

**Egyptian Women
and Microenterprise:
The Invisible
Entrepreneurs**

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GEMINI

**GROWTH and EQUITY through MICROENTERPRISE INVESTMENTS and INSTITUTIONS
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Egyptian Women and Microenterprise: The Invisible Entrepreneurs

by

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in collaboration with
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PREFACE

Egyptian Women and Microenterprise: The Invisible Entrepreneurs is among the first in-depth surveys of female entrepreneurship. The study is also significant because it provides the most extensive comparative analysis to date of female and male business owners and of the difficulties each group experiences. The study presents empirical evidence on the way women distribute their resources, the way they balance business and domestic priorities, and the way their business growth patterns compare to those of men. Funded jointly by the U.S. Agency for International Development-Washington/Bureau for Research and Development/Office of Women in Development (R&D/WID) and USAID/Cairo, this survey was initiated as a methodological test for R&D/WID before that office undertakes similar studies of women and entrepreneurship in other regions. The report was also intended to synthesize lessons learned from WID activities and from A.I.D.'s Growth and Equity Through Microenterprise Investments and Institutions (GEMINI) Project being implemented by Development Alternatives, Inc.

Another purpose of the survey was to provide information to USAID/Cairo to help guide the expansion of its enterprise development portfolio. USAID/Cairo is a leader among USAID missions in this field and will soon replicate its successful Rural Small Scale Enterprise Project as the Small Enterprise Credit Project for urban areas.

The focus of the study was threefold:

- Determine the nature and extent of women's participation in the informal sector as owners and operators of small- and micro-scale enterprises by examining activity sectors, business sizes, ownership patterns, types and numbers of employees, profitability, failure rates, financing, assets, production levels, and markets;
- Identify the constraints and problems faced by women entrepreneurs in the informal sector, specifying those that they share with men and those that are special to women; and
- Suggest interventions or changes in the policy or institutional environment that would alleviate the constraints faced by female entrepreneurs and improve their opportunities. Specifically, the study was designed to give new directions to A.I.D. project interventions and identify changes in existing projects that would help address the needs of women entrepreneurs.

The study's team leader was Dr. Jean Weidemann of Weidemann Associates, Inc. She managed the complete study and wrote the final report, conducted a review of U.S. literature, synthesized the Egyptian and U.S. reviews of literature, and designed the specific methodology (including the sample design, and the design and testing of a precoded entrepreneur's questionnaire).

Dr. Weidemann worked with Zohra Merabet of North South Consultants Exchange, a consulting firm in Cairo, in designing the loan officer's questionnaire, field testing and revising the entrepreneur's and loan officer's questionnaires, analyzing and interpreting data, and preparing the final report. Ms. Merabet and her staff conducted the Egyptian review of the literature, carried out the Management Information System work and case studies, collaborated in testing the questionnaires, translated the questionnaires into Arabic, administered the entrepreneur and loan officer questionnaires, entered data from the precoded questionnaires, cleaned and verified the data, and prepared two-way cross tabulations.

External events set back the planned time table for completion of this project. Because of USAID-mandated administrative procedures, it took six months to select an Egyptian contractor to help with the field survey. The August 1990 Iraqi invasion of Kuwait and the 1991 Gulf War further delayed the study. The literature review and questionnaire design began in January 1991. The team leader made the first field visits in March-April 1991. Most of the data were collected in August-October 1991. Data entry and data analysis were completed between October and December 1991. The final report was drafted in December 1991.

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Zohra Merabet of the North South Consultants Exchange in Cairo deserves special recognition. Her energy and her computer skills kept the project going and she volunteered many hours. Her staff also worked diligently on the project. Ms. Merabet and I wish to thank the U.S. Agency for International Development/Washington Bureau of Research and Development/Office of Women in Development and the USAID mission in Cairo for funding the study. In particular, we want to thank Tulin Pulley and Elisabeth Rhyne, who provided exceptional expertise and assistance; and — in Cairo — Karl Jensen, who devoted hours of expertise and energy to guidance, revision of the questionnaire, and troubleshooting during implementation; Beth Cypser, who was involved in the initial stages; Aziza Helmy, whose experience and wisdom were invaluable; and Randall Parks, who also helped revise the questionnaire.

Special thanks go to the Growth and Equity Through Microenterprise Investments and Institutions (GEMINI) Project staff at Development Alternatives, Inc. and to Michigan State University's Don Mead and Carl Liedholm. The work and advice of Jeanne Downing and Rae Blumberg were also very helpful, as were staff on the World Bank's Social Dimensions of Adjustment Unit — Tim Marchant, Ghislaine Delaine, Alexandre Marc, and Christopher Hill. Their contacts led me to David Megill at the U.S. Census Bureau, who provided useful advice on sampling. Monica Fong, responsible for the World Bank's Near East Women in Development initiatives, was also helpful.

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The opinions, conclusions, and findings presented in this report are the sole responsibility of the researchers, and should not be interpreted as representing the opinions or official positions of any of the institutions or individuals who helped in this effort.

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ACRONYMS

ABA	Alexandria Businessmen's Association
ACDI	Agricultural Cooperative Development International
ADEMI	Association for the Development of Microenterprises, Inc.
BKK	Baden Kredit Kecamatan
BRI	Bank Rakyat Indonesia
CAPMA	Central Agency for Mobilization and Statistics (Egyptian)
CARE	Cooperative American Relief Everywhere
CEOSS	Coptic Evangelical Organization for Social Services
CRS	Catholic Relief Service
DAI	Development Alternatives, Inc. (American)
ESED	Egyptian Small Enterprise Development Foundation
EQI	Environmental Quality International
FAO	Food and Agriculture Organization (United Nations)
Gamaye	Egyptian Rotating Credit and Loan Associations
GEMINI	Growth and Equity Through Microenterprise Investments and Institutions Project
ILO	International Labour Organization
IMF	International Monetary Fund
MIS	Management Information System
MOSA	Ministry of Social Affairs
NBD	National Bank for Development
NCBA	National Cooperative Business Association
NSCE	North South Consultants Exchange (Egyptian)
PBDAC	Principal Bank of Development for Agriculture and Credit
PPF	Productive Family Project of Egyptian Ministry of Social Affairs
R&D/WID	Bureau for Research and Development, Office of Women in Development, A.I.D.
ROSCA	Rotating Savings and Credit Associations
RSSE	Rural Small Scale Enterprise Project in Egypt
SDA	Social Dimensions of Adjustment Unit, World Bank, Washington, D.C.
SEC	Small Enterprise Credit Project in Egypt
SELP	Small Enterprise Loan Program
SME	Small- and Micro-scale Enterprise
SME project	Small and Microenterprise Development Project in Egypt
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WAI	Weidemann Associates, Inc.
WID	Women in Development
Exchange Rate	US \$1 = £E3.3

EXECUTIVE SUMMARY

Female entrepreneurs in Egypt make up a dynamic class of business owners that has gone largely unnoticed in official circles. Female-owned businesses are typically components of the informal sector — they are usually small, self-financing, sole proprietorships that rely on family labor, require low skill levels to run, and sell directly to the consumer. Typically they are unregistered, do not maintain bank accounts, do not apply for credit from mainstream credit institutions or operate in public places, and do not keep business records. It is not surprising therefore that these businesses escape official scrutiny. Their owners are invisible entrepreneurs.

Egypt's 55 million people are almost equally divided between rural and urban areas, with over 12 million in greater Cairo alone. The economy has recently been strained by the 1991 Gulf War that produced a downturn in the three traditional sources of foreign currency: worker remittances, tourism, and Suez Canal fees. Rigid domestic price controls, tight import restrictions, an overvalued exchange rate, and low domestic energy prices have created distortions in the economy. Currently, the Government of Egypt (GOE), supported by the International Monetary Fund (IMF), the World Bank, the U.S. Agency for International Development, and other major donors, is striving to achieve economic reform. The government is liberalizing the economy, easing constraints on the private sector by moving prices closer to opportunity cost, increasing the role of the private sector, and making the economy more responsive to market forces (USAID 1989).

Economic adjustment will increase the importance of the informal sector, because this sector has traditionally been a buffer in times of downward mobility for workers losing jobs in the formal economy. The informal sector also contributes to upward mobility for the poor who eke out a living in the slums, the streets, and sweat shops. Egypt's informal sector is absorbing some of the 350,000 repatriated workers and their families following the August 1990 Iraqi invasion of Kuwait, just as it assimilated returnees during previous downturns in the oil-based economies of the region.

USAID/Cairo has placed growing emphasis on small- and micro-scale enterprise (SME) development over the last decade. The mission has significantly stepped up its efforts within the past few years with two SME projects. One is the Cairo and Alexandria urban-based Small and Microenterprise Development (SME) Project (263-1212), designed to increase employment and profitability in small firms (6-15 employees) and in micro manufacturing businesses (1-5 employees). Under this project, two privately managed foundations deliver credit, technical assistance, and training to the entrepreneurs. The second project is the Rural Small Scale Enterprise (RSSE) component of the Local Area Development Project (263-0182). RSSE provides credit to rural and urban small- and micro-scale entrepreneurs through the branches of the National Bank for Development in Damietta and Sharkeya. Two more initiatives are under way. The Small Enterprise Credit (SEC) Project (263-0228) will replicate and expand upon the successful mechanisms of the RSSE project in greater Cairo. It will cooperate with the World Bank's Social Fund to ameliorate the effects of economic adjustment. A Credit Guaranty Company for Small Scale Entrepreneurs is a new and innovative project directed at small-scale enterprises (except trade) that includes doctors, medical centers, and laboratories.

Reliable data on the informal sector and on microenterprises, especially female participation in the sector, are scarce.¹ This study of Egyptian women and small- and micro-scale enterprises was commissioned to determine the nature and extent of female economic participation in the informal sector; identify constraints, whether sociocultural, technical, or financial, to the expansion of female participation; and make recommendations to USAID for enhancing opportunities for female entrepreneurship in existing and proposed Agency projects. Entrepreneurs in the SME and RSSE projects participated in the survey with a comparison group of entrepreneurs selected according to procedures described in Chapter Two.

The study was carried out in three stages and resulted in two additional products. The first stage was a review of Egyptian and U.S. literature on female entrepreneurship and the informal sector. In the second stage, the Egyptian subcontractor consolidated preliminary background data on the two USAID enterprise projects. This involved entering data from records of 5,926 borrowers from the projects' Management Information Systems (MIS).² The third stage involved design of a precoded questionnaire and collection of primary data from 323 Egyptian small- and micro-scale entrepreneurs.³ The sample included males and females in rural and urban areas. Although not originally in the scope of work, a second questionnaire was developed and administered to 47 loan officers from the two projects. The purpose of this second survey was to help USAID/Cairo develop strategies for expanding its SME program. A fifth and final product of the study, a series of mini case studies, was added to illustrate the variances in female-owned businesses. These narratives provide perspective on, and enliven, the empirical data collected (see Appendix A).

The entrepreneur's questionnaire had six main sections:

- Characteristics of the household;
- Characteristics of the entrepreneur;
- Characteristics of the enterprise;
 - Type/ownership of business and premises
 - Business history
 - Business operations
 - Business assets
 - Inputs
 - Product sales and marketing
 - Income
 - Problems and constraints

¹ Jensen (1991) reported that there were at least 375,000 microentrepreneurs in Egypt, with an estimated 75 percent of SMEs located in Cairo and Alexandria, which contain 25-30 percent of the country's population. USAID (1989) reported there are 250,000 urban-based manufacturing small enterprises, and more than 800,000 rural enterprises in Egypt.

² This task proved to be larger than anticipated, since RSSE records were in the form of handwritten loan applications, and although SME had an automated MIS, data for certain variables important for this study were not available.

³ These results are the basis for most of the analysis presented in this report.

- Use/control of business income
- Attitudes about business growth and location
- Participation in financial markets;
- Training/technical assistance; and
- Questions addressed to SME and RSSE project borrowers only.

The entrepreneur's questionnaire was field-tested with more than 25 entrepreneurs. Four revisions preceded the full survey. The final Arabic version took approximately 70 minutes to administer. A sample of 92 female and 123 male borrowers was randomly selected from the universe of 5,926 borrowers in the SME and RSSE projects.⁴ Entrepreneurs in a comparison group were also randomly selected (N=59 males and 49 females).⁵

KEY FINDINGS AND CONCLUSIONS

The results should be viewed as pilot and exploratory. This was the first study of its kind under the Growth and Equity Through Microenterprise Investments and Institutions (GEMINI) Project, and subsequent work in this area is crucial to get a reliable picture of female entrepreneurs.

- One striking finding was that 38 percent of households in the study were dependent on women's income for survival. Women's earnings are a family safety net, ensuring survival when the husband is unemployed or absent.
- Equally remarkable was the dynamism of the microenterprise sector. Fully 59 percent of female and 72 percent of male entrepreneurs said they planned to expand their businesses. This represents 67 percent of the 323 entrepreneurs interviewed; this expansion (if effected) should create employment and income with few government resources spent or services provided.
- More women were in services than in trade, which ranked second, and few were in manufacturing. Women are generally under-represented in manufacturing worldwide.
- The primary motivation for women and men to get into business differed slightly. Interestingly, women were more likely to be seeking increased income (62 percent) when compared with men (39 percent). Men were more likely than women to be seeking independence (40 percent) when compared with women (19 percent).
- Women received smaller loan sizes from the projects, but were more satisfied with loan sizes than were men.

⁴ The universe of borrowers for the control group consisted of 5,242 males and 684 females; by design, females are over-represented in the sample.

⁵ Refer to Chapter Two on survey methodology.

- Women have been in business for a shorter time than have men. Fifty percent of women have been in business less than five years compared with only 29 percent of men.
- Fewer females (4 percent) were previously involved in failed businesses than were men (16 percent).
- Ninety percent of women used personal savings or *gamaye* (rotating savings and loan association) to start their businesses, while men listed their work outside Egypt as well as personal savings as their primary sources of capital.
- Women's businesses (35 percent) were less frequently registered than were men's (56 percent).
- More women (70 percent compared with 18 percent of men) started their businesses from home. Not surprisingly, more women (53 percent) continued to run their businesses from their homes than did men (19 percent).
- Half of the women surveyed would prefer a home-based business to an outside location, even if they made significantly less profit. Only 10 percent of men felt the same.
- Women were more likely to run their businesses part-time than were men and to work certain periods of the day, often in the evening.
- Male businesses tended to receive more credit for supplies than female businesses, and to extend less credit to customers. Seventy percent of women paid cash in advance or on delivery for supplies and materials, and 87 percent extended terms to their clients. This creates working capital problems for female-run businesses.
- Of the loan officers surveyed, 28 percent said that weekly visits consumed too much time to identify new clients and one-third said that weekly visits consumed too much time to supervise problem borrowers.

Characteristics Shared by Male and Female Entrepreneurs

- The number of visits and the number of days required to receive a project loan were similar for both men and women borrowers, suggesting equitable project procedures.
- Both male and female entrepreneurs expressed a compelling need for working capital.
- Both men (88 percent) and women (87 percent) entrepreneurs tended to be sole proprietors.
- Both female (91 percent) and male (84 percent) entrepreneurs lived within 15 minutes of their businesses.
- There was little gender difference in management of businesses — 93 percent of males and 90.5 percent of females managed their businesses regularly.
- Both female (77 percent) and male (72 percent) entrepreneurs kept no business records; this was not an unexpected finding for small- and micro-scale entrepreneurs.

- There were few gender differences in use of income derived from the business — about two-thirds of both men and women used the income to support personal and family consumption. About 35 percent of males and 30 percent of females reinvested in their businesses.
- Both men and women expressed the opinion that they would prefer a higher income to more leisure time, if their business started operating more efficiently to allow such a choice.
- Few females or males expressed a need for technical or business training from the projects.
- Few men (12 percent) and women (8 percent) had savings besides the amount required by the project.

IMPLICATIONS FOR USAID PROGRAMMING

Identifying and Approaching Women Clients

Encourage loan officers to be proactive in identifying women clients. These methods could include surveying businesses, inquiring in the neighborhoods, asking business owners already in the program, and querying social workers and nongovernmental organization (NGO) officers if they know of female entrepreneurs who need assistance.

Consider that women are more likely to be discouraged by neighbors, relatives, and spouses in applying for project loans. Although women have considerable autonomy, it is still advisable to keep males in their families well informed about the project.

Consider different communications vehicles to inform women about projects. Women must be sought out, as most will not likely come forward. They are also less literate and will not respond to written announcements about project services. Future projects must take these factors into consideration.

Recognize the reasons why women go into a particular business. Women were more likely than men to go into a business that could be done from home or a business that could easily be combined with domestic responsibilities. Other responses such as "knowing the business" or "getting raw materials" did not seem to elicit much different response rates between males and females. Males, however, seemed much more attuned to market conditions. Nearly twice as many males as females mentioned "good market" as a reason to produce a particular product or provide a service.

Assisting Female Entrepreneurs

A small business program must be decentralized to meet the needs of clientele who are home- or neighborhood-based.⁶ New methods must be explored to identify these female business owners and to help their businesses. Some of these methods might include using loan officers to observe and ask in neighborhoods, using more female loan officers who could enter houses, and working with the *gamaye* associations that are popular in Egypt to identify potential entrepreneurs.

⁶ In this survey, 91 percent of women and 84 percent of men worked within 15 minutes of home.

Emphasize working capital versus fixed capital. A major program implication flowing from these findings is the inappropriateness of using fixed capital financing to encourage small business development. Although this type of financing may be useful to a small minority of businesses, it does nothing for the large majority with working capital constraints. The evidence seems overwhelming that working capital is the key to successful microenterprise development, especially for women.

Investigate means to get women (and men) into savings programs. It makes good sense to involve women as savers. In this survey, few men (12 percent) and women (8 percent) had savings besides any required by the project. In Egypt's Agricultural Production Credit Program, women constituted 19.8 percent of borrowers but 25 percent of savers (NSCE 1989). Marouk (1989) also reports high savings rates for women. The ability to accept deposits is a desirable feature in financial institutions because it expands lending capability, protects portfolios, and fulfills an often unmet need among women and the poor. Many credit schemes that have high female participation rates, such as the ACCION programs in Latin America, the Baden Kredit Kecamatan in Indonesia, and the Grameen Bank in Bangladesh, require compulsory savings. Interestingly, the structure of the savings component or instrument seems more relevant in determining savings rates than gender of the depositor. Except for project participants, there is extremely low participation in the formal banking system at even the most rudimentary level, such as having a current account.

Place less emphasis on training of entrepreneurs. Neither men nor women expressed a need for it at this point. To overcome the severe technological barriers that Egyptian women confront, consider funding visits to other countries for leading female entrepreneurs to view alternative technologies. Women have less exposure to the outside world, travel less, have lower literacy in Arabic, and less ability to read foreign language trade and business magazines than do men.

Design assistance programs that take women's work schedules into consideration and that do not require large blocks of time. Day-long training programs or lengthy travel away from the business site would have a disproportionate impact on female entrepreneurs and their families. This is because women tend to work part-time during certain segments of the day.

Continue to target women by emphasizing the informal sector because fewer women than men register their businesses.

Consider targeting women in any poverty-oriented program. Women in the survey had an average of 4.75 persons fully dependent on them versus 4.2 dependents for men. This implies that female entrepreneurs are in business because of need and should be included in poverty programs.

Consider assisting the apprenticeship system that is widespread in Egypt. Apprenticeships are actually trade schools functioning at no expense to the government. The skills learned and the equipment used in apprenticeships are often more appropriate than government-sponsored vocational schools. After training, masters often help set up apprentices in business and even "job-out" parts of production to former apprentices. USAID might explore a strategy used in a World Bank project in Indonesia to encourage female entrepreneurship in Egypt. Loans or scholarships are given to students to study at private institutions or workshops as apprentices.

Consider a subchapter for women in the Alexandria Businessmen's Associations. Names of selected future associations should not imply that only males can join, since women are generally shy about approaching a group that seems male dominated.

Include more upscale women's businesses by targeting unemployed university graduates in commerce and economics. For example, in Alexandria, a female graduate unable to get a job started a successful boutique and a home-based embroidery business.

Increase women's awareness of the more remunerative markets. The confectionery and wedding cake business has a 50 percent profit margin compared with a 15 percent margin in poultry raising, and yet is an unsaturated market in many areas.

Consider using or developing women's groups. Although solidarity groups are not so necessary here as in other countries because repayment rates are already high in Egypt, groups do raise self-confidence, empower women, and assist illiterate women to retain knowledge. With group lending, transaction costs are often shifted from the financial institution to the group that distributes, monitors, and collects loans. Economies of scale are significant when the lender does not have to form the group. Financial institutions and projects can identify existing women's groups, such as *gamaye*, or obtain assistance in organizing new groups. This can be done through government workers, agricultural extensionists, adult education staff, social workers, or home economists.

Consider using local "anchor" women. These would be respected women who know many other women and the neighborhood. They could serve as project paraprofessionals. This strategy has been successful with other women's programs in the Middle East.

Do not limit SME programs to manufacturing businesses, or fewer women will be attracted. Consider encouraging petty trading among women; petty traders turned out to be no riskier than other industry segments in the RSSE project test cases. Trading was also a successful microenterprise in the ADEMI project (Rubio 1991).

Discard the false dichotomy between the "productive" manufacturing sector in which men are more likely to operate and the service/retail sectors in which women are more likely to be found. The businesses in this survey created employment for 790 people (30 of which were part-time). This equated to 2.45 positions per business. There was little difference between female and male entrepreneurs in the number of jobs created, although female businesses tended to make more use of family and part-time labor.

Loan Officers

Every attempt should be made to attract qualified female loan officers because 26 percent of women in the survey prefer them. Female loan officers might be sought from among older women with less family responsibilities or younger unmarried graduates. However, the gender of loan officers is probably not so important as their understanding of the dynamics of female-run businesses. Several male loan officers in the RSSE project and the Alexandria group of the SME project had high numbers of female borrowers. When asked, they had adopted special techniques to identify women clients. These officers could be mentors and should be used in training sessions to help other officers. For cultural reasons, some young, unmarried male loan officers could have some difficulty working with women entrepreneurs in their homes. For female loan officers, there are social constraints in Egypt that prevent them from working late at night, which is often a necessity to reach small business owners.

Consider reducing frequency of loan officer visits where weekly visits are still the norm. Loan Officers in the study perceived these as too time-consuming and as preventing them from finding

new clients and working with problem clients. Twice-monthly visits may be sufficient, with more frequent visits to problem clients.

Offer brief training sessions for loan officers about the dynamics and differences between female and male businesses, using these survey results as a basis for the curriculum. It is important to teach loan officers that home-based businesses are acceptable. The presurvey interviews and the survey results suggest that women's home-based businesses were taken less seriously. In developed countries, home-based businesses are the wave of the future.⁷

Recognize that loan officers gave lower ratings to female borrowers. This could be an indication that female borrowers need stronger support and closer loan supervision. Loan officers also showed some frustration with female business owners about operating from home, not expanding, and not introducing new features into their businesses. Loan officers need to understand better the different values and responsibilities of women, and their particular entrepreneurial growth patterns and preferences.

Recognize that monetary incentives to increase numbers of female clients do not appear appropriate. Of the 47 loan officers surveyed, 78 percent said they could meet a quota of 20 percent of female borrowers in their loan portfolio. Twenty-two percent (all males) said to do so would be difficult, but only a few of these said a monetary incentive would help them achieve this. It would appear more appropriate to use training measures rather than cash incentives to encourage loan officers to attract more female borrowers.

⁷ The trend in the United States, made possible for service businesses by computer and telecommunications technologies, is for workers to choose home as the work place of choice. Top Chief Executive Officer's of selected corporations are operating out of their homes, and lower-level workers are working at home linked to their offices by computers. Advertisements by IBM, AT&T, and Fujitsu advocate home-based work, and there are organizations and special trade magazines for the exploding numbers of home-based workers.

CHAPTER ONE

BACKGROUND AND INTRODUCTION

CURRENT ISSUES IN THE EGYPTIAN ECONOMY

Ninety-nine percent of Egypt's 55 million inhabitants live on 4 percent of its land in the Nile Valley, the Delta area, and a few oases. Already among the most densely populated areas of the world with more than 2,700 people per square mile, Egypt's population is projected to be 70 million by the year 2000. In 1988, the population growth rate was 2.5 percent and the per capita GNP was \$650. The economy has recently been strained by the 1991 Gulf War, which produced a downturn in the three traditional sources of foreign currency: worker remittances, tourism, and Suez Canal fees. Rigid domestic price controls, tight import restrictions, an overvalued exchange rate, and low domestic energy prices have created distortions in the economy. Currently, the Government of Egypt (GOE), supported by the International Monetary Fund (IMF), the World Bank, the U.S. Agency for International Development, and other major donors, is striving to accomplish economic reform through structural adjustment. The government is working toward a more liberalized economy, easing of constraints on the private sector by moving prices closer to their true opportunity cost, increasing the role of the private sector, and making the economy more responsive to market forces (USAID 1989).

Poverty and Unemployment

Egypt's already high unemployment and poverty may be exacerbated by structural adjustment. Statistics from the 1986 census show an unemployment rate of 14.6 percent, or 2 million persons out of work in a total labor force of 14 million. This problem has become more critical with the recent return of an estimated 350,000 workers with their families following the August 1990 invasion of Kuwait by Iraq. Despite a high per capita caloric intake, poverty exists, primarily in rural areas.¹ The incidence of poverty in Egypt has been estimated at 25 percent of households. Significantly more of the poor live in Upper Egypt than in the Delta. The smaller urban centers of the Delta and Upper Egypt are the second major pockets of poverty. The economic activities of the poor are agriculture and services; probably less than 10 percent are in manufacturing.

The poor are split into approximately three equal groups: farmers and farm workers, nonfarm rural workers, and nonfarm urban workers. Economic reform will affect these groups differently. Those directly engaged in agriculture will likely benefit from higher prices for agricultural products, but may suffer from cuts in social service infrastructure. The nonfarming urban poor are likely to suffer most in the short term from higher food prices, but in the long run they can be expected to benefit from growth in manufacturing of exports and corresponding increases in urban employment. To buffer the effects of economic reform on the poor, the World Bank is currently working with the GOE on a social development fund with four major components that will aid microenterprise development.

¹ Egypt's daily caloric intake of 3,213 per capita surprisingly exceeds that of such countries as Israel, Korea, Japan, and Finland (World Bank 1990 Atlas). Per capita protein intake is 82 grams/day.

Small- and Micro-scale Enterprise in Egypt

Small- and micro-scale enterprises (SMEs) are crucial to the smooth functioning of national political and economic systems.² They have always served as a buffer during periods of economic change, providing employment for those who lose jobs in the formal economy during an economic downturn, and contributing to upward mobility for the poor. Economic adjustment in Egypt is likely to escalate the importance of SMEs, many of which are in the informal sector.³ Egypt's informal sector is absorbing some of the recently fired civil servants. It is also absorbing some of the 350,000 repatriated workers and their families following the August 1990 Iraqi invasion of Kuwait, just as it assimilated returnees during previous downturns in the oil-based economies of the region. The impact of these returnees on the economy and the need for jobs are highlighted by the estimate that one quarter of households in Egypt have had a member working in the Arab Gulf States or Libya (Oldham 1990), and many Egyptian enterprises have been seeded by remittances from Egyptian migrants, particularly to the Gulf. Besides providing a continuous flow of capital, return migrants brought back fresh technologies and management perspectives.

SMEs are also important because of their geographic location. Conveniently, SMEs often originate in and provide services in slum and squatter settlements, exactly where income-generating activities and inexpensive goods are most needed. SMEs absorb significant numbers of urban and semiurban residents who would not otherwise get jobs in the formal sector. They also create and sustain jobs at negligible economic and social cost, without subsidies or special services. In contrast to economic sectors that continuously drain scarce national resources, the SME sector makes few demands on the system. Additionally, SMEs are politically stabilizing in that small business owners tend to be conservative and avoid extremist political positions. SMEs provide inexpensive goods and services to the poor, offsetting the effects of inflation. These enterprises also have strong backward and forward linkages to other elements of the national economy. This creates demand for goods and services from both the rural and the more modern sector.⁴

² Microenterprises are usually defined as having 1-5 employees and small enterprises, 6-15 employees. Egypt's Small and Microenterprise Project uses this definition. The new Small Enterprise Credit (SEC) Project is directed at firms with fewer than 15 employees and less than £E25,000 in fixed assets. A.I.D.'s definition of medium enterprises usually includes those with more than 15 but fewer than 30-50 employees; beyond that point, a business is considered large. Different agencies use varying definitions for number of employees and amount of fixed assets. Some World Bank projects are still categorized as small when they have as many as 50 employees.

³ Businesses in the informal sector are usually small, self-financing, sole proprietorships that rely on family labor, require low skill levels to run, and sell directly to the consumer. Typically they are unregistered, do not maintain bank accounts, do not apply for credit from mainstream credit institutions or operate in public places, and do not keep business records. These businesses usually escape official scrutiny.

⁴ There is a debate about the strategies necessary for SMEs. Some propose that two strategies are necessary, one for the formal sector and another for the informal sector. This suggests that the informal sector absorbs labor that is not appropriate for the formal sector (Howe 1984). Another (perhaps more accurate) view is that the informal sector assimilates labor that may be appropriate to the formal sector, but is currently being denied entrance. This summary reflects discussions with and readings from Marguerite Robinson, Harvard Institute of International Development; John Magill, et al., *Ecuador Micro-Enterprise Sector Assessment*, GEMINI Technical Report No. 12, p. xiii; Paul Guenette, et al.,

Solid empirical data on microenterprise and on female participation in the sector are scanty. Only now are baseline and national census surveys being conducted to explain the dynamics of this sector. According to Jensen (1991), there are at least 375,000 microentrepreneurs in Egypt. An estimated 75 percent of SMEs are located in the Cairo and Alexandria metropolitan areas, which contain 25-30 percent of the country's population (World Bank 1984). Gardner and Proctor (1990) estimate that there are 906,000 small-scale enterprises in secondary and rural cities in Egypt.

The World Bank estimates that there are 250,000 private manufacturing firms with fewer than 10 employees and 7,500 firms with 10 or more employees. Together, the two groups of firms employed about 624,000 persons in 1981/1982, equivalent to over 40 percent of industrial employment. Factories of 10 or more workers are concentrated in the subsectors of building materials, engineering products, and textiles, with significant employment in leather products. Firms with fewer than 10 employees are clustered in woodworking, leather products, textiles, and metallurgy/engineering (Oldham 1990). Jensen (1991) points out that SME experience worldwide has shown that manufacturing sector SMEs generate the largest increments in productivity and new employment for each dollar invested in the participating firm (1991).

It is estimated that artisans' firms employed two-thirds of the industrial sector work force as of 1981, producing an annual gross domestic product equivalent to one quarter of the GDP of the entire formal sector. Jones (1988) estimated that there are 150,000 artisans, employing 200,000 to 300,000 persons, in the nonservice informal sector. There are presumably 800,000 rural enterprises in the country (USAID 1989), but Davies et al. (1984) suggest that there are many more rural industrial establishments than the World Bank estimates. (The Davies study took into account more female small enterprises, such as part-time, home-based dairy production for home consumption and sale.) The researchers reported that there were 94,000 establishments, employing 140,000 persons, in Fayoum and Kalubiya governorates, which meant that one person in 15 in the total population of the two governorates — men, women and children — is involved in small manufacturing activities (p. 5). Only a small fraction of any of the small enterprises mentioned above has access to bank credit.

The private sector is dominated by publicly owned enterprises dating back to the time when the Nasser philosophy prevailed of providing the population with necessities at low prices and with essential services free of charge (USAID 1988). Small-scale businesses face a policy environment that constrains market access and presents entry barriers. Financial institutions, encouraged to direct credit toward large clients, discriminate against possibly riskier smaller clients. Restrictive regulatory and legal systems create obstacles for small firms. This in turn encourages entrepreneurs to remain in the informal sector and deprives them of the benefits enjoyed by legally registered firms. Under the proposed IMF Stand-by/World Bank structural adjustment programs, many of these obstacles will be addressed by measures such as improved access by SMEs to government services, reduced collateral requirements for small loans, and market-determined interest rates for both borrowing and saving. Although the GOE removed the ceilings on interest rates, the banking sector has not yet responded by setting interest rates at a market clearing level (Jensen 1991).

The microenterprise sector could be more dynamic soon for several reasons: (1) the government and the IMF signed an initial agreement on economic reform on April 9, 1991, including privatizing state-owned enterprises; (2) the Gulf War resulted in many Egyptian migrant workers returning home who may turn to the informal sector for their livelihood; and (3) the promise of government employment to

university graduates began to be phased out in 1985 and many unemployed graduates can be expected to turn to the private sector for their livelihood.

USAID/Cairo Enterprise Projects

USAID/Cairo has placed growing emphasis on small- and micro-scale enterprise in the last 12 years. Microenterprise initiatives often began as small subcomponents of larger projects, sometimes involving agricultural credit. Among projects including such subcomponents are the \$26-million Development Decentralization I Project, the \$35-million Agricultural Mechanization Project, the \$49-million Small Farmer Production Project, and the \$1.6-million Small Scale Agricultural Activities Project.

Additional projects specifically targeted entrepreneurs and, according to USAID/Cairo, reached their intended beneficiaries. The Coptic Evangelical Organization for Social Services (CEOSS) supported income and employment generation in Upper Egypt from 1983-1986, with a total budget of \$9.4 million in 1987. The Comprehensive Development Program operated a loan fund with a total annual budget of £E1.7 million. The Small Enterprise Loan Program (SELP) was a separate component of the \$12-million Helwan squatter upgrading project and operated a loan fund of \$360,000 to expand or improve established enterprises. The latter two programs have helped increase household incomes. Although CEOSS is yielding high returns on investments, both this program and SELP are small. Further, inflation is eroding their funds, making sustainability more difficult to achieve (USAID 1989 Stocktaking Report).

USAID/Cairo has developed considerable experience in SME through two major projects within the past few years. One, the Cairo and Alexandria urban-based Small and Microenterprise Development (SME) Project (263-1212), was designed to increase employment and profitability in small and micro manufacturing businesses. Two privately managed foundations deliver credit, technical assistance, and training to the entrepreneurs. The two foundations have extended about 6,000 loans valued at £E12 million as of October 1991. The average loan length is six months. In Alexandria, nearly half the current loans are to repeat borrowers. Women make up between .05 and 9 percent of the total borrowers from both foundations. Female participation rates are low for two reasons. Female participation was not an objective for either foundation when they began, and loans are given almost exclusively for manufacturing, a sector with few women. Alexandria has recently placed more emphasis on female participation and has currently achieved a rate of over 9 percent. When the SME project diversifies its sectors, as planned, female rates should increase.

The second project, the Rural Small Scale Enterprise (RSSE) subcomponent of the Local Area Development Project (263-0182), provides credit through National Bank for Development branches in Damietta and Sharkeya to rural and urban-based small- and micro-scale entrepreneurs in service, trade, and production. RSSE targets off-farm enterprises with fewer than 10 employees and less than £E25,000 in business assets including land and buildings. A June 1991 report states that over 9,500 loans were made with no losses recorded and that 2,433 new jobs were created (one new job for every £E3,300 [\$1,000] in credit extended). Over 50 percent of borrowers are repeat borrowers. Women received 1,207 loans (13 percent), totaling £E2,278,850 (27.5 percent of the total amount loaned). The higher female participation rate is due to the inclusion of trade and service enterprises. Most loans (52 percent) went to the investment sector for purchase of machines and tools; only 8 percent went to the service sector. Average loan maturity was six to nine months. Both projects targeted existing businesses; 20 percent of the loans requested by women in Damietta were rejected since they were to start up businesses. Female participation rates for the above projects could increase dramatically with measures suggested in this report.

Two new projects for the greater Cairo area, both in their initial stages, will replicate and expand upon the successful mechanisms of the RSSE project. The Small Enterprise Credit (SEC) Project (263-0228) is directed at firms with fewer than 15 employees and less than £E25,000 in fixed assets. The innovative Credit Guaranty Company for Small Scale Entrepreneurs is directed at small-scale enterprises (except trade) and includes doctors, medical centers, and laboratories. For the Credit Guarantee Company, the minimum guarantee offered to a bank loan for any one enterprise is £E25,000 and the maximum is £E700,000. This represents 50 percent of the loan value with no collateral. The guarantee durations range from six months to five years.

In addition to USAID projects, other microenterprise programs have been carried out in Egypt by U.N. agencies, the European Economic Community, the World Bank, the Ford Foundation, European donors, and nongovernmental organizations (NGOs). Many NGO programs have social aims and have been directed toward poverty alleviation. The Ford Foundation probably has the most experience with credit delivery and recovery through its work in the governorates of Damietta with the Principal Bank for Agricultural Development and Cooperatives, and in Minia, with the National Bank for Development; this work provided many lessons that were integrated into the RSSE project. CARE has several targeted credit initiatives; one for poor families in four rural governorates is administered through Community Development Associations. The Dutch also are carrying out a targeted small enterprise assistance project in Fayoum and another for fishermen in South Sinai. Most of these projects use market interest rates.

Experience has shown that donor microenterprise loan schemes have high repayment rates. Traditional social and religious values, especially in rural areas, compel borrowers to repay.

Credit For Business Start-up and Operation

Donor programs can help only a fraction of SMEs. The USAID 1989 Stocktaking Report on Egypt suggests that the major sources of capital for microenterprise investment are savings or money provided by family and friends. Suppliers extend the majority of informal business credit; money lenders are rare. (Other research shows that most small- and micro-scale entrepreneurs depend largely on credit from suppliers, and to a lesser extent, prepayment by customers [Jensen 1991]). *Gamaye*, rotating savings and loans associations, are common and, together with family and friends, are often critical sources of capital for female entrepreneurs. A study by Marouk (1989) points out that pawnbrokers are a popular source of women's credit (this is consistent with the finding that women like to save in gold, especially jewelry, because it serves the dual function of being decorative and a safe investment.)

Barriers to Infusion of New Technologies

Although social linkages among the various small-scale industries are dynamic, with money flowing and marriages being made, little interaction takes place with the rest of society and almost none between these shops and the industrial world on the rest of the planet (Oldham 1991). In Europe, innovations in technology spread rapidly without much regard for national borders. However, Egypt is bounded by countries whose industrial expertise is less than her own and her access to innovations is almost strictly internal, or augmented by pilgrimages to Mecca. Most Egyptians speak and read only Arabic, do not travel widely, do not participate in trade fairs, and have no access to trade magazines or technical research at universities, although admittedly, most of the latter may not be relevant to the study's population. For women, these barriers are exacerbated by their relatively greater isolation and their lower literacy levels. Although new knowledge does travel rapidly, initial access to new knowledge is restricted. Oldham also points out that although export markets have potential (including those of

nonindustrialized African countries and especially those with ties to Egypt such as Sudan and Somalia) little initiative exists.

WOMEN IN THE NATIONAL ECONOMY

Key Indicators of the Status of Women

Education

After the 1952 revolution, education facilities were expanded and formal education was seen as important for financial security. In the 1950s, many members of the urban upper-middle class resumed their education to obtain jobs. The GOE policy of guaranteed employment to all graduates of secondary school and above increased female education and employment. Although literacy in Egypt is higher than in many neighboring countries, illiteracy among females 15 years of age and older is 78 percent, compared with 46 percent for males. Primary and secondary enrollment is lower for girls compared with boys (67 percent versus 87 percent). Nearly twice as many males as females are postsecondary enrollees (United Nations 1990).

Health

The fertility rate is 4.8, about average for the region (except for Jordan which has one of the highest in the world: 7.2). Maternal mortality at 318 is high for the region. Contraceptive use at 38 percent is about average for the region.

Women and Poverty: Female Heads of Households

According to a World Bank report (1989) on poverty alleviation, women tend to be more affected by poverty because they have fewer opportunities for work and to generate income. The groups of women most affected and considered economically vulnerable are widows and female heads of households. The World Bank report estimates that approximately 10 percent of households are female-headed households. This figure is probably underestimated since many de facto female-headed households are not included in statistics. The Central Agency for Mobilization and Statistics (CAPMAS) *Yearbook* (1990) reports that 14 percent of the Egyptian female population are widowed or divorced. Surprisingly, 32 percent of the female population between the ages of 45-59 are not married, compared with 7 percent of the males. These groups of women are possibly motivated to work to ensure personal or family survival.

Women and Work

The widespread problem of under-reporting of female labor force participation somewhat taints the data presented here. Fortunately, new initiatives by CAPMAS address this problem. According to recent U.N. estimates, 10 percent of women are in the labor force.

Rural women have always had a significant role in earning money for household expenditures, primarily through the sale of dairy and poultry products. Some of these activities, however, are now being absorbed into the large formal development projects controlled by men, and although women remain in these projects, their income is now being directly controlled by their husbands (USAID 1985).

Most employed women, 70 percent, are salaried workers, especially in urban areas. Only 15.5 percent are employers, and 14 percent are self-employed as Table 1.1 summarizing CAPMAS data illustrates. Among rural women, the most common employment areas are agriculture, services, manufacturing, and trade, and among urban women they are service, trade, and manufacturing. Table 1.2 summarizes CAPMAS data.

Work and the Internal Dynamics of Egyptian Households

Egyptian women gained the vote in the 1950s and most have somewhat more status and mobility than do women in other Arab and Islamic nations, with the possible exception of Turkey. Few women keep strict *purdah* or seclusion. Although several wear modern dress,

Table 1.2 Women's Economic Activity

Activity	Urban	Rural	Total
Agriculture	2.8%	48.8%	23.3%
Mining	0.3%	0	0.1%
Manufacturing	13.4%	15.3%	14.3%
Electricity	0.7%	0	0.4%
Construction	1.9%	0.3%	1.2%
Trade	14.7%	12.7%	13.8%
Transport	4.6%	0.16%	2.6%
Finance	3.3%	1.2%	2.4%
Service	58.0%	21.4%	41.7%
Total	100.0%	100.0%	100.0%

Source: Malak Za'louk. 1990. CAPMAS Labour Information System Project. Preliminary Report, SG1, Women.

Table 1.1 Women's Work Status

Status	Urban	Rural	Total
Wage Workers	88.2%	46.5%	70.0%
Employer	3.5%	30.3%	15.5%
Self-Employed	8.0%	21.3%	14.0%
Total	100.0%	100.0%	100.0%

Source: Malak Za'louk. 1990. CAPMAS Labour Information System Project. Preliminary Report, SG1, Women.

especially in the cities, many women wear veils that cover the head. The family is a paramount social institution; married women are autonomous within the household and manage their responsibilities with little interference from their husbands. Married women work to cover additional family expenses, so as not to place undue demands or strains on their husbands. Loza (1988) points out about married women:

Women in Egypt who work and generate extra income, rarely do that to increase their independence from men nor for their individual material interest (p. 9).

The assumption is often made that women's earnings disappear into a unified household income stream. However, households are groups of

interdependent people with separate but complementary income streams and responsibilities, and with resources allocated according to different preferences and needs. Even in households where men are theoretically responsible for all expenditures, women often need and keep their funds for family emergencies, ceremonies, social purposes, and the like. Women therefore have incentives for maintaining income streams that they desire from enterprises.

Although there is great complementarity of gender roles, women have traditionally been subservient to men. Despite a wife's contribution to family income, men formally retain their position of authority as bread winners and protectors of the family. There is great social pressure for women to favor their primary role as keepers of the family's internal well-being over their secondary role as income earners. Career success does not necessarily enhance social status or gain extra respect from others. Men may agree to their wives' working if it does not affect women's traditional responsibilities (Loza 1988).

The government policy of ensured employment had the effect of repressing wage increases and families had to adapt one of three strategies to make ends meet: (1) husbands temporarily migrating to Arab oil countries, usually leaving their wives behind with all the domestic burdens; (2) husbands seeking second or third part-time jobs, leaving additional family responsibilities to their wives; and (3) wives seeking employment to increase the number of bread winners, thereby assuming dual roles in the family.

Women Entrepreneurs In General

Although no generalizations are universally applicable, the following features often characterize women's businesses.

- **Often home-based and sometimes ambulant.** Women's role in the household shapes their businesses to a large extent. Women in both developed and developing countries are more likely to keep their businesses close to home to minimize conflict between their multiple roles as wage earners, mothers, and homemakers.
- **Smaller.** Women's businesses may be smaller because they have fewer assets and can borrow less. Operating from a home base — with limitations on space, time, and mobility — constrains the size of women's businesses.
- **Concentrated in certain sectors.** In countries as diverse as Nigeria, Indonesia, and Egypt, women entrepreneurs are often concentrated in the commercial sector and in services. Some hypothesize that women concentrate in these sectors because of time constraints imposed by domestic duties or other income-generating activities. One of the more surprising findings from a recent study was that university-educated women were working as microvendors (Mencher 1987 and Begum 1986). Women in production are likely to be found in light industries and in manufacture of wearing apparel, leather goods, and handicrafts, where profits are lower. The preponderance of women in certain low-remuneration enterprises with few barriers to entry, such as food and craft production, exacerbates low profitability and further limits opportunities for expansion. In rural areas, female agriculturalists tend to produce relatively low-return food crops, while men are more likely to be in remunerative cash cropping.
- **Part-time, seasonal and diverse.** Women's businesses are also distinguished by their part-time and often seasonal nature, allowing them to accommodate other responsibilities such as child care or agriculture. Women probably have more diverse portfolios than men, perhaps to spread risk (Downing 1990).
- **Different growth strategies.** Finally, women's growth strategies may differ from those of men. For example, among borrowers in the Dominican Republic, women who owned medium-sized textile firms were more reluctant to purchase machinery and equipment than

were men. In the larger firms, the tendency of women owners to hire labor as a growth strategy resulted in lower output results than in firms owned by males (Rubio 1991). A typical pattern worldwide is for men to purchase equipment and for women to hire workers. Another common pattern is the multiplicity of women's small enterprises in contrast to men's tendency to invest in only one business.

Women Entrepreneurs in Egypt

Previous to this study little was known about female entrepreneurs in Egypt. CAPMAS reported in June 1987 that only 0.2 percent of small enterprises were owned by women. Typically, available data is limited to enterprises with 50 employees or more, which excludes most female enterprises. Governorate offices have records of registered businesses, but many women fall out of that net also.

In gathering secondary data for the present study, North South Consultants Exchange (NSCE) examined CAPMAS data from the 1986 census for the relevant governorates. The results showed as many as 10 percent of registered businesses in Cairo (including public, private, governmental, and enterprises not presently operating) were owned by women, compared with only 1 percent in Damietta. USAID/Cairo (1989) estimated that 1 million women were in the informal sector (unregistered businesses) and that many of these were microentrepreneurs. The Davies et al. study on small- and micro-scale enterprises in the Fayoum and Kalyubiya governorates found that the preponderance of work in dairy enterprise is done by women. Women are also important in other industry groups, making up over 30 percent of the work force in all industries other than dairy products. Women make up almost 50 percent of the work force in the textile subsector, and are important in Fayoum in the production of palm products (included in the wood products category). Davies et al. also showed that the participation of women in the garment making, food processing, and trading sectors is much higher in the informal than the formal sector. These data sets show that women are economically very active in Egypt, with most female entrepreneurs in the informal sector. These findings were confirmed in the present study of women entrepreneurs.

Apprenticeships are often means for women (and men) to become entrepreneurs. This phenomenon was observed and recorded empirically in the present study and corroborates the work of Oldham.

Misconceptions About Women Entrepreneurs

The nature of women's business has engendered certain misconceptions and left many female-owned businesses veiled in obscurity. There is much discounting of the importance of female businesses, even by the women themselves, who may see their businesses as only supplementary to the childbearing roles deemed primary in many societies. Men also discount women's businesses, feeling that a working wife is an affront to their masculinity. In Islamic countries where seclusion is practiced, women's businesses are not as visible as typical male-owned storefront operations. Women's businesses may not even be accessible to males outside the family. The way in which women conduct their enterprises also may be different from those of men, leading to the interpretation that sometimes women are not as serious about their businesses as are men. Financiers look at the composite picture of women's ventures — small, low-profit, and often home-based operations. They then tend to dismiss these as trivial enterprises or insignificant income-generating activities, neither needing or deserving financial services. These beliefs may be reinforced by general cultural notions about women's status.

Recent experiences counter these beliefs, as well as those that women and the poor use financial services strictly for short-term consumption, that they do not save, and that their business are not good credit risks (Downing 1990). Women who are economically active are often spurred on by finally having access to credit and by their responsibilities for providing for their children. Consequently, they are determined to make the most of their opportunities (Rubio 1991).

Donor Assistance to Female Entrepreneurs in Egypt

Table 1.3 summarizes the main donor-assisted SME projects that benefitted women in Egypt. Many donor projects had social goals intended to alleviate poverty, particularly in Upper Egypt, or to help women. Some lessons probably can be learned from these. The projects with subsidized rates are probably not sustainable in the long term and some projects included start-up businesses that had high failure rates. The UNICEF Rural Family Project was less successful in income generation than the Productive Family Project (PFP). Male PFP beneficiaries tended to make more profit because of larger loans and better access to marketing opportunities. The USAID/Cairo Stocktaking Report (1989) states that there were large numbers of beneficiaries in the USAID microenterprise projects it reviewed, and there was no evidence of lower economic returns or reduced sustainability in those projects with a gender focus.

TABLE 1.3

SUMMARY: DONOR-ASSISTED EGYPTIAN WOMEN'S ENTERPRISE PROJECTS

Donor	Project Type	Target Group	% Female Benef.	Project Area	Urban/Rural	Loan Rate	Av. Loan Amount E£	Services Offered	Implem. Agency
UNICEF	mother and child	women	100%	5 governorates	rural	subsidized	200 - 450	T,C	MOSA, PBDAC
USAID	financial institution	farmers	10-20%	14 governorates	rural	both	200 - 20,000	C	PBDAC
USAID	enterprise expansion	enterp.	5-7%	2 governorates	urban	commercial	500 - 10,000	C	NGO, BANK
USAID	enterprise expansion	enterp.	5-20%	2 governorates	rural	commercial	200 - 2,500	C	NBD
DUTCH	enterprise formation	all	50-70%	5 governorates	both	subsidized	100 - 1,000	T,C,A	MOSA, NGO
CARE	enterprise formation	all	-	4 governorates	rural	subsidized	450	T,C	MOSA, NGO
CRS	enterprise expansion	unemploy	37%	1 governorate	urban	subsidized	2,000 - 10,000	T,C	NGO
CRS	enterprise expansion	enterp.	-	1 governorate	urban	subsidized	100 - 800	T,C	MIXED
CRS	enterprise formation	women	100%	1 governorate	rural	subsidized	50 - 100	T,C	NGO
FAO	enterprise formation	women	100%	3 governorates	rural	subsidized	-	T,C	MOSA
ILO	enterprise formation	women	100%	1 governorate	rural	subsidized	-	T,C	MOSA, NGO
FF	enterprise expansion	enterp	38%	1 governorate	urban	commercial	-	C	NBD
FF	enterprise expansion	enterp	-	1 governorate	urban	commercial	-	C	PBDAC
FF	enterprise formation	women	100%	1 governorate	urban	subsidized	-	C	NGO

T Training, C Credit, A Technical Assistance; Ministry of Social Affairs (MOSA); Principal Bank of Development for Agriculture and Credit (PBDAC); National Bank of Development (NBD).

Source: NSCE 1991

Women and Credit/Savings

In enterprise development and finance, it is now accepted that women are at least as good a credit risk as men. Economic efficiency and effectiveness provide sufficient rationale for extending financial services to women. Equity arguments further support this. First, women's repayment rates are usually excellent — 90 percent or above — in programs throughout the world. Second, in addition to using the profits of their businesses to purchase consumer goods, women also use their profits to invest heavily in family welfare (Mencher 1987 and Begum 1986). Women's purchases of health and education services for their families enhance the human resource base, thereby contributing substantially to national

development goals. Finally, women also reinvest in their own productive enterprises, whether business or agriculture.

As cited earlier, *gamaye*, family and friends, and pawnbrokers are often critical sources of capital for female entrepreneurs.

Regarding savings, in the USAID/Cairo Agricultural Production Credit Program, women constituted 19.8 percent of borrowers but 25 percent of savers (NSCE 1989). Marouk also reported that women's savings rates were high and that women were more disciplined and more responsible.

Collateral

Collateral constraints were the most frequently cited barriers to women's obtaining credit in Marouk's study. Worldwide, women tend to have fewer assets to pledge than do men. This reflects cultural and sometimes legal obstacles. Land title is often required for obtaining formal credit and is typically in the name of male household members. Female-headed households are especially without asset. In rural areas, they possess less farm equipment and fewer cattle and small stock than do male-headed households (Saito and Weidemann 1990). Lack of assets among the poor is compounded by high indebtedness. To meet basic survival needs, household assets are often sold or pawned, particularly in poorer female-headed households. Finally, women's assets are likely to be in nonliquid forms, such as jewelry or household furnishings. Although these may be accepted as collateral by moneylenders and pawnbrokers, they do not meet the collateral requirements of formal financial institutions.

In urban areas, males often hold title to vehicles as well as housing and other property. Among rural households, men usually possess the more valuable assets such as large livestock, while women own smaller stock such as goats or poultry. Further eroding their capacity to build assets is the common practices of paying women less than men doing the same job. Their concentration in generally low-paying enterprises or jobs also reduces their ability to build assets.

Egypt is primarily an Islamic country and, under Islamic law, men are required to provide for women. This is reflected in inheritance laws that give female offspring one-half that given to males. Wives without children inherit half the husband's estate and those with children receive one quarter. Therefore, although women may be cared for in Egypt, they will typically have fewer assets to pledge than men will.

Summary: Why Women Lack Access to Financial Services

To summarize, women lack access to financial services for the following reasons:

- Lack of collateral (usually land title);
- Need for a male cosigner;
- Low literacy, numeracy, and general education, which make women less comfortable with written forms and bookkeeping;
- Distance, time, and cost of travel to credit institutions;

- **Lack of knowledge and experience with formal institutions, resulting in lack of confidence;**
- **Small scale ventures; and**
- **Sociocultural attitudes of the women themselves, as well as of the men and the staff of financial institutions.**

CHAPTER TWO

SURVEY METHODOLOGY

DESIGN

The objectives of this survey were to (1) determine the nature and extent of female economic participation in the informal sector; (2) identify constraints to the expansion of female participation, whether sociocultural, technical, or financial; and (3) make recommendations to USAID for enhancing opportunities for female entrepreneurship in existing and proposed Agency projects.

The study was carried out in three stages. The first was a review of Egyptian and U.S. literature on female entrepreneurship and the informal sector, conducted by the researchers and synthesized by the team leader.

The second stage was not included in the scope of work, but was undertaken by the Egyptian subcontractor to consolidate preliminary background information on the two USAID/Cairo projects. A database was built from the loan application files of 5,926 Small and Microenterprise Development Project and Rural Small Scale Enterprise Project beneficiaries using January 1, 1991, as a cut-off date. This database is referred to as the Management Information System in the present study and was used to identify types of businesses selected by project beneficiaries.

The third and principal stage involved design of a precoded questionnaire and collection of primary data from 323 Egyptian small- and micro-scale entrepreneurs. This sample included males and females in both rural and urban areas.

The questionnaire was designed by the team leader, and reviewed by the Growth and Equity through Microenterprise Investments and Institutions (GEMINI) Project team including the Michigan State University group that spearheads GEMINI's research; by the GEMINI coordinator in A.I.D./Washington, and by the Small Enterprise/Middle East staff person responsible in the A.I.D./Washington Office of Women in Development. The instrument was reviewed in USAID/Cairo by the chief enterprise officer, the evaluation officer, and by the director of the local consulting firm, North South Consultants Exchange (NSCE).

The final questionnaire for entrepreneurs had six main sections:

- Characteristics of the household;
- Characteristics of the entrepreneur;
- Characteristics of the enterprise;
 - Type/ownership of business and premises
 - Business history
 - Business operations
 - Business assets
 - Inputs

- Product sales and marketing
 - Income
 - Problems and constraints
 - Use/Control of business income
 - Attitudes about business growth and location
- Participation in financial markets;
 - Training/technical assistance; and
 - Questions addressed to SME and RSSE project borrowers.

The questionnaire was field-tested with more than 25 entrepreneurs (participants and nonparticipants in the two USAID/Cairo projects), in rural and urban areas, and with both male and female respondents and enumerators. After four revisions, the final version was translated into Arabic and checked in several locations and contexts to ensure its appropriateness. (The English and Arabic versions appear as Appendices B and C). The instrument took approximately 70 minutes to administer.⁵

The sample was stratified by gender, geographic residence (rural/urban), and project participation/nonparticipation.⁶ From the SME and RSSE projects, 215 borrowers (123 male and 92 female) were randomly selected from the universe of 5,926 borrowers.⁷

The project design called for interviews with a comparison group; however, complete sampling frames do not exist for SMEs because of the informal nature of the sector. Therefore, a sampling frame from which to select a comparison group was generated by compiling a larger list than needed, consisting of (1) entrepreneurs in similar types and sizes of businesses who were not receiving assistance of any type but who were known to the enumerators; (2) potential borrowers who had applied and were on a waiting list but who may or may not be approved for the two USAID/Cairo projects; and (3) similar small entrepreneurs in a credit scheme operated by the Ministry of Social Affairs. From this composite list, 108 entrepreneurs in the comparison group were randomly selected (59 males and 49 females).

The survey covered four governorates: Cairo, Alexandria, Damietta, and Sharkeya. The first two were predominantly urban; the latter were rural, with many beneficiaries coming from medium-sized cities in the area. In each governorate, a sample of 90 respondents had been planned, composed of 60 project participants and 30 nonparticipants, all equally distributed by gender. Due to difficulties in administering the questionnaire in Cairo, the survey was cut short and the end sample totaled 323 entrepreneurs instead of 360 as originally planned.

The researchers had expected the small entrepreneurs to be anxious about the questions, and to be in a hurry to return to their work. However, many entrepreneurs reported that the questions helped

⁵ It should be pointed out that the questionnaire assumed honesty of response from small entrepreneurs, which can be a leap of faith in this field particularly in the polite context of Egyptian culture.

⁶ This report focuses on the gender variable.

⁷ Total borrowers consisted of 5,242 males and 684 females; by design, females are over-represented in the sample.

them review current and possible future strategies for their businesses. In addition, many entrepreneurs felt this was a valuable opportunity to discuss their opinions on the project's management.

ENUMERATORS

The questionnaire was administered by 10 female and 28 male enumerators.⁸ Almost half (48 percent) of female respondents were interviewed by female enumerators and the rest were interviewed by males. Enumerators received 1-2 days of training and were supervised by a senior social scientist in Cairo and by a senior logistics coordinator in Alexandria. Both supervisors were in charge of checking the questionnaires and carrying out the field control of reinterviewing 5-10 percent of respondents. One female and 17 male enumerators from the RSSE project carried out the rural interviews in the Damietta and Sharkeya areas.⁹ The urban interviews for the SME project in Cairo and Alexandria were conducted by nine female and 11 male extension credit officers from the Ministry of Social Affairs Productive Families Project.

Additional Products

Two other activities not in the scope of work were undertaken to enrich the study.

Loan Officer Questionnaire

To assist USAID/Cairo in strategies for expanding its SME program, a questionnaire was developed and administered to 47 loan officers, of whom four were women involved in the projects.¹⁰ The questionnaire, which was five pages long and took 15 minutes to complete, was left with the loan officer and collected several days later. (See Chapter Three for key results of this questionnaire).

Case Studies

Four in-depth case studies were developed to illustrate variances in female-owned businesses. (See Appendix A.)

⁸ Although it would have been desirable to have more female enumerators, there simply were no other skilled females available who would be permitted by their families to work the necessary hours and travel to distant neighborhoods. Furthermore, Anker and Anker (1989) found that the gender of the interviewer was not so important in Egypt as had been thought.

⁹ To avoid bias, RSSE project loan officers were not permitted to interview their regular clients.

¹⁰ Forty-seven represents the total available pool of loan officers from RSSE and SME, not just those from RSSE who served as enumerators. Three females were no longer actively visiting clients but had been doing so until recently; hence the decision to include their perspectives.

DATA ENTRY AND PROCESSING

Since the entrepreneurs' questionnaires were in Arabic, NSCE carried out the data entry, continually checking with the supervisors and enumerators regarding any discrepancies. A data storage and processing plan was prepared by the NSCE systems analyst. Two-way cross tabulations by gender and project participants and nonparticipants were prepared. Loan officer questionnaires were cross tabulated by gender of the loan officer and by governorate.

Delays in the Study

USAID-mandated administrative procedures resulted in a six-month delay in the selection of the Egyptian subcontractor. The travel advisory/ban associated with the August 1990 Iraqi invasion of Kuwait and the 1991 Gulf War further delayed initiation of the study. Although the literature review and questionnaire design began in January 1991, the first field visit could not be made by the team leader until March 1991. The bulk of the data was collected in August-October 1991.

These results should be viewed as pilot and exploratory, because this is the first study of its kind in the GEMINI project.¹¹ Clearly, subsequent work in this area is crucial and suggestions for follow-up appear in Chapter Four.

¹¹ Although Egypt is a fairly open Islamic society, cultural traditions demand certain protocols and interview settings. Occasionally, it was sometimes difficult for male enumerators to interview females in their homes. Furthermore, in most cases, evening interviews could not be conducted by women.

CHAPTER THREE

FINDINGS, CONCLUSIONS, AND IMPLICATIONS

This chapter discusses the key results of the survey of 323 entrepreneurs in four governorates and the implications for USAID programming in small- and micro-scale enterprise. The discussion is arranged by respondent characteristics, and highlights differences between female and male entrepreneurs. The chapter also includes the results of a survey of 47 loan officers from the USAID SME and RSSE projects. Four case studies in Appendix A provide rich, anecdotal detail on the origins and operations of women's small ventures in Egypt.¹²

RESULTS OF SURVEY OF ENTREPRENEURS

The distribution of the survey respondents by project and gender is shown in Table 3.1. Two-thirds of the respondents were participants in the SME project based in Cairo and Alexandria or in the RSSE project. One-third were similar entrepreneurs who were not participating in either project. All were selected randomly according to procedures described in Chapter Two.

Table 3.1 Respondents by Gender and Participation in RSSE/SME Projects

	Male	Female	Total
Project Participant	123	92	215
Nonparticipant	59	49	108
Total	182	141	323

Characteristics of the Households and the Entrepreneurs

Household Size. The average household size of male entrepreneurs was larger than that of female entrepreneurs (5.7 persons versus 4.7 persons). Households of female entrepreneurs may be smaller because there are fewer male income earners present, or it may be that female entrepreneurs are disproportionately represented by women whose children have left home.

Educational Level. Female business owners had a significantly lower educational level than their male counterparts. Almost half (49 percent) of female business owners were illiterate. By comparison one third of male business owners were illiterate. This lower literacy level must be considered in planning any enterprise program aimed at female entrepreneurs.

Marital Status. Female entrepreneurs were more likely than male entrepreneurs to have been widowed. Among female business owners, almost 18 percent were widowed compared with just over 1 percent of the males. This evidence suggests that some women may have started the business out of necessity after the death of a spouse. This is further supported by the fact that 38 percent of females were the sole income earners for their households.

¹² The studies include an aluminum workshop in Cairo, an embroidery enterprise in suburban Cairo, a rural weed rope weaver from Damietta, and a small grocery store owner from Fareskur. Of the four businesses, three are successful and one is in trouble, two are urban and two rural, and two proprietors are married and two are older widows.

Women's Contribution to Family Income. A striking conclusion to emerge was that 38 percent of households in the study were dependent on the woman's income for survival. This may be due to the large number of Egyptian males who worked abroad in the Gulf region and who experienced temporary unemployment upon repatriation because of the Gulf War. Women's earnings form a family safety net, ensuring survival in times of husbands' unemployment or absence. Worldwide, women's surplus earnings go toward family welfare through investments in health, education, and nutrition.

Dependency Ratios. More people were dependent on the earnings of the female entrepreneurs than were dependent on the male entrepreneurs. Female entrepreneurs had an average of 4.75 persons fully dependent on their earnings while males had 4.2 persons fully dependent. This implies that female entrepreneurs are in business because of need. The program implication is that female entrepreneurs should also be included in any other poverty programs.

Business Characteristics and Operation

Geographic Location. Alexandria, Damietta, and Sharkeya provided nearly equal percentages of respondents (ranging from 26.6 to 28.2 percent), with Cairo somewhat lower (16.4 percent). Of the businesses surveyed, about a third were located in villages; the remaining two-thirds were located in governorate capitals and other urban areas. (Tables 3.2 and 3.3.)

Business Premises. Almost all male entrepreneurs (94 percent) rent their business premises. One-third of women use their business premises free of rent. The research team noted that nearby premises owned by relatives were often a factor in launching a woman's business (see case studies in Appendix A).

How Business was Acquired. Fourteen percent of males and 11.9 percent of females surveyed got their business through inheritance. In this survey, 63 percent of businesses that were acquired through inheritance were acquired by males. In the larger society in Egypt where the proportion of male-owned businesses is far greater, nearly all businesses that are inherited go to males. Occupational, sociocultural, and inheritance patterns tend to favor males over females in acquiring the family business. Earnings from outside Egypt were used to capitalize 20 percent of male-run businesses, but only 3 percent of female-run businesses. Out-migration usually supports the start-up of male-run businesses, but not female-run businesses.

Table 3.2 Location of Entrepreneurs by Governorate

	Male	Female	Total
Alexandria	50 27.5%	36 25.5%	86 26.6%
Cairo	32 15.9%	24 17.0%	56 16.4%
Damietta	51 28.0%	39 27.7%	90 27.9%
Sharkeya	49 26.9%	42 29.8%	91 28.2%
Total	182 56.3%	141 43.7%	323 100.0%

Missing observations = 0

Table 3.3 Location of Entrepreneurs by Size of Town

	Male	Female	Total
Village	62 34.8%	42 30.2%	104 32.8%
District Capital	29 16.3%	34 24.5%	63 19.9%
Governorate Capital	7 3.9%	6 4.3%	13 4.1%
City	80 44.9%	57 41.0%	137 43.2%
Total	178 56.2%	139 43.8%	317 100.0%

Table 3.4 Primary Motive for Going into Business

Length of Time in Business. Women had not been in business as long as their male counterparts. Half of females interviewed had been in business five years or less in contrast to only 29 percent of males in this category. It is not clear what accounts for this difference.

Motivation for Going into Business. Table 3.4 shows that the primary motivation for men and women to go into business also differed. Men were more likely to be seeking independence (40 percent) than women (19 percent); women were more likely to be seeking increased income (62 percent) when compared with men (39 percent). This suggests that the income opportunities for women in the wage earning economy are not as satisfactory as those available to men. Women are therefore more likely to pursue self-employment as an alternative. When asked about second motives for going into business, women mentioned the ability to combine family duties with work about 15 percent of the time. This information is consistent with observations concerning female entrepreneurship elsewhere around the world. Among the secondary motives, the next most frequently mentioned reason women went into business was that they had returned from living overseas and could not find work.¹³

	Male	Female	
Wanted to be Independent	73 40.1%	27 19.1%	100 31.0%
Increased Income	71 39.0%	88 62.4%	159 49.3%
Combined with Family Duties	1 0.5%	3 2.1%	4 1.2%
Could not Find Work	11 6.0%	5 3.5%	16 5.0%
Family Business	18 9.9%	10 7.1%	28 8.7%
Returned from Abroad & Needed Work	3 1.6%	6 4.3%	9 2.8%
Other	5 2.7%	2 1.4%	7 2.2%
Total	182 56.3%	141 43.7%	323 100.0%

Missing Observations = 0

Failure Rates. Fewer females (4 percent) than males (16 percent) were previously involved in businesses that had failed. Although the number of failed businesses was small, there is no reason to believe that failure rates for female-run businesses are higher than those for male-run businesses.

Management of Business. There was little gender difference in the management of the business. Ninety-three percent of males and 90.5 percent of females managed their own business on a daily basis.

Apprenticeships. Apprenticeships are crucial to both males and females for learning occupational skills in Egypt. Sixty-one percent of females and 68 percent of males surveyed had served as apprentices. The widespread use of apprenticeships has implications for program initiatives for working with small enterprise in Egypt. Apprenticeships are actually trade schools functioning at no expense to the government. According to Oldham (1990), the skills taught and the level of equipment used in apprenticeships are often more efficient for technical training than those available through government-sponsored vocational schools. Moreover, after training, the master often helps set up the apprentice in loans business and even jobs-out parts of production to him or her. In a World Bank project in Indonesia, loans or scholarships are given to students to study at private institutions or workshops in the

¹³ It is not known whether this is a result of the particular sample drawn or whether there are wider policy and program implications behind this response. If this result holds up under further analysis, the implications for establishing female-run businesses need to be explored. Does living abroad encourage women to start their own business upon returning to Egypt? If so, this could provide a particular target group for entrepreneurship programs.

apprentice mode. This strategy might be explored in Egypt to encourage female entrepreneurship.

Types of Businesses. Information on the types of business enterprises was taken from two different sources. Table 3.5 gives the frequency of occupations as obtained from the MIS database as constructed from RSSE and SME project borrower records as of January 1, 1991; N= almost 6,000. Women clustered overwhelmingly in the sewing business, which is also popular with men. Butchering, poultry, and restaurant/food occupations were also common female ventures. Among men, butchering and carpentry were the predominant occupations.

Table 3.6 provides a breakdown of occupational categories of the 323 entrepreneurs randomly selected for this survey. Over half (56 percent) of female entrepreneurs were in service businesses. This percentage is significantly higher than the percentage of males (35 percent) involved in service businesses.

Table 3.6 Occupational Categories of Businesses Surveyed

	Male	Female	
Agricultural Production	11 6.3%	5 3.7%	16 5.2%
Agricultural Processing	1 .6%	2 1.5%	3 1.0%
Mining & Manufacturing	37 21.1%	18 13.3%	55 17.7%
Services	62 35.4%	75 55.6%	137 44.2%
Trade	63 36.0%	35 25.9%	98 31.6%
Other	1 0.6%	0	1 0.3%
Total	175 56.5%	135 43.5%	310 100.0%

Missing Observations = 13

determine how many of these positions were paid or the number of hours worked per week in each. Female-owned businesses tended to make more extensive use of family labor and part-time labor. The conclusion that can be reached from this finding is that microenterprises do create direct employment opportunities.

Business Location. Over half (53 percent) of female-owned businesses were home-based compared with just 10 percent of male-run businesses. Twice as many men (84 percent) as women (41 percent) run their businesses from a shop (Table 3.7).

Table 3.5 Occupation of Entrepreneurs Surveyed in RSSE and SME Projects

	Male	Female
Poultry	510	39
Carpentry	1088	24
Sewing	390	258
Hair Dresser	47	2
Watch Repair	344	21
Ironing	20	0
Mechanic	238	5
Butcher	1132	194
Restaurant/Food	403	37
Electrical	93	0
Bakery	26	0
Driver	14	0
Metal Work	114	7
Photographer	14	0
Decorator	78	0
Stationery	52	8
Welding	80	4
Leather	114	9
Plastic	318	13
Other	101	7

Women are less frequently found in manufacturing or trade businesses when compared with men.

Apparent reasons for the higher representation of women in service industries are that it is easier to run a home-based service business and less capital investment is required. Service businesses are smaller and are not as likely to be exposed to the scrutiny of regulators. Under-representation of women in manufacturing and trade probably results from higher investment barriers due to fixed capital and working capital requirements.

Ownership Patterns. Nearly equal percentages of women and men (87 percent of women contrasted with 88 percent of men) were sole proprietors. The 323 businesses surveyed provided employment for 317 proprietors, 163 family members, 183 laborers, 97 apprentices, and 30 part-time workers — 790 people, or approximately 2.45 positions per business. It was not possible to

Furthermore, 70 percent of female-owned businesses compared with only 18 percent of male-run businesses were started in the home. That so many of these businesses were started and run out of the home has probably contributed to a systematic undercounting of their number, activity, and economic contribution. Program implications are that new methods must be explored to identify and enumerate these female business owners and to assist their businesses. Some of these methods might include having loan officers observe and inquire in neighborhoods, using more female loan officers who could enter the houses, and working with rotating savings and credit associations, *gamaye*, which are popular in Egypt and frequently used by women.

Distance from Business. The business owners surveyed lived very close to their place of work. Ninety-one percent of women's businesses and 84 percent of men's businesses were within 15 minutes of home. This reflects the large numbers of Egyptian women working out of their homes. It also shows the tendency, despite the contrary wishes of municipal governments, for male-owned businesses to be located in residential neighborhoods. Any small business program must be decentralized to meet the needs of clientele who are home- or neighborhood-based.¹⁴

Sources of Finance to Start Business. Surveyed entrepreneurs were most likely to have started the business themselves (80 percent of women and 72 percent of men). Money for starting operations came primarily from personal savings. Formal lending institutions did not play a significant role in financing start-up operations. Informal savings and lending groups such as *gamaye* play an important role in financing new business start-ups, particularly for women (Table 3.8). By far the most common source of start-up financing was from family and informal sector sources. The program significance is that donor organizations are generally not adept at assisting start-up businesses. Therefore, the focus should be on providing assistance to organizations such as *gamaye*, which are effective in providing such support.¹⁵

Table 3.8 Sources of Finance to Start Business

	Male	Female
Work Outside Egypt	36	4
Personal Savings	97	89
Family/Friends	25	18
Formal Credit Inst.	3	7
Money Lender	4	2
<i>Gamaye</i>	29	34
Inheritance	25	11
Other	7	2

This question allowed multiple responses. As percentages would be a less appropriate measure, the table reports the total number of responses in each category.

Balancing Domestic and Business Obligations. Women were more likely than men to try to balance domestic and family obligations with their business. Seventy-five percent of women reported combining household responsibilities with work compared with only 58 percent of men. Ninety percent

Table 3.7 Location of Businesses

	Male	Female	
Home	18 10.0%	73 53.3%	91 28.7%
Side Walk	8 4.4%	8 5.8%	16 5.0%
Shop	151 83.9%	56 40.9%	207 65.3%
Mobile	3 1.7%	0	3 0.9%
Total	180 56.8%	137 43.2%	317 100.0%

Missing Observations = 6

¹⁴ Oldham (1990) points out that businesses of certain types tend to cluster in a select few areas of any city.

¹⁵ It should be noted that some *gamaye* are only temporary groups, started for a particular need; these would be less suitable organizations with which to work.

of women worked eight hours per day or less in their business. Many women chose to work only selected segments of the day or to work irregular hours. Any assistance programs to reach women must be designed to meet women's work schedules and not require large blocks of time. Requiring day-long training programs or lengthy travel away from the business site or home would have a disproportionately negative impact on female entrepreneurs and their families.

Registration of the Business. Only 35 percent of female businesses are registered compared with 56 percent of male businesses. Of the women who have not registered their businesses, 89 percent saw no need for or benefit to registering. Businesses run by men are larger and more likely to be located in public areas. Their registration rates are likely to be higher because they are more visible to regulatory authorities.

Informality of Female Businesses. Female-run businesses are much more firmly entrenched in the informal sector than are male-run businesses. This characteristic is shown by the likelihood that the business is unregistered, uses family labor, operates from the home, does not keep business records, and is done on less than a full-time basis.

Record Keeping. Microentrepreneurs generally do not keep business records. Of those surveyed in this study, 77 percent of women and 72 percent of men did not keep records.

Suppliers. Women tend to get their business supplies from retail sources rather than from a manufacturer or wholesaler (Table 3.9). This is probably because female-run businesses are smaller and less able to take advantage of volume purchases. Other questions revealed that 55 percent of these businesses are service businesses that do not require large amounts of raw materials or product inputs. Service businesses require only supplies, and the savings realized by buying wholesale or from the manufacturer are not significant. Convenience of suppliers is more critical to female entrepreneurs because over half the businesses purchased supplies in their immediate neighborhood. There is some limited evidence that women tend to purchase from other women. This is probably more dependent on the type of businesses that women engage in than a preference for seeking out female suppliers. This question needs to be investigated further.

Table 3.9 Sources of Goods and Materials for the Business

	Male	Female
Retail	81	83
Wholesale	100	50
Manufacturer	6	9
Other	4	8

More than one response was allowed from each respondent.

Purchaser of Product/Service. Female-run businesses generally sell to consumers. Seventy-six percent of female entrepreneurs cater directly to consumers compared with 35 percent of male entrepreneurs. This is consistent with the proportion of female-run businesses that are service or trade businesses (Table 3.10). A very small proportion of these microentrepreneurs are exporters. Because of economies of scale and the quality demands of export marketing, it would be very difficult for this category of entrepreneur to become active in export marketing.

Reasons for Going Into This Business. The results of this question have important implications for planners. When asked for the reason they entered this particular business, women were more likely than men to say that it was because the business could be run from home or could be easily combined with domestic responsibilities. During pretesting, the researchers also noted the tendency for widows to inherit and operate their husbands' businesses. Other responses such as knowing the business or ability to obtain raw materials did not elicit very different responses between males and females. Males, however, seemed more attuned to market conditions, and nearly twice as many males as females

mentioned "good market" as a reason to produce this product or provide this service as Table 3.11 illustrates.

Supplier and Customer Credit. Women operate primarily on a cash purchasing basis. Seventy percent of female-run businesses paid cash in advance or cash on delivery for supplies, materials, and products, and 87 percent of female entrepreneurs extended credit to their customers. Male-run businesses are more likely to get access to supplier credit and are less likely to extend credit to the customer. This helps to explain why so many women list working capital as a major constraint to business development (see Tables 3.12 and 3.13).

Table 3.11 Main Reason Owner Decided to Produce this Product or Provide this Service

	Male	Female
Good Market	100	55
Can Get Raw Material	26	16
Little Capital Required	24	18
Know the Business	108	90
Can work at Home	15	45
Other	11	9

This question allowed multiple responses and the table reports the total number of responses in each category.

that they confronted. Table 3.12 combines the primary and secondary constraints listed for each respondent.

Lack of working capital was the most common obstacle faced by both men and women. Multiple reasons were permitted in the questionnaire. Over 76 percent of both men and women mentioned this as the primary problem at the time of start-up. Giving essentially the same reason, another 2 percent mentioned getting capital for raw materials or stock as the primary constraint. As the second major constraint, 17 percent mentioned working capital or financing for raw materials or stock. In summary, over 95 percent of respondents listed some type of working capital as either the most important or second most important constraint faced at start-up.

In contrast, fixed capital was mentioned as the primary constraint by only 5 percent and as the second constraint by only 7 percent of respondents. The only other constraint that was mentioned by many respondents was the problem of establishing a market. Six percent mentioned this as the biggest problem and 36 percent mentioned it as the second major obstacle.

Current Problems. When asked whether their business was currently facing any major problems, 55 percent (174 respondents) replied affirmatively. In the interview they were given the option of listing the most important problem and the second most important problem. When respondents gave

Table 3.10 Principal Purchaser of Product or Service

	Male	Female	
Consumers	132 34.7%	117 77.5%	249 65.5%
Retailers	45 11.8%	14 9.3%	59 15.5%
Wholesaler	36 9.5%	13 8.6%	49 12.9%
Foundations	10 2.6%	3 2.0%	13 3.4%
Exports	2 0.5%	2 1.3%	4 1.0%
Other	4 1.0%	2 1.3%	6 1.6%
Total	229	151	380 100.0%

Note: Some entrepreneurs listed more than one type of purchaser.

The next set of questions deals with the past, present, and future of the business.

Problems When First Acquired Business. Respondents were asked whether they faced any major problems when they first acquired this business. Forty-three percent (138 entrepreneurs) responded that they had faced major obstacles. These respondents could then indicate the primary and a secondary constraint

Table 3.12 Problems Faced When This Business First Opened

	Male	Female	Total
Working Capital	73	46	119
Capital for fixed Assets	11	5	16
Capital for Raw Material	10	8	18
Obtaining Raw Material	16	8	24
Administrative Regulations	5	1	6
Licensing/Permits	11	3	14
Obtaining Labor	2	4	6
Building Client Base	32	29	61
Tax System	18	0	18
Transportation Problems	0	1	1
Import Restrictions	1	0	1
Customer Payments	7	5	12
Other	9	7	16

This question allowed multiple responses and the table reports the total number of responses in each category.

more than one response to a question (more important-less important), both answers were tabulated. The responses are presented in Table 3.13. The largest single problem facing these business owners was lack of working capital. Seventy percent of business owners who indicated they were having a problem, listed working capital as the primary problem, and 7 percent listed working capital as the second major problem. Women have more of a problem with working capital than men. Eighty-seven percent of female entrepreneurs listed lack of working capital as either the first or second most critical problem being faced by their business. By contrast only 69 percent of male entrepreneurs listed working capital as the first or second most critical constraint. The other common constraint facing microenterprise is marketing or establishing a client base. Six percent of respondents listed this as their primary problem and 30 percent listed this as their second major problem.

Business Expansion. The microenterprise sector is dynamic and growing. When asked whether they planned to expand their business, 87 percent of females and 77 percent of males indicated that they planned to do so. Interestingly, 38.4 percent of females and only 7.9 percent of males stated that they would need spouse approval to expand. Those who suggested expansion plans were asked what they most needed to expand operations. Up to two major needs were recorded by the interviewer (Table 3.14). Eighty-nine percent of females and 87 percent of males listed working capital as the most important need for business expansion. As a second need to expand operations, 29 percent mentioned raw materials and 21 percent mentioned equipment.

Table 3.13 Major Problems Now Faced by the Business

	Male	Female	Total
Working Capital	74	59	133
Capital-Fixed Assets	12	6	18
Capital-Raw Material	19	10	29
Obtaining Raw Material	20	10	30
Administr. Regulations	2	1	3
Licensing/Permits	10	2	12
Obtaining Labor	5	3	8
Building Client Base	32	28	57
Tax System	6	2	8
Transportation Problems	1	0	1
Import Restrictions	1	0	1
Customer Payments	1	2	3
Other	7	2	9

Several problems were listed either as the primary remaining problem or the secondary remaining problem.

A major program implication flowing from these findings is the inappropriateness of attempting to use fixed capital financing for encouraging micro business development. Although this may be useful to a small minority of the businesses that find that financing for fixed capital is their major constraint, it does nothing for the vast majority of businesses that have working capital constraints. The evidence

seems overwhelming that working capital is the key to supporting success for microenterprises, especially for women.

Technical/Business Training for Expansion. Not one of the 323 respondents mentioned business or technical training as a necessity to expand his or her business.

Total Sales. Eighty-four percent of female-owned businesses gross less than £E1,000 per month versus 74 percent for males, implying that female-owned businesses are smaller than those of males. In the next size category, £E1,000-4,999, 22 percent of male businesses as contrasted with 14 percent of female businesses fell into this range.

Table 3.14 What is Needed Most to Expand the Business

	Male	Female	Total
Working Capital	136	96	232
Fixed Capital	18	14	32
Raw Materials	51	28	79
Labor	8	3	11
Transportation	7	3	10
Markets	28	23	51
Space	20	14	34
Equipment	31	30	61
Collect debts	6	1	7
Other	1	1	2

Number of replies listed as either the most important or second most important constraint.

Business Expenditures. Eighty-four percent of female-owned businesses gross less than £E1,000 per month compared with 74 percent of male-run businesses. Twenty-two percent of male-run businesses and 14 percent of female-run businesses had gross sales of between £E1,000 and £E4,999 per month. On the cost side, 89 percent of female businesses and 80 percent of male businesses had expenditures of less than £E1,000 per month.

Use and Control of Income/Preferences for a Home Base Versus Higher Earnings

Use of Income. Few gender differences appear in use of income derived from the business. Slightly less than two-thirds of both men and women used the income to support personal and family consumption. Thirty-five percent of males and 30 percent of females reinvested business income into the business. This finding contradicts the popular notion that women use their earnings for family consumption and do not reinvest in their businesses.

Control Over Business Income. Male entrepreneurs (87.9 percent) had more personal freedom to decide how to use the income from their businesses than did female entrepreneurs (70.5 percent). Women (6.5 percent) were also more likely than men (1.6 percent) to let their spouses decide use of the woman's business income. Furthermore, women were four times more likely (19.4 percent) to decide jointly with their spouse on the use of their personal business income than were men (5.5 percent).

Preference for a Home-based Business Earning Less Versus a More Profitable Outside Business. When asked to state their preference for working either in a business at home that earned less or an outside business that was more profitable, the responses of men and women were significantly different. Fifty percent of the women said they would prefer the home-based work with smaller income compared with only 10 percent of the men. This finding is similar to results in Asia (Kudat and Weidemann 1991).

Preference for Higher Income Over More Leisure Time. Assuming that their businesses started to operate more efficiently, allowing a choice between earning a higher income or cutting back on the number of hours worked, respondents were asked which they would choose. Both men (96 percent) and women (90 percent) stated that they would prefer a higher income to more leisure time.

This choice is typical of householders stretched by economic necessity and of an ambitious entrepreneurial class.

Financial Services

Use of Formal Financial Services. Seventy-one percent of the entrepreneurs had applied for a loan from a formal institution within the previous 12 months. This is a high percentage and results from that fact that at least 215 of the total sample of 323 were currently in a loan program. Some nonparticipants also may have had access to loans. It is worth noting that only 6 percent of those entrepreneurs who applied for a loan went to a commercial bank.

When asked the main reasons they had chosen a particular institution, the entrepreneurs' answers varied. Reasons most frequently given were that loans were made in small amounts, officials were easy to deal with, and no collateral was required (Table 3.15).

Loan Approval Rates. The loan approval rate for women was 86 percent and for men, 90 percent. Among project participants, the loan approval rate was 98 percent; among nonparticipants, 33 percent. Thus, it would appear that one major reason for entrepreneurs to apply to the two USAID projects for a loan is that their chances for approval are substantially higher than at other formal institutions.

Loan Size. Women's loan sizes tended to be smaller than men's. Eighty-two percent of loans to females and 72 percent of loans to males were under £E1,000 (US\$300). Although their loans were smaller, most women felt the loans were adequate.

Informal Credit Sources. Many entrepreneurs had received credit from informal sources within the previous 12 months. Family and friends were the most popular sources for males. Family, friends, pawning gold or jewelry, and *gamaye* were the favored female sources. Results are listed in Table 3.16. Over one-third of women chose an informal source because it was closer to their home. Among men, one-third chose the informal source because no collateral was required, and one quarter because no waiting period was required.

Table 3.15 Reasons Particular Formal Financial Institution Selected

	Male	Female	
Close to house	12	11	23
No Written Request Required	13	7	20
Know the Lender	22	16	38
Low Interest Rates	19	14	33
Favorable Repayment Terms	32	29	61
No Waiting Period	47	29	61
No Collateral	46	27	73
Loans in Small Amounts	45	35	80
No Penalty for Late Payment	13	6	19
Officials Easy to Deal with	47	41	88
Provide Loans When Needed	20	19	39
Few Visits Needed	13	3	16
Officer Approached Me	32	23	55

Multiple responses were allowed.

Banking Relations. Very few of the entrepreneurs are part of the formal banking system. Only 8 percent of females and 12 percent of males have a current bank account. Interestingly, 26 percent of women had to have the signature of their spouse to open an account while only 9 percent of the men were subject to this restriction.

The low participation at even rudimentary levels of the banking system has significant program implications since establishing a checking account is relatively simple. This could help mobilize savings and move microbusinesses to the threshold of the mainstream banking system. Establishing a credit history and perhaps a lending relationship could result.

Table 3.16 Source of Informal Credit Within the Last 12 Months

	Male	Female	
Money Lender	2	0	2
Gameye	6	6	12
Family	11	6	17
Friends	10	4	14
Suppliers	1	2	3
Selling Gold or Jewelry	5	9	14
Other	3	0	3

Some respondents listed more than one response.

Savings. Few men (12 percent) and women (8 percent) had savings besides any required by the projects. The implication for USAID programming is to emphasize savings mobilization to tap wider community participation and enhance the soundness of loan operations in its projects.

Business and Technical Training In General. Business and technical training did not appear to be a high priority for the entrepreneurs. About one entrepreneur in three had received some type of training in the past. Two-thirds of the training offered was in the area of production. When asked if they would take advantage of any business or technical training if it were offered, less than half (45 percent) showed any interest. Of those who were not interested in training, lack

of time was the reason cited by 60 percent of respondents. Fifteen percent of women said they would not be interested because they would need permission of their spouse to participate. Another 9 percent of women would not want to participate because of shyness.

It was pointed out in Chapter Two that lack of knowledge of new technologies was a major constraint to improving small-scale industrial production. The responses of these entrepreneurs may come from lack of understanding of what appropriate technological exposure could do to improve the efficiency of their businesses. Two points are, therefore, important to future USAID programming: small enterprise support programs must modify training needs to meet the time constraints of the entrepreneurs, and entrepreneurs must be made better aware of the benefits they can reap from training.

Results of Questions Addressed to USAID RSSE and SME Project Borrowers Only

Source of Learning About the USAID Projects. Project officers were the most common means by which entrepreneurs found out about the project. Forty-four percent heard through a project officer, 28 percent heard from a relative or neighbor, and 16 percent heard from colleagues in their trade. Women needed more encouragement to apply to the project than men: only 12 percent of women applied on their own, while 25 percent of men did so. Spouses and work colleagues seemed the most influential in getting women to apply to the project. Women were also more likely to experience discouragement from others (such as neighbors, relatives, and spouses) from applying, as compared with men. These

facts need to be considered in plans for publicizing any small enterprise project and identifying participants when increased female participation is a goal.

Number of Visits by Project Officers. Participants reported that they were visited by project officers on a weekly (60 percent), twice monthly (11 percent), monthly (16 percent), or less than monthly (13 percent) basis. The purposes of the visits were loan collection (56 percent), loan supervision (20 percent), provision of advice (15 percent), and mixed loan supervision and advice (10 percent).

Preference for Male or Female Loan Officer. Although most participants preferred to deal with a male loan officer, 26 percent of the female entrepreneurs suggested that they prefer dealing with a female loan officer.

Participant Evaluation of Projects. Participants were asked to evaluate various aspects of the project, such as application procedures, length of waiting period, size of loan, length of repayment period, interest rates, location of loan repayment, advice from loan officers, and follow-up by loan officers. Participants were generally satisfied with the services being received. The areas in which a significant number voiced need for improvement were the size of loans (36 percent), repayment period (32 percent), and interest rates (21 percent). It was not clear what was meant by improvement in the size of loans, but in other areas of the questionnaire respondents voiced dissatisfaction because of the small size of loans.

Repeat Loans. Over half of the 323 participants surveyed had received more than one loan; however, only 63 of the repeaters were women. The size of subsequent loans is smaller for survey respondents; 72 percent of the first loans and 77 percent of the last loans were under £E1,000. Loans extended to women tended to be smaller than loans extended to men. It is not known whether this is because of the nature of their businesses, a desire for lower risk, or a bias in the system.

Suggestions for Improvement. Seventy-nine percent of the RSSE and SME entrepreneurs suggested that the process for evaluating loan amounts needed to be improved. Twenty-six percent wanted improvements in the loan officer visits, but details on what these improvements might be were not specified.

RESULTS OF SURVEY OF LOAN OFFICERS

Forty-seven loan officers (4 female and 43 male) from Alexandria, Damietta, and Sharkeya were interviewed for their opinions on gender-related behavior of borrowers. No significant differences surfaced between male and female loan officers in their responses. There was no observed tendency to single out either male or female borrowers as systematically requiring special assistance.

Ways to Identify Clients. Loan officers indicated that they were able to identify entrepreneurs to participate in their projects by several different methods. These included surveying businesses, asking around the neighborhood, asking business owners already in the program, and giving public presentations. Male and female loan officers apparently identified male and female entrepreneurs in much the same way.

Opinions About Female Borrowers. Loan officers — both male and female — gave lower marks to female borrowers for their knowledge of financial and technical aspects of their businesses. This could indicate that female borrowers need stronger support and closer loan supervision. Loan officers also voiced some frustration at female business owners over not expanding or introducing new

features into their businesses. The implication is that loan officers need to understand the different values and responsibilities of women, and their particular entrepreneurial growth patterns and preferences.

Means to Improve Small- and Micro-scale Enterprises. Loan officers felt that small businesses could be improved by increased access to credit, moving the business out of the home, hiring better workers, expanding the premises, and getting better equipment. In each of these cases, they felt that female entrepreneurs were more in need of these improvements than were men.

Methods to Provide Increased Services and Improve Loan Officer Skills. Extending loans for retailing, providing marketing assistance, offering technical training, and providing loans for service businesses were all seen by the officers as methods for the project to provide increased services. Loan officers felt that they could improve their own skills by exchanging information with officers in other projects and by receiving additional training in a variety of topics. They also felt that they would benefit from working with more experienced loan officers.

Time Consumed by Visits. Loan officers reported that they visited clients weekly; more than one quarter said that weekly visits consumed too much time, and prevented them from identifying new clients. One-third of the officers said that weekly visits consumed too much time to supervise problem borrowers.

Increasing Numbers of Female Clients. Seventy-eight percent suggested that they could meet a quota of 20 percent female borrowers in their loan portfolio. The four female loan officers said they could meet the quota, but 22 percent of the officers (nine males) said it would be difficult to do so. Of those who said it would be difficult, four said they could meet the 20 percent quota if a monetary incentive were established. Four said this would not help, and one did not respond.

SUMMARY

Female entrepreneurs in Egypt make up a dynamic class of business owners that has gone largely unnoticed in official circles. These dynamic businesses are usually small, self-financing sole proprietorships that rely on family labor, require low skill levels to run, and sell directly to the consumer. Because they are typically unregistered, do not maintain bank accounts, do not apply for credit from mainstream credit institutions, do not operate in public places, and do not keep business records, these businesses largely escape official scrutiny. Owners of these businesses are the invisible entrepreneurs. In the next chapter, suggestions will be made for raising the visibility and enhancing the productivity of this group.

CHAPTER FOUR

IMPLICATIONS FOR USAID PROGRAMMING

This chapter summarizes key implications for enhancing entrepreneurship programs for women in Egypt, as well as in other Islamic countries and elsewhere around the globe. In Egypt's Small and Microenterprise Project, women made up between .05 and 9 percent of the total borrowers from the two implementing foundations. These low female participation rates are caused by two factors: female participation was not an objective for either foundation when they began, and loans are given almost exclusively for manufacturing, a sector with few women. Alexandria has recently placed more emphasis on female participation and has achieved a rate of over 9 percent. When the SME project diversifies its sectors, as planned, female rates should increase. The Rural Small Scale Enterprise component of the Local Area Development Project has a higher female participation rate because trade and service enterprises are eligible. Most loans (52 percent) went to the investment sector for purchase of machines and tools and only 8 percent went to the service sector. Average loan maturity was 6 to 9 months. Both projects targeted existing businesses; 20 percent of the loans requested by women in Damietta were rejected because they were for start-up businesses. Female participation rates for the above projects and the new Small Enterprise Credit Project could increase dramatically if the measures suggested in this report are taken.

IDENTIFYING AND APPROACHING WOMEN CLIENTS

Encourage loan officers to be proactive in identifying women clients. Methods they could use include surveying businesses, asking around neighborhoods, asking business owners already in the program, and querying social workers and NGO officers about female entrepreneurs who need assistance.

Realize that women are more likely to experience discouragement from neighbors, relatives, and spouses in applying for project loans. These facts need to be considered in plans for publicizing any small enterprise project and identifying participants if increased female participation is a goal. Also, although women have considerable autonomy, it is still advisable to keep males in their families well informed about the project.

Consider different communication vehicles to inform women about projects. Women must be sought out, as many will not otherwise come forward. They are also less literate and may not respond to written announcements about project services.

Recognize the reasons why women go into a particular business. Women in this study were more likely than men to go into a business that could be conducted from home, or a business that could easily be combined with domestic responsibilities. Survey questions such as "knowing the business" or "getting raw materials" did not elicit significantly different responses between males and females. Males, however, seemed more attuned to market conditions, and nearly twice as many males as females mentioned "good market" as a reason to produce a particular product or provide a service.

WOMEN'S BUSINESS NEEDS

Emphasize working capital rather than fixed capital. A major program implication flowing from these findings is the inappropriateness of using fixed capital financing to encourage small business development. Although this type of financing may be useful to a small minority of businesses, it does nothing for the large majority with working capital constraints. The evidence seems overwhelming that provision of working capital is the key to supporting successful microenterprise, especially for women.

Investigate means to get women and men into savings programs. In this survey, few men (12 percent) and women (8 percent) had savings besides any required by the project, and except for project participants, there was extremely low participation of the study group in the formal banking system, even at the most rudimentary level. It makes good sense to involve women as savers. In Egypt's Agricultural Production Credit Program, women constituted 19.8 percent of borrowers but 25 percent of savers (NSCE 1989). Marouk (1989) also reported that women's savings rates were high, and that women appeared to be more disciplined and more responsible. Many credit schemes that have high female participation rates, such as the ACCION programs in Latin America, the BKK in Indonesia, and the Grameen Bank in Indonesia, require compulsory savings. Interestingly, the structure of the savings component or instrument seems more relevant in determining savings rates than does gender of the depositor. Finally, the ability to accept deposits is a desirable feature in financial institutions because it expands their lending capability, protects their portfolios, as well as fulfills an often unmet need among women and the poor.

Place less emphasis on training of entrepreneurs, at least for now. Neither men nor women expressed a significant need for it. Yet, to overcome the severe technical barriers that Egyptian women (and men) face, consider funding visits for leading entrepreneurial women to other countries to view alternative technologies. Expressly targeting women for these visits has merit in that women have less exposure to the outside world, travel less, and have lower literacy in Arabic and less ability to read foreign language trade and business magazines for ideas.

Design assistance programs that take women's work schedules into consideration. Requiring day-long training programs or lengthy travel away from the business site would have a negative impact on female entrepreneurs and their families, because women in the survey tended to work part-time and in designated segments of the day.

ASSISTING WOMEN ENTREPRENEURS

Decentralize the small business program to meet the needs of a geographically diverse clientele that is usually based in the home or the neighborhood. In this survey, 91 percent of women and 84 percent of men work within 15 minutes of home.

Continue to target women by emphasizing the informal sector, because fewer women than men work in the formal sector and register their businesses.

Consider targeting women in any poverty-oriented program. Women in the survey had an average of 4.75 persons fully dependent on them versus 4.2 for men. This implies that female

entrepreneurs are in business because of need. The program implication is that female entrepreneurs should also be included in other poverty programs.

Consider assisting the apprenticeship system that is widespread in Egypt. Apprenticeships are actually trade schools functioning at no expense to the GOE. The skills taught and the kind of equipment used in apprenticeships are often more appropriate than that available at government-sponsored vocational schools. Moreover, after training, the master often helps set up the apprentice in business and even "jobs-out" parts of production to the former apprentice. To encourage female entrepreneurship further, USAID might explore a strategy used in a World Bank project in Indonesia in which loans or scholarships are given to students to study at private institutions or workshops in the apprentice mode.

Consider a subchapter for women in the Alexandria Businessmen's Associations. Association names selected in the future should not imply that only males can join; women are shy about approaching a group that appears to be dominated by males.

Include more sophisticated women's businesses by targeting university graduates in commerce, economics, and the like who are unemployed. For example, in Alexandria, a female graduate who could not get a job started a successful boutique and a home-based embroidery business.

Increase women's awareness of where more remunerative markets are. For example, the confectionery and wedding cake business has a 50 percent profit margin compared with a 15 percent margin in poultry raising, and could absorb more entrepreneurs.

Encourage women's groups. Solidarity groups can raise self-confidence, empower women, assist illiterate members to gain or retain knowledge, and lower transaction costs.

Expand SME programs beyond the manufacturing sector, or fewer women will be attracted. Encourage petty trading among women, as petty traders turned out to be no riskier than other industry segments in the RSSE project test cases. Also, the service/retail sectors in this survey, in which women are more likely to be found, created employment for 790 people (30 of which were part-time). This equated to 2.45 positions per business.

LOAN OFFICERS

Attempt to attract female loan officers, because 26 percent of women in the survey prefer them. Female loan officers might be sought from among older women with fewer family responsibilities or younger unmarried graduates. As desirable as this measure is, there are still some social constraints in Egypt that prevent female loan officers from working late at night, which is often a necessity to reach small business owners. And it may be that the gender of loan officer is not so important as his or her understanding of the dynamics of female-run businesses. Several male loan officers in the RSSE and the Alexandria SME projects had high numbers of female borrowers. When asked, they stated that they had adopted special techniques to identify women clients. These officers should be used in training sessions to help other officers. Still, it should be kept in mind that, for cultural reasons, some young, unmarried male loan officers could have difficulty working with women entrepreneurs in their home.

Consider reducing the weekly frequency of loan officer visits where these are still the norm. Loan officers in the study perceived these as too time-consuming and as preventing them from finding

new clients and working with problem clients. Twice-monthly visits may be sufficient, with more frequent visits to problem clients.

Offer brief training sessions for loan officers about the dynamics and differences between female and male businesses, using these survey results as a basis for the curriculum. Because the presurvey interviews and the survey results showed that women's home-based businesses are taken less seriously, it is important to teach women and men loan officers that home-based businesses are acceptable. In developed countries, home-based businesses are the wave of the future. The trend in the United States, made possible for service businesses by computer and telecommunications technologies, is for workers to go back to the home as the work place of choice. The top CEOs of select corporations are operating out of their houses and lower-level workers are being allowed to work a few days a week at home, linked to their offices by computers. Advertisements by IBM, AT&T, and Fujitsu support this trend.

Recognize that loan officers gave lower ratings to female borrowers. This could be an indication that female borrowers need stronger support and closer loan supervision. Loan officers also showed some frustration with female business owners over not expanding or introducing new features into their businesses. Loan officers need to understand better the different values and responsibilities of women, and their particular entrepreneurial growth patterns and preferences.

Recognize that monetary incentives to increase numbers of female clients do not appear appropriate. Of the 47 loan officers surveyed, 78 percent said they could meet a quota of 20 percent of female borrowers in their loan portfolio. Twenty-two percent (all males) said it would be difficult to do so, but only a few of these said a monetary incentive would help them achieve the 20 percent goal. It seems more appropriate to employ some brief training measures to recruit more female borrowers.

CHAPTER FIVE

RECOMMENDATIONS FOR FOLLOW-UP RESEARCH

During the planning for this study, consultations were held with representatives of USAID/Cairo, R&D/WID, and GEMINI concerning the desired work product. Because this survey was one of the first anywhere to examine extensively the nature of female entrepreneurship in the small- and micro-scale enterprise sector, and to contrast them with male entrepreneurs, the decision was made to add extra questions so that comparisons could be made with other countries where similar studies are under consideration. Also, it was felt that the additional information would be useful in any later, follow-up analysis. Although crucial and significant implications for gender and enterprise program work have emerged from this analysis, further in-depth analysis might reveal other implications for donor programs and SME policy.

DATA AND ANALYSIS

Several unexpected and significant findings have already been revealed by the data analysis done for this study, yet the results presented have just scratched the surface of the available data. The data are in an electronically retrievable form that can be subjected easily to additional analysis that may uncover additional implications for programming.

- In this study, only simple two-way cross tabulations were used. The results highlighted some significant questions that might be answered by using different variables in the cross tabulation, three-way cross tabulations, or more powerful analysis of variance.

DISSEMINATION OF RESULTS

Many local and regional researchers working in small enterprise and gender issues are not fluent in English. In addition, most small enterprise practitioners are not fluent in English.

- The executive summary and main findings of this study should be translated into Arabic.
- The results of this study should form the basis for training loan officers who work with microenterprise and female entrepreneurs.

FURTHER RESEARCH

This study has helped to refine some ideas that are useful for planning new gender-sensitive program initiatives.

- A relatively simple questionnaire should be designed to be used as part of the loan application process. These results would be extremely useful for evaluating and planning programs that will be responsive to gender-related issues.
- Liaison should be set up with the World Bank Social Dimensions of Adjustment Unit, which is also investigating microenterprise and gender in Egypt, as well as with the World Bank WID Officer for the Middle East, North Africa, and Europe.
- The questionnaire developed in this research should be used as the basis for other studies comparing female entrepreneurs across regions.
- More attention could be given in future iterations of the study to the subsector approach, which is defined in such GEMINI publications as *A Subsector Approach to Small Enterprise Promotion and Research* by James J. Boomgard, Stephen P. Davies, Steven J. Haggblade, and Donald C. Mead; and *A Field Manual for Subsector Practitioners*, by Steven S. Haggblade and Matthew Gamser.

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APPENDIX A
CASE STUDIES OF FOUR FEMALE ENTREPRENEURS

APPENDIX A

CASE STUDIES OF FOUR FEMALE ENTREPRENEURS¹

PLACE: Gamaleya

GOVERNORATE: Cairo

ENTREPRENEUR: Fatheya

ENTERPRISE: Aluminum Spare Parts for Washing Machines

Fatheya is a 65-year-old widow living in Gamaleya, a poor area in Cairo. Her husband died in 1974 leaving her with four sons and three daughters to raise on her own. All her sons went to school and worked at the same time in aluminum utensils workshops, bringing in Fatheya's only source of income. Eventually, due to the financial demands of the household, all of her sons were forced to drop out of school, except her younger son Abdallah.

In 1981, Fatheya decided to invest her savings in her own aluminum workshop because her sons had previous experience in aluminum spare-part making. She first bought a piece of land across the street from her house, as well as a "makhrata." Little by little her business grew and she eventually bought three "makhrata."

Fatheya begins production with the raw material, aluminum sheets from the government. She rents a truck in order to transfer the material to her workshop, then she distributes the work among six workers, four of whom are her sons.

Although Fatheya's sons are always present at the workshop, she prefers to constantly supervise to make sure that everything is running smoothly. She oversees the purchase of raw material, production, sales, and marketing. She also keeps records of different expenses, such as overhead, electricity consumption, as well as sales. Sometimes when they have a deadline to meet for delivery, she even feels obliged to help in the actual production. After a product is finished, Fatheya sends her younger son to deliver and receive payment for it. All deals, however, are done through Fatheya. She chose her son Abdallah for delivering products because he is the only university graduate and therefore he gives a good impression.

Fatheya also put Abdallah in charge of bookkeeping, because she is illiterate. But she has learned to read numbers and can now check all the accounts to ensure that every item is accurately recorded. Fatheya treats her sons as if they were non-family members, so they will be more serious about their work and there will be no financial problems. She pays them like the others, and gives them a portion of the profit as an incentive.

At first, Fatheya used to rent a car and market her products herself. She felt that the good quality of her goods enabled her to easily enter the market. She concentrated solely on washing machine spare parts to sell to wholesalers.

Later, she began recycling the metal scraps and dust, melting them and making them into smaller sized items, like plates and kitchen utensils, to sell directly to retailers.

¹ These four case studies were prepared by NSCE staff in November 1991.

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Fathey's ambition did not allow her to stop at having only a few wholesalers and retailers. Wanting to market her products even more, she made a stamp that she uses on all her products. She also made a business card that she gives out to all of her existing and potential customers. This has resulted in an expansion of her market, and wholesalers have started coming to her from Upper Egypt, where there is a high demand for her products and no local supply.

Fathey had two loans from the USAID project, which she invested in raw material, the most expensive item in production. She bought 1,000 kilos of aluminum sheets for £E2,000. After repaying her loan, she took another for the same amount and invested it the same way. This loan enabled her to buy raw material essential for production and invest her profit into another machine.

Her major complaint, as well as her sons', is the high inflation rate that results in high costs of production. Fathey states that although the market is growing, her real growth was in 1981. This was when the price of aluminum was low, the cost to the consumer was low, and, consequently, demand was higher.

PLACE: Road El Farag
GOVERNORATE: Cairo
ENTREPRENEUR: Sabah
ENTERPRISE: Embroidery

Sabah is a 28-year-old woman who lives in the popular area of Road El Farag. On first seeing her, one could tell that she was very active, ambitious, and full of life. At the time of this case study, Sabah was preparing for her marriage, which was to take place in two weeks.

Sabah has a high school diploma in commerce. To acquire more skills, she took an English and a computer course at the Division of Public Service at The American University in Cairo.

Her family consists of her parents and their 10 children, including herself. In 1989, Sabah's father fell ill and the family had no source of income. At that time, Sabah was on her third level in the English course. Being the eldest child, she was obliged to drop out of both courses, cancel her plans for entering university, and concentrate on earning a living for her family.

She got two jobs in a five star hotel and managed to support her family's needs. During this time she visited a friend's embroidery workshop. When he told her that it was a good enterprise and the demand for it was high, she thought about it and planned to start her own business.

Sabah explained that the main benefits of this kind of work were financial profit and having a sense of accomplishment. People also are treated according to what they do, and being daring and hardworking,

she wanted to run her own business. Sabah has also come to love embroidery through watching her friend at his workshop.

Before starting her business, she took and paid for formal training at her friend's workshop. Then she started working for him until she learned all the needed skills and details concerning business, production, and sales.

The embroidery machine cost £E6,000, and Sabah had only £E1,500. Because her mother believed in her abilities, her mother encouraged Sabah to sell her gold jewelry for the extra money she needed.

The raw materials needed for production are bed sheets and thread, with the latter being the most expensive.

In 1988, after feeling confident with her skill, Sabah decided it was time to start operating her home-based enterprise. Sabah visited potential customers and showed them samples of her products, and eventually established several contracts with wholesalers. She then started to teach her three sisters the technique of embroidery. She chose her sisters, rather than her brothers, because she wanted them to experience being independent and dealing with outsiders.

Sabah later expanded her market, selling to retailers and direct to customers. Her dream is to have a big workshop that could cover the national market, but due to financial constraints which keep her from buying more machines and raw materials, it is not possible at the moment.

Sabah sets her prices according to the electricity costs, wages, machine operation costs, and maintenance needs. The factor that causes a difference in price among items, however, is the amount and kind of thread used, as well as the labor involved.

Sabah is aware that bookkeeping is important in enabling her to set prices and evaluate performance and profit. Her records include different items such as payroll, power consumption, raw material purchases, and expenses and income.

Sabah said that a clever entrepreneur is one who does not close her ears to advice. She, therefore, listens to the advice of her friend who first taught her the embroidery technique. It is up to her then to decide whether or not to take the advice. Also, she always needs advice about the current fashion trends. She resorts to her friend for this advice, too.

The embroidery enterprise is a seasonal one. Everybody involved in it has a break during the winter and summer sale periods. At this time the demand becomes very low because wholesalers do not make any purchases. After the Moslem month of Ramadan, the rate of marriage increases and the demand picks up quickly.

Sabah, however, does not take a break during this period. Rather, she gets involved in another income generating activity. She buys jars and makes a popular kind of homemade jam and sells it in the neighborhood to housewives and/or sandwich stands.

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Because she is getting married, Sabah will be moving to Beni Suef. But her business will not collapse, because she has made plans to keep it running. She told all of her customers that she will be taking her machine with her and she will carry out her work from there. She also told her fiancé that she would only marry him if he allowed her to stay in business. She also received his permission to come to Cairo on a weekly basis in order to supervise her work, make deliveries, take orders, pay her sisters' salaries, and give her parents the needed money.

TOWN: Faraskor

VILLAGE: El Ghawabin

GOVERNORATE: Damietta

ENTREPRENEUR: Fayza

ENTERPRISE: Weed Mats

The name of the village El Ghawabin comes from the Arabic root *ghab* meaning weeds, with the village name meaning weed producers. On entering the village the name Ghawabin becomes even more meaningful as one finds the ground covered with weeds and girls and women weaving magnificent weed mats and shades.

Fayza, a local weed weaver, married a farmer when she was young and lived in Faraskur with her husband's family. After having three children, they moved into a separate house, which meant being completely financially independent from her in-laws. As a result of this new financial situation, Fayza felt obliged to help her husband and was willing to engage in any type of income-generating activity.

Everyday, Fayza would visit her neighbors, who are weed weavers, in order to acquire some weaving skills. When she felt confident with her skills, she decided that she wanted to open her own business. At that time, her husband had just bought a small plot in Ghawabin village and had finished building a small house for the family.

After moving to their new house, Fayza decided to start her enterprise. She needed raw material (weeds) and wood bars for the loom, and borrowed the needed capital (£E700) from her husband. Because her business was profitable, Fayza was able to pay off her debts and become the owner of her home-based enterprise.

When she first started, Fayza was the only person engaged in weaving. But, as the demand for her products grew, she increased the number of looms from one to two and started employing others to assist her.

Fayza uses weeds and ropes to make her products. The weeds are either the *baladi* type, grown on farms and used for making mats, or the lake weeds used for making shades. Fayza makes the weed mats on a regular basis, while the shades are only made upon request. Because this kind of weed is grown on farms, it has to be bought and stored annually. In the beginning, Fayza would go by rented car to

neighboring governorates to check the quality and cost of weeds at different farms. Her husband and two sons go to the farm and collect the purchased weeds. If the sons are not available (as they are going into the army), Fayza sends two workers with her husband. After collecting the weeds, her husband gives a down payment to the owner of the farm to reserve the next year's crop. It must be noted, however, that Fayza's husband is not the one who decides on such agreements with the landlords. Rather, Fayza is the decision maker and her husband plays the role of the consultant and executor.

The ropes needed for weaving are bought on a daily basis, because they are available at the village and storage could ruin their flexibility and result in cracks. Fayza's sons purchase the ropes, but she makes the decisions about merchandise.

Fayza's working hours are from 6 am to 12 pm and from 2-5 pm. In the morning, she does the actual weaving and in the evening she peels and prepares the weeds for the next day. During her two-hour midday break, Fayza prepares lunch for her family while her two young daughters take care of the rest of the chores. On Sunday, her day off, Fayza bakes enough bread to last for a week.

Fayza's two maternal uncles were her first customers. After a while, however, she realized that she could sell her products at higher prices if she simply bypassed her uncles, as they were both wholesalers, and sold directly on the market. She started her retail sales by renting a car and going to Sharkeya, where the market is good for her kind of product. After finding her potential customers, Fayza showed them samples of her product and took orders. Now she does not need to go to Sharkeya anymore because her customers come to her to place orders and collect them when they are ready.

To expand her business, Fayza took out two loans from the USAID RSSE project. With this money she purchased more weeds, and made more profit. With this profit she bought a car necessary for her marketing and sales activities. She also made a contract with three weed weavers (two women and a man) in a neighboring village to work for her. Their work is carried out in their own homes. Every evening, one of Fayza's sons takes the car, collects the woven mats from the workers, and delivers the raw material to them for the following day.

Contrary to common belief about women entrepreneurs, Fayza has very good management and bookkeeping skills, as well as a business-oriented mind. Her bookkeeping was well organized and included income, inputs, payroll and profits. She explained that this was very important as all her decisions are based on the records.

The only formal workers that Fayza has are the three weavers and the two workers who help her husband in collecting the weed crop. She pays them on a weekly basis, but it is not a fixed salary. The weavers' salaries depend on the number of mats they weave and the weed collectors receive wages by the day. Any kind of work that Fayza's husband and children do for her is considered as help, so they do not get paid for it.

Fayza has considered expanding her business even more because the market is still expanding. She is very confident that her products will continue to sell despite the fact that the whole village is engaged in

the same kind of production. She is considering a third loan. Fayza's main concern is that her capital does not decrease, so she invests her profits in cattle, which are easy to sell when the need arises.

TOWN: Faraskur
GOVERNORATE: Damietta
ENTREPRENEUR: Fekreya
ENTERPRISE: Grocery

Fekreya is a 65-year-old widow. She was married at a young age and gave birth to five girls and two boys. When her husband died 18 years ago, two of her daughters were married and the rest of her children were still her responsibility. The family had no income other than the father's pension, which was not enough for survival. When her elder son turned fifteen, he started working as a carpenter - a handicraft for which Damietta is very famous. With her husband's pension and her son's salary, Fekreya managed to meet her daughters' marriage needs. Later, both of her sons got married and she had no other direct financial responsibilities.

Fekreya's house is located in a rural suburb in Damietta. As is the custom in rural Egypt, both of her sons and their wives live with her in the same household. This takes the responsibility of performing all the chores off Fekreya's shoulders and puts it on her daughters-in-law. After her sons' marriages, she thought of doing something on her own to keep herself busy and generate income. Her daughter and son-in-law, who live next door, had an unoccupied construction office in the basement of their building. When her son-in-law decided to close it down and go to work in Kuwait, Fekreya told him that she would like to use the basement of his building to start a grocery business and he agreed. She does not pay any rent to her son-in-law, as it would have been morally improper for him to ask. But when she realized that the electricity and taxes were automatically placed on his account, she sent him a letter saying that she would like to put the electricity meter in her name. This meant that she would register the place in her name and pay the taxes. Her son-in-law agreed, and she wrote a will giving her daughter (his wife) the place on her death. Her son-in-law sent her a contract saying that she is considered the official owner of the store.

For her enterprise she did not need anything other than shelves and goods. She used money from her husband's pension to establish herself, and the enterprise began making good profits. Fekreya was a pioneer in the field of grocery stores in her neighborhood and she had no competition. Later, however, all the men of the neighborhood who had been working in Arab countries returned with considerable capital that they invested in grocery stores. This threatened her enterprise, and she felt as if she could not keep up with this kind of competition.

As soon as she heard from her neighbors about USAID's RSSE Project, Fekreya decided to apply for a loan. She said that the project officers were very nice to her and she got the loan very easily. After she received the loan, her younger son got a contract for a job in Kuwait, but he had no money for the

air fare. So, she used the loan to buy his ticket. This son, as well as her son-in-law, returned to Egypt during the Gulf crisis, leaving behind all their savings. Now, Fekreya alone carries the burden of repayments.

Fekreya's merchandise is bought from a wholesaler located in a neighboring village. Every day she makes a list of the items that she would like to buy, and her grandson goes by bicycle and purchases the items for her. She does not go on her own as she is old and cannot leave the store for a long time.

Fekreya said the main reason that encouraged her to open up a grocery was the availability of a place close to her home. It takes only one minute to go to and from her store. This enables her to go home for prayers or any other important reason. If she needs to go home, she calls one of her daughters, who live upstairs, and asks her to watch the shop. If her daughters are not available, she simply closes down the store for fifteen minutes until she finishes her duties. This flexibility is indispensable to Fekreya.

In the store, Fekreya has petty commodities, which when compared to the variety displayed in nearby stores is very little. She has mainly soap, cigarettes, biscuits, candies, and stationery, with limited quantity and brands of each item. However, she has her own customers who have been with her since the beginning of the enterprise.

Also, her store is in poorer condition than the ones next to it. It is so old and dim that it was difficult to write down notes or observations. Fekreya works in the shop alone and says that it is not too much for her to handle.

Bookkeeping did not seem to be very important to this entrepreneur. She does not keep records of the income and/or expenses. The only item that she keeps records of is sales made on credit. She explained that this is to enable her daughter, upon Fekreya's death, to keep track of which people owe her money. Despite the fact that she does not keep any books, Fekreya was able to carefully recall her expenses and profits for the last 12 months. Fekreya said that the major growth period of her enterprise was in 1988, before other people started the same type of enterprise.

Fekreya makes a daily profit of £E5. She showed good awareness of how to set prices and calculate profit. She said that the prices are supposed to be determined according to the expenses which need to be covered and the profit one wanted to make.

When asked if she would consider expanding her enterprise, Fekreya did not seem very enthusiastic and stated that she was satisfied with what she had and she did not have the capital needed for any expansion. However, when she was told that she could get another loan after paying off the current one, Fekreya said that she would not mind using it for expansion.

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APPENDIX B
ENTREPRENEURS' QUESTIONNAIRE (ENGLISH VERSION)

**GEMINI PROJECT
EGYPT WOMEN AND MICROENTERPRISE STUDY
PROJECT BORROWERS AND NON-BORROWERS
ENGLISH VERSION (Translated and Administered in Arabic)**

Date of Interview _____ Questionnaire ID Number _____
 Project Participant? ___ 1) Yes 2) No
 Respondent's Name _____
 Enumerator's Name _____ Enumerator Gender _____ Codes: 1) Male 2) Female
 Supervisor's Name _____
 Address/Locality of Business _____ Governorate _____ District _____
 Enumerator: Code type of location: _____ Codes: 1) Village 2) District Capital 3) Governorate Capital
 Address/Locality of Residence _____ Governorate _____ District _____
 Enumerator: Code type of location: _____ Codes: 1) Village 2) District Capital 3) Governorate Capital

Enumerator Instructions: Please explain to respondent that unless otherwise noted, the business referred to in this questionnaire is the one for which the Project Participants are receiving a loan. For non-participants, the business referred to is their primary business. All answers are confidential and will be used only to improve services to small businesses.

I. CHARACTERISTICS OF THE HOUSEHOLD

1. Household Roster

Name	Relation to Head of Household (a)	Highest Education Acquired (b)	Main Occupation (c)	Gender (d)	Age at Last Birthday (e)	Marital Status (f)	Residency Status (g)
Respondent							

- (a) 1) Head of household 2) Spouse 3) Son/Daughter 4) Parent 5) Other Relative 6) Not Related
- (b) (Highest level of school completed) 1) No formal education/illiterate 2) No formal education but can read/write (e.g. Koranic school) 3) Some primary 4) Primary graduate 5) Technical 6) Some secondary 7) Secondary graduate 8) Some university 9) University degree
- (c) 1) Self-employed agricultural producer 2) Self-employed:Other 3) Wage earner:private sector 4) Wage earner:civil servant 5) Student/trainee/apprentice 6) Unpaid family worker 7) Other (Military, religious/community service, etc.) 8) Inactive
- (d) 1) Male 2) Female
- (e) At last birthday
- (f) 1) Single 2) Married 3) Widowed 4) Divorced
- (g) 1) Living at this place 2) Living elsewhere 3) Visitor

2. How many people depend on you economically? _____
3. How many of these are children 12 years of age or younger? _____
4. What is your own personal economic contribution to the family from all businesses, jobs or other income earning activities? _____
Codes: 1) Entirely supports 2) Contributes half or more 3) Contributes, but less than half
4) Supports self only
5. How many people do you support economically partially or totally? _____

II. CHARACTERISTICS OF ENTREPRENEUR

1. What did you do before you started this business? _____
Codes: 1) Ran another business 2) Worked for someone else's business 3) This is the first business I have ever worked in 4) Did paid domestic/family work 5) Did unpaid domestic/family work 6) Worked in the civil service 7) Was self-employed agricultural producer 8) Was unemployed 9) Was an apprentice 10) Other
2. For how many years, including this year, have you been engaged in this type of activity? _____
3. Have you ever worked outside of Egypt? _____ 1) Yes 2) No
4. If yes, for how long: years _____
5. If yes, which country: Arabic _____ Non Arabic _____
6. Did your father or mother do, or are they doing the same kind of work? _____ 1) Yes 2) No
7. Were you ever an apprentice in the trade or skill you now practice? _____ 1) Yes 2) No
8. In order of importance what were your main motives for getting into business?
1st Motive _____
2nd Motive _____
Codes: 1) Wanted to be independent 2) This business offers better earnings/opportunities
3) This business can be combined with my family duties 4) I could not obtain other work/employment
5) I lost my other work 6) This is a family business which I wanted to carry on 7) Returned from the Gulf and needed to make a living in Egypt 8) It is the cultural obligation of women to provide family extras 9) Other
9. Ask only if the respondent is a widow. Was this your husband's business? _____ 1) Yes 2) No
10. Have you owned any businesses which are no longer operating? _____ 1) Yes 2) No
11. If yes, how many? _____

III. CHARACTERISTICS OF THE ENTERPRISE

A. TYPE/OWNERSHIP OF BUSINESS AND PREMISES

1. Type of business: (See attached adapted SIC coding sheet) _____
2. Type of partnership: _____
1) sole owner 2) respondent with co-financer 3) respondent with partner through work
4) respondent with partner co-financer and worker
3. If co-partner who is he/she? _____
Codes: 1) Respondent 2) Spouse 3) Relative 4) Respondent plus relative 5) Respondent plus non-relative 6) Other
4. Gender of proprietor _____
Codes: 1) Male 2) Female 3) Male and female
5. Who manages this business on a day to day basis? _____
Codes: 1) Respondent 2) Spouse 3) Relative 4) Respondent plus relative 5) Respondent plus non-relative 6) Other

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6. If other than respondent only, does the manager or co-manager get a share from the profit?
yes _____ no _____
7. Gender of manager _____
Codes: 1) Male 2) Female 3) Mixed ownership
8. Current location of business _____
Codes: 1) Home based 2) Sidewalk 3) Shop/workshop/kiosk 4) Mobile/ambulant
9. If business is located outside the home, what is your primary means of transportation?
Codes: 1) Walking 2) Motorsides transportation 3) Animal ride or driven 4) Bicycle
10. How long does it take you to get from your home to the workplace? _____ (Minutes)
11. Was this business ever located elsewhere? _____ 1) Yes 1 2) No
12. If yes, indicate where: _____
Codes: 1) Home based 2) Sidewalk 3) Shop/workshop/kiosk 4) Mobile/ambulant
13. If yes, why did you move the business? _____
Codes: 1) Space considerations 2) Closer to market 3) Family moved to this location 4) No longer needed to be close to home (if was home-based) 5) Other
14. Who actually owns the premises on which this business operates? _____
Codes: 1) Self 2) Spouse 3) Female Relative 4) Male Relative 5) Landlord
6) Municipality/Government 7) Other
15. If premises belong to another, under what terms do you occupy? _____
Codes: 1) Rent 2) Use for free 3) Other

B. BUSINESS HISTORY

1. Year/Month this business was acquired _____
2. How many people worked at that time? (Enter number next to all categories which apply)
Proprietor(s) _____ Family _____ Hire Labor _____ Apprentices _____ Short term contract _____
3. How did you acquire this business? _____
Codes: 1) Inherited 2) Started from scratch 3) Purchased 4) Rented 5) Gift 6) Other
4. What was the principal source of the money you needed to start this business? _____
Codes: 1) Family/personal savings acquired through work outside of Egypt 2) Family/personal means acquired by other means 3) Loans/gifts from family or friends 4) Formal credit institution
5) Moneylender 6) Gamaye/Traditional Saving Group 7) Inheritance 8) Other
5. Have you since invested money from other sources into this business? _____ Codes: 1) Yes 2) No
6. If yes, from what source? (Enter all which apply) _____
Codes: 1) Job/employment 2) Another business/economic activity 3) Formal credit source, e.g. bank
4) Informal source, such as friends or moneylender 5) Other
7. Do you personally have economic activities in addition to this business? _____ 1) Yes 2) No
8. If yes, how many? _____
9. If yes, what other economic activities do you personally engage in, are these seasonal, and how many workers are there including yourself?

Code	Activity	Seasonal		Number of Workers
		Yes	No	
_____	Other activity #1 _____			
_____	Other activity #2 _____			
_____	Other activity #3 _____			

Enumerator Note: If other activity is a business, describe the business in the space provided.
Codes for Column 1: 1) Self-employed agricultural producer 2) Self-employed: Other 3) Wage earner: private sector 4) Wage earner: civil servant 5) Student/trainee/apprentice 6) Unpaid family worker 7) Other (Military, religious/community service, etc.) 8) Inactive

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10. Which of your personal economic activities gives the most income? _____
 Codes: 1) This business 2) Other business(es) 3) Agriculture 4) Wage labor/paid employment 5) Occasional work 6) Other
11. How many businesses are there altogether in this household? _____
12. What portion of family income does this particular business contribute? (i.e. the one loan is for it a Project participant or principal business if non-participant) _____
 Codes: 1) Provides all of income 2) Provides more than half 3) Provides about half of income 4) Provides less than half of income

C. BUSINESS OPERATIONS

1. Is your business: Steady _____ Seasonal _____
2. In case of seasonal, how many months a year? _____
3. How many hours a day do you personally work or supervise this business on a typical day? _____
4. When do you usually work this business? _____
 Codes: 1) Full time all day long 2) At time intervals throughout the day 3) Morning mainly 4) Afternoon mainly 5) Evening mainly 6) Seasonal
5. How many hours do you work on household chores/childcare in a typical day? _____
6. Do you carry out household chores/childcare in combination with the work you do in your business? _____ Codes 1) Yes 2) No
7. Who is the person who mainly shares with you the household chore/childcare? _____
 Codes: 1) Spouse 2) Female relative 3) Male relative 4) Maid 5) No one 6) Not applicable

8. Number of workers in this business:

	Male	Female
Number of Working Proprietors		
Number of Unpaid Family Workers		
Number of Paid Workers		
Number of Apprentices		
Number of Children under 15		
Total Number of Workers		

9. Is this business registered? _____ 1) Yes 2) No
10. If no, what is the main reason for not registering? _____
 Codes: 1) No need or benefit 2) Do not know how to register 3) Registration is too difficult or time consuming 4) Registration is too costly 5) Would have to pay higher taxes 6) Not desirable to register because of labor codes 7) Other
11. Do you keep any record of your expenses and/or income? _____
12. Who makes the main decisions for the business?
 Codes: 1) Primarily myself 2) Primarily joint decision with business partner/spouse/family 3) Primarily someone else in family/spouse/partner 4) Other

D. BUSINESS ASSETS

1. What kind of assets do you have in this business?

Asset	Yes	No
Inventory		
Building		
Furniture		
Power Driven Machines		
Other Tools & Equipment		
Vehicle		
Cash or Savings		
Other (specify)		

2. If you keep a balance sheet, what is the current book value of fixed assets? LE _____

E. INPUTS

1. How do you acquire the raw materials you need for your business? _____
 Codes: 1) Own 2) Gather/Collect 3) Purchase from someone else 4) Supplied by client

2. Is it easy or difficult to obtain the primary materials for your business? _____
 Codes: 1) Easy 2) Difficult

3. If you purchase from someone else, who is it? (Check all appropriate columns):

	Size		Location			Gender		
	Large	Small	Within Neighbourhood	Elsewhere in Governorate	Cairo Alexandria	Elsewhere	Male	Female
Supplier								
Store								
Manufacturer								
Other (Specify)								

F. PRODUCT SALES AND MARKETING

1. What is the main reason you produce this particular product? _____
 Codes: 1) This product sells well 2) I can get the raw materials for this product 3) This product requires little capital investment 4) This is what I know best 5) I can make this product easily in my home 6) Other

2. What were your total sales in the past 12 months? L.E. _____

3. Compared to the rest of the year, was that low _____ normal _____ high _____

4. On what basis do you produce or provide services? _____
 Codes: 1) By order 2) Written contract 3) Oral contract 4) Build up stock

5. How do you get paid for your products/services: immediately after delivery _____ later _____ in advance _____

6. Do you allow/provide payment by installment/credit to your customers? Yes _____ No _____

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7. Who is the principal purchaser of your products? _____
Codes: 1) Male final consumers 2) Female final consumers 3) Male/Female final consumers 4) Local wholesalers 5) National wholesalers 6) Retailers in neighborhood 7) Retailers in nearby centers 8) Other store, under contract 9) Government 10) Institutions 11) Exporters 12) Other
8. Do you have problems selling what you produce? _____ 1) Yes 2) No
9. If yes, what are the impediments? (Enter all which apply) _____
Codes: 1) Don't know 2) Lack of demand 3) Too much competition 4) Cost of product 5) Quality of product 5) Don't know how to sell it 6) Pricing system 7) Do not have sufficient outreach to markets 8) Other
10. How do you set the price of your product? _____
Codes: 1) Don't know 2) Not applicable 3) Price fixed by government 4) Everyone sells at about the same price 5) Price is in accord with the market and competition 6) Price is determined by the cost of the product and the desired profit 7) Other
11. Do you promote your products? _____ Codes: 1) Yes 2) No
12. If yes, what is your primary promotional method? _____
Codes: 1) Informally in the community and through word of mouth 2) Formally through mass media 3) Formally through a marketing contract
13. What do you most need to produce more? _____ (Choose up to three from this list)
Codes: 1) Credit for working capital 2) Credit for assets (fixed capital) 3) More equipment 4) More space 5) More labor 6) Better labor 7) General business training/information 8) Specific technical training/information 9) Credit for raw material 10) Other 11) Do not want to produce more

G. INCOME

1. On what time basis do you generally receive the income from your business? _____
Codes: 1) Daily 2) Weekly 3) Monthly 4) Every other day 5) Every other week 6) Every other month 7) Irregularly 8) When order is completed 9) Other
2. Does your income flow fit the expenditures you are required to make to keep your business operating? _____
Codes: 1) Yes 2) No
3. If no, how do you accommodate this? _____
Codes: 1) Borrow money to keep up 2) Slow down my business until money owed me comes in 3) Get advances from suppliers 4) Take advance from customers 5) Other
4. How would you compare the income your business received this past 12 months compared to 2 years ago? _____
Codes: 1) Much better 2) Better 3) About the same 4) Worse 5) Much worse
5. What was your total expenditure for this business in the past month? _____ L.E.
6. Compared to the rest of the year, was that low _____ normal _____ high _____

H. PROBLEMS AND CONSTRAINTS

1. Did you face any problems when you first acquired this business? 1) Yes 2) No
2. IF YES, LIST MAJOR TWO IN ORDER OF IMPORTANCE 1ST _____ 2ND _____
Codes: 1) Getting working capital 2) Getting capital for fixed capital 3) Getting capital for raw material/stock 4) Obtaining quality raw materials 5) Administrative rules/regulations 6) Obtaining permits registration 7) Obtaining labor 8) Building a client base 9) Transport problems 10) Obtaining foreign exchange 11) Tax system 12) Import restrictions 13) Collecting on debts owed to you 14) Other
3. Are you currently facing any problems in this business? _____ 1) Yes 2) No
4. If yes, list major two in order of importance 1st _____ 2nd _____
Codes: 1) Getting working capital 2) Getting capital for fixed assets 3) Getting capital for raw materials/stock 4) Obtaining quality raw materials/stock 5) Administrative rules/regulations

6) Obtaining permits registration 7) Obtaining labor 8) building a client base 9) Transport problems 10) Obtaining foreign currency 11) Tax system 12) Import restrictions 13) Collecting on debts owed to you 14) Other

5. Are you planning to expand your business? _____ 1) Yes 2) No

6. If yes, what do you most need? (List major two items in order of importance) 1st _____ 2nd _____
 Codes: 1) Working capital 2) Fixed capital 3) Raw materials/stock 4) Labor 5) Transport 6) Markets 7) Foreign exchange 8) Space 9) Equipment 10) To collect debts owed to you 11) Other

I. USE/CONTROL OF BUSINESS INCOME

1. What is the main use of your income from this business? _____
 Codes: 1) Cash savings 2) Reinvested in this enterprise 3) Invested in another business I own 4) Invested in other family business 5) Family consumption 6) Other

2. Who decides about the use of your income from this business? _____
 Codes: 1) Myself alone 2) My spouse alone 3) Jointly myself and spouse/other relative 4) Jointly myself and business partners 5) Other

J. ATTITUDES ABOUT BUSINESS GROWTH AND LOCATION

1. Do you plan to: (Choose one) 1) Continue in business 2) Expand 3) Abandon the business and go to work for someone else? _____

2. From whom would you need approval to expand your business or start a new one? (Check all which apply) _____
 Codes: 1) No one 2) Spouse 3) Male relative 4) Female relative 5) Government 6) Other

3. If you could choose between a business at home which earned less, or an outside business which was more profitable, which would you prefer? _____
 Codes: 1) Slightly less profitable home-based business 2) Slightly more profitable outside business

4. If your business started operating more efficiently so that you had the choice of earning a higher income or cutting back on the number of hours you worked in the business, which would you choose? _____
 Codes: 1) Earning a higher income 2) Cutting back on hours worked in the business

IV. PARTICIPATION IN FINANCIAL MARKETS

1. How do you usually pay for primary materials used in making your product? _____
 Codes: 1) Not applicable 2) Pay in advance 3) Cash 4) Pay later on specified date 5) Pay when have enough money 7) Other

2. During the past 12 months, did you request a loan for any of the following formal/official lending sources: 1) Yes 2) No - If no, go to question 17

3. If yes, which one?

Code	Type of Institution	Requested Loan?		Received Loan?	
		Yes	No	Yes	No
1	Commercial Bank				
2	Agricultural Credit Bank				
3	Islamic Bank				
4	Cooperative				
5	Local Council or Local Development Fund				
6	This project for Micro/Small Enterprise Development (if applicable)				
7	Other project or Program (Specify)				

4. What was the main reason you chose that source? _____
 Codes: 1) Close to my house 2) No need to be literate as no written request needed 3) Know the lender 4) Low interest rates 5) Repayment terms are favorable enough 6) No waiting period 7) No collateral required 8) Simple procedures 9) No penalty for late payment 10) Institution provides loans in small amounts 11) Loans could be provided as frequently as needed 12) Officials are easy to deal with 13) few visits are required 14) Other
5. Was any of your loan approved? 1) Yes 2) No - If no go to question 11.
6. If yes, what was the amount of the loan? LE _____
7. If yes, was the amount 1) adequate, or 2) inadequate for the purpose? _____
8. If yes, how many visits did you have to make to the office of the institution to get the loan? _____
9. If yes, how many days did it take from your initial request to actually receiving the loan? _____ Days
10. If yes, did you have to open a savings account to get this loan? _____ 1) Yes 2) No
- 11.
12. During the past 12 months, did you request credit for your business from any of the following informal sources:

Code	Type of Lender	Requested Loan?		Received Loan?	
		Yes	No	Yes	No
1	Money lender				
2	Gamaye or Traditional Savings Group				
3	Relative or Family				
4	Friends or Neighbors				
5	People who sell you inputs				
6	Selling jewelry or gold				
7	Other (Specify) _____				

13. What was the main reason you chose that source? _____
 Codes: 1) Close to my house 2) No need to be literate as no written request needed 3) Know the lender 4) Low interest rates 5) Repayment terms are favorable enough 6) No waiting period 7) No collateral required 8) Simple procedures with few visits required 9) No penalty for late payment 10) Institution provides loans in small amounts 11) Loans could be provided as frequently as needed 12) Officials are easy to deal with 13) few visits are required 14) Other
14. Did you have any of your request approved? _____ 1) Yes 2) No
15. What was the amount of the loan? LE _____
16. Enumerators: ASK NON-PARTICIPANTS ONLY: If you have not requested a loan from any source during the past 12 months, are any of these reasons applicable? _____ (Enter all that apply)
 Codes: 1) The religion forbids it 2) Do not want the risk of a loan 3) No collateral 4) Do not know application procedures 5) Do not need loan 6) My spouse/relative would not agree to my taking a loan 7) Credit source is too distant/inconvenient 8) Illiterate, so application papers are difficult for me 9) Other
17. Do you have any deposit or savings for yourself or your family members other than required by the project? _____ 1) Yes 2) No
18. If yes, where?

Code	Type	Yes	No	Amount	Weekly Savings Deposits?	Monthly Savings Deposits?	Other time of deposits
1	Bank						
2	Savings & Loan						
3	Cooperative						
4	Gamaye or Traditional Savings Group						
5	Relative						
6	Moneylender						
7	Gold or Jewelry						
8	Other (Specify)						

19. If yes, how often are savings deposited? _____
 Codes: 1) Weekly 2) Monthly 3) Other

20. If yes, what are the main purposes for which you are saving? (list two in order of importance)
 1st _____ 2nd _____
 Codes: 1) This business 2) Other business or income earning activity 3) Land purchase 4) Vehicle
 5) Housing 6) Children's education 7) Funerals/Weddings/Ceremonies 8) Emergencies
 9) Aid relatives/friends 10) Other

21. Do you have a bank account? _____ 1) Yes 2) No

22. If yes, did you need to have your spouse's signature to open this account? _____ 1) Yes 2) No

V. TRAINING/TECHNICAL ASSISTANCE

1. Have YOU ever had any training or technical assistance related to your business? _____ 1) Yes 2) No

2. If yes, what kind? _____
 Codes: 1) Production 2) Sales/Marketing 3) Bookkeeping/Accounting 4) Management 5) Other

3. If you were offered a business of technical training, would you join it? _____ 1) Yes 2) No

4. If no, what might restrict you? _____ (Enter all which apply.)
 Codes: 1) No time available 2) The cost 3) Inappropriateness of the content 4) Location/distance
 5) Spouse/family approval 6) Fear of lack of education 7) Would feel shy 8) Other

VI. QUESTIONS TO BE ADDRESSED TO SME AND RSSE PROJECT BORROWERS ONLY

1. How did you hear about assistance available through the Project? _____ (Enter all which apply)

Codes: 1) Project extensionists/loan officers 2) Bank employees 3) Television/radio or other mass media
 4) Newspaper/flier or printed material 5) Colleagues in my trade 6) Neighbors/relative 7) Informally (Street, taxi, coffee shop, etc.) 8) Other

2. Who advised or encouraged to participate in the Project? _____ (Enter all which apply)

Codes: 1) Did it on my own 2) Spouse 3) Male relative(s) 4) Female relative(s) 5) Business associates
 6) Neighbors 7) Bank staff 8) Project staff

3. Did anyone discourage you from applying? _____ 1) Yes 2) No

4. If yes, who? _____ (Enter all which apply)

Codes: 1) Spouse 2) Male relative 3) Female relative 4) Business associates 5) Neighbors

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5. How many times does the project extensionist/loan officer visit? _____
 Codes: 1) Weekly 2) More than once a month 3) Monthly 4) Less than once a month
6. For what purpose does he/she visit? _____
 Codes: 1) Loan repayment only 2) Advisory capacity only 3) Advisory capacity and loan repayment
 4) Check that everything is OK
7. Would you prefer to deal with a male _____ or female _____ extensionist loan officer?
8. Please rate the following aspects of the project:

	Not Applicable	Acceptable	Needs Improvement
Application Procedures			
Length of Waiting Period			
Size of Loan			
Length of Repayment Period			
Interest Rate\Bank Charge			
Location of the Loan Repayment			
Advice Given by Loan Officer			
Follow up by Loan Officer			

9. How many loans did you take from the project?
10. Amount of the first loan LE _____
11. If more than one loan, amount of the last loan LE _____
12. Would you apply for another loan from the project? _____ 1) Yes 2) No 3) Don't know
13. If yes, for what activity and amount? _____
 Codes: 1) Same activity, same amount 2) Same activity but larger amount 3) Different activity, same amount 4) Different activity and different amount
14. If no, why not? _____
 Codes: 1) My first loan was sufficient to develop my business 2) My first loan-funded activity was not successful 3) Did not like dealing with the Project 4) Project did not approve my application 5) Do not want to take the risk 6) Spouse/relative did not want me to 7) Will apply for loan elsewhere 8) Other

15. Suggestions for project improvement

Types of Services	Introduce	Improve	Cancel	Acceptable	No Need for New Service
Supply General Business Information					
Supply Technical Business Information					
Supply Training					
Supply Marketing Assistance					
Evaluation of the Required Loan Amount					
Supply of Loan in Kind					
Visits by Loan Officer					
Others					

16. Comments.

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APPENDIX C

ENTREPRENEURS' QUESTIONNAIRE (ARABIC VERSION)

٣-١ - مادن مساهمتك الاقتصادية للأسرة من جميع مصادر الدخل التي تحصل عليها ؟

بيان	نعم	لا
مساهمة بكل الدخل		
نصف الدخل		
أقل من نصف		
يعول نفسه فقط		

٤-١ - كم عدد الأشخاص الذين شغلهم اقتصاديا (جزئيا ،
عليا) ؟

(٣) معلومات عن صاحب المشروع
١-٢ - ماهو عملك قبل البدء في هذا المشروع :

البيان	نعم	لا
ادارة مشروع آخر		
الاعمال المنزلية الخاصة للأسرة		
هذه اول خبرة في ادارة المشروع		
الاعمال المنزلية الخاصة مدفوعة الاجر		
رعاية الاطفال		
موظف حكومة		
مزارع		
عاطل		
مشارك في دورة تدريبية		
اخرى		

٢-٢ - عدد السنوات التي قضيتها في ممارسة هذا النوع من
النشاط بما في ذلك هذا العام ؟

٣-٢ - هل عملت خارج ج.م.ع. : نعم لا

٢-٢-١ - في حالة نعم : ماهي عدد السنوات ؟

٢-٢-٢ - في حالة نعم : في أي بلد كنت تعمل ؟
عربي غير عربي

٢-٢-٤ - هل يعمل أي فرد من الأسرة في هذا العمل ؟
نعم لا

٢-٢-٥ - هل قضيت فترة تحت التمرين : نعم لا

٢-١-٤-١ - في حالة الادارة لغير صاحب المنشأة ؟ هل يفتحرك المدير في الارباح ؟ ١ نعم ٢ لا
 ٢-١-٥-١ جنس المسئول في الادارة : ١ ذكر ٢ انثى ٣ ذكر وانثى
 ٢-١-٦ - موقع المشروع :

١ المنزل ٢ محل / ورشة / عهك ٣ عربه متنقله
 ٤ الرصيف / الشارع
 ٢-١-٧ - في حالة وجود محل العمل خارج المنزل ، كيف وصل اليه هناك وماهي الوسيلة الرئيسية للوصول اليه
 ١ سيرا على الاقدام ٢ وسائل نقل سريعه
 ٣ باستخدام الحيوانات ٤ عجله

٢-١-٧-١-٢ - اياهم من الوقت تاخذ من المنزل الي محل العمل ؟ ساعة
 ٢-١-٨ - هل كان المشروع قائم في مكان اخر :
 ١ نعم ٢ لا

في حالة لا : اذهب الي سؤال ١١

٢-١-٩ - في حالة نعم : أين كان :
 ١ المنزل ٢ الرصيف / الشارع
 ٣ محل / ورشة / عهك ٤ عربه متنقله

٢-١-١٠ - في حالة نعم : لماذا تغير موقع المشروع :

البيان	نعم	لا
عدم كفاية المساحة		
القرب للسوق		
انتقال العائلة الي هذا المكان		
لم يعد هناك احتياج لقرب		
محل العمل من محل الإقامة		
اخرى		

٢-١-١١ - هل تملك محل العمل ؟ ١ نعم ٢ لا

٢-١-١٢ - في حالة لا : من الذي يملكه ؟

١ الزوج ٢ اقارب ذكور
 ٣ اقارب اناك ٤ مالك غريب
 ٥ الحكومة ٦ اخرى

٢-١-١٣ - في حالة لا : مانوع الانتفاع ؟
 ١ ايجار ٢ الانتفاع مجانيا
 ٣ اخرى

(ب) تاريخ المشروع :

٢-١-٣-١ - تاريخ بدء هذا المشروع (شهر/سنة) :
 ٢-١-٣-٢ - عدد العاملين في هذا المشروع في وقت الانشاء :

البيان	نعم	لا
المالك / الملاك		
من افراد الاسرة		
عمالة باجر		
هنية تحت التدريب		
متعالدين يعود قصيرة الاجل		

- ٣-٢ - كيف تم الحصول على هذا المشروع : _____
 ١ ميراث
 ٢ شراء مشروع قائم
 ٣ منحة أو هبة
 ٤ ساهى مصادر التمويل الرئيسية التي استخدمت لتنفيذ هذا المشروع :
 ١ ميراث
 ٢ شراء مشروع قائم
 ٣ منحة أو هبة
 ٤ أخرى

بيان	نعم	لا
ادخار من العمل خارج مصر		
الادخار الشخصي أو العائلي داخل مصر		
سلفه / منحة من الأسرة / الأصدقاء		
هيئات ومؤسسات للتمويل		
مقرض غير رسمي		
جمعية منزلية (ادخار)		
ميراث		
أخرى		

- ٣-٥ - هل لك شخصيا أى نشاط اقتصادي آخر بما في ذلك مشاريع أخرى أو وظائف الى جانب هذا المشروع ؟
 ١ نعم
 ٢ لا
 ٣-٦ - فى حالة نعم : ماهى عدد تلك الأنشطة ؟
 ٣-٧ - فى حالة نعم : أى نشاط يدر أكبر دخل لك ؟
 ١ هذا المشروع
 ٢ الزراعة
 ٣ عمل موسمي
 ٤ مشاريع أخرى
 ٥ عامل
 ٦ أخرى
 ٣-٨ - كم من هذه الأنشطة موسمية ؟

(ج) تشغيل المشروع :

- ٣-١ - هل هذا المشروع : ١ موسمي ٢ غير موسمي
 ٣-٢ - فى حالة موسمي كم شهر فى السنة ؟
 ٣-٣ - متوسط عدد ساعات العمل أو الاشراف فى المشروع يوميا ؟ ساعة
 ٣-٤ - متى تقوم بالعمل فى هذا المشروع عادة ؟
 ١ اطوال اليوم
 ٢ بشكل رئيسى فى الصباح
 ٣ بشكل رئيسى فى المساء
 ٤ على فترات متقطعة خلال اليوم
 ٥ بشكل رئيسى فى المساء موسميا
 ٦ بشكل رئيسى بعد الظهر موسميا

سؤال ٥ ، ٦ ، ٧ يسأل للمفترقات من النساء فقط .

- ٣-٥ - عدد ساعات العمل فى المسئوليات الأسرية
 ٣-٦ - هل تقدم بالأعمال المنزلية / رعاية الأطفال
 انشاء عملك فى المشروع ؟
 ١ نعم
 ٢ لا

٢-٧- من يقوم بمساعدتك دائما في أعمال المنزل ؟

الزوج ١ قريبتك ٢
شغاله ٤ لا أحد ٥ قريبك ٣
لا ينطبق ٦

٢-٨- عدد العاملين في المشروع:

البيان	ذكر	أنثى
العاملين		
أفراد الأسرة		
عامل مدفوع الأجر		
الصبية تحت التدريب		
عدد الأطفال أقل من ١٥ سنة		

٢-٩- هل يوجد ترخيص لممارسة المشروع: ١ نعم ٢ لا

٢-١٠- في حالة لا: ماهي الأسباب:
 ١ لافائدة أو احتياج لذلك ٢ عدم معرفة وسائل الترخيص
 ٣ صعوبة الإجراءات ٤ التكلفة
 ٥ الالتزام بدفع ضرائب أكثر ٦ عدم الرغبة في التسجيل
 ٧ أخرى
 عشان قانون العمل / الحامينات

٢-١١- هل تحتفظ بحسابات للأرباح و/ أو المصارف للمشروع؟
 ١ نعم ٢ لا

٢-١٢- من هو صاحب القرار في المشروع؟
 ١ أنا ٢ قرار مشترك مع فريق العمل/ الزوج/ العاقل

٢ قرار من الزوج أو من الأسرة

(د) أصول المشروع:

٢-١٣- ممتلكات متنوعة في المشروع عاليا؟

الأصول	نعم	لا
المخزون		
مباني		
الأثاث		
معدات أو الآلات		
وسائل نقل بدون مصروفات		
مخبرات / نقدية		
أخرى		

٢-١٤- قيمة الأصول الثابتة في المشروع: (حسب التقييم في الوقت الحاضر) _____ جنيه مصري

(هـ) المواد الخام:

٢-١٥- كيف تحصل على المواد الخام اللازمة للمشروع:
 ١ امتلاك ٢ اجمع ٣ شراء ٤ العميل يقوم بتوفيرها

٣-٢-٢ - سهولة الحصول على المواد الخام: [١] سهل [٢] صعب
٣-٢-٣ - مميزات تشتري موادك الأولية ؟

البيان	نعم	لا
تاجر جملة		
تاجر تجزئة		
مباشر من المصنع		
أخرى حدد		

٣-٢-٤ - أين يوجد ؟

[١] من الحي [٢] في المحافظة [٣] القاهرة أو الاسكندرية [٤] مكان آخر
٣-٢-٥ - جنس المورد: [١] ذكر [٢] أنثى [٣] ذكر وأنثى
(و) الانتاج والتسويق:

٣-٢-٥-١- الأسباب الرئيسية لانتاج هذا المنتج: / الخدمة

البيان	نعم	لا
له سوق		
توفر المواد الخام		
صغر حجم الاستثمار في رأس المال		
ما أجيد عمله		
سهولة الانتاج في المنزل		
أخرى		

٣-٢-٥-٢ - ماهو حجم مبيعاتك خلال الشهر الماضي: _____

٣-٢-٥-٣ - هل تعتبر هذه المبيعات؟

[١] فوق العادي [٢] أقل من العادي [٣] عادي

٣-٢-٥-٤ - على أي أساس تنتج أو تقدم خدماتك ؟

[١] بالطلب [٢] بعقد تحريري [٣] بعقد شفهي [٤] احتفظ بمخزون

٣-٢-٥-٥ - كيف تحصل على قيمة منتجاتك أو خدماتك؟

[١] فوري [٢] بالاجل [٣] مقدم

٣-٢-٥-٦ - هل تباع تحت سلفه للزبون ؟ [١] نعم [٢] لا

٣-٢-٥-٧ - من المستهلك الفرد ؟

البيان	نعم	لا
المستهلكين		
تجار الجملة		
تجار التجزئة		
محلات (بالتعاقد)		
مؤسسات		
مصدرين		
أخرى		

٣-٢-٥-٨ - هل تجد صعوبة في بيع منتجاتك ؟ [١] نعم [٢] لا

السبب	نعم	ماهي	الاسباب؟
لا أعرف			
انخفاض حجم الطلب			
هدنة المنافسة			
ارتفاع تكلفة المنتج			
عدم معرفة طرق البيع			
اخرى			

- ٢-٥-٥ - هل تقوم بعمل دعاية لتسويق المنتج؟ نعم لا
- ٢-٥-٧ - ماهي الاحتياجات اللازمة لزيادة الانتاج ؟
- ١ زيادة رأس المال ٢ زيادة للاصول الثابت
- ٣ آلات أكثر ٤ مكان أكبر
- ٥ قوة عاملة ٦ قوة عاملة أحسن في الخبرة
- ٧ تدريب في ادارة المشروعات ٨ تدريب حرفي / مهني
- ٩ زيادة مواد خام ١٠ لا أريد زيادة الانتاج
- ١١ اخرى

- ٢-١-١ - على أي أساس زمني تتلقى الدخل من مشروعك ؟
- ١ يوميا ٢ اسبوعيا ٣ شهريا
- ٤ كل يومين ٥ كل اسبوعين ٦ كل شهرين
- ٧ بشكل غير منتظم
- ٨ عندما يكون الطلب جاهزا ٩ اخرى
- ٢-١-٢ - هل تعدل في ذلك بسلام المصروفات التي تحتاجها للبقاء على تشغيل المشروع ؟ نعم لا
- ٢-١-٣ - في حالة لا كيف تواجه ذلك ؟
- ١ استلک ٢ ابطئ الانتاج الى ان يتوفر الدخل
- ٣ احصل على مميزات من الموردين (الفراء بالاجل)
- ٤ احصل على الثمن مقدما من العميل ٥ اخرى
- ٢-١-٤ - كيف تتقارن الايرادات في خلال هذا العام بايراداتك منذ عامين ؟
- ١ تحسن ملحوظ ٢ تحسن ٣ لا فرق
- ٤ تدهور ٥ تدهور ملحوظ
- ٢-١-٥ - كم كان اجمالي مصروفاتك في المشروع في الشهر الاخير ؟
- ١ فوق العادي ٢ اقل من العادي ٣ عادي
- (ج) المشاكل والصعوبات:

- ٢-١-٥ - هل واجهتك مشاكل رئيسيه عندما انشأت هذا المشروع ؟
- ١ نعم ٢ لا

٣-ج-٢ - في حالة نعم : أهمها (اختر اثنين فقط) :

المشاكل	الاولى	الثانية
الحصول على رأس المال		
الحصول على رأس المال للأصول الشابتة		
الحصول على رأس المال للمواد الخام أو المفضون		
الحصول على مواد خام جيدة		
القواعد والقوانين الادارية		
الحصول على ترخيص التسجيل		
الحصول على العمالة		
اكتساب الزبائن		
مشاكل النقل		
الحصول على عملة اجنبية		
نظام الضرائب		
قيود الاستيراد		
تحصيل المدفوعات / الديون		
اخرى		

٣-ج-٢ - هل تواجه أى مشاكل الان : ١ نعم ٢ لا

٣-ج-٤ - في حالة نعم : أهمها (اختر اثنين فقط) :

مشاكل	الاولى	الثانية
الحصول على رأس المال		
الحصول على رأس المال للأصول الشابتة		
الحصول على رأس المال للمواد الخام أو المفضون		
الحصول على مواد خام جيدة		
القواعد والقوانين الادارية		
الحصول على ترخيص التسجيل		
الحصول على العمالة		
اكتساب الزبائن أو انشاء مجموعة زبائن		
مشاكل النقل		
الحصول على عملة اجنبية		
نظام الضرائب		
قيود الاستيراد		
تحصيل المدفوعات / الديون		
اخرى		

٣-ج-٥ - هل تعتزم توسيع مشروعك ؟ ١ نعم ٢ لا

٢-٦-٦ - في حالة نعم : (ماذا تحتاج)

اختيار اثنين فقط		
الثاني	الأول	الاحتياج
		راس المال
		أصول ثابتة
		مواد خام
		عمالة
		وسائل نقل ومواصلات
		أسواق
		عملة أجنبية
		مساحة
		آلات
		تخصيل ديون / مدفوعات
		أخرى

استخدام الدخل:

- ٣-ط-١ - ما هو استخدامك الرئيسي للدخل من مشروعك :
 ١ ادخار نقدا ٢ استثمار في مشروع
 ٣ استثمار في مشروع أخرى خاصة بك ٤ استثمار في مشروع
 ٥ الاستهلاك العائلي ٦ أخرى

- ٣-ط-٢ - من الذي يقرر استخدام ذلك:
 ١ أنت ٢ الزوج فقط ٣ أنت و الزوج و الأقارب
 ٤ أنت و الشريك في المشروع ٥ أخرى
 (ي) مكان ونمو المشروع:

- ٣-ي-١ - هل تخطط للاتي:
 ١ الاستمرار في المشروع ٢ التوسيع
 ٣ ترك المشروع والعمل لدى شخص آخر
 ٣-ي-٢ - فمن تحتاج للموافقة لبدء مشروع جديد أو
 النمو بمشروع قائم:

- ١ لا أحد ٢ الزوج ٣ اقارب من الذكور
 ٤ اقارب من الاناث ٥ الحكومة ٦ أخرى

- ٣-ي-٣ - ماذا تفضل:
 ١ مشروع مكانة داخل المنزل ولكن الدخل أقل
 ٢ مشروع مكانة خارج المنزل ولكن الدخل أكثر
 ٣-ي-٤ - في حالة ارتفاع كفاءة المشروع ، هل تفضل
 ١ ارتفاع مستوى الدخل ٢ تخفيض عدد ساعات العمل

(٤) الاشتراك في المعاملات المالية

- ٤-١ - وسيلة الدفع للمواد الأولية المستخدمة في الانتاج:
 ١ لا ينطبق ٢ الدفع مقدم ٣ الدفع نقدا عند الاستلام
 ٤ الدفع في موعد ٥ الدفع بعد بيع الانتاج
 ٦ الدفع في حالة السيولة ٧ أخرى

- ٤-٢ - خلال الـ ١٢ شهرا الماضية ، هل تقدمت للحصول على قرض من جهة رسمية ؟ نعم لا
- ٤-٣ - في حالة نعم: ماهي القيمة ؟

لا	نعم
	المؤسسة
	بنك بنجاري
	بنك التنمية الزراعية
	بنك اسلامي
	جمعية تعاونية
	صندوق التنمية المحلي
	المفروع (في حالة وجود مفروع)
	اخرى

- ٤-٤ - السبب لاختيار هذه الجهة :

لا	نعم	السبب
		القرب من المنزل
		عدم الاحتياج الي الكتابة
		معرفة المقرض
		معدل الفائدة ملائمة سعر الفائدة
		هروط السداد مكنولة
		لا يوجد فترة اشتغال
		غير مطلوب ضمان
		الحصول على قروض ميسرة
		عدم وجود جزاءات لعدم السداد
		سهولة التعامل مع المسؤولين
		القرض تعطى حسب الاحتياج
		اجراءات بسيطة
		وهددزيارات قليلة
		مواقع القرض قاصوا بالاتصال بين

- ٤-٥ - هل حصلت على موافقة عن لرفيك ؟ نعم لا

في حالة لا : اذهب الي سوال ١١

- ٤-٦ - في حالة نعم ، ماهي قيمة هذا القرض ؟ جم
- ٤-٧ - هل كانت هذه القيمة كافية للقرض : كافية غير كافية
- ٤-٨ - في حالة نعم : كم عدد مرات التردد للجهة المفتحة للحصول على القرض ؟

- ٤-٩ - عدد الايام التي انقضت حتى يتم الحصول على القرض : يوم
- ٤-١٠ - في حالة لا : ماهي اسباب رفض لرفيك ؟

لا	نعم	السبب
		عدم وجود ضمان
		المفروع المقدم غير قابل للتفصيل فنيا
		المفروع المقدم غير مجدي ماليا
		عدم سداد ديون سابقة
		قيمة القرض صغيرة جد
		اخرى

٤-١١ - خلال السنة الماضية ، هل قدمت طلب للقرض لجهة غير رسمية ؟ ١ نعم ٢ لا

٤-١٢ - في حالة نعم ماهي الجهة ؟

نوع المقرض	نعم	لا
مقرض عام		
جمعية		
أسرة / القارب		
اصدقاء / جيران		
موردين		
عملاء (يبدلون مقدما)		
صندوق التنمية المحلية		
بيع ذهب - مصنوعات		
أخرى		

٤-١٣ - السبب الأساسي لاختيار هذه الجهة / مصدر تمويل :

السبب	نعم	لا
القرب في المنزل		
عدم الاحتياج الي الضمانة		
معرفة المقرض		
انخفاض معدل الفائدة		
شروط السداد مقبولة		
لا يوجد فترة انتظار		
غير مطلوب ضمان		
اجراءات بسيطة		
وعدد زيارات قليلة		
عدم وجود جزاءات لعدم السداد		
الجهة يعطي قروض صغيرة		
القرض يعطى حسب الاحتياج		
سهولة التعامل مع المسؤولين		

٤-١٤ - هل حصلت على موافقة على طلب القرض ؟ ١ نعم ٢ لا

٤-١٥ - قيمة هذا القرض : جم

٤-١٦ - يسأل لغير المشتركين : اذا لم تطلب قرض من أي مصدر خلال السنة الماضية فما أسباب ذلك؟ (يذكر جميع الأسباب)

السبب	نعم	لا
مخالفة الدين		
لا يرغب في المخاطرة		
لا يوجد ضمان		
لا يعرف الاجراءات		
لا يحتاج الي قرض		
الزوج او القارب لا يوافقون على الاقتراض		
مكان الاقتراض بعيد		
الامية حيث ان أوراق الطلب صعبة بالنسبة لي		
أخرى		

١٣-٦ - في حالة نعم ، النوع والقيمة للقرض :
 نفس النشاط/نفس القيمة [١] نفس النشاط [٢]
 نشاط مختلف/نفس القيمة [٣] نشاط مختلف /قيمة
 مختلفة [٤]

١٤-٦ - في حالة لا، فلماذا:
 القرض الاول وفي احتياجات مفروعي [١]
 فشلت في مفروعي بالقرض الاول [٢]
 يظن التعامل مرة واحدة مع المفروع [٣]
 عدم الموافقة على القرض الاول [٤]
 عدم الرغبة في المخاطرة [٥]
 عدم موافقة الزوج / الاسرة [٦]
 ساقدم طلب في مكان آخر [٧]
 اخرى [٨]

١٥-٦ - القتراعات لتحسين المفروع :

انواع الخدمات	توفير	تحسين	الغاء هذه الخدمات	لا توجد حاجة لهذه الخدمة
معلومات عامة عن المفروع				
معلومات تقنية عن المفروع				
تدريب				
تسويق				
قيمة القرض				
نوع القرض				
زيارات من موظفي القرض				
اخرى				

١٦-٦ - تطبيقات :

D-1

APPENDIX D
LOAN OFFICERS' QUESTIONNAIRE

Questionnaire number: _____
 Name of Loan Officer _____
 Project _____
 Governorate _____ District _____
 Enumerator Name _____ Enumerator gender _____

The purpose of this questionnaire is to improve the services of small and microenterprise projects, especially for women. Responses are confidential and will be used only to improve project services.

A. OPINION ABOUT GENDER RELATED BEHAVIOR OF THE BORROWERS

1. What is your gender disaggregated loan portfolio, from the time you started working with the project?

Gender	Total	Active
Female	_____	_____
Male	_____	_____
Total	_____	_____

2. For what type of extra or special assistance do the majority of your borrowers most often ask?

Type of assistance	Male		Female	
	Yes	No	Yes	No
Larger loans				
Proper timing of loan delivery				
Change timing of the repayment				
Longer repayment period				
Assistance in bookkeeping				
Advice for improvement of product/services				
Marketing Advice				
Other (Specify) _____				

3. In general how did you first approach clients in your area?

- _____ I systematically surveyed businesses street by street
- _____ I asked around the neighborhood
- _____ I randomly started up with the first businesses I saw
- _____ I started with owners of businesses I knew
- _____ I gave a presentation of the project services at public places
- _____ I select from those who came to the project office

I prepared a written advertisement
Other (Specify) _____

4. From which approach did you get most of your first clients?

Male		Female	
Yes	No	Yes	No

-
- Systematic survey of businesses street by street
 - Asking around the neighborhood
 - Starting randomly with the businesses I noticed
 - Starting with owners of businesses I knew
 - Giving a presentation of the project services at public places
 - Selecting from those who came to the Project office
 - Written advertisement
 - None of the above approaches brought results

5. Today, what is your prevailing method to market more loans to your customers?

-
- Systematic prospecting street by street in new areas
 - Asking around the neighborhood
 - Prospecting randomly in new areas
 - Cooperating with Project participants
 - Giving presentations of the Project services at public places
 - Selecting from those who come to the Project office
 - Selecting from the ones who approach me in my Project area
 - Through written advertisement
 - Other (Specify) _____

6. How would you generally rate the behavior of the majority of your borrowers?

Not Satisfactory	Acceptable	Very Good
---------------------	------------	--------------

-
- Knowledge of the financial aspects of their business by female borrowers
 - Knowledge of the financial aspects of their business by male borrowers
 - Knowledge of the technical aspects of their business by female borrowers
 - Knowledge of the technical aspects of their business by male borrowers
 - Evaluation of their own credit needs by female borrowers
 - Evaluation of their own credit needs by male borrowers
 - Respect of the repayment schedule by female borrowers
 - Respect of the repayment schedule by male borrowers
 - Willingness of female borrowers to expand their business
 - Willingness of male borrowers to expand their business
 - Willingness of female borrowers to introduce new elements in their business
 - Willingness of male borrowers to introduce new elements in their business
 - Physical accessibility by the loan officer to female borrowers
 - Physical accessibility by the loan officer to male borrowers
 - Social accessibility by the loan officer to female borrowers
 - Social accessibility by the loan officer to male borrowers
 - Female borrowers' ability to meet loan criteria
 - Male borrowers' ability to meet loan criteria

7. How would you describe the attitude of the majority of your borrowers toward their business and the project?

True	Untrue	Does not necessarily apply
------	--------	-------------------------------

-
- Preference given to family workers by female borrowers
 - Preference given to family workers by male borrowers
 - Preference given to women workers by female borrowers
 - Preference given to women workers by male borrowers
 - Preference given to male workers by female borrowers
 - Preference given to male workers by male borrowers
 - Willingness to give time priority to business by female borrowers
 - Willingness to give time priority to business by male borrowers
 - Willingness of female borrowers to search for new opportunities
 - Willingness of male borrowers to search for new opportunities
 - Female borrowers spend majority of profit on consumers good
 - Male borrowers spend majority of profit on consumers good
 - Female borrowers reinvest majority of profit in their business
 - Male borrowers reinvest majority of profit in their business
 - Female borrowers prefer to deal with male loan officer

Female borrowers prefer to deal with female loan officer
 Male borrowers prefer to deal with male loan officer
 Male borrowers prefer to deal with female loan officer

8. What do you think small and microenterprises most need to improve their operation/effectiveness?

	Female		Male	
	Yes	No	Yes	No
Increased access to credit				
Move business out of home				
Hire more labor				
Expand premises				
Get better equipment				
Get access to mgt./business training				
Get more equipment				
Get access to technical assistance for product development				
Get access to marketing services				
Other (Specify) _____				

9. What could the Project do to improve services for small and microenterprises?

	Female		Male	
	Yes	No	Yes	No
Give bigger loans				
Give loans for retailing/commerce				
Give loans for service businesses				
Provide marketing assistance				
Offer technical advice				
Offer general business advice				
Provide loans for "key money" to premises				
Others (Specify) _____				

B. CHARACTERISTICS AND PERFORMANCE OF LOAN OFFICER.

1. Sex _____

Codes: 1) Male 2) Female

2. Age _____ years

3. Marital status _____

Codes: 1) single 2) married 3) widow 4) divorced

4. Educational level _____

Codes: 1) University 2) Secondary school 3) Technical school
4) Other

5. Year of graduation 19 ____

6. Major field of study _____

Codes: 1) Agriculture 2) Engineering/architecture 3) Business administration
4) Economics 5) Liberal arts 6) Social sciences 7) Other

7. How long have you worked as loan officer in this project? _____

Codes: 1) less than 6 months 2) 6-12 months 3) 1-2 years
4) Over 2 years

8. What was your previous occupation?

Codes: 1) Student 2) Bank officer 3) Development project officer
4) Social worker 5) Civil Servant 6) Private Sector employee
7) Operated/Owned a business 8) Other

9. How often do you visit your current clients? Female ____ Male ____

Codes: 1) weekly 2) every other week
3) monthly 4) less than once a month

10. In your opinion does the frequency of the visits to your current clients consume so much of your time that it is difficult to identify new clients?

Codes: 1) yes 2) no 3) unsure

11. In your opinion do the weekly visits to current clients in good standing or with several repeat loans consume so much time that it is difficult to properly supervise problem borrowers?

Codes: 1) yes 2) no 3) unsure

12. Would it be difficult for you to meet a quota of 20% of female borrowers? _____

Codes: 1) yes 2) no

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13. If yes, could you reach it if a monetary incentive to do so were introduced in the project? _____
Codes: 1) yes 2) no

14. What are the main reasons for turning down a loan request for a first or repeat loan?

Female		Male	
Yes	No	Yes	No

-
- Late payment
 - Refusal to pay the loan
 - Not good reputation
 - Has too much other debt
 - It is a start-up business
 - Not financially viable
 - Other (Specify) _____

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