

OECD-MENA Women's Business Forum, Beirut, November 24, 2010

'Improving Women's Access to Enterprise Support'

by

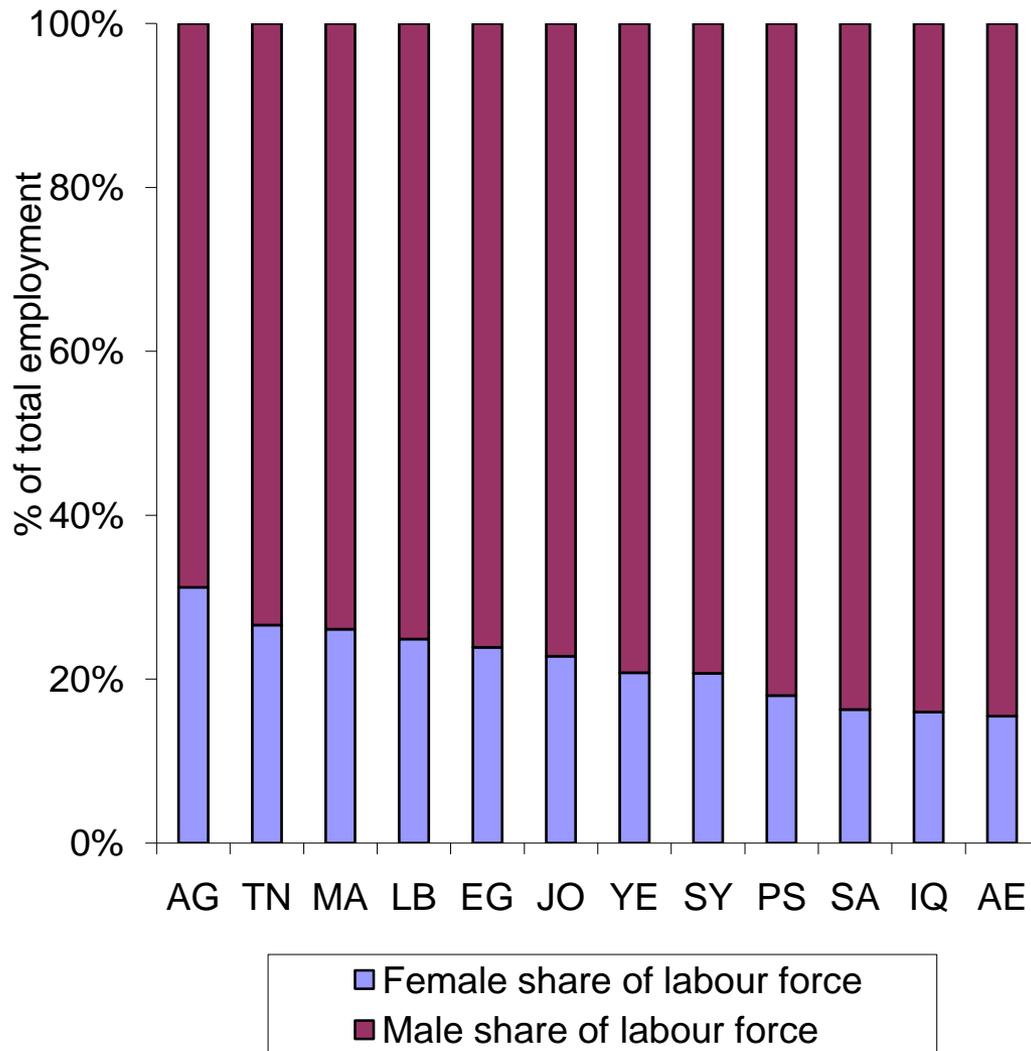
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Context

- MENA countries have short history in SME policy and support – mostly since the 2000s
- Generally underdeveloped business support infrastructure
- High degree of informality in SME sector
- Preponderance of microenterprises (less than 5 employees)
- Low participation of women as business owners

Constraints to women's entrepreneurship

- Culture – accepted norms re women's role in economic life
- Mobility restrictions
- Gender segregation in labour markets
 - Feminization of labour
 - Discriminatory hiring practices in private sector
- Less business/working experience
- Lack of knowledge
- Limited property ownership and collateral
- Customary practices often prevent them from accessing their legal rights



Low share of women in the labour force

Female labour force participation rates are much lower than for men – lowest of any region in the world

Result is lower share of labour force – 31% in Algeria, 15.5% in UAE; average of 22%

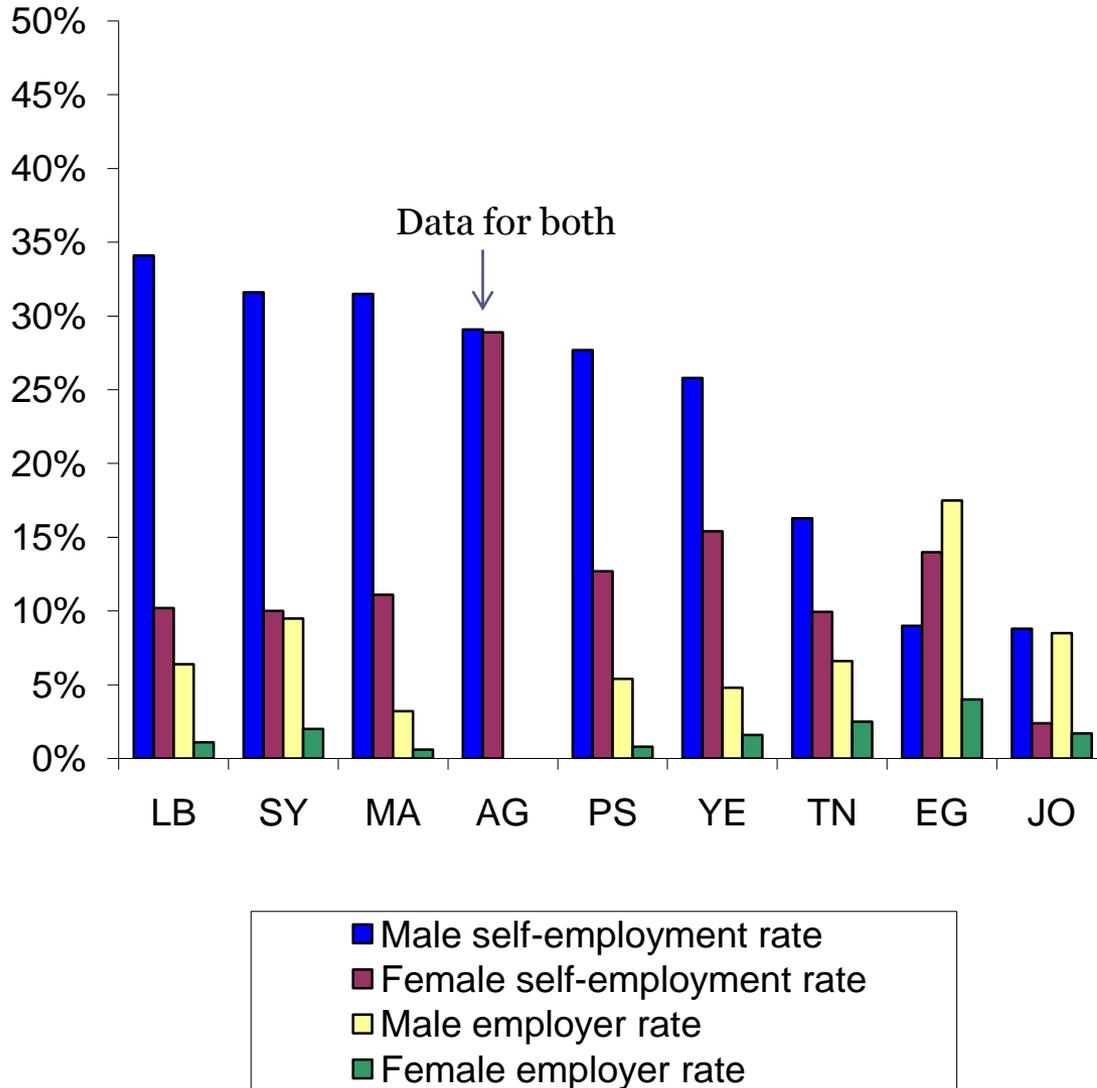
Low participation in formal private sector jobs; more likely to be in public sector employment

More likely than men to be engaged in unpaid work

Limited opportunities to learn any business/management skills

Source: World Development Indicators, 2008 data

High level of variance in self-employment rates across countries



Base: of employed persons

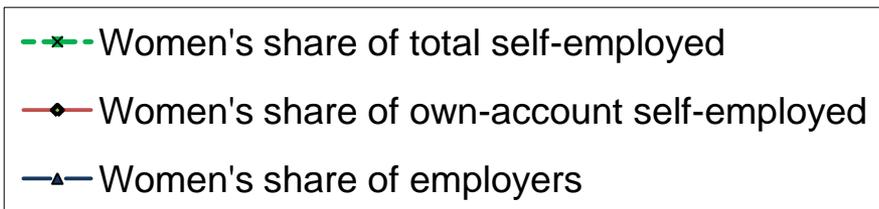
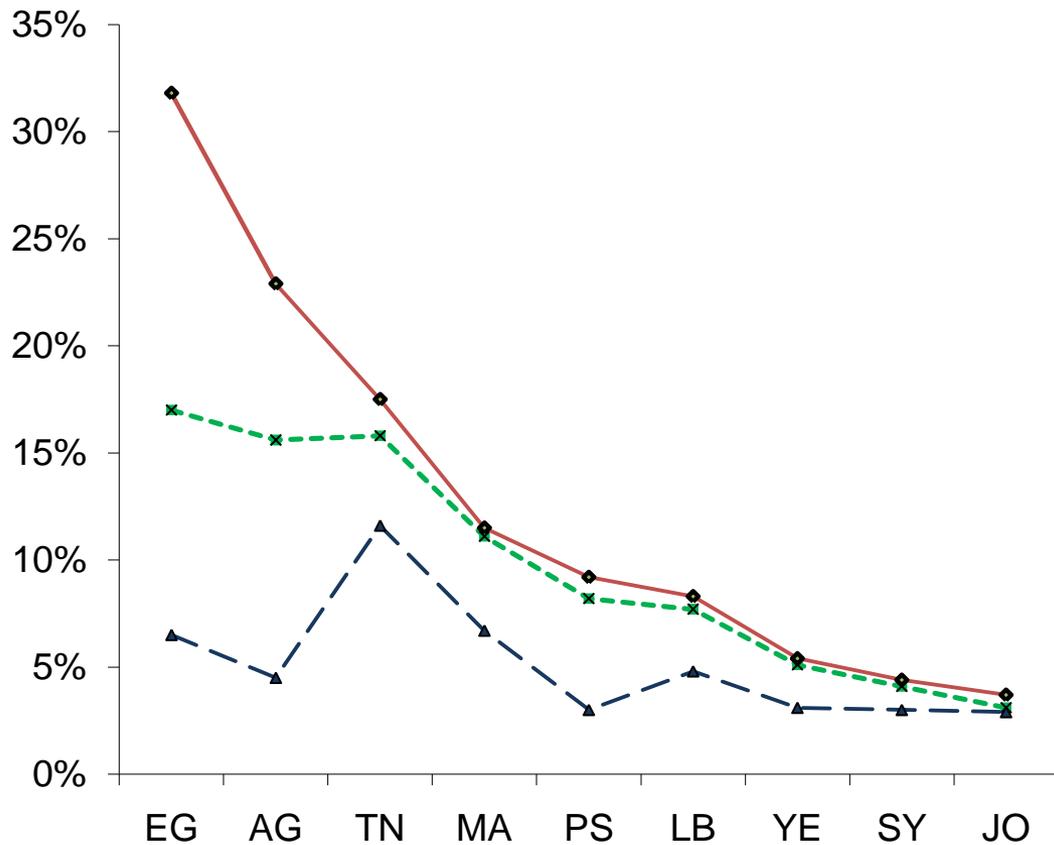
Self-employment rates among women average 14.7%, compared to 30.7% among men

Ranges from about 30% in Algeria to 4% in Jordan

So, men are twice as likely to be entrepreneurs; 3-4X more likely in Lebanon, Syria, Morocco and Jordan

Men are 4X more likely to have employees – average of 1.6% among women, compared to 7% for men

Ranges from 4% in Egypt to less than 1% in Morocco and Palestine



Result is much lower share of women in self-employment activity

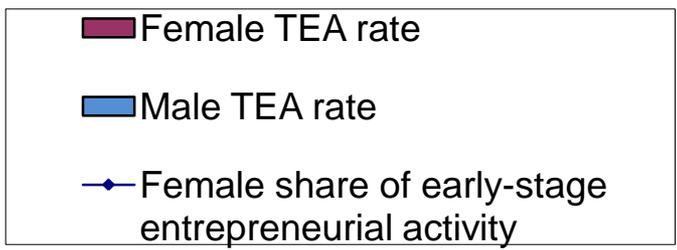
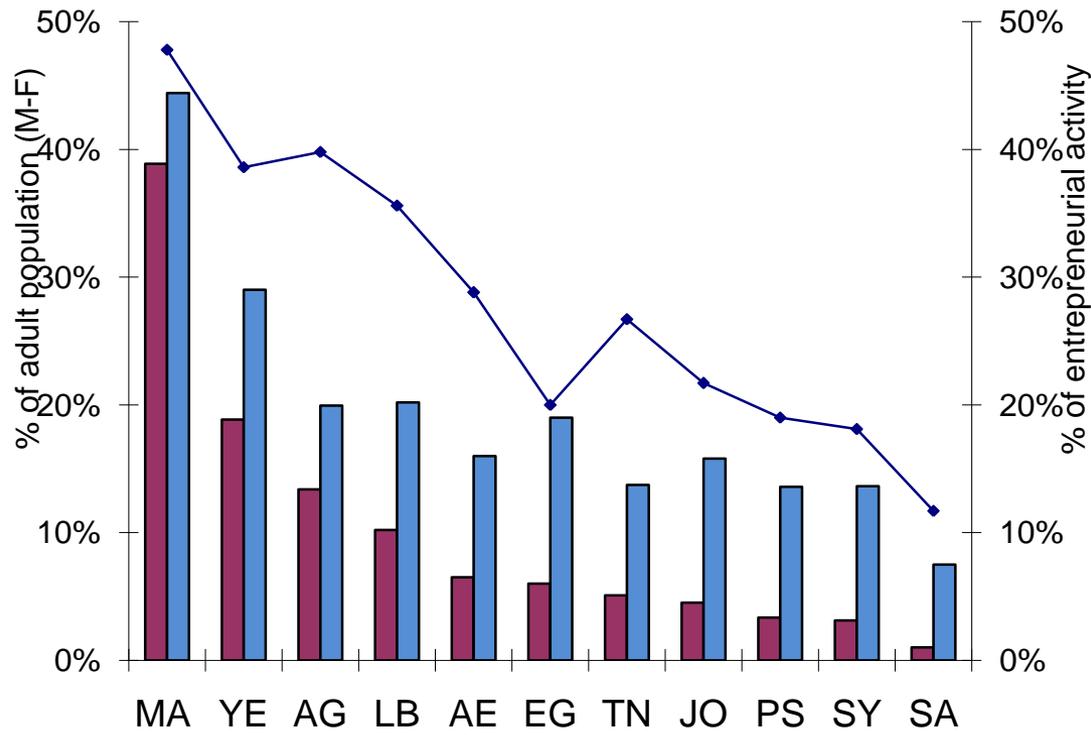
Women's share of total self-employment activity ranges from 17% in Egypt to 5% or less in Yemen, Syria, and Jordan

Women's share of employers ranges from 12% in Tunisia to less than 3% in Yemen, Syria, Jordan and Palestine

The larger the enterprise, the fewer women owners are found

Most clustered in own-account self-employment or microenterprises

Not homogeneous – depends on demographic variables, education level, financial resources, past working experience, networks



Women's involvement in entrepreneurial activity

Average of 10.8% of women in 11 MENA countries, either actively trying to start a business, or already own one that is less than 3½ years old

39% of adult women in Morocco; only 1% in Saudi Arabia

Average for men is 19.3% - 44% in Morocco; 13.6% in Palestine and Syria; 7.5% in Saudi Arabia

Women's share of entrepreneurial activity averages 28%, from 48% in Morocco to 11% in Saudi Arabia

Source: Global Entrepreneurship Monitor (GEM) data

To increase women's role in entrepreneurship, need integrated support framework

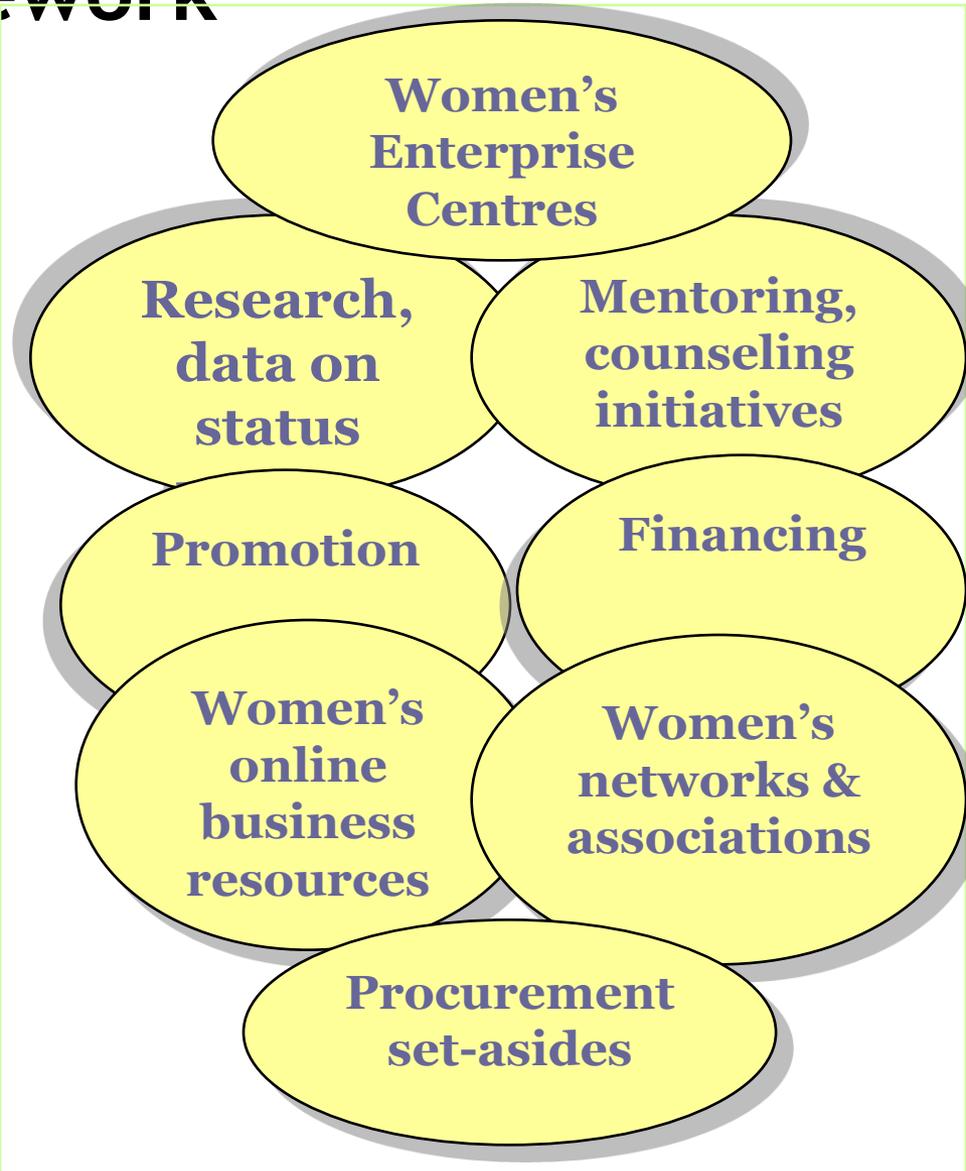
Government Office
"champion"

Legislative action

Advocacy efforts

**Stimulate
higher startup
and growth
rates among
women**

Gender sensitivity of mainstream
support organizations



A focus on business
development support
services (BDS) - i.e. non-
financial support services

Defining business development support services

- DCED (2001): services to individual enterprises that improve their performance, access to markets, and ability to compete – both strategic and day-to-day
 - Training
 - Advice
 - Consulting
 - Marketing support (trade focus)
 - Information
 - Technology development & transfer
 - Business linkages promotion
- European Commission (2002) typology of SME support measures
 - Information and referral - first-stop shops, information packages, signposting, diagnostics
 - Professional information services (on legislation, markets, sources of financing, technical assistance)
 - Advisory services - business planning, functional areas of business, mentoring, facilitating contacts
 - Training - starting a business, managing one, growth strategies
 - Premises - incubators, tech parks, enterprise centres
 - Networks – clusters, supply chains, trade fairs

Who delivers BDS and how?

Who?

- Government agencies
- Business and sector associations
- NGOs
- Donors (through projects)
- Women business associations
- Universities

Through what mechanisms?

- One-stop shops
- Entry points for new entrepreneurs
- Online business resources portals
- Enterprise/entrepreneurship centres
- Business advisory centres (SME support centres)
- Business incubators, tech parks, innovation centres
- Use of standardized training programmes
- Client focused interventions – individual or group

BDS in the MENA context

- BDS exists, but underdeveloped
 - Issues of reach, capacity and quality
 - No data on % of women clients/beneficiaries – are they being reached?
- Debate on approaches to reaching women
 - Gender mainstreaming existing BDS services?
 - OR
 - Targeting women with tailored structures and mechanisms (e.g. women's enterprise centres, building capacity of women business associations to expand membership and range of services, entrepreneurship training for women only, etc.)?

Rationale for special targeting of women

- Underrepresented among business owners
- Entrepreneurship is an option to integrate women into the labour force
 - Creates options for employment
 - Reduces poverty
 - Increase economic independence (empowerment)
 - Promotes job creation and economic growth
 - Promotes equity and social inclusion
- Women often have unequal access to resources, skills and experience, and opportunities – affirmative action warranted

Experiences in developed countries

- Developed countries have as much as 20-30 years of experience in supporting women's entrepreneurship
 - US Presidential Task Force on Women Business Owners in 1979
- Evidence indicates that countries with the most systematic support systems for women entrepreneurs have much higher levels of women's participation in business ownership, versus countries with minimal or no support systems
 - US and Canada have international good practices, many OECD countries

BDS for women in 7 MENA countries-limited

	Bahrain	Jordan	Palestine	Saudi	Syria	Tunisia	UAE
Business/ women's enterprise centres			12 business centres	Business women's centre	MAWRED		
Targeted training	Women's Gateway	JFBPW	POWER IRADA	Women's Higher Technical Institute	FIRDOS Village Incubators Project		
Advisory services	Bahrain BW Society	MicroFund for Women; BPWC	Palestine BW Association				Emirates BW Council; Sharjah BW Council
Information points/ online portals	X				Women Empowerme nt & Poverty Allev. Programme	National Chamber of WE (NCWE)	Sharjah BW Council
Network facilitation						Expo Femina (NCWE)	
Incubators/inc ubation		JFBPW business incubation			MAWRED		Inter'al BWs Group

Implications for MENA countries

- Limited examples of BDS initiatives for women, plus weak capacity and low reach (infancy stage)
- Gender mainstreaming of general SME support organizations (also underdeveloped) important (sensitization, gender training of agents), but NOT sufficient!
- Women need tailored entrepreneurship/SME support structures
 - Good practices in developed countries demonstrate effectiveness of tailored support structures and programmes

Suggestions for MENA countries

- Develop *integrated framework* for supporting women's entrepreneurship, *coordinate actions* of all stakeholders around this
- Carry out *BDS needs assessment* of women entrepreneurs (to address barriers to start-up and growth, needs of different groups of women)
- *Invest in infrastructure* to provide women enterprise centres, advisory and information services, women's incubation projects, expansion of good practice entrepreneurship training to women (ILO-SYOB, etc.)
- *Integrate entrepreneurship in the education system* to increase know-how of potential women entrepreneurs (plant the seed, change the mind-set)
- *Promote good practice initiatives* from among MENA countries