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Women's Entrepreneurship in Mena Region: Gem Key Learnings

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Abstract: Entrepreneurship proves to be crucial for the economic growth and development, since it contributes to job creation and the improvement of the overall productivity thus generating a positive impact upon society at various levels. Promoting entrepreneurship stimulates therefore economic diversity that is key to the betterment and/or maintaining of the standard of living. In fact, recent research suggests that entrepreneurship contributes to development by creating businesses and jobs, stimulating innovation, creating social capital across borders, and channeling political and financial capital. However, different research studies indicate that among the main factors impeding the entrepreneurship are politico-economic as sociocultural problems, with an intensity for those related to young people and to women. In the MENA region, discrimination inherent in gender is alarming: Only one woman in eight runs her own business against 1 in 3 men. In most countries, young women and young men are facing problems involving access to finance, inadequate infrastructure, lack of support and, in general, an ecosystem that is rather unfavorable. According to the International Labor Organization, North Africa and the Middle East has the highest unemployment rate in all other regions of the world. In other hand, nearly a quarter of the population under 30 is unemployed and youth unemployment costs more than \$40 billion each year to the region. In the current context, the situations in the Middle East and North Africa region are singular, both in terms of demographic trends and socio-economic issues around the employment of a large and better trained youth, but still strongly affected by unemployment and under-employment. According to a study published in 2015 by McKinsey, the world gain 26% of additional GDP (47% in the MENA region), more than 28 trillion dollars by 2025, if women came to participate, as well as men, to the economy. Promoting entrepreneurship represents an excellent alternative for the countries whose productive fabric fails to integrate the contingent of young people entering the job market each year. The MENA region, presenting entrepreneurial activity rates below those of other regions in terms of comparable development, has undoubtedly leeway at this level, even though the region displays large national heterogeneity, namely in the priority given to the promotion of entrepreneurship. The objective of this article is therefore to examine the women entrepreneurial vocation in the MENA region, to see to what extent research on the determinant of gender can provide information on the trend of the emerging entrepreneurial activity whether driven by necessity or by opportunity and, on this basis, to submit public policy proposals for the improvement of the mechanisms of inclusion among the youth women people. The objective is not to analyze the causality models but rather to identify the entrepreneurial construct specific to the MENA region via the analysis of GEM data from 2017 to 2019 among adults belonging to 10 countries of the MENA region. Notably, the study shows that inclusion of young women may be enhanced. These disadvantaged segments frequently intend to become entrepreneurs, but they tend not to enact their vocational intentions.

Keywords: economic development, entrepreneurial activity, GEM, gender, informal sector

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