



European Economic and Social Committee

REX/233
Promotion of Women's
Entrepreneurship in the
EUROMED Region

Brussels, 12 July 2007

OPINION
of the
European Economic and Social Committee
on the
Promotion of Women's Entrepreneurship in the EUROMED Region

On 17 January 2007 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Promotion of Women's Entrepreneurship in the EUROMED Region.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 14 June 2007. The rapporteur was Ms Attard.

At its 437th plenary session, held on 11–12 July (meeting of 12 July), the European Economic and Social Committee adopted the following opinion by 130 votes in favour, one against and with four abstentions.

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1. Conclusions and recommendations

- 1.1 The EESC welcomes the full commitment of the European Union and Mediterranean States to the Euro-Mediterranean Partnership in line with the European Commission's Five Year Work Programme that particularly supports the proposals on developing policies to promote the empowerment of women. To this end, it suggests that specific funds be allocated to those Euro-Mediterranean countries which undertake positive action aiming to effectively improve the legal status of women¹.
- 1.2 The EESC urges that the review mechanisms of the Conclusions of the first Euro-Mediterranean Ministerial Conference on "Strengthening the Role of Women in Society" ensure that the development of women entrepreneurship is closely monitored and evaluated, and that measures are taken to enhance its development.
- 1.3 The EESC urges that in the European Neighbourhood Policy (ENP) specific measures and targets to address the promotion of women's entrepreneurship are included in the National Action Plans.
- 1.4 The EESC recommends that in the ENP more funds are allocated to the development of women entrepreneurship and technical assistance to start-ups for women.

¹ http://ec.europa.eu/comm/external_relations/euomed/barcelona_10/docs/10th_comm_en.pdf.

- 1.5 The EESC welcomes the initiatives of DG Enterprise and Industry and DG Europe Aid² for targeting entrepreneurs in Europe and the Mediterranean partner countries. It calls on the Euro-Med partners to take similar measures, targeting the needs of this region through the Action Plans negotiated with the Mediterranean partner countries.
- 1.6 The EESC welcomes the setting up of the *ad hoc* Committee on Women's Rights within the Euro-Mediterranean Parliamentary Assembly (EMPA). It urges the Committee to propose policies to strengthen current business activities carried out by women and to promote forward-looking sustainable initiatives in the face of global competition.
- 1.7 The EESC recommends that women are targeted in the implementation of the Euro-Mediterranean Charter for Enterprise³.
- 1.8 Efforts should be made to ensure that a balanced number of young women and men benefit from the Euro-Mediterranean programmes targeting young people, both in terms of participants as well as leaders.
- 1.9 The EESC welcomes the initiative of the Euro-Mediterranean Youth Platform in setting up a Euro-Med network of youth groups working on gender issues⁴, as well as a Euro-Med network for young entrepreneurs⁵.
- 1.10 The EESC believes that inter-ministerial cooperation, the involvement of other stakeholders, such as representatives of financial institutions, implementing agencies, representatives of business communities, experts and donors in the exchange of views on priority areas and facilitating the transfer of existing businesses to women, will produce more effective results in promoting women's entrepreneurship.
- 1.11 The EESC urges the strengthening of NGOs and socio-professional organisations working in the field of promoting economic activities among women through private/public partnerships.
- 1.12 The EESC urges the Euro-Med stakeholders to organise a conference on the theme of women entrepreneurs in the Euro-Med region to discuss related issues and to make proposals regarding the contribution of women to global challenges in this region.

² http://ec.europa.eu/europeaid/index_en.htm.

³ http://ec.europa.eu/enterprise/enterprise_policy/ind_coop_programmes/med/doc/f1949_en.pdf.

⁴ http://www.cesie.org/cms/index.php?option=com_content&task=view&id=70&Itemid=85.

⁵ REX/222 Information Report – Support for young people in the Mediterranean partner countries, CESE 642/2006.

- 1.13 The EESC reaffirms its belief that the promotion of women's entrepreneurship in the Euro-Mediterranean region plays a significant role in creating an active and dynamic economy geared for globalisation.
- 1.14 The EESC believes that strengthening the entrepreneurial environment for women is a prerequisite in the development of market access within the region and with EU countries.
- 1.15 The EESC recommends that in addressing future challenges facing female entrepreneurs, further research is conducted to identify the specific needs within each country.
- 1.16 The EESC notes that there is a variety of observatories including GEM, UNDP, World Bank, looking at entrepreneurship within the Euro-Med region, but would recommend a Platform for better communicating the findings to policy makers and for the collection and dissemination of material to micro, small and medium enterprises in the Euro-Med region. The Platform could especially focus on:
- a. areas in which female entrepreneurs encounter particular difficulties,
 - b. support and development of programmes for women entrepreneurs,
 - c. development of mechanisms regarding the legal status of co-preneurs, assisting spouses and their social protection,
 - d. action to strengthen the social security and legal status of women developing their own business.
- 1.17 The Committee recommends that in the field of Information and Communication Technology:
- priority is given to encourage investment in infrastructure and strategies to improve access to new ICT;
 - easier access to ICT facilities and training is given to women starting their own business to facilitate marketing, bringing goods to the consumer through the proper channels of distribution as ICT could also be a vehicle for better marketing;
 - participation of women in policy making, development and design of ICT is enhanced by establishing dialogue with ICT companies and other stakeholders to open avenues for cooperation and joint action.

The EESC strongly urges the Euro-Med Permanent University Forum⁶ launched in Tampere to give priority to the gender dimension of its initiatives in particular in the area of entrepreneurship.

- 1.18 The EESC recommends that special attention is given to the influence of mass media, particularly TV, on entrepreneurship and women.

⁶ <http://www.medainstitute.fi/?navi=360&lang=2>.

2. Recommendations for mechanisms specific to Female Entrepreneurship in the Euromed region

2.1 It is necessary to introduce specific policies and programmes so that women can make a larger contribution to growth and development. Some of these policies could be set out in an Action Plan, which has clear time frames and evaluation procedures, and should include:

1. Capacity Building mechanisms, and support schemes, which encourage women to consider their environments in which they live and work and how they can actively participate in developing them through their own abilities. This could include promoting ways of setting up self help groups.
2. Investment into social infrastructure and services to support women in work and self employment.
3. Defining traditional entrepreneurial activity, SMEs and individual self employment.
4. The establishment of an equal footing for male owned and female owned businesses of all sizes.
5. The creation of an equal legal system permitting women to sign documents and own property.
6. Training for women who run or own businesses, tailored to their specific needs. Additionally this could include mentoring programmes, the establishment of professional bodies and advice on legal and fiscal matters.
7. Formation of 'mutual guarantee companies', economic bodies whose members are SME owners and who act as guarantors for banking facilities.
8. The implementation of specific programmes to facilitate the creation of businesses by migrant women and minority groups.
9. Information and support mechanisms for the creation of social enterprises and co-operatives.
10. Cooperation and co-networking with EU counterparts to identify structures and mechanisms, including best practice, that have brought added value elsewhere.
11. Education policies which promote entrepreneurial mindsets and attitudes from an early age. An entrepreneurial mindset needs to be conceived as a lifelong learning process that begins in primary school. This can offer increased flexibility at different stages of a person's life.
12. The further involvement of women in the decision making process at all levels, government, local authorities, and the judiciary.
13. The opening up of public contracts to SMEs and particularly female owned businesses in order to stimulate business growth.
14. Specific objectives for gender equality in employment policies, with qualitative and quantitative indicators, it being vital for more women to be entrepreneurs, to secure employment, and for the quality of this employment to be improved⁷.

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EESC Opinion on Employability and entrepreneurship – The role of civil society, the social partners and regional and local bodies from a gender perspective, rapporteur Pariza Castaños. SOC/273, CESE 689/2007.

3. Current state and challenges

- 3.1 It is important that women's rights are not treated as an isolated issue separate from women's role in economic development. Commitment by all social partners to acknowledge the relationship between human rights, democracy, development and women's rights is crucial. Eliminating obstacles to women's empowerment, resulting from traditional, cultural and family laws should be given priority.
- 3.2 Addressing the gender gap in education and employment in the Euro-Med region requires a concerted effort to create an environment where women can develop their entrepreneurial activities.
- 3.3 Female illiteracy in the MENA region, although varying from one country to another, is still extremely high, on average 42%, while the average male illiteracy rate is 21%. However, the past two decades show a positive trend in equal access to education that varies from one country to another. In every country there is a significant difference between the literacy rate of the female youth population (15-24 years of age) and the female adult population (24 years and over)⁸.
- 3.4 Over the past decade, increased job opportunities for women have been the result of education and training as well as growth in sectors where demand for female labour is highest, such as social services, education and health and the services professions. Only 32% of females of working age are working or seeking work outside the home. In traditional social classes, where girls go to school, they are discouraged to seek employment.
- 3.5 The education system needs to encourage entrepreneurial initiatives and risk-taking. The creation of a national education plan to improve the quality of basic education and to eradicate illiteracy among women, in particular disadvantaged and disabled women, is crucial.
- 3.6 While the need for education in citizenship matters and raising awareness of the social, political legal and economic rights of women is important, it is also necessary to educate financiers and other stakeholders to understand the needs of women in business activities.
- 3.7 Gender bias needs to be considered as a primary issue in the socio/political contexts and in the overall development of economic growth in the region. The particular roles and status that society imposes on women through the traditional family law also called Personal Status Code (PSC) discriminates women. The legal status of women controlling women's participation in economic, political, social, civic and cultural activities remains one of the

⁸ The World Bank Central Database (April 2006).

biggest obstacles, although almost 190 countries, including the Arab region, have ratified the Millennium Declaration⁹.

- 3.8 It is necessary to give visibility and to strengthen small traditional business activities run by women. This includes non-paid activities in family and traditional work. Training and support should be provided to encourage the development and modernisation of many crafts and small businesses that can be transformed into productive paid employment through the creation of marketable services that will empower them economically.
- 3.9 The contribution of women is largest in the agricultural sector. In rural areas where a high proportion of women are illiterate or have no more than a primary education, access to training resources is very limited¹⁰. They often lack awareness and self-confidence to improve their own and their families' situation. Therefore they need integrated programmes, combining personal empowerment, vocational training and training in entrepreneurship and basic business skills as well as support in designing viable business plans, accessing start-up loans and credits to establish micro-enterprises in their villages. Training programmes should provide opportunities for rural women to combine agricultural and non-farm initiatives and also ensure the support for their non-farm activities of the male population in the communities.
- 3.10 It is important to set up small cooperatives to lend support to businesswomen.
- 3.11 It is also important to strengthen existing women entrepreneurs to discover new sectors where women can take the economic initiative in the development of non-traditional business activities, including developing capacity in advertising, marketing and pricing, and targeting foreign markets.
- 3.12 Creating opportunities for developing women's economic activities requires a clear understanding of the present and future socio-economic situation within the different regions.
- 3.13 The involvement of all stakeholders is necessary to eliminate barriers for women and to introduce specific policies and programmes so that women can make a larger contribution to growth and development.
- 3.14 Access to finance is vital. Credit ceilings need to be raised to encourage micro and small enterprises to expand and invest in their business. Government and donors could offer incentives to formal lending institutions to these projects. Policy makers should always keep

⁹ Hijab, Nadia, 2001: Laws, Regulations and Practices impeding Women's Economic Participation in the Mena Region, shadow report, submitted to the World Bank, April.

¹⁰ Economic Empowerment of Rural Palestinian Women – MEDA programme, EuropeAid – January 2006-December 2007 – A joint Palestinian, Israeli and European Development project.

in mind the differences between SMEs and micro enterprises in terms of organisation, finance, productivity and potential growth.

- 3.15 Incentives for new business ventures and for enterprise establishment should include greater efficiency of the micro-credit sector, and commercial banks providing adequate and realistic conditions for loans.
- 3.16 Organising marketing and promotion exhibitions in the region and in EU member states can offer possibilities of export-oriented initiatives in particular in the manufacturing sector.
- 3.17 The future of women in the Euro-Mediterranean region must be seen within the overall economic, political, social and familial scenario. Without economic growth and improvement in the rate of employment, women will continue to suffer discrimination in an unfair competition with men.
- 3.18 It is necessary to introduce specific policies and programmes so that women can make a larger contribution to growth and development.
- 3.19 Strategies targeting women entrepreneurs specifically can provide opportunities for them to break out of traditional economic structures and invest more in enterprise.
- 3.20 There is a need for research underpinning all initiatives to identify the specific needs of each country, addressing the strengths and weaknesses of women through segmenting of different age groups and specialised sectoral studies.
- 3.21 Identifying and evaluating national measures relating to start-ups, information/advice, funding, training, mentoring and networking is necessary in order to identify and exchange good practices in north-south and south-south Euro-Med regions. Monitoring progress in the Euro-Med partner countries needs to be ongoing to ensure the development of women's full participation in the economic life of their country.
- 3.22 Through trans-national programmes in the Euro-Med region, business women's associations can share experience and good practice, which is an effective way of developing enterprise activities and skills.
- 3.23 Franchising can be a useful tool for women's empowerment through self-employment and small business. It can reduce risk when starting a new project as one can build on proven practice and skills. Improving the performance of business resource centres is important also. Capacity building that is specific to business requirements is needed, which can be developed by referring to successful practices and programmes in other countries.

- 3.24 Exploring new areas such as ICT services, R&D, management of media outlets and the production of innovative media programmes as well as exploring new niches in the tourist industry can create new avenues for business activities for women.
- 3.25 ICT contributes to productivity, growth, competitiveness and jobs. Development of this sector is crucial for the Euro-Med region to compete globally. In setting up the necessary infrastructure, it is important to ensure access to all, so that the digital divide does not widen, in particular among women and in sections of the population with high illiteracy rates. The value added ICT development will enhance both men's and women's entrepreneurial skills.
- 3.26 The Women's Entrepreneurship Portal¹¹ of DG Enterprise and Industry of the European Commission can be a useful tool for the sharing of good practice and networking.
- 3.27 Formal jobs in the provision of childcare facilities can be created which will also help women to reconcile family and work responsibilities.
- 3.28 Support and information services on self-employment to women ease the pressures of immigration. This can lead to job creation in both countries of origin and host countries.

4. **The Barcelona Process and the ENP**

- 4.1 The European Neighbourhood Policy aims at fostering economic integration between the EU and its partners. The budget allocation for Mediterranean Partners in the ENP for 2007-2013 has increased by 32% to 12 billion euro. However it has not given enough attention to the promotion of women's economic activities.
- 4.2 During the plenary session of the Euro-Mediterranean Parliamentary Assembly of the 16-17 March 2007, the EESC was given the status of permanent observer, with the right to speak in all meetings of the EMPA. This gives EESC a great opportunity to promote the strengthening of female economic activity.
- 4.3 At the First Euro-Mediterranean Ministerial Conference on "Strengthening the Role of Women in Society" in Istanbul, November 2006¹², a commitment was undertaken to "promote women's entrepreneurship by improving women's access to land, finance, markets, information, training and networking and encourage financial institutions to tailor products to women's needs in particular by providing micro-credit".

11 http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-women/womenentr_portal.htm.

12 http://ec.europa.eu/comm/external_relations/euromed/women/docs/conclusions_1106.pdf.

5. **The Euro-Mediterranean Charter for Enterprise**

- 5.1 At the Fifth Euro-Mediterranean Conference in Caserta (Italy) on 4 October 2004, Industry Ministers approved a work programme on Industrial Cooperation for 2005-2006. One of the proposals was to exchange knowledge and experience on education for entrepreneurship.
- 5.2 As a result, the European Commission Directorate-General for Enterprise and Industry launched the Euro-Mediterranean Charter for Enterprise¹³ which was endorsed by nine Mediterranean partners. One of the key principles is to build an entrepreneurial society in the Euro-Med region aiming to address both young people and adults through the education system at all levels in a lifelong learning perspective. However, it makes no specific reference to address the challenges faced by female entrepreneurs.
- 5.3 The Charter is an effective tool to improve conditions for doing business. However, in implementing the Charter, promoting entrepreneurship for women was neither a key principle nor one of the objectives.
- 5.4 While the Euro-Mediterranean Industrial Cooperation 2007-2008 Work Programme builds on what has been achieved so far and strengthens measures for more effective implementation, again it does not specifically target the promotion of women entrepreneurship.
- 5.5 A number of initiatives carried out by the European Commission can serve as examples of good practice and transfer of knowledge between European and Mediterranean countries¹⁴.

6. **The role of Civil Society**

- 6.1 Organised civil society plays an important role in empowering women and encouraging their participation and representation in the public arena, and in promoting women's business activities.
- 6.2 Building on a very strong tradition of caring for the disadvantaged, including among others women with disabilities and women with little or no access to education and training facilities, existing resources can be better utilised with the provision of training in management skills and financing.

13 http://ec.europa.eu/enterprise/enterprise_policy/ind_coop_programmes/med/doc/f1949_en.pdf.

14 <http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-women/women-dgentr-active>.
<http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-women/database-women.htm>.

6.3 Through private-public partnerships NGOs and socio-professional organisations can stimulate economic growth effectively¹⁵. Such partnerships can provide a new extension of services for income generating activities.

6.4 Other areas in which experienced NGOs and socio-professional organisations can work is training and accreditation to eradicate the gender gap in education.

7. **The role of the EESC**

7.1 The EESC has an important role to play in securing the participation of civil society in the implementation of the Euro-Mediterranean policy regarding the integration of women in the economic and social life¹⁶.

7.2 The EESC contributed to the issue of women and employment through a report that was presented at the 21st meeting of the EU-Turkey Joint Consultative Committee 13-14 July 2006¹⁷ and will elaborate a report on women and entrepreneurship for its next meeting in November 2007 in Turkey.

7.3 In the Final Declaration of The Euro-Med Summit of Economic and Social Councils and Similar Institutions held in Ljubljana, Slovenia on 15-17 November¹⁸, the participants committed themselves to pressing forward with their initiatives for the integration of women in the economic and social life, in particular through the development of female entrepreneurship.

7.4 The EESC also supports the Ministers' recognition of the importance of fostering the role of civil society and enhancing its capability through improved interaction with government and parliament contacts between civil society organisations, women's organisations, youth, trade union, business and professional associations and cooperation between national, regional and local administrations.

7.5 As part of the Barcelona Process, the EU launched a number of programmes, some of which were aimed directly at Euro-Med youth. The Committee has submitted an information report on "Support for young people in the Mediterranean partner countries" in which it also addresses the promotion of entrepreneurship for women¹⁹.

15 <file://E:\PPP for women entrepreneurship.htm> 8.3.2007.

16 REX/202 - The role of consultative bodies and socio-occupational organisations in implementing the Association Agreements and in the context of the European Neighbourhood Policy, CESE 520/2005 fin.

17 REX/219 EU-Turkey Joint Consultative Committee, DI CESE 69/2006 fin.

18 http://www.europarl.europa.eu/intcoop/empa/home/final_declaration_ljubljana_112006_en.pdf.

19 REX/222 Information Report – Support for young people in the Mediterranean partner countries, CESE 642/2006 fin.

8. Conclusion

- 8.1 The European Commission should ensure an impact assessment of the ENP policies, including the MEDA programs and systematically include gender considerations. The role of women in entrepreneurship in the Euro-Med region is crucial in addressing the economic challenges of globalisation. The European Commission's regional program for the MENA region to promote the role of women in economic life is a positive step. Measures to ensure consultation with relevant civil society representatives, including women's NGOs in all phases of the projects: programming, implementation, evaluation and follow-up, should be established in order to ensure that the set objectives are achieved.

Brussels, 12 July 2007.

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of the
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