

Chapter 85

Empowerment Against All Odds: Women Entrepreneurs in the Middle East and North Africa

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ABSTRACT

The number of women-owned businesses worldwide has increased significantly, a development that extends to other parts of the world, such as the Middle East and North Africa (MENA). This region's cultural and socioeconomic idiosyncrasies offer unique perspectives on women entrepreneurship. This article provides a critical overview over the situation of female entrepreneurship in the region, which takes into consideration challenges and opportunities on the level of the individual entrepreneurs, as well as on the macro environmental level. We finally discuss constructive solutions in order to increase the number of women business founders.

INTRODUCTION

Middle Eastern and North African countries (MENA) have made some progress in reducing inequalities between men and women during the past decades, especially since many countries are signatory to the Millennium Development Goals (MDGs) that include the promotion of gender equality and empowerment of women. Entrepreneurship of women has moved into the center of attention. For example, experiences with female entrepreneurship abroad reveal that its acceleration may have similar positive economic effects on countries like the large-scale entry of women into the labor market (Kauffman Foundation, 2014). The potential of female entrepreneurs in the MENA to contribute to growth, development and job creation has therefore received increasing attention by researchers, policy makers and the larger public. The percentage of women entrepreneurs has increased significantly in many countries over the past years, for example in Egypt their share grew from 20% in 2008 up to 35% in 2010 (OECD, 2014). Despite these promising developments, the rates of women that start their own ventures are amongst the lowest rates of general entrepreneurial activities worldwide. Entrepreneurial activities of women ag-

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gregate to a strikingly low rate of only 4% (Global Entrepreneurship Monitor (GEM), 2013), with men in most MENA countries establishing more than two thirds of businesses. Women-led businesses in the region are 60% more likely to remain a single person firm without any employees. Moreover, only 1/10 of women in the region expect their business to grow and to hire additional personnel in the coming years (GEM, 2013). Women also tend to perceive less market opportunities than their male counterparts and this gap in the Mena region, again, is the greatest across all global regions (GEM, 2013).

This chapter aims to give an overview over the topic of female venturing in the region and identifies factors that affect women entrepreneurs in their activities. In this context, the chapter will address challenges and opportunities on the level of individual entrepreneurs to show what motivates women in the region to start their own freelance activities. Moreover, we will draw on pivotal macro-environmental factors that were shown in previous research to affect female entrepreneurial behavior.

THE LEVEL OF THE INDIVIDUAL WOMAN: MOTIVATORS AND DE-MOTIVATORS

Push and Pull Factors

On the level of individual entrepreneurs research has been interested to understand motivations and entrepreneurial opinions that underlie actions and behaviors. In this context, scholars often draw on the pull-push model (Uhlener & Thurik, 2007) and contextualize it within the realm of Middle Eastern societies. Push factors are the result of the dissatisfaction of individuals with their current situation, which could be rooted in organizational issues (e.g. restructuration, lack of flexibility, organizational changes). Moreover, push factors such as the economic situation, unemployment, gender inequality, and others could be found in the macro environment (Verheul et al., 2006). The dissatisfaction of concerned individuals with their labor conditions might make them inclined to select self-employment (Verheul et al., 2006). In numerous studies, women in the region reported problems they faced when trying to integrate into the labor market (Naguib & Jamali, 2014). Already the participation rate of women in the labor market is very low, and averages 23% compared to a world average of 50% (ILO, 2013). Furthermore, there are about twice as many young women unemployed in the region (43.9%) compared to male peers (22.9%) (ILO, 2013). Moreover, women who had employment positions often experienced gender discrimination in the workplace such as pay dispersions and ‘glass ceilings’ (Jamali, 2009). Other important push factors of women in the region included financial security, lack of job opportunities, and low income, especially for migrant workers and expatriates in the Gulf region (Naguib & Jamali, 2014).

Pull factors, on the other hand, suggest that individuals are attracted to entrepreneurship by a prospect of greater material or non-material benefits, often as a result of favorable conditions and structures, such as technological progress, changes in consumer behavior, policy initiatives in favor of entrepreneurs, and increases in the standard of living (Verheul et al., 2006). Many women in the region seem to be motivated by a combination of both factors. Much research on the topic has been done in the UAE, where pull factors often dominated decisions of women to start their own business. Next to the possibility of a double income for the family, women were especially drawn into entrepreneurship by the prospect of independence and professional accomplishment (Tlaiss, 2013), the possibilities to more flexibly combine family and professional life, as well as by the professional challenge that required a lot of creativity from them (Naguib & Jamali, 2014).

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