

2022

The Gender Bias Burden on Business: Women's Access to Credit in Bahrain

Sandra J. Thiman
University of Northern Iowa, thimans@uni.edu

Let us know how access to this document benefits you

Copyright ©2022 Sandra J. Thiman

Follow this and additional works at: https://scholarworks.uni.edu/awards_bolton

Recommended Citation

Thiman, Sandra J., "The Gender Bias Burden on Business: Women's Access to Credit in Bahrain" (2022).
Mary Ann Bolton Undergraduate Research Award. 3.
https://scholarworks.uni.edu/awards_bolton/3

This Open Access Paper is brought to you for free and open access by the Rod Library at UNI ScholarWorks. It has been accepted for inclusion in Mary Ann Bolton Undergraduate Research Award by an authorized administrator of UNI ScholarWorks. For more information, please contact scholarworks@uni.edu.

Abstract

Entrepreneurship is essential to virtually every economy; however, Bahraini women face many challenges accessing business development. In particular, a major constraint for these women is their access to capital support. In 2020, the government signed a law prohibiting gender-based discrimination in access to credit to help the issue; nonetheless, its effectiveness has yet to be systematically examined. Using data from several sources, I test whether the law significantly affected the gender gap in borrowing for business purposes while controlling for other variables. Importantly, I find that women's labor force participation is a significant factor in reducing the borrowing gap between men and women, and removing traveling restrictions on women positively affects their labor force participation. These results are robust across multiple regression models. Hence, a culture supporting women's economic involvement is the foundation for their credit access.

Introduction

Entrepreneurship produces small and medium-sized businesses (SMEs), and they are essential for all economies to create technological development, job opportunities, new services and goods, and economic growth (Hasan and Almubarak 2016). Nevertheless, women face significant obstacles to reaching their full potential in entrepreneurship; especially in the Middle East and Northern Africa (MENA). The MENA region loses a substantial part of its potential economic growth every year because women are hindered from starting businesses (Wodon and De la Briere 2018). Their full capacity is not used. Bahrain is one of the wealthiest states globally and has the means and resources to improve the situation for women. However, despite its positive consequences, the equality process is moving very slowly, and women continuously face obstacles. Such obstacles are making entrepreneurship for many women impossible.

Bahraini women face a major obstacle: lack of access to credit; virtually all-female entrepreneurs are funded by family relatives (Dechant and Lamky 2005), which means that entrepreneurship is only an option for women with wealthy and supportive family members. In 2020 the Bahraini government took a step to improve women's credit access; they implemented a law prohibiting gender-based discrimination in access to credit. Although the law is important in a legal aspect, it is one step ahead of the issue. Women face a tremendous number of obstacles just getting to the bank asking for a loan, so focus needs to start there. The no-gender discrimination law in access to credit will therefore not impact the borrowing gap for business purposes between men and women.

Literature Review

Small and medium-sized enterprises (SMEs) are the backbone of every economy, whether a high-income country or a low-income country. Economic and business systems depend on SMEs' existence; they help develop technology and stimulate economic

development. Entrepreneurship is the discovery, exploitation, and evaluation of opportunities, introducing new services and goods to the economy. Entrepreneurship is the process of creating SMEs, and a rising trend in modern economies is efforts to support them (Hasan and Almubarak 2016). States with high levels of entrepreneurship tend to have stable economic growth, and poverty declines due to more available employment. When women engage in entrepreneurship, their mobility, decision-making power, capacity-building skills, and awareness increase (Economic and Social Commission of Western Asia 2021).

It is estimated that the Middle Eastern and Northern African States (MENA region) annually lose 7.9% of their total wealth due to gender inequality, and more specifically, due to imbalance in earnings and workforce participation (Wodon and De la Briere 2018). If men and women equally participated in entrepreneurship, the global GDP would increase by 2%, which equals \$1.5 trillion (Economic and Social Commission of Western Asia 2021). Bahrain is one of the wealthiest states globally. Yet, women in businesses are discriminated against and cannot reach their full potential, creating significant obstacles for roughly half of the population from creating SMEs. Besides gender-specific barriers, SMEs generally face major international trade integration and globalization challenges. Other common challenges are an unstable environment, bureaucracy, overregulation and contractual obligations, and the private sector's incomprehensible regulatory systems (Hasan and Almubarak 2016).

Entrepreneurship is further a great tool to increase women's empowerment. First, it strengthens their economic security because they help to contribute to their family. Second, it improves their self-confidence by building new skills and gaining more knowledge. Third, they develop entrepreneurial behavior, such as leadership skills, increase risk-taking, and acquire better negotiation skills (Economic and Social Commission of Western Asia 2021). The skills gained are both beneficial in their careers and the household. Economically empowered women, in particular, are more likely to stand up for their rights and fight for

gender equality (UN Women 2018). Entrepreneurship, as stated before, helps with increased knowledge and skills. Part of this knowledge is the realization and understanding of inequalities. Similarly, empowered women in Bahrain are less impacted by conservative interpretations of the Quran; many times, empowered Muslim women use the Quran as their primary motivation to start entrepreneurship (Alexandre and Kharabsheh 2019).

An issue for female entrepreneurs in Bahrain is access to credit, and an important part of improving women's economic participation and especially entrepreneurial participation is improvement in their access to financial services; the central bank plays an important role (Klugman, Kolb, and Morton 2014). Globally, it is estimated that women-owned SMEs only receive 6% of the total credit SMEs are given, even though women own approximately 33% of the SMEs in the world (Klugman, Kolb, and Morton 2014). Therefore, women entrepreneurs in Bahrain generally rely on their families' resources to start businesses (Dechant and Lamky 2005). Hence, only women with supportive family members and good financial situations have the opportunity to start or expand their businesses. The financial situation is why women-owned businesses tend to be smaller and have fewer employees than men (Alexandre and Kharabsheh 2019). In 2020, the government signed a law prohibiting gender-based discrimination in access to credit to help the issue. The law is article 38 of the Central Bank of Bahrain and Financial Institutions Law. It states as follows: "All licensees are hereby required to ensure that all regulated financial services are provided without any discrimination based on sex, nationality, language, faith, religion, physical disability, or marital status. Failure to comply with the above may subject the licensee and the approved person(s) involved to enforcement measures." (Central Bank of Bahrain 2020). The law helped Bahrain receive a higher score in the Women's business and the law index (55.6%). They are now scoring 100% on women and entrepreneurship (The World Bank 2021). Such governmental policies are crucial to addressing gender inequality in economic involvement

(Klugman, Kolb, and Morton 2014). However, the law is vaguely stated, and at the same time, Bahrain scored low on the strength of legal rights index with a score of 3 out of 12 (World Bank 2019). Additionally, other variables hinder women from even asking for a loan; it might be a step too far ahead of the issue. Hence, the effectiveness of this law may be questioned.

Bahrain is a financially stable state, and they have the resources to make a substantial change for female entrepreneurs. However, the change is prolonged, and not many initiatives are taken to improve entrepreneurship despite the crucial benefits. Slow change is related to social structures and gender stereotypes. Women are often believed to be responsible for the work at home, making it hard for them to have time to start a business or work a full-time job. Some of the stereotypes are that women managers are bad for big capital; the mind of a woman is limited; women are too emotional; women's priority is their families so that they will leave their work; the husband's job should be enough to satisfy a woman's sense of success (Hasan and Almubarak 2016). Such stereotypes hinder women from accessing credit because financial support lacks trust in women's capabilities. Entrepreneurship is a risky business, and complete trust is necessary from financial institutions and potential women entrepreneurs. Nevertheless, women are not immune to societal stereotypes. They frequently lack confidence and belief in themselves, which prevents them from taking risks (Economic and Social Commission of Western Asia 2021). A study by Adel Mahmoud Al Samman, Mahmoud Khalifa, and Mahmoud Abdelsaheb shows through a data analysis how society's views to women's to the private labor market, women's social status, and glass ceiling (unacknowledged/invisible barriers on women) negatively affect Bahraini women's participation in the private labor market (Mahmoud Al Samman, Khalifa, and Abdelsaheb 2021). They argue that major issues leading to their results were the inappropriate working hours of the private sector (and women are seen as responsible for the care work of the young

and old) and early marriage, which leads to increased family responsibilities (Mahmoud Al Samman, Khalifa, and Abdelsaheb 2021).

Most female entrepreneurs in Bahrain have received a post-secondary school education and have workforce experience (Dechant and Lamky 2005). Education is essential because it provides the ability to carry out business plans (Economic and Social Commission of Western Asia 2021), helps to exploit and identify career opportunities, and provides tactics and explicit knowledge. Hence, it provides a steady platform to start new businesses (Hasan and Almubarak 2016). Education also decreases harmful stereotypes, boosts women's confidence, and strengthens their empowerment (Alexandre and Kharabsheh 2019). Further experience is gained through workforce participation, especially in the fields, they wish to start their businesses. In Bahrain, women exceed males in post-secondary school education, 33.668% females compared to 32.287% males (World Bank 2020). However, it does not translate over into workforce participation or entrepreneurship. Klugman, Kolb, and Morton show how increased education does not directly translate over to increased labor force participation "At very low levels of development, women tend to be highly active in low-skilled work as secondary earners; as GDP increases, they may withdraw from the labor force given high stigma and barriers to work and less necessity for women's subsistence-based jobs; and as societies develop further, with women's higher levels of education and more complex, urbanized economies, women's economic activity may again rise." (Klugman, Kolb, and Morton 2014). Bahrain does not follow the typical U-shaped curve in women's labor force participation because they are a high-income state with advanced education for women, yet, the labor force participation is low. Klugman, Kolb, and Morton acknowledge this variation, and its reasons vary. In the case of Bahrain, the low workforce participation and entrepreneurship is due to gender stereotypes, women's high participation in the informal sector, and legal constraints (Klugman, Kolb, and Morton 2014).

Moreover, Bahraini women's labor force participation is limited due to travel restrictions, family law, limited work hours, and they are not allowed to work in all industries. There are constraints on women to travel outside of their homes without permission from the household's men (Al Gharaibeh 2011); their family law obligates wives to obey her husband, care for him and his children, and preserve his honor (Family Law No. 19 of 2017). Women are put in a situation where they depend on the support of male relatives if they want to start a business. Women who are successful entrepreneurs are highly supported by their family members and especially their husbands; in interviews, these females did not believe they face any challenges due to the socio-cultural environment (Alexandre and Kharabsheh 2019). Between 8 pm and 7 am, female workers are not allowed to work, except if they work in a hospital (Al Gharaibeh 2011); this excludes women from specific industries.

Further, women cannot pursue some career choices due to gender discrimination. For example, an entire group of female students majoring in chemical engineering were unable to get a job in the public sector after graduation (despite being qualified) due to gender discrimination (Al Gharaibeh 2011). There are also restrictions on what kind of college educations women can major in (Al Gharaibeh 2011). Because of these restrictions, women tend to cluster in a few socially acceptable sectors such as the education, health, or service sectors (Alexandre and Kharabsheh 2019), creating a competitive environment for available jobs and marginalizing fields where women can start businesses in. Only a tiny percentage of women are involved in agriculture and manufacturing industries (UNIDO 2017).

Lack of motivation is not an issue for women; instead, the problem is low self-esteem lack of mentors and role models. The role of mentors is vital for the success of female entrepreneurs (Alexandre and Kharabsheh 2019). Women mostly take help from relatives with mentorship, which means that only those with supportive relatives can get that necessary help. Governmental entities are often available. However, women tend not to seek that

professional help since the employees are predominantly men (Dechant and Lamky 2005). The same problem occurs in networking opportunities, where women can receive funding, training, and support. Instead, most female business owners rely on family members' advice when making critical decisions (Economic and Social Commission of Western Asia 2021). Due to a lack of role models, women seldom recognize the strong gender biases against them because they do not see many other women pursuing entrepreneurship (Economic and Social Commission of Western Asia 2021). Women are often not seen in leadership roles, and no women were allowed to run for their parliamentary election until 2002 (Al Gharaibeh 2011). Better self-esteem is built if women access networking opportunities, have professional mentors, and have role models to look up to (Economic and Social Commission of Western Asia 2021).

Theory

Lack of finance prevents women from starting businesses. An obstacle has been the absence of laws preventing gender-based discrimination in access to credit. As discussed in the literature review, Bahrain recently got a new law preventing gender-based discrimination. This analysis investigates how big of an impact this law will have on the number of women who borrow money for business purposes. I expect to find that this law will lack effect because too many other factors impact women's access to credit: stereotypes, low labor force participation, low legal strength, dependency on family members, and lack of representation. Policies are an important support for women's entrepreneurship; however, due to the complexity of the problem, one simple solution is not likely to be enough, and the biggest problem is how to get women to take the step and apply for a loan. Article 38 will alone not significantly affect the gender difference in loan taking to start or expand businesses.

Hypothesis Testing

To try the hypothesis, I will look at the gender difference of those who borrowed to start, operate, or expand a farm or business and see if that has a significant correlation with states who have laws against gender-based discrimination in access to credit. I will use Pearson's critical value to look for correlations and trends or patterns through regression analysis. The dependent variable is borrowed to operate, start, or expand a business or farm (gender difference %). The independent variable is if they have laws to protect them from gender-based discrimination in access to credit. I will use multiple control variables to control my result and look for other related correlations. I will control GDP per capita, income group, region, education levels, labor force participation, portions of seats held by women in national parliaments, laws allowing maternal/paternal leave, the strength of laws index, travelling restrictions if women are allowed the same jobs as men, work hours restrictions, if women are required to obey their husbands, sexual harassment protection, Can a woman get a job the same way as a man, non-discrimination law based on gender in hiring, equal remuneration for work of equal value, and ease of doing business ranking.

Further, I will use the World Value Survey's opinion data to see how much social norms and beliefs impact the differences in males and females borrowing to start or expand businesses. The opinion questions I will look at are: "Men make better business executives than women do," "Men should have more rights to a job than women," "Problem if women have more income than husband," "Confidence in the women's movement," and in a democracy "women, should have the same rights as men" (World Value Survey 2017-2020). Though the World Value survey does not cover all states involved in the study, it will still provide insight into the potential connection between social norms and the borrowing pattern for entrepreneurs.

Results

To test my hypotheses, I used OLS regression with the difference in borrowing rates for business purposes between men and women as the dependent variable (“gender borrowing gap”) and whether the state has a law against discrimination in access to credit as the independent variable. As shown in Table 1, the presence of a discrimination law has a significant effect on the gender borrowing gap ($p < .01$). Countries without the discrimination law (coded as 1) have a gender borrowing gap that is, on average, 32.19 points higher than for countries with such laws.

Table 1

Model	Unstandardized B (Coefficients Std. Error)	Sig.
Constant	-9.020 (21.145)	.670
Is Discrimination in Access to Credit Prohibited Based on Gender?	32.186* (12.136)	.009

a. Dependent Variable: Borrowed to start, operate, or expand a farm or business, Gender difference (%)
N=139

* Significant at 95% ($p = .05$), ** significant at 99%

Next, I consider whether other structural or attitudinal variables modify this relationship. When including a measure for female labor force participation, the effect of discrimination laws on the borrowing gaps loses its significance. Table 2 shows that female labor force participation is the only significant variable ($\alpha = .010$) when the dependent variable is the gender difference borrowing for business purposes. See figure 1 for how labor force participation affects the gender difference borrowing for business purposes.

When keeping the same dependent variable and including opinion data from the World Value Survey, none of the values are significant, suggesting there is no relationship between these attitudinal measures and the borrowing gap. However, the model came out insignificant too, therefore, other, similar measurements are needed to know for sure. See table in appendix.

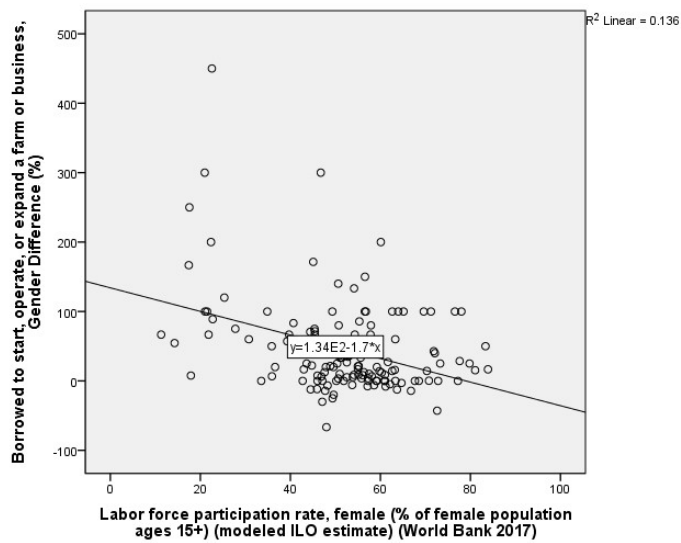
Table 2

Model	Unstandardized B (Coefficients Std. Error)	Sig.
Constant	79.203 (94.006)	.402
Is discrimination in access to credit prohibited based on gender?	9.442 (15.469)	.543
Women's labor force participation	-1.262* (.558)	.026
Are wives required to obey their husbands?	-37.480 (26.486)	.161
Income group	4.436 (13.606)	.745
Region	8.826 (4.589)	.058
Can a woman travel outside her home just like a man can?	25.802 (21.135)	.225
Strengths of legal rights	.275 (2.471)	.912
Ease of doing business ranking	.035 (.271)	.898
Borrowed to start, operate, or expand a farm or business mean (women and men combined)	-1.580 (.988)	.114
GDP	.000 (.001)	.454
Female upper secondary school enrollment	.200 (.394)	.613

Dependent Variable: Borrowed to Start, Operate, or Expand a Farm or Business, Gender Difference (%)
N=99

* Significant at 95% (p=.05), ** significant at 99%

Figure 1



Further, the presence a country having a law preventing discrimination in access to credit remains significant even when including labor force participation. It is the only variable that has that effect on the discrimination law; the other variables make the law insignificant.

Table 3

Model	Unstandardized B (Coefficients Std. Error)	Sig.
(Constant)	79.473 (27.379)	.004
Is Discrimination in Access to Credit Prohibited Based on Gender?	32.230* (11.429)	.006
Labor Force Participation Rate, Female (%)	-1.690** (.357)	.000

Dependent Variable: Borrowed to Start, Operate, or Expand a Farm or Business, Gender Difference (%)
N=137

* Significant at 95% (p=.05), ** significant at 99%

To find out what relationship labor force participation and the discrimination law have on the gender difference in borrowing for business purposes, I split the states according to those who had the discrimination law and those who did not and reran the original model with the dependent variable measuring gender difference in borrowing for business purposes as a dependent variable and female labor force participation as the predictor. This model shows labor force participation has a significant effect on the gender gap in borrowing for business purposes for states without the law; but it is not significant for states who already have the law. Figure 2 presents these results more clearly. The blue dots are states with the law, and the red dots are those who do not have the law. The figure shows that in states without the law, one percent increase in female labor force participation results in, on average, a 1.78-point drop in the borrowing gap between men and women. For countries with the law, the effect of an increase in female labor force participation is not significant ($p=.085$).

Table 4
Is
Discrimination
in Access to
Credit
Prohibited
Based on

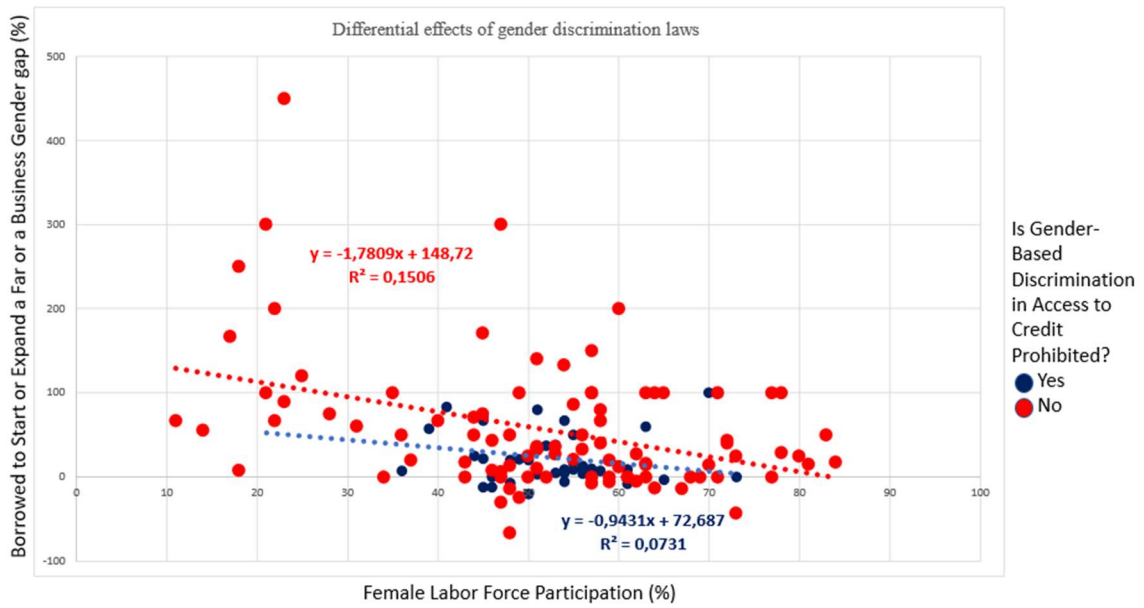
Gender	Model		Sum of Squares	df	Mean Square	F	Sig.
Yes	1	Regression	2861.816	1	2861.816	3.110	.085 ^b
		Residual	38645.014	42	920.119		
		Total	41506.830	43			
No	1	Regression	86904.706	1	86904.706	16.399	.000 ^{b**}
		Residual	487553.616	92	5299.496		
		Total	574458.323	93			

Dependent Variable: Borrowed to Start, Operate, or Expand a Farm or Business, Gender Difference (%)

Predictors: (Constant), Labor Force Participation Rate, Female (%)

*** Significant at 95% ($p=.05$), ** significant at 99%**

Figure 2



Finally, I tested what variables affect rates of female labor force participation. When making female labor force participation the dependent variable to see if any variables affect it; the variable “are wives required to obey their husbands?” is significant through multiple regression lines. In table 1.6 the significance for that variable turned slightly insignificant, but the number in the sample was very low (32). Throughout multiple regressions, the variable wives are required to obey their husbands stayed significant, but the others varied a lot in different combinations. Although it was not significant for the borrowing gap, it is significant for labor force participation. Hence, it is indirectly important for a reduced borrowing gap between men and women for business purposes. Table 5 and 6 are separated because of the difference in number of states the variables covered.

Table 5

Model	Unstandardized B (Coefficients Std. Error)	Sig.
(Constant)	37.076 (18.792)	.052
Can women and men work the same night hours?	-6.433* (2.831)	.026
Female upper secondary school enrollment	-.036 (.072)	.612
Are wives required to obey their husbands?	17.221** (5.245)	.001
Sexual harassment protection at work	-2.611* (1.297)	.047
Portion of seats held by women in national parliaments	.240* (.119)	.048
Income group	.635 (2.060)	.759
Does the law mandate maternity leave (days)?	-.022 (.020)	.263
Can a woman travel outside of her home just like a man can?	-2.299 (4.475)	.609
Can a woman get a job the same way as a man?	-1.055 (5.430)	.846
Non-discrimination law based on gender in hiring	1.222 (2.643)	.645
Equal remuneration for work of equal value?	-.521 (2.688)	.847

Dependent Variable: Labor Force Participation Rate, Female (%)

N=96

* Significant at 95% (p=.05), ** significant at 99%

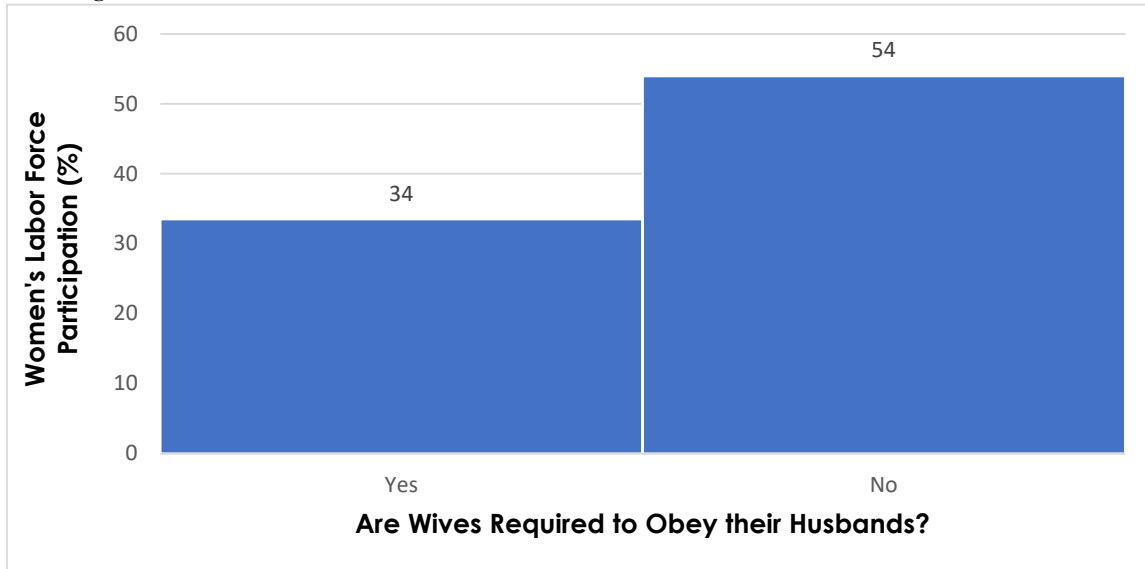
Table 6

Model	Unstandardized B (Coefficients Std. Error)	Sig.
(Constant)	11.916 (31.168)	.706
Can women and men work the same night hours?	3.024 (4.841)	.539
Are wives required to obey their husbands?	13.915 (6.884)	.056
Sexual harassment protection at work	-1.432 (1.557)	.368
Portion of seats held by women in national parliament	.261 (.192)	.187
Can a woman travel outside of her home just like a man can?	-6.047 (6.057)	.329
Region	-1.782 (1.566)	.268
Income group	-1.957 (4.213)	.647
Ease of doing business ranking	-.053 (.064)	.416
Viewing religion as very important in life	-.062 (.145)	.675
Female upper secondary school enrollment	.246* (.117)	.048
Confidence in the women's movement	.059 (.116)	.618

Dependent Variable: Labor Force Participation Rate, Female (%)
N=32
* Significant at 95% (p=.05), ** significant at 99%

Figure 3 shows a mean comparison between states that have a law requiring women to obey their husbands and those that do not. A significant difference is seen in women's labor force participation. Women's average participation in the labor force is 54% if they do not have a law, and if they do have a law requiring women to obey their husbands, the average participation is 34%. Hence, the law is preventing women from joining the workforce.

Figure 3



Discussion

The results show how women's labor force participation through robust regression lines is significant in reducing the borrowing gap between the genders, but only in states that do not have the law. This finding supports the idea that there are factors preventing women from applying for a loan that is the main issue rather than discrimination in access to credit. Even though that is an issue, it is not the main issue needed to be tackled. That states with the law were not affected by labor force participation suggests that they already have a culture supporting women's economic involvement are the foundation for their credit access. Work-based legislation should focus on women's workforce participation.

According to their family laws, Bahraini women must obey their husbands and states with this law average a lower labor force participation for women with 18.686%. The dependence of their husbands is not helping women become more economically engaged. Husbands may prevent their wives from economic engagement for various reasons. One is the traditional stereotypes about the gender roles within their families. Women are then supposed to stay at home while the men are supposed to provide for the family. Even though the husband might support his wife's labor force participation, outside pressure from family and

friends can make him change his mind. A study in Saudi Arabia shows how some of the interviewed Saudi men supported their views on labor force participation, but they believed other men did not (such as friends, neighbors, family). This belief affected their decision to allow their wife labor force participation, showing how strong social norms determine behavior (Bursztyn, Gonz'alez, and Yanagizawa-Drott 2020). Poor protection against sexual harassment at work adds to this issue because men may not feel comfortable sending their wives to a job that risks sexual harassment. Women are also likely to avoid male-dominated employment because of higher risks. Nevertheless, focusing on why men does not allow their wives to participate in the labor force is the wrong focus; the focus should be on why women are not deciding to join the work force, and thereafter, important change can be made.

The Family laws (traveling restrictions and required to obey husband laws), women's low political participation, and low violence/harassment protection in Bahrain may be why Bahrain does not follow Klugman, Kolb, and Morton's labor force participation model. Bahraini women are receiving higher educations and should be participating more in the labor force; however, they lack important societal participation for that to happen. It is hard to determine the correlation between women's labor force participation and political participation/sexual harassment laws/traveling restrictions; it may be that women's workforce participation improves the other variables, and therefore clear steps to improve women's labor force is a complex issue. However, this study shows that the family law that requires women to obey their husbands significantly reduces women's labor force participation through robust regressions. Hence, the law is an obstacle for Bahraini women to join the labor force, and a policy change is needed to support women who are looking to work.

Bahrain is a fast-developing state where women's education is high and more complex, and they have an urbanized economy. This trend follows Klugman, Kolb, and Morton's labor force participation model; Bahrain's women's labor force participation has a

positive trend. Nevertheless, they are about 10 per cent units below the average of other high-income states (World Bank 2020). Although this has good potential to change with their fast development, factors such as the family laws need to be recognized as holding women's potential down and potentially being a cause of the big gap. Nevertheless, in 1990 women's labor force participation was 29.645, and in 2020 it rose to 42.055 (World Bank 2020), a higher increase than the average increase for high-income states. Future studies should continue to look at women's labor force participation in Bahrain to see how it changes.

Another restriction affecting women's labor force participation is the limitation in hours they can work. Women are not allowed to work night hours in Bahrain, which harms their labor force participation. Gender norms and family law requires women to be responsible for a lot of the care work for children and the elderly unpaid work in the informal sector. If they want to work in the formal sector, the work hours have to be more flexible, and laws preventing them from working night hours hinder flexibility.

This study shows how the wealth of a state does not impact the borrowing gap for business purposes, which supports that an environment supporting women's economic involvement is key to women's access to credit. Bahrain needs to overlock the family laws, and they need to promote women in the workforce to shift the popular opinion about women's role in society. These changes are not economically costly; instead, changing them would mean significant economic benefits, as described in the literature review. The challenge is that the laws have deep religious ties, and public support may be restricted depending on how the case is presented.

Even though the discrimination law is vaguely written, the strength of the law index was not significant. This can be because states with a solid legal system, in general, can still have weak laws. It does not rule out the possibility that Bahrain's law is ineffective. The data

does not show how Bahrain's borrowing gap will change after implementing the discrimination law. This task is for further research to look at when data becomes available.

Maternal leave did not show any significance despite women taking on a more prominent role than men in childcare. The insignificance in the model can be due to states' distribution in childcare. Some only have parental leave or maternity leave, while others mandate paternal leave, making it hard to implement it in the model. Bahrain only has one day designated for paternal leave, which means women face a situation with no other options than being home with their child. Further, it is okay for employers to dismiss pregnant women from their jobs, which creates another uncertain situation for women who might not even have a job after their pregnancy (World Bank 2022).

Conclusion

The discrimination law is not significant when controlling for other variables. It loses its significance very fast, and the only variable strengthening is women's labor force participation. It supports the theory that the law is one step ahead of women's entrepreneurial challenges. Women's labor force participation is significant through robust regression lines, and therefore, it is needed to be increased to lower the borrowing gap between the genders for business purposes. There are multiple ways to strengthen women's workforce participation, but the most robust one is eliminating the law that demands women to obey their husbands. This law, part of Bahrain's family law, makes women dependent on their husbands, which means that only women with good support from their male relatives can start entrepreneurship/ join the labor force. This strengthens Alexandre and Kharabsheh's study where the interviewed female entrepreneurs had great support from home, and it also shows what is going on beyond their study. Many factors play a role in a man's decision not to allow his wife to work. However, that should not be the main focus. The focus needs to shift to a point where it is the woman's decision whether or not she wants to work or not, and if there

are reasons why she does not want to join the labor force, then that is what should be examined.

Significant economic benefits come from encouraging women's financial involvement, and therefore, a rational decision to make is to support women in businesses. Bahrain needs to improve available gender data to develop more specific policies to strengthen women's entrepreneurship. The discrimination law that prevents gender-based discrimination in access to credit is not going to be enough on its own to support women.

Limitations

Gender data is hard to find in Bahrain and the entire MENA region; therefore, adjustments were made. This study looked at the borrowing gap and women's labor force participation from a global perspective, and therefore, many external variables had to be accounted for. The international perspective allows for errors since too many variables need to be involved. To find out more accurately if the law prohibiting gender-based discrimination in access to credit will work well in Bahrain, it would be helpful to compare similar things in the MENA region alone. However, almost none of the MENA states had the law when data for the borrowing gap was available.

Bahrain does not have data in the world value survey, making it hard to conclude how much that impacts their female entrepreneurs without making generalizations and assumptions based on their gender laws. In general, the world value survey covered a limited number of states, which was challenging when looking at their impacts with other variables. The low number of states also made it hard to find the variables significant. The number of states went down, and they also did not evenly cover regions, which could have led to biased results. To avoid that, I had to run very many separate regressions where all variables could not be included. It would have been easier to determine their potential significance if they applied to a higher number of states.

Moreover, there is no data on women's entrepreneurship in Bahrain, and this study assumes it is low because previous studies argue that it is. Without this data, it is hard to see how it has changed over time and for future studies to see a more exact impact of the discrimination law.

A focused case study would be possible if data in the state were available during a more extended period. Limited data also made it hard to look for changes over time; however, such a study would be interesting to conduct in the future when Bahrain has had the law for a few years. For Bahrain, this case study predicts a hypothetical future for the law's effectiveness, and it can go in many different directions depending on what other societal changes they make.

Ideally, this study should have looked at data covering how many women and men applied for loans and how many who got accepted. If application numbers were accessible, it would be easier to see how much of an issue discrimination in access to credit is versus how big the gender gap is. If the gender gap in applications was low then a main issue would have been the actual discrimination. Nonetheless, if the gap was high then more support would have been granted to the idea that hinders women from going to a bank applying for a loan is the actual issue.

Appendix

Unsignificant table that measured the world value survey's effect on the borrowing gap.

Model	Unstandardized B (Coefficient Std. Error)	Sig.
(Constant)	76.014 (37.618)	.050
Democracy: Women have the same rights as men (Agree)	-.616 (.508)	.232
Social Activism: Encouraged others to take action about political issues (female respondents, have done)	-.103 (.914)	.911
Confidence: The women's movement (Have confidence)	-.354 (.396)	.378
Jobs Scarce: Men should have more rights to a job than women (Agree)	1.451 (.757)	.063
Men make better business executives than women do (Agree)	1.663 (1.637)	.316
Men make better political leaders than women do (Agree)	-2.737 (1.528)	.081

Dependent Variable: Borrowed to Start, Operate, or Expand a Farm or Business, Gender Difference (%)
 * Significant at 95% (p=.05), ** significant at 99%

Bibliography

- Al Gharaibeh, Fakir. 2011. "Women's Empowerment in Bahrain." *Journal of International Women's Studies*, Vol. 12, No. 3: 96-113.
- Almubarak, Muneer Mohammed Saeed, and Hasan, SMA Fatima. 2016. "Factors Influencing Women Entrepreneurs' performance in SMEs." *World Journal of Entrepreneurship, Management and Sustainable Development* 12, no. 2: 82.
- Alexandre, Laurice, and Kharabsheh, Radwan. 2019. "The Evolution of Female Entrepreneurship in the Gulf Cooperation Council, the Case of Bahrain." *International Journal of Gender and Entrepreneurship*, Vol. 11, No. 4: 390-407.
- Bursztyn, Leonardo, L. Gonz'alez, Alessandra, and Yanagizawa-Drott, David. 2020. "Misperceived Social Norms: Women Working Outside of the Home in Saudi Arabia." *The American Economic Review*, Vol. 110, no. 10: 2997-3029.
- Central Bank of Bahrain. 2020. "Provision of Financial Services on a Non-Discriminatory Basis"
https://cbben.thomsonreuters.com/sites/default/files/net_file_store/OG_Provision_of_Financial_Services_on_a_Non_discriminatory_Basis_26_Aug_2020.pdf
- Dechant, Kathleen, and Lamky, Asya. 2005. "Toward an Understanding of Arab Women Entrepreneurship in Bahrain and Oman." *Journal of Developmental Entrepreneurship*, Vol. 10, No. 2: 123-40.
- Family law No. 19 of 2017. 2017. "Article 40, Rights of husband upon the wife."
<https://bahrain.bh/wps/wcm/connect/1edd4432-107d-4cfa-8e2c-6aabeec852fa/LAW+NO.+%2819%29+OF+2017.pdf?MOD=AJPERES>
- Klugman, Jeni, Kolb Henriette, and Morton, Matthew. 2014. "Persistent Gender Inequality in the World of Work." *The Fletcher Forum of World Affairs*, Vol. 38, No. 2: 133-52.
- Mahmoud Al Samman, Adel, Khalifa, Mahmoud, and Abdelsaheb, Mahmoud. 2021. "Societal and Cultural Barriers Impact on Woman's Contribution in the private service sector." *Academy of Strategic Management Journal*, Vol. 20, No. 3.
- United Nations Economic and Social Commission of western Asia. 2021. "Propelling Women into Entrepreneurship in the Arab Region: The Role of Information and Communication Technology (ICT)."
<https://www.unescwa.org/publications/propelling-women-entrepreneurship-arab-region>
- United Nations Industrial Development Organization. 2017. "Promoting Women Empowerment for Inclusive and Sustainable Industrial Development in the Middle East and North African Region." https://www.unido.org/sites/default/files/2017-04/MENA_REPORT_Eng_interactive-1_0.pdf
- United Nations Women. 2018. "Facts and Figures: Economic Empowerment: Benefits of economic empowerment." <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

- Wodon, Quentin, and De La Briere, Benedicte. 2018. "The Cost of Gender Inequality Unrealized Potential: The High Cost of Gender Inequality in Earnings." *The World Bank* <https://openknowledge.worldbank.org/handle/10986/29865>
- World Bank. 2017. "Doing Business 2017 Equal Opportunity for all." [file:///C:/Users/Sandra/Downloads/DB17-Mini-Book%20\(3\).pdf](file:///C:/Users/Sandra/Downloads/DB17-Mini-Book%20(3).pdf)
- World Bank. 2020. "Educational Attainment, at least Completed Post-Secondary, Population 25+, Female (%) (Cumulative) - Bahrain" <https://data.worldbank.org/indicator/SE.SEC.CUAT.PO.FE.ZS?locations=BH>
- World Bank. 2020. "Educational Attainment, at least Completed Post-Secondary, Population 25+, Male (%) (Cumulative) - Bahrain." <https://data.worldbank.org/indicator/SE.SEC.CUAT.PO.MA.ZS?locations=BH>
- World Bank. 2020. "GDP per capita (Current US\$)." <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>
- World Bank. 2017. "Global Findex Database 2017." <https://globalfindex.worldbank.org/>
- World Bank. 2020. "Labor Force Participation Rate, Female (% of Female Population Ages 15+)(Modeled ILO Estimate)" <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>
- World Bank. 2020. "Proportion of Seats Held by Women in National Parliaments (%)." <https://data.worldbank.org/indicator/SG.GEN.PARL.ZS>
- World Bank. 2019. "Strength of legal rights index (0=weak to 12=strong) - Bahrain." <https://data.worldbank.org/indicator/IC.LGL.CRED.XQ?locations=BH>
- World Bank. 2021. "Women, Business and the Law" <https://wbl.worldbank.org/en/data/exploreconomies/bahrain/2021>
- World Bank. 2020. "Women, Business and the Law." <https://wbl.worldbank.org/en/past-reports>
- World Bank. 2016. "Women, Business and the Law." <https://thedocs.worldbank.org/en/doc/810421519921949813-0050022015/original/WomenBusinessandtheLaw2016.pdf>
- World Value Survey. 2017-2020. "Online Data Analysis" <https://www.worldvaluessurvey.org/WVSONline.jsp>