

Palestine Economic Policy Research Institute (MAS)

**Female Entrepreneurs in the West Bank
and Gaza Strip: Current Situation and
Future Prospects**

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1- Introduction

1-1 Overview

The Palestinian economy suffers from many deformations and imbalances that make it both dysfunctional and dependent. Long years of occupation and movement restrictions, barriers and prohibitions, culminating in an uprising (*Intifada*) that destroyed many of the existing structures and blocked most development prospects, inevitably led to an exhausted economy that is dependent on Israel's. Nevertheless, the Palestinian economy continued to exhibit some degree continuity and resilience, which prompts us to ask how it did so, and what are its developmental prospects. The proliferation of small business projects and informal economic activities – many of which are undertaken by women – have contributed to it weathering and adapting to the difficult conditions. However, an important question remains: Is it possible to intervene in a manner that contributes to the consolidation of successful small initiatives, including extremely small ones, and to replicate them so that they become a driving force in Palestinian economic development? Here, the importance of initiatives by female entrepreneurs is apparent, where women with small projects have shown how to withstand shocks and the difficulties of occupation. Those Palestinian women who have defied the difficult economic situation, and an equally difficult social situation, have been able to provide for their families and in many cases save them from the cycle of poverty.

This study is part of a cooperation agreement between the Palestine Economic Policy Research Institute (MAS) and the Ministry for Women's Affairs. Despite its short existence, the Ministry has managed to define a clear strategy and draw up a plan of activities for the next three years focusing on poverty amongst young women, technical and professional education, and strengthening the role of Palestinian women in decision-making. Women entrepreneurs are important to all the above-mentioned three objectives, hence the Ministry's interest in them.

This research seeks to investigate the phenomenon of female entrepreneurs in Palestine and look at ways their situation can be improved. It was not easy to undertake such a study. Female entrepreneurs are found in many different economic sectors and geographical areas, and their social, economic, cultural and educational characteristics vary. They are also concentrated in the informal sector, which makes it difficult to determine their number, or even to reach them. In addition, the term entrepreneur covers a wide range activities. A female entrepreneur could be a simple woman who decided to contribute to the family income through making cheese or pickles and selling them in the local market. She could also be an expert specialized in strategic planning who decided to launch her own business to provide technical advice to private and public institutions. However, there are basic issues which unite all these women. Women in general do not benefit equally from the market economy and the results of privatization. They suffer from a scarcity of networks supporting them in economic activities, and from a traditional attitude to women's role. They have difficulty in obtaining funding, finding business partners, accessing information, and are constrained by a scarcity of possible projects and businesses, particularly non-traditional ones. This study aims to cast more light on those problems, amongst which are the following:

Traditional societal outlook to women's work, and to women who launch projects, especially if such projects are oriented to areas traditionally occupied by men in the horizontal and vertical gender division of labour¹. Many women suffer from the restrictions and control to which their behavior and movements are subjected. They lack the necessary public relations networks needed for the success of any project, with their relations often confined to family or other limited circles. This is in addition to their low level of participation in the labour market, and in political and economic decision-making in general

The political, legal and developmental environment in which Palestinian businesswomen live generally does not differ from that which creates problems for men. But it discriminates more against women because of social gender relations. The unstable political situation, the increased violence of the occupation, the siege, barriers, impoverishment and inability to move, are all problems which greatly affect men and women alike. But the legal and developmental environment is generally 'blind' to women's problems, and those of small investors. This will be analyzed more deeply later.

Obtaining funding and loans is another problem that Palestinian women face, not only because of the scarcity of loans available and the high interest charged, but also because of the high guarantees and collateral demanded which women have trouble providing, because of their lack of control over financial resources and ownership of land.

Obtaining professional and technical training is also a basic problem which women face. First, because of a societal outlook that does not appreciate the value of professional labour, and second, more importantly, the absence of appropriate vocational and technical training available to women that is related to the needs of the Palestinian labour market.

All these problems are urgent and delicate, and could be studied individually in great depth. Solving them is a priority, and will both improve the situation of women and encourage investment in the economy.

1-2 Method of Study

A descriptive and analytical methodology was used in this study, together with several other quantitative and qualitative research tools. On the one hand, the study sought to portray the features of the women entrepreneurs' sector in general, and on the other it tried to tackle the problems and challenges they face in depth, examining proposals to overcome them. The method of study can be summarized as follows:

¹ - For further information concerning the concept of gender division of labour in the Palestinian context, see publications of the Institute for Women's Studies at Bir Zeit University (Taraki, 1997, and Hamami 1998). The vertical division of labour means that there are areas which women cannot enter or participate in, for example the construction sector. There are, however, areas in which women are concentrated, such as services, and namely health and education. The horizontal division of labour, on the other hand, means that women are mostly excluded from higher positions and positions of economic decision-making. In most sectors they are concentrated in lower ranking and secretarial jobs and administrative support positions.

Review of Local, Regional and International Literature

In the late 1970s and early 1980s, greater attention was paid to the sector of women entrepreneurs. The interest resurfaced anew at the beginning of the new century. For the purpose of this study, a review was made of much of the literature that deals with different aspects of the subject, focusing on it as a basic strategy for development and fighting poverty.

Analysis of Legal and Political Environment

Local and international literature is unanimous in emphasizing the importance of the legal environment in which women entrepreneurs function. Such an environment sets the legal frame of reference and the scope of the support for women. It also defines the extent of national commitment to problems of women entrepreneurs, and the kind of facilities that can be provided to them. This section seeks to review the environment and to offer concrete proposals to develop it.

Interviews with Specialists in the Field

Five main meetings were held with specialists in the area of women's projects, and with representatives of institutions that provide loans to women, as well as with representatives of women's organizations. Among these were Asala credit institution, Faten, the Association of Palestinian Businesswomen and Women Entrepreneurs, the Savings and Loan Association, and the Palestine Agricultural Relief Committee (PARC). The purpose of these meetings was to acquaint the researchers with the situation of Palestinian female entrepreneurs, the types of projects in which they are concentrated, their sectoral and geographical distribution, the main challenges facing them, and recommendations for solutions to their problems.

Focus Groups with Entrepreneurs

The aim of women entrepreneurs' group meetings centered around knowing the needs of such women, the challenges they face, and the ways of overcoming such challenges. It also examined which projects women are concentrated in, the nature of women's relations with society around them, the kind of support they receive, and how they could be better assisted.

Six focus group meetings were held in the West Bank in areas where women entrepreneurs are concentrated. They were Bethlehem, Al-Khalil, Ramallah, Jerusalem (Badou and Shu'fat) and Tulkarem. Two meetings were held in the Gaza Strip, one in Northern Gaza (Jabalya) and the other in Gaza City. To each group meeting 10-15 women entrepreneurs from the area were invited. They were identified through loan organizations, trade unions, the Ministry of Labour, or through recommendations by the local community.

The discussion agenda in each group consisted of the following themes:

- 1- Personal characteristics;
- 2- The surrounding environment (support and challenges);
- 3- Types of projects and their degree of suitability to the market;
- 4- The main problems and difficulties that women's projects face at the outset, and problems that persist; and
- 5- Questions related to the projects' nature, the women's needs for training and support, and their recommendations to concerned institutions.

Survey of Palestinian Women (18 to 65 years old)

The purpose of this inquiry was to try and understand the extent to which women are ready to undertake a trade/craft, their needs, and the social, economic and cultural problems which women felt they would face. This was conducted using a sample of 2,000 Palestinian women, distributed as shown in Table 1

**Table 1: Sample Distribution According to Governorates
In West Bank and Gaza Strip**

<i>Governorate</i>	<i>Size of Sample</i>
Jenin	140
Toubas	25
Tulkarm	93
Qalqilya	49
Salfit	33
Nablus	180
Ramallah and Al-Bireh	150
Jerusalem	228
Jericho	23
Bethlehem	94
Al-Khalil	278
Total West Bank	1293
North Gaza	126
Gaza City	253
Dier Al-Balah	103
Khan Younis	139
Rafah	85
Total Gaza Strip	707
Grand Total	2000

Survey of Female Entrepreneurs

This section faced several technical problems stemming from the non-existence of a comprehensive reference for the community being studied, out of which a sample could be drawn. It is evident from a survey of establishments conducted by the Palestinian Central Bureau of Statistics (PCBS) that there are nearly 6,000 establishments run by women in Palestine. But according to the definition set by the PCBS, running an establishment does not mean that the legal definition of entrepreneur applies to those women. An establishment, according to the definition, is 'one or part of one which is situated in one place, where productive activity (with the possibility of production from secondary activities) is carried out, and that activity realizes the majority of added value'. The PCBS sets several conditions for recognizing an establishment: that it undertake economic activity, meaning that the establishment should provide others with a service or commodity, the existence of a permanent site where the activities are carried out, and a unified management for the establishment. We could not ascertain, according to this definition, if a woman running an establishment was part owner of the capital, and consequently whether the procedural legal definition applies to her. At the same time, the framework does not cover many women entrepreneurs who started a project and are still in the founding stage, or who are working in the informal sector.

We obtained for the purpose of the study the names of all women registered with the chambers of commerce in the West Bank and Gaza Strip, but we were unable to ascertain if they actually owned the commercial project and participated in it, or it was simply registered in their names for purposes of evading legal and tax obligations.

We also obtained from credit institutions lists of women who took loans and are still repaying them. This area is also incomplete as it does not include women who fully repaid their loans. It also does not inform us if they obtained the loans for their own projects, or to help a male relative.

The fourth area was women who have contacts with associations marketing embroidered materials. They are not businesswomen, according to accepted definition norms, but perform an important craft. It was necessary to include their problems in the study.

The last possible area was professional women who run private businesses, such as medical clinics, dental clinics, architectural bureaus and lawyers' offices. Their names were obtained from professional syndicates where they are registered. Their ownership and management of the firm was confirmed.

Following is a description of the women's survey sample:

Table 2: Sample Distribution According to Institutions in Palestinian Territories

<i>Institution</i>	<i>No.</i>	<i>Percent</i>
Asala	28	5.5
Savings and Loan Association	50	9.9
Faten	258	51.1
Chambers of Commerce	54	10.7
Physicians' Syndicate	6	1.2
Hairdressers' Syndicate	2	0.4
Focus Groups	76	15.0
Working Women's Association	31	6.1
Total	505	100

Table 3: Sample Distribution According to Institution in West Bank and Gaza Strip

<i>Region</i>	<i>Institution</i>	<i>No.</i>	<i>Percent</i>
West Bank	Asala	17	4.3
	Savings and Loan Association	50	12.6
	Faten	184	46.3
	Chambers of Commerce	48	12.1
	Physicians' Syndicate	6	1.5
	Hairdressers' Syndicate	2	0.5
	Focus Groups	65	16.4
	Working Women's Association	25	6.3
	Total	397	100

Gaza Strip	Asala	11	10.2
	Faten	74	68.5
	Chambers of Commerce	6	5.6
	Focus Groups	11	10.2
	Working Women's Association	6	5.6
	Total	108	100

Survey of Institutions

A form was used to collect data and information pertaining to institutions that provide different kinds of support to women entrepreneurs and women's initiatives. In addition to basic information pertaining to the institutions in question and their objectives, they were queried about the kind of support they provide to women, and its classification.

Case Studies

Case studies were used in several study areas to illuminate some issues related to the question, such as the characteristics of women entrepreneurs and businesswomen, successful experiences and initiatives, or others which failed. Case studies seek to clarify or explain some results or recommendations presented by the study.

Problems of Field Study

The most important problems encountered by the field study centered on the absence of a single reference framework which could be used for sample selection of women entrepreneurs, a fact explained earlier. To overcome the problem a sample was selected from more than one framework, which required additional time and effort. The researchers were obliged to exert extra efforts to reach the chosen sample.

Other problems included a low rate of response by businesswomen, delay in filling in the questionnaires, and to poor contact with women working in villages and the difficulty of reaching them. Furthermore, many institutions which assisted in selecting the sample insisted on keeping the addresses secret, and did not facilitate direct contact between field researchers and businesswomen. To overcome this problem, the concerned institutions undertook to deliver the forms and to have their employees fill them in. The employees were requested to provide contact information allowing the field researchers to verify the authenticity of the information and the fact that the meetings really took place.

1-3 Previous Studies

No specialized and qualitative studies dealing with all aspects of the situation of Palestinian women entrepreneurs exist. The present study is the first of its kind in this domain. However, there are two other kinds of study. The first focuses mainly on women's small projects, and the second deals with policies of small scale lending and its effect on women. Among the first studies are the two by Nadia Hamdan which were issued by the Woman's Affairs Center in Gaza (1993), one concerning income-generating projects by women in the Gaza Strip and another concerning projects by women's institutions in the Nablus and Tulkarem areas. There is also a study prepared by the Department for Planning and Development of Women's Participation at the Ministry for Planning and International Cooperation, concerning women's small enterprises (Al-Shalabi, 1999). There is a study concerning the effect of the Israeli

onslaught on the economic situation of Palestinian women in the West Bank (Al-Shalabi and Ataya, 2002). There are also several studies dealing with gender issues in the labour market, which highlight the gap between the two sexes in work and training, and the problems faced by women in both the formal and informal sectors.

Among the studies dealing with loan institutions, the extent to which women benefit from them and the type of projects they undertake, is one by Izzat Abdul Hadi and Jamila Abu Daho (1993). It deals with the loan requirements in home economics projects, and found that loan institutions neglect individual women's projects to the benefit of collective projects. The study also found that women failed to transform their projects into economic institutions due to a lack of experience in areas of management, accountancy, marketing, cost accounting, pricing, and distribution.

Another field study prepared by the Department for Planning and Development of Women's Participation concerns lending policies for small projects (Oudeh, 1998). It examined the two types of institutions that provide credit services – some which provide loans especially to women, and others which provide loans to women and men alike. As regards institutions which provide credit especially to women, most of the loans ranged from US\$200 to \$3,000. The study indicated that such loans basically aimed at combating poverty among women, and not necessarily at developing their situation. The projects assigned to women were related to women's conventional role in Palestinian society, such as breeding poultry, raising cows, dress making, food processing or working as beauticians. In 1996 only 1,282 women benefited from such loans.

As regards other banking institutions, in 1996 they provided loans to 4,955 persons, only 4% of whom were women. At the same time, 6 civil society institutions which do not specifically target women provided 798 loans, 11% of them to women. This low percentage reflects the onerous conditions and high interest charged for the loans, as well as the fact that many available projects are not suitable for women's conditions in terms of experience and training. Thus, women were not easily able to benefit from the two types of loans available in the Palestinian territories (Oudeh, 1998).

Among the important research in this area are two studies undertaken by the Asala Institute with the aim of evaluating its performance during 1998 and 2002. The two studies found that the women most ready to undertake projects were those from north of the West Bank (48.5%), that two thirds of those were married, and their age ranged between 17 and 41 years. Nearly half of those women had practical experience of seven years and more, mostly in the sectors of food processing, dress making, poultry and animal breeding, and hairdressing. These studies also found that most women who owned projects were married and aged between 34 and 45 years, with their projects concentrated in the services sector (37.9%).

The Women's Affairs Center in Gaza undertook a field study based on a sample of small projects in Gaza (October 2002), as part of a study on the effect of *Intifada* and its influence on the conditions of Palestinian women. The study found that the majority of projects were conceived after the establishment of the Palestinian National Authority. It also found that women's projects were greatly affected by the *Intifada*, especially the effect of the siege on marketing produce, and being obliged to sell at

lower prices. This is in addition to the psychological and social effects of the violence. However, despite the importance of the study, it did not take into consideration questions of social attitudes towards gender in analyzing the various indicators. It did not focus on the situation of women entrepreneurs in a patriarchal society and a dependent and shackled economy. Most of the study was based on examples from certain geographic regions, or a certain time framework.

2- Theoretical Framework of the Study of Palestinian Women Entrepreneurs

2-1 Characteristics of Women Entrepreneurs Internationally

An entrepreneur is defined as 'someone who engages in business enterprises, often with some personal financial risk'.² The Oxford English Dictionary also defines it as a 'beginner of an enterprise or enterprises'. The word is originally French and is derived from the word 'entreprendre' which means 'to undertake'. It specifically involves an element of responsibility and personal risk in undertaking a project. Moore and Hunter defined (in 1997) a woman entrepreneur as a 'woman who launches a project, actively manages it, owns at least 50% of the capital, and is working for at least one year'. There are other definitions which add the element of persistence, meaning starting a project and repeating the attempt in case of failure, or starting other projects entailing new challenges.

To arrive at an operational definition of the word, there are several possible approaches, among them those which focus on:

1- Personal characteristics of female entrepreneurs: This trend is known also as the 'behavioral approach', and presupposes that women who launch projects possess certain characteristics, such as initiative, innovative ability, persistence, and good financial management. Six norms are sometimes cited, which are: working hard, taking risks, desiring success, innovation, self-confidence, and leadership qualities. Other criteria include independence, job satisfaction, and personal motivation, and it is easily possible to identify other traits, or to rank them in different orders of importance.

2- Characteristics of the project itself: Projects undertaken by women are usually of medium or small size and of low risk. Generally the characteristics of women-owned and managed projects (compared to those managed by men) are:

- 1- Smaller in size;
- 2- Slower in growth;
- 3- Less risky;
- 4- More committed to family responsibilities;
- 5- More conventional and in line with societal traditions.

3- Characteristics of the environment where the project operates: This is known as the 'sociological approach' and stresses the 'push' and 'attraction' factors in the surrounding environment which force or encourage women to launch a project. Among the 'attraction' factors, for example, are a woman's strong personal ambition to launch a project, or the availability of an appropriate economic opportunity. Among the 'push' factors are unemployment, job-fatigue, poverty, or the need to spend more time on child care. Mayoux (2001) identified three theoretical trends to do with female entrepreneurs and their projects, as well as evaluating their work and the support they receive. The three trends are as follows:

First: The Modern Liberal Trend:

This trend is widespread in industrial states of the North, and affects their aid policies to developing countries. Furthermore, its influence has spread to many multinational

² - Chambers 21st Century Dictionary

aid agencies, such as the World Bank and the International Monetary Fund, as a result of the influence of industrialized states on their aid policies. This trend presupposes that economic growth is the basic goal of development, and that fighting poverty occurs automatically through the so-called 'trickle-down effect'. Thus, investment in private projects will generate economic activity and create jobs. During the 1950s and 1960s this school of thought presupposed that small enterprises would wither away voluntarily or merge with huge capitalist enterprises. The proliferation, however, of small enterprises in the 1980s led to increased attention being paid to them, and their being described as a dynamic, effective, appropriate democratic choice, and an alternative to central government intervention. There is an attempt in this trend to include women in the neo-liberal market policies. Economic growth is considered the main driving force of this theory. Women's small projects contribute to increasing profits and economic efficiency, and the development of the economy as a whole. Small enterprises constitute an important factor in the transformation to a market economy, and the increased effectiveness and efficiency of markets.

Second: The Female Empowerment Trend:

This trend emerged in the Marxist/socialist feminist discourse and dates back to the 1970s. It focuses on criticizing macroeconomic policies in relation to anti-poverty initiatives among women. It states that facing up to the problems of poverty and gender requires a fundamental change in macroeconomic policy which would take into consideration the inequalities in societal gender relations. The main aim of this movement is to challenge inequality between the sexes through increased female participation in productive work, and empowering them to challenge inequality in the private domain as well. Empowerment of women, according to this view, focuses on women's rights as people but within a broad context of the reasons for women's low status. This affects all aspects of life, including individuals, the family, the laws governing work, as well as the composition of the state and the economic and political world order. Empowerment of women here does not only depend on the strategy of supporting individuals, but also requires comprehensive collective support that does not separate between policies, economic intervention, social welfare and social security. This view questions women's projects and the idea of women entrepreneurs, instead of accepting the prevailing western private model.

Interest in this trend increased, especially during the 1990s, after evaluation of many projects launched during that period which proved that the effect of development programs on women was very limited. They did not change their lives, and did not challenge traditional modes of social gender relations (Mayoux, 2001). Despite the importance of women entrepreneurs and their small projects, and their role in development and fighting poverty, as well as in the economic and political empowerment of women, it should be noted that what is important is not simply a numerical addition to the number of those women or their projects. It is also important to improve the developmental environment in which they operate, and increase the degree of benefit they derive from their economic activity. The majority of such women, especially in poor areas, launch their projects to overcome poverty, maintain their family, and compensate for the unemployment or low income of the male head of the family. But those women remain, in the majority of cases, confined to limited investment, limited growth and small profits, in exchange for tremendous efforts and labour. In most cases one reason is due to limited markets and the weakness of the economy. But the more important reason is gender inequality, manifested in several

ways including the difficulty of obtaining resources, questions of ownership, a lack of necessary skills, limited opportunities and a limited ability to travel. There is gender discrimination not only in macroeconomic systems, but also in the home or the private domain. This inequality is strengthened by the policies that support the liberalization of markets, promoting exports at the expense of assuring social security and social services. Female participation in small and medium-sized projects is then no guarantee of political and economic empowerment. Women become equally subject to discrimination in the macro economy as in the private domain.

In addition to the concern that small projects are not enough to guarantee women's empowerment, Abdul Hadi and others (1998) pointed to other challenges. In the majority of cases, small projects do not provide any legal protection for workers. Neither the Palestinian Labour Law nor the Investment Promotion Law provide any legal protection for small enterprises, or for a guaranteed income. In many projects, profit is made through avoiding payment of health or accident insurance for workers. Small projects are distinguished by their low wages and few worker benefits. A high percentage of workers in these projects are family members who receive no wages, especially other women and children, which allows for their exploitation.

Third: The Trend of Intervention to Fight Poverty:

This trend lies between the two previous trends, and attempts to reconcile economic growth and human development by paying attention to social security and social welfare in addition to policies encouraging economic growth. Poverty eradication is considered the compass directing this movement, which is widely accepted by various UN agencies and civil society organizations. Interest in women's projects as part of this trend stems from the ability of such projects to invest and create jobs, as well as in their ability to fight poverty. Poverty is treated as a multi-faceted phenomena caused by many reasons, and women, especially housewives, are a target group of anti-poverty programs. This trend combines support and promotion of private initiatives with encouraging the formation of cooperatives to support female owners of projects. The main criticism of it focuses on who should cover the economic cost of the social welfare bill.

In general, women are poorer but at the same time inclined to spend more of their income on the welfare of their families. Hence, supporting women's projects contributes to fighting poverty. Furthermore, women tend to operate projects which are labour intensive. This contributes to the creation of new jobs, often for other women, and consequently to fighting unemployment. A poverty report about Al-Khalil Governorate (2002) found that within the context of enlarging the labour market, there was support in the majority of Governorates for encouraging small projects for women through non-profit civil society organizations providing easy long-term loans with flexible conditions. There was also widespread support for the idea of providing jobs at home for women in any area which is suitable for their skills and experience. Creation of jobs in their localities, stated in the report, achieves three objectives for women: 'obtaining a job that assures her and her family a stable income, remaining near her home and children, and lastly avoiding social restrictions that limit the movement of women and hinder their leaving their towns or homes for work purposes'. Some poor women suggested that women's associations in villages should manage the employment of women, and market their produce, as these are some of the problems that deter women from joining the official labour market.

Women identified marketing operations as a necessary prerequisite for guaranteeing the success of any women's project. Also noted was the importance attached to the organization of training courses for women in fields which could help them to provide an income to support their families.

It is necessary to note that these three trends can co-exist in the same place, and are elements of many projects, especially those of big development agencies such as the United Nations. Table 4 presents the most important problems in each of the three trends.

Table 4: Review of Three Theoretical Trends Dealing with Female Entrepreneurs

	Neo-liberal	Feminine Empowerment	Anti-poverty
Main Development Goal	Economic growth through promoting the market economy.	Ending inequality in power relationships and resource ownership.	Fighting poverty by creating jobs as part of the market economy.
Areas of Focus	Promoting private enterprise and trickle-down development.	Human rights and gender equality; collective work.	Economic growth that respects social needs, human development.
Reason for Interest in Gender	Increased efficiency and better utilization of idle resources.	Gender inequality is main area of interest.	Despite having fewer opportunities than men, economically-active women are more likely to improve their family's situation.
Problems and Gaps	Hidden effects of the market not considered; poverty not discussed in terms of gender; power relations and factors affecting economic decisions not understood.	Gap between female empowerment and women's urgent practical needs; often defines problems but not priorities.	Sectoral separation between gender and private-sector policies; tension between anti-poverty and pro-market policies, and who should foot the bill for social responsibility.

2-2 Operational Definition of Palestinian Women Entrepreneurs

There are differences among the various theoretical points of departure with regard to the definition of women entrepreneurs. Liberal and neo-liberal trends stress individuality and the personal traits of an individual, which pays less attention to the importance of the surrounding environment and the obstacles facing women in societies such as ours. This study tends to define women entrepreneurs as:

'Women who possess certain personal traits, and to whom is available a suitable environment and the appropriate opportunity to launch a project. They possess the perseverance to work for the success of the project, and confront the challenges and obstacles that stand in their way.'

This definition contains the following elements, which the study will attempt to explain and clarify:

Personal Traits:

The study will try to define the traits that professional and business women possess or need. They include age, marital status, educational level, innovative ability, and capability of perseverance and overcoming challenges.

Enabling and Supportive Environment

The study tries to draw a picture of the environment in which Palestinian women entrepreneurs function – political, social, cultural, and legal – and define the challenges they encounter before, during and after launching a project, as well as the possibilities of overcoming those challenges.

Project Characteristics

This looks at their number, kind, sustainability and resilience. This includes all types of project-related challenges, such as financing, financial management, planning, marketing and other problems, and also the nature of the project with regard to the number of workers, their sex, and their relation to the project owner. It should be stressed that women entrepreneurs are not one harmonious group. Each woman and each project has its own characteristics which contribute to its success. But for the purposes of research and study we use the following criteria:

- The female entrepreneur has a private business which she manages alone, and of which she owns a certain percentage of the capital.
- The business is market oriented and provides profits that can be calculated (functions within the framework of the market economy).
- The enterprise employs workers, or has the capability of employing workers or creating jobs in the future.
- The woman is the main participant in decisions relating to management and development of the project.

Women working only in the agricultural domain are excluded.

2-3 Historical Development of Small and Medium-Sized Projects Run by Women

During the 1980s and 1990s, interest increased in women entrepreneurs and pioneering women's small and medium-sized projects. Small projects in general are considered important to any economy, be they in developed or developing countries, and their importance becomes crucial to economies in the phase of transformation. They play a cushioning role to promote social stability, especially in transformation periods and difficult times when the economy encounters imbalances and disturbances. They create appropriate conditions for economic development, fighting poverty and unemployment, and create a middle class capable of absorbing the change (Mayoux, 2001). It is noted that states which have clear policies and endeavor to create a suitable climate for small and medium-sized projects are those which have a high rate of growth and higher development potential. The 1980s also witnessed a change in the mode and methods of employment. The tendency to sub-contract to small and medium-sized enterprises run and managed by women increased, instead of having a concentration of labour in big industrial enterprises in developed countries. This trend arose for two reasons, and one of them was to avoid the burden of permanent female employment such as payment of maternity allocations or end-of-employment benefits. But at the same time the importance increased of small, specialized and highly-skilled businesses performing a part of the industrial process or producing high quality goods suitable for the needs of certain markets (Mitter, 1997). Later, the idea of 'out-sourcing' spread, not only with regard to industrial production, but also in connection with office services and communications. Women found different employment possibilities because, for example, of their typing or designing skills. (Mitter, 1997).

Economists and politicians are agreed that small enterprises constitute a tremendous engine for development in any country's economy. There is a growing trend among most international development agencies that provide aid, as well as regional organizations specialized in small businesses, to provide resources and assistance that aim to turn small projects into self-reliant businesses. Various states are adopting special policies and programs that promote and support such enterprises. Small enterprises are considered the backbone of the economy in the West Bank and Gaza Strip due to the nature of the political and economic conditions that Palestinian society encountered and is encountering (Al-Shalabi, 1999). The Israeli occupation restricted the creation of many agricultural and industrial projects by refusing to grant licenses to investors to establish productive businesses. Licenses were granted to businesses that do not constitute a threat to Israeli producers or compete with them. The only businesses that were allowed to prosper were those in the domain of services, and specifically retail trade. Many of them were unlicensed shops (Nasser, 1999). The number of industrial establishments decreased from more than 5,000 in 1968 to less than 3,700 in 1991. Many investors resorted to the establishment of small businesses to avoid the Israeli legal and administrative complications. Thus industrial establishments employing fewer than 4 workers constitute around 93% of the total number of industrial establishments in the West Bank and Gaza Strip (Nasser, 2003).

Makhoul (2005) contends that small enterprises possess several advantages, among them ease of establishment, independence of management, flexibility, the ability to create jobs, the capability to adapt to change, a dependence on self-training, high production quality, and achieving geographic spread of industrial activity within a short period to recover the invested capital. Small businesses are also distinguished by being dependent on local resources, which permits continuation even during sieges and closures. (Abdul Hadi and others, 1998). Also, Shalabi (1999) found that small businesses assure jobs to marginalized groups, especially women. Even if they fail, they do not greatly affect the productive level. At the same time they are considered a factor strengthening local production and material incomes. The number of small businesses in Palestine increased during difficult economic conditions and dropped during periods of improved economic opportunities, such as availability of work in Israel (Nasser, 1999).

There is a great deal in common between studying women's small projects and studying the situation of women entrepreneurs. The only difference that we wish to draw attention to here is that we are not researching the project itself and its characteristics, but are studying the women entrepreneurs who succeed with their projects despite hardships, problems and the difficult economic and social situation. The aim is to focus on the human aspect of the women themselves, their living conditions and the nature of challenges they are facing, instead of focusing on the nature of the project and the problems it faces. Despite the tremendous challenges confronting the Palestinian economy, for the most part society successfully adapted. Palestinian people, of both sexes, were able to find suitable conditions for the success of small projects, or at least to continue running them despite the many risks. These personal qualities are worth studying. From this angle, the details of the enterprise itself are of no interest to us, except in as much as they indicate the success of women and their ability to adapt and manage a project in a difficult situation. The benefit of such a study is not only to express individual success stories, but to learn about the unexploited resources of Palestinian human capital.

The relationship between small projects and women can be clarified through examining the characteristics of small projects. They are, as Abdel Hadi and others (1998) defined them: de-centralized production, dependence on local markets, satisfying different needs of consumers on the level of products and services, and the importance of the human element. Small projects depend on the central role of the commercial entrepreneur and his/her personal characteristics, as he/she is the manager and owner of the project. Small projects are often distinguished by their family input and by the possibility of cooperation with other small projects. The concept of entrepreneur is applicable to men and women, but the study of the situation of Palestinian women entrepreneurs is important for several reasons:

1- Women's productive potential has not been recognized until now. The participation of women in the official labour force was only 16.8% in the second quarter of 2005 (which is itself actually higher than the usual range, which fluctuates between 12% and 14%). There is also no official recognition of unpaid female labour, or valuing this participation in the Palestinian economy.

2- The encouragement of women to be involved in productive projects has a positive influence on anti-poverty plans. Studies in various parts of the world have found that women's work contributed to supporting their families and saving them from the clutches of poverty. This also positively influences levels of education, health and children's welfare

3- Lessons from studying the situation of women can be used to target other specific groups of men, such as young men, those working in a certain productive sector, the unemployed, marginalized or poor.

4- In general, women's projects are usually in the grey economy, or that area which is between the formal and informal sectors and unpaid housework. They usually require fewer skills than other productive domains, and where there is a need for skills they are traditionally acquired or easy to learn. Thus, investment in such projects can result in quicker benefits.

5- Income generating projects play an important role in women's development on the social and economic levels. They allow women to gain self-confidence and to be empowered. Women entrepreneurs and successful businesswomen represent an example to be emulated by other women, especially young women.

3- Reality of the Palestinian Economy

The Palestinian economy is still nearly totally dependent on Israel's. The Israeli occupation authorities have sought to maintain the Palestinian market as a non-productive consumer market for Israeli products, which it may not compete with. This aim is evident in the behavior of the Israeli forces since the outbreak of the *Al-Aqsa Intifada*, which dealt a crushing blow to Palestinian economic development. Factories were bombed, agricultural land was destroyed, roads were closed to the movement of individuals and goods between Palestinian areas, Palestinian National Authority revenue from the clearing account was blocked, border crossing points were closed, goods were impounded at Israeli ports, and Palestinian infrastructure was destroyed. All this maintains the Palestinian economy in a state of weakness and fragility, incapable of competing.

The overall losses suffered by the Palestinian economy since the beginning of *Intifada* until September 2004 amounted to around US\$9,970 million. The biggest share of the loss was borne by the industrial sector, where it amounted to US\$2,140 million (Palestinian National Information Center, 2004).

The Palestinian economy is tied to the Israeli economy through three main channels, which the occupation has sought since the beginning to keep under its control. They are:

- 1- Movement of the Palestinian labour force to the Israeli market. Israel's economy used to employ around 146 thousand workers until the third quarter of 2000, i.e. nearly 26% of the total number of the work force in the Palestinian territories.
- 2- Foreign trade activity, to and from the Israeli market. Trade with Israel constitutes over three quarters of the total volume of Palestinian trade (Palestinian Central Bureau of Statistics, 2002), which is a burden for small projects in general and women's projects in particular. They encounter obstacles in obtaining raw materials from Israel (the main market), and have difficulty in marketing their limited products.
- 3- Palestinian infrastructure. Most of the Palestinian territories' infrastructure services – electric power, water and communications – continue to be supplied by Israel.

Those points of strength the Israeli authorities exploited to exert pressure on the Palestinian economy during the period of *Intifada*, especially with regard to employment. The number of Palestinians employed in Israel dropped, as a result of Israeli closures, from 146 thousand workers during the third quarter of 2000 to 67 thousand workers in the second quarter of 2005.

3-1 Population

Statistics show that the Palestinian population living in the Palestinian territories, including Jerusalem, numbered 3.7 million persons in 2004. They are distributed 2.3 million in the West Bank and 1.4 million in the Gaza Strip. The average rate of Palestinian population growth in all the Palestinian territories was 3.4%: 3.9% in the Gaza Strip and 3.1% in the West Bank (Palestinian Central Bureau of Statistics,

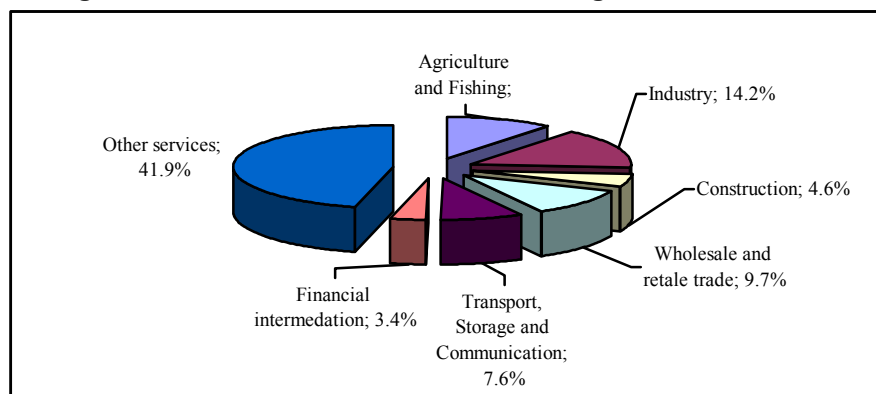
2004). Due to the high population growth rate, 46.3% of the population is less than 15 years of age.

Palestinian women constitute just under half of the total population, around 1.2 million in the West Bank and around 712.5 thousand in the Gaza Strip. 45.8% of females were below 15 years of age, i.e. had not yet joined the labour market. There will be ever greater pressure to create jobs for both women and men in the near future (Palestinian Central Bureau of Statistics, 2004).

3-2 National Accounts

Israeli measures during the Al-Aqsa *Intifada* caused GDP to fall from US\$4,883 million in 1999 to US\$4,131 million in 2004, a decrease of 15.4%. The major contribution came from the services sector, which made up 42%, while the contribution of the industrial sector did not exceed 14% (see Figure 1).

Figure 1: Distribution of GDP in 2004 according to Economic Sectors



Source: Palestinian Central Bureau of Statistics, National Accounts, 2004.

The decline of GDP and the population increase resulted in a decrease of 24.7% in the per capita share of GDP from 1999 to 2004, becoming US\$1,218. (Palestinian Central Bureau of Statistics, 2004).

3-3 Labour Market

This section examines developments in the labour force in the Palestinian territories, the participation rates of both sexes, the size of the work force and its distribution among the various economic sectors, unemployment and wage levels.

3-3-1 Labour Force

Data from the labour force survey during the second quarter of 2005 reveal that the labour force in the Palestinian territories is composed of 833 thousand workers, distributed 576 thousand in the West Bank and 257 thousand in the Gaza Strip. The overall participation rate was 41.2%. Males constituted the biggest source of the labour force; they numbered 691 thousand persons with a participation rate of 78.7%. Females in the labour force amounted to 142 thousand, with a low participation rate of 16.8%. Housework constitutes the reason for nearly 70% of the women being outside the work force. Almost half (43.6%) of all women participating in the labour force were not currently married (including 5.7% divorced or widowed).

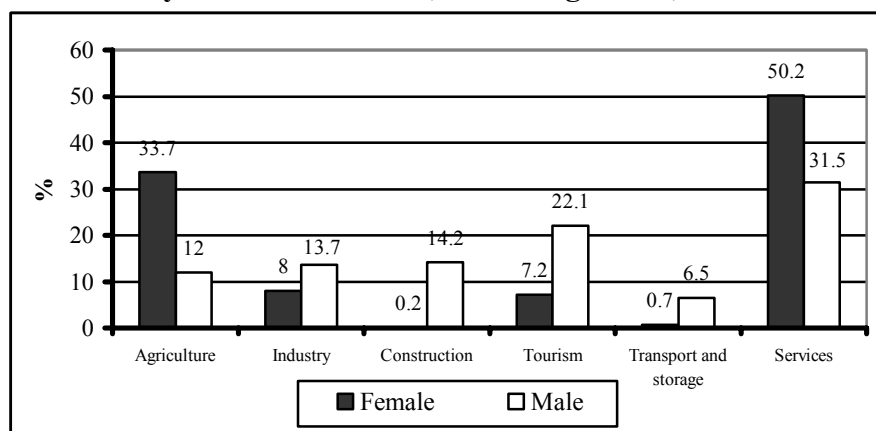
Until the outbreak of the second Intifada, women’s participation in the labour force was negatively correlated to border closures. Unemployment usually increases among men during such periods, and they compete with women for jobs. If closures continue for long periods, women are driven out of the work force. (Daoud, 1999). However, long periods of closures may increase the number of women with jobs, particularly in the informal sector, as the hardships caused by poverty and unemployment make it an economic necessity for women to work.

3-3-2 Employment

Labour statistics reveal that the number of those employed in the Palestinian territories during the second quarter of 2005 reached 656 thousand workers, distributed 477 thousand in the West Bank and 179 thousand in the Gaza Strip. Men numbered 542 thousand against 114 thousand females.

Female employment is concentrated in the services and agriculture sectors (50.2% and 33.7% respectively) as shown in Figure 2. The share of the services sector in the Gaza Strip is higher (57.3%) than in the West Bank (48.5%), because the public sector in the Gaza Strip contributes more to employment. Women employed in the services sector are distinguished by the fact that they receive a wage, while unpaid employment represents the biggest share of women employed in the agricultural sector, which generally involves working on family land. Female employment in the construction, transport and storage sectors is almost non-existent.

Figure 2: Distribution of Employment in the Palestinian Territories by Economic Sectors, according to Sex, 2004



Source: Palestinian Central Bureau of Statistics, Labour Force Statistics Annual Report, 2004

As regards the structure of the labour market for certain key professions, demand for employment of women differs according to specialization, as shown in Table 1. Also, demand differs between the West Bank and Gaza Strip. In the West Bank demand for engineering is higher than the other specializations, while in the Gaza Strip demand for pharmacy is higher.

Table 5: Professional Specializations of Female Workers in West Bank and Gaza Strip, 2001

Specialization	West Bank			Gaza Strip		
	Men	Women	% of Women	Men	Women	% of Women

Dentists	690	152	18.1	370	100	21.3
Physicians	1868	204	9.8	174	64	26.9
Pharmacists	768	435	36.2	696	337	32.6
Lawyers	929	117	11.2	595	86	12.6
Engineers	5423	754	12.2	3815	299	7.3
Journalists	272	13	4.6	460	40	8.0

Source: Palestinian Central Bureau of Statistics, Report: Women and Men in Palestine.

As seen before, the rate of Palestinian women's participation in the official labour force is low compared to neighboring countries, and there are various studies which attempted to explain the phenomena. Abu Nahleh (1996) attributed that to Israeli control of the labour market and to poor and unsuitable technical and professional training. However, Daoud (1999) tried to study the effect of wages, years of study and number of children. He discovered that a woman's average wage does not encourage other women to join the labour force. University education and domicile have a positive effect, but the presence of children below six years of age has a negative effect on women's paid employment. Every additional child in the family decreases the likelihood of participation by 4.2%.

3-3-3 Unemployment

Unemployment is one of the most disturbing problems for citizens and decision makers due to the poverty and social problems it causes. Statistics from the labour force survey of the second quarter 2005 indicate that the number of unemployed in the Palestinian territories reached 177 thousand persons, 78 thousand of them in the West Bank and 99 thousand in the Gaza Strip, which represents an unemployment rate of 17.2% in the West Bank and 30.2% in the Gaza Strip (Palestinian Central Bureau of Statistics, 2005). The rate of unemployment is higher in the Gaza Strip for several reasons, among them the incapability of the Strip's economy to absorb the number of workers seeking jobs because of its small area geographically, the high population density and the inability to reach foreign markets because of the strict closures imposed by the occupation authorities.

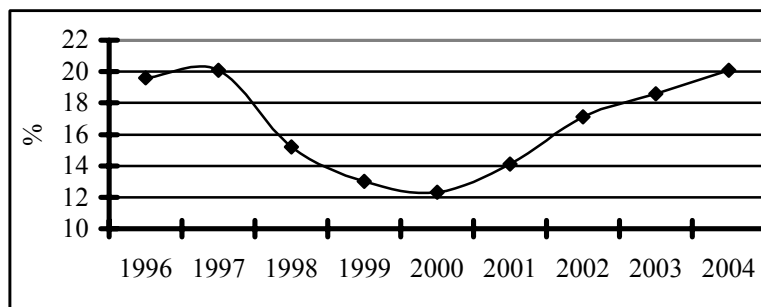
The burden of unemployment is higher among males than females in the Palestinian territories as a whole, reaching 21.5% for males compared to 19.6% for females. But the problem differs if the comparison is between the West Bank and Gaza Strip. Unemployment among males in the West Bank was 17.7% against 15.1% among females, but in the Gaza Strip unemployment was 29.5% among males and 34.5% among females.

The highest rate of unemployment among women is among the 20-24 years of age group, where it reaches 48.4%. This group includes a large number of new university graduates who have recently entered the labour market. The figure declines to only 1.6% only for women who are above 50 years of age, most of whom have left the labour market for social and family reasons and are not looking for a job.

The rate of female unemployment is also high among the group that completed 13 years of study and more, reaching 31.1%. This group constitutes the biggest percentage of women participants in the female labour force, as if a woman completes an academic degree she is more likely to seek (and obtain) a job.

Looking at the historical development of female unemployment, we find that it started to decrease in 1997, as seen in Figure 3, which is a period that witnessed the creation of the Palestinian National Authority and the setting up of its institutions which provided jobs for women, especially holders of academic degrees. However, it increased again with the outbreak of Al-Aqsa *Intifada* in 2000.

Figure 3: Development of Female Unemployment in the Palestinian Territories, 1996 – 2004

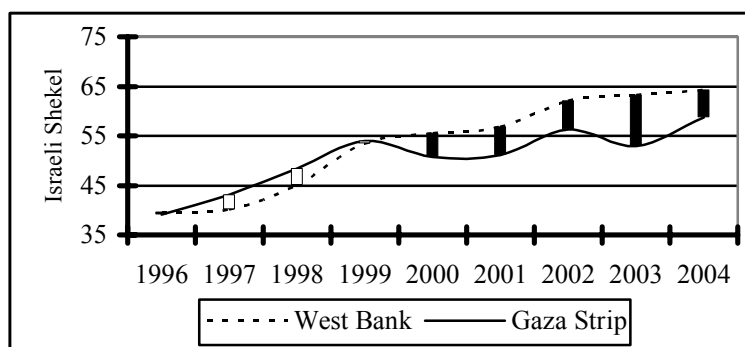


Source: Palestinian Central Bureau of Statistics, Labour Force Surveys

3-3-4 Average Wages

The average daily wage in the Palestinian Territories varies according to region and gender. In 2004, the average daily wage for males amounted to 77.0 Israeli Shekels (US\$17.2)³, against 64.3 Shekels for females (US\$14.3). The gap is particularly evident in the West Bank, where the average male wage was 75.4 Shekels against 64.3 Shekels for females. The gap in the Gaza Strip is reversed to the benefit of females, even though it is small. The average female wage was 58.7 Shekels (US\$ 13.1) against 58.1 Shekels (US\$ 12.9) for males. That is attributed to the fact that the highest percentage of working women are employed in the services sector, which has high and stable average wages. Figure 4 shows the difference in nominal wages of females in the West Bank and Gaza Strip.

Figure 4: Gap Between Women's Average Wages in West Bank and Gaza Strip 1996- 2004

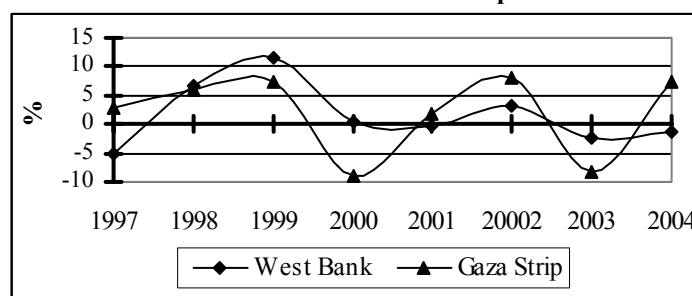


Source: Palestinian Central Bureau of Statistics, Labour Force Surveys

³ Calculated on the basis of an average exchange rate for 2004 of 4.48 Shekels for 1 US dollar. The national figure includes employment in Israel and the settlements.

The increase in average wages does not reflect an improvement in the living standards of females. On the contrary, the wage increase was accompanied by higher inflation, which meant that the purchasing power of women in the West Bank decreased in 2004 by 1.3% compared to 2003. (See Figure 5).

Figure 5: Development of Working Women's Purchasing Power in West Bank and Gaza Strip



Source: Palestinian Central Bureau of Statistics, Labour Force Surveys

3-4 Number of Establishments Headed by Women

Economic establishments' survey results during 2004 indicate that 5,236 establishments were headed by women in the Palestinian territories, 3,932 in the West Bank and 1,304 in the Gaza Strip. The biggest percentage (36.2%) of those establishments were concentrated in retail trade, followed by teaching activities (18.5%). Those establishments employed 15,932 workers, 3,757 of them males, and 12,175 females. The establishments were distributed among the various governorates, with the biggest share in the West Bank being in Al-Khalil Governorate (656 establishments) and then Nablus (614 establishments), while in the Gaza Strip the biggest share was in Gaza City (476 establishments).

3-5 Features of the Informal Sector in Palestine

Results of a survey conducted by MAS concerning the informal economic sector show that the number of employers in the informal sector was 45,884, 69.6% of them in the West Bank and 30.4% in the Gaza Strip. The highest percentage was in the northern governorates of the West Bank (31.3%), followed by the governorates of the South (25.3%). The percentage in the central governorates did not exceed 13%. The highest percentage of establishments were concentrated in the internal trade sector (65%), followed by services (17.5%). The percentage in the construction sector did not exceed 0.1%. The survey points out that ownership of the overwhelming majority of establishments in the informal sector is individual and personal (88.7%), and the majority of owners are males (95%).

The operators in the informal economy are divided between the West Bank (70.3%) and Gaza Strip (29.7%). The biggest percentage was in the south of the West Bank (29.6%). In the north of the West Bank it was 26.7%, while in the center of the West Bank it did not exceed 14%. The survey also points out that the majority of those employed in this sector are males – 91.6% compared to 8.4% females. Three quarters of those involved in this sector did not go beyond high school level education (Al-Maliki and others, 2004).

The same study speaks of two types of female participation in the informal sector. The first was working through projects established and run by women, and the other is through home projects. Results of studies indicated that in few cases the motive for establishing a project was to prove oneself; on the whole, women's projects were in conformity with the reality of the values and traditions of the local community. The success of the projects was based on intense effort of the owner, as she was usually obliged to balance the projects' work requirements with the demands of house work.

4 – Legal Situation and Policies Affecting Palestinian Female Entrepreneurs

Despite its special features - the occupation and dependence on the Israeli economy - Palestine is committed to the general framework of international agreements and treaties. Thus, it is part of the international community that supports women entrepreneurs, and is committed to regional and international conventions regarding this group.

4-1 International Covenants and Agreements

Many international conventions and agreements exist that are concerned with problems of women entrepreneurs, businesswomen and professionals. We refer here to the most important of those documents which affect national work plans and contributed to increasing interest in women entrepreneurs in the business sector. Among those conventions are:

4-1-1 Peking Work Plan, 1995

The Fourth International Women's Conference of 1995, and the Arab Follow-up Conference to draw up an Arab program, agreed on a set of mechanisms to work at national, regional and international levels to fight poverty among women. The aim was to eradicate poverty, put an end to its causes, and reduce its effects on women, especially women who are family providers. That is to be done within the framework of development based on certain principles, among them self-reliance.

The proposed recommendations, measures and mechanisms can be summarized as follows:

- 1- Adopt macroeconomic policies and development strategies concerned with eradicating poverty and its causes, and also with needs of women living in poverty, in a manner that allows full female participation in them.
- 2- Promote women's economic rights and independence, including obtaining jobs and increasing their incomes in both the formal and informal sectors. Adopt concrete measures to confront female unemployment, especially long-term unemployment.
- 3- Provide women with access to credit and lending institutions. Revise lending, financing and technical assistance policies to parties that provide loans, to guarantee that poor women benefit from them.
- 4- Empower women to benefit from social welfare systems. Set up social security nets and umbrellas, supported by a humane definition of those qualified to obtain assistance, which guarantees that poor women, especially family providers and heads of families, will receive financial assistance.
- 5- Draw up and implement educational policies that guarantee equality of opportunity. Take measures to end gender discrimination in education. Draw up and implement training and retraining policies for women, especially poor women and those returning to the labour market, to allow them to acquire the necessary skills to meet the requirements of a changing social-economic context.
- 6- Revise laws and administrative practices with the aim of guaranteeing equal rights for women and access to economic resources (Al-Leithi, 2004).

4-2 Millennium Development Goals

The international community set itself a number of objectives to be realized during the first years of the new century, based on the debates that took place in many UN conferences during the 1990s. The objectives of world development in the new millennium – the realization of most of them was set for 2015 – include tackling poverty and illiteracy, achieving gender equality, and improving reproductive and child health. The first and third objectives are the main objectives promoting equality of women in the domain of employment and launching private projects. They also demand interventionist policies to end all legal discrimination against women in obtaining funding and in ownership. Despite the fact that the Millennium's development objectives are considered possible to measure and reflect the world's interest in basic development questions, yet women's movements in different parts of the world do not hide their fear that these objectives underestimate the achievements realized at the Peking Conference, by adoption of the agreement on eradication of all forms of discrimination against women. Those are considered limited objectives compared to the magnitude of women's needs and sufferings around the world. Feminists in the world raise questions regarding the possibility of achieving any developmental objectives without targeting the real reasons of poverty and women's inequality, which are the distribution of power in society and the world, and the capability to control resources (Barton, 2005).

At the same time the Millennium objectives call for paying attention to women entrepreneurs through anti-poverty objectives and encouraging gender equality, the development goals contribute to the creation of a competitive environment and to the success of small projects. This is done by calling for creating a suitable development environment whereby projects benefit from the presence of stability and security, by calling for bearing direct environmental and social costs of projects, and through the creation of new jobs. (Nelson and Prescott, 2003).

4-2 Analysis of the Palestinian Legal and Developmental Environment

No positive discrimination or support facilities for the benefit of small projects in general, and women's projects in particular, exist in the tax system or the companies law applied in Palestine. All studies and officials of Palestinian ministries underline the lack of legal stipulations that protect or encourage investment in the domain of small projects (Makhoul, 2005). The investment promotion law does not include any stipulations related to this sector in general, or women's projects in particular. To approve an investment project three conditions are required: the necessary licenses are issued by the appropriate authorities, the capital for the project is not less than US\$100 thousand (to be spent for buying immovable assets, excluding land and building), and the owners of the projects must own at least one third of the general share capital. But in ordinary companies and individual projects the owner must fully own the capital. The law also stipulates that for obtaining any benefits the majority of the work force in the project be Palestinian, and there must be at least 10 of them in manufacturing projects and not less than 15 in other types of projects. Article 23 of Law No. 1 for 1998 concerning the encouragement of investment in Palestine⁴ states the following under the point dealing with exemptions:

‘Projects approved by the Agency, and which have obtained the necessary licenses according to the applicable laws, will be granted the exemptions listed in this law according to the following norms:

⁴ Law No. 1 for 1998: Palestinian Investment Promotion Law.

A- Any investment amounting to US\$100 thousand and up to less than \$1 million shall be exempt from income tax for five years, starting from the date of commencing production or beginning activities, and shall be subject to income tax on net profits with a nominal average of 10% for an additional period of 8 years.

B- Any investment from 1 to 5 million US dollars shall be exempt from income tax for a period of five years, starting from the date of commencing production or beginning activities, and shall be subject to income tax on net profits with a nominal average of 10% for a period of an additional 12 years.

C- Any investment of US\$5 million and more shall be exempt from income tax for a period of five years starting from the date of commencing production or beginning activities, and shall be subject to income tax on net profits with a nominal average of 10% for an additional period of 16 years.

D- Private capital and qualitative projects, concerning which Council of Ministers' decisions are issued on the basis of recommendation from the Agency, are exempt from income tax for a period of five years starting from the date of commencing production or beginning activities, and shall be subject to income tax on net profits with a nominal average of 10% for an additional period of 20 years.'

It is evident that these conditions are unlikely to apply to small projects or projects of women entrepreneurs. The law did not pay attention to small projects, and failed to take into account any possible investments in one of the most important and active developmental sectors in Palestine. This question led Palestinian economic experts (Makhoul, 2002) to demand that the investment law be amended in the following way:

1- Reduce the minimum capital as a condition for obtaining the incentives provided by the Law, in order to guarantee the possibility of benefiting from the Law for the biggest possible number of projects, especially small projects that constitute the major part of investments in the Palestinian territories. This recommendation would be beneficial to Palestinian businesswomen who run small or medium size projects.

2- Grant incentives to projects which use locally produced inputs, and to establishments which train their workers. This fact is applicable to the majority of women's small projects, which usually depend on Palestinian raw materials and workers.

3- Define unclear terms and pay attention that definitions refer to women and men on an equal footing, despite the fact that the Palestinian investment promotion law defines an investor as a 'physical or legal person who invests, or previously invested in Palestine in accordance with the stipulations of this law, or previous laws.' This tacitly presupposes that there is no discrimination between men and women in application of the law. But experience proves that women need greater support in the economic field, and that there is a need to pay attention to specific women's problems, especially those related to granting facilities, guarantees for entering the market, obtaining necessary bank guarantees, and tax exemptions.

Article 14 of the Palestinian Investment Promotion Law called for the creation of a board of directors, composed of 13 voting members, with the Minister of National Economy as Chairman, the Minister of Finance as Vice Chairman, and representatives of the Ministries of Industry, Agriculture, Tourism, Housing, and Planning, as well as the Monetary Authority and five representatives of the private sector. It can be stated with confidence, from our understanding of the reality of women's participation in political and economic decision making, that all posts are occupied by men, and that

problems of female owners of small businesses are not of concern to them. The composition of the Agency must be reconsidered, so that it includes women representing the private sector, or instead a representative of the Ministry for Women Affairs should be added. It is a proposal that was presented by the Ministry for Women Affairs and posted on its website. The Ministry based its proposal on the fact that 'Palestinian women already have a body that is responsible for drawing economic, social and legal policies, and integration of Palestinian women anew in the developmental process and tackling women problems. Such problems are supportive in the domains of industry, agriculture and traditional crafts, and in defending women's position in Palestinian investment, as part of strengthening their role in development.'⁵

4-4 Medium-Term Development Plan, 2005 – 2007

The Palestinian National Authority set two main objectives for the medium term development plan, which are:

- 1- Sustainable alleviation of poverty through providing a framework which transforms the Palestinian National Authority's efforts and donors' assistance from emergency aid to job creation, economic revival and economic and social development, with emphasis on inclusion of women in the process.
- 2- Improving the effectiveness of the governance of the Palestinian National Authority by building institutional capabilities and hastening reform.

The development plan's first objective includes the justifications for interest in women entrepreneurs, businesswomen and professional women. It also clearly states that interest in women is a main objective of the development plan.

The plan proposed four action programs for achieving the above-mentioned two objectives. They are:

- * Assure social protection;
- * Invest in human and physical capital;
- * Invest in good governance; and
- * Create a suitable environment for private sector growth.

Three of the programs include proposals and plans beneficial to women entrepreneurs. The medium-term plan proposes a social protection program for creating jobs and emergency aid to municipalities. The program includes proposals concerned with creation of income-generating activities for newly poor people, long-time unemployed persons, former prisoners, and persons unable to reach sources of their livelihood because of the annexation wall. The mid-term plan also puts emphasis on projects capable of creating sustainable jobs.

The program dealing with investment in human and physical capital involves several projects, among them: paying attention to the quality of education (but without special reference to technical and professional education, as well as without reference to the importance of female education, or creating suitable jobs for women, especially in the domain of industry which the plan sees containing good investment seeds for the future – information technology, communications, food, clothes and textile industries. In all these domains women entrepreneurs are present). At the same time investment in improving roads, communications, water, sewerage and other proposed projects will also necessarily benefit businesswomen. The same applies to investment in good

⁵ - http://www.mowa.gov.ps/law/virtual_law.htm

governance. The more the government apparatus is transparent, viable and effective, the more it is possible to create a suitable climate for investment and support small projects and their women owners.

The fourth program, which deals with creation of a suitable environment for private sector growth, does not contain any reference to supporting women's small projects, or extending support specifically to women. The program involves several recommended projects, among them loans and guarantees to companies so that they are able to obtain bank loans and funding, tax incentives, the establishment of internal industrial zones by municipalities (already set for 14 fixed localities), development and building of private sector capabilities, and repairing buildings, agricultural land and immovable assets, with the exception of buildings owned by the private sector. Despite the importance of all those areas, there is no direct connection between the program's proposed projects and support to women entrepreneurs.

It can be said that the mid-term development plan 2005 – 2007 dealt with women's problems from a neo-liberal stand point, which recognizes their role as added value to programs, plans and projects, but without taking into account structural problems that hinder effective participation of women in development and the economy. Consequently, this commitment was not reflected in details of projects. It was not also included in many fundamental questions where clear gender gaps are apparent. There is also a need for supervision mechanisms to monitor performance and evaluation of the project's effects, which the present plan lacks. It is not enough for commitment only to be on paper, it should extend to tangible programs on the ground.

4-5 Ministry of Women's Affairs Plan, 2005 – 2007

The Ministry for Women Affairs was established by a governmental decision in November 2003 to be the highest official government body in the country responsible for improving the lot of women in all respects. This represents an important opportunity to produce policies, legislation and development plans. The strategic concept, structure and founding plan of the Ministry were approved by the Council of Ministers on 12th April 2004. Probably the most important points in the strategic concept – in addition to the Ministry's plan of activities for the three years 2005 – 2007 – were the emphasis placed on three main issues. They are:

- 1- Poverty of young women, especially family providers;
- 2- Professional and technical training and education of young women; and
- 3- Marginalization of women in decision-making making positions and the policy-making process.

The first and second points directly affect the situation of women entrepreneurs, a fact which reflects government commitment to developing the situation of those women as part of a development and anti-poverty strategy. Detailed Ministry plans proposed several mechanisms for supporting women in these areas. The proposals include developing gender-sensitive educational policies regarding professional and technical education and training, and increasing the percentage of young women in such programs.

Despite the importance of such a commitment, it is necessary that it is turned into a tangible reality. This does not mean that the Ministry for Women's Affairs should be transformed into a ministry for implementation. It means that proposals and

recommendations should have an obligatory character that influences government plans and policies.

4-6 Professional Training Policies and Plans

The importance of vocational and technical training stems from the fact that it contributes to supporting women entrepreneurs by providing them with professional skills required by the labour market, despite the non-existence thus far of a clear professional training policy promoting the connection between training programs and the various specialization needs of the labour market (Makhoul and others, 2001). The problem becomes compounded when speaking of special professional training for women, or the integration of women into existing training programs. Indeed, Hamami (1998) believes the only educational field in Palestine with strong levels of gender discrimination restricting women's choices is the domain of professional training and education. Abu Nahleh (1996) found that women are in a bad position compared to men with regard to number of places and the variety of specializations on offer to them. There is no indication in the strategic plan for professional education and training of any special interest in women, nor any acknowledgement of gender issues. But the plan states that one of its points of departure is the goal of enabling marginalized groups to obtain technical education.⁶ It can be assumed that there is special interest in training women, as they are a group denied participation in the labour market and in political and economic decision making. But this is not enough. There should be clear commitment, not only that women can obtain training, but also that women will have access to varied non-conventional areas which allow them to enter the labour market and to launch projects of their own. In its points of departure the plan also refers to the fact that social justice is one of its bases. It focuses on providing all strata with technical education on equal footing.

It is necessary to reformulate the plan for technical and professional education on the basis of a balanced outlook reflecting social gender problems. It is also necessary that those plans are reflected in gender-sensitive budgets, focusing not only on increasing training opportunities and women's access to them, but also on the quality of training, so that the traditional division of the labour market is not perpetuated and women's creativity and capabilities are not confined to traditional domains.

4-7 Strategic Economic Plan for the Gaza Strip After Israeli Withdrawal

The Ministry of National Economy was engaged in preparing and adopting an economic development plan for the Gaza Strip after the unilateral Israeli withdrawal. Despite the importance of drawing up such a plan for better investment in the resources provided by the disengagement from settlements in the Gaza Strip, and in order to combat widespread poverty and unemployment, especially among the youth, it should be pointed out that the plan did not take into account the special situation of women. In fact, it can be said that the plan is totally blind to women's problems. Regrettably, this is the reality of the Palestinian economy in general. It is generally assumed that economic and developmental plans will equally benefit men and women, although various development indicators show that women's needs in terms of health and education services, professional education, and anti-poverty programs are different from those of men, and that there is need to study the different needs and the means of satisfying them. The plan defined five main fields that were analyzed

⁶ - <http://www.tvet-pal.org>

and studied: social, environmental, legal, political and economic. It did not define any indicators for each of those factors, and none are sensitive to gender. Women were mentioned only in the social aspect, where the plan considered women's participation necessary for several factors, among them donor policy and population density. These view women in their traditional role, or are in conformity with the prevailing view that women's problems are ones imposed because of foreign funding.

In analyzing sources of strength and weakness, opportunities and threats, no reference whatsoever was made to the situation of women in the Gaza Strip, or to their low labour force participation, or to the possibility of investment in special women's projects. Also, no mention was made of women's role in fighting poverty and in supporting the economy. The nature of the projects was not also defined. The mere mention of establishing training centers, for example, does not necessarily mean that women will benefit from them. The same applies to banking systems, loans and project financing. We propose that the draft plan be revised from the point of view of gender before being adopted. It should include a conscious and committed element promoting women's participation in the reconstruction of the Gaza Strip. It should be noted that only 7 women, out of 91 experts in different aspects of the economy, participated in the discussion and elaboration of the plan. Not a single representative of the Ministry for Women's Affairs or a women's organization participated, despite the broad representation of the various ministries of the Palestinian National Authority, civil society organizations and the private sector.

4-8 Non-existent Laws and Policies

Makhoul and others (2001) refer to the absence of certain legislation and policies that can foster the small business sector, among them a law concerning small projects. They also refer to the non-existence of a law or policy governing the work of credit institutions, and the absence of a law governing the mortgage of movable assets as a guarantee for bank loans. Absent also are programs that guarantee investments in which the Palestinian National Authority participates. There is no policy which gives priority to Palestinian goods in government purchases or purchases by donor institutions and states. Consequently, the following are some recommendations regarding policies and legislation:

- Amendment of investment promotion law, or adoption of a special law concerning small projects;
- Adoption of policies providing suitable incentives for the participation of women in various productive sectors;
- Adoption of policies which give priority to Palestinian products in government purchases; and
- Adoption of incentives and tax exemptions to be granted to producers who create new jobs.

5- Situation of Palestinian Women Entrepreneurs

Women entrepreneurs and businesswomen work in many different environments. Thus their needs vary, and the kinds of projects they undertake are affected by their personal characteristics, the surrounding environment and available opportunities. In general, small projects and different professions experienced noticeable transformation during the last *Intifada*. The uprising had two different effects. The first was that it prompted many women to take up an economic activity to compensate for the loss of income as a result of the unemployment of husbands and sons, particularly those who were employed in Israel. Consequently, the last *Intifada* reduced many of the social restrictions as a result of economic need. The second effect was a decline in the number of small projects which depended on crafts, such as drawing on glass, wood carving, flower arrangement, beads, embroidery and sewing, and their transformation to commercial projects, such as sale of ready made clothes, utensils, and groceries. This transformation and its causes, as well as problems encountered at the outset by women's small projects and the hardships they still face, will be discussed in the following sections.

5-1 Willingness of Palestinian Women to Launch Projects

This study surveyed perceptions among Palestinian women and their extent of their willingness to launch projects. It was revealed that Palestinian women were generally very ready to consider launching projects, with 65% in the Palestinian territories saying so, divided 63% in the West Bank and 69% in the Gaza Strip.

5-1-1 Willingness and Governorates

The study found that women in Al-Khalil (Hebron) Governorate were most willing to consider launching projects of their own, with 94% of surveyed women expressing their readiness to do so. The reason may be due to the nature of society in Al-Khalil Governorate, where private businesses are widespread and participation in the private sector is considered desirable by society. Al-Khalil was followed by Khan Younis Governorate, with 92%. Khan Younis is one of the governorates which suffers from very high rates of poverty and unemployment, which may be a factor at work here. This is also probably at least partly responsible in Jenin (77%), Rafah (71%), North Gaza (82%), Jericho (73%) and Bethlehem (68%) governorates, while it was noted that in more fortunate governorates from the standpoint of women's employment, such as Ramallah and Al-Bireh (44%), Jerusalem (46%) and Nablus (60%), the same desire among women to launch projects does not exist. The existence of job opportunities for women in government and private institutions, or a relatively better economic situation, seemed to reduce women's desire to launch projects of their own.

5-1-2 Willingness and Age

Nationally, women of the 29 - 45 year age group were most ready to consider starting a project, with 72% of them expressing an interest. This figure was higher in the Gaza Strip (75%) than in the West Bank (71%). Women over 45 were also very willing to become entrepreneurs; 60% of them expressed their desire to start a project. Intriguingly, this desire among this age group was much more common in the Gaza Strip (82%) than in the West Bank (45%). Women freed from the immediate responsibilities of looking after young children, yet still with a family to provide for, are a likely demographic for launching economic activities.

5-1-3 Willingness and Social Situation

The highest percentage of women willing to start a project was among divorcees, of whom 75% of those surveyed said they would do so. This figure was higher in the Gaza Strip (80%) than the West Bank (69%). This group is likely to possess two of the key factors for women starting a business: economic need and independence. It was followed by married women (70%), widows (68%) and single women (57%). The desire to start a project in the Gaza Strip was higher than in the West Bank for all social situations, largely due to the more severe economic conditions there.

5-1-4 Willingness and Educational Level

Most ready to start a project were women who had finished a vocational diploma (74%), followed by those who finished an academic diploma (71%). The percentage declines for women who finished a bachelor's degree and over (59%) and is lower still among women who finished only basic education (53%). The high percentage of women who finished a diploma degree who wished to start projects was explained by what women entrepreneurs said during interviews. Many of them referred to their inability to obtain a university education due to the financial situation of their families, or because of marriage, and yet having acquired certain skills and self-confidence which enabled them to undertake certain work to contribute to family income. On the other hand, a high percentage of women university graduates aspire to obtain jobs rather than launch their own projects.

5-1-6 Willingness and Income Level

The study revealed that women with low household incomes (1000–1500 Shekels monthly) were the most desirous of starting a project, with almost three quarters (74%) expressing a willingness. As may be expected, this desire diminishes as income levels rise, with 57% of women whose income level is between 1500-2000 Shekels and 52% of women whose income level is more than 2000 stating that they would consider launching their own project. The correlation between the desire to start a project and income level is clearest in the Gaza Strip, with 78% of those whose income is between 1000-1500 Shekels stating they would do so, which falls to 51% of women whose income is more than 2000 Shekels monthly.

5-2 Projects Women Consider Launching

With some notable exceptions, women are generally interested in areas that represent an extension of their traditional role and inherited skills, or projects accepted by society as 'women's projects'. In the West Bank and in nearly all the governorates, sewing and embroidery came first as projects favored by women, followed by hair dressing and food processing. But there is an indication that women choose what they believed would be successful projects. In Jenin, for example, 96% of women chose sewing. Jenin is a governorate which has a rich history of sewing projects, where sub-contracting to the Israeli market has allowed women to gain experience in this domain. The governorate is also currently witnessing initiatives encouraging women to launch sewing projects through the donation of sewing machines. This drives women who have not already launched such a project to think in that direction.

In general it was also noted that women wished to launch projects for which their governorates are known, and a local market is available for their product. In Jerusalem and Bethlehem districts, women wished to establish wood and artificial

flowers projects. These are industries which cater for tourists and Christian religious holidays. In Nablus, some women wished to launch jewelry and accessories projects. In northern Gaza, bee keeping and mushroom cultivation projects were popular.

When asking women about other project options, the majority referred to professions considered socially acceptable for women such as establishing child care centers, charitable organizations, service organizations, giving private lessons to students, typing, religious preaching centers, fitness centers, animal and poultry breeding, clothes designing or manufacture, and food processing. But this did not completely exclude non-traditional options, such as medical laboratories, press and information companies, internet centers, computer services and programming, pharmaceutical companies, and tourist companies.

Women's inclination to choose traditional professions does not necessarily mean that those are the only things they can do. It means that women do not have examples and success stories in other areas, a fact which underlines the necessity of showing them other successful projects and encouraging them to emulate them with the help of advice and technical assistance.

Huda and Photography

Huda is 49 years old and mother of nine children, three of them highly disabled mentally and physically. They require constant and special care, as well as additional expenses, which compelled her to look for additional work to support her husband's income. She started her journey 25 years ago, by borrowing from her family a simple camera to photograph her neighbor under the fig tree near the house to help with her disabled daughter's expenses. After that everybody started asking Huda to photograph them in natural settings, or on various special occasions. After developing her films at a photo studio in Ramallah, Huda says, "The people at the studio liked my work and started to give me advice and recommendations to improve it. After four years with this camera as my companion in my journey, the video camera appeared, and the studio owner taught me how to use it and began sending me to parties and weddings, especially women's private parties, as I was the only woman working in the field of photography at that time. I was able to save some money from my work over the years and bought my first video camera. I became known for parties and marriages, and the work became more than I could handle. I taught my husband and bought him a camera so that I would not miss any occasion. I also taught my son and daughters, and bought several cameras out of the income from our work and savings. We have become a work group, covering day several marriages and parties on the same. It became evident that we needed a fixed address. I opened Al-Huda Studio in Ramallah in 1988."

In 1988 she knocked at Asala's door looking for somebody to support her and help her develop. She learned the photographic profession and blazed her trail with difficulty in a domain which remained for a long time a man's monopoly. She obtained her first loan of US\$6,000 to develop an Al-Huda Studio in the town of Ain Yabroud. Meanwhile, she spent half of her time in the main studio in Ramallah. She repaid the loan before it became due, always paying in summer to cover the winter season. In 2005, she took a second loan for US\$8,000 to enable her to keep up with fast technological progress and be competitive. She bought a modern digital camera. Huda helped her daughter who married, by supporting her to start a studio in the village

where she lives. She gave her many of the cameras and equipment she needs to stand on her feet.

Source: Asala – The Palestinian Association of Businesswomen

5-2-1 Needs of Women Wishing to Launch Projects

The need for financial support was by far the most important issue raised by the women surveyed, with over half of them (50.7%) stating that they would need funding in order to launch a project. Second came the need for support from family and community, with 28.1% of women responding that they would require it. Regarding the need for training, 16.1% of the sample mentioned the need for training on technical issues and 9.7% identified the need for training on administration and marketing. 13.7% said that social conditions and attitudes would be to change for them to start a business, but only 9.7% said that they would need more self confidence.

5-3 Characteristics of Palestinian Women Entrepreneurs

5-3-1 Female-run Establishments

As mentioned above, the results of the establishments' survey 2004 by the Palestinian Central Bureau of Statistics indicate that 5,236 establishments were headed by women in the Palestinian territories, 3,932 in the West Bank and 1,304 in the Gaza Strip. Data from the survey indicate that women are concentrated in retail trade (36.2%), followed by teaching activities (18.5%). Those establishments employed 15,932 workers, 3,757 of them males, and 12,175 females. It was mentioned earlier a woman managing an establishment does not necessarily mean that the definition of an entrepreneur, used for the purpose of this study, applies to them. But this framework defines the overwhelming majority of businesswomen in the formal and informal sectors, with the exception of those who are involved in home production or who use their homes as a productive establishment (e.g. for sewing, food processing or embroidery).

5-3-2 Distribution of Businesswomen according to Educational Level

Results of the research indicate that 6.0% of the 505 women interviewed (see Section 1-2: Methodology) were illiterate, 14.0% studied until primary level, 24.5% until preparatory level, 9.5% technical secondary level, 21.6% academic secondary level, 4.4% intermediate diploma, 5.8% academic intermediate diploma and 14.4% university level and more. We note from these figures that an intermediate level of education was that most commonly found in our sample. Women with bachelor's degrees or higher were more likely – if they entered the labor market at all - to get jobs related to their specializations.

5-3-3 Distribution of Businesswomen according to Domicile

Survey results show that the highest percentage of businesswomen live in villages (44.4%) followed by towns (43.7%) and then refugee camps (11.9%). Women's projects in towns differ from those in villages, and every place of residence provides women with different economic opportunities. In villages, women are inclined to work in food processing, embroidery, and animal and poultry breeding. In towns, women tend to launch commercial projects (boutiques, groceries etc.) or hairstyling

salons. Economic opportunities in refugee camps are more limited, though women in refugee camps often get involved in commercial activities outside their camps in the nearest towns. It is noted that women in refugee camps are especially inclined to projects setting up stalls near places where women gather.

5-3-4 Distribution of Businesswomen According to Marital Status

Survey results indicate that 79% of the 505 entrepreneurs surveyed are married, followed by single women (10.6%), then widows (6.2%) and divorcees (4.2%). Marriage represents social protection for women, and an impetus, at the same time, to improve their family situation. But this fact does not reduce the importance of the role of women's projects in enabling divorcees and widows to face society and continue their lives.

5-3-5 Distribution of Businesswomen by Level of Training and Skills

Some 227 businesswomen who were interviewed, nearly 45% of the sample, stated that they acquired some kind of training related to management of the projects they run. 67% of them received training before launching their projects, while 33% received the training while working on the project.

5-3-6 Average Working Hours

Businesswomen worked on average 36 hours weekly, but some worked up to 84 hours. The working hours depend on the nature of the project. If we take into consideration time spent by women in caring for family and children, most businesswomen have long and tiring working hours, with a double working day.

5-3-7 General Features of Palestinian Businesswomen

Traits were similar in the various groups of women entrepreneurs that were met and interviewed – strong personalities that were an important factor in launching the idea of launching the project, despite reservations by husband or relatives. It was also noted that persistence and determination to succeed, aspiration to prove oneself and to contribute to improving the family's living conditions, were important incentives and common features among participants. Most of the participants launched their projects during the *Intifada*. One of the participants expressed her determination to continue and succeed in the following manner:

“I thought of doing something when the Intifada started. I visited the Faten Organization and obtained a small loan with which I bought plants which I planted and sold. When the season finished and I sold and made a profit, I did not want to stop at that. I bought clothes from Nablus to sell at my house in my village, Beita. I used to take risks by going to Nablus by detour ways. Many times the army chased me, to the extent that I once lost goods worth 1,500 Shekels which I had bought. But after the army chased us I left the goods on the difficult road to escape with a group of people. Despite that, I succeeded in selling clothes in the village. I took additional loans and expanded my business and I am still continuing.”

A fact emerged that there is a difference between women who perform marketing themselves and those who market through intermediaries. Women who market their products themselves have greater self-confidence and more market experience, as well as knowledge of bargaining with merchants and distributors, and of prices, clients' tastes and possibilities of development. They did not complain of a lack of

marketing skills, as do the women who sell through intermediaries. Women who market their products by themselves did not have the problem of exploitation by intermediaries, and were also better able to deal with developments and to respond to market needs, instead of being driven out of the market altogether, as happened to some women entrepreneurs. They also accumulated better experience of dealing with clients and keeping them.

It is worth mentioning that not all women entrepreneurs wish to be active in the market, or to expand their business. Some of them prefer to work through intermediaries in order to exert less effort and time, and avoid market risks. On the other hand there are women entrepreneurs who like that kind of work and experience.

Another group emerged among participants in the meetings of active women who wished to do something in terms of economic activity. In one group the prevailing level of education among them was that of preparatory school, and this was reflected in the type of projects they launched. An example from the village of Badou can be given here. Projects in the village were centered around animal and poultry breeding or vegetables, and in some cases groceries. They launched projects for their husbands and sons to work in, such as making figures and souvenirs from stones. Despite their activities, the women still regarded their work as a complementary rather than primary activity.

Maysar: An Example of Palestinian Female Entrepreneur from the Gaza Strip

Maysar is the owner of a project which she has run herself for seven years. She buys grape and olive crops from merchants and orchard owners and processes them into jams and pickled olives. She is trying now to make salted fish for the holiday season. All members of the family, boys and girls, help in the work. Her husband markets the produce most of the time, but during the season she joins him in marketing. She fixes the cost of production and price of the product. She has many clients among women employees and housewives of limited income, with whom she keeps in constant contact. At times she buys the products from her husband and sells them for her own account. She was able to buy a car from the profits of the project. She has applied for a personal loan of US\$4,000 to produce salted fish for the holiday season.

Source: Focus groups in the Gaza Strip

Other participating groups had different features from the previous groups of participants. They were distinguished by their university education which helped them to start projects in line with their educational specializations. One participant was a teacher for basic classes in the Gulf region. She received several training courses in her field. She herself works in training women to be child care nurses and teachers of basic classes. She opened a child-care centre, a kindergarten and a primary school. Another entrepreneur, who has a degree in electronic engineering, opened a cultural center in 'Anata that conducts professional training courses in computers, hair styling, Arabic language, and extra-curricular activities for children of different ages (an after school club). Another entrepreneur, who has a degree in business administration, worked for 10 years in a center for training and consultancy in Jerusalem and gained great experience in this field. When the company she worked for closed down, she founded her own company in Beit Hanina. She offers a varied range of administrative and professional training to institutions, banks and individuals. Yet another woman entrepreneur, who worked for a long period with women's affairs groups through

which she established extensive contacts with the Ministry of Agriculture, Agricultural Relief and other development centers, took the initiative of opening a small factory for making pickles and pastas, and distributing them to merchants in the Jerusalem city area and surrounding areas.

Participating entrepreneurs were distinguished by having thoroughly researched their projects. They studied the local situation and needs, and on the basis of that decided on their projects. The projects were also based on their experience in the field and their entry to the market by themselves and gaining experience there.

Participants explained that their work in small projects positively reflects on their personalities, from the point of view of self-confidence, self-reliance and the feeling of contributing to the home. A group of women entrepreneurs mentioned that women could prove themselves in the field of business because they possess many abilities that can be embraced and developed. One participant expressed this opinion by saying: "A woman is skilled in administration by nature; she pays attention to details and is responsible. The *Intifada* has moved women economically and encouraged them to enter the market. Our work in these projects has given us self-confidence and the desire to develop. Therefore, attention should be paid to women entrepreneurs, because there are great possibilities for creativity."

As regards change in the field of decision-making, answers varied. The biggest impression is that division of labour and decisions on the basis of gender on family level was not greatly affected.

Faten: An Example of a Palestinian Female Entrepreneur from the West Bank

Faten is a married woman and mother of five children from Nablus. Her husband is a merchant. Early in her life she worked as a teacher, then left it to work in wool weaving in a factory until that industry receiving a crushing blow in 1995, when she and many others had to give up that profession. Faten read an advertisement by Bisan Institute for Research and Development entitled 'How can you start a small business?' At the beginning she registered on the advertised training courses just with the aim of spending time and learning new things. But the training courses helped her to discover her abilities, which encouraged her to start a small project of her own in 1998. Bisan helped her to prepare an economic feasibility study for a project producing pastas and oriental dishes. Faten encountered many difficulties, such as strong competition, non-acceptance of her by society, criticism, and actual attempts to thwart her. However, she persisted and succeeded in Nablus and branched out to Ramallah. Afterwards, Faten expanded the business, bought machines and special equipment and employed women workers. In her marketing she targets conferences, workshops, and celebrations of different occasions. Faten encountered problems during the Israeli onslaught against Nablus, above all suffering great losses due to damage of produce. But she was determined to continue and was able to compensate for her losses. She returned back to work and to employing women in her successful small business.

Source: Small Business Bulletin, Bisan Institute for Research and Development

5-4 Women Entrepreneurs' Needs to Develop their Businesses

68% of businesswomen who were interviewed answered that development of their projects could be achieved through increased capital, while 40% believed that development was achievable through expanding the size of the targeted market. 31%

believed that they could develop their work by improving product quality, 25% said that development was to be realized through the introduction of additional product lines, and some 20% pointed at promotion and advertising.

5-5 Factors Affecting the Type of Projects Operated by Women

The type of projects launched by women is affected by three basic factors; the first is the specificities of the region. In Al-Khalil, animal and poultry breeding, embroidery, and carpets (for sale in Al-Saba' region) are prevailing; in Ramallah the mercantile character prevails, as it is a commercial hub for many surrounding villages; likewise in Nablus, which also sees cheese processing and animal breeding in the surrounding villages, which usually depended on the city for marketing. In Bethlehem, souvenirs crafts for tourists such as embroidery, glass and wood carving prevailed, at least until the last *Intifada*. In the Gaza Strip and Jabalia, there are sub-contracting projects for Israeli sewing and laundry factories, small stalls, in addition to productive and service projects similar to those previously mentioned, such as selling clothes, animal breeding and food processing.

In the Jerusalem area and its surroundings, one of the main incentives for women entrepreneurs was the area's lack of certain services (such as a training center, a model school, a cultural center), so the availability of opportunities for such projects was an incentive for them. By contrast, women entrepreneurs pointed out that there are many entrepreneurs with small projects in the villages around Jerusalem because of the wall, which will hinder people's movement and from reaching services previously obtained from Jerusalem. Thus there is need for local substitutes, and the opportunity is available for women in these areas.

In the Al-Khalil region, projects undertaken by women who participated in the group meetings varied between a photography studio, beauty salons, sheep and poultry breeding, greenhouses, vegetable marketing, embroidery, sewing, carpet weaving, commercial shops for clothes, ceramics, selling second hand clothes, and making *falafel* at home for sale to schools. Women in Al-Khalil are distinguished by often running several small projects at the same time. One participant explained ***“I work in sheep and poultry breeding, embroidery and selling clothes, all from home at the same time”***, and this example was repeated with several participants. Among the incentives is also the fact that each region is known for a certain kind of project. For example, Bani Na'im is known for breeding animals and poultry; Al-Samou' is known for carpet weaving and embroidery. There is demand for this skill, such as national dress embroidering in Al-Samou'. The dresses are sold to Bedouins in Al-Saba region through women intermediaries in Al-Dhahriya. This was an impetus for some women entrepreneurs to work in this domain and employ a number of others to satisfy demand.

In the Nablus region, the projects of women who participated in the meeting were concentrated in two main areas: the first is commerce, and the second agriculture and animal breeding for commercial purposes. All of it was connected to the city, be it in order to obtain raw materials or to market the produce. Commercial projects varied between groceries, sales of table cloths and bed sheets, embroidery, clothes, house furniture, and house utensils shops. Agricultural projects concentrated on animal and poultry breeding and vegetable growing for sale in the market or in a vegetable shop owned by the woman entrepreneur and her husband.

The second factor that affected women's choice of projects is the change that occurred during the *Intifada*, which led to the shrinking of many crafts and a switch to commerce and trade outlets. Many examples of this can be given, most prominent among them is what happened in Bethlehem, where the concentration was mainly on crafts related to glass, olive wood carving, flower arrangements, and beads for tourists. After the *Intifada* and the sharp drop in the number of tourists, many of the participants in the meeting turned to commerce to continue working and obtaining an income. They left crafts as their market dwindled. One of the participants told her story as follows: "I started by drawing on glass, making flower arrangements and selling luxury goods to tourists, but after the *Intifada* I turned to selling house utensils and then I opened a small mini-market near my house".

The third factor which influenced the projects of women entrepreneurs was their level of education, as some of the projects launched were based on the educational degree obtained and the experience acquired in that field. The relative success of such projects was noted compared to other projects mentioned by participants in other group meetings. The reasons could be attributed to those women recognizing the limitations of their abilities, and also the limitation of the projects and their expansion, as well as to research undertaken by the entrepreneurs such as a study of the area's needs, and a feasibility study. Most did not proceed haphazardly.

5-6 Reasons which Drove Women to Launch Their Projects

5-6-1 Outbreak of the *Intifada* and Financial Need

Of the reasons mentioned by participants in the meetings for launching their projects, the most prominent among them were the outbreak of the *Intifada* and the need to improve family income, often because of a husband's loss of employment or inability to reach his work because of movement restrictions. As one of the participants in the meetings said, "***The Intifada started and men stayed at home. It was necessary to do something, so we started a project breeding animals and poultry.***" The proportion of women who launched their projects because of a desire to improve family income was around 62% among women in the 20 – 29 years age group, and was never less than 50% in any age group, with the exception those over 60 where it was 40%. This means that no less than half of women who entered the world of private business did so to improve family income. This is naturally related to the harsh economic conditions through which Palestinian society is passing, and the widespread poverty and unemployment. When examining the reasons different social groups gave for starting a project, it was also found that improving family income was the main reason for all. But the highest percentage was among married women (58%), and the lowest among single women, which means that the desire to improve family income is also related to the existence of an immediate family – husbands and children – that the women feel directly responsible for.

The non-availability of another job was another impetus for women to launch their projects, particularly among women of higher age groups (50 years and more). These are groups that often have difficulty finding paid employment, so the only opportunity open for them becomes to launch a project. It is also a major reason among divorcees and illiterate women, as 16% and 11% of these groups respectively stated that they launched their projects due to absence of other jobs. The fact that those most

marginalized groups find the idea of launching a project an appropriate option, shows that projects provide opportunities for the empowerment of women. Some participants also pointed out that early marriage and interrupting their studies was a reason for launching a project, because if they had continued their education they would have tried to obtain employment with their degrees instead.

It should be noted from Table 6 that the reasons mentioned by women in focus group meetings center on social and economic reasons. All the women, except for one, saw their work as being temporary to support the family, and said they might stop working when the reasons for doing so disappeared. They had no desire to develop their projects, or to try new ideas. It is clear that temporary and seasonal work will not lead to women’s empowerment, and that there is need to understand the dialectical relation between empowerment and financial need in the Palestinian context.

Table 6: Reasons for Starting a Project, according to Participants in Site Meetings in Gaza

Name of Project Owner	Type of Project	Reasons for Starting or Developing Project
Nimah	Sewing (Sub-contracting)	Divorced and has two sons and no source of income
Tahreer	Trade in clothes	Unemployed husband, moved out of big family home to live in rented house
Hayat	Sewing (Sub-contracting)	Husband died; lives with children in rented house.
Sabah	Sewing (Sub-contracting)	Unemployed husband, small children
Siham	Hairdresser	Unemployed husband, no other source of income
Ilham	Bird breeding	Unemployed husband, rented house
Mayser	Trade and food processing	Helping husband in his work. Now has new ideas of her own, and manages them by herself

5-6-2 Proving Oneself and Ambition

Personal ambition, and the desire to prove oneself, was the second most important reason given by businesswomen, although less than the desire to improve their income. The percentage of women who launched projects in order to prove themselves was 31% among women in the 40 - 44 years age group, and ranged between 20% and 24% in other age groups. The percentage is highest among single women (nearly 52%), followed by divorcees (24%). The percentage also increases with education, as 47% of university graduates consider that proving oneself and ambition were the main reason for launching a project. The percentage decreases among the less educated, the reason being given by 28% of holders of diplomas, 13% of holders of primary school certificates and 9% of illiterates.

Some of the participants said that they had always dreamt of having a business of their own, as they possessed a natural inclination and sometimes an inherited skill, such as embroidery. One of the participants said *“It was the dream of my life to have my business. It was my ambition. I could not have a university education because of my circumstances, so I thought of proving myself through a project and*

contributing to improving the situation of my family.” Several participants said that because of ambition they started taking special courses related to developing their abilities, such as accountancy and leadership, in case they decide to launch their personal projects. Another participant who works in the field of hair styling said:

“For me, I had a hobby, then I enrolled in a specialized course. My ambition was always to have my own hairdressing salon. I trained in different salons in Nablus for four years. When the Intifada started and closures were imposed, I thought of opening a salon in my town. Many women originally came to the salon in Nablus where I worked, so I already had a group of clients to start with, and I have experience in this field. At the same time I know the distributors of required materials and prices. The only thing remaining was launching my personal project. Now, I am known in the surroundings.”

Success was the impetus for the continued work of many women entrepreneurs, who were encouraged by the achievements of their projects. Another incentive to continue was the experience they had accumulated, understanding the market, prices, distributors, and clients’ tastes.

5-6-3 Projects’ Suitability to Existing Gender Division of Labour

Most women participants described their projects as extension of their work at home. The project is either close to the house, such as a grocery or clothes shop, or the husband is responsible for marketing far from home, such as with animals, poultry and vegetables. Generally, the participants considered their role as supplementary and not primary; the husband or the father remains the head of the family and the main responsible provider. Consequently, projects launched by women do not necessarily reflect the changing of roles or the gender division of labour. In addition, many of the projects mentioned do not require very much specialized skill, and are suitable to women’s situations and educational level. In fact 83.7% of the businesswomen met and interviewed chose projects because of their suitability to their family life and responsibilities. The percentage is higher among married women, illiterates, and village women.

Traditional gender division of labour is often reflected not only in the beginning of projects, but also throughout their stages of development. Here, projects launched by women can be divided to two main groups. The first are personal initiatives by women, where the woman herself runs the project and takes the decisions. The second group of projects consists of joint ventures between the woman and her husband or family, in which she only has a partial decision making role. At times she may not be involved at all, despite the fact that she is the founder of the business or took the loan for launching the project. To cast light on those two groups of projects we made case studies concentrated in the Gaza Strip and Jabalia to compare between the two types of entrepreneurs and the opportunities provided to them in taking decisions related to the project. Maysar (see section 5-3-7 above) is from Gaza city and represents the first group of women entrepreneurs who have the ability to take decisions in their projects. But Kamela is from Jabalia camp and represents the second group of entrepreneurs, who launched a project but where the management was totally transferred to the husband or family.

Kamela

Kamela and her husband took the initiative of launching a small project for packing tobacco. She participated in the early stages of operating the project when it was very small. She played a basic role in marketing and selling, especially to neighbors. The project developed and became bigger; marketing expanded and the small project became a company for packing tobacco totally run by her husband. Here her interference and contribution in managing the project greatly decreased.

Source: Focus groups in the Gaza Strip.

5-6-4 Availability of Opportunities and Supportive Environment

Many women pointed out that the availability of opportunities and surrounding conditions were among the influencing factors. One participant referred to the factors that helped in launching her project, by saying:

“The fact that the house was situated on the main road and on the way to the schools encouraged me to start a grocery. We assigned a room which falls on the street for the purpose. The fact that I am illiterate, and my son unemployed, made him a substitute for me in book keeping and dealing with merchants and distributors. Thus, I provided work for my son in the shop, and improved our income.”

Another entrepreneur spoke of the availability of opportunities when she launched her project for breeding and trading in sheep. She said:

“When the Intifada began, the price of sheep dropped very much in our village. Marketing and transport became restricted and limited. I had experience in sheep breeding since childhood, so I thought of obtaining a small loan to buy an additional number of sheep and expand my work. I started with my husband to work on the project. We developed the idea of slaughtering and retail sale by the kilogram. Now I have applied for a loan to open a butcher’s shop in the village.”

The unofficial nature of those opportunities was noted. In some cases the opportunity became available because of previous experience gained through inheriting a project from relatives. This is sometimes the case among widows, who inherit projects from husbands and maintain them until the children grow up and take over.

5-6-5 Low Level of Risk in Small Projects

Most participants indicated the low risk in the projects they launched. At the beginning a small amount of capital was needed, the rest being based on skills already existing. In most cases they work on orders, such embroidery of dresses and native carpets, or sub-contracting orders through intermediaries who work for Israeli clothes factories.

5-7 Productive Sectors where Women are Concentrated

Field survey results showed that the most important sectors where Palestinian women entrepreneurs are presently concentrated are sewing, hair dressing, embroidery and food processing. Some of the more traditional industries are as follows:

Embroidery

This is one of the most important sectors where women are concentrated, especially in the central region of the West Bank. The reasons are that embroidery does not need formal training or a certain educational level; it is a skill that is inherited from mothers and grandmothers. A women's entry into the labour market through it is easy,

as women are often connected to associations which undertake the responsibility of finishing and marketing. Presently, many embroidered materials are produced through women's organizations and training centers of UNRWA. The Palestinian Ministry of Planning estimates the number of workers in this profession at 1,500 women, 500 of them at UNRWA centers. But a 2000 study by the Qalandia Refugee Camp Association points to the existence of more than 4,000 women involved in this sector, most of them on a very limited income. The same study found that most of these women produce embroidered pillows and covers (62% of the sample), traditional women's dresses (29%) and embroidered shawls. Usually there is no empowerment of women workers in this area, with little transmission of additional skills such as finishing, marketing, administration, accountancy, and pricing.

Carpet Weaving

Carpet weaving is one of the oldest industries in Palestine, widespread in different parts of the country, although it became concentrated during the last century in the Gaza Strip and Al-Khalil, namely in the Al-Samou' region, which gained fame in producing high-quality carpets. Excavations have indicated that the looms used for weaving in Palestine appeared 5000 years ago. One of the most important Palestinian cities known for its textile industries and carpet weaving is Al-Majdal. Gaza is considered one of the oldest cities skilled in textile decoration and printing. As for handmade carpets, the district of Al-Shaja'iya is presently most famous for it. This industry depends on local wool and wool imported from New Zealand and Britain. Based on a study made in 1997, the 20% of products of the industry are destined for the local market and 80% for Israel, which in turn re-exports them as Israeli products.⁷ During the 1960s and 1970s the industry expanded and the number of workers in it increased, it but shrank again and has become, more than anything else, a mere heritage industry, which is constantly dwindling. Carpets are presently sold to foreign visitors and certain citizens who like to own hand-made articles.

Pottery

The pottery industry is in a continuous state of deterioration. Handmade pottery factories numbered around 29 before the arrival of the Palestinian National Authority in 1994, and employed 80 workers. They dwindled to 10 at present, employing 50 workers only. A study prepared by the Ministry of Industry indicated that the average working capital invested in each of those factories ranged between US\$3,000 and US\$12,000. About 10% of the products are sold on the local market and the rest to Israel, which in turn re-exports them as Israeli products.

Soap

According to records of the Chamber of Commerce and Industry in Nablus there were 28 registered soap factories at the end of 2002, only 2 fewer than at the end on the 19th century. But many have recently closed, and others have greatly decreased production because of falling demand for this kind of soap due to increased competition by industrialized artificial soap. Three were destroyed by Israeli occupation forces. Women entered this profession when it started taking a modern form, and soap started being decorated by dry flowers and having different perfumes added to it.

5-8 Contribution of Female-run Establishments to the Economy

⁷ <http://www.mop.gov.ps>

Results of the establishments' survey indicate that the value added of businesses run by women exceeds US\$42 million i.e. 2.4% of the total value added to establishments in Palestine. The highest percentage of value added was in the services sector, which with US\$25 million represented almost 60% of the value added by women-run enterprises and 8.8% of the value added by the services sector.

Summary

It is noted that establishments run by their owners have little formal administrative mechanisms (Nasser, 1999). They are mostly informal or unregistered projects. In addition, women's projects are mostly of a service character, with the exception of simple production projects such as sewing, embroidery or food processing, which are similar to home production and tend to be traditional and hereditary, and depend on skills which women learn from older people. The main impetus for launching a project was to improve family income, to help in times of difficult economic conditions, or to create jobs. In a few cases it was a natural continuation of a family business, or to realize a desire or a hobby of the woman owner of the project.

6- Problems and Challenges Encountered by Palestinian Women Entrepreneurs

Women entrepreneurs encounter many problems and challenges. Some are simply related to the nature of the business they undertake and the environment in which they function; such problems equally affect men and women. But at the same time women encounter special problems which are caused by society and its traditional view of women. Among these are its patriarchal set-up and the nature of the roles assigned to women, especially child care and house work. The problems can be classified in four groups: those related to the occupation; those related to society; those related to markets; and those related to the institutions established to help women.

6-1 Problems Related to Occupation

Women's projects, like all aspects of the Palestinian economy, have suffered the effects of Israeli occupation, which have resulted in the failure of many businesses and losses and contraction in many others. In a study made by Al-Shalabi and Ataya (2002), women stated that their projects were hurt because of their inability to market and due to a decline in consumers' income, as well as the decline in purchasing power in general. They also suffered from inability to reach the site of the project, which caused raw materials to rot and animals to die, as happened in rabbit and poultry-raising projects and others. The physical destruction caused by Israeli measures also damaged or destroyed several projects. The Israeli army entered most villages several times and attacked and searched houses. Their operations often led to destruction of agricultural land and of small projects. In some cases the army killed poultry by the gas they used to cover their entry to the village and the houses.

No compensation of any kind was paid for most projects, with the exception of those situated in buildings that were destroyed, such as hair salons and clothes shops, where the women owners of such projects received some compensation from the Ministry of Public Works in the form of reparation of their shops. Some loan institutions, like Asala and Faten, postponed, reduced or rescheduled loan installments which were due. But neither institution altogether canceled the debt, because their policies call for reinvestment of funds in various projects and lending them anew to women. Makhoul (2005) found that the production capacity of all small projects in the north of the West Bank retreated from 83% to 25%. Their profits fell by up to 65% because of occupation practices during the first four years of *Intifada*. This problem casts its shadow equally on women's projects as on men's.

It was noted in the focus group meetings that most projects launched by women were started during the recent *Intifada*, during the difficult period of closures and movement restrictions. The most important problem was obtaining raw materials and selling to merchants outside the villages. In addition, transportation costs increased. The results of the field survey indicated that 24.5% of the problems faced were because of various degrees of inability to obtain raw materials and 31.2% of those interviewed cited the high cost of transport due to recurrent closures.

Another problem related to the fact that many projects were started during the *Intifada* was the need, arising out of closures, to create local substitutes for what used to come from the cities. But when the closures and road blocks were lifted the main reason for

the success of some of those projects disappeared. Here the difference between women who market their products themselves, and personally deal with merchants and clients, became evident: they were more able to adapt to the new situation. Diversification of the products with which they started their projects was one of the solutions. In other cases, women entrepreneurs were able during the period of closures to find local markets for themselves which were not affected very much when closures were lifted, and thus were able to continue. It can be deduced here that the main factor in continuing was the need for the project in the area, be it during periods of closure or no closures. Consequently, the contribution of closures was to drive the entrepreneurs to launch the projects in the first place. Women who did not market their products themselves were less able to adapt to the new reality, and thus many had to leave the market.

It is worth noting here that not all women wished to develop the scope of their businesses and expand them beyond their meeting their pressing needs. An ambition of that kind is related to other traits which the entrepreneur may possess, such as strong personality, ambition, spirit of enterprise, and the existence of a supportive environment. For example, Jamila said: ***“I started by selling clothes out of my house. Then I took a loan to open a small shop for clothes near my house. Now I would like to open a shop in the city. I am trying to obtain the necessary funding. I found a partner who would like to join me in the project. My husband encouraged me and will contribute to the capital.”*** By contrast, Aiysha, who runs a small stand said: ***“I want to get some money for food and drink. I do not wish to develop my project and I do not know how. I did not hear about institutions which support women who have small projects.”***

Another problem were the black market initiatives bringing cheap food shipments from Israel, which competed with women owners of supermarkets, or with women-owned small poultry farms. Such shipments are usually not subject to health controls, and were often of expired validity and unfit for human consumption. But there was a market for them because of their price.

The most prominent problems that women involved with crafts encountered in Bethlehem and other tourist areas was the collapse in tourist numbers during the *Intifada*. They had to switch to commerce, and there was the possibility to create an alternative local market to traditional craft items produced by women.

Before the *Intifada*, ‘suitcase commerce’ was thriving, especially between Jordan and Palestine. Many women worked in it, mainly in clothes, cosmetics and textiles. But in the wake of the closures and restrictions on travel to Jordan, many women stopped this kind of activity. However, their experience still exists, and can form the basis of future projects once the conditions improve.

6-2 Problems Related to Social Conditions

6-2-1 Society

It was noted in the group meetings that the influence of the surrounding environment, relatives and neighbors, was limited, although there were those who spoke of relatives’ and neighbors’ criticism that their work would be at the expense of home and children. In other cases, the old people and the village heads (*Mukhtars*) did not

accept the idea that the owner of a shop was a woman, who ran it and dealt with men. One of the entrepreneurs from Ain Yabroud told of her experience: ***“Clients at the beginning were men. If my husband happened to be in the shop, they dealt with him, and avoided speaking to me, despite the fact that I am the owner of the shop. Afterwards, they became accustomed to it and sent their wives to buy from the shop.”***

In other cases, pressure is exerted indirectly through not providing the same facilities that are provided to male owners of similar projects. Examples can be given of two women’s projects in 'Anata village, near Jerusalem. A woman entrepreneur established a model school, but she suffered from a lack of attention by the Municipal Council in terms of providing services such as garbage collection and paving the roads leading to it. After she founded the school, two men from the village took the initiative of building competing schools in the village and obtained the facilities and licenses through dubious interventions, which she could not do. Another entrepreneur from the same village established a center to provide professional training. She is suffering from non-acceptance by local society and especially the youth club in the village, which regards her as a competitor, mainly because she is a woman.

Women in special situations, such as widows and divorcees, suffer from additional social restrictions. In one case an entrepreneur used to work as a dress maker for an intermediary working for Israeli clothes factories. The family and relatives objected because she was a widow. She described this pressure by saying that people tell her ***“My brother and relatives tell me you are a widow. How will you deal with men who will enter your house? What will the neighbors say about us?”*** Another case arose of a widow who worked with a female partner selling oil. She encountered restrictions for the same reasons from the surrounding society.

In a few cases, the surrounding environment had a great influence on continuation of a women’s enterprise. For example, a group of 19 women, members of the Savings and Loan Association of Tarqumia, took the initiative of launching a project of plastic houses for growing vegetables and selling the produce at the market. Local society violently reacted to the project, as they felt this work was not for women. When the women tried to sell the produce in the market they encountered severe difficulties: total non-acceptance by merchants and local society of the idea that women should be present at the vegetable market to sell their produce. In some successful examples a woman needed her husband’s help to mitigate social pressure. An entrepreneur who launched a similar project had a supportive husband who was experienced in agriculture, as he had worked for several years before as a farmer in Israel. He brought his experience of modern agricultural methods to the project, and even enrolled in training courses in Al-Khalil and returned to apply the knowledge he acquired. He conducted most of the dealings with merchants, and society's challenge to her was reduced because of the presence of her husband.

In a village society some jealousy and control of what others do exists. One entrepreneur opened a small bookshop, but felt that her female neighbors preferred to buy in the city. Another entrepreneur started breeding bees. She says that her neighbors exerted much pressure on her by complaining that their children were stung by them, finally asking her to end the project. Yet another entrepreneur from a village near Nablus said the following: ***“A dispute arose in the village between my son and***

the neighbor's son. The reaction was against my shop. It was demanded that the shop be closed in order to settle the problem. In fact, the original problem was left aside and discussion turned to closing the shop or keeping it open.”

The strongest factor affecting women entrepreneurs was domestic requirements and continued normalcy of home and children's lives. An owner of a pasta shop was obliged to close it and move her work to the house because of the children and the long working hours that making pasta required, despite the support and help of her husband in making the pasta in the shop.

Society in Al-Khalil is generally conservative. Consequently, women's projects are sometimes challenged. An example of such a behavior is the greenhouses started by women in Tarqumia, and society's non-acceptance of dealing with them and refusal to countenance their direct presence in the vegetable market among merchants. Another example is a photography studio owned by a woman entrepreneur. Despite the success of the project it is being challenged by rumors, which are one of the weapons used against women. The entrepreneur explains that this is an attempt to undermine her by her male competitors. The report on poverty by association (2002) identified societal restrictions and discrimination in the labour market as one of the reasons for women's poverty. A woman head of a family from Al-Sheikh Street in Al-Khalil said: *“It is difficult for women to work in Al-Khalil... There will always be talk about a woman who works. People have no mercy...I tried, for example, to work in a sewing workshop. My mother-in-law and my father-in-law complained to my parents, and told them “your daughter wants to work”...They prevented me from working so that we do not say they are not able to feed me. But at the same time they do not offer me anything, no matter how much I am in need.”*

6-2-2 Attitude of Husband and Family towards Launching a Project

Participants' answers to this question varied, which proves that there is no one stereotypical situation that can be generalized to all women entrepreneurs. Much depends on the personality of the woman entrepreneur herself and her ability to force the idea of the project on her husband and family, and the kind of husband she has – whether he is cooperative and supportive or not. There are husbands who were and still are strongly opposed to a project, but the personality of the entrepreneur and her desire to prove herself were stronger. In general, the answers can be summarized in the following manner:

1- **Strong opposition** from the husband and family: This may be because the home will become a work place, or that they feel a woman will neglect her responsibilities with regard to daily chores and care for children. In some cases, participants explained that their husbands felt that shame from the surrounding community because of their wives working was the reason for opposition at the beginning. But after some time they got accustomed to the idea, and became more reassured after the local community accepted the idea.

2- **No objection**: Many of the projects launched by women started during a period where their husbands or sons had lost their jobs, i.e. during a period of financial need. This reduced some social restrictions regarding work so that she could launch the project. Some cases emerged where women launched their projects because of the total incapacity of their husbands and their inability to work because of sickness or

accident. Thus the project became the only source of income for the family, paying for the education of children and expenses of medical treatment. Some of the participants stated that their husbands preferred that they undertook a small private project around the house and the family, rather than look for a job or work for others. Participants pointed out to the fact that the attitude of the husband was supportive at the launch of the project as long as there was a financial benefit to the family and it did not clash with the woman's home responsibilities. This seems to be an implied precondition for many women to be able to launch their private projects. One of the participants expressed the idea by saying: *“My husband did not object; on the contrary he encouraged me to launch the clothes shop project, rather than finish my university education which would have called for my going out of the house and would be financially costly at the same time. He told me “launch the project and you will be near the house and its requirements. You will also get an income, instead of spending the income on studying.”* The logical conclusion is additional chores for the women – a continuation of house duties in addition to running the project. The most important fact is that women entrepreneurs are ready to accept that in order to prove themselves through the project.

3- Active Support: Some participants stressed that their husbands' support for the project and their acceptance of the idea was a major factor in starting and continuing it. This provided protection for the entrepreneur in the face of any pressure from their surroundings, be it from family and relatives or the surrounding community in general. Participants explained that such support is particularly important because of the non-acceptance of society of the idea of women direct dealing with merchants, at least in the beginning. Thus the intervention of the husband at that stage was important. The husband and children working in the project also participated in reducing any social or other family pressure. (The sentence: “As long as my husband and children agree, I do not care for what others think”, was repeated). The husband and family’s attitude could provide both moral and practical support, by providing assistance and working with the wife in the project, or through participation in obtaining the initial capital.

6-3 Problems Related to Markets

6-3-1 Exploitation by Merchants

To start with at least, many women entrepreneurs who dealt directly with merchants suffered from the latter's exploitation because of their lack of knowledge of market practices, prices and costs, and also because of their inability to move easily. The merchants did not expect that women would go far afield or to Israel to bring necessary goods or raw materials for their production. After acquiring the experience, many women entrepreneurs overcame this problem. They became acquainted with the market, clients' tastes, the sources of competition, prices, costs, and options that can be resorted to, such as decreasing the profit margin to counter competition. They accumulated bargaining skills to deal with merchants.

6-3-2 Inability of Women to Negotiate with Commercial Intermediaries

Women entrepreneurs who do not directly market by themselves referred to the problem of their exploitation by the intermediary. The entrepreneur, for example, sells one embroidered shawl for 200 Shekels to the intermediary, who sells it for 400–500 Shekels to the consumer.

Some participants also referred to the fact that they do not control the prices, and thus become subject to exploitation by whoever takes the products from them, be it intermediary or merchant. 27.5% of women consulted said that they encountered various problems in pricing the product. However, while women workers focused on the exploitation of the intermediaries in connection with the meager price paid per embroidered piece, the owner of a sewing shop stated that after experiencing direct marketing herself of the clothes she produces, she now prefers to deal through an intermediary and to accept a smaller profit margin. This is because of the high cost of raw materials, transport and market risks, and the loss of this money in case of an inability to sell.

There was a difference of opinion between the entrepreneurs who do not market themselves and those who directly market themselves. The first group stated that the problem with embroidery is marketing in the first place, while the second group said that the problem lies in financing it, because there are good local and foreign markets for embroidery. One woman had her son open a shop to market the produce of his mother and that of other women, as an intermediary who could be trusted.

6-3-3 Competition with Cheap Imported Goods

Craftswomen who participated in the focus groups said that competition from cheap imported goods from such places as China and Turkey had harmed local products, especially crafts such as ceramics, flower arrangements, embroidery and carpets. One of the participants stated that she used to make flower arrangements and produce candles for marriages and special celebrations, particularly in Bethlehem for religious feasts, but ready-arranged flowers imported from China completely put an end to demand for her work, which forced her to change to selling house utensils. Others were obliged to switch to working to order and on demand, and thus decreasing the risks of marketing.

Competition of imported goods, and the absence of enforced laws to protect local products such as handicrafts and soap, are serious problems. The report on poverty by association (2002) clarified this problem and spoke of the absence of marketing organizations and lack of protection for local products. It quotes one woman from the Gaza Strip who as saying: *“I used to sew clothes for children and sell them in the market. But Chinese clothes have flooded the market. People buy them and not from me...I stopped sewing. If I sew where will I sell? Nobody buys from me!”* (Report: Poverty by Association, 2002).

6-3-4 Inability to Market

Makhoul (2005) found that small enterprises in Palestine depend on methods of personal promotion, which are difficult for women to use because of social restrictions and the very limited non-family social networks through which women work. Results of the field survey indicated that 32% of women entrepreneurs encountered problems, to varying degrees of intensity, in marketing their products. Study results indicate that 20.1% of women depend for marketing in foreign markets on commercial intermediaries, 55.3% depend on personal marketing and 24.6% depend on local and regional exhibitions. Results of the field survey also indicated that women depend for local marketing on their surroundings in the village or town where they live, followed by the governorate, then Palestine. The least percentage was

the marketing at regional and international levels. The following table summarizes women's marketing priorities:

Table 7: Distribution of Marketing Channels according to Market

Marketing Channel	Percentage
Village or town market where I live	63.5
In the governorate	24.7
In Palestine	9.2
In Arab markets	0.6
In international markets	2.1

6-3-5 Poor Organization of Product Exhibitions

In a study of the embroidery sector, some of the participants in marketing exhibitions abroad stated that their objectives were not realized. On the contrary, financial losses were incurred by them. They also lost many of their products because they could not return them due to non-coordination with the Israeli customs. Also, the organizers who invited the producers did not properly plan and prepare. Local exhibitions were distinguished by poor management, strong competition among associations, and an absence of prior coordination regarding prices and quantities. The timing of a number of exhibitions was poor. Proper publicity for the exhibitions was insufficient, in addition to the high cost of participation with regard to rent of space, transport and the cost of transporting of goods. (Qalandya Association, 2000)

6-3-6 Selling on Credit

Selling on credit is a major problem, especially because of the nature of the commercial projects, and the fact that marketing is done mainly to friends and acquaintances. Among the continuous problems that women owners of projects encounter are attempts to embarrass them, postpone payment, and difficulty in collecting debts. An owner of a hair salon was obliged to close her shop because of this, and to resume her work on a very limited scale at home. It is worth mentioning that all this happened during the period of *Intifada* and Israeli onslaughts. Selling on credit can not be given up, especially in villages. The women who refuse to sell on credit will never sell. Many participants stated that payment of debts either takes a long time or they are not repaid at all.

6-4 Problems related to Institutions which Help Women

6-4-1 Obtaining Funding for Projects

Obtaining funding is one of the most important challenges facing women entrepreneurs all over the world. Women find it harder than men to obtain the necessary guarantees for getting funding or loans. Many commercial banks and institutions ask for highly valuable guarantees, such as immovable assets registered in the name of the person taking the loan, a thing which is not available to most women. Women entrepreneurs who succeeded in expanding the scope of their business focused on the question of financing and costs. For example, one woman entrepreneur who works in embroidery and markets her products in Jerusalem obtained an Arab Bank tender to deliver a big order. She needed capital of up to US\$10,000 in order to buy raw materials, employ workers and do the finishing. However, field survey results showed that 41.4% of women entrepreneurs encountered problems in

financing their projects, whether to assure continuation or to expand the operation and marketing.

Field survey results also indicated that sources of financing available to women at the start of their projects are basically either self-financing or women's loan institutions. Contrary to popular belief, women do not depend often on family sources to finance their projects. The following table shows sources of finance according to their order:

Table 8: Percentage Distribution of Income Sources Available To Women Entrepreneurs

Source	Percentage
Own resources (Income from profits, land sale)	37.8
Borrowing from family	6.2
Family grant	8.8
Loan from commercial bank	4.7
Loan from women's loan Institution	42.4

6-4-2 Lending Policies

Women entrepreneurs who participated in the focus groups and who had borrowed money focused on the conditions for loans from women's credit institutions, saying that the interest rate is at times higher than that demanded by some banks. The same applies to guarantors. Two guarantors are required, one with a regular salary of not less than 1500 Shekels, a credit bill from the court, and a grace period of one month in most cases. Borrowers also said that women who repay their loans properly are not exempted from the strict conditions applicable to those who borrow for the first time. They also spoke of the difficulty of finding guarantors, because many people have taken loans, and consequently they are tied by loans of others, in addition to the poor financial situation in general. At the same time, loan institutions do not accept other forms of guarantee, such as mortgaging the project itself and its assets. Some participants also complained that complicated official procedures, such as the court credit bill, were off-putting. Also, loan institutions refuse to grant a new loan before the old loan is fully repaid, although some borrowers need to raise more capital to satisfy demands at certain times.

There was a feeling of frustration with women's support institutions, such as women's clubs and associations which register names and I.D. card numbers of female entrepreneurs and promise to call them the moment financing is available. But the entrepreneurs complained that they do not benefit at all, whether in terms of finance, training or marketing.

6-4-3 Few Professional Training Opportunities

There is still a qualitative gap in favor of men in the realm of professional training provided by governmental, civil society and private centers. Women's training possibilities are confined to traditional areas, such as sewing, textiles, secretarial skills and cosmetics. The training period for women is shorter than for men. Also, there is

poor geographical coverage by training centers, and they do not reach all strata of society. (Al-Shalabi 1999).

6-4-4 Deficiency in Obtaining Information

Participants in focus group meetings mentioned the problem of the non-availability of information and the ignorance of women’s support institutions and associations. One of the participants put the problems as follows: *“I was invited to today’s meeting through the Savings and Loan Association, of which I am a member. For the first time I find out there is an institution called Faten which provides loans to women.”* Another participant spoke of the same problem and said: *“My home is far from the town center. Many institutions come to the town to launch projects or to lecture women, but I do not hear of them. Only those who are near to the coordinator in town participate and benefit from the projects and the lectures. But we do not hear about them.”*

Field survey results indicated that the percentage of women who have information about competing products, costs, prices and consumer preferences is limited, as seen in the following table:

Table 9: Women Distribution according to Type of Information Possessed

Information concerning	Yes	No
Competitive products	75.2	24.8
Price level	82.6	17.4
Consumers' preferences and choices	79.6	20.4
Product delivery cost	69.4	30.6

6-5 Problems Related to Gender Roles

6-5-1 Household Chores and Child Care

Despite the fact that the majority of women entrepreneurs who participated in the group meetings preferred projects close to home in order to combine project and domestic responsibilities, these types of projects have their problems too, as they require a double effort from the woman to play the two roles. The division of labour on the basis of gender does not change with the additional role played by women. Many women also mentioned that the project is also at the expense of the house and children. At times family life gets mixed up with the project, and causes instability in the home in general. Hayat expressed that in the following manner: *“The result of the work is not worth the effort and trouble.”* Some women did not manifest very much belief in what they do, but financial need drove them to it. Nimah said: *“If the Ministry of Social Affairs would pay a good sum to divorcees, I would not have been obliged to work, get tired and bear all the hardships.”*

Household chores and the ‘double day’ for women are considered among the most important obstacles that women face in the labour market in general. Attention was paid to this problem in different parts of the world, including in the Arab countries.

The recommendations of Arab reports presented to ALESCO (Arab League Educational, Cultural and Scientific Organization) regarding Arab women's contribution to industry in West Asia confirm the need 'to provide suitable social conditions for the participation of husbands in household chores', and to support different services related to working women, such as ready meals, laundries, child care centers and others. (ALESCO, 1994).

6-5-2 Reversion to Traditional Social Gender Roles

On comparing the two case studies of Mayser and Kamela above, we notice that women's participation is greater at the outset of the project. But after it develops, control is often transferred to the man and the role of the woman becomes a supportive one. In the case of women who have no men in the family, female control of the project continues but the scope and size of the business often do not develop. The rigid division of labour on the basis of gender is difficult at times to change. Women remain in production near the home, while the responsibility for dealing with market, the merchants, official institutions and banks is shifted to the man. Thus the experience of women in marketing and price and profit margin negotiations remains limited, and they do not gain the technical experience required for running the project once it develops and expands.

6-6 Where Women Entrepreneurs Turn to when Encountering Problems

When encountering difficulties, women mainly turn to their husbands, then relatives, and after to friends and acquaintances. Turning to family and friends depends on the nature of the relationship with them. Also the form of support requested by the entrepreneur varies. It is not confined to material support in the form of financing or guarantees to banks or loan institutions, but extends to moral support, encouragement and social acceptance of their work/projects. The participants differentiated between those to whom they would turn for what kind of support. Turning to the husband and family was mainly for moral and social support. Turning to institutions, was mainly for financial and technical support. As regards guarantors in the case of women who wanted loans, most turn to relatives, followed by friends and then acquaintances. Results of field surveys regarding those to whom women would turn and the kind of support needed are shown in the following table:

Table 10: Distribution of those to whom Women would Turn In Case of Problems (according to order)

Authority	Percentage
Husband	40.7
Relatives (including sons, brothers or parents)	20.3
Specialized institutions	30.3
Neighbors, local community or friends	5.8
Lawyer/ professional consultancy firm	2.9

6-7 Kind of Support Women Entrepreneurs Need to Continue and Succeed

- Financial support: This focuses on capital and basic costs, such as raw materials, especially at times of business expansion;

- Legal support : This involves protection of local products from foreign competition and the black market, in addition to simplifying granting licenses and taxes levied on women-owned projects;
- Social and psychological support: Social acceptance of women's initiatives and non-exploitation of women because of their lack of experience;
- Institutional and Trade Union support: Attention should be paid by institutions targeting women to building their self-confidence, and provide them with protection, advice and help to benefit from loans, different projects, market alternatives, and capacity building through training.

6-8 Skills Needed by Women Entrepreneurs which can be Acquired by Training

Many participants found difficulty in defining the field in which they needed training and capacity building. Answers to this question depended on several factors, among them their knowledge what was even on offer. There was a lack of knowledge about the services that institutions can provide to small projects, and how they can improve their enterprises. However, several skills were mentioned by the focus group participants, which can be summarized as follows:

1- Skills connected to crafts: These are specialized skills connected to a chosen field of business, for example embroidery-makers mentioned courses in connection with colors, design, cutting and finishing; for tailoring, training concerning new designs. Hair salon owners asked for specialized courses in their field and financial support to participate in regional and international gatherings. One entrepreneur who owns a fitness center spoke of her need for first aid courses and skills in child sports coaching. Regarding agricultural projects, proposals concentrated on training in agricultural methods, animal, poultry and bee breeding, food processing etc.

2- Administrative skills: Participants concentrated on the principles of accountancy, especially book keeping, cost accounting, pricing and feasibility studies, especially when thinking of expansion. In addition they focused on marketing, time management, administrative skills, communication skills and leadership in small businesses.

7- Survey of Institutions Supporting Women Entrepreneurs

There are many institutions which provide assistance to Palestinian women entrepreneurs. Field researchers gathered information on these institutions using a special questionnaire. We have compiled a list of the most important of them in Annex 1 (see Arabic version of this study), but it cannot be claimed that the list is complete. The researchers encountered problems in collecting the necessary information, with some institutions being late in filling in the forms, and much of the information incomplete or contradictory. But we have added this section because of our belief in the importance of institutional work in supporting entrepreneurs, and so that the list may become the basis of an information bank concerning the institutions available to entrepreneurs. However, there is need for a special project to develop this database, continuously keep it up to date, and make it available to women.

7-1 Government Institutions

The Ministry of National Economy and the Ministry for Women's Affairs established 12 business centers to provide support and information to women entrepreneurs. These centers are hosted by different non-governmental organizations and by the Ministry of Social Affairs. The latter has established a project targeting the wives of those killed by the Occupation, helping them to launch projects of their own. There is also the Ministry of Labour, which supports women entrepreneurs through an employment program (the Employment Fund), and job creation schemes.

The problems of governmental institutions are shown by the non-existence of a national plan or strategy for dealing with small projects in general, and women's projects in particular. They are also manifested in the absence of laws and legislation that govern and define the work of governmental institutions with different parties, including loan institutions and businesswomen's associations.

7-2 Non-governmental Organizations

Abdul Hadi and others (1998) divided civil society organizations that support small projects to three types. They are loan institutions, human resources development institutions, and research and development institutions.

7-3 Loan Institutions

The United Nations declared 2005 the Year of Micro-Credit. The announcement did not come out of a vacuum, but was in line with the millennium development goals that we referred to earlier, and because of success stories in different places in the world. Studies undertaken in Bolivia, for example, indicate that women who got a small amount of financing managed to double their income in a period of two years, and that they use the additional income to provide their children with health care and education. In Bangladesh, 48% of families that obtained a small amount of financing were able to escape poverty.⁸

In Palestine, beneficiaries of micro-credit and micro-financing number around 23 thousand persons. 60% of them are women, who obtain loans from eight loan

⁸ www.yearofmicrocredit.org

institutions which are members of a micro-credit network.⁹ The size of loans obtained ranges between US\$300 and US\$25,000. Loan institutions invested nearly US\$180 million to grant 170 thousand loans. These institutions have around 75 offices in most Palestinian main cities (Roullet, 2005). Among the main objectives of loan institutions in Palestine is to encourage women to join the development process, support small business, provide financial liquidity to small investors, contribute to increasing self-employment among professionals, and raise the living standard of families through the establishment of productive projects (Abdul Hadi and others, 1998).

All loan institutions face problems because of the occupation practices. This is manifested in the decline of the ability of indebted women to repay their loans because of the economic situation. This affects the flow of money and decreases the ability to provide new loans. In addition, closures increase the difficulty of reaching women applicants for loans and limit the institutions' ability to function (Department for Planning and Development of Women's Participation, 2002). Roullet monitored four main problems in 2005 which micro-financing institutions encounter. Among those was a 'civil society mentality' that governs the work of many loan institutions and weakens their ability to operate as professional financial institutions. The second challenge lies in the weakness of many of the main players in this important sector, and their need to develop professional capabilities. The third challenge lies in the absence of laws, regulations and policies for the work of loan institutions, as well as the absence of adequate protection mechanisms, and the non-existence of a mechanism to protect loan funds from being lost. All this requires extreme caution in dealing with loans and women creditors. The fourth challenge is budget limitation, and the need to increase the capital available for loans.

Among the other problems of this sector is the absence of a clear developmental and female vision for credit projects for women. Many of the institutions continue to operate in a purely technical manner and do not try to challenge social gender roles or change the traditional view of women, be it with regard to the type of projects supported or the power relations women live in which affect decision-making in the project. It was noted that some of the participants in the focus group meetings were not owners of projects but just borrowers; they borrowed money for the projects of their husbands and sons. It was clear from the beginning that women in such projects do not participate in the management, but help their husbands and sons when the need arises. The loan obtained for the project does not contribute to the woman's knowledge of the technical and financial details of the work. This poses questions regarding the role of women's credit institutions and the insistence on using the term 'woman' if the aim is really to help the man and the loan just adds to the burdens of the already difficult situation of women. The absence of a clear feminine vision directed to support enterprising women is the reason for the poor performance of some loan institutions. Fatima, Kamela and Muna stressed, for example, that they had decided to stop taking loans, but the employees at a loan institution offered credit and incentives, encouraging them to take big loans despite the fact that they knew that the projects were not female ones and that women did not actually participate in their management.

⁹ These institutions are: Faten, Asala, ACAD, PARC, UNRWA, CHF, YMCA, and the Palestinian Development Fund.

Many loan institutions suffer from a negative attitude towards their projects, particularly from conservatives and religious people. Conflict occurred with those institutions in many villages and towns; at times the Friday sermons dealt with issues such as forbidding loans with interest and forbidding women to leave their homes for work in projects.

The institutions also suffered from lack of supportive services, namely technical and administrative training and self empowerment activities. With regard to many borrowers, their relations with the loan institutions are confined to the loan and its repayment. They do not involve training or marketing support.

The institutions also suffer from discrepancies in the geographic distribution of loan projects, and a lack of information exchange. Except for radio announcements by Faten, no publicity, information and other guidance mechanisms exists. Most of the institutions depend on advertising that is undertaken by their women field workers.

7-4 Training Institutions

It is possible to distinguish between two types of training institutions. The first provides technical and vocational training. Some of them are governmental and others belong to civil society. They provide different kinds of training, although they are still weak in training women. The other kind is training which concentrates on the skills involved in launching and managing a project. It aims at developing the skills of individuals in order to create jobs, provide them with administrative and financial skills to build their self-confidence, and provide consultancy and administrative services to the private sector in the fields of administration, economic feasibility studies and marketing. Examples are those such as the program of the Bisan Center, in cooperation with Asala, called Neighborhood Corners, which is being implemented in the north and targets women with productive projects.

Among the problems faced by training institutions is that the effort required does not justify the cost invested. Training costs are high, and it is believed that training activities cannot continue in the absence of funding. No initiatives so far have encouraged women's training where the trainee participates in paying the training fees. Also, it is not clear that training activities really do meet the trainees' needs. Most of the institutions do not study their needs, and do not evaluate the effect of training on the trainees. The method of training employed is usually the classroom method, which depends on presentations and lectures. Little applied training, or personal consultations (one-to-one), is available. At the same time, there is no coordination and exchange of information between the different training institutions. No training material is prepared and provided to all, for development and generalization of benefits, which leads to much undesired repetition, low quality, and consequently not the desired effect. In addition, most training activities are concentrated in the big cities, namely Ramallah and Gaza. The other governorates and villages lack suitable and appropriate training activities.

7 - 5 Women's Charitable Organizations

A study by the Qalandia Refugee Camp Cooperative Association (2000) speaks of the existence of 34 women's organizations that produce or manage the production of

Palestinian embroidery; 15 of them in the Gaza Strip, 8 in Ramallah, 5 in Jerusalem, 2 in each of Bethlehem and Jenin, and one in each of Tulkarm and Al-Khalil.

7-6 Trade Unions and Associations

In general, it was noted that membership by women professionals and owners of small projects in associations or professional unions is very limited. Owners of hair styling salons are members of the hair styling syndicate. Women who do piecework within the framework of women's relief clubs are members of the club, but this does not function as a trade union. It also does not play any role in developing their skills through specialized courses, or market their production. Individual entrepreneurs have no professional trade union.

At some of the meetings the participants did not know anything about existing associations and women's institutions, nor about the services they provide. One group of participants had registered in trade unions with the aim of obtaining jobs within the framework of temporary unemployment projects. However, there is no relationship between their membership of the trade union and their rights related to the work in the project. Another group of participants in the focus groups held in the West Bank were members of the Savings and Loan Association of the Agricultural Relief. They considered it as a main source of support for strengthening them, because their collective work was the reason for their endurance in the face of challenges by conservative elements in their village. They said their meetings usually invited comments, along the lines of "What are those women doing in this gathering?"

8- Conclusion and Recommendations to Support Palestinian Women Entrepreneurs

The study opened with an operational definition of female entrepreneurs, based on international and local literature. But despite the fact that the characteristics of Palestinian women entrepreneurs are similar in many ways to their international sisters, especially with regard to details such as a strong personality, self-confidence, initiative and defiance, yet Palestinian entrepreneurs live in a uniquely challenging environment with insecure economic conditions and a poor investment environment. This reduces the opportunities available and their ability to exploit them. Palestinian women entrepreneurs are distinguished by the fact that they are mostly driven by need, their economic situation, and the high levels of poverty in Palestine. Consequently, the importance of productive projects launched by women, including traditional ones, should not be underestimated. Such projects are capable of generating income for women, and investment in them yields quicker benefit in terms of social and economic development.

Despite the fact that women's projects in Palestine are still mostly traditional - often an extension of women's housework and suitable to the prevailing circumstances that govern women's lives - there is scope for investment in new projects of a modern character requiring technical skills and training. The target group for this kind of projects is likely to be female university graduates and educated women, which remains until now an unexploited group.

Palestinian women entrepreneurs encounter many problems, among them local competition and a lower ability to benefit from networks, intermediaries and financing opportunities than the men who compete with them. They also face the absence of law and order in several areas, especially the villages around Jerusalem. Thus, in case of any legal problem concerning a project, women entrepreneurs do not know to whom to turn to settle the problem and defend their rights.

In general, Palestinian entrepreneurs do not encounter many problems from the family or the men in the family, as they are contributing to improve the family income. Society encourages women to launch projects and participate in production and marketing, and it accepts a greater role for working women than in the past. What is needed in Palestine are projects of personal initiative to collectively empower women, and not collective projects that marginalize the individual and consecrate hierarchy.

This study's recommendations are divided to several parts: those dealing with the legal and social environment in which women entrepreneurs function, and others which are related to them personally and also to the surrounding social fabric and supportive institutions.

First: The Environment Surrounding Women Entrepreneurs

Improving the Legal and Developmental Environment

It is possible to work in different directions to improve the legal and developmental environment in which women entrepreneurs and businesswomen work, including:

- Adopt a law concerning small businesses and their importance in Palestinian society as a way through which women can improve their economic conditions.
- Amend the Investment Promotion Law No. 1/1998 to end the monopoly of investment by big capital, and to provide women with more opportunities to benefit from the measures to encourage entrepreneurship.
- Promote women's small projects and specifically support women entrepreneurs within the framework of a medium-term development plan. Pay particular attention to this sector as an important anti-poverty mechanism in Palestine. Consequently, endeavor to provide the necessary developmental facilities and guarantees to encourage its success.
- Create an enabling environment through the tax system, assure financial liquidity, tax and legal advice, and provide information regarding training opportunities available for women.
- The Ministry of National Economy can provide much support to women entrepreneurs and businesswomen through the adoption of specific policies such as tax exemption of projects owned and managed by women, or which employ a certain number of women workers. Women in crafts could be encouraged by assigning special places for them in industrial zones, and by supporting information technology projects that employ women.
- Recognize the importance of Palestinian women's contribution to the economy by including women's work in the informal sector in the national accounts. This contribution remains unclear in these figures due to the absence of necessary indicators.

Development of Traditional Projects

Survey results showed that women are most inclined to work in projects that are considered an extension of their traditional role, such as food processing, embroidery, sewing, etc. Despite the fact that these projects do not represent a change in women's situation and gender roles, their development and modernization will support women and can also encourage new skills in marketing and business development. For that reason, traditional projects should not be excluded from attention. Training and suitable support should be provided to women, and many crafts should be modernized. Experience in the world has shown that using new designs or colors, or using traditional crafts in producing modern goods suitable for the tastes of foreign markets, can contribute to the development of those crafts and their marketing. Training courses could be improved for technical skills, and the needs of foreign markets should be better understood. Such an issue also requires developing capacity in advertising, marketing and pricing.

Development of Non-Traditional Projects

Meetings with women showed the existence of capabilities to start non-traditional projects which satisfy market needs, such as those related to information technology, programming, photography and video, stone and ceramic souvenirs, and other fields that require modern training and can be attractive for women. It is important to discover new sectors where women can take the economic initiative. In many countries of the world, women have already moved into non-traditional or modern fields such as communications, and further research could usefully explore the possibilities in Palestine.

Investment in Developing Internationally Registered Trademarks

Some regions in Palestine are famous for certain crafts and women's skills, such as carpet weaving in Al-Samou', glass making in Al-Khalil, and ceramics in Bethlehem and Jerusalem. It is possible to invest in rehabilitating these traditional crafts by registering them internationally, and investing in advertising them under the name 'Made in Palestine'. Acquiring a trademark and international quality certification requires training, publicity and advertising. Some short documentaries could be produced and distributed to raise awareness of certain products. International exhibitions could be better exploited to promote such products, as could Palestinian communities in the diaspora, solidarity committees with the Palestinian people, and committees, associations and institutions all over the world which support women.

Strengthen the Entry of Women Entrepreneurs into Markets through:

1- Organizing Marketing and Promotion Exhibitions

There is a need to organize special exhibitions to market and promote women's products. There is also a need to encourage women to participate in national, regional and international exhibitions. Such a matter will basically depend on registering businesswomen, and opening more effective channels of communication between them and Chambers of Commerce and Industry, employers' associations, and the concerned ministries. Most important is that this support be continuous and ongoing, and not only provided seasonally according to the availability of funding.

2- Assigning Special Sites for Women's Markets and Projects

At a time when the Ministry of National Economy is developing industrial zones to encourage national industries, no program exists to encourage women to join these zones. Women entrepreneurs could be supported by providing facilities related to the use of such zones, or by exempting them from payment of dues and taxes. A quota could be assigned for women in industrial zones, and the same applies to local markets and stands in the various municipalities. Such measures could encourage many women who wish to be involved in internal commerce.

Second: Concerning Women Entrepreneurs

Improving Professional and Technical Training

There is need to develop, improve and diversify professional training curricula for women. New specializations suitable for the labour market should be introduced, including training in non-traditional and modern areas, coupled with reviving crafts and professions which are about to disappear. A modern scientific character should be given to them. Technical and professional education can include modern scientific methods of production and industrialization, which would allow women to compete in international markets.

Training in Business Administration and Starting a Project

Institutions which work with women entrepreneurs and businesswomen still use traditional training methods, usually involving inviting some women to a classroom and lecturing them. The study showed that a large percentage of women who wish to launch projects are married women and housewives responsible for taking care of children. Consequently, there is need to use non-traditional methods of training, such as by radio, TV or internet, to provide a greater degree of flexibility. Suitable subjects

should be chosen, success stories presented, and practical information concerning ways of starting and managing projects should be provided. Concrete answers to questions preoccupying women should be available through a telephone service or the internet. It should be noted that this field is being developed in Palestine by several local institutions and universities.

Improving the Efficiency of the Micro-Credit Sector for Women

The size of loans and funding allotted for women's projects should be increased, and the conditions of the loans reconsidered. Women encounter more problems to provide the necessary guarantees, and at the same time they have less ability to obtain information. There are several strategies that can be followed, such as lowering the interest rates, accepting the project itself as collateral, granting additional loans on the strength of commitment to repay, and allowing collective guarantees.

Supplying the Best Information and Advice

Provide women with information and advice. Women entrepreneurs are in need of people and organizations to embrace women's projects and provide easy access to up-to-date information about a range of topics, including the training courses on offer to them, financing opportunities, legal issues, business services, market research, exhibitions, export opportunities etc.

Third: Bodies Supportive of Women Entrepreneurs

Creating an Entrepreneurs' Association

There is need to create a representative body of women entrepreneurs which would represent their collective interests, follow up their complaints, contact training or consultancy institutions that provide advice about management, legal questions and exhibitions, and contribute to mobilization campaigns to exert pressure to amend laws or adopt new laws and enforce them. Such a body would perform the duties which are usually undertaken by businessmen's associations, but it is necessary to create a special women's representative body to reflect the many problems and concerns which are unique to women. It would have a central role to play in the realization of crucial questions that affect women's projects, and would have the power to lobby for such issues as exemptions from certain sections of the investment law, or quotas in industrial zones assigned to women's projects. It would create a situation of collective empowerment, strengthen the self-confidence of its members, and attract new members and encourage other women to undertake similar initiatives.

In addition to representative bodies that include women entrepreneurs and officially registered small projects, there is need for other smaller bodies which include small and extremely small initiatives, including projects undertaken by women from home, so that continuous support can be provided to those initiatives and to development of the product. The representative bodies can be a marketing umbrella for certain sectors, such as embroidery, or any other profession. The representative body can undertake to facilitate official procedures, such as registration, export, exhibitions, etc., similar to the Nour Al-Hussein Foundation in Jordan, for example.

Setting up Small Cooperatives to Lend Support to Businesswomen

Cooperatives play a supportive role in providing members with financial and moral support and a chance to share knowledge and experience. Local cooperatives differ from the idea of businesswomen's associations in that they focus on specific regional needs, and facilitate services for practical things such as child care or places for members to meet and share ideas.

Savings and Loan Programme - An Example of a Cooperative Association

The Savings and Loan Programme of PARC was established at the end of 1999. Its services cover the whole of the West Bank and Gaza Strip through 12 associations, 11 of them in the West Bank. The aims of the program center around the following points:

- 1- Encourage the creation of savings deposits, and increase their value through rural women's savings and loan associations;
- 2- Increase the possibilities for peasant women in the countryside to have access to financial resources through guarantees suitable to their means;
- 3- Guarantee the expansion of loan options for female beneficiaries;
- 4- Contribute to increase Palestinian family income.

The Association has a membership of 5,600 in all governorates of the West Bank and Gaza Strip, and the loan portfolio is worth US\$205 million.

Women members and borrowers seek to guarantee a future income, to establish productive projects and avoid the procedures applied by banks. As there are many women who are not holders of academic degrees that enable them to obtain jobs, the Association is one of the means by which they obtain support for their projects.

Women who borrowed from the Association encountered some problems, most important being the inability to repay the loan in the agreed time limit. In addition, some apply for a loan to finance projects run by their husbands, and not to fund productive projects of their own. As regards women who did not turn to the Association for a loan, their conviction that borrowing is religiously unacceptable constitutes an obstacle for them. The Association obtained a religious *fatwa* (ruling by a religious authority) that allows borrowing for such activities in order to convince this group of women.

In addition to funding through loans, the Association organizes training courses for women in such fields as administration, economic feasibility, agricultural questions, communication skills and others. The Association obtained loans from the Islamic Development Bank. The Association obtains its revenues from non-refundable membership fees, which amount to 10 Jordanian Dinars (JD), in addition to a minimum of shares with a value of JD 100 and JD 10 monthly minimum savings, in addition to 6% of the loans given to women as fees. 25% of the total revenue is automatically deducted as a reserve for the next year; the Association's expenses are also deducted and the rest distributed as profits. Each member is given 6% of the profits and the result is distributed to borrowers. Decisions are taken by the administrative committees of the different cooperative societies. Thus, there are differences between one association and another.

Create a Positive and Supportive Societal Environment for Women's Projects

Palestinian society has a traditional outlook regarding suitable modes and places for women's work. This fact requires efforts to change the traditional views of both men and women, by campaigns of awareness capable of portraying success stories of women entrepreneurs in different fields, and advertisements and publicity as part of the school and university curricula.

Future Prospects

Modern technological training, in such subjects as food processing technology, computer programming, and telecommunications, provides great opportunities for women all over the world. These sectors constitute alternatives to traditional employment, and can strengthen chances of women entrepreneurs to enter a new and promising labour market.

Future Studies

There is a need for the Palestinian Central Bureau of Statistics to undertake a comprehensive census of professional and business women that focuses on the sectoral distribution of women's projects. There is also need for specialized sectoral studies, such as the embroidery sector, food processing, retail trade, glass engraving, carpet weaving etc. Sectoral studies will contribute to understanding the unique problems of each sector alone, and consequently the possibilities of developing and benefiting from it. There is a particular need to examine the participation of women in the agricultural sector, where women's contribution is the largest, and in particular it would be useful to find out women's capability in developing non-traditional forms of agriculture.

There is need for specialized women-oriented studies on new opportunities as they arise, such as a study of the available opportunities to support craftswomen and women owners of small businesses in the Gaza Strip after the Israeli withdrawal. Likewise, there is a need to study and analyze the opportunities that can be provided to women in industrial zones, in the light of other countries experience in the field and the unique Palestinian situation. Finally, more work needs to be done on the situation of extremely small projects, especially those initiated by women at home, regarding their reality, the problems that they encounter, and possibilities for supporting them.

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