



Third Peer-Learning Workshop in Women's Entrepreneurship

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BACKGROUND PAPER

Key points for the quick reader

The purpose of this paper is to brief participants of the third peer-learning workshop on current, important issues in women's entrepreneurship (WE) in Europe. The aim of the paper is to fuel discussions before and during the event. We encourage you to see more detailed information in the workshop's online community.

1 More women should be self-employed and entrepreneurs

Women are perceived as an underutilised source of economic growth and job creation in many countries. Women represent 52% of the European population but only 34% of the EU self-employed and 30% of start-up entrepreneurs.

2 Female entrepreneurs face numerous challenges

Key challenges for female entrepreneurs include, among others: access to finance, to the digital economy, and to adequate training; prevailing role models, missing entrepreneurial motivation, missing WE support, and suboptimal networks.

3 Women's careers and representation in innovation should be promoted

While women's careers are on the rise, many are hindered from progressing in their career by the top hierarchy. Women's current minority position in fields such as science, innovation, technology in general and ICT in particular, must be enhanced.

4 Female entrepreneurs need to be strengthened in the COVID-19 context

The COVID-19 crisis endangers female entrepreneurs' businesses and livelihoods: The crisis makes work-life balance of women, who still take most responsibility in caring for family members, even more difficult. It is important to strengthen their resilience.

5 Targeted next steps to promote women's entrepreneurship

The following key policy proposals emerged from the project's previous WE workshops:

- Implement compulsory entrepreneurship education at schools and universities.
- Increase awareness about female entrepreneurs and promote role models.
- Develop women's financial literacy and introduce funds for female entrepreneurs.
- Implement a pan-European organisation and networks for female entrepreneurs.

Findings from an online survey of workshop participants

40 participants of the forthcoming event responded to a pre-workshop survey. Key findings include the following (see diagrams below – see all results in the online community):

- **Women's entrepreneurship was found to be not well established** in the respondents' countries – only 23% said it is well established. Furthermore, only 5% agreed that support for WE is currently sufficient in their country.
- Respondents considered almost all suggested **challenges** for WE to be serious: above all finding finance, but also the lack of ICT skills and training opportunities, social prejudices, as well as a lack of motivation to start and run a business. Only regulation and entrepreneurial networks were not seen as severe challenges.
- Most respondents considered **governmental strategies**, cooperation, and funding for WE to be insufficient in their country. They tended to call for **more private support** to female entrepreneurs. In particular, they strongly agreed that cooperation between the private and public sector is needed. Respondents considered **monitoring of and research** about WE to be largely insufficient.
- There was wide agreement among respondents that **European cooperation and support is important**. A relative majority knows the European Entrepreneurship Competence Framework (EntreComp) but few use it. Two thirds said they are actively involved in European platforms to support WE.

Diagram 1: Challenges female entrepreneurs face

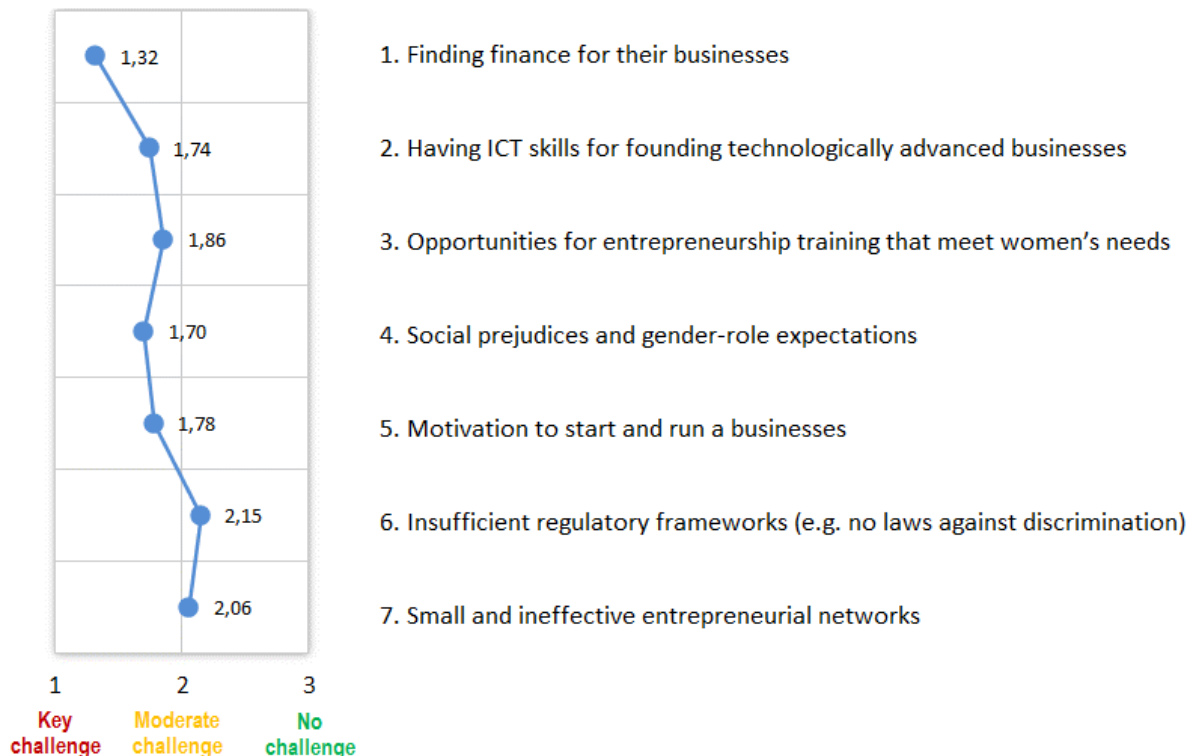
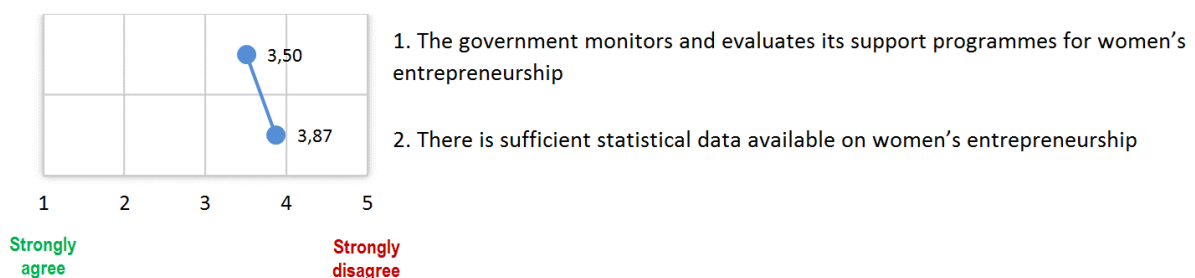


Diagram 2: Assessments of monitoring of and research about women's entrepreneurship



Source: Survey of participants of 3rd WE workshop from 15 European countries, n = 40

Importance of women's entrepreneurship and current context

The European Commission, the OECD, the World Bank, and other organisations acknowledge the economic benefits of women's entrepreneurship. They consider WE as an underutilised source of economic growth and job creation. Women represent 52% of the European population but only 34% of the EU self-employed and 30% of start-up entrepreneurs. 93% of the capital invested in European companies in 2019 went to all-male start-ups. This **gap of missing female entrepreneurs** is particularly large in science and technology, including digital technology. The gap will prevail if not rise as only half as many women as men graduate in STEM fields in the EU – with shares varying widely in Member States. Only 19% of European ICT entrepreneurs are women. In addition, female entrepreneurs tend to start smaller businesses and earn less.

Importantly, a large number of female entrepreneurs' businesses and livelihoods are **endangered by the COVID-19 crisis**. The crisis makes work-life balance of women, who still take most responsibility in caring for family members, even more difficult.

In order to tackle these challenges effectively, concerted policy action is needed. Policy measures also need to address social factors such as reconciling business and family, which are particularly important for women.

EU activities to promote women's entrepreneurship

Since 2009 the European Commission has implemented strategies and action plans to deepen and expand support for female entrepreneurs. In July 2020, the European Commission set out the European Skills Agenda that aims to further foster entrepreneurial skills. In line with the Gender Equality Strategy 2020-2025, the Agenda will include leveraging and connecting existing networks to provide European support for aspiring entrepreneurs. It focuses on young female entrepreneurs and self-employment opportunities in the digital and green economy. The European Commission's recent most prominent measures to foster women's entrepreneurship include the following:

- Since 2016, the Commission promotes the Entrepreneurship Competence Framework (**EntreComp** – see link below in „key readings“). It proposes a “shared definition of entrepreneurship as a competence”. An increasing number of female entrepreneurs is implementing it. A complementary framework is the Digital Competence Framework (**DigComp**, <https://ec.europa.eu/jrc/en/digcomp>).
- **WEgate** (<https://wegate.eu>) is an online support platform for female entrepreneurs. Since 2016, WEgate offers a one-stop shop for women of all ages who want to start, run, and grow a business by providing information and links for access to training, mentoring, advice, and business networking opportunities. Wegate was relaunched in 2020.
- The **Enterprise Europe Network** (<https://een.ec.europa.eu/>), founded in 2008, has a women's entrepreneur-ship group that gathers 21 partner organisations in 14 countries. The group connects female entrepreneurs to the network's business and innovation support activities, and it provides access to foreign markets.
- The **European Community of Women Business Angels and Women Entrepreneurs** supports female entrepreneurs in accessing funding. It raises awareness, trains women to become business angels, and helps present business ideas to potential investors (https://ec.europa.eu/growth/content/european-community-women-business-angels-women-entrepreneurs-0_en).
- The **European Institute for Gender Equality** (<https://eige.europa.eu/>), founded in 2006, promotes equality between women and men across the European Union.

Targeted recommendations to foster women's entrepreneurship

In the project's first two workshops on women's entrepreneurship, participants prioritised solutions and clustered them into four main groups: entrepreneurial education, role models and awareness, European WE fund, as well as an umbrella organisation.

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| <p>Entrepreneurial education:</p> <p>Priority actions: "promoting entrepreneurship as a career path" and ensuring "entrepreneurial experience at school". This should encompass creating an education path starting from elementary school and connecting entrepreneurial career with higher education. Young women should have opportunities within curricular and extra-curricular activities to become familiar with entrepreneurship. Proven frameworks such as EntreComp and DigComp may guide competence development.</p> | <p>Role models and awareness:</p> <p>Priority actions: running an "EU-driven media campaign" and implementing the "regulation of inclusiveness and gender equality". This may mean, in particular, creating and spreading content on both the EU and local levels. The aim would be to present realistic role models and share best practice case studies along with the relevant gender data – from local to EU level.</p> <p>A task force of female entrepreneur champions could guide such a campaign.</p> |
| <p>Financial literacy and WE funds:</p> <p>Priority actions: "Set up a funding platform dedicated to female entrepreneurs" and "establish educational programmes on financial management". The funding platform should be based on a long-term sustainable strategy for the WE financing and could introduce investment schemes combined with technical assistance and automated marketplace that matches female entrepreneurs with investors and service providers.</p> | <p>Umbrella organisation and networks:</p> <p>Priority actions: "enhancing the role of WEGate (https://wagate.eu/) as a European umbrella organisation", seeing it as a link between the various stakeholders, and "advancing the dialogue between all stakeholders in women's entrepreneurship towards creating a common goal". Dedicated representatives could be appointed on regional, national and EU levels and grass root organisations could support these steps bottom-up.</p> |

In addition, the COVID-19 crisis makes it more important than ever to **strengthen female entrepreneurs' resilience**.

Key readings (► Find further readings in the workshop's online community)

Eurofund (2019). Female entrepreneurship. Public and private funding

(<https://www.eurofound.europa.eu/publications/report/2019/female-entrepreneurship-public-and-private-funding>)

European Commission (2018). EntreComp into Action. A User-Guide

(<https://ec.europa.eu/social/BlobServlet?docId=19110&langId=en>).

European Commission (2020). European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience (<https://ec.europa.eu/social/BlobServlet?docId=22832&langId=en>).

European Commission & European Investment Bank (2020). Funding women entrepreneurs: How to empower growth (https://www.eib.org/attachments/thematic/why_are_women_entrepreneurs_missing_out_on_funding_en.pdf).

European Commission & OECD: The better entrepreneurship policy tool

(<https://betterentrepreneurship.eu/>).

European Commission & OECD (2016). Policy Brief on Women's Entrepreneurship

(<https://www.oecd.org/cfe/smes/Policy-Brief-on-Women-s-Entrepreneurship.pdf>).

European Commission & OECD (2019). The Missing Entrepreneurs 2019 – Policies for inclusive entrepreneurship (<https://www.oecd.org/industry/the-missing-entrepreneurs-43c2f41c-en.htm>).

European Liberal Forum (2017). Promoting Women Entrepreneurship in Eastern Europe

(https://www.liberalforum.eu/wp-content/uploads/2018/09/publication_final-version.pdf).