Chapter Fourteen

Is the Development of Women’s Entrepreneurship in the Nordic States an Inspiration for Women in North Africa?

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The Nordic states are known to be prominent in questions relating to equality between women and men. The Nordic states top statistics on equality measurements and are praised for integrating women into work life. Entrepreneurial activities in general are also on the rise in these countries. In the MENA region, voices have begun to call out for a more equal society. Naturally, women’s entrepreneurship is one way to achieve a more equal society.

This article will examine whether Nordic experiences—and especially Swedish experiences—with the integration of women are applicable to the MENA region and whether Nordic policies on this matter could serve as an inspiration for women’s entrepreneurship in the MENA region. In order to answer our question whether the development of women’s entrepreneurship in the Nordic countries can inspire women in the MENA region, it is necessary to present the characteristics of both the overall conditions and experience for women in the Nordic states and, in particular, the profile of women’s entrepreneurship in the Nordic region. Furthermore, it is necessary to do the same regarding the MENA region, the role of women in society, as well as the profile of women’s entrepreneurship in the MENA region.

The Position of Women in General in the Nordic Countries

In Nordic political thinking, the development of political rights for women within a democratic political system has been considered as the most efficient way and necessary to improve the position of women’s rights not only from a political, but also from social and economic points of view.
The integration of women in political life began early on in the Nordic countries. Women obtained the rights to participate in the elections and candidate for seats in the parliament, both on the regional and municipality level, first in Finland (1906), then in Norway (1913), in Denmark and Iceland\(^1\) (1915) and finally in Sweden (1919). The expectation was that women were going to vote for other women when they got political rights to vote for parliament, as well as to regional bodies and on the municipality level.

However, during the first decades after the emergence of equal political rights for women, the percentage of women in the parliaments respectively, as well as in other political bodies, was very low. In the 1980s, women organized themselves in special networks to improve their representation in order to highlight the issue through large-scale campaigns and manifestations. During the first fifty years after the emergence of voting rights for women, there were very few female ministers and women with important positions on committees in the parliaments. Politically, they were expected to deal with social affairs, and not with financial or industrial affairs and defense issues. In 1970, women constituted only less than 15 percent of the members of parliament. This number increased to 30 percent in the coming years and reached 38 percent in 1988. Since the 1980s, there have been dramatic changes. Compared to Anglo-Saxon countries, the Nordic countries have double the number of female parliament members.\(^2\) Around 40 percent of the Nordic parliaments are women today. Female ministers in the Nordic region have responsibilities for all kind of issues, from defense to financial matters, as well as more traditional issues. The Nordic region has also seen a number of female political leaders, including the first female President of Iceland, Vigdís Finnbogadóttir, (1980–96) and the President of Finland, Tarja Halonen (2000–12).\(^3\) Norway had its first female Prime Minister, Gro Harlem Brundtland, already in 1981. She served three terms in 1981, 1986–89, and in 1990–96. Also today the Prime Minister of Norway is

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\(^1\)Iceland was still a part of Denmark. The country became independent in 1918 and a republic was declared in 1944.


female. Iceland had a female Prime Minister, Jóhanna Sigurðardóttir, who served from 2009 to 2013. Denmark got its first female Prime Minister in 2011, Helle Thorning-Schmidt. Sweden has not yet had any female prime ministers.

Nordic Women and Education

The percentage of female students at Nordic universities is about 60 percent, similar to the rest of Europe. What do they study? Most generally, female students are concentrated in the fields of health, welfare, human and social sciences. Less than 20 percent of the students studying these subjects are male. It is also very popular to study medicine and to become a veterinary surgeon. The Swedish government has even decided to offer a quota to male students. Earlier, female students were only 20 percent of the total number of students who studied at the Swedish technical universities. Several measures have been taken during the last ten years to attract more female students to these universities, and these efforts have produced positive results. Now the percentage of female students at, for example, Chalmers in Gothenburg is about 30 percent, and Chalmers has also an increasing number of female PhD students. The same positive development regarding female students has also been the case for KTH Royal Institute of Technology in Stockholm: of all full-time students, 31 percent are women. In the other Nordic countries, there seems to be a stagnation in relation to technical fields of study, especially engineering, manufacturing and constructing. Here, 20 to 30 percent of the students are female.

Nordic Women and the Labor Market: Its Development Regarding Percentages of the Female Workforce

In a 2012 report, the World Economic Forum found that when it comes to closing the gender gap in “economic participation and

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4Ibid., p. 10.
6Chalmers International Reception Committee’s homepage.
7KTH Royal Institute of Technology’s homepage.
opportunity,” the United States is ahead of not only Sweden, but also Finland, Denmark, the Netherlands, Iceland, Germany, and the United Kingdom. It states that Sweden’s rank according to the report can largely be explained by its political quota system. Though the United States has fewer women in the workforce (68 percent compared to Sweden’s 77 percent), American women who choose to be employed are far more likely to work full-time and to hold high-level jobs as managers or professionals. According to the same report, they also own more businesses, launch more start-ups, and more often work in traditionally male-dominated fields. As for breaking the glass ceiling in business, American women are well in the lead.

Of all the CEOs in Sweden in both the private and public sectors, about one-third are women. The trend is positive, but rather weak. The percentage of women CEOs is increasing more in the public units than in the private sector. This trend could also be explained through the dominance of women employed in the public sector. Women constitute about 80 percent of those employed in this sector. One-third of those employed in the private sector are women, but only 25 percent of the CEOs are women.9

Worth mentioning is also the difference between male and female employment rates. Sweden shows the best results. In Sweden the differences were only 5 percent in 2008, and about 7 percent in Denmark the same year, while the difference was roughly 12 percent in the U.S. Within the Nordic countries, with their developed welfare systems, public spending on family benefits as a percentage of GDP is higher than in the U.S. In Denmark it was almost 3.5 percent and a little less in Sweden, but less than 1.5 percent in the U.S. The Nordic countries did not top this list, as France and Britain spent more than Denmark and Sweden.10

In the outcomes of the comparison and observations in different studies it is often mentioned that a small proportion of Nordic women choose to work as managers and professionals. Most choose lower-paid, highly gender-segregated work. As Alison Wolf has written in her book The XX Factor, Scandinavian countries “hold the record for

gender segregation because they have gone the furthest in outsourcing traditional female activities and turning unpaid home-based ‘caring’ into formal employment.”

Despite vigorous efforts to stamp out gender stereotyping, most Swedish girls would still prefer to become day-care workers and nurses when they grow up. Boys would prefer to become welders and truck drivers. That’s not all. To the extreme chagrin of social engineers throughout Scandinavia, mothers still take the bulk of the parental leave. Most men take parental leave only when a certain part of it is designated for fathers only. These attitudes are changing step by step, as a result of additional financial advantages for families, where fathers are using more of the time allotted in the Swedish social insurance system, in combination with announcing more legal regulations to more or less force the fathers to take responsibility at home with their young children.

Women’s Entrepreneurship in the Nordic Countries

Women’s Entrepreneurship in Sweden

Development in Sweden has had the following characteristics. According to the Swedish Growth Authority—the Swedish governmental body responsible for following and analyzing all aspects related to entrepreneurship in Sweden—it is possible to get a clear picture of the situation for all kind of companies operating in the country. This body has to examine the conditions and the outcomes for entrepreneurship in order to present recommendations to improve the conditions. In 2012, it presented the current picture of female entrepreneurship in the country and the following description is based on this report.

Out of all the companies in Sweden, 23 percent are owned by women, but women’s share of all recently established companies is higher—32 percent. Most female-owned companies are in the service sector, and constitute more than 90 percent of female-owned companies.

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12Ibid.
Typical to Sweden is the very great number of small companies with fewer than 50 employees, and out of these companies, a large majority has one to ten employees. Together these companies constitute 99 percent of all Swedish companies.

More than half of the female-owned companies have no employees aside from the owner. About every fifth female-owned company is run by the woman together with her husband or another family member. This figure is a bit lower for male-owned companies. It is more common for male-owned companies to share the leadership with somebody outside the family (21 percent) compared to female-owned companies (15 percent).

From a legal point of view, most of the female-owned companies are neither limited partnerships nor joint-stock companies. Instead, they are set up based on a more simple legislation, which eases accounts and tax rules.

As already mentioned, most female-owned companies are in the service sector, where the most important business areas for female entrepreneurs are culture, pleasure and rehabilitation activities. This category constitutes more than half of all companies. Another important service sector is healthcare, where women own more than half of the companies. Also among education-oriented companies, women own a great share—40 percent. In some other areas, female-owned companies constitute very small shares, such as in the construction and transportation fields, as well as companies in the subsectors of information and communication.

Some other interesting aspects of female-owned companies in Sweden are that women who are running companies are in general younger than male entrepreneurs, and an increasing number of companies are run by younger women. Women entrepreneurs have in general higher levels education than male entrepreneurs.

It is rather common both among women and men that they run their companies part-time, but it is more typical for women to both have a full-time job in addition to a part-time managed company.

There are many success stories that could be highlighted when it comes to women’s entrepreneurship in Sweden, but there is only space for a few examples. The person who could be named the queen of
female entrepreneurship in Sweden is Antonia Axelson Jonsson, who inherited a large group of companies, among them multiple retail organizations, and managed to restructure and develop the group in a very dynamic and profitable way. She has increased the awareness regarding the environmental aspects, as well as the social conditions. Another great entrepreneur is Christina Stenbeck, who also inherited together with her brothers and sisters a group of companies in the information and communication sector, and has managed to develop this group of companies to become very competitive on an international level. There are many female entrepreneurs who have started from scratch and with very limited financial resources have managed to develop their companies. In this category there are also many women who have recently immigrated to Sweden, the so-called “new Swedes.”

**Development in Other Nordic Countries**

The Nordic countries are among the highest-ranking in the world when it comes to entrepreneurial frameworks. They all have invested in entrepreneurial policies in order to enable growth.\(^\text{13}\) At the same time, the Nordic countries are ranked high in most equality metrics, and are on the forefront when it comes to female employment rate.\(^\text{14}\) Despite these factors, women’s entrepreneurship in the Nordic countries is still proportionally low.

In a survey by the OECD from 2003, taking into consideration OECD member countries, the rate of self-employed women in Denmark, Finland, Iceland, and Norway is on a general level (22 to 33 percent) among OECD member countries. This can be compared to the countries with the highest rates of women’s self-employment (Portugal, Canada, and the U.S., 38 to 40 percent).\(^\text{15}\) According to Eurostat statistics, the Nordic countries rank only an average 21 to 26 percent for female business owners with at least one employee, whereas they


are ranked among the worst countries for women executives, with a rate of under 20 percent.\textsuperscript{16} As for women employers, Nordic countries are again placed on an average scale.\textsuperscript{17}

The question why the Nordic countries do not rate highly on female entrepreneurship is debated. On one hand, the Nordic states are known for their social-democratic welfare state models. These models enable women to enter the labor market in a higher rate than in other countries. On the other hand, the rate of self-employed women is proportionally low when compared to countries where social-democratic welfare state policies are not applied, such as the U.S. The correlation here between the rate of women entrepreneurs and the political system applied is far from straightforward.\textsuperscript{18}

In a survey by the Nordic Innovation Center in 2007, the main obstacles female entrepreneurs face in these countries were considered to be lack of financing, work-life and family-life balance, and lack of information. Another obstacle that was also pointed out is the high alternative cost that high employment and high growth creates. These factors can be seen as obstacles by women in relation to childbirth. Gender-normative questions were also raised; women face obstacles in adapting to a business culture dominated by male norms.\textsuperscript{19}

Another explanation is the importance of the emergence of a large public sector for women’s employment and the high employment rate of women in the public sector. In the long run, this has had a negative effect on women’s progress in work life. A further reason is that the sectors with a majority of women employees are under state monopolies or oligopolies.\textsuperscript{20} One suggestion is to introduce policy changes, such as liberating sectors where women have prominent experience.\textsuperscript{21}

\textsuperscript{16}Sanandaji et al, \textit{op. cit.}, p. 3.

\textsuperscript{17}This can be compared to the highest-ranking country, Republic of Moldova, with a percentage close to 50 percent. OECD, \textit{op. cit.}, p. 17.

\textsuperscript{18}Ibid., p. 37.


\textsuperscript{20}Such sectors are the health care and education sectors. Sanandaji et al, \textit{op. cit.}, p. 3.

\textsuperscript{21}Ibid., p. 4.
The Nordic Council of Ministers addressed the issue of female entrepreneurship in 2008 by establishing a program. Before this, the question was not considered to the extent it is today by the member countries of the Nordic Council.\(^2\) Today all countries with the exception of Iceland have a program or an action plan to support women’s entrepreneurship.\(^3\)

Today, most women entrepreneurs run small-sized companies in the Nordic region. The rate of female entrepreneurs in the Nordic region running companies with at least one employee is low,\(^4\) indicating that most female-run companies employ only the founder of the company.

According to OECD statistics, the industries in which women in the Nordic region prefer to start their businesses are service-based.\(^5\)

### Comparison with North Africa and Countries in the Middle East

Although some positive developments are taking place in some countries in North Africa and the Middle East, the picture is still very gloomy, and in some countries, such as Libya and Syria, the conflicts have undermined the positions of women. In these countries’ parliaments, the percentage of women is lower than in many other developing countries.

In Europe the percentage of female ministers is 15 percent. The Arab states remain the lowest from a global perspective with a rate of only 7 percent. By the end of 2011, women represented only 10.7 percent of parliamentarians in the Arab states—more or less the same proportion as that in 2010 and, despite the promising start to the year, the Arab region remains the only one in the world without any parliament that comprises at least 30 percent women.\(^6\)


\(^3\) Ibid., p. 9.

\(^4\) Sanandaji et al, op. cit., p. 3.


\(^6\) Bachelet, Michelle. “Women’s Empowerment in the Middle East and Worldwide,” statement at the Women’s Foreign Policy Group, 20 April 2012 in Washington, DC.
Some improvements exist, such as in Tunisia, where a law has been adopted securing parity on candidate lists, and in the case of Morocco, with the introduction of quotas for women parliamentarians, the policy shift has resulted in a 6 percent increase in women legislators last year. The backlash in Egypt is obvious. In January 2012’s parliamentary election results there was a dramatic drop from 12 percent to only 2 percent of women now in parliament out of 508 members. There are many reasons to conclude that the so-called Arab Spring has yet to deliver for women in politics. 

The labor participation rate of women is also very low in many countries according to figures published by the World Bank. The rate in 2012 was only 15 percent in Algeria, 24 percent in Egypt, 25 percent in Tunisia, 30 percent in Libya and 43 percent in Morocco. Worth mentioning is the importance of the agricultural sector in Morocco, where the role of women is very strong.

There are large groups of women, in particular, who are illiterate in the region. The rates, especially in countries like Egypt and Morocco, are very high. At the same time, the pattern on the university level has changed, and about 60 percent of all students are female students. The rate is even higher in some non-Mediterranean Arab countries like Qatar and the UAE.

Women’s Entrepreneurship in North Africa

With the study “Women’s entrepreneurship in MENA—Myths & Realities,” Daniela Gressani presented the outcomes of studies performed by the World Bank. She highlighted that there are remarkable similarities in terms of size, age location, sectorial distribution, export orientation, and overall performance between male and female-owned
firms. It is, however, important to mention that only 13 percent of the companies in the region as such are owned by women.\(^\text{30}\)

Moreover, if it was expected that the female-owned firms were small, the reality showed that the share of medium- and large-scale firms was higher among female-owned firms than male-owned firms. In the survey, more than 300 of the largest firms were owned by women, while only 8 percent of the firms owned by women were micro-firms employing fewer than 10 persons.

The common perception regarding the percentage of women who run their own companies is that they only own the company by name, but this is not true. More than half of the female-owned firms were managed by the women themselves.

Another myth concerns how well women-owned companies were integrated into the global market. The result showed that they are more likely to export than male-owned companies, in particular in Morocco and Egypt. Also, in the MENA region, the average professional competencies were a bit higher among the women (19 percent) compared to men (16 percent). Another important aspect is that female-owned companies hire more women (25 percent) than those owned by men (22 percent). There are some other interesting aspects that could be mentioned, for example the fact that Algerian business law is heavily androcentric and does not, for the most part, include references to women. The same observations were made regarding Egyptian legislation, as well as the Moroccan and Tunisian cases.

In several reports it was stated that the biggest barrier for improving female entrepreneurship in the MENA region is the business environment. This problem affects both women's and men's opportunities. Conclusions based on worldwide studies show that when investment procedures are simple and transparent, the start-up costs for new businesses are low and trade is facilitated through improved legislations and routines, the share of female-owned firms rises. On the other hand, women—due to social norms—still often meet negative attitudes and different treatment when they are working outside the home, although the laws are the same for men and women.

\(^{30}\)In some Arab countries, such as Saudi Arabia, the figure is much higher: one third of the companies are owned by women.
Marianne Laanatza’s opinion regarding the observations and conclusions presented above based on different international reports is that they reflect very well her own observations and conclusions. There is, however, one additional aspect that could be mentioned, namely the lack of risk capital for women and certain problems related to the possibilities of borrowing money from banks. These are relevant issues for women in North Africa and Jordan, but not as much of a problem for Arab women outside this region.31

Examples of Women’s Entrepreneurship in North Africa

The common picture in Western media of women’s conditions on the Arabian Peninsula is that they are to a great extent absent from the labor market and from the business arena, as well as from the economic sector in general. This picture is partly wrong. The above figures have been presented regarding the relative high percentages of women in the labor markets in Kuwait, Qatar and the UAE, and the high percentages of women in Saudi Arabia who own companies. But the picture is rather gloomy in North Africa. Most of the governments on the Arabian Peninsula are very eager to support female entrepreneurship, also to increase the influence of well-educated citizens both in the public and private sector in order to be less dependent on foreign experts and foreign workers in general. Every year important conferences on women entrepreneurship are held in Qatar and UAE, in order to strengthen female entrepreneurs, their networks and to improve mentorship for newcomers. Other Arab countries are doing the same, for example Lebanon and Morocco, but with limited resources.

In an article from July 2013, Alexandra Ma highlighted Arab women that are making such great progress as entrepreneurs in tech companies. She underlines that 35 percent of tech entrepreneurs in the Middle East and North Africa (MENA) region are women, a surprising statistic, considering the global norm of 10 percent. Nick-

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31Throughout the years Marianne Aringberg Laanatza, one of the authors of this paper, has organized, cooperated and chaired several workshops and seminars for female entrepreneurs in the MENA region, in particular in cooperation with women from Morocco, Tunisia, Jordan, Egypt, Oman, Saudi Arabia and UAE.
named the “start-up spring,” the number of small technology firms in the MENA region is on the rise, and more and more women are flocking to it at a faster pace than in the rest of the world. Ma presents three reasons for this. The first is that working in tech still allows women to conform to the traditional social norms. The second reason is that the virtual nature of the internet creates a safe haven, and the third is that women’s own determination and drive are what spurs them on, and what ultimately makes them succeed. Many more success stories could have been presented, but the one presented about women and tech can very much reflect the energy and efforts so many women in the MENA region are presenting, which all together can inspire and increase the expectations for woman entrepreneurship in the MENA region in other areas.

Comparison between Nordic Experiences and the Experience and Needs in the MENA Region

Women in the Nordic countries have managed much better in the political field than women in the MENA region. This strength for Nordic women has been important in order to develop the social and socio-economic legislation in the Nordic societies, in order to facilitate both husband and wife as part of the manpower outside the household. Through insurances and daycare, inter alia, there has been a very positive increase of women in the labor market. In the MENA region, upper-class and middle-class families have often at least one maid at home. This is not the case in the Nordic countries.

In the Nordic countries, there is a very segregated labor market. The same could be said for most MENA countries. Women are working in the public sector rather than in the private sector.

Regarding education, the situation in universities is the same. More than half of the students are female, both in Nordic countries and in the MENA region, although the percentages of female students are even higher in Qatar, UAE and Oman. Skills in information and communication technology seem to attract women in the MENA region

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more than in the Nordic countries, and in particular on the Arabian Peninsula.

Female entrepreneurship in the Nordic countries is to a great extent concentrated to traditional areas for women, and to small-scale companies, with a great number of solo companies dominating the picture. In the MENA region there are relatively more medium- and large-sized companies owned by women, and with successful women entrepreneurs in the tech field; in this regard, the MENA region could present an inspiration for the Nordic region rather than the other way around.

From the Nordic side there are many tools offered and a favorable socio-economic context for women on the labor market, as well as for female entrepreneurship. Taking into consideration the relatively low percentage of women in the labor market and female entrepreneurs in countries in North Africa, there are obvious needs for reforms and structural changes. It needs to be added that even if some of the MENA countries have improved their legislation and administrative routines for investments and trade, there is much more to be done to facilitate—among other things—female entrepreneurship. In such a context, the Nordic countries have much to offer the MENA countries.

It is worth mentioning that in order to improve the climate for investments in the Middle East and North Africa, Sweden has financed the main part of the financial resources to the OECD project MENA-INVEST. In this project, female entrepreneurship is specially highlighted. Sweden also offers special training programs through the Swedish Institute for female entrepreneurship for women from the MENA region.

**Conclusion**

The question whether the Nordic experiences—and especially Swedish experiences—could be applicable and serve as inspiration in the MENA region was posed in the introduction of this text. An overview was presented of the participation of women in the societies through political influence, education, participation in the labour market and, in particular, on woman entrepreneurship.
Compared with the MENA countries, outcomes regarding the profiles and characteristics of women in the Nordic societies, participation in political institutions, the share of female students at universities, in the labor market and as owners of companies, show clear differences from many—but not all—points of view.

There are important aspects that could be considered to serve as inspiration for women in the MENA countries, namely the high percentage of women in the parliaments and other political related jobs in the Nordic countries. The ambitions of young women to get academic degrees are the same, although female students in the MENA countries seem to be relatively more interested in technical items than those in the Nordics.

There is a large gap between the percentage of Nordic women on the labor market compared with the situation on the MENA labor market, where the UAE and Qatar have the highest percentages (47 percent and 51 percent respectively). The Nordic countries could, together with some of the Arab countries on the Arabian Peninsula, inspire women in the rest of the MENA region to participate to a greater extent on the labor market, but the lack of public financial resources to facilitate women with day care services, insurance and so forth, is an obstacle. Another obstacle is the high rate of unemployment in the MENA region.

The percentage of women-owned companies is higher in the Nordic countries compared with the MENA countries in general, but neither the situation in the Nordic countries (25 percent) or in the MENA region (13 percent) are acceptable. Both Nordic women and their sisters in the MENA region need to make greater efforts to change this picture. It is, however, easier to start companies in Nordic countries, and such experiences could be used in the MENA countries, although the situation has improved there during the past few years as well.

On the other hand, women in the MENA region who have developed a relatively higher rate of large and medium-sized companies and managed better to establish and develop companies in the high-tech sector in comparison with the Nordic profiles, could inspire Nordic women entrepreneurs to follow their examples.