

EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

REGIONAL OFFICE
SOUTH MEDITERRANEAN

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Women Entrepreneurs in Innovative Startups

SUMMARY OF FINDINGS AND CONCLUSIONS OF THE PANEL "WOMEN ENTREPRENEURS IN INNOVATIVE STARTUPS", 06 MARCH, IN MARRAKESH

In the framework of the conference titled "Fostering Women Leaders – Women in Business Support Organizations" organized by Businessmed and the Regional Office South Mediterranean of the Konrad-Adenauer-Stiftung from 6 to 7 March 2017 in Marrakesh, the spotlight was put on women entrepreneurs in innovative startups in order to identify the obstacles that women are facing when setting up innovative startups and to see how business support organizations can encourage women to get more involved in this sector.



During her introduction, Dr. Canan Atilgan, Director of the KAS Regional office and moderator of the panel, explained how the idea for the panel had emerged through a previous conference during which thirty young women from Tunisia had been invited to present their business ideas. Despite many of the women having a background in engineering, their projects did make use of this potential for innovation and rather focused on well-known crafts. Thus the question arose what would contribute to a stronger economic engagement of women particularly in innovative sectors.

A first intervention by Kathya Berrada, Research Associate at the Arab Centre for Scientific Research and Human Studies in Morocco, showed that in the field of economic participation of women the Arab world cannot be viewed as a monolithic block and thus specific obstacles vary from one country to another. She cautioned that due to a lack of surveys and comparative data, perceptions and anecdotes tend to replace facts and that there is thus a need for attitudinal surveys to motivate women to di-

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rectly talk about their challenges and be part of the reflection. While many practitioners are stating the issue of work-life-balance, a recent study showed that women are facing mostly the same obstacles as men such as access to finance, access to markets, high costs of public services, lack of managerial skills and difficulties to hire and retain good employees. Business support organizations are needed in this context to carry out further studies to inform decision makers with concrete insights from the ground rather than perception.

Andrea Maiweg, Consultant and Founder of MaiValue Consulting, talked about the German experience where the situation of women in the economy remained difficult until the beginning of the 70s. However, she is now witnessing an increasing number of women setting up innovative businesses despite the continuing lack of women engineers and the German tendency for risk aversion. Access to finance also presents a challenge for women entrepreneurs in Germany. There are however various funds available from the EU, as well as the German government and applied sciences' universities. Nevertheless, as venture capital is not yet very common in Germany, most women working in innovative startups have financed their project with their own means because they prefer to be the decision maker by investing their own money or looking for crowd-funding. Given that 70% of German startups work for established bigger companies, these organizations have a major role to play in fostering women entrepreneurship in innovative activities, and business support organizations could facilitate the connections between the two sides.

The situation in Tunisia presents itself rather differently, as explained Amel Saidane, President of Tunisian Startups Association. Tunisia has high numbers of women engineers, females are surpassing men in the universities and engineering degrees. However, women still represent only 5% of CEOs. What are the reasons for this low percentage of women in leading positions? Mrs. Saidane describes this as mainly a cultural problem: with equal competencies, 80% of men and 50% of women think that it is the man who should get the job. The perception of women in the economy is thus harmed also by women themselves. It seems thus important that women help to foster economic success of other women through positive discrimination. This concerns particularly hiring processes, where at equal competencies, the female candidate should be recruited. Mrs. Saidane added that even seemingly small things can make a difference, such as always having a list of competent women to suggest whenever asked for a recommendation.

Additionally, the emergence of the digital economy is creating many new opportunities. New platforms that connect freelancers or start-uppers with clients facilitate the creation of online businesses and can help women to get more engaged in innovative activities. Therefore, business support organizations can help to raise awareness about what digital information is and what range of opportunities it can bring for women start-uppers.

In his input, Hicham Zanati Serghini, the General Director of the Central Guarantee Fund focused on the challenge of getting access to finance and highlighted that this presents an issue for women as well as for men working in the innovative sector. 90% of financing enquiries addressed to the banks in Morocco are for well-known activities where the profitability date is predictable. Startups have different needs that the financial sector

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is not used to handle. Therefore, there is a need for new tools, new methods and new services. Based on previous experiences, Mr. Serghini suggested a new financing chain with different sources and formats of funding. One of the initiatives to encourage banks financing innovative projects ran by women is guaranteeing 80% of bank credits for these projects (70% for men). The Central Guarantee Fund for example offered to guarantee 60% of the investments of the private sector in innovative startups. Through positive discrimination, the Guarantee Fund thus encourages the banks and the investors to finance women setting up innovative businesses. To complete the financing chain, Mr. Serghini suggested offering loans of honor in the framework of incubators which accompany women entrepreneurs.

The discussions on the panel thus clearly showed that business support organizations have a major role to play to foster women entrepreneurship in innovative businesses; by running attitudinal surveys, promoting ICT education, engaging established companies, raising awareness about the opportunities brought by the digital economy, promoting a new chain of financing where the entrepreneurs, the banks, the investors and the guarantee funds share the risk in order to foster the emergence of hundreds of innovative startups run by women.

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