

fostering
gender _quality

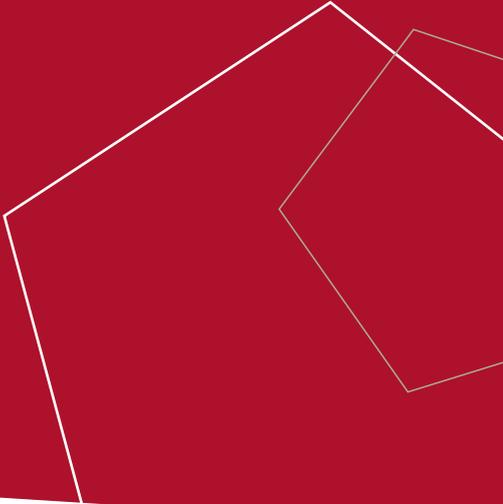
Meeting
the entrepreneurship
& **microfinance challenge**

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European report

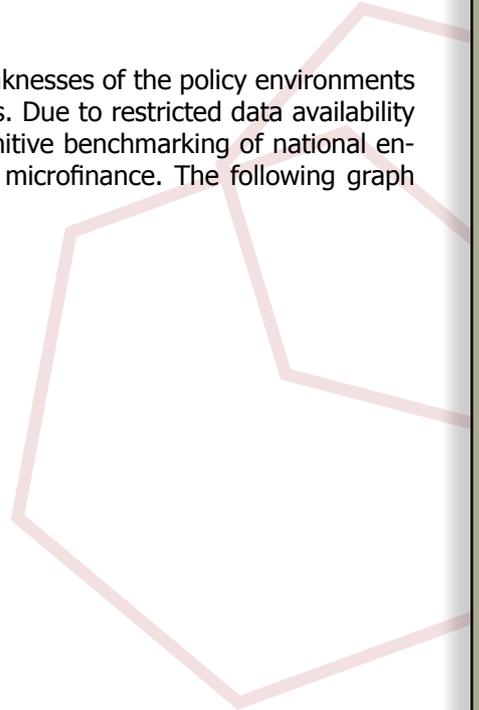
The number of women who are self-employed in Europe is much smaller than that of men and the number of women entrepreneurs with employees is smaller still. Microcredit has proven across the globe to be an effective tool for engaging and assisting women to take their first steps into self-employment. The large majority (87.4%) of women entrepreneurs across Europe have microenterprises (Eurochambers, 2004). However, in Europe microfinance providers are not reaching proportionally as many women as in other parts of the world.

The present Entrepreneurial Environment Study is part of the 15 month transnational project "**Fostering Gender Equality: Meeting the Entrepreneurship and Microfinance Challenge**". Financed by the European Union Directorate General for Employment, Social Affairs and Equal Opportunities, the project falls within the Directorate General's Strategy and Programme for the promotion of gender equality in local development. The project is coordinated by the European Microfinance Network (EMN) and includes a variety of activities by nine network members operating in eight countries: EVERS&JUNG (Germany), Fonds de Participation (Belgium), Integra (Slovakia), Network Credit Norway (Norway), The Enterprise Fund Ltd. (UK), The Hungarian Microfinance Network (Hungary), Réseau Financement Alternatif (Belgium), WEETU (UK) and Women's World Banking (Spain). Beside the eight country studies and the global comparative report of these, the project includes the implementation and evaluation of pilot projects, the exchange of experience through exchange visits, the production of a video film and the setting-up of a gender webpage on the EMN website (http://www.european-microfinance.org/gender_equality_en.php).

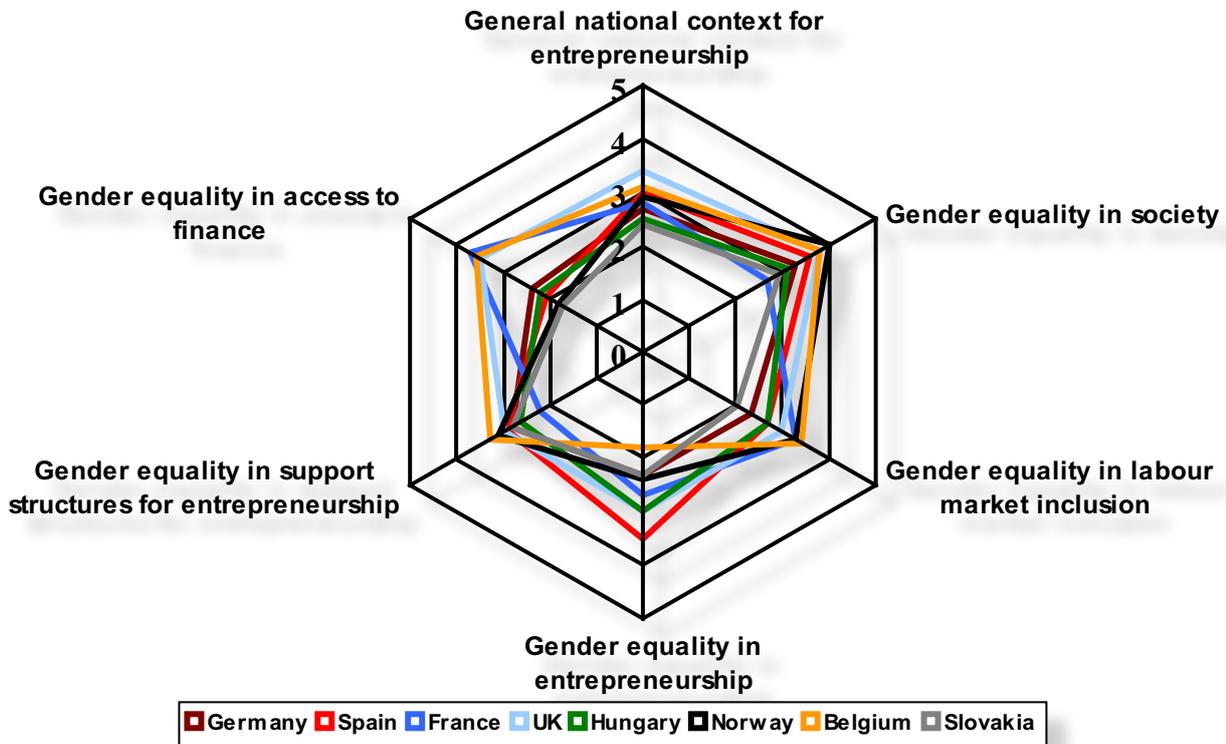
The primary purpose of the study is to give an in-depth analysis of the entrepreneurial environment for women in the eight European countries cited above. This is rounded off with background information on policy and programmes regarding women's entrepreneurship and self-employment at the EU level. The secondary purpose of the study is to incite discussion and encourage action with respect to the promotion of women's entrepreneurship in Europe. The cross-country comparison aims to enable policy makers, funding providers, practitioners and researchers to identify strengths and weaknesses as well as good practices that can be adopted from other countries in order to promote gender equality in entrepreneurship and microfinance in their own countries.

The study research methodology is based on a multidimensional Scorecard tool that was originally developed by FACET B.V., EVERS & JUNG and nef¹. For each country, a research team assessed the environment for women entrepreneurs against key factors affecting female entrepreneurship. Those factors were grouped into the following six dimensions: *General National Context for Entrepreneurship, Gender Equality in Society, Gender Equality in Labour Market Inclusion, Gender Equality in Entrepreneurship, Gender Equality in Support Structures for Entrepreneurship and Gender Equality in Access to Finance*. Each dimension was divided into sub-dimensions with respective indicators. The indicators were coupled into a scoring system in order to rate the application of gender equality in a country. Five was the highest and one the lowest achievable score. The results for each country were scored, calibrated and presented in a radar diagramme.

The results of the Scorecard seem valid for a first analysis of the strengths and weaknesses of the policy environments for gender equality in entrepreneurship and microfinance in the surveyed countries. Due to restricted data availability and the pilot nature of the project the results should not be understood as a definitive benchmarking of national environments and government policies for gender equality in entrepreneurship and microfinance. The following graph represents the main outcome of the study.



1 FACET BV, Evers & Jung, nef (2005): Policy measures to promote the use of micro-credit for social inclusion: Study conducted on behalf of the European Commission DG Employment, Social Affairs and Equal Opportunities, unit E/2,Zeist.



General National Context for Entrepreneurship

This first dimension differs from the other five. There is no explicit focus on gender, but attention is rather given to the general framework for entrepreneurship. The UK (3.4), Belgium (3.1) and Spain (3.0) receive the highest overall scores in this dimension. Nevertheless these are still average scores with 5 being the highest possible score. These three countries scored relatively high with regard to **entrepreneurial abilities** assessed via entrepreneurial education and public support structures for entrepreneurship at national and local/regional level. Germany also scored high for entrepreneurial abilities, but while the public support structure for enterprise development is highly developed in this country, there is a low level of systematic entrepreneurial education. **Entrepreneurial opportunities** are favourable in the UK, Norway and France due to a relatively stable macroeconomic situation, comparatively lean start-up administration and accessible markets for new entrepreneurs to seize opportunities for start-up and business.

Regarding **enterprise culture**, all surveyed countries score relatively low due to high impact of risk avoidance on the decision to start a business, and weak diffusion of entrepreneurial norms and values in the societies. Entrepreneurial attitude is not seen as a suitable issue for primary education in the majority of the surveyed countries. The highest scores were given to Norway, where risk avoidance impact is one of the lowest in Europe and the UK where entrepreneurial norms and values are more deeply rooted in the society than in other countries. Belgium, Norway and UK provide the best **policy incentives for entrepreneurship** set by the national tax system, bankruptcy regulation, administrative burdens for running a business and regulations for hiring and firing employees. In general, the surveyed countries scored best on their bankruptcy regulation.

Welfare bridges into self-employment through the provision of income support exist in seven of the eight countries; only Belgium does not feature such a scheme. However, the inclusiveness of these welfare bridges is limited. They are only available for certain groups of welfare recipients (mostly registered unemployed out of work of a limited duration). While non-financial support measures are more widely available, the share of unemployed people becoming self-employed lies below the 10% threshold in all eight countries. Germany and Spain feature the highest rates regarding welfare bridges. **Access to finance** for SMEs through bank loans, public loans and microfinance is only average in the surveyed countries. It is easiest in Spain and Belgium, while the situation seems to be the most difficult in Germany and Norway. Entrepreneurs either report difficulties accessing bank loans (as is the case in Germany and Hungary) or they are only making limited use of soft loans and public support (as is the case for the UK and Slovakia). Microfinance is most developed in France, Spain and Hungary, at least in terms of the numbers of providers and loans per 100,000 inhabitants.

Gender Equality in Society

Norway (4.0), the UK (3.8) and Belgium (3.8) score highest with regard to Gender Equality in Society. **Gender equality** as a policy issue ranks particularly high in Spain, the UK and Norway. Gender equality receives considerable attention from policy-makers in all eight countries. However, long-term strategies with active measures and quantitative goals are the exception. Most of the time, actions taken with regard to gender equality depend on political trends and are more symbolic than substantive in nature. Sustainable political activity can be observed in Spain, the UK and Norway on both a national/regional as well as a local level. France and Slovakia receive the lowest scores, because of the missing link to local development (France) and lacking sustainability of policy measures (Slovakia).

Socio-economic gender equality is especially well developed in Belgium and Norway. Their respective welfare systems seem able to mitigate most of the greater socio-economic risks women still face in European countries in relation to men. Nevertheless gender gaps in risk of poverty after social transfers still exist in most of the surveyed countries. The only countries without a gender gap are Slovakia and Hungary. In these countries a high risk of poverty exists, but is shared relatively equally between the genders. Annually, the Gender Empowerment Measure (GEM) of the United Nations Development Programme (UNDP) assesses and combines different aspects of gender empowerment in a society. The surveyed countries scored relatively well on this indicator, with only Slovakia and Hungary falling behind. France was not fully included in the UNDP ranking; however the reconstruction of the measure from other sources revealed an average value for France. The highest GEM score was received by Norway that led the 2006 UNDP ranking.

Gender equality in labour market inclusion and welfare-bridge into self-employment

The level of **gender equality in labour market participation** is not very high in the surveyed countries. Norway and Hungary received the highest scores, while Spain, Germany and Slovakia scored lowest. A female employment rate that meets the Lisbon goal of 60% is only realised in Norway, the UK and Germany. The smallest gender gap in economic activity¹ was observed in Norway (87%), while the biggest gap was found in Spain (65%). Regarding income, the study showed that gender pay gaps remain persistent in Europe. Belgium, the country that featured the lowest pay gap², still had a difference of 7 per cent in the average hourly wage in 2005³. The highest pay gaps were found in Germany and Slovakia with up to a 24 per cent difference in hourly wages. When gender equality in atypical work is considered, i.e. the difference between men and women in involuntary part-time employment, the overall picture is gloomy. The UK and Hungary receive average scores (about two times more involuntary part-time work by women) while in Spain nearly six times more women than men work part-time involuntarily.

The **social infrastructure for female economic activity** is not well developed in the surveyed countries. The public provision of childcare in particular, is inadequate for a decent reconciliation of family and work for women. With the exception of France, Belgium and Norway the EU-goal of a 30% coverage for the under threes has not been reached. In Norway and France, childcare and maternal leave regulations give women the best environment for staying economically active during childbearing years. Germany and Hungary receive the lowest scores due to insufficient childcare facilities and high gender gaps in the impact of parenthood on employment.

Welfare bridges, i.e. income support schemes assisting unemployed people to become and stay self-employed, are in place in most of the surveyed countries. But, it is not clear if these schemes address the specific needs of women and men. None of the surveyed income support schemes can be called gender unequal by design. However, their focus on registered unemployed makes them less accessible to women than to men, since women less often receive unemployment benefits than men and receive lower sums of unemployment benefits due to the persistent gender pay gap. The highest gender gap can be found in Germany and the UK, where women are clearly underrepresented in the group of registered unemployment receiving benefits for all durations of unemployment. In Hungary and Belgium, women are equally represented or even overrepresented. Additionally, various data indicated that self-employment out of economic inactivity is a lot more widespread for women than for men. Support schemes for this kind of start-up project does not exist in any of the countries.

1 Measured as the female economic activity rate as per cent of the male rate

2 Measured as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees

3 However, Belgian data on the pay gap varies between 7% for a population of all paid employees between 16 and 64 years who work at least 15 hours per week and 15% for fulltime employees in the industry and services.

Gender Equality in Entrepreneurship and Self-Employment

Scores are relatively low for all of the surveyed countries regarding **gender equality in self-employment**. Self-employment and entrepreneurial activity is still dominated by men in all countries. Hungary and Spain scored best with a score of 3.0 out of 5. The lowest scores were given to Norway, the UK and Belgium. Norway featured the highest gender gap in self-employment as a per cent of total employment and high gaps in the GEM measures¹. The UK also features a higher gender gap in self-employment than the EU-25 average. Belgium on the other hand shows a very conflicting picture. It features a fairly moderate gender gap in the share of self-employed persons but very unfavourable gender relations in the GEM-measures.

Gender equality in entrepreneurial characteristics is comparatively well developed in Spain and the UK (4.0). All countries featured a moderate gender gap in the ratio of opportunity to necessity entrepreneurship. In France, the ratio is even better for women (2:1) than for men (1.5:1). In Belgium and Norway, the ratios for men are more than twice as high as those for women. With regard to the size of entrepreneurial projects and the share of solo-entrepreneurs in the service sector, high gender gaps were present in most of the countries. Gaps of more than ten per cent can be observed in Belgium, Hungary, Germany and especially in France. The lowest gap exists in Norway where the solo-entrepreneur share for women is only 2.9% higher than that for men.

Entrepreneurial culture is average or below average in all surveyed countries with slightly higher scores for Hungary and Spain (3.5). In general, entrepreneurial role models are still male dominated. Media representation of women entrepreneurs was reported to be very low, with Spain and Hungary being the only exceptions. The acceptance of women's entrepreneurship is only average in most countries, indicating that while being self-employed is increasingly viewed as a possible career option for women, the operating of a business remains an activity mainly connected with men.

↳ *The **Women's Enterprise Taskforce** in the UK is a good example of a powerful national strategy for female entrepreneurship. It aims to encourage an increase in the quantity and scalability of women's enterprise over the next three years by addressing all sectors and institutions at Government as well as regional levels. (<http://www.women-senterprise.co.uk>)*

↳ *The **German magazine "Existenzielle"** is the only national magazine for female entrepreneurs. It reports on women who manage small and big enterprises (<http://www.existenzielle.de>).*

Gender Equality in Support Structures for Entrepreneurship

No single country demonstrated an especially favourable situation with regard to **entrepreneurship promotion activities** that are aimed at gender equality. Gender mainstreaming in promotional activities is rare and where efforts are made, these are patchy, with isolated activities specifically targeted at women. Norway received the best score in this category. Research activities on gender and entrepreneurship are more widespread, with Belgium receiving the highest score. However, the impact of research on policy and practice is still not evident in most countries, including Belgium.

↳ *In 2006, the Institute for the Equality of Women and Men asked the non-profit institution Sophia vzw to develop a database on gender studies in Belgium. It is meant to give more visibility to gender and women studies in Belgium and to develop an inventory of research and education efforts to understand gender issues (<http://www.iefh.fgov.be>).*

The design of the majority of **local support measures for entrepreneurship** seems unsuitable to meet the specific needs of women and men. On the other hand, specific measures to support female entrepreneurship exist in most countries. They are mainly concerned with networking and information provision, but also include specific business development services (BDS) and incubator services for female entrepreneurs. The highest score was given to Belgium where gender mainstreaming is as underdeveloped as in the other countries but the number of local networking initiatives of female entrepreneurs is higher. France received the lowest score due to the widespread "gender neutral" approach of support measures and weak developed networking structures on the local level.

↳ *In the UK, **Prowess**, the women's enterprise support network aims at helping business structures throughout the country to become gender aware (<http://www.integra.sk>; <http://www.prowess.org.uk>).*

1
The GEM Measures are: Early Entrepreneurship Activity (those persons actively involved in starting up a business or running a business not older than 42 months) and Established Business Ownership (running a business for at least 42 months). These two measures taken together form the Total Entrepreneurial Activity (TEA), the central measure for entrepreneurship in the GEM reports.

↳ **Women in Rural Enterprise (WiRE)** is a networking organisation in the UK targeted at female entrepreneurs running business in rural areas, that currently has over 70 local networks (<http://www.wireuk.org>).

↳ In Slovakia, the **Integra Foundation** offers a broad range of business support services that are tailor-made to the specific needs of female entrepreneurs.

↳ A good example of a national policy measure that fosters different networking activities on the national, regional and local level is the establishment of the **Bundesgründerinnenagentur (bga)** in Germany (www.gruenderinnenagentur.de).

Gender Equality in Access to Finance

Gender equality in **financial resources** at start-up was hard to assess. Data availability for these indicators was restricted in some countries, due to missing statistics on the issue of start-up finance in gender disaggregated form. Therefore no general picture for all eight countries could be deduced. Countries, where gender disaggregated data was found include Germany, France, Belgium and the UK. In general, female entrepreneurs have fewer personal financial resources available at start-up than men. In France the gender gap in the availability of own financial resources at start-up is relatively small. This seems to be connected to the small pay gap, although this does not hold true for the high number of female entrepreneurs starting out of economic inactivity. Germany, in contrast, features a higher gender gap in the availability of personal funding at start-up, indicating higher external financing needs for women compared to men. But similar to the situation in the UK, female entrepreneurs seem not to request external finance in the amount that the data on their available personal resources at start-up would suggest.

↳ **WEETU** is an enterprise, employment and training support service for women in the UK. It has been running its peer lending finance scheme, Full Circle, successfully since 1998 and now sells on a toolkit for other providers to start up their own peer-lending circles (<http://www.weetu.org>).

Access to external finance and especially access to bank loans proved to be an especially difficult phenomenon to assess, since banks in all surveyed countries did not provide data about the gender of the borrowers of business loans. Only anecdotal evidence about the problems faced in accessing bank financing was available. These give the impression that women entrepreneurs face access barriers in all surveyed countries due to the male dominated approach of most bank officials regarding "credible entrepreneurship" and the small loan sums requested by women. For public loan schemes, data availability was better. The results showed a lower representation of female entrepreneurs in most countries with only Belgium and the UK featuring higher shares of women in their mainstream public loan schemes. Norway scored lowest, due to gender gaps of more than 10% in the majority of the surveyed loan schemes.

The results show that women tend to start their business with fewer financial resources than men do. It is unclear whether this situation is the result of unequal access to finance or lower ambitions on the part of women. Probably both factors are playing a role. Low financing requests often fall below the rationality-cost threshold of banks and the loan scales provided by public loan schemes. Therefore women have to be seen as a main target group for microfinance. In general, the microfinance providers in the surveyed countries seem to reach women better than other providers of external finance. But there are still differences in the level of access women seem to have to microfinance. In Belgium and Spain the share of women in the group of microcredit clients exceeds that of women in total entrepreneurship, showing that the active providers in those countries are targeting women in an effective way. The highest number of microloans disbursed to women per 100,000 female self-employed can be found in Hungary (19.2) and France (18.6). Specialised providers focussing on female entrepreneurs exist in all countries with different degrees of activity and outreach. The UK and Spain featured the greatest number of active institutions of this type.

↳ The French network **Femmes Business Angels (FBA)** was established in 2003 with the mission to add female values to the image of business angels (www.femmesbusinessangels.org).

Recommendations for Policy makers

1. **Build supportive policy frameworks for inclusive entrepreneurship and viable microenterprises. Since female entrepreneurs are overrepresented in the group of small business owners, they would especially benefit from such environments on European, national and local level.**
 - The support of small enterprises and their creation should be treated as a cornerstone of the Lisbon Agenda for Growth and Jobs to exploit the full entrepreneurial potential of multifaceted European societies.
 - A national environment that promotes microenterprises includes simplified business regulation, income bridges out of unemployment/inactivity and access to small-scale finance. A stronger microfinance sector is an important building block of such an environment.
 - More than 700 EQUAL partnerships focusing on entrepreneurship have produced a huge reservoir of ideas on how to foster and promote inclusive entrepreneurship and support small business creation in local economies. They should be further developed into applicable policy measures at European, national and local levels.
2. **Extend and develop the many existing initiatives for women's entrepreneurship into full-fledged national strategies for women's enterprise.**
 - Such strategies should combine individual pronouncements, individual targets and agreements. Measures need visibility, clear financing and coherence across all regions of a country.
 - To develop such a national strategy, programmes and organisations undertaking gender equality or women's enterprise support activities should be brought together. Lessons learned and good practices should be integrated into the strategy for nation-wide implementation.
 - A national strategy should have specific, measurable and time-bound goals and targets to monitor implementation, impact and to ensure accountability.
3. **Initiate an active networking policy throughout your country that helps to bring more women into self-employment and stabilise already existing women led enterprises**
 - Since contact with other female entrepreneurs is known to have a considerable impact on the entrepreneurial activity of women, there is a need to foster more and lasting local networks between potential and established female entrepreneurs.
 - To strengthen the impact of such local networking measures it is recommended to improve their visibility through regional/national awards, contents and/or conferences.
 - To support the further development of gender equality in entrepreneurship it is also important to stimulate networking and information exchange between business support organisations targeting women, research facilities and other relevant actors in the field of women's enterprise.

Recommendations for Practitioners

1. **Take account of the specific situations of women and men and the barriers they face**
 - Practitioners need to take into account specific gender needs. They should adopt a gender aware approach to enterprise support including a strategic vision with specific objectives and targets.
 - Taking care of gender-based differences affects the ability to successfully start and grow a business. Practitioners should take account of the difference between a gender aware and a gender neutral approach.
 - Partnerships with organisations specialised in gender issues and the implementation of quality standards can improve the consideration of gender needs.
2. **Establish locally available networking opportunities for women business owners**
 - The prevailing majority of women's businesses are microenterprises with a local focus.
 - Networks serve several purposes, such as mentoring, provision of role models, technical assistance and training. In addition, lobbying activities can be coordinated via networks.
3. **Foster the exposure of women entrepreneurs in the media**
 - People look up to role models, but little attention is given to women entrepreneurs in the media. The influence of media on female entrepreneurship should be further explored.
 - Ensure that the presentation of women's enterprise in the media gives a correct and complete picture of women's businesses.

Recommendations for Finance and Funding Providers

1. Be aware of the specific needs of female entrepreneurs

- (Public) schemes need to care more about women-dominated industries. They should take into account the differences in businesses started by women such as smaller business size, different credit needs, lack of assets/guarantees, and higher need for working capital. Loan assessment criteria used by banks are often unfavourable to women.
- Providing adequate access to finance for female entrepreneurs is a cornerstone in increasing the share of women in viable entrepreneurship.
- Promotion of programmes directed towards women entrepreneurs such as specialised financial support networks should be considered.

2. Adopt a strategy with respect to women's entrepreneurship

- (Micro-)Credit providers should integrate an understanding of gender differences in their daily work. This can be done with loan products tailored to women's needs and the employment of specialised (women) staff in the loan provision department and management.

3. Ensure transparency in statistics

- Gender-specific data has to be made available systematically for banks, public loan schemes and microfinance providers.
- The lack of gender aggregated data on loan provision by finance and funding providers makes it impossible to develop an accurate picture of the respective financial markets.

Recommendations for Researchers

1. Increase research on the profiles of women entrepreneurs and of their companies

- Research will help to better assess the situation of women entrepreneurs and to draw conclusions for future policy measures.
- Deeper insights are needed to answer essential questions such as *why do or do not women start and develop a business*, and *if women start a business with fewer financial resources due to a lack of financial resources or due to lower financing needs*.

2. Improve availability of comparable and gender disaggregated data on entrepreneurship

- Gender disaggregated data should be present on a transversal basis throughout the EU.
- This will increase knowledge about different values, roles, situations, conditions, aspirations and needs of men and women, their manifestation and interaction.

3. Develop a systematic research strategy

- A systematic research strategy is needed to gain political impact.
 - The launch of a European agency could serve as a hub in fostering such a strategy.
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1.1 Context and Purpose of Project

The present Entrepreneurial Environment Study is part of the 15 month transnational project **“Fostering Gender Equality: Meeting the Entrepreneurship and Microfinance Challenge”**. Financed by the European Union Directorate General for Employment, Social Affairs and Equal Opportunities, the project falls within the Directorate General’s Strategy and Programme for the promotion of gender equality in local development. The project is coordinated by the European Microfinance Network (EMN) and includes a variety of activities by nine network members operating in eight countries: EVERS&JUNG (Germany), Fonds de Participation (Belgium), Integra (Slovakia), Network Credit Norway (Norway), The Enterprise Fund Ltd. (UK), The Hungarian Microfinance Network (Hungary), Réseau Financement Alternatif (Belgium), WEETU (UK) and Women’s World Banking (Spain).

Representing more than 90% of enterprises in Europe, microenterprises (those with less than nine employees) and self-employed people represent an essential element in local development¹. The number of women who are self-employed in Europe is much smaller than that of men and the number of women entrepreneurs with employees is smaller still. As such, women’s potential to contribute to local economic and social development is not being realised.

The large majority (87.4%) of women entrepreneurs across Europe have microenterprises (Eurochambres, 2004). Microcredit² has been proven across the globe to be an effective tool for the development of self-employment and microenterprises. It has been particularly successful in engaging and assisting women to take their first steps into self-employment. However, in Europe microfinance providers are not reaching proportionally as many women as in other parts of the world. There is a need to further improve European microfinance providers’ understanding and methodology in order to strengthen their capacities to better serve women who are or wish to become self-employed or microentrepreneurs. In this light, the project aimed to assist microfinance providers, national governments and a European-wide audience to better understand the external environment affecting female entrepreneurship as well as the specific issues related to gender equality in entrepreneurship and to improve microfinance providers’ ability to reach women entrepreneurs.

The nine project members undertook a range of activities and used different communication and dissemination channels. They conducted country research in eight European countries on the entrepreneurial environment for women highlighting good practice and formulating recommendations. They developed experience and good practice on concrete actions specifically tailored to have a positive impact on women microentrepreneurs by implementing and evaluating pilot projects. They also exchanged experiences by taking part in two exchange visits organised by EMN and their members in the United Kingdom and Slovakia. In addition, a video film was produced in order to further raise awareness amongst different actors with regard to the subject, in addition, EMN established a webpage on the issue on its website (http://www.european-microfinance.org/gender_equality_en.php). A Transnational Conference in Spain organised jointly by EMN and Women’s World Banking Spain represents the culminating event of the project.

1.2 Purpose of this Report

The primary purpose of the present Entrepreneurial Environment Study is to describe and analyse the environment in which women entrepreneurs start businesses in Europe. It provides the reader with an understanding of the notions of (micro-)entrepreneurship, microfinance and Gender in the European Union and presents an in-depth analysis of the country study results, thereby providing a cross country comparison amongst the eight countries participating in the project. This is rounded off with background information on female microentrepreneurship and self-employment at the European level.

The secondary purpose of the study is to incite discussion and encourage action with respect to the promotion of women’s microentrepreneurship and self-employment in the European Union. The study highlights existing barriers and presents concrete ways to overcome these on the national as well as on the European Union level. The cross-country comparison will enable policy makers and practitioners to identify strengths and weaknesses as well as good practices that can be adopted from other countries in order to promote gender equality in entrepreneurship and microfinance in their own countries.

1 <http://ec.europa.eu/enterprise/entrepreneurship/craft/index.htm>

2 The EU defines microloans as loans of 25,000 euros or less disbursed to microenterprises, businesses with 9 or fewer employees. EMN further emphasises that the purpose of microlending is to assist socially and financially excluded people to start a business or grow an existing microenterprise.

The report presents the eight country studies in the form of short national summaries and draws concrete recommendations on how to encourage female entrepreneurship and improve women's access to microcredit. Recommendations are made to policy makers, government, the research community, business development service providers and financial institutions such as banks, guarantors and microcredit providers. The complete country studies are available on the CD Rom at the back of the report.

2 Background

2.1 Definitions

This report uses a number of concepts to describe differences between women and men and to explain programming approaches to inequality. In the equality discourse these terms are often used inaccurately. First of all, before being used in the report, these concepts need to be clearly defined.

2.1.1 Gender¹

Gender is a concept that allows one to distinguish between sex, which is a biological condition, and gender, the characteristics, attributes and roles assigned by society to girls and boys, men and women. These characteristics and roles are not innate. They are learned through both formal and informal education and through messages and images presented in cultural traditions and celebrations, religion and the media. Roles and attributes associated with men and women differ from one society to the next and evolve over time. Gender is an important concept because gender roles and gender relations directly and indirectly influence an individual's ability to make decisions and to have access to and control over resources. Gender roles and relations have a direct impact on vulnerability to poverty and exclusion.

2.1.2 Gender Equality

Gender Equality refers to a belief in the basic equal rights and opportunities for members of both sexes within legal, social or corporate establishments. Equal opportunity policies and legislation aim to increase women's participation in public life. A distinction is made between equality and equity, the latter referring more precisely to the equivalence in life outcomes for women and men, explicitly recognising that women's reality and experience may be different from men's and requiring a redistribution of power and resources.

2.1.3 Gender Mainstreaming

Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as men, an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality. Mainstreaming includes gender-specific activities and affirmative (positive) action, whenever women or men are in a particularly disadvantaged position (United Nations Economic and Social Council 1997).

2.1.4 Affirmative Action/Positive Discrimination

Also referred to as positive action or positive discrimination, affirmative action is an approach promoting the representation of groups who have traditionally been discriminated against. The theory is that adoption of gender neutral approaches may not be sufficient because past discrimination limits access to education, job opportunities and other opportunities and hence the ability to achieve based upon merit.

2.1.5 Entrepreneurship

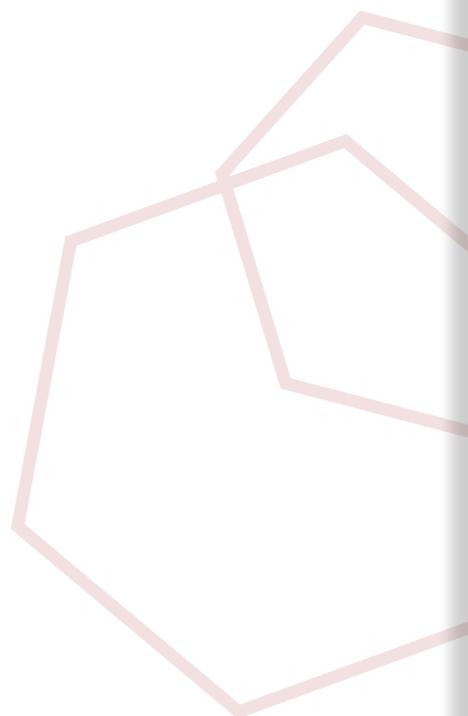
The word *entrepreneur* originates from the French word, *entreprendre*, which means "to undertake." Entrepreneurship can be described as a behaviour that includes creativity and innovation, the readiness to take risk, the motivation to identify an opportunity and to pursue it as well as the capacity to realise it. Research suggests that entrepreneurship produces new value and provides a positive contribution to economic growth. Entrepreneurship can also contribute to fostering social and economic cohesion for regions whose development is lagging behind, to stimulating economic

¹ Gender concepts and definitions adapted from Reeves, H. / Baden, S. (2000) and UN Economic; Social Council (1997) and Encyclopedia Britannica.

activity and job creation or to integrating unemployed or disadvantaged people into work (EU Green Paper, 2003). According to the OECD the degree of entrepreneurship reflects a country's framework conditions, cultural attitudes and government programmes (OECD, 2001).

2.1.6 Microfinance

Microfinance means offering financially excluded people (on low incomes) and microentrepreneurs basic financial services, like credit, savings and insurance. These services give people an opportunity to protect their families against financial risks and invest in new or existing economic initiatives. Such services are provided by specialised institutions that can be classified as banks (cooperative, commercial, microfinance or savings banks) and non-banks (financial cooperatives, non-profit companies and NGOs). Microfinance providers can also be categorised by the different target groups they reach: bankable and non-bankable clients. The bankable group includes traditional start-ups and established micro-enterprises, while the non-bankable group reaches mainly financially excluded, low-income people. As far as credit is concerned the loan amounts are typically very small. However, within the context of the EU, a microloan can reach up to €25,000 depending on the target group and type of activities.¹



1
Taken from: MFC/EMN/cdfa, From exclusion to inclusion through microfinance, 2007

2.2 Gender Equality in Entrepreneurship: An Issue in the EU ?

Europeans are rather reluctant to take up opportunities for self-employment and entrepreneurial activities. This is true for the old as well as for the new Member States. According to the *Eurobarometer* 2007 survey on entrepreneurship only 45% of Europeans say they prefer self-employment. In only eight European countries do the majority of citizens prefer to be self-employed¹. Close to a quarter of all respondents mentioned that they have actually started a business or that they are taking steps to start one (23%). This is a relatively low rate compared to the US for instance, where 61% of interviewed persons prefer self-employment and 35% of persons have started or are in the process of starting a business². Self-employment actually accounted for 16% of total employment across the EU 25 non-financial business economy in 2005³. Among the Member States, the highest rates of self-employment in 2005 were registered in Greece (32%), Italy (29%), Cyprus (24%) and Portugal (21%), while the lowest rates were recorded in Latvia (7%), Estonia (8%), Denmark, Lithuania and Slovenia (all 9%). The most important barriers to self-employment mentioned in Europe are lack of finance, the complexity of the process, lack of information and fear of failure. Europe, unlike the US, also suffers from low expansion rates after start-up⁴.

European women are even more reluctant to start a business than men. According to *Eurobarometer*, 50.2% of men in the EU prefer self-employment, while only 39.4% of women do. Worldwide, women represent more than one third of all persons involved in entrepreneurial activity and they are likely to play an even greater role when informal sectors are considered. In most European countries however, women represent less than a third of all persons involved in entrepreneurial activity. Overall a clear gender gap in venture creation and ownership activity is persistent in most countries. In 2005 19% of employed men were self-employed in the EU, compared to 11% of women. The highest gender gaps between the share of male and female entrepreneurs in the non-financial business economy exist in Cyprus, the Czech Republic, Malta, Ireland, Slovakia, Italy and Greece (EU Labour Survey 2005).

According to the GEM 2006 Report on Women and Entrepreneurship, in the EU 15 Belgium, France, Germany and Italy have the lowest rate of female business owners (between 1.91% for Belgium and 4.78% for Italy) while in Finland, Norway and Greece the percentage of female business owners is highest (between 8.85% for Finland and 11.85% for Greece). Studies suggest that women face difficulties in starting up and leading businesses. Most of the time these difficulties concern both sexes, but often they have more serious effects for female than for male entrepreneurs. Women tend to be less optimistic and self-confident than men with respect to starting a business. Women report difficulties in accessing finance and training as well as lack of information, contacts and networks, discrimination, lack of childcare facilities and the problem of reconciling business and family life.

The concept of Gender Equality is a transversal issue in the European Union. Actions and programmes aim to foster Gender Equality in Employment and also promote female entrepreneurship. From 1994 to 1999, more than half of the 1750 projects implemented in the Member States in the frame of the European Commission NOW programme ("New opportunities for women") as one of the four strands of the EMPLOYMENT Community Initiative addressed business creation. They especially targeted unemployed women and women returning to the labour market with few qualifications, migrants, single parents and women with disabilities as well as unemployed graduates and highly qualified women. Female entrepreneurship is also targeted in the frame of the EU's strategy to boost entrepreneurship, especially SMEs. Ninety-nine percent of enterprises in Europe are SMEs and within this group the vast majority, i.e. over 90%, are microbusinesses with fewer than 10 employees. In fact, the typical European enterprise is a microbusiness employing three persons. Small businesses employ more than 53% of Europe's workforce (around 95 million people) and are responsible for half of Europe's total turnover (DG Enterprise and Industry, Craft and Small Businesses). Recently, at the *2006 Spring Summit* the European heads of state and government confirmed the crucial role that small and medium-sized enterprises play in creating jobs and growth. Unlocking the business potential, especially of SMEs and entrepreneurs, was agreed upon by the 2006 Spring European Council as one of the new four areas for priority action within the Lisbon strategy for employment and growth. Encouraging Women's entrepreneurship is one of the areas where the EU calls for particular action.

From 1997 to 2000, one of the objectives of the Third Multi-annual Programme for SMEs was to 'promote entrepreneurship and support target groups' and the European Commission (DG Enterprise) financed a number of projects related to women entrepreneurs, in the fields of mentoring, e-business, information and training, support services and access to

1 This is the case in Lithuania (58%), Portugal (57%), Ireland (56%), Greece (56%), Iceland (56%), Italy (55%), Cyprus (54%) and Poland (51%). Belgians and Czechs are the citizens least likely to opt to be self-employed (both at 30%), Flash EBN 192, Entrepreneurship survey in the 25 Member States, Unites States, Iceland and Norway, 2007

2 Gallup (2007): Entrepreneurship Survey of the EU (25 Member States), United States, Iceland and Norway. Flash Eurobarometer 192

3 The non-financial business economy excludes agriculture, public administration and other non-market services, as well as the financial services sector.

4 EUROPE Press Realease, The non-financial business economy in the EU25, 05/10/2006, <http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/06/133&format=HTML&aged=1&language=EN&guiLanguage=en>

finance. In June 2000, the European Heads of State and of Government adopted the *European Charter for Small Enterprises* aimed at creating the best possible environment for small businesses and at urging governments to listen to the voice of small businesses. At the same point in time, the *European Network to Promote Women's Entrepreneurship (WES)* was created on a Swedish initiative. It is composed of 27 individuals representing central national governments and institutions from the European Union, EEA and candidate countries. It aims at raising the visibility of existing women entrepreneurs, creating a favourable climate for woman entrepreneurs, increasing the number of new women entrepreneurs and increasing the size of existing women run businesses. The network members encourage activities on the national and regional level, participate in events on the European level and in collective projects. For instance the network has promoted research and data collection about female entrepreneurship which can act as a basis for political decisions.

Within the framework of the *Multi-annual Programme for Enterprise and Entrepreneurship*, and in particular for small and medium-sized enterprises (SMEs) (2001-2005), the European Commission implemented a *Best project to promote entrepreneurship amongst women*. This project consisted of a study aimed at collecting information about specific actions and measures to promote female entrepreneurship and to define good practices, as well as of the organisation of a European Forum to facilitate the exchange of information between Member States.

Following the consultation on the Commission's *Green Paper on Entrepreneurship* organised in 2003, an *Entrepreneurship Action Plan* was agreed in spring 2004. The Action Plan suggests that, to further the entrepreneurship agenda, the Commission would act in five strategic policy areas: fueling entrepreneurial mindsets, encouraging more people to become entrepreneurs, gearing entrepreneurs for growth and competitiveness, improving the flow of finance and creating a more SME-friendly regulatory and administrative framework. The Action Plan explicitly makes recommendations on how to increase women owned start-ups through better access to finance and the development of entrepreneurial networks. With the aim to facilitate networks amongst business organisations of women entrepreneurs and disseminate links, initiatives, etc., the portal "Women's Entrepreneurship" was put on-line in January 2005. The portal is open to host any worldwide organisation, network, project or event relevant to women's entrepreneurship.

Based on the recommendations of the *Entrepreneurship Action Plan*, priority area one of the European Union Roadmap to Gender Equality for the period 2006-2010 (equal economic independence for women and men) cites female entrepreneurship as one important field of action besides eliminating the gender pay gap and achieving gender equality in social protection and health.

2.3 **The role of microfinance for gender equality in entrepreneurship**

Gender related disadvantages in obtaining sufficient levels of funding are one of the most important barriers to female entrepreneurship. Women use substantially less capital at start-up than male business owners. Female entrepreneurs cite difficulties in raising start-up and re-current business finance as one of their main problems and they are more likely to encounter credibility problems than men (CEEDR, 2000). Availability of and access to finance is a critical element to the start-up and development of an enterprise. Inadequate levels or sources of funding negatively affect the performance of a firm. It can result in under-funding of women's businesses, which is a principal cause of business failure. In a study, Carter (2000) found that female business owners use substantially less capital at start-up than do male business owners. Men used three times more start-up capital than women which was significantly and positively related to current value of capital assets, sales turnover, and total number of employees.

Funding of entrepreneurial ventures may stem from several sources: personal savings (family and friends), debt financing (commercial banks), soft loans (government supported) and equity funding (venture capital and informal investment). Due to their disadvantaged positions in wage labour women have relatively less employment experience prior to self-employment and therefore have constrained opportunities to develop an adequate reserve of financial, personal and business resources to invest in their own business. At the same time it seems that women are also less likely to apply for bank finance. If they do, they have lower levels of collateral and poorer credit track records to support their request than their male counterparts and therefore have restricted access to such funding. Women also have greater difficulties than men in accessing informal financial networks. Additionally women tend to start new small firms in crowded sectors, particularly in person-to-person services. This further contributes to the undercapitalisation of new start-ups with long-term implications for business growth and performance.

Microlending programmes bear great potential to meet women's financing needs. Eighty-seven percent of women entrepreneurs run microenterprises (Eurochambers, 2004). The majority of these businesses are in the service sector. Service sector businesses tend to have fewer physical assets to offer as collateral for bank lending and require relatively less financing than banks are accustomed to providing. Microlenders address these challenges directly by offering loans of 25,000 euros and less, providing alternative collateral arrangements and having flexible repayment plans. Most of the time, microlenders have partnerships with banks to build pathways to mainstream finance.

However, a recent survey conducted by the European Microfinance Network (EMN)¹ shows that as of 2004, only 39% of microloans reported in the survey were disbursed to women. This lending rate is above the general female entrepreneurship level in Europe (30%), but significantly below the lending rates in other parts of the world, which are 62% in Eastern Europe and the Newly Independent States, 59% in North America and 84% in developing countries. The EMN survey results suggest that a combination of supply-side and demand-side factors is contributing to Western Europe's lower outreach and lending rates. The relatively low rate of microlending to women is the result of the way in which microfinance provider programmes are designed and implemented, with matters aggravated by a range of factors external to the microfinance providers.

Beside microfinance with alternative forms of collateral, government schemes aimed at female entrepreneurs have shown to be an effective way of encouraging women to start a business. Guarantee funds facilitate access to finance for female entrepreneurs. Income or wage subsidies are another strategy to encourage them to start a business.

2.4 The role of support measures/networks for gender equality in entrepreneurship

The problems that prevent women from starting a business are often similar to the problems men encounter. However, certain difficulties especially affect female entrepreneurs. Additional business support measures specifically aimed at women and adapted to their needs are necessary to eliminate these barriers.

The typical female entrepreneur in the EU 25, is educated (with tertiary education), runs a microenterprise and has a husband and children, but no help at home (Eurochambers survey, 2004). One of the main problems she will encounter besides access to finance is the reconciliation of work and family life. Other problems are: complex administrative and regulatory requirements, lack of management skills and access to markets, gender discrimination by finance providers, customers or employees and difficulties in accessing business advice or support. Research also suggests that low confidence as well as greater aversion to risk affect female entrepreneurship rates (CEEDR, 2000).

More than half of the microlenders that participated in the EMN survey "Women and Microlending in Western Europe"² also provide business planning support, and technical assistance and training throughout the life of a borrower's loan. However, although 69% of respondents thought special measures were needed to increase women's access to microloans, the majority of microlenders participating in the survey were not currently undertaking such measures. Seventy-five percent did not have a policy to guide their work with women, 65% did not have tailored loan products and 55% did not provide access to specialised training and technical assistance or access to specialised staff. As such, there seems to be a gap between programme design and awareness and understanding of actual need. The EMN survey concluded that this gap was one of the factors contributing to the lower rate of female lending in the Western European micro-finance sector.

The European Commission's study "Strengthening women's entrepreneurship" (1998)³ proposes three key business support strategies for female entrepreneurs focused on: financial support, networking and mentoring and supportive environments.

The study observed that business support providers need to prepare women for business creation, support them during the launch of their business and help them develop strategies for consolidation and growth. First, financial support refers to the problems encountered by women to raise sufficient capital for the start-up and development of their business. Women need to access sufficient financial resources in order to avoid undercapitalisation. They also need training to ameliorate their presentation and negotiation skills, be more self-confident and ready to take risks. This will help them to improve their chances when it comes to asking for a standard bank loan and to developing their business.

Second, networking is an essential factor that affects the success of a business. Business networks provide the possibility to meet other entrepreneurs, discuss strategies and problems, get advice and find role models. Women however report difficulties in accessing business networks. As far as business support providers are concerned, advice on the necessary types of networks as well as training for women in groups is needed as it offers women the opportunity to establish contacts and to learn from the experience of other business women.

Third, establishing supportive environments refers to the fact that women face special difficulties in reconciling work and family life and that they need training in specific fields that might differ from men's training needs. Women report a deficit regarding their management skills, difficulties in accessing markets and information and the need for new technology training. Individual business training should target these needs. It should aim at developing both "hard" business skills as well as "soft" personal skills necessary for an entrepreneur such as self-confidence and risk-taking.

1 Underwood, T. (2006), Women and Microlending in Western Europe, EMN, Paris

2 Ibid.

3 Strengthening women's entrepreneurship, European Commission /EUROPS, The ADAPT and EMPLOYMENT Community Initiatives Innovation Series N°4

Business support should also be flexible and should be provided at times that suit women. Studies have shown that the presence of children influences the employment rates of women and men in opposite directions: parenthood negatively influences female employment, while positively influencing male employment. The same trend can be found with regard to entrepreneurship. Sufficient care facilities therefore need to be established and financial support for childcare needs to be provided. A segmentation of business support is also necessary due to the heterogeneity of microenterprises and the small business sector.

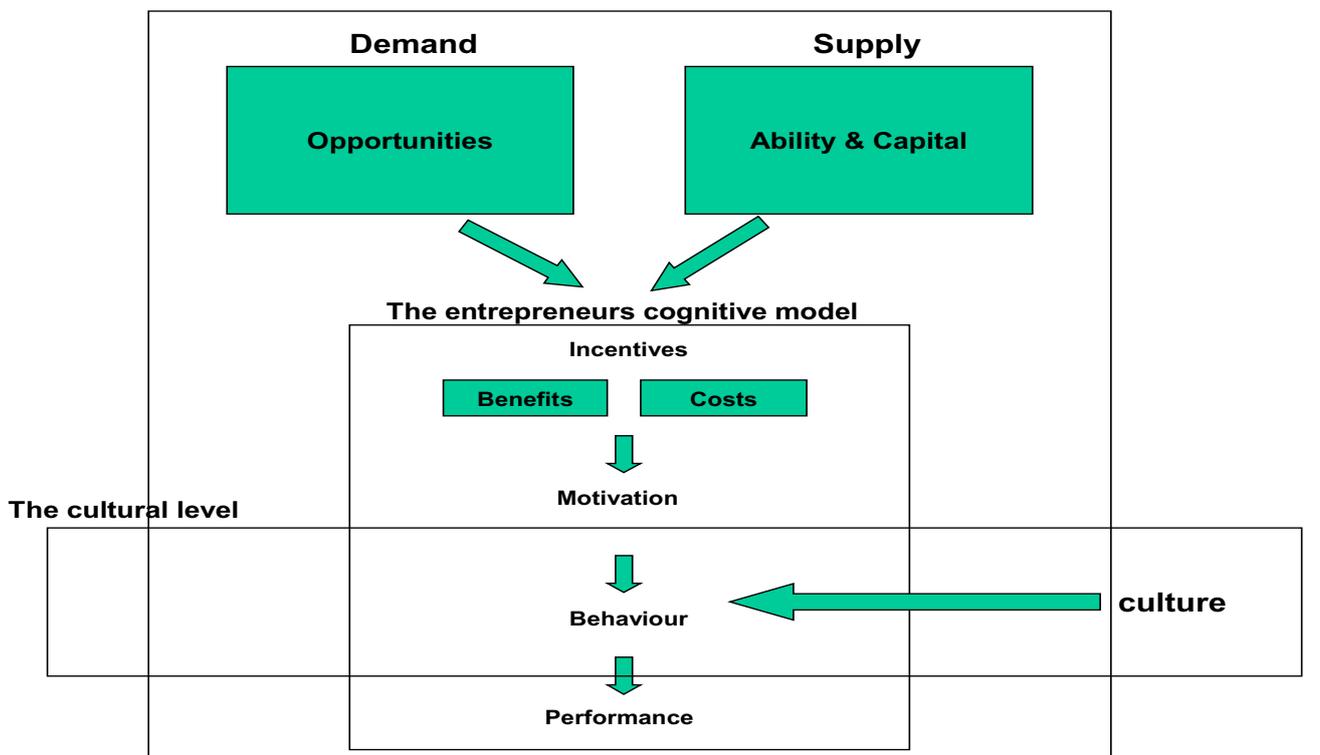
3 Research Methodology

3.1 Model of the entrepreneurial process

The factors influencing entrepreneurial activity in a society are quite diverse and interact in such a complex way that policy makers are in need of simplifying models and frameworks for a better orientation about suitable policy measures to foster entrepreneurship in their country. In this study we chose the model of the entrepreneurial process from Hoffman and Gabr¹ to serve as theoretical background for building an analytical ScoreCard (see 3.3) for country comparisons on the issue of supportive environments for gender equality in entrepreneurship.

Hoffman and Gabr identified five drivers of entrepreneurship in their theoretical framework for policy measures to foster entrepreneurship: opportunities, abilities, capital, incentives and culture. This model draws from different sources in the entrepreneurship literature² to build a theoretical model (see Figure 1) of the factors affecting entrepreneurship separated into three interacting components: the demand-supply conditions (opportunities, abilities and capital), the entrepreneur's cognitive model of motivation (incentives) and culture (cultural level) and integrates these components into an overall picture of entrepreneurship activity as seen from the policy maker's perspective to identify possible policy choices to foster growth in entrepreneurship. This model can be connected to an analysis of the institutional factors shaping gender equality in entrepreneurship.

Figure 1: The policy framework of growth drivers for entrepreneurship



Source: Hoffman/Gabr (2006), p.7

1 Hoffman/Gabr (2006): A general policy framework for entrepreneurship, Copenhagen.
2 Like Verheul et al (2001); and others

3.2 The role of the institutional framework for gender equality in entrepreneurship

The scientific literature on women's entrepreneurship¹ distinguishes between individual and institutional approaches to entrepreneurship. An individual approach sees the decision of a person to become an entrepreneur mainly influenced by their personality and their individual skills and resources. Socio-cultural/institutional approaches to entrepreneurship on the other hand are rooted in the belief that the decision to create a new enterprise and therefore to become an entrepreneur is mainly conditioned by external environmental factors, in other words: the institutional framework and its socio-cultural factors are what determine the level of entrepreneurial activity in a specific time and place.

In this study an institutional approach to gender equality in entrepreneurship was chosen. The importance of the institutional framework for gender equality in entrepreneurship (like legislation, politics, public services or infrastructure) is highlighted by recent studies on the issue². To assess the situation of female entrepreneurs in a country, it seems at least equally as important to assess the institutional environment/ factors known as favourable for female entrepreneurship as to research the exact level of female entrepreneurial activity. This includes institutional factors that are not directly connected to entrepreneurship and therefore are often overlooked in strategies to foster the entrepreneurial activity of women. As an example, Verheul et al. indicate, that in most countries the general life satisfaction of women³ has a significant influence on their level of entrepreneurial activity⁴. In that light, the manner in which social institutions (political bodies, family burdens, etc) promote female empowerment must be treated as important factors in increasing the entrepreneurial activity of women.

This study therefore chose a broad focus on institutional factors influencing entrepreneurship in general and gender equality in particular. Such an approach seems appropriate because it moves the analysis beyond the debate over whether gender shapes entrepreneurship. Instead, this approach enabled the study to ask how, why, and in what way gender shapes entrepreneurship and to which degree *the institutional framework is supporting* gender equality in entrepreneurship.

3.3 ScoreCard Methodology

One of the central elements of this project was the design of a multidimensional ScoreCard to identify, organise and rate comparable indicators for a supportive framework for gender equality in entrepreneurship in Europe. The central aim of this ScoreCard is to structure the framework for gender equality in entrepreneurship and to allow a quantitative ranking of the eight surveyed European countries.

This research methodology is based on a multidimensional Scorecard tool, that was originally developed for a past EU-funded study on "Policy measures to promote micro-credit as an instrument for social inclusion"⁵ by FACET B.V.⁶, EVERS & JUNG and **nef**.

The main benefits of using such a tool are:

- 1) The combination of a sophisticated analysis of national environments for gender equality in entrepreneurship with the production of clear and easy to read outputs (i.e. tables and radar diagrams)
- 2) The build-up of a transparent basis for comparison between different national situations
- 3) The identification of national strengths and weaknesses as a starting point for policy recommendations based on mutual learning

Therefore, we believe that the study methodology is well-suited to produce results that are relevant for national policy makers in their ambitions to reach the goals of the European Pact for gender equality and the renewed Lisbon Strategy for growth and jobs.⁷

1 See for an Overview: Greene, Patricia et.al.(2003): Women Entrepreneurs: Moving Front and Centre: An Overview of Research and Theory, United States Association for Small Business and Entrepreneurship.

2 Like Verheul/van Stel/Thurik (2005) and Driga/Lafuente/Vaillant (2004)

3 Assessed as average country score to the question "All things considered, how satisfied are you with your life as a whole these days?", using a 10-point Likert scale from '1' dissatisfied to '10' satisfied.

4 Verheul et.al.(2005): Explaining female and male entrepreneurship at the country level. Rotterdam.

5 FACET B.V., Evers & Jung, nef (2005): Policy measures to promote the use of micro-credit for social inclusion: Study conducted on behalf of the European Commission DG Employment, Social Affairs and Equal Opportunities, unit E/2,Zeist.

6 FACET B.V. has merged to Triodos Facet in 2007

7 A ScoreCard methodology is also used by the Centre for European Policy Reform to measure the progress of EU countries in achieving the Lisbon goals (see Wanlin (2006).

3.3.1 Objectives

The ScoreCard is intended to be used as a tool to:

- Increase the awareness of policy makers about policy measures for a more gender equal
- Identify policy measures that have had positive outcomes in Europe
- Increase mutual learning on policy measures that are implemented in the EU Member States
- Develop a model for exchange of information and knowledge about gender equality in entrepreneurship between the different regions
- Make use of common indicators to be able to compare countries as well as to identify good practices
- Present the relative position of the EU countries in easy-to-interpret radar plots along the identified key dimensions
- Exchange good practices and experiences amongst the EU Member States on the subject of gender equality in entrepreneurship.

The ScoreCard does not aim to determine an absolute scoring/positioning of countries on their gender policy in the area of entrepreneurship. It is a tool, that increases information and knowledge exchange and that can aid policy makers in the selection of possible policy measures based on what works in other countries.

3.3.2 Structure of the ScoreCard

The ScoreCard consists of the following six dimensions:

- A) **General National Context for Entrepreneurship**
How developed is the general framework for entrepreneurship?
- B) **Gender Equality in Society**
How much does the society generally support gender equality?
- C) **Gender Equality in Labour Market Inclusion**
Is the inclusion of people in the labour market influenced by gender?
- D) **Gender Equality in Entrepreneurship and Self-Employment**
Are women and men equally active in entrepreneurship?
- E) **Gender Equality in Support Structures for Entrepreneurship**
Is gender equality incorporated in support structures for entrepreneurship?
- F) **Gender Equality in Access to Finance**
Does the gender of a person influence his or her access to finance?

Each of these dimensions includes key factors affecting female self-employment and entrepreneurship in a country. They are organised in equally weighted sub-dimensions (2-3 per dimension) that deal with specific elements of the situation in the country.

To rate the application of gender equality in a country, indicators and scoring tables were determined for each subdimension. A scale from one to five was used to score the national situation for each indicator. A five indicates gender equality or the best support for reaching gender equality in a certain area, while a one indicates a very high degree of gender inequality or large hurdles for reaching gender equality.

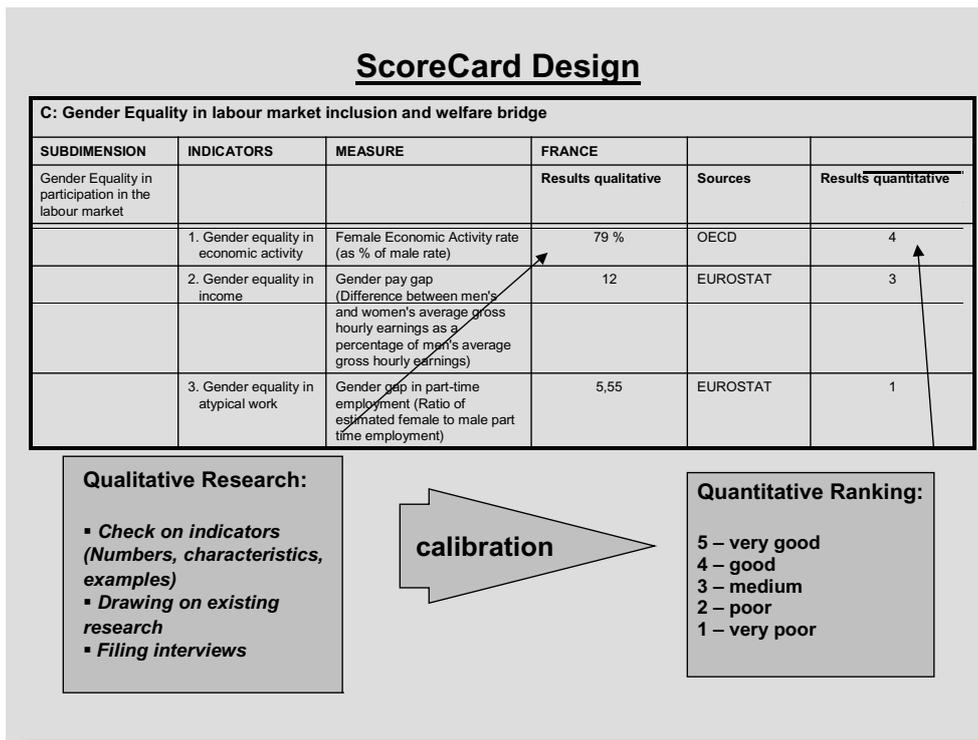
The respective ScoreCard Design is illustrated in [Figure 2](#). The overall scoring per dimension or per country is represented in a radar diagramme as illustrated in [Figure 3](#).

Under the leadership of EVERS & JUNG, project partners developed a ScoreCard to evaluate the entrepreneurship environment in terms of gender equality in the eight project countries. The ScoreCard results are based on an extensive literature review, expert interviews and the experiences of practitioners in the field.

The ScoreCard enabled each country team to collect information and assess the environment for women entrepreneurs against the six dimensions mentioned above.

After collecting national data and expert opinions, the results were calibrated by EVERS & JUNG to make sure that the scores featured in the country reports are calculated on the same basis. The results are displayed in an easy to read radar diagramme for each country and dimension.

Figure 2: ScoreCard Design



3.3.3 Research Design

The ScoreCard enabled each country team to collect information and assess the environment for women entrepreneurs against the six dimensions mentioned above.

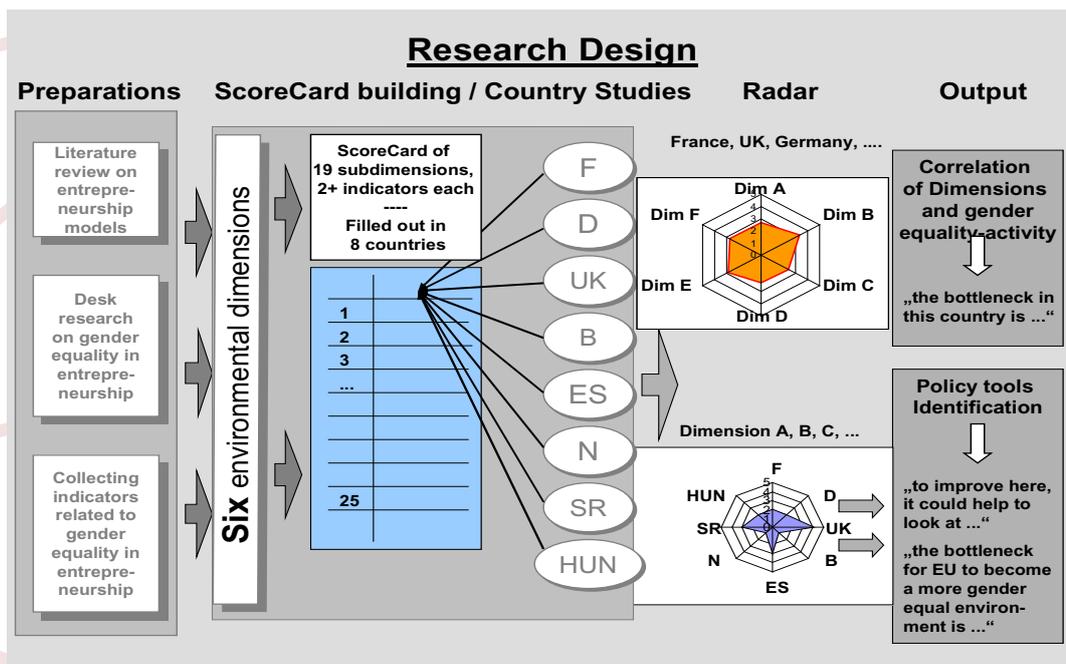


Figure 3 : Research Design

Along with the completion of the ScoreCard, each country team also gathered information on gender equality and entrepreneurship initiatives during data collection. These are presented throughout the report as good practice examples and short case studies.

3.3.4 Relevance of dimensions and indicators

To guarantee that the dimensions and indicators chosen are relevant for the national situations of gender equality in entrepreneurship, study teams undertook a comprehensive literature review. Additionally, expert opinions about the relevance of dimensions and indicators were obtained. Preferably, indicators were chosen, that are known to have a measurable impact on the level of entrepreneurship in general and the level of female entrepreneurship in particular. An example of such an indicator is the existence and density of local networks between established and potential women entrepreneurs in dimension E (Gender Equality in Support Structures for Entrepreneurship). If possible, a combination of indicators based on relevant hard data and indicators based on more general assessments of certain elements were combined in one sub-dimension. Sources for these assessments were standardised expert interviews.

Since this study was the first try at establishing such a ScoreCard-Tool in this field, the number of indicators and dimensions included was as high as reasonably manageable to cover as much ground as possible and to assess the availability of data. For future applications, the ScoreCard should be further streamlined by eliminating less significant indicators and improving the overall relevance of its contents.

3.3.5 Data and Information Collection Techniques

As much as possible, the scores given are based upon quantifiable indicators and comparable data. However, there were also dimensions and indicators for which there were no EU statistics available and for which national data sources needed to be consulted. These sources could have been national statistics but also expert opinions.

Common data sources that were used for the different dimensions of the ScoreCard are:

- Eurostat statistics
- Flash Eurobarometer surveys
- Global Entrepreneurship Monitor's global, national and women's entrepreneurship reports¹
- World Bank statistical information from www.doingbusiness.org
- OECD reports and databases

As already mentioned some of the indicators were based on expert interviews. These interviews were conducted with two standardised expert questionnaires² (see annexes) to allow comparable ratings for these indicators. The expert interviews additionally included a more open part to collect more 'qualitative' information about the analysed issues and dimensions as well as hints for good practice examples.

.....
1 Since France and Slovakia didn't participate in the GEM 2006, the partners in these countries interviewed experts on the basis of the original GEM questionnaire to produce comparable scores.

2 The design of the questionnaire was based on the design used by the GEM consortium for their National Expert survey

From a methodological viewpoint, the project was successful in identifying and developing many relevant indicators for assessing the environment for gender equality in entrepreneurial activity and integrating them into a multi-dimensional Scorecard. Therefore the final version of this Scorecard can be regarded as valuable groundwork for future development of a reliable and comparable set of indicators to assess policy frameworks for gender equality in entrepreneurship and microfinance.

The complex nature of the issue and the restricted availability of gender disaggregated data on many important elements of entrepreneurship¹ called for a combination of hard statistical data and soft survey data from expert interviews. The most noticeable drawback of this eclectic approach was the process of completing the Scorecard for each country which posed a considerable challenge for the involved partner organisations. This was mostly observable in the conduct of the expert interviews where despite the provision of standardised questionnaires, based on the GEM national expert survey, the consistency of the submitted results for the different countries showed considerable variations.

Bearing in mind these observations, the project team is convinced that the Scorecard results are valid for a first analysis of the strength and weaknesses of the policy environments for gender equality in entrepreneurship in the surveyed countries. The Scorecard helped to produce well structured country reports that combine a broad view of the issue with a clear analytical focus on the most important issues. Furthermore, the Scorecard is well-suited for further development into a more standardised research tool². On the other hand it clearly does not (yet) allow a robust benchmark-like ranking of national environments and government policies for gender equality in entrepreneurship.

The following section describes and analyses the six dimensions of the ScoreCard and the findings of the eight national reports. It integrates strengths, weaknesses, good practices and innovations identified. Each section follows the same structure and consists of

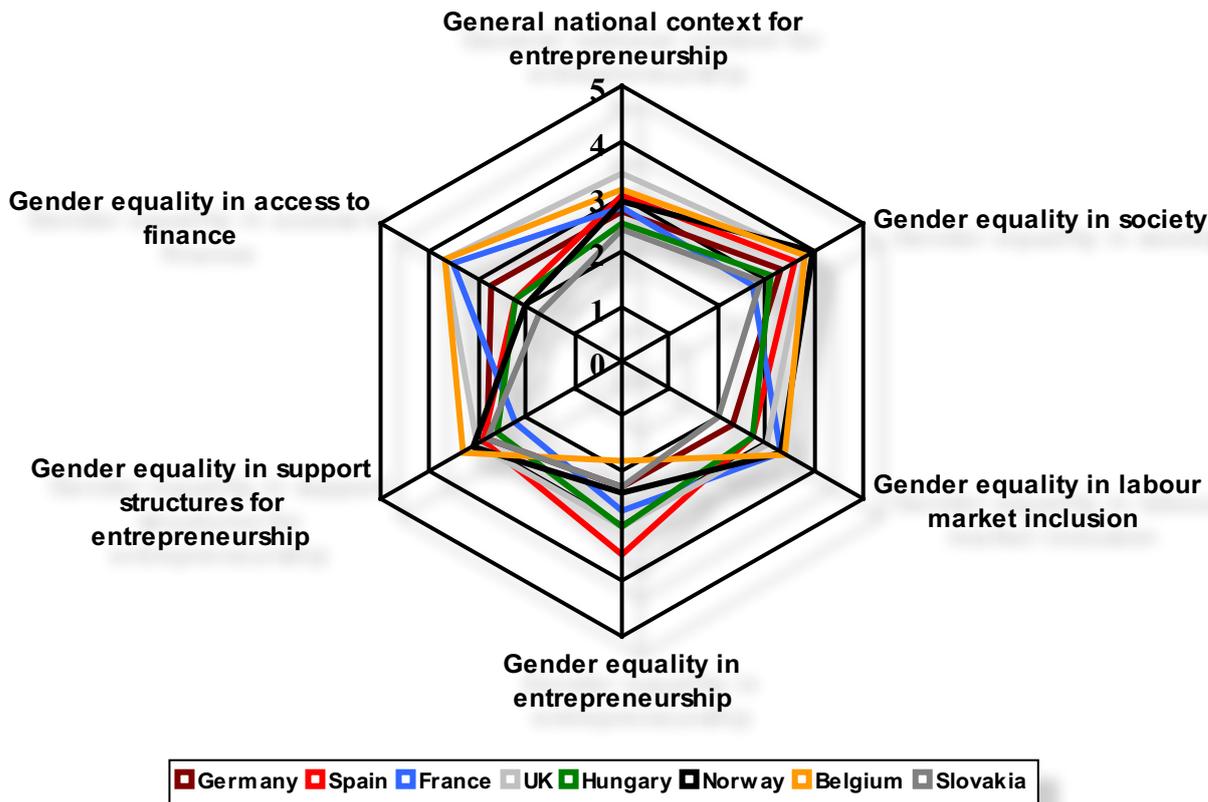
1. A short assessment of the situation in the EU.
2. The scoring results displayed in a radar diagramme and a corresponding table.
3. The country scoring, explained in a league table.
4. The findings for each sub-dimension including good practice examples from the countries.

In presenting the results for each dimension, we take into account that there are different socio-economic models prevailing in the participating European countries. This situation limits to a degree the opportunity to adopt certain good practices. Despite these differences we see an enormous potential for European countries to learn from each other about how to integrate men and women on equal terms into entrepreneurship. In the analysis of the eight countries, we did not find a country with a comprehensive approach. Instead each Member State had in place certain aspects of an 'ideal' comprehensive approach. And even the good practices mentioned were not always perfect, but give a sense of the potential. As a conclusion, [Figure 4](#) shows the scores found for each country and identifies the highest scores achieved for each dimension.

1 The unsatisfactory state of availability regarding gender disaggregated data in the fields of entrepreneurship and other crucial aspects of social and economic inclusion was regularly highlighted in the international discussion of these issues in recent years (see e.g. Giovanelli/Gunnsteinsdotir/Me (2002) The Status of Statistics on Women and Men's Entrepreneurship in the UNECE Region)

2 To develop a sustainable base for further work, the project aimed at including as many relevant indicators as possible that could be tested for comparability in the ScoreCard. Further developments of the ScoreCard will feature a reduction in the number of indicators, concentrating on indicators that can be consistently scored over a wider range of countries.

Figure 4: Scoring on each dimension.



4.1 General National Context for Entrepreneurship

This dimension on the General National Context for Entrepreneurship varies from the other five dimensions as it does not explicitly focus on gender. This dimension assesses the general framework for entrepreneurship in a country. The main reason for the inclusion of such a dimension was the consideration that only if the general conditions are known, can conclusions be drawn on gender specific issues. The scores assigned to this dimension are based upon an assessment of **entrepreneurial opportunities, entrepreneurial abilities, enterprise culture, policy incentives for entrepreneurship, welfare bridges and access to finance.**

4.1.1 The Situation in the EU

The European Union is committed to fostering entrepreneurship as part of its strategy to transform its economy and built its future economic and competitive strength. The improvement of the general environment for entrepreneurship and business creation in the European Union is therefore subject to continuous policy efforts at both the European and the national levels. The general notion is that most European countries lack a policy environment that is suited to boost entrepreneurial activity on a broad scale. Comparisons to other countries, especially the United States of America, constantly reveal the lacking entrepreneurial dynamics and the failure to fully exploit entrepreneurial potential within European countries¹. In more detail, the situation in the EU is characterised by the following:

- Macroeconomic development has been sluggish in most of the EU-25 countries over the past years but took a turn for the better in recent times with economic growth picking up and falling unemployment rates in several EU-countries. Market entrance for start-ups remains difficult, despite the activity of the Commission to promote access for SMEs and small businesses to markets.
- Entrepreneurial spirit and culture remains on a low level in many EU-countries. A Eurobarometer survey from 2007² reveals that, if they had the choice, a majority of European Union citizens would opt for employee status. Therefore, more promotion of entrepreneurship and better entrepreneurial education is needed in the EU. The evaluation of the National Action Plans on employment nevertheless revealed that, despite continuous suggestions from the EU level, only few EU Member States have established accordant policies.

¹ See for example the GEM global reports 2000 to 2007.

² Gallup (2007): Entrepreneurship Survey of the EU (25 Member States), United States, Iceland and Norway. Flash Eurobarometer 192.

- Entrepreneurial education is not well developed in most EU countries. The EU campaign on more and better entrepreneurial education aims for improvements. The Oslo agenda for Entrepreneurship Education¹ lists relevant policy measures at different levels to improve the situation in this area.
- Insufficient access to finance remains a serious barrier towards increasing entrepreneurial activity in the EU. Microfinance sectors in the EU are not well enough developed to support entrepreneurship as a bridge out of social exclusion and economic inactivity

To improve the situation, the European Commission published an Action Plan on Entrepreneurship in 2004² that focused on ways of boosting entrepreneurship and set out a European agenda based on five strategic policy areas:

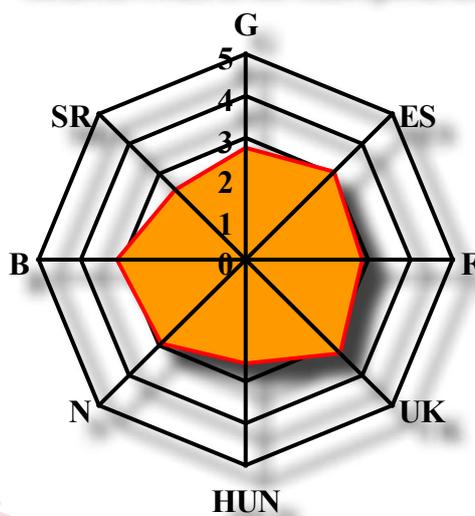
- fuelling entrepreneurial mindsets,
- encouraging more people to become entrepreneurs,
- gearing entrepreneurs for growth and competitiveness,
- improving the flow of finance, and
- creating a more SME-friendly regulatory and administrative framework.

4.1.2 Scoring Results

Figure 5 and Table 1 include the individual results per country and sub-dimension.

Figure 5: General National Context for Entrepreneurship

General Context for Entrepreneurship



1 Link: <http://ec.europa.eu/enterprise/entrepreneurship/support_measures/training_education/doc/oslo_agenda_final.pdf> (16/04/2007).

2 COM (2004): Action Plan: The European agenda for Entrepreneurship, COM (2004) 70 final, Brussels.

	G	ES	F	UK	HUN	N	B	SR
Total	2.7	3.0	2.8	3.4	2.5	2.9	3.1	2.5
Entrepreneurial Opportunities	2.8	2.3	3.5	3.7	2.8	3.5	2.3	2.3
Entrepreneurial abilities (Public support at national and local level)	3.3	3.3	2.5	3.3	2.3	2.0	4.3	3.0
Gender equality in welfare bridge	1.5	3.0	2.3	3.3	1.0	3.7	3.0	1.5
Enterprise Culture	3.0	2.6	2.6	3.6	2.0	3.6	3.6	2.5
Welfare bridge	3.2	3.4	3.0	3.5	3.5	2.3	2.3	2.8
Access to finance*	2.5	3.5	2.8	2.9	3.4	2.5	3.5	2.7

Table 1: General National Context for Entrepreneurship (Dimension A)

* Due to a change in the weighting of the indicators measuring the access to microfinance the scores displayed here differ slightly (+/-0.1) from the scores that are featured in the national reports (see annex).

4.1.3 Scoring explained (league table)

Scoring	Country	Argument
3.4	UK	Good entrepreneurial opportunities are combined with extensive policy incentives for enterprise creation. The entrepreneurial culture and access to finance is better developed than elsewhere. Different governmental strategies treat entrepreneurship as a key pillar to regional development.
3.1	Belgium	Entrepreneurial activity is well supported through policies on national and regional/local level. Business registration has been modernised, bankruptcy regulation is well developed and thanks to public support, access to finance is good. However, an entrepreneurial culture is not fostered. In particular, self-employment out of unemployment/inactivity is rather low.
3.0	Spain	Business opportunities are good, many structures exist to help entrepreneurs and the quality of entrepreneurial education is improving. Self-employed people suffer from social discrimination as they do not have access to adequate social security coverage. Although access to microfinance is satisfactory, access to start-up finance remains a problem.
2.9	Norway	Norway is one of the most entrepreneurial countries in Europe according to GEM. Entrepreneurial opportunities, enterprise culture and policy incentives for entrepreneurship score relatively high, whereas there is still a way to go concerning entrepreneurial abilities, welfare bridges and access to finance.
2.8	France	France has a difficult environment for entrepreneurship characterised by heavy state intervention and inflexible labour market regulations. There is no national strategy to support entrepreneurship and to foster entrepreneurial education on a broad scale. As a result, the entrepreneurial culture is not well developed. Income support measures are in place and the access to finance is average.

2.7	Germany	An underdeveloped entrepreneurial culture contrasts with well developed public support structures for enterprise development. Access to finance is very difficult. The microfinance sector is not well developed.
2.5	Hungary	Starting a business is problematic because of all the administrative and taxation burdens. A national SME policy is in place, but does not seem to operate very efficiently. Entrepreneurial culture is underdeveloped and entrepreneurial education is still not widespread. Access to (bank) finance is very restricted, especially to microenterprises with long-term financing needs (>1 year), whereas microfinance has a long tradition.
2.5	Slovakia	Very strong macro-economic performance in recent years has provided rapidly changing market opportunities to entrepreneurs. Yet, high social insurance costs and restricted labour market flexibility remain a burden to entrepreneurs. There is no entrepreneurial education in place. Risk avoidance is high. A small microfinance sector is in existence.

4.1.4 Entrepreneurial Opportunities

The indicators for this sub-dimension focused on the issue of **macroeconomic business environment**, **administrative barriers to start-up** and the general **openness of markets to new businesses**. It combined quantitative data facts like GDP growth, GDP per capita and soft data from expert surveys like the GEM expert survey.

The country group with the highest scores in this sub-dimension consists of the UK, Norway and France. All these countries are characterised by a relatively stable macroeconomic situation and a comparatively lean start-up administration. Markets are quite open and allow entrepreneurs to seize opportunities for start-up and business. The lowest scoring countries are Belgium, Spain and Slovakia. These countries feature average to unfavourable macroeconomic business environments and comparatively high barriers to market entry of new firms. They differ in their combination of barriers. Slovakia for example is characterised by markets with fast changing business opportunities but no corresponding start-up administration that is flexible enough to allow entrepreneurs to seize these opportunities. Belgium, on the other hand, features a stable but static macroeconomic environment and markets that are not very open to the entry of new businesses. The situation in Spain is characterised by a rather time consuming administrative start-up regulation.

↪ **Belgium:** Since June 1 2006, the business start-up procedures in Belgium have been drastically simplified. From now on, a business can be started in only 3 days. Via an electronic office or e-depot with the notary, the data necessary to start a company can be exchanged electronically. In a first phase, this electronic exchange of data will reduce the start-up procedure for Plc. and Ltd. companies. In a next phase, this new procedure will also be applicable for other types of companies¹. Other administrative simplifications include the creation of one-stop shops for entrepreneurs (business offices) and the electronic VAT declaration.

↪ **Norway:** The Brønnøysund Register Centre, a government body under the Norwegian Ministry of Trade and Industry has started a project on internet-based registration. It is now possible to register a business entity electronically including the registration in the Register of Business Enterprises, the regional tax office and the employee register. The entrepreneur still has to do the VAT registration and the enrolment of the employer into the mandatory workers' injury insurance manually, but the aim is to include this in the future as well. This project was a part of the Governments' action plan "Simplifying Norway" aiming at decreasing public bureaucracy.

4.1.5 Entrepreneurial abilities

The scoring of entrepreneurial abilities in a country was based on the quality of **entrepreneurial education** and **public support for entrepreneurship at national and local/regional level**. The assessment was done based on the results of the GEM Expert survey and expert interviews.

1 <<http://www.vbo-feb.be/index.html?file=1978>> (23/05/2007)

Here the study assigned the highest score to Belgium, where the national experts rated both the entrepreneurial education as well as the public support structure as being of good to high quality. In contrast a country like Germany, where the public support structure for enterprise development is highly developed, features a low level of good entrepreneurial education reducing the total sub-dimensional score. The study gave the lowest scores to Norway, where both the quality of entrepreneurial education and the public support structure were rated below average, and Hungary, where a national entrepreneurship policy is in place, but although enterprise development institutions have been long established, the system does not seem to operate efficiently due to parallel finance and competition amongst enterprise promotion programmes and institutes.

↳ **France:** "Je créé en Nord/Pas-de-Calais" is a regional coordination programme of business support. It was launched in 2001 in response to low entrepreneurial activity in the region despite a dense network of existing support organisations. Low entrepreneurship levels were attributed to a general lack of awareness about the existing support networks and difficulty knowing who does what. To coordinate efforts, the regional programme (PRCTE – "Programme régional de Création et Transmission d'Entreprise") was created with the objective to establish closer collaboration between enterprise support and funding organisms and to create better understanding and higher visibility of entrepreneurial activity in the region. Moreover a large communication campaign regarding business start-up and take-over was launched in March 2003 directed at the general public, potential entrepreneurs, pupils, students and regional decision makers. The campaign consists of small films exploring commonly expressed doubts or perceived barriers related to starting and running businesses. These themes are also addressed through a poster campaign. It is worth noting that the films and posters present equal numbers of male and female business people.

↳ **Hungary:** Beginning in 1991, the European Union provided significant financial and professional help for the establishment of enterprise promotion foundations in the counties and the capital city called Local Enterprise Agencies (LEAs). The LEAs are service providers that act as bridges between micro-, small enterprises and business-like providers, government support programmes and other support organisations in order to achieve economic development and to alleviate market failures. The LEA network has developed the integrated enterprise promotion programme, in which there are several microfinance programmes building on each other, in addition to training and counselling programmes.

4.1.6 Entrepreneurial culture

This sub-dimension assessed the level of entrepreneurial culture in the surveyed countries based on the spread of entrepreneurial norms and values in the population. Study teams assessed this dimension by looking at **entrepreneurial education in primary education, the impact of risk-avoiding behaviour on the likeness to start a business** and expert opinions on **the spread of entrepreneurial norms and values**. The impact of risk avoidance was based on the results of a recent Flash Eurobarometer and the expert views on the GEM expert survey.

In general, the entrepreneurial culture in the surveyed countries is characterised by a high impact of risk avoidance on the decision to start a business, and a insufficient diffusion of entrepreneurial norms and values in the societies of these countries. Additionally, entrepreneurial attitudes are in the majority of the surveyed countries not seen as a suitable issue for primary education. The highest scores were given to Norway, where entrepreneurial norms and values begin at primary school and risk avoidance impact is one of the lowest in Europe and the UK where entrepreneurial norms and values are more rooted in the society. The lowest scores were given to Hungary, Slovakia and Germany.

Table 2: Impact of risk avoidance – Flash Eurobarometer results, 2007

Question: Q16_E. Do you strongly agree, agree, disagree or strongly disagree with the following opinion? – One should not start a business if there is a risk it might fail.					
Country	% strongly agree	% agree	% disagree	% strongly disagree	% DK/NA
EU-25	19,8	28,1	33	15,4	3,7
	47,9		48,4		
Norway	6,2	26,1	46,3	15,5	5,9
	32,3		61,8		
France	19,3	21,5	27,7	28,9	2,6
	40,8		56,6		

Spain	13,1	29,4	40,1	13,7	3,7
	42,5		53,8		
United Kingdom	10,7	31,9	43,8	11,6	1,9
	42,6		55,4		
Slovakia	20,6	26,2	39,9	8,5	4,9
	46,8		48,4		
Belgium	21,7	30,6	28,1	14,1	5,5
	52,3		42,2		
Hungary	17,4	36,8	29,5	6,8	9,6
	54,2		36,3		
Germany	25,4	29,4	30	12,8	2,4
	54,8		42,8		

Source: Flash Eurobarometer 192, Brussels, 2007, p. 163.

↪ **UK: Entrepreneurial education** is on the curriculum for all age groups in Scotland. Following a review of enterprise education in 2001 by the Scottish Executive, an overarching strategy, *Determined to Succeed*, was set up with outputs measured through 20 quantifiable and qualitative goals to be achieved between 2003 and 2006. The strategy has been extended to 2008, after which it is almost certain to form a part of the Scottish curriculum at all levels of education. In schools for example this education took the form of separate lessons on enterprise, as well as the integration of enterprise activities into mainstream lessons such as mathematics. Early results show highly positive attitudes to the impact of the programme amongst head-teachers and staff, with a firm embedding of the programme in the vast majority of schools and the development of a supporting bureaucracy at the local level in the form of Enterprise Development Officers. These officers are based in the local government education offices and are responsible for engagement with local businesses, monitoring of school activities and management of local strategic partnerships.

4.1.7 Policy Incentives for entrepreneurship

This sub-dimension focused on the **incentives** set for entrepreneurs by the national tax system, the **bankruptcy regulation** and **the regulations for hiring and firing employees**. The rating was mostly based on data from the World Bank Doing Business Database¹. Here, the UK, Norway and Belgium scored best due to their flexible labour markets, generous bankruptcy regulation, low administrative burdens and a business-friendly tax system. Hungary scored lowest, due to high administrative burdens for running a business and an unfavourable tax system. In general, the surveyed countries scored best regarding their bankruptcy regulation, with Belgium and Norway featuring the most generous solutions. The lowest scores were given regarding employment regulation. Here only the UK and Belgium feature regulations flexible enough to serve as clear incentives for entrepreneurs to hire employees.

↪ **Belgium:** Belgian bankruptcy legislation was changed a few years ago to include innovations such as the **protection of the main address** of the entrepreneur and the **Closure Fund**. Since June 9th 2007, an entrepreneur (with a one person business) can protect his or her main domicile against creditors. 340,000 businesses are eligible for this new measure. The protection is only valid for claims after the official registration with the notary and only for debts that are the consequence of the business activity. The protection does not apply for bankruptcy due to a serious fault, condemnations by the criminal judge and private as well as professional tax debts. The Closure Fund ("Sluitingsfonds") or the Fund for the Closure of Companies, pays overdue salaries and dismissal permits to employees of bankrupt companies that, after the bankruptcy procedures, have no money remaining to fulfil all obligations. The Closure Fund is financed by contributions from Belgian companies and sectors and is co-ordinated by the NEO (National Employment Office). Companies with at least 5 employees can benefit from a financial contribution.

↪ **France:** The Dutreil law² was passed in August 2003 and aims to facilitate business start-up and growth. Measures implemented are:

1 Some of the interviewed experts highlighted, that the World Bank data can be seen critical due to a strong bias for deregulation, favouring low taxes, low barriers for firing employees, etc. Since the scores were given regarding to the incentives for entrepreneurial activity, this criticism was neglected.

2 Dutreil was Minister for SME's through April 2007. At the time of writing his role in the new Sarkozy led administration remained undecided.

- The business registration process and related administrative matters can now be done in 24 hours and by internet in some areas for limited liability companies (SARL).
- SARL registered businesses can control the number of shares issued and protect personal assets from legal proceedings.
- Funding and financing of businesses is facilitated through tax reduction and new local investment funds such as the Fonds d'Investissement Régionaux where investment in the fund is encouraged through significant tax reductions.
- Enterprise takeover or handover is facilitated through better legal and fiscal regulation such as reduction in transfer fees and interest rate reductions on loans.

4.1.8 Welfare bridge

This sub-dimension focuses on the **provision of income support** and **non-financial support** for people starting their enterprise from outside the labour market, either being registered as unemployed or economically inactive. Since the number of start-ups out of unemployment indicates how well such programmes work, this indicator was also included.

Income support schemes of some sort for self-employment out of unemployment exist in seven of the surveyed countries. Only Belgium does not feature such a scheme. The inclusiveness of these welfare bridges in the surveyed countries is limited. They are only available for some groups of welfare recipients, mostly registered unemployed. The share of unemployed people becoming self-employed is below the 10% threshold in all the countries, with Germany and Spain featuring the highest rates. Differences can be observed in the treatment by labour offices of self-employment as a viable alternative to employment. Here the UK seems to be the most proactive country. Non-financial support measures for unemployed becoming self-employed are widespread in most of the countries.

↳ **Spain:** IMADE (Madrid's Development Institute, www.imade.es) informs entrepreneurs about available tools, business support and public subsidies related to SMEs. Entrepreneurs are looked after by a professional team, face-to-face meetings, phone interviews and email contacts. IDEAM, a service of IMADE, focuses on advice to entrepreneurs during the business creation process: feasibility analysis of their business plan, to the legal creation and the launch of activity. After an evaluation, "viable projects that can be improved" and "viable projects that need financing" are directed to Women's World Banking, which helps the entrepreneurs in improving their project and/or getting microloans to finance it.

↳ **Germany:** Income support programmes fostering self-employment out of unemployment, the so-called welfare bridge programmes, have existed in Germany since 1986. The business start-up benefit Gründungszuschuss grants support for at least nine months and up to a maximum of 15 months to registered unemployed (beneficiaries of Arbeitslosengeld I) becoming self-employed. The income support scheme Einstiegsgeld supports businesses started by welfare recipients (beneficiaries of Arbeitslosengeld II) for up to 24 months. In contrast to the Gründungszuschuss, the granting of Einstiegsgeld is discretionary. Take up depends tremendously on the priorities set within the responsible authority.

4.1.9 Access to finance

The sub-dimension "Access to finance" was rated based upon access of SMEs to bank loans, public loans and microfinance. The scores were based on hard data from Eurobarometer and an EMN survey as well as on experts' opinions given in the GEM expert survey.

In general, the access to finance for SMEs is only average in the surveyed countries. Either the entrepreneurs report difficulties in accessing the banking sector, like in Germany or Hungary, or the use of soft loans and public support is underdeveloped, like in the UK or Slovakia. The microfinance sectors are better developed in some countries, at least in regard to the numbers of providers and loans provided per 100.000 inhabitants.

Bank loans are most accessible in the UK and Spain, while public loans are most accessible in Germany, Spain and Hungary. The microfinance sector is especially well developed in Spain, Hungary and France. Taken together, access to finance is easiest for SMEs in Spain, while Germany and Norway feature the most difficult situation. In Germany this is mostly due to the difficult access to bank loans and the underdeveloped microfinance sector whereas in Norway this is due to the underdeveloped microfinance sector¹.

.....
 1 Because of missing Eurobarometer data the access to bank loans and public loans was not scored for Norway, resulting in a stronger weight of the other indicators. The national report indicates difficult access to bank loans for start-up finance and a better developed access to soft loans, or public grants.

↪ **Spain:** The Spanish microcredit system is quite distinctive in its characteristics: there is a large number of actors involved with different profiles and roles (authorities for funding, savings banks and commercial banks for financial management, social entities for social questions, contact with the beneficiaries and viability diagnosis). This special system ensures good territorial coverage because social entities and savings banks usually act at a local level, near their headquarters. According to the Spanish Confederation of Savings Banks 2005¹, almost all of the 46 savings banks disburse microloans, with their own programme funds. Microlending is integrated into the savings banks' social support programmes. But other financial entities, principally commercial banks, are also collaborating in programmes supported by the Public Administration (ICO credit line and specific programmes focused on women entrepreneurs).

↪ **France: Adie, the Association pour le Droit à l'Initiative Economique**, disburses secured microloans with an interest rate of 7% and provides post-loan advice and support. Adie focuses on supporting unemployed persons, those receiving Revenue Minimum d'Insertion and the working poor. Adie has 22 regional offices and 110 sub-offices throughout France. In 2006 Adie disbursed over 7,000 microloans and made available 2,800 EDEN reimbursable grants to businesses accessing bank lending. Twenty percent of Adie clients live in deprived urban areas and 26% live in rural areas.

4.2 Gender Equality in Society

The dimension Gender Equality in Society covers the general issue of political and societal gender empowerment in a country. It is based upon an assessment of **gender equality as a policy issue** and **socio-economic gender equality in society**.

4.2.1 The Situation in the EU

Fostering gender equality in all dimensions of society is a centrepiece of EU policy. In this field the impact of EU policy on the Member States can be observed especially in Eastern Europe where EU membership sparked the first activities in this area and most of the active measures for gender equality are funded or inspired by EU policy. In general, the situation of women in the EU is as good as or even better than in other parts of the developed world.

However, major progress still has to be achieved in the key areas identified in the "Roadmap to gender Equality between men and women"² and the Commission argues that this requires better governance at all levels: EU institutions, Member States, parliaments, social partners and civil society.

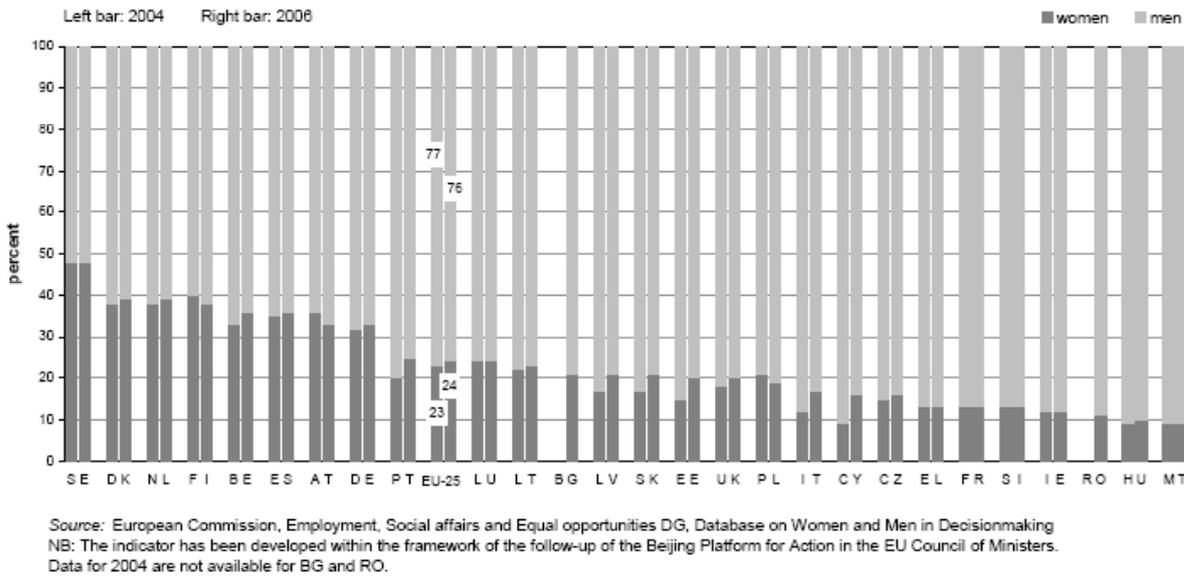
Some key areas for further improvement include:

- Women's persistent under-representation in political decision-making in EU Member States (see figure 5) is a democratic deficit the EU cannot tolerate.
- Women's active citizenship and participation in politics and in senior management of public administration at all levels (local, regional, national, European) should also be further promoted.
- A balanced participation of women and men in economic decision-making is far from being achieved in most EU-Member States.

Figure 6: Members of single/lower houses of national parliaments in EU Member States - Distribution by sex 2004 and 2006

1 Memoria RSC 2005, Confederación Española de Cajas de Ahorros.

2 COM (2006): A Roadmap for equality between women and men: 2006-2010. SEC(2006) 275, Brussels.



4.2.2 Scoring Results

Figure 7: Gender Equality in Society

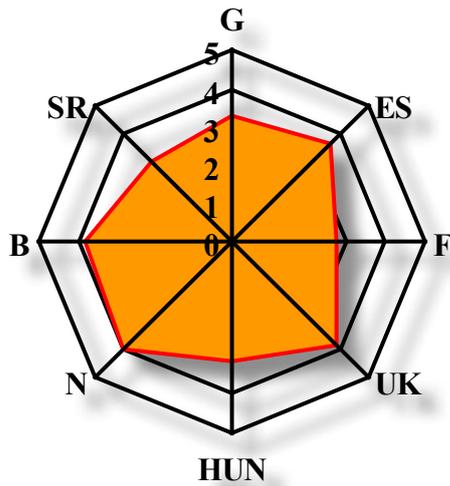


Table 3: Gender equality in society (Dimension B)

	G	ES	F	UK	HUN	N	B	SR
Total	3.3	3.6	2.7	3.8	3.1	4.0	3.8	2.9
Gender equality as policy issue	3.0	4.2	2.3	4.0	2.7	4.0	3.7	2.3
Socio-economic gender equality in society	3.5	3.0	3.0	3.5	3.5	4.0	4.0	3.5

4.2.3 Scoring explained (league table)

Scoring explained (league table)

Scoring	Country	Argument
4.0	Norway	Gender Equality in society is very high. Norway ranks number one in the UNDP HDR Gender Empowerment Measure in 2006. Gender equality is a central issue in national governmental policy and to a lesser degree on the local level. Gender specific measures correcting imbalances between genders can also target men.
3.8	UK	Gender Equality ranks high on the UK political agenda. Policy measures are connected with quantified goals. Female empowerment in society is high, due to high educational attainment and above EU-average representation in senior positions (senior officials, managers, parliamentary seats).
3.8	Belgium	Gender Equality is a permanent national policy objective, local activities are less developed. The gender gap in risk of poverty is lower than the EU-15 average. Female empowerment in society is above average, especially political representation, thanks to strict quotas for electoral lists.
3.6	Spain	The National Plan for Equality places gender equality on the national government agenda. The Instituto de la Mujer (Women's Institute) was created to implement laws on gender equality. Women's Departments are the key in achieving the inclusion of gender mainstreaming in local policies. Gender gaps exist in educational attainment, which is lower for women than men.
3.3	Germany	Gender equality ranks relatively high on political agendas. Socio-economic risks (i.e. risk of poverty) are not equally distributed between genders. Single female parents especially face high risks of poverty. Gender empowerment is improving but still falls behind other European countries. Germany ranks eight on the UNDP HDR Gender Empowerment Measures in 2006.
3.1	Hungary	Gender equality in society is constitutionally anchored. Additionally, the central government intends to tackle gender inequality in different societal areas. Socio-economic risks are equally distributed with men being slightly more affected than women. Educational attainment of women is markedly better than that of men, especially in tertiary education. Political representation of women is one of the lowest in Europe, leading to a relatively low ranking in UNDP HDR GEM (41 st).
2.9	Slovakia	Practice on gender equality is limited despite of the strong heritage from communist times. There is no national strategy for women's entrepreneurship or employment and there are no specific budget lines for promoting gender equality. Socio-economic risks are shared on equal terms by men and women. Gender empowerment remains low, especially for political representation of women.
2.7	France	Gender Equality is on political agendas and gained more attention recently. Women are under-represented in leadership and decision making positions in government and legislative bodies, yet the latest elections have changed this slightly. The governmental "Charter for Equality between Men and Women" from 2005 initialised a total of 280 policy measures, but is the charter lacks measurable and time-bound objectives. Educational attainment of women is good.

4.2.4 Gender equality as policy issue

The treatment of Gender equality as policy issue in the surveyed countries was rated on the basis of expert interviews that assessed the position of gender equality on the national and regional policy agendas as well as the initiation of active policy measures with quantitative goals. Additionally, the experts were asked if gender equality issues are included in local development strategies.

The scores given in this sub-dimension are comparatively high, indicating that gender equality receives considerable attention of policy-makers in the surveyed countries. Long-term strategies featuring active measures with quantitative goals are nevertheless the exception. Most of the activity is subject to political trends and more symbolic than substantive. The study assigned the Highest scores to Spain, the UK and Norway, where sustainable political activity can be observed

on both national/regional as well as local level. The lowest scores received were in France and Slovakia. Reasons are the missing link to local development (France) and lacking sustainability of policy measures (Slovakia).

↳ **UK:** Set up in October 2007, the new **Commission for Equality and Human Rights** brings together the work of the Commission for Racial Equality (CRE), the Disability Rights Commission (DRC) and the Equal Opportunities Commission (EOC). The EOC was closely linked to the women's enterprise agenda and deals with inequality related to gender.

↳ The **Women's Equality Unit (WEU)** of the department for Business Enterprise and Regulatory Reform (BERR) works in key areas supporting gender equality such as the evaluation of the impact of policies and the contribution to the redesign/development of new policies and measures to improve gender equality.

↳ **Belgium:** Since the nineties, the participation of women in political decision-making as well as the presence of women in advisory organs is being actively promoted. A number of laws were issued with this goal, such as the Smet-Tobback law (May 4th 1994) which forbids political parties to file lists of candidates with more than 2/3 of the candidates of the same gender, as well as the parity acts (2002), three legal texts that aim to guarantee equal representation of men and women on the lists for the legislative, European and regional elections.

↳ **Germany:** A project in Ulm assessed the different priorities of boys and girls regarding playgrounds. Based on this intensive assessment, the city of Ulm established the first girls-suited playground (Mädchen-gerechter Spielplatz) in Ulm, Germany. An evaluation of Lübeck's Market revealed that, women own only 28 % of market stands and are underrepresented. The reason is the principle of licensing: "known and reliable", which is a high threshold for new businesses. As a result, the market place for women (Lübecker Markt der Frauen) was founded in Lübeck, giving start-ups owned by women the opportunity to get known and prove their reliability in order to receive licenses in the future.

4.2.5 Socio-economic gender equality in society

The study assessed socio-economic gender equality using indicators such as the gender gap in the share of the population at risk of poverty and the general amount of gender empowerment in the society.

The welfare systems in the countries surveyed seem to mitigate most of the socio-economic risks that women still face in European countries when compared to men. Nevertheless gender gaps in poverty risk after social transfers exist in most of the surveyed countries. The only countries without a gender gap in this regard are Slovakia and Hungary where the risk of poverty (defined as income under 60 per cent of average income) exists on a high level but is relatively equally shared between the genders and in some cases women are less exposed to risk than men.

The study rated gender empowerment in society using the United Nations Development Programme (UNDP) Gender Empowerment Measure (GEM). This index, which is assessed annually in the Human Development Report (HDR), combines different elements of gender empowerment in society into one measure and ranks all 191 countries according to the value. The surveyed countries scored relatively well in this indicator, with Slovakia and Hungary falling behind (see Table 4). France was not fully included in the UNDP ranking. The reconstruction of the measure from other sources revealed an average value for France. The highest score was received by Norway, which led the 2006 UNDP ranking.

Table 4: Gender Empowerment Measure; 2006 ranking

Country	Rank	Value	Seats in parliament held by women (% of total)	Female legislators, senior officials and managers (% of total)	Female	Ratio of estimated female to male income
Norway	1	0.932	37.9	29	50	0.75
Belgium	5	0.853	35.7	30	48	0.63
Germany	9	0.816	30.5	32	47	0.58
Spain	15	0.776	30.5	32	47	0.50
UK	16	0.775	18.5	33	46	0.65
France	---	---	13.9	---	---	0.64
Slovakia	34	0.599	16.7	32	61	0.58
Hungary	41	0.560	10.4	34	61	0.64

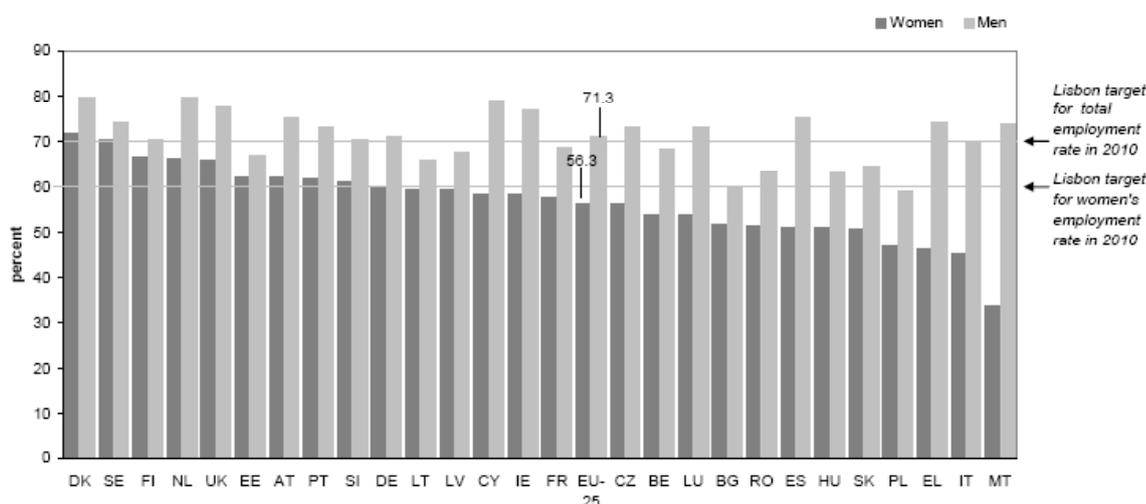
Source: UNDP Human Development Report 2006

4.3 Gender Equality in Labour Market Inclusion and Welfare Bridges to Self-employment

This dimension covers the general integration of women into the labour market, including **gender equality in participation in the labour market** and the **social infrastructure for gender equality in labour market inclusion**. Additionally, a third sub-dimension covers **gender equality in welfare bridges from unemployment and inactivity into self-employment**.

4.3.1 The Situation in the EU

Unequal Labour Market Inclusion lies at the core of the gender equality issue. Lisbon employment targets call for a 60% employment rate for women by 2010. At present, it is 56.3% (see Figure 8)) and is much lower (33.7%) for older women (55-64 years old)¹. Women in the EU also have a higher unemployment rate than men (9.9% against 7.9%). In addition, despite EU legislation on equal pay, women in the EU earn on average 15% less than men and this gap is decreasing at a much slower pace than the gender employment gap². The persistence of the gender pay gap results from direct discrimination against women and structural inequalities such as segregation in sectors, occupations and work patterns, access to education and training, biased evaluation and pay systems, and stereotypes.

Figure 8: Employment rates (women and men aged 15 – 64) in EU Member States – 2005

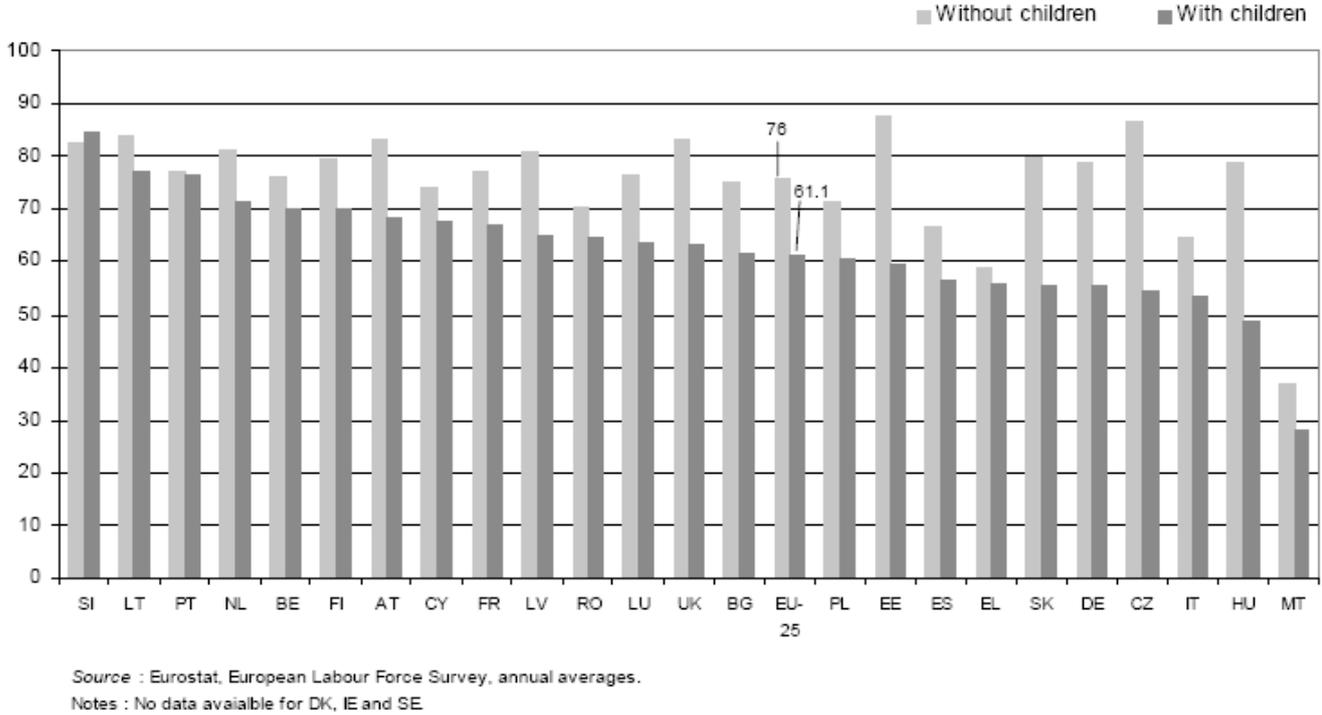
Source: Eurostat, Labour Force Survey (LFS), annual averages.

1 Source: Eurostat Labour Force Survey

2 COM (2006): The gender pay gap – Origins and policy responses: A comparative review of 30 European countries, Brussels, p. 7f.

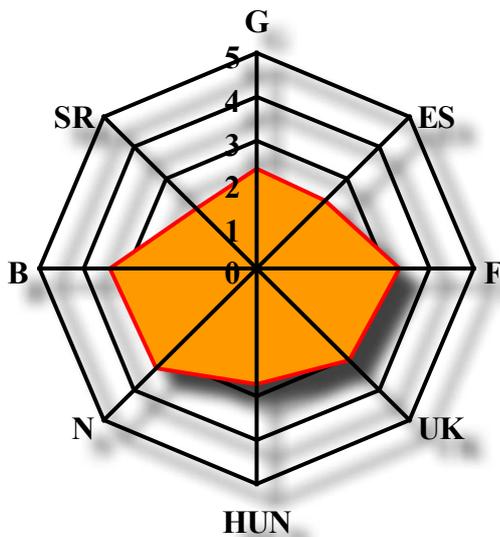
Women's lower employment rates are strongly connected to the fact that social infrastructure for gender equality in labour market participation is not adequate in most EU-Member States, as stated in a recent EU Commission¹ report. Given that few men take parental leave or work part-time (7.4% compared to 32.6% for women)² women remain the main carers of children and other dependants. In particular, there is a lack of childcare facilities for the young, therefore making it difficult for women to combine motherhood with full time employment. The impact of parenthood on the employment of women is therefore still marked in most EU-Member states (see Figure 9).

Figure 9: Employment rates of women aged 20-49, depending on whether they have children (under 12) - 2005



4.3.2 Scoring Results

Figure 10: Gender Equality in Labour Market Inclusion and Welfare Bridges to Self-employment



1 COM (2005): Reconciliation of work and private life: A comparative review of thirty European countries
2 COM (2005): Making work pay' debates from a gender perspective: A comparative review of some recent policy reforms in thirty European countries, Brussels, p. 9f.

Table 5: Gender equality in labour market inclusion (Dimension C)

	G	ES	F	UK	HUN	N	B	SR
Total	2.3	2.2	3.3	3.0	2.7	3.3	2.4	2.0
Gender equality in participation in the labour market	2.0	1.7	2.7	3.0	3.3	3.3	3.0	2.0
Social infrastructure for gender equality in labour market inclusion	1.6	2.5	3.7	3.0	1.3	3.7	3.3	2.0
Gender equality in welfare bridge	3.3	2.3	3.7	3.0	3.3	3.0	4.0	2.0

4.3.3 Scoring explained (League Table)

Scoring	Country	Argument
3.4	Belgium	Belgium has the lowest employment impact of parenthood on women and the highest childcare coverage rates for the under three-year olds of all surveyed countries. Support measures help single parents to finance childcare. A pay gap exists but similar to those of other countries. The gender gap regarding part-time work is above average.
3.3	Norway	Labour force participation is high. Women earn less than men, and more women than men work part-time. The gap in earnings is partly due to part-time work, but also because women tend to work in the lower paid public sector. Norway has one of the best parental leave policies in the world, and the policy for kindergarten has improved a lot in recent few years.
3.3	France	France features a relatively high female activity rate and a low pay gap. Yet, there is a significant number of women involuntarily working part-time. Childcare facilities are well developed for the over threes. Under three availability is lower. A relatively high number of women work in managerial positions. Self-employment out of economic inactivity (nearly 25% of all female start-ups vs. 8% male) is not covered by income support programmes as it is for the formally "unemployed".
3.0	UK	The female activity rate is relatively high in the UK. But there is a high gender gap in part-time work and an above average gender pay gap. Social infrastructure to facilitate women's integration into the labour force is not well developed. The coverage of childcare facilities is regionally diverse. Movement from unemployment to self-employment is much more widespread for men than for women.
2.7	Hungary	The gender gap in the economic activity rate is average compared to the other countries, but is based on an overall low level of economic activity. For part-time employment the same holds true. Hungary features one of the lowest rates of part-time employment in the study, both for men and women. The lack of available day care services in smaller towns seems to be an obstacle for better labour market inclusion of women. However, the strong social networks stemming from communist times can mitigate insufficient care facilities in some areas. Thirty per cent of unemployed persons becoming self-employed are women.
2.3	Germany	The gender pay gap is one of the highest in the EU. This is connected to differences in professional status, education but more to wage discrimination, especially in the Western Bundesländer. The female activity rate is average. The gender gap in part-time employment, especially involuntary, is high. The social infrastructure for female economic activity is underdeveloped, especially regarding childcare facilities.
2.2	Spain	During the last 10 years, the female activity rate has increased by 26%. The female unemployment rate is still higher, than the male unemployment rate for each age group, but has experienced a significant drop recently. Women get on average 86.56 % of male income. Inequality exists in part-time employment, especially in involuntary part-time. A consequence of employment on parenthood is the low fertility rate. Public provision of childcare is insufficient. Inequalities exist in access to welfare benefits with the main cause being the characteristics of women's work.

2.0	Slovakia	The female economic activity rate ranks high (75.04% of male rate). But with a relatively high gender pay gap and a high gender gap in involuntarily part-time work this number masks severe inequalities. Women in Slovakia carry out the bulk of domestic duties, which affects their participation in the workforce. Childcare provision has generally declined since 1989 and its costs are high barriers to employment and entrepreneurship.
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4.3.4 Gender equality in participation in the labour market

The level of gender equality in labour market participation is not very high in the surveyed countries. No country scored higher than 3.3 out of 5. The scores were based on the ratio of female vs. male economic activity rates, gender equality in income and gender equality in atypical work (involuntary part-time employment). The highest scores were received by Norway and Hungary and the lowest by Spain, Germany and Slovakia.

The Lisbon goal for a 60% female employment rate has only been achieved in Norway, the UK, and Germany. The lowest gender gap, measured as the female economic activity rate as per cent of the male rate was observed in Norway (87%), while the highest gap was found in Spain (65%). Gender pay gaps are also persistent in Europe. Belgium, the country that featured the lowest pay gap¹ in the study, in 2005 still had a 7% gender gap in the average hourly wage. The highest pay gaps were found in Germany and Slovakia with up to 24 per cent difference in hourly wages. Most of these differences can be traced to wage discrimination but also to differences in employment status, especially the large number of women who are employed in part-time work in most of the countries. Since working part-time can be a flexible solution to the time constraints women often have to cope with, it is not clear if part-time employment status is wanted or unwanted. To rate gender equality in atypical work, the study therefore compared the share of involuntary part-time employment between men and women. Here the picture is gloomy, with only the UK and Hungary receiving average scores (about twice as many women are engaged in involuntary part-time work than men). In Spain nearly six times more women than men work part-time involuntarily.

↪ **France:** The Secretary for Parity and Professional Equality established the **Equality Label** in early 2004. It evaluates and recognises efforts to increase professional equality within enterprise and the public service. Businesses and public service bodies awarded the Equality Label are evaluated against 18 criteria divided in the three key areas: *Professional Equality*, *Human Resource Management* and *Parental Responsibilities*. The award is valid for a period of 3 years. Evaluation and awarding of the label is carried out by AFAQ AFNOR Certification, the leading body for certification and evaluation of products, services, systems and competences in France.

4.3.5 Social infrastructure for female economic activity

This sub-dimension focused on the level of social infrastructure in the surveyed countries in place to allow women to participate in equally in the labour market. Since women are still the main bearer of family duties in the surveyed countries, childcare facilities and other infrastructural means are of utmost importance to allow women a decent combination of family life and work. This holds true even more for self-employed women. The chosen indicators concentrated on the provision of childcare facilities for the under threes, the impact of parenthood on employment rates, and expert opinions on the whether the social infrastructure enabled achievement of gender equality in economic activity.

In general the social infrastructure for women's economic activity is not well developed in the surveyed countries. The public provision of childcare in particular is inadequate for a decent reconciliation of family and work. With the exception of France, Belgium and Norway the EU-goal of a 30 % coverage for the under threes has not been achieved in the surveyed countries.

The highest scores are given to Norway and France where childcare and maternal leave regulations give women the best environment for staying economically active after having children. The lowest scores were given to Germany and Hungary, due to a lack of childcare facilities and the gender gap in the impact of parenthood on employment.

↪ **Belgium:** The Flanders government has introduced childcare via service cheques. The cheques are reserved for single parent families with children under four and can be used for childcare at home, before and after the normal opening hours of the day-care centres and in certain emergencies. Initiatives have been

.....
1 Measured as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees

taken to make entrepreneurship more attractive for women and men with families. In order to make it easier for female entrepreneurs to balance their professional and family life, since January 1st 2006, every woman who gave birth after December 31st 2005 received 70 free service cheques of € 6.70 for household help¹. As of May 1st 2007, this number will be increased to 105. In addition, parental leave for the self-employed will be increased from 6 to 8 weeks for women who want this². Female entrepreneurs are entitled to service cheques for home help after the birth of their child. A company centre has been tested for self-employed women with services such as childcare, ironing and grocery services as well as "flying entrepreneurs" ("vliegende ondernemers") for when the business manager needs to go away for a while.

↳ **Hungary:** Since 2000 the **Family-friendly Work-place Award** has been given to work-places that give priority to the respect of family duties. The application includes issues like the proportion of women in management, how many men and women take part in training, whether there are measures specifically aimed at enhancing men's family obligations, whether events organised at work or other perks are open to family members, or whether the work-place supports those who return from maternity leave.

4.3.6 Gender equality in welfare-bridge

Gender equality in welfare bridges into self-employment was rated by looking at gender equality in the receipt of unemployment benefits, in the movement into self-employment and the gender neutrality of the design of income support schemes.

Income support schemes are in place in most of the surveyed countries, helping unemployed people to become and stay self-employed. But it is not clear if these schemes are adapted to women's as well as to men's needs. None of the surveyed income support schemes can be called gender unequal by design. But their focus on registered unemployed makes them less accessible for women than for men. First, more women than men start businesses out of economic "inactivity", meaning that they were not registered as "unemployed" whilst looking after young children. Therefore they do not receive welfare benefits and are ineligible for entrepreneurship support programmes aimed only at the registered unemployed. None of the countries participating in the project has support schemes for start-ups out of "inactivity". Second, women often receive lower unemployment benefits payments than men and for shorter periods. This is related to persistent gender pay gaps, interrupted periods of employment and part-time work. The highest gender gap in this regard can be found in Germany and the UK, where, according to Eurostat data, women are clearly under-represented in the group of registered unemployment benefit recipients for all durations of unemployment. By contrast, in Hungary and Belgium, women are equally represented or even over-represented.

Regarding gender equality in the total number of self-employed out of unemployment, Germany received the highest score, benefiting from a generous income support scheme that was cut back this year. In most of the surveyed countries reliable data on the number of start-ups out of unemployment was not available.

4.4 Gender Equality in Entrepreneurship and Self-Employment

This dimension covers gender equality relating to different elements of entrepreneurship to give a more complete picture of women and men entrepreneurs than simply comparing their rates of self-employment. This dimension assesses **gender equality in self-employment, entrepreneurial characteristics** and **entrepreneurial culture**.

4.4.1 The Situation in the EU

Entrepreneurship and self-employment plays a stronger role in recent employment and enterprise strategies in Europe. Within the EU-25, self-employment accounted for about 16% of total employment across the non-financial business economy in 2005, with over three times as many male self-employed workers as women (see [Table 6](#)). Fostering female entrepreneurship remains an important issue for enterprise and employment policies on EU and National level. Women constitute, on average less than 30% of all entrepreneurs in the EU. They often face greater difficulties than men in starting up businesses and in accessing finance and training. The EU Entrepreneurship Action Plan makes recommendations on increasing women's start-ups through better access to finance and the development of entrepreneurial networks. DG Enterprise of the EU Commission actively promotes female entrepreneurship as a policy topic and carried out studies on promoting Entrepreneurship amongst women. Despite these activities on the EU level, the recent Flash Eurobarometer on entrepreneurship found out that only 39,4% of the women asked would prefer being self-employed, while 50,2% of men would choose self-employment over being employed, if they could.

1 Link: <<http://www.hdp.be/uploaded/Sociaal%20Verzekeringsfonds/e-bib/moederschaphulp.pdf>> (16/04/2007)

2 Link: <http://socialsecurity.fgov.be/NL/nieuws_publicaties/nieuwsoverzicht/2007/03.htm> (16/04/2007)

Table 6: Employment and self-employment in the non-financial business economy, 2005

	Total employment (1000)	Employment in NFBE (1 000)			Self-employment in NFBE (1 000)			Self-employed as % of employment in NFBE		
		total	male	female	total	male	female	total	male	female
EU25	197 467	121 697	79 653	42 044	19 426	14 866	4 560	16.0	18.7	10.8
Belgium	4 235	2 439	1 657	782	391	299	93	16.0	18.0	11.8
Czech Rep.	4 764	3 325	2 124	1 201	579	459	120	17.4	21.6	10.0
Denmark	2 752	1 564	1 037	526	146	120	25	9.3	11.6	4.8
Germany	36 353	22 860	14 565	8 295	2 657	2 024	633	11.6	13.9	7.6
Estonia	607	410	236	174	32	24	8	7.7	10.0	4.7
Greece	4 369	2 612	1 809	803	834	657	177	31.9	36.3	22.1
Spain	18 973	12 611	8 538	4 073	2 388	1 745	644	18.9	20.4	15.8
France	24 536	14 124	9 226	4 898	1 433	1 111	321	10.1	12.0	6.6
Ireland	1 952	1 221	810	411	191	162	28	15.6	20.0	6.9
Italy	22 563	15 032	10 254	4 778	4 321	3 293	1 028	28.7	32.1	21.5
Cyprus	348	214	139	76	51	42	9	24.0	30.6	11.9
Latvia	1 034	604	347	257	41	29	12	6.7	8.3	4.7
Lithuania	1 474	851	499	352	75	52	23	8.8	10.4	6.6
Luxembourg	194	92	63	30	9	6	3	10.2	9.8	11.1
Hungary	3 901	2 579	1 595	985	377	273	104	14.6	17.1	10.5
Malta	149	97	74	24	17	15	2	17.0	20.2	7.0
Netherlands	8 111	4 520	2 997	1 524	529	403	127	11.7	13.4	8.3
Austria	3 824	2 467	1 535	932	243	180	63	9.9	11.7	6.8
Poland	14 116	8 078	5 237	2 841	1 144	838	306	14.2	16.0	10.8
Portugal	5 123	3 120	1 987	1 133	651	460	191	20.9	23.1	16.9
Slovenia	949	619	386	233	57	44	13	9.2	11.5	5.4
Slovakia	2 215	1 494	946	547	224	179	45	15.0	18.9	8.2
Finland	2 401	1 443	928	515	169	127	42	11.7	13.7	8.1
Sweden	4 336	2 483	1 692	791	326	260	65	13.1	15.4	8.3
Utd Kingdom	28 187	16 838	10 974	5 864	2 542	2 062	480	15.1	18.8	8.2
Bulgaria	2 982	1 974	1 137	838	216	153	62	10.9	13.5	7.5
Croatia	1 566	928	583	345	127	96	31	13.7	16.4	9.1
Romania	9 115	4 576	2 729	1 847	366	297	68	8.0	10.9	3.7
Iceland	160	89	59	30	14	11	2	15.6	19.6	7.8
Norway	2 283	1 279	860	419	85	71	15	6.7	8.2	3.5

* age group 15+ (16 years and over in ES and UK, 15 to 74 years in DK, EE, HU, LV, SE, FI and NO, 16-74 in IS), who during the reference week did any work for pay, profit or family gain for at least one hour, or were not at work but had a job or business from which they were temporarily absent. Croatia data refers to the 2nd quarter of 2005 only.

Source: Labour Force Survey

Scoring Results

Figure 11: Gender Equality in Entrepreneurship and Self-employment

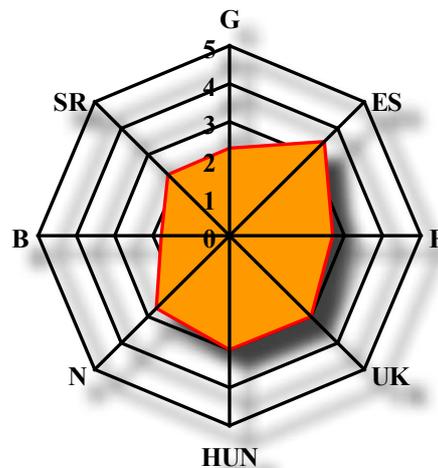


Table 7: Gender equality in entrepreneurship and self-employment (Dimension D)

	G	ES	F	UK	HUN	N	B	UK
Total	2.3	3.5	2.7	3.0	3.0	2.7	1.8	2.3
Gender equality in self-employment	2.7	3.0	2.7	2.0	3.0	2.0	2.0	2.0
Gender equality in entrepreneurial characteristics	2.0	4.0	3.0	4.0	2.5	3.0	1.5	3.0
Gender equality in entrepreneurial culture	2.2	3.5	2.5	3.0	3.5	3.0	2.0	2.0

4.4.2 Scoring explained

Scoring	Country	Argument
3.5	Spain	The share of self-employed persons is very high. The gender gap in self-employment is low. There are no substantial gender differences in socio-demographic and economic profiles of entrepreneurs. Insufficient data makes it difficult to measure gaps in businesses' sizes. Female entrepreneurial activity is becoming more and more opportunity instead of necessity motivated. Female self-employment is quite accepted in society.
3.0	Hungary	Gender gaps in entrepreneurial activity are evident, but are only of an average size when compared to the other countries. The gender gap related to opportunity versus necessity start-ups is quite low. But start-ups by women are markedly smaller in terms of employees and turnover. Women are clearly over-represented in the group of sole-proprietorships in the service sector.
3.0	UK	There is a relatively high gender gap in self-employment in line with low proportion of female business owners and female executive directors. Gender equality in entrepreneurial culture has not been achieved since female role models are under-represented in the media and few are in visible executive positions in big businesses.
2.7	France	There is a relatively high gender gap in self-employment combined with a lower overall level of entrepreneurial activity. Women are overrepresented in the group of sole-proprietors. Media representation of female role models is low but the acceptance of entrepreneurship as a viable professional option for women is improving.
2.7	Norway	There is a large gender gap in self-employment rates. One reason could be that parental leave for employees is better organised, keeping young women away from starting a business. Only 9 % of articles in newspapers dealing with entrepreneurs are about female entrepreneurs, leaving few role models and an underdeveloped entrepreneurial culture for women. There are few networks and associations for female entrepreneurs.
2.3	Slovakia	The gender gap in self-employment rates is well above the EU-average. Though data does not exist, it is assumed that a high proportion of businesses owned by women are sole proprietorships. Media representation of women's entrepreneurship and societal recognition and acceptance of women's self-employment is very limited.
2.3	Germany	The gender gap in self-employment is higher than in the other countries with an overall lower level of entrepreneurship. The relation of opportunity to necessity start-ups for women is the lowest in the study. There is a very high gap in business sizes. The overall underdeveloped entrepreneurial culture is distinctively male dominated. Female role models are under-represented in the media. The acceptance of female entrepreneurship is only average.
1.8	Belgium	The gender gap in the share of self-employed is a comparatively moderate one. The relation between opportunity and necessity entrepreneurship is more unfavourable for women. The gender gap in entrepreneurial sizes and entrepreneurial earnings seems to be high.

4.4.3 Gender equality in self-employment

The study rated countries based on gender equality in the rates of self-employment and the gender proportions in the GEM-measures Early Entrepreneurial Activity and Established Business Ownership¹.

Scores are relatively low for all countries surveyed, because self-employment and entrepreneurial activity is dominated by men in all countries. Hungary and Spain scored best with a score of 3.0 out of 5. The lowest scores were given to Norway, UK and Belgium. Norway features the highest gender gap in self-employment as a per cent of total employment and also exhibits high gaps in the GEM measures. The same is true for the UK with a high gender gap in self-employment (higher than the EU-25 average) and a total female entrepreneurship activity rate as measured by GEM at 45.6% of that of men. Belgium on the other hand showed a very conflicting picture in this dimension. The observed gender gap in the share of self-employed persons is a moderate one, at least in comparison to the other countries in the study. But regarding the gender relations in the GEM-measures Belgium scored very low in early entrepreneurial activity as well as in established business ownership.

↳ **UK:** The **Strategic Framework for Women's Enterprise**, published in 2003, represented the first co-ordinated and collaborative effort by the UK Government, in partnership with the Regional Development Agencies (RDAs) and Devolved Administrations (DA), to tackle the issues that will assist more women to become entrepreneurs and help others to expand existing businesses. The production of the Strategic Framework, along with the creation of Prowess² (a nation-wide network of organisations and individuals who support growth in women's business ownership) are two key developments that signal a continuing commitment to women's enterprise and ensure that it has remained on the economic agenda at a national, regional and local level.

4.4.4 Gender equality in entrepreneurial characteristics

This sub-dimension looked at gender equality in entrepreneurial motivation, expressed in the ratio of opportunity versus. necessary entrepreneurial activity (GEM measure) and at gender equality in the size of the entrepreneurial projects, expressed by the rate of sole-proprietorships in the service sector.

In general the surveyed countries featured a moderate gender gap in the ratio of opportunity to necessity entrepreneurship. In France the ratio is even better for women (2:1) than for men (1.5:1). The lowest scores were given to Belgium and Norway. Here the ratios for men are more than twice as high as those for women. Regarding the share of sole proprietors in the service sector, high gender gaps could be found in most of the surveyed countries. Gaps of 10 per cent and more can be observed in Belgium, Hungary, Germany and the largest in France. The lowest gap exists in Norway where the sole-proprietor rate for women is 2.9% higher than that for men.

↳ **Spain:** The **Federación Española de Mujeres Empresarias** (Spanish Federation of Female Business Owners) was created in 1986. Its objective is to integrate women into business activities and to promote female entrepreneurship. It offers different services to its members, such as training in female SME management, business development, financing, human resources and new technologies, training and conferences for women facing problems with labour market inclusion and meetings and recommendations for politicians in favour of women business owners.

4.4.5 Gender equality in entrepreneurial culture

A high level of entrepreneurial culture is important for sparking entrepreneurial activity in a country. Therefore this sub-dimension assessed gender equality in entrepreneurial role models based on expert interviews on representation of female entrepreneurs in the media and the acceptance of female entrepreneurship in society.

The survey revealed that in general, the visible entrepreneurial role models are still male dominated in the surveyed countries. Media representation of women's enterprise is low, with Spain and Hungary being the only exceptions. The acceptance of women's entrepreneurship is only average in most countries, indicating that today being self-employed is widely viewed as a viable career option for women, but the operating of a business remains an activity mainly connected with men.

1 These two measures taken together form the Total Entrepreneurial Activity (TEA), the central measure for entrepreneurship in the GEM reports.

2 A government funded umbrella organisation for organisations supporting women's business. They run events, promotions, do research and assess members for their prowess flagship status. More detail can be found at www.prowess.org.uk.

↳ **UK:** The **Women's Enterprise Task Force** was recently established to provide leadership and to champion women's enterprise. It drives the women's enterprise agenda forward and is responsible for the Women's Enterprise Panel Action Plan's effective delivery. The Task Force also focuses on specific, practical steps, which can improve the women's enterprise landscape, for example, through their call to recruit 1000 leading female entrepreneurs as role models.

4.5 Gender Equality in Support Structures for Entrepreneurship

This dimension assesses whether **entrepreneurship promotion activities** and **local support measures** aim for gender equality in entrepreneurship and how adequate they are for bettering the situation in a country. Dimension F will deal with financial support measures in greater detail.

4.5.1 The Situation in the EU

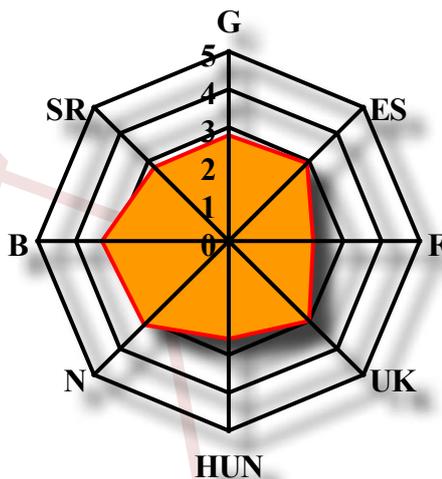
Effective and accessible support services are a cornerstone for a favourable business environment in EU-Member states, since entrepreneurship is connected with a lot of risk and complex regulation and planning issues. A study¹, commissioned by DG Enterprise in 2000, however stated, that women represent only a small minority of the clients and members of most organisations that provide services for, or represent the interests of small businesses. In addition, less than 10% of the surveyed general support organisations had explicit policies designed to raise the level of awareness of entrepreneurship among women. This is a depressing finding as women entrepreneurs are known to face a wide range of problems and issues that are greater than those faced by small businesses in general, with the most important being:

- difficulties with access to start up and, to a lesser extent, development finance;
- limited management skills e.g. in marketing and/or the use of technology;
- limited awareness of and/or access to appropriate business support.

Nevertheless in most EU and CEE countries, at least one specialist organisation for women entrepreneurs exists. The vast majority of these specialist organisations run or support networks of women entrepreneurs on a local, regional or national basis. The provision of training, advice and counselling services is also important, with financial support being mentioned by less than a quarter of these specialist organisations. The study concludes, that in view of the fact that women are an emerging group within the business owning population and the importance of raising the level of entrepreneurship in society overall, it should be of concern that the majority of the business support and membership organisations surveyed do not have any special arrangements or programmes for women².

Scoring Results

Figure 12: Gender Equality in Support Structures for Entrepreneurship



1 CEEDR, Middlesex University (2000): Young entrepreneurs, women entrepreneurs, ethnic minority entrepreneurs and co-entrepreneurs in the European Union and Central and Eastern Europe.
 2 CEEDR, Middlesex University (2000), p. 71.

Table 8: Gender equality in support structures for entrepreneurship (Dimension E)

	G	ES	F	UK	HUN	N	B	SR
Total	2.8	2.9	2.2	3.0	2.6	3.1	3.3	2.8
Entrepreneurship promotion activities aim for gender equality in entrepreneurship	2.9	3.0	2.0	3.3	2.5	3.3	3.3	3.0
Local support measures aim for gender equality in entrepreneurship	2.6	2.8	2.3	2.7	2.7	3.0	3.3	2.7

4.5.2 Scoring explained (league table)

Scoring	Country	Argument
3.3	Belgium	There are many specific support offers for female entrepreneurs, but gender mainstreaming is not coherent for entrepreneurial promotional measures. Research centres and networks conduct research on gender issues, but links to policy makers and practitioners are not very strong. Networks of female entrepreneurs are supported on all levels.
3.1	Norway	The last overview of policies directed towards gender equality in promotion of entrepreneurial activities dates from 1999. This overview indicated that few support measures are gender aware and in fact they are often "male support schemes". The main reason for this is the focus on industries and activities within which men start-up their businesses.
3.0	UK	While gender mainstreaming in many entrepreneurship promotional activities has not yet been realised, there are specific measures been taken that are targeted at women. The 2007 built Women's Enterprise Task Force is fostering awareness and best practice on female entrepreneurship. Academic research on gender issues is regularly carried out by official actors (SPSS; GEM). Connections to policy makers are existent but sparse. There is no coherent strategy to foster the networking of female entrepreneurs.
2.9	Spain	Consideration of specific gender needs in the design of self-employment promotion activities is fairly well developed. Specific offers targeting female entrepreneurs have been created. Research on gender aspects of entrepreneurship is carried out but not systematically. The necessity of introducing gender mainstreaming in statistics is scarcely mentioned in strategic planning documents. Few programmes foster local networking of female entrepreneurs.
2.8	Germany	Gender mainstreaming in entrepreneurial support measures is not well developed. Most target the male full-time entrepreneur in the high-tech sector. Local business support structures are fairly ignorant towards specific gender needs. Female networking is increasing, especially the installation of the Bundesgründerinnenagentur (bga), which marked a milestone. Research is done systematically by some institutions but their influence on policies is still weak.
2.8	Slovakia	There are only three support structures devoted to supporting women entrepreneurs. Two of them provide business finance, and only one provides finance for start-ups. Two specific programmes provide Business Development Services for female entrepreneurs. No gender specific research on female entrepreneurship has been undertaken except very general data in the context of a larger research on the general situation of women.
2.6	Hungary	Gender mainstreaming is not widespread in entrepreneurial support schemes but neither is gender discrimination. There are some specific promotional activities targeted at women that started after EU-accession in 2004. Research on gender issues in entrepreneurship is done unsystematically. Its impact on policies and practice is weak. Regional/local organisations supporting and networking female entrepreneurs are, despite improvements in recent years, still the exception.
2.2	France	There is no national strategy in place to foster women's entrepreneurship. Promotional activities are not gender mainstreamed. Research on gender issues of entrepreneurship is not done very systematically and the impact on policy and practice is unclear. Networks of female entrepreneurs are patchy and do not receive substantial public support.

4.5.3 Entrepreneurship promotion activities that aim for gender equality in entrepreneurship

Given the growing awareness of the importance of entrepreneurial activity for economic development and employment issues, activities to promote entrepreneurship in the population are now widespread in most European countries. But often they are addressing a very traditional and male dominated entrepreneur role model that does not appeal to women and their motivations to become self-employed.

In this sub-dimension the study assessed how existing entrepreneurship promotion activities in the surveyed countries are designed to address both male and female aspects of entrepreneurship. The prevalence of gender mainstreaming was assessed through expert interviews. Additionally, the amount of research on the gender aspects of entrepreneurship, its impact on policy and practice and the availability of gender disaggregated statistics on entrepreneurial issues was assessed and rated.

In general, the scores given were only average with no country revealing an especially favourable situation in this sub-dimension. Gender mainstreaming in promotional activities seems to be realised seldom and only in patchy form, with isolated activities specifically targeted at women. Norway received the best score in this regard. Research activities on gender issues in entrepreneurship are more widespread in the surveyed countries with Belgium receiving the highest score, but its impact on policy and practice is still unclear in most countries, including Belgium.

↳ **Belgium:** In October 2001, the Centrum voor Zelfstandig Ondernemende Vrouwen (Center for women entrepreneurs; CEZOV) launched a programme called **De Vliegende Ondernemer (VO)** - "The flying entrepreneur". It aims to increase the number of women entrepreneurs by providing them with efficient replacements so they can find a better work-life balance. Employed, independent, unemployed recently graduated and retired women are entitled to replacement by a trained and professional independent woman entrepreneur in all five Flanders provinces and the Brussels-Capital Region. The project was implemented to avoid and tackle three issues: vulnerability of one-woman-enterprises, problems faced by women who want to reintegrate into the labour market and information technology knowledge gaps among female entrepreneurs. To date, 90 women have participated in the training and the website launched in 2001 is still fully operational and incorporates a VO database. www.vliegendeondernemer.be

↳ In 2006, the Institute for the Equality of Women and Men asked Sophia vzw (non-profit institution) to develop a **database on gender studies**. This database aims to give more visibility to gender and women studies in Belgium and inventories education and research on gender. <http://www.iefh.fgov.be>

↳ **Hungary:** The SEED Small Enterprise Development Foundation is a counselling and training institute that provides services to young female entrepreneurs and the operators of family innovation centres. It aims at developing the Hungarian entrepreneurial culture, increasing the professional knowledge of entrepreneurs, enhancing the competitiveness of small enterprises, strengthening the non-profit sector and fostering the economic and public participation of minority groups and people at a disadvantage.

↳ The **e-NIVO Network of Collaborating Female Entrepreneurs in Reality and Virtually** was initially a project supported by the EU to promote women's return into the labour market. Today it is an exemplary national networking model which is planned to be maintained. This is because it has already established a network and contacts that contribute to long-term sustainability. A key instrument is the website (www.noivallalkozok.hu) that aims to be the professional portal of female entrepreneurs over the long term.

4.5.4 Local support measures that aim for gender equality in entrepreneurship

Local support measures for entrepreneurship are important means for activating the entrepreneurial potential of both men and women throughout a country and for stabilising the survival rate of new businesses. In all the surveyed countries so called "business development services" or BDS serve as the most widespread and fundamental support activities for start-ups and existing micro- and small enterprises. They offer valuable mentoring, coaching, training and advisory services and distribute information and support in finding financing sources. In some countries, these measures are combined with microfinance and/or business incubator services. BDS can be delivered in a mainstream way without

targeting a specific group of (potential) entrepreneurs and in a more focussed way, offering tailor-made services for specific target groups. To assess how existing mainstream support measures in the surveyed countries contribute to gender equality in entrepreneurship, national experts were asked to rate the extent to which such measures are designed to consider the specific needs of women and men. Additionally, the number of specific support measures targeting women entrepreneurs and the number of local networking activities for women business owners was surveyed and rated.

For the surveyed countries, mainstream support measures for entrepreneurship on the local level (like BDS, business incubators and other services) are generally not designed to meet the specific needs of women and men. On the other hand there is a reservoir of innovative measures in all countries that offer tailor-made support services to female entrepreneurs, many of them initiated by EQUAL partnerships. However, the patchy nature of the provision of such services both regarding their geographical coverage and the contents delivered clearly reduce the overall impact of these measures.

The highest score in this sub-dimension was given to Belgium where gender mainstreaming of BDS is as underdeveloped as in the other countries, but where the number of local networking initiatives of female entrepreneurs is higher. France received the lowest score due to the dominance of a "gender neutral" approach in local support measures and weak networking structures on the local level.

↳ **UK:** Prowess is a national network of support services for women's enterprise. Their "Flagship" Award" is a best practice standard for excellence in women's enterprise development. It is awarded after evaluation of the organisation and its services to ensure that all processes and programmes are client focused and inclusive, that there is some women-only provision, that there is female staff available to deliver services, that services are accessible to women and that there are established programmes able to demonstrate impact. With the adoption of the Prowess "Flagship" assessment by 4 of the Regional Development Agencies (RDAs) in order to assess organisations applying for RDA funding a very significant step forward was realised with respect to institutionalising gender equality amongst government contractors in the field of business support. (Link: <http://www.prowess.org.uk/FlagshipAwardPage.htm>)

↳ **Germany:** The Federal agency for women business creators ("Bundesweite Gründerinnenagentur" – bga) was established in 2003 as a central platform for women entrepreneurs and women in business. The agency pools and networks all activities relating to women entrepreneurs in Germany. It provides the contact data, performance profiles and contacts of hundreds of advisory agencies, experts, networks and events throughout Germany. www.gruenderinnenagentur.de

↳ **France:** Due to high unemployment in the department of Tarn-et-Garonne and the finding that out of a hundred new enterprises only 20 were started by women, the Business Support Offices ("Boutiques de Gestion CREER") in the Midi-Pyrenees region together with the local authorities created the "Altitude" incubator network. Two out of six incubators that came together in this network, the incubators "Saint-Sulpice" (department of Tarn) and "Montech" (department of Tarn-et-Garonne) target women exclusively. In general an incubator provides would-be entrepreneurs with the opportunity to test their activity or project without taking any risk. The entrepreneur can maintain his or her unemployment status and therefore unemployment benefits during the test period. The incubator provides him or her with the necessary legal cover: it is in charge of each business's accounts and prepares the entrepreneur's invoices. The entrepreneur can evaluate the market, find clients and, if the test leads to the non-viability of the project, abandon the business start-up. The length of time a business can be in the incubator is a maximum of 16 months. Average duration is 9.5 months. In general, there are more female than male run businesses participating in the Altitude incubator network (58% women and 42% men)¹. According to experts this is due to the fact that these incubators are more adapted to women's needs. The two incubators were started in September 2005. As of May 2007, 40 female participants from 20 to 58 years of age had benefited from the incubator "Saint-Sulpice" since its start-up in 2005. The "Montech" incubator" has offered its services to 29 women.. The women mainly start their business in the person-to-person service sector as consultants, translators, beauticians etc. The incubators are funded 50% by the EU Equal Programme and 50% by the town council, the region and the State.

↳ **Slovakia:** There are two specific programmes that provide BDS for women entrepreneurs, **Top Centrum for Women Entrepreneurs** and **Integra** (also a microfinance provider). The specific BDS services provided by those two programmes include the availability of a mentor/coach, training courses in basic business skills

and training events and conferences designed to inform clients about business issues, and to provide skill development.. Activities of Top Centrum also include expert advice on sourcing finance for business, an entrepreneurship club where business issues can be discussed with other women and an annual prize for women entrepreneurs in Slovakia (Links: <http://www.integra.sk>; <http://www.tcp.sk/>)

4.6 Gender Equality in Access to Finance

This dimension assesses the degree of gender equality in access to finance for entrepreneurship looking at **financial resources used to start a business, access to external finance** and **access to microcredit**. The assessment of the gender gaps in the access and use of financial products was carried out in relation to the share of women in the self-employed population in each country.

This measure is imperfect because it builds in an "acceptance" of the significant gap between male and female start-ups and business ownership. In using this comparative measure, the report does not intend to condone the basic gender gap between women and men in entrepreneurship. However, it was not possible to find a better measure for assessing the financing gap. Therefore, the score must be interpreted bearing this in mind.

4.6.1 The Situation in the EU

Access to adequate start-up finance is still a main barrier for many aspiring entrepreneurs in Europe as several reports have stated in the past years¹. Since even established SMEs are known to suffer from a lack of access to bank loans and other means for financing their operations, the EU Commission has been active on the policy level, by developing policy and helping EU Member States share good practices. At the practical level, the EU has worked to design and implement EU financial instruments to improve this situation.

The financing situation seems to be even worse for female entrepreneurs, as a study for the European Commission² argued in 2000. The entrepreneurship support and membership organisations surveyed regarded access to finance, and in particular access to start-up finance, as the greatest single problem faced by women entrepreneurs in the EU.

Reliable and comparable data on this issue is hard to find since the available EU surveys on SME access and use of financial resources are not available in gender disaggregated form. The Flash Eurobarometer survey on SME finance form 2004 is an example of this.

The Global Entrepreneurship Monitor (GEM) consortium polled gender specific aspects of access to finance in their 2003 and 2004 surveys. The results showed, that similar to the other countries in the surveys, the majority of female entrepreneurs in the EU-member states relies on their own resources, with the exception of Ireland, where the majority of female led start-ups use external funds (see table 9). The survey results showed that female entrepreneurs in general have a smaller amount of start-up capital than men (nearly half as much), a smaller proportion of equity, and a higher proportion of bank loans.

1 E.g. COM (2004) 8th Observatory of European SMEs: SMEs and Access to Finance; Gallup (2007): Entrepreneurship Survey of the EU (25 Member States), United States, Iceland and Norway. Flash Eurobarometer 192, p. 52. The countries

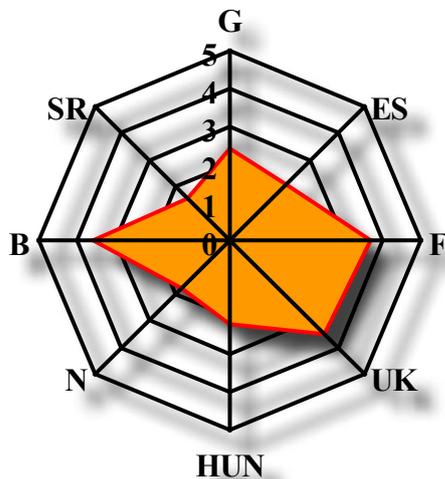
2 CEEDR, Middlesex University (2000),

Table 9: Own resources in Start-up Capital for Women in Early Stage Entrepreneurship¹

Share of personal financial resources in start-up capital (grouped)	0%-10%	10-50%	50%-99,9%	100%
Biggest national start-up capital groups in female Early Stage Entrepreneurship	Ireland (39%)	France (58%) Portugal (50%)	Greece (67%) Spain (48%)	Belgium (100%) Denmark (86%) Finland (80%) Poland (75%) UK (62%) Hungary (57%) Sweden (52%) Netherlands (50%) Germany (42%) Norway (40%)

Source: GEM 2004 Report on Women and Entrepreneurship, p. 32.

4.6.2 Scoring Results

Figure 13: Gender Equality in Access to Finance**Table 10: Gender equality in access to finance (Dimension F)**

	G	ES	F	UK	HUN	N	B	SR
Total	2.4	2.1	3.7	3.5	2.2	1.8	3.6	1.6
Need for external finance	2.0	1.0	4.0	3.5	1.0	1.0	2.0	1.0
Access to Finance	3.0	1.0	3.0	4.0	1.0	2.0	4.0	1.0
Access to Microfinance	2.3	4.3	4.0	3.0	4.7	2.3	4.7	2.7

¹ Reading example for the table: In France, the majority of the polled female entrepreneurs (58%) financed between 10% and 50% of their start-up capital out of personal resources.

4.6.3 Scoring explained (league table)

Please Note: In this dimension some of the scores given do not reflect the actual situation in the country due to the lack of gender disaggregated data on the indicator surveyed (esp. in Spain, Slovakia, Hungary and Norway). Therefore the rating is to be interpreted with caution.

Scoring	Country	Argument
3.7	France	The gender gap in the use of own financial resources at start-up is relatively small in France. Since the gender pay gap is smaller than in other countries, women seem to have more personal financial resources at their disposal. With a 29% share of female clients, public loan schemes reach female entrepreneurs at a rate nearly equal to the female entrepreneurship rate in France. The microfinance sector is well developed compared to the other countries and disburses the most microloans to female entrepreneurs in total numbers, but ranks only average in the share of female compared to male microfinance clients. The sector also lacks specific providers targeting women.
3.6	Belgium	The financing environment is characterised by relatively inclusive public loan schemes and microfinance providers with high rates of female entrepreneurs in their portfolio. Female business start-ups rely more often on their own funds, but the amounts of start-up capital are nearly equal. Bank finance is reported to be difficult to obtain in Belgium, due to the aversion of banks to lending to start-ups in specific sectors and to entrepreneurs in specific family situations.
3.5	UK	There is a large gender gap in the use of personal financial resources for start-up activities. Due to a marked savings and pay gap, the private capital available to female entrepreneurs at start-up is smaller. Nevertheless there is a still gap in demand for external capital. Women often seek less external financing. Access to microfinance is available, thanks to community development financial institutions (CDFI's), which feature a relatively low ratio of female clients compared to the other countries in the study. Female specific micro-lenders exist but do not have much impact in terms of numbers of loans disbursed.
2.4	Germany	There is a high gender gap in the use of personal funding at start-up and an average gap in the demand for external finance. The data indicates unmet capital needs for female entrepreneurs, which cannot be covered by external finance. Banks are reluctant to support female entrepreneurs. Access to microcredit is not very inclusive, since the biggest scheme (kfw Mikrodarlehen) is delivered through the banks. The non-bank microfinance sector is not well developed.
2.2	Hungary	Entrepreneurs use less external finance than most of their European counterparts. This especially seems to be the case for women. This assessment has been based on expert opinions due to a lack of statistical data broken down by gender. The microfinance sector is well developed and features the highest number of microloans to women per 100.000 female self-employed. Nevertheless, compared to their entrepreneurship rate, women are slightly under-represented in microfinance portfolios.
2.1	Spain	There is a lack of statistical data broken down by gender on financial resources and external finance. Data is only available for some specific public schemes focussing on women. Access to microfinance is better than in others countries. Most microcredit beneficiaries are women. Specific programmes focusing on women entrepreneurs exist nationwide and even "generalist" lenders undertake gender-sensitive programmes.
1.8	Norway	There are no gender differences reported in the capital needs for starting a business, but women generally manage to raise lower amounts of total financing capital. Research does not exist on bank financing and women. Women dominated industries are not perceived as innovative, which is why they are excluded from most public financing measures.
1.6	Slovakia	There is no statistical data available for this dimension. Expert opinions state that access to finance from the formal financial sector is very limited for start-ups and even more for female start-ups. There are two national schemes providing microloans targeted at women, but their outreach is limited.

4.6.4 Financial resources

The financing of start-ups has different sources. Female entrepreneurs are known to rely more often than men on their own funds when starting a business. This sub-dimension assessed what kinds of gender gaps exist in this regard in the surveyed countries and how well women are able to meet their financing needs through their own financial resources. It is important to note however, that gender gaps in the availability of personal savings and resources are strongly influenced by the gender pay gap in a country.

Data availability for these indicators was restricted in some countries, due to a lack statistics on the issue of start-up finance in gender disaggregated form. Therefore no general picture for all surveyed countries can be deduced. Countries, where gender disaggregated data was found include Germany, France, Belgium and the UK. The highest score was given to France, where the gender gap in the use of own financial resources at start-up is relatively small. This seems to be connected to the small pay gap, although this does not hold true for the 23% of female entrepreneurs starting out of economic "inactivity". Germany on the other hand features a high gender gap in the use of personal funding at start-up and a more modest gap in the demand for external finance. This is similar to the situation in the UK, where female entrepreneurs seem not to request external finance in the amount that the data on their own available resources at start-up would suggest.

↪ **France:** The **FGIF** (Fonds de garantie pour la création, la reprise, le développement d'entreprise à l'initiative des femmes) was launched in 1989 as a guarantee fund in order to encourage women to start, take over or further develop an existing enterprise. The programme addresses the problem of low initial capitalisation which can negatively affect the stability and survival of new businesses. The FGIF targets all women who would like to start, take over or develop an existing enterprise, regardless of their sector of activity and the status of the enterprise. In cooperation with several banks, the State acts as a guarantor for bank loans financing capital purchases and working capital. The FGIF guarantee covers a maximum of 70% of the loan value. Loans can be valued at between 5,000 and 38,000 € with a loan term between two and seven years. Banks benefiting from the guarantee scheme can not request further collateral from the client and thus women's other assets such as their home are protected. In 2003, 79 guarantees were approved. In 2005 the number was 363 and in 2006, 543 guarantees were awarded creating 746 new jobs. In 2006 additional regional, departmental or local business support was offered to 90% of the women who benefited from the fund (against 57% in 2004). Unemployed women make up the majority of FGIF clients. In 2006, 76% of women who received the FGIF were unemployed out of whom 37% were long-term unemployed. The most common business sectors supported were "traditional female enterprise sectors": commerce, person-to-person services and hotels and catering.

↪ **Spain: Women's World Banking's** (WWB) mission is to foster female entrepreneurship. Activities in this regard are business advice, training courses and a trade fair which helps business owners to establish new professional contacts. Since its creation in 1989, WWB has helped in the creation of more than 3,000 women-led companies and provided 900 bank loans and 280 microloans.

4.6.5 Access to external finance

This sub-dimension focused on gender equality in access to external finance for enterprises, provided by banks and public loan schemes. In both instances the share of women in either bank loan clientele or the mainstream public loan schemes was compared to their share in total entrepreneurship.

The access of female entrepreneurs to bank loans proved to be an especially difficult area to assess since banks in all surveyed countries do not provide gender disaggregated data on business clients. Only anecdotal evidence about difficulties in receiving bank finance were available, giving the impression that female entrepreneurs face access barriers in all surveyed countries due to the male dominated approach of most bank officials to "credible entrepreneurship" and the relatively small loan sums requested by women. For public loan schemes, the data availability was better. The results showed an under-representation of women entrepreneurs in most countries with only Belgium featuring higher shares of women in its mainstream public loan schemes (see [Table 11](#)). For the UK, GEM-figures are available, that indicate a higher use of government grants amongst women entrepreneurs surveyed (9.5%) than in the group of male entrepreneurs (8%)¹. Norway scored lowest, due to gender gaps of more than 10% in the majority of the surveyed loan schemes

¹ See Harding (2006) United Kingdom GEM Women Report 2005, p. 40.

Table 11: Gender distribution of loans in the mainstream programmes¹ of the Belgian Participation funds (2006)

	Starteo	Optimeo
Total	431	201
Men	63%	80%
Women	37%	20%

↪ **France:** The network Femmes Business Angels (FBA) was established in 2003 with the mission to add female values to the image of business angels. FBA establishes contacts between women investors with high-level managerial experience and persons with an enterprise start-up project with high potential. FBA also provides advice and support to the business angels.

4.6.6 Access to Microfinance

Women tend to start their business with fewer financial resources than men do. It is unclear whether this situation is the result of unequal access to finance or lower ambitions on the part of women. Probably both factors are playing a role. Women have fewer *personal* financial resources, the sectors in which they tend to start their businesses differ from those where men start (but this is contradicted by studies cited at the outset of this report). They have concerns about debt, lower self-confidence and different ambitions with respect to business growth. Low financing requests often fall below the rationality-cost threshold of banks and the loan scale provided by public loan schemes. In addition, uneven employment histories and lower income and lack of assets are also unattractive to banks. Therefore, women have to be seen as a main target group for microfinance in all surveyed countries.

This sub-dimension assessed how widespread the use of microloans is for female entrepreneurs in a country. The study rated an over-representation of female clients as favourable for fostering gender equality in access to finance and entrepreneurship. The existence of specific microloan providers targeting female entrepreneurs was also rated favourably.

For fostering gender equality in access to finance and entrepreneurship, the study assessed the degree to which women entrepreneurs have **access to microfinance** in the surveyed countries. A high share of female clients in total loans, a high number of loans disbursed to women and the existence of specific microloan providers targeting women entrepreneurs received a favourable rating.

In general, the microfinance providers in the surveyed countries seem to reach women better than other providers of external finance. But there are differences in the level of access. In Belgium and Spain the share of women in the group of microcredit clients exceeds that of women in total entrepreneurship, showing that the active providers in those countries are targeting women in an effective way. The scale and impact of microlending to women is still small and differs from country to country with the highest numbers of microloans disbursed to women (per 100.000 female self-employed) found in Hungary (19.2) and France (18.6). Specialised providers that are focussing on female entrepreneurs exist in all countries with different degrees of activity and outreach. The UK and Spain featured the most active institutions of this type.

↪ **France: Retravailler** was founded in 1974 to help women re-enter the labour market after staying at home to look after children. Ten years ago, Retravailler began supporting women's entrepreneurship. In 2006, Retravailler provided gender equality awareness training for three **Adie** delegations. As a result, Adie staff analysed and compared its data in a gender-disaggregated way and developed a more gender-specific approach in their work.

↪ **Hungary:** In 2007 some members of the Hungarian Microfinance Network experimentally started their new micro-credit product specifically targeting women. The experimental programme was prepared by the experts of the Local Enterprise Agency (LEA) in Fejer County; the product description and the operational rules were approved by the Hungarian Enterprise Development Network Consortium Non for Profit Ltd, a consortium that was founded by the LEAs in the framework of the regulation of the local micro-credit programs. The consortium made the programme available to all the LEAs but only the LEAs with quite significant Local Micro-credit Funds could participate.

¹ Both programmes have a maximum loan size of € 250,000 (for take-over of shares a maximum of € 350,000) with Starteo being meant for enterprises that were just started or have not existed for longer than 4 years and Optimeo focussing on existing businesses that want to finance the expansion of their activity.

↳ **UK: WEETU** is an enterprise, employment and training support service for women that has been operating since 1989 in the UK and was initially funded by the local council. It has been running its peer lending finance scheme, Full Circle, since 1998, and its latest figures show that it supported 600 clients in its first 6 years of operation, has a 76% survival rate on businesses established in 2001, and a 96% repayment rate. Maximum loans are £4,000 (~€ 5.600), in two parts. It now sells a toolkit for other providers to start up their own peer-lending circles, at a price of £15,000 (~€ 21.000). This offers access to training, support, course materials and the WEETU loan fund.

5 Conclusions, Gender Specific Challenges and Recommendations

- Towards an ideal entrepreneurial environment that contributes to gender equality

An ideal environment for gender equality in entrepreneurship is an environment that fosters a high degree of general entrepreneurial activity while guaranteeing gender equality in the institutional framework relevant for access to entrepreneurship.

In general, a high degree of entrepreneurial activity in a country is fostered by

- **A favourable general environment for entrepreneurial activity** that combines *macroeconomic stability* with sufficient *opportunities for new enterprises, accessible markets* and *low administrative hurdles for start-ups*. It should foster entrepreneurial abilities through *high quality entrepreneurial education* and *public support structures for entrepreneurs*. It should strengthen *entrepreneurial norms and values in society* and encourage *a culture of autonomy and initiative*, preferably beginning at the primary education level. **A favourable environment** provides incentives for entrepreneurial activity through a *lean and transparent tax system, generous bankruptcy procedures* and *flexible employment regulations*. Additionally, it builds *bridges for self-employment out of unemployment and economic inactivity*, through *income support programmes* and *non-financial support schemes* and fosters *access to finance* from both private and public sources.

An ideal environment that contributes to gender equality in entrepreneurship consists of:

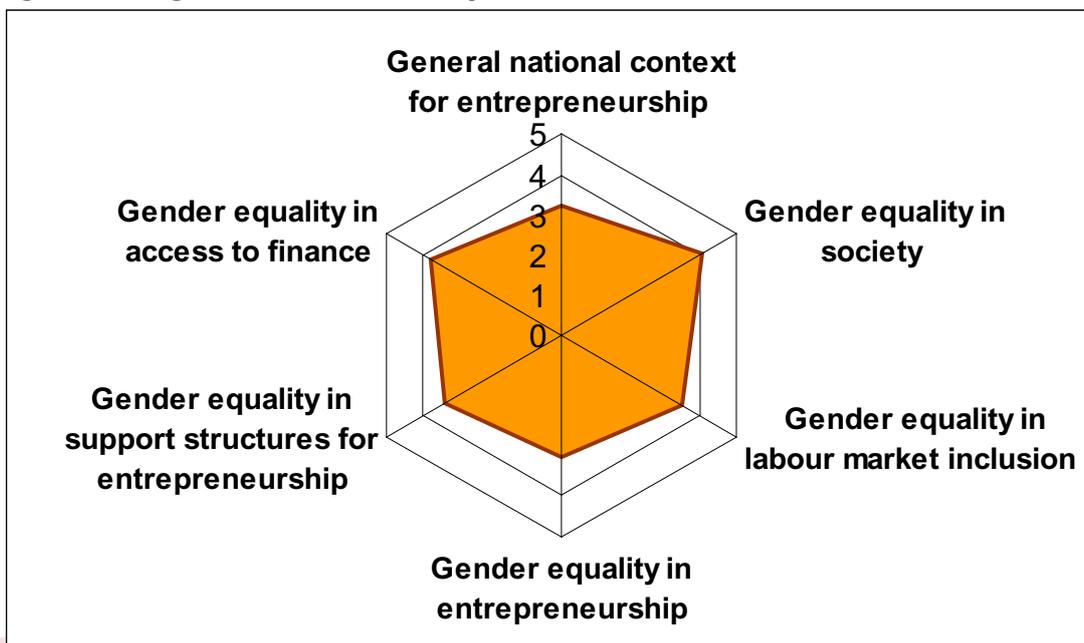
- **A high level of gender equality in the society**, apparent in a political discourse that treats *gender equality as an important cross cutting policy issue*, resulting in *active policy measures with quantified goals* and the *consideration of gender equality in local development strategies*. Socio-economic gender equality is realised when there are *no gender gaps in the risk of poverty* and a *high level of gender empowerment*.
- **A high level of gender equality in labour market inclusion, characterised by equal participation of men and women in the labour market**, the *absence of a gender pay gap* and *gender equality in the amount of atypical work*. This environment also has a *well developed social infrastructure* featuring a *high density of publicly provided childcare* for the under three years olds, resulting in parenthood having a *low impact on economic activity* for both men and women. This ideal situation features *gender sensitive income support bridges into self-employment* available for women starting a business out of economic inactivity. Bridges compensate and not reproduce differences in the level of welfare support and receipt of unemployment benefits between men and women.
- **A high level of gender equality in support structures for entrepreneurship. This environment would feature gender mainstreamed promotion activities for entrepreneurship**, that take into account the different needs of men and women, a sufficient number of *specialised promotion activities targeted at women*, broad *research activity on gender issues in entrepreneurship* with high impact on the policy and practice of delivering entrepreneurship support. There would be *gender mainstreamed business development support*, taking into account the different needs of male and female entrepreneurs, a sufficient number of *specialised business development support targeted at women* and a high density of *local networks between established and potential female entrepreneurs*.
- **A high level of gender equality in access to finance** with *no marked gender gaps in the use of personal finance resources at start-up* and *no marked gender gaps the overall start-up capital used*. An equal access to external finance from private as well as public sources with *no under-representation of a gender in the use of bank loans and public soft loans* and a *broad availability of micro-loans to both genders*.

In such an ideal environment, it is possible to achieve

- **A high level of gender equality in entrepreneurship**, with *self-employment rates of both men and women at a high level* and *without gender gaps in the share of persons preparing for entrepreneurship* and *no gender gaps in the share of established business owners*. In such a country start-ups of men and women are characterised by **gender equality in the entrepreneurial motivation** observable in an equally favourable ratio of opportunity to necessary entrepreneurship with **women running entrepreneurial projects of similar size and with similar turnovers to those run by men**. The entrepreneurial culture is not male dominated with **female entrepreneurs frequently visible as role models in the media** and a high degree of **societal acceptance of entrepreneurship as a viable career option for women**.

A country that features such an ideal environment for gender equality in entrepreneurship would have received a score of five in every dimension of the ScoreCard used in this survey. The combination of the high scores of the surveyed countries (see [Figure 14](#)) shows, there is a lot of room for improvement in all the surveyed countries.

Figure 14: High scores of the surveyed countries



5.1 Recommendations

5.1.1 Government / EU / policy makers

From a general policy perspective, it may be argued, that before selecting and activating policy instruments for fostering gender equality in entrepreneurship, governments should have a clear idea of what they want to accomplish: stimulate the absolute number of female entrepreneurs and/or stimulate the female share in total entrepreneurship (in other words: the diversity and inclusiveness of entrepreneurship). Some of the research on gender issues in entrepreneurship¹ consulted by the study team indicate that different actions may be required depending upon the goal identified. For most of the surveyed countries, the goal of raising the total number of entrepreneurs is still an important one. Therefore, entrepreneurship policies that target factors important to male as well as female entrepreneurship should be continued and expanded in these countries. This includes national support measures, entrepreneurial education, networking efforts, access to finance, data collection etc.

From a European Perspective, the assessment of the general framework for entrepreneurship in the surveyed countries showed that some of the main areas of the EU Action Plan for Entrepreneurship are still in need of further improvement, especially with regard to **entrepreneurial culture** and the **inclusiveness of entrepreneurship**. International comparative studies like the Global Entrepreneurship Monitor rank the **entrepreneurial culture** of most of the European countries as relatively low. This is connected to inadequate entrepreneurial education. Despite the fact that the

¹ e.g. Verheul/van Stel/Thurik (2005)

fostering of entrepreneurship is already high on the political agenda in most EU Member States and that a wide variety of programmes and activities already exist across Europe, national strategies to promote entrepreneurial education and mindsets are still lacking. Well-suited policy frameworks for **inclusive entrepreneurship** are also still lacking in European countries. To raise the female share in entrepreneurship, policy measures on national and EU-level need to focus on factors that are reported to have a relatively stronger impact on female than on male entrepreneurship.

- There is a need to systematically implement national strategies to promote **entrepreneurial education and mindsets**. The European strategy to foster Entrepreneurial spirit based on the Oslo agenda for Entrepreneurship Education¹ could serve as guide to develop such strategies.
- To exploit the full entrepreneurial potential of the multifaceted European societies, a **more enabling environment** in terms of simplified regulation, income bridges out of unemployment/inactivity and access to finance is needed to make entrepreneurship an accessible professional option for all those interested and able to start their own business.
- The observable focus of national and supranational entrepreneurship policies is on high-growth enterprises in high risk high-tech sectors. As important as this may be in terms of forming national champions fit for globalization, it is also necessary to utilize the opportunities of the Lisbon Agenda for Growth and Jobs to shape broader owned economies in the EU-Member States that successfully tap the innovative and social potential of Europeans in the long run.
- It is important to aim for a **higher general level of life satisfaction for women in Europe**. This could be reached by creating better conditions for the reconciliation of family and work (e.g. more and accessible child care facilities), fostering gender mainstreaming in society and the labour market (e.g. sensitize public bodies for the needs of men and women) and implementing policy interventions for greater gender equality in paid wages and professional career options.

Since female entrepreneurs are overrepresented in the group of small business owners, they would especially benefit from **supportive policy frameworks for inclusive entrepreneurship and viable microenterprises** on European, national and local levels. The study revealed that the specific needs of men and women are not considered enough in the **design of the promotional and support measures** for entrepreneurship that exist in the surveyed countries. In most cases this means a predominance of a male understanding of entrepreneurship, addressing male motivations and types of entrepreneurial activities. Moreover, **networking opportunities** are a pre-condition for successful entrepreneurship by women. The study showed that such networks exist in the surveyed countries to a varying degree, but most are concentrated in a few regions or cities.

- **Gender mainstreaming approaches in support structures for entrepreneurship** need to be further implemented to expand the outreach of existing support measures and activities for potential and established entrepreneurs.
- Since female led enterprises are in the majority microenterprises, they would especially benefit from a **strategy to support small-scale business through mainstream support measures**, like credit guarantee schemes or public business support. To achieve this, across a range of institutions that support entrepreneurship, attention may need to be drawn to the particular needs and opportunities facing the smallest size class of firms.
- Regarding direct policy measures to foster female entrepreneurship, there is clearly a need to extend and develop the existing initiatives for women's entrepreneurship into **full-fledged national strategies for women's enterprise**. Such strategies should bring together individual pronouncements, individual targets and agreements. Measures in this regard need visibility, clear financing and coherence across all regions of a country. Lessons learned and good practices should be integrated into the strategy for nation-wide implementation. The National Strategy should have specific, measurable and time-bound goals as well as targets to monitor implementation, impact and to ensure accountability. An example of a powerful national strategy is the creation of the Women's Enterprise Task force in the UK.
- Fostering of **more and lasting networks between potential and established female entrepreneurs** is another important policy measure that is aimed at a factor that is known to have a considerable impact on the entrepreneurial activity of women. An **active networking policy** throughout a country can help to bring more women into self-employment and stabilise previously created women led enterprises. A good example for a policy measure that fosters such networking activities on the national level is the establishment of the Bundesgründerinnenagentur (bga) in Germany.

It should also be highlighted that **more systematic data collection throughout Europe** on gender issues in entrepreneurship is of vital importance for a better understanding of the role of women's enterprise in the economic process and of the relationships between entrepreneurship and other factors.

Further cooperation between the national statistical bodies and Eurostat in producing comparable data sets

1 Link: http://ec.europa.eu/enterprise/entrepreneurship/support_measures/training_education/doc/oslo_agenda_final.pdf (31/10/07)

on the number and share of female entrepreneurs and their characteristics would help to produce further insights on how to design evidence-based policy interventions for fostering gender equality in entrepreneurship in EU-Member States.

- The **Scorecard tool** used for this study is an effective instrument to analyse the strengths and weaknesses of the policy environments for gender equality in entrepreneurship in the European Union member States. The different stakeholders need to be able to monitor the results that such a tool can provide over time. Funds are therefore needed to further develop his tool and to regularly update it. This will allow for a resilient benchmarking and ranking of national environments and government policies and will ensure regular monitoring of changes in political strategies and good practices with regard to gender equality in entrepreneurship.

5.1.2 Practitioners

The study revealed that business development services and their providers often do not take into account gender based differences. There is a need for a change in attitude toward women's enterprise and women's enterprise support. Practitioners providing business development services and access to finance in its various forms have often adopted a "gender neutral" approach to service provision. However, there are significant gender-based differences affecting an entrepreneur's ability to successfully launch and grow a business. Given these circumstances, a gender neutral approach may be inadvertently perpetuating gender inequalities in entrepreneurship. Most certainly, a gender neutral approach will *not contribute* to the desired increase in women's enterprise in Europe. By **taking account of the specific situations of women and men and the barriers they face**, practitioners can contribute by breaking down barriers in the access to entrepreneurship and thereby supporting the development of a broadly owned economy.

- Training and awareness raising on the importance of adopting a gender aware approach to enterprise support is needed at all levels. Like governments, practitioners also need to adopt a strategic vision with specific objectives and targets. Above all, they need the political will to implement these objectives.
- **Quality standards for institutions providing business development services** can improve the consideration of gender needs in delivering such services. Ensuring that entrepreneurship support programmes take account of the specific needs of women and men requires collecting data, listening, understanding and remaining flexible. In other words: it requires a client-focused approach.
- Institutions, which work with both sexes should form **partnerships with organisations and programmes specialised in gender issues**. Institutions need to be willing to adopt and adapt the methodologies, lessons and innovations developed. One possibility could be to take over successful projects coming to an end for funding reasons. They also need to look internally at the excellent initiatives undertaken in their own networks and adopt these throughout their organisation.

Additionally, lack of mentoring, role models, technical assistance and training are major difficulties that female entrepreneurs face. **Business networks** can meet these needs. Female entrepreneurs also get far too little attention in the media. Television, papers and magazines do not pay as much attention to female entrepreneurs as to their male counterparts.

- There is a need for **networking opportunities for women business owners**. They should be locally available, since the overwhelming majority of women's businesses are microenterprises working with a local focus. Connecting individual networks to a larger body such as Action'Elles in France or the Bundesgründerinnenagentur (bga) in Germany can be a powerful way for the voice of women's enterprise to be heard at all levels.
- The influence of the media on female entrepreneurship levels should be further explored and practitioners in the field of business support should deliberately **foster promotion of women's enterprise in the media** in a way that gives an accurate and complete picture of self-employed women entrepreneurs.

5.1.3 Finance and Funding Providers

Providing adequate access to start-up finance for women business owners is still a cornerstone in the task of increasing the share of women in viable entrepreneurship. Women raise a lower amount of total financial capital for start-ups and development of their businesses than men do. It is unclear whether this situation is the result of unequal access to finance or lower ambitions on the part of women. It is probable that both factors play a role. Both issues should therefore be tackled.

A certain level of discrimination by banks can be assumed to occur due to the static criteria applied by banks in the assessment of loan applications: previous employment history, current income, business size, potential for growth, number of employees and clients, guarantees/physical collateral, suspicion of "traditional" female business sectors as well as attention paid to a woman's family situation. This assumption cannot be proven through quantitative data as there is a lack of gender aggregated data on loan provision by **banks**. Nonetheless, the loan assessment criteria used by banks are certainly unfavourable to women.

- The relationship between banks and women entrepreneurs is not clear and requires further study.
- Fighting discrimination against women on the part of banks and other financial providers remains an important issue.

Public financial support schemes also need to be aware of the specific needs of women entrepreneurs. Often aimed at innovative projects, these schemes tend to neglect women-dominated industries. As the study revealed, women on average start their businesses on a part-time basis in the services sector, and with a greater demand for working capital.

- The common understanding of “innovation” should be redefined.
- **Special programmes** directed towards women business owners need to be further promoted. Programmes need to take into account the smaller business sizes, different credit needs, lack of assets/guarantees to secure loans and higher needs for working capital that characterise many women’s businesses.
- Gender-specific data about the beneficiaries of public loan schemes should be made available systematically.

Taking into account the specific characteristics of female-led enterprises, microcredit providers have a particularly high potential to serve female entrepreneurs’ needs. However, the scale and impact of microlending to women is still small in the surveyed countries. **Microcredit providers** therefore need to:

- integrate an understanding of gender differences into all of their work (gender mainstreaming)
- adopt a policy and strategy with respect to women’s entrepreneurship
- offer business support as well as loan products tailored to women
- employ specialised and/or female staff in loan and support provision and in management positions
- train their staff with regard to gender issues
- collect gender sensitive data
- develop a communication strategy aimed at women entrepreneurs

Ensuring equal access to finance for women and men will not be enough, since the study revealed that a high share of entrepreneurial women in EU member States do not even try to apply for external finance. This situation calls for a proactive outreach strategy on the part of financial providers to reach women as well as men with their business finance products. Microcredit providers have to **strongly communicate** the fact that they are not restricted to only supporting entrepreneurial projects in traditional and male dominated sectors. They should develop a communication strategy that highlights their willingness to welcome women entrepreneurs.

In order for gender-specific funding initiatives to have a national impact, **central level policy support** is required. Existing programmes need to be valued, monitored and built upon. Moreover, the integration of gender into data collection needs to become a reflex. It must be possible to use gender-specific data for research as well as policy-making.

5.1.4 Researchers

In general, there is a need for further research on women’s entrepreneurship. Particularly, the profiles of women business owner’s and of their companies need to be further investigated. This will help to produce deeper insights into the reasons why women start and develop a business or why they decide not to do so.

The fact that female entrepreneurs raise lower amounts of total financial capital needs to gain particular attention: “Do women start a business with fewer financial resources due to insufficient financial resources or due to lower financing needs?” So far, there is clearly a lack of consistent research in this area. In order to better understand and reach women entrepreneurs, more studies about microfinance organisations are also necessary.

- Researchers need to be aware of the gender aspects of entrepreneurship. Studies should avoid andro-centrism, i.e. an analysis based on the premise that the normal entrepreneurial pattern is the masculine one. They should also avoid essentialist views of “the typical female entrepreneur” and “the typical female enterprise”. This risks perpetuating stereotypes.
- The availability of comparable and gender disaggregated data on entrepreneurship has to be improved throughout the EU. In national statistics, the gender variable should be present on a transversal basis. New indicators should be developed in order to increase knowledge about the different values, roles, situations, conditions, aspirations and needs of men and women, their manifestations and their interactions.
- A systematic research strategy is needed to gain political impact. A national or European agency for female entrepreneurship could serve as a national hub for such a strategy.

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<http://europa.eu/rapid/pressReleasesAction.do?reference=STAT/06/133&format=HTML&aged=1&language=EN&guiLanguage=en>
- European Microfinance Network - Gender Equality Programme:
http://www.european-microfinance.org/gender_equality.php

List of Dimensions and Indicators

Indicator	Measure	Sources	Scoring table
A.1.3 Entry barriers II	Average registration time needed for setting up a sole trader business	BDS, Chambers of Commerce	5- Below Average 3- Average 1 - Above average
A.2.3 Support for Entrepreneurship in local/regional development	Is fostering of (micro) entrepreneurship a priority in strategies on local/regional development?	Official documents/ View of Experts	5 - Entrepreneurship is a main pillar of local/regional economic development strategies 3 - Entrepreneurship is mentioned in the context of other issues 1 - There are no specific local/regional economic development strategies
A.3.1 Entrepreneurship in elementary schools	Inclusion of Entrepreneurship as topic in curricula of elementary schools	Official documents / View of Experts	5 - National curriculum includes entrepreneurship 3 - Only in some elementary schools 1 - Nearly none of such activity
A.5.1 Inclusiveness of income support programmes for self-employment of people coming from outside the labour market	Existence of public programmes granting income support for self-employment from outside the labour market (registered unemployment, social benefit recipients and people without benefit entitlement)	National Experts	5 - National programmes in place granting income support to all people from outside the labour market 4 - National programmes granting income support only to unemployed and social welfare beneficiaries 3 - National Programmes granting income support only to registered unemployed getting self-employed 1 - No such programmes
A.5.2 Non-financial support measures for self-employment from outside the labour market	Non-financial support measures (training, BDS) available for people outside the labour market getting self-employed		5 - Nationwide available support measures for unemployed getting self-employed 3 - Support measures available, but only in big cities, some regions 1 - No such support measures available
A.5.3 Movement into self-employment	Share of people outside the labour market (registered unemployed, welfare beneficiaries) getting self-employed	National statistics	5 - >10% 3 - 5 -10% 1 - <5%
A.5.4 Self-employment vs. Wage Employment	Promotion of self-employment as alternative to wage employment at job centres	Expert Questionnaire	See Expert Questionnaire
A.6.3 Access to microcredit	Number of microfinance institutions (banks and/or non-banks using the market approach to tackle financial exclusion) active with 20+ loans per year	EMN survey	5- Over 5 institutions 4 - Over 3 institutions 3 - Over 2 institutions 2 - More than one institution 1 - Only one or non institution

B.1.1 Gender equality as national policy issue	Position of gender equality on national governmental agenda	National Experts	5 - Gender equality is a priority in different policy areas 4 - Gender equality is a priority in one policy area and mentioned in others 3 - Gender equality is mentioned in different policy areas 2 - Gender equality is mentioned in one policy area 1 - Gender equality isn't mentioned at all
B.1.2 Sustainability of policy measures on gender equality	Active policy measures? Quantified goals?	National Experts / official documents	5 - Active policy measures with quantified goals 3 - Active policy measures but not result-oriented 1 - Only legislative measures
B.1.3 Gender equality as issue of local development	Is Gender equality an important issue in local development strategies?	National Experts / official documents	5 - Gender equality in entrepreneurship is a cornerstone in all local development strategies 4 - Gender equality in entrepreneurship is a priority in some local development strategies 3 - Gender equality in entrepreneurship is mentioned in some local development strategies 2 - Gender equality in entrepreneurship is mentioned 1 - Gender equality in entrepreneurship is not present in local development strategies
C.2.3 General social infrastructure for gender equality in the labour market	GEM-Index: Social Infrastructure to support the economic activity of women with family	Expert Questionnaire	See Expert Questionnaire; In my country, there are sufficient social services available so that women can continue to work even after they start a family.
C.3.1 Gender equality in receiving welfare benefits	Gender gap in share of population of working age that receives welfare benefits	National statistics	5 - Low gap 3 - Medium gap 1 - High gap
C.3.2 Gender equality in movement from outside the labour market into self-employment	Gender gap in share of people outside the labour market (registered unemployed, welfare beneficiaries) getting self-employed	National statistics	5 - No gap 3 - Medium gap 1 - High gap
C.3.3 Gender equality in design of income support programmes	If income support programmes are available, how integral are the needs of men and women in their design?	Expert questionnaire	See Expert Questionnaire
D.2.2 Gender equality in size of entrepreneurial projects at start-up	Gender gaps in average size of businesses (employees/turnover) at start-up	National statistics	5 - No gap 3 - Medium gap 1 - High gap

D.3.1 Gender equality in media representation of entrepreneurship	How present are successful female entrepreneurs in the media compared to male ones?	Expert Questionnaire	See Expert Questionnaire
D.3.2 Gender equality in the entrepreneurial role model	How accepted is self-employment of women in the society?	Expert Questionnaire	See Expert Questionnaire
E.1.1 Design of Entrepreneurship promotion activities	How widespread is the consideration of the specific needs of women and men in the design of promotion activities for entrepreneurship?	Expert Questionnaire	See Expert Questionnaire
E.1.2 Specific promotional activities aimed at women	Are specific promotional activities aimed at women in place when deemed necessary or needed for achieving gender equality in entrepreneurship?	Expert Questionnaire	See Expert Questionnaire
E.1.3 Research activity on the gender aspects of entrepreneurship	Is there a systematic and regular research activity on gender aspects of entrepreneurship?	National Experts	5- Regular research and broad availability of statistics on gender aspects 4 - Regular and systematic research on gender aspects of entrepreneurship 3 - Research on gender aspects of entrepreneurship is done but not systematically 2 - Few examples of research on gender aspects 1 - No research
E.1.4 Impact of gender research on support structure policy and practice	Are gender research results used to influence and improve policy and practice of the support structure for entrepreneurship?	Expert Questionnaire	See Expert Questionnaire
E.2.1 Design of BDS activities	How many BDS activities are designed with the specific needs of women and men in mind?	Expert Questionnaire	See Expert Questionnaire

E.2.2 Specific BDS activities for women	Are specific BDS activities for women in place when deemed necessary or needed for achieving gender equality in entrepreneurship?	Expert Questionnaire	See Expert Questionnaire
E.2.3 Local networking of female entrepreneurs	Existence and Density of programmes that foster local networking between established and potential women entrepreneurs	National Experts	5 - high density: even in small cities 4 - medium density 3 - low density: only in big cities 2 - only up to two such programmes 1 - no such programmes
F.1.1 Gender equality in businesses started with own funds	Gender gap in businesses started with own funds	National Statistics	5 - No gap 3 - Medium gap 1 - High gap or no information available
F.1.2 Gender equality in overall start-up resources	Gender gap in overall start-up resources (own and external funds) in the service sector	National Statistics	5 - No gap 3 - Medium gap 1 - High gap or no information available
F.2.1 Gender equality in access to bank loans	Gender gap in use of bank loans vs. share of women led enterprises in the country	National Statistics	5 - No gap 3 - Medium gap 1 - High gap or no information available
F.2.2 Gender equality in access to public loan schemes	Gender gap in use of public loan schemes vs. share of women led enterprises in the country	National Statistics	5 - No gap 3 - Medium gap 1 - High gap or no information available
F.3.1 Gender equality in access to microcredit	Gender gap in use of microcredit vs. share of women led enterprises in the country	National Statistics (EMN survey)	5 - No gap 3 - Medium gap 1 - High gap or no information available
F.3.2 Targeting of gender specific needs in microfinance	Existence of microfinance schemes targeting gender specific needs	National Experts (EMN survey)	5 - national scheme or more than 2 local schemes 3 - One local scheme 1 - no such programme exists

Expert questionnaire for the project :

"FOSTERING GENDER EQUALITY : MEETING THE ENTREPRENEURSHIP AND MICROFINANCE CHALLENGE"

Not applicable (NA)												
Dont know (DK)												
Completely true (5)												
Somewhat true (4)												
Neither true nor false (3)												
Somewhat false (2)												
Completely false (1)												
Please rate the following on the						1	2	3	4	5	DK	NA
A.5.4	In my country, job centres/employment agencies promote self-employment nationwide as an equal alternative to wage employment for all cases suitable.											
C.2.3	In my country, there are sufficient social services available so that women can continue to work even after they start a family.											
C.3.3	In my country, the income support measures for self-employment out of economic inactivity (unemployment, social welfare and no welfare) are designed to give equal support (amount and length of support) to both men and women.											
D.3.1	In my country, successful female entrepreneurs are as often represented in the media as male entrepreneurs											
D.3.2	In my country, starting a new business is a socially acceptable career option for women.											
E.1.1	In my country, the specific needs of women and men are integral to the design of promotion activities for entrepreneurship											
E.1.2	In my country, specific promotional activities aimed at women are undertaken when deemed necessary or needed for achieving gender equality in entrepreneurship											
E.1.4	In my country, research results on gender aspects of entrepreneurship are frequently used to improve the policy and practice on support structures											
E.2.1	In my country, the specific needs of women and men are integral to the design of all Business Development Services (BDS).											
E.2.2	In my country, specific BDS activities for women are in place when deemed necessary or needed for achieving gender equality in entrepreneurship.											



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