

## Women Entrepreneurship: Problems and Means of Finance

George Magoulios, Dimitris Kydros  
Department of Accounting, School of Business Administration  
TEI of Serres  
E-mail: [magoulios@teiser.gr](mailto:magoulios@teiser.gr)

JeL Classification Codes: H81

### **Abstract**

*One of the obstacles women entrepreneurs face is their access to financing. As in the rest of the developed world, in the EU and Greece special financial tools were created, aiming at specific groups, in our case, women. This paper attempts to review relevant literature, to highlight the need for incentives to SMEs and in particular to women entrepreneurs, to list the financial instruments in the EU and Greece, which generally relate to SMEs, especially in women who own or will create a business. The specific financial tools to strengthen women's entrepreneurship in Greece, despite the steps taken in recent years, are still limited. Those tools are more or less the same for women as for all entrepreneurs.*

Keywords: funding, difficulties, entrepreneurship, women

### **1. Introduction**

In order to address with the high unemployment in general and especially women, as throughout the developed world, particularly so in the EU and Greece, special financial tools were developed. Those tools aim at specific groups, among them women. Self-employment and entrepreneurship in general and especially in women and youth, can only be an additional, alternative way to employment. It can assist, complementary to the basic and main forms of employment in various sectors of private and public economic activities, through economic growth and job creation as a key means of absorption of manpower and tackle unemployment. This view is particularly the case in Greece, where there is an increased propensity to entrepreneurship, with the self-employed to be a large percentage of workers compared to the other EU members and entrepreneurship being mostly necessity entrepreneurship.

This paper attempts to review relevant literature, to highlight the need for incentives to SMEs and in particular to women entrepreneurs and to discuss a listing of financial tools in the EU and Greece, which generally relate to SMEs, aiming especially in female entrepreneurship.

## 2. Literature review of international and European experience

The UN Economic Commission for Europe (UNECE), refers to the challenges that women entrepreneurs are confronted in OECD countries, in accessing finance. Women often have smaller amounts of personal funds available to start, have a greater need for external finance, but difficulties to obtain such financing. A serious lack of knowledge of women about their options and the cost of getting that information is also noted. Regarding banks, women may face explicit or implicit gender discrimination, and may be required to pay a higher interest rate or to provide increased guarantees. The need for funding for women entrepreneurs depend on several factors, including economic conditions in the area where they live, their personal and professional experience and their business objectives. Women entrepreneurs in rural areas and in urban area face very different challenges of financing. Commercial banks are usually wary of small businesses, considered to be high-risk borrowers. Women, who usually lack collateral, are particularly high-risk borrowers in most countries in the UNECE region. Initiatives from governments have become more frequent in recent years, but they are still not quite widespread. Canada and the United States offer some good practices. The U.S. provide women entrepreneurs with information and assistance in accessing public and private sources of funding through the Small Business Administration, the Office for Women's Business and other institutions at the federal level. They also provide funding for Centers for Women Entrepreneurs, many of which provide micro-credit or seed capital. Experience also exist from Finland, Israel, Poland and Slovenia, where government support has been developed in collaboration with women's business associations and other partners. Innovative measures to improve women's access to finance are developed by municipalities and local governments. The initiatives of civil society offer differentiated systems to improve women's access to finance. Some have established alternative sources of funding (cooperative banks, micro-finance programs and solidarity lending programs). Other initiatives offer programs designed to give women the tools and resources they need to gain access to formal financial sector, such as training, advisory services and cooperation agreements with banks. Some regional banks have developed special programs for women entrepreneurs (United Nations Economic Commission for Europe, 2004).

From the recording of experience, regarding issues of financing women entrepreneurs (OECD) in terms of what they women entrepreneurs believe with respect to banks, some of the views are: Banks do not know how to evaluate business plans made by women. Fear of rejection of their project and doubts about its support from the banks is expressed. They do not have enough knowledge of what is available. Women would like personalized support from financial institutions, advice, reliable and easy information and varieties of funding programs. In OECD countries there is a variety of means for different funding needs, such as international financial institutions (Inter-American Development Bank, World Bank), national public funds (loans with preferential interest rates, Finland) and local public funds, guarantee funds (France), micro-credit institutions (Norway, Sweden, Bolivia) banks (Australia, Ireland). Moreover, there exist venture capital funds, NGOs, business angels

(Women Angels), Cooperatives (Canada) and subsidies for start-ups (Ionescu Dina, LEED, OECD).

Academic studies in both Canada and the United States, have investigated the influence of gender on access to finance. With the exception of a study conducted by the Canadian Federation of Independent Business, which found higher rates of denial of funding to businesses owned by women, no significant differences were found among women-owned businesses and businesses owned by men (similar size, sector and age) regarding access to finance. The financial activities of women and men entrepreneurs in 2000 and 2001 support these conclusions. Women entrepreneurs were found to be less likely to approach financial institutions for funding during this period, mostly due to the fact that they considered that there was no need for external financing. Of the entrepreneurs who applied for funding, approval for women was as likely as men. The terms and conditions on the funding received was also similar for both women and men entrepreneurs. Women entrepreneurs use personal savings and personal credit more than men, even after the initial start up of their business (Carrington Christine, 2004).

The findings of another study on the financial challenges faced by women entrepreneurs in the U.S., show that women entrepreneurs around the world do not realize that they have equal treatment with men counterparts from banks or venture capital investors and that they receive the same level of reliability. Although previous studies showed that women in the United States have a perception that they face more difficulties in obtaining financing through traditional measures than their male counterparts, there is little empirical evidence to show whether women from other countries feel the same way. This study shows that non-American women have the same perception as U.S. women on the difficulty of securing financing for business initiatives (Duffy Jo Ann, ).

From the household survey from Eurobarometer (2007) for entrepreneurship, the key findings that emerged are: Women seem to be less attracted by the idea of becoming an entrepreneur. More men than women want to become entrepreneurs (39% of women compared to 50% of men). More women (66%) than men (57%) have never thought about setting up a business and more men (38%) than women (26%) believe that a chance to become entrepreneurs is possible. Gender differences in business behavior can be explained by different perceptions of attractiveness and difficulties of entrepreneurship (eg discouraging factors and barriers) that occur in men and women. Among the factors that encourage people to become entrepreneurs, women have a history of putting in order of importance the development potential of their personal interests and having an interesting job, having the freedom to choose the place and time and having better prospects for income. Regarding the factors that discourage entrepreneurship, women in order of importance indicate the uncertainty of a fixed income, the need to work for many hours and lacking of social security. Regarding the obstacles in becoming an entrepreneur, more women than men find lack of financing and lack of business skills as the main reasons why self employment is not feasible. Regarding access to finance, more women (77%) than men (73%) agree with the statement, "It's difficult to start their own business due to lack of available financial support". Women pay slightly more emphasis to the need for financial resources (83% of women compared to 78% of men). In business skills, more women (53%)

than men (43%) agree with the statement "should not start a business if there is a risk of failure."

Academic studies on reducing the causes of occupational segregation between the sexes, "promotion of women entrepreneurship in the areas of technology: good practice examples from EU and other countries", identified the main problems women face in general in the creation of their own the company as follows: Work experience before the project. Women are entering the enterprise with less administrative experience, training and skills than men. As for the economical obstacles, women are disadvantaged in terms of raising initial capital for business creation, since they use one third of the initial capital that men do, regardless of the sector. The assurances needed for external financing, which may go beyond the personal assets of women, create more difficulties in their treatment by banks and their entry in informal financial networks. The lack of access to such networks is a key factor to business success, access to information, advice and financing. Generally it can be said that there exists poor sense of confidence and lack of standards of female entrepreneurship (European Commission, July 2008).

In Italy, a study of Entrepreneurship and whether there is a difference between the genders indicates that a determining factor for the level of female entrepreneurship is the availability of funding. In general, the size and composition indicate that the seed capital available to female entrepreneurs is small. The issue of external financing is particularly important for high-income countries, where more and more women start businesses which are capital-intensive or belong in the technology sector. In Italy, despite the increased participation of women in the workforce and the availability of public funding to support women's entrepreneurship, the entrepreneurial gap between men and women is still high during the reporting period (2000-2005). Special legislation was introduced (215/1992) in order to promote female entrepreneurship and business development when women's presence is either global or strong. It focuses on manufacturing industry, retail, transport and tourism (Lotti Francesca, 2006).

Another survey in Northern Ireland regarding the obstacles in financing companies, noted that the task of identification and persuasion to attract suppliers of financial resources to finance a new firm is often the biggest hurdle faced by an entrepreneur. For banks, the concept of "discourage the borrower" is referred, i.e. a reliable person who does not apply for funding because he/she believes that he/she will be rejected. The findings show that this belief may be quite widespread. Moreover, this research has shown that some women perceive that, while banks are the main source of financing for entrepreneurs, the negative views on women business owners has resulted in lost business opportunities. Also, some evidence suggests that banks refrain from lending to high-tech firms because they pretend that they do not understand the sector and / or technology. However, in terms of acquisition financing, particularly from banks and development agencies, there may be a tension between innovation and risk, in the sense that everyone is talking about innovation, but are risk-reluctant (Hill Frances M., 2006).

In the new EU Member States, many women have turned to European funds managed by governments, since for many this is one of the few available sources of funding, through NGOs. Although organizations

may apply for large amounts of money, the application process is extremely complex, relating to administrative and bureaucratic requirements and procedures for allocating costs of the project are long lasting. Several women's NGOs have collapsed due to lack of sufficient funds, and many do not have adequate financial and administrative capacity for their projects (Lohmann Kinga, 2007).

In Israel, a survey on factors affecting the performance of women entrepreneurs has shown that the availability of sufficient seed capital is reported to be one of the most important factors affecting the success and profitability of new businesses. The majority of women entrepreneurs (76.4%) using only their personal savings as a source of funding for their businesses. Of these, 30% require little funding to start their business. Only 23.6% use other sources such as bank loans (Lerner Miri et al., 1997, p.315-339).

Women business owners in China also face problems such as lack of opportunities to enter the export and import markets, communication problems between state and private enterprises and pirated goods. Private Chinese companies (as opposed to national and foreign companies) face discriminations in accessing capital and investment security, while women entrepreneurs face greater difficulties than men (Kitching Beverley and Woldie Atsese, 2004).

In Greece, a study on the cooperatives of women showed that due to the small number of members, available funds may cover only some of their activities. While many cooperatives have received financial support from various local, national and community resources, very little is done for a good use of this support. According to the survey, 44% of cooperatives (40 participated in the survey) have taken advantage of EU programs (Integrated Mediterranean Programs, Leader, etc.), while 50% of them fled to their respective national programs (Employment Agency, Ministry of Labor). In many cases, the available funds could not cover the costs of participation in these programs. Only 6% of cooperatives resorted to loans from financial institutions. Due to low funding and because of their members' cautious attitude against loans, it becomes difficult to plan future activities. The fact that many cooperatives were created with the support from national or European projects shows that it is very difficult for them to overcome the "syndrome" of subsidies and to engage actively in promoting activities that will enable the financing of cooperatives (Koutsou Stavriani et.al, 2003, p.47-57).

From the general observation of trends in development of entrepreneurship in Greece, it appears that there exists a trend to entrepreneurship, with the percentage of self-employed workers in Greece to be very high compared to the other EU member countries. The overall entrepreneurship indicator shows Greece to be placed slightly above the EU average (5.8% versus 5.5%). However, Greece seems to have a disadvantage regarding the qualitative dimension of entrepreneurship, where weaknesses are identified mainly by the low number of necessity business, the large number of companies targeting consumers, the low degree of internationalization of businesses and the low prospects for job creation. More specifically:

Necessity Entrepreneurship total percentage achieves a high level of 28% of total businesses, compared with 18% at EU level. Regarding the type and quality of business, Greece has a relatively low ratio of high-potential entrepreneurship, which places it in the bottom

level in EU. In particular, from business ventures in Greece, only 16.14% can be classified as high-capacity (contributing to the expansion of markets, job creation, increased export-oriented country etc.) (NSRF 2007-2013).

In Greece, the indices for High Capabilities Entrepreneurship and Corporate Entrepreneurship (which reflect the degree of innovativeness of firms) are low. Comparative analysis place the country in the first position in the business self-employment level and in the seventh in terms of open capitalizing (use of stock market), 8th in share of new enterprises within the total, 6th in the overall "propensity to entrepreneurship" (above the averages of EU-15 and EU-25), 11th in 'giving birth to' business and 8th in the net rate (births minus deaths), last in terms of venture capital lending, 13th in public business services provided electronically, third from the end as to the total rate of corporate tax and the total expenditure on R & D as a percentage of GDP, and last in the percentage of turnover achieved by electronic commerce (BDP 2007 - 2013).

Exploring the extent of participation of women in all of two distinct groups of entrepreneurs (employers and workers on own account) in Greece, shows that women sum up to 1/4 of the total. It is clear that female entrepreneurship is far lower compared to the entrepreneurship of men, while also showing large inter-district differences (NSRF 2007-2013).

Some of the leading problems regarding the financing of the Greek SMEs can be summarized as follows: Restricted use of bank loans or other forms of financing, indicating the weak investment support the Greek institutional framework provides to SMEs. Failure to respond to requirements and eligibility criteria for funding. Limited degree of utilization of EU and national technological development and training programs (Magoulios G., 2006).

### **3.SMEs, the need and the types of incentives**

Small and Medium Enterprises (SMEs) play a central role in the European economy. These businesses are a major source of jobs, business dynamism and innovation in the economic environment of their countries.

In the report of the EIM (2009) for the structure and development of small and medium enterprises in the EU the main conclusions are as follows: The EU non-financial businesses counts more than 20 million businesses, of which more than 99% are SMEs. Of these, the vast majority (92%) are micro enterprises with fewer than 10 employees, meaning that the typical European enterprise is a very small company. Two-thirds of the total private sector employment belongs in SMEs. Micro enterprises appear to have a propensity to invest which is significantly higher than the average non-financial businesses. In a globalized economy, with large multinational companies in offshore-oriented production and employment in low labor costs, SMEs are a major source of job creation. Moreover, they serve as a key channel of dissemination of knowledge and innovation. Since SMEs are more dependent on external funding sources, it seems likely that the current financial crisis will have a rather strong impact on them (EIM Business & Policy Research, 2009).

Access to adequate financing is the second biggest problem after the administrative and regulatory burden faced by SMEs in the EU (following in rank: taxation, lack of skills, access to public procurement, unfair / too strong competition, labor law, accessing market, access to EU programs, late payments, etc.). Investors and banks are reluctant to finance new businesses or new SMEs, given the risks that such a funding entails. Since financial markets failed to provide SMEs with the funding they need, the European Commission has developed and funded a variety of tools, such as guarantees, to facilitate bank lending to SMEs. It also facilitates investment in venture capital to SMEs (European Commission, 2008).

The dominance of necessity entrepreneurship in Greece does not diminish the importance of the need to enhance businesses' access to financial resources and tools. Institutions with significant and lasting presence in other countries, such as Venture Capitals, have recently developed in Greece. In the country, there exist a limited number of Venture Capitals, which are an important driver in developing new high-risk companies which have no history, fact that places Greece as 18th between the EU-25. An important part of the financial tools available to businesses, come from the CSF Operational Programs (Sectoral and Regional). Recent research by GEM (Global Entrepreneurship Monitor) shows a strong tendency for both financial contributions from friends and family, and their involvement with the company. The average investment from these sources is about 40,000 Euros. Support from bank loans accounts for larger investments (in the order of 90,000 Euros). The problem of funding seems to be higher for entrepreneurs seeking funding above 150,000 Euros (NSRF 2007-2013).

Total state aid in Greece accounts for 0.22% of GDP (2003) against 0.40% on average in the EU-15 and the rate of decline of aid was the fastest of all countries except Ireland and fifteen times the EU-15 average, in the period 1999-2003. From twice the average of EU-15 in 1992, the percentage of GNP allocated to aid is now in Greece 45% of the total EU average. Horizontal aid covers 97% of the total, compared with 79% on average in the EU-15, meaning that Greece is a country which lacks sectoral policies, unlike, for example Germany (horizontal aid is 73% of total), France (76%), Spain (63%) and Ireland (64%) (BDP 2007-2013).

Given the importance of SMEs and their contribution to employment in local, regional and general economic and social development in most developed countries, and in Greece, incentives are created to attract investment.

#### **4. Financial tools to support SMEs in the EU**

The consolidated Lisbon Treaty (Article 174) states that the Union, in order to promote the harmonious development of all members, develops and pursues its actions aiming at strengthening economic, social and territorial cohesion. The Union aims at reducing disparities between levels of development of various regions and the backwardness of the most disadvantaged areas. Article 175 noted that the EU supports the objectives of such actions through the Structural Funds (European Agricultural Guidance and Guarantee Fund,

European Social Fund, European Regional Development Fund), the European Investment Bank etc. The financial tools cover various needs of SMEs, either new or existing ones (European Commission, 2008). Table 1 lists the main EU programs for businesses in the current programming period (2007-2013), which relate to women entrepreneurs.

**Table 1: Programmes for EU firms, 2007-2013**

Program	Subject	Budget (million €)
LIFE +	Nature and biodiversity, environmental policy	2.100
Framework Program for Competitiveness and Innovation	Development-Employment, Entrepreneurship, Innovation, Intelligent Energy - Europe	3.600
Marco Polo II	Integrated transport systems, sustainable transport system	400
Seventh Framework Program for Research and Technological Development	SMEs through various programs such as: "Cooperation", "Ideas", "People", "Capacities"	48.500
Integrated Action Program for Lifelong Learning	LLP, special programs: Comenius, Erasmus, Leonardo Da Vinci, Grundtvig	NA
Erasmus for young entrepreneurs	Young entrepreneurs who wish to work in another EU country	4,3
Culture 2007-2013	Cultural cooperation projects in all artistic and cultural fields	400
MEDIA 2007-2013	Media	755
Joint European Resources for Micro and Medium Enterprises (Jeremie)	Improve access of SMEs to financing	NA
Joint Action to Support Micro-finance Institutions in Europe (Jasmine)	Improving access to finance for small businesses	50
Financing European Investment Fund (EIF)	Venture capital, providing guarantees to financial institutions that cover credits to SMEs	NA
Loans from the European Investment Bank (EIB)	Investment by SMEs	30.000
Support for internationalization of SMEs	Neighborhood Investment Fund (NIF), East-investment, EIA Loans for SMEs in Eastern countries neighborhood, Instrument for Pre-Accession Assistance (IPA), etc.	NA

Source: European Commission, 2009

### **5. Financial tools in Greece**

The main sources and means of financing investment and business in Greece (Table 2) are: The development law that subsidizes investments in existing and start-ups. The funding schemes, under the Community Support Framework (CSF 2000-2006 and NSRF 2007-2013), for companies or other entities. The Community Initiatives Leader, Interreg, Equal, Urban. The Greek Plan for Economic Reconstruction

of the Balkans (HIPERB) and the development law for investments in Balkan countries. The Guarantee Fund for Small and Very Small Enterprises (TEMPME) and the newly established Greek Fund and Enterprise Development (ETEAN). The equity investors, bank loans and stock, for large enterprises (Magoulios G., 2006).

**Table 2: Financial tools for firms in Greece, 2007-2013**

Financial instruments	Scope
Development Law	Investment Grant
NSRF (2007-2013)	Support programs for SMEs and women entrepreneurs
Community Initiatives Leader, Interreg, Equal, Urban	Strengthening public and private
Greek Plan for Economic Reconstruction of the Balkans (HIPERB)	Grant and private investments in Balkan countries
Guarantee Fund for Small and Very Small Enterprises (TEMP)	Provide loan guarantees for SMEs
Greek Fund and Enterprise Development (ETEAN)	Financing SMEs and sponsorship
Venture Capital (Venture Capital)	Equity participation and management of the company
Leasing (leasing)	Leasing of movable or immovable property under a lease
Stock Market	Raising funds for shares (large and medium enterprises)
Bank borrowings	Loans
Self-financing	Equity of firms or investors

### 5.1 The Development Law

The Development Law 3299/2004 (amended by Law 3522/2006), was replaced by the new development law 3908/2011, entitled "Strengthening of Private Investment for Economic Development, Entrepreneurship and Regional Cohesion". The new development law aims in promoting economic development in the country by creating schemes for investment, which improve entrepreneurship, technological development, business competitiveness and regional cohesion and promote the green economy, the efficient operation of available infrastructure and human resources development in the country. Within the Law, investment projects in all sectors of the economy are supported, except in areas excluded (e.g. the areas of steel, synthetic fibers, coal, shipbuilding and other activities). The projects subject to the provisions of the Act provide with the following types of grants: tax exemption, subsidy determined as a percentage of the cost of investment and leasing subsidy. All forms of aid can be provided individually or in combination, to the maximum percentage of the aid.

In particular, the aid rates, by zone incentives, will be:  
 In zone A, 15% for large enterprises, 20% for medium enterprises and 25% for small and micro enterprises. In zone B, 30% for large enterprises, 35% for medium enterprises and 40% for small and micro enterprises. In zone C, 40% for large enterprises, 45% for medium enterprises and 50% for small and micro enterprises.

Investment projects are divided into the following categories:

#### I. General Investment Schemes

- General Entrepreneurship, which includes all the projects that qualify under the provisions of the law and do not fall into another category. In this category enhanced tax exemption is provided.
- technological Development, which includes investment projects to technologically modernize businesses.
- regional cohesion, which includes investment projects in productive activities that utilize local competitive advantages, face local needs and address regional problems in environmentally sustainable technological applications, introducing energy saving technologies and use of water resources and contributing to environmentally friendly development.

#### II. Special Investment projects

Special projects are divided into the following categories:

- Youth Entrepreneurship, were projects submitted for the establishment and operation of small and micro enterprises where individuals who have not exceeded the fortieth year of age and engaged exclusively in the management of the company, participate with a percentage of more than 50% in the business,
- major investment projects, which are investment projects of at least fifty million Euros,
- integrated Multi-annual business plans, for investment projects regarding multi-annual (2-5 years) business plans, for companies whose lifetime exceeds at least five years after their establishment, of a minimum total cost of two million Euros, including technological, organizational and business modernization
- synergy and Networking, for investment projects submitted by synergy and networking schemes, aiming at implementing programs that either exploit competitive advantages of companies or use structures created by national and EU funding.

#### **5.2 Programs from the Guarantee Fund for Small and Very Small Enterprises (TEMP) and the new Greek and Entrepreneurship Development Fund (ETEAN)**

The newly established National Fund for Entrepreneurship and Development (ETEAN, 2011) addresses all types of businesses, particularly micro, small and medium-sized, newly created or existing, and has the following key objectives: promoting entrepreneurship, establishing new businesses, facilitate SMEs access to financial products and support openness. Through ETEAN, low and concessional loans to small and medium enterprises will be provided. Upon the startup of its operation, the following funds will be initiated: the "Enterprise Fund" for revolving loans to SME companies, the "Save at Home Fund" for energy-saving projects, the "ENALION fund" on fishing, the "Fund for Rural Entrepreneurship" and the "JEREMIE Fund", to finance new enterprises (YPAAN, 2010).

#### **5.3 The Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB)**

HiPERB is the first attempt in Greece, as a donor country, to incorporate individual development assistance initiatives into a single plan and thus promote a comprehensive development policy.

HiPERB, adopted by the Greek Parliament by Law 2996/2002 (GG 62/28-03-2002), undertakes project financing, investment plans and activities in the Balkan countries. It provides grants of about 550 million Euros. Through HiPERB, among others, a subsidy of 30% on the amount of investment will be provided to Greek enterprises implementing investment projects in these countries.

#### **5.4 Bank borrowings**

The policy review of EU institutions and Member States with regard to the role and contribution of SMEs and in particular their contribution to employment and local development, has resulted in enhanced access of SMEs to the banking system and modern financial tools. The banks offer to SMEs a range of financial products to exploit business ideas, for internal reorganization, for human resource development, for expansion into new markets, etc. However, in Greece the ratio of SMEs to the total remaining funding lags considerably with respect to the corresponding other euro area Member States (Greek Banks Association, 2008). An investigation on the websites of major Greek banks, has disclosed no financial instrument that specifically target women entrepreneurs. Hence, women entrepreneurs should use the financial tools provided for all other businesses. The main types of bank loans for businesses that relate to women entrepreneurs are: Loans secured by receivable notes (Factoring), loans guaranteed by stocks, loans secured over equipment, loans guaranteed by real estate, loans with credit limits, etc.

#### **5.5 Support Programs for SMEs and women entrepreneurs from the CSFs**

The OP of Competitiveness (2000-2006) funded existing companies for upgrading and modernization, as well as in establishing businesses. Examples of programs are: "Strengthening Youth Entrepreneurship", "Strengthening Women Entrepreneurs", "Enhancement of the competitiveness of micro enterprises in trade and services", "Get networked", "Get Certified", "Quality modernization of tourist accommodation", "Modernization of small and medium sized manufacturing enterprises", etc.

a. Program "Strengthening Women's Entrepreneurship", from Measure 2.8 ("Promoting entrepreneurship for population groups"), was financed by the OP of Competitiveness of the third CSF. The public subsidy was 50% of the total amount of the investment. Eligible costs for funding were: equipment, special facilities, internal redesign, advertising - promotion etc.

The results of the OPC (2000-2006) for supporting women entrepreneurs and women in general are as follows:

- Within the framework of Measure 2.8 "Promoting entrepreneurship population groups", women up to 55 years old were supported in order to start a business. Four notice rounds were addressed to the concerned group, gathering a total of 4529 proposals and funding 2854 business plans, with a total budget of 227 million Euros and 120 million Euros from public expenses. At the same time

an action was carried out in training on how to start a business for women entrepreneurs (640 recipients)

- within the action concerning the guarantees for businesses from TEMPME, according to the report- survey (2006) of the Fund, one out of five approved actions regarded the creation or development of businesses related to women entrepreneurs
- within the framework of the Action "Research Enhancement Program" conducted by the General Secretariat of Research and Technology and included the implementation of research projects that lead to train young researchers and acquiring PhDs, positive quota for women doctoral students was foreseen. 177 Projects are being implemented, in which the participation of women doctoral students significantly exceed 50% of all candidates.

b. Operational Program "Competitiveness and Entrepreneurship" (OPCE) 2007-2013.

The focus sectors of this program are manufacturing, research and technology, energy, tourism, culture, trade and consumer protection.

In manufacturing the specific aims, among other things, are creating a friendly and flexible business - work environment to encourage entrepreneurship, stimulate the internationalization of enterprises, improvement of quality of products and services, improvement of entrepreneurship by facilitating establishing new businesses, etc.

In research and technology, key objective is to promote innovation across all sectors as the key to the restructuring of the Greek economy and the transition to an economy of knowledge.

The strategic objectives in the energy sector, among others, are security of energy supply and further reduction of oil dependence by promoting natural gas and renewable energy, etc.

The main development objective in the tourism sector during the period 2007 - 2013 is the increase in demand and the quality upgrade of the country's tourism product and tourism services.

The main objective of interventions in the cultural sector is to improve the attractiveness of Greece, its regions and cities, with indicative targets the strengthening of the cultural infrastructure of the country (of archaeological sites and monuments, development of modern culture), development of services and high quality facilities, etc.

Some of the specific objectives in trade and consumer protection are to foster a favorable business climate, improving the quality of products and services, creating new and flexible financing tools for SMEs, etc.

According to the output indicators of OPCE, the quantitative targets that have been posed regarding businesses, include a total of 26,041 enterprises, of which 3018 (11.58%) belong in the tourist sector. Especially in tourist businesses, 28,650 beds are to be modernized and 5900 new tourist beds are to be created (Table 3).

**Table 3: Output Indicators of OPCE, 2007-2013, targets**

No	Output Indicators	Number
1	Existing businesses updated	7.154
2	Existing SMEs updated	6.970
3	Businesses generated by subsidized programs	1.270
4.	Businesses supported by programs	7.629
5	Tourism Investment Projects	2.983
6	Investment projects of special forms of tourism	35
	Total	26.041

Source: OPCE 2007-2013

c. Indicative Programs of the OP "Competitiveness and Entrepreneurship" for the Women entrepreneurship and SMEs.

Program "Entrepreneurship for unemployed women aged 22-64 "(2010)  
This program aims at unemployed women aged 22-64 years old, who initiate a new business. The aim of the project is to promote employment of unemployed women through financially supporting entrepreneurial initiatives. Priority is given to unemployed women, by granting unemployment, who will work in innovative industries.

Operational Program "Human Resources Development" (2007-2013)  
Key priorities of this OP, among other things, are upgrading of human resources, promoting entrepreneurship, creating new jobs and promote adaptability of workers, employers and businesses to maintain existing jobs and creating new ones by addressing structural problems in the labor market. In program "Human Resources Development", special interventions for women are provided.

The General Secretariat for Gender Equality, in order to support the employment of women, initiated project "Integrated Interventions for Women" with a total budget of 59 million euros in all rural areas of the country. The plan provides consulting, training and employment to 9018 women. So far, 7,199 unemployed women have benefited from consulting services, 4,324 unemployed women were placed in jobs, 555 women workers have benefited from the services of consulting, support and information, while 814 women have already benefited from training programs. Female entrepreneurship is supported by grant to 2,704 women, who wish to start their own business. The grant is 9,000 euro and especially for mothers with preschool children / infants and women who care for people with disabilities this grant covers the cost of nursery (European Commission, 2008).

## **6. Financing of SMEs and economic crisis**

The ongoing economic crisis has significantly affected the funding of operations in Greece, as in other countries. During the recent years of the crisis, there was a significant decline in growth rates of credit growth. Credit growth in the U.S., starting in 10% in 2007 (December), fell to 5.9% in 2008 (December) and -3.6% in 2009 (October). Similarly, the decline in euro area started from 13.5% to 6.9% and -2.2%, while in Greece from 26.1% to 15.8% and 5.9% during the same period.

According to a survey of the Foundation for Economic & Industrial Research (IOBE), two out of five businesses state that the economic

crisis has not affected their financing from banks. A highest rate was recorded in the services (50%), among the very large and small firms (53-54%). A strongly negative evaluation was noted in constructions where 70% believe that the crisis has negatively affected their financing. Overall, funding from banks has been judged as: more advantageous by 3%, unaffected by 41%, and worse by 56%. Two out of three companies (64%) identify the key problem of funding to be the reduction of liquidity of customers and suppliers. Financing difficulties identified are: reducing the liquidity of customers / suppliers (64.4%), higher borrowing costs (42.3%), refusal of banks to approve new loans (37.9%) and reducing the existing liquidity lines of credit (28.1%). Less negative is the availability and cost of borrowed funds to services. Services considered less negatively than other areas the availability and cost of borrowed funds (59%), a factor that also creates a bigger problem in micro and medium enterprises and lower in large firms. In particular, the rates per sector are: Industry 71.20%, Commerce 71%, Construction 65.50%, Services 59% (IOBE, Mckinsey & Company, 2009).

A survey of the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE) showed that 8 out of 10 companies, during the 2nd half of 2010, have not approached a bank for financing, but from the 20.1% of companies who tried, a mere of 31.8% of their requests was accepted. About 9 out of 10 companies believe that banks do not support efforts to assist small firms, but impose their own views and conditions. This discontent is also reflected in the fact that about 9 out of 10 companies (85.9%) prefer small businesses to be supported even if this could result in closing a bank. Finally, 6 out of 10 companies of the sample consider it necessary to create a strong state banking pillar that will promote development financing. These figures reflect a strong dissatisfaction and distrust of businesses regarding the operation of the banking system in Greece (SISME GSVEE, 2011).

Moreover, financing opportunities for companies are limited by delaying the absorption of available resources of the NSRF 2007-2013, which at the end of 2010 was amounted to only about 17% of the total EU funding of 21 billion Euros.

Public consultation which was launched regarding EU's new budgetary period 2014-2020, suggest a reduction of total EU funding for Greece. This reduction will result from reducing or freezing, as discussed, the budget, because of restrictive policies, reducing of funding for the Common Agricultural Policy, but also from the ranking of regions in advanced, intermediate and less developed, based on population and GDP, possibly leading to the exclusion of certain regions of Greece by the relevant funds. Moreover, during this new period, the European Commission plan to focus on investments that will contribute to long-term growth, thereby reducing the funding of small and fragmented businesses and focus on innovation, research and technology. These developments will worsen the financial conditions and reduce the available financial instruments to support entrepreneurship in general and women in particular.

## Conclusion

An overview of the related literature for financing female entrepreneurship suggests that one of the obstacles faced by women entrepreneurs around the world is their access to financing. The difficulties are more pronounced in developing countries than developed. The financial resources available, specifically designed to enhance women's entrepreneurship are limited even in developed countries, although with differences between them. One conclusion to be drawn is that the more developed a country is economically, socially and institutionally (in dealing with discrimination) the more resources are available to finance women entrepreneurs. Moreover, the problems of women entrepreneurs regarding their access to bank financial tools are even more pronounced in relation to other financial institutions. Even in developed countries financing women entrepreneurs is viewed with hesitation by banks. A review of the relevant literature shows no experiences in evaluating the efficiency and measuring the effectiveness of existing financial tools for female entrepreneurship, either from financial institutions or from women entrepreneurs.

Regarding the financial means to enhance women's entrepreneurship in Greece, despite the steps taken in recent years, these are still limited. Financial tools which can benefit women entrepreneurs in Greece are the same ones which support all SMEs. In particular, the banking sector does not appear to have specific financial products to support female entrepreneurship. Also in Greece there is a limited number of Venture Capital, an institution that was developed in the country recently. The available resources, specifically designed for women entrepreneurs, come mainly from the Community Support Framework (CSF 2000-2006, NSRF 2007-2013) and especially by programs to strengthen women's entrepreneurship, the OP Competitiveness (2000-2006) and OP Entrepreneurship and Competitiveness (2007-2013). In addition, women entrepreneurs have the ability to make co-financed programs aimed at SMEs in general in various fields and sectors of economic activity.

The reduction of bank credit expansion, the delay in absorbing NSRF 2007-2013 funds and the forthcoming reduction of the EU budget for 2014-2020, suggest that ongoing economic crisis and the policies and procedures dealing with management will exacerbate the conditions financing of SMEs and women entrepreneurs and reduce the available financial resources.

## References

- Business Competitiveness Operational Programme (BDP) 2007-2013.  
 Carrington Christine , 2004, Women Entrepreneurs, SME Financing Data Initiative, [www.sme-fdi.gc.ca](http://www.sme-fdi.gc.ca).  
 Chalevas Constantinos and Tzovas Christos, 2010, «The effect of the mandatory adoption of corporate governance mechanisms on earnings manipulation, management effectiveness and firm financing Evidence from Greece », *Managerial Finance*, Vol.36 No. 3, pp. 257-277.  
 Development Law 3299/2004 (amended by Law 3522/2006).  
 Ionescu Dina, Administrator, LEED (Local Economic and Employment development) Programme, OECD, «Financing women entrepreneurship: a global challenge OECD experience ', [www.oecd.org / ELS / leed .](http://www.oecd.org / ELS / leed .)

- EIM Business & Policy Research, 2009, First Section of the Annual Report on EU Small and Medium-sized Enterprises.
- European Commission, 2008, «European Network to Promote Women's Entrepreneurship» (WES), Activity Report 2007.
- European Commission, 2008, Think Small.
- European Commission, 2009, DG Enterprise and Industry.
- European Commission, July 2008, Evaluation on policy: Promotion of women innovators and entrepreneurship dg enterprise and industry.
- Hill Frances M., Leitch Clair M. & Harrison Richard T., 2006, "Desperately Seeking Finance? ' The Demand for Finance by Women-Owned and-Led Businesses ", Venture Capital, Vol.8, No. 2, p. 159 to 182.
- Lotti Francesca, 2006, «Entrepreneurship: Is There a Gender Gap? ».
- Greek Banks Association, 2008, "The contribution of the banking system in the Greek Economy."
- Greek Plan for Economic Reconstruction of the Balkans (HIPERB), Law 2996/2002 (GG 62/28-03-2002).
- IOBE, Mckinsey & Company, 2009, «Research: The Economic Crisis: Impacts and Responses in the business world."
- Duffy Jo Ann M., Zelbst Pamela, «Financial Challenges Facing Women Entrepreneurs: An Exploratory Cross-National Study ', www.dol.gov / wb / Media / Tconf GrWomen .
- Keta Western Macedonia, 2007, "Guide to business financing," p. 88-91.
- Lohmann Kinga, 2007, «Financing for gender equality and the empowerment of women in Eastern Europe », United Nations Division for the Advancement of Women Expert Group Meeting on financing for gender equality and the empowerment of women, Oslo, Norway 4-7 September 2007, EGM / FFGE/ 2007EP.13.
- Kitching Beverley and Woldie Atsese, 2004, «Female Entrepreneurs in Transitional Economies: a comparative study of Businesswomen in Nigeria and China ».In Proceedings Hawaii International Conference on Business.
- Law 3894 / 2010 (Government Gazette 204/02.12.2010).
- Law 3908/2011 (GG 8/01.02.2011), "Enhancing Private Sector Investment for Economic Development, Entrepreneurship and Regional Cohesion.
- Magoulios G., 2006, "Techno-Economic Studies of National and European funding programs, Ed. Cornelia Sfakianakis.
- Lerner Miri, Brush Candida, Hisrich Robert, 1997, «Israeli Women Entrepreneurs: An examination of factors affecting performance », Journal of Business Venturing 12, p.315-339.
- NSRF 2007-2013, Annex Socio-Analysis, Entrepreneurship - Innovation. OP of Competitiveness (OPC) 2000-2006.
- Operational Programme "Human Resources Development" 2007-2013.
- Regulation (EC) No 1081/2006 of the European Parliament and the Council for European Social Fund and repealing Regulation (EC) No 1784/1999, July 5, 2006.
- Koutsou Stavriani, Iakovidou Olga, Gotsinas Nicolas, 2003, «Women's Cooperatives in Greece: An On-going Story of Battles, Successes and Problems», Journal of Rural Cooperation, 31 (1), p.47-57.
- Survey Institute for Small and Medium-sized Enterprises GSVEE, Research - January 2011.
- United Nations Economic Commission for Europe series: Entrepreneurship and SMEs Access to Financing and ICT for women entrepreneurs in the UNECE region. Challenges and good practices, Geneva and New York, 2004.
- YPAAN, 2010.

**CVs**

Magoulios George

Associate Professor at the Department of Accounting, Technological Education Institute (TEI) of Serres, on the scientific subject International Economic Relations).

University degree in economics, Department of Economics, University of Macedonia.

Ph.D. in economics, Department of International and European Economic and Political Studies, University of Macedonia. Thesis "The economic role of Thessaloniki in inter-Balkan economic cooperation".

Kydros Dimitris

Lecturer at the Department of Accounting, Technological Education Institute (TEI) of Serres, on the scientific subject of Applied Informatics

University degree in Computers and Informatics Engineering, University of Patras.

Ph.D. in applied informatics, Department of Applied Informatics, University of Macedonia.