



Women Entrepreneurship: Empowerment Thoughts and Recommendations

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I. Introduction

To begin with, I would like to congratulate you on your choice of the title for this distinguished panel. "Entrepreneurial Zajal" artistically reflects the tone of entrepreneurial innovation blended with the dynamism of feminine perseverance.

As we explore our Eastern/Arab history, we cannot but recognize prominent women leadership that glittered vividly in the history making of our civilization. Zanoobia, the defiant queen of Palmyra; Shajarat Aldurr, the ambitious Sultana of Egypt; Jamila Bou Heirad, the iconic heroin of Algerian resistance, all are witnesses of the genuine Arab feminine heritage of pioneer-ship. Hence, proving that Arab women have what it takes to lead the way.

The subject of women empowerment has always been a burning issue all over the world for the past few decades. Women empowerment is not a final stage. It is rather a process of increasing personal, interpersonal and political power so that individuals can take action to improving their life situation. In almost all literature, the concept is described as a process that leads to a better stage. It constitutes two components: resources and agents, which implies that women should take control over their choices and lives .

No empowerment will take place unless women gain ownership over the process, acquiring the crucial leadership skill set, if social transformation is envisaged. A crosscutting observation is the neglect of the leadership factor.

Furthermore, the process of empowerment takes place in several spheres (family, work, local bodies, etc). Empowerment within one sphere does not automatically overlap with other spheres. One may cite several levels of aggregation: macro related to the market and politics; and micro related to the individual and household, and most importantly is the meso (community) level where normative changes occur.

In addressing the challenges of women entrepreneurs in Lebanon, some questions arise. Are these challenges strictly confined to women or are they general socio-economic ones? Are these challenges of a normed-cultural background or are they of a regulatory-systemic nature? Are these challenges of a globally unified nature or are they culturally - and socially - driven?

In my talk this evening, I will try to present some thoughts to these questions.

II. Facts and Figures of Gender Disparities

Women's particular vulnerability to social and economic deprivation worsens conflict and post-conflict situations. This is the case in many countries of the

MENA region toward which a particular attention is necessary to appraise the repercussions of the current circumstances that invade the living conditions and disturb people's priorities.

The UN Sustainable Development Goals (SDGs), encompass the target of achieving gender equality and empowering all women and girls as its fifth goal. To that effect, the Sixth Global Forum on Gender Statistics proposed ways to improve the collection, production, dissemination, and use of reliable and relevant gender data to support implementation of the SDGs.ⁱ

Recognizing the significant gap in statistics and research in both the Arab and Lebanese socioeconomic platform, it is of crucial importance for public and private institutions to establish systematic techniques for gender data collection as a base line towards gender equality.

On the regional level, indicators reflect the fact that the Arab region is among the most unequal regions in the world when it comes to gender and education, according to a report released by UNESCO, whereby girls make up 60 percent of children out of school, the largest percentage of any of the regions.ⁱⁱ Paradoxically, Arab women have made great strides in health and education, currently outnumbering men at university level; yet, this has not translated into economic outcomes. According to a report jointly published by the International Labor Organization and UNDP, the region still retain the lowest rate of female economic participation in the world at 26 percent compared to a global average of 56 percent. Whereas labor force participation rates for men average 76 percent in the region, just above the global average of 74 percent.ⁱⁱⁱ

Regarding the Arab entrepreneurial scene, a survey conducted jointly by the Center of Arab Women for Training and Research (CAWTAR) and the International Finance Corporation positively indicates that the business characteristics and personal backgrounds of Arab women business owners are similar to those in other regions of the world. Moreover, the survey shows that Arab women business owners use information and communication technology (ICT) for their businesses at rates well above the per capita average worldwide. As for challenges faced by Arab women entrepreneurs, the survey reveals five major challenges: learning financial management skills; finding and keeping good employees; access to capital; retaining work/family balance; and the high cost of public services.^{iv} On another positive note, Arab women internet entrepreneurs are favorably compared to women internet entrepreneurs across the world, averaging 35 percent against 10 percent, thus enabling women to telecommute jobs from home.^v

On the Lebanese level, I will highlight on two factors that are considered the most significant among the demand-side constraints causing financial exclusion, i.e. weak economic participation and lack of financial education. The economic

participation of women suffers immensely from gender disparity, where only 26 percent of women contribute to the labor force compared to 76 percent of men. The gender gap is also significant in terms of access to decision-making positions, where only four percent of firms have female top managers. Moreover, 82 percent of working women earn less than USD 1,000 per month. As for financial education, women's low access to finance caused by low demand of formal financial services goes back, to a large extent, to the lack of financial education. According to the World Bank, women tend to have lower financial knowledge than men, who tend to be more confident in their financial knowledge and skills. However, women are likely to have better financial behaviors than men in budgeting control. This could be explained by the fact that they are more risk averse and have a higher sense of responsibility towards their families.^{vi}

Looking further into the scope of Lebanese small- and medium-enterprises (SMEs), it is noted that the external sources of financing for SMEs in Lebanon have not witnessed significant improvements since 2008, whereby 16 percent of bank loans go to SMEs, which is higher than the MENA average (13 percent - excluding GCC countries), but still way below the average for high income countries (22 percent).^{vii} Furthermore, women own, on average, 22 percent of MSMEs, compared to 78 percent owned by men. In Emerging Markets, MSMEs with female ownership ranging between 30 and 37 percent of all MSMEs.^{viii} On a positive note, access to formal accounts for women-owned MSMEs is very close to that for men-owned enterprises (81 percent to 83 percent); however, access to formal accounts for women individuals is about half that for men individuals. Nevertheless, all have low levels of credit use.^{ix}

III. Some Empowerment Thoughts

Going back to our questions, I will try to present some thoughts based on the aforementioned information and analysis.

A major challenge to appraise the effectiveness of social change interventions is the mobilization and sustained participation of the local communities and vulnerable individuals. Despite the well-tailored design of many of development projects, they risk failure either because they do not generate the ownership requisite within their constituency, or because they aggravate gender disparity and do not guarantee fair access and control over available resources.

Concerning the generality of challenges, we should always hold a holistic vision in addressing gender inequity since it is, in reality, part of a greater social exclusion and inequity in Lebanon and the Arab region. In our case, the answer to gender challenge is the careful targeting, rapid demonstration of the results, duplication of pilot projects in other areas, or replication of the concept by other players.

As you well know, the labor market in Lebanon is characterized by high unemployment, reaching 11 percent in 2010, often of long duration. The intense competition for jobs by the displaced Syrians raised unemployment and informal business activities by an extra 10 percentage points. However, it is undeniable from the disparities mentioned before that these strenuous circumstances are mostly reflected on vulnerable groups, among whom are women and youth. Unemployment rates are particularly high for women (18 percent) and youth (34 percent), ironically increasing with education.^x

As for the nature and background of these challenges, having mentioned that access to formal accounts for women-owned and men-owned SMEs is nearly the same implies that the major background for these gender challenges in Lebanon is mainly not regulatory-systematic but rather cultural and traditional. This cultural background orients career priority according to patriarchic considerations, and is embraced by members of both genders. However, this negative cultural perspective should not imply that our traditions, heritage, and culture necessarily constitute impediments to gender equality. In this regard, I would like to highlight my own personal experience with women empowerment, embodied by the social activism of my hero, my mother, Rabab Sadr, who pioneered in the domain of women empowerment as early as 1962 while belonging to an Islamic conformist environment. Another bright example is that of our beloved late Anissa Rawda Najjar, who defied all kinds of obstacles before and after her graduation from AUB in 1936, and had her marks in the Lebanese civil society for over 75 years.

I regard the third question of national and cultural particularity in women empowerment and entrepreneurship of utmost importance. This is necessarily true since any haphazard drifting with universally - introduced trends may backfire on the cause itself, hence preventing it from actualizing its ends. It is true that one should seize the momentum of global lobbying and capacities; however, this should be done with the necessary cultural and national prerequisites cautiously considered. I am clueless to where this idea leads! It is rather confusing.

IV. Conclusion

I would like to conclude with some specific recommendations pertaining to the challenges facing women empowerment and entrepreneurship in Lebanon. Despite the fact that women in the Arab region, in general, have achieved impressive strides in a number of social indices, they still have the world's lowest rates of labor force participation. Hence, certain measures and recommendations are worth examining in order to meet the challenges, some of which extend beyond gender causes.

First, taking rigorous action to change any laws that limit female economic participation and do not penalize gender bias and differential treatment. Special attention should be directed to matters such as balancing work and household demands, pay equity, maternity protection, as well as child care solutions and gender-based violence in the workplace;^{xi}

Second, enhancing women's participation and role in workers' unions and employers' organizations;^{xii}

Third, developing technical, vocational, and training institutions that target women entrepreneurial and career needs;

Fourth, launching initiatives and measures that reduce the cost of public services, enhance financial education and capabilities, and facilitate access to capital;

Fifth, any kind of bias contradicts with the essence of justice, as it undermines the main principles of human rights and development, thus threatening social stability and world peace.

Sixth, giving strategic priority to initiatives that engage women in the national production schemes since female entrepreneurs can become an engine of growth. In this context, Banque du Liban has strived to enhance aggregate demand, growth, and development through unconventional monetary policy initiatives, most important of which is creating a healthy balance between debt and equity financing platforms for SMEs and startups and will continue to develop them further. It is worth mentioning that several Lebanese banks have developed financial services that support women financial independence. Those efforts have materialized by increasing lending to women by 78.82 percent between 2010 and 2015.

Seventh, women's empowerment is an effective approach for social change and a prerequisite to win the fight against misery and oppression. The greatest added value to being social entrepreneurs, is the success in bringing women to the front line of the solution in a context where women are viewed as passive problems.

Finally, embracing gender equality, equity, and integration not because it is good politics, rather, it is good public policies.

Thank you.

References

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