

Egyptian Women Entrepreneurs: Challenges to Opportunities

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Introduction

The contribution of women entrepreneurs to economic development, poverty reduction and social welfare is well recognized in the entrepreneurship literature (Minniti and Naudé 2010; Brush and Cooper 2012). Various benefits can be obtained from encouraging women to launch more start-up businesses and supporting others to grow their pre-established ventures, for example, creating more and better jobs, diversifying economies into modern sectors, promoting women's empowerment, and focusing on reducing women's social exclusion (Brush et al. 2009; Ghouse et al. 2019). Acknowledging this fact, the number of female entrepreneurs worldwide has undergone a noticeable increase over recent decades (Pitoska and Charitoudi, 2011). According to the GEM Women Report (2017), around 163 million women are starting their own businesses in 74 countries worldwide, with an average of 111 million women having already established them. Nevertheless, the percentage of male small business owners (72 percent) still far exceeds the number of female owners (26 percent).

The under-representation of the topic of women entrepreneurs is well documented (De Bruin et al 2006; McElwee 2006; Brush et al. 2009). McElwee (2006) argues that women's entrepreneurial activities still do not attract sufficient attention. Similarly, Ghouse et al. (2019) highlight the scarcity of research addressing the female entrepreneurship phenomenon, especially in the Arabian context. In a similar vein, Brush and Cooper (2012) argue that most research addressing women entrepreneurs is based on Western countries, with belated emergence in some developing regions in Latin America, the Middle East and Asia.

Despite a gradual upward trend in the number of studies on women entrepreneurs, such research still lags behind that on male entrepreneurs, especially in developing countries (Zeidan and Bahrami 2011; Brush and Cooper 2012). Jennings and Brush (2013) state that only in the late 1990s and early 2000s did research into women's entrepreneurship start to be recognized as a highly valued and distinctive field. Yadav and Unni

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(2016) tried to track changes in the literature from 1980 to 2016; their findings reveal that the domain of female entrepreneurship still lacks a strong theoretical base and that the majority of research in this area focuses on developed areas at the expense of developing ones. In this paper, we are especially concerned to respond to this last call and to provide an enriched view about female entrepreneurship in the less researched context of Egypt. We were obsessed with the ironical dilemma that despite women being half of the world's population and representing one third of the manufacturing workforce (De Groot 2001), they still cannot contribute substantially to achieving growth nor reducing the gap between themselves and their male counterparts.

Women in the Arab world

Many scholars showed that researches interested on women entrepreneurs, their motivations, barriers or performance in the developing world and specifically in Arab countries, still far beyond researches conducted in developed countries (Dechant and Lamky, 2005; Hattab, 2012; Ghose et al., 2019). Although the Arab region is considered as having the second most rapidly growing population in the world, after sub-Saharan Africa, its labour force participation ratios are the lowest globally (Crane et al. 2011; Ghanem 2016). According to the Global Gender Gap report, Arab countries are rated between 107 and 135 among 135 countries in terms of gender gaps (Hausmann et al. 2012). In late 2010, most Arab countries started to experience difficult political and economic conditions caused by the uprisings which emerged in Tunisia and continued in Egypt, Yemen, Libya and Syria. These dramatic political, economic and social fluctuations also affect many other countries in the region including Bahrain, Morocco and Saudi Arabia. High unemployment rates, a sharp decline in direct foreign investments, a high level of corruption, absence of accountability, and weak institutional control are all examples of the deteriorating conditions in Arab countries and the MENA region (O'Sullivan et al. 2011; Ghanem 2016). Women in those countries are among the most affected groups by these unstable conditions.

Scanning the conditions in the Arab world, it is easy to see that the problems in most of these countries are similar: problems related to high levels of unemployment especially among women and youth; the modest contribution of citizens in making political and economic decisions; and neglecting the voices of young people and overlooking their potentials. Although most Arab countries share similar conditions, every region and country still has a unique character and distinguishing effects on promoting or hindering entrepreneurship generally, and women's entrepreneurship in particular. Omair (2008) notes that one of the most difficult barriers

to researching women in Arab countries is that they there are ‘subject to a number of coded and unwritten social mores in a patriarchal, male-dominated society’ (p.108). Zamberi Ahmad (2011) mentions that the restricted environment of most Arab women makes ‘context’ a major factor in their entrepreneurial intentions, decisions or performance. The patriarchal culture is deeply rooted in the Arab world and is clearly portrayed in various aspects of life, such as the need for the co-signature of a man to guarantee women in various financial situations, the limited freedom of women to travel without the husband’s or father’s permission, and the necessity to give priority to family obligations even if this might negatively affect a woman’s career (Al-Dajani & Marlow 2010).

Naser et al. (2009) confirm that Arab women’s contribution in the employment field is largely affected by their culture and the strong influence of some misinterpreted Islamic rules. Similarly, Erogul et al. (2016) argue that both gender inequality and Muslim identity largely restrict women’s entrepreneurial activities in most Arab countries. Generally, the Islamic principles of Sharia and the Quran encourage people to be more productive and entrepreneurial ((Obeidat et al. 2012; Muhammad et al. 2017), and give complete rights to women for managing their finances and business independently; nevertheless, some religious ‘misinterpreted’ beliefs lead to widening the gender gap (Dechant and Lamky 2005). For example, in Saudi Arabia, although there is no evidence from the Quran restricting women’s freedom to travel, they were long prohibited from driving; only in June 2018 was a law passed permitting women to drive, but yet still causing wide debate and resistance. The situation adds more challenges to women entrepreneurs’ free movement and can seriously hinder their employment plans.

In short, the business and social environment in most Arab countries is not conducive to women entrepreneurship. Despite the various efforts exerted in those countries for improving women’s educational levels and deferring the age of marriage, these efforts still do not yield the intended results and are not reflected in greater economic development. Although the type of emerged entrepreneurship in a certain time is largely specified by the context, we strongly agree with McElwee et al. (2018, p.178) that ‘it is not the context in general that is important, but what is specifically going on in that context, as entrepreneurship connects to and thus creates a raft of changes’. The next section explores specifically what is going on in the Egyptian context.

Egyptian Women Entrepreneurs

Our choice to focus on the Egyptian context stems from our belief that the Egyptian case is a complex one, especially after 2011 revolution. This revolution had various deleterious effects on many economic, social and political conditions in Egyptians' life. Investment decreases, unemployment rate increased and people's security became unguaranteed (Ghanem and Shaikh 2013; Mostafa and Changbin 2015). As a consequence of these events, fewer job opportunities became available and even the opportunities available can no longer cope with the accelerating rate of population growth. More clearly, Egypt is one of the most populous developing countries in MENA region; a country with a total population approaching 100 million by 2020 with a new baby born every four seconds and half of them are women (CAMPAS² 2018). It has witnessed dramatic political and economic fluctuations in the last few years. Hence, given this demographic, political and economic chaos, we argue that entrepreneurship might be a suitable solution for this complex situation and that a thorough consideration to the Egyptian case and ways to promote development in the country is timely needed. We also believe that reaching a real development there cannot be attained unless considerable focus is given to Egyptian women, their status and persistent needs.

Focusing closely on Egyptian women conditions after 2011 revolution, Hendy (2015) shows how the revolution negatively affects their status in general and caused a sharp decrease in their labour force participation. Additionally, the study suggests that both the dominance of poor economic conditions and the increasing family burdens for women especially after marriage are two main reasons for the general deterioration in Egyptian women conditions. The situation that usually pushes them to either be employed in the public sector or to stop working at all. In 2015, the Global Gender Gap report ranked Egypt 136 out of 145 in the gender gap index and 135 in the economic index, while in education, health and politics Egypt ranked 115, 97 and 136 respectively (World Economic Forum 2015). The GEM (2016-2017) report states that one in every four Egyptian entrepreneurs is a woman (7.5 percent of women compared to 21 percent of men), and one in every six established business owners is a woman. Even the improvement of the Egyptian women's economic participation is the lowest of all the MENA countries.

² CAMPAS (Central Agency for Public Mobilization and Statistics): The official statistical agency of Egypt which collects, processes, analyses, and disseminates statistical data and conducts census.

We argue that one of the biggest challenges facing the Egyptian economy and hindering its development is the high rate of unemployment throughout various groups in society, especially among women and youth. El-Laithy (2001) suggests that the high unemployment rate of Egyptian women is a product of the shrinking of job opportunities in the public sector, the widest sector for employing women, and secondly by the social and cultural values which limit the expansion of women's careers in the private sector. Barsoum (2010) justifies the low participation rate of Egyptian women in the labour force by issues related to the quality of working conditions in the private sector. Specifically, she indicates that the long working hours, low pay, lack of formal contracts and fear of being exposed to sexual harassment are among the main reasons why women avoid working in the private sector and favour working in the public sector. However, the stagnation policy adopted by the Egyptian government to reduce employment in the public sector means that women may have no other choice except to leave the labour market entirely.

Hendy (2015) examined the Egypt Labour Market Panel Survey (ELMPS) covering the period 1998 to 2012 through snapshots in 1998, 2006 and 2012; he found that the participation rate of Egyptian men in the labour force over the whole period exceeded 70 percent, while for women it was barely 30 percent, and declining over time. The increasing responsibilities women take on after marriage is seen as one of the major causes of their preferring to work in the public sector. Aguirre et al. (2012) in their Booz & Co report indicate that Egyptian women in their twenties spend on average three hours a day in fulfilling family commitments, unlike men who only spend half an hour a day. These commitments substantially limit both the willingness and ability of women to become involved in the formal labour force and push most of them to join the informal sector. They also argue that if women's participation rates in employment reached their male counterparts', Egypt's GDP could be expected to increase by 34 percent. Despite these challenges facing Egypt generally and women entrepreneurs in particular, some light has emerged that gives hope for a more active role for female entrepreneurs in the Egyptian economy, as discussed below.

An emerging hope

Yadav and Unni (2016) believe that the field of women entrepreneurs has made great progress over the last 30 years. This increase is reflected in the increase in journals dedicated to women, more articles, special issues and books. Specifically, Egypt has witnessed a small but consistent improvement in various aspects of

entrepreneurship (creativity and innovation, individual entrepreneurial initiative and risk taking) during the period 2012 to 2016 (GEM 2016-2017). The total entrepreneurial activity rate (TEA), which represents the number of adults involved in entrepreneurial activities, reflects clearly this upward pattern, scoring 14.3 percent in 2016 and exceeding the global average of 12.3 percent. In terms of the new business ownership rate, Egypt rose from 3.4percent in 2015 to 6.6percent in 2016 (GEM 2016-2017).

The huge Egyptian population can be seen from the perspective of a wide market that can provide various opportunities for entrepreneurs in expanding their ventures. Economic conditions in Egypt gradually began to improve after 2013. By the third quarter of 2018, the unemployment rate was 10 percent (CAMPAS2018), as opposed to 13.4percent in 2013. Recently, the role of entrepreneurship in triggering Egypt's development plans and reducing unemployment, especially among women, has begun to receive more attention from various stakeholders (decision makers, government, and international/local organizations). A comprehensive analysis of entrepreneurship opportunities in Egypt conducted by the Population Council in 2009, found that entrepreneurship is viewed as a favourable employment choice by many Egyptian youth since they consider it as a way of escaping from the high unemployment level in the country, and a way of acquiring more independence and achieving higher economic returns. In 2017, the GEM report on Egypt indicated that 'despite the economic challenges in 2016, there seems to be a positive trend in entrepreneurship, with more entrepreneurs launching their startups, positive societal perception for entrepreneurship, and a strong recognition for market opportunities' (p.9).

Fostering entrepreneurship in Egypt is now seen as a key tool for developing the economy and improving women's status. Various initiatives, programmes and conferences are being held to introduce entrepreneurship as a main tool supporting the Egyptian economy. For example, President Sisi gave a speech at the preparatory session of the Africa Forum-2018 in Sharm-El Sheikh about ways to support young African entrepreneurs and trigger their innovative potential. In December 2018, Egypt hosted the 'RISEUP SUMMIT', one of the biggest entrepreneurship events in the Middle East and Africa. The ICSB³ 64th World Congress selected Egypt to be the host country this year (2019), discussing the future of entrepreneurship in Egypt and the steps required to promote it among Egyptians and throughout the entire region.

³ ICSB: International Council for Small Business

From another perspective, modern technology and open communications play a significant role in reducing Egyptian women's isolation from the external world, consequently expanding their horizons and encouraging them to become more engaged in entrepreneurial activities (Naser et al. 2009; Zeidan and Bahrami 2011). According to the latest report issued by the Egyptian National Telecommunications Regulatory Authority (March 2019), the number of Internet users reached 40 million, with a current penetration rate of 48 percent of the population. These figures show that most Egyptians are now enjoying more freedom and greater access to communication media and the global village, which can be reflected in more involvement by women in the labour force, more facilitation for their businesses and increased empowerment. Crane et al. (2011) expect a further increase in the participation of women in the labour force in most Arab countries during the next two decades, for three reasons: the higher education level attained by women, which encourages them to play a more active role in the field of work; the rapidly rising trend of urbanization in most Arab countries, which consequently reduces the barriers women face; and, as a result of the two previous considerations, the tendency to have smaller families, giving women greater flexibility in working outside the home.

Discussion and Conclusion

The literature review reveals that boosting women's entrepreneurial activities yields positive returns for both women and the national economy. Scanning the literature on women entrepreneurs in general and Egyptian female entrepreneurs in particular, various insights have emerged and many directions for future research can be suggested. First, despite the strong similarities between the challenges facing women entrepreneurs in various developing Arab countries including Egypt, each area has unique conditions that call for a specific investigation. We conclude that the representation of women entrepreneurs in the economic life of most Arab countries is still weak, and that only through collective efforts from different stakeholders (government, civil organizations, financial institutions, etc.), can Arab women entrepreneurs flourish. Arguably, context, which is largely shaped by patriarchal norms and religious beliefs, has a significant role in shaping Arab women's entrepreneurial opportunities, perhaps more than in other developing areas. Hence more focus should be given to entrepreneurship contextualization in Arab countries.

Egypt is in no better condition than other Arab or MENA countries. From one perspective, it experiences the same scarcity of entrepreneurship research as many countries in the Arab world. From another perspective, the

huge population, unstable political regimes and high unemployment rates make the country's situation more complex, requiring collective efforts from various parties to be resolved. Women and youth are considered the two main groups affected negatively by these turbulent conditions. Despite the various challenges facing entrepreneurship in Egypt and women entrepreneurs specifically, the Egyptian context can be seen as nascent yet promising. Entrepreneurship is now seen as an attractive key path to promote Egyptian women's condition. We argue that if entrepreneurship is effectively promoted by various stakeholders and policymakers, the Egyptian economy will be developed and women's empowerment enhanced. However, various preliminary steps are required before these goals can be achieved.

First, policy makers should consider both the local context and cultural norms when establishing policies and regulations to support women entrepreneurs. Financial institutions should offer more tailored financial systems and micro-finance programmes specifically for women entrepreneurs, with guarantees to match the risk-averse nature of women and the small sizes of their ventures. Educational institutions should foster entrepreneurial learning and show its advantages for both individuals and the wider economy. Finally, more flexible legal and regulatory systems are needed to support women in their legal transactions and increase their access to various assets. This research opens various avenues for future research. The role of modern technology and open communications in supporting Egyptian women entrepreneurs is an interesting area that calls for further study. Given the influential role of the social context on women's entrepreneurial activities, more in-depth research is needed, adding to the literature.

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