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## WOMEN ENTREPRENEURS IN PALESTINE: MOTIVATIONS, CHALLENGES AND BARRIERS

**Abstract:** In many previous studies home-based businesses were described to be the study point of entrepreneurs especially for female entrepreneur. Women entrepreneurship was more acute in developing countries to solve the unemployment problem and where women were pushed by necessity to improve their economic conditions. Yet Women's level of optimism and self-confidence in starting a business is highly influenced by the culture and social norms of their native countries, this research will investigate why home-based women entrepreneurs as a social economic phenomenon is increasing in Palestine as a developing country. Entrepreneurship is becoming more important for all people and both genders, nowadays women empowerment has been increasing so rapidly all over the world, women are starting their own business to seek greater control over their personal and professional lives, from this point of view studying women entrepreneurs became important, taking it as seriously aspect for many reasons, some of these reasons are: women entrepreneurs are recognized as an important factor for economic growth, creating employment for themselves and for others, producing new products and services, and increasing investment. Finally, this research discusses different subjects about home-based women entrepreneurs, including: the barriers and challenges women faced when establishing their own business; the characteristics of women entrepreneurs, and a comparison between entrepreneurship and small businesses. An exploratory study is conducted because there isn't enough data to determine the study population. Data is collected through interviews with a number of women entrepreneurs, the entrepreneurial factors will be described by analyzing the collected data.

**Keywords:** Home-based businesses, Entrepreneur, Entrepreneurship.

### Introduction

Entrepreneurship is a cross-cultural phenomenon, in most countries, regions and sectors, majority of business owners/managers are males. However, there is increasing evidence that more and more women are interested in small business ownership and/or starting up their own business and becoming entrepreneurs. One consequence of this is that women are relatively new group of entrepreneurs compared with men; this in turn has some implications for the problems they face and their ability to deal with.

The number of women who are participating in labor force is increasing all over the world. Although women have increased their participation in science, mathematics and Technological careers in over the last 30 years, these participations are still below parity when compared with men's participation in building economic organizations (Farmer, 1995).

Entrepreneurship in these days is becoming more important for all people and both genders male and female, nowadays women empowerment has been increasing so rapidly all over the world and women are starting their own business to seek greater control over their personal and professional lives. So women entrepreneurs need to be studied and taken seriously for many reasons, some of these reasons are:

- Women entrepreneurs are recognized as an important factor for economic growth,
- Creating employment for themselves and for others,
- Producing new products and services,
- Increasing investment.

Finally, this research will discuss different subjects about home-based women entrepreneurs, including:

- The barriers and challenges women faces when establishing their own business,
- The characteristics of women entrepreneurs,
- And a comparison between entrepreneurship and small businesses.

The aim of this research is to explore the characteristics of home-based business startups in Palestine and as were the characteristics and behaviors of women entrepreneurs who started and led their business. It also to investigate how culture, social and economic factors related to the context of Palestinian women entrepreneurs affect their entrepreneurship behaviors and decisions.

Women are important in our society. Every woman has her own job or duty in this modern society in which men are still the 'strongest gender', therefore 'the entrepreneurial sector is now viewed as a significant factor in the design of strategies for economic recovery and growth in many nations, women are represented in most lines of business, but mainly in the human resources, marketing and service departments, therefore starting their own small business and become their own boss is faced with many barriers more than men in starting as entrepreneurs.

### **Home based business**

A home based business is a business whose primary office is in the owner's home. The business can be any size or any type as long as the office itself is located in home<sup>1</sup>.

This definition is more generalized in other countries but it is slightly not the same in Palestine, because it doesn't apply to the situation in Palestine. Women entrepreneurs faces many barriers and their businesses can't be any size or any type because of some governmental regulations and because of the Palestinians society culture many of those women have unlicensed business.

### **Entrepreneur**

**Marks (2012)** defined an entrepreneur as "a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk."<sup>2</sup>

The word "entrepreneur", it's from the French verb "entreprendre", and from the German word "unternehmen", it was coined by Richard Cantillon a French Economist, in the early eighteenth century. These words precisely mean "to undertake". In Cantillon's opinion: *An entrepreneur is a person who buys at certain prices and sells at uncertain prices*. This definition mainly focuses on "**risk-taking and decisions**" about resource allocation<sup>3</sup>.

Entrepreneur: One who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else.<sup>4</sup>

### **Entrepreneurship**

Entrepreneurship is defined as the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited. Entrepreneurship is the efforts to bring about new economic, social, institutional, and cultural environments through the actions of an individual or group of individuals.<sup>5</sup>

### **Women entrepreneur**

OECD (1998): woman entrepreneur is:

- someone who has started a one-woman business,
- someone who is a manager in a family business or partnership,
- someone who is a shareholder in a publicly held company which she runs.

Marcellina et al. (2002) defined women enterprises as ones that were started, owned, and managed by women.<sup>6</sup>

**Methodology:** The research will be descriptive in type and will use exploratory approaches.

<sup>1</sup> Home Based Business. – <http://www.entrepreneur.com/encyclopedia/home-based-business>, 16th Nov. 2014.

<sup>2</sup> **Marks, Gene.** (2012), The Difference Between An Entrepreneur And A Small Business Owner, Forbes. – <http://www.forbes.com/sites/quickerbetteertech/2012/06/06/the-difference-between-an-entrepreneur-and-a-small-bu-> – *siness-owner/*, 7<sup>th</sup> Nov. 2014

<sup>3</sup> **Oseifuah, E. K.** (2010), *Financial literacy and youth entrepreneurship in south Africa* // African journal of Economic and management studies, Vol.1 No.2, pp 164–182. – <https://www.deepdyve.com/lp/emerald-publishing/financial-literacy-and-youth-entrepreneurship-in-south-africa-XA1cTDuaqX>

<sup>4</sup> **Gorji, Mohammad Bagher, Paria Rahimian,** (December–2011) *THE STUDY OF BARRIERS TO ENTREPRENEURSHIP IN MEN AND WOMEN*, Vol. 1 No. 9 [31–36] // Australian Journal of Business and Management Research.

<sup>5</sup> Chapter 2, Entrepreneurship. – <file:///C:/Users/admin/Downloads/9783642282058-c1.pdf>. 16th Nov. 2014

<sup>6</sup> **Gorji** (2011).

### Research Population

The research will include a target population of women entrepreneurs in general and home-based women entrepreneurs in West-Bank. Since some of women entrepreneurs businesses are not licensed and some of these women are not known to the society the researcher couldn't collect information about the real number of these women in West-Bank as a population.

### Sample Selection

The sample of this research will consist of women entrepreneurs who have established their own business in their home. The sample was selected according to what will benefit the research and it will be a non-random sample. Furthermore, the sample size will consist of 8 home-based women entrepreneurs who own different types of business.

### Data collection methods

Structured interviews with the women entrepreneur who own a home-based business in West-Bank, the sample size will consist of 8 home-based women entrepreneurs who will answer the interview questions. The interview checklist contains open-end questions that were developed in a certain manner in which they appeared to be organized as the broader questions first and then the more specific ones.

### Literature review

Palestinian female entrepreneurs face many different obstacles in Palestine as specific to their situation (business training, marketing advice and access to capital), and according to business regulatory level, despite deliberate attempts by the Palestinian Authority to encourage female entrepreneurship. The main constraints facing women entrepreneurs in Palestine are, lack of self-confidence, access to capital and markets, deeply embedded cultural attitudes, economic challenges, regional barriers and lack of product development support, business training and networks (including consultants who provided advice at a discounted rate on marketing, packaging and branding), technical support, coaching and mentoring.

For women to become significant players in the Palestinian economy, providing financial support to their families and investments in their communities, functioning successfully within a highly unstable political and economic context they need a lot of help. They need to become self-confidence, to have a positive view of the world, and to know that nothing can stand in the way of the determination to success. For that foundations should exist to help Palestinian female entrepreneurs to achieve their goals, such foundations are mentioned in table (1).

**Table 1.** Some foundations that helps Palestinian female entrepreneurs

No.	Foundations	Activity	Location	Services
	Business Women Forum	Business Development Centre for women entrepreneurs	Ramallah, West-Bank	Specialized practical support services such as: business training, marketing and finance advice and business registration support. <sup>7</sup>
	Nablus Women Entrepreneurs project			
	Cherie Blair foundation	Partnered with the Near East Foundation (NEF) on a new initiative to empower Palestinian women entrepreneurs to grow profitable and sustainable businesses that are market-oriented, scalable and facilitate job creation.	Ramallah, Bethlehem and Hebron	The project aims to support 200 women entrepreneurs living in Ramallah, Bethlehem and Hebron to scale up their small women-owned businesses over three years and create employment for a further 100 women and men in the local economy.
	Near East Foundation (NEF)			

<sup>7</sup> Business Development Centre in Palestine, Cherie Blair Foundation, 20th October 2014. – <http://www.cherieblairfoundation.org/business-development-centre-in-palestine/>

	Tomorrow's Youth Organization (TYO)	Partnership with Foundation of Cherie Blair implemented a project from December 2009 to February 2011 to support women entrepreneurs in Nablus.	Nablus, West-Bank	Developing women's businesses based on their skills, education and goals. Supporting women as craftswomen and university graduates to develop sustainable businesses through helping them in product development support, and business training. Facilitating economic advancement and contributing to a healthier and more secure future for the women and children.
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As for the situation in the West Bank: the unemployment rate it's around 18% of the population, the below poverty line estimation is 25% of households. Economic challenges, regional barriers, restricted mobility, limited access to jobs, markets and capital these are the significant restrictions that Palestinians in the West Bank and Gaza faces. Increased political obstacles Palestinian women faces during managing their business. In Informal economy Palestinian women own 26% of micro and small enterprises. Palestinian women possess the desire to expand their businesses, but due to their remote location, restricted mobility and socio-cultural barriers, they lack the opportunities to access tailored business training, markets and capital.

These women that are supported from different foundations can act as drivers of development; they create jobs, revitalize the economy, and realize their full potential as agents of social change<sup>8</sup>. Palestinian Women's businesses are more common in some rural areas than in urban centers or among refugee camps and tend to be small-scale, with home-based businesses. A range of women businesses, such as a socially responsible paper recycling initiative, a coffee roasting venture, and a sheep farm were established.<sup>9</sup> In 2006, the Business Women Forum was established it aims to empower women entrepreneurs to become active participants in the Palestinian economy. The Business Women Forum focuses on providing business women with the opportunity to network, exchange ideas, providing comprehensive business development services for members and associate members and share business information to empower themselves and develop their own businesses<sup>10</sup>.

In Jerusalem rates of women's participation in the labor force were low, particularly among Arab. Palestinian women entrepreneurs are particularly undeserved in this area, with limited access to tailored business training and financial services. In 2012, a new initiative across the Jerusalem region to support Jewish and Arab women entrepreneurs were established between multiple partners, to develop and expand women enterprises through business incubation services, access to capital combined with business and technical services, and the development of a network for women entrepreneurs. Those partners were Cheryl Saban Self-Worth Foundation, Economic Empowerment for Women (EEW) and Koret Israel Economic Development Funds (KIEDF), their main purpose was to facilitate women entrepreneurs, to develop and expand independent income-generating activity and to improve those women economic situation. Almost 65 women have participated in business incubators, receiving training, one-one coaching, financial orientation, networking opportunities<sup>11</sup>. Also those Foundations still supply low income women with the knowledge and tools to create their own small businesses as a means for gaining self-sufficiency and alleviating the cycle of poverty in which they live<sup>12</sup>. And in 2009, the private charitable organization Cheryl Saban Self-Worth Foundation was formed.

<sup>8</sup> Advancing Palestinian Women Entrepreneurs. – <http://www.cherieblairfoundation.org/advancing-palestinian-women-entrepreneurs/>, 20th October 2014

<sup>9</sup> Nablus Women Entrepreneurs, 20th October 2014. – <http://www.cherieblairfoundation.org/nablus-women-entrepreneurs/>

<sup>10</sup> Partner, Business Women Forum. – <http://www.cherieblairfoundation.org/business-development-centre-in-palestine/#3>, 20th October 2014.

<sup>11</sup> Jerusalem Women Entrepreneurs. – <http://www.cherieblairfoundation.org/jerusalem-women-entrepreneurs/>

<sup>12</sup> <http://www.cherieblairfoundation.org/jerusalem-women-entrepreneurs/>. 20th October, 2014

Their primary mission is to provide grants to organizations that work towards the empowerment and advancement of women.

While in Lebanon women entrepreneurship is still relatively low, women tend to use their personal savings to start their businesses and the majority of women-owned businesses in that country operate in the informal sector. The growth of these businesses created several new jobs. Many foundations were associated in Lebanon to support upward economic mobility of women there to help them to have profitable and sustainable businesses in Lebanon that are market oriented, scalable and facilitate job creation<sup>13</sup>. Other Cherie Blair foundation Partners are J. P. Morgan Chase Foundation, Tomorrow's Youth Organization, these partners focus their investments according to different needs, some on the most vulnerable people supporting sustainable programmers that have a clear and measurable impact, others enabling children, youth and parents to realize their potential as healthy, active and responsible family and community members, to provide grants to organizations that work towards the empowerment and advancement of women<sup>14</sup>.

Work opportunities for women in the Western Galilee as an example, which is located in the Northern periphery of the country, away from the country's economic centers are granted less employment and entrepreneurial opportunities for women despite the economic potential they possess.

This was the first reason that made Cherie Blair foundation Partners in 2009 to partner with the Western Galilee College to develop a unique three-year higher education program which provides tutoring, workplace training and business development opportunities for women, which gives young women the confidence and skills needed to become successful entrepreneurs whilst strengthening the network of Jewish and Arab women in the process. Following graduation, some of the women have taken on jobs in the fields of business, IT or banking. Others have been awarded a place at university to further their studies whilst some possess an entrepreneurial desire to run their own businesses. Each will contribute to the economic development of the region through new business initiatives and job creation. A second phase of the project to support a second intake of young women who are due to graduate in 2015 through the generous support of the Cheryl Saban Self-Worth Foundation, were launched<sup>15</sup>.

In Tanzania value added services, business training workshops and services, such as business registration, incubation support and rights awareness training, are needed by women so that they can run financially-viable, value added, formal and self-sustainable businesses, many women struggle with limited access to productive resources, such as land and credit, as well as education and economic opportunities. Cherie Blair foundation and its Partners Exxon Mobil Foundation, Nokia and the Tanzania Gatsby Trust provide help to those who are looking to start their own business or who already run one, because these challenges seriously hinder their ability to scale up their enterprises and ultimately achieve their full potential, these partners developed an innovative project that combines enterprise development and mobile (provided essential business tips and management information directly to their mobile phones) to enable women in Tanzania Nigeria and Indonesia to do their own businesses. The desired outcomes of this project are to strengthen women-owned micro and small enterprises by empowering them to develop meaningful entrepreneurial capabilities, to facilitate women's access to appropriate employment opportunities and to strengthen women's decision-making within the household and in the community. The overall aim of the project is to contribute to poverty reduction, social inclusion and economic empowerment of women in Tanzania” as were described by Cherie Blair foundation<sup>16</sup>.

The African Foundation for Development – Sierra Leone (AFFORD-SL) was joined by Cherie Blair foundation to establish a national network of women entrepreneurs they act as a unifying force of peer support for women in business in Sierra Leone, this foundation seeks to offer practical support to micro, small and medium enterprises (MSME). The organization relies on support from the African Diaspora who partner with Sierra Leoneans on the ground to provide investment and input on business training through the deployment

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<sup>12</sup> Lebanon Women Entrepreneurs. – <http://www.cherieblairfoundation.org/lebanon-women-entrepreneurs/>, 20<sup>th</sup> October, 2014.

<sup>13</sup> Partners. – <http://www.cherieblairfoundation.org/lebanon-women-entrepreneurs/>. 20<sup>th</sup> October, 2014.

<sup>14</sup> Fostering Israeli Women Entrepreneurs. – <http://www.cherieblairfoundation.org/fostering-israeli-women-entrepreneurs/>

<sup>15</sup> Business Women in Tanzania. – <http://www.cherieblairfoundation.org/business-women-in-tanzania/>, 20<sup>th</sup> October 2014.

<sup>16</sup> Sierra Leone Women Entrepreneurs. – <http://www.cherieblairfoundation.org/sierraleone-women-entrepreneurs/>, 20<sup>th</sup> October, 2014.

of business coaches and advisors. The network provides women entrepreneurs with business training, direct technical support, incubation opportunities, and access to markets and networks. This Foundation is conducting a research about the barriers faced by women in accessing capital, the long-term desired outcome of this research is to increase the number of women in sustainable business in Sierra Leone, which will in turn create employment and strengthen the local private sector. The network has expanded the network membership from 68 to almost 700 members since its launch in 2012<sup>17</sup>.

COMO Foundation have enabled education, skill development and income generation projects, so since 2003 they are working to improve the lives of women and girls through providing grants to charities and social enterprises. Working directly with implementing partners, the Foundation funds organizations working to increase access to knowledge, encourage income generation and social enterprise, and address the “bottom of pyramid penalty”, in which underserved communities tend to pay more for basic goods and services<sup>18</sup>.

ICRW the International Center for Research on Women researchers set out to investigate how Information and Communication Technologies particularly mobile phones, can – and are – changing women’s lives through business creation, works to make women in developing countries an integral part of alleviating global poverty and trying to make path of action that honors women’s human rights, ensures gender equality and creates the conditions in which all women can thrive<sup>19</sup>. Women in South Asia has different challenges as Research indicates there is a significant gender gap in access to mobile technology, where a man is 37% more likely to have access to a mobile phone than a woman. Closing this gender gap could cause a ripple effect in poor societies. If more women can access to mobile technology and Information and Communication Technologies (ICTs), they could access credit or open savings accounts, also they can reach new markets in which to sell products or crops. In turn, households would earn more, children would eat better and women would lead more empowered lives.

Rwanda’s economy is the fastest growing economy in East Africa according to the World Bank (between 2001 and 2012 Rwanda’s economy grew 8% per annum). As the country’s economic development continues, it is crucial that women are able to access the opportunities afforded by such rapid growth. So foundations like Accenture and the Accenture Foundations, the Cherie Blair Foundation for Women, in partnership with CARE International are needed as they are facilitating business training, mentoring and access to finance for women entrepreneurs in Rwanda.

• **Motivations for becoming entrepreneurs:**

**Ilya Pozin** says: “I’m a big believer that money is not what drives people to work hard. If you want successful, happy workers, take a cue from what drives you. Freedom, flexibility, social responsibility, the ability to do great work? Provide your workers with opportunities to thrive in these areas, and you won’t have to deal with workers who are motivated only by money.”<sup>20</sup>

Some motivations for women to have a business are because women seek greater control over their personal and professional lives, increase women’s roles as contributors to their economies through women’s businesses, and through expanding their business, their incomes will increase, jobs will be created and quality of life will improve, not only for the women themselves but for their families and so communities and economy, some motivations in some countries come from the developed IT sectors that enables these women to have a mobile-based Management Information System (MIS) that is simple, user friendly and will enhance their business plans and decisions. Women are readily adopting ICTs for business when given the chance, in large part because they recognize that they can improve efficiency and increase social status. Through the increased usage of computers and Internet women can have entrepreneurial success, mobile phones that will increase their portability of success and control over their business and it will provide them with a particularly friendly tool to support women’s business growth. Increasing women entrepreneurs need motivating these women by developing key skills, providing loans, a new series of training modules will create sustainable opportunities and support for women to achieve long-term economic independence and to grow their businesses<sup>21</sup>. By

<sup>17</sup> Sierra Leone Women Entrepreneurs. – <http://www.cherieblairfoundation.org/sierraleone-women-entrepreneurs>, 20<sup>th</sup> October, 2014

<sup>18</sup> Partners. – <http://www.cherieblairfoundation.org/india-connectivity-report/>, 20<sup>th</sup> October, 2014

<sup>19</sup> Partners. – <http://www.cherieblairfoundation.org/india-connectivity-report/>, 20<sup>th</sup> October, 2014

<sup>20</sup> **Pozin, Ilya.** *10 Best Reasons to Be an Entrepreneur.* – <http://www.inc.com/ilya-pozin/10-best-reasons-to-be-entrepreneur.html>, 12<sup>th</sup> Nov. 2014

<sup>21</sup> Skilling for Change in Rwanda. – <http://www.cherieblairfoundation.org/skilling-for-change-in-rwanda/>, 20<sup>th</sup> October, 2014

fighting poverty and injustice in more than 80 countries around the world will help the world's poorest people find routes out of poverty, also through delivering emergency aid to survivors of war and natural disasters, and helps people rebuild their lives in the aftermath and this will be a role of the government<sup>22</sup>. Women need their entrepreneurial talent to be discovered, and this will motivate and encourage these women to have their own business.

• **Women Entrepreneurs: barriers and challenges:**

**Major Barriers**

**Cantwell (2014)**, the enactment of the Women's Business Ownership Act of 1988 (P.L. 100–533). This landmark legislation helped women's business-ownership grow from 4.1 million small businesses in 1987 to 8.6 million in 2013. In 2009, women-owned businesses had an economic impact of nearly \$3 trillion – translating into the creation/maintenance of 23 million jobs and 16 percent of all U.S. jobs. These women-owned businesses now account for nearly 30 percent of all businesses in America.

*“In the 21<sup>st</sup> Century, women entrepreneurs still face a glass ceiling. While women-owned businesses are the fastest-growing segment of businesses, and many succeed, women must overcome barriers their male competitors do not face.”*

Majority Report (2014)

Key findings of the majority report of the U.S. Senate Committee on “Small Business and Entrepreneurship”, were:

➤ Facing Barriers of getting fair access to capital, only 4 percent of the total dollar value of all small business loans goes to women entrepreneurs.

➤ Facing Barriers of getting equal access to federal contracts, the U.S. Government has never met the goal of the 5% awarding of federal contracts to women-owned business. Which means, women-owned businesses would have the entry to marketplace chances which at least worth \$4 billion each year.

➤ Facing Barriers of getting relevant business training and counseling, although Women Business Centers (WBC) are in nearly all the states and they fruitfully provide specialized counseling and training to women business owners, but these centers have not been re-authorized and funding has continued to be flat since the 1990s<sup>23</sup>.

**Gorji (2011)**, divides the limiting factors of independent entrepreneurship in to three categories which are:

1. Individual entrepreneurship (Family, Education),
2. Organizational barriers (Financing, Physical, Marketing),
3. Environmental barriers (Socio-cultural factors, Rules and regulations).

**Kotzu et al (2008)**, the low levels of savings, as personal capital is the main source of funding when starting a new business this will lower the levels of entrepreneurial activities<sup>24</sup>.

**Major challenges**

Jain et al (2014), Women entrepreneurs have to encounter a large number of challenges like: male domination, family obligations, lack of education, lack of self-confidence, finance problem, limited mobility, limited managerial skills, etc.<sup>25</sup>

The World Bank report that economic growth in the Middle East has been remarkable, due mainly to higher oil prices, rapid job growth followed, driven mainly by the private sector. Although in the last several years there is a political crises which affects the stability of the economic environment, dereliction the national income followed.

Yet the region still faces two important challenges:

<sup>22</sup> Partners. – <http://www.cherieblairfoundation.org/skilling-for-change-in-rwanda/>, 20<sup>th</sup> October, 2014

<sup>23</sup> **Cantwell, Maria.** (July 23, 2014) *21<sup>st</sup> Century Barriers to Women's Entrepreneurship* // Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship. – [www.sbc.senate.gov/public/?a=Files.Serve&File\\_id=c74638e1-6683-4408-9184-bee24c0c283c](http://www.sbc.senate.gov/public/?a=Files.Serve&File_id=c74638e1-6683-4408-9184-bee24c0c283c), 10<sup>th</sup> Nov. 2014

<sup>24</sup> **Kotzu, L., A.v.A. Smit.** (2008) *Personal finances: What is the possible impact on entrepreneurial activity in South Africa?* Volume 12 Number 3, Southern African Business Review. – [http://www.unisa.ac.za/contents/faculties/service\\_dept/docs/sabvi12\\_3chap7.pdf](http://www.unisa.ac.za/contents/faculties/service_dept/docs/sabvi12_3chap7.pdf), 10<sup>th</sup> Nov. 2014

<sup>25</sup> **Jain, Silky, Vipin Kumar Aggarwal.** (2014) *Role of Women Entrepreneurs in 21<sup>st</sup> Century India: Challenges and Empowerment* // Volume 2, Issue 9, 834–840, International Journal of Advanced Research, ISSN 2320-5407

- creating better jobs for an increasingly educated young workforce,
- diversifying its economies away from the traditional sectors of:
  - agriculture;
  - natural resources;
  - construction;
  - and public works.

Into sectors that can provide more and better jobs for young people, sectors that are more like:

- export oriented;
- labor intensive;
- and knowledge driven.

That can be achieved by more innovative and diverse investors. In this private sector plays a bigger role than in the past.

The region also faces another important challenge:

○ Empowering women, particularly in the economic and political spheres, where their participation remains the lowest of any region.

Promoting women's entrepreneurship can partly address these three challenges and produce a cadre of women leaders. Indeed, policymakers, governments, and donors have paid much attention to promoting women entrepreneurs, particularly given that women have strong economic rights in Islam and that there is a tradition of women in business.

Islam has a powerful role model in the first wife of the Prophet Mohammed, Khadija, a wealthy trader and powerful businesswoman of her time who was pivotal in the rise of Islam<sup>26</sup>.

According to **Kumari (2013)** the major factors that affect women as a working family member are ability to work in harmony in home and office, to have organizational support, another factor is family expectations, parenting effect, professional skills, nature of organization, and education. In another study, another factors are considered to contribute to work life balance are assessed. These factors are divided to work based factors like flexi time, option to work part time and freedom to work from home while the family related factors are availability of child care facility and flexibility to take care of emergencies at home. Another factors can be a challenge to women as an entrepreneur are role overload, dependent care issues, quality of health, problems in time management and lack of proper social support are the major factors influencing work life balance in addition to another major factors that affect women are education, incoming ratio, professional experience, spouse stress and work load and stressors of professional women's work family conflict<sup>27</sup>.

**Akhalwaya et al (2012)** the major challenges facing women entrepreneurs in South Africa are: access to finance; the regulatory environment; developmental opportunities; cultural and societal values; education and training; and family responsibility<sup>28</sup>.

In general some of the challenges that face women entrepreneurship is the culture and social norms of those women native countries, such as cultural constraints, and a lack of access to training and financial services, these women struggle to participate in the formal economy. Another challenge is the level of optimism and women self-confidence in starting a business and the lack of strong relationships with local financial institutions and the lack of skills-based training, coaching and intensive business incubation. Other Barriers are related to the Information and Communication Technologies ICT and a need for different skills and support for women to overcome the technological barriers and sustainability remains a challenge for most initiatives promoting ICTs for women's entrepreneurship, another barriers are those related to the specific country gender inequalities, and the environment readiness for economic growth and social change are still preventing women from reaching their economic potential.

<sup>26</sup> The World Bank, The Environment for Women's Entrepreneurship in the Middle East and North Africa Region, Washington, D.C. – [http://siteresources.worldbank.org/INTMENA/Resources/Environment\\_for\\_Womens\\_Entrepreneurship\\_in\\_MNA\\_final.pdf](http://siteresources.worldbank.org/INTMENA/Resources/Environment_for_Womens_Entrepreneurship_in_MNA_final.pdf), 10<sup>th</sup> Nov. 2014

<sup>27</sup> **Kumari, K. Thriveni, V. Rama Devi, December (2013)**, *Work- Life Balance of Women Employees – A Challenge for The Employee and The Employer In 21st Century* // Volume 6, Issue 6, Pacific Business Review International.

<sup>28</sup> **Akhalwaya, Ayisha, Werner Havenga (2012)** *The Barriers That Hinder The Success of Women Entrepreneurs in Gauteng* // South Africa, OIDA International Journal Of Sustainable Development 03:05.

• **The characteristics of women entrepreneurs:**

**Gorji (2011)** Entrepreneurs are known for: Creating new products, processes, and services for the market.

Entrepreneurs can be defined: “individuals who bring about an improvement, both for other individuals and for society as a whole. Entrepreneurs can be identified in all sorts of professions and are active in many different ways.”

Entrepreneurs seem to have certain characteristics in common, throughout a wide range of studies which shows and through go over the findings, generally from comparisons between entrepreneurs and others, the following list can clarify the entrepreneurs’ characteristics:

- Seem to have a high need for achievement,
- Show creativity and initiative,
- Are risk takers and self-confident,
- Have an internal locus of control,
- The need for independence and autonomy,
- Accomplishing their tasks with great energy and commitment,
- And persistent in following their aims<sup>29</sup>.

**Marks (2012)** said “entrepreneurs take risks. Much bigger risks than business owners like me. Unlike my dad, I did not raise money from outside investors or bring on equity partners. I did not operate for a decade with no revenues coming in the door. I did not bet the farm on a single product or as he liked to call it...the “Big One.” I am not a risk taker. I am not a dreamer. When I make an investment in a new product or technology it’s one that I’m able to lose without feeling it. My gambles are small. I think small. Therefore my returns are small. I am a business owner. I am a small business owner. And I’m fine with that”. He described Entrepreneurs as people that are never satisfied with the status quo. They don’t get fat and happy they always think of the next thing, the next project. They enjoy doing things. “Entrepreneurs are technical, view their companies as assets, Something to be developed, shaped and readied for market And then sold for a profit so that they can move on to the next project. Entrepreneurs are passionate about what they do. They are out to change the world”.<sup>30</sup>

• **A comparison between entrepreneurship and small businesses**

In a study for **Mayorga (2014)** Entrepreneurship and small businesses terms are used interchangeably with entrepreneur taking the lead. However, not everyone is an entrepreneur. An entrepreneur is usually a strong risk taker and is generally not in the business for the long haul. The term entrepreneur is used for business owners who are currently involved in multiple businesses or who have had several businesses. If they became successful ventures or failures, they keep coming up with new ideas and launching businesses.

A very strong person, capable advisors and some good luck are needed for entrepreneurs after initial success, in order not to sell their business because further development is needed by someone more qualified. There are very few entrepreneurs who are capable of taking a business from initial concept and able to scale it successfully. While the more traditional type is a small business owner who Loves what they do, Is skilled at something, Hopes to pass the business down to another generation, Plans to retire from the business after a significant amount of time, Not interested in huge growth and Generally is not a big risk taker. They will gamble, but only to a certain point. Over the years, some people don’t like it to be referred to as a small business. According to federal statistics [1], small businesses, represent 99,7% of all employer firms, can have up to 500 employees (for most industries), employ just over half of all private sector employees, pay

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<sup>29</sup> **Gorji.** (December–2011).

<sup>30</sup> **Marks, Gene.** (2012) The Difference Between An Entrepreneur And A Small Business Owner, Forbes. – <http://www.forbes.com/sites/quickerbetteertech/2012/06/06/the-difference-between-an-entrepreneur-and-a-small-business-owner/>, 7th Nov. 2014

44% of U.S. private payroll, can have sales up to \$7 million (for most retail industries), Make up 97,3% of exporters and Produce 13 times more patents per employee than large firms<sup>31</sup>.

**Quon-Lee (2014)** said that both the entrepreneur and the small business owner have the same characteristics, particularly when growing the business initially. “Focused on building their businesses, making personal sacrifices and working long hours are typical behaviors of start-up founders. Although the behaviors are typical, the differences increase and become more critical as the business or start-up grows and increasingly differentiates the entrepreneur from the small business owner”. There is an important question of how can individuals and investors differentiate between the two? Especially if the psychological characteristics of an entrepreneur and a small business owner are the same, some indicators should be investigated to answer such a question that is related to ability to delegate, the ability to treat Co-Founders equals instead of subordinates, the willingness to grow to the next level, the willingness to bring in outside investors / Advisors, and the extent of depending and considering the exit strategy as a small part of their overall start-up journey<sup>32</sup>. According to **Hill (2013)** research Entrepreneurs are the dynamic forces behind the planning and launching of new business enterprises. Entrepreneurs do all aspects of a company throughout its life span, beginning with the raw startup stage, when the venture is an idea, they design the product they determine the most efficient production method the find the company’s first customers. While A small-business manager is someone who operates a company that has survived the startup stage, he wants to keep the company growing and operating efficiently. Sometimes the entrepreneur may bring in a skilled small-business manager to build the company into a larger entity. Entrepreneurs create a creative vision and may bring an experienced manager to direct day-to-day operations to allow the business to continue to grow<sup>33</sup>.

**Spring (2014)** both Small-Business Owner and Entrepreneur can have small businesses, but they have different styles of leadership and thoughts on running their business. The differences between the Small-Business Owner and Entrepreneur are in the following Table 2.<sup>34</sup>:

**Table 2.** Differences between the Small-Business Owner and Entrepreneur

No.	Entrepreneurs	Small-business owners
1.	have big ideas	have a great idea
2.	love risk	hold steady
3.	thinking ahead six months	think about the things they need to finish this week.
4.	focus on scaling	sentimental with their businesses

### Theoretical framework

Three different factors affect women ability to become an entrepreneur first behavioral factors (they includes risk taking, flexibility and getting skilled), Second the financial factors (they include financial capital and economic aspects),and the economic aspects of a country affect a women’s ability to adapt entrepreneurship or embrace entrepreneurship and this factors is a meditating variable where it affects their drive and motivation to become an entrepreneurs ,and the third factor is the environmental factor (including culture and government rules which can positively affect a women entrepreneur).

The following theoretical framework represents the independent and dependent variables affecting women entrepreneurship.

<sup>31</sup> **Mayorga, Luanne.** What’s the difference between an entrepreneur and a small business owner?, 6<sup>th</sup> Nov. 2014. <https://www.linkedin.com/pulse/article/20140422161656-12473704-what-s-the-difference-between-an-entrepreneur-and-a-small-business-owner>

<sup>32</sup> **Quon-Lee, Eric.** (2014), The Difference Between a Small Business Owner and an Entrepreneur, The Huffington Post, Canada. – [http://www.huffingtonpost.ca/eric-quonlee-/small-business-owner\\_b\\_4876440.html](http://www.huffingtonpost.ca/eric-quonlee-/small-business-owner_b_4876440.html), 7<sup>th</sup> Nov. 2014.

<sup>33</sup> **Hill, Brian.** (2013), Difference Between Entrepreneurship & Small Business Management,chron. – <http://smallbusiness.chron.com/difference-between-entrepreneurship-small-business-management-53370.html> , 7<sup>th</sup> Nov. 2014

<sup>34</sup> **Spring, Melanie.** (2014) Are You a Small-Business Owner or anEntrepreneur? The Difference Is Important. – <http://www.entrepreneur.com/article/233919>, 7<sup>th</sup> Nov. 2014

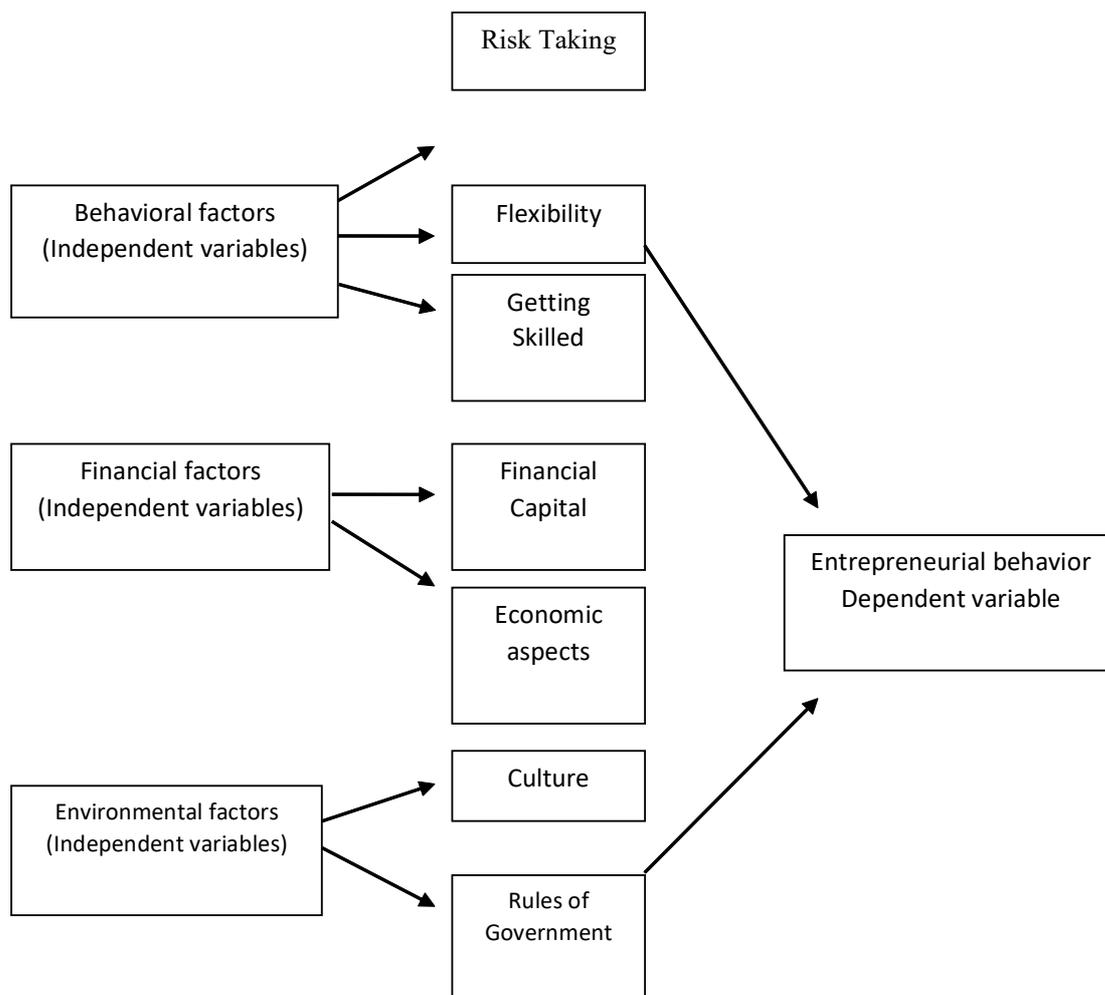


Figure 1. Women entrepreneurship theoretical frame work

### Discussion and Results

Palestinian women entrepreneurs have to struggle a lot and encounter a large number of problems to succeed in business. Some problems are general and faced by every entrepreneur, but some problems are specific to women entrepreneurs. These problems are discussed as follows:

**Financial problems:** women entrepreneur's startups are rigid because of financial issues, they are constrained to rely on one of two financial choices either to finance the projects by their personal savings, if any and borrowings from relatives and friends who are expected to be inadequate and insignificant, or to apply for a bank loans to start their projects, this put huge stress on them, worrying about not being able to cover the obligations. Thus, due to the scarcity of funds, women enterprises fail.

**Low Risk-Bearing Ability:** many Palestinian women can't be entrepreneurs that they prefer stability, while risk-bearing is a necessary prerequisite of a successful entrepreneur, this will affect in lowering the number of women entrepreneurs in Palestine and all over the Arab world.

**Marketing their products:** generally, women entrepreneurs do not possess organizational set-up to invest a huge sum for canvassing and publicity. Thus, for marketing their products, they have to face competition with both their male counterparts and organized sector. Such a competition leads in the end to the winding up of women enterprises.

**Family Responsibilities:** it is primarily for Palestinian woman's duty to take care of the children and other family members. Man's role is secondary. A married woman has to strike a proper balance between her family and business. Her total immersion in family leaves a little or no time and energy to devote for business. Husband's approval and support seem to be critical requirement for entry of women into business. Accordingly, the husband's education and family background positively impact entry of women into business activities.

Also, inadequate infrastructural facilities, high cost of production, shortage of power, social attitude, socio-economic constraints and low need for achievement also restricts the women from entering into business.

### **Internal and External factors affect women entrepreneurs**

#### **Internal factors:**

##### Internal supporting Points

- Hobbies, talents, academic specialization, skills acquired, innovation these are factors that possessing one or more of them supports the ability to be a woman entrepreneur.
- Women entrepreneur are confident, creative, innovative and are capable of achieving economic independence.
- The ability to generate employment opportunities for themselves and others through initiating, establishing and running the enterprise.
- Women prefer to work from home, because of the difficulties in getting suitable jobs and the desire for social recognition motivates them
- Earlier experiences in different aspects, supports the ability to become entrepreneur

##### Internal Frustration Points

- Fear of failure force them to renounce the idea of entrepreneurship
- Deficiency of support, cooperation and back-up for women by their families and the Community force them to abandon the idea of entrepreneurship.
- Women's family responsibilities are an impediment to becoming successful entrepreneurs, this applies all over the world.
- Female traditional lacks achievement motivation as compared to male members

#### **External factors**

##### External supporting Points

- Community needs, new ideas are the source of what women entrepreneur can benefit from start a successful enterprise.
- Women entrepreneurs avail new opportunities in the rural areas such as: drawing, hair styling, decoration, accessory, cooking, florist, pickles and readymade garments... and more on
- Women inculcate entrepreneurial values and involve greatly in business dealings.

##### External Frustration Points:

- Licensing, taxes, lack of clarity of procedures, are obstacles from the government side.
- Blocking information, lack of large enterprises' support, lack of cooperation are obstacles from the business sector and competitors.
- Insufficiency of different laws
- Different kinds of Risk
- Lack of the capability of competing
- The fear of losing sustainability
- Lack of will power, strong mental outlook and optimistic attitude amongst women creates a fear from committing mistakes while doing their piece of work
- Credit discrimination and Non Cooperative officials
- Uncomfortable in dealing with male labors
- Lack of clarity of the concept of entrepreneurship in Palestinian societies, which negatively affects the adoption of this philosophy.

### **CONCLUSION**

The role of Palestinian women has been changing because of the different political and social changes, the need for the family supporting to improve the economic living conditions. Over a period of time, more and more women are going for advanced, professional and technical education. Their proportion in the total workforce is also increasing. However, for women there are several handicaps to enter into and manage business.

All entrepreneurs face certain challenges, but women often have additional challenges and blockages because of their gender. Working mothers experience even more demands regarding time, resources and energy.

The increasing rate of success of women entrepreneurs reveals that they are creative, and able to accomplish, in spite of the probabilities. Women often have such skills and innate competences that are helpful in businesses. Women are likely to be great networkers, have inherent aptitudes for bartering, and the capability to multi-task. Often, mothers are good at assigning and budgeting; skills that they trust on to control their families. By creating a strong business network, learning new tactics to maintain balance between work and life, getting inspiration from other successful women entrepreneurs, women entrepreneurs can attain new altitudes of success.

From all of the above; we conclude that: Palestinian women entrepreneurs' contributions are vital to the growth and development of the community and the country as a whole, women entrepreneurs can help in remedying unemployment, low income, lack of employment opportunities, and the needs of the community.

This study recommends further in depth researches to stand upon the Palestinian women entrepreneur situation and to conduct lectures to spread the awareness of the entrepreneurship concept and its importance.

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