

Reader's guide

This specific section on methodology aims at summarising the processes by which data and information have been gathered for the different chapters.

Background on the MENA-OECD partnership to support women's economic empowerment

The MENA-OECD Investment Programme has been working with 18 economies¹ in the region since 2005 to help boost growth and job creation by improving their business environments. Since 2007, the MENA-OECD Investment Programme has been leading two innovative initiatives to mainstream women's empowerment into the wider political debate and unlock women's economic opportunity in the region. The OECD-MENA Women's Business Forum (WBF) was launched in 2009 to promote women's entrepreneurship as a driver for women's economic empowerment and growth in the region. The WBF has grown to become a network of over 500 representatives from MENA and OECD governments, business and civil society committed to improving policies impacting on women's entrepreneurship. In complement to the WBF, a project on *Supporting women as economic actors during the transition period* was launched in 2013 to identify and raise awareness of the legal, social, and cultural factors undermining women's economic integration in Algeria, Egypt, Jordan, Libya, Morocco and Tunisia.

Overall methodology

This publication builds on the recommendations of the 2012 report of the OECD-MENA Women's Business Forum, *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, as well as on the conclusions of ongoing discussions with WBF members and partners.

This publication was initially submitted for discussion in the form of four distinct studies at an OECD-MENA WBF meeting held in Rabat, Morocco, on 2 December 2013. Section 1 of Chapter 3 of the publication, "Better targeting by banks' financing practices of women-led businesses" is based on an earlier paper, "Exploring bank financing for women entrepreneurs in the MENA region: a preliminary analysis of survey data on the financing practices of MENA banks", that was further reviewed at an expert meeting co-organised by the WBF and the Union of Arab Banks (UAB) in Beirut, Lebanon, on 13 November 2013.

Data methodology

Following the recommendations included in the former WBF report (2012c), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, the work leading to this publication has included an extensive review of existing data as well as the collection of new data across the region.

Despite these efforts, data on women's entrepreneurship in the MENA region remain limited and more efforts will have to be made in the future to harmonise datasets and collect new data. In addition, it is important to keep in mind the diversity of MENA economies, including their macroeconomic structures, legal regimes, regulatory architectures, socio-cultural practices and the contrasts regarding the depth of the countries' financial and technological integration.

Chapter 1: Gender inequality and entrepreneurship: A statistical portrait of the MENA region

Chapter 1 presents a descriptive overview of women's economic activity in the MENA region based on available statistical sources.

International and multilateral organisations differ in their precise geographical definition of the MENA region. As a consequence, data from different organisational sources are usually not exactly comparable for this region. In addition, national statistical offices collect limited, if any, gender disaggregated data, further complicating comparative analysis. Despite current efforts made in household surveys and other surveys, there is also a risk of under-reporting of informal labour inputs, which tend to be significant among MENA women. Furthermore, labour force definitions used in the sources have historically not taken into account care work carried out predominantly by women, and which contributes to the production economy. Finally, most of the data used in this report were gathered before the onset of the global financial and economic crisis in 2008 and the subsequent political and socio-economic changes that have taken place in the MENA region. The impact on gender inequalities in the economic sphere will not be measurable with confidence for years to come, especially if the collection and release of data are set back by political upheaval and budgetary pressures.

Statistical data at the national and regional level regarding women's economic activity do not provide a clear picture of all the important aspects of women's employment and entrepreneurship in the MENA region. Nonetheless, the limited data made available provide a solid background for an analysis of general trends.

Table 1. List of international statistical surveys of entrepreneurship and enterprise, MENA region

	World Bank Enterprise Survey (WBES)	Global Entrepreneurship Monitor (GEM)
Algeria	2007	2009
Egypt	2008	2008, 2010
Iraq	2011	
Jordan	2006	2009*
Lebanon	2009	2009
Libya	-	None
Morocco	2007	2009
Saudi Arabia	**	-
Syrian Arab Republic	2009	2009
Tunisia	-	2009
UAE	-	2006, 2009, 2011
Palestinian Authority	2006	2009
Yemen	2010	2009

Source: Enterprise Surveys (<http://www.enterprisesurveys.org>), The World Bank and Global Entrepreneurship Monitor (GEM) (<http://www.gemconsortium.org>). *The GEM-MENA Regional Report 2009 states that Jordan has had two GEM surveys (2009 participation in the GEM-MENA regional data collection, plus one other) but the other year could not be identified. **Data from Saudi Arabia are included in the WBES study by Chamlou (2008) but survey results are not available on the World Bank Enterprise Survey webpage.

Chapter 2: Business development service provision and incubation for women entrepreneurs in the MENA region

Study components

Chapter 2 relies on three sources of research: (1) a preliminary desk-top review, which included a mapping of the key BDS organisations and incubators in each of the 17 MENA economies² (compiled from extensive online searches and complemented by OECD-MENA WBF databases) and a scan of the relevant literature, (2) the design and distribution of three questionnaires to 135 organisations and individuals, and (3) fact-finding missions to three countries of the MENA region – Egypt, Morocco and the UAE.

A business development support (BDS) services survey aimed to take stock of the types of existing BDS services in the region, including those targeting women entrepreneurs, in order to better understand the current landscape of BDS providers and the level of participation of women clients and beneficiaries. This survey covered a range of issues, including questions regarding:

- major objectives of the organisation;
- type of BDS services offered;
- targeted clients;
- percentage of women among their clients;
- measures used to evaluate the success or impact of their activities;
- qualifications and gender balance of staff;
- policies towards charging fees for services;
- whether they offered any specific programmes or services for women entrepreneurs, objectives for doing so, and types of services offering the most significant challenges faced by banks to being more effective in meeting the needs of women entrepreneurs.

This survey also explored issues related to whether BDS services are adequate for micro and small enterprises in the economy, the challenges for reaching more women entrepreneurs with these services, the recent developments regarding the provision of BDS services to women entrepreneurs, and the actions needed to improve the business environment for women's entrepreneurship/enterprise development and women's access to BDS services.

As business incubators can play a major role in providing BDS to incubating start-up enterprises in MENA economies, a brief survey was sent to mainstream³ business incubators, primarily to determine the representation of women entrepreneurs among their clients. It also asked about any special efforts to attract women entrepreneurs to the incubators and the major challenges to increasing the representation of women-owned start-ups.

The third survey was destined for business incubators that are operated specifically for women entrepreneurs. Although there are only a few of those in MENA economies, seeking information on their operations, objectives, activities, client enterprises and impacts was considered an important part of the study. The survey collected information on:

- motivating factors for launching a business incubator for women;
- key objectives of the projects;
- number of spaces and women's enterprises being incubated;
- criteria for selecting incubates;
- range of services provided;
- efforts to attract women to the incubator;
- operational features (such as staffing, funding, incubation process);
- linkages with other networks of women business incubators;
- significant challenges in operating a business incubator for women.

The surveys were designed in English and French and e-mailed to 135 organisations and individuals across the previously mentioned 17 MENA economies in May/June 2013. The recipients were divided into three categories: (1) government and quasi-government institutions involved in enterprise development, such as ministries of trade and industry, national agencies for micro-, small and medium-sized enterprise (MSME) development, and chambers of commerce; (2) non-governmental organisations (NGOs), such as business associations, private sector actors, and universities; (3) national Task Force (TF) members of the OECD-MENA WBF who served as local contact points to help reach out to other organisations or complete the surveys as appropriate.

The OECD received 46 completed questionnaires from 42 organisations⁴ in the following nine MENA economies: Algeria, Egypt, Jordan, Morocco, Palestinian Authority, Qatar, Tunisia, the UAE and Yemen. Twenty-five were from BDS organisations and 21 from incubators; 6 of the BDS organisations and 3 of the incubators were specifically focused on women entrepreneurs. They represented a cross-section of government providers (21 surveys); NGOs (18 surveys); private sector entities (3 surveys); and universities (4 surveys). Table 1 includes a summary of the respondents by type of survey and economy.

In some cases, the survey was sent to an organisation that had a network, like the Centre National pour la Recherche Scientifique et Technique (CNRST), which coordinates the Réseau Maroc Incubation et Essaimage (RMIE) of 13 business incubators in Morocco and the Social Fund for Development (SFD) in Egypt, both of which distributed the survey to their network of incubators.

Table 2. Number of survey responses by type and by country

Economy	BDS surveys	General incubator surveys	Women's business incubators surveys	Total (row)
Algeria	1	1	-	2
Egypt	6	7	1	14
Jordan	7	1	1	9
Morocco	5	4	1	10
Palestinian Authority	1	1	-	2
Qatar	1	-	-	1
Tunisia	1	1	-	2
UAE	2	3	-	5
Yemen	1	-	-	1
Total (column)	25*	18	3	46

Note: *Of these, six were from organisations specifically providing BDS services to women entrepreneurs.

In order to complement the survey, three fact-finding missions took place in Egypt (June 2013), Morocco (July 2013) and the UAE (September 2013). Organisations interviewed during these missions included government ministries and agencies, NGOs, business associations, women entrepreneurs' associations, private sector organisations and donor projects.

Limitations of the study

The survey received responses from nine MENA economies.

In addition, in countries for which the response rate was the highest (Egypt, Morocco and Jordan), some key BDS providers did not respond to the survey.

In spite of these limitations, data from the received surveys enable the identification and analysis of some cross-regional trends, as well as good practices. Given that the literature review did not reveal any previous studies of the delivery of BDS and incubation services to women entrepreneurs in the MENA region, these data are particularly important to fill in an important knowledge gap.

Chapter 3: Expanding the financing options of women-led businesses in the MENA region

Chapter 3 is divided into two parts. The first part analyses the bank financing practices of women-led businesses, while the second part is a practical guide for women entrepreneurs. The second part does not contain data that require a methodological description.

The data analysed in the first part come from survey responses of 19 MENA banks in 4 economies (Bahrain, Jordan, Morocco and Tunisia)⁵. A study questionnaire was circulated to MENA banks by the OECD and the UAB over the period from June to October 2013. The survey data were complemented by a number of interviews undertaken with banking professionals, as well as desk research. Percentages used in the paper are calculated on the basis of the number of banks which completed the questionnaires and then rounded to the nearest whole number.

Objectives

The objective of this study and the underlying questionnaire was to learn more about the financing practices of banks in the MENA region.

The methodological decision to adopt a questionnaire approach to collecting data in this study arises from the general lack of data, especially gender-disaggregated and SME-related data, available from national statistical offices and other sources across the MENA region.

Questionnaire design

The questionnaire was divided into three sections: (1) The practices of financial institutions, (2) The practices of beneficiary enterprises, and (3) Evaluation of the practices. The first section represents the largest part of the questionnaire, while the last two segments total eight out of the 31 questions. The questionnaire includes both closed and open-ended questions.

As there is no commonly accepted definition of SMEs across the MENA region, the questionnaire does not provide one, and banks used their own classifications. Like other regions (OECD, 2011), MENA economies diverge in their criteria for defining SMEs, which include a potentially broad range of enterprises. Even though microenterprises perform a vital economic role across the MENA area, they have been excluded from the scope of this study. In the MENA region, like elsewhere, official definitions of SMEs often include capital needs, number of employees, revenue levels and fixed assets of the company; however, these elements may also vary according to the sector and the growth dynamics of the enterprise⁶. The most common factor, nevertheless, appears to be the number-of-employees criterion (Brack, 2013).

For the purposes of this study, a business is “women-led” when women make up more than 50% of the partners or the directors responsible for the day-to-day control of the business, or where the sole proprietor/shareholder is a woman. The definition thus includes businesses which are women-owned, women co-owned and women-managed.

Population and Sample

The target population for this study was banks operating in the MENA region offering finance to SMEs. While other sources of formal financing for women entrepreneurs, such as venture capital funds, angel investing and microfinance institutions are used increasingly, banks still remain the principal source of formal financing for the majority of aspiring women entrepreneurs.⁷

Data Collection

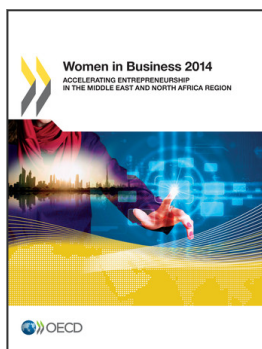
Interviews with bankers were conducted during the month of October 2013. The purpose of these interviews, in addition to desk research, was to obtain complementary information on the experiences of MENA banks and bankers in working with women-led businesses given the very low response rate of banks to the questionnaire.

Limitations of the Study

The survey received very few responses, with a response rate of 11% and a high concentration of the responses from Jordan (70%). This low response rate makes the results difficult to generalise and calls for further studies. Nonetheless, some interesting partial conclusions are worth sharing in the absence of other studies.

Notes

- ¹ Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, the Palestinian Authority, Qatar, Saudi Arabia, Tunisia, the UAE and Yemen.
- ² Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, the Palestinian Authority, Qatar, Saudi Arabia, Tunisia, the UAE and Yemen.
- ³ *Mainstream* here means incubators that are open to any start-ups that meet the criteria for entry, regardless of whether the entrepreneurs are male or female.
- ⁴ Two of the organisations delivered BDS services as well as operated business incubators, so completed two questionnaires.
- ⁵ Banks which completed the questionnaire are: ABC Bank, Al Barid Bank, Al Etihad Bank, Arab Bank, Attawfiq Micro-Finance (Fondation Banque Populaire Pour le Micro-Crédit), Banque Audi, Banque Tunisienne de Solidarité, Cairo Amman Bank, Capital Bank of Jordan, Citibank Maghreb, Gulf International Bank, Investbank, Jordan Ahli Bank, Jordan Commercial Bank, Jordan Islamic Bank, Khaleeji Commercial Bank, Société Générale, Standard Chartered Bank, and The Housing Bank for Trade and Finance.
- ⁶ The European Commission specifies SMEs as having between 1 and 249 employees, annual turnover of up to EUR 50 million and a balance sheet of no more than EUR 43 million, while the United States Small Business Administration classifies SMEs according to industry-specific standards. Source: OECD (2012).
- ⁷ The following definition of informal financial institutions can be considered: “By informal financial institutions, we refer to the entire gamut of non-market institutions such as credit cooperatives, moneylenders, etc. that do not rely on formal contractual obligations enforced through a codified legal system”: Ayyagari (2008), p. 2. It can be also added that any recourse to family and friends as a source of financing also falls within this category



From:

Women in Business 2014

Accelerating Entrepreneurship in the Middle East and North Africa Region

Access the complete publication at:

<https://doi.org/10.1787/9789264213944-en>

Please cite this chapter as:

OECD (2014), "Reader's guide", in *Women in Business 2014: Accelerating Entrepreneurship in the Middle East and North Africa Region*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264213944-5-en>

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