

Foreword

Why do we need to be concerned about entrepreneurship in the Middle East and North Africa? Why do we need to be concerned about women's entrepreneurship? And, why now? It is because at this juncture in the economic development of the Middle East and North Africa unlocking women's skills and creativity can critically contribute to the testing of new ideas and increasing competitiveness in the global marketplace, to the spotting new niches for diversifying the economy's range of products and services, and to the developing a cadre of women entrepreneurs who can lead in their communities and countries.

While public policy sets broad directions and builds the momentum and consensus for change, it is the private sector and its entrepreneurs that grab these policies and translate them into sustainable action—for creating jobs and wealth, supporting technical progress, increasing exports, combating communicable diseases, cleaning up the air, or even overcoming discrimination. Few agendas move forward by fiat alone. Most require buy-in and action by the private sector.

The only way to increase efficiency and effectiveness is to allow more entrepreneurs compete in the marketplace by testing new ideas and creating new comparative advantages in supply, cost, and quality. But in many parts of the world, large well-established companies have advantages as political and financial insiders. And many young and new entrepreneurs, as outsiders, have difficulty getting off the ground. Entrepreneurship is still fairly male-dominated worldwide, leaving women even farther on the outside. By reducing the barriers they face, the business market can be more open, and competition can flourish. In short, what works for women is likely to work for everyone.

Businesses do not have enough skilled and creative employees. While the public and policymakers are correct to sound the alarm over some educational failings, many overlook the waste of human capital in the higher education of graduates who cannot find work largely because they are female. Women in the Middle East and North Africa earn more than half of all university degrees. Yet their unemployment and underemployment rates are high, so the region's economies suffer a "hidden domestic brain drain". Lowering the hurdles to entrepreneurship for women can free up a large talent pool to carve out opportunities for themselves and create jobs for others.

Promoting women's entrepreneurship in the Middle East and North Africa is important now because the region's economies need to diversify and create more and better jobs. The recent economic boom offers an opportunity that should not be missed. Women entrepreneurs can spot new niches that create and cater to new consumer choices. And with the rise of electronic commerce, they can find it easier to grow these niches into bigger markets.

Women may even have an advantage in spotting such new niches. They control a large proportion of the family's purchasing and product selection. This puts them in tune with their communities, so that they can detect new needs. Indeed, across neighborhoods and countries, women own and operate small and home-based businesses. Some become formal firms, but others stay behind the barriers to their entrepreneurship. If those barriers were lowered, many of these niche businesses could develop into formal businesses, their products improved, their markets broadened.

Finally, entrepreneurs have leadership traits that can be applied to other spheres of public life. Resourceful and creative, they have the vision to become a success. They assess and take risks, and they inspire others. They understand well the forces of economics and globalization. They persevere in face of adversity. They know how to negotiate and create opportunities. And they have access to networks of information and influence. Women entrepreneurs thus possess abilities that prepare them to become effective leaders in their communities and countries.

The challenge is that women still do not have equal access to economic opportunities. Despite their educational gains, they face more barriers inside and outside the labor market. And despite their capabilities and business potential, they face additional barriers in the business environment. The payoffs to lowering these barriers are a more diversified private sector, an effective use of the talent in the region, and the development of a cadre of entrepreneurs to lead in grasping opportunities for themselves and their communities and countries.

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