



# SUPPORTING WOMEN **ENTREPRENEURS** IN IRELAND

Rapid Policy Assessments of Inclusive  
Entrepreneurship Policies  
and Programmes



## FOREWORD

Entrepreneurship development is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. The impact of the global financial and economic crisis calls for giving entrepreneurship and self-employment a stronger role in economic and social development policies. Inclusive entrepreneurship policies and programmes are particularly relevant for women who continue to face challenges in the labour market and are under-represented in entrepreneurship activities.

However, the effectiveness of national, regional and local measures and actions to promote inclusive entrepreneurship development in Europe can be hindered by a fragmentation of responsibilities, resources and strategies, and a failure to understand the goals of inclusive entrepreneurship.

This project is part of a series of rapid policy assessment projects on inclusive entrepreneurship policies and programmes that are conducted by the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate General for Employment, Social Affairs and Inclusion of the European Commission. This work builds on a collaborative project between the OECD and the European Commission on inclusive entrepreneurship. For more information on this project, please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

## ACKNOWLEDGEMENTS

This study has been a collaborative project between the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD) and the Directorate General for Employment, Social Affairs and Inclusion of the European Commission, with the co-operation of the Gender Equality Division of the Department of Justice and Equality. It is part of a multi-year programme of work on inclusive entrepreneurship, undertaken by the LEED Programme of the OECD and DG Employment of the European Commission.

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## **ABBREVIATIONS**

|      |  |
|------|--|
| EC   | European Commission  |
| ERDF | European Regional Development Fund                             |
| ESF  | European Social Fund   |
| GEM  | Global Entrepreneurship Monitor                                |
| LEED | Local Economic and Employment Development Division of the OECD |
| OECD | Organisation for Economic Cooperation and Development          |
| R&D  | Research and development                                       |
| SME  | Small and medium-sized enterprises                             |
| STEM | Science, technology, engineering and mathematics               |

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## EXECUTIVE SUMMARY

This project is part of a series of “rapid policy assessments” that are undertaken by the Local Economic and Employment Development (LEED) Programme of the Organisation for Economic Co-operation and Development (OECD). This work is undertaken in partnership with the Directorate General for Employment and Social Affairs of the European Commission. This report presents a brief overview of current and planned support for women’s entrepreneurship in Ireland and provides an assessment of the key strengths and weaknesses of current and planned offerings in the areas of entrepreneurship skills, access to finance and the regulatory and institutional environment. It also makes recommendations for improvement.

### **Key findings**

#### ***Entrepreneurship skills***

Entrepreneurship is increasingly implemented in the formal education system, which helps raise awareness about the potential of entrepreneurship and helps students develop basic entrepreneurship skills. Progress should continue and attention should be paid to promoting entrepreneurship in STEM fields in higher education to encourage more women in these fields to exploit their knowledge and expertise.

There are a number of well-established entrepreneurship initiatives (e.g. Competitive Start Funds) that have demonstrated to be successful and some have received international recognition (e.g. Going for Growth). Networking support and peer learning programmes are also quite well-developed in Ireland and several of these initiatives are targeted towards supporting business development and growth. Despite these initiatives, there is potential to do more to support women in developing their businesses, including helping them learn to manage growing businesses and accepting and managing risk.

#### ***Access to financing***

Irish entrepreneurs can access public finance programmes through the Local Enterprise Offices. However, women account for only one-quarter of recipients of financial support. This is partially explained by programme restrictions on the types of businesses that are eligible for funding, which exclude locally service-based businesses that are often operated by women. There is therefore a need to open up this support to women who operate in the local service sector, or to provide an alternative source of support.

#### ***Institutions and regulatory environment***

Overall, Ireland has a supportive regulatory environment for entrepreneurship. However, more can be done to support women entrepreneurs through tackling gaps in access to services and in social protection. This includes increasing the availability of childcare and levelling the playing field between the self-employed and employees in terms of maternity benefits.

### **Key recommendations**

1. Provide additional support for women who seek to develop and grow their businesses, including helping them strengthen their networks, acquire management skills, learn to manage risk, identify researchers with innovative ideas and grow into

international markets. Continue to offer support for female-run start-ups in rural areas given the success of the ACORNS program.

2. Improve the treatment of the self-employed relative to employees with respect to Maternity Benefits and Unemployment Benefits.
3. Improve access to child care for women entrepreneurs, including through the use of tax incentives.
4. Scale-up well-established women's entrepreneurship support initiatives that have demonstrated to be successful, including Competitive Feasibility Fund, the Competitive Start Fund, Going for Growth and NDRC Female Founders.

## INTRODUCTION

### **OECD-European Commission rapid policy assessments on inclusive entrepreneurship policy**

“Inclusive Entrepreneurship in Europe” is a joint project conducted by the Local Economic and Employment Development (LEED) of the Organisation for Economic Co-operation and Development (OECD) and the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission. The project aims to identify and analyse barriers for entrepreneurial activities faced by groups that are under-represented or disadvantaged in self-employment or the labour market, i.e. youth, seniors, the disabled, women, ethnic minorities, the unemployed. Based on this diagnosis, this work provides policy guidance to help policy makers design and implement policies and programmes to address these barriers and promote entrepreneurship within these groups (OECD/EC, 2013).

This report is part of a series of “rapid” policy assessment projects within the inclusive entrepreneurship work programme. These rapid policy assessments provide a baseline analysis with focus on one of the key target groups of inclusive entrepreneurship policy (i.e. youth, seniors, women, migrants or the unemployed). The assessments examine the nature and appropriateness of existing and proposed policies and programmes with the aim of providing guidance on priorities for future activities in this area, notably activities that can be funded by the European Social Fund (ESF). The analysis identifies gaps in current and planned support, as well as areas where current and planned support can be improved. The recommendations aim to provide assistance to European Union Member States in the design and implementation of policies and programmes for business creation by youth, seniors, women, migrants or the unemployed, through:

- Tailored advice and assessments for individual national or regional administrations in the design and implementation of policies and programmes for business start-up and self-employment, including through ESF support; and
- Facilitation of mutual learning among national and regional authorities, stakeholders and practitioners concerned with ESF support from different Member States, through monitoring and comparison of policy and programme approaches, collection and dissemination of good practice examples and provision of tools to support learning networks, events and platforms.

In the case of Ireland, the assessment focuses on women’s entrepreneurship. It provides an overview and assessment of current support of women’s entrepreneurship in Ireland in the areas of entrepreneurship skills, access to finance and the regulatory and institutional environment (e.g. business regulations, culture). The report also provides policy recommendations for policy makers.

### **OECD-European Commission rapid policy assessment criteria**

The OECD-European Commission collaboration on inclusive entrepreneurship has produced a series of reports and policy briefs that examine the barriers faced by different under-represented and disadvantaged groups in business start-up and self-employment, as well as appropriate policy responses to address these barriers. This work has covered several social target groups, including women, youth, seniors, migrants, the unemployed and people with disabilities.



Based on this work and consultation with international experts, the OECD has developed a list of principles for inclusive entrepreneurship policy (see Box 1). This list of principles is intended to give guidance to policy makers in designing and implementing a comprehensive support system for inclusive entrepreneurship. These principles underpin the analytical framework used in this series of rapid policy assessments.

#### **Box 1. OECD-European Commission rapid policy assessment criteria**

##### **1. Generic principles**

- *Policies and programmes are framed within a broader strategy.*
- *Outreach to the target group is targeted and sufficient.*
- *Use competitive selection mechanisms to target intensive support.*
- *Support provisions are regularly monitored and periodically evaluated for impact and effectiveness.*

##### **2. Entrepreneurship skills**

- *Entrepreneurship education and training for the target group is available and covers pre-start-up, start-up and growth phases.*
- *Coaching and mentoring programmes are available and provide one-on-one or group support using experienced entrepreneurs and/or business professionals.*
- *Public policy supports network development within the target group and builds linkages with mainstream entrepreneurs and services.*
- *Entrepreneurship skills support offerings are linked with financial supports.*
- *Entrepreneurship skills support offerings are resourced appropriately and those delivering the support are trained.*

##### **3. Access to finance**

- *Information is available about funding opportunities and lender requirements.*
- *Access to micro-finance is facilitated, either through schemes that are dedicated to the target groups or through enhanced access to mainstream schemes.*
- *Targeted credit guarantee and mutual guarantee schemes aim to support entrepreneurs from the selected target group.*
- *Where micro-finance is not available, small grants are available.*
- *Financial supports are complemented with training and advisory services to develop entrepreneurship skills.*

##### **4. Institutional environment and policy delivery**

- *A culture of entrepreneurship is promoted and supported.*
- *Information about business creation is readily available.*
- *Efforts to reduce the burden and complexity of business regulation at all stages of enterprise development are ongoing.*
- *Opportunities for e-services are pursued, including online business registration and tax filing.*
- *Ministries, agencies and relevant stakeholders work together.*

## **Project methodology**

The OECD-European Commission rapid policy assessments are conducted in two stages. First, desk research is conducted to uncover basic information on the quality of the environment for business start-up and self-employment policy, the levels and nature of start-up and self-employment activities, and the nature and scope of existing policy and programme activities. This report was prepared primarily through desk research that covered locally published information brochures, reports and studies from ministries, support agencies, webpages.

Second, a one-day seminar was held in Dublin, Ireland on 25 February 2016. The seminar had 39 participants, representing 28 organisations: 11890 Directory Enquiries; Blackstone LaunchPad; NUI Galway; Cork Innovates; DCU Ryan Academy; Department of Agriculture; Department of Education; Department of Health; Department of Jobs, Enterprise and Innovation; Department of Justice; Dublin Institute of Technology; Enterprise Ireland; Fitzsimons Consulting; HERizon; Hincks Centre for Entrepreneurship Excellence at CIT; Initiafy; Irish Business Intelligence; I-Smile; Junior Achievement Ireland; Limerick Institute of Technology; Media Training; National Women's Council of Ireland; On Your Feet; Small Firms Association; TanOrganic; The SIA Group; Wicklow Local Enterprise Office; Women Mean Business; and Zalco Investments Ltd. The objective of the seminar was to discuss preliminary findings from the desk research and to collectively identify areas for policy action.

## **FEMALE ENTREPRENEURSHIP**

In examining the notion of female entrepreneurship, one might have anticipated that the definition of the term “female entrepreneur” might have broad agreement; however across the world definitions of the term “female entrepreneur” can be quite different. In the United Kingdom, a female owned business is “one that is either wholly or majority owned by one or more women” (Marlow et al., 2008, pp. 339). In the United States a “woman-owned business is one in which the principal owner or the majority of shareholders are female, and the female owners/shareholders own at least 51% of the business” (US Census Bureau, 2002). The common theme that underlies the varying definitions of female entrepreneurs is women starting their own business or women who already own their own business. In Ireland there is no generally accepted definition of the term female entrepreneur but targeted calls for participation in women-only programmes will usually mention the term female-led business/enterprise. Therefore, for the purposes of this report, the definition of female entrepreneurship that most closely relates to that used in Ireland is provided by Jennings and Brush (2013) who stated that “*female entrepreneurship primarily focuses upon women who start and/or run their own businesses (including those who are self-employed)*”.

It has been more than thirty years since studies of female entrepreneurs first appeared in the entrepreneurship literature (e.g. Schwartz, 1976; DeCarlo & Lyons, 1979; Hisrich & O’Brien, 1981; Sexton & Kent, 1981; Pellegrino & Reece, 1982). The documentation of female entrepreneurship has been growing since the 1970s and 1980s, particularly in the US as a result of the high growth in the number of enterprises created by women (Alecchi & Markovic, 2013). The discussion surrounding female entrepreneurs continued to grow because it was thought that females encounter obstacles in starting and operating a business that are different from the obstacles faced by men. Women also tend to start businesses for different reasons than men and have different goals and success factors (Zapalska, 1997). More recently, GEM (2015) highlighted that conditions and constraints in the business environment weigh differently on the sexes and that this issue continues to be the biggest challenge women face worldwide in terms of entrepreneurial activity. Collectively the literature emphasises the understanding that the factors influencing female entrepreneurship are different to those faced by men.

The factors that influence entrepreneurial attitudes are also influenced by gender, although women are almost as equally likely as men to recognize the presence of opportunities around them. The GEM (2015) Women's Entrepreneurship Report highlighted that women tend to be more influenced than their male counterparts by factors other than money and their report highlighted that female entrepreneurs operate differently to male entrepreneurs. The GEM report found that a female start-up operation is inspired by gendered motivations and attitudes and the obstacles that they face are often gender based. As a result a female entrepreneur has to develop her business in a different way as both the business and the individual are marked by distinctly female characteristics which are inspired by both external and internal gender based stimuli.

In seeking to understand why under-represented population groups are less active in terms of entrepreneurial activity, many researchers have sought to understand the background from which they come. Avolio (2010) endeavoured to comprehend why women become entrepreneurs and discovered two main categories, which were motives and circumstances. Some authors used the notion of push and pull entrepreneurship to explain a person's motives for starting a business and this push/pull model is an approach that has been used to explain the varying motives of women for starting a business. Push factors include job redundancy, the glass ceiling, economic downturns, insufficient income and general job dissatisfaction, and in essence, push factors operate in those contexts where a woman finds herself pushed because of a need to generate income (Itani et al, 2011). On the other hand, pull factors include need for achievement and independence, self-fulfilment and social status; they are the forces that pull a woman towards self-employment caused by an interest in an area (personal) or the presence of a market opportunity (external) (Itani et al, 2011). A motivation that does not often appear in literature directly, though it is implied, is "necessity" and this is frequently an important motivation for female entrepreneurs. Necessity entrepreneurs are those people who are forced to undertake entrepreneurial activity for vital reasons such as poverty and lack of employment opportunities. In order to survive unemployment/poverty, they are forced to become entrepreneurs or they try self-employment as an alternative to their current life circumstances (Cheung, 2014).

It is noted that the literature presents a wide range of possible motivations for women starting a business with some motivations proposed by researchers overlapping each other, while others are completely unrelated. For example, Schwartz (1976) conducted a study of 20 women from the US and identified the main motivations for starting a business as: need for achievement, independence, higher work satisfaction and economic needs (these factors mirror the "pull factors" mentioned previously). Goffee and Scase (1985) found that women start their own business because it is easier for them to combine their family responsibilities with work, while Hisrich and Brush (1986) explained that the main motivations for female entrepreneurs were need for independence, work satisfaction, need for achievement, money, status, power and job security. Hisrich and Brush also stressed that female entrepreneurs tend to be more interested in self-fulfilment than in money and power. Lee-Gosselin and Grise (1990) found the reasons for females starting a business were that they express the interdependence of the different roles that women play, that starting an enterprise can be the answer to the demands generated by their roles as mother and wife/partner, or the lack of control women experience in their lives. Overall, the literature suggests that the motivations of a female entrepreneur vary quite significantly but those that reoccur most frequently are need for achievement, financial/economic needs and a balance of work and life satisfaction.

## A PROFILE OF IRISH FEMALE ENTREPRENEURS

According to the Central Statistics Office (CSO), the total population of Ireland in 2013 was 4 593 125, of which 2 319 279 were female (CSO, 2016). A detailed breakdown of the population by gender and age group is given in Table 1. The CSO (2016) report “Women and Men in Ireland 2013” highlighted a number of interesting statistics about the profile of women in Ireland which included the finding that more than half of women aged between 25 and 35 have a third-level qualification compared with just over four out of ten men. However, the rate of employment for males was 65.7% but for women it was 55.9%. The report also found that women are significantly under-represented in decision-making structures in Ireland at both national and regional levels.

**Table 1. Population of Ireland, 2013**

| Age          | Men              | Women            | Total            |
|--------------|------------------|------------------|------------------|
| 0-14         | 513 919          | 493 764          | 1 007 683        |
| 15-24        | 273 178          | 260 127          | 533 305          |
| 25-44        | 693 238          | 720 803          | 1 414 041        |
| 45-64        | 532 241          | 537 752          | 1 069 993        |
| 65-69        | 94 559           | 94 874           | 189 433          |
| 70-74        | 67 173           | 70 983           | 138 156          |
| 75-79        | 48 789           | 57 040           | 105 829          |
| 80-84        | 30 632           | 41 987           | 72 619           |
| 85 and over  | 20 117           | 41 949           | 62 066           |
| <b>Total</b> | <b>2 273 846</b> | <b>2 319 279</b> | <b>4 593 125</b> |

Source: CSO, 2016

According to the CSO (2016) report, in 2013 only 15.7% of Members of Parliament in *Dáil Éireann* (Irish Parliament) were women (women accounted for less than one-fifth of members of local government) and this compares poorly with the average female representation in national parliaments in the European Union (EU) which was 27.5% in 2013<sup>1</sup>. More than 98% of those people who were looking after home/family in 2013 were women, with close to half a million women looking after home/family compared to only 8 700 men. More than one-third of women at work in Ireland in 2013 were working in the health and education sectors, with women accounting for four out of five employees in the health sector and three-quarters of those at work in education. However, women are not well represented at senior levels of management as 44% of primary school managers, 41% of second-level school managers and 37% of medical and dental consultants are women. Finally, the CSO report highlighted that women’s income in 2011 in Ireland was about three-quarters of men’s income but after adjusting for the longer hours worked by men, women’s hourly earnings were around 94% of men’s in 2011. Overall, the gender equality index discussed in the CSO report shows that Ireland was the ninth highest out of 27 EU member states in 2010, with a score of 55.2. This was slightly above the EU27 average score of 54, where 1 indicates total inequality and 100 indicates

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<sup>1</sup> It should be noted that a gender quota was introduced by legislation for the 2016 General Election which required every political party to ensure that a minimum of 30% of its candidates were women. Following the 2016 General Election, the female representation in the Irish Parliament is now 22.1%, the highest ever representation in the history of the state.

gender equality. This population profile offers a background context to female entrepreneurship in Ireland and will help explain some of the issues that arise later in the report.

Based on GEM Ireland data, Fitzsimons and O’Gorman (2015) rank Ireland 15<sup>th</sup> of 25 European countries in terms of nascent entrepreneurs (both male and female) and the rate of 4.4% is broadly similar to the European average of 4.6%. However, the rate of new business owners in Ireland is 2.5% which is below the European average of 3.2% and this suggests some form of pipeline blockage between intent and action. To give these rates some form of numerical context, approximately 20 400 individuals started a business in Ireland in 2014 which is the equivalent of 1 700 per month (some businesses are started by more than one person). This figure is broadly similar to the years 2010, 2011 and 2012 but it is lower than 2013.

Focusing on female entrepreneurship specifically, according to Fitzsimons (2016), the GEM Ireland data shows that the average rate of early stage entrepreneurial activity among women in Ireland between 2004 and 2008 inclusive was 4.9% of the adult population. Between 2010 and 2014 inclusive it was 4.5% which given the margin of error is the same. Accordingly, while there are slight fluctuations year on year, the rate at which women in Ireland are early stage entrepreneurs is broadly similar between 2004 and 2014 inclusive. A man is more than twice as likely as a women to be an early stage entrepreneur. Fitzsimons and O’Gorman (2015) highlighted that “necessity” as a motivation for early stage entrepreneurial activity is relatively high (30%) and that it is higher for female entrepreneurs (39%) than for male entrepreneurs (26%). Indeed “necessity” as a motivation is considerably higher for female entrepreneurs in Ireland compared to the average across Europe (26%). Fitzsimons and O’Gorman also found that in respect of knowing a recent entrepreneur, women report lower rates (29%) than men (43%). The rate at which women perceive enterprising opportunities is 29% which is below the European average (34%) and the average for Irish men (38%). Meanwhile, 58% of men in Ireland perceive that they have the necessary skills to start a business while just 37% of women perceive they have the necessary skills (both are higher than their respective European averages which are 50% and 33%). Fitzsimons and O’Gorman noted that 37% of men and 48% of women report that fear of failure would act as a deterrent to engaging in entrepreneurship although both of these are again below European averages (41% and 51% respectively). The rate at which women in the general population are reporting an aspiration to become an entrepreneur was 5.5% in 2014 which is stronger than previous years. As a ratio, 1.6 men to 1 woman expressed an intention to become an entrepreneur within the next 3 years which is a closing of the gender gap on previous years. Almost three-quarters of early stage female entrepreneurs are focused on services orientated sectors with relatively few engaged in transformative (e.g. manufacturing, construction) or extractive industries (e.g. mining). This statistic is unsurprising given the earlier profiling of the Irish female population which highlighted that over one-third of women at work in Ireland in 2012 were working in the health and education sectors, with women accounting for four out of five employees in the health sector and three-quarters of those at work in education. Fitzsimons and O’Gorman also observed that there is a considerable difference between male and female entrepreneurs regarding their expectations to employ people within the next five years (74% of men compared to 62% of women) and that there is an even greater rate of difference as growth aspirations increase. Finally, more than half of female entrepreneurs are focused entirely on the home market and have no markets overseas, while just one-third of male entrepreneurs are similarly focused.

In 1986, Hisrich conducted a study with 468 female entrepreneurs from the United States and 39 female entrepreneurs from the Republic of Ireland. The typical female entrepreneur in the United States was married, was the firstborn in her family and came from a middle or upper class background. Contrasting this was the Irish female entrepreneur: “*the women entrepreneurs in Ireland tended to be somewhat younger than those in the US...More were second born than first born (33% vs. 26%) and grew up in large middle-class families*” (Hisrich, 1986). In 2002, the Goodbody Report

identified that in many instances, women have less line management experience and so frequently they approach entrepreneurship with an expertise deficit. They also continue to carry the burden of responsibility for family matters such as childcare, care of the elderly, home responsibilities, etc. Such characteristics have not altered significantly since 2002 and this double-jobbing places a constraint on the time availability and the flexibility of women considering a new business start-up.

Primary research was carried out as part of this project to assist in increasing the current profile of Irish female entrepreneurs. An online survey<sup>2</sup> was undertaken which yielded 159 valid responses and of these 46.6% of the respondents' businesses were in Early or Start Phase, 38.2% were in Growth Phase, 13.7% were in Maturity, and the remainder were Closed or Dormant. The majority of the businesses were quite young with 51.9% from 0-2 years, 18.3% from 3-5 years, 8.4% from 6-9 years and 21.4% from 10 or more years. Some of the other key data unearthed from the survey was that 73.3% of the respondents started the business on their own, 70.2% had 100% ownership at the beginning, almost 50% have no sales outside of Ireland (almost 30% have less than 25% of their sales outside of Ireland), while 48.1% have no full-time staff and 55.7% have no part-time staff. Over 25% of the respondents said that their primary motivation for starting a business was "a desire to actualize oneself and use one's talents", over 22% said that they started the business for "financial reasons", while 14.3% said that they started the business for "ease of combining family and work responsibilities". Over 31% of respondents either agreed or strongly agreed that they started the business due to "necessity", while 23.4% said that the biggest obstacle to starting the business was "lack of start-up capital" ("fear of failure" was the second biggest obstacle at 18.2%). Approximately 10% of respondents said that they were either dissatisfied or highly dissatisfied with their current life as an entrepreneur. The demographic profile of respondents was mainly between 39-58 years old (73.3%), married with children (62.3%), have 3<sup>rd</sup> level education (92.0%), have a parent who was an entrepreneur (44%), personally knew a female entrepreneur before starting the business (59.2%) and played competitive sport (39.7%).

## **FEMALE ENTREPRENEURSHIP POLICY IN IRELAND**

The discussion on female entrepreneurship in Ireland at policy-level is relatively recent. Over the past decade, there have been a number of government reports on small business and entrepreneurship but not all of them have offered recommendations regarding the development of female entrepreneurship in the country. While statistics from the GEM Ireland studies were available from 2001 which highlighted the gender divide in terms of entrepreneurial activity, the report "Ahead of the Curve" in 2004 (Enterprise Strategy Group, 2004) made no specific mention of female entrepreneurship. The Small Business Forum report by Forfas (2006) highlighted that there was a need to stimulate latent entrepreneurial potential and within this goal the report stressed that there was a need to make initiatives more accessible for female entrepreneurs, publicise role models and establish a specific mentoring services for women. While the Goodbody (2002) report identified some of the main challenges facing female entrepreneurs within its broader examination of entrepreneurship in Ireland, one of the first government agency reports totally dedicated to understanding female entrepreneurship in Ireland was undertaken in 2006 by the Gender Equality Unit within the

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<sup>2</sup> The survey was collaboratively undertaken with Sarah Kenney as part of her dissertation research on female entrepreneurship in Ireland.

Department of Justice and Equality. This Unit established the Women's Entrepreneurial Steering Group which produced a full report with recommendations for tailored activities to promote women starting a business. This was followed by the Equality for Women Measure 2008-13 which was designed to build on the achievements of its predecessor, the Equality for Women Measure 2000-07. More recently the Gender Equality Division in the Department of Justice and Equality has successfully secured ESF funding support to operate a positive action measure for 2014-20, entitled "Training for Women Returning to the Workforce and Women's Entrepreneurship." According to the Gender Equality Division (2016), the objective of the activity is to support a cohort of those women who are currently detached from the labour market in order to assist their return to the labour market. This will be done by offering them a locally delivered development course which will comprise a series of training opportunities focusing on self-development and work related skills. Within this programme, a separate strand will target an increase in female entrepreneurship, focusing on supporting business women (irrespective of their economic status) to realize their full business potential.

The semi-state agency Forfas (2007) published a report on entrepreneurship in Ireland entitled "Towards Developing an Entrepreneurship Policy for Ireland" which contained a detailed Sub-Section on female entrepreneurship, including twelve specific recommendations that it suggested the Government should implement to support female entrepreneurship activity. Meanwhile the local enterprise support state agency, the City/County Enterprise Boards (CEBs), responded to the challenges facing female entrepreneurs and business women by creating dedicated networks and supporting the National Women's Enterprise Day. A focus on growth was first introduced with the development of "Going for Growth" programme in 2008, an initiative supported in development by the Gender Equality Unit and thereafter by Enterprise Ireland and the Gender Equality Unit. While many of the aforementioned reports highlighted the distinctive challenges faced by female entrepreneurs and the actions that were needed to be taken to remedy the situation, many of the recommendations were left untouched and the critical issues that female entrepreneurs frequently experienced often remained unaltered. Indeed, the Forfas (2010) report "Making It Happen: Growing Enterprise in Ireland" was published but this document made no specific mention of female entrepreneurship.

In 2013 the next report published offering recommendations on female entrepreneurship was entitled "Promoting Women Entrepreneurs in Ireland". This report was written by Senator Mary White as a member of the principal opposition political party and it contained a series of recommendations that the party believed should be implemented by Government<sup>3</sup>. More recently, the Government has viewed the development of entrepreneurship in Ireland as being a key priority within its Enterprise Policy and the Entrepreneurship Forum (2014) report "Entrepreneurship in Ireland: Strengthening the Start-up Community" was published by the Department of Jobs, Enterprise and Innovation. The report highlighted three key recommendations regarding female entrepreneurship and these were: (1) continue the programme of targeted and tailored supports for female entrepreneurs; (2) the maternity leave scheme should be amended to enable a woman to transfer a portion of her maternity leave and benefits to the father of the child; and (3) the qualifying weeks in terms of Pay-Related-Social-Insurance (PRSI) payments to qualify for maternity leave should be the same for female entrepreneurs as for female employees and the advance notice should also be similar. The inclusion of such recommendations was important as this report fed directly into the publication later by the Department of Jobs, Enterprise and Innovation (2014) of the "National Policy Statement on Entrepreneurship in Ireland" and this Policy Statement expressed that:

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<sup>3</sup> It should be noted that while this report had no official government status, it did contribute to the debate that was happening at that time, plus the author would later act as Rapporteur on the 2015 report on female entrepreneurship from the cross-party Joint Committee on Jobs, Enterprise and Innovation.

*“The gap between the numbers of males and females starting their own businesses each year has narrowed (the ratio is currently 1.9 males: 1 females) but there is scope for further progress. A gender breakdown of Enterprise Ireland high potential startups (HPSUs) in recent years shows a far larger gap between the numbers of male-led HPSU companies to female-led companies. Analysis undertaken in 2012 of the previous 10 years of HSPU companies in Enterprise Ireland’s client base indicates an average of only 5% of HSPU startups were led by female entrepreneurs. In 2012, female led enterprises accounted for just 7% of HPSU investments.”*

Based on an analysis of the situation, the document identified two key action points that needed to be taken: (1) promote female entrepreneurship through the identification and promotion of female role models, targeted events and awards, support for female entrepreneur networks and promotion of a dedicated area on corporate websites, and (2) the establishment of a Competitive Start-Up fund targeted at female entrepreneurs.

While much has been written about female entrepreneurship in Ireland and a variety of reports have offered recommendations on what should be done to support female entrepreneurship, the success of actions taken to date is open to debate. While the reports from the Department of Jobs, Enterprise and Innovation are monitored to ensure that actions specified in their reports are implemented, there is little analysis undertaken regarding the long-term impact of such actions. Similarly, the initiatives from government agencies are frequently monitored for impact but the evaluation is only with regard to immediate results and usually offer little in terms of longitudinal analysis. Additionally, these evaluations may not be publically available as many of them are for viewing only by the relevant state agency, unless a request is made for such information through the Freedom of Information Act 2014. Therefore there is limited information available to the public regarding the actions that have / have not been taken following the publication of policy reports and there is even less information available regarding the level of success regarding their long-term impact.

In 2015, a cross-party Joint Committee on Jobs, Enterprise and Innovation sought to address the issues raised in the various policy documents on female entrepreneurship and towards ensuring that a wide array of views was captured, they undertook a detailed consultative process to help the Joint Committee to better understand both the challenges facing female entrepreneurs in Ireland and the potential solutions. Following this process, the Joint Committee identified twelve recommendations which are detailed below in Box 2. In terms of an analysis of current policy in Ireland relating to female entrepreneurship, these recommendations provide some insights into the current policy priorities for supporting women in entrepreneurship.

**Box 2. Key Issues for Female Entrepreneurs in Ireland**

- 1. The Committee recommends that the focus on encouraging female entrepreneurs should continue to be enhanced and should promote, in more imaginative ways the dynamic cohort of female leaders of companies now coming through from Enterprise Ireland and the LEOs (Local Enterprise Offices) as role models.*
- 2. The Committee recommends that the Government in the next budget should remove the discrimination in the tax system facing self-employed entrepreneurs, including the PAYE tax credit and lack of social welfare rights, and should consider an “entrepreneurs capital tax” at a much lower rate than the current 33% for gains on disposals below a certain threshold. Such improvements would have a special resonance with women entrepreneurs.*
- 3. The Committee recommends that in the case of export oriented female-led enterprises supported by Enterprise*



Ireland under its HPSU (High Potential Start-Up) programme, these supports should include a child care incentive element as part of the overall financial package. This could be for two years and fund up to half the cost of childcare each year below a specified threshold. A precedent exists in the ability of Enterprise Ireland to fund up to half the cost of key managers for a period of two years.

4. The Committee recommends that the Government should consider extending the qualifying terms for maternity benefit to female entrepreneurs as currently exist for female employees, namely, 39 weeks contributions and not 52 weeks; and 6 weeks' notice rather than 12 weeks.

5. The Committee notes that there is only one Competitive Start Fund for females with funding of some EUR 500 000 accessed on a highly competitive basis. The Committee recommends that, in order to maximise both the impact of the funding and the number of entrepreneurs accessing this important finance stream: (a) the funding be doubled in each of the years 2016, 2017 and 2018; and (b) that a second call for applications be made in each of these years.

6. As a positive discrimination measure, the Committee recommends that a specific Female Seed and Early-Stage Seed Capital Fund should be initiated by Enterprise Ireland and the management of the Fund should be predominantly by women. Such funds invest between EUR 100 000 and EUR 600 000 in emerging companies so that a total fund of EUR 25 million could support about 50 new female-led companies over a 5 year period.

7. The Committee notes that Business Angel networks have been established in most regions with the encouragement of IBAN (Irish Business Angel Network) and we recommend that a number of Female Business Angel networks be actively promoted in the regions by IBAN.

8. The Committee recommends that Enterprise Ireland and the corporate sector (through representative organisations or via individual companies) should encourage and financially support the extension of female business networks to regional and county levels.

9. Taking account of the long established Mentor programme operated by Enterprise Ireland, the Committee recommends that a National Female Mentoring Network be established immediately with funding from the Department of Jobs, Enterprise and Innovation. The mentors would be women and would include leading female role models in multinationals and indigenous industry whose expertise in leadership, strategy, marketing and finance could be of great benefit to female entrepreneurs.

10. The Committee recommends that policies to encourage female entrepreneurship should support female enterprise more strongly outside Dublin. The Regional Action Plans for Jobs provide an opportunity to do this in all eight regions, 10 in particular by backing sector-specific enterprise hubs in regional locations, ensuring high speed broadband (100mbps) and expanding Seed and Venture Capital Funds which have State funding to commit to regional investments.

11. The Committee recommends that a more powerful, sustained and clear campaign to inform parents, teachers and girls of the intrinsic value and career benefits of studying STEM subjects and considering related careers should be undertaken, this should be led by Government, engaging industry to a greater degree, as well as teachers and parents associations.

12. The Committee recommends that the capacity and frequency of existing programmes operated with the support of Enterprise Ireland to assist women entrepreneurs (such as Female Founders and Female High Fliers Programme) become more proficient in technology should be enhanced substantially so as to give much more women the opportunity to participate in them.

Source: Joint Committee on Jobs, Enterprise and Innovation (2015)

## **Barriers to entrepreneurship for women**

Coinciding with the increased discussion of female entrepreneurs in literature, the 1970's were a time when scholars began to explore the problems women faced when starting an enterprise. An initial study by Schwartz (1976) of 20 female entrepreneurs in the US discovered their main problem when

starting an enterprise was a discrimination with regards to access to credit (Schwartz, 1976). Similarly, Hisrich and O'Brien (1981) studied the motivations, demographic factors and problems of 21 female entrepreneurs in the United States and found that women had problems with the guarantees required to obtain a loan. From the 1980's to the 1990's the obstacle of gaining financial support for female entrepreneurs was diminishing as other obstacles began to emerge. Hisrich (1986) identified four major start-up problems shared universally by female entrepreneurs across his study which were: (1) lack of business training; (2) lack of business experience; (3) weak collateral position; and (4) lack of guidance. Lee-Gosselin and Grise (1990) studied female entrepreneurs in Canada and found that women could benefit from technical support, plus help from other entrepreneurs and other professionals. Significantly, both latter studies indicated that women felt that most obstacles were related to gender.

While some progress has been made in Ireland in reducing the barriers for women to start a business, access to finance remains a critical issue. Indeed the Joint Committee on Enterprise, Jobs and Innovation (2015) noted that:

*“Access to finance remains a difficult and daunting prospect for women entrepreneurs. Part of it derives from the traditional stereotyping of women in careers other than leaders of enterprise. Part of it is that women are more comfortable in such situations in dealing with other women. The indications are that women understand the economic potential and business value of other women’s ideas.”*

The report also noted that women respond strongly to financial incentives and programmes that have been specifically designed for their needs and that it gives them more confidence in approaching the offer. White (2013) also identified that women continue to lag behind men in acquiring and building substantial cash reserves necessary to start a business and that raising start-up funds continues to be a greater challenge for women in Ireland. Fitzsimons (2016) explored the challenge of access to finance for women by examining a number of specific programmes that are currently available and reported that while many opportunities were available for women to apply for finance, few of these opportunities were availed upon. She highlighted the disparity between men and women applying for Measure 1 and Measure 2 supports from Local Enterprise Offices as a typical example. She discovered that applicants receiving Measure 2 (Training and Mentoring) support was higher amongst women than men as shown in Table 2 below.

**Table 2. Training and mentoring measure**

| Participants by Gender         |        |        |     |        |     |
|--------------------------------|--------|--------|-----|--------|-----|
|                                | Total  | Male   |     | Female |     |
| <b>Average per year 201215</b> | 26 820 | 11 470 | 43% | 15 347 | 57% |

However, Fitzsimons also highlighted that applicants receiving Measure 1 (Financial Support) assistance was substantially lower amongst women, with approximately just one-quarter of the money being given to female applicants as shown in Table 3 below.

**Table 3. Financial support**

| Approvals by Gender             |       |      |     |        |     |
|---------------------------------|-------|------|-----|--------|-----|
|                                 | Total | Male |     | Female |     |
| <b>Average per year 2012-15</b> | 895   | 660  | 74% | 235    | 26% |

These statistics can partially be explained by the fact that Local Enterprise Offices offer financial support only to enterprises that are: (1) employing up to 10 employees; (2) a manufacturing or internationally traded service business, or (3) they are a domestically traded service business with the potential to trade internationally. Unfortunately, given the characteristics of women-owned businesses described earlier, many female-led enterprises do not qualify for Local Enterprise Office financial supports and so are ineligible for consideration. Similarly, when one considers applications to Microfinance Ireland, a similar scenario is evident. From the start of the fund in 2012 to the end of September 2015, of the total applications received, 76% were from male promoters and 24% were from female promoters. However, of the applications approved, 73% were for males and 27% were for females, which suggests that women had a slightly higher rate of approval. Female entrepreneurs have been identified as a key target group for Microfinance Ireland in 2016 as they do not have the same constraints as Local Enterprise Offices in terms of eligibility criteria due to the remit they were given by Government.

The most noticeable change in funding for female entrepreneurs occurred in 2012 when Enterprise Ireland noted that only 7% of new high potential start-up businesses in which the agency invested were held by women and so the organisation developed a comprehensive Female Entrepreneurship Strategy to address the challenges facing female entrepreneurs. Championed from the top of the organisation, Enterprise Ireland were determined to increase that number and so a new manager was appointed with special responsibility for female entrepreneurs, research was undertaken, resources were allocated, targets were set and a new range of blended supports was introduced. Enterprise Ireland's suite of initiatives now encompasses support for existing networks, awards and new initiatives under the "Businesswomen 4 International Growth" umbrella and these include the Female High Fliers programme (DCU Ryan Academy), Female Founders (NDRG) and Exxcel (CIT). The internationally acclaimed Going for Growth programme, which had been developed and implemented for some years previously, also received support under this initiative. New ring fenced competitive funds were set aside specifically for female entrepreneurs by Enterprise Ireland (Competitive Feasibility Fund and Competitive Start Fund) and separate calls were issued for female entrepreneurs. The Competitive Feasibility Fund for Female Entrepreneurs was established to assist any female-led new start-up company, or female entrepreneur, to investigate the viability of a new growth-orientated business proposition which has the potential to become a High Growth Potential Start-up (HPSU). A HPSU is defined as a start-up venture that is: (1) introducing a new or innovative product or service to international markets; (2) involved in manufacturing or internationally traded services; (3) capable of creating 10 jobs in Ireland and realising EUR 1 million in sales within three to four years of starting up; (4) led by an experienced management team; (5) headquartered and controlled in Ireland; and (6) less than five years old from the date of your company's registration. This call has been repeated on a number of occasions due to its great success.

This approach has been highly successful with a strong upward trend in female led businesses receiving investment from Enterprise Ireland. As can be seen in Table 4, total approvals have increased, so that the increase in the rate of female-led businesses is not at the expense of male-led

businesses. It should also be noted that these ring-fenced competitions drew a higher number of applications than expected and shining a spotlight on this issue has generated a hugely positive response. According to Enterprise Ireland, addressing the under representation of female-led businesses that start a business and achieve considerable scale, requires a tailored, focused approach in terms of support, personal development and networking opportunities. The Enterprise Ireland Female Entrepreneurship Unit was established to support ambitious women grow scalable businesses and to address the key financial challenges impacting on the growth of female led business opportunities, and its approach to date has been extensively commended.

**Table 4. Enterprise Ireland’s high growth potential start-up businesses, by gender**

|                            | Male led<br>Businesses |     | Female Led<br>Business |     |
|----------------------------|------------------------|-----|------------------------|-----|
| <b>2012</b>                | 89                     | 91% | 8                      | 9%  |
| <b>2013</b>                | 90                     | 86% | 14                     | 14% |
| <b>2014</b>                | 84                     | 82% | 18                     | 18% |
| <b>2015</b>                | 82                     | 79% | 23                     | 21% |
| <b>Average<br/>2012-15</b> | 86                     | 85% | 16                     | 15% |

### **Various approaches to supporting female entrepreneurs**

Entrepreneurial support for females can come in the form of government and institutional support or through businesswoman-to-businesswoman support at networking events. Bradford et al. (2013) acknowledged that providing business support to encourage female entrepreneurs is a subject of much debate. There are many factors that conflict with female entrepreneurial support and issues such as associated budgetary cuts in many countries have led to a renewed focus on delivering business support more efficiently (i.e. schemes that achieve the highest impact for the lowest costs). At the same time, during economic downturns the high proportion of women likely to be made redundant as a result of public sector cutbacks is also a constant threat. As Mayoux (2001) observed:

*“With women under-represented among “traditional” entrepreneurs, and treated as a special case or “add-on” to mainstream provision along conventional economic lines, policies aimed at alleviating poverty/disadvantage can easily become conflated with those promoting women’s entrepreneurship. Of course, treating women as “different” also risks caricaturing male entrepreneurs as of a homogeneous type requiring entirely different support (i.e. without taking account of male diversity).”*

Bradford et al. (2013) conducted a study that examined the entrepreneurial support systems in place for female entrepreneurs in the United States, Canada, Sweden and England. In the United States, the Women’s Business Center is the prime location for females to receive entrepreneurial support. They provide support as a three pronged approach:

1. Triage – diagnosing challenges faced by individuals through counselling and directing them to the appropriate support;
2. Hand-holding – intensive, relationship-based one-on-one support and counselling;

3. Networking – providing business contacts, role models and learning from more experienced female business owners.

In Canada the support for female entrepreneurs is provided through Regional Development Agencies, including the Women’s Entrepreneurship Initiative (WEI) which was conceptualised as a means of filling service gaps, especially at the start-up stage, and at developing existing businesses (Box 3). Overall this support network was viewed positively, particularly because such Canadian centres have the ability to lend money themselves. The only concern expressed was about extending the WEI model to cover growth-oriented businesses more effectively. In England the 2008 Enterprise Strategy (HM Treasury and Department of Business, Enterprise & Regulatory Reform, 2008) outlined commitments to support women entrepreneurs and provide them with the knowledge and skills that will allow them to see enterprise and business ownership as a real choice for them.

Finally, in Sweden there are two main agencies that support female entrepreneurship: (1) NUTEK’s Resource Centres for Women and (2) Business Advisors for Women (BAW). Overall, Bradford et al. (2013) noted that such agencies were viewed very positively as they are working to change the image of the female entrepreneur. They are also working to provide networking opportunities for peer learning and mentoring.

It is clearly evident that there are many different forms of female entrepreneurial support initiatives in place across the globe but each initiative appears to be difficult to measure as many internal and external factors can influence the performance of entrepreneurs. As regards the Canadian WEI Initiative an evaluation has been attempted, however, as outlined in Box 3.

### **Box 3. Women's Entrepreneurship Initiative, Canada**

*Support for female entrepreneurship in Canada is often done through the Government's Regional Development Agencies (RDAs). Western Economic Diversification Canada is the RDA in western Canada and it operates the Women's Enterprise Initiative (WEI), which is a leading example where RDA support for women's entrepreneurship is direct and proactive.*

*Western Economic Diversification Canada's WEI encompasses four active women's enterprise support organisations under its umbrella: Women's Enterprise Centre (BC), Alberta Women's Entrepreneurs, Women Entrepreneurs of Saskatchewan and Women's Enterprise Centre Manitoba. The WEI provides "one-stop" support services, including loans to women entrepreneurs. WEI-funded women's enterprise centres are more independent than other government-funded women's enterprise support organizations, and they receive multi-year funding.*

*Evaluation of WEI attests to its favourable performance and outcomes. WEI organisations created 5.3 jobs per loan disbursed over the period 2008-12, as against 2.5 jobs created by ISED's Canada Small Business Financing Programme per loan and 3.6 jobs created by the Community Futures Program. Moreover, WEI's clients estimated that 44% of their current revenues would not have been generated in the absence of the support of the programme (Western Economic Diversification Canada 2014). While a direct link cannot be established, women's (GEM-measured) entrepreneurial activity rates in Alberta and British Columbia, two of the provinces covered by WEI, are quite high and gender gaps in total entrepreneurial activity and established business ownership rate thin or non-existent (Hughes 2015).*

### **Networking**

Networking is defined as a resource and networks favour business development in terms of growth (Borgen et al., 2013). Studies suggest that networking is important for both entrepreneurial support in a personal and professional context. Interestingly the Borgen study found that personal

networks were more valued than business networks in terms of entrepreneurial support. The study discovered that contacts with other entrepreneurs on a personal level, as well as contacts with friends, family and relatives, are valuable assets. There is some literature that suggests entrepreneurial support and stages of entrepreneurship are directly linked. A study conducted by Kylvær and Grant (2010) identified that entrepreneurial networking shows a stronger correlation in the early stages of entrepreneurial development and it is clear from such studies that networking provides positive support for female entrepreneurs.

In Ireland, the main networking organisations are Network Ireland, Women in Business and the Enterprising Women Network. Some of the Local Enterprise Offices (state support agencies) have created networks such as Women in Business and the Enterprising Women Network for female entrepreneurs and business women, but not all regions have such supports. Network Ireland was established in 1983, it has 8 branches spread across the country and currently it has approximately 500 members. It was created to support the professional and personal development of women. Their membership is made up of a very diverse group of women, from budding entrepreneurs, SME owners, professionals and leaders in indigenous and multinational organisations to non-profits, charities, arts and the public sector. They are committed to promoting diversity and equality, entrepreneurship and leadership development. Thus, they are generally effective at linking women with others at different stages of business development and to the mainstream business community.

### ***Mentoring and peer-to-peer support***

Fitzsimons (2016) suggested that tailored mentoring programmes for women reduces their sense of isolation, applies “good” peer pressure, participants become highly motivated and increase their confidence. The most successful peer-to-peer support initiative in Ireland is the “Going for Growth” programme which has won a number of international awards. The initiative is based on interactive roundtable sessions that are facilitated by successful entrepreneurs who each give about three hours of their time on a voluntary basis once a month to meet with a small group of women owner managers to support their development. The round table sessions consider a succession of relevant questions related to growth and work through a series of agendas which explore relevant questions with a focus on achieving growth. Besides an increase in their confidence, ambition and motivation, most of the participants (82%) in the 7th cycle of Going for Growth programme in 2015 increased their turnover during the six months of the programme by an average of 30%, bringing the turnover of the group to over EUR 51.5 million. There was a 25% increase in the number of exporters among the group. An additional 94 jobs were created by participants (+13%), while 734 existing jobs were strengthened (Going for Growth, 2016). This seems indicative of positive impact (although a counterfactual comparison cannot be made).

In addition, ACORNS is a newly developed programme which is focused on taking the same approach to support the development of early stage female entrepreneurs living in rural Ireland.

### ***Training programmes***

The benefits of entrepreneurship training programmes has been the source great debate for the last two decades. Some researchers (e.g. Henry et al., 2003) have claimed that such programmes provide substantial benefit in terms of increased possibility of firm survival, increased growth potential, higher number of employees, etc. However, other researchers such as McKenzie and Woodruff (2013) viewed the value of training programmes differently:

*“Most studies find that existing firm owners implement some of the practices taught in training, but the magnitudes of these improvements in practices are often relatively modest.*

*Few studies find significant impacts on profits or sales, although a couple of the studies with more statistical power have done so. Some studies have also found benefits to microfinance organizations of offering training. To date there is little evidence to help guide policymakers as to whether any impacts found come from trained firms competing away sales from other businesses versus through productivity improvements, and little evidence to guide the development of the provision of training at market prices.”*

Despite the debate regarding the lack of evidence confirming the value of entrepreneurship training, state agencies and private companies across the globe continue to offer training programmes that many participants believe are beneficial. Regarding female entrepreneurship, the role of the Local Enterprise Offices (formerly the City/County Enterprise Boards) in Ireland appears to have become stronger in recent years as tailored training programmes are now being offered to women who are considering or have started their own business. These programmes are tailored to meet the needs of female entrepreneurs but they are not held frequently and they are difficult to locate online.

### ***Entrepreneurship promotion***

With all forms of entrepreneurship, identifying role models and success stories is an important method of promoting opportunities to people of similar backgrounds. Ireland has an array of highly successful female entrepreneurs and a substantial proportion are very generous in terms of offering their time and support towards encouraging and developing new success stories. Events such as the National Women’s Enterprise Day and the International Women’s Business Conference have offered female entrepreneurs the opportunity to showcase their successes and they have increased the visibility of successful role models. Such promotional endorsement has been enhanced by the availability of dedicated websites such as Women Mean Business. The national media have increasingly drawn attention to challenges and successes of female entrepreneurs which has enhanced the belief in more young women that entrepreneurship is a potential career option. There have also been a number of awards schemes introduced in recent years such as the WXN Awards and the Image, Irish Tatler and Women Mean Business entrepreneurship awards. Collectively, these promotional activities have brought greater attention to the general population of successful female entrepreneurs in Ireland and the significant successes that many have achieved. They also have encouraged potential and nascent female entrepreneurs to view self-employment from a more positive perspective.

## **CONCLUSIONS AND RECOMMENDED ACTIONS**

Overall, there are a relatively small number of targeted supports available for female entrepreneurs in Ireland. Table 5 lists the major targeted supports that can be accessed currently by female entrepreneurs and other small local initiatives are also available in some regions of the country. The big successes amongst this list are the Competitive Start Funds and the Going for Growth programme which have been recognised nationally and internationally for the positive impact that they have had.

**Table 5. Inventory of targeted supports for female entrepreneurs**

| <b>Networks</b>                                   |  |
|---|--|
| Network Ireland                                   | <a href="http://www.networkireland.ie">www.networkireland.ie</a>   |
| Women in Business                                 | <a href="http://www.localenterprise.ie/DublinCity/Start-or-Grow-your-Business/Networking/Women-in-Business/Network-Events/">www.localenterprise.ie/DublinCity/Start-or-Grow-your-Business/Networking/Women-in-Business/Network-Events/</a>                             |
| Enterprising Women Network                        | <a href="http://www.localenterprise.ie/DLR/Training-Events/Business-Networks/Enterprising-Women/">www.localenterprise.ie/DLR/Training-Events/Business-Networks/Enterprising-Women/</a>   |
| Irish Business Women Forum (online) International | <a href="http://www.womensbusinessforum.org">www.womensbusinessforum.org</a>   |
| Irishwomeninbusiness.ie (online)                  | <a href="http://www.irishwomeninbusiness.ie">www.irishwomeninbusiness.ie</a>   |
| <b>Peer-to-peer support</b>                       |  |
| Going for Growth                                  | <a href="http://www.goingforgrowth.com">www.goingforgrowth.com</a>   |
| ACORNS  | <a href="http://www.acorns.ie">www.acorns.ie</a>   |
| <b>Training programmes</b>                        |  |
| Competitive Start Funds                           | <a href="http://www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/Competitive-Start-Fund-for-Female-Entrepreneurs.html">www.enterprise-ireland.com/en/funding-supports/Company/HPSU-Funding/Competitive-Start-Fund-for-Female-Entrepreneurs.html</a> |
| EI “Fuelling Ambition” program                    | <a href="http://www.enterprise-ireland.com">www.enterprise-ireland.com</a>   |
| NDRC Female Founders                              | <a href="http://www.ndrc.ie/female-founders/">www.ndrc.ie/female-founders/</a>   |
| LEOs “Start Your Own Business” programmes         | <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>   |
| DCU Ryan Academy “High Fliers”                    | <a href="http://www.ryanacademy.ie/what-we-do/female-high-fliers-accelerator/">www.ryanacademy.ie/what-we-do/female-high-fliers-accelerator/</a>   |
| CIT Exxcel programme (STEM)                       | <a href="http://www.rubiconcentre.ie/female-entrepreneurship/">www.rubiconcentre.ie/female-entrepreneurship/</a>   |
| PINC (CIT)  | <a href="http://www.rubiconcentre.ie/pinc-programme/">www.rubiconcentre.ie/pinc-programme/</a>   |
| Mentoring for Female Entrepreneurs programme      | <a href="http://www.dubchamber.ie/business-services/supporting-women-in-business">www.dubchamber.ie/business-services/supporting-women-in-business</a>   |
| <b>Entrepreneurship promotion</b>                 |  |
| Women Mean Business                               | <a href="http://www.womenmeanbusiness.com">www.womenmeanbusiness.com</a>   |
| National Women’s Enterprise Day                   | <a href="http://www.localenterprise.ie/Enable-Enterprise-Culture/National-Women-s-Enterprise-Day/">www.localenterprise.ie/Enable-Enterprise-Culture/National-Women-s-Enterprise-Day/</a>   |
| International Women’s Business Conference         | <a href="http://www.roseoftralee.ie/news/281-inaugural-international-women-s-business-conference">www.roseoftralee.ie/news/281-inaugural-international-women-s-business-conference</a>   |
| WXN Awards  | <a href="http://www.wxnetwork.com/ga/irelands-most-powerful-women-top-25/">www.wxnetwork.com/ga/irelands-most-powerful-women-top-25/</a>   |
| Women’s Enterprise Awards (LEOs)                  | <a href="http://www.localenterprise.ie">www.localenterprise.ie</a>   |

While the number of support initiatives for women entrepreneurs has grown in recent years, women still face a number of challenges in business creation and self-employment. There continues to be relatively fewer women involved in business creation which calls for continued actions to promote female entrepreneurship and to provide basic training as women continue to be under-represented as entrepreneurs. There is especially a need for these supports in rural areas.

A second challenge that women face is that there is relatively little support to help them grow their businesses, including boosting self-confidence. Other than the Going for Growth programme, there is little training available on business development and more can be done to help women grow into foreign markets.

Another challenge that has been long-discussed in Ireland is supporting women entrepreneurs with child care and maternity benefits. There is currently a discrepancy between the qualifying conditions for Maternity Benefit for employees and those for female entrepreneurs which is acting as an impediment to women setting up new businesses and creating jobs. This has been highlighted by a number of reports, including White (2013), the Entrepreneurship Forum Report (2014) and the Joint Committee on Jobs, Enterprise and Innovation (2015). Each of these reports have highlighted that a



female entrepreneur must have 52 weeks contributions in a relevant tax year compared with 39 weeks for an employee (33% more) and must give 12 weeks' notice of their intention to commence maternity leave compared with 6 weeks for an employee (100% more notice). The Joint Committee on Jobs, Enterprise and Innovation (2015) further noted that the way the tax system treats the self-employed and the small start-up acts as a further additional barrier to potential women entrepreneurs who have a greater fear of failure than men.

In February 2016, an OECD-led workshop was organised to discuss these challenges and to collect the views of a variety of female entrepreneurship in Ireland. The workshop had 41 attendees, including entrepreneurs, policy-makers, support agency personnel and academics. Through discussions and group brainstorming activities, the participants identified 25 policy actions (Table 6) to be taken but selected the following as priority actions:

1. Provide support for women who seek to develop and grow their businesses, including helping them strengthen their networks, acquire management skills, learn to manage risk, identify researchers with innovative ideas and grow into international markets.
2. Improve the treatment of the self-employed relative to employees with respect to Maternity Benefits and Unemployment Benefits. Recent family policies in Germany could be used as inspiration (Box 4).
3. Improve access to child care for women entrepreneurs, including through the use of tax incentives.
4. Scale-up well-established women's entrepreneurship support initiatives that have demonstrated to be successful, including Competitive Feasibility Fund, the Competitive Start Fund, Going for Growth and NDRC Female Founders.

#### **Box 4. Recent family policy changes in Germany**

*Germany has also made recent changes to family policies to support women in the labour market, including in business creation and self-employment. These measures include public funding for childcare, parental allowances and tax deductions for childcare. These efforts have increased recently with a new parental allowance (Elterngeld Plus) and a new partnership bonus (Partnerschaftsbonus), which came into effect on 1 July 2015.*

*The new Parental Benefit Act separates the Basic Parental Benefit, the Parental Allowance Plus (Elterngeld Plus) and the Partnership Bonus (Partnerschaftsbonus). All three can be combined to allow parents to receive support for up to 28 months. The new rules also allow more part-time work than the previous allowance. The Basic Parental Allowance is EUR 300 per month, with a sibling bonus of EUR 75 per additional child. The Parental Allowance Plus has two variants. First, parents without additional income receive an additional 50% of the Parental Allowance. The second variant provides a reduced amount for parents who have additional benefits and income from part-time work. Therefore parents do not lose their benefits when they return to part-time work.*

*The Partnership Bonus (Partnerschaftsbonus), which allows for an additional 4 months of the Parental Allowance Plus when both parents work for 25-30 hours per week within the 4 months when the child is 15-28 months old. However, this income earned is counted against the Parental Allowance.*

*In addition, the federal government has increased funding to states and municipalities to make more childcare spaces available and to improve the quality of care provided. Beginning in 2015, the federal government provides an additional EUR 845 million annually on a permanent basis.*

**Table 6. Actions to improve women’s entrepreneurship support**

| Policy heading                                 | Recommendations   |
|--|---|
| <p>1. Culture, human capital and education</p> | <ul style="list-style-type: none"> <li>● Provide gender training to front-line programme staff responsible for induction to prevent unconscious bias when selecting participants for training and other support programmes.</li> <li>● Offer risk management training to female entrepreneurs with growth potential to help them learn how to accept and manage risk.</li> <li>● Increase provision of management training to help female-led companies in scaling their business, especially for mid-level managers.</li> <li>● Expand the range of experiential learning initiatives that are already available in the education system for female students to further engender the necessary skills and confidence required for starting a business.</li> <li>● Support the development of the soft skills with training modules on decision making, team work, confidence, etc.</li> <li>● Promote positive stories of female entrepreneurs at all education levels.</li> <li>● Develop “educating the educator” programmes for teachers in STEM fields to encourage and support female students in business creation.</li> </ul> |
| <p>2. Business environment and support</p>     | <ul style="list-style-type: none"> <li>● Provide more case studies and role models to demonstrate the different types of businesses women can start and grow (females that know another entrepreneur are five times as likely to start their own business in comparison to men who are twice as likely).</li> <li>● Expand Local Enterprise Offices (LEOs) to offer starter office space and longer periods of mentoring, thereby allowing the LEOs the opportunity to increase tailored support for female entrepreneurs.</li> <li>● Assist more firms (including women-owned firms) in accessing foreign markets.</li> </ul>  |
| <p>3. Innovation</p>                           | <ul style="list-style-type: none"> <li>● Provide financial incentives for researchers and research centres to partner entrepreneurs and provide coaching for women entrepreneurs to support them in working with researchers.</li> <li>● Build networks of female-led innovative businesses who may have different products/services but shared markets.</li> <li>● Develop matching-making services for female entrepreneurs and researchers with innovative ideas.</li> </ul>   |
| <p>4. Access to finance</p>                    | <ul style="list-style-type: none"> <li>● Create grant funds for female entrepreneurs to be managed by Local Enterprise Offices and broaden the eligibility of business sectors of existing financing programmes.</li> <li>● Make it simpler for family and friends to invest in a business through the Employment and Investment Incentive Scheme (EIS).</li> <li>● Have Non-Executive Director (NED) Matching programme with teams seeking funding (gender diversity should be considered a strength).</li> <li>● Provide workshops and mentoring for women to transform them from realists to visionaries so that they seek greater levels of funding.</li> </ul>   |
| <p>5. Entrepreneurial</p>                      | <ul style="list-style-type: none"> <li>● Have more male counterparts on board in female networks and learn from</li> </ul>  |

|                        |   |
|------------------------|---|
| networks and mentoring | <p>them.</p> <ul style="list-style-type: none"> <li>• Embed modules on developing networking skills in existing training programmes for women entrepreneurs.</li> <li>• Provide training for women entrepreneurs on how social media can be used to expand their networks and increase their public profile.</li> </ul>   |
| 6. Access to markets   | <ul style="list-style-type: none"> <li>• Provide training to female entrepreneurs on international trade.</li> <li>• Increase female participation in Irish trade missions to help women entrepreneurs access new markets.</li> <li>• Enterprise agencies (particularly Local Enterprise Offices) should expand funding programmes to service-based businesses as some service sectors are potentially of substantial value.</li> <li>• Government bodies such as Enterprise Ireland should make their information and knowledge of foreign markets available to those who are not eligible for their programmes as access to such information may stimulate a desire to expand internationally.</li> <li>• The connections that enterprise agencies (such as Enterprise Ireland) have in foreign markets should be utilised / made available to benefit those not selected for the programmes of such agencies.</li> </ul> |

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