

# Women Entrepreneurship in Egypt: Is It Just as Challenging for All Women?

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## **Abstract**

*This paper aims to investigate the challenges facing highly educated Egyptian women, who abandon a high paid job in the private sector to start their own business. This study, based on a qualitative research, focuses on demonstrating that educated women, with a good paid job in the formal private sector, encounter the same challenges as the rest of women in starting, running, and maintaining their businesses. The study employs in-depth interviews with 10 women from Cairo, Egypt, highly educated, formerly employed in highly paid jobs in the private sector, that converted to entrepreneurship. Data have been analysed using QDA Miner software. The results reveal the same difficulties women face in starting, running, and maintaining their business, regardless of their level of education, revealing that among major obstacles in women entrepreneurship, in Egypt, are the socio-cultural constraints that define the role of women in the society.*

**Keywords:** Women entrepreneurship; private sector; challenges to entrepreneurship; Egypt;

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## **1. Introduction**

Women entrepreneurship in developing countries as Egypt is, mostly, necessity or subsistence driven. Lack of formal employment opportunities, gender inequalities, precarious safety conditions at work and social problems of inclusiveness orient many women to necessity entrepreneurship, as a last resort for surviving (Nasiri and Hamelin, 2018; World Bank, 2018; Vossenber, 2013).

This research looks at a specific category of women: highly educated, with a well-paid job in the private sector that leave the labour market for an entrepreneurial endeavour. This category of women is not associated with necessity entrepreneurship, as their possibilities to earn the means of living are much more diverse than those for women active in surviving entrepreneurship and their educational background qualifies them for starting a business as a response to a dream or to an opportunity offered by the market. For this group of women challenges to pursuit the entrepreneurial endeavour might be considered easier and smoother, as they have good education, a professional network developed during their job in the formal sector and knowledge about the market, in general. The study focuses to identify challenges encountered by this category of women in starting, running, and

maintaining their businesses, and to verify if these challenges are similar to those mentioned by the literature characterizing women entrepreneurship in general, in Egypt.

The paper starts with a literature review examining characteristics and challenges women entrepreneurs face in Egypt. Two major entrepreneurial types are discussed in the literature: necessity (subsistence) driven entrepreneurship and opportunity driven entrepreneurship. Necessity women entrepreneurship is the most prevalent in developing countries, where women still face high degrees of discrimination, the labour market does not have the capacity to absorb the work force, and the paid jobs, specifically, for women, are limited. By contrast, opportunity entrepreneurship emerges when people see opportunities offered by the market. Additionally, opportunity entrepreneurship is associated with a certain level of education and coupled with a flourishing business environment (Nasiri and Hamelin, 2018; World Bank, 2018; Vossenber, 2013).

Methodological aspects follow the literature review. 10 women from Cairo, Egypt, have been interviewed from August 2019 to March 2020 to identify what challenges they faced in starting, running, and maintaining their businesses. These women had well paid jobs yet left the labour market due to the harsh working conditions women still face. QDA Miner was used to analyse the interview transcripts, codes have been generated, categories have been created and themes emerged.

Frequencies and similarity indices are discussed in the next part of the paper. The results showed that women face the same difficulties in starting, running, and maintaining their business, regardless of their level of education or their previous labour market status. Furthermore, their entrepreneurial endeavours are, in many cases, disapproved by their families, revealing that among major obstacles to women entrepreneurship, in Egypt, are the socio-cultural constraints that define the role of women in the society. The paper, thereafter, ends with conclusions and some recommendations.

## **2. Literature review**

### **2.1. Necessity Women Entrepreneurship versus Opportunity Women Entrepreneurship**

According to studies (El-Fiky, 2021; Khayal, 2021; Omran, 2020; Nasiri and Hamelin, 2018; World Bank, 2018; Vossenber, 2013) there are many reasons for people in developing countries (and not only) to become entrepreneurs. Nasiri and Hamelin (2018) mention two major categories of entrepreneurs: those who are forced to opt for entrepreneurial activity, as a way for surviving (necessity or subsistence entrepreneurs) and those who see market opportunities and take advantage of these through entrepreneurial endeavours (opportunity entrepreneurs). Additionally, El-Fiky (2021), citing different studies, mentions a third category, innovation entrepreneurs, which are similar motivated in their endeavour by innovative opportunities that the market discloses for those with creative idea. In the case of opportunity or innovation entrepreneurship, the economy has the capacity to create prospects that boost and motivate skills and innovative abilities of people to start businesses, and enhance development, in general, (i.e., through the capacity of these entrepreneurs to improve business environment and foster innovation in the country). Necessity or subsistence entrepreneurship is rather an expression of the labour market inability to provide adequate employment opportunities, or to offer sufficient salaries essential for minimum living conditions.

For Egyptian women, entrepreneurial activity is mostly driven by necessity reasons. Unpaid work, low job quality, lack of safe work conditions, burden of family duties, lack of market opportunities and other factors push women -in Egypt- to seek self-employment as a last resort for survival (World Bank, 2018; Barsoum, 2010). Most of the entrepreneurial activities of women in Egypt (78%) are clustered in the micro and informal sectors (World Bank, 2018, p. 16). Opportunity and innovation entrepreneurship are still an aspiration for Egyptian women. Despite the higher proportion of women in universities (both public and private) (over 50% of all students were women in 2015), and a large percentage of female graduates of STEM specializations (48%, of total female graduates are in the fields of STEM, according to World Bank, 2018), bias against women capabilities to compete with men, limited control over assets, and the perception of banks that women represent a high-risk segment (World Bank, 2018, p.17), diminish opportunity and innovative entrepreneurial endeavours.

The support for women entrepreneurship in Egypt is clearly expressed by the government. 2017 was declared the “Year of Egyptian Women” and National Women’s Strategy 2030 was launched. Despite these initiatives and many other governmental efforts to boost women entrepreneurship, Egypt is still lagging behind other developing countries. According to statistics, the percentage of Egyptian women entrepreneurs is the lowest in the MENA region (Shorbagi et al., 2017).

## **2.2. Challenges Facing Female Entrepreneurs in Egypt**

Both men and women in Egypt operate their enterprises governed by the same legislative framework, yet the struggles they endure vary substantially. Women face more complex challenges in all the stages of business; as far as founding their enterprises, operating them, or trying to grow them. This is as they are commonly more restrained by the difficulty of securing human and financial resources. Moreover, they are definitely more confined by the social and cultural norms that undermine the women economic status, especially in rural areas and the Upper Egypt region (Mahrous, 2019; World Bank, 2018; ILO, 2016; Barsoum, 2010).

### *Lack of Technical Training and Markets accessibility*

Because of the gender biased social obligations allotted to women, they lack the time needed to attain essential technical and managerial skills comparing to men. The majority of women entrepreneurs are confined to the informal market owing to the perception that it’s more costly and more complex to operate a business in the formal market (JICA, 2018; World Bank, 2018). On a national level, ‘government procurement’ programs focusing on women entrepreneurs in Egypt are nearly non-existent. Evidence shows extremely limited efforts exerted to encourage exports of women-owned enterprises and the same stands for ‘supply chain’ programs catering for female entrepreneurs, despite some ‘value chain’ initiatives targeting women entrepreneurs in some rural areas in the recent years. Generally speaking, limited information exists pertaining to women’s participation in export activities, trade fairs and ‘government procurement’ programs (ILO, 2016).

### *Limited access to Credit and Financial Resources*

The Social Fund for Development (SFD) together with several micro-credit financial institutions exert sincere efforts in providing the needed funding for women entrepreneurs. Despite these, an evident gap still exists between what is needed and what is actually supplied in terms of financial resources (ILO, 2016). Because of the difficulty they encounter in accessing credit and financial resources, the vast majority of women

entrepreneurs are obliged to use their own funds to start their enterprises. Statistics show that 57.5% have to utilize their own savings, 37.5% depend on financial support from family and friends while 18.5% resort to liquidating an asset to start up their businesses. Limited credit accessibility does not pose only a challenge at the start up stage but constraints the growth potential of their enterprises as well. The difficulty of borrowing and taking loans from commercial banks and other financial institutions is consequent to the fact that women are considered high risk category, therefore, they face unaffordable interest rates, minimal amounts approved as loans, strict collateral demands, especially for those in the informal market, government protocols as well as compliance expenses (JICA, 2018; World Bank, 2018).

A survey done by the Middle East and North Africa Businesswomen Network (MENA BWN) indicates that roughly 99% of female business owners in Egypt assert that they struggle with harsh lending conditions, precisely, regarding high interest rates. 60% of the women proclaim the substantial interest rates to be the most evident hurdle in acquiring a loan from a financial institute; 40% place the provision of an accepted collateral as next in difficulty; 42% complain of the limited amount of the loan given; 38% claim that the period given to repay the loan is too short for them; while 18% claim that they are not considered seriously enough by lending agents (ILO, 2016). Consequently, women comprise only a humble 10% to 25% of the banks' clientele in Egypt, with the majority of women entrepreneurs resorting to securing the needed funds for their enterprises through micro-credit institutions (ILO, 2016).

#### *Property Ownership and Socio-Cultural Mentalities against Women*

Egyptian men and women possess undistinguishable property rights by virtue of the Personal Status Law, that grant women, at the age of 21, equal rights as men to have full control over their properties in term of ownership and management without any gender discernment. However, the reality differs substantially; this is as data indicates women land ownership to be tremendously low. According to statistics released by the Egyptian Government, in 2000, men comprise 96% of landowners in Egypt. Furthermore, the Organization for Economic Co-operation and Development (OECD), in 2006, substantiates that women in Egypt make up for only 8.2% of agricultural landowners (ILO, 2016). Inheritance legislation is enclosed under the Personal Status Law, No.77/ 1943, and No. 71/ 1946 that is consequential on Islamic Jurisprudence (Shari'a). The later intrinsically provides "relative equality" rather than "absolute equality" as a fundamental code of conduct (ILO, 2016), owing to the notion that men are expected to undertake the financial responsibility of their related women. The diminished property ownership constrains women entrepreneurship since it limits their ability to provide adequate collateral and therefore hinders their access to credit possibilities making enterprise start-up or expanding extremely challenging. When these findings are coupled with conservative social mentalities that require women to devote themselves to family duties, or related to the lack of solidarity amongst women, to the preference for men anytime it is about employment, promotion, payment or public participation, the expected positive effects of women entrepreneurship on development in general are adversely impacted.

#### *Complexity of Business Registration Process*

Although the same business registration requirements apply to both men and women entrepreneurs without any discrimination, women tend to struggle significantly more to complete the registration process, especially women in rural areas who face immense adversity due to lack of public mobility coupled by the vast distances they have to travel in order to reach business registration offices. In a survey comprising 200 participants, one third of those involved reported that registering their businesses is the biggest hurdle they

face followed by the registration cost they have to provide. Furthermore, there is no evidence in the literature of any worth noting exertions aiming at elevating the awareness of women entrepreneurs as of how to navigate through this complex process or what are the subsequent benefits resulting from acquiring a registration status (ILO, 2016).

#### *Lack of Adequate Information*

Commonly, women entrepreneurs lack adequate information pertaining to business development support (BDS) since very few of them are affiliated to business associations, therefore have limited access to business contacts and networks. Also, the social and cultural norms as well as the designated household duties decrease women physical mobility, especially in rural areas, further asserting the difficulty of attaining the needed BDS (JICA, 2018). BDS services are provided through multiple benefactors and organizations in Egypt, governmental, non-governmental and international. In spite of these united efforts, access to these services is prohibited by geographical remoteness, substantial travel expenses as well as the limited awareness of the existence of these services in the first place (ILO, 2016).

Consequently, a lot of women depend on family, friends, or neighbours for acquiring information related to their enterprises as opposed to obtaining it from fellow business owners. This is coupled with the fact that two-thirds of the total women entrepreneurs in Egypt are fixated in the rural areas involved in low revenue agricultural activities, further intensifies the hardship facing female entrepreneurs (JICA, 2018). Moreover, despite the existence of several BDS programs focusing on women entrepreneurs, the absence of 'sex-disaggregated' statistics hinders the appraisal of women benefit from these services (ILO, 2016).

#### *Lack of Adequate Representation*

Women representation as members in major business associations in Egypt does not exceed 5%, consequently women entrepreneurs have limited voice when it comes to policy making negotiations with the government. Despite the presence of a number of women entrepreneur associations in urban and rural areas, the role they manifest in supporting women business owners is insignificant. These associations generally lack the needed power since most of them struggle with securing essential financial and non-financial resources needed for enhancing their capacity to extend benefits to their members as well as widen their ability to reach new potential affiliates (World Bank, 2018; ILO, 2016). What further intensify the problem is the lack of thorough, comprehensive, timely updated, 'sex-disaggregated' information concerning all aspects pertaining to women entrepreneurship development in Egypt (ILO, 2016). Such data is crucial for monitoring challenges women entrepreneurs encounter and in founding the policies and strategies required for addressing these challenges.

#### *Limited Access to Technology*

Egypt has been attempting through the elapsed decade to develop the Information, Communication and Technology (ICT) sector as a core precondition in establishing a digital society. Despite the governments exertions to provide citizens and entrepreneurs with suitable access to ICT services, a limited portion of the mentioned developments has focused on integrating ICT in female-owned businesses or developing women entrepreneurs' skills in this field (World Bank, 2018; ILO, 2016). Many of the Egyptian women entrepreneurs cannot afford the needed financial resources to engage in ICT services or to come up with the required funds needed for changing their production methods, in order to incorporate their enterprises in more advanced technology schemes.

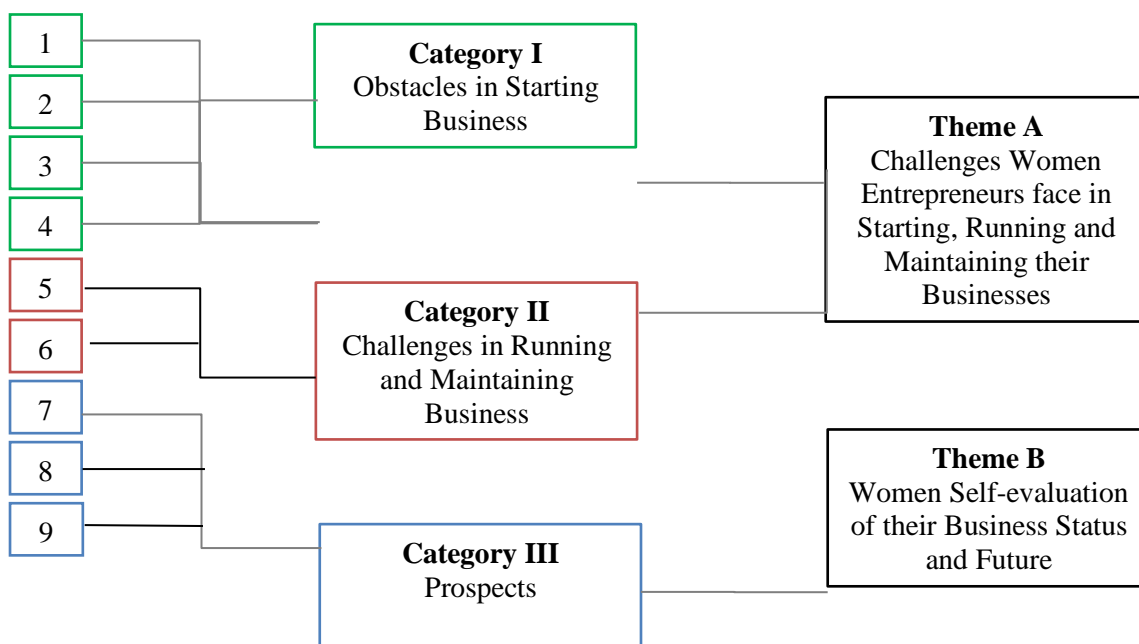
This is especially true when the process of change requires substantial costs of changing equipment and hiring professional advice of experts (ILO, 2016).

## 2. Methodology

The research employs a qualitative inquiry, based on in-depth interviews with 10 women from Cairo, Egypt, highly educated, formerly employed in highly paid jobs in the private sector, that converted to entrepreneurship. Qualitative research based on interviews is recommended since the study focuses on the experience of women entrepreneurs and data collected in this way can reveal more significant information (Chowdhury, Yeasmin and Ahmed, 2018). Additionally, “*interview approach allows capturing the social reality of the female entrepreneurs in their own language and their subjective perspective on entrepreneurial motivations and challenges*” (Shastri, Shastri and Pareek, 2019, p.343).

Data have been collected between August 2019 and March 2020 and have been audio recorded. The transcripts have been analysed using QDA Miner software. The researchers generated codes in two independent sessions and then, in a third session, a common decision was made towards the accepted codes. 9 codes emerged (from 1 to 9, as in the Annex 2) which have been grouped into three categories (I, II, III,) according to the research objectives and to the interviews’ guide questions. Text analysis in QDA Miner was used to count the frequency of codes in text and to show the co-occurrence of the codes. Categories have been then grouped in two themes: A. *Challenges Women Entrepreneurs face in Starting, Running and Maintaining their Businesses* and B. *Women Evaluation of their Business Status and Future*. The codification process and the relationships between codes (1 to 9), categories (I to III) and themes (A and B) are presented in Figure 1.

**Figure 1. Codification Process: From Codes to Themes**



Source: Authors’ work

### 3. Data Analysis and Interpretation

#### 3.1. Findings

The discussion conducted with the ten women formerly employed by the formal private sector after diverting to the entrepreneurial realm was driven by five topics:

1. How difficult was it to start your business?
2. What were the obstacles encountered (Financial, legal, family support, society's view)?
3. How difficult it is to run & maintain your business?
4. Problems you face as a female business owner (Financial, business networks and support, legal, family/spouse support)?
5. Perspective (Appraising the current business status and the support required to sustain it in the future).

The first four questions were looking mostly at the challenges women entrepreneurs face in starting, running and maintaining their businesses (theme A). The last question looks at the women appraisal of their current enterprises' status and the support they require for the future (theme B).

Analysing the interviews based on codes explained in *Annex 2*, yielded several findings.

In terms of the most frequent codes (*Figure 2*), women mentioned "legal/administrative" related aspects as the most deterring factor encountered in starting and maintaining their businesses (11.7% of the codes, mentioned by all women interviewed indicated this hindrance). It is succeeded by "social apprehensions" (7.5%). This is while start up "funding" and "family/spouse support" were equally mentioned by the participants as evident constrains (7%).

Women also encounter evident challenges in operating and enlarging their businesses, complains mostly focused on lack of "credit" possibilities (7.9 % of all codes, mentioned by all women). This is succeeded by difficulty of investing in "enlarging the business" (5.1%) and followed by limited "sources of finance" (4.7% mentioned by all women) and difficulty of separating "business/personal expenses" (4.7% mentioned by 9 out of 10 participants).

As for appraising the future "prospects", all women displayed their "expectations" (7%) regarding their business in the future and rated the "highest challenges" they face and operating the enterprise. Lastly, all participants were asked about the form of support they needed to sustain their businesses where 3.7% of all codes (mentioned by 5 out of 10 women) indicated the need for governmental support compared to 2.8% (mentioned by 6 out of 10 women) suggested non-governmental support and signified lack of preference to any governmental interaction.

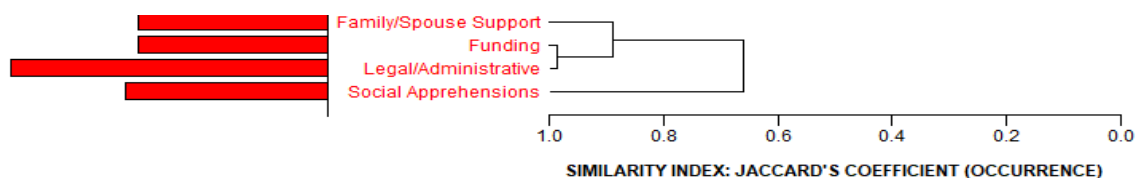
**Figure 2. All codes frequency tree (Women Experience in the Entrepreneurial Realm)**

	Count	% Codes	Cases	% Cases
<b>Obstacles in Starting/Maintaining Business</b>				
• Funding	15	7.0%	10	100.0%
• Legal/Administrative	25	11.7%	10	100.0%
• Family/Spouse Support	15	7.0%	9	90.0%
• Social Apprehensions	16	7.5%	7	70.0%
<b>Challenges in Operating Business</b>				
<b>Financing Business Operations</b>				
• Enlarging the Business	11	5.1%	10	100.0%
• Credit	17	7.9%	10	100.0%
• Source of Finance	10	4.7%	9	90.0%
• Separating Business/Personal	10	4.7%	10	100.0%
• Diversified Products	9	4.2%	9	90.0%
<b>Business Networking</b>				
• Access to Networks	12	5.6%	10	100.0%
• Access to Information/Market Opportunities	15	7.0%	9	90.0%
• Membership in Associations	10	4.7%	10	100.0%
• Training Opportunities	10	4.7%	10	100.0%
<b>Prospects</b>				
• Expectations	15	7.0%	10	100.0%
• Highest Challenge	10	4.7%	9	90.0%
<b>Needed Support</b>				
• Governmental	8	3.7%	5	50.0%
• Non-governmental	6	2.8%	6	60.0%

Source: QDA Miner

In terms of how these codes relate to each other, a similarity index was utilized, to manifest how frequent these codes appear together through the interviews. For the first category, *Obstacles to Starting the Business*, Figure 3 displays the co-occurrence among codes. Similarity Index asserts that, “legal/administrative” which dominates this category as a the most important obstacle for starting a business is closest to “funding” forming the closest cluster (the strongest correlation). The next cluster associates with the previous one “family/spouse support” code, and the third agglomeration links the code “social apprehensions” to the previous codes. Although it seems -from the similarity index- that “social apprehensions” is marginal in importance, in reality it has an evident bearing on all the three mentioned codes (Figure 3).

**Figure 3. Co-occurrence of codes “Obstacles in Starting/Maintaining the Business” (Category I)**



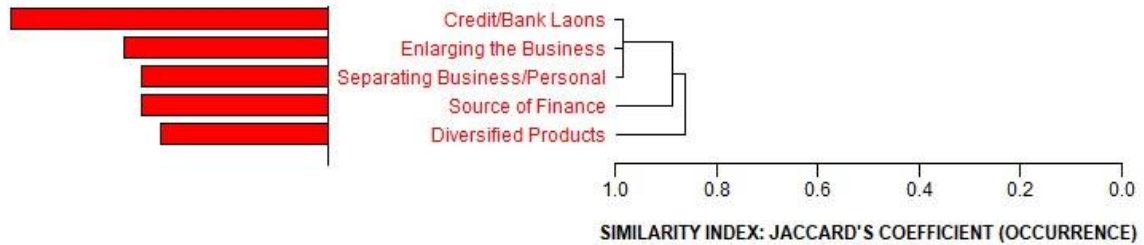
Source: QDA Miner

Within the second category, the analysis seeks to depict the *Challenges in Operating the Business* encountered by women entrepreneurs through two sub-categories. The first sub-category, *financing business operations*, the codes agglomeration shows as the first agglomeration the close association between availability of “credit/bank loans”, ability of “enlarging the business” and capability of “separating business/personal expenses” (exemplifying a constant struggle of accessing needed funds). This is leading to the second



association, “source of finance” (explained by 9 out of the 10 interviewed women to be restricted to their savings solely) resulting in last cluster, lesser ability to offer “diversified products” (Figure 4).

**Figure 4. Co-occurrence of codes “Financing Business Operations” (Category II)**



Source: QDA Miner

The second sub-category, *business networking* (displaying difficulties facing women in accessing business networks), the codes agglomeration shows as the first agglomeration an apparent association between difficult “access to networks”, lack of “membership in associations” and unavailable “training opportunities” (to enhance women entrepreneurship and business skills). This is also linked to the second association, women’s “access to information/market opportunities” (the code mentioned by 9 out of 10 women as highly needed while exceedingly unavailable) (Figure 5).

**Figure 5. Co-occurrence of codes “Business Networking” (Category II)**



Source: QDA Miner

Finally, the analysis looks at the women’ opinion regarding their future “prospects”, towards this end participants were asked the following questions:

- Do you have the confidence that you will be able to sustain your business despite the challenges? 40% answered affirming while 60% indicated not being able to sustain their business in the future.
- Which of these pose the highest challenge for you (credit, trained workers, time, household responsibilities)? 40% referred to accessing credit as their foremost constrain while 60% pointed at securing trained workers as the main challenge.
- What type of support so do you need and from who, contrary to expected, funding was not a dominant request, most responses pointed at the availability to information and marketing research and business network platforms as the highest requirement to sustain their business? This is where 57.1% of the participants pointed out at the government to fulfil this role as opposed to 42.9% referring to non-governmental sources as the suitable option.

### 3.2. Discussion: Leaving Formal Private Sector Employment for Entrepreneurship

Women access and progress to labour market, mainly to private sector remain a matter of utmost complexity in Egypt. Despite the States' sincere efforts in endorsing women participation in the labour market, the private sector in Egypt still poses an evident constrain to this vision. The private sector in Egypt, as manifest by the presented analysis of women opinions and from the literature, is still strongly governed by socio-cultural aspects related to women role in the society, biased attitude against women capabilities to perform professionally, prevailing male preference, and law evasion. Also, the public sector that is known to be the preferred choice for women seeking work- life balance employment has stepped down from being a chief employer in Egypt, owing to enforced economic reform policies.

The aforementioned renders self-employment a last resort for women who fail to secure a paid job within such a challenging environment. It is worth noting however that entrepreneurship in Egypt is generally identified as 'necessity or subsistence- driven' rather than 'opportunity driven'. That being said, it has to be noted that the solicited sample for this research does not fit this description since they are all highly educated and possess reasonable financial means, hence do not qualify for any of the governments' assistance. Nevertheless, despite the awareness that this category of women is categorized as 'opportunity driven' or 'fulfilling a dream' the research aims at investigating whether these women encounter similar or different obstacles to 'necessity or subsistence- driven' female entrepreneurs in Egypt. From this point the research moves to investigating the experience of 10 women after exiting the private sector job market and diverting to entrepreneurship.

The first topic pursued in this section of the interview addresses the ***Obstacles in Starting the Business***. Obstacles mentioned by the women are similar with those identified by the literature and are closely related to what is conveyed by experts in the entrepreneurial field. These include funding, legal/administrative aspects, family/spouse support and social apprehensions.

Funding is among the chief obstacles, in Egypt. When starting a business, you need to have substantial funds available to rent a place, pay set up costs, and hire employees. All the participants reported starting their businesses with their own savings in addition to some form of family assistance. Also, they all indicated that securing the finances to start the business, despite the difficulty, is reasonably attainable relative to maintaining it. *"The worst phase is starting up the business but sustaining it is not easy either, you cannot rest ever"*. *"I am always waiting for money to pay the expenses of the business."*

However, contrary to what is assumed, financing the business is not the obstacle most complained about, it is the legal and administrative aspects involved. Both are closely intertwined since having financial resources, readily available, can facilitate a lot of the legal and administrative apprehensions owing to the entailed costs. *"I wasted hours and hours in offices with administrators who are least cooperative, and achievements were minimal."* *"Regulations must be logical"*; a lot of the administrative hindrances need to be re-thought, also *"taxes are extremely hard to understand."* Women described this stage as extremely difficult to comprehend and accomplish, as the cost is immense in addition to endless problems that reached lawsuits, *"because of my ignorance of the procedures and how to navigate through the process I lost everything, and I had to start from scratch."* To avoid this intricacy most of the women interviewed said they opted for hiring legal advisors to deal with administrative matters, which, of course, translated into evident costs that are

not available to all of them. Ensuing to these hardships, many resorts to conducting their business in the informal arena to avoid being detected by the government, *"I discovered that conducting business informal is much easier and more profitable."* Few even reported, opening their business under some form of cover without any legal licensing which is eventually prosecuted by law and the business is terminated unless they keep giving bribes.

Almost all the women interviewed emphasized lack of family/spouse support, specifying that families do not take their work seriously. Parents are not supportive of the entrepreneurial decision because of the risk, cost, and lack of security relative to past career. Interestingly, women of the family were *"harsher in their judgment and criticism"*, as moms were cited several times not to be supportive of entrepreneurial activity. They deem getting married and having kids to be more important and fear that this career choice would limit future marriage opportunities because of the time, effort, and exposure it requires. Husbands' standpoint is graver, *"he always made me feel guilty and at fault because of my work"*, as most perceive it as a waste of family time and money that is uncalled for and can be better dedicated to the household, *"if my business is doing well then, I am entertaining myself, if not, then I am wasting time and resources."* Women reported going through all sort of compromises and manoeuvres to maintain their business without terminating the marriage, *"I was asked to pay in return for being away from home at work."* In addition to jealousy issues, as husbands *"felt intimidated by wives getting stronger and more successful, which caused a lot of tension"* and withdrawal from all responsibilities, financial and otherwise. *"I was expected to bring income to the household that should be available to him all the time, and at the same time be at home at 3 pm rested and in a good mood."* Women are seldom supported by their families in this situation, *"even my parents wanted me to diminish myself to accommodate his low achievement."* The lack of marital stability and spouse support pose major emotional and financial hindrances as it leaves women burdened by household financial responsibilities, thus diverting scarce financial resources from the business to fulfil familial needs. This is in addition to the strain it puts on the time available for her business as a single caretaker, *"I felt cornered; fighting all sort of battles even with my family, that was the biggest and worst challenge because it touched my core."*

Regrettably, the society's perception is very demeaning towards women who partake in entrepreneurial activity and have diminished appreciation to the notion. The prevailing belief is that women should not venture beyond office work, it is an extremely male dominant society and more often than not women venturing in entrepreneurial activity is not well received, *"If I were a man working 16 hours a day everybody would have applauded me. But, because I am a woman, I was brutally criticized and had zero support."* Women confirmed that in many cases the lack of family support to entrepreneurial activity hinges on *"the condescending society's point of view."* Women also complained about being constantly harassed, taken advantage of and overcharged in the market, *"my competitor fought me a lot because I was a woman and easy to overcome, he could not bear the idea of a young female competing with him and succeeding."* Additionally, as a woman managing a business, when most employees are men, is an evident challenge. They do not accept that she leads, gives orders and punishes when necessary, *"my decent management style is frequently abused because I am a woman, they do not do this with men."* This is in addition to the constant trials of theft and sabotage, *"when I hired a man for a management role, things changed significantly."* While men business owners face the same challenges, the struggles are multiplied for women entrepreneurs. Also, women reported the adversity encountered in dealing with government related work, *"it's extremely challenging because of the male preference when conducting business"*. Even in the education field, which is

relatively more accepting to women, the publishing industry and entrepreneurial realm are exceedingly male dominant. Consequent to all the mentioned societal apprehensions, several participants indicated partnering with or using the services of a male accountant or lawyer as it made things easier for them, *“I still find myself sometimes in need of the support of a male figure even if it is just as an image, I sometimes fear that I will be taken advantage of otherwise.”*

The second topic women are invited to discuss exposes the **Challenges encountered in Running and Maintaining the Business**. These are further sub-divided in two sub-categories: [A] **Financing Business Operations**, including: enlarging the business, acquiring credit/bank loans, sources of finance, separating business/personal expenses, and offering diversified products; [B] **Business Networking**, including: access to networks, access to information/marketing opportunities, membership in associations, and training opportunities. To explore the aforementioned, participants were presented with the following questions.

**Are you able to invest in enlarging your business?** Only 3 women out of 10 affirmed being able to achieve this goal. Out of the 3 only 1 indicated being able to do so from the beginning while others said they were only able to invest in enlarging the business after years of work and still with great difficulty. The rest said they are still not able to achieve this on their own, *“I am planning to merge with a friend so that I can enlarge my business, I am not able to do it on my own anymore, I need the financial and professional support.”*

**Have you ever applied for a bank loan, or otherwise, for your business? What was the outcome?** Only 1 woman out of 10 said she applied for a Social Fund (governmental funding agency) loan and was approved, however, not to start the business but after it was an established enterprise in full operation. Another 3 said they approached banks but were denied, *“I tried but was denied because my line of business does not normally receive funding from banks.”* Furthermore, contrary to what is claimed by agencies’ experts, women reported multiple access difficulties, *“I thought about a start-up loan but wasn’t able to reach any of the funding organizations for micro and small businesses or civil associations for that matter.”* *“We approached banks and the Social Fund but the requirements in terms of documentation, legalities and collateral made it impossible.”* *“To approach an NGO, you need to have a crystal-clear project to convince them to support, otherwise you apply in tenders with a limited chance of success. Sometimes we discover that they already have people in mind but post the tender just to fulfil legality.”* The intriguing element, however, is the opinion of the rest of participants who deliberately refrain from applying for credit in fear of persecution of business and personal property, *“I do not have the confidence to take a loan that I might not be able to pay back,”* *“I won’t have mercy from anyone, this can lead to jail.”* Also, there is the concern of the associated cost, *“it is a rip off even the Social Fund the interest rate is extremely high (14%), it’s ridiculous.”* This is in addition to the convoluted requirements, *“even as far as opening a commercial account so that I can separate my personal from business accounts, I was not approved by any bank in Egypt because they require a license and a tax record which I don’t have because of the lack of physical space for the business.”* The general disposition, however, for those against taking loans was that the business must be stable and of significant size before acquiring credit, *“our business is still small, we do not want loans because I am very well aware of their potential problems”*, which defies the whole purpose of obtaining a loan to start a business or enlarge it. The matter that explains women entrepreneurs diminished capacity to promote from micro to small or medium size entrepreneurship.

**What sources of finance are available to your business?** All the participants indicated their personal savings as the only source of finance available to starting their business in addition to pumping whatever revenue generated from operation, *“the income generated I put entirely back in the business, so I am back to zero profits.”* This of course limit the women ability to promote their businesses or even to guarantee sustainability.

**Are you able to separate business from personal income/expenses?** 6 out of 10 women reported being able to separate business from personal expenses, *“the first year of operating the business I was not able to and it took us a long time and a lot of effort to reach this goal.”* This is while 4 said they are still unable to attain this target, especially for those who are single mothers with no other source of business to support their families.

**Are you able to offer diversified products?** To this inquiry, 8 out of 10 women confirmed capacity to offer different products to the market to increase income potential. However, some were conservative in pursuing such variation, *“I am taking it very slowly, I am being cautious because I do not want to take any risks that can put me in jeopardy.”*

**Do you have easy access to business networks?** All women affirmed the importance of networking, not only for marketing their products, but also in acquiring essential knowledge, *“the support of network helped a lot and facilitated a lot of obstacles”* especially with *“technical matters like branding, pricing, structuring...”*. Unfortunately, however, 7 out 10 of participants indicated not having such access, in absence of *“platforms that renders this service,”* noting that -alternatively- they depend on friends and online marketing. This is while the 3 confirming otherwise, stated that their access to business networks stems from conducting enterprises in the same field of their previous private sector employment, *“I am depending on my previous network because I am in the same line of business”, “my solid reputation and history also helped a lot.” “I already had an elaborate network of relationships that I have accumulated over 25 years of working in the field.”* The consensus among the women, however, is that having a solid network depends on “personal skills” and being a very “sociable person” which again pose a constrain to most women given the social hindrances, *“I need to travel a lot and attend many events to know people and introduce what I do. Men are at an advantage here because most of the deals are done while socializing not during formal business meetings.”*

**Do you have access to market information and able to take advantage of market opportunities?** Even though funding tends to be the challenge most complained about in starting and maintaining a business, participants put almost equal emphasize on lack of market information as evident hindrance. *“Nothing in the business environment is clear, no accurate research to relay on. We all conduct our business blind folded; we don’t have solid numbers to use as a base for decision making.”* All the women asserted the need for *“measurements, data, and indicators released by credible organizations,”* and confirmed the non-availability of periodicals or sites operated by any ministries or agencies, indicating that they all depend on personal relationships and word of mouth. Furthermore, in absence of provision of these services, women have to acquire it at a cost that strains their already scarce resources, since *“adequate market research and consultancy are extremely expensive in Egypt.”* Lack of proper market information automatically result in lost opportunities that women cannot afford, *“I lose a lot of money because of lack of information regarding pricing, we frequently end up being over charged or taken advantage of by dishonest suppliers.”* Also, absence of reliable market information diminishes the capacity for competitiveness, *“we have very good ideas, but we don’t know if they are marketable or cashable.”* Consequently, many women opt for confining their

business to a safe zone rather than the most profitable one, *“I am limiting myself to the segment of the market I am familiar and knowledgeable of”*.

**Are you a member of any established association or social network?** Being a member in a business or social association correlates with having access to business networks as well as market information/knowledge of potential opportunities. Nevertheless, only 2 out of 10 women replied being members in such associations, while 8 asserted that they *“never had the opportunity”* despite trying to *“connect with MSMEDA but couldn’t reach anything.”* Also, a complain was cited that *“membership in any business association requires extensive costs in membership fees.”*

**Have you ever been offered training related to business skills/if offered would you be interested?** All the interviewed women expressed evident interest in receiving training in business skills, especially in marketing to complement their abilities. Yet only 3 out of 10 reported that they were offered a training opportunity through their personal relations, *“I want to develop myself but do not get the opportunity,” “never got an opportunity at a reasonable or decent cost.”* Additionally, women expressed concern about the type of assistance available, claiming that it only benefits a specific segment of entrepreneurs -that they do not belong to- and therefore, are denied any form of support. *“Most of the training offered for women empowerment in the entrepreneurial realm is extremely micro focussed (how to make jam, package it, and market it), it does not serve the purpose of establishing an actual enterprise.”* Nevertheless, the few who were given the opportunity of Business/entrepreneurial training disclosed that it was enormously useful.

Finally, the last topic addresses the prospects of female entrepreneurship from the perspective of the women interviewed. Participants were asked to appraise the current and future status of their business. The majority of women confirmed that their business is *“definitely more solid, it’s an established enterprise”, which reflected positively on their empowerment, “personally I am stronger, I do not get intimidated as easily as I used to.” “I have more experience now and I am not easily shaken or bullied.” “I am gaining more experience and hence power.”* Also, a sense of fulfilment and pride -in giving to the society and helping others, especially other women- was evident among those who managed to expand the enterprise, *“both me and my business are doing better, I am proud that my business is generating jobs for others, and I hire more women.”* It is indisputable that successful entrepreneurship promotes employment opportunities unattainable otherwise, *“I have 60 full time hired employees in my business in addition to contracted part time stuff based on need.”*

Regrettably, however, only 4 women out of 10 conveyed their confidence to sustain their business in the future, owing to the **financial and legal obstacles** they encounter, *“you need to have money to make money.” “I am starting to doubt the whole decision of having my own business because I am currently making less money than when I had a formal job.”* Some of the women disclosed having to take a job next to the business or offer a different service in addition, *“I started in 2015, after five years my current achievement is zero.” “My savings ran out and now I have to have a job to afford the expenses of my business,”* which lessens the time and effort available for operating the business and diminishes the chances of its success. *“I am so scared that one day I will realize that I am running just to stay where I am, and there won’t be justified prospects to aspire to.”*

When asked about the type of support needed to sustain the business and whether it is sought from the government or other sources, 57.1% of the answers emphasized that *“the government role is at the essence”* to support *“entrepreneurs because they are the ones taking Egypt forward”*. The women believe that governmental support in the form of

*“incentives to help SMEs” is justified “because we can lift a burden off the shoulders of the government as we not only generate jobs, but we also fully financially support these households.”* This standpoint has also been relayed by the experts in the field during their interviews.

Contrary to the expected, however, 9 out of 10 women conveyed that what they seek the most is non-financial services rather than direct funding, *“what I need now is growth opportunities not financial support”*. Among the common demands were, training opportunities to *“improve the employees’ performance”*, as finding trained workers is among the most evident entrepreneurial constraints; securing medical insurance for their employees; and securing needed infrastructure *“lack of transportation to the area of my business is a major obstacle”*. Nevertheless, the most communicated request through the interviews involved legal/administrative apprehensions, *“regulations must be logical; a lot of the legal and administrative hindrances need to be re-thought,” “the requirements need to be relaxed because we want to do the right thing and be part of the formal sector, but constantly fail.”* Most of the participants stated the need for *“tax reductions or at least grace periods”* as a motivation to move their enterprises into the formal sector. Additionally, *“funding should be supplied by banks”*, which -again- must be endorsed by the government.

Conversely, 42.9% of the responses adopted an opposite direction conveying that, *“the government role in this area is 100% missing, they are not offering any support.” I feel that I am paying everything I am required to and more and still get nothing in return.”* Therefore, the opinion of this group of participants is entirely against government involvement, *“Never thought of any support from the government, on the contrary I always avoid it.”* Among the reasons given to justify this disposition: *“They are exceedingly judgmental with women; the bureaucracy is intense; the pace is slow and deterring.”* Even the ones expressing the need for financial support -among this group- affirmed seeking it via private networks not any government entity because *“the private sector is the one that understand us as we speak the same language.”*

Additionally, they emphasized the role that NGOs should assume in endorsing women entrepreneurship, *“donors should have a network for small companies with less than one million capital and should be willing to give them a real opportunity to grow and develop.”* Also, among the other needs communicated by women to help them sustain and promote their enterprises are exhibitions for reasonable prices; establishing an entity to fund marketing research for them; and a reliable business platform that is accessible to all entrepreneurs, *“market and finance information are extremely scarce in Egypt.”* Furthermore, the complexity of accessing or navigating any government site (ex. The Investment Authority, The Financial Supervision Authority, ...etc.) exacerbates the struggle. Additionally, there is a prevailing lack of trust for the statistics presented by ministries or government entities because their data and information are perceived -by the participants- to be aiming at impressing international organizations, thus not valid enough to base business decisions on.

Besides, an evident criticism stems from the differential treatment these women encounter in the quality and intensity given to their entrepreneurial activities compared to micro enterprises, *“I have prior experience working with charity organizations rendering support for women in micro projects. Then I had my experience when I started my business -that is of small size- I’ve been struggling since the beginning to receive any support and still am to this day.”* Conclusively, the majority of women asserted the need for growth

opportunities rather than direct support, entailing provision of varied entrepreneurship related services.

Upon concluding the interviews some of the participants shared their opinion of what improves the chances of success for woman entrepreneurs in Egypt. The following suggestions are based on the experiences of those who succeeded in promoting their enterprises to higher levels.

Those who start businesses in their same area of expertise have better success because they not only possess the knowledge but can also make use of the same business network to attain better market opportunities. *“The corporate background that I have helps a lot, while if someone is starting as a fresh graduate, they will need to start through the business of their family otherwise they’re in for a lot of trouble.”*

Endurance and perseverance as well as constant self-development are essential to the success of any entrepreneurial activity. *“I always knew that I have to walk the extra mile to be different than others, you have to be able to surpass the market and instigate something creative and innovative, the problem however, is that you have no guidance through the process.”*

*“The whole start-up stage was brutal, starting the business and establishing it took years of intense work and perseverance. If I did not have enough confidence and faith, I would have quit.” “I am constantly studying and developing myself on my own expense.”*

Having partners increases the potential for success not only because the risk and the financial burden is divided but because it increases the prior business networks pooled into the business.

#### **4. Conclusion**

Women access and progress in labour market, mainly in private sector is a subject of paramount intricacy in Egypt. Despite the States’ earnest endeavours to elevate women participation in the labour force, the private sector practices pose palpable deterrence to this vision. The private sector in Egypt, as evident from women opinions and from the literature, continues to be deeply dominated by socio-cultural aspects mandating women role in the society, biased perception of women capabilities to perform professionally, prevalent male preference, and labour laws prevarication. Additionally, the public sector that used to be the primary employer for women, owing to its reasonable working conditions, has backed up from this role after the economic reforms, post 2000. Therefore, rendering self-employment a last resort for women seeking a career and a self-earned income.

The findings of the paper are based on the experience of 10 women entrepreneurs, who choose to exit the formal employment in the private sector -all in prominent positions- and divert to entrepreneurship, in an attempt to lead a less stressful career that offers a better work-life balance. Regrettably, shortly post assuming their entrepreneurial activity they are presented by a host of challenges not any less stressful. Although women entrepreneurship in Egypt is primarily ‘subsistence driven’, the women interviewed in this sample do not fall into this category, alternatively, they can be categorized as ‘opportunity driven’. The paper investigates the obstacles women encounter in starting an enterprise, the challenges they face in running and maintaining it, and the future prospects as evaluated by the interviewed women.



The participants reported evident obstacles in starting their businesses including funding, legal/administrative aspects, family/spouse support, and social apprehensions. The complexity of the legal and administrative process is the most dreaded concern for women in launching their enterprises followed by funding. Additionally, women stated that -for the most part- they were not supported by their families in general and specifically by their spouses. The society's point of view also is not in favour of female entrepreneurship, as they are more seen in office jobs not entailing the exposure and mobility required by running a business.

While starting a business is exceedingly convoluted, running and maintaining the business is not any less intricate. All the interviewed women relayed their struggles with financing business operations, including enlarging the business, acquiring credit/bank loans, separating business/personal expenses, and offering diversified products. This in addition to challenges relating to business networking, including access to networks, access to information/marketing opportunities, membership in associations, and training opportunities. Even though the majority of participants indicated that their businesses are currently bigger and more solid, more than half of them expressed doubt in sustaining their business in the future. Women opinion of the needed support ranged equally between government and private sources.

Concludingly, women divert to entrepreneurship expecting that it will be more rewarding and less stressful than employment in the private sector, yet they are presented by analogous challenges since the roots of adversity are stemming from the same socio-cultural constrains defining the role of women in the society. However, those who succeeded in developing their enterprises stipulated that assuming entrepreneurship in the same field of the prior employment increases the chances of success, as it secures vital business and market information as well as essential business networks.

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**Annex 1. Participants Details**

<b>Interviewed Women</b>	<b>Previous Private Sector Experience</b>	<b>Current Entrepreneurship Activity</b>
Participant 1	Marketing Executive (2001-2011) Worked at Volvo Cars, Metro Market and Pico group 2014	Enterprise for books, curriculums and reading skills
Participant 2	HSBC Corporate Banking, 94-98. Chief Risk Officer at Brokerage & Security, 98-2011. Bachelor of Arts in Economics + MBA	Art Business for Painting and Arabic Calligraphy
Participant 3	Medical Insurance Negotiation 2005-2009	Flower Business for Retail and Event Decoration
Participant 4	Worked in prominent private sector furniture and décor companies 2006-2015 Graduate of Fine Arts, 2006 (top of her class), Masters 2010	Interior Design Business
Participant 5	Electric Engineer at Shinder Electric, Consultancy companies and Philips Egypt (1994-2018) Master of Science in Engineering	Technical Training Company for Lighting and Power System Solution
Participant 6	HR Operation Manger at British Gas for 10 years, total private sector experience 15 years (Vodafone, Banking, British Gas)	Daycare Schooling Facility for German Education Admission Preparation
Participant 7	Former Manager of Spinning and Weaving Factory Former Professor in several private universities	Training and Recruitment Consultancy Agency
Participant 8	Worked in tourism 1994-2000, Worked with the Belgium Embassy 2000-2005	Open-air Banquets, Catering and Event Planning Company
Participant 9	Senior VP, CIB-EAB (1991-2003) Financial institutions for 25 years split between banking and investment	Website Research Engine for All Women Needed Information
Participant 10	Corporate HR Director, Americana Group (32 companies), 1995-2017. Master's degree in human resources	Human Resource Consultancy offering Recruitment, Training and Assessment Services

## Annex 2. Codes and Categories

<b>First Category: Obstacles in Starting Business</b>	
<b>Code</b>	<b>Explanation (words, phrases or expressions that have been associated to codes)</b>
1. Funding	Start-up financing costs Business maintaining costs
2. Legal/Administrative	Start-up process Business maintaining legalities
3. Family/Spouse Support	Family disposition regarding women entrepreneurship Lack of spouse support and impact of marital status
4. Societal Apprehensions	Society's perception regarding women entrepreneurship
<b>Second Category: Challenges in Operating and Maintaining Business</b>	
<b>Code</b>	<b>Explanation (words, phrases or expressions that have been associated to codes)</b>
5. Financial Management	Ability to enlarge the business Possibility of access to credit/bank loans Finance sources for operating the business Ability to separate business from personal expenses Possibility of offering diversified products
6. Business Networking	Ease of access to business networks Access to needed information and marketing research Access to profitable marketing opportunities Membership of supporting associations Access to relevant and affordable training opportunities
<b>Third Category: Prospects</b>	
<b>Code</b>	<b>Explanation (words, phrases or expressions that have been associated to codes)</b>
7. Future Predictions	Appraising the current business status Confidence in sustaining the business in the future
8. Highest Challenge	Rating the intensity of encountered challenges (Funding/Credit-Trained Workers-Household Support-Time)
9. Needed Support	Governmental Non-governmental