

PAGE

policy analysis on growth and employment



Risk Tolerance, Gender, and Entrepreneurship: The case of the occupied Palestinian territory (oPt)

RESEARCH PROPOSAL

Presented to

Partnership for Economic Policy (PEP)

By

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&

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occupied Palestinian territory (oPt)

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Before you begin,

- Please consult the following webpages regarding PEP's expectations in terms of:
 - [Specific policy issues to be addressed by projects supported under the PAGE programme](#)
 - [Initiatives to be undertaken by PEP supported research teams in terms of policy outreach](#)
- Note that if your proposed project entails the use of randomized controlled trial techniques, you must not forget to provide the additional information in [section B](#)

SECTION A – For all projects

1. Abstract (100 to 250 words)

The abstract should state the main research question, the context and its relevance in terms of policy issues/needs in relation to PAGE thematic foci, complete with a brief description of the data that will be used.

This research investigates whether women are less risk tolerant than men or not. The theme has not been investigated using Palestinian data. The availability of GEM Adult Population Survey (APS) data for 2009, 2010, 2012 makes it possible to use quantitative techniques to determine which factors are responsible for risk tolerance for men and women in Palestine. The dependent variable will be fear of failure (fof) (as a proxy for risk attitude). It could be found that gender increases or decreases the probability of being risk tolerant. The gender dummy will be used with other covariates of socioeconomic nature. The findings of this research are important to policy making, entrepreneurship, business continuation, and finance companies. The risk tolerance variable will also be used as an explanatory variable to both the decision to undertake entrepreneurship or for business discontinuation. If it is found that females are indeed more risk averse, one could use the results of the regression to address the variables that would improve their entrepreneurial appetite.

2. Main research questions and contributions

Explain the focus (or key questions) of your research and its policy relevance.

- 2.1. Explain why you think this is an interesting research question and what the potential value added of your work might be (knowledge gaps). You might want to explain whether or not this question has been addressed before in this context (including key references), and if so, what do you wish to achieve (in addition) by examining the question again?

The Palestinian Authority (PA) is facing many challenges of reviving the economy, thus it can look towards entrepreneurship as a major stimulus of new employment and economic development. Based on the World Bank's (2012) recent study "Fiscal Crisis, Economic Prospects: the Imperative for economic cohesion in the Palestinian Territories", the Palestinian economy must rely on private sector development if it wants to achieve sustainable growth and solve its fiscal problems. Most policymakers and academics agree

that entrepreneurship is critical to development, R & D, and growth. Most entrepreneurs start businesses which are MSMEs which are known for their significant role in innovation, employment, and productivity.

The gender gap in entrepreneurship research has been addressed by GEM annual reports; in particular, Palestine GEM reports (2009)¹ and (2010)² indicate that the oPt has the highest fear of failure among factor driven countries. It also finds that fear of failure is higher among females than males. Agier and Szafarz (2012)³, indicate that autonomy, risk taking, readiness for change, endurance, lack of emotionalism and low need for support, bank loan officers rated women as significantly less likely successful entrepreneurs compared to men.

This research will differ in that the fear of failure will be the dependent⁴ variable and gender will be an explanatory variable (along with others) using more recent data. The analysis will focus on the following questions:

- 1) Does gender play a role in affecting risk attitudes?
- 2) What other factors affect risk attitude and in which way⁵?
 - a. Start up capital
 - b. Age structure
 - c. Education
 - d. Income
 - e. Labor force status
 - f. Skill perception...etc
 - g. Socio-political as represented by West Bank/Gaza dummy
 - h. Formal/informal investment
- 3) Does risk attitude affect entrepreneurial propensity?

- 2.2. Describe the specific policy issues/needs that your research aims to address; how your potential outcomes/findings may be used in policy making?
- Justify timing of your research in terms of policy and socioeconomic needs/context – e.g. reference to existing/planned/potential policies at the national level.

¹ International Development Research Centre with Contribution from Palestinian Economic Policy Research Institute (2010). Global Entrepreneurship Monitor: Palestine Country Report 2009.

² International Development Research Centre with Contribution from Palestinian Economic Policy Research Institute (2011). Global Entrepreneurship Monitor: Palestine Country Report 2010.

³ Agier I., Szafarz A., (2012), Microfinance and Gender: Is there a Glass Ceiling on Loan Size?, World development (article in press).

⁴ Please see the reference to Sepúlveda, J., and Bonilla, C. (2011) and the argument thereafter in the methodology section

⁵ It is expected that socio-political factors do affect risk tolerance and will be dealt with in the paper from a theoretical view point. However, the data set contains no such data on those variables except for the West Bank and Gaza dummy.

- Evidence of previous consultation with potential users (e.g. policymakers and key stakeholders) to help define your research question is strongly encouraged. Include a list of names, institutions and email addresses when possible.

Female well being and empowerment is not only an economic concern, but also a social concern. In a country with female labor force participation not exceeding 15%, encouraging more women for an entrepreneurial career choice becomes a necessity. But this requires detailed information on which women to target (education, age, family background...etc) with particular programs. It also requires information on what ventures are more successful for women entrepreneurs. Is entrepreneurship sought for flexibility, and autonomy or innovation and wealth? This research will investigate the relation between fof as a major determinant of entrepreneurship and an array of social, economic and other variables available in the APS data.

The ILO's Women Entrepreneurship Development (WED)⁶ 2012 lists Palestine (oPt) as one of the countries for which the ILO is seeking partners for projects in WED based on country requests. The goal is to remove barriers to women's entrepreneurship in order to achieve MDG, reduce gender disparity, and poverty reduction.

Policies which are aimed at reducing gender disparity in entrepreneurship range from those which requires financing for their implementation such as tax breaks, provision of services (access and training) to those which require educational programs. The PA is and has been experiencing a budget crunch; dependence on donor aid and revenue clearances which make it difficult to even pay public sector wages, not to mention design programs for public policy and gender.

Having said that, and after consulting with a group of stake holders and policy makers; we can group the main concerns for policy issues are the following:

1. Information issues; fof can be a result of lack of information, thus raising awareness about female entrepreneurship and its effect will be investigated.
2. Education and training issues, avoiding the stereotypical roles for women such as informal sector and traditional crafts. A set of variables related to this issue will be explored.
3. Culture and socio-political factors will be also explored. It must be noted that APS data has very little content on political variables, but socio-economic variables are present.

⁶ ILO. (2012). Women's Entrepreneurship Development. ILO

Methodology

Presentation of the specific techniques that will be used to answer the research questions and how exactly they will be used to do so. Explain whether you will use a particular technique normally used in other contexts or whether you intend to extend a particular method and how you will do so. Explain if these methods have already been used in the context you are interested in (including key references).

Risk tolerance measures can be manifold; Hanna et al (2001)⁷ reports that there are four measures of risk. The first is an investment choice risk (survey of consumer finances) which links a scale measure of risk tolerance to expected return. A second measure is a mixed measure of subjective questions and investment questions. The third involves evaluating actual behavior based on Arrow Pratt measures of risk aversion. And finally, hypothetical scenario measures based on economic models. The authors postulate that each of these measures has its drawbacks, and propose a refinement of the fourth type by adding questions on income loss and retirement. Although measures based on economic theory make sense to use; that kind of data is hard to obtain. Instead, most studies use measures of subjective nature; For example, Bonte and Jarosh (2011)⁸ use data which asks individuals about their general willingness to take risks, with binary dichotomous responses. This study uses probit models in which the dependent variable is latent entrepreneurship and nascent entrepreneurship for both men and women; then they use Blinder-Oaxaca type decomposition based on the extension of Fairlie (2006)⁹ to logit and probit models. Oaxaca (1973)¹⁰ proposed a methodology to deal with unobserved heterogeneity on continuous dependent variables(wages); Ardagna and Lusardi (2008)¹¹ used GEM data to investigate the determinants of entrepreneurship activity in thirty-seven developed and developing countries. The variable of interest is total entrepreneurial activity, which is an indicator variable equal to one if individuals are starting a new business or are owners and managers of a young firm; it is equal to zero otherwise. They find that regulation affects entrepreneurship through risk attitude. Dohmen et al (2009)¹² also use a general question about willingness to take risk at a scale of 0-10 with zero being unwilling to take risk. They use interval estimation (ordered probit) and reclassify the variable to dichotomous with 5 or

⁷ Hanna, S. D., Gutter, M. S. & Fan, J. X. (2001). A measure of risk tolerance based on economic theory. *Financial Counseling and Planning*, 12(2), 53-60.

⁸ Bonte, W., Jarosh, M., (2011). Gender Differences in Competitiveness, Risk Tolerance, and other Personality Traits: Do they Contribute to the Gender Gap in Entrepreneurship? Schumpeter School of Business and Economics, Schumpeter Discussion Papers 2011-012

⁹ Fairlie, R. (2006). An Extension of the Blinder-Oaxaca Decomposition Technique to Logit and Probit Models. IZA DP No. 1917

¹⁰ Oaxaca, R., (1973). Male-female wage differentials in urban labor markets. *International economic review*, Vol. 14, No. 3, October 1973. The approach used in this paper will not be suitable for our binary dependent variable.

¹¹ Ardagna S., Lusardi A., (2008). Explaining international differences in entrepreneurship: the role of individual characteristics and regulatory constraints, NBER working paper series.

¹² Dohmen, T. A. Falk, D. Huffman, U. Sunde, J. Schupp and G.G. Wagner (2009). Individuals Risk Attitudes: Measurement, Determinants And Behavioral Consequences. *Journal of European Economic Association*.

above being 1 and zero for the rest to verify robustness. Ordered probit and probit models gave similar results showing that female willingness to take risk is lower and that parental education, age, and height play significant roles in determining risk attitude.

The use of Fear of failure as a proxy of risk tolerance

The theory suggest that risk aversion is a property of individuals who prefer a certain level of wealth with certainty rather than a lottery with varying levels of utility according to some probability distribution. Wage employment provides a steady flow of income, however, may be small. Individuals who choose to start a business provide opportunities not only to oneself, but also other potential employees. Investments typically require different start-up capital and is associated with different levels of risk and return (hence wealth). The relationship between risk tolerance is thus shaped by the level of start-up capital and the source of financing. It is expected that risk tolerance decreases with lower levels of self supplied capital (Verheul and Thurik (2001))¹³, Kotey and Meredith (1997)¹⁴ also assert that risk aversion leads to dependence on personal financing resources.

Research on risk attitudes and entrepreneurship has not settled the debate on risk tolerance of the entrepreneurs (Croson and Gneezy (2009))¹⁵, nor has it determined gender dimension of risk tolerance (Diaz-Garcia and Jimenez-Moreno(2010)¹⁶ who found no significant differences between men and women with respect to the intention of firm creation. They argue that a negative perception by females of societal norm and the roles assigned to them enforces their fear of failure, hence acting as a deterrent to business creation. Robichaud, Zinger, and LeBrasseur (2007)¹⁷ did not find gender significant differences with regard to fear of failure despite the higher entrepreneurial rate for men.

The link between Fear of Failure (FoF) to risk tolerance can also be found in the literature, mostly owing to availability of Adult Population Survey (APS) data of Global Entrepreneurship Monitor (GEM). Wagner (2004)¹⁸ reports that fof explains the entrepreneurship gender gap. Langowitz and Minniti (2007)¹⁹ find that females have a more negative perception of themselves in entrepreneurial activity than men do (including

¹³ Small Business Economics, 16:329-345

¹⁴ Kotey, B. and G.G. Meredith (1997). Relationships among owner/manager personal values, business strategies and enterprise performance. Journal of Small Business Management, 32, (2), 37-64.

¹⁵ Croson, R., and Gneezy, U., 2009. 'Gender Differences in Preferences', Journal of Economic Literature, 47(2): 448-72

¹⁶ The International Entrepreneurship and Management Journal, v(6), PP261-283, 2010

¹⁷ The International Entrepreneurship and Management Journal, v(3), PP323-343, 2007

¹⁸ Wagner, Joachim (2004). Are Young and Small Firms Hot houses for Nascent Entrepreneur? Evidence from German Micro Data. Institute for the Study of Labour (IZA) Discussion Paper 989, January.

¹⁹ Langowitz, N. and Minniti, M. (2007). The entrepreneurial propensity of women. Entrepreneurship Theory and Practice, Vo. 31, No. 3, pp. 341-64.

fear of failure) leading to a lesser entrepreneurial propensity. Koellinger, Minniti and Schade (2005)²⁰ use APS data on 18 countries²¹ to investigate the determinants of the decision to start a business. They use fof as a proxy for risk tolerance and find that entrepreneurs are less likely to express fof as a deterrent to entrepreneurship, but that it does negatively affect the decision to start a business. Romani, G., et al (2012)²² found evidence that there are gender differences in informal investments using Chilean GEM data.

Ozdemir and Karadeniz (2011) used GEM data during 2006-2008 and 2010 to examine the determinants of total entrepreneurial activities (TEA) in Turkey²³. They investigate the effect of demographic characteristics of individuals (age, gender, income level, education level, and work status) and perceptual variables (networking, fear of failure, alertness to opportunities, and self-confidence) on TEA in Turkey. Results indicate that gender, age, vocational education, formal and informal networking, and self-confidence are important factors that increase the likelihood of people to incline in entrepreneurial activities. Economic instability and uncertainty in Turkey, as well as the Turkish culture which consider failure as a learning process, mitigate the influence of fof on the likelihood of being an entrepreneur. Furthermore, fof has no effect on the females, while it is important factor that affects the likelihood to become an entrepreneur for males.

Bizri et al (2012)²⁴ did not address the gender issue with respect to risk tolerance; however, they developed a survey questionnaire which included questions on risk aversion and fear of failure in Lebanon. Their findings show that fof affects entrepreneurial intention negatively.

The literature on the determinants of risk tolerance and gender is less frequent; Sepúlveda and Bonilla (2011)²⁵ are among the few that addressed this question. Their analysis utilize APS also on Chile, they proxy attitude towards risk by fof. They use the probit model and conclude that being male, having more education, and better skill perception all negatively

²⁰ Koellinger, Ph., Minniti, M., Schade, C. (2005). "I think I can, I think I can": Overconfidence and Entrepreneurial Behaviour. DIW Berlin, Discussion Paper.

²¹ Israel is the only country in the MENA region that is included among the 18 countries studied.

²² Romani, G., Atienza, M., Amoros, J. E., (2012). Informal investors in Chile: an exploratory study from a gender perspective, *Journal of Business Economics and Management*, Vol. 13(1): 111–131.

²³ Yes/No question where respondents are asked whether they have taken any action to create a new business in the past year or they expect to share ownership of a new firm.

²⁴ Bizri, R., and Kojok, A. (2012). Barriers to Entrepreneurial Endeavours in a Development Economy. *World Journal of Social Sciences*, Vol. 2, No. 6, Pp. 79-100.

²⁵ Sepúlveda, J., and Bonilla, C. (2011). The attitude towards the risk of entrepreneurial activity: evidence from Chile. *Academia, Revista Latinoamericana de Administracion*, 46, 72-80.

affect one's attitude towards risk, thus improving the likelihood of entrepreneurship. Gonzalez-Alvarez, N., et al (2012)²⁶ investigate the effect of social capital (as measured by knowing someone who set up a business in the last two years) and cognitive factors (self-efficacy (have the knowledge and skills needed to set up a business activity), and fear of failure) on new venture decisions. Their findings show that social capital and self-efficacy has positive impact on the new venture decision while the fof has a negative impact. The main contribution of this study is that the cognitive factors (self-efficacy and fear of failure) act as a mediating variables between social capital and the decision to set up a business.

This paper will utilize the probit model as in Sepúlveda and Bonilla (2011), but will take into consideration additional variables (which if relevant and excluded will result in biased estimates) and different techniques. The choice of variables will be based on Latent Class Analysis, a technique that has not been applied in any of the previous questions. Since risk attitude is a latent variable but its manifestation is shown in the fof question, one can conclude the assignment into classes based on probabilities of manifestations. Once a well specified model is estimated, the probit analysis (marginal effects and change in probabilities) will provide the conclusions and the background for policy recommendations. Alternatively, we could use the Lclogit algorithm introduced by Pacifco and Yoo (2012)²⁷ which implements the class assignment and estimation of the logit model simultaneously²⁸. The benefit from applying this technique is that LC analysis involves estimating a regression model under the assumption that the regression coefficients differ across latent segments, yielding improved predictions. Traditional regression assumes homogeneity across an entire population, which does not allow for the existence of different segments. In addition, Traditional regression programs assume that the model holds true for the entire population, whereas LC explores whether model heterogeneity can be explained by unobserved latent segments. In this case, the model results will give the different impact of each of the independent variables on the fof variable for each latent class. The number of classes will be based on information criteria.

3. Data requirements and sources

²⁶ Gonzalez-Alvarez, N., Solis-Rodriguez, V., Guzman-Goyanes, J., (2012). Social Factors and New Venture Decisions: The Analysis Based on the Study of Cognitive Factors. *Transformations in business and economics* (11.1): 154 – 166.

²⁷ Pacifco, D., and Yoo H., I., (2012). Lclogit: A Stata module for estimating latent class conditional logit models via the Expectation-Maximization algorithm. *Australian School of Business Research Paper No. 2012 ECON 49*.

²⁸ This seems a better choice to implement, we will acquire the stata module which performs the algorithm and run it on our data. Ultimately, we the results of both models will be compared, we will use the better model.

This is a critical part of the proposal. The key issue is to explain the reason for the use of the particular data. You must establish that they are ideal for the question you wish to address. Please consult the ["Guide for designing a research project proposals"](#) for more detail.

Risk tolerance refers to one's ability to tolerate a particular level of risk for an investment with some expected rate of return on investment. According to Malkiel (1996), this level is related to lifecycle position, and other subjective factors.

The APS contains a question on whether fear of failure would prevent a person from starting a business; if the answer is yes, then it means that the person has low levels of risk tolerance. Otherwise, he/she would be willing to take risk to start a business. Since this is the main question of interest, it basically boils down to the subjective measure used in the literature above, then it is an excellent tool to measure risk tolerance. This survey consists of 2000 observations nearly equally split between men and women. The data is available and permission from the DG of Palestine Economic Policy Research Institute (MAS) was obtained. MAS is a big stakeholder on this subject as it prepares the annual GEM report. The team leader of this project is also the research team leader of GEM Palestine which WILL help in the dissemination of research findings through MAS. Thus, the data for 2009, 2010, 2012 (Adult Population Survey and National Expert Survey) are both available. The fof question is for the entire sample, part of which are entrepreneurs and the rest are not. A host of personal questions for the entire sample is also present in the questionnaire. Another set of questions for entrepreneurs is available. The progression of data (potentially) covering three years makes it a rich data set.

4. Policy influence plan (or research communication strategy)

- Identify potential users of your research findings, including policymakers and other key stakeholders. Provide a list of institutions and, whenever possible, specific individuals to be targeted for effective policy influence. Please also indicate whether you have already made contacts within the institution
- How, in the elaboration and execution of your project (from design to dissemination), will you consult/communicate with these users to both gather their inputs and keep them informed of your project (expected contributions and uses), in order to increase chances of your findings to be taken-up into policymaking?

You can refer to [PEP's research communications strategy and guidance](#) to have a better idea of what is expected in terms of activities for policy outreach and dissemination.

Institution	Contact	Target
Policy makers		
Ministry of labor	H. E. Dr. Ahmad Majdalani, Minister of labor	Meeting on Sunday 13 th of January 2013. Specify policy needs and dissemination strategy.
Ministry of labor	Iman Assaf, Head of the Gender unit	Attended Stakeholder meeting in MAS, Jan. 13 for specific policy needs and dissemination strategy.
Ministry of Women Affairs	H.E Rabiha Diab Minister of women affairs	Was met on 3/1/2013 to Specify policy needs and dissemination strategy.
Stakeholders		
Ougarit a marketing, communications, and media firm	Amal Masri, CEO	Was met on the 2 nd of January 2013 to Specify dissemination strategy.
Palestine Economic Policy Research Institute (MAS)	Dr. Samir Abdullah, DG	Was met on 3/1/2013 to Specify policy needs and dissemination strategy.

Specific Policy issues based on meetings with stakeholders and policy makers were obtained based on a series of meetings, the specifics of such meetings are as follows:

1) Stakeholders:

- The first stake holder interviewed on the 2nd of January 2013. Amal Daraghmeh Masri²⁹, A Palestinian female entrepreneur and CEO of Ougarit a marketing, communications, media firm. She is also the editor in chief of Palestine Business Focus magazine, she is also a member of the Palestine Business Women's Association. The interview with Masri began with an introduction to the research

²⁹ Mrs. Masri could be reached at a.masri@ougarit.net

theme. She then began explaining her position on female entrepreneurship and that she can relate to why FOF is higher among females. She explained that the word fear has a three dimensional concept; the first is the “threat” of a discontinuation of a salary if it exists or loss of whatever little capital she has saved. The second is “insecurity” about future failure and what it means in regards to future opportunities. Finally, the third is lack of opportunities available to Palestinian female entrepreneurs because of societal perceptions of women, that if one fails, then she will be labeled a failure which then makes extremely difficult to start again. The sources of failure are the following:

- i. Fear of taxes is a threat to potential profit
- ii. Fear of the cost associated with starting a business, Palestine is not ranked favorably by the world bank’s ease of doing business index. Out of 185 countries, Palestine (West Bank and Gaza) is 135, the worst sub-index is in resolving insolvency.
- iii. Fear of collateral needed for formal sector financing pushes women to start small businesses in the informal sector.

Based on that, She recommends the following:

- a) Giving women entrepreneurs tax breaks for the first five years of starting a business
 - b) Currently, The Palestine Investment Promotion Agency sets the minimum capital needed for tax break is JOD 250,000 which excludes almost all women from qualifying. She recommends this be lowered for women.
 - c) Writing off the fees of starting a business for female entrepreneurs to encourage more women stay in the formal sector were potential ror is higher.
- The second stakeholder is Dr. Samir Abdullah, Director General of Palestine Economic Policy Research Institute (MAS). He was met on 3/1/2013, Dr. Abdullah’s interest in the subject stems from the Institute being the local partner in the Global Entrepreneurship Monitor international consortium. MAS owns the rights to the data being used for this project. They are interested in the findings of the project, they also agreed to hold a meeting in their premises for policy makers and stakeholders for policy needs of this project. MAS is a think tank institute that performs policy papers for the benefit of the Palestinian Authority. Dr. Abdullah will promote the findings of the project via holding round table discussion and/or workshops for the public and policy makers³⁰. He would like to investigate the impact of education on FOF and risk tolerance.

2) Policy makers

³⁰ Dr. Abdallah’s email is sabdullah@mas.ps and MAS’s webpage is www.pal-econ.org.

- H.E Rabiha Diab³¹, Minister of Womens Affairs. She was met on 3/1/2013 in her office at the ministry. She was very encouraging with the research topic. Her comments were focused on the social culture and the treatment of women. She echoed some of the remarks of Mrs. Masri in regards to family responsibilities. Thus she would like to see recommendations regarding the provision of services (to reduce family responsibilities) such that women can participate more in the labor market and entrepreneurship. Socio-political factors were also mentioned, suggesting that occupations impedes entrepreneurship for both men and women alike. H. E. suggests that the media can play a major role in covering successful female entrepreneurs to enhance female self esteem.
- H.E. Dr. Ahmad Majdalani, Minister of Labor and head of employment fund³², The meeting took place in the ministers office on 13/1/2013. He pointed that the females has a disadvantage in that their labor force participation is very low. This is due to the following factors:
 - The economy's inability to grow being under occupation with restricted movement of goods and labor.
 - Females are under represented in the political establishment
 - Legislation is needed such that female quotas are assigned to push for women's cause

As for why fof is higher for women than men is due to the kinds of stereotypical jobs women hold as well as lack of experience. Educational reform is needed such that females are trained to do non-stereotypical jobs. He is interested in the research findings and suggested we contact the "National team for female employment" to follow up on policy matters. The national team will then publicizes the findings to other ministries.

3) Stakeholders meeting held at MAS on 13/1/2013

This meeting was held at MAS, the invitation was sent to individuals who are mid-level management. The attendees were briefed on the project and its intended outcome. A list of the attendees is provided in Table 1 below,

Name	Title	Organization	Tel No	email
Ruba Shanti	Program Assitant	WFP	0599130050	ruba.shanti@wfp.org
Mohammad Awwad	Project coordinator	Youth Forum (sharek)	0599944943	mohammad.awad@sharek.ps
Ayman Quaneer	Head of survey unit	PCBS		
Haitham Hammouri	Director of Jerusalem Program	Welfare Association	0598950096	hammourih@wefare.org
Fatima Sh.	DG, Gender Unit	Ministry Of National	0598803493	fatimash@met.gov.pd

³¹ The email is rabeha_diab@palnet.com or via her office manager Randa Sousou randasocio@yahoo.com.

³²³² Dr. Majdalani's email is Ahmad139@hotmail.com or via his office manager [yousef zaghloul@yahoo.com](mailto:yousef_zaghloul@yahoo.com).

		Economy		
Amal Masri	CEO	Ougarit		
Eman Assaf	Head of Gender Unit	Ministry of Labor	0597915833	imanassaf@hotmail.com
Salam Khalili	Head of complaints unit	Ministry of Labor	0599370063	salam.khalele@hotmail.com
Dr. Saleh Kafri	Director General, ESU	PCBS	0599230129	saleh@pcbs.gov.ps
H. E. Rabeeha Diab	Minister	Ministry of Women Affairs	0599555255	
Dr. Tareq Sadeq	Assistant professor	Birzeit Univ.	0598118311	sadeq.tareq@gmail.com
	MAS - GEM Country team member	MAS		

A summary of the discussions is provided below:

PCBS: Dr. Kafri was the D.G. of labor statistics unit and currently is in charge of economic statistics unit. His concerns are that families influence their daughters choices of careers, even if the accepted an unusual job for females, chances are that the market will not give them the opportunities. He mentioned that market needs assessment is needed to guide university grades in choosing the field of study.

Minister of Womens Affairs: The minister re-iterated her views mentioned above

Ougarit: Mrs. Draghmah-Masri re-iterated her views mentioned above

Welfare Association: Mr. Hammouri heads the program to fund young entrepreneurs. He noticed lack of understanding (among university student s) of the entrepreneurship concept. Also, choice of field is not based on market needs. Training is also essential not only for university graduates, but also young establishments

Sharek: Mr. Awwad believes that women are just as efficient and effective as men if given the opportunity. He emphasizes applied education not just theoretical education. Entrepreneurship is not independent from leadership, training programs must take that into consideration. Apicture of the meeting is provided below



Dissemination of project findings will be done through general meetings, policy conferences, workshops, and seminars, which will allow the research team to personally communicate and debate their findings and policy recommendations with key stakeholders at the national level. This is done by keeping our stakeholders and policy makers contacted above involved through the project. Moreover, roundtables, in which key invitees can discuss the main findings and policy recommendations, might help in elaborating the project and increasing the chances of considering the research policy implementations. International conferences might also enhance the benefit from policy recommendation and issues. Finally, interacting with local mass media (radio, local television, newspapers, ...) are helpful to ensure that research findings are reported to the general public, whose knowledge can urge political leaders' response. The Palestine Business Focus editor in chief has already agreed to the publication of policy briefs from this research. Mas also agreed to seminars on this subject.

In particular the following activities will be undertaken:

- 1) A policy brief will prepared and presented under MAS's round table discussion. Invitees will be from entities listed above
- 2) A research paper will be published in any entrepreneurship journals.
- 3) A presentation will be sent to any of GEM's conferences, also MEEA conferences.
- 4) A summary of research findings will communicated to local media

5. List of team members

Indicating their age (or whether they are under 30), sex, as well as relevant/prior training and experience in the issues and research techniques involved (start with lead researcher). Note that PEP favors gender-balanced teams, composed of one senior (or experienced) researcher supervising a group of junior researchers, including **at least 50% female researchers** contributing substantively to the research project. PEP also seeks gender balance in team leaders and thus positively encourages female-led research teams. (Each listed member must post an up-to-date CV in their profile on the PEP website – refer to "[How to submit a proposal](#)")

Name	Age	Sex (M,F)	Training and experience
Dr. Yousef Daoud	Above 30	M	<p>Dr. Yousef has been in the following positions:</p> <ul style="list-style-type: none"> • Management: <ul style="list-style-type: none"> ○ Chair person, Birzeit, Economics ○ MA program Director ○ Acting Director, Center for Development Studies at Birzeit University ○ Consultant, Palestine Monetary Authority, Research and Monetary Policy Department. • Team leader, <ul style="list-style-type: none"> ○ GEM, Team Leader (research), oPt ○ Femise – MAS project on SMEs • Academic <ul style="list-style-type: none"> ○ Associate Professor at Birzeit University ○ Many research publications ○ Served on many committees • Reviewer, contributing referee to the following: <ul style="list-style-type: none"> ○ Journal of Development Economics ○ Economics of Education Review ○ Al-Najah University Research Journal ○ Palestine Economic Policy Research Institute (MAS) • Consultant <ul style="list-style-type: none"> ○ UNCTAD ○ WORLD BANK ○ Palestine Central Bureau of Statistics ○ UNDP

			<ul style="list-style-type: none"> ○ ICON Institute ○ Palestine Monetary Authority
Dr. Shaker Sarsour	Above 30	M	<p>Dr. Shaker has been in the following positions:</p> <ul style="list-style-type: none"> • Management: <ul style="list-style-type: none"> ○ Research Unit (PMA) • Research <ul style="list-style-type: none"> ○ Research assistant (MAS) • Academic <ul style="list-style-type: none"> ○ Lecturer (Birzeit) ○ Assistant Teacher (Birzeit) ○ School Teacher ○ Many research publications • Consultant <ul style="list-style-type: none"> ○ ILO ○ PMA
Ruba Shanti	29	F	<p>Ms. Ruba has been in the following positions:</p> <ul style="list-style-type: none"> • Research <ul style="list-style-type: none"> ○ Programme Assistant (WFP) ○ Economic Research (PMA) ○ Research assistant (Continuing Education-Birzeit university) ○ Development Economist (UNCTAD) • Academic <ul style="list-style-type: none"> ○ Academic Assistant (Birzeit University)
Sanaa Kamal	26	F	<p>Sanaa is an excellent student at the MA program in economics at BZU. She has the following experiences</p> <ul style="list-style-type: none"> ○ Trainee at Palestinian Central Bureau of Statistics, 2009 ○ Trainee at the Palestine Economic Policy Research Institute-MAS (July 2010-Dec 2010) ○ Research Assistant at MAS till July 2011 ○ Senior Market Analyst in an Internet Service Company (July 2011 till now)

6. Expected capacity building

Description of the research capacities that team members (and potentially their affiliated institutions) are expected to build through their participation in this project: This is an important aspect in the evaluation of proposals and should be presented in some detail. What techniques, literature, theories, tools, etc. will the team and their institutions learn (acquire in practice) or deepen their knowledge of? How will these skills help team members in their career development? Also indicate which specific tasks each team member would carry out in executing the project.

Since 2009, Dr. Daoud has been working on Global Entrepreneurship Monitor (GEM) data as leader for the selected team. His knowledge of the questionnaire design and data analysis as well as being an instructor of econometrics in the MA program predisposes him to knowledge transfer to team members. Both team members have worked under his supervision in the past. Dr. Sarsour worked with him in the preparation of the econometric model of Palestine, Dr. Daoud supervised a chapter in Shakers Ph.D. thesis. In addition, Ms. Shanti worked under his supervision in 2009 on the same topic (GEM MENA report and Palestine country report 2009). This experience ensures project completion due to the harmony that exists among team members.

The expected benefit to each of the team members can be summarized as follows:

Ms. Shanti will be asked to do data manipulation, and descriptive. She will also be asked to prepare literature review which will enhance her capacity in being able to conduct research. She will be trained on running regressions and tabulating results. Thus, after the completion of the project we expect that she will have a better understanding of the measurement and analysis of risk tolerance and communicating these results. She will ask to represent the team in one major conference and attend the PEP school if offered.

Dr. Shaker will be responsible for model specification and properties of estimators; he will be trained in model selection and estimation using STATA, providing draft write up of the results and policy issues. This is an important aspect as he works at the research and monetary policy department at Palestine Monetary Authority. He too will help Dr. Daoud in manuscript preparation for publication.

Sanaa's best asset is her hard work ethic, resourcefulness, and excellent ability in implementing statistical techniques (Having a mathematical economics undergraduate degree). In this regard, she will be asked to work with Dr. Shaker in collecting literature, implementing, and analyzing the llogit a logarithm. In particular she will be trained on interpreting regression output for policy making.

This project will provide the team members with the opportunity to study in detail female-entrepreneurship, recognize the institutions which encourage and support female entrepreneurs, and the main restrictions facing them. All these will provide the exposure to in-depth review of the past studies and meeting many people, also review the neighbor countries work in this field.

The results of this project will provide decision- makers with clear picture of entrepreneurship among females, and how to improve their status to encourage them to reduce the fear of failure of starting new business.

Name	Task
Dr. Yousef Daoud	<p><i>Team leader.</i></p> <p><i>Overall responsibility for study design and implementation.</i></p> <p><i>Build the models for the analysis using statistical software (SPSS& STATA). Brainstorm on the suitable variables for Palestine case to use in the model. Put the policy recommendations. And ensuring that the project team completes their tasks.</i></p> <p><i>Ensuring overall coordination and guidance of the study team.</i></p> <p><i>Assigning tasks and coordinating the work of team members.</i></p> <p><i>Ensuring overall quality of the analysis and drafting the final study report.</i></p>
Dr. Shaker Sarsour	<p><i>Team member.</i></p> <p><i>Support in the building the econometric models on statistic software (SPSS and/or STATA), writing some sections in the report. Brainstorm on the suitable variables for Palestine case to use in the model.</i></p>
Ruba Shanti	<p><i>Team member.</i></p> <p><i>Prepare tables, graphs for results and make descriptive analysis for the data used. Writing some sections in the report (literature review), preparing the bibliography for the report, report production, follow up the references, harmonize the formatting for all tables and graphs in report,etc.).</i></p>
Sanaa Kamal	<p><i>Team member.</i></p> <p><i>collecting literature on lclorit, implementing, and analyzing the lclorit a logarithm. In particular she will be trained on interpreting regression output for policy making</i></p>

7. List of past, current or pending projects in related areas involving team members

Name of funding institution, title of project, list of team members involved

Name of funding institution	Title of project	Team members involved
Implemented by MAS institute Funded International Development Research Centre (IDRC)	<i>Global Entrepreneurship Monitor :MENA-Regional Report 2009 (Middle East & North Africa)</i>	<i>Yousef Daoud (Team Leader) and Ruba Shanti (Team member)</i>
Implemented by MAS institute Funded International Development Research Centre (IDRC)	<i>Global Entrepreneurship Monitor: Palestine Country Report 2009</i>	<i>Yousef Daoud (Team Leader) and Ruba Shanti (Team member)</i>
Implemented by MAS institute Funded International Development Research Centre (IDRC)	<i>Global Entrepreneurship Monitor: Palestine Country Report 2010, 2012</i>	<i>Yousef Daoud (Team Leader)</i>
IDRC	<i>Entrepreneurs' Networks and Firms Organizational Characteristics-Thomas Schot (team leader) 2012</i>	<i>Yousef Daoud</i>

8. Describe any ethical, social, gender or environmental issues or risks that should be noted in relation to your proposed research project.

This research is guided by a critical issue of gender differences in risk tolerance, the various determinants of which have to do with income, education, access to finance, family issues, and culture. The improvement of female entrepreneurship is an expected output of this research through pin-pointing the elements that can be identified and influenced by policy and an educational campaign. The subjects of this research questionnaire are adults 18-64 years of age; their identity is unknown, and they were asked to provide the information voluntarily by Palestine Central Bureau of Statistics who are well aware of the ethical issues regarding data collection. The team of researchers are committed to the cause of gender equality and will adhere to that in their research results dissemination.