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in the Workplace” project.

STUDY

# THE GENDER G A P IN FINANCING

Equal opportunities  
and possibilities for financing  
emerge as a prerequisite  
for the viability  
of female-run enterprises  
in the post-COVID era.

# THE GENDER G A P IN FINANCING

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## TABLE OF CONTENTS

<u>Introduction</u> .....	4
<u>Summary</u> .....	5
<u>Chapter 1. The gender financing gap in Greece and worldwide</u> .....	6
<u>A. Basic concepts and definitions</u> .....	6
<u>B. Female entrepreneurship in Europe and in Greece</u> .....	7
<u>C. The gender financing gap in the world and in Europe</u> .....	9
<u>D. The gender financing gap in Greece</u> .....	10
<u>E. Causes of the gap: why are we lagging?</u> .....	11
<u>Chapter 2. Results of the Women On Top survey</u> .....	16
<u>A. Methodology and limitations</u> .....	16
<u>B. The side of funding organisations</u> .....	17
<u>C. The side of women entrepreneurs</u> .....	25
<u>D. General conclusions</u> .....	30
<u>Chapter 3. Proposals and best practices</u> .....	32
<u>A. Proposals for bridging the gap</u> .....	32
<u>B. Best practices from around the world</u> .....	35
<u>Acknowledgments</u> .....	37
<u>Partial bibliography</u> .....	38

## INTRODUCTION

In the context of our efforts to empower women and promote equality in the world of work, the opportunities and potential for growth of female entrepreneurship had to become a major area of interest and involvement for Women On Top.

Not only because women are usually associated with long-term investments that have slow returns and low social impact, making the need for supporting their business initiatives an important opportunity for establishing an economic system based on diversification and sustainability.

Not only because bridging the gender gap in entrepreneurship will have a positive impact on long-term, sustainable economic growth.<sup>1</sup>

And not only because the benefits from addressing gender inequalities in the world of work, which also includes the financing gap in business, are well documented in the international literature.

There is, of course, the fact that eliminating these inequalities could, according to estimates, generate a 26% increase for the world GDP, 160 trillion dollars in additional human capital, a 15% increase in the performance of companies and a 5.9 trillion dollar increase of their stock market value.<sup>2</sup>

However, what is most important is something that, in the midst of the pandemic, is often overlooked as a footnote in the relevant surveys: the economies that are typified by high levels of female business activity are more resilient in the face of economic crises and less prone to financial recessions.<sup>3</sup>

In a period of time when this unexpected health crisis has dealt an unevenly heavy blow to women's quest for equality, violently forcing them out of the labour market and placing on them a level of caring responsibilities that is incompatible with their professional development and mental health, we are called to thoroughly examine those factors which, not only after but also during the crisis, will allow us to support female creativity and productivity, and to actively continue our strive towards equal participation and representation of women in the economic life of the country. In the hope that our survey will contribute to this effort, we want to sincerely thank the British Embassy in Athens for their invaluable and constant support, all those who have generously participated in our study, and, of course, you, our readers. We hope that you will help disseminate the information it contains and, most importantly, use it, for a future of resilience and equality.

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1 Wodon, Q. & De La Briere, B. (2018) [Unrealized Potential: The High Cost of Gender Inequality in earnings.](#)

2 Wodon, Q. & De La Briere, B. (2018) [Unrealized Potential: The High Cost of Gender Inequality in earnings](#); Hunt, V., Prince, S., Dixon-Fyle, S., Yee, L. (2018) [Delivering through Diversity](#); Gunzberg, J., Bovino, B.A., Gold, J. (2018) [Adding More Women To The U.S. Workforce Could Send Global Stock Markets Soaring.](#)

3 Global Entrepreneurship Monitor 2016/17 (2017) [Women's entrepreneurship report.](#)

## SUMMARY

The gender gap in business financing is a worldwide phenomenon, although its intensity varies in different economies. In Greece, even though the relevant data is still limited and scattered, we know that 62% of women start their businesses using their own funds and use lending at a much lower percentage than men. It should also be noted that Greek start-ups with at least one woman in their founding teams have received a mere 6% of the total 6.125 billion dollars in funding that has been directed into the Greek start-up ecosystem.

The perpetuation of the financing gap is mostly attributed to the low participation of women in entrepreneurship, the characteristics of female-run businesses and women as entrepreneurs, the shortage of information, the attitude of women entrepreneurs towards funding, the biases of the funding organisations; and the low numbers of female investors. Nonetheless, these causes vary depending on the type of the business ecosystem; i.e. of whether the ecosystem is part of a high or low technology business sector.

According to the Women On Top survey, increased representation of women entrepreneurs is positively associated with the following parameters: the collection and use of data by gender throughout all phases of interaction with the beneficiary companies; the existence of structured procedures for the application process that allow a degree of initiative to the candidate founding groups; the application of concrete and quantifiable criteria to assess the candidates; the equal representation of women in the candidate assessment process, and the sensitivity of funding and other support organisations to the social (aside from the economical) impact of their investments.

Based on the above, the systematic adoption of measures and policies that confront the gender financing gap both on the side of demand (women entrepreneurs) and on the side of supply (funding organisations) is considered necessary in order to support the recovery of female-run businesses in the post-COVID-19 era, and to build a sustainable and inclusive business ecosystem in Greece.

## CHAPTER 1

# The gender financing gap in Greece and worldwide



## BASIC CONCEPTS AND DEFINITIONS

### Female entrepreneurship

According to the European Union, the term “female entrepreneurship” refers to businesses that are at least 50% owned by women and which are essentially/Actively run by women.

### Gender financing gap

It describes the disparity in financing opportunities available to men and women entrepreneurs, as well as the gap in the results of the efforts of both to secure funding for new Or existing business ventures.

### Funding organisations

For the purposes of this survey we focused on banks, investment schemes (angel investors and venture capitals), microlending organisations, organisations offering business awards or other grants, and the EU subsidy programmes (NSRF or others). We did not review funding sources such as crowdfunding, or funding using own money or money from family members.

## High/low technology businesses

Businesses in the high technology sectors - e.g. biotechnology, e-commerce, IT applications development - are more innovative than those in the low technology sectors - e.g. food, clothing and services industries. The more technology-intensive is the company activity, the higher its sales growth, irrespective of the business environment.

— B —

### FEMALE ENTREPRENEURSHIP IN EUROPE AND IN GREECE

Women comprise 52% of the total population of Europe, but represent only 34.4% of the self-employed persons in the EU and 30% of the start-up entrepreneurs.<sup>4</sup> In Greece, the percentage of self-employment among women is 26.6% (the EU-28 average is 11.4%).<sup>5</sup> It also bears noting that, at European level, only 23% of self-employed women also employ staff, compared to 30% of self-employed men.<sup>6</sup>

According to the ICAP registry of companies,<sup>7</sup> only 25.1% of the enterprises operating in Greece are predominantly run by women. Therefore, out of a total of 37,750 enterprises only 9,468 are run by women. The largest part of those enterprises are very small or small.

The highest female participation involves enterprises with an annual turnover less than 2 million euros (26.9%) and a staff of less than 10 people (25.8%). The larger the size of the enterprise (based on its annual turnover and number of employees) the smaller the percentage of enterprises run by women.

The conclusions of the Annual Entrepreneurship Report 2017-2018<sup>8</sup> of the Foundation for Economic and Industrial Research (IOBE) are similar. The report analyses in depth some of the key attributes of female entrepreneurship in Greece.

More specifically, the report mentions that the main motivation behind female entrepreneurship, according to 37.4% of women entrepreneurs in Greece, is necessity. In this regard, Greece is

4 European Commission (2014) '[Statistical data on women entrepreneurs in Europe](#)'.

5 OECD (2021), Self-employment rate (indicator). doi: 10.1787/fb58715e-en (Accessed on 11 March 2021). Indicators are calculated by gender, as a percentage of total employment.

6 European Commission (2014) '[Statistical data on women entrepreneurs in Europe](#)'.

7 A survey by the ICAP Financial Studies Department on [Female Entrepreneurship](#), focusing on the Woman-Senior Executive.

8 Tsakanikas, A., Stavaki, S. & Valavanioti, E. (2018) [Annual Entrepreneurship Report 2017-2018: Fewer ventures, better employment prospects](#), IOBE.

at the top in the list of countries included in the Global Entrepreneurship Monitor (GEM), in terms of female necessity entrepreneurship, a fact possibly stemming from the high unemployment rates among women and the difficulty in finding dependent employment.

Similarly, opportunity entrepreneurship is a main motivation for 60% of women entrepreneurs in Greece, a percentage, however, that still leaves our country ranking at the bottom. Consequently, in Greece, women become entrepreneurs in an effort to make a living and not in order to take advantage of business opportunities.

In most cases, necessity entrepreneurship is not very sustainable, as it mainly aims at creating an income instead of benefiting from business opportunities. This fact most likely also explains the large numbers of women entrepreneurs in Greece who cease their activities.

Moreover, it's worth noting that women entrepreneurs in Greece are mainly active in wholesale and retail sales (42.2%) and in the services sector. This is a negative finding, in the sense that female projects are mainly addressed to the final consumer, or, in other words, involve activities with a relatively small potential for growth.

This trend is also reflected in the opinions that women entrepreneurs themselves have about their activities: in Greece, only 9.5% of women entrepreneurs see any growth potential, whereas only one in three women claim that they supply improved (innovative) products and services. At the same time, according to the GEM survey of the general population, in 2016, only 11% of women felt there were opportunities for starting a business.

With regard to the invested capital, female business schemes that were reviewed in Greece appear to be a rather expensive investment. With an average investment of 22,411 dollars, the capital invested by women entrepreneurs in Greece for implementing a new business project is significantly higher than the average investment in Europe (7,298 dollars).

The good news is that, according to the IOBE report, 41.1% of early-stage women entrepreneurs state that more than 1/4 of their sales come from foreign customers, a figure that places Greece in the 1st position in the ranking. This fact is mostly tied to the involvement of women entrepreneurs in the hospitality, F&B and commercial sector mostly revolving around tourism.

Lastly, the GEM report for 2018/19<sup>9</sup> indicates that for every 10 men who consider themselves capable of becoming entrepreneurs in Greece, there are only 7 women (i.e. 37.7%) who feel the same way; a difference which, as we will see, may play an important role in the establishment of the gender financing gap.

The above characteristics help clarify the reasons why female entrepreneurship in Greece has suffered an unevenly heavy blow during the pandemic. The small size and low resilience of female-run businesses in combination with their areas of activity necessitate the formulation of an inclusive action plan for their recovery. This plan must also include the bridging of the gender gap that we will further discuss in the following paragraphs.

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9 Elam, A., Brush, C., Greene, P., Baumer, B., Dean, M. & Heavlow, R. (2019) Global Entrepreneurship Monitor 2018/2019 Women's Entrepreneurship Report.



## THE GENDER FINANCING GAP IN THE WORLD AND IN EUROPE

Surveys conducted by the European Commission and the OECD document that access to financing is more difficult for women than for men entrepreneurs almost everywhere in the world.<sup>10</sup> The added difficulty is confirmed by the fact that women entrepreneurs make use of fewer external sources of funding, relying mostly on their personal savings and the support of their families.

According to the report “The State of European Tech 2018”,<sup>11</sup> in Europe, high technology start-ups with all-male founders attract 93% of investments and sign 85% of investment agreements. Only 5% of the capital ends up in companies with mixed founding teams, and a mere 2% goes to start-ups with all-female founding teams.

The trends noted in the US are similar, with only 3% of investments from Venture Capital funds going to female-run businesses, and only 15% of investments going to businesses having at least one woman in their founding team. In the EU, the corresponding percentage is 11%.

In conclusion, lack of funding for women entrepreneurs is a global problem, albeit of different intensity in different economies. What is certain is that it poses an obstacle for any woman attempting to implement a business idea. Lastly, according to a relevant Goldman Sachs survey, women own or manage more than one third of small and medium-sized enterprises (SMEs) in emerging markets. At the same time, based on estimates, the financing gap between men and women entrepreneurs in 2018 will stand at approximately 1.5 trillion dollars.<sup>12</sup>

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10 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

11 Atomico (2018) [The state of European Tech.](#)

12 Tsakanikas, A., Stavraki, S. & Valavanioti, E. (2018) [Annual Entrepreneurship Report 2017-2018: Fewer ventures, better employment prospects.](#) IOBE.



## THE GENDER FINANCING GAP IN GREECE

In Greece, literature data on the existence or not of a gender financing gap is limited, scattered and usually indirect. Theoretically, there is equal access to financing for both male and female entrepreneurs (e.g. from financial institutions, European sources of funding, subsidies, etc.). In practice, however, indirect data paints a different picture.

According to the findings of the Future of Business Survey<sup>13</sup> conducted by the OECD in 2018, 62% of women entrepreneurs (vs. 67% of men) stated that they financed their business themselves when they were starting up. Moreover, 12% of women stated that they used bank lending (vs. 22% of the men), whereas another 12% stated they were financially supported by their partner/spouse (the corresponding percentage for men is only 4%).<sup>14</sup> Similarly, according to the Global Entrepreneurship Monitor,<sup>15</sup> 83% of women entrepreneurs sourced the money from a family member, while that same percentage for men is 67.5%.

The size (usually small) of most female-run businesses, aside from being a root cause of the gender financing gap, is simultaneously its symptom: because the flow of funding towards female-run businesses is low, those businesses remain small in terms of turnover and number of employees, and very vulnerable to crisis.

Moreover, according to the Global Entrepreneurship Monitor (GEM) report for 2018/19,<sup>16</sup> 8.7% of women entrepreneurs in Greece indicated lack of funding as the main reason for ceasing their activities, compared to 4.7% of the men.

In the field of high technology start-ups, two reports that were recently published provided detailed information on Greek start-ups<sup>17</sup> and the funding they have obtained. This data allows us to form a more concrete picture about the financing gap in this field, which may be limited compared to the overall business activity in Greece, but is certainly very prominent and very dynamic.

The analysis of the data from the first report, published by Marathon VC, reveals that out of 495 Greek start-ups,<sup>18</sup> only 16% had even a single woman in their founding team and only 3% were founded by all-female teams. In terms of funding, start-ups with at least one woman in their found-

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13 OECD (2018) [The Future of Business Survey](#).

14 It should be noted that Greece has the lowest percentage of entrepreneurship as a second source of income, to supplement an employment income. This means that there is a very limited number of women who can, even temporarily, finance their business activities using an existing stable income.

15 Elam, A., Brush, C., Greene, P., Baumer, B., Dean, M. & Heavlow, R. (2019) [Global Entrepreneurship Monitor 2018/2019 Women's Entrepreneurship Report](#).

16 Elam, A., Brush, C., Greene, P., Baumer, B., Dean, M. & Heavlow, R. (2019) [Global Entrepreneurship Monitor 2018/2019 Women's Entrepreneurship Report](#).

17 The Greek start-ups are defined as high technology start-up companies having at least one Greek man or woman in their founding team. This does not mean that those companies are registered in Greece.

18 Gasteratos, C. (2021) [The Greek Startup Industry: Investments and Exits, 2010-2020](#).

ing teams have absorbed only 6% of the total 6,125 million dollars that have gone into the Greek ecosystem of high technology start-ups, i.e. 369 million dollars. Of the women who have founded or co-founded these start-ups, only 27.4% reside in Greece. This percentage (hence, women founders who live in Greece) has absorbed 25.9% of the total funds absorbed by all Greek start-ups with at least one female founder.

The picture that arises from the second report, which is published by Foundation<sup>19</sup> on an annual basis, is quite different, mainly due to the different criteria used to define start-up companies. Among the 106 start-ups that are presented in the report and have received financing from the Equifund initiative funds, 15 (a percentage of 14.1%) have at least one woman in their founding team. These 15 companies have received 129 million dollars (a percentage of 29% of the total funds received by the start-ups on the list).<sup>20</sup>

As we will see, the number of women entrepreneurs active in the field of high technology start-ups is already limited as it is, which leaves us with an important information gap compared to the experience of other women entrepreneurs in Greece. In any case, the lack of adequate information was the main reason for conducting this survey. In the next chapter, where we present the findings of the Women On Top qualitative survey, a multitude of empirical data documents the existence of the financing gap and identifies a number of the causes behind it.



## CAUSES OF THE GAP: WHY ARE WE LAGGING?

The international literature lists the major factors contributing to the perpetuation of the financing gap - some are related to capital demand, i.e. the women entrepreneurs themselves, some are related to supply, i.e. the funding mechanisms and organisations, such as banks, Venture Capitals (VCs), angel investors, microlending organisations, state and EU subsidy programmes, charity subsidies, etc.

Our research and our interviews with entities, such as the Hellenic Confederation of Professionals, Craftsmen & Merchants (GSEVEE), the Foundation for Economic and Industrial Research (IOBE), and the European Investment Bank (EIB), have also highlighted other causes, directly tied to the Greek socio-economic reality.

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19 Foundation (2021) Startups in Greece 2020/2021 report: Progressing against all odds.

20 It should be noted that 80 out of 129 million, in the 2020 report, involve one specific start-up that has a woman in its founding team.

## 1

**THE PARTICIPATION OF WOMEN**

Women have less chances of becoming entrepreneurs. They often think of themselves as having less experience in business than men, and have at their disposal smaller and less diverse contact networks; consequently, they have less information regarding access to potential funding opportunities. The environment where women operate in is also a factor: in Greece, and other European countries, women's involvement in business is still associated with negative stereotypes, while the current fiscal policies make it harder for both partners in one family to work at the same time.<sup>21</sup> This disparity is even greater in the high technology sector, where women in Greece represent less than 17% of founders.<sup>22</sup>

## 2

**THE CHARACTERISTICS OF FEMALE-RUN ENTERPRISES**

Women have less chances of becoming entrepreneurs. They often think of themselves as having less experience in business than men, and have at their disposal smaller and less diverse contact networks; consequently, they have less information regarding access to potential funding opportunities. The environment where women operate in is also a factor: in Greece, and other European countries, women's involvement in business is still associated with negative stereotypes, while the current fiscal policies make it harder for both partners in one family to work at the same time.<sup>21</sup> This disparity is even greater in the high technology sector, where women in Greece represent less than 17% of founders.<sup>22</sup>

Companies founded by women, for example, do not usually fit the mould of the companies that attract significant investments. These companies tend to be smaller and more local, have a lower turnover and shorter life span, be less competitive and focus on sectors with fewer prospects for performance and growth,<sup>23</sup> such as the health sector, social work and other services.

More specifically, in Greece, according to the ICAP survey for 2018, female entrepreneurship mostly involves the fields of services and commerce, at a percentage of 39.7% and 27.9%, respectively. Next is the industrial sector at a percentage of 17.6%, tourism at 12.3% and the financial sector at 2.5%. It is worth noting that the majority of these fields were unevenly hit (and continue to be hit) by the pandemic and the respective control measures.

In social and solidarity economy enterprises (SSE enterprises), however, according to the British Council report for the Ministry of Labour and Social Affairs,<sup>24</sup> drafted in 2017, the participation of women in management positions stands at 35%, significantly higher compared to conventional enterprises. Those enterprises, which may very well be sustainable, do not attract significant investments, mainly because their performance is measured both in economic and social indicators, which do not guarantee high returns for the conventional investor.

21 European Commission & OECD (2017) [Policy brief on women's entrepreneurship](#).

22 Kollmann, T., Stöckmann, C., Hensellek, S., Kensbock J. (2016), [European start-up monitor](#); Gasteratos, C. (2021) [The Greek Startup Industry: Investments and Exits, 2010-2020](#).

23 European Commission & OECD (2017) [Policy brief on women's entrepreneurship](#).

24 British Council (2017) [Greece Social and Solidarity Economy Report](#).

## 3

**THE CHARACTERISTICS OF WOMEN ENTREPRENEURS**

According to the Global Entrepreneurship Monitor, women entrepreneurs usually appear less willing to take any risks and are younger in age, a fact that holds true for Greece as well.<sup>25</sup> Moreover, their objectives are different. When it comes to establishing an enterprise, ensuring a stable income and finding a creative outlet are the main motivations for women, whereas making a profit is the predominant motivation for men.<sup>26</sup>

The investments of the women entrepreneurs are often typified by lack of planning, prospects and networking, which all increase the risk level. In contrast, founders, men and women, of successful high technology companies have more similarities, irrespective of their gender.<sup>27</sup>

## 4

**THE LACK OF INFORMATION**

According to information from the GSEVEE Small Enterprises Institute, lack of information or misinformation is a frequent occurrence for women entrepreneurs. More specifically, women appear to receive fragmented or random information regarding the available financing opportunities, or about the eligibility criteria, the difficulty of the application process, etc. This limited information, combined with a more general lack of business training, exacerbates women's inability to meet the requirements of a selection process which includes, *inter alia*, the preparation of a solid business plan. Moreover, lack of time and, sometimes, lack of confidence, on the side of women entrepreneurs leads to less networking and limited participation to training activities and collective representation bodies. These trends have intensified during the period of the pandemic and necessary social distancing.<sup>28</sup>

## 5

**THE ATTITUDE OF WOMEN ENTREPRENEURS TOWARDS FUNDING**

Women entrepreneurs do not apply for, or have less chances of applying for external funding. In this manner, they often turn into discouraged borrowers, i.e. individuals who have the credibility to borrow but do not apply for funding for fear of being rejected.<sup>29</sup>

25 Elam, A., Brush, C., Greene, P., Baumer, B., Dean, M. & Heavlow, R. (2019) [Global Entrepreneurship Monitor 2018/2019 Women's Entrepreneurship Report](#).

26 [OECD \(2018\) The Future of Business Survey](#).

27 Cohoon et al. (2010) [Are Successful Women Entrepreneurs Different From Men?](#)

28 Information from a personal interview with a representative of the Small Enterprises Institute - Hellenic Confederation of Professionals, Craftsmen and Merchants (IME-GSEVEE).

29 Leitch C., Friederike Welter & Colette Henry (2018) [Women entrepreneurs' financing revisited: taking stock and looking forward](#).

## 6

### THE BIAS OF THE PARTIES INVOLVED

From their side, banks and investors appear to treat women as less credible borrowers (compared to men entrepreneurs): they pose different questions and assess them under different criteria, while also showing preference to pitches from men, even when the contents of the presentations are the same. It also bears noting that in most cases, the funders' bias is unconscious: 8 out of 10 believe that women and other under-represented groups of entrepreneurs receive the funding that their business models deserve (or more), even though only 1/5 of investors' capitals are directed to them.<sup>30</sup> However, the question of bias does not only apply to funding, but under-represented groups of entrepreneurs receive the funding that their business models deserve (or more), even though only 1/5 of investors' capitals are directed to them.<sup>30</sup> However, the question of bias does not only apply to funding, but also to the overall treatment of women entrepreneurs by their customers, suppliers and representation bodies, especially in male-dominated sectors.

## 7

### THE LOW PERCENTAGES OF FEMALE INVESTORS

It should be stressed that the vast majority of investors are men, and that they have the tendency of investing in companies with all-male founding teams. This phenomenon is also observed in Greece, where only two out of six Equifund investment funds have women partners. This is particularly interesting, as, according to the available data, investment funds with women partners are twice as likely to invest in female-run businesses; moreover, they achieve better returns as a result of those investments.<sup>31</sup>

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30 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

31 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

## *Obstacles to female entrepreneurship*

In the context of the ICAP primary survey on female entrepreneurship, conducted in 2018, among 141 businesses run by women in Greece, 72% of women entrepreneurs reported family obligations as the biggest obstacle they had to overcome. Other obstacles reported by the interviewees concerned gender biases (59%), lack of support from colleagues (50%), unequal pay (38%) and family objections (30%).

## **Change of climate**

On international and European level, funding organisations give more and more emphasis to the question of diversity. This fact gradually creates a new dynamic on the side of supply (more so than on the side of demand).<sup>32</sup>

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32 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

## CHAPTER 2

# The results of the Women On Top survey

— A —

## METHODOLOGY AND LIMITATIONS

To carry out the survey, the Women On Top team conducted, in all, 10 individual interviews with business funding and support organisations, as well as 3 interviews with institutional bodies. Women On Top also organised two focus groups, consisting of women entrepreneurs. The interviews and focus groups were conducted between 1-18 February 2021. The individual interviews were 30 minutes long each, and the focus groups were 90 minutes long.

Through the individual interviews we attempted to gather information and better understand the *modus operandi*, the views and priorities of people holding positions of responsibility within a range, as wide as possible, of investment organisations and other players in the business ecosystem in Greece who come into contact with Greek female-run enterprises at different stages of their quest for funding. We were successful, in part.

We sent a request to 5 Venture Capital funds out of which 3 responded, to 4 business incubators and start-up accelerators out of which 3 responded, and also to 5 Greek banks, none of which responded to us at headquarters level. In the end, we conducted an interview with an executive from a large Greek bank, who preferred to remain anonymous. We also conducted interviews with an entity that organises business awards, a microlending organisation and a charity organisation that provides financial support, and carried out 3 interviews with institutional bodies from the general business ecosystem. Lastly, we requested an interview with a representative from the Operational Program “Competitiveness, Entrepreneurship & Innovation” (EPAnEK), in an effort to obtain information on the NSRF programmes and specifically the opportunities or obstacles faced by women entrepreneurs but did not receive a response.

In total, 9 women, ages 30-45, participated in the focus groups; these women have sought financing for high technology or low technology enterprises, within and outside of Athens, in the last 5 years. Our goal was to explore the experiences they have gained while looking for funding, and the factors that affected it. In the first group, we talked with 5 entrepreneurs active in low technology sectors, and in the second group with 4 women from high technology sectors. However, we did not discuss with women who have not sought financing, in order to investigate the reasons for this choice.

In the framework of this study, we did not conduct an extensive quantitative survey involving a sufficient number of women entrepreneurs from a wider range of maturity, area of operation and individual characteristics. At the same time, our methodology was limited by our poor access to financing instruments, such as banks and European funding programmes, as well as the comparatively short reference to individual, male and female, investors. Moreover, we did not research alternative sources of financing, such as crowdfunding.

However, we believe that our survey findings are a useful starting point for conducting more extensive and more thorough research, as well as for designing and implementing measures and policies to bridge the gender financing gap, both during and after the end of the COVID-19 pandemic, aiming at the long-term development of an inclusive, sustainable and resilient economic model.

— B —

## THE SIDE OF FUNDING ORGANISATIONS

Our interviews with the entities, funding or not, of the business ecosystem were mainly focused in 7 areas:

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- 1. Participation of women in enterprises requesting support**

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  - 2. Participation of women in enterprises securing support**

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  - 3. Access channels for enterprises to the organisations**

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  - 4. Assessment criteria**

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  - 5. Composition of assessment committees**

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  - 6. Perceptions concerning the skills of women entrepreneurs**

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  - 7. Attitude of the organisation towards supporting female entrepreneurship**

These themes help us gather information regarding the opportunities and obstacles that women entrepreneurs face when seeking financing, and information concerning the practices and the performance of different organisations in matters of gender equality, including the opinions of their representatives, which appears to be a critical factor for women's access to funds. Below are the findings, per thematic area, without making a distinction between the organisations offering direct funding and those facilitating access to funding.

## 1. Participation of women in enterprises requesting support

Out of the 10 organisations that participated in our survey, only two collected data by gender about the enterprises at the application stage.

With regard to these two organisations, the percentage of women applying for financial support in 2017, for example, was 14% and 30%. In both cases the percentage of women securing support was slightly increased in relation to the percentage of women applying for support. It should be noted that these are the two organisations on our list which had the highest percentages of support for female-run businesses, a fact that demonstrates how important it is for any organisation that aims at equal female representation among its beneficiaries to collect comprehensive data by gender.

Overall, however, the gap in our application data did not allow us to make broader assumptions about the relationship between the percentage of women in the enterprises that ultimately receive funding and the percentage of women in the enterprises that apply for funding, and about whether or not the final outcome depends on the way each organisation handles their applications. Based on estimates from the representatives of the organisations which do not collect such data, in most of the cases the percentage is almost the same for applications and funding; or, in other words "whatever comes in, concludes", as put by one of the persons we discussed with.

## 2. Participation of women in enterprises securing support

In terms of collecting data by gender for the enterprises that receive support, even though this functionality is theoretically provided for in the customer management systems operated by funding organisations and incubators, most of these organisations have never used it, in the sense that they have not processed or evaluated the available data. During the interviews, we heard comments such as "ahead of this interview, I reviewed the figures for the first time and realised the need for it" and "now that we see the data, we are happy with the outcome."

These words on the one hand categorically demonstrate one of the main reasons why the financing ecosystem remains, to a great extent, "blind" before the gender financing gap. On the

other hand, they offer an optimistic perspective, in terms of the positive impact that systematic collection, processing and utilisation of data by gender by the organisations and entities involved may have on bridging the current financing gap. The interview itself served in some cases as an opportunity for those organisations to reconsider their practices. “Until now, it was not our objective to use this data, but, from now on, we will consider it.”

According to the data submitted by the organisations participating in the survey, the percentage of financed companies with at least one female founder ranges between 5%, for a VC fund, and 50%, for an organisation which grants business awards. The lowest percentages (5-29.69%) are seen with investment funds, with the top number in this category coming from the only investment fund in Greece with two women partners and from one of the two that have at least one woman partner. The highest percentages (30-50%) are seen with business incubators and non-profit funding organisations.

### 3. Access channels for enterprises to the organisations

Only half of the 10 organisations that participated in the interview have a structured application system through which enterprises requesting financing can approach them. The rest of the organisations invest in a multi-level extrovert strategy, including carrying out surveys in the business ecosystem, the social media and academic institutions, obtaining references from affiliated entrepreneurs or from the wider organisation network, participating in networking events, etc.

The representatives of the organisations in the latter category, mostly VC funds and banks, state that the standardised applications procedure is not efficient, because the pool of enterprises of this dynamic is a small one, the main players are already known and “you know whom you can help.” In the framework of this approach, supported enterprises belong in a relatively closed network and are being assessed based on predetermined but, oftentimes, subjective criteria.

The literature and the primary data shared by some of the organisations reveal that female entrepreneurs are hurt by this practice. The reason is that women are often less skilled in networking or hesitant to use their existing contact networks to approach a funding organisation. Many of them “feel as if they are asking for a favour,” as put by a VC fund representative. The same person also noted that even women who gain access to the fund through an intermediate contact are usually referred to the fund by a man, and that the online application procedure is a good opportunity to overcome the existing gap in networking skills; “a woman will find it easier to send a message” with her request. Therefore, it is not by accident that the 5 organisations which follow the practice of standardised application forms have, in general, higher percentages of companies with at least one female founder.

The data from the banking sector confirms that there too exists a similar established practice for seeking out and approaching companies: candidate enterprises are identified by financial institutions through their published investment plans, through references of previous borrowers, by means of approaching business sectors with franchise structure, etc. In this field, the cases of

candidate borrowers, male and female, who apply for a loan at their own initiative, after first having requested information at a branch are very few. The bank representative who participated in the survey stated that in those particular cases the branch employee “may not be in a position to assess the request or handle it correctly.” This fact is confirmed, as we will see below, by the stories shared by a significant number of women who have sought financing via this route.

## 4. Assessment criteria

With regard to the question of criteria, the organisations that participated in the survey stated that they do not use gender-based criteria, but rely on a combination of measurable and non-measurable assessment criteria, at a varying ratio.

The most specific criteria usually focus on the enterprise itself, e.g. the funding it has already obtained; its area of activity; its level of maturity or turnover (depending on the type and amount of support requested); the competition; the degree of innovation of the offered product or service; the sustainability or growth potential; the degree of diversification of the employed technology; the size of the market it is active in; the thoroughness of the market research, and the existence of a solid business plan. In terms of the banks, the available account indicated that the Greek banks pursue a conservative policy, which does not favour the promotion of innovation.

It is clear that the above criteria do not favour women with small enterprises, typified by small turnovers, active in non-attractive, from an investor point of view, business fields, and which may put forth ideas which, in the context of a conventional, predominantly male environment, are considered unsafe.

What comes into play then is the “hidden and most important criterion,” as stated by one of the interviewees, which, according to others as well, “accounts for more than 50% of the assessment”: the founder or the founding team.

In this case, too, several organisations (mainly VC funds) use, up to a certain extent, specific assessment criteria, such as: a thorough technological understanding and knowledge (in the case of high technology enterprises), the professional experience, a degree from an internationally acclaimed university and previous employment in well-known companies. Moreover, they consider the extent to which the skills of the founding team members meet the requirements of the specific field and whether or not these are complementary. Lastly, a necessary precondition for the banks is the existence of real estate property, which can be mortgaged; this condition does not favour women, due to the well-documented gender gap in property ownership.<sup>33</sup>

Most criteria involving the founding team are vague, subjective and vulnerable to the unconscious biases and established stereotypes of the (usually male-dominated) assessment teams. These are criteria focusing on the personality traits or the performance of a successful leader/professional. The representatives of the organisations that participated in the survey mentioned, for example, non-measurable

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33 OECD, [Social Institutions and Gender Index, SIGI 2019 Global Report Transforming Challenges into Opportunities](#).

criteria, such as the “aura” of the entrepreneur, or whether or not they can “bend steel”, whether they have a strong network of contacts, what is the “vibe” they give out, whether or not they are ambitious, and whether or not they can “listen”.

Another assessment criterion that was mentioned was “how they answer when you corner them”, as well as the candidates’ ability to communicate their vision through a convincing story. These criteria may again place women entrepreneurs at a disadvantage, since women (as we will see later) tend to highlight the business risks and weaknesses of their idea more so than men. Besides, these female entrepreneurs are often raised with the belief that ambition is not rewarded in women, and, as a result, they put forth a more moderate version of their dream.

Lastly, three of the organisations that participated in the survey mentioned full-time employment and/or too many family obligations as a potentially negative assessment criterion for the candidates. Specifically for women entrepreneurs, single-parenthood and pregnancy were noted as causes of concern for assessment committees, in the sense that beneficiaries may be unable to dedicate the necessary time to their business. It should be noted that three of the organisations having the highest percentages for financing women entrepreneurs use criteria that are different or completely opposite to those mentioned above.

### **ORGANISATION 1**

This organisation referenced a substantially larger number of measurable assessment criteria for the enterprise and for the team, none of which were vague or indirectly discriminatory, as the ones mentioned above.

### **ORGANISATION 2**

This organisation stated that the most important criterion is the amount of thought that the candidate entrepreneur, male or female, has put into their project. According to an executive from this organisation, over-confidence or attempts of “selling” an idea (behaviours that seem to be more noticeable among men) are counter-productive. The same executive added that in their organisation they also take into consideration social criteria, hence, “a single parent gets extra credit from us. What is more, a lot of women approach us after having a child and raising that child for 2-3 years, as they then want to do something of their own. We consider this a plus - I admire the ability of women to multi-task.”

### **ORGANISATION 3**

This organisation indicated that diversity in the composition of the teams in terms of gender, age, professional background etc. is an important assessment criterion, explaining that diversity “ensures the company will do better.”

## 5. Composition of assessment committees

With the exception of one business incubator and one VC fund, all other organisations participating in the survey mentioned the overall low representation of women in the committees assessing candidate enterprises for funding.

In two of the VC funds and in two other funding organisations, the assessment of potential investments is exclusively carried out by men, a fact making the assessment procedure more vulnerable to affinity bias, i.e. our innate tendency to associate with, support and surround ourselves by people with attributes similar to ours. As the representative of one of the two funds eloquently put it, up to now women have been selected for positions “that are not critical for the outcome of our work.” Similarly, the bank representative stated that she is the only female regional manager in 15 business centres throughout Greece.

Most of the representatives of the funding organisations appeared troubled by this disparity and some of them mentioned that measures to address it have already been adopted or will be adopted.

## 6. Perceptions concerning the skills of women entrepreneurs

The representatives of the organisations that participated in the survey had some interesting thoughts concerning the attributes and skills of women entrepreneurs, which may facilitate or hinder their efforts to receive funding. However, four of them were quick to point out that the available sample of women entrepreneurs is smaller and specific: women entrepreneurs form a special population group, with characteristics that differentiate from those of the general female population; on the contrary, the characteristics of the men with which they come into contact are comparable to those of the general male population. “The women (entrepreneurs) I have met are well-respected, as a result of their past achievements”, “These women come from a specific pool, they are not your typical woman”, “The only one we have is a very special case, very successful professionally”; these were just some of the phrases that we heard, suggesting that in order for a woman entrepreneur to obtain funding, she must really “stand out”.

The representatives of the organisations also mentioned that oftentimes women are reluctant to pitch their idea before an audience or to potential funders, even though they are usually excellent at doing so. As a female representative of a business incubator very eloquently put it, “I, too, if given the option, will not go on stage; I have many other things to do.” However, a VC fund representative noted: “When a woman pitches well, she pitches better than a man, because storytelling has an element of acting in it. Women are more passionate.”

Similarly, other representatives noted that women entrepreneurs appear to be more reserved and less confident than men, and tend to “tone down” their idea when they believe that it involves

some risk or has some a weakness. A VC fund representative noted: “Women explain the risks, they communicate them in depth, and this is not in line with what male investors typically expect to see. In other words, if you are used to watching a specific pitching style, a presentation by a women may seem less ambitious or you might think that it entails an element of doubt.”

This remark ties well with another observation made by many of the interviewees in relation to the level of mindfulness and preparedness with which most women approach the business process. A VC fund representative stated that usually women start off “more aware”, as there is more at stake for them and they “believe in it more.” Similarly, a representative of a non-profit organisation noted: “Women who apply have overcome other obstacles and are more ready. Men, most of the time, never had to doubt themselves. Women rarely give the impression that they do not know what they are up against, whereas men are more optimistic and self-confident, for no reason at all.”

The above characteristics seem to be treated differently by different types of funding organisations. At organisations which place more importance on returns and on securing their investment (banks, VC funds), the representatives state that this tendency makes women “risky” investment targets. In contrast, at organisations with a stronger social orientation, the low-key manner in which women often carry themselves makes them appear more responsible, prudent and methodical and, therefore, more reliable and less risky as borrowers or beneficiaries.

A typical example of the scepticism with which women entrepreneurs are treated, consciously or unconsciously, by the funding bodies is reflected in the words of a representative from one organisation, who initially stated that women do not fall short in any regard and that their under-representation is a cultural matter and not a matter of skills, but then went on to say: “The reason is that women do not yet have the power that a man has and that they invest more in motherhood. But being an entrepreneur requires ten times the energy of a full-time job; which bears the question ‘motherhood or entrepreneurship’. A company is like a child, you can’t be raising both. You cannot be pregnant, face problems and also face problems at your business. You cannot combine both. Our female beneficiaries do not have children and are, on average, younger than men. For men, age is not important, whereas women must succeed in business before they have children.”

## 7. Attitude of the organisation towards supporting female entrepreneurship

Of the 10 organisations that participated in the survey, only two mentioned that they are implementing a plan for supporting female entrepreneurship; one of them is at the top and the other at the middle of the female representation scale. Both organisations confirmed that supporting female entrepreneurship through targeted actions that they have started implementing or are planning to start implementing shortly is a “definite” priority for them. These two entities are associated with corresponding international organisations and appear to be influenced by their strategy in this regard.

At the next level of positive intentions we have three other organisations (a VC fund and two smaller funding bodies), which state that they consider supporting female-run enterprises important, even though they do not have a specific plan to show for it - either because their rates are already satisfactory or because this is not their immediate priority.

Of the 5 other organisations, 4 seemed sceptical about the effectiveness and necessity of such actions. “We do not want to focus on female entrepreneurship because that may lead to reverse discrimination”, “Why do I need a special programme for women? Such things should not be made mandatory”, “We already spend too much time dealing with things other than the business itself, this is why we cannot deal with the gender issue”, are just some of the comments we heard.

In terms of the banking sector specifically, a specific programme was referenced, aimed at promoting youth employment and women empowerment in business, which was recently implemented with the support of the European Investment Bank (see the section on Best Practices). However, the bank has not conducted an impact assessment study concerning this programme and does not have any plans about a similar future action.

The 5 organisations which mentioned that supporting female entrepreneurship has become more important for them in the last 5 years, attributed this shift to the relevant public dialogue, to the fact that younger colleagues in critical positions have taken action to this effect or to a strategic choice made by affiliated bodies abroad.



## THE SIDE OF WOMEN ENTREPRENEURS

The focus groups consisting of women entrepreneurs in high and low technology sectors concentrated on 4 main thematic areas:

- 1. Attempts to secure financing and results**
- 2. Challenges and opportunities**
- 3. Treatment by funders**
- 4. Attitude towards different funding sources**

These themes helped us gather information regarding the experiences of women entrepreneurs in their quest for funding, as well as their opinions and general tendencies, and to juxtapose them with data from the relevant literature and the statements of the representatives of the funding organisations. Below are the findings per thematic area, where we have also noted the differences found between women entrepreneurs active in high and low technology sectors.

### 1. Attempts to secure financing and results

Women entrepreneurs active in high technology sectors stated they have applied for financing via funding competitions in Greece and abroad, investment schemes and EU programmes. As they noted, most of these attempts have been successful. They have received business awards, EU funding and one or more financing cycles from male and female investors.

These women pointed out that their contacts with male and female investors were, as a whole, the result of recommendations from incubators, accelerators and/or other entrepreneurs and investors, and not the result of direct, unsolicited communication.

The percentage of these women who stated that they started their business activities using money from their families or close personal circle was smaller than among the entrepreneurs in low technology sectors, most probably because there is a significant difference in the required starting capital for these two types of businesses. As an example, the entrepreneurs in low technology sectors noted that they have absorbed up to 10,000 euro per financing cycle, whereas women entrepreneurs from high technology sectors stated they have absorbed millions.

Women entrepreneurs in low technology sectors who participated in the sample have obtained the necessary funding mainly from microlending organisations, subsidies of a social nature, and individual investors coming from their close personal circles. They have in their history a number of unsuccessful attempts to obtain loans through banks, NSRF programmes and the Manpower Employment Organisation, OAED, (one single mother entrepreneur who is also an immigrant mentioned that OAED rejected her application for a 12,000 euro loan, because, during that same period, she was studying at a public Institute of Vocational Training).

Own capitals and the contributions of friends and relatives were presented by these entrepreneurs as vital both for starting their business (“Being rejected made me more determined and I started out on my own, with what I had, 4-5,000 euros”) and for keeping it afloat during the pandemic (“To deal with the 2020 crisis, a friend who really believed in our product came through and loaned us the money. Without him, 2020 might have been our last year.”) At this point the question arises as to whether the fact that women entrepreneurs turn to their friends and family for funding is tied to the fact that these sources are more accessible and effective for women who are active in low technology sectors.

## 2. Challenges and opportunities

Women entrepreneurs in both categories stated that starting out was more difficult compared to the other stages of the business; nonetheless, when describing the successive financing cycles, they noted that the higher the required amounts, the more demanding the funding process.

At the early stages, the greatest difficulties for women entrepreneurs relate to low self-understanding and limited knowledge of the business ecosystem (“We did not know our actual needs” and “I didn’t know how to position myself”, we heard by the interviewees); lack of information about business competitions and other funding opportunities; lack of property assets or substantial savings to support the business venture (“We needed 20,000 euros to purchase equipment, but the first thing the banks would ask was ‘what can you mortgage?’”); and young age. There is also often a difficulty in convincing both the funders and their close circle about the sustainability of their idea or project (“They did not want to finance the e-shop, because they thought it would not do well. In the end, I did it by myself, and it went great”, “I went to all the banks but they rejected us, without giving us any feedback”, “My father kept stepping in, because he thought that, being a woman, I would not make it.”).

In the focus group with low technology companies, a woman entrepreneur located outside of Athens confirmed that this difficulty truly makes the quest for funding a lot harder; another entrepreneur, an immigrant, noted quite eloquently: “I did not even try going to the bank, because I am a woman, I am not Greek and I do not own an apartment.” An aspiring entrepreneur that had not been able to set up a company stated that she had lost funding opportunities because she couldn’t take that first step, while a woman entrepreneur who won an award at a competition noted that she received the money 5 years later, which made her take out a loan in order to meet the current needs

of her business. Many of the participants see this type of delayed payment as the main problem with NSRF funding programmes. Finally, women entrepreneurs in this category also talked about the lack of adequate maternity leave for self-employed women in Greece: “If I get pregnant, I will have to shut down my business,” one of the interviewees said.

All the entrepreneurs in the high technology sector stressed the importance of networking and participating in incubators and business accelerators. As they stated, “Knocking on a door is not easy, references play a big part there.” In other words, they reflect the findings from the interviews with the representatives of the funding and support organisations in relation to the practices of attracting new enterprises. “Pitches are very important, because what you say when you pitch relates to the company product. However, the events are also important, because you meet the community,” as put by one of the participants, who also pointed out the consequent difficulty: “I find it difficult to do an informal pitch, I prefer the official route. However, everyone tells me that this approach is wrong, because the personal connection is very important in funding.” In regard to networking, another entrepreneur in the same category commented: “After a point, you have to be introduced to go anywhere; especially if you are going to ask for something. You must be someone they trust from the start, you can’t go cold-calling on people. That is not my style, business networking does not come naturally to me. However, this has not stopped me, because this is not socialising; the requirements are very specific. Mostly it helps to be extrovert: I am present in the public domain when it comes to my profession. I do not make calls all the time, but we often present our company in conferences and events, we participate in the relevant networks, we respond to anyone who approaches us.”

### 3. Treatment by funders

In the group active in high technology sectors, most of the entrepreneurs stated that they have not seen any differences related to their gender in the treatment they receive from funders. As they pointed out, the quest for funding itself is an arduous and demanding process, and it is “the job” of potential investors to “push you to your limits”, irrespective of your gender. They also noted that it is not easy to pin-point the difference in the treatment of women, because “it is not an easy process for anyone.” However, when the interviewees were asked to describe their experience in more detail, they mentioned situations that demonstrate a propensity for bias and gender discrimination.

Sexist jokes and investors’ questions regarding the candidates’ age, marital status and plans to have children or not, as well as a subtle but constant questioning of their skills (“You must prove your worth 10 times over”, “You constantly feel like there is a breach in trust and that if you miss one beat, that breach will become an abyss”) are frequent occurrences. Another interesting observation had to do with the fact that these behaviours are significantly toned down when contact with the funders is initiated through reference by a third party or when investors approach the company at their own initiative.

However, it appears as though gender discrimination does not only originate from potential funders, but from other stakeholders in the financing process as well. A participant in the focus

group noted an incident when, during the company valuation procedure, the external assessor answered the entrepreneur's question with "I am not here to give you a lesson in corporate finance." The participant felt that if she were a man, she would not have been treated like that. "Once you go over a certain level of money, you are simply 'not good enough' being a woman. They belittle you, they are sarcastic and arrogant, and feel they are not obligated to justify their opinion," she noted.

The focus group also noted low percentages of women's participation in business functions and events for the high technology sectors (around 10% in most cases), surmising that this fact makes the attitude of potential investors towards women even more awkward. "Especially all-female teams are, practically, non-existent," said one of the interviewees.

This situation appears to sometimes promote a positive (at first glance) discrimination in favour of women in the technology sector. "I have heard 'you have the whole package, you are a woman in tech'," one of the participants in the focus group told us. "I took the role of the pitcher in the competitions, because we knew that they wanted to see women. For a time, I had the feeling that I could pitch them a nut with legs, and they would give me money." Which bears the question of whether this initial "preference" on the side of the investors is associated with superficial or substantial motives and whether or not, in the end, it leads to equal treatment of the entrepreneurs.

In any event, many of the participants in the focus group noted a shift in dynamics in favour of women. "Funds have started realising that women who manage to obtain financing have better results. And results speak to investors," as someone put it.

Women entrepreneurs active in low technology sectors describe a fluid reality, which varies considerably depending on the size and the targets of the funding organisation that they approach.

As a whole, participants described their treatment by the banking system as dismissive. "I went to every bank, because I thought that the only way to get funding is through traditional institutions. I was experienced and comfortable with numbers, balance sheets, etc. However, none of the bank employees ever thought I knew anything; they didn't think I could talk about my business. Most of the times, they didn't even ask me about the mortgage. They had an opinion about what I did, and tried to convince me that it would not be successful," one of the entrepreneurs told us. Another interviewee added the following: "Going into every meeting, I thought that I had learned something from the previous one and that I could break through the wall, but no; I never made it. They used to tell me 'unless you cook the numbers, so that you are in the black, don't come back,' despite the fact that our turnover grew exponentially every year."

Half of the entrepreneurs in the focus group stated that their partners would have had or actually had more favourable treatment as self-employed persons, by the same system: "I know for a fact that my husband would have been treated differently; besides, he got a loan in the midst of recession," stated one of the participants. "My husband would have left no doubts about what he has to offer; he would have appeared confident, whereas I may get defensive if I feel that the person I'm talking to is being judgemental," said another entrepreneur. "My partner is seen as more dynamic and serious; he contributes to the business. I am seen as someone 'lighter'. People think good of me because the company is doing well, not the other way around," noted another participant, echoing a trend that is often referenced in the literature: women are judged based on their

previous performance, whereas men are judged for their future prospects.

Women entrepreneurs highlighted also that they encounter resistance from representatives (male and female) of the financial institutions, who sometimes feel that entrepreneurs are telling them how to do their jobs and other times feel that entrepreneurs are too young to know anything (“Many times I have heard the answer: ‘What? Are you telling me that you thought of that yourself?’”).

In stark contrast to these behaviours, women entrepreneurs active in low technology sectors who have received support by smaller funding organisations of a social nature described their treatment as positive and gender-neutral.

However, a common point between the two groups that emerged from their interviews was the extent to which women entrepreneurs internalise and normalise the different criteria that frequently apply to them in the assessment procedure by the potential funders. This trend became clear through their answers to questions about whether or not they have dealt with gender discrimination (“There are always comments like ‘you look beautiful’, but I don’t think that is a problem”); through referring to thoughts that troubled them in relation to their business (“The monster of self-doubt is inside us, too”, “Who can ever take me seriously?”); through their need to constantly prove their worth (“With every job, we always have to prove something”); and through the practices that they felt they had to follow in order to maximise their chances of success (“I always went to the banks dressed to the nines”, “I felt that in order to win anything, I had to play a part, to dress differently, to be more confident, to prove something to someone.”)

## 4. Attitude towards different funding sources

The opinions and attitudes of women entrepreneurs towards different funding entities relates, to a great extent (even unbeknownst to them) to the percentage of female representation in each of these entities.

For example, many of the entrepreneurs in high technology sectors stated they were reluctant to approach investors, male or female, in exchange for equity in their company. In contrast, they prefer to draw funds from their business activity, their own money or the resources of their personal circle. In their majority, they appeared equally unwilling to subject themselves to the assessment process required by the VC funds; nonetheless, they would be willing to reconsider this in the future.

Some of the entrepreneurs attributed their attitude to date to the degree of maturity of their business (“It is important to test the waters through angel investments”); to the sustainability of their business (“We did not have the need to dedicate this kind of resources to the assessment process”); or to a personal feeling of insecurity in relation to the responsibility that this type of financing entails. “I dissuaded the company from drawing money from VCs: I have the good girl syndrome and was afraid to make promises that I may not be able to deliver. I am afraid of failure, because it will be someone else’s money,” one of the founders told us, adding that the male members of the founding team did not share her reservations.

Both groups showed more trust in a) EU funding (e.g. NSRF, EU programmes), as they believe they are more accessible and objective (“They have a more social character”, “It is a fair proce-

ture”), and b) business competitions, provided they know them (“It’s all about the pitch, you have to know what the sponsors are looking for and give it to them.”)

The picture that entrepreneurs active in low technology sectors have about banks is a very negative one. They consider banks “immoral” or non-accessible to them (“I never considered going to a bank, because I was afraid they would not take me seriously. I went to get a POS terminal and felt like I was asking for a 100.000 euro loan.”)

In contrast, women entrepreneurs have a very positive outlook on smaller funding organisations with a social orientation. As they noted, “they became like friends of ours”, “they supported me immensely”, “the empowerment actions that they took was an oasis amidst the recession.”

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### GENERAL CONCLUSIONS

The interviews with the representatives of the funding and support organisations, as well as the focus groups with women entrepreneurs demonstrated that the causes of the gender financing gap may be different in the low and high technology business ecosystems.

In the first case, in the low technology sector, the gender financing gap appears to be mainly caused by the traits of female entrepreneurship (small business size, non-attractive fields); a lack of confidence, information and business training on the side of women; the systemic problems hindering equal participation of women in the labour market; the biases of funding organisations (e.g. the banks) against young women entrepreneurs; as well as the lack of alternative financing tools that take into account the particularities of female entrepreneurship and the gender gap in property ownership. In this category, entrepreneurs mentioned more obstacles associated with the prejudices they faced in their quest for funding.

In the latter case, the high technology sector, where there are no significant differences in skills, credentials and ambition between entrepreneurs in relation to their gender, although biases against women entrepreneurs appear to subside, the gender financing gap is perpetuated due to the low percentage of female representation in the technology fields and the closed nature of an ecosystem that is mainly based on personal networking and the male model of entrepreneurial success. To be precise, we do not know what would be the type and intensity of subconscious gender biases if there was an equal number of women and men among the candidates and new entrepreneurs in high technology sectors, since right now women are under-represented.

In terms of general intentions, opinions, practices and results of funding and support organisations, it is very clear from the interviews that an increase in the representation of women entrepreneurs is directly proportional to the presence of one or more of the following conditions:

1. Collection and use of data by gender, throughout the phases of contact with beneficiary companies. This way, the gender financing gap becomes visible and data offers the motive and the mechanism to address it.
2. A structured application procedure which gives applying founding teams the freedom to take initiative. This way attracting new enterprises extends beyond the existing, non-diverse (male-dominated) network and promotes the participation of young women entrepreneurs.
3. The adoption of concrete, measurable criteria for assessing candidates. Such criteria lower the chance of experiencing gender stereotypes and unconscious biases on behalf stakeholders in positions of responsibility.
4. Equal representation of women in the candidate assessment process. This way, the risk of affinity bias is reduced, i.e. the bias in favour of entrepreneurs that are similar to the members of the assessment committees.
5. Combined valuation on the side of the organisation in terms of financial performance and social impact. The organisations which use social impact as a success indicator tend to implement more inclusive practices for attracting enterprises and more inclusive criteria for assessing them.

From the attitude of women entrepreneurs towards different funding organisations it arises that, on the one hand, organisations that implement more inclusive practices ensure higher rates of women beneficiaries, and, on the other hand, organisations with low rates of women entrepreneurs need to pay attention to the cautiousness of those candidates and remove the obstacles they pose in their quest for funding. “It is easy for me to learn from others,” told us one of the entrepreneurs in the technology sector, “however, those others must be able to have a constructive conversation with me, without stereotyping.”

## CHAPTER 3

# Proposals and best practices



## PROPOSALS FOR BRIDGING THE GAP

Based on the findings of the Women On Top survey in Greece and on the causes of the gender financing gap, as documented in the international literature, it is necessary to introduce a package of measures to address this phenomenon; these measures must cover both sides of financing supply and demand and must promote the creation of a more equal and inclusive domestic business ecosystem.

Below are some of the proposed measures that could be included in this package, which should be in effect both during the COVID-19 pandemic that has dealt an uneven blow to women entrepreneurs, and after, during the recovery phase of the Greek business ecosystem:

1

**Providing information to funding organisation executives** regarding the positive impact of business empowerment of women, and educating them/raising their consciousness on gender stereotypes and unconscious biases.

2

**Establishing the systematic collection of data** by gender by funding organisations and EU subsidy programmes, as well as providing technical and other support to funding entities in order for them to efficiently gather and use this data. As demonstrated by the Women On Top survey, such an approach may immediately serve as a tool for awakening and mobilising funding organisations.

3

**Establishing a “golden rule” of gender inclusion** for funding organisations. On a sectoral level (banks, VC funds, etc.) each financing ecosystem could be called to adopt a code of ethics, with

concrete self-evaluation criteria in relation to the policies they implement to promote equality and diversity, and to set ambitious targets and take action to achieve them. This code of ethics should also specify indicative targets, compliance incentives, and tools used for skill development for funding intermediaries and/or organisations. Proposed evaluation indicators: percentage of enterprises with women CEOs and/or at least one woman in their founding team; level of funding to those enterprises; percentage of women holding decision-making positions in funding organisations and assessment committees. At the same time, funding organisations could be encouraged to further standardise their criteria for assessing and selecting supported enterprises, in order to avoid basing their decisions on traditional preconceptions and social stereotypes.

4

**Establishing a pan-European network of** gender-conscious investors.

5

**Establishing cooperative investment funds by women** business angels or investment funds targeting gender inclusion. Establishing structures to support women who wish to become investors.

6

**Designing policies to enhance women's participation** in employment: lower taxes for the second earner in the household, employment protection, training and life-long learning in STEM sectors. Designing and implementing policies to promote the equal sharing of care responsibilities within the family, and the reconciliation of personal/professional life of women entrepreneurs. These policies would not only apply to the general institutional level but to the individual players in the business ecosystem; especially those entities that are active in the non-financial support of women entrepreneurs would do well to structure the skill enhancement programmes they offer to beneficiaries in a way that ensures they are accessible to individuals with care responsibilities (inclusive selection of hours, childcare services, etc.).

7

**Promoting actions to enhance** networking, business training and support between women entrepreneurs (mentoring and sponsoring). Empowering and guiding women to prepare business plans, build up their confidence, handle failure constructively and make successful public presentations

are all deemed particularly important. Creating woman-centric incubators or accelerators, to implement this type of actions and programmes.

8

**Launching information campaigns** for the available funding opportunities, focused on new and ambitious women entrepreneurs. In this context, it might be useful for organisations which are not particularly trusted by women entrepreneurs and considered inaccessible by them (e.g. banks, VCs) to make a marketing move towards them, so as to overcome those prejudices.

9

**Promoting alternative sources of funding, from a communication and institutional standpoint;** such sources could be crowdfunding, micro-lending and social impact bonds, which are not as tied to standard preconditions, aggressive growth targets and personal biases.

10

**Promoting women entrepreneurs and investors as role models,** through relevant campaigns.

## — B —

**BEST PRACTICES FROM AROUND THE WORLD****EUROPEAN INVESTMENT BANK // Supporting banks for investments**

The European Investment Bank announced in 2019 that it will work with leading Greek banks to invest a total of 500 million euros in companies that actively support youth employment and the empowerment of women in the workplace.<sup>34</sup>

**ENTERPRISE IRELAND // Competitive start fund for female entrepreneurs**

The programme for the development of female-run start-ups provides up to 50,000 euros for a 10% equity stake in a business, as well as a wide range of other support services. The fund is released in two tranches: the first is released to the applicants who confirm additional new cash investment for equity of 5,000 euros; and the remainder is provided as the participants complete the relevant training, business coaching and networking support cycles.<sup>35</sup>

**THENEXTWOMEN // A network for bridging the investment gap**

This network provides access to training, capital growth and networking opportunities to female entrepreneurs and investors. It is a network of female entrepreneurs and investors that aims to build and support a strong community of women and drive cultural change. TheNextWomen Fund manages the network and provides a platform for female investors to jointly invest.<sup>36</sup>

**BLC BANK // Designing alternative products**

BLC Bank in Lebanon recognised that women entrepreneurs often lack the necessary property

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34 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

35 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

36 Skonieczna, A., Castellano L. (2020) [Gender Smart Financing Investing In & With Women: Opportunities for Europe.](#)

assets to start a company, and designed a collateral-free credit product. The product is available to all, men and women, but is more appealing to women and young entrepreneurs without previous experience.<sup>37</sup>

### **GARANTI BANK // A comprehensive support package**

The Turkish Garanti Bank created a package designed for women in any stage of their business course. The package includes non-financial services for building skills and empowering (networking events, training programmes, business awards), provided through strategic collaborations with NGOs, academic institutions and the media.

### **BULBANK // Targeted communication**

Bulgarian Bulbank has launched a marketing campaign entitled “Donna”, to promote financing and non-financing products to women entrepreneurs. In the context of the campaign, Bulbank built an all-female sales team, when it realised that female customers preferred to deal with managers of the same sex.<sup>38</sup>

### **WOMEN'S WORLD BANKING // Systematic research and collection of data**

Women's World Banking developed a framework of 5 indicators (financial and social performance indicators) which enables funding organisations to measure how well they are serving women, either customers or staff: (i) percentage of new women borrowers, (ii) average loan size per woman borrower, (iii) women borrower retention rate, (iv) women's portfolio at risk, and (v) women staff retention rates.<sup>39</sup>

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37 Berfond, J., Haas, E., Rodrigues, H. & Wahler B. (2014) [Global best practices in banking for women-led SMEs.](#)

38 Berfond, J., Haas, E., Rodrigues, H. & Wahler B. (2014) [Global best practices in banking for women-led SMEs.](#)

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**Metavallon VC**

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**Orange Grove**

**IOBE, Foundation for Economic and Industrial Research**

**SocialInnov**

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