

Women as entrepreneurs
in Sweden and the UK

DIFFERENT PERSPECTIVES

Kvinnor som företagare i
Storbritannien och Sverige

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UNITED KINGDOM

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FOREWORD

This publication was produced by the Women's Unit in the Cabinet Office, UK and the Swedish Ministry for Industry, Employment and Communications. It builds on the bilateral initiative between Sweden and the UK on women's entrepreneurship, agreed last year in advance of the European Council in Lisbon.

The Lisbon meeting agreed to make the European Union 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion'.

The summit emphasised several ways of doing this, such as the Multiannual Programme for Enterprise and Entrepreneurship (2001-2005). One important action of this programme is the promotion of entrepreneurship among women.

Although women make up half the population in Europe, they currently own less than a third of small businesses. Self-employment is a viable career path for women, however more needs to be done to create better conditions and opportunities for women to start and run a business. Increasing the rate of new business creation by women is essential to stimulate innovation and employment in our economies. To achieve that growth we need to develop entrepreneurship in all sectors.

Entrepreneurship is also vital to society. That is why it is so important to make information and guidance available for women and give the support they need to start up and run their own business.

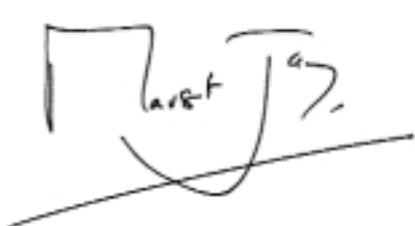
The aim of this study is to give an outline of the state of women's entrepreneurship in both countries, and to draw some conclusions as to how this can be taken forward at European

level. We acknowledge that there are complexities and differences in definitions and data collection that surround women's entrepreneurship both within and between the UK and Sweden. Nevertheless the information used in this paper does illustrate the main trends in our two countries and the challenges currently facing women entrepreneurs and those that support them.

We believe that, by working jointly and sharing our experience and analysis, we can improve our understanding of the role of women entrepreneurs and provide support in ways that are accessible and relevant.

This publication is a useful step in terms of bilateral cooperation for the promotion of women's entrepreneurship between Sweden and the UK. However we also believe that there is a need for greater cooperation between Member States to exchange ideas on good practice on women's entrepreneurship.

We hope that this paper will make an effective contribution to the debate, which will be followed up by the European Council in Stockholm in March 2001.



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Women's entrepreneurship in the United Kingdom

An overview

Any analysis of entrepreneurship is fraught with the difficulties of defining and measuring the characteristics of small businesses and entrepreneurs. This is especially true of women's entrepreneurship, where data are largely absent or unreliable. This report therefore mostly uses self-employment data to explore the issues surrounding women's enterprise: why women choose to become self-employed, the businesses they run, and the methods of financing.

This section of the report seeks to give an overview of the progress made by women in the UK with regard to self-employment. As in many other countries, the recent increase in women's entrepreneurship has taken place in a context where there has been considerable growth of women's labour market participation as a whole.

In the spring of 2000, 3.1 million people in the UK were self-employed, constituting 11% of the workforce. A recent survey in the UK found that women account for 35% of new business start-ups.¹ However, whilst women have become more economically active, their profiles of work have very distinct characteristics when compared with men.

In the UK, occupational segregation occurs among self-employed women as well as those who are employed i.e. women tend to work in the services and trade sectors and the average woman entrepreneur has a business in these sectors.

More women than men work part-time. In the UK, women are over five times more likely to work part-time than men.

Many of these women working part-time do so to accommodate caring responsibilities.

The need for flexibility explains why some women choose entrepreneurship as a career path. But women entrepreneurs are not a homogeneous group, so it is not surprising to find that they give a wide range of different reasons for becoming self-employed. Some women positively choose to become self-employed and others do so due to lack of alternatives. Whilst these reasons apply to men, there are some noticeable differences. Women cited independence, family commitments and the type of employment as being of key importance when choosing to become self-employed.

The report also focuses briefly on the business support services available to potential entrepreneurs. These are mainstream services and are not an exhaustive list, but intend to give a flavour of the assistance available.

The final part of this section looks at examples of good practice in terms of business support targeted specifically at women. Again, the examples are not meant to be exhaustive, but are identified within the UK as being particularly innovative.

The context of women's entrepreneurship in the UK

Participation in the labour force

Since the 1940s, women have become more economically active and greater numbers are employed, as a result of broader socio-economic changes in society and the economy as a whole.

Figure 1 shows the broad profile of recent labour participation rates for men and women in the UK from 1990–2000.

In the spring of 2000, 45% of those working in the UK labour market were women. The employment rate for working-age women was 69% as compared with 79% for working-age men.

¹ NOP on behalf of NatWest Business Banking, September 2000

FIGURE 1: Economic activity of women and men of working age (16–59/64) in the UK, spring of each year

WOMEN	1990 ('000s)	1995 ('000s)	2000 ('000s)
Economically active	11,912 (71%)	11,960 (71%)	12,534 (73%)
In employment	11,122 (67%)	11,121 (66%)	11,916 (69%)
<i>of which</i>			
Full-time employed	6,520 (59%)	6,336 (57%)	6,768 (57%)
Part-time employed	4,596 (41%)	4,783 (43%)	5,146 (43%)
MEN			
Economically active	16,175 (88%)	15,713 (85%)	16,034 (84%)
In employment	15,027 (82%)	14,109 (76%)	15,049 (79%)
<i>of which</i>			
Full-time employed	14,294 (95%)	13,130 (93%)	13,827 (92%)
Part-time employed	723 (5%)	977 (7%)	1,219 (8%)

ONS Labour Force Survey

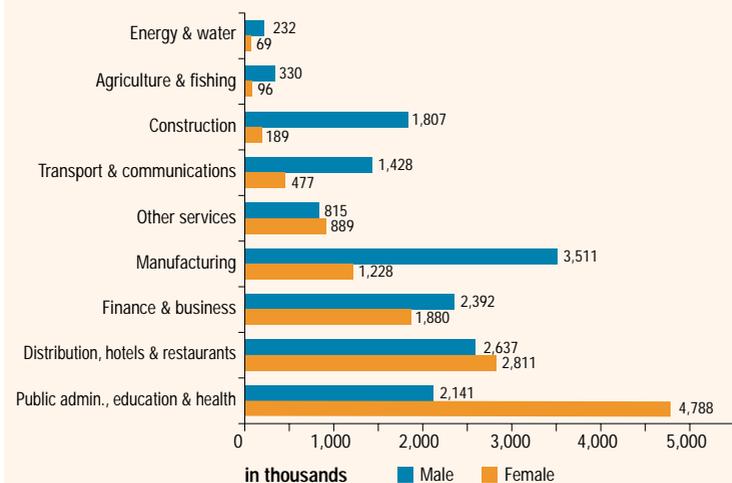
Whilst women have become slightly more economically active since 1990, their profiles of work have distinct characteristics as compared with men and these characteristics are reflected in their patterns of business ownership.

One distinctive characteristic concerns the number of hours worked – more women than men work part-time. In the UK women are over five times more likely to work part-time than men: 43% of women do so, compared with only 8% of men. Many of these women working part-time do so to accommodate caring responsibilities. For example, women of working age with children are now more likely to be working, 65% of women with dependent children are in employment, and the majority of these women (60%) are working part-time.

Women continue to be employed in certain sectors of the economy and concentrated in certain types of occupations, especially if their jobs are part-time. Figure 2 illustrates that women workers are concentrated in sectors such as health, education, public administration, distribution, hotels and restaurants. The manufacturing, construction and communication sectors continue to be very male-dominated. As can be seen from figure 3, the UK figures also give some insight to the lower status (and hence pay) of many women's jobs, with half as many

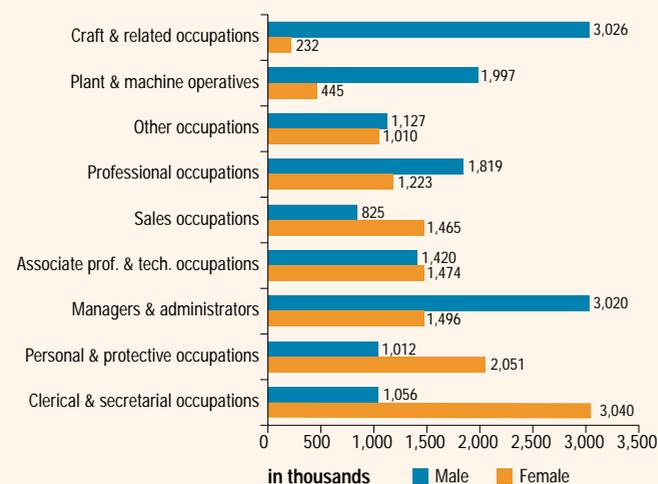
managerial jobs taken by women compared with men and three times as many women as men at clerical grade level.

FIGURE 2: Participation in different industrial groups by gender in the UK, spring 2000, all in employment



ONS Labour Force Survey

FIGURE 3: Occupation types by gender in the UK, spring 2000, all in employment



ONS Labour Force Survey

The growth of small business ownership

Since the 1980s the number of small and medium enterprises (SMEs) has grown dramatically in Britain as it has throughout Europe as a whole, although in most countries the numbers of businesses fell slightly in the recession of the early 1990s. At the current time small businesses (taken as employing less than 50 staff) represent the majority of businesses in the UK (99%) and employ nearly 50% of the current workforce. Small businesses are also seen as significant vehicles for growth and development.

Women and entrepreneurship

In the spring of 2000, some 3.1 million people in the UK were self-employed, approximately 11% of the workforce. This figure is approaching almost double that in the late 1970s when some 1.8 million were registered self-employed.

What is the picture for self-employed women? The answer is generally positive, although in absolute terms it has to be said that women are still under-represented amongst the self-employed.

As shown in figure 4 only 845,000 or 27% of those registered as self-employed are women. Moreover, the majority of men who are self-employed work full-time (88%), while the full- and part-time split is much more even for women at 50% and 50% respectively. This characteristic is discussed further in the next section, which look at why women start up their own businesses.

More positively, women are becoming increasing active as entrepreneurs. A report by the Employment and European Social Fund (1998)² showed that in most countries within the European Union, women are creating a third of all new businesses. This is the case in the UK.

FIGURE 4: Male and female self employment 1979–2000 in the UK, spring 2000, all in employment

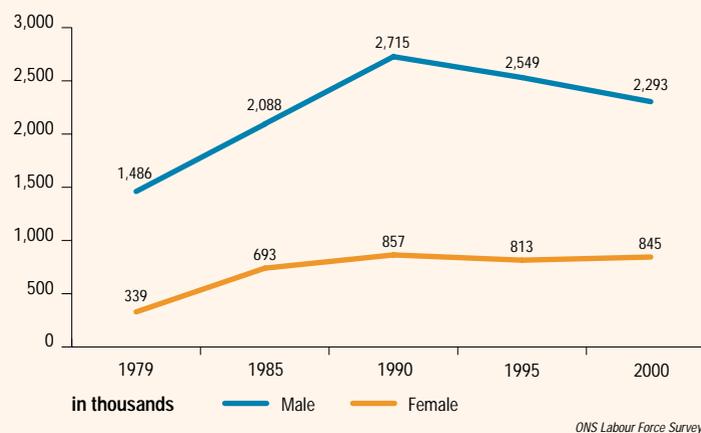
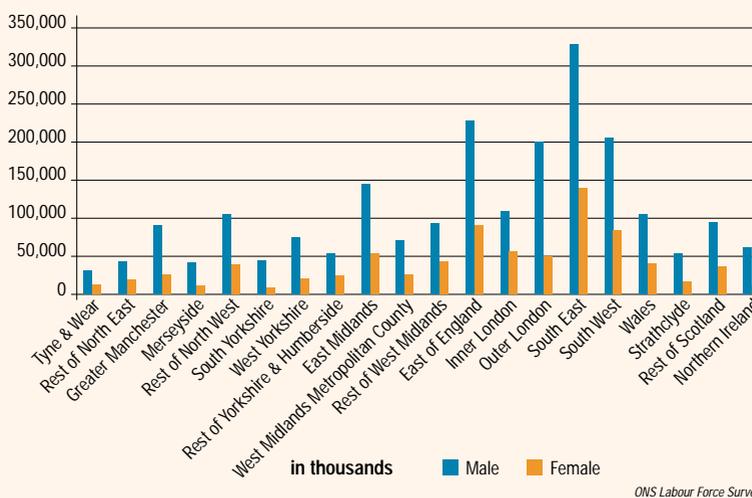


FIGURE 5: Self-employment by region and gender in the UK, spring 2000, of working age (16–59/64)



² Employment and European Social Fund (1998) *Strengthening Women's Entrepreneurship*. European Commission

A recent survey³ in the UK showed that women currently start 35% of all small businesses. These healthy start-up rates contribute to what has become a steady growth in female self-employment over the past 20 years. For example whilst in 1979 women accounted for 19% (339,000) of all the self-employed in the UK, women accounted in spring 2000 for 27%.

Do some regions have more females in self-employment than others? As shown in figure 5, the South East has the greatest proportion of people in self-employment; approximately one sixth of those in self-employment in the UK. Regions that have the greatest proportion of females who are self-employed include inner London, in which 36% of females are registered self-employed, South East (29%), East Midlands (29%) and rest of West Midlands (29%). Regions with the smallest proportions of self-employed women include Northern Ireland (16%), Greater Manchester (20%) and West Yorkshire (19%).

On the whole, it is clear that greater numbers of women are becoming entrepreneurs at an ever-increasing pace, but who are these women, why do they choose this option and what type of businesses do they run?

The characteristics of women entrepreneurs in the UK

For some characteristics women in the UK are similar to their male counterparts and in others they differ quite markedly.

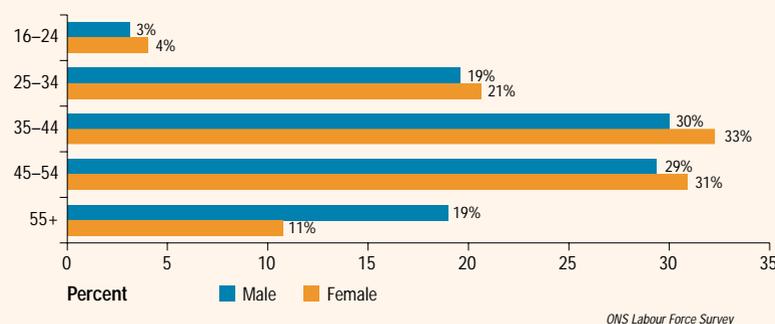
Age

In terms of age and life stage, entrepreneurship in the UK appears to be a mid-life choice for women, with the majority starting their businesses after the age of 35.

In the UK the majority (64%) of women registered as self-employed are aged between 35 and 54 as figure 6 opposite shows. It is interesting to note that almost twice as many men as women over 55 years are self-employed (19% and 11%

respectively). No doubt part of this reflects recent societal and economic changes which have made it much more acceptable (in many cases driven by necessity) for women to be economically active and to be seen as business owners in their own right. This is also likely to reflect the number of men taking early retirement and the use of retirement money to fund businesses.

FIGURE 6: Self-employment by age and gender in the UK, spring 2000, of working age (16–59/64)



Family status

As figure 7 illustrates, the majority (77%) of self-employed women are either married or living with their partner. The figures for marital status are similar to that of men's. As figure 8 illustrates, half of women in self-employment have one or more dependent children (49%), with one fifth having at least one child under the age of 5 years (21%). These figures are only slightly more than men's.

FIGURE 7: Self-employment by marital status and gender, spring 2000, of working age (16–59/64)

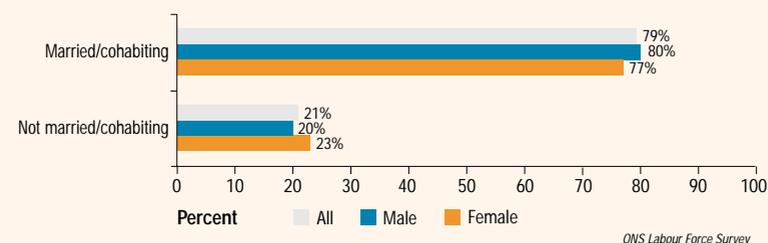
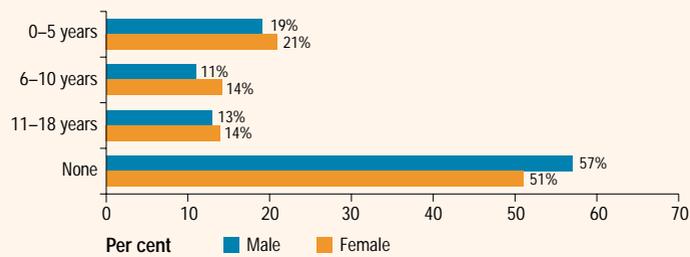


FIGURE 8: Self-employment by age of dependent children and gender in the UK, spring 2000, of working age (16–59/64)



Ethnicity

The data below presents a partial glimpse of the status of self-employed women from various ethnic groups in the UK, and highlights the need to undertake further work into understanding their particular experiences of business ownership.

As figure 9 shows, self-employed women across all ethnic groups are generally under-represented as compared with men. The only groups that appear to be disproportionately under-represented are self-employed women from the Pakistani and Bangladeshi communities. However, the sample data from this group is too small to be able to say what their presence is and why they appear to be so few – again an area worthy of further investigation.

FIGURE 9: Self-employment by ethnic origin and gender, spring 2000, of working age (16–59/64)

	ALL	MEN	WOMEN
White	2,743,000	2,032,000 (74%)	711,000 (26%)
All ethnic minority groups	186,000	141,000 (76%)	45,000 (24%)
– Black	36,000	26,000 (73%)	*
– Indian	66,000	46,000 (71%)	19,000 (29%)
– Pakistani/Bangladeshi	46,000	44,000 (95%)	*
– All other origins	38,000	25,000 (66%)	13,000 (34%)

Figures have been rounded and percentages represent actual figures

ONS Labour Force Survey

* figure too small for reliable estimate

Qualifications

It is generally recognised that business owners tend to have more and higher level formal qualifications than their counterparts 20 years ago. In overview this applies equally to men and women.

In the UK self-employed women as a group are more likely to have academic qualifications than men, while men tend to have more practical or vocational qualifications. For example, 20% of women have a first or higher degree compared with 15% of men. Men are more likely to have obtained a City and Guilds qualification (for example 9% of men have obtained a City and Guilds advanced craft compared with only 2% of women) or a trade apprenticeship (19% compared with 7% of women). Twice as many women had GCSEs A–C or equivalent (20% compared with 10% of men).⁴

Reasons for start-up

It is clear from the discussion so far that women entrepreneurs are not a homogeneous group, so it is not surprising to find that they give a wide range of different reasons for becoming self-employed.

Some women positively choose to become self-employed and others do so because of the lack of alternatives. Figure 10 overleaf shows the reasons for start-up from a recent survey. It is clear that whilst many women start up businesses for the same reason as men, there are also notable differences between the two groups.

For example, a far greater proportion of women (21%) than men (2%) said they became self-employed because of family commitments and more than twice as many men (15%) than women (7%) said they did so to make more money.

⁴ ONS Labour Force Survey, spring 2000, of working age (16–59/64) – figures refer to highest qualifications held

FIGURE 10: Reasons given for becoming self-employed by gender in the UK, spring 2000

	Per cent ALL	MEN	WOMEN
To be independent	31	33	25
Wanted more money	13	15	7
For better conditions of work	5	6	3
Family commitments	7	2	21
Capital, space, equipment opportunities	12	12	11
Saw the demand	8	9	8
Joined family business	6	6	7
Nature of occupation	22	21	23
No jobs available locally	3	3	2
Made redundant	9	11	3
Other reasons	15	14	18
No reason given	3	4	3
All who gave a valid response (thousands)	2,960	2,156	804

* Columns do not sum to 100 per cent because respondents can give up to four reasons

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Research by NatWest Bank⁵ revealed women starting a business are less driven by desire to make a lot of money than their male counterparts, and women are more driven by a sense of fulfilment and a sense of personal satisfaction in providing a service.

The nature of women's businesses in the UK

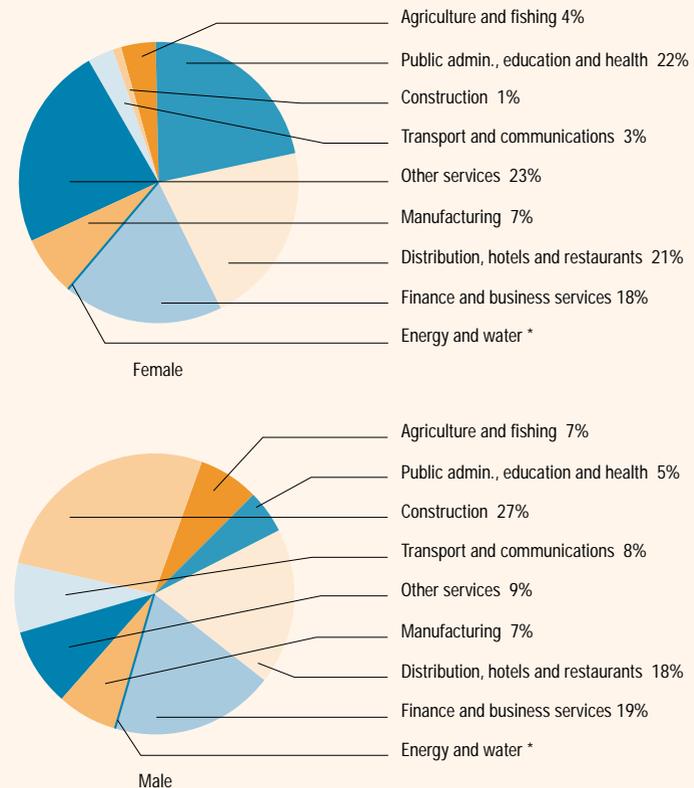
A rich mix of different women start their own businesses but as a group they tend to differ in many respects from their male counterparts. The same can also be said for the type and form of businesses owned by women. In the UK the types of business that women run very much reflect the type of occupations and employment that women have and do.

Industrial, sectoral and occupational analysis

Figure 11 shows that self-employed women are segregated into distinct sectors with almost a quarter in the service sector. This is quite different to the sectoral split for men. These distributions

are not particularly surprising as most people start businesses in sectors where they have some experience. By comparing the distribution in figure 11 with those of figure 2 it can be seen that women's businesses reflect the sectors in which most are employed.

FIGURE 11: Self-employment by industrial sector and gender in the UK, spring 2000, all in employment

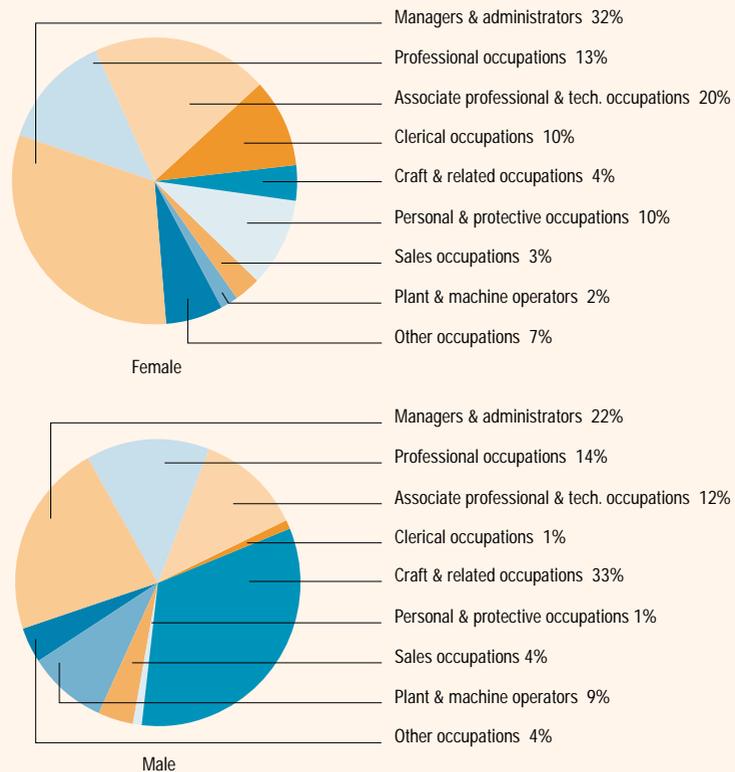


* Sample size too small for reliable estimate

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The distribution of occupational category similarly follows that found in employment. As figure 12 below shows, the main difference between men and women is that women are highly concentrated in non-manual-based occupations (78% compared with 52% of men) whilst men are based in manual-based occupations (49% compared with 22% of women).

FIGURE 12: Self-employment in different occupational groups by gender in the UK, spring 2000, all in employment



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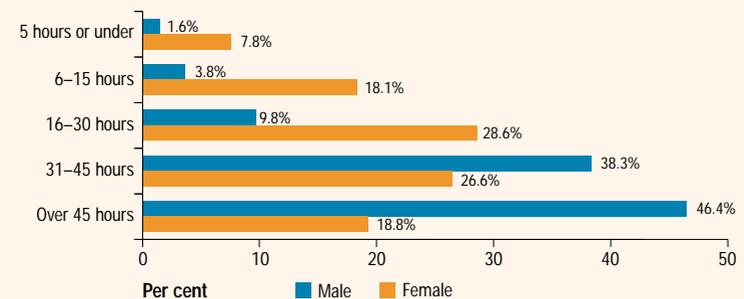
Self-employment and hours worked

The employment profiles discussed earlier showed that whilst more women were entering the labour force, many were doing so on a part-time basis. This is also a relatively strong characteristic of women's businesses in the UK.

In the UK self-employed women are more likely than men to work 30 hours or less per week. Figure 13 shows more than twice as many men than women work more than 45 hours per week. This fits in with the premise that many women start their own business in order to gain the independence and the flexibility they need to cope with family commitments. This picture is further reinforced when looking at the location of women's businesses where 35% of self-employed women as compared with 12% of men use their home or same grounds/building as their business base.

In general, traditional employment patterns have not yet fully accommodated the flexible working arrangements that people with caring responsibilities need. Hence women choose to develop their own conditions of work in terms of time and place.

FIGURE 13: Self-employment by hours worked and gender in the UK, spring 2000, all in employment



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The number of hours available for work has many influences on the type and size of business run and in turn, the availability of business support. Research on women starting businesses frequently cites the problem of patronising or complacent business advisers. Many women entrepreneurs report that they are not taken as seriously as their male counterparts when they seek assistance from mainstream business support services because advisers (mostly male) see them of lesser value because they are running part-time 'lifestyle' businesses for 'pin money'. Additionally women are often not eligible for certain benefits because they are not running full-time manufacturing related type of businesses. Whilst the attitudes and nature of the business support services are always changing and improving, the number of women who still complain of such apparent bias is surprising.⁶

This appears to be reflected in the types of finance received and used by men and women. As shown in figure 14, women prefer using personal credit cards, or remortgaging the house, whilst men prefer to receive finance from banks, get a personal and/or business loan from a bank and would prefer to look to sources such as government and local authority grants.

FIGURE 14: Preferred method of finance to help business start-up⁷

PREFERRED METHOD OF FINANCE	FEMALE %	MALE %
Personal credit cards	47	53
Remortgage on house	45	55
Money from former business	40	60
Government/local authority grant	40	60
Family/friends	38	62
Business loan from a bank	37	63
Personal loan from a bank	37	63
Other finance from a bank	12	88

⁶ Barclays Bank Review: women in business 1996

⁷ NOP on behalf of NatWest Business Banking, September 2000

Employment created by women's businesses

There is considerable interest in the economic benefits of business ownership in terms of the employment and jobs that new and small business can create. This is no less the case for women entrepreneurs. Comparative data in this area are difficult to obtain, however figures 11 and 12 do give an insight into the position with regards to the self-employed.

In the UK 23% of women and 28% of men registered as self-employed have employees working for them. In both cases the majority of the employment generated is full-time.

FIGURE 15: The proportion of self-employed with and without employees by gender in the UK, spring 2000, of working age (16–59/64)

	MEN			WOMEN		
	%	Full-time	Part-time	%	Full-time	Part-time
On own with partner(s) but no employees	72	70	90	77	66	88
With employees	28	30	9	23	34	12

ONS Labour Force Survey

Supporting women to start and run their own businesses

The challenges

A primary role of this document is to provide an overview of women entrepreneurs in the UK in order to further promote women in this role. Therefore, the main focus is on what has been achieved by women in their own businesses.

This does not negate the fact that many women face significant challenges in starting their businesses – year after year research in the UK and further afield highlights that women face distinct gender-related problems in starting their businesses – lack of money,

low levels of confidence, the burden of family responsibilities and generally not being taken seriously are universal problems identified. These are very real challenges, which deter many women from pursuing self-employment. However, these are well-known problems and it is the message of this report to emphasise how they can be overcome by drawing attention to the key forms of business support that exist in the UK and to highlight some of those which demonstrate good practice in supporting women.

This section highlights the ways in which our respective governments and agencies help women to achieve their goals as effective women entrepreneurs. It also draws attention to some examples of activities, but by no means all, which demonstrate particular commitment to helping women start and develop their own businesses.

Government business support in the UK

In England, support for SMEs at start-up and beyond is delivered through the Small Business Service (SBS). In Scotland, Wales and Northern Ireland, economic development and better regulation functions are the responsibility of the devolved administrations.⁸

In April 2000 the Government, in recognition of how important SMEs are to the economy, launched the SBS, an organisation dedicated to helping small firms and representing their interests. The SBS aims to help build an enterprise society in which small firms of all kinds thrive and achieve their potential.

By April 2001, the SBS, through a new network of 45 Business Link partnerships, will be providing a wide range of support services at local level. These will range from general business planning, assistance with exporting, quality, employment issues, training and development, or design, through to advice on information, communication technology and e-commerce issues.

In doing this the SBS network will provide a gateway to a further comprehensive network of business support organisations, initiatives and information from the public, private and voluntary sectors. The gateway will make extensive use of Internet and call centre technology and will be accessible directly or via local or sectoral organisations such as trade associations.

The SBS plays an important part in identifying those people who face specific barriers to entrepreneurship, such as women and those in disadvantaged communities, ensuring that support is tailored to meet their needs. For example, in partnership with SBS, the Women's Unit is currently developing a **'Women's Online Business Centre'**, which aims to address the particular issues women face when starting their own business.

Another government measure that will benefit women is the **Phoenix Fund**, a £96 million fund that over the next three years will support entrepreneurship in deprived areas and amongst groups that are under-represented in enterprise. As such the Fund is particularly suitable for those helping women. It currently has four elements:

- a development fund to promote innovative ways of supporting enterprise in deprived areas;
- a pilot network of volunteer mentors to pre- and early start-up businesses through the new Business Volunteer Mentoring Association;
- a Challenge Fund to help resource Community Finance Initiatives (CFIs);
- loan guarantees to encourage commercial and charitable lending to CFIs.

The Fund is only available in England.⁹ The devolved administrations in Scotland, Wales and Northern Ireland are responsible for business support in their own territories.¹⁰

⁸ For further details see useful contacts section

⁹ The loan guarantee element of support for CFIs is available throughout the UK

¹⁰ For further details see useful contacts section

The SBS **Small Firms Loan Guarantee Scheme** guarantees loans from the banks and other financial institutions for small firms that have viable business proposals but who have tried and failed to get a conventional loan due to a lack of security.

Smart is the SBS initiative that provides grants to help individuals and small and medium-sized businesses to make better use of technology. The following help is available in England: Technology Reviews, Technology Studies, Micro Projects, Feasibility Studies and Development Projects. Scotland, Wales and Northern Ireland have their own initiatives.

The UK government has specific assistance for helping unemployed people to explore the option of setting up their own businesses through its **New Deal** Programmes. The self-employment option incorporates relevant training and a period of test trading.

The mission of **Enterprise Insight** is to help create a more enterprising culture across the UK. In particular the organisation aims to 'create opportunities for young people to talk with entrepreneurs and business people to reach a better understanding of each other's views of the role of enterprise'.

Launched in May 2000, Enterprise Insight is backed by a partnership of the British Chambers of Commerce, Institute of Directors and the Confederation of British Industry. They work with a broad range of organisations including Business in the Community, The Prince's Trust, Shell LiveWire, Understanding Industry, Young Enterprise and the National Federation of Enterprise Agencies.

Examples of good practice in the UK

This section identifies several examples of good practice in terms of support for women at the business start-up phase. The examples are not meant to be exhaustive, but are identified within the UK as being particularly innovative.

Wellpark Enterprise Centre

Wellpark is the UK's only integrated women's enterprise centre. Established in Glasgow in June 1996, it provides information, advice and business counselling to women in business or considering business. It offers 20 managed workspaces, plus a resource centre, on-site nursery and a range of innovative programmes including:

- **Pre Start-Up Advice and Counselling** for those at the very early stages of setting up a business. This can be received on an individual or group basis either at the Centre or in the client's own home. For those in the Urban regeneration area, grants of up to £500 are available to assist with market research and further development of their business plan.
- **Women's Business Start-Up Courses and Enterprise Training Programmes (ETP)**. These start-up courses, funded by the European Social Fund (ESF), enable women to develop their business ideas and acquire the skills needed to run a business. The ETP offers workshop-based training for those at a more advanced stage and is run over a six-week period.
- **Start-Up Funds and Micro-credit**. The European Regional Development Fund (ERDF) and Glasgow City Council finance a start-up grant of up to £2,000 for women applicants who live in Glasgow. More broadly, Wellpark offers a programme combining access to low cost loans with business training and group work support. Training requirements, for both individuals and groups are identified early in the process and include Internet and web design, advertising and promotion and business planning.

WEETU (Women's Employment, Enterprise & Training Unit)

Based in Norwich and established in 1987, WEETU is a locally based organisation, which delivers a range of practical services to keep women informed and to enable them to improve their employment prospects.

One of these services is **Full Circle** – a new kind of business support programme, which is piloting peer lending in the UK.

Clients follow a pre-enterprise course during which time many of them refine their business ideas and the subsequent Business Skills course enables them to develop the skills and understanding to develop an effective business plan.

To access the Loan Fund, a 'Lending Circle' of between four to six businesses at similar stages of start-up is formed. These businesses make a formal pledge to work together to support and develop each other's businesses. They are also responsible for assessing each other's business plans and approving loan applications. WEETU provides training to enable them to do this. Should the business they have approved experience difficulties, they use their emergency loan fund (into which they put 5% of any loans) and provide practical support. To date, no businesses have defaulted on their loan repayments. WEETU supports each 'Circle' for the first six months and remains in monthly contact thereafter.

This approach has enabled WEETU to support highly disadvantaged businesses and provide an effective long-term support structure.

Over the last two years 105 women have formed 21 lending circles and the Full Circle Fund has financed 40 businesses.

Women in the Network (WIN)

WIN is a networking project that aims to facilitate the development of women's enterprise. The project provides both specific services for women entrepreneurs and helps them become aware of mainstream business support services and networks.

The concept of WIN was first started in Scotland in 1994 when the then Lanarkshire Development Agency established a programme for women starting and developing their own businesses. That programme of workshops, exhibitions, training sessions, counselling and mentoring services regularly attracts

over 100 women to its events and is now in its 7th year.

In 1998 the concept of WIN was adopted in the North East of England, based at The Foundation for Small and Medium Enterprise Development (FSMED), University of Durham. WIN in the North East comprises a number of different public and private sector business support partners and delivers a similar range of programmes and events to its predecessor in Scotland. However, it has further developed the WIN concept and used its European (ERDF) funding to be technology based. It uses its website with on-line business directories, newsletters, business guides and role models as a mechanism for directly assisting and signposting its members to support services throughout the UK and beyond.

UK summary and conclusions

- There is little information available on women's entrepreneurship or women-owned businesses in the UK. The most reliable source of data – VAT returns – do not capture businesses below the VAT threshold. This report therefore mainly relies on the characteristics of self-employed women to explore the issues surrounding women's entrepreneurship.
- Women currently start up an estimated 35% of small businesses in the UK. This reflects the steady growth in female self-employment over the last 20 years.
- Self-employment tends to be a midlife choice for women, with the majority starting up businesses after the age of 35.
- Half of self-employed women have at least one or more dependent children, and a fifth have at least one child under five.
- Women are more likely than men to choose self-employment because of family commitments (a fifth compared with 2%).
- The types of businesses women run reflect their pattern of occupation in employment. Public administration, education and health account for 22% of women in self-employment, distribution, hotels and restaurants another 21%.
- There are large regional variations in the proportion of self-employed who are women, from over a third in inner London, to less than a fifth in Northern Ireland, Greater Manchester and West Yorkshire.
- In financing a new business, women tend to prefer using personal credit cards or remortgaging their home, while men prefer bank loan finance and government and local authority grants.

Support for women-owned businesses

- A new Women's Online Business Centre, developed jointly by the SBS and the Women's Unit, will be launched in spring 2001. This will provide comprehensive advice to women on starting up a business.

- The £96 million Phoenix Fund, intended to promote enterprise in deprived areas and among under-represented groups, has allocated a substantial amount of money to a number of projects aimed at helping women start up and run their own businesses. A second round of bidding will take place later this year.
- The New Deal self-employment option offers help with business planning and training, and supports a period of test trading.
- Wellpark Enterprise Centre, a unique facility in the UK, shows how combined facilities can support women at all stages of business development, while taking account of childcare needs.
- The Women's Employment, Enterprise and Training Unit (WEETU) demonstrates the value of microcredit and associated peer support and mentoring.

Conclusions

- The characteristics of women's and men's self-employment differ in several important respects, notably the reasons for starting a business, the types of business run, and the chosen method of accessing finance. It is also the case that women in some ethnic minority groups are disproportionately under-represented in self-employment. All these differences need to be better understood, and reflected in the support available to small businesses.
- To exploit the potential of women's entrepreneurship as an engine for economic growth women of all ages need to be encouraged to consider running a business as a career. Education in schools has an important role to play in this.
- Systematic information is needed on women-owned businesses, and their characteristics, including turnover, survival rates, reasons for failing, and growth aspirations.



Women's entrepreneurship in Sweden

An overview

Women's entrepreneurship, as with men's, must be viewed in its social and historical context. Although this may appear self-evident, it should be highlighted as it is often overlooked. This report only partly addresses these facts. However, we believe that it is important to give a broad overview of the Swedish labour market and characteristics of the Swedish economy as entrepreneurship cannot be fully understood without it.

The number and relative share of women in the Swedish labour market is high by international standards. Although many of them work part-time, their working hours are still long and many actually work almost full-time (Rubery & Fagan 1998). Currently 25% of entrepreneurs in Sweden are women and they form 30% of total new business start-ups. Gender segregation among entrepreneurs mirrors that of the labour market in general. For example, the number of women in the healthcare sector, is high, whilst those women running their own business in the IT sector, is low. The data shows that women entrepreneurs in Sweden are not a homogenous group; they are a diverse group in terms of age and education. These differences also highlight the variety of reasons why women decide to up start their own businesses. At the end of the section, several examples of good practice are described with reference to publicly-financed initiatives. The intention is not to give a complete report of all initiatives, but merely highlight several interesting examples.

Over the last 50–60 years, Sweden has undergone a dramatic change. From an agriculture and craft-oriented society, it has become oriented towards industry and large-scale economies.

After the Second World War, and particularly at the end of the 1960s and during the 1970s, the public sector expanded. A large number of women entered the labour market during this time and the expanding public sector became a major employer of women, which contributed to a gender-segregated labour market. This to a large extent, still exists today. The majority of women are still employed by the public sector in occupations related to the education and healthcare sectors, where there are few private employers. It was perceived as unusual for women to set up their own business in such sectors, as this was traditionally the responsibility of the public sector. However, this is starting to change. The expansion of the public sector shows the impact political decisions and legislation may have for the promotion of entrepreneurship, since rules and regulations have an impact on the conditions for entrepreneurship as well as markets.

In order to understand women's entrepreneurship, the position of women in society has to be examined as well. An important factor is that women and men can combine work and family life. Neither women nor men want to have to choose between working life and having a family. They want good quality, affordable childcare and social security systems that allow them to be parents as well as to have challenging jobs. To provide parents with good conditions is therefore an important ingredient in the battle against unemployment and for economic growth.

Women's situation in Sweden

Participation in the labour force

The institutional arrangements and the division of labour between men and women in Sweden have some specific characteristics. One of these is the high rate of participation of women in the labour force. This characteristic is, at least partly, linked to another: the comparatively advantageous parental benefits (at birth and child sickness) and the supply of adequate day-care facilities.

The participation in the labour market by women is very high, practically equalling that of men. On the other hand, Swedish women in the labour force are characterised by the fact that, to a large extent they work part-time.

Basic facts about the Swedish labour market: Population 16–64 years

	1990		1995		2000–10 ¹	
	Number	% of total population 16–64 yr	Number	% of total population 16–64 yr	Number	% of total population 16–64 yr
Employed	4,485,300	83.1	3,986,100	72.2	4,182,100	74.5
Unemployed	75,100	1.4	332,700	6.0	172,700	3.1
= Labour force	4,560,500	84.5	4,318,800	78.2	4,354,800	77.6
Not in labour force	836,500	15.5	1,204,300	21.8	1,256,300	22.4
= Total population 16–64 years	5,397,000	100	5,523,200	100	5,611,100	100
Unemployed in % of labour force	1.6		7.7		4.0	

Labour Force Survey, table 1A

It should be remembered that the Swedish labour market was overheating at the beginning of the 1990s, with very high labour force participation. As seen, labour force participation has decreased since then and this was accentuated during the recession in the 1990s. It is a well-known fact that labour force participation decreases during recession partly due to parts of the labour force leaving it voluntarily as the perceived prospects of getting a job are so low that individuals choose to study or retire. Even though the recession seems to have been the main reason for the decline in labour force participation, other factors such as the general trend towards longer education may well make the participation rates of the early 1990s hard to achieve.

Traditionally, the unemployment rate has been very low in Sweden, however, it dramatically increased in the 1990s. Recently the trend has changed and it now appears to be stable. Presently, women have a lower rate of unemployment across all age groups, except 25–44 years as shown below.

Unemployment for women and men, October 2000 (%)

AGES	WOMEN	MEN	TOTAL
16–19	8.1	10.2	9.1
20–24	4.8	8.6	6.6
25–34	4.4	3.8	4.1
35–44	3.4	3.0	3.2
45–54	2.5	3.0	2.8
55–59	2.5	4.2	3.4
60–64	5.5	8.7	7.2
Total	3.7	4.2	4.0

Labour Force Survey, table 1A

Swedish women are active in the labour market, their participation and unemployment rates are quite similar to men – even if women have some percentage lower participation rates. In October 2000, the figure for men was 80.4% and for women 74.7%. For the first time in the country's history, women have higher participation rates than men in some communities, Stockholm being one such example.

It should also be mentioned that there are differences both in participation and unemployment rates between different parts of the country. The pattern does not look the same for women and men. The differences can be explained by the gender segregation of the labour market. Regions with a traditional structure have higher unemployment rates – particularly for men.

Sectors and gender

The labour market is quite concentrated: almost one-third each in manufacturing, health/social work and trade. Even though women and men participate in the labour market to a similar level, the relative numbers of men and women differ among sectors, so that health/social work is a female field (and to a large degree within the public sector) and manufacturing is a male field.

¹ The Labour Force Survey is conducted monthly, here the latest available survey has been used in order to get as up-to-date figures as possible. It should be noted that all use of the Labour Force Survey other than a yearly figure might be somewhat skewed by seasonal variations

Employed by industry (thousands)

INDUSTRY	1990	1995	2000–10
Agriculture, forestry, etc	154	124	106
Mining, manufacturing, etc	988	802	807
Construction	322	229	225
Wholesale & retail trade, repair, transport, etc	897	770	786
Financial intermediation, real estate, renting, etc	392	424	580
Education, R&D	310	318	391
Health & social work	884	819	733
Hotels, restaurants, social & personal service etc	293	297	320
Public administration & defence etc	240	200	230
Total	4,480	3,983	4,178

Labour Force Survey, table 5A

Women and men employed by industry, October 2000 (thousands)



Labour Force Survey

The relative similarity in labour force participation between men and women is not equalled in the distribution of men and women in different industries. Women work to a large degree in public and private services (education, health and social work).

On a daily basis, gender segregation is even more obvious than evidence suggests. Gender segregation takes place at different levels. An example of this is when women and men in trade do not sell the same goods and do not repair the same equipment.

To a great extent, women and men have different employers. The female-dominated public sector, has, during the last decade been through a period of reorganisation and deregulation, thus changing the conditions for many. This is important from an entrepreneurial point of view.

Self-employment and SMEs in Sweden

It is difficult to define entrepreneurs, entrepreneurship and self-employment. Even if one specific definition is chosen, there are problems in finding relevant data. There are more problems with data on the total number of firms/self-employed/entrepreneurs than with data on new-starters. The explanations for this are a rising awareness among the responsible authorities, leading to an interest in start-ups, and that firms/persons neglect to deregister firms, leading to errors in statistical data. Generally, farmers are not included in the statistics on companies and entrepreneurs. This is in line with the Swedish tradition but is, in some respects, inappropriate. Modern farms are often run like any other firm or company and many new activities have been included in farming which makes the lifestyle similar to that associated with entrepreneurship.

As in almost all other countries, during the 1990s, SMEs in Sweden provided the same number of jobs as larger companies. In Sweden there are approximately half a million SMEs. Of these, most companies are very small and are in services and trade. The changes are slow but consistent, with a slow redistribution of companies to the lower size classes and a somewhat faster redistribution in workforce to the lower size classes. The table below shows the changes between 1993 and 1998 in terms of distribution of companies and workforce over company size-classes.²

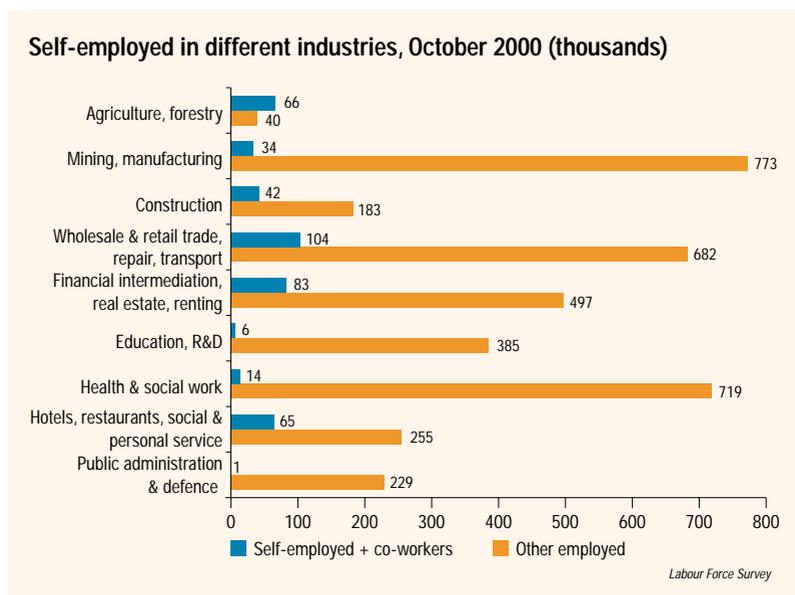
² The basis for RAMS is RAMS the taxation information, statements on number of paid employees and tax statements for self-employed. One restriction is that only self-employed persons with a business surplus are included. The other restriction is that individuals who are both self-employed and employed by someone else are only counted as a "company" when the self-employment is the main income. These restrictions, to companies that are economically viable and entrepreneurs who run their business as their main income, may well account for the difference in figures compared to some sources from Statistics Sweden. For instance, for 1998 RAMS estimates the number of sole traders to be 227,000 and NUTEK/Statistics Sweden's (CFAR) estimate for the same year is 390,000. The difference may well be attributed to part-time entrepreneurship and companies that are run without profit. The total number of companies, estimated from the same sources, are 390,000 and 647,000 respectively

Percentage of companies and workforce for companies in different size classes

NUMBER OF EMPLOYEES	Percentage of companies 1993	Percentage of companies 1998	Percentage of workforce 1993	Percentage of workforce 1998
1	55.9	58.1	5.3	5.8
2-9	35.8	33.2	11.9	11.9
10-19	4.3	4.5	5.4	5.9
20-49	2.4	2.6	6.7	7.6
50-99	0.7	0.8	4.7	5.5
100-199	0.4	0.4	4.7	5.3
200-499	0.2	0.2	6.9	6.9
500-	0.2	0.2	54.5	51.1

Statistics Sweden, RAMS (Registerbased Labour Market Statistics)

Self-employed/business owners/entrepreneurs are active in all fields. In the following figure all self-employed are included, including the farmers and family co-workers. As can be seen, there are large differences between sectors.



Of the newly-started companies women's accounted for 30% (1997: 28%, 1995: 23% and in 1992: 17%). As to the proportion of new business, Swedish Business Development Agency (NUTEK) estimates that approximately 6% of new companies were established in each of the years 1995-1997. In 1999, 35,000 new companies were started, mainly in the service and trade sectors (84%).³

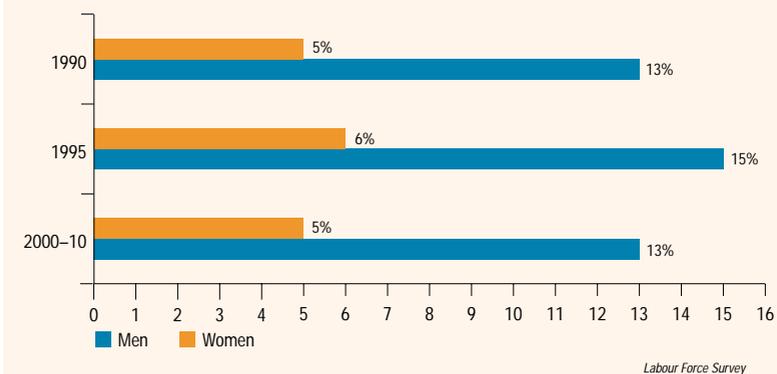
Key facts on women-owned businesses in Sweden

Self-employment by gender

Swedish women entrepreneurs share several characteristics with women entrepreneurs in other countries. Around 25% of the entrepreneurs are women and women start 30% of the new businesses. As indicated above, around 415,000 persons in Sweden are estimated to be owner-managers, 115,000 women and 300,000 men. This estimate, for men as well as for women, includes persons working in family firms. Compared to the number of women and men on the labour market it means that 5% of working women and 13% of working men are self-employed.

³ Sources: Statistics Sweden, CFAR (Central Companies and Work Place Register) 1998 and Statistiska Meddelanden (Statistical Messages) SM 9901

Self-employed in percentage of workforce



Percentage and number of new business start-ups by women⁴

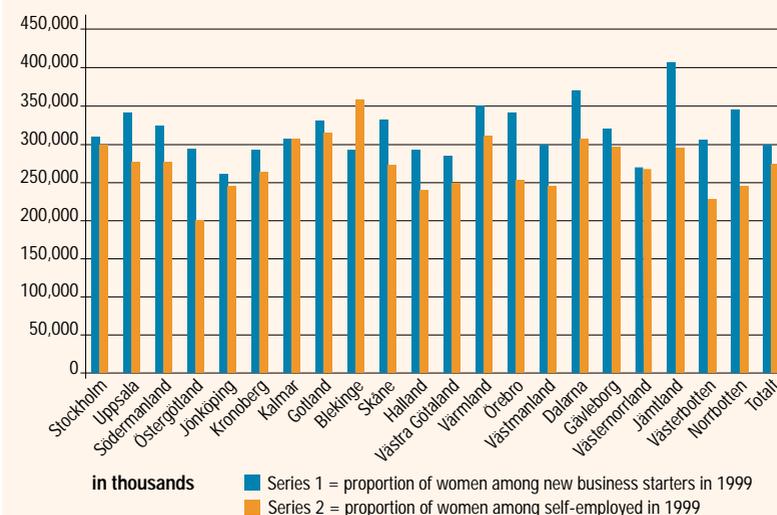
As mentioned, in 1999, 35,000 new firms were registered in Sweden and women started 30% of them, furthermore, women and men started another 5% together. The percentage of women among the new starters is substantially higher at the end of the 1990s compared with at the beginning, from 19% to 30% and from 5,000 companies a year to 10,500 a year.

Location of business start-ups by region

Most firms are in a local market and this more so for women than for men (66% versus 52%). The geographical concentration follows the pattern of entrepreneurship as such, where entrepreneurship is high; the number of women entrepreneurs is also high. Geographically, differences are found in the sparsely-populated areas of Sweden where there is a higher proportion of women entrepreneurs working in the transport sector. The unemployment rate of these regions is also higher than the average. During the 1990s many women started their own business due to a lack

of employment opportunities. The following diagram shows that the proportion of women as new starters is generally higher than the proportion of women as self-employed, and furthermore that there seems to be a slight tendency of over-representation of women new starters in areas that have a lower proportion of women as self-employed.

Regional rates of self-employed women and start-ups



(NUTEK/Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901 and Labour Force Survey 1999 Table 38A: rate of women)

Level of qualifications

One particular characteristic which differentiates between women entrepreneurs is the level of education. Highly-educated women tend to have different motives for going into a business of their own than other women. Women entrepreneurs with a high level of education are concentrated in the major cities of Sweden and in areas such as consultancy which requires a high level of

⁴ Statistics Sweden, CFAR 1998 and Statistiska Meddelanden, SM 9901

competency. Traditionally, small-firm owners and owner managers have a rather low level of formal education. As society changes so does this group. New starters now have a higher level of education, 57% of these women have an education longer than 12 years (Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901).

Highest education for Swedish self-employed women and co-entrepreneurs 1995

Self employed and co-workers, women	Level of education			Total
	<9 years	9–12 years	>12 years	
Sweden-born	27%	50%	23%	100% (n = 110.000)
Foreign-born	23%	45%	32%	100% (n = 12.400)
All self-employed women	27%	49%	24%	100% (n = 122.400)

Labour Force Survey

The same source shows that for the whole population of Swedish women (regardless of place of birth) the ratios are 21%, 49% and 30% (for foreign-born women the figures are 25%, 44% and 31%). This means that the lowest level of qualifications exists for Swedish-born entrepreneurs, however, the differences are not significant.

Self-employment by gender and age

The average female entrepreneur in Sweden is between 30–50 years of age and has children. Female new-starters are slightly older than their male counterparts, 77% are 30 years of age or above compared to 72% of men (Source: Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901).

Self-employment by gender and ethnicity

There are several definitions to use when studying the impact of ethnicity. One common definition in Sweden is to look at 'immigrants' defined as a person who is not born in Sweden or is born in Sweden but has at least one parent who is not born in Sweden. This is a rather wide definition, including people who

have lived in Sweden all their lives. Another definition, chosen here, is to use the place of birth – Sweden or abroad – as an indicator. The gender distribution between the self-employed is quite similar when comparing for those born in Sweden and those born in another country. In total, approximately 10% of the self-employed are born outside Sweden. Among the new starters the proportion with an immigrant background (i.e. the rather wide 'immigrant' definition given above) is around 30% (Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901).

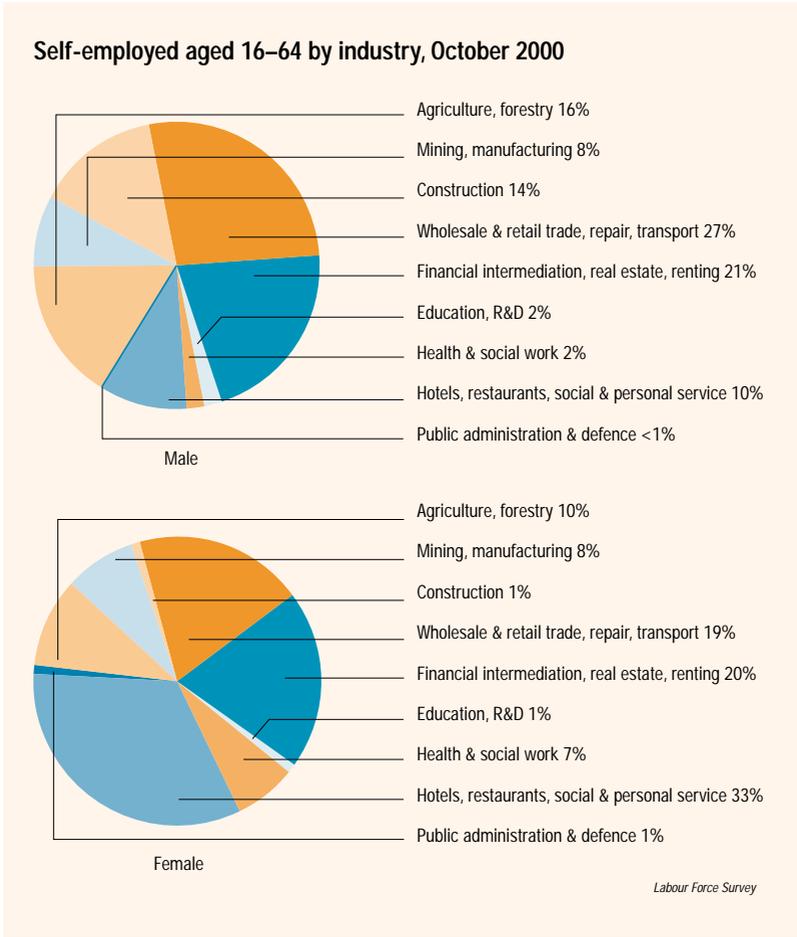
Distribution of self-employed by gender and birthplace

	WOMEN (1990)	MEN (1990)	WOMEN (1995)	MEN (1995)
Self-employed				
– Swedish-born	25%	75%	26%	74%
– Foreign-born	28%	72%	27%	73%
Co-workers				
– Swedish-born	70%	30%	56%	44%
– Foreign-born	86%	14%	75%	25%

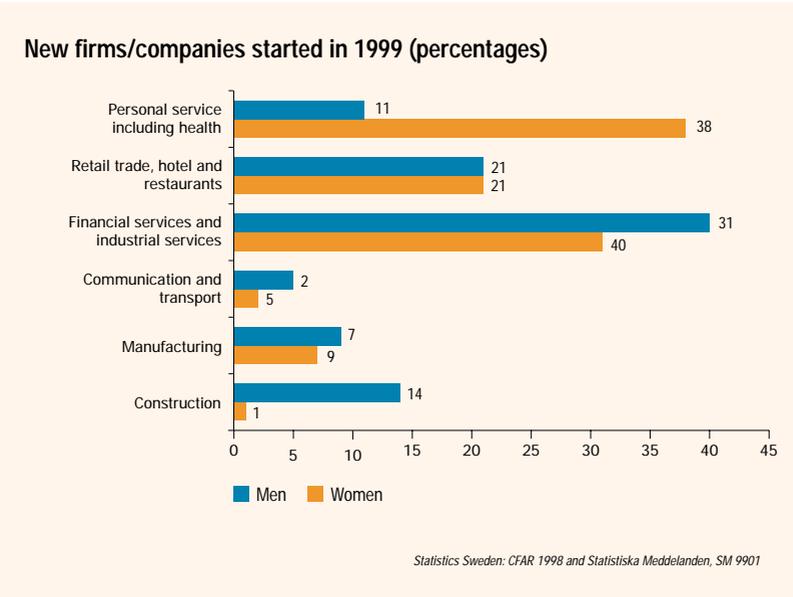
Labour Force Survey

Occupational analysis

The differences in proportions of men and women in different industries which characterise the labour market are also visible for self-employed women. The pattern is also similar to the general picture of the labour market – women tend to work in the service sector. In trade, women are traditionally entrepreneurs in retailing, for instance in food retailing, which was, historically, a major sector for women entrepreneurs. This sector has changed so markedly that it now is completely dominated by big companies, even though some of them are organised through formally independent shop owners.



The pattern among new firms differs from the general firm population. As can be seen from the table below, the traditional main gender differences are not evident among the newcomers. The difference in construction is obvious and there is also a gap in 'personal service' (which includes childcare and care for the elderly), the most common industry for women. This has not been a key market in Sweden as responsibility has rested with the public sector. During the last 10 years the reorganisation of the public sector has meant that new markets have been created.



The often-discussed IT-sector is small, particularly for women starters. Only 2% of the new start-ups handled by women are categorised as IT-firms, while more than 10% of the male new starters belong to the category.

As for subgroups of women entrepreneurs, marital status seems to be of greatest importance in terms of choice of type of business and location. Half of the Swedish women entrepreneurs are co-entrepreneurs with their husbands, while only about 20% are single women. The differences between these groups (co-entrepreneurs, single and other married entrepreneurs) are obvious especially in terms of type of business – single women are much more likely to have a service company while co-entrepreneurs have a manufacturing company or a retail store in food (Sundin & Holmquist 1989). It seems as if the husband has an influence in the sector of the family firms.

Proportion of women sole traders and number of employees

The vast majority of the organisations are very small. 60% of the firms owned and run by a man are a one-man show and the figure is even higher for women – almost 70%.

Self-employed women, without and with employees

Self-employed women	1990		1995		2000–10	
	Number	%	Number	%	Number	%
With employees	31,400	31	33,800	30	33,900	32
Without employees	69,800	69	78,200	70	72,100	68
Total	101,200	100	112,000	100	106,000	100

Labour Force Survey

Hours worked

Given the characteristics of the Swedish labour market it is unsurprising that women entrepreneurs work part-time. As is seen from the table below, entrepreneurs work longer than employed. Especially women entrepreneurs work longer hours than their female employed counterparts.

Weekly work-hours for men and women, employed and self-employed, October 2000 (percentages)

WEEKLY WORK-HOURS	Employed men	Self-employed men	Employed women	Self-employed women
1–4	1	1	1	1
5–8	1	1	2	1
9–15	1	2	2	5
16–19	–	–	1	1
20–24	2	4	7	5
25–29	1	1	7	6
30–34	3	2	15	9
35–39	13	3	17	5
40–	78	86	48	67
Total	100 (n = 1,883,500)	100 (n = 295,100)	100 (n = 1,868,600)	100 (n = 105,900)

Labour Force Survey, table 8

Reasons for setting up a small business⁵

Women receive more support for starting up their own business than men, 36% compared with 22%. It is uncertain if this means in monetary terms. As to motives for starting a business, both women and men in Sweden refer first and foremost to classical entrepreneurial incentives such as 'I want to realise my ideas' and 'I want to work for myself and be on my own'. One third cited these examples, in line with well-known facts about entrepreneurial behaviour. There are, however, some differences between men and women starters – in line with previous studies, 17% of Swedish male starters say that their main incentive is to make a profit while less than 10% of the female starters say the same. A well-known motive, 'to combine family and work', seems to be present since many female entrepreneurs work part-time and part-time work, as a rule, is chosen to achieve a work-life balance.

Barriers to setting up a small business⁶

Men more often express a desire to expand the business than women do (57% versus 50%). This is a well-known phenomenon, but the reason is not necessarily that women perceive obstacles to growth. Similarly, the lower survival rates for firms started by women could point to it that obstacles exist but this is not clear. As to barriers and encouraging factors for women – a thorough investigation is needed before drawing conclusions and making policy recommendations.

⁵ Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901

⁶ Statistics Sweden: CFAR 1998 and Statistiska Meddelanden, SM 9901

Government measures to support entrepreneurship, SMEs and women-owned businesses in Sweden

The support system for women entrepreneurs and for women who want to start a business has long been built on mainstreaming. The same organisations as for male entrepreneurs have been used, i.e. banks, consultants, the Swedish Business Development Agency (NUTEK) and ALMI Businesspartner. Some of these organisations have, to some degree, adapted their support system to the perceived special needs of women. The banks have instituted special projects to focus on women and economy, special courses and seminars on and for women entrepreneurs have been held during the last 10 years.

Within Sweden, NUTEK has national responsibility for promoting entrepreneurship and SMEs. Since 1991, NUTEK has been running programmes for promoting women's entrepreneurship. From the start this has been in collaboration with what is now ALMI Businesspartner and also with a strong network of County Administrative Boards. Due to reorganisation and Sweden joining the European Union, the regional authorities also subsequently financed programmes and projects directly at regional level.

Between 1998–2000 ALMI Businesspartner received government funding specifically designated for projects promoting women business owners.

The key player regarding new starters is probably the Swedish National Labour Market Administration, AMS/AMV and their regional and local branches. It is the largest organisation, at least in terms of the number of women they support with education and unemployment insurance. Unemployed people can, when starting a new business, be allowed to keep their unemployment insurance for six months. Under some circumstances women can keep it for up to a year. In some regions this also applies to men. This is only possible if the new business is judged to be durable.

During the 1990s, Sweden implemented several new tools to support start-ups and SMEs and to develop entrepreneurship.

The Starting Line – the Swedish Business Information Service. Anyone who wishes to obtain free information and guidance about starting up a company in Sweden can contact the Starting Line, a telephone and Internet service.

The Business owners guide – an Internet gateway to official information for business owners is available at www.nutek.se. This enables SMEs to find relevant information from all different authorities in one place.

Entrepreneurship in School is a programme to stimulate and increase both enterprise and work-related learning in the Swedish educational system.

Open for Business (OFB) is a network of storefront, walk-in centres for self-employment and business development. In a welcoming, youth-oriented environment, Open for Business helps with the 'how to's' and 'next steps' for anyone who wants to start, improve, or expand a business. Although the primary goal is to assist young people, the staff, programs, resources, and multifaceted environment of Open for Business serves anyone who wants to develop the personal qualities, characteristics, attitudes, and skills necessary to be an entrepreneur. Open for Business is a Canadian concept which NUTEK is starting in Sweden.

IT in SMEs is a programme to increase the strategic use of IT in small companies. The Swedish government can provide financial support to regional programmes to promote small companies to develop their business with the use of IT.

Swedish Association of Ethnic Entrepreneurs (IFS) is a non-profit independent association whose aim is to support ethnic minority entrepreneurs in Sweden.

The state, through NUTEK, also supports 24 local co-operative development agencies (Lokala Kooperativutvecklingscentra – LKU) across Sweden.

The main task of the LKU is to stimulate and facilitate the establishment of new co-operatives and other democratic forms of joint undertakings. The LKU offers free advice, guidance and information.

At www.nutek.se/finansieringsdatabasen you will find a database covering a very wide range of finance sources for new and existing companies. Information is given about grants, different kinds of loans and non-financial help, such as information and advice agencies. The database also includes companies dealing with risk and venture capital.

There is among other schemes a special **loan scheme for new entrepreneurs**. Many women felt excluded by the terms of the loan as they did not need that amount of money and they did not want to have a limited company. The state therefore set up a special **loan support scheme for women entrepreneurs**.

ALMI Businesspartner, a public owned consultancy firm, administers the special loan scheme for women business owners and new starters. The business idea must be based on long-term profitability and provide a part-time salary for the owner/owners. All kind of businesses can apply for the loan scheme and all legal types of companies' benefit.

NUTEK has run a project together with one of the major banks investigating the reasons why women have difficulties accessing loans and this work is now aiming at getting more banks involved in discussions and training programmes.

NUTEK's work on **promoting women's entrepreneurship** has included a new way of presenting statistics. Videos, magazines and conferences have also been used to make women business owners more visible in society. Developing material, training and consultation methods have been the main tools to promote women's entrepreneurship. Results and knowledge have been published in books and reports. The most extensive programme has been the **business advisers for women**, which is presented as an example below of best practice. The business advisers have also started many projects targeting the development of SMEs run by women.

NUTEK also launched the research programme Female Entrepreneurship and Management (FEM) which started as a four-year programme under the organisation umbrella of the Swedish Foundation for Small Business Research (FSF). It is the first major programme within this field and is supported directly by the government. The main issues are Entrepreneurship as a lifestyle for women and Women's invisibility in entrepreneurship.

Examples of good practice in Sweden

Network Banking in Dalarna with the second step **Women friendly enterprise finance and commerce**, is an Employment NOW project and was selected best practice within the NOW-programme. Network Banking has been modelled on Nettverkskredit in Norway, which in turn was modelled on the Grameen Bank in Bangladesh. Network Banking builds on offering a solution to two basic entrepreneurial needs when starting a business:

The need for small credits and the need for belonging to, and being supported by a group with similar attitudes and values.

The goal of the Network Banking project has been for the 15 chosen women participants to start some kind of business, and thus be able to remain in their home environment, independent of public funding. The goals for the second step, the transnational project, have been to establish, on the basis of the national project, an exchange and a network among participants and project managers in Sweden, Spain, Italy and Northern Ireland. For more information go to www.dalarit.se/natverksbanken and see Final report.

In 1999, **Business advisers for women** was chosen as one of 11 examples of Best Practice within the Employment Pact. The first programme started in 62 municipalities during 1994 and some advisers are still in place. The second programme started 1997 as a two-year project in 33 municipalities and most communities had the project for three years and some will go on during a fourth year. At the most there were approximately 100 women business advisers. Researchers have followed the programmes.

NUTEK has set up, co-ordinated and partly financed the projects. NUTEK has also supplied training and exchange of experience for the business advisers and information spread by the traditional ways, as well as via an electronic network.

The business adviser programme for women enables women to start and develop their own business and acts as a one-stop shop. The adviser meets the woman in her own surroundings. She is also prepared to discuss any kind of business and how one can manage to combine family life with the company. If the sector is unfamiliar, she will seek advice from her colleagues in the network of business advisers.

Coaching – a way to develop your company has been a very successful programme offered to women business owners by ALMI Businesspartner. The business owner gets a coach and they work together for 30 hours. The business owner herself adds an extra 30 hours to work through a plan very similar to a business plan. The coach is a speaking partner not a doer.

Mentor programme has been a tool used for a long time by ALMI Businesspartner to work with strengthening women business owners. The programme includes educating both mentors and adepts, at some occasions together.

Resource centres for women work to increase women's influence in the region and to strengthen women's position in society. A resource centre bases its approach on local conditions, and women can obtain help there according to their own and the region's needs. Many resource centres work with different projects promoting women's entrepreneurship. The centres are financed, on a project base, by the state, local and regional authorities and EU structural funds.

GROWth in your region – the partnership approach, was a project within the Leonardo programme. Seven regions in Europe worked together on promoting women's entrepreneurship.

The GROW approach emphasises the reinforcement of the regional infrastructure for supporting women entrepreneurship by reference groups plus an interactive concept of planning and implementation of support actions. Adding networking on regional and transnational levels as essential components the projects has produced a structural and organisational model by combining well-known tools in an innovative and fruitful manner.

The seven regions who took part in the GROW project were Verviers in Belgium, Emilia Romagna and Sicily in Italy, Catalonia in Spain, Halland and Östergötland in Sweden and Wales in the United Kingdom.

Wales made a very interesting strategic plan for promoting women's entrepreneurship as a result of the GROW project.

The responsible contractor for the GROW project was the County Administrative Board of Östergötland and the co-ordinator from the university in Halmstad, Halland, both in Sweden.

The GROW project is an excellent platform from which to take forward future cooperation.

Swedish summary and conclusions

The key-facts on women as entrepreneurs in Sweden presented in this report can be summarised as below:

- 25% of the Swedish entrepreneurs are women
30% of the new-starters are women
- most firms are locally-based – firms managed by women even more so
- traditionally entrepreneurs have a low level of education but this is rapidly changing

- the gender segregation among entrepreneurs is a mirror of the gender segregation on the labour market. Consequently the number of women in the technology sector, like IT, is low and the number in health and care, stimulated by the reorganisation of the public sector, is high
- women as entrepreneurs often work part-time as well as other women on the labour market
- the reasons for setting up a business due to age, level of education, is in a way related to the existing gender system
- women as entrepreneurs just have two characteristics in common – that they are women and they are entrepreneurs
- women as entrepreneurs are very diverse, invisible and adapting their work to family life. These characteristics seem to be constant although everything else is changing.

The key-facts as well as choice of sectors are also reflected in the examples of best practice presented above. The business advisers for women developed tools to work with a variety of sectors in order to meet the demand from women entrepreneurs as well as from the new starters. The Network Banking in Dalarna met the need not only for small credits, but also for training in running a business regardless of sector and as does, for example, the mentor and coaching programmes.

To promote women's entrepreneurship we need to focus the gender issue in entrepreneurship. This has to be done in research, legislation and in all measures to promote entrepreneurship. To learn about the gender issue we need to work with practice and with evaluation to find out about the obstacles and the best ways to meet the needs of women and women entrepreneurs. In this way we will also make it possible for more women to become entrepreneurs and thereby to contribute to the economic growth of their country.

Closing remarks

The Lisbon Council placed great emphasis on economic growth and job creation. We aim to take forward the Lisbon agenda in terms of promoting women's entrepreneurship together and in both our countries. Specific measures being currently undertaken at national level can be seen on pages 20–22 (UK) and 44–47 (Sweden).

This report produced by the UK/Swedish Taskforce represents a useful step in terms of our bilateral work. We will support the effective development of women entrepreneurs and encourage others to do so. This can be achieved by sharing examples of good practice, supporting joint projects and disseminating effective methods and models such as the transnational partnership approach of the GROW method.

We welcome the involvement of other Member States and the European Commission in taking this initiative forward at European level. We believe that we can share examples of good practice with colleagues from the candidate countries.

We hope that this paper will inform the Stockholm Council and contribute some good ideas which will enable women to fulfil their potential, thereby contributing to the economic success of their own countries and Europe as a whole.

Useful contacts for further information about women in business

THE UNITED KINGDOM

Small Business Service

Provides information, help and advice on starting up and running a small business.

Tel: 020 7215 5363

Web: www.businessadviceonline.org

Phoenix Fund

Includes a development fund designed to encourage projects to support entrepreneurs from under-represented groups, including women.

Tel: 0114 259 7453

New Employers Helpline

Provides advice and information to new employers on all aspects of payroll management.

Tel: 0845 607 0143

Web: www.inlandrevenue.gov.uk

Small Firms Loan Guarantee Scheme

Designed to provide loans from banks and other institutions to small businesses that have viable business proposals but have failed to obtain conventional loans because of lack of security.

Tel: 0114 259 7308/9

E-mail: sflgs@sbs.gsi.gov.uk

Smart

SBS initiative that provides grants to help individuals and small and medium-sized businesses to make better use of technology and to develop technologically innovative products and processes.

Contact: Local Business Link at Government Office

Local Enterprise Development Unit

Northern Ireland's small business agency provides a local contact point for Local Enterprise Agencies and organisations offering small business loans.

Tel: 028 9049 1031

Web: www.ledu-ni.gov.uk

Business Enterprise Scotland

Provides information and advice on starting up or running a business in the Highlands and Islands region of Scotland.

Tel: 0131 550 3839

Web: www.bes.org.uk

Small Business Gateway

Provides information and advice on starting up or running a small business in Scotland.

Tel: 0845 609 6611

Web: www.sbgateway.com

Scottish Businesswomen

An online business centre for women run by Wellpark Enterprise Centre and Scottish Enterprise.

Web: www.scottishbusinesswomen.com

Business Connect

Local business advice centres, offering practical advice and useful information for new and existing small firms in Wales.

Tel: 08457 96 97 98

Web: www.businessconnect.org.uk

New Deal

Part of the Government's Welfare to Work strategy.

Web: www.newdeal.gov.uk

Enterprise Insight

Helps create a more enterprising culture across the UK.

Web: www.enterpriseinsight.co.uk

Wellpark Enterprise Centre

The only integrated women's business centre in the UK.

Tel: 0141 550 4994

Web: www.wellpark.co.uk

WEETU (Women's Employment, Enterprise & Training Unit)

Based in Norwich, WEETU delivers a range of practical services to enable them to improve their employment prospects.

Tel: 01603 767367

Web: www.weetu.org

WIN – Women into the Network

WIN is an umbrella initiative which aims to get more women networking and supporting businesses in the North East by using support that already exists in the region.

Tel: 0191 374 1311

Web: www.networkingwomen.co.uk

Women's Unit

The Women's Unit develops policies across government to deliver practical improvements to women's lives and ensure they have choices and opportunities to fulfil their potential.

Tel: 020 7273 8880

Web: www.womens-unit.gov.uk

SWEDEN

Swedish Business Development Agency (NUTEK)

S-117 86 Stockholm Sweden

Tel: ++ 46 8 681 91 00

Fax: ++ 46 8 19 26 32

Web: www.nutek.se

The Starting Line

The Swedish Business Information Service at NUTEK provides free information and guidance to those wanting to set up a business.

Tel: 020 351010

Web: www.nutek.se/startlinjen

NUTEK's website also contains a database on information on grants, loans and non-financial help. The database also includes companies dealing with risk and venture capital.

Web: www.nutek.se/finansieringsdatabasen

ALMI Businesspartner AB

Provides finance, business development programmes and consultancy services.

Box 47631

S-117 94 Stockholm Sweden

Tel: ++ 46 (0)8 709 8900

Web: www.almi.se

Swedish Foundation for Small Business Research (FSF)

S-701 82 Örebro

Sweden

Tel: ++46 19 33 37 00

fax: ++46 19 33 37 01

Web: www.fsf.se

Swedish Association of Ethnic Entrepreneurs

Supports ethnic minority entrepreneurs in Sweden.

Web: www.ifs.a.se