

WOMEN ENTREPRENEURS, AN EMERGING ECONOMIC FORCE

Dr. Irene Kamberidou

Asst. Professor, University of Athens

Member of the European Center for Women and Technology (ECWT)

"Europe must build on its small businesses. Supporting women entrepreneurs is essential to stimulate growth since the entrepreneurial potential of women has not yet been fully exploited" **(European Commission Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship)**

Surveys conducted by the National Foundation of Women Business Owners (NFWBO) show that women-owned firms compete in the global market, stimulate growth, have greater revenues and are more focused on business expansion than firms that are domestically oriented.¹ Women entrepreneurs have a significant impact on the economy, not only in their ability to create jobs for themselves but also in creating jobs for others.² However, they constitute only 34.4% of the EU's self-employed workforce and only 39.4% women choose to be self-employed compared to 50.2% men.³ Research also confirms that women entrepreneurs are highly educated and use more high technology systems than their male counterparts.⁴ Additionally, studies show that women create smaller but relatively more viable enterprises, are more cautious than men and possess better awareness regarding the risk of failure.⁵ Consequently, it is vital for women to learn how to play the international trade game and raise the visibility of women's entrepreneurship.

A global network of women's business associations as well as information technologies can help in many ways to encourage women to launch their own businesses, identify markets, provide industry information and spotlight trends on the role of women in sustainable economic recovery. However, the lack of official gender segregated statistics implies that there is no problem. Namely, more information about women-owned business enterprises is needed for policymakers to realize that women are an economic force to be reckoned with. Part of this process is to officially document the economic significance of women-owned enterprises in order to establish a constructive dialogue. What women's business organizations (WBOs) can provide are documented gender segregated data, access,

¹ http://www.internationalentrepreneurship.com/european_entrepreneurship/greece_entrepreneur.asp (retrieved 14/12/2010)

² "Women Entrepreneurs encouraged to take the plunge", 08/12/2010, in: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1675&format=HTML&aged=0&language=EN&guiLanguage=en>

³ *ibid.*

⁴ "Women @ Business, Interview for Policy Report issued by ESYNE", pp. 1-5. (Interview with Dimitris Lakasas, President of the Greek International Business Association (SEVE), pp.2-5. In: http://www.womenatbusiness.eu/Files/files/W@B_WP8_Interview_GREECE_SEVE.pdf). Project funded by the European Commission [Competitiveness & Innovation Framework Programme 2007-2013. (Retrieved 14/10/2010)

⁵ "Women Entrepreneurs encouraged to take the plunge", 08/12/2010, in: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1675&format=HTML&aged=0&language=EN&guiLanguage=en>

organization, and advocacy.⁶ This also applies to other social groups, migrants and ethnic minorities, whose entrepreneurship potential has not yet been fully exploited. EU statistics show that proportionately more migrants and members of ethnic minorities than nationals start small businesses. Member States have accomplished a great deal in tackling discrimination faced by immigrants and ethnic minorities, however they still confront obstacles in access to funding, information, business networks as well as language barriers.⁷ Policies encouraging entrepreneurship in Europe need to take into account the entrepreneurship potential represented by these groups, in view of the fact that Europe does not have enough entrepreneurs, male or female. Not enough Europeans see running a small business more attractive than working as employees in large or small firms, public organisations, etc. These reasons, among others, apply as much to women as they do to men, but there are certain additional factors and obstacles which make entrepreneurship an even less attractive or viable option for women, such as the family-work imbalance, lack of role models and mentors, social stereotypes and educational-entrepreneurship skills.

European Network of Female Entrepreneurship Ambassadors

A study undertaken by the Commission in 2008 on women innovators and entrepreneurship⁸ confirms that the obstacles confronted by women in innovative entrepreneurship are of three types:

- Contextual obstacles: educational choices, traditional views and stereotypes about women, science and innovation.
- Economic obstacles: innovation sector requiring substantial investment and women being seen less credible financially than men.
- Soft obstacles: lack of access to technical scientific and business networks, lack of business training, role models and entrepreneurship skills.

To overcome these obstacles, the Commission and Member States have been supporting and promoting women entrepreneurship in Europe with a series of activities and projects. In 2009, for example, the European Commission helped establish the European Network of Female Entrepreneurship Ambassadors—a network launched in Stockholm during the Swedish Presidency— whose aim is to have successful female entrepreneurs campaigning to inspire women to set up their own businesses, vital for sustainable development. The second phase of the European Network of Female Entrepreneurship Ambassadors was inaugurated during the networking event that was co-organised by the European Commission and the Belgian Presidency of the European Council, at which European Commission Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship said: "Europe must build on its small businesses. Supporting women entrepreneurs is essential to stimulate growth since the entrepreneurial potential of women has not yet been fully exploited. Our initiative will play an important role in encouraging women

⁶http://www.internationalentrepreneurship.com/european_entrepreneurship/greece_entrepreneur.asp (retrieved 14/12/2010)

⁷ See: Migrant and ethnic minority entrepreneurs - reference documents 2008 Conference "Migrant Entrepreneurship/ Ethnic Minority Entrepreneurship - Diversity in a united Europe" (http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/migrants-ethnic-minorities/index_en.htm)

⁸Female entrepreneurship portal: http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/portal/index_en.htm (retrieved 14/12/2010)

to take the plunge and launching their own businesses which will be good for them and great for a sustainable economic recovery."⁹

Around 150 Ambassadors of female entrepreneurship from 10 European countries—Denmark, France, Germany, Iceland, Ireland, Italy, Norway, Poland, Slovakia and Sweden— selected via the relevant Commission's call, met to network and attend the inaugural ceremony. Following a second call for ambassadors, 12 new countries joined the network bringing the number of ambassadors to 250: Greece, Cyprus, Belgium, Albania, Croatia, Hungary, Luxembourg, Malta, Portugal, Romania, Serbia and the United Kingdom. It was followed by a networking event on December 8, 2010, co-organised by the Commission and the Belgian Presidency of the European Council.

Specifically, by testifying to their experience in schools, at universities and in the media, these Ambassadors serve as role models and mentors inspiring women to have an independent career. Since the establishment of the European Network of Female Entrepreneurship Ambassadors the following measures have been taken in EU Member States :

1. The establishment of a micro-credit, mentoring, coaching and grants programmes targeting female entrepreneurs in Spain
2. The establishment of a specific mentoring programmes in Latvia
3. Finland offers micro-credits and substitutes for the self-employed
4. Austria and the Netherlands have submitted an entrepreneur programme for women who require maternity, family or sick leave
5. Romania has been organizing women entrepreneurs' days
6. The UK 'Women's Enterprise Ambassadors' and a "Flying Start" programme encouraging entrepreneurship among women graduates

The Female Entrepreneurship Ambassadors, serving as role models and mentors, highlight the role that women can play in creating jobs and promoting competitiveness. Their next step is to create a network of mentors in 2011 so as to provide an increased level of support for women entrepreneurs.¹⁰

Migrant - ethnic minority entrepreneurs

Another important pool of entrepreneurs in Europe are migrants and people from diverse ethnic minorities. Statistics show that proportionately more migrants and members of ethnic minorities than nationals start small businesses. In order to foster growth and jobs in Europe, making the most of Europe's potential, the Commission and Member States have been supporting and promoting migrant and ethnic minority entrepreneurs and helping them overcome difficulties that prevent them from starting businesses in Europe. Many problems migrant/ethnic entrepreneurs confront do not differ from those confronted by women or native speakers, however the difficulties that appear to primarily affect migrant/ethnic entrepreneurs are:

- Language barriers
- Discrimination
- Access to finance and to support services

⁹http://ec.europa.eu/enterprise/policies/sme/promotingentrepreneurship/women/index_en.htm

¹⁰ Details in:

http://ec.europa.eu/enterprise/policies/sme/promotingentrepreneurship/women/index_en.htm

- Limited business, management and marketing skills
- Over-concentration in low entry threshold activities with limited scope for diversification into mainstream markets

Although member states have accomplished a lot in dealing with problems of deliberate discrimination faced by migrant and ethnic minorities, there is still a need to raise awareness amongst the different stakeholders and establish measures at many levels of government.¹¹ Utilizing or taking advantage of the entire talent pool—women, migrant/ethnic social groups— can provide an important competitive advantage. Studies have shown that companies that recognise talent in any form and make good use of it have a greater success rate. For example, a 2008 McKinsey & Company study shows that companies with the most gender diverse management teams have on an average higher business results. This does not mean that women are inherently more talented and better skilled than men. It does however indicate that the companies that have taken advantage and raised the visibility of their entire talent pool, namely have identified and promoted female talent into leadership roles, show greater success with regard to profits and sustainability.¹²

Women entrepreneurs in Greece

Women entrepreneurs are found to have significant impact on the economy, not only in their ability to create jobs for themselves but also to create jobs for others.¹³ However, women entrepreneurship in Greece is low, when compared to the European Union or the USA. In Greece, for example, 72% of new entrepreneurs are male and only one out of three is in the 25-34 age group and two out of three are 25-44 years old.¹⁴ What is also observed is a high rate of entrepreneurship among the over 55 age group. At this point one need point out that in order to inspire younger generations to take the plunge, the Federation of Hellenic Associations of Young Entrepreneurs (O.E.SY.N.E), an association of young entrepreneurs up to the age of 45, has been working (1) to support young entrepreneurs and transfer best practices from Europe to Greece and vice versa, (2) to develop the entrepreneurial culture for young people through the activities of the *Global Entrepreneurship Week*, and (3) to stimulate exchanges between its members, promote cooperation, networking and sharing of best practices at national, European and global levels.¹⁵

In 2003-2005 Greece held the second lowest place in Europe in female entrepreneurship, but in 2006 a 4.7% of females between the ages 18-64 years old, were new entrepreneurs, a significant increase in comparison to the European average of 3.7 during that period. However, as opposed to the European findings, almost 40% of female ventures are created out of necessity and not driven from an effort to exploit opportunities and challenges.¹⁶ Nearly two thirds of Greek entrepreneurs belong to this category, having a low risk-tolerance and having created their business out of necessity and with no incentives to expand to the global markets.

¹¹See: Migrant and ethnic minority entrepreneurs - reference documents 2008 Conference "Migrant Entrepreneurship/ Ethnic Minority Entrepreneurship - Diversity in a united Europe")

¹² Kamberidou, Irene (2010). "The Glass Escalator and Gender Fatigue: Getting Gender back on the Agenda". In Proceedings of the 5TH International Conference on Interdisciplinarity in Education ICIE'10: New Higher Education Programs & Jointly 4th International Steering Committee Meeting, June 17 - 19, 2010, Tallinn, Estonia.

¹³"Women Entrepreneurs encouraged to take the plunge", 08/12/2010, in: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1675&format=HTML&aged=0&language=EN&guiLanguage=en>

¹⁴ http://www.internationalentrepreneurship.com/european_entrepreneurship/greece_entrepreneur.asp (retrieved 14/12/2010)

¹⁵ibid

¹⁶ibid

What is being done to promote women entrepreneurs and SMEs in Greece? Women's entrepreneurship is being supported through the National Strategic Reference Framework (NSRF) Programmes for Development, which constitutes the reference document for the programming of European Union Funds at national level for the 2007–2013 period. In 2009 the Ministry of Development set up a Programme for the support of the women entrepreneurship in Greece. The Programme offered financial assistance for the successful implementation of business plans in the sectors of manufacturing, retail, services and tourism.¹⁷

In an interview for the "*Women @ Business*", *Policy Report issued by ESYNE*, Dimitris Lakasas, President of the Greek International Business Association (SEVE), points out the necessity to increase the ability of women to participate and to incorporate a women's entrepreneurial dimension in the formation of all SME-related policies and to promote the development of women entrepreneur networks. He also acknowledges that women today are faced with many obstacles such as family responsibilities, which need to be overcome, "in order to give them equal access to the same opportunities as men."¹⁸ The President of SEVE, stressing that research shows that women entrepreneurs are highly educated and use more high technology systems than their male counterparts, recommends that Greek women find the many female advocates in the global markets, since women entrepreneurship is highly developed globally, as opposed to Greece.

Lakasas strongly stresses that "the future of Greece is exports". In order to survive from the current economic crisis we need exports as well as a campaign in foreign markets to improve Greece's image abroad. In this framework, SEVE has prepared a Programme–Proposal entitled: "Export", to be financed and incorporated in the NSRF 2007-2013 Programme. Additionally required is to shift Greek production to sectors with competitive advantages, the production of competitive products, with high added value and quality for global clients –consumers, as well as the support of SMEs by the government and entrepreneurial bodies. "We have proposed to the Greek Government the development of a 'National Export Support System'," he adds, stressing that the obstacle to all the above proposed measures are limited financing and bureaucracy. The "Export" proposal, and not only, is vital to survive from the current economic crisis, especially in view of the latest statistics according to which in the first quarter of 2010 industrial production fell by 5.3%, the food industry recorded a drop of 2.4% and the clothing industry was strongly affected by the economic crisis. As for the last two years, the production index has recorded a fall of 38%.¹⁹

The Global Entrepreneurship Monitor (GEM) shows that the main reasons for the closure of many Greek SMEs were limited profitability (45.2%) and financial difficulties (17%). Focusing on the entrepreneurship in Northern Greece, the Northern Greece Business Index - NGBI 500 (May 2010) shows the worst climate of the last eight months for the Northern Greece SMEs, providing among the main reasons the tight financial measures, which have resulted in limited liquidity in the market and in the shrinkage of the consumer disposable income. To reiterate, in the first quarter of 2010 industrial production fell by 5.3%, the food industry recorded a drop of 2.4% and the clothing

¹⁷ "Women @ Business", Interview for Policy Report issued by ESYNE, pp. 1-5. (In: Interview with Dimitris Lakasas, President of the Greek International Business Association (SEVE), pp.2-5. In: http://www.womenatbusiness.eu/Files/files/W@B_WP8_Interview_GREECE_SEVE.pdf). Project funded by the European Commission [Competitiveness & Innovation Framework Programme 2007-2013 (Retrieved 14/10/2010)]

¹⁸ Ibid,5.

¹⁹ Ibid, 2-4.

industry was strongly affected by the economic crisis, and in the last two years, the production index recorded a fall of 38%.²⁰

The Ministry of Development, Competitiveness and Shipping developed four new Programmes (March 2010) in Greece : 1) Manufacturing in the New Age, 2) Green Enterprise 2010, 3) Green Infrastructure, 4) Clothing and Footwear – New Potentials – New Perspectives. These programmes aim to support and enhance the growth of competitiveness and innovation of the Greek SMEs, while at the same time providing and promoting Green and thus sustainable development and the social profile of the enterprises. With regard to best practices, SEVE President recommends that Greece must follow the same route as the Netherlands: "I want to state that when the Netherlands determine their "National Export Strategy", the two main participants in the Public Discussion are: 1) the Business Community, 2) the Ministry of Economic Affairs. It is evident that the Business Community, represented by the SMEs, plays a central role in the Netherlands and I believe that Greece has to follow the same route in order to be effective, productive and successful."²¹

Another activity in Greece to promote entrepreneurship in the global economy, was the conference organized by the Foreign Ministry, the Chamber of Commerce and Industry of Athens in July 2008. The Conference on *Green Entrepreneurship* organized by the Foreign Ministry, the Chamber of Commerce and Industry aimed at taking stock of opportunities presented in the Greek market and the academic community with regard to innovative "green" products, research, know-how and technology, which can be used in the "global fight for the environment".²²

Recommendations

What is required is education, training, research and advocacy, including an all-encompassing framework and online resources to pull together all the diverse entrepreneurship associations, efforts, projects and activities— such as those of the European Commission, the European Network to Promote Women's Entrepreneurship (WES), the women's business organizations (WBOs), the European Center for Women and Technology (ECWT), including local/national ones such as the National Foundation of Women Business Owners (NFWBO) and the Federation of Hellenic Associations of Young Entrepreneurs (O.E.SY.N.E).

Providing a common hub of information and support services could prove invaluable. Such an effort, partnered with universities, education ministries and policymakers could ensure that information and support services for women's entrepreneurship is mainstreamed throughout the system to all stakeholders, including teachers, parents, guidance counsellors, administrators, school boards, government officials and so forth. Specifically, official bodies, non-governmental organizations and diverse stakeholders working together, thinking globally and acting locally via education school programs, annual entrepreneurship conferences, projects, workshops and mentoring programs. For example, the ECWT and EUD can provide such a platform (www.womenandtechnology.eu and www.ictwomendirectory.eu).

Specifically, a common platform in order to promote:

1. Collaborations on best practices and in particular confronting contextual obstacles: traditional views and stereotypes about women, science and innovation and raising the credibility of women as entrepreneurs.

²⁰ Ibid, 2.

²¹ Ibid, 4-5

²² Ibid, 5

2. What is also vital is retention: retaining women in their careers as entrepreneurs and reproducing female engagement: raising the profile of our role models We need to inspire women into entrepreneurs with innovative and different approaches such as those of the EC's shadowing activities (www.ec.europa.eu/itgirls) and the *European Network of Female Entrepreneurship Ambassadors*.
3. The establishment of *Women Entrepreneurs Shadowing* events— similar to those of the Commission or in collaboration with the Commission—in order to raise the visibility of existing female entrepreneurs.
4. Not only measures to encourage women to run small firms, but measures that make it easier for them to do so: financing, finding investors and access to information, technical scientific and business networks, support networks, business training, entrepreneurship skills.
5. Collaborations with already existing networks and organisations, such as the European Network to Promote Women's Entrepreneurship (WES)— launched by the Commission with 30 European countries as members— a network that represent central national governments and institutions with the responsibility to promote female entrepreneurship. WES members provide advice, support, information and contacts regarding existing support measures for female entrepreneurs. They also help in the identification of good practices.²³
6. Benchmarking, exchange of information
7. Common projects
8. The establishment of an international, multicultural network of researchers — from the social sciences, the humanities, gender studies, science and technology, etc., in order to: (a) discuss the values of a holistic approach to educating/training, (b) examine complex patterns rather than isolated behaviours so as to identify measures to assist teachers and policymakers in formulating best practices (c) prepare and promote a widespread campaign to change attitudes and stereotypes: inform, introduce, sensitize, expose and familiarize all stakeholders.
9. Support measures and policy initiatives to overcome barriers that discourage migrants and members of ethnic minorities to become entrepreneurs.

Invitation

In order to promote women entrepreneurs as well as increase the number of women in the knowledge based economy by the year 2020, we would like to invite you to join the European Centre for Women and Technology²⁴ (ECWT) and the EUD megacommunity. The ECWT has developed the European Directory (EUD) of Women and ICT ([http:// www.ictwomendirectory.eu](http://www.ictwomendirectory.eu)), an online directory, an ecospace, a meeting point for ICT women in Europe. The EUD provides new types of collaboration and interactions between networks and projects. It offers a regional platform for sharing experiences, spreading best practices and finding partners in Europe and globally. It was created with the support of the European Commission DG Information Society and Media and was launched in Brussels in October 8, 2009.

²³ibid

²⁴ www.womenandtechnology.eu