enterprises and needs since they focus on the specific problems encountered by women entrepreneurs. This instrument could be helpful in Egypt in overcoming the constraints related to enterprise creation and development since these services can offer: guidance on the services available to start the new activity; self-assessment of individuals' attitude to self-employment and the risk degree of the new activity; information on the pros and cons of different forms of legal status for the new firm; information on financing opportunities; information on rules and procedures to start a specific business; information on specific training available, etc.

An interesting practice for increasing representation and creating networks is the **B-Fit Sport Centre** initiative, as developed in Turkey. B-Fit sport centres are franchise gyms opened and handled by women where both sports courses and discussion and networking sessions among women entrepreneurs are organized. The advantage of such an initiative is to offer sports and a social setting for women and encourage them to gain their independence, promoting women in terms of entrepreneurship and job creation while meeting their healthy life requirements. These centres are managed by women so they also represent an opportunity to be self-employed, to create new jobs for other women (data show that women are more inclined to hire other women) and to empower women themselves.

To overcome the problems related to access to credit (particularly the lack of collateral), a good practice that can be implemented in Egypt is the **Italian Guarantee Fund**. The Guarantee Fund is a special State-guaranteed revolving fund for SMEs set up under the control of the Italian Ministry of Economic Development to afford more favourable lending conditions to women entrepreneurs. It provides guarantees to those SMEs that cannot offer enough security to obtain a standard commercial loan. For women entrepreneurs the maximum percentage of the guarantee provided is 80% of the financing required, up to an amount of €2.5 million. In comparison, male entrepreneurs are guaranteed only up to 60%.

Finally, to address the highlighted difficulties in accessing markets and information for women entrepreneurs, a good source of inspiration could be found in **Australian Women in Global Business (WIGB)**. WIGB is a programme launched by the Australian government to support women entrepreneurs

through the provision of information, support and connections in order to help them to export and invest. The aim of the programme is to increase the participation of women in international trade and investment; to help women in developing sustainable business; to encourage, support and advance the involvement of women in international business success. Indeed, the formation of WIGB was designed to address the barriers that were deterring women-led businesses from becoming global market leaders. This instrument can be adaptable to the Egyptian context with government support and through the involvement of international partners.

2. Jordan

The table below indicates that goals and actions for the achievement of a stronger role of women in social cultural and economic life are mainstreamed in the current Jordan strategy, as shown by the orange colour code related to gender policies and leadership promotion. The table also shows that Entrepreneurship Education (EPE) is catered for as part of the Jordanian education system and is well developed, starting in basic education and continuing in secondary education programmes (light green code). However, as indicated by the red boxes in the table, women face specific difficulties that hamper the development of entrepreneurship in Jordan. In particular, access to start-up capital for women is made difficult by the lack of collaterals and assets. Moreover, access to finance remains a challenge even for women already in business, and, as a consequence, self-financing is favoured by Jordanian female entrepreneurs. Then, due to the conservative social and cultural norms with respect to gender roles in the household and in society, women lack adequate connections; they cannot have credible introductions to industry associations, chambers of commerce and other key business networks; they are less likely to know an entrepreneur or to have a role model in their social network. Consequently, women entrepreneurs tend to be at a disadvantage in terms of getting the resources, the information and the advice needed to succeed.

	Legal and Regulatory	Gender policies	Entrepreneurship, Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender stereotypes, social constraints
Jordan	Orange	Yellow	Light Green	Orange	Orange	Orange	Yellow	Orange

In view of the situation presented above, the following practices could be inspiring for Jordan to address some of the highlighted constraints in the short term:

- B-fit Sport Centre franchise (Turkey) to enhance opportunities for networking;
- Guarantee Fund (Italy) to counter the difficulties linked to the lack of collateral in accessing credit;
- Garanti Bank (Turkey) to increase the financial capacity of women-led enterprises.

To increase the social and professional network required to develop a business, the Turkish **B-fit Sports Centres** represent an interesting practice to look at. B-fit was created in 2006 with the aim to make women, at every age group and income level, get into the habit of doing sports and improve their physical and mental power; to increase their power in economic life by promoting entrepreneurship and creating employment for women; to help them create social activities and projects and increase their awareness in relation to their own lives and environment. The centres are managed by women, so they represent an opportunity to be self-employed, to create new jobs for other women (data show that women are more inclined to hire other women) and to empower women themselves. In Turkey, B-fit Sports Centres have developed from a small idea to now serving 180,000 women in 48 cities with its 220 centres.

To overcome the problems related to access to credit (particularly the lack of collateral), a good practice that can be implemented in Jordan is the **Italian Guarantee Fund**. This instrument, initially conceived for both male and female-led SMEs, has introduced positive discrimination for women and later on a dedicated facility for female entrepreneurs. Women receive up to 80% of loan coverage (men will receive up to 60%)

for a maximum amount of €2.5 million. Since 2014, women can be pre-authorized by the fund management and are in a better position to negotiate the loan with their bank. The Guarantee Fund is provided by the Italian State and this makes it even easier to access the credit system. One of the successes of the fund lies in its public-private management, made up of representatives from ministries, banks and sector associations, who meet once a week and authorize requests presented by the bank and its beneficiary. Such a public-private partnership, if introduced in Jordan, could create a win-win situation for banks and women, substantially modifying the relationships between lender and borrower, inasmuch as the lender has a keen interest in granting a loan to a viable woman entrepreneur who has a security set up by the state, while the borrower benefits from a guarantee that she would not otherwise have obtained at good conditions.

The **Turkish Garanti Bank** gives specific loans and financial support to women-led SMEs. Garanti Bank was the first Turkish bank to start providing credit (financial support) and services (training and counselling) tailored to women. Evidence from internal research by Garanti supported the notion that women make profitable SME customers. Moreover, besides the financial support, Garanti Bank also provides training and counselling to its clients. This means that women, after receiving the credit, are also trained in how to manage it. This training can help women entrepreneurs to capitalize on the necessary knowledge to properly manage these funds as well as their own capital.

Jordan Ahly Bank's Nashmeyat initiative, which supports female entrepreneurship in Jordan through the provision of dedicated financial advisory services to women, is following this same path, but the Turkish Garanti Bank's approach goes beyond, by providing specific loans and non-financial services to women entrepreneurs. These could be complementary services to provide women entrepreneurs in Jordan to facilitate their access to finance in creating or developing their businesses.

3. Lebanon

Even though, in 2015, the GEI rated Lebanon 50th of 132 countries for conditions favourable to high-potential entrepreneurship development, women entrepreneurs still face a number of constraints in developing their businesses. In general, entrepreneurship is not included in school curricula and there is no specific training for women entrepreneurs. Differences between male and female entrepreneurs in Lebanon occur when creating an enterprise (women report the higher risk of being exposed to corruption), in terms of access to finance, as measured by both the demand for finance and the kind of financial instruments used (mainly because of lack of collateral), as well as access to market and information, since information circulates on informal channels that are outside their customary channels (because they may not be frequent visitors to cafes, restaurants and social places). Social norms are also a major concern for women who want to create a business, especially for women who become mothers, leading them to withdraw from entrepreneurial activity for family reasons. However, as shown by the orange boxes in the table, Lebanon is progressively implementing policies to overcome gender gaps, namely by initiating gender-responsive budgeting programmes and introducing equal inheritance laws.

	Legal and Regulatory	Gender policies	Entrepreneurship Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender Stereotypes social constraints
Lebanon	Orange	Yellow	Orange	Orange	Orange	Orange	Orange	Orange

Against this background, Lebanon could take inspiration from some interesting instruments developed to enhance women entrepreneurship in Italy and Turkey and that could have an impact in the short run. These are:

- Guarantee Fund (Italy) to counter the difficulties linked to the lack of collateral in accessing credit;
- Garanti Bank (Turkey) to increase the financial capacity of women-led enterprises;
- KAGİDER (Turkey) to enhance women leadership promotion;

- B-fit Sport Centre franchise (Turkey) to enhance opportunities for networking.

To overcome the problems related to access to credit (particularly the lack of collateral), a good practice that can be implemented in Lebanon is the **Italian Guarantee Fund**. This is a special State-guaranteed revolving fund for SMEs, set up under the control of the Italian Ministry of Economic Development to offer more favourable lending conditions to women entrepreneurs. It provides guarantees to those SMEs that cannot offer enough security to obtain a standard commercial loan. For women entrepreneurs the maximum percentage of the guarantee is 80% of the financing required, up to an amount of €2.5 million. In comparison, male entrepreneurs are guaranteed only up to 60%. This intervention of the government to facilitate access to credit represents one instrument for adjustment with respect to unequal starting conditions and may have a significant impact on women, who have less access to external financing and have less capital for the development of their business. Such a public-private partnership, if introduced in Lebanon, could create a win-win situation for banks and women, substantially modifying the relationships between lender and borrower, inasmuch as the lender has a keen interest in granting a loan to a viable woman entrepreneur who has a security set up by the state, while the borrower benefits from a loan that she would not otherwise have obtained at good conditions.

To enhance the financial capacity of women-led enterprises in Lebanon, a good practice to look at is the **Garanti Bank in Turkey**. This bank offers dedicated financial services to women, and the loans are offered with a special annual commission rate exclusive to women entrepreneurs. Aside from financial support, Garanti Bank offers client technical support (training and counselling) and encouragement to embark upon entrepreneurship (Turkey's Women Entrepreneur Competition). Garanti's success with women is due both to the bank's established strength in SME banking and to the effort to provide more than access to finance, by adding non-financial skills development and training. Increasing the number of such dedicated services for women entrepreneurs through banks could encourage a higher number of Lebanese women entrepreneurs to start and run viable, successful and innovative businesses. Women entrepreneurs in Lebanon are in fact already benefiting from credit facilities provided by **BLC Bank**, however the approach differs from the integrated one of **Garanti Bank in Turkey** which offers technical support in addition to financial support. The integration of both financial and non-financial services at Bank level could further facilitate access to finance for Lebanese women entrepreneurs by helping them to overcome the issue of financial illiteracy that, in Lebanon like in other countries in the region, is a major obstacle for women when dealing with banks and other financial institutions.

To encourage leadership promotion, a good practice is **KAGIDER**, the Women Entrepreneurs Association of Turkey founded in Istanbul in September 2002 by 38 successful women entrepreneurs. KAGIDER provides different tailored services to its members (as entrepreneurship and Leadership Activities, advocacy, cooperation and liaison with international organizations and NGOs) and ensures that Turkish women entrepreneurs are connected to each other and are part of global entrepreneurship trends. The benefits of this type of network can be easily replicated and adapted to different countries and could represent a good practice to promote women leadership in Lebanon.

Another interesting practice to increase leadership promotion, but also to give the possibility to create networks among women entrepreneurs and to have access to some specific information related to the business and markets, is **the B-Fit sports centre** initiative. These franchise gyms are opened and handled by women and, in addition to sports courses, they organize sessions of discussions and networking among women entrepreneurs. The purpose of this organization is to offer sports and a social setting for women and to encourage them to gain their independence, while fostering their participation in entrepreneurship or labour. The sports centres are places exclusively for women, where they can discuss business in a relaxing environment, and could represent an effective channel for business networking for Lebanese women entrepreneurs or would-be entrepreneurs.

4. Morocco

In recent years, Morocco has implemented several entrepreneurship education initiatives and programmes through its educational system, which have helped to build entrepreneurship knowledge among learners and the educational system itself, and to develop a culture of Entrepreneurship Education (EPE). Even though there is specific government interest in entrepreneurship, women still face many constraints and

difficulties in creating their own businesses compared with men. As shown in the below table, access to credit is one of the first obstacles that women face when aiming to start their own business (they have a lack of collateral and are perceived as riskier clients). Women also face difficulties in starting businesses because they fear abuse from tax officials and other forms of corruption (compared with male entrepreneurs). Cultural constraints represent another significant obstacle: the deeply rooted foundations of the Moroccan patriarchal society prevent women from socializing in informal places (bars, restaurants, coffee places and clubs) in which information circulates. Nevertheless, as indicated by the orange codes, the country is progressively promoting the role of women through dedicated policies such as gender budgeting and quota for reserving 17% of seats in Parliament to women.

	Legal and Regulatory	Gender policies	Entrepreneurship Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender Stereotypes social constraints
Morocco	Yellow	Yellow	Green	Orange	Orange	Orange	Yellow	Orange

In view of this situation, the practices that could be inspiring for Morocco to improve the entrepreneurship environment for women in the short term are the following:

- Australian WIGB programme to have access to market and information;
- Italian law 215/92 to have access to credits but also to grow and innovate the business;
- Turkish Garanti Bank to combine the access to credit with tailored BDS services.

To improve and grow the business, a good example is the **Australian WIGB programme**. Since in Morocco the percentage of micro-enterprises run by women is already quite high, in order to improve and let them grow, it is important to have instruments which can help their business to expand and, if possible, internationalize. Generally, all entrepreneurs encounter difficulties in entering new foreign markets because of: (i) lack of local knowledge - of culture, economy, wants and needs, local laws; costs of land and capital; local competition; language barriers – or (ii) no brand established so unknown to market. Internationalisation is a difficult step to take and this programme aims at supporting women-led businesses in entering new markets by helping women to take their products and services to the world by acting as a central source of information and resources, support and connections. WIGB is a programme launched and funded by the Australian government to support women entrepreneurs through the provision of information, support and connections in order to help them to export and invest: WIGB provides customized services that are tailored to the specific needs of women enterprises. The purpose of the programme is to increase the participation of women in international trade and investment; to help them develop sustainable business; to encourage, support and advance their involvement in international business success. The instrument can be replicated in Morocco with government support and/or with the involvement of international partners.

Another good practice to grow and innovate the business, but to have also access to credits, is the **Italian law 215/92**. The main aim of the law was to promote specific measures for training and access to finance for women entrepreneurs and foster the creation of women-owned enterprises in innovative industrial sectors. Financial assistance was provided to women-owned businesses, combined with technical support services, through six different calls for proposal, both at national and regional level. This instrument, as for the aforementioned WIGB, can be replicated with the support of the Moroccan government and/or with the involvement of international partners.

Finally, to combine access to credit with tailored BDS services, a good instrument is the **Turkish Garanti Bank**. Garanti Bank not only provides access to credit but it follows a three-pillar approach: financial support, client education (training and counselling), encouragement of entrepreneurship (Turkey's Women Entrepreneur Competition). The financial support offered follows two budget lines: Women Entrepreneur

(WE) Support Loans and SME Project Finance Loans (more details in section 3). Training offered aims at (i) providing information on essential subjects needed to run a business; (ii) encouraging female entrepreneurs in exploring and identifying new business opportunities through networking; (iii) supporting the development of personal and business management skills needed to successfully run a business. The increase of similar dedicated facilities for women entrepreneurs in Morocco could support the growth of women-led enterprises in the country.

5. Palestine

In general, as showed by the orange code in the table below, Palestine is implementing policies to promote the status of women: the goal of the Ministry of Women Affairs is to integrate gender, democracy and human rights into the policies and programmes of the various ministries and to promote reform of discriminatory laws. There is also a proportional representation component in the election mechanisms, guaranteeing about 20% women among the candidates. In general, with regard to entrepreneurship, Palestine ranks 129 (out of 189) for the Doing business Index. This means that the number of regulations and the timeframe for obtaining permits and licenses do not encourage entrepreneurs to start a business. The scenario is even worse for women entrepreneurs, as shown also by red codes in the table below. First of all, ongoing legal and regulatory discrimination and cultural factors negatively affect both women’s inheritance share and their mobility, hindering them from leaving their towns or homes for work purposes. Accordingly, they have very limited opportunities to create networks, to have access to market and to get all the information needed to properly develop a business. Then, even if there is a very high literacy rate in the country, especially among women, there is no training to encourage women's creativity and capabilities and to push them towards entrepreneurship. Finally, as in the other MENA countries, women face difficulties in accessing credit mainly because of the structural lack of collateral and because they are perceived as riskier clients than men.

	Legal and Regulatory	Gender policies	Entrepreneurship Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender Stereotypes social constraints
Palestine	Orange	Yellow	Orange	Orange	Orange	Orange	Yellow	Orange

In this scenario, the following practices can be replicated and/or adapted to the Palestinian context to boost women entrepreneurship and to respond to the specific needs reported in table:

- Guarantee Fund (Italy) to overcome the lack of collateral;
- The CIFs (Italy) to increase the chances of receiving support for enterprise creation and accessing BDS;
- Australian WIGB programme to have access to market and information.

The **Italian Guarantee Fund** can be an inspiring solution in the short run because it is an instrument implemented to provide a State guarantee to those SMEs that cannot offer enough security to obtain a standard commercial loan and that in most cases are run by women. This Fund allows women to receive a maximum percentage of the guarantee that is 80% of the financing required, up to an amount of €2.5 million. In comparison, male entrepreneurs are guaranteed only up to 60%. This intervention of the government to facilitate access to credit would represent in Palestine a measure to compensate for unequal starting conditions for men and women and could have a significant impact on women entrepreneurs, who have less access to external financing and have less capital for the development of their business.

The **Italian Committees for the Promotion of Women’s Entrepreneurship (CIFs)** were established by the National Association of Chambers of Commerce to provide customized services (training, counselling, start-up support, etc.) focused on women entrepreneurs’ needs. The success of this instrument is the close

relationship between the CIF and the entrepreneurs who can receive services that are tailored to their enterprises and business and that are focused on the specific problems encountered. This instrument could be extremely helpful in Palestine in overcoming the constraints related to enterprise creation and development since these services can offer: guidance on the services available to start the new activity; self-assessment of individuals' attitude to self-employment and the risk degree of the new activity; information on the pros and cons of different forms of legal status for the new firm; information on financing opportunities; information on rules and procedures to start a specific business; information on specific training available, etc.

An instrument similar to the **Australian WIGB** can be a good tool, both to support women entrepreneurs in having access to markets and getting more information and to increase market opportunities. WIGB is a programme launched by the government to support women entrepreneurs through the provision of information, support and connections in order to help them to export and invest. WIGB is delivered in partnership with Australia's state and territory governments to increase the participation of women in international trade and investment; to help women develop sustainable business; to encourage, support and advance the involvement of women in international business success; to raise the profile of business women involved in international trade within the local and international business community. WIGB activities include: mentoring programmes; on-going skills and capability-building workshops; an annual speaker series; an active social media presence.

6. Tunisia

As mentioned in section 3, in 2015 Tunisia ranked almost the same according to both GEDI GEI and FEI (respectively 62nd and 61st). The comparison between the two indexes¹⁷ shows that Tunisia is progressively creating the right entrepreneurship conditions with a special focus on female entrepreneurs. In general, as indicated by the green boxes in the below table, particular attention is dedicated to enterprise education at different levels: schools, universities and informal training. There is also training designed specifically for women entrepreneurs particularly in rural areas. In particular, several government institutions and non-governmental organizations are developing programmes to promote an entrepreneurial spirit and role models, to create networks and to provide specific BDS for women, but these are still insufficient to leverage women entrepreneurship (orange box). Moreover, the constitution guarantees equality of opportunities between women and men in terms of access to all levels of responsibility. The two areas in which female entrepreneurs face significant challenges (red code) are related to access to markets and information and access to credit. Like the other MENA countries, these problems are mainly related to the cultural constraints that entail unequal inheritance shares (and the related lack of collateral), the perception that women are riskier borrowers than men, and the constraint to their mobility preventing them from getting the information that often circulates through informal channels (because they may not be frequent visitors to cafes, restaurants and social places).

	Legal and Regulatory	Gender policies	Entrepreneurship Education, Training	Enterprise creation / BDS, tech, networks	Access to credit	Access to Market & Info	Leadership promotion	Gender Stereotypes social constraints
Tunisia	Yellow	Yellow	Green	Yellow	Orange	Orange	Green	Orange

Against this background, the following practices could be inspirational for Tunisia in improving women entrepreneurship conditions in the short term:

- Italian guarantee fund when the main problem faced is the lack of assets necessary to access financing;

¹⁷ Both the FEI and the GEI are based on the same framework and share some variables; however, the FEI includes 23 gender-specific variables focusing on female entrepreneurs.

- Turkish Garanti bank and or Italian law 215/92 when the problem is the lack of financing for starting or expanding a business;
- Australian WIGB programme to have access to market and information.

Law 215/92 is a specific law designed for the promotion of female entrepreneurship in Italy. This instrument promoted specific measures for training and access to finance for women entrepreneurs to foster the creation of women-owned enterprises in innovative industrial sectors. The law aimed at promoting substantive equality and equal opportunities for men and women by providing easily accessible funding for women willing to start their own businesses (loans are given in the following sectors: industry, trade, agriculture, services and tourism).

The **Australian WIGB** can be a good tool to support women entrepreneurs in accessing markets and getting more information. WIGB is a programme launched by the Australian government to support women entrepreneurs through the provision of information, support and connections in order to help them to export and invest. The programme seeks to increase the participation of women in international trade and investment; to help them develop sustainable business and also to encourage, support and advance the involvement of women in international business success. WIGB activities include: mentoring programmes; on-going skills and capability-building workshops; an annual speaker series; an active social media presence. The instrument can be easily replicated in Tunisia with government support and/or with the involvement of international partners.

The **Guarantee Fund** provides a government guarantee (set up under the control of the Italian Ministry of Economic Development) to those SMEs that cannot offer enough security to obtain a standard commercial loan. The aim of this instrument is to afford more favourable lending conditions to women entrepreneurs. Accordingly, for women entrepreneurs the maximum percentage of the guarantee is 80% of the financing (while male entrepreneurs are guaranteed only up to 60%). The success of the fund lies in the positive discrimination in favour of women (who can benefit from a larger guarantee) and its public-private management, made up of representatives from ministries, banks and sector associations, who meet once a week and authorize requests that are presented by the bank and its beneficiary. Such a public-private partnership, if introduced in Tunisia, could create a win-win situation for banks and women, substantially modifying the relationships between lender and borrower, inasmuch as the lender has a keen interest in granting a loan to a viable woman entrepreneur who has a security set up by the state, while the woman borrower benefits from a loan that she would not otherwise have obtained at good conditions.

The **Turkish Garanti Bank** offers dedicated financial services to women, and loans are offered with a special annual commission rate, exclusive to women entrepreneurs. Aside from financial support, Garanti Bank offers client education (training and counselling) and the encouragement of entrepreneurship (Turkey's Women Entrepreneur Competition). Garanti's success with women is due both to the bank's established strength in SME banking and to the effort to provide more than access to finance, by adding non-financial skills development and training. Increasing the number of such dedicated services for women entrepreneurs through banks could encourage a higher number of Tunisian women entrepreneurs to start and run viable and successful businesses. This facility could also be used to foster, in particular, innovative women entrepreneurs.