

Chapter Thirteen

Women's Entrepreneurship in North Africa: Looking into the Western Balkans' Experience

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Three years after the start of the Arab Spring, the economic outlook for North African countries remains uncertain and awaits sustainable solutions. Numerous challenges, including high unemployment, significant dependence on unvaried industries, and an ample public sector led to increased recognition of entrepreneurship as a possible key driver of economic growth and greater competitiveness. Nevertheless, women's participation in this economic process remains rather neglected as a phenomenon and as a favorable source of advancement, in despite of the growth of women entrepreneurs' numbers and the accretionary research interest that marked the last decade.

Envisioned as a contribution to the discourse calling for change, and to serve as an attempt to induce greater interest for women's entrepreneurship in five Mediterranean North African countries (Algeria, Egypt, Libya, Morocco and Tunisia), this chapter draws upon information pertinent to women's entrepreneurship in the region and offers action-oriented recommendations based on the experience of the Western Balkan former Yugoslav countries: Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia.

The rationale behind this combination lies in the fact that the post-authoritarian Western Balkan countries have gained broad and diverse transitional experience that could be beneficial for North Africa. While reflecting different socio-political contexts, this experience highlights the same constraints that women entrepreneurs face in similar unpropitious business environments of North Africa today. Looking into these similarities found in the Western Balkans in order to avoid deadlocks and to apply certain good practices, while responding to the specific regional challenges, could be the shortest path to accommodating women in entrepreneurship processes and improving the overall economic performance of North Africa.

Women's Entrepreneurship in Context

With regard to women's entrepreneurship, the Western Balkans is possibly North Africa's most similar region. Similarities are reflected in the demo-economic characteristics, gender-specific barriers to starting and growing ventures, features of women-owned businesses, as well as in an urgent need to generate immediate social and economic benefits through job creation and advancement of the private sector.

Women in Algeria, Egypt, Libya, Morocco and Tunisia, as in the Western Balkan countries, make up about half the population. Yet in 2012, as noted by national statistical entities, 75 percent of them did not join the labor force compared to 25 percent of men.¹ In the same year in the Western Balkan countries,² an average of 61 percent of the female population was considered economically inactive.³ In addition to that worrisome data, high female unemployment in North Africa and the Western Balkans in 2012, ranging from 17 percent in Algeria to 45.7 percent in Montenegro,⁴ depicts the magnitude of failure to take into account women as contributors to economic prosperity in both regions.

Although these issues are not unique to these respective regions, reasons for unpromising statistics ranking below the average of developing countries might be found in inappropriate policies directed towards women, downgrading social norms, and a generally unfavorable cultural attitude.

¹Presented results are calculated as an average percentage of statistics acquired by national statistical offices: the Algerian National Statistical Office (85 percent), Egypt's State Information Service and Central Agency for Public Mobilization and Statistics (75 percent), Libya's National Corporation for Information and Documentation (71 percent), Moroccan Haut Commissariat au Plan (73 percent), and Tunisian National Institute of Statistics (72 percent).

²Presented result is calculated as an average percentage of statistics acquired through Labor Force Surveys conducted in 2012 by: Agency for Statistic of Bosnia and Herzegovina (62,4 percent), Croatian Bureau for Statistics (59,1 percent), Statistical Office of the Republic of Serbia (61,7 percent), Statistical Office of Montenegro (57,9 percent) and State Statistical Office of Macedonia (64 percent).

³For comparison, the percentage of economically inactive women in 2012 in the EU was 34 percent, according to the EU Labor Force Survey.

⁴Websites of respective national statistical offices.

Certainly, women in North African and Western Balkan countries, as in many parts of the world, struggle with restrictive norms in various life areas. Though blatant discrimination is considered to be part of the past, and constitutions as well as other statutory regulations guarantee gender equality, women in both regions most often face limitations of local culture that favor women to play the role of “housewife” and/or “mother.” This cultural code emanates from the traditional views and interpretations of religion as well as from the patriarchal social system in general.

In addition, women face various barriers that impede their economic participation and in particular entrepreneurial activities. Cross-examination of the literature shows that these barriers in both regions include:

- Limited access to quality education
- Weak chances of acquiring finances
- Lack of opportunities to gain the business skills and experiences required to start and manage a business
- Limited or nonexistent access to formal and informal business networks
- Lack of relevant business information
- Gender-insensitive laws and regulations
- Limited access to formal structures and institutions
- Weak social safety nets for women
- Corruption and interference from elites

Furthermore, analysis also reveals gender differences in how women and men perceive their entrepreneurial abilities. According to MENA and national GEM reports,⁵ adult women in North Africa have a lower perception that they have the skills required to start a business, express higher fear of failure, and fewer intend to open up and run an enterprise in the near future compared to men. In fact, according to these

⁵IDRC (2010), GEM-MENA Regional Report 2009, IDRC, Cairo; Abedou, Bouyacoub, Kherbachi (2013), GEM Algeria 2011, Algeria; Hattab (2013), GEM Egypt 2012, Egypt; Belkacem, Mansouri (2013), GEM Tunisia 2012, Tunisia.

reports, men are twice as likely to start a business in the next three years, although entrepreneurship is in general perceived as a good career choice by both genders. Similarly, women in Western Balkan countries also show a lower level of self-confidence with regard to their abilities and belief in profitability of their business ideas and ventures.

In spite of these gloomy perceptions, women do comprise a large proportion of nascent entrepreneurs in the North African region, compared with established firm owners, suggesting that women are now more involved than in previous years.⁶ Women in this region tend to start smaller entities (micro- or small enterprises), usually have a lower level of capitalization, and are less likely to have paid employees or to be engaged in exporting.⁷ Women-run enterprises are also more frequently driven by necessity than opportunity, which prevents the majority from crossing the spectrum from micro to high growth.

The same characteristics are visible in analysis of entrepreneurship reports from the Western Balkan region, with a special accent on constant gradual growth of women's involvement in entrepreneurial processes. For instance, a Croatian GEM report for the period from 2002 to 2011 shows that female entrepreneurial activity, measured by the female TEA index,⁸ marked a gradual increase from 1.83 in 2002 to 4.71 in 2011, which coincides with the period of enhanced policy commitment. The only spotted difference related to features of women-owned businesses is the level of sophistication, which is found to be higher in the Western Balkan region.

Commonalities of these two regions are also to be found in sectors in which women-owned businesses tend to concentrate. Women in both regions most frequently operate businesses in extractive sectors such as agriculture, or the services and retail industry, while a significant percent of these businesses in North Africa operate informally. It is considered that the informal sector in general comprises up to half of all economic

⁶OECD (2013), *New Entrepreneurs and High Performance Enterprises in the Middle East and North Africa*, IDRC, Canada.

⁷OECD (2012), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, OECD Publishing.

⁸TEA index is an indicator that assesses the percent of working age population both about to start an entrepreneurial activity, and that have started one from a maximum of three and a half years.

activities in North African countries, which could be explained by the unfavorable business and regulatory environment. The Western Balkan region, in contrast, records a significantly lower level of informality.

Women entrepreneurs themselves, according to GEM reports,⁹ in both regions are typically aged between 25 and 45, hold secondary school certificates, and are in more than 50 percent of cases married. Recent trends suggest, though, that the female entrepreneurial demography is changing slowly in respect to education, and is including a higher (although still unsatisfactory) number of female graduates.

Learning Lessons from the Western Balkans: Toward a Culture of Innovation

The fall of the communist regime in the 1990s and the transition from a socialist economic system to a market system demonstrated that Western Balkan countries desperately need a vibrant private sector that will create jobs and increase economic opportunities. Much of the early transition efforts, decelerated by political and social hindrances, focused on adoption of national frameworks for entrepreneurship development that did not incorporate a female dimension. Following steps that expanded on targeted interventions also didn't envision women's role in the economy. Only a decade after, policies and strategies that considered women's entrepreneurship started taking shape, followed by strategically unaligned activities. Arguably, if those efforts were enforced earlier as a part of the private sector development agenda, the Western Balkan region would be witnessing a significantly lower gender gap and better performing economy today.

What is evident from the Western Balkans' experience is the fact that governments have to play the main role in enabling women's entrepreneurship growth and economy modernization, and therefore should not wait upon or rely on international organizations and non-governmental actors to carry the burden of transition and women's entrepreneurship development. This doesn't imply that other stake-

⁹Global Entrepreneurship Monitor (GEM) is a unique international research project launched in 1999 by world experts on entrepreneurship for the purpose of analyzing the relationship between entrepreneurship and economic growth. National reports for most countries are issued on an annual basis.

holders should be excluded from the process, but rather that only governments can ultimately improve the business environment.

Understanding that no single policy can effectuate women's entrepreneurship in transitional countries is another lesson that could be drawn from the Western Balkans' experience. After years of feeling in the dark based on the principle of trial and error, Western Balkan countries recently realized that the web of issues that influence female entrepreneurship cannot be parted or simplified, and that they need an integrated policy approach that will target innovation primarily. Countries that recognized this earlier and started applying this approach (such as Croatia and Serbia) are already noticing modest but enviable results.

Although just at the beginning of their transitional process, North African countries can't afford to waste time or opportunities as the Western Balkans did, and hence should draw upon the experience of this region and embrace an entrepreneurial development paradigm (while acknowledging women's role in it) as soon as possible.

The current underdeveloped state and obstacles in North Africa could be overcome by recognizing the value of women as human capital and by playing a proactive role in promoting their participation through development of a more dynamic and inclusive environment while mobilizing the spectrum of domestic resources. In the long term, integrative efforts to synergize women, ideas, institutions and capital would lead to sustainable social changes and economic growth.

At the same time, the willingness to develop a culture of innovation, to support diversification and women's participation in nontraditional sectors, and to make use of men's broad experiential base and assistance should have positive results on utilizing women's potential.

In that sense it can be argued that innovation, diversification, gender dialogue and development effectiveness based on integrated policy approach are the key elements for change, while the creation of higher value-added economies is set as the ultimate goal.

Taking these elements into account, while bearing in mind that each country is unique and needs customized solutions, the following recommendations (that strive to be considered just as a part of multi-faceted process through which the region needs to go) along with some examples of good practices are offered.

Recommendations

North African countries made a strong commitment to gender equality through their constitutions, numerous pieces of national legislation and ratification of UN's Convention on the Elimination of All Forms of Discrimination against Women—CEDAW. But when this commitment is compared to the level of economic opportunity, it appears to be rather declarative, since all North African countries tackled the question of women's entrepreneurship development on a policy level by superficial incorporation of the female dimension in the formulation of SME-related policies, which they started passing in the 2000s (led by Morocco in 2000 and Algeria in 2001).

In order to live up to their countries' commitments, one of the foremost recommended actions to support women entrepreneurship is for governments to adopt gender-targeted policies. They should be generated as a set of context-driven policies delivered at multiple levels (national, regional and local), since policies formulated in such a manner are more conducive to entrepreneurship than single-issue policies.¹⁰ They should furthermore be designed in consultation with the key stakeholders, based on gender-disaggregated data along with markets' specificities, and should recognize women entrepreneurs as a heterogeneous group in need of different types of support.

Adoption of these policies would signal to existing and potential women entrepreneurs that governments are serious about including the private sector in realizing their economic growth potential, hence raising the interest of potential entrepreneurs with relevant knowledge and experience to engage in entrepreneurial activities.¹¹

A strategy framework designed in light of policy principles should be an accompanying step intended to utilize all resources and efforts made by various actors.

By being the first country in the Western Balkan region to launch the "Strategy for Women Entrepreneurship Development" in 2009

¹⁰Minniti M, (2009), "Gender Issues in Entrepreneurship," *Foundations and Trends in Entrepreneurship*, Vol. 5, pp. 497–621

¹¹OECD (2013), *New Entrepreneurs and High Performance Enterprises in the Middle East and North Africa*, IDRC, Canada.

(for the period from 2010 to 2013), Croatia sets a good example to other countries highlighted by this paper. The strategy serves as a framework for different initiatives and institutions that attempt to increase the number of women entrepreneurs and to foster the growth of existing women-owned ventures. Under the Ministry of Entrepreneurship and Crafts, Croatia also developed and started implementing an action plan based on this strategy, thus demonstrating its commitment on an even higher level.

While holistic and consistent policy commitment to women entrepreneurship undoubtedly yields its systematic development, an appropriate institutional framework, including the establishment of focal government body with corresponding human and financial resources in disposal, should be high on the agenda.

A government agency, directorate, or council for women's entrepreneurship on the state level with supporting offices is recommended to be formed in all countries covered by this paper, although most of them have some form of body dealing with general women empowerment under responsible ministries (e.g. National Council for Women and Family under the Ministry for Family and the Status of Women in Algeria; Agency for Gender Equality under the Ministry of Human Rights and Refugees in Bosnia and Herzegovina; or General Department for Women's Affairs under the Ministry of Social Affairs in Egypt) and/or have SME agencies partially targeting women (National Agency for SMEs in Morocco or Directorate for Development of SME in Montenegro). The existence of a focal governmental unit for women's enterprise development proves to be a highly effective measure in good practice countries identified by the AfDB/ILO team of international experts, since it facilitates development, coordination and implementation of policies and programs targeting women, and allows outreach to a larger number of women.¹²

With set foundations, reflected in policy, strategy and the institutional framework, preconditions to improve the situation in categories that are seen as the most important factors facing women's entrepreneurship should already exist. These categories include: *startup regula-*

¹²AfDB/ILO (2007), *Assessing the Enabling Environment for Women in Growth Enterprises: An AfDB/ILO Integrated Framework Assessment Guide*, International Labour Organization, Geneva.

tions, financial resources, entrepreneurial education, and business development services.

Startup Regulations

For some time now, while changing their role from providers to regulators, North African countries are facing the imperative to enhance the regulatory business environment by eliminating existing barriers that prevent both men and women entrepreneurs from starting and/or growing their businesses.

According to the World Bank's Doing Business Index¹³ developed to assess the degree to which a regulatory environment is conducive to starting and operating local ventures, North African countries rank very differently. From 189 countries included in the ranking in 2013, Libya ranked 187th as the worst in the region when looking at the overall ease of doing business, while Tunisia ranked as the best by taking 51st place. Specifically, with regard to ease of starting business, Libya ranked as 171st, Algeria 164th, Tunisia 70th, Egypt 50th and Morocco 39th.

According to the OECD, the cumbersome process of business registration is perceived as the biggest regulatory barrier for women starting up ventures, and it is likely one of the key reasons why a significant number of women stay in the informal sector and thus are prevented from growing their enterprises further. That process in the region includes on average 6 to 15 procedures, lasts from seven days up to one month, costs from 5 to 15 percent of income per capita, and may be influenced by a number of challenges such as reduced transparency, corruption or political instability. In addition, certain gender-related factors may make this process even more difficult for women in this region. For instance, if the registration offices are not located in the woman entrepreneur's town or village of residency, mobility restrictions can make it difficult to travel to initiate the process.¹⁴

Although North African countries did make slight improvements in reforming start-up regulations since 2008, still many more efforts lie

¹³Doing Business 2013 <http://www.doingbusiness.org/rankings>.

¹⁴OECD (2012), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, OECD Publishing.

ahead of institutions responsible for making these processes less bureaucratic and more accessible for women. Designing and implementing a long-term strategy, which would include inventory and review of procedures, their simplification, e-governance and elements of promotions, can benefit all entrepreneurs but particularly help women.

Results of such an approach can be illustrated by the case of Macedonia, which embraced systematic reforms in the mid-2000s. In 2006, company registration in this country was changed from a judicial process to an administrative one, and a one-stop shop combined company, tax and statistics registration. Additionally, the publication requirement in the official gazette was replaced with automatic registration on the registrar's website. In the year following these first changes, new business registrations increased by about 20 percent.¹⁵ Furthermore, as a part of reforms, Macedonia also implemented the project "Regulatory Guillotine," consequently simplifying hundreds of laws and bylaws in order to decrease red tape and corruption in state institutions, and amended the existing laws with the rule "silence means approval," which applied pressure on the administration to respond to requests within the prescribed deadline.¹⁶ As a result of these reforms, Macedonia in 2013 became the seventh-easiest place in the world to start a business. This overall improvement showed to be especially important for women, who previously found themselves disproportionately disadvantaged when dealing with complex and time consuming procedures.

Access to Financial Resources

Access to financial resources in many parts of the world presents one of the biggest constraints to development of women's entrepreneurship. But more than in other parts of world, women in North Africa, like their male counterparts, finance their business activities through personal savings or family members and friends. The underdeveloped financial markets in this region limit options for male and

¹⁵IFC (2010), *Doing Business 2011*, The World Bank and the International Finance Corporation.

¹⁶MEDF (2008), *GEM Entrepreneurship in Macedonia 2008*, Macedonian Enterprise Development Foundation (MEDF).

female entrepreneurs alike, but women entrepreneurs also confront gender-specific obstacles such as insufficient collateral, limited financial literacy, or a lack of funding for women-led businesses that have moved beyond the micro-financing stage.¹⁷ In addition, data show that terms of borrowing loans tend to be less favorable for women (including higher interest rates and shorter-term loans) since their businesses are *perceived* to be riskier, higher in costs and lower in return.¹⁸

The public sector, along with financial institutions, is particularly liable to change this situation. Public institutions should include a gender dimension in various financial programs (especially those targeting SMEs) and administer programs specially tailored to support growth of women enterprises. A combination of programs that were shown to be successful in Western Balkan countries could be considered as a way to start facilitating change:

Grants: Since 2004, the Ministry for Development of Entrepreneurship and Crafts of the Federation of Bosnia and Herzegovina has granted annual funds to about 60 women business owners in this entity. Though modest in size, these resources, because of their non-repayable nature, are acknowledged by women entrepreneurs as a significant and positive incentive that helped them reinforce and grow their businesses.

Co-funding programs: The Croatian Ministry of Economy, Labor and Entrepreneurship implemented in 2009 a co-funding program which, in addition to subsidizing a company's registration costs and purchase of equipment and inventory, included also the partial payment of costs for child care (75 percent of kindergarten price or 75 percent of extended stay in school program costs) for a period of one year. This proved to be one of the gender-sensitive measures that generated good results and was included in the Action Plan for Women's Entrepreneurship Development 2010–2013 as a consequence.

Guarantees to banks: The Guarantee Fund of the Autonomous Province of Vojvodina, Serbia's northern region, was established to

¹⁷OECD (2012), *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*, OECD Publishing.

¹⁸IFC (2011), *Strengthening Access to Finance for Women-Owned SMEs in Developing Countries*.

provide more favorable credit terms for women entrepreneurs. The fund issues guarantees to banks as a mean of securing the orderly repayment of loans. Women have six years to repay loans, and during that period receive free business development and promotional services from the Guarantee Fund and regional development agencies. In the period from 2007 to 2012, the fund had granted 184 guarantees for women entrepreneurs that led to the opening of 718 new jobs.¹⁹

The public sector should furthermore spearhead the financial infrastructure building process, especially focusing on the credit bureaus development. Inability to build successful credit history caused by the lack of traditional banking relationships is a common issue preventing women from accessing finances. Including microfinance credit history, small loans history or even women's creditworthiness outside the banking system (e.g., with a utilities payment history) into bureaus' databases could alleviate this common problem.

On the other side, financial institutions and commercial banks should be encouraged to initiate specially-tailored credit programs for women, as well as to reach out to women entrepreneurs through familiar channels such as businesswomen's associations, since it is recognized that conversance with clients decreases cultural biases and increases women's chances to receive loans.²⁰

Complementary pragmatic measures could be applied in addition by private and non-governmental sector to secure easier access to financial resources for women. These could include promotion of usage of venture capital, angel networks or crowd-funding; encouragement of business formalization; promotion of microcredit programs establishment based on a group guarantee model; provision of gender sensitivity training for bank officials; identification of best practices in the region; collection of gender disaggregated data and conduction of relevant researches, etc.

Entrepreneurial Education

Numerous studies confirm that a positive link between education and entrepreneurial performance exists. They revealed that better-

¹⁹Guarantee Fund of Vojvodina: <http://www.garfondapv.org.rs>.

²⁰IFC (2011).

educated entrepreneurs have higher survival probabilities, grow faster, have a higher productivity rate, and are more likely to innovate in order to upgrade their general position on the market.²¹ Therefore, providing access to education and skill trainings should be considered a top priority in supporting women's entrepreneurship.

Although by law men and women in North African countries have the same rights with regard to access to formal education, women tend to have lower educational attainment or stay illiterate. That trend started changing during the last decade, thereby significantly increasing the total number of women going all the way through high education; nevertheless, the problem lies in the fact that the majority of those enrolled in formal education don't gain relevant knowledge and skills.

Croatia was one of the first countries in the Western Balkan region that started addressing this problem systematically. In addition to adopting the Strategy for Entrepreneurial Learning 2010–2014, as for formal education, the Croatian government also adopted a National Framework Curriculum for Preschool Education, General Compulsory and Secondary Education in 2010, which could serve as an example for North African countries for how to systematically encourage entrepreneurial spirit. The main idea behind it is to integrate entrepreneurship competencies among eight basic competencies and skills to acquire in the education system throughout the official education curriculum—from preschool to graduate-level, which was a request from the private sector for a long time.²²

The stated deficiency of activities aimed at developing entrepreneurial knowledge and skills in the formal educational system in North African countries led to an increased offering of these programs through informal education as a consequence. Cross-examination of existing programs shows that they tend to concentrate on administrative, management, finance-related, and marketing skills. Common issues related to them are seen in a lack of recognition that women

²¹Koellinger, Philipp (2008), "Why are Some Entrepreneurs More Innovative than Others?" *Small Business Economics* 31(1), pp. 21–37.

²²Nevenka Cuckovic (2012), "Skills Matching in the Croatian SME Sector and Competence-Based Education and Training: Progress and Prospects," *Labour Market and Skills in the Western Balkans*, Ed. Arandarenko Mihail, Bartlett Will.

entrepreneurs form a heterogeneous group, thus requiring different approaches or levels of education (different programs for startups, women's businesses with high growth potential, women with disabilities, women with other specific needs, etc.); they are not designed to meet the needs of women in the sense of scheduling and duration (many women attending programs are mothers and housewives, and therefore chose instead to participate in one- or two-day trainings, though these produce poorer results); they don't encourage women to diversify and participate in sectors lacking female businesses; and finally they are not directing women toward higher-value-added and innovative businesses.

Therefore, when providing capacity building programs, public and non-governmental stakeholders should consider offering specially-tailored skill-building trainings as fragments of integrated programs organized on a more engaging, ongoing basis (achieving a balance between longer periods and shorter hours) and focusing on diverse skills such as internet literacy, customer development skills, language skills etc. An integrated internship element would add to the value of programs, which should furthermore support the creation of modern self-sustaining businesses through sector-specific education in higher value markets in traditional (tourism) or new sectors (e-commerce and IT businesses).

Offering training programs to women who are traditionally not seen as the "fit" target group for entrepreneurship, such as women victims of domestic violence, presents a good way of addressing several issues that women might face. While domestic violence remains an important issue in North African countries, good experience from Macedonia could offer some stimulus to initiate similar programs.

As referenced in the 2012 Policy on Gender Equality Publication,²³ the Macedonian government launched the Program for Economic Empowerment of Women Victims of Domestic Violence in 2010, covering five pilot municipalities, which was continued in 2011 extending nationwide. In addition to psychosocial therapy for all women, measures for employment were undertaken within the program, including

²³Macedonian Women's Lobby (2012), *Policy on Gender Equality—Perception of Efficiency and Transparency*, Skopje.

training for career building for all program participants in 2011. The purpose of these trainings was to provide new skills to women victims of domestic violence through various exercises, thereby increasing their competitiveness in the labor market and in the long term assuring economic independence. Results from 2010 and 2011 show that 78.57 percent of women who, in addition to training participation, applied for participation in the self-employment measure have successfully completed the program and registered their own businesses. This program represents an innovative approach to the needs of women victims of domestic violence and it can be applied as a model for working with other vulnerable groups of women entering the labor market and starting their own businesses as assessed by the Macedonian Women's Lobby.

Business Development Services

After education, business development services represent the second most important factor that contributes to positive performance of women's businesses, but these services are largely underdeveloped in the MENA region and entrepreneurs make little use of them for advice and counseling.²⁴ Instead, entrepreneurs tend to rely on advice from people in their immediate environment. For instance, 51 percent of Tunisian entrepreneurs consult widely their spouses, family members and friends, while only 4 percent take advice from colleagues and people experienced in business.²⁵

In addition, the majority of business development services in North Africa are provided by businesswomen's organizations and other non-governmental stakeholders, and are usually not coordinated, which leads often to an overlap in supply of certain types of services, or over-targeting of some groups while others remain underserved.²⁶

In order to establish a supportive climate for business development, non-governmental and public BDS providers in the North African countries are therefore foremost advised to increase their visibility

²⁴Stevenson, Lois (2010), *Private Sector and Enterprise Development: Fostering Growth in the Middle East and North Africa*, IDRC, Cheltenham.

²⁵Belkacem, Mansouri (2013), *GEM Tunisia 2012*, Tunisia.

²⁶OECD (2012) *op. cit.*

among women and to join forces in realization of programs which are underdeveloped or in nascent phases but highly demanded by women in the region. These programs should include dissemination of business information to women entrepreneurs, networking and mentoring, access to markets and access to premises.

Dissemination of business information enhances chances for women's businesses to grow and expand in markets. While developed countries use the internet (one-stop information) as the easiest way to reach out to a large number of women, lower internet penetration in rural and underdeveloped areas in North Africa requires additional activities. Using existing local facilities for frequent distribution of economic, training, legislative or regulatory information could be an efficient complementary measure facilitated through cooperation of the public and non-governmental sectors, as seen in some smaller municipalities in Montenegro and Bosnia and Herzegovina.

Mentoring and networking programs present great opportunities for women to share information, learn from other's experience, exchange contacts and enter strategic partnerships. Although these programs are frequently organized by businesswomen's organizations in North Africa (and some are even specialized just for this type of activity, like the Moroccan Women Mentoring/Networking Association established in 2011), altering certain aspects could contribute to their greater effectiveness.

For instance, mentoring programs for women entrepreneurs in North Africa typically match successful businesswomen and protégés with the rationale that only women can provide advice about gender-specific issues that novices might face. In that case, men's broader experiential base and better developed business networks in this region remain unutilized. Therefore, it is suggested to include both successful men and women in mentoring programs so they could address different business and personal challenges.

The same issue occurs when networking patterns in North Africa are analyzed, so BDS providers are advised to extend networking activities beyond efforts to primarily form interconnections among women. Also, successful networking could assist in reducing the fear of failure, which is as referenced by GEM reports, quite high among (potential) women entrepreneurs in this region.

An innovative way to do so might be accomplished through organization of “fail gatherings” such as the Fail Conference held in Zagreb, Croatia in January 2014. The goal of such events is to bring local and international successful entrepreneurs who could share stories about bad decisions they made and pivoting that ultimately led them to success, showcasing that in fact failing can be beneficial. These kinds of events are no less affordable than traditional networking meetings, but appear to be more engaging and inspiring for the entrepreneurial community.

Access to markets represents a massive hurdle for women-owned businesses in North Africa, especially for those with significant growth potential aiming to leverage online possibilities. The need to effectively place products on local markets or to access more distant markets in many regions as in North Africa is not recognized as an issue where women need extensive support.

Existing practices, including organization of comprehensive export programs (e.g. Tunisian participation in the Access Program for Women Entrepreneurs in Africa or Women Export Club run by the Moroccan AFEM), B2B and international networking events (e.g., U.S.-Moroccan Business Development Conference) and trade fairs and exhibition (e.g., artisan exhibitions in all North African countries), altogether do not satisfy the high demand expressed by women and should be strategically scaled up on the national and regional level.

Therefore, in addition to information about market features and market opportunities, women should be assisted with higher market exposure, export readiness programs, licensing and franchising programs, development of business clusters and access to procurement opportunities. Ultimately, when implemented, all of these programs lead to growth of existing women businesses but also to further integration in regional and global markets.

Without suitable premises, women tend to face additional risks that might influence the outcome of their business performance. Their *access to safe, secure and suitable business premises* may be restricted for a variety of socio-cultural and economic reasons, but the main obstacle that usually stands out is high cost.²⁷ Local governments should there-

²⁷AfDB/ILO (2007) *op. cit.*

fore be encouraged to allocate and set aside premises, land or brown-fields that could be used by women entrepreneurs under certain mitigated conditions. Another option in assisting women-owned businesses is the establishment of business incubators, which, in addition to free premises and infrastructure, ensure business assistance, technical services and monitoring as equally important components. Although dozens of business incubators in the Western Balkan countries operate on a gender equality basis and could serve as a good example, the real champion in this area is to be found in Morocco.

The Association of Women Entrepreneurs of Morocco (AFEM) made headway by launching the first business incubator for women in North Africa in 2006 in Casablanca. The goal was to help create a favorable environment for women entrepreneurs through a two-year incubation period. Women who were selected by committee benefited from career mentoring, legal, commercial, and management service, specialized trainings and networking opportunities. After initial success in Casablanca, AFEM launched additional incubators in Rabat in 2009, El Jadida in 2011, Fez in 2012 and Tangier in 2014. The incubation period was shortened to 18 months and as a result, about 60 women created their businesses. Based on this extensive experience, AFEM also developed an operational guide for launching a business incubator for women, which is publically available and can serve as a manual for stakeholders working with women entrepreneurs both in North Africa and the Western Balkans.

Conclusion

The origins of the uprising that expanded across much of the Arab world in 2011, including some North African countries, were economic in nature and are still an omnipresent concern that places economic growth and job creation at the center of political discourse. Efforts to mitigate this concern and to reform multifarious North African economies are just in their infancy, portending many challenges ahead. There is no way of knowing where this transformation will take the region, but it is clear that it promises an opportunity to reassess existing economic patterns, including underestimation of women's role in economy.

Along with recognition of entrepreneurship as a key driver of change, North African countries should endorse women as important contributors to economic growth through greater engagement of relevant stakeholders and genuine political commitment.

In that process, the experience of the Western Balkans could be found as valuable. Although clearly not the epitome of a highly supportive environment where women's entrepreneurship blossoms, this experientially diverse region could provide North African countries with examples of best practices and could help the region avoid processes that don't yield desired results. In essence, Western Balkan countries could serve as a palpable example that illustrates how only the strategic reduction of challenges laying ahead of women entrepreneurs can be the way forward.

Women in North Africa are aware of this fact but are willing, even in an unfavorable environment, to begin an unpredictable journey by making the first step. The question is whether the North African governments and societies are willing to do so as well.