

## POLICY BRIEF 1

# TOWARD STRATEGIC POLICY FRAMEWORK FOR WOMEN ENTREPRENEURSHIP

BY RESHAPING  
THE WOMEN ENTREPRENEURSHIP  
SUPPORT, WE CAN IMPROVE  
THE PROSPECTS FOR THE FUTURE  
GENERATIONS OF WOMEN  
ENTREPRENEURS AND CONTRIBUTE  
TO A BALANCED AND MORE  
INCLUSIVE EUROPEAN ECONOMY



**This policy brief summarizes the findings of the WEgate thematic group on women entrepreneurship policy. It highlights the key challenges for policymaking in four areas: gender mainstreaming, evidence-based policymaking, finance & funding for women entrepreneurs, and stakeholders' engagement in policy development. For each policy area, a set of recommendations is being proposed, targeting policymakers at both European and national level.**



## Author:

Foundation for Management and Industrial Research with the expert support of the WEgate Thematic Group 'Policies & programmes for the women entrepreneurship'.

### Members of the Thematic Group 'Policies & programmes for women entrepreneurship'



Apostolina Tsaltampasi



Adela Sanchez



Elin McCallum



Chiara Gaffuri



Ashrefunisa Shaik



Giulia Sirigu



Natasa Nikolic

### Co-facilitated by the WEgate team members from the Foundation for Management and Industrial Research



Gabriela Kostovska Bogoeska



Emilija Andonova



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## ABOUT WEGATE

The European Gateway for Women's entrepreneurship, called WEgate, co-funded by the COSME programme of the European Union (EU), represents one of the key initiatives of the European Commission for supporting women entrepreneurship (WE), aiming to become a one-stop-shop where existing and potential women entrepreneurs can find assistance, inspiration, motivation and get in touch with peers and stakeholders for facilitating their growth and competitiveness. It features an online platform [www.wegate.eu](http://www.wegate.eu) that offers information and networking opportunities; commissions pan-European annual survey on the needs of women entrepreneurs (WEbarometer); organizes numerous events, webinars and b2b sessions, as well as the WEgate training academy for building individual skills within the WE support eco-system.

One of the aims of the WEgate is to increase the visibility of women entrepreneurs and to promote discussion on important topics for improving the conditions for WE development. To achieve this, the WEgate consortium is promoting the creation of a large European WE community of practice that focuses on engaging a growing and diverse number of stakeholders supporting women entrepreneurs, with an emphasis on co-creation, networking and development of public policy resources. For addressing key areas of interest of WE development, dedicated WEgate Thematic groups (TGs) are formed as ad-hoc groups within the WEgate Community. The first WEgate TG is dedicated to WE policies and programmes, analysing the public policy challenges for better support of the European women entrepreneurs.

### **WEgate Thematic Group "Policies and programmes for women entrepreneur- ship development"**

Represents one of the WEgate expert groups with an advisory role to the WEgate community. The thematic group defines concrete recommendations for strategic policy framework for women entrepreneurship development in Europe.

## INTRODUCTION

The fact that women are less involved in entrepreneurial activities is well known, as is the fact that women are less likely to take up technical education, which feeds much of our entrepreneurship and innovation today. This 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.

Although progress in societies and in legislation has been made to overcome gender disparity, barriers to entrepreneurship still remain and these include social-cultural factors. Low rates of entrepreneurial activity amongst women remain a significant issue. Startup Heatmap's 2020 research on women entrepreneurs in Europe found that only 15.5% of founders or co-founders are women. The report also found that female CEOs receive 38% less funding than their male counterparts when starting under the same conditions, and even in cities with strong support ecosystems, less than one-in-five business founders are female. These statistics support various reports from the OECD and the Global Entrepreneurship Monitor which have highlighted the considerable gender gap in entrepreneurial activity across Europe.

A wide range of policy actions have been developed and implemented over the years to address inequality, with some of them being more effective than others. Most recently, 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 action will include leveraging and connecting existing networks to provide a European entrepreneurial support for aspiring entrepreneurs, focusing on young women entrepreneurs and self-employment opportunities in the digital and green economy, and which incorporates a knowledge platform of online resources on entrepreneurial skills and opportunities for collaboration.

### **We need a continuous and consistent strategic policy action for women entrepreneurship**

We consider gender balance in entrepreneurship as a key prerequisite for better gender equality in the society, as well as more balanced, resilient and inclusive economy for more competitive Europe.

Gender equality is one of the founding principles of the EU and a top policy priority. Gender equality is not 'merely' an ethical or societal issue, it has a strong economic dimension as well, by underutilisation of the large potential of women in business and innovation, we limit our growth potential and resilience (Knowledge4Innovation Forum, 2021). This has become even more evident during the recent pandemic crisis, with women been hit harder than men, in particular entrepreneurs. Countries must develop a strategic policy to reinforce and relaunch women entrepreneurship, that generates multiplier effects to create jobs, drive innovation, and reduce inequalities, including sectors impacted by the pandemic and climate change (Women20 Communiqué, 2021).

There is a need for an overarching, strategic policy framework as a basis for actionable strategies and incentives for supporting women entrepreneurs, including the sectors that have been hit the hardest by the pandemic. The Thematic Group jointly elaborated a set of recommendations on how to improve the strategic policy framework for women entrepreneurship support in Europe.

## **CONCLUSIONS**

The consultation meetings of the Thematic Group were dedicated to analysing the existing strategic policy framework for WE, focusing on both the root causes of the identified challenges and dealing with the symptoms. For feedback purposes, the draft conclusions were summarised and presented to the public during the 2nd WEgate Annual Summit (October 2021). This policy brief presents the final recommendations intended for the policymakers at both European and national levels.

### **Gender mainstreaming**

To achieve gender equality, it is essential to include a gender equality perspective in all stages of decision-making, when priorities are set, policies are developed and resources allocated. As an essential strategic tool to advance on gender equality, gender mainstreaming supports a gender equal redistribution of power, influence and resources, and ensures



equal opportunities for women and men, and girls and boys, in all their diversity. Mainstreaming gender equality into policymaking uncovers and mitigates unperceived biases embedded in societies, ensuring that policies do not reinforce existing gender inequalities or gender stereotypes.

Gender mainstreaming remains a priority for the European Commission. The 2020-2025 gender equality strategy is built on a dual approach consisting of specific initiatives to address gender inequalities and the mainstreaming of gender into all EU policies. The relevant EU institutions, when negotiating both the 2014-2020 and the 2021-2027 multiannual financial frameworks (MFFs), agreed on the importance of considering gender equality in EU budgeting.

As stated in the 2021 Report on EU Gender Equality Strategy, the European Institute for Gender Equality (EIGE) has found that the performance of EU Member State in gender mainstreaming has been decreasing since 2012. Despite a slight rise in of governments' commitment to mainstream gender into public administration, the availability of gender mainstreaming structures and the use of gender mainstreaming tools has decreased.

The European Court of Auditors (ECA) concluded in a special audit report in May 2021, that too little has been done in recent years to mainstream gender in the EU budget. The ECA emphasises that gender responsive budgeting is about understanding the impact of budgetary and policy decisions on gender equality goals, and not just about funding explicit gender-equality initiatives. According to the ECA, the EU fails to integrate a gender perspective in its budgeting because key elements such as gender analysis, gender-related objectives, indicators and accountability through reporting are missing. The report makes several recommendations to help the EU to live up to its commitment to gender mainstreaming. All the recommendations have been accepted partly or completely by the Commission.

There is a lack of sufficient understanding of the interdependence between the gender equality and the economy. The sex-disaggregated data should therefore include additional social dimensions, such as age, ethnicity, income and level of education, in order to provide a sound basis for the gender analysis. Gender mainstreaming across all relevant policy areas, such as education, employment and entrepreneurship, needs to be reinforced, addressing the existence of stereotypes, lacks of gender-sensitive language, of equal access to and utilisation of services, and of equal involvement in decision-making.

Too many high-profile conferences and events lack balance in terms of women representation, including entrepreneurs, more specifically in the main panels. The absence of women entrepreneurs in public events offers only one perspective to participants. We need more diversity in the debate and women entrepreneurs role models. European Women's Management Development Network (EWMD), Italy Network, initiated a programme #equalpanel as a concrete way to promote gender equality in favour of a greater inclusion of women in the world of public events and to create a permanent observatory. The Programme's objective

Gender mainstreaming has not yet been applied across the EU/national programmes & budget.

Necessary mechanisms for implementing and monitoring gender mainstreaming are not in place, the institutional framework needs to be improved.

Collection & analysis of sex-disaggregated data as a basis for gender analysis is lacking.

Gender analysis and gender impact assessment is not done on regular basis, and not across all policy areas.

Gender-sensitive language and equal participation of women entrepreneurs in events is missing as well.

is inviting enterprises, institutions, associations, public administrations and all stakeholders to join a Pact for Gender Equality in Conferences, seminars and scientific events panels (#equalpanel), asking speakers and citizens to support it.

### **IWA 34:2021 Women's entrepreneurship — Key definitions and general criteria**

Establishes a set of common definitions related to women entrepreneurship, such as those for women-owned business and women-led business. It also defines women-led cooperatives and women-led informal enterprises.

### **Data for effective policymaking**

Effective policymaking is a complex. Two essential aspects are the development and analysis of the evidence base, and impact assessment as the integral part of the monitoring and evaluation phase. Good policy in fact starts with good data. Policymakers need precise and timely data to implement better policies for women entrepreneurship development. Data and indicators are key for strategic planning and decision making, and are tools for promoting informed dialogues around WE across levels of government and sectors of society, integrating both a national and an international perspective.

Evidence base for WE policy creation and monitoring suffer from several structural weaknesses. The available statistical data on WE do not include all necessary information for securing adequate insight into the WE-related conditions. Key performance indicators for measuring the progress towards the targets for women economic activity and gender equality are not set. There is no unified data collection approach across the countries, thus undermining largely the possibility for proper benchmarking. The definition of women entrepreneurs is in its infancy. Recently introduced ISO standard - IWA 34:2021 Women's entrepreneurship — Key definitions and general criteria, represent an important stepping stone in the process of standardizing matters in the WE sphere.

statistical data on WE do not include all necessary information for securing adequate insight into the WE-related conditions. Key performance indicators for measuring the progress towards the targets for women economic activity and gender equality are not set. There is

- **There is a lack of dedicated framework and standardized approach for WE data collection at EU and national levels.**
- **Necessary institutional framework with clearly identified roles for data collection is missing.**
- **Monitoring and impact assessment of WE policy is also lacking.**
- **Analytical WE studies are not done regularly and the existing one are outdated.**
- **Investment related data are particularly scarce.**

The EU and national institutions should invest in the structural and long-term collection of high-quality key data, that provide the evidence base for the effective WE policymaking. This data should include information on the number and activity of women entrepreneurs (including start-ups and scale ups), but also information on the investment in women-led companies, performance of women-led companies, and the impact of those companies on the economy. Certain KPI's should be introduced for monitoring the progress towards the gender-related objectives and relevant equality targets.

Currently, data are collected on various gender aspects by for instance the OECD, Eurostat and EIGE. However, they need to be brought together for the purpose of creating a more holistic view, and augmented with additional data, which will allow monitoring and evaluation of progress and policies. In addition, more regular and improved analytical studies need to be conducted to ensure their relevance. For instance, the latest analytical studies on women entrepreneurship are based on data of nearly a decade ago (European Commission, 2014; OECD, 2014). Specifically, with regards to investment data, there are currently only limited

sources of data from which we can draw, leading to repeatedly quoting the same data, whilst some sources could be considered biased. Much of the existing data does not allow a breakdown by gender (Knowledge4Innovation Report: Closing the gender investment gap for a more resilient, innovative, inclusive and balanced economy, 2021).

## Access to finance

WEbarometer 2021 report once again highlighted the importance for structural changes when it comes to improving access to finance for women entrepreneurs. Women entrepreneur lack proper networks and have difficulties in securing funding for the businesses. An important and less known element is the enormous gap between investment in female led companies and male led companies. The much-quoted figure of 2% of VC investment being allocated to women led companies should be an eye opener to everyone.

There is a need for gender-sensitive funding programmes, as well as for WE dedicated public and private funding instruments, for both starting and scaling the business. Women are underrepresented in the investment sector, and successful role models in the field are lacking. There is a gap in the financial competences of women entrepreneurs that needs to be addressed in a systematic and coordinated manner. The lobbying efforts of the WE eco-system for advancing the WE funding conditions are scattered and uncoordinated. Given the complexity and importance of the 'access to finance' topic, the recommendation is to set-up a separate Thematic Group that will analyse all relevant aspects of the WE funding conditions.

### Financing remains top challenge for women entrepreneurs.

Closing the gap in WE financing should be key priority for policymakers. Next WEgate Thematic Group to be dedicated to WE funding, providing expert's analysis and recommendations on improving access to finance for women entrepreneurs.

## Stakeholder engagement in policy development

Stakeholder participation is an essential part of an inclusive and transparent policy-making process. The OECD Recommendation on Open Government defines stakeholder participation as "all the ways in which stakeholders can be involved in the policy cycle and in service design and delivery" (OECD, 2017a). In order to design successful and impactful WE policies, it is critical to secure the participation and engagement of the WE community's stakeholders.

This, however, is undermined by the lack of a joint and EU-level coordinated advocacy strategy of the WE stakeholders. A structured approach for interaction with WE-stakeholders is missing, as and so are the resources for stakeholders' engagement. Consultation & feedback mechanisms are set on ad-hoc basis, and the linkages with national and grassroot ecosystem are not properly developed. The policy dialogue and stakeholders' interaction are limited.

### WE-umbrella organization

Representing the interests of the women entrepreneurs at European level, linking national stakeholders, and promoting policy dialogue in the field of women entrepreneurship

A stakeholder dialogue is proposed, including wide range of stakeholders, like networks, associations, chambers of commerce, academic and access to finance institutions. This steering group or WE-umbrella organization could facilitate an effective and coordinated stakeholder engagement in WE public policy processes.

## RECOMMENDATIONS FOR POLICYMAKERS

### Gender mainstreaming

Policymakers should strengthen gender mainstreaming and ensure that considerations about the impact of budgetary and policy decisions on progressing gender equality are taken into account in the EU & national policy, programmes, budget and in post-pandemic recovery funds. They should promote through gender mainstreaming better understanding of the interdependence between gender equality and the economy. To achieve these, policymakers should:

- 1. Improve the institutional framework for gender mainstreaming** - clarifying the roles and responsibilities, provide necessary tools and training to the staff, share resources and good practices in the field.
- 2. Perform gender analyses & gender impact assessments** – reviewing and updating regulation guidelines for gender impact assessment, carry out gender analyses on (funding) programmes and instruments and report on the results of these analyses.
- 3. Systematically collect, analyse and report sex-disaggregated data** – providing the basis for gender analyses, but also for making informed decisions when setting up and monitoring gender related objectives and indicators across the different programmes.
- 4. Using gender-related objectives and performance indicators** – for better addressing the horizontal priority of gender equality across programmes and instruments, policymakers should introduce gender-related objectives and indicators based on the available gender-disaggregated data or based on the performed gender analysis when designing the programmes.
- 5. Improve reporting on gender-equality** – policymakers should develop a robust system for tracking funds allocated and used to support gender equality which can be applied to all EU/national funding programmes including the recovery funds.
- 6. Use of gender-sensitive language** – across all relevant sectors (academic, public and private sector, in media), elaborating common standards at the national level due to linguistic differences and sensibelize the grassroots organisations sensibilisation in the application of the gender-sensitive language.
- 7. Reinforce gender mainstreaming in the employment policy area** – addressing gender gaps at the labour market, pay-gap and working conditions, access to rights and assets (professions and decision-making positions), supporting women in resuming their careers.
- 8. Promote women leadership withing governmental and private organizations** – introducing a policy for securing equal participation of women in leadership positions, aligned with Sustainability 2030 goals for gender equality, and accompanied with transparently available data on the percentage of women at such positions and their related salary ranges; although it is a controversial issue, it has been proved, that the establishment of quotas improves results.
- 9. Gender equality in conferences, seminars and scientific events panels** – introducing guidelines for equal representation of women entrepreneurs & leaders as speakers at various events, promoting importance of networking and women role models.



## Data for effective policymaking

Policy-makers need to establish a robust and reliable data collection system and collect data in a more regular and unbiased manner. This systematic approach to WE data collection, accompanied by proper coordination and sharing of best practices, will allow for effective, evidence-based, policy creation and WE programming. In this regard, following recommendations are set:

- 1. Defining a data collection framework at European level** – defining the data to be collected, approach to data collection and analysis. Existing data sources should be integrated and new metrics added to reflect all aspects of women entrepreneurship, including intersectionality and different statistics that are more adequate to analyse WE conditions at regional, national and European level. Emphasis should be placed on collecting data on investment in women-led companies. Public investment institutions (European Commission, EIB, EIF, national and regional investment banks and investment schemes) should ensure these data are collected and made available for analysts and policy makers to use.
- 2. Creating evidence base at national level** – using the pre-defined framework, thus securing comparability of the WE indicators. Countries are encouraged to utilise/set-up Gender or WE observatories that will be responsible for collecting, analysing and reporting on the WE-related data. They can also be involved in the process of monitoring and policy/programme's impact measurement. National observatories should be interlinked, operated by independent bodies, and coordinated at European level.
- 3. Promoting co-responsibility for data collection** – for securing more coordinated and systematic collection of relevant data, it is necessary to encourage public and private support organizations to take part in the process. Thus, KPIs and data categorisation should be shared and coordinated at national and supranational levels. The observatory can operate a common platform/interface where stakeholders, including private companies will be able to disclose data.
- 4. Encouraging the collection and disclosure of data by the private sectors** – information like female's share of workforce, female share of promotions, gender pay gap, percentage of women on company's boards or in technical roles should be collected and feed into the overall data collection system. This will contribute not only to creating more gender-sensitive programmes, but will also enable measuring and tracking progress across the gender-related objectives and indicators. Efforts should also be placed on creating better sources of gender-segregated data and statistics in VC and innovation ecosystems.
- 5. Establishing an effective tracking system on the results achieved by the policies and programmes** – monitoring and evaluation through impact indicators and KPIs should be strengthened, including assessing and reporting on the gender equality target achieved for instance by the European/national recovery and resilience plans. Investment-related KPIs should also be measured and used for improving the effectiveness and design of the related financial instruments.

## Access to finance

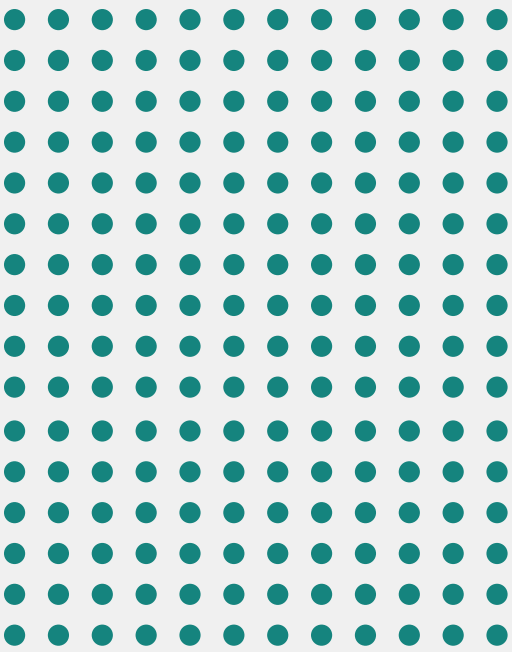
Policymakers need to close the gap in WE funding in a strategic manner, based on promoting gender-sensitive budgeting, gender-sensitive funding instruments, financial educational programmes for women entrepreneurs, and linkages with the community and eco system. Following recommendations are proposed:

- 1. Use gender-sensitive budgeting across existing programmes** – focus on improving the overall framework and competences for gender-sensitive and use systematically the gender-responsive budgeting.
- 2. Introduce WE financing instruments and funding programmes** – based on gender analyses and introducing relevant KPIs, design tailored-made funding opportunities for women entrepreneurs. National associations of women entrepreneurs as well as financing actors (women investors, women business angels, and women-led corporate VCs) should be actively included in the programming process.
- 3. Increase financial competences of women entrepreneurs** – support start-ups and scale-ups through financial education programmes, but also by promoting coaching and mentoring schemes. Introduction of WE-related programmes focusing on financial literacy in business, financial planning and investment readiness.
- 4. Support diversification and monitoring across the financial ecosystem** – promote equal opportunities for women entrepreneurs, wider number of women- and diverse investors, minorities' opportunities to access funds, gender-lenses across investment programmes. The presence of heterogeneous panels will automatically limit the application of unconscious bias, contributing to filling in the gender gap.

## Stakeholder engagement in policy development

Policymakers should set the frame for a structured stakeholders' information, consultation and engagement in the WE public policy cycle. Following recommendations are proposed:

- 1. Securing stakeholders' engagement by supporting a WE-umbrella organization** – acting as a steering group being the voice of European women entrepreneurs, while at the same time strengthening the capacities of the ecosystem. The umbrella organization should be the main social partner to the Commission on WE-related matters that will lobby collectively on behalf of the community.
- 2. Establishing mechanisms for collecting feedback from women entrepreneurs across Europe** – through the WE-umbrella organization and its national members, relevant feedback on proposed or implemented measures could be collected. National policymakers should be encouraged to support the participation of the national stakeholders in the WE-umbrella activities.
- 3. Strengthening the capacity of the WE ecosystem** – developing materials, guides and training opportunities for improving the skills of the WE ecosystem in all key areas, such as public policy, access to finance, and networking. In the same time promotion of good practices, across countries, grassroots organisations, private and public sector, for leveraging skills development and securing more balanced approach knowledge within the WE support ecosystem.



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