

## **The Obstacles to Women's Entrepreneurship in Europe, and How to Deal with Them**

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***By Viviane de Beaufort***

**An increasing number of women are interested in creating their own business – yet even in the 21st century, there are still obstacles that face them. Viviane de Beaufort distinguishes between the different types of women wishing to create their own business and analyses the support and training that the different categories of women would need.**

There is an increasing number of women interested in creating their own business. The motivations that spur European women to become entrepreneurs are increasingly stronger. It appears that women have specific reasons for starting their own projects: sometimes it is to create an employment opportunity for themselves (let's keep in mind that women's unemployment rate is still higher than men's) ; sometimes it is a way to move on in their career and/or to gain independence; often it is also about juggling between their professional and family life, as women are still seen as the ones responsible for taking care of the home.

Female entrepreneurship in Europe is a genuinely dynamic force, but obstacles remain creating a "glass ceiling." It is important to identify and fight against these obstacles to liberate the potential economic contribution that female entrepreneurs could make within Europe. A study on female entrepreneurship in Europe was carried out in 2007 and then updated in 2011 to try to clarify which specific barriers to success were remaining. Adopting a clear gender approach, the survey has shown that obstacles are both of external and internal dimensions.

The gender gap in entrepreneurship is defined in terms of a statistical pattern showing differences in the prevalence of entrepreneurial activities between men and women. The reasons for the gender gap can be traced back to the general gender differences in society,

where starting a business is culturally defined as a masculine activity. Moreover, the expectations on entrepreneurship from policymakers emphasize high-tech, high-growth, individualist ventures – i.e. traditional masculine ways of ‘doing entrepreneurship.’ The entrepreneurial gap between men and women is defined as the difference between male and female-run firms divided by the total number of firms. Year after year, the difference in Europe remains, even in the countries most advanced in gender issues such as Sweden, where the prevalence of entrepreneurial start up activities are 5.78% among men and 2.47% among women! Why this difference?

## External Barriers

The stereotypes remain: entrepreneurship is perceived as a masculine activity in masculine sectors.<sup>1</sup>

Firstly, women’s educational choices, then women’s horizontal and vertical segregation at school then in employment tracks reduce access to business training.

Secondly, some stereotypes by default are still perceived about women: market stakeholders view women entrepreneurs with a sort of skepticism, therefore women have to be more persistent to prove their knowledge, skills and capacities towards their clients, suppliers and business partners.

Thirdly, traditional views about the role of women in society and greater difficulties in balancing family responsibilities with working in competitive sectors that expect long and flexible working hours and constant training to be up-to-date with new technological development and market opportunities could be seen as an obstacle.

Finally, difficulties in accessing finance should be also acknowledged: in general women entrepreneurs find it more difficult than men to access finance. (See after our comments).

It is worth noting that the majority of women’s projects are modest in size: 87.4% run a micro-business of 1 to 9 employees and after three years, a gap becomes noticeable, with 71% of female business creators having no employees (as opposed to 59% of their male counterparts). There is also a clear sector orientation: women continue to tend to create in education, distribution, personal services, health and social entrepreneurship.

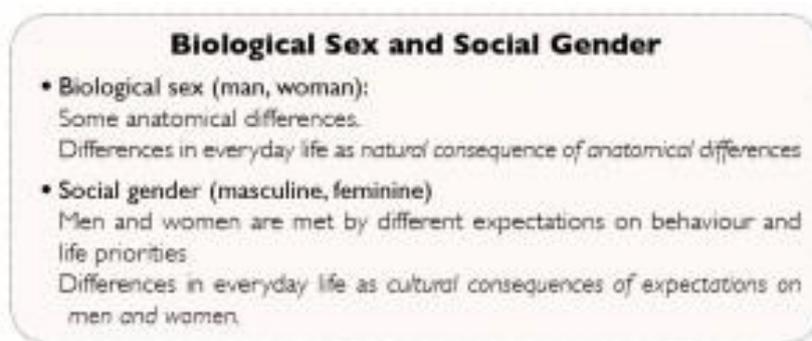
## Internal Barriers

There are also internal barriers that come from the way women perceive recurrent self-limiting behaviors.

First, they don't realize enough how much the lack of access to business networks is a serious point. Networks are essential to develop business ideas, meet potential clients, suppliers and business partners, and get strategic information, cooperation and support. Insufficient networks consisting of closer relations may be problematic in an economy where large-scale networking is important for the possibilities of perceiving opportunities and collaborating with knowledgeable actors.<sup>2</sup>

Second, and maybe more harmful, is women's perception that they lack personal/entrepreneurship skills such as assertiveness and risk-taking. The lack of role models sending positive messages and to whom women could turn for mentoring is a serious obstacle for women to imagine themselves as successful entrepreneurs. Lack of confidence and, very often, an ambivalent relationship to ambition; risk; and money could explain in large part the difficulties facing women entrepreneurs. For example, women find it difficult to plan ambitious business growth because of their cautious mindsets—they tend to "think small."

Third, women are less prepared when starting a business: they are currently suffering from a lack of, or limited access to training. There are numerous reasons for this: because part time employment is widespread, because women tend to remain in sectors where less money is invested in executive education, because women are greater in number in SME, because women lack time.



## Women and possible reluctance to finances

It is frequently said that women entrepreneurs and investors are mutually reluctant to engage in venture capital negotiations together. Women as entrepreneurs do not fit into the

stereotype of the masculine entrepreneur expected by the venture capital providers, and they also expect to be seen as deviating – as women and also often as representatives of less interesting sectors of the economy.<sup>3</sup>

However, the Women Equity Awards are proof that women entrepreneurs satisfy the economic performance criteria: it appears that women often interpret the idea of performance differently, by emphasizing the durability of the company, the feelings of satisfaction that come in creating jobs, and the personal fulfillment of entrepreneurship.

Thus, it seems that adopting a reading of entrepreneurship from a gendered perspective is relevant in developing new frames of understanding not constructed only on a masculine foundation. But we must say also that women sometimes have an ambivalent attitude towards finances: it is possible to note a sort of reluctance for women to borrow (and also to share their capital, to open the company to investors). In other words there is a moral block to taking risk and lose control, which is a potential reason for lost opportunity for growth. This ambiguous relationship with money<sup>4</sup> is a key point and should be dealt with by training.

## Should Training and Support be Adapted to Specific Needs?

The ESSEC executive program dedicated to Women Entrepreneurs was created six years ago to support women who wanted to create business. After six years of experience, it is possible to distinguish different categories of female entrepreneurs with specific characteristics and, therefore, to try to adapt trainings to their specific needs. A new approach will be tested this year with an effort to individualize learning. Three broad categories of women could be identified:

- **Generation X:** These women, mostly college graduates with excellent track records in business, hit the “glass ceiling” and decide to create their own opportunities for advancement. They capitalize on their experience and the strength of their professional networks. They already have solid technical foundations and are looking for training that emphasizes transferable management skills. They have to sometimes overcome an internal fear of failure.

- **The “forgotten”** (women between 45 and 60, or young girls coming from visible minorities, sometimes without any degree): These women are often unemployed or underemployed. They create businesses to create jobs for themselves. They need full training that will help

them learn the fundamentals of management but also some help to overcome internal barriers through networking, mentorship and coaching.

- **Generation Y** (Women between 20 and 35): With an average of 0 to 5 years of professional experience, a solid amount of self-confidence, and usually a high level diploma, these young women deliberately step out of the system, assert their autonomy, work in groups, use new tools such as co-working, incubators and so on. They dare to ask. They just need to verify the basics and to find assertive mentors.

This distinction that I make could be useful for adapting training programs, and give the women who bring interesting projects to the table better tools for their dreams and ambitions.

*This article is notably based on the findings of 2007 (updated in 2011) study on “Women Entrepreneurship among European Union” carried out by the author.*

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### **End notes**

1. Lindgren, 2009, Lindgren & Packendorff, 2007.
2. Fenwick, 2003, Doyle & Young, 2001.
3. Orser & Foster, 1994, Carter & Rosa, 1998
4. Qualitique N°245, September 2013 [www.qualitique.com](http://www.qualitique.com)