



Women's Entrepreneurship in Iran: A GEM Based-Data Evidence

Leyla Sarfaraz¹
Nezameddin Faghih²

Abstract

The purpose of this paper is to study women's entrepreneurship in Iran based on Global Entrepreneurship Monitor 2008 data. In this regard, the relative position of women entrepreneurs in Iran will be identified compared with those of their Iranian male counterparts as well as other GEM members. Then the main factors affecting women's entrepreneurship and the reasons behind the low rate of women entrepreneurial prevalence in Iran will be explained. In this part, the basic concept is to describe the gender gap in entrepreneurial activity in Iran rather than the Iranian women entrepreneurial gap with other countries. Finally, some useful recommendations suggestions on women's entrepreneurship are made to the entrepreneurial policy makers.

Keywords: Women Entrepreneurship, Gender Discrimination, GEM Iran, Human Resources, Education

Introduction

Entrepreneurship is an important and unlimited ability of human being. Entrepreneurs play a significant role in the economic growth by being dynamic and innovative, identifying opportunities and putting useful ideas into practice. Entrepreneurs enjoy the ability to use resources more efficiently and more effectively. Entrepreneurship can be used as one of the key factors of economic development by involving women in entrepreneurial activities. More women entrepreneurs increase economic diversity (Verheul et al., 2004). Women constitute almost fifty percent of the world population. The socio-economic participation of women at the international, regional, national, and local levels means using significant potential resources more effectively. Women can benefit from available opportunities worldwide by increasing their empowerment. According to the Iran Fourth National Plan statistics, the rate of female-headed households has increased from 7.1% to 8.4% during the last three decades. For women in less developed countries, especially those who are seriously faced with poverty, entrepreneurship could be a practical solution to survive. To achieve this objective, the effective cooperation among the government, NGO's and the private sector is very essential domestically and globally. Hence, providing an appropriate entrepreneurial framework condition for women's economic and social participation is a crucial issue demanding broad and deep studies.

1. Lecturer, Shiraz University; Corresponding Author's email: lsarfaraz@rose.shirazu.ac.ir

2. Professor, Shiraz University and Adjunct Professor, University of Tehran

Literature Review

There have been relatively few studies focusing upon the determinants of female and male entrepreneurial activity at the country level (Verheul et al., 2004). Women entrepreneurs make an important contribution to the development of the world economy (Allen et al., 2007). According to the GEM 2006 Report on Women and Entrepreneurship, "regardless of the country, men are more likely to be involved in entrepreneurial activity than women". This is very true in Iran. Women constitute less than 10% of entrepreneurs in Iran (Mirghafoori et al., 2010) which is lower than both regional (MENA)¹ and global (GEM) average level. Women own 13% of 5169 firms surveyed by the World Bank in MENA. There are limited articles on the reasons behind the low level of women entrepreneurship in Iran. In a research studied on women entrepreneurs in different cities and villages in Iran, Saber (2002) has divided the women entrepreneurial barriers into individual and organizational barriers. Individual barriers are also divided into familial and educational factors. The familial factors include primary family, spouse family, spouse and the children. The educational factors include knowledge, managerial and marketing skills, legal knowledge, know-how, financial and accounting knowledge, and informational skills. She also divides organizational barriers into financial and physical barriers. Financial barriers include lack of personal capital, loan difficulties and liquidity constraints. Physical barriers include lack of appropriate location for doing business, lack of hardware facilities, and problems in providing raw materials. Mirghafoori (2010) has identified family, education, personal characteristics, financial, socio-cultural, and legal factors as the main barriers and components affecting women entrepreneurs in Yazd (Eastern Province in Iran). Javaheri (2005) considers family barriers, inconsistency in role expectations, educational system, stereotype beliefs and labor environment problems as the main gender barriers in entrepreneurial activity.

Arasti has studied 105 Iranian Entrepreneurs with higher education degrees. According to her study, the main entrepreneurial barriers are as follows: laws and regulations (83%), administrative bureaucracy (81%), obtaining licenses (79%), financing (71%), gender discrimination (69%), market inaccessibility (65%), management and cost control (58%), human resource recruitment (55%), searching for suppliers (54%), role conflicts (52%), finding an appropriate partner (40%) and managing the business (31%). Arasti does not find the socio-cultural factor as an important barrier for Iranian women entrepreneurs with higher education degrees while Saber (2002) considers this element as a considerable barrier to women entrepreneurial activity in general. According to Posha (2002), Dokohaki, a journalist with the Women's magazine "Zanan" (women), stated that "In every house in Iran, there is a conflict over the role of women working – the barriers are not so much considered officially as social". A study reported by Women's Commission in West Azarbaijan Province showed that the highest percentage of divorce, 44.4% in the province, was among the females who owned private businesses (Posha, 2002).

Women entrepreneurial studies in Iran are very limited. Since the establishment of the School of Entrepreneurship in 2007, some graduate projects and theses have been undertaken in this area. Joining GEM in 2007 provided Iran an opportunity to participate in a global entrepreneurship research and development program to access data on female and male entrepreneurial rates. According to GEM 2008 Executive Report, the female overall entrepreneurial activity in Iran (9.16%) is very low compared to both female GEM mean (13.89%), and the Iranian male overall entrepreneurial activity (19.07%).

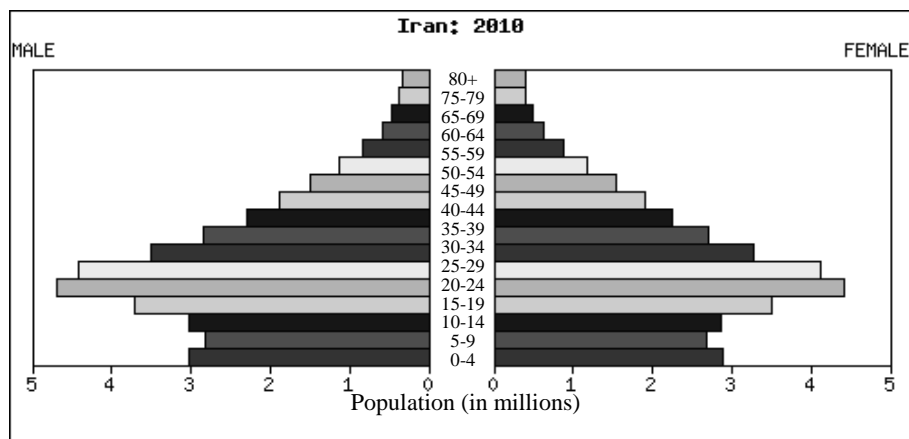
Scholars of entrepreneurship in a variety of disciplines agree that age, work status, education, income, and perceptions are all significant factors in a person's decision to start a

1. Middle East and North Africa (MENA)

business (Allen et al., 2007). Women entrepreneurs with higher education degrees (Arasti, 2006) consider personal characteristics (72%), appropriate supporters (61%), having previous knowledge about doing a business (56%), having an appropriate role model (43%), resources accessibility (42%), education in management field (30%), and government protection (7%) as the main motivations for starting their businesses.

Gender Inequities

Subordination of women is a universal fact, demonstrated in various patterns across countries. In spite of recent efforts by some international organizations, e.g., The United Nations and the World Bank, to bridge the gap between women and men opportunities, gender inequalities are still widely prevalent and women are deprived of having equal rights with men. "Gender discrimination in terms of access to socio-economic opportunities varies significantly across countries. The scope of women's activity varies from that of men and a significant gender gap exists in rates of entrepreneurial activity across genders" (Allen et al., 2007). This inequality could be noticeable in most Less Developed Countries, such as Iran, where women are more restricted by patriarchal institutions and traditional social barriers. The establishment of GEM in 1999 has provided the tools to uncover different facts about women entrepreneurship and the gender gap across different countries. According to GEM 2006 Women Report," the gender gap in entrepreneurial activity is more pronounced in high-income countries than in low/middle groups. These differences may be explained in part by the differences in choices for women across these country groups, in which labor markets, institutional structures, and cultural norms provide a varying array of activities to women's entrepreneurial activities". In Iran, with a high rate of educated women and a low rate of employment, and a low participation rate; the low rate of involvement in entrepreneurial activity can not, by any means, reflect the availability of good job alternatives. Different explicit and implicit reasons, i.e., structural and institutional factors, may exist behind different rates of women entrepreneurial activity across countries. In Iran, women confront a kind of paradox between the barriers of tradition and the age of globalization and modernity in entrepreneurial activities.



Source: U.S. Census Bureau, International Data Base.

Fig. 1. Predicted Age and Gender Distribution for The Year 2010

Iranian Women and Human Resources

Across the regions, attitudes toward women's employment and women's work outside homes are correlated with entrepreneurship outcomes (World Bank, 2009).

Women constitute 49.3 percent of population and 33 percent of labor force in Iran. As it is observed from Iran Population Pyramid for 2010, Iran is a young-populated country (Statistical Center of Iran, 2010).

In spite of a decrease in the growth rate of total population, the growth rate of youth population at this period has the highest rate (second grade in the world) in the contemporary history. Since 70% of Iran's population is under 30 (National Youth Organization in Islamic Republic of Iran, 2002), special attention has been paid to youth employment and the promotion of entrepreneurship among young people by the government.

In Iran, the economic participation rate stands lower for women compared to men. "In June-September 2007, the economic participation rate was 65.4% for men and only 16.8 % for women. In 2007, the unemployment rate was 8.5% for men and 15.3% for women. The unemployment rate of population aged 15-24 was 18.2% for men and 28.7% for women. The unemployment rate of youth aged 15-29 came down to 18.8% while standing higher for women" (Statistical Center of Iran, 2009). The World Bank survey on MENA (Chamlou, 2010) reports that female unemployment in Iran has increased twice that of men.

Iran holds the rank of 46 among 50 Less Developed Countries regarding women employment index (Ghasemi, 2001). According to the government figures, the employment rates in major economic sectors indicate that women's share of employment in agriculture sector (36.1%) is higher than men (22.7%), whereas men's participation in both manufacturing sector (32.5%) and in sector service (45.1%) is higher than women (28.8% and 35.1% respectively). Higher women involvement in the agricultural sector may represent the inability of women to migrate to major cities to find a job compared to men. It also shows that women are not skillful enough to look for a better job elsewhere other than in agriculture which requires more labor and harder work.

The businesses created by the Iranian women entrepreneurs with higher education (Arasti, 2006) include in different areas: manufacturing (24.8%), services (66.7%), and agriculture 8.6%.

Iranian Women and Education

Education constitutes 4.39% of gross national income in Iran, higher than the 3.5% average rate in MENA region, and includes 22.85% of government expenditure. Iran has reduced the gender gaps in all levels of education (World Bank, 2009). In Iran the rate of women to men parity index, as ratio of literacy rates, aged 15-24 is 0.99 (Statistical Center of Iran, 2009). In spite of the fact that female college students have outnumbered their male counterparts in recent years; the participation of women in economic activities is considerably less than men. Lack of appropriate matching between labor market and the university female graduates on one hand, and the structural barriers that Iranian women are faced with on the other hand, will result in a great number of potentially skilled women in the country. Under the circumstances, entrepreneurship can be a practical solution for women's contribution to the economy and society as well. In recent years, entrepreneurship is being envisaged by the government as a useful and necessary solution to overcome the youth unemployment issue that constitutes the majority of Iranian population.

Iranian female's enthusiasm to pursue education and challenge for a better life has been a strong motivation for passing the university entrance exam which is highly competitive in Iran. In the 2008-2009 academic year, female undergraduate students constituted 60% of the total

undergraduate students at the Faculty of Entrepreneurship of the University of Tehran. The University of Tehran, as a pioneer in establishing a School of Entrepreneurship in Iran, has been admitting the students interested in entrepreneurship since 2004. Table 1 presents the increasing number of females attending this field at the graduate level.

As it is observed from Table 1, the gender gap is still remarkable in the number of students studying entrepreneurship in spite of the increased female involvement in this area.

Table1. Graduate Students in Entrepreneurship at the University of Tehran by Gender

Year	Female	Male	Total
2004	2	5	7
2005	6	23	29
2006	8	38	46
2007	9	49	58
2008	26	82	108

Source: GEM Iran, University of Tehran.

Women's Access to Credit Institutions

According to the World Bank survey on MENA, women entrepreneurs in many countries, both developed and developing, have indicated that the lack of access to capital is at or near the top of their concerns. The World Bank Survey report, as well as Iranian women entrepreneurial studies, state that women are not taken seriously by bank lending officers and they ask for higher collateral security. They believe that banker's perspectives on women borrowers are generally gender-biased.

Women entrepreneurs have a problem with the access to credit facilities in Iran (Galard, 2005; Saber, 2002). For some businesses, banks do not provide loans. Banks usually provide loans based on the acceptance of a business project approval. Sometimes the proposed projects may be rejected or be processed with delay. The bank administrative bureaucracy also postpones the loan payment. Mirghafoori (2010) mentions the following obstacles as the main barriers against Yazdi (Yazd: a city and province in Central Iran) women entrepreneurs' access to capital: difficulty in getting capital for starting the business and lack of liquidity, barriers against receiving loans, and lack of financial institutions' and investors' confidence in the capability of women in running a business.

There is no official and legal barrier against extending loans to women entrepreneurs in Iran and it is not gender discriminated. In spite of the government's attempts to prioritize women issues in its National Economic, Social and Cultural Development Plans¹, women have inadequate access to credit funds. The reasons mentioned in the National Report Plan 2004-2005 include high loan interest rates and difficult conditions for women, inability of women to provide collateral to apply for loans, short periods of repayment, women's lack of information about the availability of loans and credits in the financial system, and inadequate access by women to micro-credit funds.

1. Iran's National Economic, Social, and Cultural Development Plans are based on five-year programs

Challenges to the Environment

Theoretically, there is no historical, official, legal and written barrier to women employment, economic participation or doing a business in Iran (Khorshidi, 2009). However, gender based perceptions and attitudes can influence the implementation and interpretation of business laws. On the other hand, women face gender-based barriers outside the business environment. There still exist some attitudes i.e., that men are more deserving of scarce jobs, or that women may need their husband's permission to travel domestically or abroad. Women in Iran have attempted to overcome these barriers by patience, exchange of ideas and information and even involving their husbands or family members in their business. The competency of successful women entrepreneurs and the prevalence of female entrepreneurship in Iran can change the social perceptions of women entrepreneurs.

According to a World Bank survey (Chamolu, 2010), business lawyers declared that the MENA regions' business and investment laws are largely neutral or gender-blind. This study also shows that all firms in the Middle East and North Africa perceive the business environment as more cumbersome than do firms in other middle income regions (East Asia, Latin America, and Eastern Europe) regardless of the owner's gender. Lack of transparency, inefficient and costly business procedures can result in corruption and impede business activities. Inappropriate business condition may be more difficult for women to overcome. According to the World Bank's Doing Business 2008, there exists an inverse relationship between women entrepreneurship and cumbersome business environment.

Methodology

This paper is an exploratory study on the prevalence of women entrepreneurship in Iran, based on GEM data, in order to provide a general view on women entrepreneurship in this country. The Global Entrepreneurship Monitor (GEM) database, starting in 1999, "studies individuals' activities with respect to starting and managing a business. GEM provides a means by which a wide variety of important entrepreneurial aspirations such as innovativeness, competitiveness and high-growth aspirations can be systematically and rigorously studied", (Bosma, et al., 2009). The GEM project has made an extensive approach (not by any means exhaustive), which furnishes a series of measures that enable us to get to know entrepreneurship and some of its implications in the country (Minniti et al., 2006).

GEM focuses on three main objectives ((Bosma et al., 2009):

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors determining the levels of entrepreneurial activity
- To identify policies that may enhance the level of entrepreneurial activity.

Iran joined GEM in 2007. The GEM 2008 Adult Population Survey in Iran was conducted by face-to-face interviews with equal gender percentage in 42 cities of the country. In the GEM's revised model in the 2008 Executive Report, GEM has categorized the 43 participating member countries according to three major phases of economic development: factor-driven economies¹, which are primarily extractive in nature, efficiency-driven economies², in which scale-intensity is a major driver of development, and innovation-driven economies. According to the GEM 2008 classification model, Iran is a transition country from factor-driven to efficiency economy.

1. Angola, Bolivia, Bosnia and Herzegovina, Colombia, Ecuador, Egypt, India, and Iran

2. Argentina, Brazil, Chile, Croatia, Dominican Republic, Hungary, Jamaica, Latvia, Macedonia, Mexico, Peru, Romania, Russia, Serbia, South Africa, Turkey, and Uruguay

On the back of the GEM-Iran data, the type and quantity of entrepreneurial activity by gender will be studied and analyzed. Based upon the age of their business, GEM classifies entrepreneurs into three categories: nascent entrepreneurs who are in the business under 3 months, new entrepreneurs who are in business between 3-42 months, and established entrepreneurs who have stayed in their business for more than 42 months.

Besides the GEM Adult Population Survey, GEM presents a National Expert Survey (NES) in which, at least 30 experts, in the member country, answer 82 questions about the factors that influence the entrepreneurial activity in their country.

The GEM National Expert Survey in Iran (2008) will also be reported and discussed in this paper. Studying the responses to the NES statements collected by GEM Iran, provides more information and better understanding of social view on women entrepreneurship in the country.

Results

Iran Entrepreneurial Status within GEM

Studying the entrepreneurial activity in Iran 2008 helps us to investigate the rate of entrepreneurial activity prevalence in the country compared to other GEM members' factor-driven economies. As Table 2 shows, Iran's rate of involvement in early-stage Entrepreneurship Activity, established business activity, and overall entrepreneurial activity, is low compared to other GEM members' factor-driven economies. In Iran, the rate of early stage Entrepreneurial Activity (TEA), which includes both nascent entrepreneurial activity and new business owner managers, is lower than all other seven countries in factor-driven economies with the exception of Bosnia and Herzegovina. Does Iran have the lowest rate in early stage entrepreneurial activity compared to other GEM member countries with higher economic development levels? The answer is no.

The rate of early stage entrepreneurial activity in Iran (9.2%) is higher than that of the following GEM members in the efficiency phase of economic development:

Hungary (6.6%), Latvia (6.5%), Romania (4.0%), Russia (3.5%), Serbia (7.6), South Africa (7.8%), and Turkey (6.0%). The rate of early stage entrepreneurs in Iran is also higher than that of the 18 GEM members in innovation-driven economies, except for Greece, Iceland, Republic of Korea, and the United States¹. The level of entrepreneurial activity does not necessarily show the level of economic development (Sarfaraz et al., 2010). "The level of The TEA rates serve as a benchmark for countries to see how they are compared to other countries in similar phases of economic development; it is certainly not the case that higher TEA rates are always preferred" (Bosma et al., 2009). In Iran, the rate of established entrepreneurial activity is also lower than that of all other seven countries in factor-driven economies with the exception of Angola. Again Iran's rate of established entrepreneurship is higher than the rate in some of the efficiency and innovative-driven economies. "While early stage entrepreneurship indicates the dynamic entrepreneurial propensity of a country, established business ownership, instead indicates the percentage of population actively involved in running businesses that have proven to be sustainable" (Bosma et al., 2009). However, besides economic factors, the socio-economic and historical development of the countries, can also affect the entrepreneurial activities across the countries. According to the GEM 2008 Report, a reduction in TEA in factor-driven economies can be a good sign showing more job opportunities. Since the 2008 was the first year Iran participated in GEM survey, it is not possible to give any judgment regarding the changes in entrepreneurial activities in Iran. However, it is more likely that a

1. All comparative rates are derived from GEM Executive Report 2008

reduction in TEA, at least in Iran and maybe in some other factor-driven economies as well, does not necessarily indicate the availability of more job opportunities.

Table 2. Prevalence Rates (in %) of Entrepreneurial Activity and Business Owner-Managers Across GEM Countries in 2008, for Those Aged 18-64, by Phase of Economic Development

	Nascent Entrepre- Neurial Activity	New Business Owner- Managers	Early-Stage Entrepre- Neurial Activity (TEA)	Established Business Owner- Managers	Overall Entrepre- Neurial Activity	Business discontin- Uations Rate	Sample Size
<i>Factor-driven economies</i>							
Angola	19.3	4.1	22.7	4.1	26.0	23.4	1,490
Bolivia	17.4	14.3	29.8	19.1	45.6	10.5	1,879
Bosnia and	6.4	2.7	9.0	8.7	17.1	5.0	1,586
Colombia	13.8	11.7	24.5	14.1	36.7	7.1	2,000
Ecuador	8.7	9.1	17.2	11.9	28.1	5.9	2,142
Egypt	7.9	5.5	13.1	8.0	20.2	6.3	2,603
India	6.9	4.9	11.5	16.5	27.6	10.1	1,919
Iran	5.9	3.4	9.2	6.8	15.7	5.2	3,119

Source: GEM 2008

The low rate of TEA in Iran may reflect the fact that Iran is a government-based economy, and because of its oil revenue, it is more dominated by government economic activities rather than private sector activities. Allocation of resources is more government-oriented. According to the World Bank, public enterprise sector constitutes 60 percent of output in Iran. However, considering the privatization trend in Iran, as started ten years ago, more resources are expected to be allocated in private sector which can lead to the growth of business and entrepreneurial activities. Entrepreneurship has been considered, by the government, as a potential factor for the youth and women's unemployment solution. Half of the poor people in Iran, about 4.5 million people, or 1.5 million households (World Bank, 2009), benefit from social insurance coverage by the government social security net programs, charity institutions, and other non- profit organizations which burden themselves with a considerable costs on the government and the country as well. According to GEM Iran, there is a positive feeling about the future of entrepreneurial activity in the country, built up on the joint efforts of the governmental institutions, universities, research organizations, NGOs and support agencies, which have recently started in coordination with the government, to support and promote entrepreneurs. The prevalence of entrepreneurship in Iran can reduce the financial pressure on the government to a large extent besides other socioeconomic advantages that can be obtained from the promotion of entrepreneurial activities.

Women Entrepreneurship in Iran: A GEM Approach

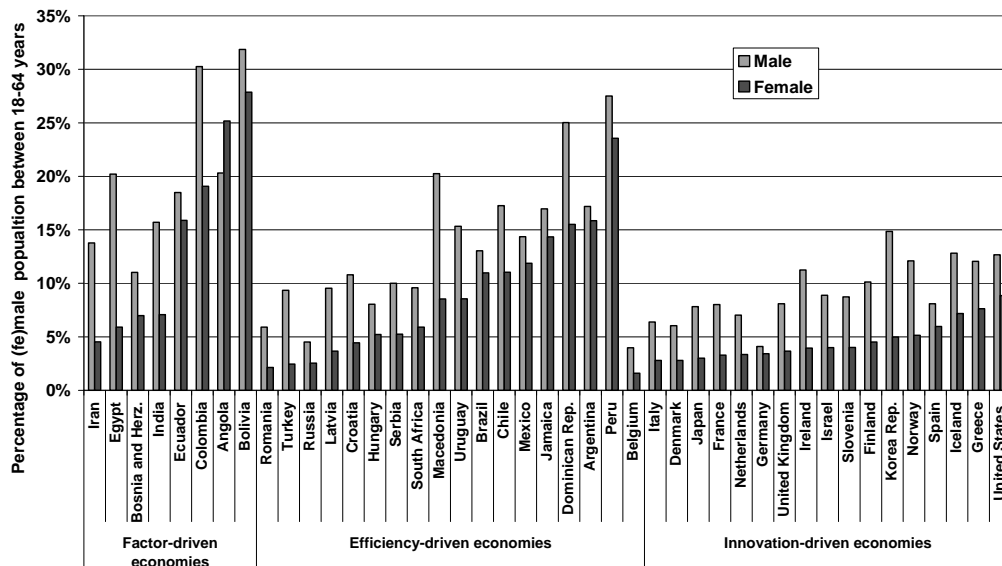
The efforts made by GEM to prepare a coordinated global data collection method on the women entrepreneurship have provided a valuable and unique source of information on women associated with entrepreneurial activities across the GEM member countries. GEM's contribution to providing consistent cross-country information and measurement of women's entrepreneurial activity are useful tools to identify entrepreneurial dimensions and rank different countries in this field as well.

Conditions for female entrepreneurship in a country tend to be similar to those for entrepreneurship in general (Delmar, 2003; Verheul et al., 2004). Considering the low rate of entrepreneurial activity in Iran, one would expect even lower entrepreneurial activities for

women who do not usually have equal access to resources as men do. Men are almost twice as much to be early stage entrepreneurs as women, and more than twice as much to be established business owners as women. (Allen et al., 2007)

As Figure 2 shows, according to the GEM 2008 Report, the rate of Iranian women participation in early stage entrepreneurial activity is the lowest among other GEM members in factor-driven economies at the development phase.

Considering the unequal socioeconomic status of women in Iran, the low rate of women entrepreneurial activity is, by no means, because of the availability of other good job alternatives. It seems that the rate of entrepreneurial activity does not necessarily indicate the level of development across nations. As is the case of male entrepreneurs, the rate of Iranian women in early stage entrepreneurship is higher compared to some efficiency-driven countries (Romania, Turkey, Russia, Latvia) and also some innovative-driven economies (Belgium, Denmark, Italy, Japan, France, Netherlands, Germany, United Kingdom, Ireland, and Slovenia)



Source: GEM Adult Population Survey (APS), 2008

Fig. 2. Early Stage Entrepreneurial Activity Rates by Gender, 2008

According to the GEM survey, entrepreneurs are classified into necessity-driven entrepreneurs who become entrepreneurs because of necessity reasons; and opportunity-driven entrepreneurs who discover opportunities in the market. Based on the GEM-Iran data 2008, only 1.44 percent of women in Iran are necessity-driven entrepreneurs. This rate is lower than the GEM mean (2.37 %) and is lower than Iranian men necessity-driven entrepreneurs (4.26) as well. The attempts to promote the entrepreneurial environment for necessity-driven entrepreneurs in Iran can improve the life of the head of households, whose high rate of unemployment can cause critical, social, and psychological problems. "Personal and occupational awareness and entrepreneurship training programs affect the self-esteem and entrepreneurial trends of female heads of households" (Tabatabaei, 2004).

The rate of opportunity-driven women entrepreneurs in Iran (3.07) is lower than the GEM mean rate (4.90) and is also lower than their male counterparts (8.7). As the results show, the

rate of women opportunity-driven entrepreneurs in Iran is higher than the rate of necessity-driven entrepreneurs. This may indicate the unawareness and inability of unskilled and uneducated needy women to get involved in entrepreneurial activities (Zali, Yadollahi , & Razavi , 2009).

Women entrepreneurs' motivation to start a business in Iran varies with respect to diverse characteristics of their age, education, social status and family background, cultural and personal parameters. Galard (2007) identifies financial needs, job satisfaction, achievement of authority and reputation in the society, as the motivations and driving force for women entrepreneurs to start a business in Iran. She considers job satisfaction as the most effective one in startup process.

Arasti (2006) in the study of women entrepreneurs with higher education considers personal satisfaction (90%), the need to have power (62%), financial needs (54%), and security needs (51%) as the main motivations to have their own business.

Gender Inequality in Entrepreneurial Activity in Iran

According to the GEM 2007 Women Report, a significant and systematic gender gap exists in the entrepreneurial activity that varies both by the country GDP and by the region. Apart from Japan, Brazil, Peru, and Thailand, where women are more involved in entrepreneurial activities, men are more likely involved in entrepreneurial activities than women (GEM Report, 2008). Table 3 shows that in Iran, men are more than three times as likely to be early stage entrepreneurs compared to women, and almost five times as likely to be established business owners relative to women. In other words, the gender gap in the established entrepreneurial activity is more significant than in early stage entrepreneurial activity. This shows that men in Iran appear to be more sustainable and successful in running businesses to survive in the market than women.

Table 3. Prevalence Rates (in %) of Entrepreneurial Activity by Gender in Iran Compared to GEM Mean in 2008

Entrepreneurial activity	Iran	GEM Mean	Iran		GEM Mean	
			Male	Female	Male	Female
Early- stage Entrepreneurial Activities (TEA)	9.18	10.19	13.76	4.51	12.76	7.61
Established Entrepreneurial activities	6.77	7.81	11.26	2	10.53	5
Overall Entrepreneurial activities	15.66	17.5	19.07	9.16	25.15	13.89

Source: GEM Iran Adult Population Survey

On average, the prevalence rates of TEA and established entrepreneurial activity in Iran for both men and women are lower than other GEM members. This confirms the result of other studies (Verheul et al., 2004) that "female and male entrepreneurial activity rates are influenced by the same factors in the same direction ". However, this gap is wider compared to women entrepreneurs. Moreover, the gap is more pronounced in established female entrepreneurial activity which shows the inability of women entrepreneurs in Iran to survive in their businesses.

GEM National Expert Survey in Iran

In Iran, 50 experts in entrepreneurship participated in the GEM National Expert Survey (NES). The experts were asked to read five statements and give their answers according to the degree of their agreement or disagreement with the statements. If they thought the statements apply to their country, they would answer completely true or somewhat true; otherwise, they would express their disagreement by answering completely false or somewhat false. They might also give no preference (neither true nor false) to the statements. One of the NES questionnaires topics presents the following five questions directly related to women social status and opportunities in doing business. These questions and the responses of the Iranian experts are as follows¹:

1. The responses to the availability of sufficient social services that would enable women to continue working, even after they have had children were: 30% Fc, 28%Fs, 8%Tc, 22%Ts, and 12%N.
2. The responses to the statement, "starting a business or a company is a socially acceptable career move for a woman" were: 18% Fc, 38 %Fs, 4 %Tc, 20%Ts, and 20%N.
3. The responses to the statement, "women are encouraged to become independent business women or start a new business" were: 22.4% Fc, 30.6 %Fs, 6.1 %Tc, 24.5%Ts, and 20%N.
4. The responses to the statement, "In my country men and women are equally exposed to good opportunities when it comes to starting a new business or company" were: 42.9% Fc, 26.5 %Fs, 6.1 %Tc, 14.3 %Ts, and 10.2%N.
5. The responses to the statement, "men and women have the same level of know-how and skills to be able to start a new business or company" were: 42.0 % Fc, 36.0%Fs, 6.0 %Tc, 8.0 %Ts, and 8.0%N.

The high rates of positive responses to the above statements represent more gender equality in accessing resources and less discrimination between men and women in a society.

This analysis demonstrates a valuable social perception and understanding of women entrepreneurship in Iran. As the above results indicate, well above fifty percent of the experts believe that gender gap is very strong for women regarding entrepreneurial activities. On average, only about less than 30% of the respondents appeared to believe that women and men have equal access to resources and participate equally in socioeconomic activities.

Measures Taken Government on Women Entrepreneurship

The Iranian government plays an important role in the allocation of resources in the country. The oil revenue constitutes 80% of the country's foreign exchange revenue which is controlled and distributed by the government. The country's strategic objectives are classified in the Iran National Economic, Social, and Development Plans based on five-year periods. One chapter of the National Plan is allocated to women and the economy. During the last two Iranian National Plans, the Third Plan (2000-2004), and the Fourth Plan (2005-2009), women issues have been prioritized. The Iranian government considers the Beijing strategic objectives of the United Nations², within its National plans, regarding women empowerment as follows:

- to promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources;
- to provide business services, training and access to markets, information and technology, particularly for low-income women;

1. Tc=completely true, Ts=somewhat true, Fc=completely false, Fs=somewhat false, N=neither true nor false

2 The Beijing Declaration and Platform for Action were adopted upon consensus on 15 September 1995 with the commitment of the international community to the implementation of the platform for action ensuring that a gender perspective is reflected in all policies and programmes at the national, regional and international levels(United Nations1995)

- to strengthen women's economic capacity and commercial networks;
- to eliminate occupational segregation and all forms of employment discrimination;
- to formulate macroeconomic policies and development strategies that can address the needs and efforts of women suffering from poverty;
- to facilitate women's equal access to resources, employment, markets and trade;
- to provide women with possibilities of access to savings and credit mechanisms and institutions;
- to develop gender-based methodologies and conduct research to address the feminization of poverty.

Conclusion

The gender gap exists and is significant in women entrepreneurial activities of Iran at both national and international levels. The Iranian women are faced with visible and invisible structural constraints and gender discrimination in respect of social as well as economic aspects. Despite the prioritization of women's issue in the Third and Fourth National Plans, the women's access to resources and their economically active participation is considerably lower than men. In the Fifth National Economic Plan, a special chapter has been allocated to the subject of women, with even more attention to the women entrepreneurship than the previous one. However, obstacles to women entrepreneurship are chiefly social and cultural rather than legal. Promoting women participation in various aspects of life can result in more appropriate entrepreneurial environment for the Iranian women. Application of the GEM Adult Survey in Iran shows that Iran has not been successful in providing an appropriate climate for women entrepreneurial activities. It seems that paying special attention to women socioeconomic issues in the national plans is not enough; however, due consideration should be given to the enforcement of laws and regulations so as to provide women's accessibility to resources. The efforts of women entrepreneurs in recent years to prove their competency are noticeable in Iran. As the educated youth generation do not consider social factors as a key barrier to women entrepreneurship, it means that social change for better social entrepreneurial environment should be expected in future.

References

- Allen, E., Elam, A., Langowitz, N., & Dean, M. (2008). *Global entrepreneurship monitor, 2007*; Report on women and entrepreneurship. Boston: The Center for Women's Leadership at Babson College, Lawrence N. Field, Center for Entrepreneurship, Baruch.
- Arasti, Z. (2006). Iranian women entrepreneurs. *Women Research*, 1&2, Spring and Summer.
- Block, J., & Wagner, M. (2007). Opportunity recognition and exploitation by necessity and opportunity entrepreneurs: Empirical evidence from earnings equations. in Solomon, George T. (ed.). *Proceedings of the Sixty-Sixth Annual Meeting of the Academy of Management* (CD), ISSN 1543–8643.
- Bosma, N., Acs, Z. J., Autio, E., Conduras, A., & Levie, J. (2009). *Global Entrepreneurship Monitor, 2008*. Executive Report, Babson College, Universidad Del Desarrollo, London Business School.
- Chamlou, N. (2010). *The environment for women's entrepreneurship in the Middle East and North Africa*. World Bank, Washington, D.C.
- Delmar, F. (2003). *Women entrepreneurship: Assessing data availability and future needs*. Paper presented at the Workshop on Improving Statistics on SMEs and Entrepreneurship, OECD, Paris.
- FAO, Corporate Document Repository (1993-94). *Women, agriculture and rural development: A synthesis report of the Near East*. Annex III: Women's Access to Credit, Economic and Social Development Department. Retrieved from www.fao.com

- Galard, P. (2005). The efficient factors affecting the development of women entrepreneurship in Iran. *Women Research*, 13 , 101-123.
- Galard, P. (2007). Characteristics, motivations and goals of Iranian women entrepreneurs. *Iran Journal of Trade Studies (IJTS)*, 11, 267-295.
- Ghasemi, I. M. (2001). *An analysis of women participation in management position*. Paper presented at Second Women Empowerment Conference, Women Participation Center Press.
- Global entrepreneurship monitor, 2006. Allen, E., Langowitz, N., & Minniti, M. (2007). Report on Women and Entrepreneurship. Boston: The Center for Women's Leadership at Babson College, and London Business School.
- Gressani, D. (2007 Dec). *Women's entrepreneurship in MENA-Myths & Realities*. Paper presented at the Arab International Women's Forum Conference, Dubai.
- Iran Fourth National Plan Statistics (2005). Tehran: *Islamic Republic of Iran Management & Planning Organization*.
- Islamic Republic of Iran, Presidency, National Youth Organization (2004). *Youth employment in Islamic Republic of Iran*. Department of International Affairs, Iran.
- Javaheri, F., & Ghazati, S. (2005). Women entrepreneurial Obstacles in Iran. *Journal of Iran Sociology*, No. 2.
- Karimi, Z. (2005). *The role of government support in the promotion of women entrepreneurship*. Presented at the Iran National Seminar on Women Entrepreneurship.
- Khorshidi, R. (2009). *Educational perspective of women entrepreneurship*. Presented at the Entrepreneurship Development Seminar, Shiraz, Iran.
- Minniti, M., Bygrave, W., & Autio, E. (2006). *Global Entrepreneurship Monitor: Executive Summary 2005*. Babson College, USA, and London Business School, UK.
- Minniti, M., & Arenius, P. (2003, April). *Women in entrepreneurship*. Presented at the Symposium of: The Entrepreneurial Advantage of Nations. First Annual Global Entrepreneurship Symposium, United Nations Headquarters.
- Mirghafoori, H., Tooranloo, H., & Taheridemneh, M. (2010). Investigating the barriers of women's entrepreneurship in Iran society. *Journal of Management Transformation*, 2.
- Phinisee, I., Rogoff, E., Onochie, J., & Dean, M. (2008). *Global Entrepreneurship Monitor: Executive Report 2007-2007*. Babson College, USA, and Baruch College, USA.
- Sarfaraz, L., & Asadi, A. (2010). *Economic development and women entrepreneurship*. Presented at the National Conference of Management, Shiraz University.
- Statistical Center of Iran (2009-2010). *National portal of statistics*. Vice Presidency for Strategic Planning and Supervision, Tehran. Retrieved from <http://www.amar.org.ir/default.aspx?tabid=52>
- Tabatabaei, S., & Abedi, Y. (2004). *Iranian women empowerment through promoting awareness and developing entrepreneurship*. Department of Psychology, Al-Zahra University, Deputy of Employment, Ministry of Labor and Social Affairs, Tehran. Retrieved from [http://info.worldbank.org/etools/mdfdb/doc/WP_ TESEV4.pdf](http://info.worldbank.org/etools/mdfdb/doc/WP_TESEV4.pdf).
- Verheul, I., Stel, A.V., & Thurik, R. (2004). *Explaining female and male entrepreneurship across 29 countries SCALES-series report on ongoing research at EIM Business and Policy Research*. Netherlands' Ministry of Economic Affairs.
- Wennekers, A. R. M., Van Stel, A., Thurik, A. R., & Reynolds, P. (2005). Nascent entrepreneurship and economic development. *Small Business Economics*, 24, 293-309
- World Bank (2009). *Iran- Country Brief*. Retrieved from <http://www.worldbank.org>
- Zali, M. R., Yadollahi, J., & Razavi, S. M. (2009). *GEM-Iran Summary 2008 Report*, Faculty of Entrepreneurship, University of Tehran, Iran.
- Zarafshani, K., Gorgievski, M., & Moradi, K. (2008). Identifying value hierarchies among indigenous women entrepreneurs in agriculture: a Case of Iran. *International Journal of Business and Globalization* 2008, 1,2 ,173-182.