



Start Your Business!

ELABORATION OF A MAPPING AND DIAGNOSTIC OF WOMEN-LED ENTERPRISES IN PALESTINE: EAST JERUSALEM, HEBRON, AND BETHLEHEM

**Commissioned by: CISP – International Committee for Development of People
& Performed by: Solutions for Development consulting Co.**

Performed by:



Commissioned by:



Funded by:



ABBREVIATIONS

List of abbreviations used in the text of the report

ACAD	Arab Center for Agricultural Development
AICS	Italian Agency for Development Cooperation
ARIJ	Applied Research Institute – East Jerusalem
ASALA	Palestinian Businesswomen’s Association
BBI	Bethlehem Business Incubator
CBO	Community-Based Organization
CISP	Comitato Internazionale per Lo Sviluppo Dei Popoli
FATEN	Palestine for Credit and Development
GIS	Graphic Information Systems
HCCI	Hebron Chambers of Commerce and Industry
LRC	Land Research Center
MoA	Ministry of Agriculture
MoL	Ministry of Labor
MoNE	Ministry of National Economy
NGO	Non-Governmental Organizational
PACI	Palestinian Agricultural Credit Institution
PARC	Palestinian Agricultural Relief Committees
PHG	Palestinian Hydrology Group
PSI	Palestinian Standards Institutions
MSME	Micro, Small and Medium-Sized Enterprises
UAWC	Union of Agricultural Work Committees
VIS	Volontariato Internazionale per lo Sviluppo
YDD	Youth Development Department

TABLE OF CONTENTS

1	Executive Summary	6
2	Background	7
3	Study objective	7
4	Methodology	7
5	Study limitations	9
6	Study Findings	9
6.1	Socioeconomic Profile of Individual Women Entrepreneurs	9
6.2	Profile of Group-Owned Enterprises	12
6.3	Characteristics of Women-Led Enterprises	13
6.4	Enterprise Impact: Personal and Social	13
6.5	Challenges Facing Women-Led Enterprises	27
6.6	Impact of the COVID19- Pandemic	33
7	Mapping of Main Stakeholders	36
7.1	The Regulatory Framework	36
7.2	Governmental Bodies	36
7.3	Business Development Services	37
8	Conclusions & Recommendations	43
8.1	Conclusions	43
8.2	Recommendations	45

TABLES:

Table	Table Name
1	Distribution of Households by the Number of Employed Household Members
2	Percentage Distribution of Households by the Primary Source of Income
3	Percentage of Household Expenditure on Food Items out of Total Households Expenditure
4	Distribution of Group-Owned Enterprises by the Group Makeup/Type
5	Distribution of Group-Owned Enterprises by Registration Status and Region
6	Percentage Distribution of Surveyed Enterprises by Activity Status and Area
7	Cited Factors behind Business Failure by Percentage of Inactive Enterprises
8	Distribution of Women-led Enterprises per Number of Workers and Start-up Capital
9	Distribution of Enterprises by Sex of Employee
10	Percentage Distribution of Enterprises by Registration Status
11	Percentage Distribution of Enterprises by Location
12	Percentage Distribution of Enterprises by the Start-up Capital (USD)
13	Percentage Distribution of Enterprises by Financing of Start-up Capital
14	Average Growth Rates on Start-up Capital of Enterprises
15	Percentage Distribution of Enterprises by Intent to Expand Operations
16	Percentage Distribution of Enterprises by Being Loan-Financed at Some Point
17	Percentage Distribution of Enterprises by Owner's Willingness to Get a Loan
18	Percentage Distribution of Unwilling Enterprises to Take Out Loans by Reason
19	Distribution of Enterprises by Engagement in Social Enterprising Activities
20	Percentage of Enterprises that Received Some Sort of Support, according to owners
21	Percentage of Enterprises that Received Some Sort of Training
22	Training Topics Undertaken by the Enterprises
23	Owners Assessments of Received Training
24	Percentage of Owners who stated at least one business' need
25	Enterprise decision making processes' ownership
26	Impact of Enterprises on the Personal and Familial Levels
27	Impact on Male Participation in Housekeeping and Childcare
28	Impact on Domestic Violence
29	Impact on the Psychological Level
30	Impact and Challenges Related to Personal and Social Factors
31	Impact and Challenges Related to Economic, Legal, and Political Factors
32	Impact and Challenges Related to Business Skills Factors
33	Obstacles related to COVID-19 Pandemic
34	Distribution of surveyed enterprises by type of impact due to COVID-19 controlling measures

FIGURES:

# FIGURE	FIGURE NAME
1	Age Distribution of Respondents
2	Marital Status of Respondents
3	Distribution of Respondents by Education Level
4	Monthly Household Income by Income Group
5	Percentage Distribution of Surveyed Enterprises by Economic Sector of Activity

1 Executive Summary

This study was designed with the purpose of providing CISP with a geographic and sectoral mapping of women-led enterprises established in East Jerusalem, Hebron, and Bethlehem governorates in recent years, aiming at understanding, from the entrepreneurs' perspective, what would be needed to support continuity and/or recovery. The study's methodology is based on combined quantitative approach where a survey was administered to 284 enterprises, and qualitative approach where 4 focus groups were held with the entrepreneurs, in addition to different interviews with the main stakeholders active in the three governorates, selected among local institutions, actors providing business development services, local and international NGOs.

The demographic and socioeconomic profiles of the interviewed women entrepreneurs indicate that the majority (75.6%) are married, 60% of respondents are in the age range between 30 and 50 years old; 50.3% have a level of education up to secondary education, while 34.5% completed an intermediate tertiary degree or higher. Regarding income levels, more than two thirds of respondents had a monthly income up to NIS 4,000 and the 12.8% reported the project as a main source of income for their household. Finally, in regard to standards of living, 95 % of the women's households spent more than 30% of their total expenditure on food.

The study shows that the overwhelming majority of the surveyed enterprises are home-based enterprises that operate at - or close to - the owner's household. This is attributed to several factors, among which a crucial role is played by the social pressure on working women in conservative communities, and the need to cut on rental costs. Moreover, women-led enterprises tend to rely heavily on familial and personal networks for what concerns the marketing and sale of products. Furthermore, the study showed that surveyed women-led enterprises, given their typically limited size, largely avoided formal registration. Most of the owners justified this as a cost-cutting measure, while also mentioning that formalization requirements are unfavorable, very costly and complicate. As a consequence of most of the women-led enterprises operating in the informal sector, their potential for growth would be limited, as any significant enterprise expansion entails essential requirements such invoice issuance, bank accounts, participation in tenders, etc.

The study provided important insights that can be usefully considered while planning interventions aiming at the support of SMEs in general, and women-led enterprises in particular. For example, the study shows that most women-led enterprises in the 3 areas in object have sustenance and income generation as their primary objectives, and that the owners are usually driven to establish their businesses by constrictive socio-economic circumstances. This shifts the conventional analysis of the challenges impeding the development of these enterprises from the lack of business management skills to the external market's constraints, such as the limited access to marketing and supply channels, and other related elements. On this basis, it might be important to consider the primary objectives of sustenance, resilience, and income generation in the design and implementation of interventions targeted toward strengthening these enterprises and valorizing the women's role, strategies and capabilities. This also extends to the measurement of the efficacy of those intervention in terms of the adopted indicators.

In addition, the study revealed that surveyed women-led enterprises have a clear positive economic impact in terms of generating income for the owners, as well as attaining capital assets as the projects mature. Indeed, the findings showed that the average current value of the enterprises is 2-3 times higher than the average of the initial invested capital. These projects also generated economic value for the wider community, providing part- and full-time jobs. Focusing on the social and nonbusiness aspects of the enterprises' impact, the enterprises also contributed to the personal development of the business leaders, both as entrepreneurial individuals and as active members of family and community networks. Such positive impact included character development and self-actualization, a general feel for social issues, and a stronger conviction in women's rights to work, self-actualization, independence. Lastly, the study underlined a clear distinction between the social impact of individually owned and group-owned enterprises. Surveyed group-owned enterprises, mostly represented by cooperatives, by their very nature resulted to be able to achieve significant society-wide benefits, starting with the founding partners to the cooperative members and stakeholders. The social makeup of these enterprises' ushers in these collective benefits. Surveyed individually owned enterprises, on the other hand, tend to generate direct impact on the owners and their families, and the workers at the enterprise, but limited benefit for the larger social and community level.

2 Background

The Italian NGO Comitato Internazionale per Lo Sviluppo Dei Popoli - CISP selected Solutions for Development Company for conducting a mapping and diagnostic exercise of women-led enterprises in Palestine. This study comes as part of the “Start your Business! Creation of start-ups, development of technical skills and socio-economic promotion of young and vulnerable women in Palestine - AID 011867” project. , Aiming at fostering the creation of start-ups, development of technical skills and socioeconomic promotion of young and vulnerable women in Palestine, the project is co-funded by the Italian Agency for Development Cooperation (AICS) and implemented by a consortium of local and international partners led by the Italian NGO Volontariato Internazionale per lo Sviluppo -VIS.

The focus of the Project falls within the overall objective of inclusive and sustainable economic development and employment in Palestine. Among the foreseen activities aiming at supporting the socioeconomic development of disadvantaged youth and vulnerable women area

a) Strengthening incubation processes and business acceleration

b) Qualifying competent and specialized personnel including vulnerable young individuals and women with training programs.

c) Conduction of awareness-raising and advocacy at the policy and the community levels on the topic of entrepreneurship and employability of women and youth

The study, after a preparatory phase, was conducted between December 2020 and March 2021 by Solutions’ team of consultants having backgrounds in business, socioeconomic research, and surveying techniques.

General Fact and Figueres:

1. By the end of 2019, the total population of the occupied Palestinian territory was an estimated 5.04 million, with 3.02 million in the West Bank and 2.02 million in Gaza.
2. 2, 476,614 are females (49%) and 2,562,304 are males (51%)¹.
3. In 2019, nearly 82 per cent of women remained outside the labour force, meaning that they were not seeking or engaged in employment, compared with 30 per cent of men²
4. While the rate of Palestinian men unemployment has decreased 1.5 per cent between 2005 and 2017, that of Palestinian women has dramatically increased to 25.2 per cent over the same period.³
5. In 2017, the average daily wage of Palestinian women (84.6 NIS) is only around 70 per cent of that of men (119.6 NIS) in 2017⁴.
6. Only 3.5 per cent of working age (15-64 years old) women set up their own businesses compared to 16 per cent for working age of men in Palestine.⁵
7. In Palestine there are almost 7,000 businesses that are owned and operated by women⁶.
8. 95% of Palestinian women reported that their businesses are being negatively impacted by the COVID-19 Pandemic⁷.

3 Study Objectives

The objectives of this mapping study focus on achieving three main outcomes:

1. Geographic and sectoral mapping of recently established women-led enterprises in East Jerusalem, Hebron, and Bethlehem governorates identifying the factors favoring the establishment of women-led enterprises along with the factors behind their failure in the case that they ceased operations.

¹ PCBS, 2019a, p. 1; PCBS, 2019b, p. 1; PCBS, 2020a, p. 8; PCBS, 2020b, p. 1; UNRWA, 2020, p. 13, 14.

² PCBS, 2020c, pp. 52–54 (Economic indicators by region and sex)

³ Palestinian Central Bureau of Statistics (2017, March 8). The Eve of the International Women’s Day [Press release]. Retrieved from: https://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_7-3-20148-women-en.PDF

⁴ Ibid

⁵ OECD (2013). Gender inequality and entrepreneurship in the Middle East and North Africa

⁶ Palestine Economic Policy Research Institute (MAS) (2014). Policies for Up Scaling the Female Entrepreneurship in the State of Palestine.

⁷ UN Women survey: Impact of COVID-19 on women-led MSMEs in Palestine: <https://palestine.unwomen.org/en/digital-library/publications/2020/4/impact-of-covid-19-on-women-led-msmes-in-palestine#view>

2. Identifying enterprise features, and working values held by social enterprises whose mission and values contribute to social goods.
3. Identifying the short, medium-, and long-term effects of COVID-19 on women-led enterprises and identifying the coping mechanisms along with the needs that support the continuity and/or recovery of enterprises.

This report provides CISP and project' partners with a comprehensive assessment of the main aspects found in women-led enterprises, the most critical needs and expectations, and an overview of the various stakeholders active in the provision of developmental support to women-led enterprises in terms of their organizational and technical capacities.

The results and insights of the study would guide initiatives to provide interventions directed at addressing the gaps and difficulties experienced by women-led enterprises, valorize their resources and potential as well as minimizing the adverse effects of external challenges.

Methodology

The study's methodology is based on combined qualitative and quantitative approaches deploying primary as well as secondary data. Solutions team worked closely with CISP to ensure that the data analyses covered the three main objectives of the assignment.:

Preparatory Phase

In this phase, details on the study' approach, deliverables, work plan, variables and indicators to be analyzed, format of quantitative and qualitative data collection tools, and all coordination matters were revised and agreed by the lead consultants with CISP and in collaboration with VIS.

Desk Research

Solutions team conducted a desk research with the purpose of informing the design and implementation of various activities of the study. The research focused on available studies, data and information related to women-led enterprises in Palestine and social enterprise (including studies conducted by various Italian and Palestinian researchers) and consulting the PCBS' relevant statistics and publications. The desk research focused on identifying the main aspects and key variables to be surveyed in view of achieving the study' objectives

Finalization of Tools

Based on what above, two types of tools for data collection were developed:

1. Survey of women-led enterprises: a questionnaire to gather credible data on the characteristics of women-led enterprises, their business performance, the perceived internal and external factors affecting positively and negatively their business operations including COVID-19.
2. Checklists: various lists of questions were developed for focused interviews with the concerned governmental entities and organizations that provide support for women-led enterprises; case studies and focus group discussions with the entrepreneurs to assess performance, internal impediments, and the perceived external factors affecting operations.

The development of all these tools took into consideration the role of interviewees, their level of engagement with the subject, and the type of information sought from their side. The tools were developed in close consultation with the CISP counterpart team, and were deployed upon their approval.

Sample Design

To establish the study population of women entrepreneurs, available data on women entrepreneurs were collected by Solutions team from various stakeholders who maintained such lists. Some of the stakeholders refused to provide their

lists for confidentiality-related reasons. Nevertheless, overall, more than 800 women-led enterprises were identified.

The survey then included a representative random sample of the population of women-led enterprises collected from the different stakeholders. The data were segmented according to the three main areas of Hebron, Bethlehem, and East Jerusalem. On that basis, the survey was administered to a group of 284 enterprises. Two focus groups were held in Hebron with 16 participants in each; in Bethlehem, another focus group was held with 11 participants. Lastly, one focus group was held with 10 participants from East Jerusalem with remote interaction methodologies.

Data Gathering

- Piloted the data collection instruments in the field, and recorded the necessary modifications based on the field test' results.
- A team of field researchers were deployed to conduct the survey. Before the start of the fieldwork, the field researchers were trained on the survey tools. The fieldwork for administering surveys took place with the coordinated contribute of several researchers between December 25, 2020, and January 15, 2021.
- Parallel to conducting the survey in the field, in-depth interviews were conducted with identified key informants such as governmental bodies - including the Ministries of the Economy, Women Affairs, Labor and others, business services providers, and microfinance institutions. Focus group discussions and group interviews were held with the women owners and representatives of individual and group enterprises to cross-validate and discuss the findings of the literature review and the interviews. These discussions pinpointed the critical needs and discussed existent policies to support the women-led enterprises. Finally, the team collected and analyzed several case studies of successful and unsuccessful enterprises to further highlight the qualitative dimension.

Results Analysis

Once the questionnaires were validated by regional supervisors and central office, and data coding and entry completed, Data was statistically processed according to indicators for each pre-set variable. The findings of the focus groups discussions, in turn, were summarized to highlight the qualitative dimensions to complement the quantitative findings.

The study presents conclusions and recommendations that may serve to leverage strategies of CISP, VIS and partners in effectively supporting women-led enterprises. In addition, the study examines the enterprises' needs in business, social, and entrepreneurial aspects towards a more impactful and active participation of women entrepreneurs in the economic and social spheres.

5 Study limitations

- One of the most challenging aspects of the study was the absence of comprehensive databases of women-led enterprises. Moreover, the data was not standardized between the different sources. Therefore, the study team had to communicate with many sources to obtain comprehensive information on the targeted population, while also encountering refusal of some stakeholders to provide data.
- The data collection and fieldwork in East Jerusalem was exceptionally challenging due to the lockdowns and restrictions related to the COVID-19 pandemic. Most of the interviews were conducted remotely through online tools or phone. Some women in East Jerusalem were hesitant to respond to the survey for two main reasons. First, Palestinian residents in East Jerusalem often face investigative measures by Israeli authorities, which leads people to be suspicious of any request for interview. Second, as it is typical for surveys of this nature, business owners are often reluctant to disclose what they deem sensitive information such as questions regarding financial matters. Also induced by lockdowns, it was difficult to contact NGOs, which offices were closed for extended periods. Nevertheless, in East Jerusalem, the study team managed to complete 75 questionnaires. Furthermore, an online focus group discussion was organized through Zoom platform.

6 Study Findings

6.1 Socioeconomic Profile of Individual Women Entrepreneurs

The demographic and socioeconomic profiles of women entrepreneurs in the analyzed sample indicate that most of them can be considered as belonging to a vulnerable group, as shown in the following sub-sections detailing the findings on socioeconomic conditions.

6.1.1 Demographic Profile of Entrepreneurs

Regarding the age distribution, the results indicate that more than 78.8% of respondent women entrepreneurs are over 30 years old. The overwhelming majority (75.6%) of the surveyed women were married, with the male spouse being considered the head of the household; while 11.6% were either widowed or divorced and 12.8% never married, mostly living their families. These results are shown Figure 1 and Figure 2.

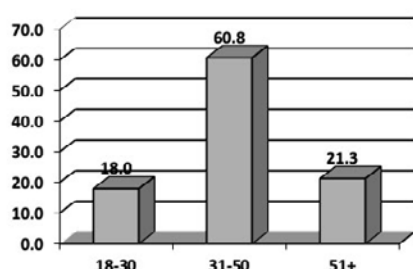


Figure 1: Age Distribution of Respondents



Figure 2: Marital Status of Respondents

In terms of education, about 34.5% of the surveyed women indicated that they had completed an intermediate tertiary degree or higher. The majority (50.3%) of the respondents, however, indicated that they completed preparatory or secondary education. The remaining 15.1% indicated that they either had completed only elementary education, had only basic reading and writing skills, or were illiterate. Figure 3 displays the full results.

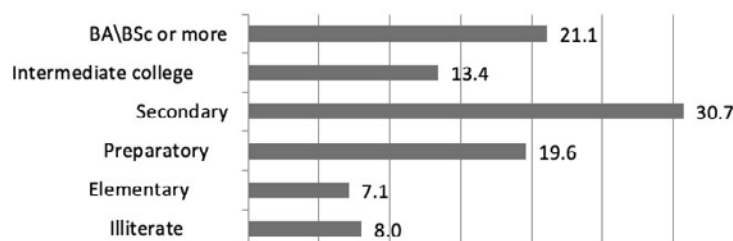


Figure 3: Distribution of Respondents by Education Level

6.1.2 Household Characteristics

The findings show that most of the women live in relatively large households, with the average household size being 5.4 members. The highest average household size is found in Hebron with 5.7, followed by Bethlehem at 5.5, and lastly East Jerusalem with an average of 4.8 members.

Furthermore, 98.2% of the respondents stated that their households had only one member with an income-generating job at the time of the survey, while 76.4% had two or more employed members. Table 1 displays the full breakdown.

Table 1: Distribution of Households by the Number of Employed Household Members

Number employed	Percentage (%)
0	1.8
1	21.8
2	52.2
3+	24.2
Total	100.0

6.1.3 Household Income and Standard of Living

The survey shows that about 34.8% of the households of the surveyed women earned more than NIS 4,000 per month, while more than one third of them had a monthly income lower than NIS 2,500. The results are shown in Figure 4.

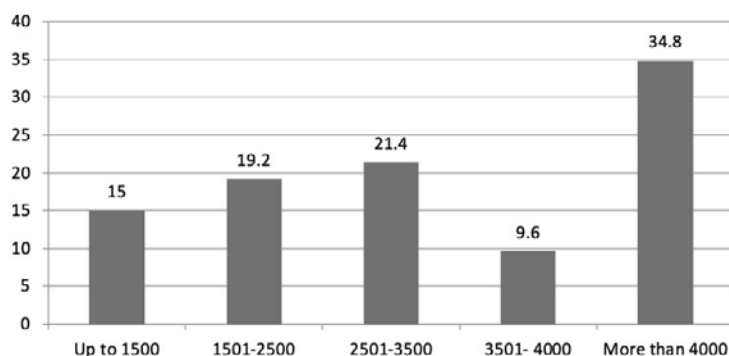


Figure 4: Monthly Household Income by Income Group

The most common income source in the households was paid work (74.9%). Noticeably, about 12.8% of the surveyed enterprises constituted the primary source of income for the entrepreneur's household. The majority of the owners (54%), on the other hand, reported their enterprises to be a secondary source of income. The data on the sources of income are detailed in Table 2.

Table 2: Percentage Distribution of Households by the Primary Source of Income

Source of Income	% Being Primary Income Source	% Being Secondary Income Source
Paid work (wages, salaries, etc.)	74.9	6.9
Self-employment	4.5	1.8
Interest or Dividends (from savings, stocks, etc.)	0.6	0.3
Sale of assets	-	
Income from Interest or Dividends (Savings, Stocks, etc.)	-	0.3
Social Security payments	3.3	11.0
Regular assistances	1.2	1.2
Emergency assistance	-	0.6
Transfers from family members/friends	2.7	1.2
Transfers (internal remittances)	-	3.0
Remittances (foreign)	-	0.6
Project established by women (surveyed enterprises)	12.8	54.0
Other sources	-	0.6
No second source of income		18.5

6.1.4 Standard of Living

The standards of living of the households of surveyed women were assessed on the basis of the percentage of a household's total expenditure dispensed on food items. The results show that about 95% of the households spent more than 30% of their total expenses on food items. The finding (a large percentage of households, particularly in Hebron and Bethlehem, allocate more than 45% of total household' expenditure on food) suggests that many of the households are living in what can be considered poverty conditions⁸. Table 3 shows households' expenditure on food as a percentage of total households' expenses, by area and standards of living.

⁸ Engle's Law measures the standards of living by calculating the percentage of a household's expenditure on food, out of its total expenditure.

Table 3: Percentage of Household Expenditure on Food Items out of Total Households Expenditure

Standards of Living Brackets	Governorate			Total
	East Jerusalem	Bethlehem	Hebron	
Better off: less than 30%	4.9%	2.8%	6.2%	6.4%
Medium: 30–44%	35.9%	24.3%	27.8%	74.4%
Worse off: 45% or more	59.1%	72.9%	66.0%	19.2%
Total	100.0%	100.0%	100.0%	100.0%

6.2 Profile of Group-Owned Enterprises

The survey targeted two types of women-led enterprises. The first set included individually owned enterprises, the second set included group-owned enterprises, owned/ initiated by/ affiliated with women cooperatives, women societies, group of women owners, and others. The group-owned enterprises typically serve their communities at large, and often specifically targets and involves women. This sample of these organizations is an important group that can be approached by CISP and partners in future interventions. In this section, main aspects of the group-owned enterprises are reported.

6.2.1 General Profile

The survey covered 47 group-owned enterprises. While it is difficult to draw a general profile, there are several common aspects among these enterprises regarding their history, registration, membership size, and scope of activities/services. The following sub-sections provides a basic review of these groups.

6.2.2 Group Makeup/Type

The survey findings show that most of the group-owned enterprises were institutional - NGOs, cooperatives or societies active in women empowerment or advocacy -while only 10.6% of the surveyed enterprises comprised groups of women owners. Moreover, about one quarter of the surveyed groups resulted to be affiliated—either a subdivision, branch, etc.—with a higher-level organization or union.

Table 4: Distribution of Group-Owned Enterprises by the Group Makeup/Type

Type of the Group	Percentage Distribution
Cooperative	12.8
CBO/NGO/Women societies	59.6
Informal group	10.6
Other	17.0
Total	100

With respect to their registration status, the results show that most of the group-owned enterprises (61.7%) had official registration. This is expectedly the case given that cooperatives and societies must be registered to operate. Most unregistered groups, on other hand, are informal groups of partnering women owners. Table 5 below presents the distribution of the surveyed group-owned enterprises by their registration status and geographic location.

Table 5: Distribution of Group-Owned Enterprises by Registration Status and Region

	East Jerusalem	Bethlehem	Hebron	All
Registered	6	7	19	32
Unregistered	5	9	1	15
Total	11	16	20	47

6.3 Characteristics of Women-Led Enterprises

For the purposes of this study, women-led enterprises are defined as business enterprises that are either completely or majorly owned by women owners, and that are managed directly by these owners. Majority ownership refers to owning at least a 51% stake in an enterprise. This includes individually and group-owned enterprises, as explained earlier. The enterprises can also vary in terms of enterprise size, from small to large businesses. The survey questionnaire included a set of variables that establish if the surveyed enterprises can be classified as women-led enterprises. Out of the surveyed enterprises, the longest-serving enterprises have been founded since 2015.

This section lays out the findings in relation to the characteristics of women-led enterprises.

6.3.1 Enterprise Activity Status

The vast majority of surveyed enterprises (77.4%) are active, or active occasionally or seasonally. **Nevertheless, it is interesting to note that about 22.6% are currently inactive, with this percentage being higher in the East Jerusalem area.** Table 6 details the distribution of surveyed enterprises by the reported activity status and area.

Table 6: Percentage Distribution of Surveyed Enterprises by Activity Status and Area

Current Activity Status	East Jerusalem	Bethlehem	Hebron	All
Active over the time	61.8	41.4	67.4	55.1
Active occasionally	4.4	30.6	25.6	22.3
Not Active	33.8	27.9	7.0	22.6
Total	100	100	100	100

For the enterprises that were inactive, which entails that they are either permanently or temporarily closed, the owners cited several factors summarized in the following Table 7:

Table 7: Cited Factors behind Business Failure by Percentage of Inactive Enterprises

Reason for Closing Enterprise	Yes	No
Could not market our products	28.8	71.2
Accumulation of debt to cover high accounts receivable	20.3	79.7
Difficulty in securing needed working capital	30.5	69.5
Social impediments (such as refusal of male family member)	10.2	89.8
Inability to repay loan installments	6.8	93.2
Spoilage of products due to Israeli measures	13.6	86.4
Financial loss due to inability to purchase raw materials	15.3	84.7
Financial loss due to inability to compete	32.2	67.2
Arrest/absence of enterprise supervisor/manager	13.6	86.4
Limited knowledge and expertise	28.8	71.2
COVID-19 related effects	44.1	55.9
Inability to meet legal requirements	13.6	86.4

As could be observed, 44.1% of enterprises that were inactive at the time of the survey attributed either fully or partially their closures to the economic repercussions related to COVID-19 as the predominant factor. The second most cited factor, stated by 32% of the enterprises, was the financial loss and the inability to compete, followed by the difficulty in securing needed working capital, expressed by about 30%. Importantly, considering the pervasive effect of the pandemic-related economic crisis, the COVID-19 effects are likely correlated with all other factors. However, it is worth noting that about 29% of the failed enterprises pointed to limited knowledge and expertise as a factor behind their failure, regardless of other factors related to the external environment. This highlights the significant capacity constraints that hinder (typically small) business owners from establishing a footing in the market; improving, therefore, the capacities of the owners could improve their resilience and maximize their success chances.

Case of failed Project

Women's Group affiliated to the Women's Club -Wadi Rahal-Bethlehem. The project started 6 years ago. It was a DJ for wedding parties, we got the equipment, but there was some missing parts, we started without training, we failed due to lack of equipment, and because of some conflict between the members on the money. The main lesson is never to start without being ready. Because of internal conflict, and lack of important equipment, we sold the DJ at a low price that barely covers its cost, and the money was divided on all members.

6.3.2 Enterprises Sector of Activity

The main economic sectors of the surveyed enterprises are summarized in the following Figure 5.

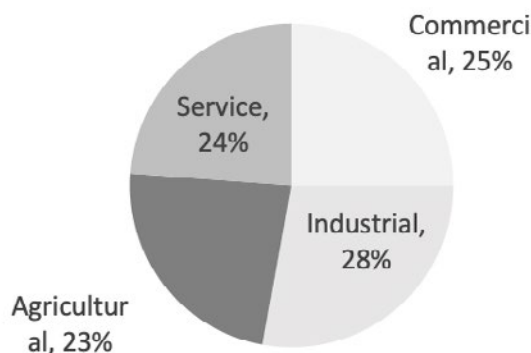


Figure 5: Percentage Distribution of Surveyed Enterprises by Economic Sector of Activity

In East Jerusalem, the focus is mostly on service enterprises. In Hebron and Bethlehem, however, agricultural projects are very common among the women-led enterprises. In the focus groups, the participants enumerated the sectors of operation of the businesses, and the reasons behind selecting these sectors. The East Jerusalem group revealed that most of the women-led enterprises are small shops such as beauty salons, cooking and food catering, accessories and cosmetics, event photography, embroideries, and the like. There are rarely any agricultural enterprises given the lack of agricultural land and water resources in East Jerusalem. In addition, most of the owners mentioned they will work in fields with quick return cycles, unlike the seasonality of agricultural activities.

The participants of the Bethlehem focus explained that their enterprises focus on agricultural and food processing—such as growing herbs, producing grape molasses, dairy products, and livestock farming of cattle and poultry—and other small projects such as event photography, creating ornaments and decorations). However, the participants highlighted embroidery as an important project for many women, especially young ones, as sewing and embroidery have historical and traditional significance, and there are opportunities to modernize the designs and make them more fashionable. This extends to embroidering accessories such as leathers and bags. The participants provided that home-based activities/enterprises allow them to look after their families, while generating a relatively decent source of income. Such opportunities are appealing to women who live in villages near Bethlehem, where the demand for such services is increasing and few other opportunities are available. As an example, one participant explained: “I live in Bait Zakariya, which is surrounded by an Israeli settlement. We have only the option of planting thyme, and producing grape molasses, jam, Malban, etc.” Lastly, the participants emphasized the significance of agricultural enterprises in terms of protecting the ownership of the land. Farmlands next to Israel's Barrier are more exposed to land grabbing, and therefore cultivating agricultural products—such as zucchini, tomato, eggplant—partially protects the lands from being taken away from the owners.

The participants in the Hebron focus group provided similar insights. They emphasized that small projects such as food catering and cooking are easy for women to get into, especially as they do not require huge start up capitals and can be done at home. The agricultural and livestock products are also favorable for the availability of land and experience, given that a lot of the women owners are farmers. The same can be said about the handcrafting, embroidery, and decorations that many of the women owners practiced as hobbies before transitioning to their enterprises. They added that these activities are also important for preserving their heritage. Lastly, the participants mentioned nursery and kindergarten care as activities that a lot of aspiring women readily switch to.

6.3.3 Size of Enterprises

Nearly 97% of the surveyed individually owned enterprises can be classified as micro-sized employing 1-4 workers as shown in Table 7. Group-owned enterprises tended to employ up to 4 workers. The difference clearly reflects the discrepancy between the two types of enterprises in terms of capacity; group-owned enterprises, for example, hold higher investment thresholds. This is attributed to the fact that, as aforementioned, group-owned enterprises are often owned by relatively larger entities such as cooperatives and societies.

Table 8: Distribution of Women-led Enterprises per Number of Workers and Start-up Capital

Ownership	Employment Size	Governorate			Total
		East Jerusalem	Bethlehem	Hebron	
Individually owned enterprises	1-4	79.4%	97.4%	96.6%	97.4%
	5+	2.6%	2.6%	3.4%	2.6%
	Total	100.0%	100.0%	100.0%	100.0%
Group-owned enterprises	1-4	60%	66.7%	50.0%	60.0%
	5+	40%	33.3%	50.0%	40.0%
	Total	100.0%	100.0%	100.0%	100.0%

The participants in the focus group in East Jerusalem explained that they resort to micro- and small-sized projects due to lack of other opportunities, whether governmental or private sector jobs, and mainly to generate a self-earned source of income. Small and micro enterprises represent a good opportunity for women in such circumstances, given that they do not require high initial investments: the project's size will correspond to the amount of financing the owner secures, occasionally also through loans and grants. Lastly, the participants indicated that owners are not inclined to start projects that require a lot of visibility and marketing, also because of the high associated costs, such as taxes.

As can be observed from Table 9, the majority of the surveyed employees in the individually and group led enterprises are female. Most employees were found to be family members of the owners.

Table 9: Distribution of Enterprises by Sex of Employee

	Percentage Distribution		Total
	Male	Female	
Individually owned enterprises	27.6	72.4	100.0
Group-owned enterprises	3.9	96.1	100.0
All	16.0	84.0	100.0

Importantly, all of the owners indicated that they are the main decision makers regarding both strategic and tactical aspects of business management. Therefore, the success and resilience of the enterprise will also depend on the owner's capacity and qualifications in such aspects. This indicates that addressing current skill gaps of the business owners would directly impact the chances of success of the enterprise.

6.3.4 Registration Status

Generally, Palestinian owners of micro and small businesses do not register their enterprises, to avoid the burden of high taxes and fees. In this study, too, only 7.5% of all surveyed enterprises were found to be registered with official institutions while 92.5% are not registered anywhere. The results are shown in Table 10. This indicates that most of the enterprises operate in the informal economy. In terms of the registration body, only one fifth of the 7.5% registered enterprises are registered with the tax authorities; while up to a half are registered with the Chamber of Commerce and/or relevant ministries.

Table 10: Percentage Distribution of Enterprises by Registration Status

	Governorate			
	East Jerusalem	Bethlehem	Hebron	All
Registered	8.5	3.2	11.2	7.5
Not Registered	91.5	96.8	88.8	92.5
TOTAL	100	100	100	100

In the East Jerusalem focus group, the participants again emphasized that owners tend to operate small enterprises in the informal sector due to the high costs of the official registration with Israeli related authorities. Some participants, however, pointed out that there are advantages to registration; it allows for more marketing opportunities and protects the project against being prosecuted by governmental authorities. Similarly, participants in the Bethlehem focus group cited the same reasoning for avoiding official registration. For cooperatives-owned enterprises, the participants indicated that marketing their products requires a separate registration of each product another administrative requirements such as budgeting, accountancy, etc. Nonetheless, they mentioned some benefits for official registration, such as: wider recognition in the sector; facilitating marketing and dealings opportunities with other parties that require official documentation; and more funding opportunities. The participants in the Hebron focus group added that official registration protects cooperatives products in the market, as well as improves the overall quality of the products by, for example, consumer and producer protection bodies. Moreover, the Hebron focus group alluded to the increased access to training programs provided by trade associations and unions, and the exposure to and marketing opportunities gained by attending trade exhibitions and bazars. Nevertheless, despite the recognition of the benefits of official registration, most owners are greatly affected by the loss in the immediate profit margin because of official registration.

Enterprise Registration Requirements in Palestine

Enterprise registration requirements for a small company, include:

- Submitting company name using prescribed verification forms to obtain approval.
- Submitting three copies of the company's registration form signed by the partners in the presence of the Companies' Controller or a public notary.
- Submitting three copies of the company's By-laws prepared by an accredited attorney registered at the Palestinian Advocate Syndicate, and signed by the partners.
- Submitting copies of the shareholders' identity cards and an attorney's proxy.

The registration fees include:

- NIS 493 Registration fees.
- NIS 87 for verification of the company's name.
- NIS 84 per partner when signing in the presence of the Companies Controller.
- Lawyer's fees.
- Annual renewal fees: NIS 110

These are the initial registration fees. However, any legally registered enterprise is then required to submit VAT payments on a monthly basis, maintain the enterprise's balance sheets and income statements, pay the company income tax, submit the personal income deductions for the owner and the employees, and other fees such as the annual profession practice fees.

For more information about registration in different ministries, it's recommended to visit the below links:

Ministry of Finance and Planning: <http://eportal.gov.ps/index.php/serviceDetails/191>

Cooperative Working Agency: <http://www.cwa.pna.ps/uploads/LAWS/16030137382.pdf>

Ministry of Interior: https://info.wafa.ps/ar_page.aspx?id=2286

Ministry of National Economy: <http://eservices.mne.gov.ps/compreg.aspx?lng=2&tabindex=100>

6.3.5 Enterprise Location

The study findings show that 93.6% of the surveyed enterprises were located in the same locality where the owner resides, either in the same household or in the vicinity. The results are shown in Table 11. These findings suggest the tendency of women-led enterprises to be family-oriented and the preference for the women, either by their choice or because of external pressure, to work near their households. This was confirmed by participants in the East Jerusalem focus group, who explained that family and community pressure compel women entrepreneurs to work in the vicinity of their residences.

Table 11: Percentage Distribution of Enterprises by Location

Project location	East Jerusalem	Bethlehem	Hebron	All
Inside the family housing unit	82.2%	41.3%	65.0%	59.5%
Near family housing unit in the same locality	11.1%	53.8%	27.5%	34.1%
Outside the locality	4.4%	5.0%	1.3%	3.4%
Other	2.2%		6.3%	2.9%
TOTAL	100	100	100	100

6.3.6 Start-up Capital

The survey findings show that the average start-up capital was USD 2,142 for individually owned enterprises, and USD 6,875 for group owned enterprises. Noticeably, most individually owned enterprises started with a capital of less than USD 3,000. Table 12 displays the full breakdown by governorate and start-up capital bracket.

Table 12: Percentage Distribution of Enterprises by the Start-up Capital (USD)

Start-up capital in USD	Governorate						All	
	East Jerusalem		Bethlehem		Hebron			
	Individual-ly owned	Group-owned	Individual-ly owned	Group-owned	Individual-ly owned	Group-owned	Individual-ly owned	Group-owned
Less than 1,000	48.6	-	48.9	23.1	76.2	50.0	61.3	29.2
3,000 1,000-	35.1	-	31.8	30.8	8.6	-	21.7	16.7
More than 3,000	16.2	100.0	19.3	46.2	15.2	50.0	17.0	54.2
TOTAL	100	100	100	100	100	100	100	100
Mean	2,082.00\$	5,500.00\$	3,027.00\$	8,250.00\$	1,398.00\$	9,762.00\$	2,142.00\$	6,875.00\$

With respect to source of funding for the start-up capital, the survey findings shows that 61.8% of the owners financed the initial capital with their savings, 17.2% through grants (the ratio is much higher in East Jerusalem, reaching the 43.3% of surveyed enterprises), and only 8.8% through loans of MFI, as shown in Table 13.

Table 13: Percentage Distribution of Enterprises by Financing of Start-up Capital

Source of Financing	East Jerusalem	Bethlehem	Hebron	All
Personal savings	38.6	5.67	68.8	8.61
Mortgage/Sale of assets	-	3.1	-	0.5
Loan/Debt from family or friends	2.3	1.3	20.0	8.8
MFI's loan from local institutions	-	1.3	2.5	1.5
Bank loans	2.3	-	-	0.5
Grants	43.3	15.0	5.0	17.2
Partnership arrangements	-	-	-	-
Other	13.6	8.13	308	9.8
TOTAL	100	100	100	100

The sources for the financing of the enterprises also reflect the small-sized, sustenance, and 'social nature' of women-led enterprises. In this sense, the success of the enterprises can be also seen as highly dependent on the owner's social network. Familial and personal relations are means to find customers, suppliers, information, access to technology, and other aspects.

6.3.7 Growth of the Enterprises

As indicated above, the start-up capital of the surveyed enterprises was modest in most cases. However, the findings show that the capital increased in the period after the business' establishment, as shown in Table 14 below. Compared to the average start-up capital, the average current valuation of capital was found to be significantly higher, reaching to about two times the start-up capital. This indicates an upward trend for women-led enterprises in the observed period.

Table 14: Average Growth Rates on Start-up Capital of Enterprises

Establishment capital	of enterprises %						All	
	East Jerusalem		Bethlehem		Hebron			
	Individually owned enterprise	Group-owned enterprise	Individually owned enterprise	Group-owned enterprise	Individually owned enterprise	Group-owned enterprise	Individually owned enterprise	Group-owned enterprise
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Start-up Capital	2,082.00\$	5,500.00\$	3,027.00\$	8,250.00\$	1,398.00\$	9,762.00\$	2,142.00\$	6,875.00\$
Current Capital	3,540.00\$	10,000.00\$	5,619.00\$	14,000.00\$	2,977.00\$	4,545.00\$	4,382.00\$	10,636.00\$

6.3.8 Growth Potential and Loan Financing

Regarding the willingness of the enterprises' owners to expand their businesses, the survey findings show that the vast majority is willing to continue and extend the operations Table 15 provides the full overview regarding the intent of the owners.

Table 15: Percentage Distribution of Enterprises by Intent to Expand Operations

Intent for growing project	East Jerusalem	Bethlehem	Hebron	All
Yes, will expand it in the near future	100.0	75.0	83.3	83.8
No, because of insufficient funds	-	22.5	6.3	11.3
No, because of low sales	-	1.3	1.3	1.0
Other reason	-	1.3	8.8	3.9
Total	100	100	100	100

In regard to access to loans, the findings show that almost none of the owners received any loans. Only a small minority (2.5%) got a loan at some point during their business operations. This could be reflective of the risk aversion exhibited by the owners, but also of complicated loan terms that could deter/prevent the entrepreneurs from requesting loans. The following Table 16 presents the full breakdown.

Table 16: Percentage Distribution of Enterprises by Being Loan-Financed at Some Point

Received a loan in the past	East Jerusalem	Bethlehem	Hebron	All
Yes	2.3	-	5.0	2.5
No	97.7	100.0	95.0	97.5
Total	100	100	100	100

When asked whether they would be willing to get a loan to further develop their enterprises, most of the owners stated that they would be reluctant. Only 19.7% of the owners stated their willingness to take a loan, if terms were conducive enough. The results are shown below in Table 17.

Table 17: Percentage Distribution of Enterprises by Owner's Willingness to Get a Loan

Willingness to take out a loan	Governorate			Total
	East Jerusalem	Bethlehem	Hebron	
Yes, without preconditions	4.7%	3.8%	2.5%	3.4%
Yes, if the loan conditions are acceptable	7.0%	10.5%	22.5%	16.3%
Not at all	88.4%	81.3%	75.0%	80.3%
Total	100.0%	100.0%	100.0%	100.0%

Focusing only on the group who would not take a loan, these owners provided two main reasons: either religious reasons (49.4%), or the lack of household assets to serve as collateral (22.6%). The rest of the reasons are listed in Table 18 below.

Table 18: Percentage Distribution of Unwilling Enterprises to Take Out Loans by Reason

Reason for not getting a loans	East Jeru- salem	Bethlehem	Hebron	All
1. No source for the loan			1.7%	0.6%
2. Religious reasons	51.3%	58.5%	38.3%	49.4%
4. Tough loan terms	7.7%	9.2%	13.3%	10.4%
5. No collaterals	7.7%	16.9%	38.3%	22.6%
6. No political/economical stability	5.1%	10.8%	6.7%	7.9%
7. Sufficiency of financing by family as- sets	5.1%	1.5%		1.8%
8. Financing by borrowing from rela- tives/ friends		3.1%		1.2%
Total	100	100	100	100

6.3.9 Attunement to Social Issues

A “social enterprise” is understood for the purpose of this research as a non-loss, non-dividend company, created and designed to address social problems and which profits are reinvested in the enterprise itself or used to start other social businesses, with the aim of increasing social impact.

It is not easy to determine the percentage of social enterprises among the total of enterprises assessed, considering that the majority of the individually owned enterprises have the potential and are established by the women owners with the clear objective of contributing, through the profit gained, to an improvement of the socio-economic conditions of the entrepreneur and of her household.

The enterprises’ attunement to social issues and social impact was thus measured by analyzing aspects such as promoting entrepreneurial solutions that address social or environmental problems; empowering disadvantaged persons to initiate their own businesses or providing them with work opportunities; providing financial and other forms of support to struggling enterprises to help them remain viable, and others.

In order to capture the above aspects, each enterprise owner was asked to confirm whether they perceive their business to be engaged in social enterprising; if they did confirm, the owners were then asked to provide concrete examples for such activities/dimensions having an impact on the social level. This follow-up question addressed whether the owners merely the perception of had being active in social enterprising, or the businesses did in fact administer concrete activities related to social enterprising. Table 19 details the distribution of Enterprises by Engagement in Social Enterprising Activities, as stated by the owners.

Table 19: Distribution of Enterprises by Engagement in Social Enterprising Activities

Social enterprising activities	Individually owned enterprise		Group-owned enterprise	
	Percentage that asserted engagement in social enterprising	Percentage that provided details of concrete activities attuned to social enterprising	Percentage that asserted engagement in social enterprising	Percentage that provided details of concrete activities attuned to social enterprising
Engagement in tackling /addressing social problems	81.8%	1.9%	91.5%	17.5%
Engagement in tackling / addressing environmental problems	14.3%	26.7%	46.8%	55.0%
Business innovation	29.9%	18.9%	57.4%	12.5%
Employing marginalized groups	9.9%	41.9%	78.7%	58.8%
Encouraging marginalized groups to start projects	35.5%	2.7%	63.8%	4.0%
Technical or material support to struggling businesses	3.9%	27.3%	17.0%	37.5%
Reinvestment of profits in order to provide social services	7.5%	9.5%	27.7%	40.0%
Reinvestment of profits into business expansion	32.2%	81.9%	48.9%	81.8%
Interest in opening new business projects aiming at social purposes	5.4%	23.1%	40.4%	47.1%

The results indicate that there is a discrepancy between the owners' perception of undertaking social enterprising activities, and the number of enterprises actually implementing concrete activities towards that end. As can be observed in the above table, 81.8% of the individually owned enterprises reported their perception that the business projects addressed social problems. However, when asked to describe examples of concrete activities / methods adopted by their enterprises for addressing social issues, only 1.9% provided concrete examples (such as employing people with disabilities, providing training or other forms of support to disadvantaged women through their businesses). The remaining owners actually considered the improvement of their own socio-economic situation, being more able to support their families with the profits gained through their businesses as the intended social impact of the business.

Within the group-owned projects, on the other hand, 91.5% of the enterprises reported that the business addressed social problems, and 17.5% mentioned actual activities or impact. The percentage of owners that provided concrete examples of their social enterprising is expectedly higher for group-owned enterprises, given that several of these businesses were originally established with the precise scope of achieving/contributing to social benefits and empower the involved women. Full detail on the diverse positive and negative perceived impact of entrepreneurship on the women owners and their relational networks, both for individual and group businesses, is provided in section 6.4.

Another example of the discrepancy mentioned above between perception / effective engagement in social entrepreneurship-related dimensions concerns the environmental aspects. About 14.3% of the individual owners indicated that they tackled environmental problems as part of their enterprises' activities, but only a quarter of this

group (26.7%) then provided concrete examples. This reflects the fact that some enterprises actually involve recycling, use organic materials or produce natural products, thus are considered having an environmentally positive engagement, even if these may not be the main purposes of the business.

It is interesting to note that a third of the owners (32.2%) indicated that they reinvest their profits into business expansion. Within this group, a large majority (81.9%) was also able to provide concrete examples on their reinvestments into business expansion. This – while being a normal aspect of business management – emerged as one of the most relevant aspects attuning to social enterprising, as conceived by the owners.

In the focus groups, the participants discussed the potential (and the actual impact of) women-led enterprises towards social enterprising. In the East Jerusalem focus group, the participants alluded to the independency that the enterprises afford the women owners, which contributes to raising their self-confidence, and improving their families' living conditions. Women-led enterprises, they added, can provide employment opportunities for marginalized groups such as students and poor women. In East Jerusalem in particular, some of the participants thought that women in East Jerusalem often develop their leadership and creativity skills due to the challenging circumstances they are continuously confronted with, either induced by social problems or by the pressure of living under the authority of Israel. Focusing on the existing/potential positive environmental impact of their businesses, the participants provided examples such as reshaping plastics and cardboards into art objects, remodeling household items into other artifacts, and refurbishing old clothes. As examples related to business innovation practices, the participants pointed out that the women-led projects reduce costs significantly since they are typically located inside or the vicinity of households, using household appliances instead of specialized tools. Moreover, they often use simple materials or buy materials in bulk. Lastly, they added that in their perception the impact of establishing the enterprises on the owners and their families in itself constitutes a significant positive effect, thus it can be related to social enterprising.

The participants in the Bethlehem focus virtually agreed with the points made in the East Jerusalem group. Regarding the impact of the enterprises on the owners, the participants added that providing increased stability in terms of income and living circumstance to the women owners, and their families, reflects positively on the stability and productivity of the community at large. The enterprises are described as the space for the women to develop their characters and achieve self-actualization. About social enterprising related to environmental aspects, the participants in this group pointed out that women-led enterprises of the type addressed in this study tend to be environmentally friendly, given they are typically of a small size and active in agriculture and, food processing realized with minimum use of chemicals and polluting agents, or projects that involve recycling available materials. Moreover, they mentioned that often such enterprises require and/or adopt sustainable and unarmful materials, packaging, and even unarmful waste. Participants who are active in cooperatives, in particular, shared that the agricultural women-led enterprises often resort to locally available, and more environment- friendly materials for their infrastructures.

Lastly, the Hebron focus groups also emphasized the view that the positive economic impact and personal empowerment effects of the women-led enterprises constituted the most relevant social impact of these businesses at individual and society level. The participants in this group underlined in particular the financial and social independence such enterprises afford the owners and their families. They also mentioned the positive impact in terms of interacting with persons outside the family circle, participating in household decisions, networking with other owners and entrepreneurs, and employment of other women at their enterprises. Finally, similarly to what already stated in the other focus groups, the participants mentioned that women-led enterprises are impactful in terms of environmental issues given that recycling of materials is a typical activity for several of them.

6.3.10 Support Provided to Enterprises

As visible in table 20 below, a relatively low portion (17.6%) of the total surveyed enterprises resulted having received any kind of external support, such as material or guidance services. Examples of such external support services/forms are mentioned in section 6, on stakeholders mapping.

Table 20: Percentage of Enterprises that Received Some Sort of Support, according to owners

Received Support	Percentage
Yes	17.6
No	82.4
Total	100

However, 50.5% of the owners indicated they had received some type of training or capacity building, as shown in 21.

Table 21: Percentage of Enterprises that Received Some Sort of Training

Received Training	East Jerusalem	Bethlehem	Hebron	All
Yes	65.9%	41.3%	51.2%	50.5%
No	34.1%	58.8%	48.8%	49.5%
Total	100	100	100	100

Table 22 lists the topics of the received trainings, as described by the interviewed owners. About one third of the respondents received training in the area of business skills; Followed by training in technical fields such as food processing, agriculture and farming beauty care, embroidery, and others.

Table 22: Training Topics Undertaken by the Enterprises

Topic	Percentage of Enterprises
Business skills (e.g. Project management, marketing, leadership, entrepreneurship, communication, accounting, finance, business planning, etc.)	34
Food processing	23.8
Plant and livestock production	15.0
Wood recycling and carpentry	1.4%
Beauty and personal care	11.1
Embroidery and sewing	7.5
Media and digital marketing	3.3
First aid	1.3
Photography	0.7
Hygiene related issues	2.6
Total	100.0

The survey shows that the large majority of the owners who received some sort of training, irrespectively of the topic, assessed the training positively, as showed in table 23 below:

Table 23: Owners Assessments of Received Training

Assessment	East Jerusalem	Bethlehem	Hebron	All
Excellent	65.5%	84.8%	73.2%	74.8%
Good	24.1%	15.2%	14.6%	17.5%
Satisfactory	10.3%		9.8%	6.8%
Don't know/recall	-	-	2.4%	1.0%
Total	100	100	100	100

6.3.11 Self-Assessment of Needs

The owners of the enterprises were asked to assess their businesses' current needs in all aspects, other than financial services. The vast majority, about 79%, confirmed at least one need related to the operation and sustainability of their enterprises. The percentages by region are listed in 24:

Table 24: Percentage of Owners who stated at least one business' need

Perceived Need	East Jerusalem	Bethlehem	Hebron	All
Yes	29.6	83.2	93.5	78.6
No	70.4	16.8	6.5	21.4
Total	100	100	100	100

6.3.12 Enterprise Decision Making Process

This subsection addresses the decision-making process within the enterprises, that reflects on the extent to which the woman entrepreneur perceives to be involved and in control of the enterprise. In this respect, most of the owners stated that they are actively engaged in the various decision-making processes on a business level, as highlighted in the table 25:

Table 25: Enterprise decision making processes' ownership

Enterprise management aspects	Decision maker				
	Owner	Male relative (Husband/father/brother)	Owner, conditional on approval of male relative	One or a team from the ownership group	Other
General Management of enterprise	92.2%	5.4%		2.4%	
Obtainment of raw materials	76.6%	12.7%	3.9%	1.4%	4.4%
Selling products/services	81.5%	9.3%	4.9%	2.4%	2.0%
Financial management	79.5%	10.7%	6.3%	2.4%	1.0%
Employee recruitment	19.1%	1.0%		2.0%	All proj-) 77.5% ects that do not require employ- (ees

6.4 Enterprise Impact: Personal and Social

The survey also examined specific indicators related to the impact of leading a business enterprise on the women owners. The study sought to measure, for example, the extent to which the owners were empowered to actively participate in economic, social and public lives as business leaders. These indicators cover both the direct, personal impact on the owners and their families, as well as community-wide social impact.

6.4.1 Owners Empowerment

When asked to reflect on the impact leading the enterprises has had on them and their family relations and dynamics, the survey findings indicate strong evidence that the owners experienced positive developments in terms of personal empowerment. A majority of the surveyed owners confirmed a change in their status in the family. For instance, more than 62.3% of the women reported that after starting their businesses, they had more freedom in leaving home without the permission of their husbands, brothers, or fathers. Further, 74.5% reported stronger participation in controlling their households' assets. These and the other aspects listed in below Table reflect an important change in the women entrepreneurs' position within the family relational and power dynamics; they also mentioned feeling more respected and appreciated by their family' members, as a consequence of leading business projects. Table 26 summarizes the different changes reported by the owners.

Table 26: Impact of Enterprises on the Personal and Familial Levels

Aspect in question	Degree of Effect					Total
	Major	Small	No effect	Could not evaluate	Does not apply	
More freedom in leaving home without permission of husband/brother/father	62.3%	10.8	26.0	0.0	1.0	100%
Stronger participation in controlling household assets	62.7	11.8	25.0	0.5	-	100%
Control of own income from the project and other sources without permission of husband/brother/father	47.1	24.5	26.5	0.0	2.0	100%
Purchase own needs freely	73.2	18.6	7.8	0.0	0.0	100%
Contributing to household needs without impediments from the husband/brother/father	67.2	21.6	9.8	0.0	1.5	100%
Increased ability to get healthcare when needed without impediments from the husband/brother/father	66.7	21.6	10.3	0.0	1.5	100%
Stronger participation in decisions regarding the children's education	48.0	11.7	28.9	0.3	11.3	100%
Enhanced ability to secure the health services for household's members	37.7	21.6	39.7	0.0	1.5	100%
Enhanced ability to equally decide on family (planning (e.g. birth control	17.2	11.8	48.0	0.0	23.0	100%
Becoming a core member of the family	42.6	13.2	43.1	0.0	1.0	100%

6.4.2 Male Participation in Housekeeping

On the other hand, the survey findings indicate modest changes in male participation in housekeeping and childcare, as reported by the owners, in relation to the engagement of the women in entrepreneurship and business management. The following Table 27 lists the results.

Table 27: Impact on Male Participation in Housekeeping and Childcare

Aspect in question	Degree of Effect					Total
	Major	Small	No effect	Could not evaluate	Does not apply	
Increased participation of male family members in housekeeping and childcare	21.6	23.5	41.7	0.0	13.2	100
Increased participation of male family members in children's schoolwork	20.1	19.6	39.2	0.0	21.1	100

6.4.3 Changes in Domestic Violence

Many of the surveyed women reported no effect on the domestic violence they suffered at home. Only a minority of less than 11% reported a degree of improvement in this regard as a consequence of starting/operating a business. Significant portion of the surveyed owners, close to half, indicated that these aspects do not apply to their household, since they did not encounter violent behavior even before establishing the business project. Of course, it remains possible that a part of the owners that indicated they had not suffered any violence may have indeed encountered violence but chose not to disclose what can be considered sensitive information. The results are displayed in Table 28.

Table 28: Impact on Domestic Violence

Aspect in question	Degree of Effect					Total
	Major	Small	No effect	Could not evaluate	Does not apply	
Decrease in verbal violence	6.4	4.9	43.6	0.5	44.6	100
Decrease in psychological violence	5.4	5.4	43.6	0.5	45.1	100
Decrease in physical violence	5.4	5.9	42.6	0.5	45.6	100

6.4.4 Psychological Empowerment

The greatest perceived positive changes reported by the owners pertained to the women's self-assessment of personal development as a result of undertaking the business leadership. The overwhelming majority (95%) of the owners reported increased self-confidence, and a similar portion (90%) started to feel safer. A majority of the owners also indicated that they had begun to deal more freely with non-family males outside the household, signaling a break from some traditional norms. Moreover, 90% of the owners indicated a strengthened belief in women's right to work. Table 29 lists the full results.

Table 29: Impact on the Psychological Level

Aspects in question	Degree of Effect					Total
	Major	Small	No effect	Could not evaluate	Does not apply	
Enhanced self-confidence and self-actualization	95.1	2.9	2.0	0	0.0	100
Improved spirits, and feeling safe	90.7	5.9	3.4	0.0	0.0	100
Break the traditions to deal with males from outside the house	81.9	12.3	5.9	0.0	0.0	100
Courage to make decisions	82.8	13.2	3.9	0.0	0.0	100
Self-pride as a result of leading the project	91.2	6.2	2.5	0.0	0.0	100
Belief that other women are inspired to follow same path	79.4	16.2	3.4	1.0	0.0	100
Increased participation in training and professional development activities	49.0	13.7	31.4	0.0	5.9	100
Return to/continuing education	21.6	11.8	53.9	4.4	8.3	100
Belief in women's right to work	90.2	5.9	3.9	0.0	0.0	100

6.5 Challenges Facing Women-Led Enterprises

The survey findings show that most of the owners faced challenges on multiple levels including social, personal, economic, political, legal and business-related challenges. On the other hand, a significant portion of the owners emphasized positive factors. The following subsections details these aspects.

6.5.1 Social and Personal Factors

Table 30 summarizes the qualitative challenges and the positive impact related to the social aspects and the environment in which the owners live and lead their businesses. Generally, the owners experienced a positive impact in terms of personal development and self-actualization. The challenges, on the other hand, mostly revolve around the social and personal pressure against starting and leading a business.

Table 30: Impact and Challenges Related to Personal and Social Factors

Social and Personal Factors
<p>Positive Impact</p> <p>1. Personal development</p> <ul style="list-style-type: none"> • Self-confidence, self-esteem, independence, and imposing oneself in social situations • Motivation and dedication towards own (business) goals <ul style="list-style-type: none"> ◦ Including drive to prove oneself in the community • Social recognition by community members <ul style="list-style-type: none"> ◦ Especially for businesses that fulfil specific and rarely available needs • Sense of belonging to the local community • Social connections and development of social intelligence • Providing for one's family <ul style="list-style-type: none"> ◦ In certain cases, the owners were forced to establish their businesses following death of their spouse • Generally, highlighting women's social standing and roles • A sense of achievement, and freedom • A general feeling of safety and stability
<p>Challenges</p> <p>1. Social perceptions and norms</p> <ul style="list-style-type: none"> • Negligence of women's potential and labor • Condescending attitude towards women, including from other women (such as business competitors) • Stigmatizing higher-education degree holders for working in crafts and other types of pursuits outside their specialization • Objection and doubts about establishing a project, either from male family members or community at large • Inactive local women's center • Condescending attitude towards owners with disabilities • Objection to working by family members • Lack of spousal support <p>2. Personal development</p> <ul style="list-style-type: none"> • Difficulties in running businesses for reserved/reticent owners • Lack of self-confidence, and self-doubts • Making decisions to please others' wishes, at the expense of one's (and family's) wellbeing • Being forced into establishing the business because of dire personal and familial circumstances <ul style="list-style-type: none"> ◦ Such as the injury of providers/breadwinners • Psychological pressures and mental fatigue <p>3. COVID-19-specific challenges</p> <ul style="list-style-type: none"> • Lockdown disruptions <ul style="list-style-type: none"> ◦ For example, disruption of daycare, and home catering businesses

6.5.2 Economic, Legal, and Political Factors

Table 31 summarizes the challenges and the positive impact reported by the owners related to economic, legal, and political factors.

Table 31: Impact and Challenges Related to Economic, Legal, and Political Factors

Economic, Legal, and Political Factors
<p>Positive Impact</p> <p>1. Economic</p> <ul style="list-style-type: none"> • Upswing in certain markets for producers <ul style="list-style-type: none"> ◦ For example, there was a rise in vegetable prices for a period, increasing revenues ◦ Another example is the high demand on natural and harvested honey • Generating own income and supporting family • Growth in e-commerce and e-marketing, which could help small business in cutting some costs • Receiving support: either material support in the form of grants or scholarships, or other forms such as access to training and skill development programs or access to exhibitions and fairs <ul style="list-style-type: none"> ◦ As an example for trade exhibitions, some owners cited Chamber of Commerce' sponsored exhibitions <p>2. Legal</p> <ul style="list-style-type: none"> • Tax exemptions to certain entities, such as cooperatives • Promote employment in formal sectors in registered businesses <ul style="list-style-type: none"> ◦ As opposed to labor in the informal sector without any protections <p>3. Political</p> <ul style="list-style-type: none"> • Support the resilience of Palestinian residents, who live in marginalized areas, and areas targeted with arbitrary and repressive Israeli measures • Support Palestinian traditional industries and crafts • Business owners can apply to obtain permits to access East Jerusalem • Fostering the sense of belonging and commitment to the local and wider community
<p>Challenges</p> <p>1. Economic</p> <ul style="list-style-type: none"> • Financing the project, especially dedicating budgets for business growth <ul style="list-style-type: none"> ◦ This includes owners with modest, and in some cases severely so, financial capabilities ◦ Increasingly expensive inputs: such as animal fodder • Upgrading machinery and tools <ul style="list-style-type: none"> ◦ For example, obtaining a modern sewing machine • Licensing, registration, and all other costs necessary for running businesses <ul style="list-style-type: none"> ◦ For example, expensive annual licensing • Long distances to municipalities, local governing unity, and generally governmental bodies <p>2. The economic crisis related to the COVID-19 pandemic</p> <ul style="list-style-type: none"> • Extreme losses due to decreased demand and revenues • Inaccessibility to certain markets due to the lockdown <p>3. Political</p> <ul style="list-style-type: none"> • Some businesses are located near settlements, which makes them subject to harassment and aggressions without clear recourse • The unpredictability of travel and transportation arrangements due to checkpoints system

6.5.3 Business skills

Table 32 provides the comprehensive list of identified positive effects and challenges as related to the business skills aspect of the surveyed enterprises. Overall, aside from affording to the women entrepreneurs an independent source of income, the experiences of leading the businesses allowed the owners to develop their basic business skills over time. As mentioned by some owners, these skills were beneficial in non-business contexts as well.

Table 32: Impact and Challenges Related to Business Skills Factors

Business Skills Factors
Positive Impact
<p>1. Business and professional development</p> <ul style="list-style-type: none"> • Ability to establish a reputable business • Benefiting from educational background <ul style="list-style-type: none"> o For example, IT majors could easily transition to working remotely during lockdown o Another example, ability to archive documents helped certain owners operating libraries • Networking: Connecting with new people with diversified educational and work backgrounds • Receiving the support of local and international organizations, either social or material support • Skills development as a result of undergoing available training programs and workshops • Resilience in facing difficult and uncertain circumstances • Exploiting available time in productive activities • Development of entrepreneurial skills, as well as know-how and expertise <ul style="list-style-type: none"> o Experience to devise business models and implement them o Improved financial management skills as owners accrue experience o Improved communication skills o Improved decision making skills • The ability to identify current deficiencies/opportunities and take initiatives to address these gaps <ul style="list-style-type: none"> o A number of owners reported that they signed up for different courses addressing certain skills to develop their businesses • As aforementioned, growth in e-commerce and e-marketing, which could cut costs for small businesses
Challenges
<p>1. Business challenges</p> <ul style="list-style-type: none"> • Persuading customers This includes owners with modest, and in some cases severely so, financial capabilities • Finding suitable and affordable workplaces Upgrading machinery and tools <ul style="list-style-type: none"> o Especially for household-operated business, where the living space is reduced in order to accommodate the business o No storage area • Long hours and dedication <ul style="list-style-type: none"> o Resulting in challenges to childcare and family planning; leaving children alone for long hours • Limited time to focus on business growth and development • Harsh working conditions <ul style="list-style-type: none"> o Some owners work as herders, requiring a considerable physical toll • Limited financial resources to manage material and workflow • For smaller and nascent projects, the owners expressed their need for more experience to succeed • Skills gaps due to inexperience, or other factors

- o Poor business management skills
- o Poor financial management skills and know-how
- o Undeveloped marketing skills
- o Accountancy problems since most owners have small businesses, and many of them avoid hiring a specialized accountant.
- Poor business performance
 - o Due to external factors, such as competition
 - o Due to internal factors, such as poor skills
- Instability of the business and lack of a general business plan
- The challenging process to actualize the business from an idea to an established business
- 2. Challenges Specific to the COVID-19 Pandemic**
- Poor skills in integrating digital and online tools into business, which became vital in light of the prolonged lockdowns during the pandemic
 - o need for training in marketing their products online on the different platforms and in communicating with the customers to follow up on orders
- Disruption of supply chains due to the lockdowns worldwide
 - o This includes the halting of traveling to many countries

The focus group discussions were asked to consider and further elaborate on the negative factors/challenges and positive factors/impact summarized in the sections above.

In the **East Jerusalem focus group**, the participants reflected on the factors they perceive as being behind the success of a business. A large group stated that a business's success chances would highly depend on the working capital. Others added that management practices would be the foundational skill necessary for a successful business. Ineffective management would lead to failure, no matter the available resources. Another group of participants, however, disagreed that the financial leverage constitutes the key to success, but rather considered the quality and lower production costs to be the key factors for success. All participants, however, agreed on marketing being another essential factor for the success of their businesses. This includes the possibility of networking with organizations and individuals, and effective communication skills. In this regard, the participants added that women owners face a bigger challenge in marketing their products if they are intimidated or repressed by societal norms. The fourth factor mentioned in the session was the ability of the owner to conduct proper cost analysis. The participants provided that this is usually a challenging task, which would cause failure to small businesses if not done properly. Lastly, regarding group-owned projects, participants with experience in group-owned businesses emphasized that effective management is the essential factor for success, entailing efficient delegation of tasks and decision-making processes, with minimal conflict between the partners, and mechanisms to solve disagreements when they arise.

The participants in **Bethlehem focus group** cited the same main factors, including viable production costs, and good management that is able to implement a systematic business model. The Bethlehem group also specifically alluded to the importance of earning and increasing the confidence of their existent and prospective customers. For small businesses, the best strategy was mentioned as focusing the marketing of products on their quality, to build and maintain customers' confidence. Importantly, moreover, the group discussed the costs analysis as the most common problem as the owners face difficulties in systematically understanding the changes in the profit margin in response to volatile inputs prices and sales; since small businesses typically face limited financial leverage, then the calculation of the actual costs relative to the realistic expected sales becomes crucial.

In the **Hebron focus group**, the participants stated that in their view the founding capital in many cases is not the main obstacle for establishing the type of enterprise they manage. For such micro and small enterprises, the owners majorly rely on existing capital and tools, and mostly manual labor to jumpstart their businesses. As examples, the participants mentioned food catering and embroidery as businesses that do not require substantial initial investment. Further, the participants alluded to the importance of the management of these business in stabilizing the business model and securing enough income for the businesses to stay afloat and grow. It is the deficiency in these management respects, in their opinions, that would cause many businesses to fail. However, the participants emphasized that the most critical success factor remains to be marketing. They considered marketing to be challenging considering that it involves several aspects such as: client outreach, market needs assessment, promoting products, quality differentiation, and

appropriate pricing. The participants particularly focused on pricing and cost analysis as a major deficiency for the women owners.

Success Story: Mrs. H., 52 years old, married, completed her secondary education and established a women's cooperative that started with agricultural and food processing courses for 20 women. The cooperative worked in food processing (grape products, grape molasses, raisins, couscous, **mlukhieh**, apple .(cider vinegar and pastries, pickles and all types of jams

The return from the cooperative is used to fund the members and they bought a land to build the headquarters of the cooperative. Overtime they received some support, such as equipment and machines for food production. The impact of such assistance was good but insufficient to reach the overall cooperative' aims and goals. It still needs a lot of work to achieve those aims, but in general, the assistance has contributed to raise the level of income, increase the amount and quality of production and reduce the efforts, especially thanks to the modern equipment received. The project enabled the cooperative to employ 16 female members. Mrs. H. explained that they have high production capacity but poor marketing.

Huda explained that the cooperative is working on developing it, as the cooperative works according to advanced management techniques and specialized financial management, information management and budget. There is a plan to market products with characteristics that appeal to international markets and export them to new destinations, Arab countries in particular.

In her words, "There is a positive impact. I met many women and worked to strengthen social relations at the cooperative level. Moreover, there is also a lot of networking opportunities with other institutions at the national level".

The cooperative also contributes to boosting women' confidence level and created a social status for others. There are still some social challenges because women working outside the house are not always well accepted, however, there are no problems at this stage.

Mrs. H. hopes the cooperative can receive assistance in marketing their products on the national level.

6.6 Impact of the COVID-19 Pandemic

The economic repercussions of the COVID-19 pandemic became a central issue worldwide. In the course of the study, the interviewed owners were asked to the best of the ability at the time, to list the main obstacles for their businesses that had emerged as a direct effect of the pandemic and the ensuing lockdowns. The results are summarized in the following table:

Table 33: Obstacles related to COVID-19 Pandemic

Type of obstacle/challenge	Of owners who faced obstacles because of COVID-19 pandemic			
	East Jerusalem	Bethlehem	Hebron	All
Not able to market products	69.8%	52.3%	73.2%	64.2%
Disruptions in working capital (unable to pay wages, raw materials, ...)	37.7%	29.2%	80.4%	52.6%
Not able to pay loan installment	5.7%	3.8%	8.0%	5.9%
Loss due to lockdowns	92.5%	41.5%	81.9%	67.3%
Loss due to political conditions	83.0%	20.0%	31.9%	35.5%
Loss to competitors	62.3%	30.0%	36.2%	38.0%
Absence of supervisor	11.3%		7%	2.2%
Lack of experience in dealing with such situation	9.4%	1.5%	3.6%	3.7%
Inability to comply with the legal requirements	15.1%	2.3%	2.9%	4.7%

The surveyed owners were asked to indicate the impact on the overall operation of their businesses of the Covid19-related restrictions to movement, access, travel, operations ect. They cited a set of negative effects, some of them considered permanent. Table 34 below presents the percentage distribution of surveyed women by type of impact that COVID-19 controlling measure had on their businesses and according to locations.

Table 34: Distribution of surveyed enterprises by type of impact due to COVID-19 controlling measures

	East Jerusalem		Bethlehem		Hebron		All	
	Of % affected owners	Of loss %	Of % affected owners	Of loss %	Of % affected owners	Of loss %	Of % affected owners	Of % loss
Decreased total turnover	94.4%	55.36%	61.1%	54.19%	87.0%	65.13%	77.7%	59.85%
Downsizing the number of workers	3.70%		8.40%		8.00%		7.5%	
Inability to meet outstanding obligations	20.40%	51.40%	31.30%	61.05%	31.4%	71.36%	29.5%	92.30%
Halting or hampering of collection of payments	5.60%	15.00%	12.20%	30.00%	38.00%	28.41%	22.0%	30.64%
Deterioration in the enterprise valuation	27.80%	73.00%	7.60%	65.40%	3.60%	73.33%	9.30%	69.73%
Length of time to which the enterprise can remain viable given current restrictions		5.22%		14.47%		2.50%		7.80%
Estimated overall losses		92.18%		51.66%		11.50%		83.53%

The survey findings show that about 78% of the surveyed enterprises witnessed a reduction in total turnover by 60% on an average -the biggest loss was reported in Hebron, with an average of 65%. Furthermore, in terms of labour effects, 7.5% of the surveyed enterprises reported downsizing the number of workers since the start of the pandemic-related lockdowns and measures. Moreover, about 22% of the surveyed enterprises halted or hampered the collection of payments in the same period. These effects were directly reflected on the enterprise's position; about 30% of the enterprises were unable to meet outstanding obligations during this period. More than 9% of the surveyed enterprises also witnessed a deterioration in their valuations according to the owners. In absolute terms, the average reported total accumulated loss up until the time of the survey reached about an average of USD 25,000 per enterprise. Accordingly, the surveyed enterprises reported that they remain viable under current circumstances for 2.5-14 months, with an average of 7.8 months.

The owners provided several reasons behind the losses in income and capital erosion during the pandemic. High fixed costs are one of the main drivers of losses, given the halting of the income stream to cover for these costs. The increased costs of some inputs and commodities due to the increase in transportation costs or fees, and delay in the receipt of inputs/commodities, are other factors. At the same time, suppliers asked for cash-only payments instead of cheques or commercial credit. In addition, they mentioned the costs for newly required hygiene treatments and sterilization processes in the workplace and for the products. All of these problems caused severe cash flow interruptions, especially for micro- and small-sized enterprises.

These results are expected in light of such a pervasive economic crisis locally and worldwide. However, as aforementioned, these economic slumps affect severely micro- and small-sized enterprises, especially so with no governmental support. In fact, the survey findings show that only a handful of the owners received minor support from certain NGOs specifically related to the pandemic, in the form of materials (packages of sanitizers and such). In effect, the losses induced by the pandemic had wiped the gains made by some enterprises over the years back to the survival or breakeven point, to avoid dissolution or liquidation.

When inquired about the non-business-related burdens induced by the pandemic, the owners revealed an added domestic pressure at their household' level, given that most of them are the main housekeepers and children carers.

The prolonged COVID-19 related closures imposed additional burden in terms of housekeeping, and pressure from male family members. Only in a handful of cases, the surveyed owners indicated that their spouses were cooperative during the prolonged periods of remaining at home.

The same aspects were discussed in the focus groups. The participants were asked to reflect on the effects of the pandemic and the future perspectives for their businesses.

Expectedly, there was a consensus across all groups on the negative effect of the pandemic-induced lockdowns and measures. This was especially the case given that the majority of the owners operate their businesses at home and rely on foot traffic for their marketing. Even for enterprises with an order and delivery service, it was difficult to deliver the products, especially in East Jerusalem, due to the prolonged lockdowns and curfews and hefty fines for violations. All these factors expectedly led to the accumulation of all kinds of debt, especially rental debt, and the downsizing of workers.

In the **East Jerusalem focus group**, the participants were also asked to describe some of the recourses, strategies and alternatives they followed in order to cope with the pandemic. Some participants provided that they would store input materials (and other business requirements) for long periods, instead of purchasing these materials/requirements on demand. Going out continuously to purchase these materials was not an option for most enterprises. Moreover, some owners reported that they shifted to the use of materials and/or products with long shelf lives, and the same for production; they would produce products with long shelf lives, and that can be stored (in freezers for example). Some of the owners reported that they took part in online trainings on various business-related topics, which encouraged some to be more creative and innovative in order to adapt their businesses to the circumstances.

Lastly, the owners were asked to specify their current needs in light of the pandemic and the aforementioned effects. Virtually all participants mentioned their need for financial grants to compensate for the losses. Moreover, however, the participants also pointed to providing marketing opportunities - such as exhibitions - to secure orders and increase sales. Others suggested organizing training and coaching sessions on e-marketing, e-commerce, and online tools, since these skills have become essential in light of the pandemic. Further, some participants with catering businesses suggested linking with other organizations, to service their catering needs. These may include nursing homes and provide catering for training sessions.

The participants in the other focus groups echoed similar hardships effects on their businesses under the pandemic. The participants in the **Bethlehem group** first and foremost highlighted the devastation of the tourism sector, a main economic lifeline in the city. Moreover, they provided that because of the financial hardships experienced by the vast majority of people, the owners faced dwindling demand for their products since consumers lowered their consumption on non-essentials. The participants then pointed to some of the measures they had undertaken to face this economic crisis. Several of the owners mentioned that they sold their products on credit to the extent that was possible. Other owners shifted their production towards long-storage products that can last for a prolonged period. Lastly, some owners provided that they reduced cash spending to the most possible extent, to cover essential expenses.

The participants in the **Hebron focus group** highlighted some of the proactive practices they adopted for their businesses in order to mitigate the impact of the pandemic. Several participants resorted to selling their products through online platforms at slightly discounted prices. Others received some in-kind material support from several organization such as the Business Women Forum and CARE. Moreover, one of the main points the participants alluded to is the importance of exposure and marketing channels for their enterprises, in order to secure new customers. One of the participants, for example, provided that she benefited from the exposure she received from an interview with a television channel; following the interview, she established prolonged agreements with several companies. The participants emphasized their utmost need for this kind of technical support, including business management and guidance. One of the ideas proposed by the participants is to set up agreements with municipalities and LGUs to dedicate spaces to market their products. If they were granted such a space, they were willing to complete all other arrangements themselves.

7 Mapping of Main Stakeholders

The discussions conducted by the consultant' team with various stakeholders concerned important institutional and policy mechanisms that directly impact women-led enterprises and more generally SMEs in Palestine. Such mechanisms include legal and regulatory frameworks, provision of financial and business development services, public administration' role, and others. This section presents the policy, institutional, and organizational landscape of the different stakeholders active in the support of women-led enterprises.

7.1 The Regulatory Framework

The regulatory framework is crucial in terms of setting a conducive environment for the business' establishment and growth. Several of the interviewed stakeholders emphasized the inadequacy of the current legal environment in Palestine in terms of supporting SMEs in general and particularly women-led businesses. Not only specific and supportive laws are lacking but entrepreneurs are laden with cumbersome and complicated procedures, which lead most of the small women enterprises to operate within the informal sector. The focus groups conducted with the women entrepreneurs identified the unsupportive, complicate legal and regulatory framework as a major problem. They pointed out that the existing system does not promote business projects' establishment. This perception is exacerbated by the mentioned absence of specific agenda and programs to address deficiencies in the support of SMEs.

7.2 Governmental Bodies

Several line ministries constitute the core bodies responsible for most of the legal and supportive aspects related to SMEs and women-led enterprises. The Ministry of National Economy (MoNE) is responsible for the organization and registration of private enterprises. The Ministry of Labour (MoL) is responsible for the organization and development of cooperatives. The Ministry of Agriculture (MoA) is mandated with all aspects related to the agricultural sector. Moreover, however, various government entities fulfil important and complementary roles in the development and in the strategies pertaining to SMEs generally, and women-led enterprises specifically. The Palestinian Standards Institutions (PSI) for example is another important governmental body that sets the quality standards for products. The Chambers of Commerce deal with the crucial tasks of registration, training, organizing trade exhibitions, providing certificates of origin for exports, and various other. Lastly, other ministries such as the Ministry of Finance, and bodies such as the Palestinian Monetary Authority, have specialized roles that could directly influence the environment confronting women-led enterprises.

In interviews with these stakeholders, many respondents shared their thought that the full recognition of the importance of the SME sector within some of the Palestinian Authority' institutions is limited. The interviews' findings indicate the lack of a support strategy as well as the formulation of appropriate policies and programs to address the current deficiencies. In an interview with the East Jerusalem Governorate, for example, the respondents mentioned the existence of an internal strategy to support small business projects but missing a developed specific implementation and follow up plan.

In the focus groups, the women entrepreneurs were asked their evaluation of the roles and efficacy of various institutions, bodies and organizations in relation to supporting the establishment, management and development of their businesses.

The participants in the East Jerusalem focus group emphasized the peculiarity of their situation as Palestinians living under direct Israeli jurisdiction. They mentioned they do not expect supportive policies, but on the opposite, they experience constrictive and repressive policies as well as intentional targeting as Palestinians, that they have to face as business leaders on top of the other daily life aspects.

In the Bethlehem focus group, Participants attributed a limited role to governmental institutions mentioning the depleted, aid-dependent budgets as a possible reason Governmental funding is described as often as not flexible and having specific conditions that do not correspond to entrepreneurs' needs. As an example, they cited the governmental restitution given to farmers affected by severe weather conditions in recent years, amounting to USD 200 per farmer, a sum far below the farmers' needs. They also acknowledged the limited sovereignty of the institutions on the ground, given that the Israeli's policies impede and overrule many governmental interventions. On the other hand, the

participants agreed on the benefits provided by institutions that offer training and other support services, but again with some limitations: the bulk of financial grants covering training costs instead of direct financing of projects; many training programs not catering for the level of the trainees; and poor follow-up with trainees after the programs. There was a general negative perception of financing institutions, because, according to the participants, they impose high interest rates and guarantees, negating the benefit of making funds available. Banks are an asset to access payment services, but bank loans remain unviable because of high interest rates. Individually owned enterprises mentioned to benefit the most from registering with the Chamber of Commerce, providing technical training, marketing channels, and grants for different businesses. For the group-owned businesses, especially cooperatives, the Chamber of Commerce' registration is said not have a clear advantage.

The Hebron focus group of cooperatives also provided their evaluations and experiences with aforementioned institutions. They agreed on the limited role of government in relation to the success of their businesses, more supervisory than supportive. As for institutions that provide technical trainings and similar forms of support, the participants recognized the benefits achieved by participating in their programs in terms of capacity building and marketing support, but the impact remains limited especially in rural and remote areas –This constitutes a major impediment to a stronger role for institutions, given that a significant portion of small businesses, and especially women-lead enterprises, operate in such remote areas. On the small and micro lending institutions, most participants indicated the rejection for their services on religious grounds, but also because of high interest rates that nullify the benefit of the loan. As for banks, all participants indicated they only use the traditional banking services (transfers, deposits, and withdrawals); they do not look into the loan financing provided by banks. In contrast to the Bethlehem group, the participants in the Hebron group attributed a minor role to the Chamber of Commerce especially in Southern Hebron, mentioning the apparent lack of a solid underlying strategy. Lastly, the participants pointed out the impactful role of unions, associations, and other similar institutions in relation to strengthening their businesses. These institutions are, however, limited with the amount of funding they can secure.

The above feedbacks from focus groups are provided in greater detail in the following chapters, related to specific types of stakeholders relevant to the women' businesses development in the areas object the study.

7.3 Business Development Services

In Palestine, many programs and institutions provide Business Development Services. The role of such agencies has become considerably significant in a context of political instability, restrictions and impositions from the Israeli policies.

The participants in the focus groups were asked to provide their evaluations regarding the business development services and organizations that they had experience of. In the East Jerusalem focus group, the participants mentioned that the role of such services and organizations has been influential and positive in recent years, and that a number of organizations have been working actively on development and empowerment of women. They added that many of these organizations, inside and outside East Jerusalem, left a great impact on women owners in terms of building their business management' capabilities. Moreover, these organizations' work contributed to promote the self-empowerment and self-confidence skills in business leaders, which enabled them for example to tactfully marketing products and finding business opportunities.

The participants in the Bethlehem group agreed to some extent on the positive impact these business development services, and organizations' initiatives have had. However, they also pointed to the shortcomings they perceived in these initiatives, most of which mirrors the shortcomings the same group mentioned on governmental bodies. Namely, the participants again pointed to the fact that most of support budgets are dedicated to cover training expenses, instead of providing direct support to the business projects. Trainings were also mentioned being sometimes poorly designed, either not catering for the participants' level, or not providing valuable skills. The participants also alluded to the absence of proper follow-up after the end of the training programs. Nonetheless, they re-emphasized that these organization did contribute positively to the small business' development, even though in a limited way.

Lastly, the participants in the Hebron focus group virtually agreed with the positive impact these organizations' initiatives had on their businesses and skills. They emphasized the contribution to capacity building in business management and development, marketing, character development, increased visibility, price and costs analysis.

The following chapter presents in brief different key institutions and organizations that provide **Business Development Services** in the targeted region.

7.3.1 Financial institutions

The SME sector appears to gain little value from the available banking services in Palestine. More strikingly, enterprises in the informal sector typically do not use any banking service. These observations are expectedly related to the characteristics of the collateral-based lending services, available for enterprises at commercial banks. Conditions related to access to credit, and collateral requirements, are often excessive for the capacity of SMEs. In addition to the commercial banking system, there are also several microfinance institutions that provide loans to SMEs, in all regions of the West Bank. In the study, it was revealed that actually only a minor percentage of the women business owners obtained loans to start their businesses from these actors; one major problem relates to the lack of borrowers' experience in accurately evaluating the cost and conditions of loans, and thus their aversion to applying for loans in fear of being unable to repay them. This is also exacerbated, as aforementioned, by the inability to provide the required collateral.

In the course of this study, the following two key microfinance institutions were interviewed.

7.3.1.1 Palestine for Credit and Development (FATEN)

The Palestine for Credit and Development (FATEN) organization was established in 1999 as a private non-profit organization registered with the Palestinian Ministry of National Economy. FATEN was the first lending institution to obtain a license from the Palestinian Monetary Authority in May 2014.

The organization provides various types of loans including personal loans, housing loans, loans for small and medium projects, group-guarantee loans, and others. Their target groups focus on community, young entrepreneurs and women, and low-income individuals and families. FATEN also provides loans to SMEs owners who wish to develop existing projects regardless of the sector. The loans for SMEs extend the conditions for repayment from 4 to 60 months, reaching USD 15K to USD 25K with a six-month grace period and a 5% fee. There are also family loans, consisting of small loans (up to USD 15K) for women entrepreneurs for an existing project with a 4 to 48 months repayment period. Out of their current loaning profile, 20% of the loans were provided to women-led enterprises. Aside from microfinance services, FATEN works with young entrepreneurs to encourage them to receive vocational training in financial management and marketing.

7.3.1.2 Reef Finance

Reef Finance is a Palestinian non-profit microfinance company, registered in the Ministry of National Economy since 2007. Initially, in 2008, it provided loans to actors focused in the agricultural sector, and it currently provides several sustainable financial services for small-scale agricultural cooperatives – considered an important actor in the local economy - and farmers in situation of socio-economic vulnerability in Palestine' rural areas, through different loan programs.

Farmers are for example provided with production and supply inputs through installment payments for a period up to 60 months, at market price.

Other relevant institutions that provide microfinance services include ASALA, ACAD Finance Company, and the Palestinian Agricultural Credit Institution (PACI).

When asked about knowledge and role of banks and financing institutions in relation their businesses, some of the participants in the East Jerusalem focus group indicated that micro-credit institutions have high requirements and interest rates and mentioned their worries about being burdened by interests. Moreover, they added that these institutions tend to request complicated conditions for obtaining loans. They provided the same reasoning for the unviability of banks' loans to strengthen their businesses, since banks' conditions are even more severe than microfinance institutions.

The participants in the Bethlehem and Hebron focus groups agreed with the above-mentioned feedbacks of the East Jerusalem group on most issues. On banking, they also emphasized the unviability of banks' loaning services due to

their excessive requirements. They stated that they only use basic banking services (deposits, withdrawals, and cheque accounts). Similarly, the Bethlehem participants were skeptical of current microfinance services being able to address their needs. In the Hebron focus group, the participants pointed out religious motivations—commercial loaning is considered as a form of usury, which is prohibited under certain religious rulings — behind avoiding the use of banking services.

7.3.2 Business Incubators

Several business incubators provide financing, hosting, and coaching services, mostly for young entrepreneurs, in Palestine – including in the Hebron, Bethlehem and East Jerusalem areas. The following are examples of active incubators in the target areas:

7.3.2.1 Bethlehem University Incubator-Business Women Unit

The Bethlehem Business Incubator (BBI) is part of the Building Excellence in Entrepreneurship and Economic Development project. The BBI is an innovative center for mentoring and supporting entrepreneurs without restrictions on the types of services they provide or the economic sector. It targets 3 main areas including Bethlehem, Hebron, and East Jerusalem. The key target group is young people (18 to 29 years old), with priority given to young women. Out of the total beneficiaries they have worked with over the years, 60% were young women. The incubation services include training on professional and entrepreneurship/empowerment aspects, as well as providing grants to develop business projects. Moreover, workshops and awareness sessions on leadership are offered to encourage young people to pursue professional careers with better employment opportunities. The range of the provided grants is between USD 5K – 10K..

7.3.2.2 Bethlehem Chamber of Commerce — Women Business Unit

The Women Business Unit of the Bethlehem Chamber of Commerce is a center established in 2007 as an initiative by the Businesswomen’s Committee, aiming to strengthen women’s role as entrepreneurs in the governorate and to develop their abilities and role as active members of the Chamber of Commerce. The Chamber also commissions the Unit with transferring their experience to other chambers. In 2012, the Unit started planning the establishment of a center for women entrepreneurs in line with the vision and mission of the Businesswomen’s Committee.

The Unit provides capacity building for various groups of women—such as the entrepreneurs, marketing channels, and grants for different kind of business projects. It should be mentioned that the Unit does not lend services to cooperatives.

7.3.2.3 Business Incubator Unit — Palestine Polytechnic University

The Incubator Unit is a part of the Center Of Excellence at the Palestine Polytechnic University in Hebron. The incubation center aims to promote entrepreneurship, education, skills development and facilitating job creation. They provide many consulting and support services for young individuals to develop SMEs, propel their marketing capabilities, and maximize business projects’ chances of success. Moreover, the center provides loans and grants for entrepreneurs in order to overcome challenges related to meeting financial obligations. The center targets individuals in the age group 15 to 35 years, in all governorates, regardless of educational level and qualifications. The center focuses on developing initial businesses in technology, environment, social development, handcrafts, and food processing sectors.

7.3.2.4 Incubator — Hebron Chambers of Commerce and Industry (HCCI)

The HCCI Business Incubator provides services to businesses in the initial phases and supports the development of entrepreneurial ideas and start-ups. The services include financial and technical support such as business planning, feasibility studies, product development, guidance on administrative and legal aspects, and providing suitable working spaces for entrepreneurs. Moreover, the center provides training on a range of topics such as business management, networking, marketing and advertisement in line with the vision of the Hebron Chamber of Commerce and Industry.

The overarching aim of the incubator is to enhance the success chances of nascent projects, through the center’ own services, but also through the resources of a network of affiliated organizations. For example, the center facilitates linking entrepreneurs with suppliers.

7.3.2.5 Hebron Business Incubator Centre — Hebron Municipality

The Business Incubator Center is part of the Development and Investment Department at Hebron Municipality. The Center aims at encouraging and facilitating new projects led by young entrepreneurs, in order to generate income, reduce the unemployment rate while contributing to the overall economic development in Hebron' area. As such, the Center sponsors new graduates in both their academic and professional careers, along with supporting their newly established enterprises. The Center targets all segments of young graduates, with specific interventions. To maximize the success chances of the nascent businesses, the Center provides training on various technical and business management skills, and workspaces equipped with n offices, internet services, and meeting rooms. Moreover, the entrepreneurs are supported with direct coaching and consulting on their business development, and in finding appropriate financing sources.

7.3.3 Developmental NGOs

In addition to Business Development Services, several NGOs in Palestine provide support for development to marginalized groups, including women, on various levels. The following are examples of NGOs playing an active role in relation to women' empowerment and entrepreneurship:

7.3.3.1 The Palestinian Agricultural Relief Committees (PARC)

PARC is a Palestinian non-profit, non-governmental organization involved in agricultural/rural development and women's empowerment. Since its inception, it has implemented programs to improve and expand agricultural lands, enhance food security and infrastructure, transfer experiences and expertise, develop or manage water resources, and promote agricultural manufacturing and marketing.

7.3.3.2 Union of Agricultural Work Committees (UAWC)

UAWC works to preserve and develop agricultural land, and enhance living conditions in rural areas by improving Palestinian farmers' performance, productivity and promoting/marketing local products. It also lobbies for a supportive policy and regulatory environment for farmers. Its interventions include land rehabilitation, food security, effective management and upgrading of natural resources, youth and women empowerment. Headquartered in Ramallah, UAWC has multiple offices in the West Bank including in Hebron and in the Gaza Strip.

7.3.3.3 Applied Research Institute – East Jerusalem (ARIJ)

ARIJ is a non-profit organization located in Bethlehem and dedicated to promoting sustainable development in Palestine. This extends to achieving self-reliance through increasing control over the Palestinian natural resources. The organization devises and introduces more efficient methods of resource utilization and conservation, improved practices, improved marketing, and the upgrading of technology. ARIJ develops position papers and policy strategies on issues such as land and water resources. In addition, ARIJ is experienced in project implementation in the fields of livestock, rural/social development, natural resource management, water management, sustainable agriculture, and the political dynamics of development. Lastly, ARIJ plays an active role in local communities advocating for greater co-operation among local institutions, and with international and non-governmental organizations.

7.3.3.4 Land Research Centre (LRC)

The LRC is an independent, non-governmental Palestinian organization located in Hebron. Its main objectives are to protect and develop Palestinian lands and agriculture to support farmers' livelihoods, but also to defend, promote, and enshrine human rights. The organization covers other areas of the West Bank, including East Jerusalem.

7.3.3.5 Other NGOs and CBOs in East Jerusalem

There is a number of other NGOs and CBOs active in East Jerusalem that support women and youth, including in entrepreneurship and capacity building areas. Among them:

- **Burj Al Luqluq Social Centre:** A non-profit organization that targets the youth from children to young adults, and women in East Jerusalem. The organization is mostly active in the Old City

of East Jerusalem, where it is located.

- **Young Women’s Christian Association:** A non-governmental association, targets women and youth focusing on economic empowerment through vocational training. The training is conducted at the association’s premises, but the organization can conduct remote training sessions in localized areas to accommodate participants whose circumstances prevent them from attending in person.
- **Youth Forum of East Jerusalemite Heritage:** A Palestinian cultural and social institution registered as a non-profit association in the city of East Jerusalem since 2018. The association is located in the town of Silwan but operates across the city of East Jerusalem. The Forum allows children and youth to interact with their cultural and artistic heritage, and provides various activities including sports, music and different traditional arts and crafts. The Women’s Unit within the Administrative Authority provides economical programs to empower women entrepreneurs in East Jerusalem through Al-Bustan Bazaar, and capacity building workshops on business development. Also, the association conducts awareness workshops concerning with women’s health and rights.
- Other similar organizations include: **Al Sarayyah, Youth Development Department (YDD),** and the **Lutheran Vocational Center.**

7.3.4 Business Associations and Other Civil Society Organizations

In Palestine, there are numerous business associations representing private enterprises in the different economic sectors. Aside from these associations, there are also a number of geographically dispersed cooperatives working with women handicraft producers whose capacities are limited in terms of volume and design.

The focus group sessions addressed the women business owners’ awareness of the NGOs, CBOs, business incubators, business associations and other civil society organizations, and recorded their perceptions of the roles of these organizations in terms of supporting their entrepreneurship initiatives.

In the East Jerusalem focus group, the participants attributed real value to the capacity building programs for small owners administered by various organizations in recent years. They opined that these organizations demonstrated consistent commitment towards benefiting women owners and had tangible results in terms of elevating the owners’ business management and development skills. These benefits also extended to empowering the participants and raising their confidence and independence. On the other hand, when the participants were asked about trade unions, associations, representatives, they stated that such institutions do not play an important role for small business owner, particularly women-led enterprises. Lastly, the participants were not informed about the role of then Chamber of Commerce.

The Bethlehem focus group agreed on the positive impact of the organizations that provide support interventions to small business owners, especially women-led enterprises. They, however, pointed to several factors that limit such interventions from realizing further benefits. First, regarding financial grants provided to small enterprises, the participants stated that significant portions of these grants are often allotted to training and capacity building components that, in their opinions, could have benefited the businesses in other aspects. Second, regarding training programs, the participants mentioned that some programs ceased without realizing a tangible impact on the trainees either because the curricula were short, or training were not corresponding to the trainees’ existing skillset. Moreover, the majority of the organizations that sponsor such training programs do not implement follow-up mechanisms to examine the impact on the trainees, and whether the impact persists post-intervention. Third, also regarding training programs, the participants opined that certain program address minor issues and not the most pressing needs facing small owners, especially women owners. Nonetheless, the participants reiterated the positive impact of these organizations and their interventions, especially in comparison with the limited role attributed to other institutions.

Lastly, the Hebron focus group virtually agreed with all the views expressed by the other groups. The participants reconfirmed the positive impact of the support interventions provided by the different organizations. One particular shortcoming regarding these organizations that was pointed out is the inadequacy in the technical support provided

by these programs for entrepreneurs based in city centers, as these organizations usually focus on rural and remote areas. About the business incubators, most of the participants stated they did not know much about their roles or services, which may be a consequence of the fact that incubators usually focus on students, youth and profiles of beneficiaries who do not match with the ones of the interviewed women entrepreneurs, and that their services still reach a relatively limited number of beneficiaries.



Conclusions & Recommendations

8.1 Conclusions

The study findings revealed that women-led enterprises have positive economic and social impact in terms of generating income for the owners, as well as attaining capital assets as the projects mature. The findings showed that the average current value of the enterprises is 2-3 times higher than the average of the initial invested capital. Not only did these projects provide the venue to improve the women owners' economic circumstances, but also generated economic value for the wider community, providing part- and full-time jobs. Focusing on the social and nonbusiness aspects, the enterprises also contributed to the personal development of the business leaders, both as entrepreneurial individuals but also as women members of their families and the community at large. Such positive impact included the empowerment of the surveyed women to be core members in their households, more freedom to look after their own needs, and a stronger contribution in the decision-making processes related to household's assets. Even more significant for many was the development they experienced in their characters; significant portions of the surveyed women reported higher self-confidence, feeling safer, and becoming more able to make important decisions as a consequence of their establishing and managing enterprises. This is also extended to a general stronger awareness of social issues, and a stronger conviction in women's rights to work, self-actualization, independence, and leading role in providing for their families.

Leading the enterprises also contributed to encourage women to attend various types of training programs offered by different organizations, and conduct business transactions outside family borders. Generally, the women owners who had participated in training activities had a positive evaluation of their experiences. The majority agreed on the positive impact these programs had on their development as business leaders in the day-to-day management, and longer-term business planning' capacity.

The study shows that the overwhelming majority of the surveyed enterprises are home-based enterprises that operate at (or close to) the owner's household. This is attributed to several factors among which is the social pressure in conservative communities on working women. However, other economic factors influence this situation, as it appeared that women-led enterprises tend to rely heavily on familial as well as personal close networks in the marketing and sale of the products. Further, the costs associated with equipping a suitable external workplace are a major issue for the small women-led enterprises. In order to cut on such costs, chief among which is rent, the women tended to operate their businesses from dedicated spaces within their households.

In terms of the social impact of these women-led enterprises, the study showed that there is a clear distinction between individually owned and group-owned enterprises. Group-owned enterprises, mostly represented by cooperatives, appears to achieve significant society-wide benefits starting with the founding partners to the cooperative. The social makeup of these enterprises' ushers in these collective benefits. Individually owned enterprises, on the other hand, appear to tend to generate direct impact on the owners and their families, and the workers at the enterprise. In other words, the scope of the individually owned enterprises is more often limited to generating income for the owners. Therefore, while all forms of women-led enterprise exhibited positive social benefits, the group-owned enterprises appeared to be achieving greater social impact.

The study showed that women-led enterprises, given their typically limited size, mostly avoided formal registration. Most of the owners justified this situation on the basis of cost-cutting measures, including tax avoidance, exorbitant fees and unfavorable requirements. It is clear that - given that most of the women-led enterprises interviewed operate in the informal sector- their potential for growth would be limited. Any significant enterprise expansion entails essential requirements such invoice issuance, bank accounts, participation in tenders, and many other must-have formal requirements.

The study provided important insights regarding the deficiencies that are meant to be addressed by interventions aiming at the support of SMEs in general, and women-led enterprises in particular. Specifically, the motivations provided by the surveyed owners for initiating their businesses reveal that such enterprises have sustenance, survival maximization and income generation as primary objectives. The owners are usually driven to establish their businesses by constrictive circumstances. This shifts the conventional framework used to assess the success or failure of women-led enterprises, and the analysis of the causes impeding their development, from the lack of entrepreneurial and business management skills to the framework of external constraints such as access to markets, marketing, supply channels, available resources, and other related elements. On this basis, in the design and implementation of interventions targeted towards these enterprises, it might be important to consider the entrepreneurs' primary objectives of sustenance, resilience, and income generation, while also addressing external and market' constraints, in addition to strengthening and giving value to the women owners' skillsets and capacities.

8.2 Recommendations

Following, some suggestions for strengthening multi-level interventions targeting women-led enterprises in Palestine, based on the findings of the study, valorizing the inputs provided by the entrepreneurs in consideration of the mentioned challenges, capacities and resources.

- Assessed women-led enterprises tend to operate in sectors that are highly saturated such as agriculture, beauty services, retail business and others. This exacerbates the challenges the women owners face in marketing and managing their businesses. Therefore, the women owners' need for capacity building interventions in these aspects is more pressing compared to others.
- There is a manifest absence of support services in the areas of distribution and marketing. This was identified through discussions with the numerous business owners who reported having limited marketing possibilities. The poor marketing performance of women-led enterprises raises the need for physical marketing and distribution avenues. Granting these enterprises access to the market information on prices, qualities, distributors, availability of inputs, and other aspects would support in achieving greater efficiency, with reduced transaction and input costs. In essence, making this information available to more of these enterprises would improve their positioning and permanence in the market. Moreover, given that marketing represents a core weakness in women-led enterprise due to lack of valid experience and infrastructure, further interventions could focus on lending viable marketing channels to these enterprises. For example, private marketing companies could be incentivized to serve women-led enterprises with tax subsidies. Another example can be the Public Procurement Market: this approach would guarantee a minimum quota of governmental procurement of certain goods and services to be reserved for women-led enterprises. While some may raise concerns about the risk of lower quality and higher costs, this approach does not eliminate the possibility of competition between women-led SMEs for governmental contracts, which would provide the products and services on acceptable terms. This approach can be conveyed to policymakers as a fruitful recourse to address the needs of this sector.
- Given the importance of women-led businesses economically and socially, that clearly emerges from this study, it is crucial to establish and promote organizational frameworks comprising the actors and organizations active in the support of the SME segments generally, and women-led enterprises specifically, in order to assume and coordinate lobbying and advocacy functions. Such arrangements would better position all these organizations to maximize their support and impact on women-led enterprises.
- Related to the previous point, intervention programs must consider creating networks linking the women owners, concerned NGOs, Business Development Services, and other stakeholders towards creating synergy and mainstreaming their services. It is crucial for any intervention program targeting women entrepreneurship at various levels to build a solid ground for cooperation and to encourage the open exchange of information and learning. This also extends to considering the potential for cooperation in planned activities, coalitions, exploitation of available resources, staff training, and raising funds. It is also possible to benefit and learn from the capacity-building initiatives already implemented by different local NGOs. Ultimately, creating such networks would improve the efficiency of the intervention, eliminate redundancies, and achieve stronger impact.
- Practical actions can include organizing short orientation workshops at women centers and associations highlighting entrepreneurial thinking, business ideation, market screening, and the other components related to the sound founding of a business. This could include establishing partnerships between NGOs engaged in entrepreneurship and capacity building.
- Facilitate linking women-led enterprises with concerned associations, to increase and activate their supportive role. As mentioned by the women business owners in the study, the associations had little to no involvement in catering to their needs. In this regard, the associations would need extensive support to develop certain aspects of their governance, organizational settings, performance, and operations.
- Focusing on the taxation, fees, and financial incentive structures relevant to the operations of women-led enterprise, the obstacles that emerged through this study call for a concerted advocacy effort for a revision of

these provisions and laws. As aforementioned, the taxes and fees that women-led enterprises are requested to correspond are a major hindrance to business development, registration and operating in the formal sector, and the other effects mentioned in the study.

- Several relevant inputs emerged from the study in relation to capacity building interventions through trainings and formative activities. Among the suggestions, streamlining the design of training interventions in the following aspects seems crucial: provide specialized training designed specifically for a certain type of project/sector and focus the training curricula on the end-benefit for the trainees. This entails the meticulous design of the curricula to correspond to the experience and resources of the trainees; implementing interactive and participatory training techniques, where the trainees produce concrete outputs in accordance with the goals of the trainings, such as business development plans or product prototypes. Lastly, consider on-site coaching and follow-ups integral parts of the capacity development program.
- Providing field counseling services to the entrepreneurs by specialists with proven practical experience and knowledge of the conditions specific to women entrepreneurship in Palestine can be another way to address the mentioned fact that capacity building services were either too abstract, or not corresponding to skills level. Lastly, this may include providing technical and counseling support to failed and struggling projects to either revive them or improve their performances.
- Finally, it could be possible to arrange for regular (optional) open meetings between the women-led entrepreneurs, and eventually other relevant stakeholders, to exchange experiences and good practices, explore business opportunities, and provide mutual moral support.



Start Your Business!

This publication «Elaboration of a mapping and diagnostic of women-led enterprises in Palestine: East Jerusalem, Hebron, and Bethlehem» has been funded by the Italian Agency for Development Cooperation within the Project “Start Your Business!” AID 011867.

The views expressed in this publication are those of the authors and do not necessarily reflect the views or policies of the Italian Agency for Development Cooperation. The Italian Agency for Development Cooperation is not responsible for any inaccurate or libelous information, or for the erroneous use of information.