

**WOMEN ENTREPRENEURS IN THE MENA REGION:
OBSTACLES, POTENTIALS & FUTURE PROSPECTS
- The case of Lebanon -**

Prepared by



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Table of Contents

I. Introduction.....	5
I.1 Project Objectives.....	5
I.2. Research Hypotheses.....	6
I.3 Methodology	7
I.4 Literature Review	8
1.4.1 CEDAW Ratification and Reservations.....	9
1.4.2 Employment-Related Developments	10
1.4.3 Social Influences on Women Entrepreneurs	10
1.4.4 Economic Honour and Community Pressure	13
1.4.5 Women Employment and Decision Making	14
1.4.6 Economic Environment Influence.....	14
1.4.7 Business Support Services	16
II. Profile of Women Entrepreneurs.....	21
II.1 Personal Background	21
II.1.1 Age of Entrepreneur	21
II.1.2 Marital Status	21
II.1.3 Educational Attainment.....	22
II.1.4 Vocational Training.....	23
II.2 Influence of Society	23
II.2.1 Social Consent.....	23
II.2.2 Constraints and Empowerment.....	24
II.3 Previous Work Status.....	26
II.3.1 Work Status History	26
II.3.2 Employment History	26
II.3.3 Reasons for Establishing Enterprise.....	27
III. The Enterprises' Profile	28
III.1 Size and Sector of Activity	28
III.2 Permanency of Activity	29
III.3 Place of Work	29
III.4 Ownership of the Workplace	31
III.5 Legal Form of Enterprises	31
III.6 License.....	32
III.7 Neighbouring Enterprises with Related Activities.....	33
IV. The Work Environment	34
IV.1 Access to Services	34
II.1.1 Information, Know-How and Technology Services.....	34
II.1.2 Management services	35
II.1.3 Training of workers services	36
II.1.4 Production support services.....	37
II.1.5 Inter-firm linkages support services	38
II.1.6 Domestic marketing support services.....	39
II.1.7 Export support services	40
IV.2 Infrastructure	41
IV.3 Severity of certain indicators	41
IV.4 Most needed financial services.....	42
IV.5 Most needed business support services	43
V. Efficiency and Success.....	44
VI. Policy Recommendations.....	45
VI.1 Research-Related Suggestions.....	45
VI.2 Policy-Related Suggestions	46

List of Tables

Table 1: Gender vs. age of entrepreneur	21
Table 2: Gender vs. marital status of entrepreneur.....	22
Table 3: Gender vs. education.....	22
Table 4: Gender vs. vocational training of entrepreneur	23
Table 5: Gender vs. the need for a permission to work	23
Table 6: Gender vs. who provides the permission to work	24
Table 7: Gender vs. the need of society’s permission to work.....	24
Table 8: Gender vs. who provides the society’s permission to work	24
Table 9: Gender vs. worst constraint on business	25
Table 10: Gender vs. presence of conflict between home and work duties.....	25
Table 11: Gender vs. access of day care centre.....	25
Table 12: Gender vs. empowerment by earnings	25
Table 13: Gender vs. pervious labour force participation of entrepreneur	26
Table 14: Gender vs. previous employment status of entrepreneur	27
Table 15: Gender vs. reasons for choosing current job of entrepreneur.....	27
Table 37: Gender vs. size of enterprise.....	28
Table 38: Gender vs. sector of activity	29
Table 39: Gender vs. permanency of enterprise.....	29
Table 40: Gender vs. location of operation	30
Table 41: Gender vs. number of other locations	30
Table 42: Gender vs. incidence of work at home.....	30
Table 43: Gender vs. work place.....	31
Table 44: Gender vs. ownership of work place.....	31
Table 45: Gender vs. legal form of enterprise.....	32
Table 46: Gender vs. having a licence	32
Table 47: Gender vs. reasons for not acquiring a licence.....	32
Table 48: Gender vs. presence of neighbouring enterprises of related activities.....	33
Table 49: Gender vs. type of neighbouring enterprises of related activities.....	33
Table 50: Gender vs. usefulness of cluster or estate	33
Table 16: Gender vs. information, know-how and technology services.....	34
Table 17: Gender vs. source of information, know-how and technology services	34
Table 18: Gender vs. satisfaction with information, know-how and technology services.....	35
Table 19: Gender vs. management services	35
Table 20: Gender vs. source of management services	36
Table 21: Gender vs. satisfaction with management services	36
Table 22: Gender vs. training of workers services	36
Table 23: Gender vs. source of training of workers services	36
Table 24: Gender vs. satisfaction with training of workers services	37
Table 25: Gender vs. production support services	37
Table 26: Gender vs. source of production support services.....	37
Table 27: Gender vs. satisfaction with production support services	38
Table 28: Gender vs. inter-firm linkages support services.....	38
Table 29: Gender vs. source of inter-firm linkages support services	38
Table 30: Gender vs. satisfaction with inter-firm linkages support services.....	39
Table 31: Gender vs. domestic marketing support services	39
Table 32: Gender vs. source of domestic marketing support services.....	39
Table 33: Gender vs. satisfaction with domestic marketing support services	40
Table 34: Gender vs. export support services	40
Table 35: Gender vs. source of export support services	40
Table 36: Gender vs. satisfaction with export support services	41
Table 51: Gender vs. access and quality of infrastructure.....	41
Table 52: Gender vs. severity of a list of 22 indicators.....	42
Table 53: Gender vs. most needed financial services.....	42
Table 54: Gender vs. other needed business support services.....	43
Table 55: Gender vs. three financial indicators.....	44

I. Introduction

With the changing economic policies and the growing role of the private sector in all spheres of economic and social activities, governments started to realise that achieving their goals, raising productivity and efficiency, generating employment cannot be accomplished without supporting a major player in the market, namely, the sector of micro and small enterprises (hereby MSEs) and without supporting the weaker partner in this sector, namely, the enterprises run by females.

Several research studies dealt with the issue of MSEs, and the factors that affected their rise, expansion, performance and decay; however, very few studies analysed the circumstances surrounding the operation of female-owned enterprises in particular.

The previous MSEs research project "Promoting Competitiveness in the Micro and Small Enterprise Sector in MENA" came up with several important results, some of them touched upon the gender differentials. The most important related outcomes in this respect were:

1. Being a male owner/manager helped more in conducting the business, expanding its scope, and becoming more efficient in contrast to female owners/ managers.
2. Female-owned enterprises were mostly concentrated in one economic activity, namely small retail trade, versus more diversified spectrum of activities in case of the male-owned enterprises. However, there were few exceptions to this rule.
3. Male-owned enterprises were relatively more dynamic (in terms of ability to develop, move, and acquire new branches in other locations...) than female-owned enterprises, due to factors related to traditions, community rules and household needs.

These results along with other outcomes indicated that the female-owned enterprises seemed to be at a clearly disadvantaged position. It is thus useful to closely examine this aspect of MSEs, in order to better-understand it and guide future policies.

1.1 Project Objectives

Despite the concern with women entrepreneurs, inequalities between men and women entrepreneurs still exist. This raises several important issues such as the small number of women entrepreneurs, the limited number of activities in which females entrepreneurs participate, the discriminatory practices against women in all institutions of the society; as well as the possibility and modes of challenging these practices.

This project aims at making use of available data sets to draw a candid profile of female entrepreneurs, in order to better-understand the factors that affect their performance, success and ability to grow and expand.

1.2. Research Hypotheses

Women entrepreneurs are few in number and concentrated in the micro-size category compared to male entrepreneurs. Women are faced with additional and specific difficulties relative to their male counterparts. This study explores whether those difficulties are related to the women's social, educational or experience and training background. It also examines whether differences in performance and success still persist if both male and female entrepreneurs have similar characteristics (such as education, years of experience, or training, etc.). In addition, discriminatory practices exercised against women entrepreneurs will be revised. Following is a brief presentation of the main issues that impact women entrepreneurs in general and affect their associated MSE performance.

Social Background

The social background and marital status of female entrepreneurs, especially those who are divorced or widowed and are forced by their social conditions to seek work as self-employed or employer to provide their family members with the basic necessities. Under such conditions, and with the lack of sufficient training, women entrepreneurs have modest skills and limited experience to manage and operate their enterprises efficiently compared to male-owned enterprises.

Educational Attainment Levels

The higher educational attainment levels affect positively the performance of female and male entrepreneurs and help in reducing the performance gap between both sexes.

The Business Climate

Despite the fact that governments are directing more support to MSEs, the existing institutions, in their implementation processes, do not provide fair conditions, access and incentives to entrepreneurs regardless of their gender; thus negatively influencing their chances.

Business climate should also be taken into consideration not only as a discriminatory environment for women, but also as an environment that favours bigger enterprises rather than MSEs.

Experience

Older enterprises perform better and have a better capacity to survive, grow and promote human capital formation. The study examines whether the accumulation of experience and knowledge affect female-owned enterprises the same way they affect the male-owned enterprises.

Detailed Lebanon-specific statistical evidence is presented in the following sections.

1.3 Methodology

The methodology adopted for this study is a desk research that can be divided into two stages:

- 1- The first, presented as a literature review, examines several studies on MSEs run by women, as well as social and economic constraints faced by women. This sections aims at drawing the general characteristics of women, especially those that impact their participation in the labour force at the level of enterprises.
- 2- The second stage focuses on the results of "Micro and Small Enterprises Survey" for statistical data concerning several topics, such as profile of women entrepreneurs, enterprises' profiles, and work environment.

All sections that follow the literature review are based on "Micro and Small Enterprises Survey", which was prepared for the Economic Research Forum (ERF) in 2004. The said study is a sample survey designed to provide estimates for key indicators related to the activities, manpower structure and financial characteristics of MSEs. Following is a presentation of the methodology followed in "Micro and Small Enterprises Survey".

Sample Design of ERF's "Micro and Small Enterprises Survey"

The primary objective of the sample design of MSEs Enterprise Survey was to provide estimates on the national level; hence survey regions were selected in a way that represents different economic characteristics.

The final visited sample of MSES was selected through multiple stages:

- 1- In the first stage, primary sampling units (PSU) were randomly selected from each governorate¹ using existing studies and censuses. The PSUs are towns in urban areas and villages in rural areas. The total population of MSEs in Lebanon is estimated at around 188,000.
- 2- The second stage was based on conducting a census of all establishments, based on a stratified random sample from the list of enterprises within each PSU. The census was not aimed at merely obtaining the number of enterprises, but rather exact information on: name, location, gender of entrepreneur, sector of activity and number of employees. The total number of visited establishments was 9,176.
- 3- In the third stage, a stratified random sample was selected from the above sample, where female owners/managers were over sampled in order to maintain a sufficient number of female respondents that will be statistically significant to analyse. The total planned sample was 3,021 enterprises; the final list of visited enterprises reached 2,948, reflecting a 2.4% non-response rate.

The adopted definition of MSEs is enterprises that employ less than 50 workers and pursue non-agricultural activities; it excludes enterprises that conduct their operations outside fixed premises.

The definition of entrepreneurs is the people who run these MSEs.

¹ Lebanon is administratively divided into six Governorates.

Structure of the Report

The research project is classified into the following parts:

- 1- Introduction, that includes the objectives, hypotheses, methodology and literature review
- 2- Part I describes the female entrepreneur's profile
- 3- Part II deals with the enterprise profile
- 4- Part III depicts the work conditions in enterprises led by females
- 5- Part IV analyses the success determinants of female entrepreneurs
- 6- Part V includes the policy recommendations

1.4 Literature Review

Interest in women-led MSEs stems from recent development strategies concerned with the broad concept of women empowerment². With recent efforts by international and multilateral agencies, support for MSEs is generally acknowledged to improve women's economic situation. However this link is subject to certain conditions depending on the contexts where women-led enterprises are embedded.

A holistic approach to women economic empowerment goes beyond mere economic efficiency and growth of enterprises. Increasing women's control over resources is complemented with resisting dominant gendered ideology that reinforces social, economic and political manifestations of gender inequality (Sen 1996)³. Following this approach, a gender analysis of women's position within economic practices is necessary to unveil the discrimination at both structural and institutional scales. Institutions of the household, community, market and state harbour legal and substantive discrimination in rights, entitlements that hinder women's equal access to and control over assets, resources and services (Kabeer 2000).

As the Lebanese economic system is characterised by a tradition of free market, a local culture of entrepreneurship is generally widespread at small and large levels. However, women-led MSEs have developed less favourably than their male counterparts. Women-led MSEs are fewer in number and less prone to expansion and profit making⁴. They also tend to be confined to a restricted range of activities circumscribed by discriminatory and gendered conceptions of societal and economic roles of men and women.

² The Gender and Development approach (GAD) located power at the heart of advancing women's conditions. Based on Rowland's (1999) work, empowerment is three-fold: (1) 'power to' participate in various aspects of social, economic and political life; (2) 'power with' or organising into collective action to address social inequality; (3) 'power within' addressing personal and micro levels of countering.

³ Sen, G. 1996. "Gender, Markets and States: A selective Review and Research Agenda". World Development, Vol. 24, No 5 & Kabeer, N. (2000) "Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment". In S. Razavi, ed., Gendered Poverty and Well-Being. Oxford: Blackwell Publishers Ltd.

⁴ Micro and Small Enterprises in Lebanon, ERF, 2005

Women's empowerment in Lebanon can be measured at various social, economic, and political levels. National indicators on women's education and health rank among the highest in the region with high literacy rates especially among the young population, high life expectancy, low under five mortality and low maternal mortality⁵. Civil and political indicators reveal high women participation in the NGO sector, but lower access to decision making and public positions. Women's economic participation tends to be low, characterised by gendered career choices, technical skills and early exit at marriage⁶.

In line with the general aim of this study, this review leads a multidimensional approach to the issue. It draws on main available resources by local organisations and international and multi-lateral agencies. **The purpose of this review is to gather available accounts that inquire and potentially explain the nature, causes, and effects of the obstacles to women economic empowerment through MSEs.** The main structural, institutional and relational discriminatory practices will be revealed through examining the legal framework related to gender equality in Lebanon, social influences, and economic influences.

1.4.1 CEDAW Ratification and Reservations

Lebanon fell behind many countries in terms of addressing gender discrimination as it ratified the CEDAW convention eighteen years after it was adopted by the UN general assembly in 1979. This ratification was made possible after continuous efforts by a long standing and vibrant women-centred civil society and the momentum created by the Beijing summit in 1995. Through these efforts several mechanisms of implementation were put in place. The National Commission for Lebanese Women was established in preparation for the Beijing conference; it acts as the main independent body concerned with advancement of women. Another NGOs umbrella – the National Committee for the Follow-Up of Women Issues – was also formed at the same period and gathers main women-focused NGOs in coordination with the Lebanese Women Council.

The ratification of the CEDAW convention secured universal legal rights for women at several fronts including the all important clauses in relation to equality in employment, education and health. Reservations pertained to women's rights to pass nationality to their children from foreign men, and legislation related to personal status laws. The lack of reform in personal status laws considerably affects women and especially entrepreneurs. Current personal laws provide uneven rights to women according to regulations of the religious sect governing the marriage contract and/or associated social norms and customs. Restrictions include low marriage age for women starting at nine in some cases, the need for the husband's approval for the wife's economic activity or mobility, financial deprivation due to lack of or lower inheritance for non-Muslim women and avoidance of alimony payments in case of divorce⁷.

5 Millennium Development Goals, Lebanon Report, UNDP, September 2003

6 Female labour force in Lebanon, LAU 1998

7 The Second Lebanese Document for the Elimination of All forms of Discrimination Against Women in Lebanese Laws. The Committee for the Follow Up on Women Issues 2005

1.4.2 Employment-Related Developments

Several changes to national legislation granted greater equality for women in terms of economic status. A groundbreaking law amendment in 1994 granted them the right to practice holding a business without their husbands' prior approval. In 1993, women's full legal civil status was acknowledged, as they were made eligible for testimony in the Cadastre⁸. In 1995, married women were made eligible to secure life insurance policies. The enactment of these legal provisions – despite their relevance – can in some cases be superseded by restrictions imposed by family laws and local norms.

Several restrictions to women's waged employment were lifted. In 1987, the retirement age was adjusted to 64 for both men and women, while it kept women's right for early pension collection upon marriage⁹ (NCLW 2000). This provision can somehow backfire on women's economic empowerment as it reinforces gendered reproductive roles over economic participation. In 2001, equality was granted to private employees in relation to illness, maternity and family benefits. Male and female civil servants were granted equal benefits by their cooperative with the exception of family-related ones. Finally in the year 2000, maternity leave was extended to 49 days and women were protected from the risk of receiving a warning of dismissal when pregnant.

All these amendments notwithstanding, gender discrimination is still far from being eradicated in employment laws. To date, women are still considered within an outdated category of a 'marginalised workforce' along with children and youth. Article 26 includes obsolete restrictions on women's types of activity as it 'prohibits the hiring of women in all mechanical and manual industries' and imposes limitations to their working hours and schedules and type of work¹⁰. The most flagrant discriminatory clause remains in an unfair taxation system known by the decree 3950, where married women are considered in the same tax-group as single men. Thus women's contribution to the household is entirely discounted as long as it is partially supplemented by a male provider, who is considered by default as the main breadwinner. Finally, there is discrepancy in the duration of maternity leave between the private and the public sectors.

1.4.3 Social Influences on Women Entrepreneurs

Recent research on women entrepreneurship acknowledges broader social influences beyond strictly economic and financial ones. Multidimensional gender analysis of economic practices was used to shed light on this area. In Lebanon, the need for such research is timely and manifested in the present study.

Norms and values are socially constructed by social institutions and affect women and men's perceptions of their abilities and potential. Gender-biased norms are propagated through dominant discourses in various fields, cross-cutting at every structural, and institutional, micro and macro levels of interaction. Most importantly, these norms and

⁸ Women's legal status is still considered inferior to that of men by religious personal status courts

⁹ Woman and Man in Lebanon, a Statistical Portrait, National Commission for Lebanese Women, 2000

¹⁰ Gender Entrepreneurship Markets (GEM), International Finance Corporation (IFC), GEM Country Brief – Lebanon 2007

values are subject to continuous negotiation of power dynamics at the intra and inter household and community levels. These dynamics are key to any adequate interventions that are designed to install pro-women practices of economic empowerment¹¹.

The review shows that different communities present distinct contexts in terms of gender dynamics and attitude to women's entrepreneurship. Despite the fact that similar manifestations were recorded, the underlying causes varied widely. The prevalent norms and values have affected women's access and exposure to education, skills and work opportunities due to a multitude of reasons and in diverse ways. They are micro-context specific - i.e. variable across regions and communities, and changeable – thus influenced by various external factors.

The Family as a Key Influence

In the reviewed studies, family appears to be the most crucial social unit regulating women's lives and employment¹². When supportive of women employment it can be a great asset. If managing a business, family can be very useful in terms of skills transfer and provide a very useful environment for women's apprenticeship into entrepreneurship. Finally, it has been a cornerstone in providing working women with informal child care¹³.

However, the family also imposes many restrictions. When asked about social constraints to their ambitions, women primarily referred to parents' or husbands' opposition to their plans¹⁴. Self-employed women complained twice as much as employees about family pressure, and saw their wedded status or their womanhood as main hindrances against their economic participation¹⁵.

This influence is manifested through a control over women's decision-making abilities at various social and economic levels. First, women's mobility and social activities are restricted at an early age and strictly controlled by their male kin as highly reported in Old Saida, Al-Minieh and Bab Al-Tabbaneh¹⁶. Thus their possibilities for essential life and entrepreneurial skills such as exposure to new environments and ideas, negotiation and assertiveness skills are inhibited.

¹¹ Deniz Kandiyoti, 1998. Gender, power and contestation: Rethinking bargaining with patriarchy. In *Feminist visions of development; Gender analysis and policy*. C. Jackson & R. Pearson (eds). London, Routledge

¹² A broad definition referring to the extended type of first or second degree kin relationship is used whether at residential basis or not.

¹³ Problems with child care have been significantly low as reported by respondents in the Female labour force in Lebanon. Institute for Women Studies in the Arab World, LAU, 1998

¹⁴ Female labour force in Lebanon, Institute for Women Studies in the Arab World, LAU 1998

¹⁵ Female labour force in Lebanon, Institute for Women Studies in the Arab World, LAU 1998, figure 3.29, p. 3-58

¹⁶ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002. This study was used with a general purpose of constructing a gender profile of four Lebanese towns, and gives a broad impression on women's situation with no specific focus on women entrepreneurs.

Second, women are deterred from continuing their education and are pushed into early marriage¹⁷. This reflects in low useful business-related skills such as literacy and numeric ones used for bookkeeping and business management.

Third, even when women become economically active, they remain subject to family dominance. A study by Dr. Mona Khalaf shows that one in four women in Lebanon handed over their salaries to their male next of kin¹⁸.

Reproductive and Productive Roles and Intra-Household Dynamics

Different conceptions of reproductive roles within households were found to dictate family's attitude towards women's economic participation. Women employment is discouraged when the family considers productive roles as contradictory to the domestic reproductive ones. The family thus exerts pressure on working women primarily in relation to working hours (28%)¹⁹.

In conservative settings where reproductive roles signified care and domesticity, women's possibilities for economic participation were curtailed. Respondents in three out of the four studied towns complained about the prevalence of traditional religious views reinforcing women's confinement to domestic roles²⁰.

Findings also show the need to refute myths that assume an urban bias towards gender discrimination and heavily allocate it in rural areas. In the two urban districts of Old Saida and Bab Al-Tabbaneh, family structure is acutely patriarchal and men are perceived as the uncontested heads of households, regardless of their economic contribution. In the rural town of Al-Minieh, the extended family was also most important and newly weds are mostly expected to live with the husbands' parents. Local values circumscribed household chores to female family members, while income generation was entirely left to men. Women's mobility, education and social exposure were severely restricted as a result.

In rural Eرسال, prevailing norms tend to be more liberal. Reproductive roles extend to educating their children and many women tend to get into higher education as an investment for the family. Intra-household gender roles tend to be less demarcated as siblings from both sexes share some domestic responsibilities. A strong culture of women self-employment mainly stems from their active participation in family businesses related to agriculture, herding and trade. The appreciation of women's education and employment could be also attributed to the social and political specificities of the area known for its dynamic political life and a long history of collaboration with various development organisations.

¹⁷ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

¹⁸ Cited in: Female-Headed Households in Selected Conflict-Stricken ESCWA Areas: An Exploratory Survey for Formulating Poverty Alleviation Policies. Camillia Fawzi El-Solh. United Nations: New York, 2001

¹⁹ Female labour force in Lebanon, Institute for Women Studies in the Arab World, LAU, 1998

²⁰ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

1.4.4 Economic Honour and Community Pressure

The family tends to be highly affected by prevailing community norms. 19% of women attributed family pressure against their work to its subjection to gossip²¹. This shows the need to address socially constructed negative conceptions of women's work within communities.

Findings show that in some contexts, women's economic participation is an attack on 'men's honour' and a challenge to women's obedience²². Men-women relations are in practice defined by powerful and discriminating religious family laws that legitimate a control-submission nexus²³. In Bab Al-Tabbaneh, men blame women's economic participation for destabilising this relationship and leading women to escape their 'compliance'²⁴. Women within these communities also share these values. In Al-Minieh, female respondents also objected to women's work because it shames men into a lower status and leads 'the woman to advance and escape the control of her husband'. Respondents also were reluctant to work because their husbands who could strip them of their income and use it to take another wife. This issue reflects the severity of absence of legal or applied measure to protect women within marriage²⁵.

A third category of family pressure relates to the type and location of work (17% and 15% respectively)²⁶. These restrictions affect the nature and scope of women's work and limit opportunities for entrepreneurship²⁷. In Al-Minieh, women were allowed to hold home-based activities that do not lead them to mingle. Similarly, in Old Saida, women were not encouraged to work outside their neighbourhoods. Certain types of jobs that require long and unsociable hours, such as hospital nurse with night shifts, were highly unacceptable and stigmatised. Families of young women highlighted the importance of 'trust' in employers or the parties who interact with them. This can explain the high incidence of women's informal self-employment as by-the-piece producers of handcrafts subcontracted to them by local NGOs on behalf of large firms.

In Ersal the positive view of women's work was seen primarily as a necessity rather than a sign of status/empowerment. It was acknowledged that women did not mind working as long as they needed to, in contrast with well-off women who would not work and just 'show off'. This view helps demystifying women's employment as empowerment; it reflects realities of women micro-entrepreneurs in several parts of the world²⁸.

²¹ Female labour force in Lebanon. Institute for Women Studies in the Arab World. LAU 1998

²² Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

²³ Jobs, Gender and Small Enterprises in Africa and Asia: Lessons Drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe. Pamela Nichols Marcucci. SEED Working Paper No. 18. ILO 2001

²⁴ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

²⁵ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002. p. 30

²⁶ Female labour force in Lebanon. Institute for Women Studies in the Arab World. LAU 1998

²⁷ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

²⁸ Small and Medium Enterprise Development. Globalisation and Gender Briefs Series No.3. Commonwealth Secretariat and the ILO. Undated

1.4.5 Women Employment and Decision Making

The link between women entrepreneurship and greater decision making ability needs to be carefully studied in relation to intra-household power relations. Often, women's income contribution to the general pool of family resources is hardly recognised. Attempts to measure decision making power relied on the four indicators of earnings, relative absolute personal spending, relative proportional personal spending of the income shares, and relative personal leisure hours²⁹. With no such data available for Lebanon, general impressions can be drawn from women's share of income and their control over spending.

Discussion groups with women respondents showed that a high proportion of women was economically active despite initially considering their households as solely headed by male breadwinners³⁰. In Ersal, for example, around 40% of women were economically active and self-employment was 1.5 times higher than waged employment³¹. Responsibility for spending varied according to regions. In Bab Al-Tabbaneh and Al-Minieh patriarchal patterns of income and spending were prevalent. In Old Saida 48% of women controlled household spending. Girls also contributed to household expenditures more than boys probably due to high male unemployment rates and widespread women self-employment opportunities available through NGOs. In Ersal, 63% of men controlled spending, despite the more equitable contribution of men and women to household income.

1.4.6 Economic Environment Influence

Economic factors heavily affect women-led MSEs through various internal and external influences relating to business-specific components or broader ones outside their direct control³². These factors need to be examined at both strategic and operational dynamics of business management and the structural support provided by various institutions.

External Economic Influences on Lebanese Women-Led MSEs

The Lebanese economic environment does not seem to be particularly favourable to women-led MSEs. The institutional-legal setting of the market operates on a gender-blind basis of legal gender equality manifested in free market policies, equality in entrepreneurship-related provisions, and tax regulations. This nominal equality

29 Anbarci, N. and Cinar, E.M. 2000. Gender-Based Wage Differences, Household Bargaining and Workingwomen's Welfare: Theory and Evidence from Izmir, Turkey. Florida International University and Loyola University Chicago. Working Paper 2020. 2000

30 Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

31 Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

32 Jobs, Gender and Small Enterprises in Africa and Asia: Lessons Drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe. Pamela Nichols Marcucci. SEED Working Paper No. 18. ILO 2001

becomes a 'gender-biased' as it masks deeper institutional challenges reflected in unequal access to resources, skills, and information and networks³³.

In addition, globalisation increased MSEs vulnerability to the competition of multinational economies of scale³⁴. The resulting stagnation and instability of locally-based enterprises and market conditions constitute a main hindrance towards women's low economic activity. In Ersal, for instance, women held relevant skills yet they were not able to use them due to lack of entrepreneurship opportunities³⁵. A general instability of the female labour market was noted as women employees tended to interrupt work mostly due to work-related conditions (61.8%) than to family and personal situations (38.1%)³⁶.

The final and most important challenge refers to MSEs particular vulnerability to shocks. The political instability and repeated violence witnessed in Lebanon recently tends to put additional constraints on various types of MSEs. It should be however mentioned that relief assistance can induce a short term disposable cash flood that might be favourable for short-term high risk types of activities.

Internal Business Influences on Lebanese Women-Led MSEs

Women economic activity is mainly affected by lack of financial means for business start-up, a lack in guidance, skills and training, and the need for women-friendly work units³⁷. These issues are confirmed in the MSE survey³⁸. The most common concern to women's work was personal harassment (74.8%). Other prominent problems related to setting-up the enterprise (40.1%), securing labour force (31.4%), managing the business (22.6%) and marketing (23.4%). Problems in securing contracts and securing financial services ranked lowest at 19.5%, while 20.5% reported problems in joining business associations.

These issues were manifested in serious lack of business-related skills. Skills held by women in communities were mainly introduced by NGOs and proved to be very traditional and outdated, heavily focusing on pottery, tailoring and broidery³⁹. About 90% of women micro and small entrepreneurs severely suffered from low formal skills-training⁴⁰. National figures also show low enrolment of females in technical/vocational training institutions⁴¹.

³³ Small and Medium Enterprise Development. Globalisation and Gender Briefs Series No.3. Commonwealth Secretariat and the ILO. Undated

³⁴ Globalisation and Gender: Economic Participation of Arab Women. Arab Human Development Report. Center of Arab Women for Training and Research (CAWTAR) 2001

³⁵ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

³⁶ Dibs, M. 2003. The Working Woman and Employee: Reality and Role in Syndical Decision making. Women's Rights Study and Research Centre

³⁷ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

³⁸ Micro and Small Enterprises in Lebanon, ERF, 2005

³⁹ Executive Report of the Qualitative Assessment of Needs and Roles of Women and Girls in Selected Areas of South Lebanon, North Lebanon and the Bekaa. Rene Mouawad Foundation 2002

⁴⁰ Micro and Small Enterprises in Lebanon, ERF, 2005

⁴¹ Household Living Conditions 2004, Central Administration for Statistics, Beirut, Lebanon

1.4.7 Business Support Services

Support to women's economic empowerment evolved in concordance with the changing gender development discourses⁴². There are two broad phases of interventions, starting with an earlier approach of 'income generation' programs. With the failure of such programs, there was a switch to an active 'MSE support' approach including 'market-driven' financial services initiatives and other more socially inclined 'empowerment' ones. Available business support services in Lebanon largely follow this categorisation. Income generation interventions are mainly provided by women NGOs and mainstream charities. They can be characterised by a charitable approach geared at supplying traditional gendered skills with little links to market needs. Market driven programs started in the mid 1990s and flourished as they exclusively offered financial services. Empowerment driven initiatives also boomed at the same period yet seemed to be contained probably due to higher running costs and lack of sustainability. The sector reflects little coordination or common vision between actors and shows discrepancy between the quality of services provided and their geographical outreach to women.

Access to Financial Services

The MSE market in Lebanon holds a substantial share of businesses, estimated at 84% of total establishments⁴³. The micro-financing gap is estimated at US\$ 37 M potentially benefiting 36,000 micro and small entrepreneurs⁴⁴. Women are specially underrepresented among borrowers with only 35% of the total of microfinance institutions operating in the country; in other words about only one-third of all bodies that provide micro-finance in Lebanon target women as beneficiaries. However, these figures are inconsistent with a much higher number of borrowers declared by lending organisations. This discrepancy indicates that there is a need to update the lending market information and encourage lending organisations to provide more transparent and segregated data on their portfolios. A good example is shown by Al-Majmoua as it published its annual reports online winning the Microfinance Information Exchange Market Award for improving the transparency, quality and reliability of microfinance information⁴⁵.

In the mid-1990s, the pro-poor lending market changed and significantly expanded. By 2001 there were twelve NGOs, four UN programs and two commercial banks providing microfinance services⁴⁶. However, many providers either opted out or completed their project cycles. Currently there are six main NGOs providing micro-lending programs, four operating nationally while one is restricted to South Lebanon (ADR) and another to

⁴² Jobs, Gender and Small Enterprises in Africa and Asia: Lessons Drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe. Pamela Nichols Marcucci. SEED Working Paper No. 18. ILO 2001

⁴³ Beyond Credit: A Taxonomy of SMEs and Financing Methods for Arab Countries. Mahmoud A. El-Gamal, Nihal El-Megharbel, and Hulusi Inanoglu. Draft: February 2000

⁴⁴ The Role of Micro-credit in Poverty Alleviation: Profile of the Micro-credit Sector in Lebanon. Eradicating Poverty Studies Series, No. 12. Imad Hamze. ESCWA. United Nations, New York: 2001

⁴⁵ Al Majmoua Website www.almajmoua.com. Accessed on 19 May 2007

⁴⁶ The Role of Micro-credit in Poverty Alleviation: Profile of the Micro-credit Sector in Lebanon. Eradicating Poverty Studies Series, No. 12. Imad Hamze. ESCWA. United Nations, New York: 2001

few selected areas within Lebanon (YMCA)⁴⁷. Main operating organisations are categorised as follows⁴⁸:

Empowerment Driven Initiatives: these programs focus on providing multidimensional financial and non-financial support to existing entrepreneurs of both sexes. Several programs were active mainly in rural areas before recently interrupting their activities.

ADR is the NGO currently following this approach. It was established in 1999, runs another socially-oriented lending program and operates exclusively in South Lebanon and West Bekaa. It uses an integrated approach as it provides various business support services and follows-up on micro-entrepreneurs. Their lending terms, size and repayment periods are flexible to accommodate different types of activity. They are working towards financial sustainability and currently have 1,400 active loans.

Market Driven Initiatives: Large-scale microfinance projects were pioneered by specialised and separate operational structures within international NGOs.

- 1- Al-Majmoua: was established in 1994 and initially focused exclusively on women borrowers in group-guaranteed lending and savings schemes. Five years after inception, it diversified its products and included individual collateral-based micro-loans for both men and women entrepreneurs. To date, the program disbursed a total of 70,000 loans with currently 6,000 active loans⁴⁹. It also provides an incorporated savings scheme and financial interactions are implemented through commercial banks.
- 2- CHF-AMEEN: is Al-Majmoua's main lending competitor. Since its establishment in 1998 it operated independently of the organisation's main branch. It targets the same client base of Al-Majmoua and operates mostly within similar areas. The program introduced individual lending and optional savings to men and women entrepreneurs in Lebanon. A diversified range of 'soft' collateral makes it accessible to poor MSEs owners, yet it risks excluding the most disadvantaged groups. It operates in partnership with three commercial banks which contribute by 50%-75% of the loan capital. It has disbursed over US\$40 M in loans and currently has more than 7,800 active clients, 40% of which are women⁵⁰.
- 3- YMCA's rural development programme is a general rural development project operating in Akkar, Bekaa and South Lebanon. It provides micro-loans and reached 50,000 borrowers since inception.
- 4- AEP is a national Lebanese NGO established in 1984. It provides larger loan amounts (up to \$4,500) over longer periods (up to 2.5 years), and low repayment rates and little expansion potential with only 396 active loans.

47 There are four commercial banks affiliated to these NGOs

48 Micro and Small Enterprises in Lebanon, ERF, 2005. This study surveyed 38 major NGOs across Lebanon, out of which 17 organisations included programs related to women entrepreneurs

49 Al-Majmoua website: www.almajmoua.com, accessed on 19 May 2007

50 CHF website: www.chfhq.org, accessed on 19 May 2007

- 5- Makhzoumi foundation has also ventured into microfinance as part of their general charity work. The foundation offers extremely small loans (between \$100 and \$500). Terms and repayment rates are not supplied.
- 6- Al-Yusor for Finance and Investment is an Islamic lending program affiliated to Al-Hassan Loan Institution and Mu'assasat Bayt Al-Mal⁵¹. It was established in 1990 and targets existing or new entrepreneurs in some parts of South and Mount Lebanon, the Bekaa and the Southern Suburb of Beirut. The loan fund is estimated at \$5 million reaching 30,000 borrowers. It provides micro and small loans varying between \$200 and \$10,000 over one to three years and relies on a broad range of soft collateral. It also provides business advice for borrowers.

There are several issues with current microfinance programs preventing women entrepreneurs in particular from seeking their services. First, the largest programs (AMEEN, Al-Majmoua) do not offer any non-financial business support services that can be crucially needed by women entrepreneurs who are challenged by low market diversification. Women tend to replicate business ideas and 'everyone is competing with everyone'⁵². Also their puritan financial approach, lending packages, and high interest rates might deter most disadvantaged women micro-entrepreneurs, such as many female heads of households from approaching them because they feared defaulting⁵³. The advantages of such programs lie in their informal and rapid transactions and their wide outreach in both inner city urban poor neighbourhoods as well as more remote rural towns.

Access to Non-Financial Support

Enhancing Skills: vocational training refers to activities aimed at equipping beneficiaries with relevant skills that they may use later in waged or self-employment. Most vocational training activities are implemented by long standing NGOs. Eleven organisations provided 12 programs related to various types of skills and vocational training formal or informal courses. Almost half of skills provided were traditional and outdated, found in those charity-oriented and women-focused NGOs. Newer and development-oriented NGOs provide more diversified specialisation such as agro-food production (YMCA and RMF) and electronic equipment repairs (ADR). Out of the 12 programs, only one had formal links with employers' agencies (AMEL) reflecting women entrepreneurs' needs for training linked with marketable goods and services⁵⁴. Six main programs operate nationally reaching around 12,000 beneficiaries, of which women constitute a large proportion. Apart from two organisations that target about 5,000 each

51 The Role of Micro-credit in Poverty Alleviation: Profile of the Micro-credit Sector in Lebanon. Eradicating Poverty Studies Series, No. 12. Imad Hamze. ESCWA. United Nations, New York: 2001

52 Female-Headed Households in Selected Conflict-Stricken ESCWA Areas: An Exploratory Survey for Formulating Poverty Alleviation Policies. Camillia Fawzi El-Solh. United Nations: New York, 2001. p.76

53 Female-Headed Households in Selected Conflict-Stricken ESCWA Areas: An Exploratory Survey for Formulating Poverty Alleviation Policies. Camillia Fawzi El-Solh. United Nations: New York, 2001

54 Female-Headed Households in Selected Conflict-Stricken ESCWA Areas: An Exploratory Survey for Formulating Poverty Alleviation Policies. Camillia Fawzi El-Solh. United Nations: New York, 2001

(Makhzoumi⁵⁵ and AMEL), most had significantly low numbers varying between 20 and 1,000 beneficiaries per year.

Technical Support: Technical support refers to services provided for existing MSEs to improve the management, production and marketing activities of the businesses. Ten technical support programs were found among eight NGOs giving special attention to women. Six of these programs were specifically aimed at farming and agro-food production businesses. Three programs encouraged the establishment of MSEs and cooperatives, and only one provided support for business associations. The targeted numbers of beneficiaries were low or not accounted for.

Access to Information & Networks: numerous trade unions are available to provide formal channels of support to entrepreneurs, including women⁵⁶. However, as the next section will show, access and effective participation are hindered due to various factors undoubtedly affecting flow of information and learning potential. Two organisations were recently established specifically aiming at furthering women entrepreneurship⁵⁷:

- 1- *The Lebanese Business Women Association* was established in 1997 and actively works on contesting the objectification of women and promoting women's contribution to the labour market. It has produced a documentary promoting the challenges and opportunities of working women with the support of IFC's gender Entrepreneurship Markets Institutional Capacity Building Project.
- 2- *The Lebanese League for women in Business* was established in June 2006 as a non-profit scientific and cultural association that aims at promoting women's empowerment. Its programs include education and skills, training and capacity building, communication and information, and access to science and technology. These organisations have the potential to provide much-needed networking and information to women entrepreneurs. The question remains whether they are able to target most marginalised women entrepreneurs, those holding micro-enterprises and operating in the informal sector.

Access to Fair Labour rights: Protection of labour rights could be detected through six programs led by two NGOs and the General Labour Union. Three of these programs are mainly concerned with general awareness raising on labour rights through publications and training sessions. The General Labor Union, for example, is lobbying to redress the discrimination against working women banning them from including their children in their NSSF coverage. These results show that this area of business support is still largely untapped while trade unions can play a major role in advancing applied rights for working women.

⁵⁵ Estimates of beneficiaries affiliated to Makhzoumi foundation are taken from their website. www.makhzoumi-foundation.org accessed 20 May 2007

⁵⁶ Directory of Support Services for Small and Medium Enterprises in Lebanon. ESCWA. UN, New York, 2001

⁵⁷ Gender Entrepreneurship Markets (GEM), International Finance Corporation (IFC), GEM Country Brief – Lebanon 2007

There are no studies relating to the participation of women entrepreneurs in their relevant trade unions. An overview of female participation in waged employment trade unions gives a flavour of issues relating to working women's collective action⁵⁸. Findings show a large disconnection in terms of women's awareness, adherence, participation in decision making, and lobbying for pro-women agendas.

Women working in long-established trade unions such as tailoring and banking were generally more aware of their existence. Awareness significantly decreases with more disadvantaged professions such as hospital workers and employees in the trade sector. However, awareness did not automatically translate into membership. The majority of respondents within disadvantaged professions did not adhere to their trade unions (13% of respondents in the tailoring industry contrasted with 100% within the banking sector).

In turn, higher membership did not imply effective women's participation in decision making within trade unions. For example, female bank employees participated little in meetings outside of working hours. About 51% of respondents across various professions were primarily constrained by family pressure (including those working in the banking sector). Also, a general lack of trust in the efficiency of trade unions and their cooptation by politicians for vested interests was another reason for acceptable participation as noted in 23.1% of responses.

Lobbying for pro-women issues was generally low and was not particularly linked to higher educational attainment or women's presence in high decision making positions within their trade unions. In contrast with the findings of the sample, discussion with trade union officials showed that women employees in the tailoring sector had a long tradition 66% of high membership and board representation (6 members including vice-president and secretary). The board put forward a detailed plan for a major pro-women issue by lobbying for daycare centers within tailoring outlets.

In contrast, trade unions with high women membership such as the Permanent Lebanese University Teachers' League do not include any woman in its board since its inception in 2002. Similarly the head of the High School Teachers League had a very conservative view about challenges to discrimination against women seeing it as 'self-imposed and to be remedied only by women who need to be more assertive in nominating themselves for board positions'.

The situation of women's participation in trade unions questions some assumptions to women's participation. It shows that while some working women tend not to be aware of their trade unions, awareness does not constitute the main obstacle towards effective participation. Hindrances like time constraints, family pressure, corruption and inefficiency, and manifest gender bias among some officials hugely impede women's participation in labour rights action.

58 Dibs, M. 2003. *The Working Woman and Employee: Reality and Role in Syndical Decision making*. Women's Rights Study and Research Centre

II. Profile of Women Entrepreneurs

In the process of characterising women entrepreneurs, they will be compared with their male counterparts in order to better assess their overall situation. The following analysis is based on the results of ERF's "Micro and Small Enterprises in Lebanon⁵⁹", unless otherwise stated. The total sample of women which the study surveyed was 233 women respondents, out of the total 2,948 nationally-representative enterprises. The following sections are based on this 7.9% share of women respondents (233 out of 2,948).

II.1 Personal Background

II.1.1 Age of Entrepreneur

Entrepreneurs tend to belong to older age brackets with the highest percentages falling in the 40+ age bracket, for both males and females (53.9% and 39.7% respectively). This is also the only category where women entrepreneurs (in percentage) are less numerous than those of their male counterparts. In all younger age brackets, percentages of women exceed those of males with pronounced differences at the younger age groups of 18-21 years (3.9% females and 1.3% males) and 21-25 years (8.2% females and 5.3% males). These figures show that more women tend to opt for establishing enterprises at a younger age, while male entrepreneurs tend to consider enterprises as an option for later stages of life. In fact, this can be further explained by the fact that about half of women-led enterprises (49%) were established after 2000, while this same parameter is close to a mere third among males (34%). Hence, males tend to act as entrepreneurs for older enterprises.

Table 1: Gender vs. age of entrepreneur

Age of entrepreneur	Male	Female	Total
<18 years	0.3%	0.9%	0.3%
18 to <21 years	1.3%	3.9%	1.5%
21 to <25 years	5.3%	8.2%	5.6%
25 to <30 years	12.4%	12.9%	12.5%
30 to <40 years	26.8%	34.5%	27.4%
40 years and more	53.9%	39.7%	52.8%
Total	100.0%	100.0%	100.0%

II.1.2 Marital Status

Data shows that the majority of entrepreneurs in both sexes are married (52.8% of women and 74.3% of men). These figures indicate disproportionate number of unmarried entrepreneurs. A large proportion of women entrepreneurs are never married (40.3%) compared to only 24.9% of men. The latter show that entrepreneurship can be as popular for both groups of women (married and unmarried) and that marriage is not a

⁵⁹ This study was conducted for Economic Research Forum in 2004; the report was published in 2005.

hindrance for the female sample. The high percentages of married male entrepreneurs show that entrepreneurship is a relatively viable source of income that is chosen for supporting a family.

Percentages of widowed and divorced entrepreneurs were residual (0.5% and 0.7% respectively). However, gender differences are significant where percentages of women entrepreneurs in both categories tend to be manifold those of men (4.7% widowed women and 2.1% divorced women compared to 0.4% of men in each category). This can be linked to demographic and sociological explanations where many women tend to outlive their husbands (higher life expectancy for women). Similarly as many women face discrimination in divorce settlements they would be more prone to seek work.

Table 2: Gender vs. marital status of entrepreneur

Marital Status	Male	Female	Total
Never married	24.9%	40.3%	26.2%
Married	74.3%	52.8%	72.6%
Widowed	0.4%	4.7%	0.7%
Divorced	0.4%	2.1%	0.5%
Total	100.0%	100.0%	100.0%

II.1.3 Educational Attainment

The distribution of all entrepreneurs according to education levels reveals that 16.3% are either illiterate or completed the first elementary cycle of education; this rate reaches 11.8% among females. Illiteracy is higher among female entrepreneurs (4.8% among females and 3.2% among males), but the number of females who have completed schooling or university studies, i.e. more than 13 years of education, is also higher (31.5% females and 24.1% males).

Table 3: Gender vs. education

No. of years in education	Male	Female	Total
0 years	3.2%	4.8%	3.3%
1-5 years	14.6%	7.0%	14.0%
6-9 years	33.7%	31.4%	33.6%
10-12 years	24.3%	25.3%	24.4%
13-16 years	19.6%	25.8%	20.1%
17+ years	4.5%	5.7%	4.6%
Total	100.0%	100.0%	100.0%

According to “Woman and Man in Lebanon”⁶⁰, educational attainment seemed to be negatively correlated with self-employment. The latter scores highest incidence among illiterate women (43.6%, i.e. about half of illiterate women are self-employed), followed by those with basic reading and writing abilities (39.2%), then elementary (36.2%) and intermediate (20.7%). Women with secondary schooling and undergraduate degrees scored 9.2% and 9.8% respectively, while women with postgraduate degrees showed a

⁶⁰ Woman and Man in Lebanon, a Statistical Portrait, National Commission for Lebanese Women, 2000

significant increase (23.4%). These figures might not seem to go inline with those presented in the table above, due to the main reason that two different populations are described, i.e. different inclusions under each category. The source “Woman and Man in Lebanon” includes daily workers and professionals within the self-employed category, which holds mainly postgraduates going into formal liberal professions such as law, political science, economics, engineering and health.

II.1.4 Vocational Training

Figures on **vocational training** show that most entrepreneurs did not rely on vocational training skills as a basis for running an enterprise (9.8% on a national basis). As relevant vocational training skills generally provide a good skills-base and technical know-how, it seems that the great majority are disadvantaged in this area. Nevertheless, women entrepreneurs have benefited from more vocational skills training than men in terms of percentage (15% of females compared to 9.3% of males), probably due to the availability of women-specific courses by various non-governmental organisations. These figures show that serious initiatives for vocational training need to target entrepreneurs.

Table 4: Gender vs. vocational training of entrepreneur

Vocational Training	Male	Female	Total
No	90.7%	85.0%	90.2%
Yes	9.3%	15.0%	9.8%
Total	100.0%	100.0%	100.0%

II.2 Influence of Society

II.2.1 Social Consent

Half of women respondents stated that they needed permission to work. Despite the substantial proportion, these figures show that more women are free to engage in self-managed economic activity.

Table 5: Gender vs. the need for a permission to work

Need Permission?	Women
No	48.3%
Yes	51.7%
Total	100.0%

For the disadvantaged group, most immediate social constraints are placed by the husband (66.4%) followed by fathers (27.1%).

Table 6: Gender vs. who provides the permission to work

If yes, from whom?	Women
Husband	66.4%
Father	27.1%
Brother	3.7%
Other	2.8%
Total	100.0%

However wider societal constraints seem to have less of an impact. Social endorsement, unlike that from direct household members, does not register major results. In fact, 92.6% of women stated that they did not need society’s approval to work.

Table 7: Gender vs. the need of society’s permission to work

Need permission from society?	Women
No	92.6%
Yes	7.4%
Total	100.0%

Half of the very few cases who required approval blamed it on pressure from both sexes (52.9%), then women (41.2%). These findings draw attention to the need for improving the image of working women and specifically entrepreneurs for both women and men in various communities.

Table 8: Gender vs. who provides the society’s permission to work

If yes, from whom?	Women
Men	5.9%
Women	41.2%
Both	52.9%
Total	100.0%

II.2.2 Constraints and Empowerment

By looking at the immediate constraints faced by women entrepreneurs, the household ranks highest comprising less than two-thirds of the sample (58.2%), followed by the community (41.8%). These figures confirm the well-known constraints to women’s achievement potential characterised by the double burden imposed by single-handedly managing household chores on top of their businesses. The community’s pressure is also considerable and can be manifested by extensive informal care duties held by women towards their extended families.

More alarming restrictions are noticed as half of the women in the sample faced conflict between home and business responsibilities. This means that their daily lives are imbued with considerable stress and partial focus on each which might have dire negative repercussions on their business sustainability and growth on one hand and on

their marital life on the other. The absence of day care centres is an additional burden that needs to be addressed by local authorities or NGOs operating in the various regions.

A distinctive positive impact of women's venture into entrepreneurship is the high reported sense of achievement and empowerment brought by earnings (72.9%). Entrepreneurship is more likely to hold additional benefits to women than waged employment in terms of flexible timetable, direct financial reward, and absence of hierarchical constraints and harassment. However, the work related constraints specific to entrepreneurship such as cash flow management, fluctuating income and instability of markets need to be acknowledged and addressed.

Table 9: Gender vs. worst constraint on business

Worst constraint on business	Women
Household	58.2%
Community	41.8%
Total	100.0%

Table 10: Gender vs. presence of conflict between home and work duties

Conflict between home and work duties?	Women
No	48.3%
Yes	51.7%
Total	100.0%

Table 11: Gender vs. access of day care centre

Access of day care centre?	Women
No	98.7%
Yes	1.3%
Total	100.0%

Although faced with many difficulties at the level of compromising between home and work, about three-quarters of women respondents stated that their earnings make them feel empowered.

Table 12: Gender vs. empowerment by earnings

Feel empowered by earnings?	Women
No	27.1%
Yes	72.9%
Total	100.0%

II.3 Previous Work Status

II.3.1 Work Status History

When analysing the *work status history* of entrepreneurs, figures show that almost half of women entrepreneurs were employed in the sample (45.5%). If the figures of students are added to it (18.9%), these figures reveal that 64.4% of the female sample is equipped with fresh soft-skills of various types that prove to be very useful for running enterprises. Figures also indicate that 35.6% of women entrepreneurs were outside of the job market either because they were into unpaid work as housewives (21.5%), unemployed (12%) or did not desire to work (2.1%).

Table 13: Gender vs. previous labour force participation of entrepreneur

Labour Force Participation	Male	Female	Total
Employed	61.5%	45.5%	60.3%
Unemployed	17.2%	12.0%	16.8%
Student	17.6%	18.9%	17.7% (out of L.F.) ⁶¹
Housewife	0.7%	21.5%	2.3% (out of L.F.)
Did not desire to work	0.8%	2.1%	0.9% (out of L.F.)
Disabled	0.0%	0.0%	0.0% (out of L.F.)
Military service	1.8%	0.0%	1.6% (out of L.F.)
Retired	0.4%	0.0%	0.4% (out of L.F.)
Total	100.0%	100.0%	100.0%

II.3.2 Employment History

The results of the survey reveal that *employment history* shows some differences between entrepreneurs. Of those who were previously employed (i.e. 60.3% of total sample – 61.5% of males and 45.5% of females), the majority was in waged employment. Almost two thirds of the female sample was in waged employment (66.4%) compared to a slightly less male percentage (53.5%). The remaining third of the female sample was mostly composed of self-employment (20.6% worked on their own account and 4.7% were employers). Gender discrepancies are reflected in smaller categories as men were more involved in family work than women (8.7% compared to 3.7%). On the whole, these figures show that women tend to benefit from their waged employment skills to operate a business, yet they would benefit from business management training skills to ease their transition to self employment.

⁶¹ L.F. = Labour Force

Table 14: Gender vs. previous employment status of entrepreneur

Previous employment status	Male	Female	Total
Employee	53.5%	66.4%	54.3%
Employer	8.6%	4.7%	8.3%
Own-account	25.3%	20.6%	25.0%
Member of co-operative	0.1%	0.0%	0.1%
Family worker	8.7%	3.7%	8.4%
Other	3.9%	4.7%	3.9%
Total	100.0%	100.0%	100.0%

II.3.3 Reasons for Establishing Enterprise

Data on *reasons for establishing enterprises* show that women were mostly concerned with improving their living conditions (20.5%) while men mainly sought to expand their experience in the field (21.6%). These findings confirm that financial need is a main catalyst for women's venture in entrepreneurship. However, having a holistic approach to the analysis of the present data, 58.5% of women entrepreneurs have made use of a varied set of prior experience and professional know-how with 20.1% of matching qualifications, 18.3% prior experience in the field, 11.8% of entrepreneurship flair, and 8.3% of taking over the family business. These figures indicate that women are able to recognise and make use of various entrepreneurship opportunities that are embedded within their environment. Hence, interventions need to link women more closely to these opportunities and increase the learning curve they can derive from them.

Table 15: Gender vs. reasons for choosing current job of entrepreneur

Reasons for choosing current job	Male	Female	Total
Suits qualifications	14.9%	20.1%	15.3%
Has experience in business	21.6%	18.3%	21.4%
Capital requirements reasonable	5.2%	4.4%	5.1%
Family business	13.7%	8.3%	13.3%
Desire to set up new enterprise	17.0%	11.8%	16.6%
To improve living conditions	16.4%	20.5%	16.8%
Only option available	5.9%	7.4%	6.0%
Other	5.3%	9.2%	5.6%
Total	100.0%	100.0%	100.0%

III. The Enterprises' Profile

Lebanon's economy is dominated by MSEs. The 1996 Census of Buildings and Establishments⁶² states that the number of existing enterprises is 198,000, with available information limited to 195,000 of the total. In terms of structure, small enterprises employing less than five employees make up the bulk of operational enterprises at 88% of total enterprises in Lebanon (including missing enterprises). Those employing less than 50 individuals make up 96% of total. Cumulatively, enterprises with less than 50 employees generate the majority of employment opportunities in the country.

The following analysis is based on the results of ERF's "Micro and Small Enterprises in Lebanon". The total sample of women which the study surveyed was 233 women respondents, out of the total 2,948 nationally-representative enterprises. The following sections are based on this 7.9% share of women respondents (233 out of 2,948).

III.1 Size and Sector of Activity

The first indication looks at the *size of enterprises headed by women entrepreneurs*. Distribution per gender and enterprise size shows that most of the sample is composed of enterprises with 1 to 4 employees (91.7%) within which a slight increase is noticed in women's enterprises (92.2%) compared to men's ones (91.6%). This difference is mainly manifested in a higher share of females run one-worker enterprises (47.6%), as compared to males (44.6%). Besides, at the 10-49 enterprise size, a slightly larger percentage of males (2.8%) prevails over 2.1% for females.

Table 16: Gender vs. size of enterprise

Size of enterprise	Male	Female	Total
1	44.6%	47.6%	44.9%
2-4	47.0%	44.6%	46.8%
5-9	5.6%	5.6%	5.6%
10-49	2.8%	2.1%	2.7%
Total	100.0%	100.0%	100.0%

The *sectoral distribution* of surveyed enterprises overwhelmingly places them within trade (72.6% of sample). This sector is relatively slightly more prevalent within women-led enterprises (76.0%) as compared to men-led ones (72.3%). Similarly, the second ranking common sector of activity is the services sector which includes hotels & restaurants and other⁶³, hardly marking any differences between sexes (females 19.7% compared to males 17.9%). Significant sectoral differences are however found in the industry sector where male figures (9.9%) double those of females (4.3%). These figures need to be contextualised within the national broader economy where recently

⁶² This was conducted by the Central Administration for Statistics

⁶³ The category "other" includes the following occupations: transportation, telecommunications, monetary intermediation and financial leasing, life and non life insurance, real estate activities, photographic activities, and other entertainment activities.

there was a sharp decline in the industry and services sectors in favour of trade. The gender differences in the industry sector can be largely explained from sociological and economic perspectives. Gender-biased professional roles have traditionally excluded women as weak and unable to operate machinery, embodied in the discriminatory article 26 of the Lebanese labour law⁶⁴. In addition, the industrial sector tends to be skewed towards medium and large enterprises where women tend to be mostly absent.

Table 17: Gender vs. sector of activity

Sector of activity	Male	Female	Total
Industry (including construction)	9.9%	4.3%	9.4%
Trade	72.3%	76.0%	72.6%
Services (including hotels& restaurants and other)	17.9%	19.7%	18.0%
Total	100.0%	100.0%	100.0%

According to the study on the Female Labour Force in Lebanon⁶⁵, economic activity per type showed highest concentration in agriculture (69.4%), followed by commerce (34.9%), then entertainment activities (31.8%) and finally manufacturing of garments and other products (30.4%).

III.2 Permanency of Activity

The survey showed that most MSEs (97.1%) have a **permanent activity**; a mere 2.0% are seasonal, and another 0.8% are temporary. No gender-based differences are registered at these levels representing a fairly stable activity and commitment to entrepreneurship.

Table 18: Gender vs. permanency of enterprise

Permanency of enterprises	Male	Female	Total
Permanent	97.2%	96.1%	97.1%
Seasonal	2.0%	2.1%	2.0%
Temporary	0.8%	1.7%	0.8%
Total	100.0%	100.0%	100.0%

III.3 Place of Work

The vast majority of enterprises operate in only one **location** (91.5% in total), registering close results for both males (91.5%) and females (90.6%).

⁶⁴ Gender Entrepreneurship Markets (GEM), International Finance Corporation (IFC), GEM Country Brief – Lebanon 2007

⁶⁵ Female Labour Force in Lebanon, Institute for Women Studies in the Arab World, LAU, 1998. These figures are representative of 'self-employment' that also includes liberal professionals and daily labourers, two groups that are not included among general definitions of entrepreneurs. The study however provides a general idea of the non-waged sector.

Table 19: Gender vs. location of operation

Is this the only location?	Male	Female	Total
No	8.5%	9.4%	8.5%
Yes	91.5%	90.6%	91.5%
Total	100.0%	100.0%	100.0%

The existence of another location in which the enterprise operates slightly varies with gender. Larger number of locations is more associated with males, where females tend to operate in less number of locations.

Table 20: Gender vs. number of other locations⁶⁶

Number of other locations	Male	Female	Total
1	60.3%	57.1%	60.0%
2	17.2%	38.1%	19.1%
3	9.3%	0.0%	8.4%
4	3.4%	0.0%	3.1%
5	2.9%	4.8%	3.1%
more than 5	6.9%	0.0%	6.2%
Total	100.0%	100.0%	100.0%

The *place of work* registers little variation as most respondents stated not to work at home (97.7%) with some variation between males (98%) and females (94.8%). The most notable variation is detected at the level of working at home; it reflects a high percentage of females compared to male entrepreneurs (5.2% vs. 1.9% for males). This might be related to the nature of the sample including largely formal enterprises and to the type of activity that women might engage in. The use of home by women entrepreneurs would be more prominent in the informal sector and particular types of service-related activities.

Table 21: Gender vs. incidence of work at home

Work at home	Male	Female	Total
No	98.0%	94.8%	97.7%
Own home	1.9%	5.2%	2.1%
Another home	0.1%	0.0%	0.1%
Total	100.0%	100.0%	100.0%

Most of those who reported not to *work at home*, both males and females, work in shops (89.3%). However, some other categories of work places appear, such as workshops (2.6%). These figures are consistent with the type of activity where trade prevailed over other sectors. Some gender differences are still perceived among the minority of varied locations. Comparatively, women-led enterprises tend to be more

⁶⁶ The figures in this table should be read with **caution**. At the level of “2 other locations”, for example, the percentage of women is higher than that of men (38.1% vs. 17.2% respectively). This DOES NOT imply/indicate that there is higher prevalence among women, since these percentages translate into 39 male respondents and only 8 women respondents. This is the case as the share of women in the whole sample is small.

present in enclosed spaces rather than open access ones. They are thus more present in offices (2.2% vs. 0.8% for males), rooms (3.4% vs. 0.6% for males), kiosks (0.9% vs. 0.2% for males) and apartments (1.7% vs. 1.2% for males) and less so in open spaces, and vehicles. These figures imply that women are overwhelmingly present in direct customer service types of activities (85.8% in shops), and also could lead activities that can be easily accommodated in varied living spaces.

Table 22: Gender vs. work place

Work place	Male	Female	Total
Workshop/factory	2.6%	2.2%	2.6%
Shop	89.6%	85.8%	89.3%
Office	0.8%	2.2%	0.9%
Room	0.6%	3.4%	0.8%
Apartment	1.2%	1.7%	1.3%
Separate building	1.4%	1.7%	1.4%
Vehicle	0.1%	0.0%	0.1%
Open space	1.7%	0.4%	1.6%
Kiosk	0.2%	0.9%	0.3%
Other	1.8%	1.7%	1.8%
Total	100.0%	100.0%	100.0%

III.4 Ownership of the Workplace

In terms of *ownership of the work place*, the survey showed that most premises are rented (63.9%). Women tend to relatively lead in relation to ownership (34.8% compared to 32.4% for men) or shared ownership (2.6% compared to 1.2% for men) of premises. This indicates that almost a third of women-entrepreneurs are secure and have considerable assets they can make use of.

Table 23: Gender vs. ownership of work place

Ownership of work place	Male	Female	Total
Owned	32.4%	34.8%	32.6%
Shared ownership	1.2%	2.6%	1.3%
Rented	63.9%	60.9%	63.6%
Shared rent	0.7%	0.0%	0.6%
Squatter	0.1%	0.4%	0.2%
Free	0.5%	0.0%	0.4%
Other	1.2%	1.3%	1.2%
Total	100.0%	100.0%	100.0%

III.5 Legal Form of Enterprises

The vast majority of surveyed MSEs are *sole proprietorships* (93.5%). Only 2.3% of surveyed MSEs have simple partnership agreements, whereas 2.2% have limited liability companies. Gender does not seem to have an impact on type of ownership as is illustrated below, putting women-entrepreneurs in a strong position in relation to decision making and management of the business.

Table 24: Gender vs. legal form of enterprise

Legal form	Male	Female	Total
Sole proprietorship	93.5%	94.0%	93.5%
Simple partnership	2.4%	1.3%	2.3%
Limited liability	2.3%	1.7%	2.2%
Limited liability by shares	0.2%	0.9%	0.2%
Joint stock	0.9%	1.3%	1.0%
Other	0.8%	0.9%	0.8%
Total	100.0%	100.0%	100.0%

III.6 Licence

Acquiring a *licence* to run the business does not seem a necessary requirement as about half of the interviewed male and female entrepreneurs stated to have a licence. About one-fifth declared that no licence was needed for their business based on their own perception of the issue.

Table 25: Gender vs. having a licence

Have a licence?	Male	Female	Total
No	33.5%	30.5%	33.2%
Yes	48.5%	48.2%	48.5%
Not required	18.1%	21.4%	18.3%
Total	100.0%	100.0%	100.0%

Of those not having a licence, more than half (53.2%) view it to be of no perceived value and another quarter believe it is too expensive to acquire. These perceptions are quite similar among males and females, although more women tend not to derive added value from it (57.1% compared to 52.9% for males). These findings suggest that the market where women entrepreneurs operate is flexible in terms of professional and legal requirements for business operation or that they are not well informed about potential benefits that can be derived from getting licences.

Table 26: Gender vs. reasons for not acquiring a licence

Reasons for not having a licence	Male	Female	Total
Too expensive	25.0%	23.2%	24.9%
Tedious (time censoring/complicated)	7.7%	1.8%	7.3%
Useless (no perceived benefit)	52.9%	57.1%	53.2%
Other	14.4%	17.9%	14.6%
Total	100.0%	100.0%	100.0%

Besides, most women-led enterprises were identified as either 'non-registered' or 'not required to register' using the three criteria of Commercial, National Social Security Fund (NSSF) and Tax registration by 57.3%, 79.1% and 60.9% respectively⁶⁷.

⁶⁷ These figures are based on respondents' own assessment, thus they include the "not required to register" response. Hence, this needs to be investigated further since there would be a lack of knowledge of various legal registration requirements among women entrepreneurs.

III.7 Neighbouring Enterprises with Related Activities

Most respondents (58.7%) declared not to have any *related neighbouring enterprises* engaged in activities related to their own line of business. Women-led enterprises marked a slightly lower share of such enterprises (37.1% compared to 41.7% for men). These figures representing the self-perception of entrepreneurs might have mixed impact as it means that they would face slightly less competition but also would benefit less from the presence of a well-developed market.

Table 27: Gender vs. presence of neighbouring enterprises of related activities

Neighbouring enterprises with related activities?	Male	Female	Total
No	58.3%	62.9%	58.7%
Yes	41.7%	37.1%	41.3%
Total	100.0%	100.0%	100.0%

Of those that stated to have neighbouring enterprises along similar lines of business, only 13.6% are part of an industrial zone and most belong to a cluster (86.4%). A higher share of women (93.1% and 85.9% of men) showing high concentration of similar activities despite the small absolute number of women respondents. It should be also noted that belonging to a cluster is reflective of respondents' perception of the term. Clusters in general provide an environment that enhances efficiency of firms through existence of different production complementary entities. In Lebanon, however, the norm is reversed; clusters consist of firms in the same, or similar, line of business. This might imply more strain and competition on women-led enterprises located within clusters.

Table 28: Gender vs. type of neighbouring enterprises of related activities

Type of neighbouring enterprises with related activities	Male	Female	Total
Cluster	85.9%	93.1%	86.4%
Industrial estate	14.1%	6.9%	13.6%
Total	100.0%	100.0%	100.0%

Of those that stated to belong to a cluster, around two-thirds declared that they benefit from neighbouring enterprises, registering comparable results between males and females.

Table 29: Gender vs. usefulness of cluster or estate

Useful cluster or estate?	Male	Female	Total
No	33.8%	39.5%	34.0%
Yes	66.2%	60.5%	66.0%
Total	100.0%	100.0%	100.0%

IV. The Work Environment

The following analysis is based on the results of ERF's "Micro and Small Enterprises in Lebanon". The total sample of women which the study surveyed was 233 women respondents, out of the total 2,948 nationally-representative enterprises. The following sections are based on this 7.9% share of women respondents (233 out of 2,948).

IV.1 Access to Services

II.1.1 Information, Know-How and Technology Services

In terms of **access to information, know-how and technology services**, seriously low results were registered among males and females, to bring the total access incidence to a mere 5.7%. The slight difference between female and male entrepreneurs (8.3% and 5.5% respectively) shows that although women entrepreneurs have some more access to these services, there is still a huge gap in the information flow and update among entrepreneurs of both sexes.

Table 30: Gender vs. information, know-how and technology services

Did you get such services?	Male	Female	Total
No	94.5%	91.7%	94.3%
Yes	5.5%	8.3%	5.7%
Total	100.0%	100.0%	100.0%

As these figures are broken down, an examination of the **sources of information** reveal very important gender differences. Women entrepreneurs seem to have more diversified and informal access to information and technology whereas males rely on formal business linkages. The most widespread source of information for women entrepreneurs is through diversified and accessible linkages such as 'other' sources (36.8%), followed by business associates (31.6%) compared to 29.1% and 16.9% for men. Various types of financial providers tend to provide information services to different entrepreneurs. Women entrepreneurs were excluded from commercial sources such as banks (0% compared to 9.5% of men), whereas they were reached by development funds ten times more than men (10.5% versus 0.7%). Private firms assisted more men than women at both domestic and foreign levels (23.6% versus 10.5%, and 10.8% versus 5.3% respectively). Women entrepreneurs had a slightly increased access to domestic NGOs compared to men but they are not reached by foreign ones (5.3% versus 4.7%, and 0% versus 4.7%). These figures show that there is a need to activate information channels and eliminate entrenched bias against women from formal financial and professional entities that are crucial for enterprises.

Table 31: Gender vs. source of information, know-how and technology services

Source	Male	Female	Total
Bank	9.5%	0.0%	8.4%
Development fund	0.7%	10.5%	1.8%

Domestic firm	23.6%	10.5%	22.2%
Foreign firm	10.8%	5.3%	10.2%
Domestic NGO	4.7%	5.3%	4.8%
Foreign NGO	4.7%	0.0%	4.2%
Business associates	16.9%	31.6%	18.6%
Other	29.1%	36.8%	29.9%
Total	100.0%	100.0%	100.0%

Most of those who received information, know-how and technology services seemed to be satisfied (77.4%), registering slightly better results among females (85.0% compared to 76.4% of males).

Table 32: Gender vs. satisfaction with information, know-how and technology services

Satisfaction	Male	Female	Total
No	23.6%	15.0%	22.6%
Yes	76.4%	85.0%	77.4%
Total	100.0%	100.0%	100.0%

II.1.2 Management services

Access to management services is quite similar to that of information, know-how and technology services, where access registers very low results for both males and females, averaging at a mere 5.6% with a slight hint of an increase in women's responses (6.6% versus 5.5% for men).

Table 33: Gender vs. management services

Did you get such services?	Male	Female	Total
No	94.5%	93.4%	94.4%
Yes	5.5%	6.6%	5.6%
Total	100.0%	100.0%	100.0%

Source of management services register significant gender-based differences. Women entrepreneurs seemed to predominantly rely on domestic firms' management services (43.8%), scoring much more than men in this area (12.7%). They then had access to diversified and accessible sources of their business associates (31.3%) and other services (12.4%). On the other hand these two sources seem to be the most available for men (51.3% and 29.4% respectively). Women also comparatively relied more than men on services from banks (6.3% vs. 4%) and development funds (6.3% and 0%). the main diversified. While none of the women declared to receive such services from foreign firms and domestic NGOs (compared to 1.3% of men for each), women show slightly higher incidence in terms of percentage from banks and domestic firms. These figures contrast with the previously outlines information sources showing the complexity of relationships between various actors.

Table 34: Gender vs. source of management services

Source	Male	Female	Total
Bank	4.0%	6.3%	4.2%
Development fund	0.0%	6.3%	0.6%
Domestic firm	12.7%	43.8%	15.7%
Foreign firm	1.3%	0.0%	1.2%
Domestic NGO	1.3%	0.0%	1.2%
Foreign NGO	0.0%	0.0%	0.0%
Business associates	51.3%	31.3%	49.4%
Other	29.4%	12.4%	27.7%
Total	100.0%	100.0%	100.0%

Most of those who received management services seemed to be satisfied (94.0%), registering higher results among males (95.3% compared to 82.4% of females). These figures show that there is need to work on diversifying and improving management services for women entrepreneurs.

Table 35: Gender vs. satisfaction with management services

Satisfaction	Male	Female	Total
No	4.7%	17.6%	6.0%
Yes	95.3%	82.4%	94.0%
Total	100.0%	100.0%	100.0%

II.1.3 Training of workers services

Services related to *training of workers* show similar low results to preceding services, where access is minimal for both males and females, averaging at a mere 4.3% with hardly any gender differences.

Table 36: Gender vs. training of workers services

Did you get such services?	Male	Female	Total
No	95.8%	95.2%	95.7%
Yes	4.2%	4.8%	4.3%
Total	100.0%	100.0%	100.0%

The *source of training* of workers services shows few gender-based differences. Both types of entrepreneurs benefit primarily from diversified and accessible sources such as business associates training (39.5%) with no noticeable gender difference, while women tended to access other services far less than men (7.6% compared to 20.7%). Second, domestic firms were equally accessible to men and women entrepreneurs (22.4% and 23.1%) while foreign firms tended to reach out for more women (15.4% vs. 3.4% for men). Women also accessed banks and development funds' training services equally (7.7% each) scoring slightly higher than men. None of the women declared to receive such services from domestic NGOs (compared to 2.6% of men).

Table 37: Gender vs. source of training of workers services

Source	Male	Female	Total
Bank	6.0%	7.7%	6.2%
Development fund	4.3%	7.7%	4.7%
Domestic firm	22.4%	23.1%	22.5%
Foreign firm	3.4%	15.4%	4.7%
Domestic NGO	2.6%	0.0%	2.3%
Foreign NGO	0.9%	0.0%	0.8%
Business associates	39.7%	38.5%	39.5%
Other	20.7%	7.6%	19.3%
Total	100.0%	100.0%	100.0%

Most of those who received training of workers services seemed to be satisfied (79.2%), registering higher results among females (90.9% compared to 78.2% of males).

Table 38: Gender vs. satisfaction with training of workers services

Satisfaction	Male	Female	Total
No	21.8%	9.1%	20.8%
Yes	78.2%	90.9%	79.2%
Total	100.0%	100.0%	100.0%

II.1.4 Production support services

Services related to *production support* also showed similar results, where access registers weak results for both males and females, averaging at a mere 4.9% with no noticeable gender differences.

Table 39: Gender vs. production support services

Did you get such services?	Male	Female	Total
No	95.2%	94.8%	95.1%
Yes	4.8%	5.2%	4.9%
Total	100.0%	100.0%	100.0%

The most common *source of production support services* for more than half of the total sample was through business associates (54.5% for each of the men and women groups). In second place, women entrepreneurs equally sought production support from 'other' services and domestic firms (18.2% each) marking some differences with men (15.1% and 22% respectively). Provision of production support services by non-business providers showed gender-discrepancy. Women entrepreneurs relied exclusively on services from development funds (9.1% compared to 0.8% for men), while they did not receive any services from banks, foreign firms and domestic and foreign NGOs (compared to 5.3%, 1.5% and 0.8% of men).

Table 40: Gender vs. source of production support services

Source	Male	Female	Total
Bank	5.3%	0.0%	4.9%

Development fund	0.8%	9.1%	1.4%
Domestic firm	22.0%	18.2%	21.7%
Foreign firm	1.5%	0.0%	1.4%
Domestic NGO	0.8%	0.0%	0.7%
Foreign NGO	0.0%	0.0%	0.0%
Business associates	54.5%	54.5%	54.5%
Other	15.1%	18.2%	15.4%
Total	100.0%	100.0%	100.0%

Most of those who received production support services seemed to be satisfied (81.3%), registering equal results for both males and females.

Table 41: Gender vs. satisfaction with production support services

Satisfaction	Male	Female	Total
No	18.8%	18.2%	18.7%
Yes	81.2%	81.8%	81.3%
Total	100.0%	100.0%	100.0%

II.1.5 Inter-firm linkages support services

Services related to *inter-firm linkages support* are quite similar to those discussed above, where access registers equally weak results for both males and females at 4.8%.

Table 42: Gender vs. inter-firm linkages support services

Did you get such services?	Male	Female	Total
No	95.2%	95.2%	95.2%
Yes	4.8%	4.8%	4.8%
Total	100.0%	100.0%	100.0%

The *source of inter-firm linkages support services* shows some gender bias. While both groups of entrepreneurs relied primarily on domestic firms (36.4% for women and 34.1% for men), more women tended to use business associates and other services than men (27.3% and 27.2% compared to 14.7% and 23.2%). Significant gender differences were noticed as women had no access to banks' services compared to almost a quarter of men (23.3%), while they accessed foreign NGOs services three times more in terms of percentage (9.1% versus 3.1%). Foreign firms, development funds and domestic NGOs were hardly used by the sample (null for the first two for both groups and 1.6% of men in the last category).

Table 43: Gender vs. source of inter-firm linkages support services

Source	Male	Female	Total
Bank	23.3%	0.0%	21.4%
Development fund	0.0%	0.0%	0.0%
Domestic firm	34.1%	36.4%	34.3%
Foreign firm	0.0%	0.0%	0.0%

Domestic NGO	1.6%	0.0%	1.4%
Foreign NGO	3.1%	9.1%	3.6%
Business associates	14.7%	27.3%	15.7%
Other	23.2%	27.2%	23.6%
Total	100.0%	100.0%	100.0%

Most of those who received inter-firm linkages support services seemed to be satisfied (71.1%), registering higher among females (90.9%) than males (69.5%) in terms of percentage.

Table 44: Gender vs. satisfaction with inter-firm linkages support services

Satisfaction	Male	Female	Total
No	30.5%	9.1%	28.9%
Yes	69.5%	90.9%	71.1%
Total	100.0%	100.0%	100.0%

II.1.6 Domestic marketing support services

Services related to *domestic marketing support* showed slight improvement than low trends of access to other services. While access was low at 7.0%, women's access showed some increase at 11.4%.

Table 45: Gender vs. domestic marketing support services

Did you get such services?	Male	Female	Total
No	93.4%	88.6%	93.0%
Yes	6.6%	11.4%	7.0%
Total	100.0%	100.0%	100.0%

The overwhelming majority of women entrepreneurs relied equally on two main *sources of domestic marketing support services*, domestic firms (46.2%) and other services (46.1%), with a minority relying on business associates (7.7%). Male entrepreneurs' figures were more broadly spread, with reliance on domestic firms (52.5%), other services (24.4%), and business associates (17.5%). Financial providers, the non-profit sector and foreign firms were totally absent for women and largely so for men (2.8% of development funds, 1.7% of banks, and 1.1% of foreign NGOs).

Table 46: Gender vs. source of domestic marketing support services

Source	Male	Female	Total
Bank	1.7%	0.0%	1.5%
Development fund	2.8%	0.0%	2.5%
Domestic firm	52.5%	46.2%	51.7%
Foreign firm	0.0%	0.0%	0.0%
Domestic NGO	0.0%	0.0%	0.0%

Foreign NGO	1.1%	0.0%	1.0%
Business associates	17.5%	7.7%	16.3%
Other	24.4%	46.1%	27.0%
Total	100.0%	100.0%	100.0%

Most of those who received inter-firm linkages support services seemed to be satisfied (68.2%), registering higher among females (83.3%) than males (66.1%).

Table 47: Gender vs. satisfaction with domestic marketing support services

Satisfaction	Male	Female	Total
No	33.9%	16.7%	31.8%
Yes	66.1%	83.3%	68.2%
Total	100.0%	100.0%	100.0%

II.1.7 Export support services

Incidences of using *export support services* were hardly noticeable both males and females, averaging at a mere 0.7%.

Table 48: Gender vs. export support services

Did you get such services?	Male	Female	Total
No	99.3%	99.1%	99.3%
Yes	0.7%	0.9%	0.7%
Total	100.0%	100.0%	100.0%

Few gender-based differences occur when examining the *source of export support services*. Both male and female entrepreneurs relied on 'other' channels to export services (66.7% for women and 63.1% for males). The second and only source that women relied on was domestic firms (33.3%). This source was also popular with men (21.1%), however they also relied on their business associates (15.8%). It is noticeable that women did not use any export support services by their business associates who were found to hold close linkages with them in other support services. This might be attributed to the less influential position of women's business associates in this area.

Table 49: Gender vs. source of export support services

Source	Male	Female	Total
Bank	0.0%	0.0%	0.0%
Development fund	0.0%	0.0%	0.0%
Domestic firm	21.1%	33.3%	22.7%
Foreign firm	0.0%	0.0%	0.0%
Domestic NGO	0.0%	0.0%	0.0%
Foreign NGO	0.0%	0.0%	0.0%
Business associates	15.8%	0.0%	13.6%
Other	63.1%	66.7%	63.7%
Total	100.0%	100.0%	100.0%

Most of those who received export support services seemed to be not satisfied (63.6%). None of the women declared to be satisfied with the services provided, and only 38.1% of men were satisfied, marking the lowest satisfaction record compared to other services.

Table 50: Gender vs. satisfaction with export support services

Satisfaction	Male	Female	Total
No	61.9%	100.0%	63.6%
Yes	38.1%	0.0%	36.4%
Total	100.0%	100.0%	100.0%

IV.2 Infrastructure

When examining **access to infrastructure**, it is interesting to note that access of females registered higher in terms of percentage to water, electricity, telephone and sewage.

At the level of quality classification, three distinct ratings were addressed: good, acceptable and bad, which were assigned the grades of 1, 2 and 3 respectively in order to arrive at the final index presented in the table below. In this respect, females declared better quality than males, represented by lower quality indices for all infrastructure components. These findings are interesting because more than 90% of men and women reported working in shops and in trade and services (see tables 12 and 8 above). These findings might be related to different types of activities that might be held by each group within these sectors.

Table 51: Gender vs. access and quality of infrastructure

Infrastructure		Male	Female
Water	Access	64.4%	70.4%
	Quality ⁶⁸ index	1.81	1.66
Electricity	Access	84.0%	92.7%
	Quality index	2.06	1.97
Telephone	Access	47.9%	53.2%
	Quality index	1.50	1.42
Sewage	Access	58.9%	66.5%
	Quality index	1.65	1.51

IV.3 Severity of certain indicators

A list of 22 indicators was studied in order to assess how it varies with gender. Thus three distinct ratings were addressed: easy, moderate and difficult, which were assigned the grades of 1, 2 and 3 respectively in order to arrive at the final index presented in the table below. In this respect, although results are quite similar, females declared slightly

⁶⁸ This index was calculated by identifying three levels of quality: good, acceptable and bad. These were assigned grades of 1, 2 and 3 respectively. Hence, the lower the index, the better the quality.

more difficulties, represented by lower quality indices for all indicators except for cost of raw material.

Table 52: Gender vs. severity of a list of 22 indicators

Severity of ⁶⁹		Male	Female
1	Securing initial capital	2.26	2.28
2	Licensing and registration procedures	1.95	2.02
3	Labour law	1.69	1.79
4	Labour inspections	1.39	1.49
5	Labour cost	1.57	1.67
6	Meeting environmental requirements	1.43	1.44
7	Finding qualified workers	1.65	1.67
8	Retaining qualified workers	1.67	1.70
9	Availability of raw materials	1.40	1.47
10	Raw material cost	1.71	1.65
11	Unutilised capacity	1.60	1.62
12	Low demand for output	1.90	1.95
13	Strong domestic competition from MSEs (<10 emp)	1.80	1.94
14	Strong domestic competition from MSEs (<50 emp)	1.62	1.73
15	Strong domestic competition from MSEs (>50 emp)	1.58	1.69
16	Strong competition from imports	1.58	1.71
17	Financial services	1.67	1.87
18	Other business support	1.61	1.74
19	Profitability	1.89	2.10
20	Tax rates	2.03	2.19
21	Custom duties	1.77	1.91
22	Tax administration	1.85	2.07

IV.4 Most needed financial services

No considerable difference in terms of financial needs is noted to vary with gender. The only service that seems to be more demanded by males is credit.

Table 53: Gender vs. most needed financial services

Needed service	Male	Female	Total
Credit	42.9%	34.9%	42.2%
Savings	33.3%	36.3%	33.6%
Leasing	1.2%	1.9%	1.2%
Venture capital	4.9%	7.1%	5.1%
Other	17.7%	19.8%	17.9%
Total	100.0%	100.0%	100.0%

⁶⁹ This index was calculated by identifying three levels of severity: easy, moderate and difficult, for each indicator, which were assigned grades of 1, 2 and 3 respectively, and then applying the weights recorded at each level of difficulty. Hence, the lower the index, the less severe the difficulty.

IV.5 Most needed business support services

No huge difference in terms of business support services is noted to vary with gender. However, females seem to be slightly more concerned with information, production, promoting inter-firm linkages, and importing.

Table 54: Gender vs. other needed business support services

Needed service	Male	Female	Total
Communication services	4.1%	2.9%	4.0%
Information (know-how, technology)	4.5%	7.7%	4.8%
Training of workers	2.0%	1.4%	1.9%
Production	7.1%	8.7%	7.2%
Promoting inter-firm linkages	6.4%	9.7%	6.6%
Domestic marketing	53.7%	46.9%	53.2%
Importing	2.9%	4.8%	3.1%
Exporting	2.1%	1.0%	2.0%
Other	17.2%	16.9%	17.2%
Total	100.0%	100.0%	100.0%

V. Efficiency and Success

Enterprises headed by women have a lower value-added than those headed by males. The average value added is calculated at US\$ 1,493, varying between US\$ 900 for females and US\$ 1,541 for males. Although the number of observations of female respondents is low, the figures still give an indication of the variation in value added with gender.

The same logic applies to value added per worker, where female-run enterprises have lower value-added per worker than male-run ones.

At the level of mixed income⁷⁰, further differences occur with gender, where female-run enterprises have a lower mixed income, equivalent to about two-thirds of that of males.

Table 55: Gender vs. three financial indicators

	Male	Female	Total
Value-added per enterprise			
Number of observations	565	46	611
Value added per enterprise at interview time (US\$)	1,541	900	1,493
Standard deviation	5,338	2,169	5,169
Value-added per worker			
Number of observations	565	46	611
Weighted value added per worker at interview time (US\$)	542	460	536
Standard deviation	853	636	838
Mixed Income			
Number of observations	301	23	324
Mixed income (USD)	1,522	1,019	1,486

⁷⁰ Mixed income is equivalent to the profits generated by MSEs and is calculated on a monthly basis

VI. Policy Recommendations⁷¹

As this review showed, several challenges face research on women-led MSEs and the often implied link between economic activity and women's empowerment needs to be examined⁷². This implies that a broader and multidimensional research strategy is needed to measure the impact of women economic activity on empowerment.

VI.1 Research-Related Suggestions

- There is a need for a unified and distinct definition and research category of 'women entrepreneur' as suggested by ILO guidelines⁷³. The most commonly used category is the 'self-employed' yet it cannot be equated with women entrepreneurship because it includes liberal professionals and daily workers. The category of female heads of households (FHH) is also mistakenly substituted for women entrepreneurship. This substitution usually assumes that all FHH are entrepreneurs, poor and forced to work⁷⁴.
- In-depth research on women entrepreneurship is required. There is a need for more accurate data on women-led MSEs in order to assess realities and challenges they are faced with in Lebanon. It needs to be incorporated within national surveys such as the National Households Living Conditions Survey (prepared by the Central Administration for Statistics – CAS) and other indices of women economic empowerment compounded by various UN agencies⁷⁵.

⁷¹ Recommendations are drawn from the following sources:

- Facilitating Women's Entrepreneurship: Lessons from the ILO's Research and Support Programs. Gerry Finnegan. IFP/SEED, ILO, Geneva, 2003.
- Jobs, Gender and Small Enterprises in Africa and Asia: Lessons Drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe. Pamela Nichols Marcucci. SEED Working Paper No. 18, 2001. ILO, Geneva.
- Evaluation Highlights, 1/1999. A Thematic Evaluation of the Urban Informal Sector: ILO Actions and Perspectives
- Mark Schreiner. Taking Stock. Small Enterprise Development, Volume 12, Number 4, 1 December 2001, pp. 9-10(2)

⁷² Small and Medium Enterprise Development. Globalisation and Gender Briefs Series No.3. Commonwealth Secretariat and the ILO. Undated

⁷³ The ILO left it to each country to decide on its own definition according to the context. Gender Entrepreneurship Markets (GEM), International Finance Corporation (IFC), GEM Country Brief – Lebanon 2007

⁷⁴ Female-Headed Households in Selected Conflict-Stricken ESCWA Areas: An Exploratory Survey for Formulating Poverty Alleviation Policies. Camillia Fawzi El-Solh. United Nations: New York, 2001. This category includes a broad collection of marital and occupational status, and the main criteria is whether women are effectuating the main financial provision with no relation to income sources or to other non-financial decisions

⁷⁵ The Gender Development Index (GDI) and the Gender Empowerment Measure (GEM). These indices rely on general data of women labour force that exclude women entrepreneurs (such as CAS) as indicated by Qabangi and Al-Atat, the Working Woman in Lebanon. 1997:24/A, cited in El-Solh. The SAW index represents a good start in the way of multidimensional assessment of women's situation. It needs to include the self-employed and especially women entrepreneurs within the economic empowerment component. The SAW Index, CRI, 2005

- There is a need for differentiated research on micro and small enterprises⁷⁶. Research on women entrepreneurship is heavily skewed towards micro enterprises at the expense of small ones due to the over-emphasised link drawn between women entrepreneurship and poverty eradication⁷⁷. Further research on the differences in economic and social challenges is important for more targeted strategies.
- Special attention needs to be dedicated to women-led MSEs in the informal sector⁷⁸. Little research includes this sector although it constitutes the majority of women-led MSEs. The specific characteristics of this type of enterprises are usually excluded from national databases such as the housing survey by the CAS⁷⁹. In addition, it is important not to equate women economic participation in the informal sector with women entrepreneurship. Evidence shows that, in this sector, there is a shift in women's employment from self-employment to waged employment⁸⁰.
- Bias against discounting women's participation in household income needs to be redressed. Researchers and respondents can be biased towards males as default main or sole provider and consider women's economic activities as non-essential because they mostly operate within the household – especially in agriculture or when part of a family enterprise. There is also a need to include agricultural activities as part of micro-entrepreneurship because this sector includes 69% of women.

VI.2 Policy-Related Suggestions

Increase Access to Vital Business Skills:

- Adopt an integrated approach in training, access to credit and institutional support
- Broaden female literacy to include legal, economic, and technical skills
- Increase access to market-relevant vocational and technical skills

⁷⁶ The two types of enterprises are usually distinguished by one parameter: the number of employees. Further parameters need to be incorporated for better-understanding of these two concepts.

⁷⁷ A Thematic Evaluation of the Urban Informal Sector: ILO Actions and Perspectives. Evaluation Highlights, 1/1999

⁷⁸ A unified definition of informal sector enterprises needs to be reached. The most commonly used definition of the informal sector includes “a group of production units which form part of the household sector as household enterprises or, equivalently, unincorporated enterprises owned by households”*. They can thus take the form of family/self-owned enterprises employing family members, or micro or small enterprises of informal employees. Both types are considered within the informal sector and are distinguished from formal corporations by their lack of legal status and their undeclared accounts. This definition fits many of women-led enterprises and will prove important in learning about women informal economic enterprises

⁷⁹ Census of Buildings and Establishments, Central Administration for Statistics, Beirut, Lebanon, 2004. p.9. Women-led MSEs in the informal sector tend to be usually mobile or un-fixed such as in the case of door-to-door selling, beauty services, or market stalls. They can also be embedded within housing units using household appliances such as food processing, sewing, beauty treatments, or small farming. These types of businesses are excluded from the sample

⁸⁰ Globalisation and Gender: Economic Participation of Arab Women. Arab Human Development Report. Center of Arab Women for Training and Research (CAWTAR) 2001

- Reform training policies and systems through innovative training programs. Formal training systems proved unsuitable for the informal sector needs. Methods such as “training-cum-production” can be an effective alternative in the transfer of skills.

Create Favourable Environments:

- Change public discourse on addressing inequality in intra-household power relations and social-reproduction roles in legal and customary rights and entitlements
- Foster dynamic markets by linking micro and macro economic empowerment dimensions through encouraging NGOs roles as catalysts and of innovative small markets by linking with the private sector
- Encourage trade unions into holding more pro-women agendas
- Strengthen national programs and institutions to better target support services
- Build and strengthen alliances and networks among micro-entrepreneurs
- Create and build the capacity of informal sector organisations such as group-based self-help strategies, with the existence of effective formal institutions for support
- Extend existing social security plans to the informal sector can reach 50% of the target group. Need for innovative approaches including group-based schemes.
- Diversify financial services to include innovative approaches that respond to the needs of various types of businesses. There are various types of MSEs that could benefit from specific types of financial support rather than the blanket approach through micro-credit. Taxonomy of enterprises and appropriate financial services in Arab countries shows the need to diversify the market. Traditional MSEs with limited production and assets can use group lending. Market-niche-finding enterprises targeting new emerging niches and short to medium term dynamic business opportunities would most benefit from leasing storage space of equipment. Finally avant-garde MSEs known for their high skills, high risk and high return and would be suitable for venture capital financing.⁸¹

81 Beyond Credit: A Taxonomy of SMEs and Financing Methods for Arab Countries. Mahmoud A. EL-Gamal, Nihal El-Megharbel, and Hulusi Inanoglu. Draft: February 2000. www.worldbank.org/mdf/mdf3/papers/firm/El-Gamal.pdf. Accessed on 19/5/2007