

Gender equality for SMEs' competitiveness and sustainability

Summary



EU Clusters Talks 10 January 2024, 8:30 – 9:45 CET





Gender equality for SMEs' competitiveness and sustainability

The European Cluster Collaboration Platform, on behalf of the European Commission, organises the EU Clusters Talk "Gender equality for SMEs' competitiveness and sustainability" on 10 January, 8:30 – 9:45 CET, to discuss the state of gender equality in the industry, explore concrete examples of gender equality plans at cluster and policy level, and hear about their impact in the regional innovation ecosystem.

Agenda of the meeting

Moderation: Chris Burns

- News from the European Cluster Collaboration Platform
 Nina Hoppmann, team member, European Cluster Collaboration Platform
- 2. Panel debate

Anders Olsson, Manager Research and Innovation, Region Värmland Lucia Seel, General Manager, Lucia Seel International Consulting Luis Goñi, Regional Strategy Director, Innovation Agency of Navarre SODENA Vera Weiß, Project Manager, Green Building Cluster of Lower Austria

- 3. Women TechEU

 Natalia Nowińska, Project Adviser, EISMEA, European Commission
- 4. Funding opportunities

 Nina Hoppmann, team member of the European Cluster Collaboration Platform

Key messages

- Improving gender equality in companies can help enhance innovation, competitiveness, and sustainability.
- Gender inequalities can differ according to company sizes, sector, and the regional economic structure.
- The inclusion of gender integration into smart specialisation strategies can support regions in addressing the issue.
- Clusters can offer trainings and workshops to raise awareness and capacitate companies in improving their corporate culture.
- The European Union offers a Women TechEU programme to support female-led deep-tech start-ups.





1. News from the European Cluster Collaboration Platform

Nina Hoppmann, team member, European Cluster Collaboration Platform

After the introduction by moderator Chris Burns, the following news items were presented:

- 1. United Kingdom joins Horizon Europe programme.
- 2. Application to take part in the Cluster Booster Academy is open until 12 January.
- 3. The next cut-off dates to host a "Clusters meet Regions" event in 2024 or 2025 are 31 May 2024, 30 September 2024, and 20 December 2024.

2. Panel debate

Lucia Seel introduced the topic of gender equality, particularly in the context of **business and corporate performance**. She referenced historical aspects of gender equality and cites data from the European Institute for Gender Equality. According to the 2023 Gender Equality Index, there is an average score of 70.2 points, indicating a significant gap due to intersecting inequalities, especially in power and decision-making sectors. The importance of gender equality in companies is linked to **innovation, competitiveness, and sustainability** in the market. International studies, including one from BlackRock, suggest that gender diversity, rather than the dominance of any single gender, leads to better company performance. Lucia Seel emphasised that the need for clusters to engage with this topic, as gender equality in companies provides certain **benefits**. These benefits include diverse perspectives, improved decision-making, increased performance and productivity, market responsiveness, enhanced corporate reputation, compliance with legal and ethical standards, and improved innovation, problem-solving, employee engagement, and morale. However, she acknowledged that SMEs often struggle to understand the business rationale behind gender equality and face challenges in implementing it.

Lucia Seel presented **two EU-funded projects**. DEBUTING supports businesses through clusters to increase their capacities and sustainability by adopting a culture inclusive of gender equality. This project involves policy learning, exchanging good practices, and joint analysis in workshops guided by experts. The ERASMUS+ initiative PENELOPE focuses on supporting cluster managers and SMEs with tools like handbooks and virtual platforms to implement gender equality practices. They can serve as a guide for SMEs looking to start improving gender equality practices.

Anders Olsson gave the good example of a wood processing company. This company has successfully implemented concrete goals for gender balance at all levels, including top management and production teams. They have also addressed practical aspects like changing rooms and appropriate clothing for both genders. He then discussed the **role of smart specialisation strategies** in promoting gender equality. In the region Värmland, gender integration is among the seven underlying principles. It needs to be addressed in all specific areas that define the smart specialisation strategy. The speaker noted the challenges in gender integration, particularly in training cluster organisations, staff, and reaching out to SMEs. He sees the need for change especially in top management. Additionally, **different sectors** vary in their approach to gender integration, with industries like manufacturing and energy being mentioned as very challenging. In contrast, the healthcare sector, dominated by women, intersects with the tech sector, where men are more prevalent.





Furthermore, Anders Olsson argued that gender equality is more than a justice issue; it's crucial for **political and cultural cohesion** in the European Union. By training teams in inclusion and gender equality, tensions between groups with different backgrounds can be reduced, leading to decreased political polarisation. This approach, if implemented on a large scale, can have a significant impact on European politics and culture, fostering better integration and understanding across different European regions.

Luis Goñi spoke about the case of the region of Navarra in Spain. Despite having numerous policies and incentives in place, including mandatory equality plans for larger companies and funding for smaller ones, Navarra still faces a significant gender pay gap, which is attributed to the **structure of the regional economy**. The manufacturing sector, which is prominent in Navarra, traditionally employs fewer women. Additionally, there is a lack of talent and skill shortages in the manufacturing sector, leading to the need to attract more women to these industries to fill these gaps. However, while companies have action plans due to legal requirements and incentives, actual changes in gender balance are slow. He mentioned a few success stories, including a micro-electronics company with balanced gender representation, led by a woman. Luis Goñi confirmed that certain sectors like food and biotech naturally have more women, whereas others like renewable energy struggle to attract female talent. As part of the DEBUTING project, they will analyse high-performing companies to understand what they are doing right in terms of gender equality.

Vera Weiß explained that a needs assessment carried out in companies in Lower Austria revealed a shortage of skilled workers and demographic changes posing challenges to these enterprises. The cluster team developed a **new work and corporate culture programme** in 2022, providing entrepreneurs and companies with inspiration and external perspectives to take proactive action in making their corporate culture more attractive. They conduct interactive workshops with an emphasis on effective communication with employees and competence analysis. The workshops also address the "Peter-Paula-Principle", which suggests that in traditional, rigid companies, people are often promoted to positions beyond their competence. This principle affects women, who may remain overqualified for their positions and underutilised. The team encourages participants to look for hidden talents ("Paulas") within their companies. To illustrate this principle, she gave one example from a wood processing company.

Closing the panel discussion, Lucia Seel spoke about the thread that **AI tools** could pose to gender equality. She gave the example of an Austrian public employment service tool which depicted biased gender stereotypes. She stressed the need for ongoing awareness and strategies to address these biases to prevent technology from perpetuating gender stereotypes and creating barriers to gender equality.

Regarding financing, Anders Olsen confirmed the low percentage of venture capital going to womenled firms and highlighted the success of accelerators in the bio-economy sector, where approximately half of the firms are led by women. Luis Goñi added the need to change the **framework and language** when discussing gender equality in business. He suggested using the language of competition, innovation, and business performance to highlight the better performance of companies led by women. Vera Weiß mentioned the importance of the **mindset**. Each individual copes with challenges and has privileges based on their gender, race, or other factors. Understanding diversity and the resulting dynamics in the workplace is key. The panelists agreed on the importance of showcasing good practices and the need for metrics to measure progress in gender equality.





3. Women TechEU

Natalia Nowińska, Project Adviser, EISMEA, European Commission

Natalia Nowińska introduced the "Women TechEU" scheme, an EU initiative supporting early-stage deep tech start-ups funded and led by women. Speaking about the general context, she highlighted a significant gender gap in the start-up ecosystem, with only 15% of high potential innovative start-ups being funded or co-founded by women, and just 6% created solely by women. Additionally, a vast majority (95%) of all venture capital funding goes to all-male founded start-ups.

The Women TechEU initiative is not just a matter of justice but also **economics**, as evidence shows that start-ups with women leaders or diverse teams outperform those led by men, generating more revenues, higher profits, faster exits, and higher valuations while raising less money. The scheme aims to tap into the untapped potential of female entrepreneurs, addressing the talent and diversity gap and the missed economic opportunities in the European tech ecosystem. The scheme, launched as a pilot in 2021 with a budget of 3.75 million euros, initially supported 50 women-led startups and expanded in 2022 due to its **success**. It offers **grants of 75,000 EUR** to support various business needs, along with empowerment through mentoring, coaching, and training provided by experienced entrepreneurs, investors, innovators, and senior managers. This support extends to areas such as pitching to investors, selecting advisory boards, and improving business plans.

Applicants and beneficiaries come predominantly from older EU countries and Nordic countries, with health and biotech sectors representing half of the funded projects. The portfolio covers a **wide range of industries**, including for example early cancer detection, cybersecurity, and energy. In 2024, the management of the scheme will transition to a consortium, which will allocate a significant portion of the 15 million euros budget for financial support to third-party women-led startups. The **first calls** under this new management are expected in early 2024. Natalia Nowińska closed by emphasising that this initiative represents a substantial effort to encourage and support female entrepreneurship in the European tech sector.

4. Funding opportunities

Nina Hoppmann, team member of the European Cluster Collaboration Platform

Closing the EU Clusters Talk, Nina Hoppmann shared the following examples of funding opportunities:

- 1. Call for proposals to promote gender equality; deadline 29 February 2024
- 2. Support to the implementation of inclusive gender equality plans; deadline 12 March 2024
- 3. Opportunities for SMEs: Calls from Euroclusters; published on <u>European Cluster Collaboration</u> <u>Platform</u>

