

The gender gap in entrepreneurship 2021

Europe

The pandemic had a severe impact on women entrepreneurs

Dr. Carlos Morales
March 2022

Highlights

Overview 2021 - Europe

Male entrepreneurs outnumber female entrepreneurs

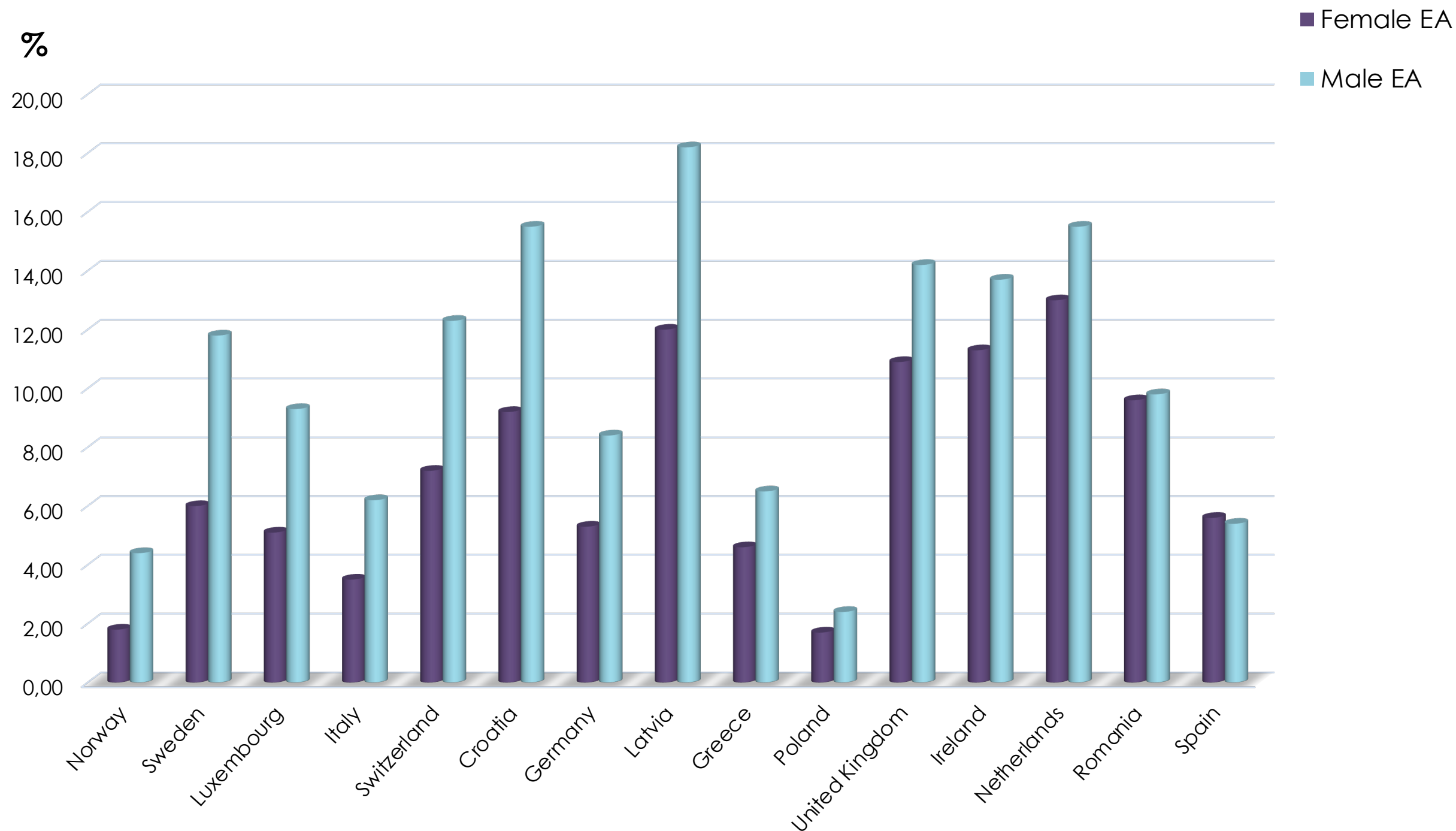
- With the exception of Spain, there is a gender entrepreneurship gap in all the European countries participating in the Global Entrepreneurship Monitor (**GEM**) 2021. On average, for each 100 male early-stage entrepreneurs, there were 70 female counterparts.
- The gender entrepreneurship gap in Europe (22 countries) is substantially larger than the gap in the USA, where for each 100 male entrepreneurs, there were 85 female counterparts.
- Spain is the only European country where there were slightly more women than men involved in entrepreneurial activity.
- Romania and the Netherlands have the smallest gap in entrepreneurship. Norway and Sweden have the largest.

2019 Vs. 2021

The COVID-19 pandemic has disproportionately affected female entrepreneurs as their firms tend to be smaller and younger

- A number of sources report that women founders are particularly affected by the pandemic. The combined effect of small-businesses vulnerability and the extra burden of family care and job requirements during lockdowns, hit mostly women entrepreneurs.
- The impact of the pandemic is different for the five biggest European economies. While the gender gap became larger in Italy, it remained the same in the Netherlands, and became smaller in UK, Germany and Spain.

Entrepreneurial Activity by gender – 2021



Countries ordered by the **size of their gender gap** in entrepreneurial activity, from the largest to the smallest.



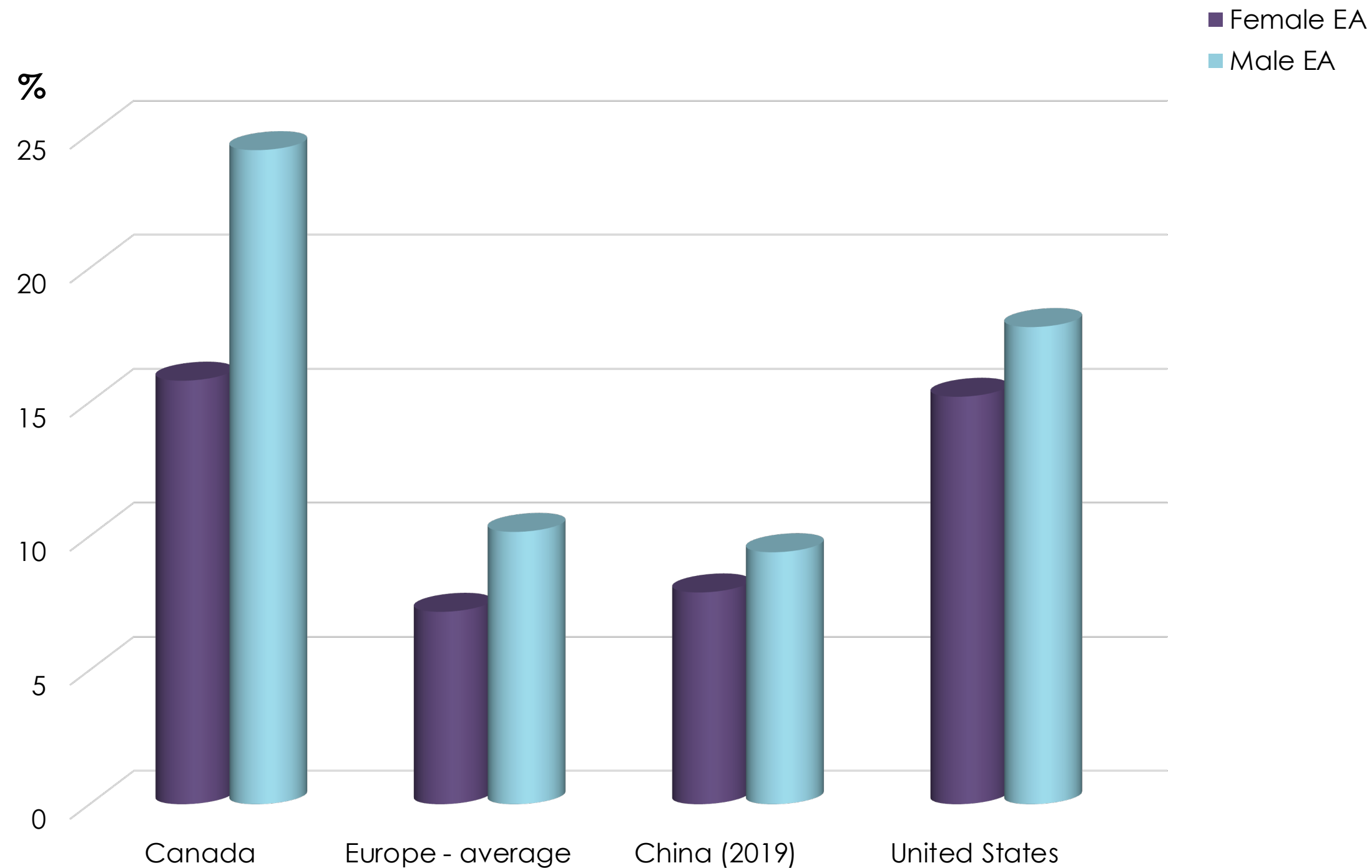
- Spain, Romania and the Netherlands show the smallest gap in EA in 2021.
- Spain is the only European country in GEM 2021 in which female entrepreneurs outnumber male entrepreneurs. For each 100 male early-stage entrepreneurs, there were 104 female counterparts.

EA – Entrepreneurial Activity - early stage split by gender 2021 15 European countries

Early-stage entrepreneurial activity: Percentage of 18-64 years old population who are either:

- a nascent entrepreneur or
- owner-manager of a new business

Entrepreneurial Activity by gender - 2021



- Out of the countries compared in this graph, Canada shows the highest percentage of entrepreneurial activity among its population and the largest gender gap.
- The average European gender gap is larger than the gap in China (year 2019) and in the USA.

EA – Entrepreneurial Activity - early stage split by gender 2021

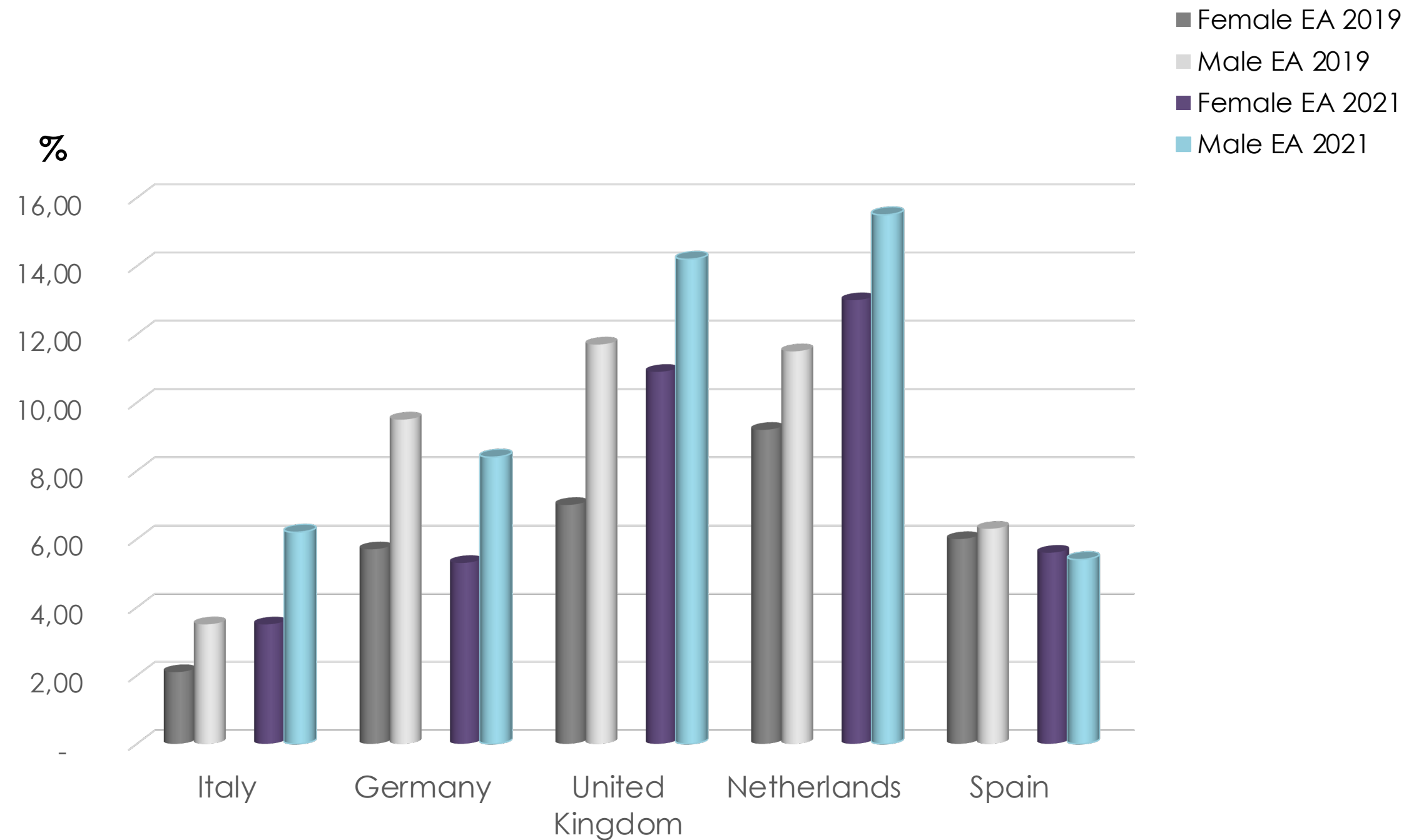
Early-stage entrepreneurial activity: Percentage of 18-64 years old population who are either:

- a nascent entrepreneur or
- owner-manager of a new business

Countries ordered by the **size of their gender gap** in entrepreneurial activity, from the largest to the smallest.

Data source: Global Entrepreneurship Monitor

Entrepreneurial Activity by gender – 2019 Vs. 2021



- The comparison between 2019 (pre-pandemic) vs 2021 (a pandemic situation), shows a different picture for the biggest European economies.
- While the gap became larger in Italy, it remained the same in the Netherlands, and became smaller in UK, Germany and Spain.

EA – Entrepreneurial Activity - early stage split by gender 2021

Early-stage entrepreneurial activity: Percentage of 18-64 years old population who are either:

- a nascent entrepreneur or
- owner-manager of a new business

Countries ordered by the size of their **2021 gender gap** in entrepreneurial activity, from the largest to the smallest.

Data source: Global Entrepreneurship Monitor

Technical note

Data Source:

The Global Entrepreneurship Monitor (**GEM**) carries out research on entrepreneurship and entrepreneurship ecosystems around the world. GEM provides highly reliable multi-country data about entrepreneurial activity. www.gemconsortium.com

Definitions:

- *Early-stage Entrepreneurial Activity*: Percentage of 18-64 years old population who are either
 - a nascent entrepreneur: a person actively engaged in setting up a business
 - owner-manager of a new business (up to 3,5 years old).
- *Total early-stage entrepreneurial activity* per country is the **average** of male and female early-stage entrepreneurial activity.

Page 4 – European average

Calculation made with all the European countries included in the GEM 2021: Belarus, Croatia, Cyprus, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Luxembourg, Netherlands, Norway, Poland, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

Page 5 – Five biggest European economies

- Graphs in page 5 report information about the five biggest European economies measured by their GDP (World Economic Outlook – International Monetary Fund, 2021).
- GEM data for France is not available for the year 2019, so France was not included.

Data availability:

Graphs present the latest available GEM data: for all European countries, year 2021. For China, 2019.

Düsseldorf, March 8th 2022

References

- Global Entrepreneurship Monitor GEM (2022).
 - *Global Reports: 2019/2020, 2020/2021, 2021/2022*
 - *Special Topic Report: Women's Entrepreneurship 2020/21 Thriving Through Crisis*

<https://www.gemconsortium.org/>

- International Monetary Fund (2022). World Economic Outlook Database. October 2021 edition

<https://www.imf.org/en/Publications/WEO>

Some additional sources reporting on the impact of the pandemic on female entrepreneurship.

- Connected Commerce Council (2021b). Digitally Driven/Europe. European small and medium-sized enterprises (SMEs): transformation, innovation, and resilience during the COVID-19 pandemic. Connected Commerce Council and Google.

<https://digitallydriven.connectedcouncil.org/europe>

- Elam, A., & Brush, C. (2020). DIRI COVID-19 Pulse Surveys for Women Entrepreneurs. Diana International Research Institute at Babson College.

<https://www.babson.edu/media/babson/assets/cwel/DIRI-COVID-19-Pulse-Survey-Results.pdf>.

- Manolova, T., Brush, C., Edelman, L. & Elam, A. (2020). Pivoting to stay the course: How women entrepreneurs take advantage of opportunities created by the COVID-19 pandemic. *International Small Business Journal: Researching Entrepreneurship*, Vol. 38(6) 481–491

<https://journals.sagepub.com/doi/10.1177/0266242620949136>

- OECD (2021). Women's entrepreneurship and COVID-19: Ensuring the gap doesn't grow

<https://www.oecd.org/cfe/smes/inclusive-entrepreneurship/womensentrepreneurshipandcovid-19ensuringthegapdoesntgrow.htm>

Dr. Carlos Morales

Founder: www.carlosmorales.de

Co-founder: Expats & Spouses Monitor www.expatsmonitor.de

Honorary Senior Lecturer: University of Sussex Business School

cm@carlosmorales.de