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The Environment for Female Entrepreneurship in Germany
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ABSTRACT

The German government only recently started paying attention to the topic of female entrepreneurship as an important means to raise the overall level of entrepreneurship. Most relevant support policies concentrate on extending and stabilising the financial base of the new female-owned ventures whilst consultancy plays a less important role, although there has been a shift towards integrated packages in recent years. However, access to mainstream support is implicitly gender biased. Moreover, an integrated strategy for fostering female entrepreneurship also needs to take into account that there are shortcomings in the institutional (political and societal) environment, possibly restricting women's interest in entrepreneurship and thus determining the extent of female entrepreneurship.

1. INTRODUCTION

In Germany, only 6 % of all employed women, but more than 12 % of men classify as entrepreneurs whilst over the past 30 years, female entrepreneurship has been rising slowly, but continuously from 23 % of all self-employed in West Germany in 1960 to 27 % in 2000. In East Germany, the share of female entrepreneurs has been high since the reunification averaging 28 % in 1991 and 30 % in 2000, which can be attributed to the high labour participation of women in the former GDR and their rising unemployment after 1991. This also explains the high entry rates for female self-employed from East Germany in the years 1990–1996, which amounted to 41% in comparison to a West German rate of 34% (Pannenberg 1998). Furthermore, female entrepreneurs more commonly create and retain micro enterprises compared to male entrepreneurs. For example, more than half of all male self employed offer jobs to others (54%), but only 41% of the female self-employed do so.

A gender gap also is apparent looking at the start-up stage: 15.9% of all men, compared to only 7.4% women are generally interested in starting their own business, whilst 3.6% of all women and 5.7% of all men mentioned detailed ideas and the rate for female entrepreneurs amounts to only 1.3%, compared to 2.4% for men. In this context, an important question is whether women entrepreneurs face specific problems in setting up a business that are different from those faced by male entrepreneurs. As research indicates, women may have particular problems with acquiring and mobilising external resources. Moreover, they may have had less chance than most men to accumulate the resources necessary to start and run a successful business. In addition, gender discrimination by finance and support providers, customers or employees may be an issue.

Whilst support for female entrepreneurs has a long tradition in Northern European countries, the German government only recently started paying attention to the topic of female entrepreneurship as an important means to raise the overall level of entrepreneurship. This paper is concerned with the institutional and legal context for female entrepreneurs in Germany and the role public support (could) play in fostering female entrepreneurship. The paper is based on a research project concerned with female start-ups and the policy environment in Germany which is funded by the Federal Ministry of Research and Technology (BMBF).

The methodology employed in the project involves a review of key literature, an analysis of statistical data and previous studies on German (nascent) female entrepreneurs, a desk-top evaluation of the institutional environment and policy support, and interviews with key experts involved in supporting female entrepreneurship. More specifically, following a literature review and a short methodological with respect to gender specific evaluation criteria which

will provide the conceptual background, the paper will focus on the following topics: (1) In which ways does the legal and institutional environment in Germany influence female entrepreneurship? (2) Is access to support restricted? (3) What policy lessons can be drawn for adequate support fostering female entrepreneurship in Germany?

2. SUPPORT NEEDS OF FEMALE ENTREPRENEURS AND SUPPORT ACCESS: A LITERATURE REVIEW

2.1. Are there gender-specific support needs?

An important question is whether women entrepreneurs face specific problems in setting up a business that are different from those faced by male entrepreneurs. As research indicates, women may have particular problems with acquiring and mobilising (external) resources. That includes human, social and financial capital. Discontinuous work patterns and work histories result in women having lower levels of work experiences and lower level of work-related training (Jungbauer-Gans, Preisendörfer 1992). Thus, gender-related differences in human capital could be at least partly responsible for lower rates of women entrepreneurs (McManus 2001).

With respect to social capital in the form of *networks*, some research indicates gender-specific deficits in networking contacts of female entrepreneurs, drawing attention to the limited outreach and diversity of women entrepreneurs' networks (e.g., Aldrich 1989; Döbler 1998; Jungbauer-Gans 2000; Meyer, Harabi 2000; Renzulli et al. 1999) as well as to their tendency to concentrate on weak relationships. In addition, Brüderl/Preisendörfer (1998) found support from strong tie networks, especially family support, a decisive factor on business success. On the whole, results are not conclusive and sparse, leading McManus (2001) to raise the point that research still has to prove empirically the facilitating effect of networks and networking towards entrepreneurship.

With regard to financial support needs, research so far did not reach conclusive results. Evidence suggests that female entrepreneurs use less *capital* and consequently set up smaller enterprises (Carter, Rosa 1998). Verheul/Thurik (2001) argue that female and male entrepreneurs differ in the way they finance their businesses, but their results for a panel of Dutch start-ups did only demonstrate the well-known fact that female entrepreneurs set up their business with less capital. In general, there is no consensus regarding the needs for external assistance. Some authors report that their study results indicate no significant gender differences (Kim, Gaskill 1995), while others argue that women entrepreneurs experience a number of problems and issues that are greater than those facing small businesses in general (Smallbone et al. 2000). In this context, the same authors identified four areas where female entrepreneurs might benefit from support: information and education, networking activities, targeted finance activities and targeted business support initiatives.

Access to support: the example of finance

Most studies researching gender specific access to support concentrate on finance. In this context, Carter/Rosa (1998) identify four financial areas where female (nascent) entrepreneurs might experience gender specific problems, i.e., mobilising start-up capital, credit guarantees, mobilising investment capital and a possible discriminating attitude of bankers. With respect to the latter, Buttner/Rosen (1992) emphasise, that women entrepreneurs often attribute credit refusals only to discriminating behaviour on behalf of the bank, thus neglecting apparent weaknesses in their credit concepts.

A study performed in Finland (Hokkanen et al. 1998) found little differences between male and female entrepreneurs in terms of banking practices, but significant differences in the number of loan applications with women entrepreneurs applying less often for external finance. A more recent study by Coleman (2000) confirms these findings of prior research, demonstrating that size and age of the firm were the most consistent predictors of credit usage rather than gender, although they are less likely to use external financing as a source of capital. Moreover, Coleman/Carsky (1996) showed that female entrepreneurs preferred informal sources of finance. This might indicate both difficulties in relating to financial institutions as well as a risk averse attitude of female entrepreneurs. The former is supported by findings of Buechler (1995) who argues that women micro entrepreneurs often feel uncomfortable dealing with formal financial institutions, which tend to be male dominated institutions and cultures whilst stating that a friendly environment and sympathetic staff are necessary for a close relationship between client and lender.

Moreover, business size, the type of entrepreneurship women pursue (part-time entrepreneurship) influence the general credit legitimacy of women entrepreneurs (Mirchandani 1999). Mirchandani (1999) adds to that emphasising the fact that women businesses are frequently set up at home which also could constrain their legitimacy towards creditors. In this context, Swire (1995, cited in Kehlbeck/Schneider 1999: 10) points out that female entrepreneurs might pursue a rational strategy in not investing in their credit legitimacy if they expect gender-based credit refusals. The OECD (2000: 54) draws attention to the fact, that a “non-traditional thinking” of female entrepreneurs and innovative business ideas play an additional role in restricting their access to external finance: „Financial intermediaries (...) may not have the skills necessary to evaluate innovative business ideas for which there are no benchmark values to use for credit assessment.“ (OECD 2000: 54). A lack of (financial) management experiences might add to that (Orhan 2001), especially in those cases, where women have less access to training because of interrupted work careers (Jungbauer-Gans, Preisendörfer 1992). Again, the picture which is emerging, is not conclusive in attributing restricted support access to gender alone. Here, Mirchandani (1999: 230) draws attention to the fact that there is “little analysis of how gendered processes may in fact shape the size of firms, or the tendency to focus on certain industries”. She explicitly raises the point that most research on female entrepreneurship is not based on feminist theories, therefore explaining possible gender differences in terms of how women entrepreneurs deviate from a so-called “male norm”.

3. A METHODOLOGICAL NOTE ON EVALUATING THE ENVIRONMENT FOR FEMALE ENTREPRENEURSHIP AND SUPPORT POLICIES

Our evaluation of the environment for female entrepreneurship in Germany consisted of several steps. In a first step, based on a literature review and document analysis where appropriate, we identified general developments in the institutional environment (legal frame, economic policies, organisational infrastructure) and trends in support policies. In a second step, we asked for possible effects of this environment on female entrepreneurship. In addition to analysing relevant studies, this was done by interviewing experts in different types of organisations such as ministries, business associations, chambers, support agencies, etc.. Interviews were carried out either by phone or personally. In both cases, we used a (partly unstructured) interview guideline.

In a third step we planned to evaluate the access to support programmes, in order to identify possible gender-specific restrictions. Walker/Joyner (1999), although with respect to finance, distinguish between four different types of discrimination:

- pure gender discrimination: women are offered different (financing) terms because of their gender,
- institutional gender discrimination: women are offered different terms based on individual perceptions of an inferior knowledge and abilities,
- statistical gender discrimination: women are offered different terms based on statistical averages of the relevant criteria for the transaction
- economic gender discrimination: women are offered different terms because they do not meet the relevant transaction criteria and they are less qualified because of their gender.

These criteria were used to formulate the following questions which guided our evaluation: 1) Are women entrepreneurs excluded from support measures because their business show distinctive characteristics? 2) Are women business excluded from support measures because their needs differ from what is offered by support agencies? 3) Are women entrepreneurs excluded from support measures because support agencies discriminate against them?

One approximate way to measure restricted access is to ask for the participation rate of female entrepreneurs (i.e., their share in all supported clients), whilst qualitative indicators include the goals and design of selected support measures. However, we experienced serious problems with regard to quantitatively evaluating support programmes. Only some of the programmes, mainly at federal level (where taxpayer money is involved) use monitoring systems at all. Most programmes cannot provide (sufficient) data on clients, even less have gender specific data. For this reason, we mainly concentrated on a qualitative evaluation.

4. THE INSTITUTIONAL CONTEXT FOR FEMALE ENTREPRENEURS IN GERMANY: GENDERED INSTITUTIONS?

The institutional and legal contexts for female entrepreneurship play an important role for female entrepreneurship, influencing both its nature and extent as well as its potential economic contribution. With regard to female entrepreneurship, the question arises if (and if yes, in which ways) access to entrepreneurship is restricted in Germany. Whilst gender equality is inscribed constitutionally, its application throughout economy and society might still lead to open and subtle discrimination against women. In Germany open discrimination could be observed until the early 1970s concerning legal regulations where women needed their husband's signature on a labour contract to become valid, or regulations with respect to bank accounts where husbands were required to countersign a woman's application. Whilst open discrimination remains a topic, especially where wage gaps are concerned, hidden constraints, expressing itself through the institutional environment, nowadays might play an even more important role in restricting women entrepreneurship.

In this context, child care facilities play a role in supporting or constraining female entrepreneurship in practice. For example, whilst Germany is still characterised by a rather traditional labour distribution where men contribute incomes and women are mainly responsible for child care, institutional contexts have been much more favourable in Northern European countries, reflecting an egalitarian-individualistic principle in labour market and family policies (Pfau-Effinger 1995: 49f.). In Sweden full-time child care is the rule, with 60% of Swedish kindergarten children attending an all-day institution. In Germany, only 9% of children of kindergarten age attend all day institutions, whilst in Great Britain child care is mainly organised on a private basis (Gustafsson, Wetzel 1997: 120).

In addition, social and tax policies could influence women entrepreneurs with respect to the level of social security connected to entrepreneurship. This is an important factor for potential women entrepreneurs who might also consider entrepreneurship for family reasons or in order to improve household income. A consideration of social security regulations in Germany serves to illustrate this issue, indicating the social security problems going hand in hand with entrepreneurship. For example, until 1989 entrepreneurs who employed up to 2 employees obliged to social security could join the statutory health insurance scheme, but since then access has been limited to previous employees now working as self-employed, entrepreneurs and professional groups, such as artists or journalists (Frick et al. 1998). Moreover, Holst (2001) refers to the gender-restrictive role of the German tax system which mainly favours male participation in the formal labour market and informal, unpaid work of women through discriminating against married women. Gustafsson (1995) demonstrated that in the case West Germany introduced the Swedish tax system, women employment would increase by 10% points, whilst vice versa women employment in Sweden would decrease by 20% points.

Moreover, women entrepreneurship seen in terms of labour market participation depends not only on the availability of market opportunities. It is also influenced to a large extent by the value society attaches to women employment. An increased labour market participation of women occurred in Western economies only since the 1970s, as Birley (1989) describes it: "Until very recently, the major role of women was seen in most Western economies by both men and women to be that of wife and mother. Indeed, even should they take employment, this was almost always in addition to their role as homemaker." Here, evidence for East Germany demonstrates that the decreasing labour market participation of East German women

following re-unification can only partly be attributed to higher unemployment rates for women, but it also reflects an overall conservative trend in Germany, ascribing a home-bound role for women (e.g., Meyer-Schulze 1995; Rocksloh-Papendieck 1995).

Whilst there has been progress with respect to the legal and institutional environment for female entrepreneurship in Germany, several policy-related factors still (might) restrict women's willingness to enter entrepreneurship. In addition to this, German society still defines women mainly through roles connected to family and household responsibilities. Thus, societal values implicitly understand female entrepreneurship as less desirable which in turn affects the self-perceptions and individual attitudes of potential female entrepreneurs. In this context, research confirmed that professional choices of women take into account what society deems desirable and "correct" for their sex (Holst 2001). Consequently, this might (partly) explain lower rates of female entrepreneurs.

A reluctant attitude of women towards entrepreneurship is reinforced through the ambivalent image of entrepreneurs (Unternehmer) and entrepreneurship. In most Western cultures entrepreneurship still is attributed with male characteristics. Research, studying entrepreneurial metaphors for Scandinavian countries where the environment favours female entrepreneurs, demonstrated for the late 1990s, that women assign controversial and negative metaphors to entrepreneurship, whilst men frequently emphasised idealising aspects: "It appeared that many females perceived entrepreneurship as perhaps requiring too full a commitment to business, thereby reducing the time and effort required to pursue other important avenues. (...) The traditional view holding that every man has to fend for himself and make due sacrifices in order to succeed surfaced again and again" (Hyrsky 1999: 29). This is even more apparent in the German society which still puts a higher value to male role stereotypes than to female ones (Holst 2002). In this context, most women entrepreneurs, especially those having set up a venture in the professions, do not see themselves as "Unternehmerinnen" which they attribute to those women who lead larger industry firms.

5. SUPPORT TRENDS AND SUPPORT ACCESS IN GERMANY

5.1. Support policies for female entrepreneurs

Until recently, European policy initiatives mainly supported female entrepreneurship focusing on social objectives, thus neglecting the potential contribution of women-owned business to economic development, growth and innovation. Programmes such as NOW (New opportunities for women) aimed at increasing the labour market participation of women and lowering their unemployment rates through supporting new business creation of previously unemployed women or women returning to the labour market (EC 1998). Experiences with this type of support have been mixed. There is no shortage of support initiatives targeted at women, some of which include innovative elements in supporting female entrepreneurs, such as mentoring young entrepreneurs by established women business-owners, or involving spouses in receiving finance through this programme (Rudolph, Welter 2000), although the number of female participants remained comparably small. However, experts criticise this explicit focus on creating additional programmes as decreasing transparency and adding to bureaucracy.

National policies for female entrepreneurs differ across Europe, reflecting country traditions and societies' attitudes towards working women. Whilst support for female entrepreneurs has

a long tradition in Northern European countries, the German government only recently started paying attention to the topic of female entrepreneurship as an important means to raise the overall level of entrepreneurship. Nowadays support for women entrepreneurs is focused on programmes taking care of support needs in terms of financial or human capital, neglecting the impact of the overall legal and institutional framework. Programmes address existing start-ups, either through specific programmes directed to women only, or through the overall support structures for start-ups.

Most German policies for start-ups concentrate on extending and stabilising the financial base of the new venture whilst consultancy played a less important role, although there has been a shift towards integrated packages in recent years. PFAU, a programme designed to support start-ups out of universities in North-Rhine Westphalia is one such example where elements of financial support, consultancy and mentoring are combined. North-Rhine Westphalia finances a part time job as university assistant for one or two years during which time the potential entrepreneurs are requested to get their business started. Additionally, they can apply for so-called 'marketing' and 'general consultancy' cheques (up to 10.000 DM) to partly finance external professional consultancy. Senior experts (managers or former entrepreneurs) act as mentors during the start-up period. Moreover, there are various networks participants of PFAU and the GO-Initiative ('Gründungsoffensive') in NRW might join, such as round tables of new entrepreneurs. Whilst PFAU and most similar programmes do not include separate instruments for fostering female entrepreneurship, support measures exclusively directed at female entrepreneurs refer, for example, to a programme which encourages mentoring for young female ventures (TWIN, i.e. Two Women win), although this programme currently is restricted to objective 2 regions in North Rhine Westphalia.

Support for female entrepreneurship on federal level shows a thematic focus, taking into account the specific tasks of federal ministries. The Federal Ministry for Women, Senior people, Family and Youth (BMFSFJ) sees its role in fostering societal change, which also implies support for networking initiatives between gender-specific and mainstream support and business organisations. The Federal Ministry for Research and Education (BMBF) supports measures which aim to orient women towards "new" employment fields, as well as gender specific research. The Federal Ministry of Economics (BMWi) is generally responsible for SME support. Overall, there is an ongoing subtle shift in federal support policies. The underlying support paradigm currently focus on an organisation-based and institutionally oriented support approach, which is aimed at integrating gender-specific support topics more and more into mainstream agencies and mainstream organisations such as chambers and business associations, although support policies are slow(er) to adapt.

Access of female (nascent) entrepreneurs to financial support

Here, we need to distinguish between three types of financial support: "mass programmes", programmes for a specific group, and group specific regulations within "mass programmes". The majority of financial support programmes in Germany address all start-ups and/or existing enterprises. Programmes which are exclusively for female entrepreneurs, include small credit lines in some of the "Länder". All such programmes only support a small number of female entrepreneurs, e.g., in Mecklenburg-Vorpommern 200 female entrepreneurs received credits during the period 1996-2000. State governments also frequently introduce specific regulations into mass credit programmes, especially where these programmes are jointly financed by federal and state governments. One such example refers to a credit programme in

North-Rhine Westphalia where the state government allows credit applications of female nascent entrepreneurs without previous industry knowledge; or a regulation in Mecklenburg-Vorpommern, where the state investment bank hands out credits directly to female entrepreneurs, provided they previously were rejected by banks (Kehlbeck, Schneider 1999: 29).

With respect to assessing the access of female entrepreneurs to financial support, we first of all calculated participation rates for selected programmes (table 1). The share of female entrepreneurs has been declining in the classical mass programmes (ERP, EKH, GuW), reaching in 2001 21% in the ERP and 23% in the EKH respectively. The overall trend broadly goes hand in hand with increasing and declining start-up rates. The credit amounts approved within most programmes have been rising over the same period, although women entrepreneurs, regardless of the programme, still tend to apply for smaller credits, compared to men.

Table 1: Female participation rates in selected financial support programmes

Year	ERP-Existenzgründungsprogramm	EKH	GuW	Startgeld
East Germany				
1990	25.4	31.9		
1991	38.4	38.4		
1992	22.8	28.3		
1993	24.4	28.0		
1994	23.6	25.6		
1995	22.4	25.1		
1996	24.3	25.8		
1997	25.9	27.5		
1998	27.4	29.6		
1999	24.9	26.3	33.3	41.1
2000	25.9	28.4	27.6	38.1
2001	26.6	29.4	30.6	42.8
West Germany				
1990	21.1	20.7		
1991	20.8	20.7		
1992	19.5	19.1		
1993	21.4	No credits 1993		
1994	20.0	21.0		
1995	20.6	20.9		
1996	19.7	21.4		
1997	18.4	21.2		
1998	19.7	21.0	24.2	
1999	19.9	20.5	24.1	36.3
2000	18.5	20.3	23.5	35.8
2001	20.0	21.0	22.3	34.4
Germany				
1990	23.9	27.1		
1991	34.4	35.7		
1992	21.8	27.4		
1993	23.6	28.0		
1994	21.9	24.6		
1995	21.4	23.4		
1996	21.3	23.6		
1997	20.1	23.4		
1998	21.1	23.4		
1999	20.9	22.1	24.1	37.2
2000	19.8	22.5	23.7	36.2
2001	21.2	23.0	22.7	35.9

Own calculations, based on data by DTA.

New programmes such as the Startgeld show a higher participation rate for female entrepreneurs which amounts to 36% for Germany, nearly 43% in East and 34% in West Germany, again demonstrating regional differences in take-up. 6% of all supported start-ups are part-time ventures (Tchouvakhina 2002). Since start, the Startgeld supported a total of 6 500 female entrepreneurs, 80% in West Germany. Only recently and following an initiative of the International Labour Organisation (i.e., the “Action Research Programme on Micro Credit and Business Creation of Unemployed”) the German government introduced this type of micro credit programmes. That refers to the “Startgeld” which offers credits amounting up to

50.000 €, and to the new “Mikrokredit” which offers 25.000 € credits for starting and new entrepreneurs (up to 3 years), (for an overview on local and/or regional micro credit programmes in Germany cf. Evers, Habschick 2001).

The female participation rates appear to indicate a restricted access to financial support in the case of classical mass programmes, where female take-up rates are considerably lower than the share of female entrepreneurs. This is broadly confirmed looking at their programme design. According to Kehlbeck/Schneider (1999) and Piorkowsky (2002), programmes suitable for female entrepreneurs need to take into account a small business size, lower credit needs, less guarantees and a higher need for working capital. They moreover should ideally allow for applications of part-time entrepreneurs, services and academic professions. Most programmes, even more so those offering capital to high-tech firms, show flaws with respect to one or more of these criteria, thus implicitly restricting the access of female entrepreneurs (table 2).

Table 2: Qualitative assessment of selected financial programmes

Pro-gramme	Industry/Field type of entrepreneurship		Amount of investments		Own capital/guarantees		Purpose	
EKH – Equity capital	Industry, professions	++	Max. 500,000 €	-/+	Personal liability	-/+	Investments, costs for market access	-
ERP – credit	Industry, professions, excl. health professions	+	Max. 1 Mill. €	-/+	Own capital	-	Investments, procurement of supplies	-
DtA-Startgeld – credit	Industry, professions, initial part-time e-ship	++	Max. 50,000 €	++	Bank guarantees, 80% exemption from liability for banks	+	Investments, incl. intangibles, working capital	++
DtA-Mikrokredit – credit	Industry, professions, initial part-time e-ship, second chance start-ups, young firms (< 3 years, 10 employees)	++	Max. 25,000 €	++	Bank guarantees, 80% exemption from liability for banks	+	Investments, working capital	++
BTU – venture capital	Technology, innovative enterprises	-	Max. 1.5 Mill. €	-	None	++	Product development, launch	-/+
KfW SME programm – credit	Industry, professions	++	Max. 5 Mill. €	-/+	Bank guarantees (East Germany: 50% exemption)	-/+	Investments	-
BA bridging loan – subsidy	All industries, professions	++	Unemployment benefits & social security for 6 months	++	None	++	Support for living	++

Own research and Piorkowsky (2002).

The recently introduced “Startgeld” and the “Mikrokredit” are better suited to provide for women entrepreneur’s financial needs. Both of these programmes reflect a shift in support policies, acknowledging the fact, that women entrepreneurs need smaller amounts of credits, and/or they frequently start as part-time ventures (Piorkowsky 2001). A critical point could be that both programmes only support initial part-time entrepreneurship. Moreover, a first assessment for the Startgeld points out higher failure rates (www.enterprising-women.de/docu2002/inhalte/docu_ws7_d.htm), indicating that supported enterprises are seriously undercapitalised. Finally, these programmes do not qualify as genuine micro credit programmes, because they ask for standard bank guarantees, only providing a 80% exemption from liability and a greater margin for banks. Both regulations, designed to facilitate access of micro firms to banks, might not suffice in the long run to motivate banks, taking into account the Basle II-discussion and its effects on SME financing.

6. CONCLUSION: ARE THERE LESSONS FOR POLICY SUPPORT WITH RESPECT TO FEMALE ENTREPRENEURS IN GERMANY?

There is an ongoing debate as to the best way to stimulate women entrepreneurship which contributes to both economic competitiveness and social inclusion. Most support for women entrepreneurs today addresses existing start-ups, either through specific programmes directed at women only, or through the overall support structures for start-ups. However, access to mainstream support is implicitly gender biased. That refers to those cases where they either exclude part-time entrepreneurship, or do not support certain industries, e.g., health professions or micro credits. Nevertheless, any use of support measures also is related to the level of awareness and information of the individual entrepreneur. In this context, gender differences e.g. in access to networks and accordingly to information also could result in a different level of use amongst women-owned and male businesses, thus apparently justifying specific programmes.

The question remains whether we need specific policies to foster female entrepreneurship. In this context, Mirchandani (1999) draws attention to the fact that a barrier-focused approach towards female entrepreneurship “makes it seem as though the barriers women face are removable through individual action. What is needed, it is therefore suggested, is for women to train or educate themselves better, develop more appropriate networks and mentoring relationships, and re-assign domestic work.” The author stresses that this shifts the attention of policy makers away from environment constraints towards the single woman entrepreneur.

On the other hand, there is a need for business organisations such as chambers, business support agencies and associations, to adapt their approach towards women entrepreneurs, ensuring that they address their needs without a (implicit) gender bias. Moreover, research on nascent entrepreneurs which shows low female prevalence rates across Europe indicates that support measures encouraging women to start their own businesses might be more appropriate (e.g. Alsos, Ljunggren 1998). All this indicates a specific role for government in creating adequate political and socio-economic framework conditions which includes more measures than improvements for the business environment in order to facilitate access to resources. In the German context, an integrated strategy for fostering female entrepreneurship also needs to take into account that there are shortcomings in the institutional (political and societal) environment, possibly restricting women’s interest in and entry into entrepreneurship and thus determining the extent of female entrepreneurship.

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