



**PIRAEUS CHAMBER OF  
COMMERCE & INDUSTRY**



# **ANALYSIS OF THE MAIN NEEDS AND OBSTACLES WOMEN FACE WHEN STARTING A BUSINESS VENTURE IN GREECE**

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## **Introduction**

This report was developed within the framework of Female Entrepreneurship Support Network - FEM.EN.S. project in Greece materialized by the Piraeus Chamber of Commerce & Industry (PCCI) and the Greek Association of Women Entrepreneurs (SEGE). The project is funded by the European Commission– DG Enterprise and Industry within the scope of Competitiveness and Innovation Framework Programme 2007-2013. FEM.EN.S. project aspires to foster Greek women’s equal integration and successful performance as entrepreneurs and to motivate, mobilize and help them to conquer traditionally male dominated sectors of economy.

The objective of this report is the collection of knowledge on the specific needs and difficulties that women face during the procedure of starting a business. The report analyses available data from other European and national projects, surveys and statistical data in an effort to identify updated information regarding the specific needs and obstacles women come across in the beginning of their business venture.

The conclusions which will occur from the analysis of the above data will provide useful information in order to determine the specific context and content of the various activities to be undertaken by the Greek Entrepreneurship Ambassadors and thus provide important help and guidance to the target groups of the project.

It is a fact that throughout Europe, nowadays women have more chances than ever before to excel in business. They are better educated, can count on support from women’s associations, overcome stereotypes easier than women did in the past and they have role models to follow.

According to Euro statistics, women make up over half of the European population, and constitute the major part of graduating students in Europe. Nevertheless, there are fewer women in employment than men and even fewer female entrepreneurs than male entrepreneurs. Many business women come from business-oriented families.

More specifically, when looking at the employment figures per sector, the presence of women is strongest in the NACE categories M "Education", N "Health and social work" and P "Activities of households" with well over 70% of the total employment figures. In the categories G "Wholesale and retail trade; repair of motor vehicles, motorcycles and personal household goods", H "Hotels and restaurants", J "Financial intermediation" and O "Other community, social, personal service activities", the participation of women ranges between 52% and 58% and in all other categories, the presence of men dominates the picture (based on Eurostat figures for the second quarter 2003).

Eurostat figures for the same period reveal that from an employers /self-employed perspective, the presence of women is higher than that of men in the NACE categories M, N, O, and P. All other categories are strongly male-dominated.

### **The Greek Case**

A similar picture stands for Greece. Women in Greece represent 50.5% of the total population but they participate in the labor force only by 38%. However, there is an increasing tendency of women participating in highly estimated professions. Another characteristic of female human capital is that girls represent a higher percentage in Greek tertiary education than boys, but their academic preferences are still related to theoretical subjects which have less access to the labor market and even less access to business ventures. The Polytechnic Schools in Greece are male dominated and this is true for Information Technology and Agricultural Universities. The majority of women graduates prefer to get a job in the public sector which guarantees a level of career security, better working hours and more flexible conditions for working mothers. The majority of Greek women prefer to develop a career around traditionally female professions in the field of education, health and social welfare, law and banking. Women who seek to work in the services sector come from middle class backgrounds, whereas upper middle class women tend to choose autonomous and high status professions, rejecting economic sectors which are traditionally female oriented.

The development of women entrepreneurship in male dominated economic sectors in Europe and especially in Greece faces a dual obstacle: On the one hand, women should be oriented to become entrepreneurs especially in male dominated sectors. On the other hand, once being entrepreneurs, women must

be able to establish and run successfully their own business overcoming and combating obstacles and stereotypes not common to men entrepreneurs.

This is the reason why the analysis of the needs and obstacles which is the object of this report is divided into two main categories:

The first one which we will entitle "**Becoming an entrepreneur**" has to do with women's mentality and orientation towards entrepreneurship in the context of which personality characteristics, social constraints, school discrepancies in vocational guidance, role models and family mentality will be examined.

The second category called "**Being an entrepreneur**" will focus on everyday practical problems women have to cope with firstly at the stage of starting up a business and secondly at the level of everyday running of their business. These constraints are grouped around bureaucracy, legislation constraints, funding, lack of access to training and to useful information, reconciliation of professional and family life etc.

In both categories women have to deal with and overcome two different kinds of problems: those which are **subjective** and have to do with their personal characteristics and those which are **objective** and have to do with socioeconomic and cultural constraints. Under each category both subjective and objective factors will be examined.

A major source of information from witnessed opinions of Greek women entrepreneurs, valuable for the analysis of these issues, came from the Greek Report on the identification of stereotypes against women, published by the Union of Hellenic Chambers of Commerce and Industry in the context of "CH.A.S.E" EU project. The study has identified obstacles that women face when starting an enterprise and in the course of its daily running. It developed and promoted positive measures for female entrepreneurs and female managers wishing to climb the career ladder.

## **“Becoming an entrepreneur”**

### **Subjective problems**

Major subjective factors influence a young woman regarding her decision to enter the labour force first of all and choose to become an independent entrepreneur at a second stage. Not all women however, regardless of the level of education, can become a successful entrepreneur. Many times this choice is not related to the inner drive of a woman but comes as an outcome of continuing the family tradition, following the husband's aspirations of expanding his own business or being a result of unemployment and of seeing no other work perspective. In many cases choices like these are most likely to fail.

A potential woman entrepreneur has to have inherent or acquired “entrepreneurship” qualities. Good education is an advantage but other abilities which are not necessarily the outcome of good education are a key to success. These abilities can be considered more feminine and thus more suitable to a woman entrepreneur's nature. For instance, a woman is thought to be at an advantage when dealing with customers because she has a much more personal and direct way of communicating which is highly appreciated in business negotiations.

A potential woman entrepreneur has to be inspired and willing to combat against gender stereotypes. She has to be self confident to express her own point of view and to be motivated to succeed regardless of all possible constraints. Such personality qualities should be reinforced and expressed outwards. A high degree of willingness, self-confidence, communication skills, flexibility, perseverance, responsibility, hard work, imagination, ambition, strong desire for independence, self-discipline, reliability and efficiency, uncompromised commitment and determination in reaching one's goals are virtues to be conquered by a successful woman entrepreneur.

## **Objective problems**

### **The role of school at an early stage:**

School plays a major role in preparing a girl to become an entrepreneur or not. It is the most important stimulator in forming a girl's personality. School teachers, school counsellors, the curriculum itself, the peer group, the values promoted and projected upon female students have a tremendous effect on the academic and professional road that girls will follow after graduation.

School should be the vehicle which would lead girls to technology and innovation paths and create the role model of a successful and self confident woman who can achieve everything she wants. School should counteract for gender discrimination and encourage female students to choose to go into male sectors/jobs. From school onwards girls should be encouraged to discover their talents and pursue career paths which traditionally are male dominated. In other words, entrepreneurship should be taught at school.

### **Career counselling and professional guidance**

Lack of effective institutionalized practices/structures for the scientific career counseling support/guidance for women is considered throughout Europe to be at the root of the problems that inhibit young women to turn to male dominated business ventures. In fact, career counselling and professional guidance should be provided and lead women at an early age (when at school and/or university) to the right choice of their professional field regardless of this being male dominated or not. Before choosing a career, girls should be well and accurately informed and not necessarily listen to their parents.

Students are not prepared well enough for real life situations. When it comes to choosing a profession, young people are often influenced by their parents instead of following their own preferences. One should no longer differentiate at all between professions more suitable for women or for men.

Educational, vocational and career counseling systems should adapt to support women entering a wider range of fields, including traditionally "male dominated" sectors. They could start by getting young girls interested in technology and give them a good theoretical foundation.

Their professional choice should match their personality characteristics. They should not be pushed into something that they are not convinced of. As one successful business woman has put it "*Dance to the tune of your 'inner self ' and you will succeed*".

In Greece there is a lack of effective institutionalized practices/structures for the scientific career counselling support/guidance for women in addition to the absence of career counselling practices in the school and the academic system. That is why qualified and talented young women seek comfortable governmental positions and neglect alternatives that can offer greater career satisfaction.

According to the findings of the above mentioned study, women believe that they are not helped by career advisors for the choice of their professional path. They also believe that there is no support provided by their teachers or professors at school or university to motivate them to turn themselves to male dominated professions. A high percentage of women declared that their professional choice was made by them and to certain degree has been influenced by their family environment.

## **“Being an entrepreneur”**

### **Subjective problems**

#### **Stereotypes**

A successful woman entrepreneur needs to have a high degree of awareness regarding stereotyping behaviors and attitudes in the Greek economic environment. A prevailing belief among women is that femininity inhibits a woman to fight for power or money the same way men do.

Findings of several European and national studies point towards a change in mind among women, whereby they are more and more aware of the fact that they have as many chances as their male counterparts to be successful and to access decision making positions. The next step will be to transform this awareness into action and help women fight against gender stereotypes.

Stereotypes can broadly be defined as “all already established ideas, images and knowledge that hinder people to think and judge facts objectively”. They are transmitted from one generation to the next, and in most cases are not recognized as such.

The economic environment is full of stereotypes about the ability of women to pursue a successful career as entrepreneur. Some preconceived ideas are not as strong as anticipated, yet they persist in both women and men’s minds.

Stereotypes in the economic environment, and more precisely stereotypes that affect women as entrepreneurs in male dominated areas/sectors are very persistent and hard work is needed on the personal and socioeconomic level to reduce their impact on women’s mentality and to unlock the doors towards entrepreneurship.

Among the most recurrent stereotypes are those relating to the perception of the family with a view to a professional career. The idea that men are the ones who follow a successful professional career while women take care of the household and children is still quite widespread. In the same way, pregnancy and motherhood are considered to be obstacles to their professional advancement by a large majority of women. There still exists the perception that a woman who returns to work shortly after having a baby is not a "real mother".

A second category of stereotypes relates to women's professional capacities/capabilities. Women are widely believed to be successful only in certain jobs or sectors, to be less credible than men in business and to face difficulties with decision-making. A lack of confidence is noted at several levels. From an entrepreneurs' perspective, the lack of confidence by male business partners seems biggest, followed by the lack of confidence from financial institutions, and finally by female business partners. Women must work twice as hard as men to get ahead and when they succeed, men do tend to get jealous and judge them on their feminine charms before appreciating what they can do. Women work actually in a men's world. They will always have to prove what they are capable of. It is up to women to "play" with men's stereotypes and reverse them to their own benefit.

### **Innovation and technology**

Entrepreneurship nowadays is directly related to innovation and technology. That is why business opportunities for women either in sectors which should operate on the basis of new technology tools and methods or in technical sectors as such, should be given greater emphasis. It must be stressed here that technical professions are not necessarily highly scientific, and sometimes common sense and self-confidence are enough to excel in them. Women interested in such sectors should be encouraged. The common problem is that a young woman is not self-confident enough to enter a business highly relying on technical issues. What is really needed in order to foster female entrepreneurship is to prepare and "condition" potential entrepreneurs in technology and innovation at an early stage. Girls should be allowed to become acquainted with technical professions, for example by visiting local companies on "girl's days". The educational system must allow and encourage girls who are toying with the idea of choosing a technical profession to get as much real work experience as they can during for instance school holidays by organizing special training courses relative to technical professions. Or in a different way, students in the context of their school program should visit a company and get acquainted with the technology and production.

## **Bureaucracy and lack of governmental support**

The difficulty to deal with public services in Greece (characterized by a poor business environment with significant information gaps) is a common obstacle for any female entrepreneur. In Greece, in order to start up one's own business there is a lot of bureaucratic work and at least 98 major steps/procedures, as described by the Union of Greek chambers that must be undertaken for a business to function. New legislation simplifies the procedures but still starting up a business is like a marathon for both male and female potential entrepreneurs.

Another major problem is finding appropriate sources of funding and making relevant contacts with the banking system and with other relevant public services. Access to credit is indeed a key element in business support and limited access to finance is a major constraint faced mainly by women entrepreneurs. Especially in Greece, there is a lack of funding projects which could help potential entrepreneurs to establish a business accompanied by a lack of information when such projects are available. In most cases, personal capital should be used in a highly bureaucratic environment. In case that there are calls of funding projects in the context of female entrepreneurship development, in many cases the criteria which should be met do not allow the full exploitation of these funds in favour of the potential entrepreneur. The main institution which provides financial support to potential female entrepreneurs is the Hellenic Organisation of Small and Medium Enterprises (EOMMEX). The funding provided covers up to 50% of the integrated entrepreneurial plans depending on the sector and type of proposed enterprise. The biggest problem which discourages women to use these programs is the requirement of financial participation which in most cases is connected with banking loans. On the other hand, the procedure of getting a fund is many times discouraging for an eligible potential entrepreneur who is not well informed or competent to deal with all the bureaucratic requirements. Completing the necessary application form usually requires special skills as its layout is so complex that one cannot use his/her own resources in order to be successful. In addition, the period of evaluation of the business plans is too long, the monitoring process too excessive and the payment procedure too bureaucratic and delayed. In other words, even if one succeeds to get a fund, the regulatory requirements of the execution of the project are so complicated that discourage the participation.

Careful selection of the company's activities on the one hand and choosing the right associates on the other is a risk that every woman has to take in a male dominated world in which she feels she has no credibility. Information and guidance is needed to start up a business but also to support the post start up critical period. Pre and post start up mentoring is required not only in the field of business skills but also in terms of psychological support of women entrepreneurs. On-going training via seminars and access to networking are necessary to cover lack of knowledge and fear of failure.

## **Reconciliation of family and business life -Lack of Family support**

Family constraints in relation to a lack of social structures for family support are considered to be one of the major obstacles for Greek women entrepreneurs who believe that the role of women at home is conflicting with the professional one and it is leading to less possibilities of professional and financial success. Many women are discouraged to become business oriented as they fear the heavy workload accompanying the establishment and running of a company.

It is strongly believed that men are favored to pursue a career without obstacles because they do not bear children. A large percentage of women believe that pregnancy and motherhood cannot be easily combined with high professional or economic status. Most women believe that there are great difficulties of successfully combining family and professional obligations especially if they are responsible of the business operation and especially when the Greek family has been moving away from its traditional character of the past where grand parents would have undertaken for granted the role of babysitting. In Greece indeed a potential woman entrepreneur is faced with an inflexible and weak supply of childcare facilities: there are too few child-care facilities for mothers to leave small children during working time. Public nurseries and kindergartens, as well as primary schools, work up to early afternoon hours varying from 12.30 to 14.30 pm. which makes it impossible to cover the business needs of a female entrepreneur. This gap leaves women entrepreneurs with the only choice of sending their children to private schools or hiring a baby sitter to complete work hours. Thus, for many Greek women entrepreneurs, struggling to balance the dual roles of mother and businesswoman is like a daily marathon especially if they cannot get support from their family.

Women however who share an entrepreneurship spirit could think that balancing career and family is more a constant challenge, an achievement to conquer, than an obstacle. As one successful business lady has put it "it's the quality of the time you spend with your family and children, not the quantity that makes the difference". Effective time management actually is a virtue and a talent a woman has to develop to deal with the multiplicity of her family, social and professional roles.

Governmental support is needed in order to increase female entrepreneurship through the development of a supportive environment which will provide social services regarding children keeping facilities and through the enhancement of

women's self confidence that they are able to successfully combine family and professional life.

A recent tendency is being observed regarding women entrepreneurs who choose to start up a business using modern technology tools and create a teleworking environment which allows them to have quite flexible working hours. Yet, as well as in traditional business environments there is a lack of information about business structure and function which prevents potential women entrepreneurs to fully exploit all the advantages for their own sake.

## **Information-dissemination**

Changing social stereotypes, male and female mentality and creating all necessary services and support for potential and existing female entrepreneurs are the keys to improve local, national and European economies. This is achieved through the work of networks, chambers, interventions at local, regional and governmental level.

### **The Role of Networks**

Women's networks should be stronger and aim to develop programmes to help their members. They must be the forum of exchange of ideas, a platform of presenting success stories, which can facilitate life long education and training where women can get help from other women who have faced the same challenges and the same problems. Networks can improve policies and practices, enhance business ethic and promote women's rights, erasing socio-cultural and professional prejudices and stereotypes. They can finally provide better and faster access to key information. The members of a network can assist each other in decision making, problem solving, crisis management, marketing advice and other matters of daily life.

### **The role of Chambers**

Chambers consist one of the key pillars of support for women entrepreneurs with a mission to represent, serve and promote entrepreneurship, to strengthen the voice and position of enterprises as significant, respected, valued influencers of EU affairs on all major economic issues.

They also work as networks, delivering network services to their members, through linkages and joint programmes. They promote and reward entrepreneurial behaviour, they provide the necessary legislative and physical environment for profitable business, they encourage and support SMEs. They also provide services of training, benchmarking and marketing a platform of information and promotion of professional women's viewpoints and interests.

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