

Employment and Women on the 21st century in Europe: From Household economy to SME economy (Small and Medium enterprises) – MUPYME Project

General Information: Women and Entrepreneurship in Germany

In Germany, almost over the country information centers for start-ups exist. The administration of Bonn for example offer courses, edit information sheet etc. for men and women. Some years ago, the interesting people were above all men, but in the meantime there are an increasing number of women who want to start a small enterprise.

This impression is also supported by a recent study.

“Participation of women remains top

Women's participation in start-up activities remains at a record level for the third year in a row: since 2013 women's self-employment has increased by 43% Start-ups. Women have always been more closely involved in the creation of new businesses. With 45% of business start-ups and 39% of full-time business, the corresponding shares in 2015 remain virtually unchanged compared to the previous year.”
(Hartmut Metzger, KfW-Gründungsmonitor 2016 (KfW Founding Monitor 2016), p 6, June 2016, Kreditanstalt für Wiederaufbau, ISSN 1867 1489, download: <https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokumente-Gr%C3%BCndungsmonitor/Gr%C3%BCndungsmonitor-2016.pdf>)

There exist also networks especially for women. For Example the “Network of consultants for Woman” (<http://www.beraterinnennetzwerk.de/index.php/beraterinnen>) in the district Rhein-Sieg and an international network: “Momprenneur” which has branches all over the world. Target group of Momprenneur are women with children who want to. (<http://mompreneurs.de/>)

There is no regulation whereby the consultancy centers have to register themselves bindingly. The “bga Bundesweite Gründerinagentur” (~ Nationwide Agency for Female Founders), which is supported by the Federal Ministry of Economics and Energy, has a database with around 500 consulting centers, which offer nationwide as well as regional services. These are, however, only institutions, which have voluntarily registered themselves.

ERASMUS+ Programme 2015 – KA2 Adult Education
Project n°: 2015-1-ES01-KA204-015937
Document name: Women and Entrepreneurship in Germany
Partner: DVV International

(http://www.existenzgruenderinnen.de/DE/Beratung/Beratungseinrichtungen/beratungseinrichtungen_node.html)

The mentioned Federal Ministry also offers a "founder hotline" for females, which:

- advises in all phases of the start-up process and succession,
- provides information on consulting services throughout Germany,
- provides contacts to experts.

(http://www.existenzgruenderinnen.de/DE/Beratung/Gruenderinnenhotline/gruenderinnenhotline_node.html)

In addition, all 16 federal states support similar initiatives with consultancy centers at municipal level. It is impossible to describe or to list them all.

The experience shows that women have other problems than men when they want to start up with an enterprise. The main problem is to arrange family (children) and job. All interviews with women (Website of Mompreneur) show that without a network of people who help with the childcare it is not possible to work successfully. The interviewed entrepreneur women by the networks underline that one of the advantages is that they can work from their home and that they have a free time management

Our results are consistent with other studies.

"While for men, the first step towards self-employment is primarily a career decision; women are more likely to be a life strategy. Self-employment often enables them to create a tailor-made workplace for the first time. Only in this way are they able to get all their tasks as a partner, mother, housewife and entrepreneur "under one hat" (GründerZeiten 03, Existenzgründungen durch Frauen, Bundesministerium für Wirtschaft und Technologie (BMWi), 2013, p2, https://www.existenzgruender.de/SharedDocs/Downloads/DE/GruenderZeiten/GruenderZeiten-03.pdf?__blob=publicationFile)

Furthermore, a good commercial knowledge is necessary.

The networks and service centers already offer specific courses.

ERASMUS+ Programme 2015 – KA2 Adult Education
Project n°: 2015-1-ES01-KA204-015937
Document name: Women and Entrepreneurship in Germany
Partner: DVV International

MUPYME-Research

The businesswomen and the housewives or homemakers who were interviewed in April/August 2016 live in two communities in a small mountain region in the north of Germany (‘Harz Mountains’) and in the big City of Bonn which was the capital of Germany for a long time.

The economic situation in the residential areas is very different. Therefore, it was surprising that level of education and training, life-planning, motivational situation and financial situation of these women seem to be very similar. All women are well educated; some have university degrees, other learned several professions.

(See for more details and examples 01. ‘Complex research...’, 03 ‘Study and Analysis ...’)

Difficulties Found

Special Situation in Germany

Although the number of respondents was small, the responses could be representative of many in the light of the current economic situation in Germany. We believe however, that our results cannot simply transferred to other countries because of different social situations

“The clear influence of the good labour market development on the founding activity is shown by the fact that the share of the emergency founders has reached a historical low. With 207,000, only 27% of the founders start their own business in 2015 due to a lack of alternative occupations.” (Hartmut Metzger, KfW-Gründungsmonitor 2016 (KfW Founding Monitor 2016), p 4)

It therefore seems likely that in other countries where there is a different situation on the labour market, other reasons for entrepreneurship are in the focus.

ERASMUS+ Programme 2015 – KA2 Adult Education
Project n°: 2015-1-ES01-KA204-015937
Document name: Women and Entrepreneurship in Germany
Partner: DVV International

Our results are apparently in contrast to the growing number of start-ups in Germany as a whole. However, they highlight the problems that need to overcome, so that more women become entrepreneurs.

We had to realize the following attitudes among the women, which prevent them to use their objective existing potentials for a company foundation.

Entrepreneurial Thinking is underdeveloped

- A financial emergency was never cause for starting an own business. All founders have a permanent partner who can guarantee financial security due to other sources of income. A personally satisfying activity and at best a little improvement of the financial situation of the family was in the focus.

Most founders are not willing to take considerable financial or any other risks, even if they could effort it.

- On the other hand, the housewives were not ready to think about setting up a company because they had no financial problems, and most of them assumed that they could find a job again (most have good vocational training) if they only tried. Against this backdrop, a company foundation appears for most of them as an obstacle rather than an advance.

In reality, this is very optimistic, because a professional re-entry after a family phase without substantial financial losses is not easy, even nowadays in Germany. The five housewives even never planned to become entrepreneur. The reason was not a lack of self-confidence, but it is always a financial risk to become entrepreneur.

- The founders and housewives are actually satisfied with their lives. They are looking more or less for an activity that they can enjoy.

From a business perspective, this is a very inflexible attitude that might be different in times when the economic situation of the families is more difficult.

The Traditional Gender Role dominates

- In most families of the women we interviewed there is no gender equality and a strict separation between the tasks of men and women.

The women are responsible for the household and the husband just helps sometimes.

Housewives but founders too feel primarily responsible for the household even after the children have left the house.

In this sense, the founders want to bring family and professional life in line. Ideally, they want to operate their companies from home.

It does not need to explain that, in these circumstances, it is difficult to establish a company.

The Female Founders

What are those women who have taken the step into self-employment in spite of the above-mentioned attitudes?

- The typical female founder is older than 40 years (the children left home) when she opted for self-employment. Financial security is guaranteed by other sources of income (partner).
- All founders we interviewed have consciously chosen for a vocational activity that corresponds to their own interests. All activities can be characterized as 'typical women's work' (education, cooking, housing etc.).
- Four of five women are trained pedagogues. Three of them completed university studies.
- All are members of certain women's networks of entrepreneurs.

ERASMUS+ Programme 2015 – KA2 Adult Education
Project n°: 2015-1-ES01-KA204-015937
Document name: Women and Entrepreneurship in Germany
Partner: DVV International

- They make use of the regional service centre for female founders (most run by Municipalities all over the county).
- Most of them visited preparation seminars for female entrepreneurs at the local 'Volkshochschule' or other adult education institutes.

Conclusions

Rather simplistic, one could say, that the surveyed founders do not want to be "real" or "normal" entrepreneurs because they restrict themselves to certain fields of work and subordinate entrepreneurial goals to the care of the family.

"This means that family responsibilities can be a step towards self-employment, since the work here can often be more flexibly divided than in a permanent position. (...) Women are most often found in the area of personal services (eg in the areas of education, health care or entertainment). KfW's study "Women as their own bosses" (2011) demonstrates this. Men usually settle their projects in the field of economic services. The study cites two reasons for this. Firstly, personal services allow for a reduced number of hours, "work" also in the secondary market and leave more time, for example for the family. Secondly, foundations in the field of personal services require a lower starting capital." Source: KfW Gründerinnen - Women as their own bosses / KfW founding monitor for 2008-2010

On the other hand, some housewives will found no businesses from similar considerations; just because they do not want to neglect their families or take any risks. These attitudes should be considered by the MUPYME-project.

It makes clear that a simple transfer of expertise can be ineffective when traditional social roles persist. The curriculum, which is to be developed, should take into account the obvious interests of many women, which are still based on a traditional understanding of roles.

ERASMUS+ Programme 2015 – KA2 Adult Education
Project n°: 2015-1-ES01-KA204-015937
Document name: Women and Entrepreneurship in Germany
Partner: DVV International

We therefore believe that examples of such successful start-ups have to be in the foreground, which make it possible to be entrepreneur without completely abandon one's own understanding of the role of a housewife or home-maker. It is better to make a small step forward than to cause a rejection.

In addition, it must be noted that seemingly only well-educated and financially secure women founded businesses. This people are able to make use by themselves from existing further education offers.

This impression is also made by nationwide investigations.

“In 2014, women who were self-employed contributed significantly to the higher degree of academicization of the company's start-up activities. In the year 2015, 32% of the founders have a university or university degree - as many as never before.” (Hartmut Metzger, KfW-Gründungsmonitor 2016 (KfW Founding Monitor 2016), p 4)

The question arises too how people from other social strata can be achieved.