Laura Olivier Khudairi

Female Entrepreneurship in Iraq:

The Challenges of Women Entrepreneurs' Journey and the Roadmap for a More Inclusive Ecosystem

Women generally and women entrepreneurs particularly encounter many challenges in the workplace worldwide. In nearly every country, the gender bias and reality of gender disparities affect women at various steps of their journey, such as when forming a team, in sales meetings, and when fundraising. However, these challenges and biases are particularly prevalent in the MENA region, where there are fewer women in the workforce, in leadership positions, and where female founders received only 1.2% of the total funding raised by startups in the MENA region in 2021, according to Wamda. Furthermore, in Iraq, where funding is exceptionally scarce and day-to-day business challenges are vast, the difficulties women face are compounded.

Yet, the economic benefit of women participating in the economy as entrepreneurs, employees, and leadership roles is clear. Research shows that if there were as many female founders as male ones, global GDP could increase by 6%, or up to $5 trillion. Many studies found that diverse teams lead to higher levels of performance and innovation. Despite these pieces of evidence, bias, stereotypes, and cultural norms hold women back.

The Challenges of Women Entrepreneurs' Journey

Here are some typical phases of the entrepreneur's journey with details about how these can be challenging for a female entrepreneur in Iraq, where women still face tremendous pressure from cultural and societal norms.

Forming Your Team

Forming a team is an integral part of an entrepreneur's journey and a very positive signal to investors that you are a leader and can recruit talent. Unfortunately, Iraqi female founders may not have a large pool of professional and educational networks as their male counterparts for a few reasons:

- First, many schools in Iraq separate boys and girls early on, limiting the number of interactions they have together and their ability to form relationships at a very formative age.

- Even though many schools at the university level are mixed, there are familial and societal pressures to continue to stay away from males for security and reputational reasons.

- These pressures can also exist in the workplace, prohibiting regular and professional interactions between men and women, which prevents women from forming healthy professional relationships with men and expanding their network of potential team members, co-founders, and mentors.

In this context, it can be particularly frustrating for a female founder to hear that they "need" males on their teams to be successful because they do not feel encouraged by society to forge those relationships in the first place to try to recruit males. One entrepreneur I interviewed said, "They tell me, 'This is a huge project. You need a man on the team,' and they are right. I will get more done having a man on my team in this society. But at the same time, my family does not want me to associate with men."

Developing Sales

Showing a sales record and validation by the market is a prerequisite for many early-stage investors in Iraq. However, establishing this can be more difficult for women, who often are not taken as seriously as their male counterparts in sales meetings and pitches. Female founders that I interviewed said that clients would often speak directly to their male employees rather than to them, even though they are the founder and owner of the company. This can impact the success of the sales meeting since the founder may be better suited to answer many of the questions rather than her employee. It also makes women feel that they need to work harder to prove themselves, to be taken seriously by men.

Why does this happen? It all starts with the lack of women in the workplace (women make up only 12% of the Iraqi workforce according to the World Bank Data), and the lack of women in leadership roles perpetuates the idea that a woman is not capable of being a leader. This has a substantial impact on men, who are not used to viewing women as peers and leaders, and on women, who, consequently, doubt themselves and their abilities regularly. As a result, many of the female founders I spoke to suffer from imposter syndrome, even when succeeding.

On top of these mental barriers, it can be more difficult for Iraqi women to physically get to the right places needed to advance their professional positions and businesses. Societal and familial pressures can make it difficult for women to travel alone. Often, families will not allow their adult daughters to travel alone or request that they go with an escort, which can prevent women from taking important meetings, going to networking events, and attending entrepreneurial programs.

Fundraising

Ideally, an entrepreneur can bootstrap their business for as long as possible without raising external funding, but they will likely need the support of friends and family.

For women, the support of their family can be more difficult to obtain if they come from a more traditional background.

One entrepreneur I spoke to said, "My family tells me I am crazy when I leave the house to work on my business. Hence, I have stopped trying to get their approval." Another female founder told me how the powerful men in the family influence them by saying, "If my dad and brother had not offered me regular support and encouragement, I would have quit by now."

Once they need to raise external funds, women face more challenges. Across the world, fundraising is a more arduous journey for women than for men due to the lack of women in decision-making roles in the venture capital and private equity industry.

In 2019, only 11% of senior investment roles were filled by women in emerging market venture capital (VC) and private equity. Moreover, research done on VC conversations with startups showed that female founders were asked *different questions* than male founders during the fundraising process. One of the Harvard Business Review articles explains the research further and discusses how women continuously received questions about loss prevention and risk mitigation strategies.

In comparison, men were asked more about the potential for their achievement and gains. They found that this bias impacted funding significantly, and females raised seven times less funding than the male entrepreneurs during the study.

The Roadmap for a More Inclusive Ecosystem

In light of all this research and these experiences, there are many things that ecosystem organizations and accelerator/incubator programs in Iraq can do to help address these issues:

1. **Combine men and women participation whenever possible**:

- Although there are great intentions behind having women-focused programs and workshops. Many women I spoke to said that they dislike participating in women-only cohorts. One said, "It can feel like we are not as good as the male founders, so we need a special program for us."

- Female inclusivity measures could still be taken, such as setting a target of at least 25% women participants, but within a mixed environment.

- Mixing male and female founders may help normalize interactions between them, making it easier to discuss their work and join each other's teams without feeling as though they will be judged for interacting.

2. **Facilitate meetings for female founders:**

- Program directors or mentors can help connect men and women together when they feel they would benefit from each other's work or services.

- These connections help expand the female founders' networks and can take some of the pressure off the founder to forge these connections by herself.

- Furthermore, connecting them with a male co-founder or team member may even improve their ability to attract funding: mixed-gender founding teams in MENA received more funding than female-only founding teams in 2021, according to Wamda.

3. **Encourage male entrepreneurs to add women to their teams:**

- Diverse teams are more productive and more innovative. Multiple perspectives in mind can build products and services suited for a diverse audience.

4. **Survey women more often:**

- Survey women to make sure they are getting the support they need. Many female entrepreneurs I spoke to feel like they lack the networks and resources in specific areas

such as practical mentorship and fundraising preparation that are easier for their male counterparts to receive.

- Conducting surveys on the timing and availability of programs may also help better cater to women who are balancing their family obligations and childcare responsibilities.

5. Include women on the judging panel:

- Women should be part of the decision-making process during competitions or events where entrepreneurs receive funding from grants or investors. According to the International Finance Cooperation (IFCC), female partners invested in female founders twice as much as male partners did.

6. Encourage women's role in the ecosystem:

- Generally, we all need to make a conscious effort to encourage female entrepreneurs as much as possible. Whether it is the fear of disappointing their family or feeling they are not good enough, women face a number of mental barriers on a daily basis.

- Remind them that they are trailblazers! For example, one entrepreneur said, "I want to change things for other women in Iraq and show others that it is normal for women to have their own company, and they can do just as much as a man."