



Gulf Research Centre Cambridge  
Knowledge for All

## The 2011 Gulf Research Meeting

July 6 – 9, 2011  
University of Cambridge

### Workshop 14

## *The Role of Business Women in the Economies and Societies of the Arab Region*

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### Abstract

At the latest with the launch of the United Nations Millennium Project in 2000 most Arab countries started to adopt ambitious targets for the empowerment of women in all fields of society and as part of this the promotion of female entrepreneurship. The views on what has been achieved in this respect are however differing to a large degree. According to some observers, Arab business women did not only manage to establish themselves more profoundly as economic actors in almost all countries of the region in recent years. In addition, they seem to show an increasing desire to organize their interests and engage in networking on the local, regional as well as international level. Though others point to the fact that despite some improvements and a host of promotional campaigns women's economic and political participation remains exceptionally low in the Arab region and in particular the Gulf countries. Moreover, there are still numerous legal, institutional and other constraints preventing Arab business women from being able to enjoy anything coming close to a 'level-playing-field' with their male counterparts. By attracting novel and innovative research the workshop aims to offer new insights for a better understanding of the apparently contrasting assessments in the existing literature on the role of business women in the economies and societies of the Arab world. For this purpose papers are particularly welcome which try to link the analysis of female entrepreneurship in the region with the broader debate on the private sector and its evolving role and power in

the Arab countries and / or the more general topic of ‘Women and Development’ and its different theoretical concepts.

## **Workshop Description and Rationale**

The topic of *Women and development* or *women empowerment* has formed part of the international developmental debate long before the *Millennium Development Goals (MDGs)* were adopted at the New York Millennium Summit in the year 2000. The approval of the MDGs, however, and among them the goal of “gender equality and women’s empowerment” (MDG 3), may have delivered a strong additional push for gender-specific issues to make major inroads into long-term development planning in Arab countries. Many Arab governments endorsed ambitious targets for the promotion of women’s rights and capabilities. In addition, new agendas have seen the light of the day in recent years even in the most conservative Arab countries calling for stronger empowerment of women in all fields of society and as part of this the promotion of business women.

There are, however, quite different views and appraisals among local and international observers on what has been achieved to date as regards women’s empowerment in general and the opportunities and capabilities of business women in the Arab region in specific. According to some observers, Arab business women did not only gain in power and importance as economic actors in almost all of the MENA economies. In addition, female entrepreneurs are increasingly identified in national development plans as indispensable sources for future and private sector-driven job-creation, innovation and diversification. Moreover, business women in the region started in recent years to voice and organize their interests and to step up networking in the national arena and beyond.

In contrast to this rather rosy picture, other observers point to the fact that apart from education and health, results achieved so far with respect to MDGs in general and MDG 3 in specific are somewhat limited if not disillusioning. As regards political and economic participation of women, many Arab countries have still a long way to go to catch up with other regions of the developed as well as developing world. While, for example, Islamic law does guarantee women’s rights to own property and keep control of wealth brought into marriage, banks in many Arab countries still require female entrepreneurs looking for financing for their own ventures to have their husbands or brothers co-sign on loans. In addition, strict gender segregation complicates women’s live both in business and at work and renders female employment highly expensive.

The literature on business women in the Middle East and North Africa including those published by international institutions like the World Bank, the Center for Arab Women for Training and Research (CAWTAR) or different UN Organizations (UNDP, ESCWA and others) focuses heavily on the profile or characteristics of female entrepreneurs and companies led and/or owned by women, their economic power or contribution to growth and job-creation as well as the legal and institutional environment or business climate of women entrepreneurs. A few mostly country-specific case studies explore in greater detail the cultural and / or religious background and its influence on female entrepreneurship. Some others trace the

careers of female entrepreneurs and managers during the last two or three decades in a more general manner or against the background of distinct junctures or turning points in national reform and development policies. However, little seems to be known about other interesting issues such as their apparently increasing desire to organize interests, their networking activities in- and outside the business community or female corporate leadership and management styles despite that similar topics are currently high on the agenda when it comes to analyzing the Arab private sector and its past, present and future roles. In addition, while there is much talk about ‘women and development’ in Arab countries and in particular inside the international development community, the discussion or analysis of the actual and potential future role of business women in triggering gender-specific (and/or overall) development and participation seems to be rather neglected.

Therefore, the workshop aims at making a distinct contribution to the existing literature not only by bringing together recent and innovative research on female entrepreneurship in the Arab world and the Gulf countries in particular. More specifically, the workshop intends to go beyond the rather limited theoretical and analytical framework guiding previous research on business women in the Middle East and North Africa by linking it with the broader debate on the private sector proper in the Arab countries on the one hand and with the general topic of ‘Women and Development’ on the other hand as outlined in greater detail below. Within this framework it is hoped that papers to be presented in the workshop will also offer new insights for a better understanding of the above mentioned contrasting views and assessments of the role of business women in the economies and societies of the Arab world.

### **Potential Research Dimensions and Questions:**

#### **(1) Role and Importance of Arab Business Women in the National / Regional Economies**

In recent years women gained in power and importance as economic actors in almost all countries of the region. Inspired by reports published in the last couple of years by the World Bank and other organisations belonging to the international development community, they are now increasingly identified in the development plans of Arab countries as an indispensable source for future and private sector-driven job-creation, innovation and diversification of the still highly oil and gas-dependent economies of the region. How do business ladies assess the economic, political and social situation of their home countries including its developmental deficits or problems? What kind of strategies or ideas business women do propose or deem as the most appropriate with regard to improving economic performance and establishing the necessary conditions for future growth and development as well as innovation and diversification? Where female entrepreneurs do see their own role or contribution in this context? What is the role of female entrepreneurs in countries having faced conflict, destruction or occupation in recent years? How does conflict and occupation affect female economic participation and entrepreneurship?

Besides being singled out as future promoters of growth and job-creation, Arab women have drawn particular attention in recent years because of the enormous wealth accumulated in their hands. Regional banks and financial institutions have started some years ago to launch investment funds and asset management systems

tailored to the specific needs of wealthy Arab women. The consequent set-up of numerous ladies branches in regional banks and investment houses combined with other developments such as the rapidly expanding IT Sector and E-commerce seem to have fostered a concentration of leading and management positions occupied by Arab business women in the financial sector or other branches of the services industry like real estate or information management. What about the participation of female entrepreneurs in other sectors and branches of the Arab economies? Did the set-up of ladies' branches in regional banks and investment houses contribute to improve Arab business women's access to finance? Did these new establishments succeed in attracting financial assets held by wealthy Arab women and encourage them to 'buy shares instead of gold'?

## **(2) Promotion of a Level-Playing Field in Business – Recent Developments and Remaining Gender-specific Constraints**

Taking in due account considerable differences among countries of the region, the Arab region still lags behind most other regions in this world with regard to women's power and role as economic actors despite the fact that even the early times of Islam witnessed powerful role models for women in business such as Khadija, the first wife of the Prophet. This has often been explained in the literature by the dominance of social attitudes attaching a negative stigma to women's work in general and as an extension to female entrepreneurship. Unfavourable social attitudes and other gender-based barriers such as strict rules on gender segregation or women being regarded as legal minors before law still seem to seriously prevent Arab business women from enjoying some kind of a level-playing field with their male counterparts in the business environments of their home countries. As most of the business and investment laws prevailing in Arab countries are reported to be rather 'gender-neutral', what are the laws, rules and regulations in other areas affecting the work of business women or preventing them from starting a career altogether? How do they impact on the live and work of business women?

What are the differences in social attitudes unfavourable to women in business among countries of the region? What are the measures governments and/or civil society organisations engage to encourage a change of these attitudes? What kind of treatment business women are given when applying for government contracts? According to recent newspaper reports strict rules on gender segregation have lessened in some countries of the region. Who were the actors behind these developments? And how may these changes contribute to improve the business environment for female entrepreneurs?

## **(3) Female Leadership Models and Management Styles**

Not just since the collapse of the Arab equity markets and the following international financial crisis corporate governance rules and reforms are high on the agenda in the Middle East and North Africa. Business women associations in the region also started to take up the issue and put it into the centre of their activities by organizing local and regional corporate governance seminars and conferences. Do Arab business women advocate strong corporate government rules more vigorously than their male counterparts? Are female entrepreneurs stricter in implementing good governance rules or how companies owned and/or managed by women compare with other companies in the region with regard to corporate governance indicators?

It has been alluded to in the literature sometimes that leadership and management styles of business women would be both democratic and participative. Do companies owned and / or managed by women show a higher interest in and commitment to Social Entrepreneurship and/or Corporate Social Responsibility (CRS)? How do changes in the corporate structures transforming family-owned conglomerates into publicly-held corporations and the accompanying split between ownership and management affect the opportunities of female entrepreneurs to start a career in business?

#### **(4) Arab Business Women's Collective Action and Organization of Interests**

To the outside observer the picture emerges as if Arab businesswomen are better connected among each other than their male counterparts. They seem to be more ambitious and enthusiastic in networking and collective action. Against the background of a constantly growing number of female businesses and inspired by high level events such as the GCC Businesswomen's Forums, in particular the most recent decade witnessed the launch of a host of business women's associations in the Arab countries.

Organisations such as the Emirates Businesswomen Council, the Qatar Business Women Forum (QBWF), the Tunisian Women's Entrepreneurs Union or the Egyptian Businesswomen Association (EBWA) try to stretch a helping hand for female entrepreneurs by providing them with information, training, management advice and networking opportunities. Some of them are independent associations; others are closely connected to or form part of the local Chambers of Commerce and Industry or their national federations as special councils or committees. In addition, female business leaders made their way into the boardrooms of local or national chambers and are stepped up efforts to gain a greater say in independent, and in particular the in recent years newly established business associations. What do Arab women entrepreneurs expect to gain from organizing interests? What kind of problems do they confront while trying to establish networks and organize themselves with regard to the legal framework, political systems as well as social attitudes and traditions in their home countries and are there strong differences to be recognized between countries of the region? Which instruments do business women's associations use for assisting female entrepreneurs and in particular to support the younger generation to organize business start-ups?

Although organized business interests have become stronger than in the past and are more often heard in public, privileged personal access to the relevant stakeholders in government circles and the public administration still seem to be much more important. In addition, most business associations and in particular the traditional chambers of trade and industry are usually more or less taking a back seat in local reform debates reacting rather than acting to push for change and reform. Are business women and their associations' representatives more outspoken in demanding reforms on the economic and business or any other level than their male counterparts? Do business women try to lobby for their interests on other levels of society and in particular in government circles in a more organized way than their male counterparts? On the other hand, do leading business women and associations deliberately seek networking and cooperation with other parts of society and in particular other female NGOs and organisations? In this context what are the ideas, strategies and aspirations of business women to contribute to a stronger empowerment

of women and in specific improving women's rights in the societies of their respective countries?

**(5) Regional and International Networking of Arab Business Women**

Besides the local and national arenas, the efforts to connect Arab business women with other female entrepreneurs and their associations regionally and around the world have stepped up in recent years. At the regional level, the Arab Businesswomen Council was established under the auspices of the Arab League in Cairo serving as an umbrella organisation for national and local committees, associations, unions or divisions of Chambers of Commerce directed by women in Arab countries. In the international arena, organisations like the Arab International Women's Forum (AIWF) founded in London in 2001 are aspiring to link Arab business women with their counterparts in Europe, the US and other regions of the world. Another example of this kind is the Association of Organisations of Mediterranean Businesswomen (afaemm) providing an interregional umbrella organisation of Euro-Mediterranean business women's associations. Arab businesswomen and their associations are also featuring well in the World Association of Women Entrepreneurs (FCEM). Besides cooperation between business women's associations, Arab women entrepreneurs increasingly form part of national or regional business delegations going overseas in search of new business opportunities with partners in Europe, the US or other parts of the world. At the "Presidential Summit on Entrepreneurship" in Washington, D.C. in spring 2010 Arab business ladies also featured prominently.

What are the most important inter-regional business women's networks and what have been the activities and performance of those interregional umbrella organizations? What kind of problems do business women associations and their members confront while trying to network and cooperate across national and regional borders? Does regional or international cooperation with other business women's organizations generate a positive impact on the work of the associations and chamber councils at the local and national level?

**(6) The Role and Social Standing of Female Entrepreneurs in Arab Societies**

Aside from organizing interests in business and society, Arab women also made progress on the political front acquiring important official portfolios in the spheres of economic and financial policy. Sheikha Lubna al-Qasimi, one of the most prominent and frequently cited examples, has been appointed as the first female minister in the United Arab Emirates government in 2004. Currently she is serving as Minister of Foreign Trade. Other examples are Massouma al-Mubarak, Kuwait's first female minister sworn in as Minister of Planning in 2005 and staying in office until 2007. Do women holding those government positions or being members of parliament and in particular those with a genuine business background try to champion the interests of female entrepreneurs or women as part of the economy and society at large? Do they advocate the interests of the business community more seriously than it is usually the case with private business representatives in the countries of the region?

During the last one and half or two decades there have been leading figures in at least some Arab countries who powerfully supported the drive of business women for a larger role and stronger voice in society. Obviously, those aspirations and related actions were not welcomed unequivocally everywhere but instead met with criticism or outright rejection by different parts of society or societal strata. How did these

groups voice their criticism and how did those belonging to the government or ruling elite pushing the promotion of female entrepreneurship try to reconcile the conflicting interests? What is the social standing of women entrepreneurs? Did it improve in recent years on the back of ruling circle's official support from above and/or the backing of organized business or other interest groups from below? Does the perception of female entrepreneurs by other parts of society, among them the bureaucracy, differ from the perception of private business in general which was and often still is portrayed as being primarily 'rent-seeking'?

Finally, Arab business women started to attract considerable attention in the local, Arab as well as international media in recent years. How are female entrepreneurs portrayed in the media and what are the differences in their media coverage between countries of the region as well as between local and international media outlets? What kind of role do women play as owners and / or managers of media outlets in the Arab countries?

Papers to be submitted may deal with one or more of the research questions outlined above or cover any other aspect or issue related to the different research dimensions within which the workshop tries to approach the overall topic. Contributions could include theoretical concepts offering new and innovative frameworks to approach and analyze the topic and its multiple dimensions in an interdisciplinary context. They may also cover empirical studies preferably concentrating on one or more case studies in different countries of the region paving the way for comparative analysis.

## **Workshop Director Profiles**

**Dr. Anja Zorob** is professor (Junior professor) at the Center for Middle Eastern and North African Politics, Otto Suhr Institute of Political Science, Freie Universität Berlin. Her teaching activities at the Center cover International Relations of MENA countries, European Foreign Policy with special focus on Europe and the Mediterranean and wider Middle East, Economic Development and Political Economy of Reform as well as Regional / Global Integration of MENA economies. Her research record includes processes and outcomes of Middle Eastern and North African intra- and interregional economic integration (Euro-Mediterranean relations and intra-Arab integration) and political economy of reform in MENA countries (Syria and other Mashreq) besides issues of peace and conflict studies including Israeli-Palestinian relations and Iraqi refugees. Her current research activities focus on characteristics and impact of overlapping FTAs with special focus on Gulf Cooperation Council member countries trade policies, FTA negotiations with third parties (in particular with EU and US) and GCC internal economic integration; Arab business women and their organizations as drivers of change. In addition to research and teaching, Anja Zorob served in recent years as a consultant for German development organizations and the Federal Ministry for Economic Cooperation, among others. Before joining Freie Universität Berlin, she was a Senior Research Fellow at the Institute for Development Research and Development Policy (IEE) at Ruhr-University Bochum and the Institute of Middle East Studies (IMES), German Institute of Global and Area Studies (GIGA) in Hamburg, Germany.

**Dr. Beverly Dawn Metcalfe** is Senior Lecturer (Associate Professor) in Human Resource Development, Centre for Organizations and Development, Institute for Development Policy and Management (IDPM) University of Manchester, UK. Her research is concerned with two key themes firstly, women's development in Arab Gulf states, specifically in the sphere of women's leadership and entrepreneurial development the role of women's organizations and networks in facilitating empowerment, and secondly, the characteristics and structure of national and education planning frameworks in Gulf states. She has also collaborated on research projects and acted as advisor and consultant on education development and women's development to numerous Gulf organizations including inter alia Bahrain Ministry of Labour, Bahrain Management Society, the Women's Branch of Institute of Public Administration (IPA) in Saudi Arabia, as well as several women's NGOs. She is currently on the Editorial Board of Human Resource Development International (HRDI) and has just compiled a special issue entitled Women, Empowerment and Human Resource Development in Arab Gulf States to be published in HRDI April 2011. In addition, her book with Dr Fouad Mnoumi, Arab Open University, entitled Leadership and Development in the Middle East was published in the summer of 2011 by Edward Elgar publishing.