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MOTIVATIONAL FACTORS, CHALLENGES, AND ENABLERS IN AN EXPLORATORY STUDY OF WOMEN'S ENTREPRENEURSHIP IN EGYPT



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ASHRAF ABDOU MOHAMED BORHAM

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FACULTY OF MANAGEMENT AND ECONOMICS
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ABSTRACT

Entrepreneurship is seen as a potential solution to create jobs, mitigate poverty, and empower women. However, the percentage of Egyptian women entrepreneurs is low compared to similar countries. Egypt has a dearth of studies investigating the motivations and constraints faced by Egyptian women entrepreneurs. Therefore, this study aims to present insights into these aspects by exploring the factors that motivate, constrain and enable women entrepreneurs in Egypt. Using a qualitative approach, the study employed purposive sampling, to conduct semi-structured interviews with (10) women entrepreneurs from five regions in Egypt as primary data. It adopted an integrative framework, combining institutional theory, the need for achievement, and Isenberg's (2010) ecosystem model. The findings indicated that Egyptian women entrepreneurs are primarily driven by intrinsic needs such as passion for a particular activity, a need for achievement, and overcome a societal discriminatory. In addition to extrinsic factors that include, the need to supplement family income or the loss of a family breadwinner. The study also identifies several constraints, such as difficulty in raising capital, socio-cultural commitments, work-family conflict, sexual harassment, lack of training, and business networks. Key enablers for overcoming these constraints include support from family and spouses, religious values, personal traits, and technology skills. Based on these findings, the study recommends strategies for empowering women entrepreneurs, such as creating a funding program for women entrepreneurs, raising awareness about the importance of women's entrepreneurship, and addressing sexual harassment. In conclusion, Egyptian women are motivated to entrepreneurship based on intrinsic and extrinsic factors. While, lack of financial resources, socio-cultural, work- family balancing and sexual harassment are the main constraints faced by Egyptian women entrepreneurs. Religious values, personal traits, family and husbands play a crucial role in helping women entrepreneurs to overcome entrepreneurial constraints.





FAKTOR MOTIVASI, CABARAN DAN PEMANGKIN DALAM KAJIAN TEROKAAN MENGENAI KEUSAHAWANAN WANITA DI MESIR

ABSTRAK

Keusahawanan dilihat sebagai penyelesaian yang berpotensi untuk mewujudkan pekerjaan, mengurangkan kemiskinan, dan memperkasakan wanita. Bagaimanapun, peratusan usahawan wanita Mesir adalah rendah berbanding negara yang sama. Mesir mempunyai kekurangan kajian yang menyiasat motivasi dan kekangan yang dihadapi oleh usahawan wanita Mesir. Oleh itu, kajian ini bertujuan untuk mengemukakan pandangan tentang aspek-aspek tersebut dengan menerokai faktor-faktor yang mendorong, mengekang dan membolehkan usahawan wanita di Mesir. Menggunakan pendekatan kualitatif, kajian ini menggunakan persampelan bertujuan, untuk menjalankan temu bual separa berstruktur dengan (10) usahawan wanita dari lima wilayah di Mesir sebagai data primer. Ia menerima pakai rangka kerja integratif, menggabungkan teori institusi, keperluan untuk pencapaian, dan model ekosistem Isenberg (2010). Penemuan menunjukkan bahawa usahawan wanita Mesir terutamanya didorong oleh keperluan intrinsik seperti semangat untuk aktiviti tertentu, keperluan untuk pencapaian, dan mengatasi diskriminasi masyarakat. Sebagai tambahan kepada faktor ekstrinsik yang termasuk, keperluan untuk menambah pendapatan keluarga atau kehilangan pencari nafkah keluarga. Kajian ini juga mengenal pasti beberapa kekangan, seperti kesukaran untuk mendapatkan modal, komitmen sosio-budaya, konflik kerja-keluarga, gangguan seksual, kekurangan latihan, dan rangkaian perniagaan. Pemboleh utama untuk mengatasi kekangan ini termasuk sokongan daripada keluarga dan pasangan, nilai agama, sifat peribadi dan kemahiran teknologi. Berdasarkan penemuan ini, kajian mencadangkan strategi untuk memperkasakan usahawan wanita, seperti mewujudkan program pembiayaan untuk usahawan wanita, meningkatkan kesedaran tentang kepentingan keusahawanan wanita, dan menangani gangguan seksual. Kesimpulannya, wanita Mesir terdorong kepada keusahawanan berdasarkan faktor intrinsik dan ekstrinsik. Manakala kekurangan sumber kewangan, sosiobudaya, pengimbangan kerja-keluarga dan gangguan seksual merupakan kekangan utama yang dihadapi oleh usahawan wanita. Nilai agama, sifat peribadi, keluarga dan suami memainkan peranan penting dalam membantu wanita mengatasi kekangan keusahawanan.





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LIST OF ABBREVIATIONS

CAPMAS	Central Agency for Public Mobilization and Statistics
CBE	Central Bank of Egypt
EE	Entrepreneurial Ecosystem
EFSA	Egyptian Financial Supervisory Authority
EI	Entrepreneurial Intention
EW	Egyptian Women
EWEs	Egyptian Women Entrepreneurs
GEM	Global Entrepreneurship Monitor
HC	Human Capital
MENA	Middle East and North Africa
MFI	Microfinance Institutions
MOU	Memorandum of Understanding
MSMEDA	Micro, Small and Medium Enterprise Development Agency
NCW	National Council for Women
NGO	Non-governmental Organizations
PBUH	Peace Be Upon Him





LIST OF APPENDICES

- A Participant's Informed Consent Form
- B Interview Guide/ Schedule
- C Interview transcripts
- D List of experts





CHAPTER 1

INTRODUCTION



Economists consider entrepreneurship as a mechanism for economic growth and development (Bruton, Ahlstrom & Si, 2015; Hamdan, Khamis, Abdulla, Hawaj & Barone, 2020; Ordeñana, Vera-Gilces, Zambrano-Vera & Amaya, 2019; Saberi & Hamdan, 2018). It is observed that higher entrepreneurial activities in a country leads to higher consumerism and innovation (Galindo-Martín, Méndez-Picazo & Castaño-Martínez, 2019). In countries that have historically suffered from issues of gender inequality, entrepreneurship has been portrayed as a critical tool to bring in the social and economic changes (Audretsch, Obschonka, Gosling, & Potter, 2017; Zayadin, Zucchella, Ameen, & Duckworth, 2020), significantly induced women empowerment (S. T. Khan & Abass Bhat, 2022; Yen Ng, Wood, & Lynda Bastian, 2022), and has





reduced the level of poverty (Dzingirai, 2021; Naminse, Zhuang & Zhu, 2018; Xu, Li, Liu & Wu, 2021).

As entrepreneurship contribution toward economic development and social inclusion is recognized, it is necessary that both woman and man are appropriately represented among entrepreneurs; it is important to recognize the role of woman in the economic development (De Vita, Mari, & Poggesi, 2014; Mahajan & Ranjan Bandyopadhyay, 2021). Women's entrepreneurship is no less important than men's entrepreneurship; in fact, the impact of women's entrepreneurship is often more beneficial than that of men's, particularly in terms of household welfare. Women tend to spend more on health, education, and nutrition compared to men (Adzo Seshie-Nasser & Daagye Oduro, 2018). Furthermore, woman-owned business prefers to employ more women than do man-owned businesses (Adam, Mahrous, & Kortam, 2017), especially in the developing world.

Middle East and North Africa (MENA)'s social, economic, and cultural characteristics are totally different compared to other regions (Gërguri-Rashiti & Rotabi, 2021; Hattab, 2012; Laffineur, Tavakoli, Fayolle, Amara, & Carco, 2018). Current literature has not presented a thorough understanding of the motivation for women entrepreneurs starting a business in Arab Middle East (AME), including Egypt (Panda, 2018a; Rashid, S., Ratten, 2020). A few Arab women entrepreneurship studies investigated their entrepreneurial motivations and the constraints that they faced (Bohra, Abdullah, Thennarasu, & Jagannathan, 2020; Naguib, 2022; Rayan, 2019). Behavior and performance of women-led business studies in the Arab world are less likely comparable to other regions (Bastian, Sidani & El Amine, 2018).





Thus, more research that focuses on the specific national and cultural impacts on women entrepreneurs, specifically in developing countries, is gravely needed to understand the challenges and motivations of women entrepreneurs (S. Ghouse, McElwee, Meaton, & Durrah, 2017; Moreira, Marques, Braga, & Ratten, 2019; Panda, 2018a; Rashid, S., Ratten, 2020).

One of the most significant dimensions in entrepreneurship is the motivational factors that drive the entrepreneurs in their business. This goal-directed behavior could be shaped by number of factors ranging from personal, social, cultural and economic to environmental.

McClelland's (1961) theory of motivation classifies the entrepreneur's motives based on three needs; the need for achievement, power and affiliation. Therefore, such research is critically important because women have various motives for engaging in business, and these motives vary depending on the context, such as economic, educational, and cultural disparities (Bui, Kuan & Chu, 2018; Shastri, Shastri, Pareek & Sudhan Sharma, 2018; Solesvik, Iakovleva & Trifilova, 2019).

Moreover, the current literature has not thoroughly explored the entrepreneurial motives of women entrepreneurs in the context of the Arab Middle East (AME) region. With this in mind, the first objective of the current study is to explore the motives of Egyptian women entrepreneurs within the macro socio-economic context of Egypt.

Numerous studies have offered an in-depth analysis of the challenges faced by women entrepreneurs (Panda, 2018a; Panda & Dash, 2014; Rudhumbu & Maphosa,





2020). However, they neglect the heterogenous socio-economic context of the developing countries. As such, it is necessary to investigate a specific country's ecosystem, as women face various constraints in becoming entrepreneurs that may vary by country (Hechavarría & Ingram, 2019). These variations are dependent on economic, educational and cultural differences of each country (Bui et al., 2018; Bullough, Guelich, Manolova, & Schjoedt, 2022; Shastri et al., 2018).

Therefore, more context-specific research in developing economies is needed to address the unique national and cultural dynamics that complicate the situations of women entrepreneurs compared to their male counterparts (Aljuwaiber, 2020; Corrêa et al., 2022; S. Ghouse, McElwee, Meaton, & Durrah, 2017; Jamali, 2009). Such studies would clarify why women entrepreneurship is thriving in many countries, and yet is



One of the countries which suffers from a dearth of research on woman entrepreneurship is Egypt (H. Hattab, 2012; Panda, 2018). To identify the constraints that women entrepreneurs face, we need to conduct context-specific research. Entrepreneurship is not an isolated economic field; rather, it is a socially embedded activity (Bullough et al., 2022; Landström & Harirchi, 2018). Women entrepreneurship cannot be understood without contextualization (Foss et al., 2019; Hechavarría & Ingram, 2019). Thereby, it is significant to understand the entrepreneurial ecosystem where different economic, socio-cultural, legal and institutional entities co-exist (Foss et al., 2019; Vonortas, 2022).





Every entrepreneurial ecosystem is embedded in an institutional system which includes formal regulatory framework and informal institutions such as cultural norms (Elam et al., 2019). North (1990) asserts that institutions are seen as the “rules of the games” and the rate of entrepreneurship in the both developed and developing countries is determined by the influence of the institutional environment. Formal and informal institutions may hinder women from engaging in entrepreneurial activities, as the cultural context can significantly impact women’s entrepreneurship. Family burdens, including childcare, housework, and gender role stereotypes, may contribute to occupational segregation (Banihani, 2020; Poggesi, Mari, & De Vita, 2019). Accordingly, the current study examines Egypt’s formal and informal institutions, and current socio-economic status reflecting the situation of women’s entrepreneurship in this country.



It noteworthy to say that, women entrepreneurship is one of the most rapidly growing areas of development, making a significant contribution to poverty alleviation worldwide through innovations and the creation of wealth as well as employment opportunities (C. Brush, Edelman, Manolova, & Welter, 2019; Hechavarria, Bullough, Brush, & Edelman, 2019b). According to the Global Entrepreneurship Monitor (GEM), 231 million women launched or operated businesses in the 59 countries around the world that were studied (Elam, Brush, Greene, & Heavlow, 2019). However, these trends are not comparable to Egypt.

Theoretically, most studies on women's entrepreneurship are concentrated in developed countries, while less research focuses on developing countries (De Vita et al., 2014; Panda, 2018a; Correa, Brito, Lima & Queiroz, 2022). To elaborate, several





studies have highlighted how developed countries dominate the field (Cabrera & Mauricio, 2017; Isaga, 2019; Moreira, Marques, Braga, & Ratten, 2019). For example, Hossain et al, (2021) stressed how in developed countries, women's entrepreneurship has received scholarly attention, however in emerging and developing countries, such attention has been limited.

Similarly, Isage (2019) emphasized that research on women-owned businesses is more extensive in developed nations than in developing nations. The absence of studies in developing economies is still evident in systematic literature reviews (SLRs). Although SLRs exist regarding women entrepreneurship (Bastian et al., 2018; Cabrera & Mauricio, 2017; Creim et al., 2018; Henry, Foss, & Ahl, 2016; Foss et al., 2019), only two have sought to understand women entrepreneurship in emerging and developing context (Panda, 2018a; Rashid & Ratten, 2020). Equivalently, there is a dearth of studies investigating Arab women's entrepreneurship compared to other regions.

The limited amount of literature on the Arabian context has primarily focused on Gulf countries, which are characterized by high income, with less research focused on low-income countries in the Arab region, such as Egypt (Alreshoodi, Rehman, Alshammari, Khan, & Moid, 2022; Murat Sakir Erogul, Rod, & Barragan, 2019; S. M. Ghouse, Durrah, & McElwee, 2021; Lynda Bastian, Munir Sidani, & El Amine, 2018). As a consequence, this situation has contributed to the ambiguity surrounding women's entrepreneurship in the Arab context. Hence, more research and clarification are urgently needed in this area, specifically in low-income Arab countries. Investigative





research can clarify why women's entrepreneurship is flourishing in some nations while remaining sparse in others, such as Egypt.

1.2 Research Background

In order to have a better idea about woman entrepreneurship in Egypt, a solid grasp of the unique Egyptian context and background should be identified first. Therefore, a contextual framework was deployed to attain an understanding of the issue in the Egyptian context.



1.2.1 Egyptian Context

Egypt is one of the most ancient civilizations of the world, with a recorded history dating back to nearly 4000 BC. With a total area of about 1,001,450 km², Egypt is situated in the Northeast of Africa on the Mediterranean Sea, bordered to the west by Libya, to the south by Sudan, and to the east by the Red Sea and Palestine. Egypt is an Arab country with a population of 104 million; the majority of the people are Muslims, with males representing 51.6%, while females represent 48.4 % of the population according to Central Agency for Public Mobilization and Statistics (CAPMAS, 2019). Demographically, Egyptian society is a relatively young society with a young workforce consisting of 62% of the population (CAPMAS, 2023).





Egypt is considered one of the lower- middle income countries in the Middle East and North African region. The Gross Domestic Product (GDP) per capita in Egypt averaged 3457.50 US dollars (World Bank, 2023). Over the last decade, the Egyptian economy has faced critical economic challenges, such as a rise in unemployment rates, which increased from 8.7% in 2010 to 13.15% in 2013, before declining again to 7% in 2022 (Central Agency for Public Mobilization and Statistics (CAPMAS, 2022b). Additionally, there was a high inflation rate of 13.90% and a poverty level of 29.70% (CAPMAS, 2022c).

The highest poverty rate was concentrated in rural Upper Egypt, with 48% in 2019, On the other hand, the poverty rate in urban Lower Egypt was 11.20% in the same year (Elkafrawi & Refai, 2022). Forty-three percent of the poor live in rural Upper Egypt, although it constitutes only 26% of the total population. Similarly, 23.1% of the poor live in rural Lower Egypt, while it accounts for 30.4% of the total population. Moreover, 14.7% of the poor live in urban governorates, though they represent 17.2% of the total population (CAPMAS, 2022a).

Due to this critical situation of Egypt's economy and many challenges, such as an increase in unemployment rate, corruption, and poverty, on 25th January 2011, Egyptian youths conducted an uprising against President Hosni Mubarak, demanding for better quality of living, employment, and dignity. The uprising ended with the dismissal of the Mubarak regime from government (Ragab, Ragab, & Monaghan, 2020). After the 25th of January revolution, Egypt has experienced a period of reform, filled with what called Volatility, Uncertainty, Complexity and Ambiguity (VUCA).





This period of reforms has affected the whole country. One area that was particularly affected by Egypt's unstable political situation in the early 2010s is Egypt's entrepreneurial ecosystem. This event has impacted the country's economic development pathway, where new strategies for growth began to surface, and economic activities were created, especially for the youth. Rather than waiting for government jobs, they are now able to start their own businesses with support from the government (H. Hassan, 2019; Ragab et al., 2020; H. Hattab, 2012).

In an attempt to recover the deteriorated economy, the Egyptian government implemented a transformational reform aimed at accelerating the economy, enhancing the country's business environment, and creating growth opportunities (El-Fiky, 2022; World Bank, 2018). This plan has left Egypt in a transitional period with many major factors affecting its economy. The most important factor is the devaluation of the Egyptian pound (Abdel-Khalek, 2019; Adly & Khatib, 2014; Boskov, 2019). The government had to liberalize the pound due to mountains of debts, the 2008 financial crisis and the increasing cost of food products, which account to 45% of the spend of Egypt's middle class (Abdel-Khalek, 2019; Boskov, 2019).

Although the devaluation has cost Egyptians 25% of their money due to high inflation and has dramatically weakened imports, it has also had a positive effect on Gross Domestic Product (GDP) and helped limit the currency black market (Abdel-Khalek, 2019; Ragab, Ragab, & Monaghan, 2020). Unsurprisingly, those most affected were importers, or those who operate using imported products, who could no longer afford to import goods at the same capacity. This situation encouraged youth to engage in entrepreneurship to replace imported products with local ones (Ragab et al., 2020).





There are many challenges confronting the Egyptian youths, especially the high rate of unemployment and poverty. Egypt's high unemployment and poverty level was attributed to a major economic downturn as a consequence of the global economic recession in the period of 2008-2009, and the prevalent political instability of 2011-2013 period (Omran & Bilan, 2020).

Egyptian youths began facing challenges regarding their employability and some even lost their jobs as a result of the overall deteriorating economy and the inability of private sector companies and the government sector to offer sufficient number of job opportunities (Abou Elseoud, et al., 2020; Ragui Assaad & Krafft, 2013). Consequently, the Egyptian youths started to generate their own entrepreneurial activities and creating jobs for themselves and their community by starting their own ventures. This drive has increased entrepreneurial activities of the younger generation (El-Fiky, 2022; Hassan & Zakaria, 2020).

The current government recognizes the important role of entrepreneurship as an instrument to create employment opportunities and reduce poverty (ElKayaly & Fahim, 2021). Thus, it has also been working to provide these opportunities to young people, regardless of their gender. Many initiatives have been adopted to encourage individuals to engage in entrepreneurial activities (Abdelwahid & Kaoud, 2022).

Furthermore, in the past ten years, the government has started implementing several economic reforms to increase the number of Egyptians who establish new businesses, in an effort to encourage more individuals to engage in entrepreneurial activities in the country (El-fiky, 2021; Khayal, 2021). As mentioned, this came about





as the government of Egypt realized the significance of entrepreneurial activities for economic growth and as a means for the country to rise from the ashes of the economic slump (Abou Elseoud et al., 2020; El-Fiky, 2021; Khayal, 2021)

Therefore, entrepreneurship has been placed at the top of Egypt's policy agenda since the new constitution and the start of reconstruction in 2014. As economic development is a key goal for the Egyptian government, this is clearly reflected in the "Sustainable Development Strategy (SDS)" and Egypt's Vision 2030 (Egypt Cabinet, 2015; Khayal, 2021). To improve the business environment, the government has introduced various programs and initiatives to develop entrepreneurial skills and create a stronger private sector (World Bank, 2018). These government programs, along with their focus on innovation and entrepreneurship, are key players in enhancing Egypt's entrepreneurial ecosystem (Abou Elseoud et al., 2020).

The government's commitment to enhancing entrepreneurship was reflected in the formation of Law 141 in 2002, which was created to support entrepreneurship (El-fiky, 2021; Metawea, 2020). Under this provision, a framework was established through which the Social Fund for Development (SFD) became responsible for Micro, Small, and Medium Enterprises (MSMEs). The SFD received its funds from the government and other international institutions, including the World Bank, the United Nations Development Program (UNDP), and the International Labor Organization (ILO).

Such donations are used to start the necessary initiatives or to partner with other organizations and Non-Governmental Organizations (NGOs) in order to provide the





necessary empowerment to entrepreneurs (Abou Elseoud et al., 2020; H. Hassan & Zaharia, 2021). The Social Fund for Development (SFD) was considered the main national committee through which policies for the financial and non-financial development and support of small and medium-sized enterprises (SMEs) were implemented (El-fiky, 2021).

The Social Fund for Development (SFD) funds selected incubators through its Incubator Program to ensure their efficiency and effectiveness for entrepreneurs. The SFD also offers tax reductions for business owners in the early stages of their development (Khayal, 2021). Another governmental initiative to enhance the investment climate in Egypt is the set of policies provided by the General Authority for Investment and Free Zones (GAFI) under the Ministry of Investment (MOI). GAFI is responsible for reinforcing entrepreneurship by providing business development services and facilitating finance and skills development (Thiemann, 2024).

Based on a report by the World Bank, the Egyptian government has initiated several plans and policies aimed at empowering youth who hope to start their own enterprises. In 2014, Mr. Nabil El-Araby, the minister of planning, signed an agreement with the World Bank worth 300 million dollars to support enterprises (El-fiky, 2021). Several agreements were also signed between Egypt, Canada, and France to help finance and support small and medium-sized enterprises (SMEs). The government also established the International Modernization Center (IMC) and the Technology Innovation and Entrepreneurship Center (TIEC) (El-Fiky, 2021; Khayal, 2021). These institutions have supported the development of SMEs through several initiatives aimed at streamlining the licensing and registration process.





Despite the harsh economic conditions, entrepreneurship in Egypt has been experiencing positive trends in recent years. Entrepreneurial intentions are increasing, and the overall perception of entrepreneurship in society remains favorable. Seventy-six percent of Egyptians perceive entrepreneurship as a desirable career choice, indicating that society has a greater appreciation for entrepreneurship (Ismail et al., 2022).

In the same manner, the entrepreneurial ecosystem witnessed continued positive trends, including the launch of several venture capital funds, enhanced entrepreneurship-related policies, and the establishment of the Micro, Small, and Medium Enterprise Development Agency (MSMEDA) (Abou Elseoud et al., 2020; Khayal, 2021). The government established MSMEDA as part of its sustainable development strategy, aiming to improve the legislative and regulatory environment, reduce administrative burdens for projects, and create a range of financial and non-financial incentives to encourage the informal sector to join the formal sector (Moussa, Silinevicha, & Kalinina, 2017; Zaki & Zeini, 2019).

In addition, it aims to promote entrepreneurship and develop a culture of entrepreneurship-including risk tolerance as well as to provide all training and incubation programs to help start new ventures and improves skills through establishing incubators and innovation hubs all over Egypt (Zaki & Zeini, 2019). Furthermore, increased rate of entrepreneurship support and educational programs were prevalent allowing for certain of more supportive ecosystem to grow and nurture entrepreneurs and their ventures (Ismail et al., 2022).





Regrettably, these efforts did not enhance entrepreneurship level as hoped. In 2021, the rate of Total Early-stage Activity (TEA) in Egypt (9.2%) was well below the global average (13.5%), ranking Egypt the 30th out of 47 countries. This figure indicates that around 9.2% of the adult population in Egypt (aged 18-64) were either actively setting up a new business or had started a business less than 3.5 years ago (Ismail et al., 2022). Only 3.6% of the Egyptian population reported owning or managing an established business in that year, which is almost half of the global average, placing Egypt among the lowest seven countries in this respect, according to the GEM Survey 2021 (Ismail et al., 2022).

Egypt established Egypt Vision 2030, which has been in existence since 2015, in accordance with the Sustainable Development Goals (SDGs). Therefore, some key performance indicators (KPIs) assessing Sustainable Development Goal number five, which is gender equality, include increasing the involvement of women in the labor force as well as improving Egypt's ranking in the international gender gap index (El-Fiky, 2022). The Egyptian government is making significant efforts to empower women in business, and the inclusion of women-owned businesses strengthens fiscal laws and policies to enable women entrepreneurs in their businesses (H. Hassan & Zaharia, 2021).

To foster the growth of women's entrepreneurship, Egypt cooperated with foreign development organizations and established many initiatives, such as the one between the Egyptian government, the International Labor Organization (ILO), and the World Bank. This initiative aligns with Egypt's efforts to enhance the welfare of women in developing countries, encourage their full involvement in economic growth,





and ensure equal opportunities for them to pursue entrepreneurship (Elkafrawi & Refai, 2022).

The government also established the ILO-WED program, which focuses on offering resources and training programs to low-income women entrepreneurs. This effort provides disadvantaged women with the tools they need to improve their fundamental business management abilities, as well as address tactical and strategic business solutions (H. Hassan & Zaharia, 2021; Shorbagi et al, 2017). These initiatives, along with others, aim to address the main constraints facing women entrepreneurs in Egypt and provide the proper means to support them by facilitating funding sources, incubating startups, and offering mentorship and training opportunities.



by prioritizing gender equality as a key objective in its Egypt Vision 2030 agenda. The rate of women entrepreneurs' Total Early stage Activity (TEA) is approximately 31.3%, which is less than half of that seen for men. This wide gender gap places Egypt among the ten lowest countries participating in the GEM Survey 2021 (Ismail et al., 2022). In terms of established businesses, women's participation is notably low, with only 14.35%, which is less than one-third of that of men. This figure indicates the relatively high rate of business discontinuation among Egyptian women entrepreneurs (Ismail et al., 2022).

Therefore, to address women's entrepreneurship in Egypt, it is crucial to study entrepreneurship by understanding its ecosystem, as entrepreneurial ecosystems play a vital role in economic development (C. Brush et al., 2019; Hechavarría & Ingram,





2019). The ecosystem provides the human, financial, and other resources required for startup companies to navigate the business world. Moreover, it facilitates interaction with external stakeholders, grants access to valuable networks as well as local and global markets, and supports business development (Colin Mason & Brown, 2014; Liguori, Bendickson, Solomon, & McDowell, 2019).

To uncover the strengths and weaknesses of any context, each individual ecosystem must be thoroughly investigated to identify its complex system of unique dimensions and relationships (C. Brush et al., 2019). An ecosystem is a biotic community encompassing its physical environment and the various interactions that occur within entrepreneurship, it involves a multi-level process involving stakeholders and actors that exist in diverse contexts (Stephens, McLaughlin, Ryan, Catena, & Bonner, 2022).

Entrepreneurial activities and entrepreneurs do not emerge isolation, rather the elements exist in very integrated and complex system with multiple actors (Cowell, Lyon-Hill, & Tate, 2018). Isenberg (2010) proposed that elements of an ecosystem interact in complex and specific ways that lead to unique configurations of different elements within the ecosystem. Current thesis adopting Isenberg's view (2010) the ecosystem is composed of core domains, which is finance, policy, culture, support, human capital and market those six domains have been the base of many studies and models described and discussed the ecosystem (Stephens et al., 2022).





1.3 Egypt Culture

The representation of women in entrepreneurship in Arab countries has not been encouraging, despite many researchers' efforts to identify the underlying sociocultural factors contributing to this situation. Hofstede (2001) defined culture as a set of values, beliefs, and behaviors shared by a society. Arab countries are conservative societies with defined gender roles. In such societies, men are typically the decision-makers in matters related to the family, while women are expected to care for the children and focus on building relationships and enhancing the quality of household life (Hofstede, 2001).

The role of women in Arab society is strongly influenced, in part, by the religion of Islam (Dechant & Lamky, 2005; Murat S Erogul, 2008; Zamberi Ahmad, 2011). According to Islamic teachings, women should prioritize the role of motherhood over other responsibilities (Althalathini D, 2021; Gallant & Pounder, 2008). These macro sociocultural values shape the social and political institutions of society, which, in turn, influence individual values (Naguib, 2022; Zahra & Wright, 2011; Zaki & Zeini, 2019). Such values impact human behavior, including entrepreneurial behavior (Abou-Moghli & Al-Abdallah, 2019; Al-Weshah, Kakeesh, & Alhammad, 2022; Hofstede, 2001).

The variety of social attitudes, norms, and values imposed on women by society, as well as the roles considered suitable for them, may act as constraints on women's ambitions and entrepreneurial activities (Alsaadi, Rahman, & Bentahar, 2019; Baradie & Tahir, 2019). The societal values and gendered expectations that women face





significantly influence their employment and entrepreneurial aspirations (Bullough et al., 2022; Rocha & van Praag, 2020).

Egyptian women have been pioneers in advocating for gender equality in education and employment opportunities. The well-known Egyptian Feminist Union was founded in 1923 by Egyptian feminist activist Huda Shaarawi (FAY, 2008; Saad El-Din, 2020). However, Egyptian women continue to face cultural constraints, with distinct and segregated roles traditionally assigned to men and women (Laffineur et al., 2018). Egyptian women entrepreneurs, like Arab women entrepreneurs in general, must constantly confront external barriers such as limited access to financing and exclusion from business networks dominated by men (Elkafrawi & Refai, 2022; Hattab, 2012; Laffineur et al., 2018). These restrictions stem from local social values, beliefs, and attitudes (Roomi, Rehman, & Henry, 2018).

The persistent sociocultural barriers and gendered expectations faced by Arab women, including those in Egypt, underscore the critical need to examine and refine government policies that support entrepreneurial activities. These policies are essential for addressing restrictive societal norms and providing women with the tools, resources, assistance, and guidance needed to overcome obstacles within business networks. Accordingly, this study aims to identify potential challenges and propose solutions to help close the gender gap by prioritizing gender equality as a key objective in Egypt's Vision 2030 agenda.





1.4 Problem Statement

Women entrepreneurship worldwide plays a crucial role in a country's economic growth by making considerable contribution to poverty alleviation through innovation and the creation of wealth as well as employment opportunities (Dzingirai, 2021; Naminse et al., 2018; Sarmah, Saikia & Tripathi, 2021; Xu et al., 2021). Therefore, it is common to find more women entrepreneurs in times of high unemployment, or what is considered as necessity entrepreneurs (H. Hassan & Zaharia, 2021). However, this fact is far from the case for Egyptian women.

There has been a growing trend of women entrepreneurs actively starting up and managing businesses worldwide (Marques, Maria, Braga & Ratten, 2019). While entrepreneurship has become an increasingly prominent area of research globally, studies on women's entrepreneurship in the Western world have primarily focused on their motivations and challenges. However, there is a lack of in-depth research investigating women's entrepreneurship in the Middle East and North Africa (MENA), and Egypt is no exception.

The behavior and performance of women-led businesses in the Arab world are less comparable to those in other regions (Bastian et al., 2018; Panda, 2018; Rashid & Ratten, 2020). Therefore, more research focusing on the specific national and cultural impacts on women entrepreneurs, particularly in developing economies, is urgently needed to understand the motivations and challenges faced by women entrepreneurs (Bullough et al., 2022; S. M. Ghouse et al., 2021).





One of the countries with a lack of research on women's entrepreneurship is Egypt. A systematic study by Panda (2018) examined published research on the constraints and challenges faced by women entrepreneurs in developing countries. The study identified 35 studies focused on 90 developing countries, excluding Egypt (Panda, 2018a). This knowledge gap hinders the development of effective strategies to support and empower Egyptian women.

Social, economic and cultural aspects of Middle East and North Africa (MENA) are totally different from other regions of the world (Laffineur et al., 2018; Lynda Bastian, Munir Sidani, & El Amine, 2018). These differences cause women entrepreneurs to face various types of challenges from other environmental factors encountered by the rest of the world (Aljuwaiber, 2020). Researches into this difference, by focusing on MENA women entrepreneurship, would enable policymakers to enhance women entrepreneurship in this region. Notwithstanding, women entrepreneurship is an essential area of development studies, but it has been understudied in the Arab world, in general, and in Egypt, more specifically.

Thus, more research is needed to fill this knowledge lacuna. Theoretically, the need to enhance the status of women and the awareness of women's roles in the economic growth is no longer considered simply as an issue of gender equality or social justice. Women represent significant human resources, therefore, their participation in economic activities can significantly improve the overall economy of the country.

Egypt ranks low in gender equality, placing 134th out of 153 countries in terms of the gender gap (Crotti, Geiger, Ratcheva & Zahidi, 2020). It is essential to recognize





that by undermining half of the potential workforce, we forgo half of the human capital, which, in turn, diminishes economic growth and slows down overall economic development. The World Economic Forum (2018) reports that women hold only 34% of managerial roles globally, and fewer than 7% in the four nations with the worst performance: Egypt, Saudi Arabia, Yemen, and Pakistan (Sharma, Chawla, & Karama, 2021).

Recent statistics reveal that 30% of Egyptian households are entirely financially supported by women, with a significant percentage of women co-supporting their families. Additionally, 14% of Egyptian families are headed by women (Central Agency for Public Mobilization and Statistics, CAPMAS, 2019; CAPMAS, 2021). Despite their crucial economic role, Egyptian women still lack the social, economic, political, and legal tools needed to empower them. Considering that gender equality is central to women's empowerment and the well-documented positive correlation between entrepreneurship and women's empowerment (Andriamahery & Qamruzzaman, 2022; Banihani, 2020; Wood, Ng, & Bastian, 2021), addressing the challenges of women's entrepreneurship in Egypt becomes an urgent necessity.

The Central Agency for Public Mobilization and Statistics (CAPMAS, 2022) reported that Egypt's unemployment rate is 9.2%, with 8.2% of males unemployed, compared to a significantly higher 23.1% unemployment rate among females. The same statistics revealed that Egypt's poverty rate has reached 29.7%. While research has widely emphasized the importance of entrepreneurial activities as a tool for job creation, these activities also serve as a means to improve women well-being and empowerment, in addition to addressing Egypt's chronic poverty and high





unemployment rates. However, the rate of entrepreneurship among Egyptian women notably lags behind that of men under similar economic conditions.

, along with Total Early-Stage Entrepreneurial Activity (TEA), serves as the primary parameter for gauging and comparing entrepreneurial activities between countries. TEA includes entrepreneurship ventures that have been operational for a period ranging from three to 42 months. In Egypt, women business owners are predominantly concentrated in rural areas, accounting for 82% of proprietors, while in urban areas, they represent only 18% of business establishments as mention in International Labour Organization ((ILO), 2017) and The Global Entrepreneurship Monitor (GEM, 2021).



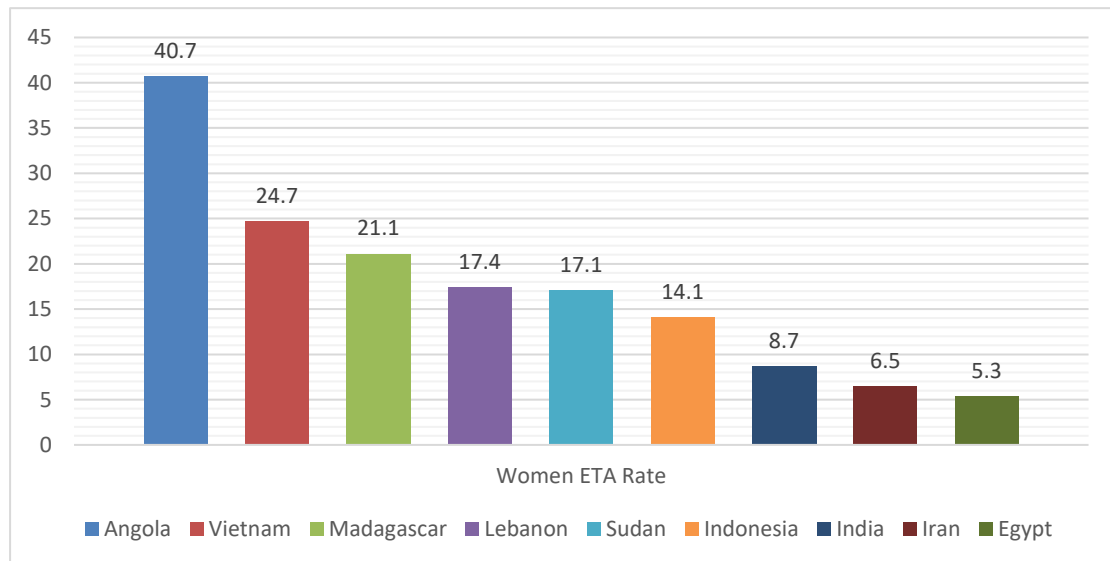
A global report prepared by Elam et al, (2019) revealed that the percentage of

Egyptian women participating in early-stage entrepreneurship is 5.30%, which is very low compared to their counterparts in countries with similar economic levels, such as Angola (40.70%), Vietnam (24.7%), Madagascar (21.1%), and Sudan (17.1%) (see Figure 1.1). This situation raises the question of why women in Egypt avoid engaging in entrepreneurial activities despite high unemployment and poverty rates.



Figure 1.1

(Tea) Rate Among Low Income Countries



(ADOPTED FROM GLOBAL ENTREPRENEURSHIP MONITOR (GEM, 2019))

In another reliable report, particularly from Mastercard (2022), it was underscored that countries at the same economic level as Egypt, such as Uganda, Ghana, Malawi, and the Philippines, have made progress in women-owned businesses. However, Egypt is lagging behind, ranking 64th out of 65 economies (Mastercard, 2022). Therefore, the general problem is the very low rate of Egyptian women engaging in entrepreneurial activity.

Given the significant role of entrepreneurship as tools to address chronic issues as gender inequality (Zayadin et al., 2020), unemployment (Sarmah et al., 2021), poverty (Dzingirai, 2020) and women's empowerment (Wood et al., 2021), this research aims to uncover an explanation for the underrepresentation of women entrepreneurs in Egypt. This is particularly relevant given the status of Egyptian women, who suffer from a gender gap, high poverty, and low employment rates. By



doing so, the study contributes to enhancing women entrepreneurship in Egypt and, in turn, addresses issues such as gender inequality, poverty, unemployment, and empowerment.

The study investigates the motivational factors that encourage women entrepreneurs to engage in entrepreneurial activities in Egypt. It also brings to light the constraints faced by women entrepreneurs and the enablers that assist them in overcoming these constraints. This study is significant because, if entrepreneurship is considered a key driver of economic growth (A. Borham, Taib, Sisodia, & Fadahunsi, 2023; Ordeñana et al., n.d.; Sutter, Bruton, & Chen, 2019), then a better understanding of the factors that might promote or inhibit women's entrepreneurship will be beneficial. Additionally, by investigating the experiences of women entrepreneurs in Egypt, this study presents original findings from a less familiar context, helping to advance knowledge of women's entrepreneurship both within specific contexts and across nationalities.

1.5 Research Objectives

While there is a considerable amount of research on entrepreneurship in Egypt, there is virtually a lack of academic research addressing women's entrepreneurial behavior and the challenges they face during the business creation process. Therefore, this study also attempts to fill the research gap identified by some scholars in Egypt (Adam et al., 2017; Hattab, 2012). The main objectives of the present study were to explore the motivational factors that encourage Egyptian women to engage in entrepreneurial





activities and to analyze the key factors that hinder their involvement in entrepreneurship. Additionally, another objective was to uncover the strategies used by Egyptian women entrepreneurs to overcome business challenges.

This research addressed the following objectives:

1. To explore the motivational factors that encourage Egyptian women to get involved in entrepreneurial activities;
2. To investigate why Egyptian women are hindered from engaging in entrepreneurial activities;
3. To uncover how Egyptian women entrepreneurs overcome business challenges; and,
4. To propose a practical framework for the Egyptian government to promote the development of women entrepreneurs in the country.

1.6 Research Questions

Based on the above research objectives, the following research questions were constructed:

- 1- How do motivational factors encourage Egyptian women to become involved in entrepreneurial activities?
- 2- What would be the challenges faced by women entrepreneurs in Egypt?
- 3- How do women entrepreneurs in Egypt overcome business challenges? and,





- 4- What would be the framework that can be used by the Egyptian government to promote the development of women entrepreneurs in the country?

1.7 Significance of the Research

Although the field of women's entrepreneurship has developed and is well-studied, most studies have focused on European or Anglo-Saxon, (Al-Dajani & Marlow, 2010; Poggesi, Mari, De Vita, & Foss, 2020; Tlaiss, 2015a). Little attention has been paid to women's entrepreneurship in developing economics (Bastian et al., 2018; C. Henry et al., 2016), especially in the Arab context (Ahmad, 2011; H. Hattab, 2012; Panda, 2018; Rashid & Ratten, 2020). Moreover, the few studies that have investigated women's entrepreneurship in Arab countries have mostly focused on rich-oil countries, primarily Gulf Cooperation Council (GCC) (Alexandre & Kharabsheh, 2019; Alkhaled, 2021; Erogul Murat, Rod, & Barragan, 2019; Faisal, Jabeen, & Katsioloudes, 2017).

The research in Gulf Cooperation Countries (GCC) argues that interstices motivations pull women toward entrepreneurship in Arab Gulf (Bohra et al., 2020; Tlaiss, 2015b). However, little is known about the factors (C. Brush et al., 2019; Gërguri-Rashiti & Rotabi, 2021) that encourage women to engage in entrepreneurship in low-income Arab countries such Egypt. Moreover, these studies suggest that gender-based discrimination, managing a patriarchal societal structure, and balancing business and family life are among common constraints faced women entrepreneurs. However, these studies neglect the heterogenous socio-economic context of the Arab countries.





It is necessary to investigate the ecosystem of specific countries, as women face various constraints in becoming entrepreneurs, which may vary according to the country. These variations depend on economic, educational, and cultural differences (Solesvik, Iakovleva, & Trifilova, 2019). Therefore, more context-specific research in low-income Arab countries is needed to address the national and cultural factors that shape women's entrepreneurship in these countries (Naguib, 2022; Roomi et al., 2018). This type of study would clarify why women's entrepreneurship is thriving in many nations, yet remains trivial in others, such as Egypt, where there is a dearth of studies on women's entrepreneurship (Panda, 2018a; Rashid, S., Ratten, 2020).

Hence, this study is significant for several reasons. It contributes to a more thorough understanding of the motivational constructs of women entrepreneurs by providing new evidence from a low-income Arab country regarding the motives that drive women to engage in entrepreneurship. While most studies investigating the constraints faced by women entrepreneurs have focused on wealthy Arab Gulf countries (Alexandre & Kharabsheh, 2019; Alreshoodi et al., 2022; Bohra et al., 2020), little attention has been paid to low-income Arab countries. Therefore, this study offers an opportunity to gain an in-depth understanding of the constraints faced by Egyptian women entrepreneurs.

There is a scarcity of evidence-based research on policies regarding women's entrepreneurship and the influence of these policies on women's enterprises (Dina Modestus Nziku & Henry, 2020). This knowledge is essential for effectively developing targeted interventions and support systems to address the challenges faced by women entrepreneurs. The findings from the study can inform the development of





policies, programs, and initiatives aimed at promoting women's entrepreneurship in Egypt. By understanding the specific challenges faced by women entrepreneurs, policymakers can design gender-sensitive policies and implement programs that provide the necessary support, resources, and opportunities to overcome these.

In other respects, the study allows for the identification of new challenges faced by Egyptian women entrepreneurs, challenges that may not have been addressed in previous studies. Identifying new obstacles, such as technological changes, regulatory frameworks, or market dynamics, is important. Comprehending these new challenges is essential for developing adaptive strategies and equipping Egyptian women entrepreneurs with the necessary skills and knowledge to navigate the changing environment. This study provides an opportunity to explore the enablers that assist Egyptian women entrepreneurs in overcoming identified constraints. This knowledge can inform policymakers and initiative developers about the needs of Egyptian women entrepreneurs, ultimately contributing to their empowerment, sustainability, and growth.

Moreover, by giving voice to Egyptian women entrepreneurs, the study empowers them and validates their experiences (Wood et al., 2021). It provides a platform for their perspectives to be heard, acknowledged, and addressed. This recognition contributes to the overall economic empowerment of women and creates opportunities for their active participation in the entrepreneurial sector. Overall, it contributes to the field of entrepreneurship by investigating women's entrepreneurship in an understudied area like Egypt. The current study responds to calls to contextualize women's entrepreneurship (De Bruin, Brush, & Welter, 2007; Tlaiss & McAdam,





2021), and provides insights into the motivations, constraints, and enablers of women entrepreneurs in overcoming challenges in different Arab countries.

While this study sought to identify the motivations, challenges, and enablers of Egyptian Women Entrepreneurs (EWEs), it notably highlights the need for a holistic approach and a heuristic tool to better understand women's entrepreneurship in Egypt and capture its complexity. To this end, this study adopted a framework combining institutional theory, the need for achievement theory, and Isenberg's (2010) ecosystem model as an analytical lens to capture the motivations, challenges, and enablers related to EWEs.



“Motivations”: Set of energetic forces that originate within as well as beyond individuals to initiate behaviors and determine its forms, direction and duration (Mitchell & Daniels, 2003; Murniek et al., 2020).

“Challenges”: refer to various obstacles and difficulties that entrepreneurs encounter during the process of starting and managing a business (Rudhumbu & Maphosa, 2020).

“Enablers”: refer to factors or agents that facilitate and support the entrepreneurial process, enabling individuals to initiate and sustain new ventures (A. A. Borham & Taib, 2024; Yunis, Hashim, & Anderson, 2019).





“Women entrepreneurs”: Women who have been owning and operating their own business (GEM, 2019).

“Culture”: A set of values, attitudes and beliefs shared by society (Hofstede, 2001; Rieger, 2022).

“Entrepreneurial Ecosystem” (EE): “Set of interdependent actors and factors coordinate in such a way that enable productive entrepreneurship within a particular territory” (Stam & Spigel, 2016; C. Brush et al., 2019).

“Institution”: Any form of constraints that human being posits to shape interaction (Bosma et al., 2018; C. Brush et al., 2019).



“Business Incubators”: Entities that mandate is nurture, support and offer needed resources to startup business (Carvalho et al., 2020).

“Sexual harassment”: A range of unacceptable behaviors and practices or threats against one gender (ILO, 2019).

1.9 Summary

Recently, women’s entrepreneurship has attracted a lot of attention globally, in line with a substantial increase in the number of women-owned businesses and their contribution to job creation and economic development in many countries. That





notwithstanding, the increase in women's entrepreneurship research has focused more on developed Western countries. A few studies conducted in the Arab context have focused mostly on women entrepreneurs within the Arab Gulf countries, with minimal interest in studying other Arab countries, such as Egypt. Therefore, studies on women's entrepreneurship are sorely needed, especially in less developed economies like Egypt. Given the vital role of entrepreneurship as a tool for poverty alleviation and job creation, Egypt has a low participation rate of women entrepreneurs amidst high poverty and unemployment levels. In this context, the current study was conducted to contribute to understanding the formal and informal institutions that may hinder the entrepreneurial spirit of women in Egypt.

In the next chapter, the study will present the literature review on the Egyptian entrepreneurial ecosystem, institutional theory, entrepreneurship, women's entrepreneurship development, entrepreneurial motivation, and entrepreneurial barriers. Chapter 3 will outline the methodology and data analysis. The findings of the study will be presented in Chapter 4. Chapter 5 will discuss the study's findings, policy recommendations, the proposed women's entrepreneurial ecosystem, and the limitations of the study.

