Is fear of failure holding back women entrepreneurs?

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Event Coverage

Are would-be female entrepreneurs being held back from achieving their dreams by a self-limitation?

A recent debate in the European Parliament, hosted by the European Centre for Women and Technology (ECWT) in collaboration with The Parliament Magazine and members of the “We are shapers, we are doers, we are who we want to be!” ERASMUS+ / SIU project, heard that this ‘fear of failure’ is just one of several factors that prevent women from making a significant impact in the world of business.

A keynote speaker at the event, ECWT Member of the Executive Board, Dimitris Raftopoulos said, “Women need to challenge the deeply-rooted notion that they cannot be entrepreneurs that holds them back from taking that vital next step.”
He was concerned that many women who would like to start their own businesses were still discouraged by assumptions and a practice of experimenting, challenging old beliefs and limitations, and learning to re-iterate are critical to moving ahead. He said a survey of 500 women showed many complained about a lack of training opportunities deemed necessary to provide the skills needed to set up a business.

Raftopoulos is coordinator of the WaW project that seeks to support women in developing new types of business skills, including innovation and entrepreneurship and focussing on, for example, idea generation, problem solving, critical thinking, and cross- cultural communication skills.

The event, ‘From dreaming to achieving’ was hosted by Croatian MEP Biljana Borzan, who agreed that women tend to be more cautious than men when it comes to deciding about launching a business. However, Borzan who was S&D group rapporteur for a 2015 Women’s Rights and Gender Equality committee report on the external factors presenting hurdles to European female entrepreneurs, said “On the other hand during the economic crisis this kind of thinking saved many companies because women led their businesses through the economic crisis much more successfully than men did. They didn’t chew bite off more than they could chew.”

She added, “Two elements particularly struck me when preparing for this event. First is the fact that women tend to question their ideas more, are more cautious when taking business decisions and are unwilling to take risks when starting a business. And second is that even though women are more often successful in steering their businesses they face more difficulties obtaining loans and support. In the Women’s Rights committee report we stressed the need for better information and education and visibility of financial instruments and programmes.”

“Women need to challenge the deeply-rooted notion that they cannot be entrepreneurs that holds them back from taking that vital next step" ECWT Executive Board member, Dimitris Raftopoulos

Borzan also said more should be done to help address the work-life balance that she believes continues to hold back many female entrepreneurs. Borzan pointed out that she would bel paying particular attention to this issue as the Parliament’s newly appointed rapporteur on the financial aspects of work-life balance. She stressed the importance of education, saying that women, often because of stereotypes and the glass ceiling barrier choose sectors, such as education and community work, that are less profitable to work in.

“Science and technology are concepts that are still associated with men which makes these fields less attractive to women and results in innovations and inventions by women not being recognised or appreciated less.”
Some of her remarks were endorsed by Rotem Shneor, of the University of Agder in Norway, who spoke about the use of crowdfunding as a mechanism to fund new start-ups and enterprises. The academic said that, currently, men made better use of this tool than women but that it was a useful way of addressing current gaps in the market.

There are also major differences between member states, with the UK signalled out for praise as a crowdfunding champion. Encouraging women to get more closely involved in crowdfunding has the potential to open the markets in an unprecedented way for women but tackling this was just one of several issues to be addressed,” he suggested.

“Science and technology are concepts that are still associated with men which makes these fields less attractive to women and results in innovations and inventions by women not being recognised" Biljana Borzan MEP

Another speaker at the lunchtime roundtable was Denitsa Sacheva, deputy education minister of Bulgaria, which currently holds the EU Council presidency. She appealed to women who were considering starting a business “not to be afraid of failure”, adding, “Failure is as important as success.”

The minister told how she herself had suffered such fears when she launched her own business some years ago. She said, “I just did not believe I could do it. That was back in 2001 and, 17 years later, the business is doing very well, so I was wrong to feel that way.” She said, “The last 20 years has seen a lot of progress in this field. In Bulgaria, 32 per cent of entrepreneurs are women. But there are still problems and challenges to be addressed. It is important that women not only have access to funding in setting up a business but also access to training, including in remote areas where, currently, it is just not available. I strongly believe that digital literacy and financial literacy should go hand-in-hand.”

ALDE group MEP Nadja Hirsch agreed, saying that many women still had to settle for relatively low-grade jobs after starting a family. “In Germany, it is often the case that women become self-employed after becoming mothers. This is because reconciling work and family still seems to be quite difficult.” Returning women, Hirsch argued, often end up working on less important projects or are pushed towards working in an “internal” role because they are not as flexible as they were before they had a family. “And companies often do not accept this lack of flexibility.”

However, she said data showed that when women take the plunge and launch their own businesses they are invariably as successful, if not more so, than men. But, she said, “They still have to overcome a long list of problems, including lack of access to finance, red tape and, yes, that fear of failure mentality that still prevails.”

"It is important that women not only have access to funding in setting up a business but also access to training" Denitsa Sacheva, deputy education minister of Bulgaria

Addressing these and other related issues continues to be a priority for Commission President Jean-Claude Juncker, according to Lowri Evans, Director General of DG internal market, industry and entrepreneurship and SMEs at the Commission. “Entrepreneurship is a powerful driver of economic growth. We know that the European economy is reliant on the vibrancy of its SMEs”.

However, she said the EU specifically wants entrepreneurs to create small companies that can quickly become big ones. “The US is doing this a lot better than we are. And unless we crack this structural
problem we won’t be creating as many jobs as we need.” Evans agreed that too many women’s careers were stymied by a “lack of confidence and an overly conservative approach.”

She said, “This self-limitation is a woman thing and shows too many women in business still lack the confidence or means to scale up their businesses. Our data shows that women start smaller and they don’t have the same ambition to scale up and become big entrepreneurs.” She cited the ICT sector as an example, telling the 100-strong audience that in 2015 only 17 per cent of the 1.4 million involved in ICT training in Europe were female.

“If you are an aspiring businesswoman and you don’t have digital skills, then you are setting yourself up for failure. Within this there is a further problem that women represent fewer than 30 per cent of entrepreneurs in Europe. And this number has remained static for the last 10 years. Basically, our present policy responses are not moving the picture at all”.

"Too many women in business still lack the confidence or means to scale up their businesses" Lowri Evans, Director General of DG internal market, industry & entrepreneurship and SMEs

Evans noted several Commission initiatives designed to tackle several of the problems raised during the debate, but warned that there was a “structural problem” accessing business finance. “Access to finance is a generic issue at European level, but it is also a woman thing on top of it, for sure.”

In a Q&A session Madi Sharma, of the EESC, told the meeting that she fears “little had changed” in Europe in helping female entrepreneurs. Further contribution came from Maria Grapini, one of several MEPs present, who said that insufficient child care facilities in many member states was another factor in discouraging women from entering the business world.

Sarah Wagner, from Digital Europe, also spoke about the lack of role models for women, particularly compared with the US. She also suggested that special courses on risk taking in business could be introduced to the school curriculum to help young women who might be interested in starting a business.

Anthea McIntyre ECR Group coordinator on Parliament’s employment committee, who started a business in 1976 that is “still going strong” welcomed the comments on second chance saying, “Honest failure is something that we should recognise as being perfectly acceptable, because we all know that you cannot succeed every time, but we don’t want to put off people from ever trying.”

She said the one thing she wanted to see real change in was attitudes towards career counselling in schools arguing that girls were often pushed them towards stereotypical careers in the health and care sectors. “We know that Europe is crying out for engineers. You can be an entrepreneurial engineer. We need to encourage schools to talk about what opportunities there are and the idea of teaching entrepreneurship skills in schools I believe is really important”

Closing the discussion, Borzan said the event had been “inspirational” and she said, “ I will use many of the things I had heard today, in my work in the Women’s Rights committee in the future.”

About the author

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