



## The role of entrepreneurial women projects in empowering women economically in Palestine: A case study of Ramallah, Al-Bireh and Bethlehem governorates

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### Abstract

This study aimed to investigate the role of entrepreneurial women businesses in empowering Palestinian women economically. The study followed the exploratory approach as well as the descriptive one. Population of the study consisted of 370 women, represented all entrepreneurial women who own private businesses registered in the chambers of Ramallah, al-Bireh and Bethlehem Governorates during 2021. Data of the study was collected using a questionnaire distributed to a systematic sample consisting of 60 entrepreneurial women which represents 16.2% of the study population. Then it was processed using the SPSS Statistical program.

Findings of the study disclosed that entrepreneurial women businesses play an important role in empowering women economically in Palestine. In addition to, the findings show there is no significant differences in view of respondents to the role of women entrepreneurship businesses in women economic empowerment due to variables of experiences, business field, financing source, business capital and number of employees.

**Keywords:** Entrepreneurial women, entrepreneurial business, economic empowerment, small business, financial independency, financial incentives

### Introduction

The concept of women empowerment women appeared in last decades of twentieth century through international documents about women which was issued by the United Nations during the Population Conference of Cairo in 1994 and the Fourth Women Conference of Beijing in 1995, that emphasized the need of cooperation between governments, civil society and the private sector in several fields to enhance women's economic empowerment.

That the concept of economic empowerment must include employment and self-employment, encouragement of entrepreneurship, encourage decent and productive work, and improve access and financing opportunities for those entrepreneurial businesses led and supervised by women, which would also contribute to achieving social and economic empowerment for women. There is also an important role for women's entrepreneurship in empowering women, as indicates that women's entrepreneurship and initiatives play a major role in the development and development of the economy in the Middle East, noting that this region is one of the most regions in the world with the lowest rate of labor force participation Women in the world labor market.

On the Palestinian level, the economic empowerment of Palestinian women is one of the most important issues has the top of the priorities of civil society organizations and the Ministry of Women's Affairs. Therefore, this study designed to focus on the importance of women's entrepreneurial businesses and their role in empowering women economically in Ramallah and Al-Bireh and Bethlehem governorates were taken as a case study.

### Problem Statement

Entrepreneurship in general and women's entrepreneurship in particular is affected by political, economic and social factors, for example Palestinian society still does not trust in the ability of women to lead entrepreneur businesses.

While in last years, banks and other crediting institutions directed some of its funds to finance women businesses. Therefore, this study tried to examine whether women businesses help them in field of economic empowerment in Palestine.

### Objective of the study

This study is aimed to examine the role of Palestinian women entrepreneur businesses in economic women empowerment

### Scope of study

The scope of this study is limited to women entrepreneur business in Ramallah, al-Bireh and Bethlehem Governorates in Palestine.

### Hypotheses

This study has developed two hypotheses to achieve its objective:

**H01:** There is no significant relationship between women entrepreneurship businesses and women economic empowerment.

**H02:** There is no significant differences in view of respondents to the role of women entrepreneurship businesses in women economic empowerment due to variables of experiences, business field, financing source, business capital and number of employees.

### Literature Review

#### Definition of Entrepreneurship

Entrepreneurship play a vital role in business world, and it has been defined as a management process through which cultural workers seek to support their creativity and autonomy, advance their capacity for adaptability, and create artistic as well as economic and social value. This management process involves an ongoing set of innovative choices and risks intended to recombine resources and pursue new opportunities to produce artistic, economic, and social value. (Chang and Wyszomirski, 2015) <sup>[14]</sup>.

While Croci (2016) <sup>[6]</sup> defined entrepreneurship with autonomous discipline that can operate independently as well as interdisciplinary. And Barot (2015) <sup>[2]</sup> stated that entrepreneurship is a key to success and every individual that creates a new organization of business means enter into a new paradigm of entrepreneurship. Nevertheless, the entrepreneurship is an activity that shifted the old habits into the new one with fully discipline and independent

#### Types of entrepreneurship

According to Barot (2015) <sup>[2]</sup> basically there are two types of entrepreneurship. It may be defined as follows:

1. Opportunities based entrepreneurship-An entrepreneur perceives a business opportunity and chooses to pursue this as an active career choice.
2. Necessity based entrepreneurship-An entrepreneur is left with no other viable option to earn a living. It is not the choice but compulsion, which makes him choose entrepreneurship as a career.

Study done by Aulet, W., and Murray, F., (2013) <sup>[1]</sup> divided entrepreneurship into two categories. The first category is entrepreneurship which is shaped by innovation-driven.

This type of innovation-driven entrepreneurship shares the idea of innovation in business with purpose to pursue the global opportunities. Secondly is small business entrepreneurship or small medium enterprises is another type

of entrepreneurship which has a limited access to the global market, serve local markets with traditional way with low competitive advantage.

### Entrepreneurship and businesses

Chowdhury in 2013 try to assess the factors that affect the success of entrepreneurs of small and medium sized enterprises of Bangladesh. Success factors here refer to demographic characteristics and environmental factors that impede the business success of entrepreneurs of small and medium-sized enterprises of Bangladesh. The results indicated that lack of infrastructure, sound political environment, access to market and capital were the major factors that positively hindered the success of the entrepreneurs. Experience and education were positively correlated while age was negatively correlated to success.

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This type of innovation-driven entrepreneurship shares the idea of innovation in business with purpose to pursue the global opportunities. Secondly is small business entrepreneurship or small medium enterprises is another type of entrepreneurship which has a limited access to the global market, serve local markets with traditional way with low competitive advantage. (Aulet, William and Murray, Fiona E., (2013) <sup>[1]</sup>. A Tale of Two Entrepreneurs: Understanding Differences in the Types of Entrepreneurship in the Economy. Cited from <https://ssrn.com/abstract=2259740/http://dx.doi.org/10.2139/ssrn.2259740>)

Helisia Margahana, STIE Trisna Negara, Sumatera Selatan in 2019 aimed his study to examine the entrepreneurial intention model and analyze the influence of education, role model, self-efficacy, self-personality, self-confidence on entrepreneurial intention. The contribution of this study is increasing knowledge about the intentions of young entrepreneurs in developing countries. The study uses questionnaire survey with the respondents of young entrepreneurs who aged 20-30 years and have just started their business. The result shows that the entrepreneurial intention model is accepted. Furthermore, it also shows that education and role models influence self-efficacy. While self-efficacy, self-personality and self-confidence influence entrepreneurial intention.

Vohora *et al.* (2004) <sup>[18]</sup> stated that entrepreneurs who get the education they needed can identify new opportunities for commercial applications. The greater the experience, the greater the probability of detecting the right opportunities for the exploitation of the spin-off creation Landry *et al.* (2006) <sup>[12]</sup>. Found the long relationship between academic services and entrepreneurial intentions are not conclusive; while another study found that the length of learning has significant decreased effect on entrepreneurial ability in recent years (Bercovitz and Feldman, 2008) <sup>[3]</sup>.

Jason Marshall, Marjorie Wharton (2014) <sup>[10]</sup> examined recent developments of women entrepreneurship in Asian developing countries. This issue is currently very important since it is part of ongoing national efforts to alleviate poverty in developing countries in relation to the Millennium Development Goals (MDGs). Greater opportunities for women to become entrepreneurs (or to have better income paid jobs) will help much in poverty reduction the findings of this study show three main important facts. First, SMEs are of overwhelming importance in the region, as they account,

on average per country, for more than 95% of all firms in all sectors. Second, the representation of women entrepreneurs is still relatively low which can be attributed to factors such as low level of education, lack of capital, and cultural or religious constraints. Third, most of women entrepreneurs in SMEs are from the category of “forced” entrepreneurs seeking for better family incomes. This suggests that when women are better educated and have better paid employment opportunities increase for women, the participation of women as entrepreneurs in SMEs may decline.

The Global Entrepreneurship Monitor (GEM) consortium, which comprises a number of National Teams from across the world, conducts an annual assessment of entrepreneurial activity in participating territories. The large compilation of data collected by the National Teams indicates that gender disparities in entrepreneurial activity are prevalent in a number of territories. This gender difference in entrepreneurial pursuits is especially evident in Barbados and has continued to emerge over the three year period (2011-2013) for which Barbados has been a part of the GEM consortium. The 2013 findings indicated that among the Barbadian female population, a low percentage of females believed that fear of failure would dissuade them from starting a business (20.5%). In addition, 69.4% reported that they possess the requisite skills and knowledge to commence a business. However, less than half of the female population (39.9%) were optimistic about the opportunities to start a business in the near future.

Tambunan, T. (2009) <sup>[15]</sup> examined the development of women entrepreneurs in Indonesia with the focus on their personal motivations or initial reasons to run own businesses and their main constraints in doing their businesses. The research was based on a desk study, secondary data analysis with data from Statistics Indonesia, and a small field survey of 108 women owning micro and small enterprises (MSEs) in the Great Jakarta area. The findings were there is a gender gap in entrepreneurship in Indonesia still persist and many of the respondents run their own businesses as a means to survive, and limited access to finance is the most serious constraint faced by the respondents, caused by their lack of valuable assets as collateral. The results may potentially have profound impact on women entrepreneurship policy and equality policy. It reveals from secondary data analysis that despite the growing number of women-led business and a significant increase of initiatives, policies and resources to promote and develop women’s entrepreneurship, the gender gap in entrepreneurship in Indonesia still persist. Findings from the survey show that many of the respondents run their own businesses as a means to survive, and limited access to finance is the most serious constraint faced by the respondents, caused by their lack of valuable assets as collateral. The results may potentially have profound impact on women entrepreneurship policy and equality policy.

Women empowerment is the positive decision making power of their own, access to the information and control over resources and also increases economic strengthens of a country and this research is conducted to find out how entrepreneurship increases empowerment of the women. A structured questionnaire has been used to collect the data by face to face interview and all the target population.

Are women and has been divided by two categories (House wife and Entrepreneur as well as house wife) and data is collected through Khulna region. To conduct the research I use percentile, mean, standard deviation and this research exposes women entrepreneurship has increased their decision taking ability most of the aspects compare to the house wife. So if they were provided with easy payable loans with general terms and condition they will be more confident, give a hand to the family, control over resources like man. Keywords: Women, house wife, entrepreneurship, empowerment, decision taking ability (Tulus, 2017) <sup>[17]</sup>.

Mainstreaming women in industrial activities can substantially contribute towards economic growth and their empowerment. In order to support women to release their creative potentials as entrepreneurs innovative and specialized support services are needed. Although some specialized funds and programs have been undertaken to facilitate credit towards small businesses with more relaxed conditions but in practice, in most of the cases, entrepreneurs are required to offer collateral to guarantee loan repayment. Majority of the women do not possess any assets and cannot formally offer the necessary securities against loans. Due to the complexities in the social environment and administrative structure, women's entrepreneurship in Bangladesh is more challenging. Many social and operational constraints continue to restrict women from starting and running economic enterprises. But the development of women's entrepreneurship can offer excellent opportunities for development of one half of the population and for overall socio-economic progress of the country. The need for a comparative study to be conducted on the extent of empowerment of women based on entrepreneurship and non-entrepreneurship activities becomes relevant (Siddique, 2016) <sup>[13]</sup>.

Farawa and Enamul in 2015 aimed in their study to compare the extent of empowerment between enterprises and non-enterprises. The study found that there is a huge difference between the decisions of the enterprise owned women and the housewives. The study has shown that the women entrepreneurs have more control over resources, social mobility, social activities, participation in household decision, participation in healthrelated decision, knowledge about women’s right etc than that of the housewives. The empowerment of the women lead them to go ahead on the decision making power in the family. So, if a woman gets opportunity to be an entrepreneur, she will gain more power in every decision making in the family and this help to empower the women in every sector.

### Distribution of Demographic Variable

**Table 1:** Sample Distribution Due to Experiences

Variable	Variable Interval	Number	Percentage
Experiences in Field of Business	Less than 2 years	22	36.7%
	Between 3-10 years	18	30.0%
	Between 10-20years	18	30.0%
	More than 20 years	2	3.3%
	Total	60	100.0

Referring to this table majority of sample experiences was less than 2 years,

**Table 2:** Sample Distribution Due to Business Field

Variable	Variable Interval	Number	Percentage
Field of Business	Manufacture	9	15.0%
	Hand Making	10	16.7%
	Agriculture	1	1.7%
	Merchandising	12	20.0%
	Service	28	46.7%
	Total	60	100%

According to table (2) 46.7% of sample are working in field of services, followed by merchandising field which represent 20% of sample

**Table 3:** Sample Distribution Due to Financing Source

Variable	Variable Interval	Number	Percentage
Financing Source	Own Capital	45	75.0%
	Outsourcing Support	2	3.3%
	Family Support	10	16.7%
	Banks Loan	2	3.3%
	Small Business Credit Institution	1	1.7%
	Total	60	100%

Table (3) analyzed the sample distribution due to financing source of their business, the result showed that 75% of sample sourced their businesses from their own capital

**Table 4:** Sample Distribution Due to amount of Business Capital

Variable	Variable Interval	Number	Percentage
Business Capital	Less than \$5000	40	66.7%
	Between \$5000-\$10000	6	10.0%
	Between \$10000-\$20000	6	10.0%
	More than \$20000	8	13.3%
	Total	60	100.0%

Table (4) analyzed the sample distribution due to amount of business capital, the result showed that 66.7% of sample business capitals are less than \$5000.

**Table 5:** Sample Distribution Due to Number of Employees

Variable	Variable Interval	Number	Percentage
Number of Employees	Less than 5	52	86.7%
	Between 5-20	7	11.7%
	More than 20	1	1.6%
	Total	60	100.0%

According to table (5) 86.7% of sample are employing less than 5 employees.

### Hypothesis Test

**H01:** There is no significant relationship between women entrepreneurship businesses and women economic empowerment for testing this hypothesis t test was used and the result was.

**Table 6:** Relationship between women entrepreneurship businesses and women economic empowerment

Items	Mean	Standard Deviation	T test	Significant Level
Financial Independency	4.24	0.52	18.31	0.000
Employment	3.7	0.58	9.36	0.000
Income	3.70	0.75	7.22	0.000
Wealth	3.25	0.63	3.13	0.000
Total degree for empowerment	3.69	0.47	11.41	0.000

Based on above table the mean is 3.69, t-test is 11.41 and significant level is 0.000 which means there is a significant relationship between women entrepreneurship businesses and women economic empowerment, the hypothesis (H01) is rejected.

**H02:** There is no significant differences in view of respondents to the role of women entrepreneurship businesses in women economic empowerment due to variables of experiences, business field, financing source, business capital and number of employees. For testing this hypothesis One Way Anova test is used and the result was.

**Table 7:** Differences in view of respondents to the role of women entrepreneurship businesses in women economic empowerment due to variables of experiences, business field, financing source, business capital and number of employees

Model	Sum of Squares	Degree of Freedom	Mean Squares	F Value	Sig
Regression	1.093	5	0.219	0.981	0.438
Residual	12.028	54	0.223		
Total	13.120	59			

Based on table above the significance level is 0.438 which is mean there is no significant differences in view of respondents to the role of women entrepreneurship businesses in women economic empowerment due to variables of experiences, business field, financing source, business capital and number of employees, as a result hypothesis H02 is accepted.

### Conclusion and Recommendations

The degree of contribution of women's entrepreneurial businesses to women's economic empowerment in Palestine came to a large degree, reaching an arithmetic average of (3.69). The results showed that women's entrepreneurial businesses contribute to the achievement of women's financial independence to a large extent, and have a significant role in employment and income as well. While her role in the growth of wealth among women came to a moderate degree.

The results also showed that there are no statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the degree of response of the study sample members about the role of pilot businesses in empowering women economically due to each of the variable years of experience in the field of work, the nature of the project work, and the project capital when Incorporation, number of employees.

In light of the results of this study, the government should motivate women to invest in entrepreneurship businesses by offering facilitations and incentives such as establishing a funds to finance their business with zero interest rate and exempt these businesses from taxes for several years. In addition to offer training programs in management, accounting, and finance and marketing to guarantee a sustainability for their businesses.

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