



# Exchange of good practices on gender equality

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# Encouraging Female Entrepreneurship: comments paper from Lithuania

Daiva Repeckaite  
Independent consultant

## Introduction

Lithuania enjoys lower gender pay gap than the EU average, and women are slightly better represented in top management positions and business, compared to many other EU countries. Nonetheless, the same issues of labour market segregation, stereotypes and unequal access to resources block further progress of building a gender-equal society. Gender pay gap in Lithuania is 12% (2013), compared to 16% across the EU. Yet women are underrepresented in high-growth business sectors, such as technology, logistics and the recovering construction sector.

Self-employed persons generally do not fall under the Law on Equal Opportunities of Women and Men. Self-employed persons are only covered by the pension insurance, whereas healthcare coverage is voluntary. The trend to address gender-specific challenges to women entrepreneurs is only starting in Lithuania, after many years of belief that a gender-blind approach will suffice.

## 1. Policy debate

### 1.1. Lithuanian initiatives

Initiatives to promote women's entrepreneurship are fragmented between the private sector and various government agencies, and even within the public sector they are typically placed under assistance to disadvantaged groups rather than promotion of innovation and entrepreneurship. The government has been implementing three consecutive national programmes on equal opportunities for women and men, the first one in 2003–2004, followed by 2005–2009 and 2010–2014. The current programme prioritises promotion of entrepreneurship in regions; reducing sectoral and occupational segregation by gender, and integrating gender equality into social partnership and social dialogue. The Minister of Social Security and Labour also launched an Action Plan for the National Programme of Equal Opportunities for Women and Men for 2010–2014. NGOs are another important actor, for instance, the Women's Issues Information Centre runs entrepreneurship-promotion trainings for women in peripheral areas or in disadvantaged situations, where self-employment could be a preferable option to waged labour.

As a recent evaluation of the measures supported by EU structural funds showed, most initiatives, supported by the structural funds (accounting for most of the public sector investment into women's entrepreneurship) were seen by policy makers as falling within the domain of the Ministry of Social Affairs and Labour.<sup>1</sup> In other words, the Ministry of Economy and other public bodies would be doing 'business as usual,'

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<sup>1</sup> Summary in English:  
[http://www.esparama.lt/es\\_parama\\_pletra/failai/fm/failai/Vertinimas\\_ESSP\\_Neringos/Ataskaitos\\_2012MVP/Lyciu\\_lygybes\\_ir\\_nediskriminavimo\\_vertinimas\\_SUMMARY\\_\(EN\).pdf](http://www.esparama.lt/es_parama_pletra/failai/fm/failai/Vertinimas_ESSP_Neringos/Ataskaitos_2012MVP/Lyciu_lygybes_ir_nediskriminavimo_vertinimas_SUMMARY_(EN).pdf)

and the funds managed by the Ministry of Social Affairs and Labour would work towards facilitating access to 'business as usual' for disadvantaged groups, including women.

On the other hand, the evaluation showed signs of increasing scope of learning and good practice exchange among various bodies. Soon after the evaluation, gender-blind measures in many institutions started giving way to measures that acknowledge multiple disadvantaged working against women in the world of business. For example, in late 2013, the Ministry of Economy started collecting and publishing success stories of women entrepreneurs<sup>2</sup>, and in May this year its entrepreneurship-promoting agency, Enterprise Lithuania, started training events specifically targeting women, with the involvement of academics and experienced trainers<sup>3</sup>. The immensely popular project "Create for Lithuania," which aims to attract Lithuanian emigres to apply their experience from abroad in the Lithuanian public sector, has also started favouring a gender-sensitive instead of the earlier gender-blind approach and promotes exchange of experience, coaching and confidence-building among women who are motivated to try entrepreneurship<sup>4</sup>.

In the private sector, the "Lithuanian Women Business Network" was initiated by the Association of Lithuanian Chambers of Commerce, Industry and Crafts in 2008. Members of this network include marketing consultants, magazine editors, top managers of textile and leather companies, hospitality and catering companies, travel and service enterprises, as well as entrepreneurial artists.

In 2011 The European Investment Fund and Šiauliai Bank signed an agreement under which 5 million euros were granted for crediting the micro-enterprises in Lithuania, with an explicit focus on women's enterprises. There are signs that mainstream entrepreneurship-promoting bodies are taking ownership of gender-sensitive measures, which used to be left in the domain of NGOs and the Ministry of Social Affairs and Labour. This turn has profound implications to the overall budget available for women's businesses: mainstream measures for facilitating economic growth and access to new markets still benefit from the lion share of government funding, compared to 'social' programmes which address disadvantaged groups. Women are increasingly seen as untapped potential for the Lithuanian economy rather than a disadvantaged group, which does not access mainstream resources due to non-economic problems (such as lack of confidence).

Despite the benefits of this growing awareness, there is a risk of new polarisation emerging: instead of the earlier division between mainstream gender-blind measures and 'social' measures, the new policy landscape may introduce polarisation between ambitious, already motivated women, and disadvantaged women, who were targets of entrepreneurship initiatives from the start. These two groups merit different approaches so that they do not overshadow each other.

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<sup>2</sup> [http://www.ukmin.lt/web/lt/verslo\\_aplinka/smulkaus-ir-vidutinio-verslo-politika/verslumo-skatinimas/sekmes\\_istorija\\_nr\\_1](http://www.ukmin.lt/web/lt/verslo_aplinka/smulkaus-ir-vidutinio-verslo-politika/verslumo-skatinimas/sekmes_istorija_nr_1)

<sup>3</sup> <http://www.versli Lietuva.lt/lt/renginiai/seminaras-savas-verslas-kas-kur-ir-kaip/4809/>

<sup>4</sup> <http://www.kurkl.lt/naujienos/509-interviu-su-guste-sadaunykaite-lietuvoje-moteru-verslumo-potencialas-yra-tiesiog-stulbinantis>

## 1.2. Comparison with the situation in the UK and Germany

The circulated papers show that the UK and Germany share some of the key issues with Lithuania in terms of mobilising support for women's entrepreneurship. On the other hand, there are inevitable differences, resulting from different governance models and focus areas.

To start with the contextual similarities, all countries have been struggling with the following challenges:

- Difficulties in involving private sector actors: while their involvement is certainly taking place, it is sporadic and barely coordinated with efforts within the public sector;
- Segregation: women are typically represented in particular types of business, such as micro enterprises in Germany, and underrepresented in businesses dealing with technological innovation. This trend has profound consequences for gender-sensitivity of the implementation of Horizon 2020, the EU's research and innovation programme, which pays particular attention to the involvement of SMEs;
- Intersectionality: women in peripheral areas experience multiple disadvantages. In the UK it is addressed by specifically targeting rural women.

The policy responses also show some similarities. For example, there is a trend to consider women's entrepreneurship to be a part of social affairs, particularly in Germany. The risk of lack of ownership of the gender equality cause in other governmental bodies is also coupled with the trend for the public sector to 'invent the wheel' with little utilisation of existing networks. These networks may exist at the initiative of companies (such as the ERSTE Group in other countries<sup>5</sup>), NGOs (such as the NGO-led initiative "Let's Do Business" in peripheral Lithuania), and business networks – with an understanding that their capacity and willingness to engage in outreach can be limited. This is particularly apparent in Lithuania, which does not have the British or German traditions of social dialogue and consultation. With project-based funding, mainly from the EU structural funds, transferability within the country is of key importance.

The main differences between Lithuania and the two countries discussed in this seminar are:

### Governance structure

Unlike the UK and Germany, Lithuania is a unitary state with very limited powers delegated to the regions and municipalities. This ensures more consistency in policy implementation, collection of statistics and reporting. There is no evidence to believe that centralisation has precluded region-specific responses to the entrepreneurship gaps, and there are various initiatives undertaken at the local level<sup>6</sup>. On the other

<sup>5</sup> <http://eige.europa.eu/content/vera-budway-strobach> and personal communication.

<sup>6</sup> E.g. this youth entrepreneurship initiative has taken gender equality issues on board in the North-Eastern town of Anykščiai:  
[http://www.anyksciub.lt/images/Dokumentai/numatomi\\_reng\\_skelbim/numatomi%202014/KVIETI\\_MAS%20%C4%AE%20SEMINAR%C4%84\\_MOTER%C5%B2%20VERSLUMAS\\_Anyk%C5%A1%](http://www.anyksciub.lt/images/Dokumentai/numatomi_reng_skelbim/numatomi%202014/KVIETI_MAS%20%C4%AE%20SEMINAR%C4%84_MOTER%C5%B2%20VERSLUMAS_Anyk%C5%A1%20)

hand, regional structures in Lithuania have been empowered by EU structural funds, and it is unclear whether these initiatives would continue without this funding.

Furthermore, it is untypical in Lithuania to appoint government officials for women's affairs. Women are rarely singled out as a group in governance structures – instead, there are gender equality units.

### **A related point is the dominance of EU funds in the promotion of women's entrepreneurship**

The use of EU funds should allow greater exchange of good practices. Yet at the same time the challenges for public sector funding are very different when it is obtained from predominantly national sources, as it appears to be in the UK and Germany, as opposed to EU sources.

### **Different intersectionality**

Whereas the UK and Germany are countries of immigration, with a pressing need to address gender-specific challenges to migrant entrepreneurship (which also relate to, for example, certification requirements for some business in Germany, which effectively deter migrants<sup>7</sup>), Lithuania is a country of emigration. As showed above with the example of “Create for Lithuania,” facilitating return migration is a political priority, while immigrants from other areas are few and usually not culturally distant. It is rather surprising that the papers on the promotion of women's entrepreneurship in the UK and Germany do not address migrant women's entrepreneurship. Research<sup>8</sup> indicates that entrepreneurship can be a vital strategy for migrant women to overcome multiple disadvantages, but migrant women are less inclined to stay in the 'ethnic economy,' more likely to create businesses at home, and to target clientele from outside of their co-national/ ethnic group, unlike migrant men.

### **Different traditions of social dialogue**

Whereas Germany has a long tradition of corporatism and the UK has a tradition of government-initiated consultations, social dialogue in Lithuania is not yet an established part of decision-making in most sectors. In fact, some social-partner-led initiatives, such as the Lithuanian Women's Business Network, have been partly inspired by sectoral exchanges with colleagues from abroad.

Overall, although the UK, Germany and Lithuania struggle with different challenges in relation to women's entrepreneurship, they share several important similarities: the pressing need to tackle horizontal segregation, inequality in access to resources, as well as emphasis on role models and ambassadorship. In each of these countries there is a patchwork of private, social-partner-led and government initiatives.

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[C4%8Diai\\_2014.07.23.pdf](#). In the same town, EU funds have also been used to create a business and arts incubator, which houses many craftswomen: <http://www.esparama.lt/projektu-naujiena?id=267218>

<sup>7</sup> Engelen, Ewald. “‘Breaking in’ and ‘breaking out’: A Weberian Approach to Entrepreneurial Opportunities.” *Journal of Ethnic & Migration Studies* 27, no. 2 (April 2001): 203–23.

<sup>8</sup> E.g. Light, Ivan. “Women’s Economic Niches and Earnings Inferiority: The View from the Ethnic Economy.” *Journal of Ethnic & Migration Studies* 33, no. 4 (May 2007): 541–57.

However, in Lithuania the bulk of the resources for promoting women's entrepreneurship comes from EU structural funds when more affluent countries need to raise their own funds for such initiatives. All countries would benefit from improved data collection, which is why this could be coordinated at the EU level.

## 2. Transferability issues

Some of the important take-away messages from the UK and German practices for Lithuania concern the ownership, inclusivity and approach of the practices discussed.

### 2.1. Policy ownership

It is a valuable practice in both the UK and Germany to have specialised ministries or officials at the ministerial level to deal with gender inequality. Lithuania, however, follows the mainstreaming approach and does not consider women as such as a vulnerable group: the idea of gender equality is more popular than targeted actions aimed at women, since Lithuanian legislation is very vague about affirmative action. The Ministry of Finance's evaluation, completed in early 2014, revealed that civil servants had rather limited knowledge about affirmative action and felt uncomfortable using it, because in their views it would contradict the principle of legal equality, which is in some cases understood as gender-blindness.

On the other hand, the Lithuanian Ministry of Social Affairs and Labour has taken leadership in coordinating inter-ministerial groups and promoting awareness of gender-related issues. It could consider applying the example from Germany in its activities, particularly with regard to publicity and promotion. As the German paper stresses, recognition and respect awarded to the responsible institution ensured smooth implementation of the practice.

### 2.2. Intersectionality

All the three countries recognise the importance of addressing the particular needs of women in peripheral areas. In the UK this merited special programmes, and in Germany regional social partners got involved. Since the traditions of social dialogue and governance structures are very different in Lithuania, compared to the federal states of Germany and the UK, Lithuania needs a different approach for empowering local authorities to liaise with social partners and existing businesswomen's networks. The Lithuanian Women Business Network could be vital in ensuring both transferability between public and private initiatives and regional outreach. The UK paper shows how micro-businesses have been effectively excluded from the practice, which is also a very pertinent concern in the Lithuanian context.

### 2.3. Approach taken

It is clear that both countries discussed place a strong emphasis on ambassadorship and role models. This is informed by many studies, claiming that girls and young women face a lack of role models to inspire them. However, what is not always

reflected upon is the question which role models, and why. The Scottish website has collected various stories of women in different sectors, but has not included ethnic minority women. The German approach is more focused and deals specifically with crafts, which may prove to be more effective in the country's highly specialised labour market. In Lithuania, successful businesswomen are already present in TV shows and mainstream media, where they talk about overcoming various obstacles. However, their expertise in the area is often overshadowed by the discussion of various social and family issues. The German approach, focusing on one specific segment of the labour market, could prove successful in Lithuania, where ongoing education reforms are also placing greater emphasis on vocational training and discouraging school graduates from choosing social sciences – an area where most women graduates concentrate.