

FEMALE-LED BUSINESS AND ACCESS TO CREDIT IN GERMANY

di STEFANIE LAMMERMANN*

Over the years, self-employment and entrepreneurship have become more and more attractive job options for German women. Today 30% of business starters are women¹. Although this is not a very high percentage compared to other countries as for instance the US, it still represents an increase compared to the years before (e.g. in 2000 only 27% of entrepreneurs were female). However, a major challenge for female entrepreneurs in Germany remains their access to finance. Only 33% of women start with the support of a bank loan (compared to 50% of men)². External funders such as private banks, but also public development banks seem reluctant when it comes to financing women. One major reason for this is that -generally speaking- female-led enterprises show specific characteristics that are not favoured by banks: they are often relatively small entities, operated on a part-time basis and/or without previous business experience... In fact, 70% of all women start as solo-entrepreneurs and women more often than men work in in part-time self-employment (62% of part-time self-employed people are women). Moreover, women more often start out of economic inactivity (25 % of women compared to



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16% of men)³. Therefore, microcredit can be a powerful solution, especially for female business starters. Microfinance institutions offer lower loan amounts, alternative collateral arrangements, flexible repayment plans and innovative lending models. In addition, most often, business support such as training and business plan advice are provided. In Germany, since 2004, Deutsches Mikrofinanz Institut (DMI) is the national network of microfinance institutions (MFIs). DMI currently brings together 61 MFIs that provide microloans up to 20,000 Euro (average loan size: 6,000 Euro) to people who are excluded from bank finance, with a special focus on women, young people and migrants. The MFIs do all the client support from the first contact till full repayment of the loan, while due to banking monopoly the bank gives out the microloans. Since 2010, already more than 12,000 German entrepreneurs have received microloans under this cooperation model. Out of

these, 32% were women. Although this is in line with the national part of female entrepreneurs, it could still be higher, when we act on the consumption that microfinance is especially well adapted to women's needs. Moreover, most of the microloans are provided in sectors where many female-led businesses can be found such as services, retail trade and food & beverage.

In order to investigate ways to increase outreach to female entrepreneurs DMI carried out two studies in the course of 2012⁴. They bring forward specific recommendations for MFIs as well as policy makers. First of all, it seems that MFIs do not necessarily need to offer specific loan products for women, but rather provide flexibility and adapt their marketing to be geared to the specific sectors and living conditions of women. A successful experience already exists: in 2010 a specific loan for women entrepreneurs in the health and care sector was developed and marketed accordingly: the GeSo loan. The design is based on the assumption that many women, especially those setting up out of economic inactivity, do need small sums at the beginning and do not have any guarantors. Thus, to receive a GeSo loan no guarantor is required, but it is enough to bring in a recommendation/reference from a friend or business partner. The loan volume is capped to 3,000 Euro, but can be combined with a "normal" microloan to increase the final loan sum.

Such initiatives are already accompanied by other measures such as close cooperation between MFIs and female business support centres and promotion of more female role models. However, in order to facilitate access to finance for women, it will not be enough to sensitise MFIs with regard to gender, but also convince researchers and policy-makers of the need to further support women's business.

Germany has already done a step in the right direction by creating the National Agency for Female Business Starters (Bundesgründerinnen Agentur BGA) in 2004. However, much still needs to be done, especially when it comes to child care facilities, research or availability of gender-disaggregated data. In order to support businesswomen, a stronger policy for female entrepreneurship will be needed in the future -

with measurable and time-bound goals and backed by sufficient funding. Through its advocacy activities DMI is working in this direction in order to support more women when it comes to starting up and growing their business.

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NOTE:

¹ Institut für Mittelstandsforschung Bonn, <http://www.ifm-bonn.org/>

² Agentur für Gleichstellung im ESF, „Gender-Aspekte in der Existenzgründung“, January 2010

³ *ibid*

⁴ Deutsches Gründerinnen Forum e.V. (DGF), „Gründerinnen und Mikrokredite – ein Ländervergleich Polen, Italien, Deutschland“, April 2012 and Weibernetzwerk eG, „Mikrokredite für Frauen – Praxiserfahrungen mit dem Mikrokreditfonds Deutschland und Handlungsempfehlungen“, April 2012



Imprenditoria femminile e accesso al credito delle donne in Germania

di STEFANIE LAMMERMANN*

In Germania il fenomeno dell'imprenditoria femminile è in aumento. Tuttavia, l'accesso al credito delle donne rappresenta ancora un ostacolo. Infatti solo il 33% delle donne iniziano le loro attività imprenditoriali con il supporto di un prestito bancario contro il 50% degli uomini. Questo è dovuto in parte dalle caratteristiche delle imprese al femminile che sono spesso di piccole dimensioni, gestite con lavoro part-time e senza esperienza previa. Il microcredito, con i suoi prestiti di entità minore, senza la necessità di garanzie e combinato ai servizi di accompagnamento, può essere una soluzione.

Deutsches Mikrofinanz Institut (DMI), il network nazionale che raggruppa 61 istituzioni di microfinanza (IMF), ha lanciato due iniziative di ricerca per investigare modi di aumentare la prossimità delle IMF alle imprenditrici donne che, al momento, costituiscono il 32% della loro clientela. I risultati delle ricerche hanno evidenziato che le IMF devono aumentare la loro flessibilità, adottando strategie di marketing mirate alle imprenditrici donne e ai settori in cui operano, e l'esigenza di promuovere iniziative di policy a supporto dell'imprenditoria femminile.

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