



Exchange of good practices on gender equality

**Encouraging Female
Entrepreneurship**
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Encouraging Female Entrepreneurship

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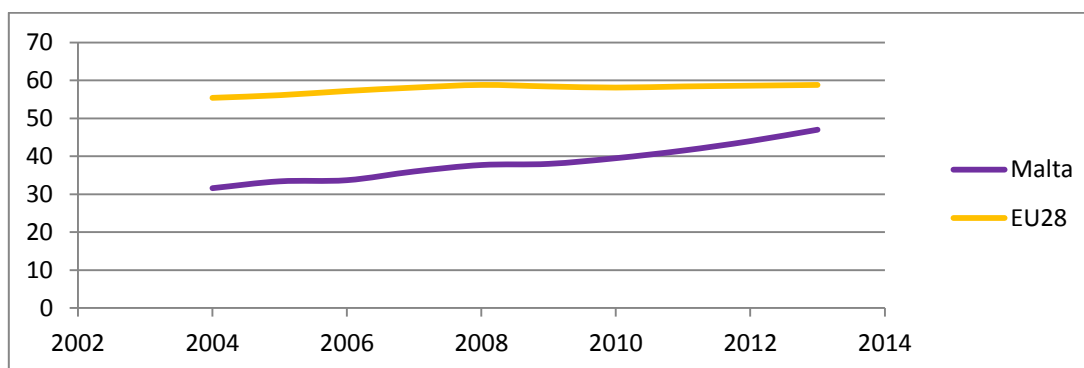
1. Women in the Maltese Labour Market

1.1. Introduction

Malta has the lowest female employment rate compared to the other 27 EU member states. However, the female labour market has been changing in the past years, where policies trying to attract more women in the market, as workers, employers or self-employed, have been put into place.

According to the latest Population Census 2011 (NSO 2014), the 15+ female population totals 179,752, of which only 65,071 are considered as employed (including 141 women who are either unpaid family workers or members of producer's cooperatives). A total of 4,444 females were seeking employment, while the remainder 110,237 were inactive. This means that only 36.2% of 15+ females were employed in 2011, with this increasing to 37.3% by the first quarter of 2014. The female employment rate (which considers the 15-64 age group) was 47.1% during Q1, 2014. Figure 1 shows the trend from 2004 to 2013 for Malta and EU28. This indicates that the increase is stronger in Malta, even if it remains relatively low when compared to the EU average, however, in the past few years it appears to be closing the gap since the EU average has remained somewhat stationary.

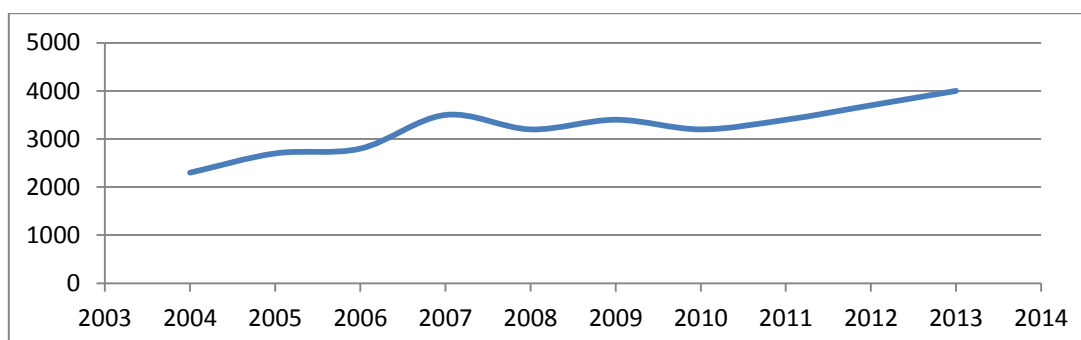
Figure 1 – Female Employment Rate, Malta and EU28, since 2004.



Source: Eurostat

Similar to other European countries, females do better in terms of educational achievement, in fact since the mid-1990s more females than males graduated from the University of Malta, the main university on the island. Female graduates during 2013 were 2,213, compared to 1,408 males. However, the island is somewhat conservative where the labour market is concerned with many women after childbirth, remaining at home to take care of their children. This is less likely with graduates, who are more inclined to return to their professional jobs and careers. But studies actually focusing on women entrepreneurs are limited.

Figure 2 – Women Entrepreneurs since 2004



Source: Eurostat

Data on entrepreneurship based on the Labour Force Survey may be under-represented and therefore have low reliability in the case of Malta, due to the small sample size, therefore the Census figures for entrepreneurs are being used. The 2011 census figure of 65,071 female workers is mainly made up of employed persons, leaving 1,381 as employers and 2,890 as self-employed, totalling 4,271 female entrepreneurs. The 2005 census provides the figure for women self-employed at 3,312, which shows an additional 959 or a 29% increase in just six years. Nonetheless, the 2011 figure constitutes 6.56% of total female employment, or a mere 3.09% of the female 15-64 age group. Based on Labour Force Survey data (Eurostat) the figure was about 2,300 in 2004 but has increased over the past ten years to over 4,000 women entrepreneurs, increasing especially in the past four years (see Figure 2). This increase can be strengthened through effective framework and support services, which appear to be somewhat lacking at the moment.

2. The Local Policy Debate

2.1. Introduction

This section looks at the institutional framework of the country, where both public and private entities were contacted in order to ascertain the level of support being offered to women entrepreneurs. Many political speeches acknowledge that Maltese women need support to encourage them to contribute more to the economy, and whilst some policies have been adopted, there has been/is no specific policy which targets the entrepreneurial spirit of women.

Interviews were held with several women regarding the policy debate in Malta and the role they expect governments to take in order to encourage more women entrepreneurs. Several government institutions were also contacted by email to check on existing policies, programmes or future plans within the context of encouraging more female entrepreneurs. The interviewees agreed that since there is a low level of females in the labour market, this fact indicates that women entrepreneurship is still further away. However, women often work in family businesses but are officially 'invisible' as the company is probably registered in the husband's or father's name. The culture is nonetheless changing and the outlook is different with the younger generation.

One main problem is that there is no database on women entrepreneurs. All interviewees agreed that while in recent years some progress has been made, there is still much to do. There is a need for more help especially to start-ups in the form of financial support, mentoring and networking; a change in the conservative banking system which often punishes females in terms of credit since these lack collateral, therefore forms of micro-investment are needed; and also support services for working businesswomen are unavailable, more work-life balance programmes need to be extended to the self-employed as well.

2.2. Policies, the Institutional Framework and Programmes

The main policy directly targeting women in general was in the form of a tax holiday for returnees to the labour market. More recently free childcare centres were introduced in order to mitigate the expense these constitute for women who wanted to continue studying or take up employment but found the costs related with childcare centres prohibitive. In reality this policy is aimed at both men and women. Policies encouraging entrepreneurship in the form of investment incentives or training also targeted both men and women. These latter policies are discussed in more detail below.

There is no specific Ministry which caters for women. However, the Ministry for the Economy, Investment and Small Business Portfolio has a Department dealing with 'Small Business and the Self-Employed', which could offer specific incentives for women entrepreneurs. The Ministry for Education and Employment also has the possibility to influence women in the form of specific training for female businesswomen.

Malta Enterprise is the main government entity which encourages investment projects, both local and foreign. When contacted to verify if any schemes have ever specifically targeted women entrepreneurs the answer was negative. The contact person pointed out that all their programmes were open to both men and women. Such programmes include: Enterprise Support (such as *MicroInvest 2014*, *Business Advisory Services*, *Business Development Scheme*); SMEs' Development; Research and Development; Training (*Get Qualified*); Access to Finance (*Micro Guarantee Scheme*); and Investment Aid. In 2012, the first one-stop shop for businesses was opened in Malta under the name of Business First (as part of Malta Enterprise), initially offering 50 services to facilitate daily business operations, ranging from tax formalities to licences to employments issues, with new services continuously being added. This programme is aimed to save time and other resources, particularly important for start-ups and SMEs.

The Employment and Training Corporation is the main government entity which deals with the registering of the unemployed, offers them the opportunity of training and the development of new skills for employability. In 2007 the entity published a booklet, the Entrepreneurship Manual, to encourage people to set up their own business, however, the person contacted confirmed that nothing specific to women was ever organized by the entity.

The National Commission for the Promotion of Equality, commissioned a report on women and men entrepreneurs in 2012 which provided for some gender differences. This study can be considered as the main study on women entrepreneurs. Men are more likely to take decisions more aggressively, are more adventurous and risk takers. Female decision-makers are more cautious, emotive

and take longer to consider and evaluate. There are certain economic sectors which seem less accessible to women: namely construction, real estate and transport/communications. The problems faced are access to finance, bureaucracy and fierce competition, whilst lack of awareness of support structures is an inhibitor.

In the same year, the National Statistics Office published a study on youth entrepreneurs (aged 15-24), who totalled 1,090 in 2011, 36.8% of which were females. Females were likelier than males, to be working part-time, less hours, be more skilled and work in the services sector. Over 70% of both female and male youth entrepreneurs only had a secondary level of education.

The University of Malta has a Centre for Entrepreneurship and Business Incubation which was officially set up in 2013, whilst other faculties also offer study-units in entrepreneurship education. The Centre has a programme in Technology Entrepreneurship. There is also a TAKEOFF Business Incubator, which acts as the intermediary between different stakeholders interested in business entrepreneurship, to commercialize innovative ideas and bring them to the market. It provides for mentoring to start-ups and even their 'adoption' by established entrepreneurs.

The Ambassadors in Malta for Increasing Women Entrepreneurs (AMIE) project, led by the Foundation for Women Entrepreneurs (in collaboration with the Malta Business Bureau, Reach Beyond Foundation, National Council for Women and the Malta Association of Women in Business) and funded by the EU, was intended to provide both information and training specifically to women so that they could be encouraged from a young age to believe in their own ability to run their own business. This created a Network of Women Ambassadors (forming part of the European Network of Women Ambassadors) with the aim of targeting specific women, such as the unemployed, students, and also women already active in the professions, to become entrepreneurs. The ten Ambassadors visited schools, and women associations, business chambers and associations, local councils and even the female prison, in order *"to act as role models to highlight women's ability to create a vision for themselves as entrepreneurs, as well as to raise the required motivation and self-confidence in setting up and creating a successful business."* (Malta Business Bureau 2011, p.27).

2.3. Recent Developments

The Malta College for the Arts, Sciences and Technology (MCAST) is the main post-secondary vocational education and training institution in Malta, having several links with industries and considered to be more hands-on. For this reason earlier on in January 2014, a Memorandum of Understanding was signed with Malta Enterprise (ME), for a joint project to provide MCAST students with several units at a nearby Business Incubation Centre, the main aim being to encourage entrepreneurship in final year students who have innovative ideas which can be commercialized. This is a novel idea of assisting and mentoring students to set up their own business, while actually still studying. MCAST has an entrepreneurship module across all level 6 courses, which module has brought students closer to the actual business environment. Apart from mentoring there is also assistance with intellectual property, CE marking, networking, and business links. A seed capital fund has also been created. Start-ups are provided with premises within the ME Incubation Centre. During the first months, 20 proposals were received, four of which have

been accepted and are in the process of commencing operations. Unfortunately whilst female students made enquiries, nobody sent in a formal proposal.

The Ministry for the Economy, Investment and Small Business (MEIB) in collaboration with the Ministry for Education and Employment (MEE) have a scheme, Training for Entrepreneurship, which is in its fourth year. This scheme provides grants to all schools (both primary and secondary, public or private) to fund projects dealing with Entrepreneurship Education. The aim is to encourage an entrepreneurial spirit from a young age. The first two years were more focused on the teachers and practitioners. The third year led to more networking between schools, local councils and business organizations in order to lead to public private partnerships. This year, the focus is on social entrepreneurship and cooperatives. Ninety proposals out of 124 have already been accepted.

3. Transferability Issues

The two cases of good practices in the UK and Germany offer possibilities to other European countries, although they may be more applicable in certain states than in others, because of existing structures and size of countries.

The setting up of a Women's Business Council in England in 2012 and a Collaborative Women's Enterprise Framework and Action Plan in Scotland in March 2014, allowed for organizations to advise government on the way forward for female entrepreneurs. A study revealed that skills, confidence and access to finance, were the three main problems preventing more female entrepreneurship. The advice is to use education as a promoter for more entrepreneurial skills, increase the availability of role models, provide access to finance and promote support for women.

Malta has different organizations specifically focusing on women. One is the Malta Confederation of Women's Organization (MCWO), which was established in 2004 and incorporates 14 such organizations, totalling 24,000 members. There is also the National Council of Women, which has been in place since 1964 and has 30 affiliated organizations in Malta. Ideally and in order to be stronger, there should be one umbrella organization which merges all these entities together. This would provide women with a stronger organization with greater lobbying power and voice. However, attempts at this have failed up to now. Thus while the WBC would be a good idea, in the present climate, it is not possible to transfer the idea to Malta because of the existing competing organizations.

Germany presented a Roadshow, launched in April 2011, engaging various forms of media, to inform women in different regions with basic information on how to start and run a business in the crafts sector. This was done by showing the portraits of six female business owners. Several regional entities collaborated in the events.

This good practice is similar to the AMIE project described above where 10 ambassadors presented their stories to different audiences. However, I believe that more publicity could have been used to target a wider spectrum of women. Perhaps an amalgamation of the two projects would produce more results, engaging more media and perhaps also introduce tours not only through the chamber of commerce and women's organizations but also local administrative councils, regional councils and different levels of educational institutions. The transferability of this practice may be more possible, even though the audience numbers are smaller than in Germany.

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Entities referred to in the paper (some representatives interviewed)

Employment and Training Corporation - <http://www.etc.gov.mt/Index.aspx>

Foundation for Women Entrepreneurs - <http://www.women.org.mt/>

Malta College of Arts, Sciences and Technology - <http://www.mcast.edu.mt/>

Malta Confederation of Women's Organizations - <http://www.mcwo.net/>

Malta Enterprise - <http://www.maltaenterprise.com/en>

Ministry for Education and Employment –

<http://education.gov.mt/en/Pages/educ.aspx>

Ministry for the Economy, Investment and Small Business

<http://meib.gov.mt/en/Pages/Home.aspx>

National Council for the Promotion of Equality –

http://msdc.gov.mt/en/NCPE/Pages/NCPE_Home.aspx

National Council of Women of Malta - <http://www.ncwmalta.com/home?!=1>

National Statistics Office - <http://www.nso.gov.mt/site/page.aspx>

University of Malta - <http://www.um.edu.mt/>