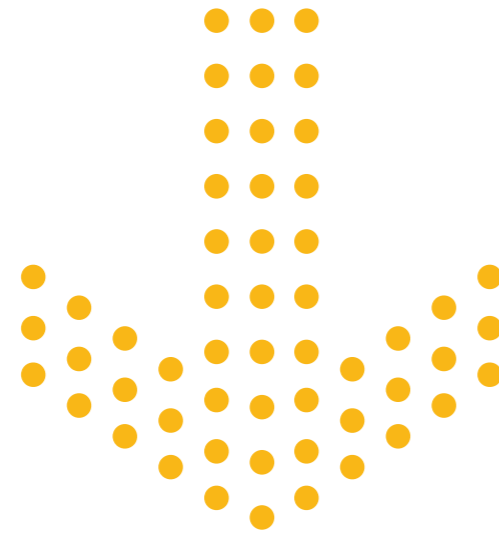


January 2024



Needs of and Challenges Faced by Ukrainian Female Entrepreneurs

in the Conditions of Full-Scale War



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The survey was conducted in cooperation with the Ministry of Digital Transformation of Ukraine, the Ministry of Economy of Ukraine, and the Entrepreneurship and Export Promotion Office.

The views expressed in the report do not necessarily reflect the UK government's official policies.

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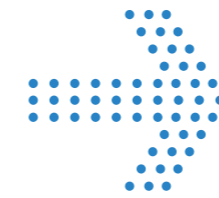
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Study Methodology

List of Acronyms

ATO	Anti-terrorist operation
CRM	Customer relationship management system
EntreComp	European Entrepreneurship Competence Framework
IDPs	Internally displaced persons
GEM	Global Entrepreneurship Monitor
MSMEs	Micro-, small-, and medium-sized enterprises
NGOs	Non-government organisations
PE	Private Entrepreneur

The purpose of this study is to describe the state of women's entrepreneurship (micro, small, and medium enterprises) in Ukraine. It incorporates an assessment of the needs of female entrepreneurs, including those from marginalised groups, and the challenges they face in their business activities. Several marginalised groups are considered in the study: women who are internally displaced persons (IDPs), women veterans, women with disabilities, and women doing business in rural areas. The study uses the principle of intersectionality, which allows for the consideration of multiple signs of vulnerability and their impact on the business environment. According to this approach, different characteristics can intersect with gender and with each other, creating multiple levels of discrimination and barriers.

There are four key objectives of the study:

- 1** To sketch a portrait of a Ukrainian female entrepreneur.
- 2** To find out about female entrepreneurs' understanding of gender equality issues and the prevalence of gender discrimination in the business environment.
- 3** To identify problems and needs in relation to starting and running a business, taking into account the specificities of marginalised groups of women and in relation to aspects of entrepreneurship such as accumulation of resources, interaction with the state, participation in business associations, acquisition of entrepreneurial skills, and promotion of exports.
- 4** To make recommendations to help improve the conditions for women to start and run a business.

Stages of the Study

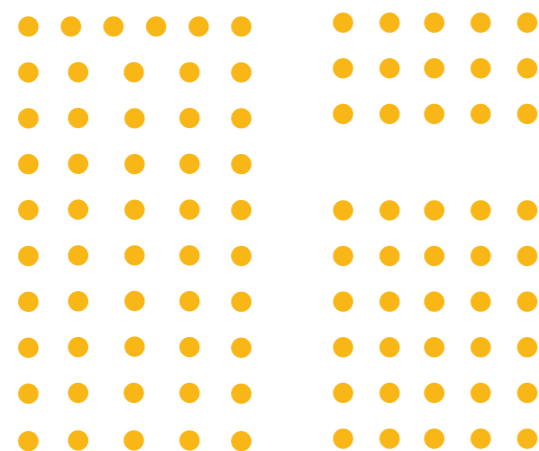


Phase 1. Desk Research

The desk phase of the study was conducted in June and July 2023. The purpose of this phase was to detail the research questions and provide a general description of the state of women's entrepreneurship in Ukraine. This phase involved the analysis of available statistical data, data from sociological surveys conducted in Ukraine, and the results of Ukrainian and international academic research on women's entrepreneurship.

A key limitation of the desk research phase is the small number of available Ukrainian studies on entrepreneurship

led by women and representatives of marginalised groups. Sociological surveys on the state of entrepreneurship rarely include clarifying questions about respondents' membership of a particular marginalised group, and sometimes do not even include a gender breakdown. These gaps make it difficult to analyse the current situation. To fill these gaps, international studies have been analysed, in particular those that contain data on countries that can be assumed to have a similar profile to Ukraine.



Phase 2. Individual In-Depth Interviews with Ukrainian Female Entrepreneurs

First, the research team conducted eight interviews with Ukrainian experts in the field of women's entrepreneurship and work with marginalised groups, with the intention of improving the research tools needed at this stage.

The purpose of the individual in-depth interviews (each lasting at least one hour) was to gather detailed information about the female entrepreneurs' motivations and experiences in starting their own business (including barriers and difficulties that were relevant at this stage), the problems and challenges they faced in doing business, and their needs and expected types of support. In addition, the research hypotheses to be tested in the quantitative phase of the study were finalised at this phase.

The target group of the study was female entrepreneurs doing business in Ukraine. A total of 23 in-depth interviews were conducted between 11 August and 15 October 2023, including with representatives of the following marginalised groups: internally displaced women, women veterans, women with disabilities, and rural entrepreneurs. Each of these sub-groups is represented by at least three interviewees.¹ The geography of the study

covered regions in the south, east, west, and centre of Ukraine.² The sample includes female entrepreneurs in the following sectors: services (tourism, insurance, beauty, catering, hospitality, education, maintenance), manufacturing (furniture, food, cosmetics/fragrances, clothing), and retail (furniture, clothing, leather goods).

To summarise the interview data we used thematic analysis, which involves the systematic coding of data, grouping related codes into themes, and refining these themes to gain a deeper understanding of the content. This enabled us to identify recurring ideas and concepts in the data.

To verify the data obtained from the in-depth interviews and desk research, an expert discussion was organised with representatives of international technical assistance projects, non-government organisation (NGOs), government agencies, and independent experts. The expert community suggested that the research methodology be expanded to include a focus group discussion method to gather additional information on gender biases faced by female entrepreneurs.

Phase 3. Online Survey of Female Entrepreneurs

The purpose of this phase was to summarise the findings from the previous phases of the study and to find out how widespread the identified problems and trends were among the target audience. The project team formed a sample and developed the research tools (a questionnaire with 30 content questions and a socio-demographic block). The target group of this survey was female entrepreneurs who have registered businesses and conduct business in Ukraine (excluding the temporarily occupied territories), business owners and co-owners, as well as entrepreneurs engaged in independent professional activities and registered as individual entrepreneurs.

The online survey ran from 8 October to 8 November 2023.³ To increase the coverage of female entrepreneurs from marginalised groups, information about the survey was

disseminated to relevant NGOs and international technical assistance projects.

The sample consisted of 476 female entrepreneurs. The survey managed to reach representatives of the following marginalised groups: IDP women (82 respondents) and rural female entrepreneurs (49 respondents). The survey did not meet the quotas for women with disabilities and women veterans: only 26 and four female entrepreneurs from these groups took part in the survey, which is insufficient for comparative analysis. The report uses data from the entire sample (476 respondents), except where specific groups are compared (such comparisons are accompanied by appropriate comments).



Phase 4. Focus Group Discussions with Female Entrepreneurs

At the final stage of the study, two additional focus group discussions (each lasting three hours) were held with female entrepreneurs in Kyiv and Lviv to obtain data on female entrepreneurs' perceptions of gender equality and ways to combat gender discrimination in the business environment. These discussions took place on 30 November and 1 December 2023.⁴

¹The fieldwork was carried out by the Ukrainian research agency Gradus Research.

²For the purposes of the study, the regions are divided as follows: South: Mykolaiv, Odesa, and Kherson regions; East: Dnipropetrovska, Zaporizhzhia, and Kharkiv regions; West: Volynska, Zakarpatska, Ivano-Frankivsk, Lviv, Rivne, Ternopil, and Chernivtsi regions; Centre: Vinnytsia, Zhytomyr, Kyiv, Kirovohradska, Poltava, Sumy, Khmelnytsky, Cherkasy, and Chernihiv regions, and the city of Kyiv.

³The survey was based on the Gradus Research online panel.

⁴The fieldwork was carried out by the Ukrainian research company InMind.

Key Findings and Recommendations



Findings

1. Portrait of a Ukrainian female entrepreneur.

The study identified a typical portrait of a female entrepreneur from each of the target groups of the survey. These portraits are based on the dominant characteristics observed in each group and the statistically significant differences that distinguish each group from the others. According to the study, the typical Ukrainian entrepreneur is a 36-year-old woman with about six years of business experience, who states that she started her business in search of opportunities to realise herself and her idea. The Ukrainian female entrepreneur is usually not a member of business associations and has a rather low level of trust in the state. Her business was founded using her own funds, and her interest and readiness to develop her business with the help of credit is rather limited. At the same time, the Ukrainian female entrepreneur tends to evaluate her entrepreneurial competence highly.

Separately, the study identified the typical characteristics of IDP female entrepreneurs, rural entrepreneurs, and entrepreneurs with disabilities. **IDP female entrepreneurs** have

a higher level of trust in the state and the highest interest in special credit programmes for women. This group is most interested in export development and participation in women's business associations. In addition, IDP female entrepreneurs most often report gender discrimination and face discrimination due to their displacement. **Rural female entrepreneurs** have the lowest annual business turnover, a higher burden of household and childcare responsibilities, a lower self-assessment of their entrepreneurial skills, a lower level of participation in training, and less awareness of business support programmes. Female entrepreneurs from rural areas do not see the benefits of participating in business associations and feel that business is more risky for them. **Female entrepreneurs with disabilities** are more likely to have been forced to start a business, as they face more barriers to employment. At the same time, such entrepreneurs have the oldest businesses (15 years and older).

2. The following factors contribute to the decision to start a business:

- 1 emotional and/or financial support for the family;
- 2 presence of female role models in business or in leadership positions among acquaintances;
- 3 availability of their own premises that could be used for business, or rented premises from a landlord whom they perceive as a reliable partner;
- 4 availability of specialists among acquaintances and/or friends who are ready to provide support within their own area of expertise (accounting, law, taxation, banking, etc.);
- 5 business education or basic knowledge and tools for doing business.

3. Gender (in)equality.

According to the study, it is difficult for women to identify manifestations of gender discrimination they face in their business activities. For female entrepreneurs, the fact that equal rights and opportunities are enshrined in law is mostly sufficient to assert the existence of gender equality in Ukrainian society and, in particular, in the business environment.

Female entrepreneurs point out that pressure stemming from gender stereotypes was particularly strong in the early stages of business development. Forming a stable circle of partners, gaining experience, and a

corresponding increase in confidence help to reduce this pressure and to develop more decisive and effective behaviour in response to gender discrimination.

Like the majority of working Ukrainian women, female entrepreneurs have a burden of housework and childcare, as well as caring for elderly relatives – the so-called 'second shift'. Only 43 per cent of the female entrepreneurs in this study have these functions and tasks evenly distributed, and only 13 per cent have them shared with their partners.

4. Problems and needs of female entrepreneurs.

Among the main problems identified by female entrepreneurs, the following came to the fore:

- Effects of the economic crisis (rising prices and exchange rates, low purchasing power of the population) – 44%;
- High competition – 31%;
- Frequent and unpredictable changes in legislation, government regulation, and the tax system – 28%;
- Possible interruptions in communication, internet, and electricity – 24%;
- Corruption and constant regulatory scrutiny – 20%.

Other issues in the top 10 include: difficulties in attracting customers; mobilisation and departure of staff abroad; and loss of key partners and suppliers due to high risks of instability. The issues listed above include those that were relevant to the business environment before the full-scale invasion, but there are also new issues that have arisen after the invasion.

The study also analysed in more detail the

problems and needs of Ukrainian female entrepreneurs in their relations with the state and state agencies, in attracting funding (in particular, grant programmes), and in engaging in decision-making processes.

The survey of female entrepreneurs revealed a low level of trust in the state, which was formed both on the basis of the experience of direct communication with representatives of state authorities and due to the specifics of legal regulation. That said, female entrepreneurs who are active users of digital business services or members of business associations have more trust in the state and a higher assessment of state support.

Financial literacy and reporting are the most popular requests for training that would help improve business. Other requested topics include: financial management and allocation; accounting and financial reporting; and business plan development and adjustment. Further important areas of development, according to the female entrepreneurs, are digitalisation of business processes, search and systematisation of information, and recruitment and management of staff.



5. Support programmes.

The results of the study show that female entrepreneurs may not see support programmes as a real opportunity for their business. The knowledge of the existence of support programmes does not create a feeling among female entrepreneurs that such programmes are available directly to them and are realistic. Grant support is perceived as primarily targeted at NGOs, which becomes a barrier to use and leads to the neglect of such opportunities. At the same time, female entrepreneurs generally do not have a strong understanding of the important role that micro-, small-, and medium-sized enterprises (MSMEs) play in the Ukrainian economy, particularly in terms of job creation. This leads to a strong perception that the state is not interested in the development of MSMEs, which increases the level of distrust in the state in general and may reduce the response to state support programmes.

6. Marginalised groups.

For women running businesses in rural areas, the most pressing problem is the lack of unskilled and skilled labour to run their businesses. This is because the general labour migration from rural areas seen in recent years has been supplemented by the mobilisation of men in connection with Russia's all-out invasion of Ukraine in 2022, as well as the migration of women within Ukraine and abroad. The limited access to resources mentioned above is a major constraint to the development of women's enterprises in rural areas. The issue of support in building relationships with local authorities is also relevant for this group.

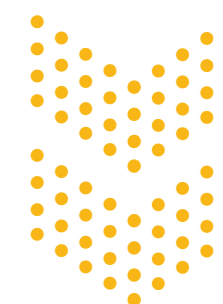
For **IDP female entrepreneurs**, it has been a challenge to re-establish or establish new supply chains/partnerships due to the war and resulting displacement. In addition, such businesses face additional obstacles in attracting external financing, as traditional ways of raising funds (borrowing from friends/relatives and lending) are difficult or impossible for them. At the same time, the mechanics of support programmes for IDP female entrepreneurs can

lead to increased social tension in communities between IDPs and local entrepreneurs.

The main dissatisfaction that **female entrepreneurs with disabilities** have in relation to the state is the lack of adequate support not related to their business, but primarily due to their disability (e.g. insufficient social benefits, poor medical support, inability to have a social assistant, carer, poor infrastructure, etc.). Disappointed with the state in this respect, these entrepreneurs are sceptical about the reality of state support at other levels, including in relation to business activities.

The study was unable to fill the quotas for **veteran female entrepreneurs** due to the ongoing hostilities and the active involvement of women veterans in the armed forces of Ukraine, as well as the objectively limited size of this group. The results of in-depth interviews with female veterans confirm the findings of Western studies that show that veterans can successfully convert their military

service experience into business management. The group of female veterans overlaps with the group of women with disabilities, and therefore women belonging to both groups face double challenges. The number of women belonging to these two groups will increase against the background of Russia's ongoing war in Ukraine, and this should be considered in the development of state support instruments.



Training Programmes

Training programmes should be targeted and relevant to the nature of female entrepreneurship. The training should be tailored to the needs of female entrepreneurs and develop specific skills, depending on whether a woman positions herself as a craftswoman or a visionary. To support their businesses, craftswomen need basic but comprehensive training programmes. The visionary group needs to develop strategic thinking and learn innovative approaches to doing business. Separate training programmes should be targeted at female craft entrepreneurs who have been running businesses for some time and who could potentially join the visionary group. Motivational trainings, platforms for sharing the experience of visionary female entrepreneurs, and mentoring support should all be essential parts of such training programmes (combined or not with grant support).

Access to Loans

Separate credit lines should be established for female entrepreneurs, focusing both on traditionally female sectors and on women starting or running businesses in predominantly male sectors. At the same time, it is important to protect the formal implementation of the targets from the re-registration of men's businesses to wives and other manipulative mechanisms.

Banks should be encouraged to issue loans to female entrepreneurs to start a business, including through a system of state guarantees for such loans (e.g. portfolio guarantees that cover the first 10–15% of a bank's losses on a portfolio of loans issued to entrepreneurs) or local authorities (through interest rate compensation for entrepreneurs doing business

in a particular region).

Training programmes and awareness-raising activities should be conducted for employees and management of banking institutions. These should aim at reducing the bias against female entrepreneurs and highlight the benefits that increased participation of female entrepreneurs in the lending system can bring to both the economy and the banking system.

Benefits (including tax benefits) should be provided for banking and financial institutions that have a high proportion of women in their management (at least 40%) and that have set and implemented targets for issuing loans to female entrepreneurs.

Grant Support Programmes

Support programmes should have a significant information component explaining the objectives and reasons for implementing a particular programme. There should also be separate messages for entrepreneurs who are not the target audience of such programmes (i.e. who cannot benefit from them), but who may see targeted support as a manifestation of injustice.

Information campaigns should also take into account the specificities of marginalised groups and tailor their messages accordingly.

The channels of information dissemination should be more targeted. These include: Diia.Business, email newsletters, telephone calls, offline and online meetings with the initiators and implementers of the programme,

dissemination of information through business associations and existing groups in social networks, availability of a hotline, etc.

It is recommended that grant programmes be combined with training. If resources are limited, this training may take the form of a short online course. Completion of such training may be a requirement for a grant application.

It is recommended that grant programmes for marginalised groups be combined with short psychological training.

It is recommended that separate training is provided for accountants working with or for women-owned businesses.

Opportunities to Participate in Tenders

A portion of the reconstruction-related tenders (both budget-funded and funded by donors and international partners) should be carried out by female entrepreneurs (with safeguards against manipulation). This can be done both directly and through the obligations of large companies that have won tenders to subcontract smaller campaigns led by women or marginalised groups to carry out part of the work.

The algorithms for checking companies applying for tenders should be improved

and their details communicated widely among female entrepreneurs, with clear and understandable explanations, as well as refuting myths about enhanced inspections of such companies.

It is also possible to introduce compensation programmes for entrepreneurs to participate in Prozorro.Market, which may be of particular interest to microbusinesses and become the first step in building experience in public procurement.



Communication with the State / Involvement in Decision-Making Processes

The infrastructure of information support for female entrepreneurs needs improvement, especially at the initial stages of business. Such support should include information on algorithms for interacting with government agencies, available platforms for obtaining advice (e.g. Diia.Business centres, hotlines, local support offices, NGOs, etc.), and advance notification of current support programmes. Basic information should be provided in the form of handouts (in electronic or paper form) when registering a business, including through the ePidpryemiec service. Information about support programmes can be provided either in the form of newsletters (using email or postal mail specified during registration) or using online tools (e.g. based on the Diia.Business online cabinet), where AI can be used to generate the most relevant information materials that are relevant to a particular user, taking into account gender, region, age, experience/term of doing business, membership of marginalised groups, etc.

Practices of systematic dialogue should be established between female entrepreneurs and local authorities. This could be through the creation of effective mechanisms of business councils, the introduction of quarterly questionnaires, the creation of support offices, and the post of business ombudswoman.

Government agencies should take a more active role in engaging female entrepreneurs in discussions regarding problems and their solutions. Such forms of engagement could include more active invitations to participate in meetings, roundtables, meetings with government officials, questionnaires, etc. It is unacceptable for women not to be represented at events, conferences, or debates organised by public authorities.

Changes in legislation that result in significant changes in business activities should be accompanied by consultations with female entrepreneurs, experts in the field, and women's business organisations, as well as further communication campaigns explaining the reasons for such changes and their impacts on female entrepreneurs.

Regulatory authorities should change the paradigm of their work and focus primarily on the service component, especially when working with representatives of marginalised groups, at least within the framework of individual pilot projects to improve the quality of service. Regulators should be empowered to take decisions under conditions of discretion in favour of the taxpayer. Reform of these bodies should include broad information campaigns aimed at changing persistent misconceptions of female entrepreneurs.

Development of Business Associations

We recommend the creation of more women's business associations, as well as the strengthening of existing women's business associations and business associations that actively involve female entrepreneurs in their activities, including through the creation of special grant programmes.

Education and training programmes should be improved through the inclusion of blocks that develop knowledge and skills in the formation of associations. This would include topics such as the role and function of business associations, associations' working methods, and ways of organising small local business associations.

Training and educational programmes should be implemented for the leadership and most active members of associations on advocacy and tools for establishing a dialogue between members within the association and a dialogue between the association and state and/or local authorities.

The system of involving entrepreneurs in decision-making processes through business associations needs improvement. State and local authorities should initiate pilot projects to engage business associations and trade unions in discussing the most important business-related issues, using various participatory tools (e.g.

town hall meetings, social audits, Chatham House discussions, question-and-answer sessions on the implementation of innovations, etc.) to form an understanding of the effectiveness of certain tools. Based on the results of the pilot project, it is expected that the involvement of companies and employees in the decision-making process will gradually increase.

A platform (e.g. based on Diia Business) should be created with information about existing business associations that allows users to follow the events they organise.



Information Campaigns

Awareness campaigns should be launched that help shape understanding of concepts such as discrimination, stereotypes, and gender equality. The correct interpretation of these concepts will allow women to more clearly define how their gender and social status can affect the development of their business. Such information campaigns should encourage female entrepreneurs to identify unequal starting opportunities and systemic obstacles as problems, i.e. encourage them to address the social status of women. An important element of the campaigns should be explanations of how to identify

manifestations of gender discrimination and what actions and responses are possible. To achieve this, such campaigns should be conducted in cooperation with business associations, NGOs, and other platforms where such discussions are possible.

There is a need to conduct information campaigns aimed at increasing female entrepreneurs' understanding of: 1) the role of MSMEs in the Ukrainian economy; and 2) the role of business associations and other unions in communicating with the state.

Supporting Entrepreneurs from Marginalised Groups

The integration of **female entrepreneurs with disabilities and women veterans** (including their involvement in decision-making processes) requires, first and foremost, coherent health and social security policies.

A key policy actor should be identified in the development of veteran-owned businesses that has sufficient expertise and resources to implement the most effective policies. Support programmes initiated by international and civil society organisations should unite their efforts around this actor.

Specialised support programmes need to be introduced for **women doing business in rural areas**. Such support programmes should include both training and resource components. The focus of such programmes should be to increase the well-being of the woman's household as a whole, i.e. stimulating business activity should be only one of the areas covered by such programmes. In parallel, it is proposed to introduce programmes aimed at increasing employment opportunities for members of rural communities to slow down the outflow of human resources from villages and towns.

Special support programmes for **IDP women** need to be set up, which should include psychological support and resource components. Such programmes should address the risk of increased social tension in host communities. To this end, it is proposed to develop comprehensive information campaigns that would target not only IDP women but also the local business environment. In addition, the introduction of local programmes that would stimulate interaction between IDP women's businesses and local businesses can help improve social inclusion.



Women in Business



Socio-Demographic Portrait of Ukrainian Female Entrepreneurs

Based on the results of the survey, we can describe the socio-demographic profile of the average Ukrainian female entrepreneur. She is a woman aged 36 (a significant proportion of female entrepreneurs – 39% – belong to the 35–44 age group). Ukrainian female entrepreneurs have at least an undergraduate degree (88%), with the dominant specialisations being management and administration (17%), mathematics, statistics and information technology (10%), and education (9%). Ukrainian female entrepreneurs live in urban areas (only about 10% of the female entrepreneurs in the survey sample both live and do business in rural areas). She is in a partner relationship (in an official or common-law marriage; 58% and 15%, respectively), has at least one child, and has an average of three people in her household.

Table 1. Social and demographic profiles of female entrepreneurs (n=476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
Aged 35–44	39%	42%	27%	33%	38%
At least undergraduate degree	88%	90%	87%	86%	77%
Residing in urban areas	90%	99%	93%	22%	73%
Married or in a common-law relationship	73%	73%	70%	78%	81%
Have one child under the age of 18	34%	33%	40%	33%	31%
Have a person with a disability in the household	21%	17%	26%	30%	58%

XX% – significantly higher than in the general group of female entrepreneurs,

XX% – significantly lower than in the general group of female entrepreneurs.

* Insufficient basis for analysis.

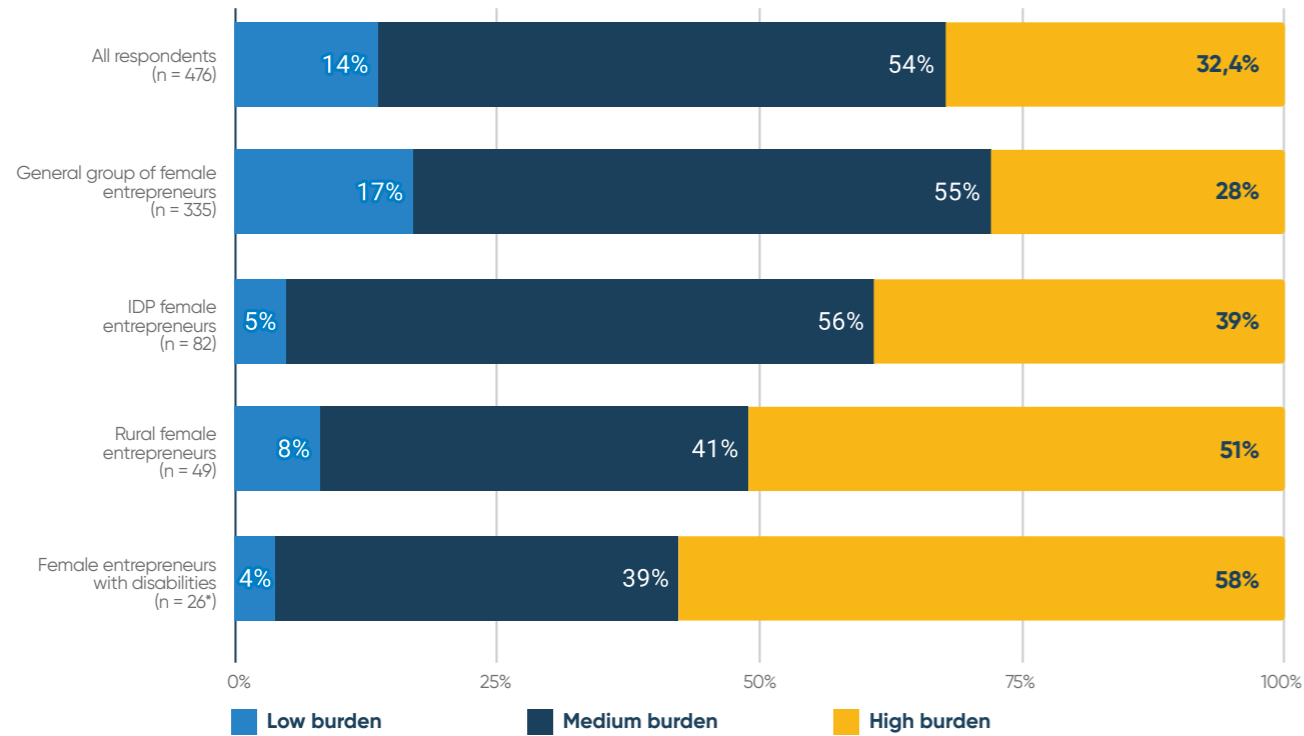
Female entrepreneurs can be divided into three groups according to the intensity of the additional burdens associated with household and family life. **The first group** is those women who have a low additional burden, i.e. there are no disabled people in their household, they do not care for elderly relatives, they do not have children or their partner or relatives are mainly responsible for raising children, and household responsibilities are either shared equally or are mainly the responsibility of their partner. The third group includes women with a high additional burden: they have at least

three children, or they have a child or other relative with a disability in their household, or they are caring for an elderly relative and are responsible for raising children. The rest of the women are in **the second group** and have an average burden. The distribution of female entrepreneurs by this parameter is as follows:

- 1) Women who have a low additional burden related to everyday life and family life – 14%;
- 2) Women with an average burden – 54%;
- 3) Women with a high burden – 32%.

Female entrepreneurs from marginalised groups often have a higher non-work burden.

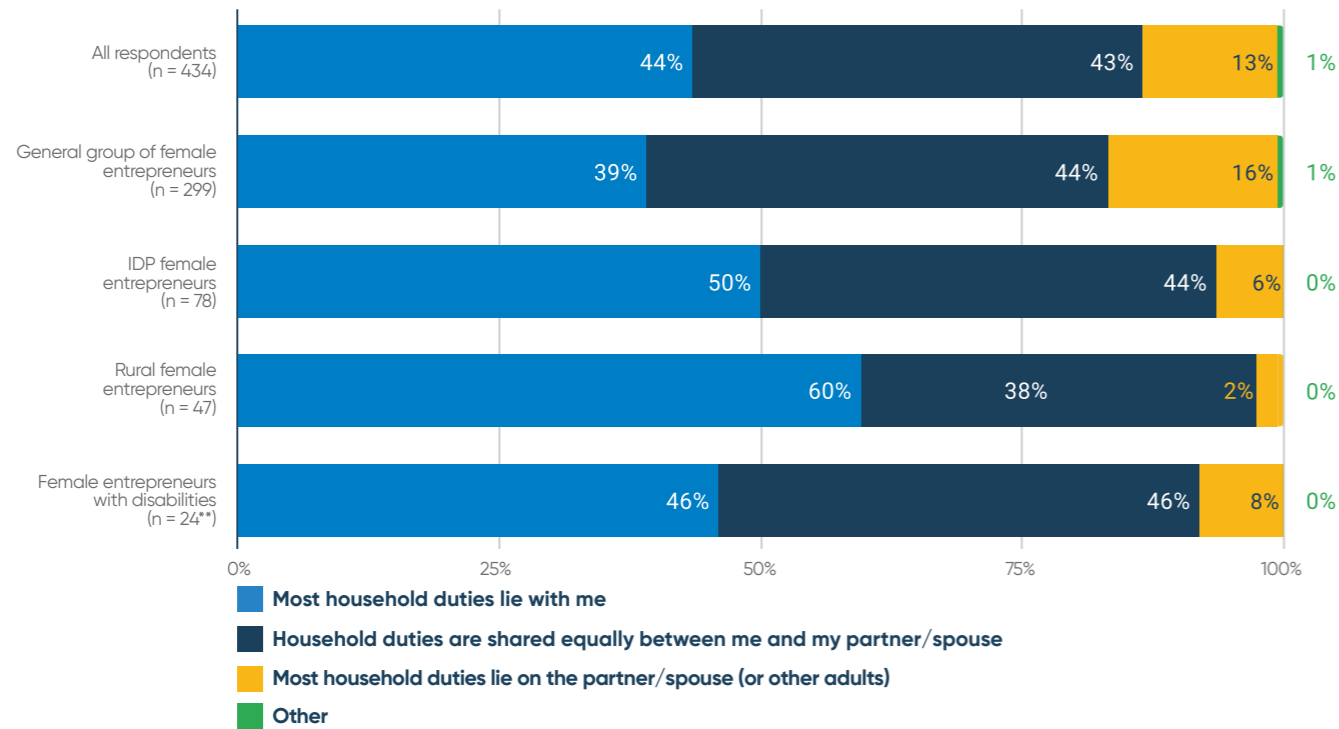
Figure 1. Level of burden of female entrepreneurs due to household duties and childcare by groups of entrepreneurs (n = 476)



* Insufficient basis for analysis.

Some 44% of female entrepreneurs share household responsibilities equally with their partners. However, most household duties lie with women for more than one in three female entrepreneurs (39%). Among IDP entrepreneurs and entrepreneurs with businesses in rural areas, the proportion is half or more (50% and 60%, respectively).

Figure 2. Distribution of household duties in the family by group of female entrepreneurs (n = 434*)



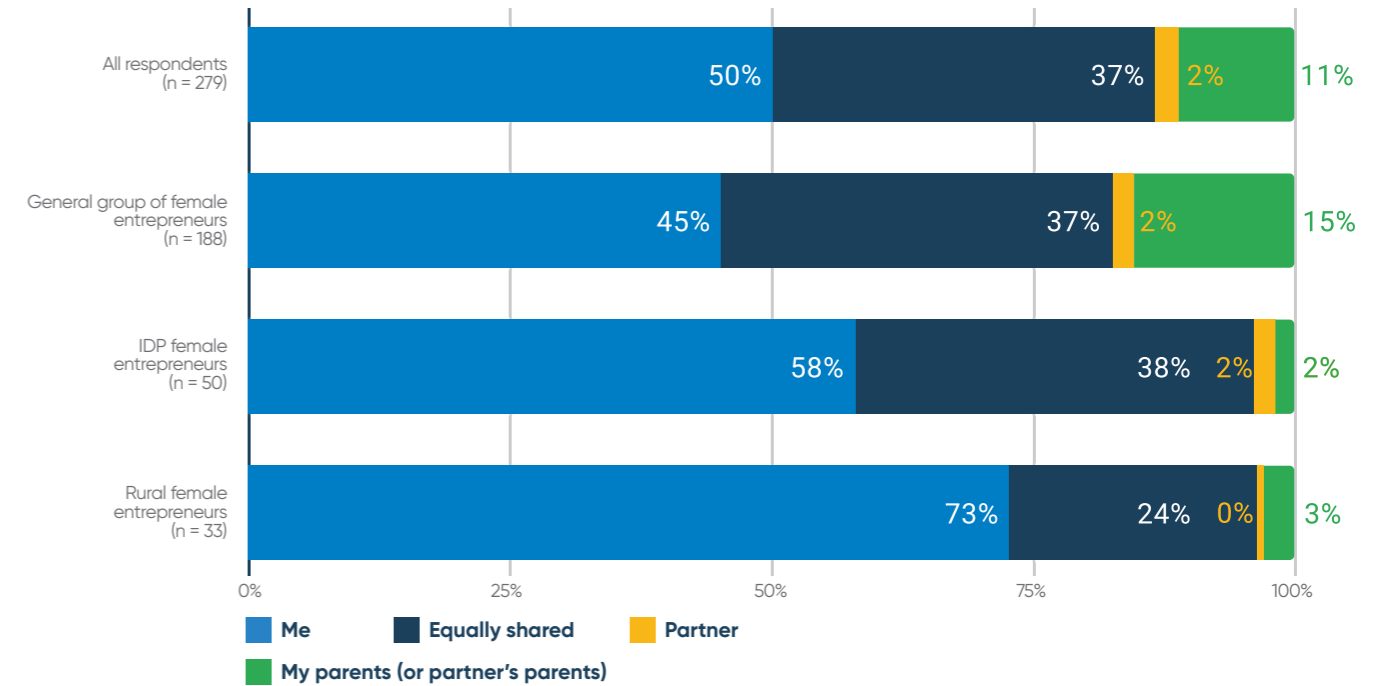
Question: How is housework (e.g. cleaning, cooking, laundry, etc.) divided in your family?

* This question was asked of female entrepreneurs with more than one person in the household

** Insufficient basis for analysis.

Parity in child-rearing is a rare phenomenon. During the focus group discussion, female entrepreneurs generally said that they felt supported by their partners but that they still had the main role in raising children. Even if the actual responsibilities are more or less equal, gender stereotypes about the role of women in society put additional psychological pressure on women to be the main parent.

Figure 3. Distribution of childcare responsibilities in the family by group of female entrepreneurs (n = 279*)



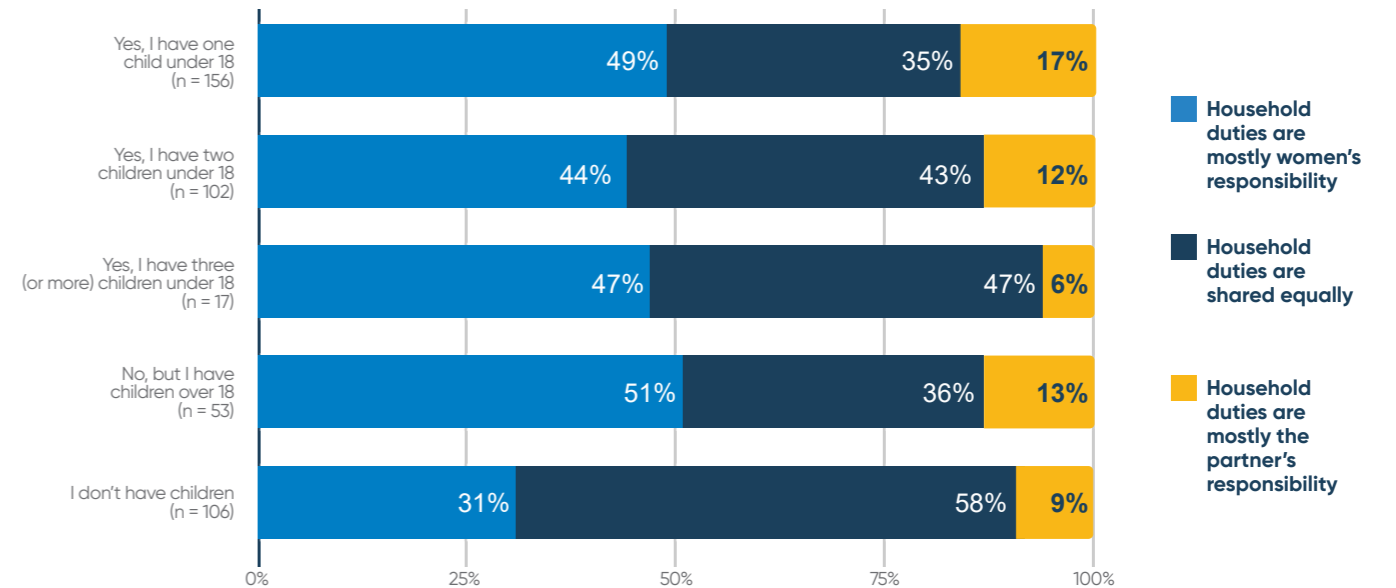
Question: How are the childcare responsibilities distributed in your family?

* This question was asked of entrepreneurs with children under the age of 18

Female entrepreneurs who have children are more likely to take on most of the household responsibilities. Whereas among female entrepreneurs without children, household responsibilities are mostly shared equally or with their partner (58% and 9%), among female entrepreneurs with children, in half of the cases, the responsibility lies with the woman (even when the children are over 18 years old).

As a rule, the distribution of childcare and household responsibilities is linked. If a woman is responsible for childcare, she is also responsible for the household. If childcare is shared equally or if a partner takes care of the child, it is likely that the household responsibilities are shared equally.

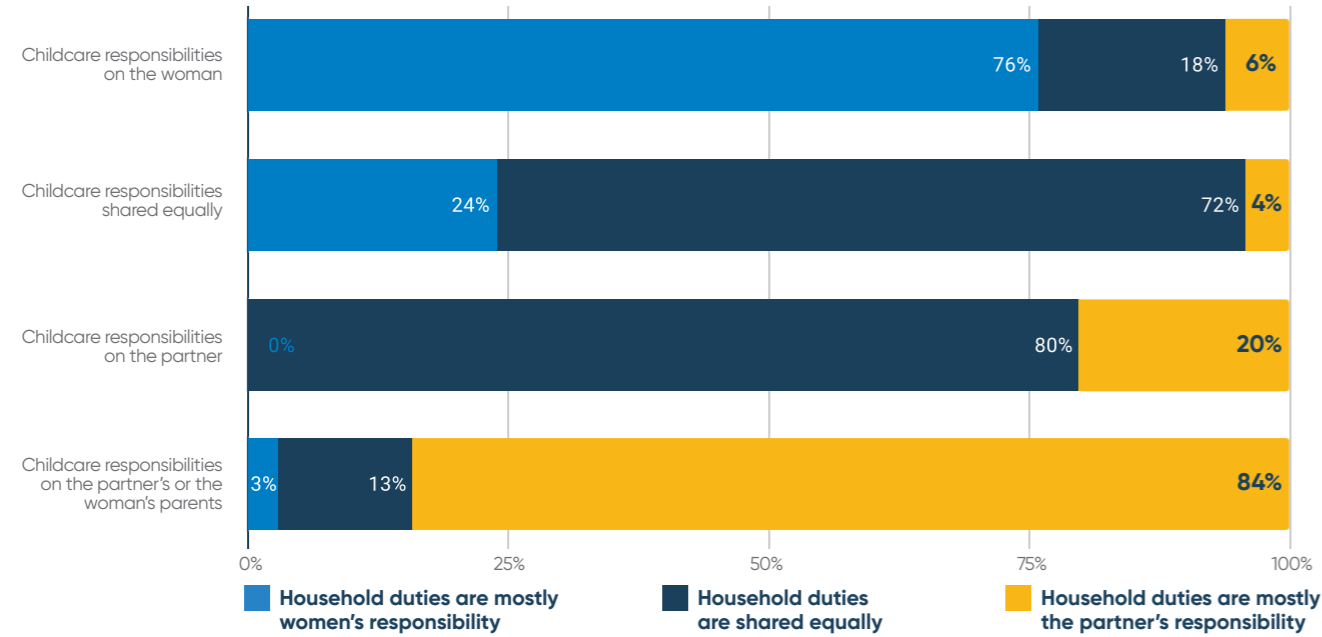
Figure 4. Distribution of household responsibilities in the family by the presence of children (n = 434*)



Question: How are household responsibilities (e.g. cleaning, cooking, laundry, etc.) distributed in your family?

* This question was asked of entrepreneurs with more than one person in their household

Figure 5. Distribution of childcare responsibilities in the context of the distribution of household responsibilities (n = 274*)



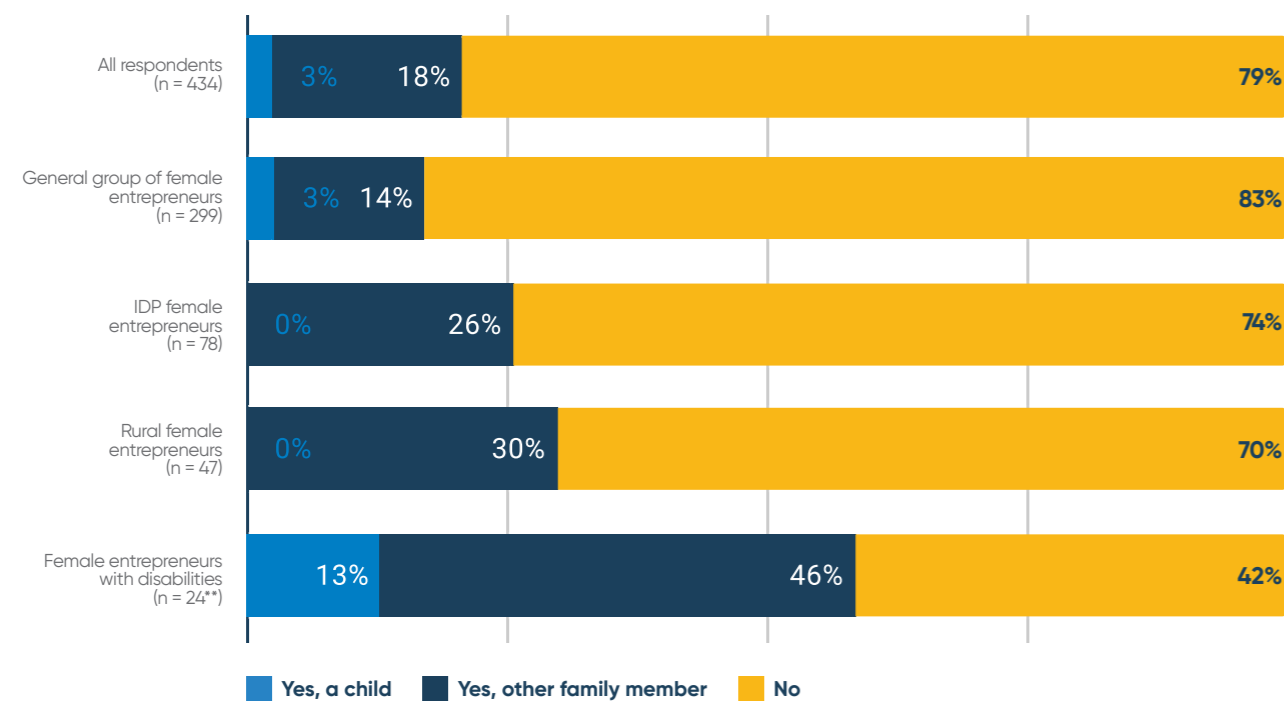
Question: How are household duties (e.g. cleaning, cooking, laundry, etc.) shared in your family? / How are the childcare responsibilities shared in your family?

* This question was asked of entrepreneurs with children under the age of 18

Another additional burden for women is the presence of a person with a disability in the household. Among the general group of female entrepreneurs, 17% have a person with a disability in their household. This percentage is higher among IDP entrepreneurs and entrepreneurs with businesses in rural areas (26% and 30% respectively). This problem will become

even more urgent due to the ongoing hostilities in Ukraine. Weak social infrastructure⁵ and problems with rehabilitation (including psychological rehabilitation⁶) increase the risk of women taking on the role of family carer, which would limit their ability to support and develop their entrepreneurial activities.

Figure 6. Presence of a person with a disability in the household by group of female entrepreneurs (n = 434*)



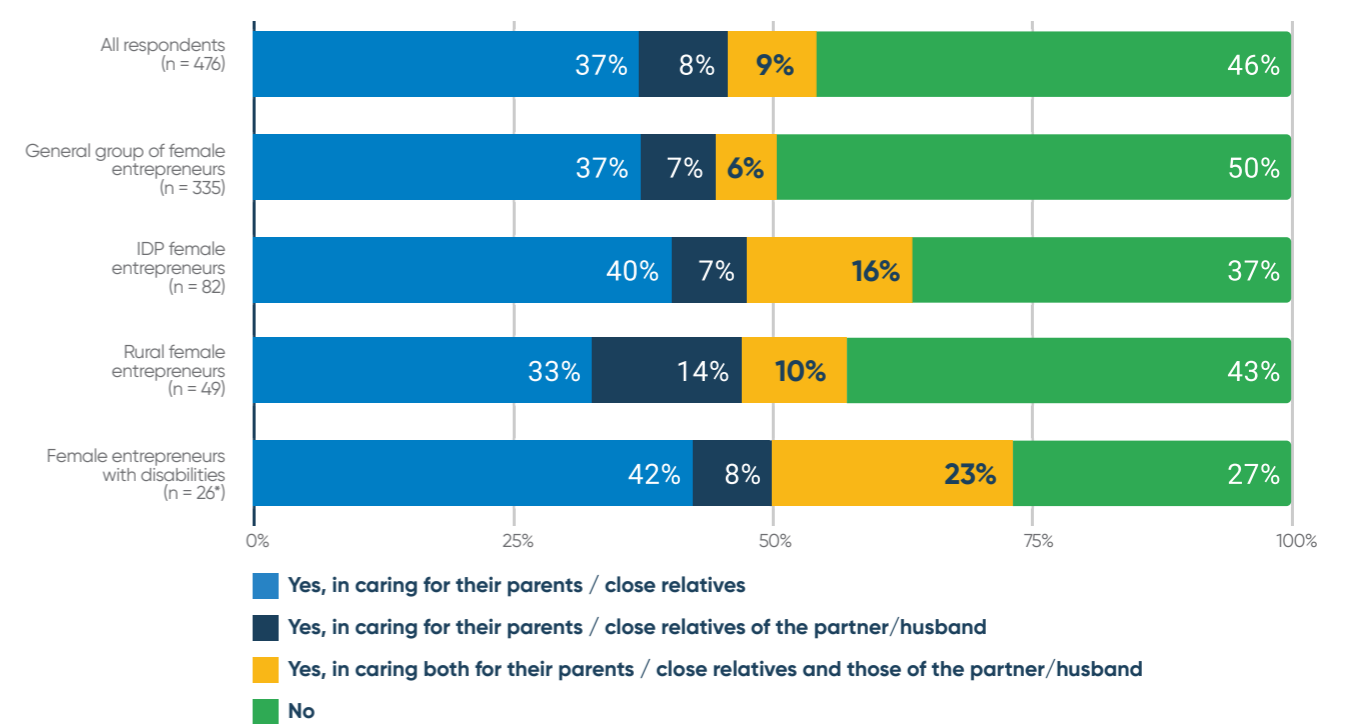
Question: Is there a person with a disability in your household?

* This question was asked of entrepreneurs with more than one person in their household

** Insufficient basis for analysis.

In addition, **more than half of the surveyed female entrepreneurs are involved in caring for elderly or disabled relatives.** Among IDP female entrepreneurs and female entrepreneurs with disabilities, there are significantly more of them – 63% and 73%, respectively.

Figure 7. Participation in caring for parents or close relatives who are elderly or disabled by group of female entrepreneurs (n = 476)



Question: Are you or have you ever been involved in caring for elderly or disabled parents/close relatives?

* Insufficient basis for analysis.

The family, including children, is both a supportive and a constraining factor in relation to business activities.

Female entrepreneurs most often cited emotional support from their immediate family members, i.e. their partner or parents. At the same time, women with children are convinced that business expansion should be left for the future, when their children are grown up. Women who do not have children, or who have recently given birth, express fears that having a child will reduce their involvement in the business and its success. In addition, women are sceptical about the prospect of hiring nannies, arguing that they do not have sufficient income and do not want to feel guilty

about not conforming to society's stereotypical images of mothers.

Female entrepreneurs note that their business is integrated into their daily lives, so it can be difficult to distinguish between work and personal matters. During the focus group discussion, participants noted that the challenge of balancing family and business was more pronounced in the early stages of business development. However, they were gradually able to develop effective strategies to achieve better balance, including flexible working hours and delegating tasks to employees.

⁵Driuma, O. (2013). 'Barrier-free environment for people with disabilities in Ukraine: five main problems'. International Renaissance Foundation. www.irf.ua/bezbaremne_seredovische_dlya_lyudey_z_invalidnistyu_v_ukraini_pyat_osnovnykh_problemy/
⁶Tvoe Misto (n.d.). 'What is wrong with the rehabilitation of the military and why it concerns everyone'. tvoemisto.tv/exclusive/shvydko_vidnovyty_i_povernutys_nazad_chogo_hochut_viyskovi_ta_shcho_z_reabilitatsiieyu_149168.html

Starting a Business

Participants in the study pointed to the difficulty of making a definitive decision to start a business, which was compounded by self-doubt, fear of failure, and disappointment from loved ones.

In general, the results of the in-depth interviews and focus group discussions suggest that **family support is an important factor in the final decision to start a business.** This support can be both emotional and financial. According to the female entrepreneurs, **their parents were more likely to express doubts about their intention to start a business.** However, with the gradual demonstration of business success (including financial success), their parents changed their minds. The female entrepreneurs note that the most significant influence on them was the comments of other women and their scepticism about starting a business.

The presence of role models in the women's inner circle (mothers, friends and acquaintances, former bosses, etc.) both in the field of entrepreneurship and in managerial positions in the workforce has a positive impact on a woman's decision to start her own business.

The study identified additional factors that contribute to women starting a business:

- **own premises** that could be used for business, or rented premises from a landlord whom the female entrepreneur perceives as a reliable partner;
- **availability of specialists among friends/acquaintances who are ready to provide support within their own area of expertise** (accounting, law, taxation, banking, etc.). At the

initial stage of starting a business, and subsequently, such acquaintances provide female entrepreneurs with advisory support in the relevant areas;

- **business education or basic knowledge and tools for doing business, as well as mentoring support** (both directly from mentors and from teachers at educational institutions).

Some 74% of respondents started a business in search of opportunities, while 23% are so-called necessity-based entrepreneurs. In business studies, researchers often use the division between necessity-based entrepreneurship and opportunity-based entrepreneurship. In particular, this approach is used in the Global Entrepreneurship Monitor (GEM)⁷. According to the survey, 23% of respondents started their business because they did not have better employment options, which means they can be defined as necessity-based entrepreneurs. The category of necessity-based female entrepreneurs also includes women who, in the context of Russia's all-out invasion of Ukraine, took over the business of their partners/family members who were drafted or voluntarily enlisted in the military. This share is about 3% among female respondents. The remaining 74% of respondents declare that they started a business because they saw an opportunity to realise themselves and/or their ideas. When analysing these results, it should be borne in mind that the answer 'business as self-fulfilment' represents women better than the answer about the necessity-based nature of business. Therefore, it is likely that the percentage of women who started their business out of necessity is higher in the general population.

Necessity-based business

«I started my business when I was on my own, so to speak. I had a child, I had to teach her, I had to get back on my feet. Most women who start a business on their own, from scratch, are driven by a need. They need to survive somehow and make it work. I probably belong to that category of women».

Female, 50, Odesa, owner of a travel agency

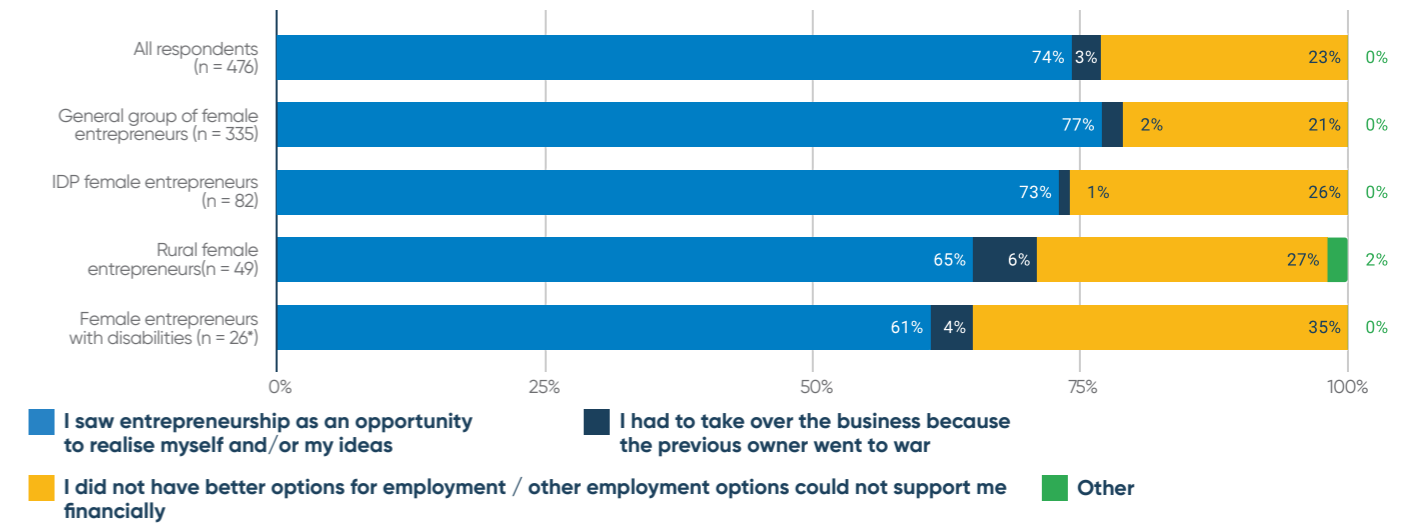
Opportunity-based business

«When I started working as an employee in my student days, I was still quite independent. And when the stage came where I had to be put in a frame, I realised that I was not physically able to do it, that I had a different vision of the development plan... These risks and responsibilities do not depress me – on the contrary, they challenge me. For me, business is an adventure, a way of self-realisation and self-development».

Female, 45, Kyiv, owner of a cosmetics business

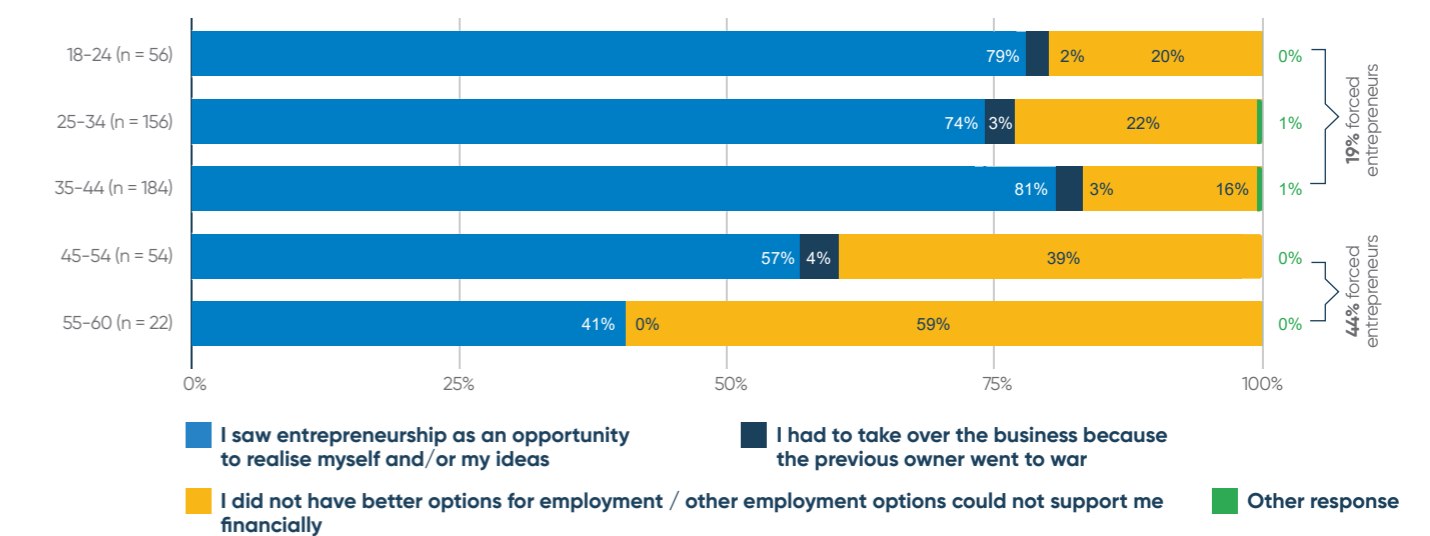
Older women, women from rural areas, and women with disabilities have fewer employment opportunities, so starting a business may be their only way of earning a living. There are also age differences: **women aged over 45 were more likely to report that their entrepreneurial activity was forced than younger women (44% vs. 19%).** This may be due to gender stereotypes and ageism pushing older women out of the labour market and into necessity-based entrepreneurship. Necessity-based entrepreneurship is also more common among women in rural areas and women with disabilities (27% and 35%, respectively).

Figure 8. Motivations for the decision to start a business by group of female entrepreneurs (n = 476)



Question: Which of the following best describes your decision to start a business?
* Insufficient basis for analysis.

Figure 9. Reasons for the decision to start a business by age group (n = 476)



Question: Which statement best describes your decision to go into business?

In terms of necessity-based entrepreneurship, Ukraine is close to high-income countries, where it stands at 21%. According to GEM research, in most countries women are more likely than men to report being forced to start a business. Globally, 27% of female entrepreneurs say they started a business out of necessity, compared to 22% of male entrepreneurs⁸. The GEM study also shows that there is a correlation between the overall level of income in a country and the ratio of forced entrepreneurs to entrepreneurs who see business as an opportunity: the lower the level of wealth in a country, the higher the number of necessity-based entrepreneurs. This is because, in countries with a high level of prosperity, the labour market allows women to receive decent remuneration for their work, regardless of their chosen field, and the minimum level of income in such countries allows them to lead a relatively

comfortable life. For example, in Sweden the percentage of necessity-based female entrepreneurs is only 1%, while in India it is 50%⁹.

Ukraine is not the only country that, despite its economic situation, has indicators close to those of high-income countries. A similar situation is observed, for example, in Vietnam (18%), Thailand (19%), and some other countries. First of all this may be due to the peculiarities of the labour market, in which women do not even consider the possibility of decent employment in the workplace. In addition, this distribution may be explained by the tendency to give more socially desirable answers, thus defining themselves as entrepreneurs who see business as an opportunity rather than as necessity-based entrepreneurs. However, explaining this trend requires separate research.

⁷International Entrepreneurship Study: gemconsortium.org/

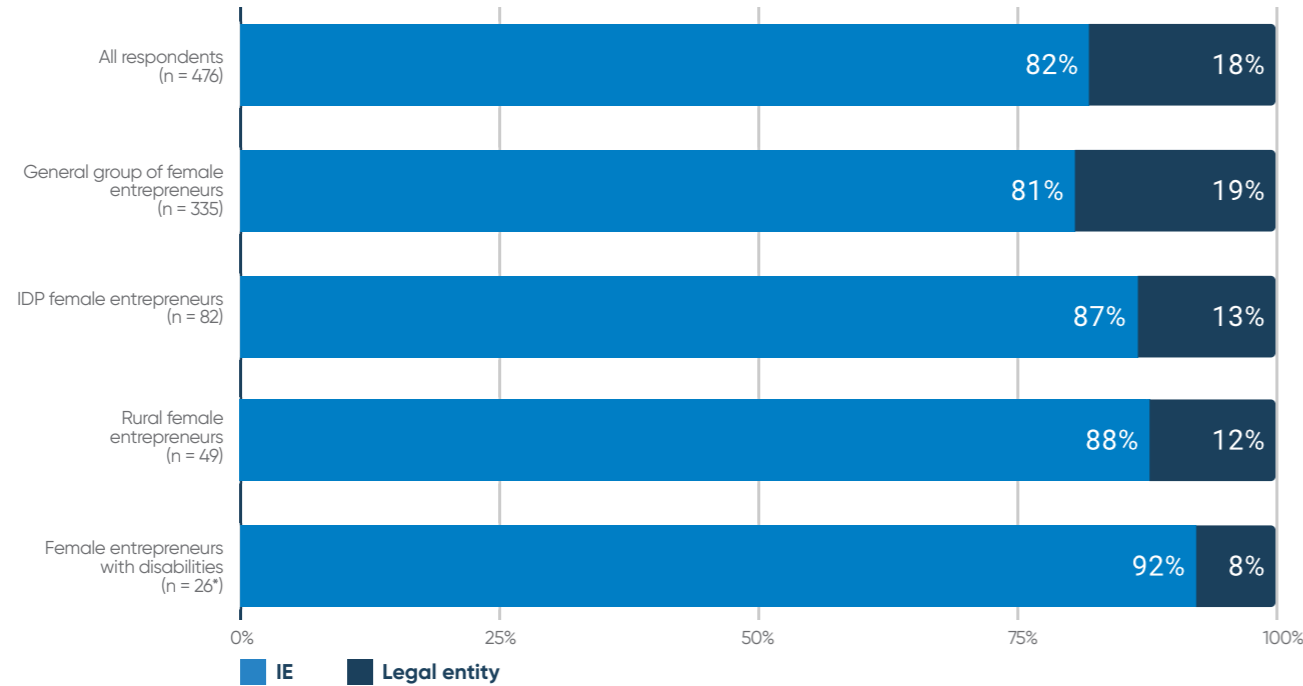
⁸Elam, A. B., Brush, C. G., Greene, P. G., Baumer, B., Dean, M., & Heavlow, R. (2019). Women's entrepreneurship report 2018/2019 (Report). Smith College. scholarworks.smith.edu/conway_research/4/

⁹Ibid.

Women-Owned Businesses

Women start their own business almost as often as men, but women's businesses are smaller. In 2020, approximately 160,000 businesses were started by women, while 171,000 businesses were started by men (48% vs. 52%)¹⁰. Due to shortcomings in statistical recording, data on the exact distribution of enterprises between women and men are not available. The data presented here reflect trends only. The analysis is further complicated by the fact that some enterprises registered as individual entrepreneurs are in fact employees. As for enterprises with legal personality, statistics show that women are almost three times less likely than men to register their business as a legal entity.

Figure 10. Organisational and legal form of business by group of female entrepreneurs (n = 476)



Question: What is your profession?

*Insufficient basis for analysis.



Participant's networking at the «Vidvazhna» acceleration programme event.

¹⁰Opendatabot (2023). 'Every second small business in Ukraine is started by women'. opendatabot.ua/analytics/businesswoman-in-war-2022

YouControl (2021). 'Purely female: How many Ukrainian businesses are owned by women?' youcontrol.com.ua/data-research/suto-zhinoche-skilky-ukrayinskykh-biznesiv-nalezhyt-zhinkom/

¹¹Ibid.

¹²Winn, J. (2004). 'Entrepreneurship: not an easy path to top management for women'. *Women in Management Review*, 19(3), 143–153. doi.org/10.1108/09649420410529852

¹³Martseniuk, T. O., & Adamska, K. V. (2017). 'Factors of overcoming the 'glass ceiling' in business in Ukraine'. *Scientific Notes of NaUKMA*, 196.

¹⁴According to the statistics, there are business sectors in Ukraine where female entrepreneurs dominate and, correspondingly, sectors where there are more male entrepreneurs. Women are more involved in the beauty industry, accounting and auditing, repair of personal goods, travel agencies, social work, pre-school education, and day care and primary education. In addition, in many types of retail trade, women account for 60 to 76 per cent of the total number of individual entrepreneurs (food and clothing sales from stalls, markets and non-specialised shops). Men are more involved in the following sectors: transport, warehousing, postal and courier services, construction, agriculture, forestry and fisheries, manufacturing, and information and telecommunications. There are also types of services that are predominantly provided by men: repair of computers and peripherals, communication equipment, consumer electronics, home and garden equipment, watches, jewellery, sports goods, and musical instruments. This division correlates with the socially accepted stereotypical division, according to which certain sectors are perceived as 'predominantly male' and others as 'predominantly female'.

¹⁵In 22% of the responses, the research team was unable to assign the sector to a particular category based on the respondent's answer.

Business Sector

The economic sector chosen by a woman tends to be related in some way to the sector in which she was previously employed. Accordingly, the gender gap observed in the labour market is to some extent reproduced in the business sector¹¹. **Men and women have different experiences of the labour market**, which affects their decision to start a business and their choice of sector. Male entrepreneurs tend to have previous experience in a managerial position and in a newly created business they replicate practices from their place of employment. Therefore, for them, business is often a logical step in continuing their career path. **In contrast, it is usually**

in business that women gain their first managerial experience¹². Gender segregation in the labour market results in a lack of women in leadership positions in male-dominated sectors, which also leads to a low proportion of female entrepreneurs in these sectors. However, even in industries where women predominate, the number of women in managerial positions may be lower due to the glass ceiling phenomenon¹³.

Among the respondents to the survey, every fifth woman runs a business in trade or in the provision of information or educational services.

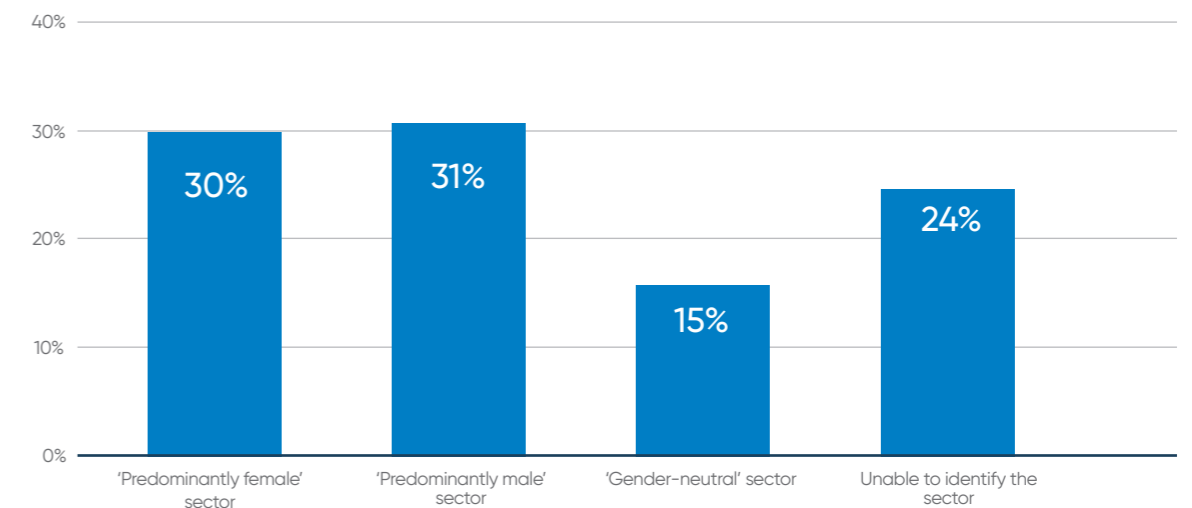
Table 2. Could you describe your business? (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Female entrepreneurs from rural areas (n = 49)	Female entrepreneurs with disabilities (n = 26*)
Consulting, information, educational, freelance services	21%	20%	29%	6%	20%
Trade (unspecified)	19%	20%	27%	25%	30%
Trade: industrial group	13%	12%	15%	18%	20%
Household services: light industry, transport, repair, tourism	10%	12%	5%	6%	5%
Own production, manufacturing	9%	10%	11%	10%	10%
Services in the field of health and beauty	8%	10%	2%	8%	10%
Services related to creativity and design, content creation	4%	6%	1%	2%	0%
Services in the field of food	3%	4%	4%	4%	5%
Other	13%	11%	13%	33%	15%

*Insufficient basis for analysis.

In the survey, female entrepreneurs are equally represented in both 'predominantly female' and 'predominantly male' business sectors¹⁴. Almost a third of female entrepreneurs work in a 'predominantly female' sector (30%), a third in a 'predominantly male' sector (31%), and 15% in 'gender-neutral' sectors¹⁵.

Figure 11. Female entrepreneurs' business sectors in terms of 'predominantly female' and 'predominantly male' sectors (n = 476)



Question: Could you describe your business?

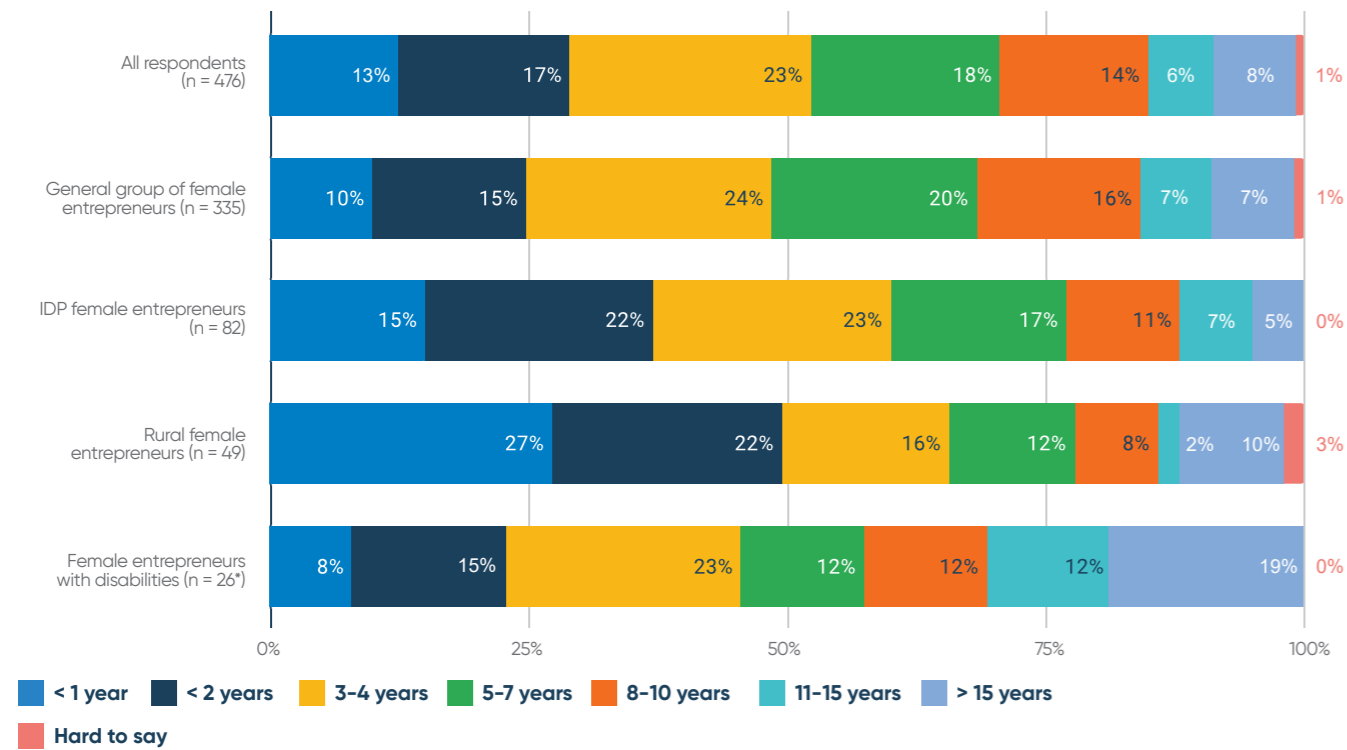
Duration and Place of Business

The average duration of running a business for the female entrepreneurs is **six years** (for comparison, in the US, the average age of a business is 11 years¹⁶). In addition, one in four rural female entrepreneurs (or 27%) has been in business for less than a year, which is the highest proportion of all the groups surveyed. On the contrary, **the highest share of female entrepreneurs with a business older than 15 years can be observed in the group of female entrepreneurs with disabilities**: almost one in five owns such a business. This may be explained by the fact that women with disabilities in Ukraine have significantly fewer

employment opportunities and self-employment/business is often their only option for earning a living.

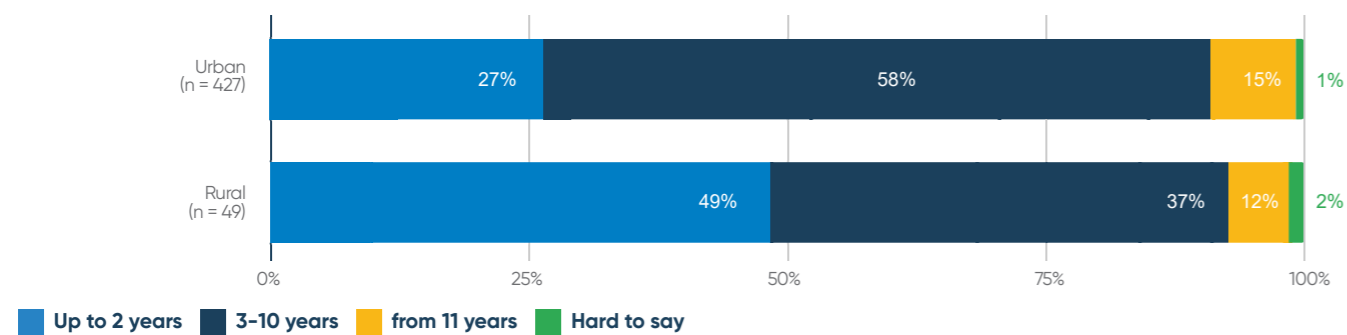
In addition, when comparing female entrepreneurs doing business in urban and rural areas, it was found that rural businesses are younger; among businesses in rural areas, the share of businesses that are less than two years old is significantly higher¹⁷ at 49%. In particular, this may indicate the impact of the war (including the mobilisation of the male population) and the resulting growth of necessity-based entrepreneurship among women in rural areas.

Figure 12. Duration of entrepreneurial activity by group of female entrepreneurs (n = 476)



Question: How long have you been in business?
*Insufficient basis for analysis.

Figure 13. Duration of business activity by place of business (n = 476)



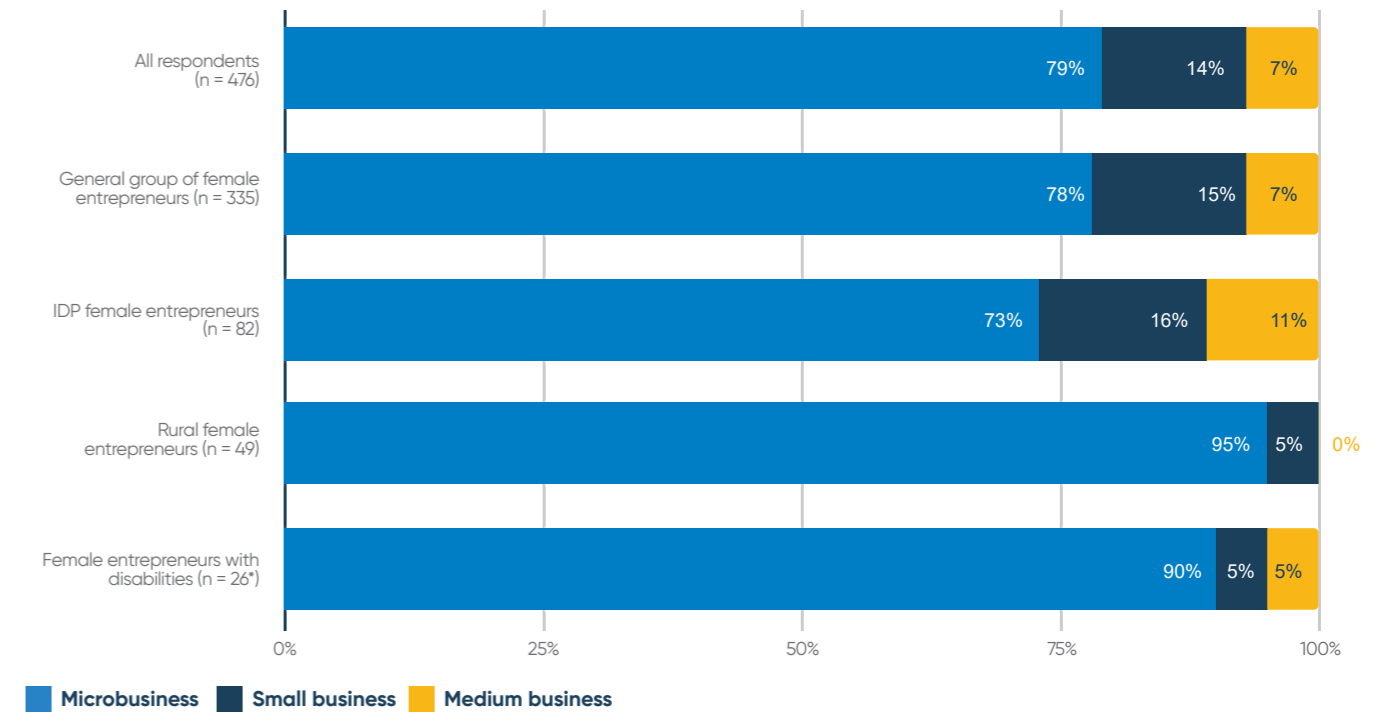
Question: How long have you been in business? / Please indicate where your business is currently located?
*Insufficient basis for analysis.

¹⁶Visa (2019). 'She's Next: Empowered by Visa'. usa.visa.com/content/dam/VCOM/regional/na/us/run-your-business/documents/visa-state-of-entrepreneurship-research-summary.pdf
¹⁷Statistically significant means that the observed differences or relationships are unlikely to have arisen by chance. Hereinafter in the report, significant refers to differences in mean values or proportions that are significant at the 0.05 level.

Business Size: Number of Employees and Annual Turnover

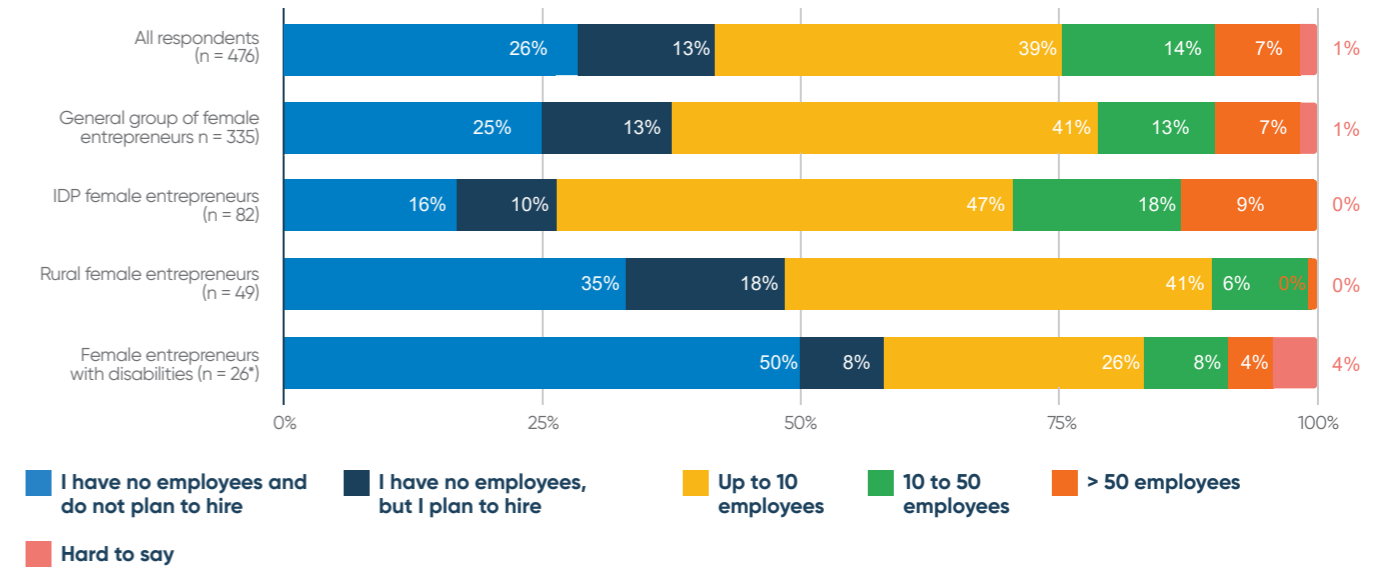
Among the respondents, about **79% are microbusiness owners, 14% are small business owners, and 7% are medium-sized businesses.**

Figure 14. Business size by number of full-time employees and annual turnover by group of female entrepreneurs (n = 432*)



Question: How many full-time employees does your business have?
*Respondents whose business size could not be determined were excluded from the sample.
**Insufficient basis for analysis.

Figure 15. Number of full-time employees by group of female entrepreneurs (n = 476)



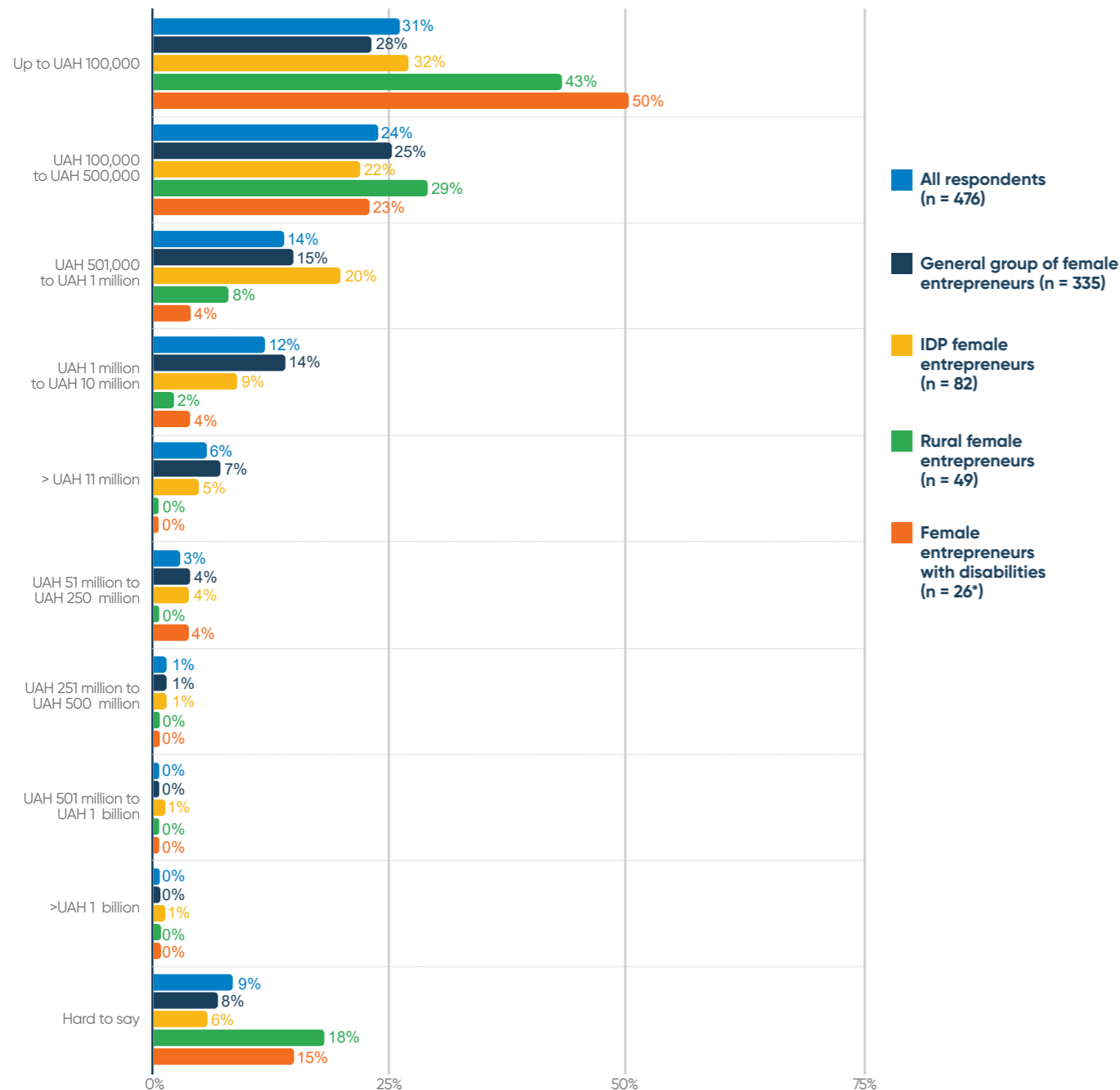
Question: How many full-time employees does your business have?
*Insufficient basis for analysis.

Around 39% of respondents have up to 10 employees. The same number of respondents do not have any employees, but one third of them (or 13% of the total) plan to hire them in the future. Among female entrepreneurs with businesses in rural areas and female entrepreneurs with disabilities, more than half of the businesses have no employees – 53% and 58% respectively.

In the general group of female entrepreneurs, 69% of respondents reported an annual turnover of less than UAH 1 million. In addition, almost a third of respondents (31%)

have an annual turnover of less than UAH 100,000. Only 10% of all respondents have an annual turnover of more than UAH 10 million. The annual turnover of more than 70% of female entrepreneurs with businesses in rural areas and female entrepreneurs with disabilities does not exceed UAH 500,000. There is a higher tendency among rural female entrepreneurs to choose the option 'Hard to say'. This may be due, for example, to a lower level of financial literacy, the complexity of calculating annual turnover (for example, in agriculture), or the practice of less formalised settlement processes.

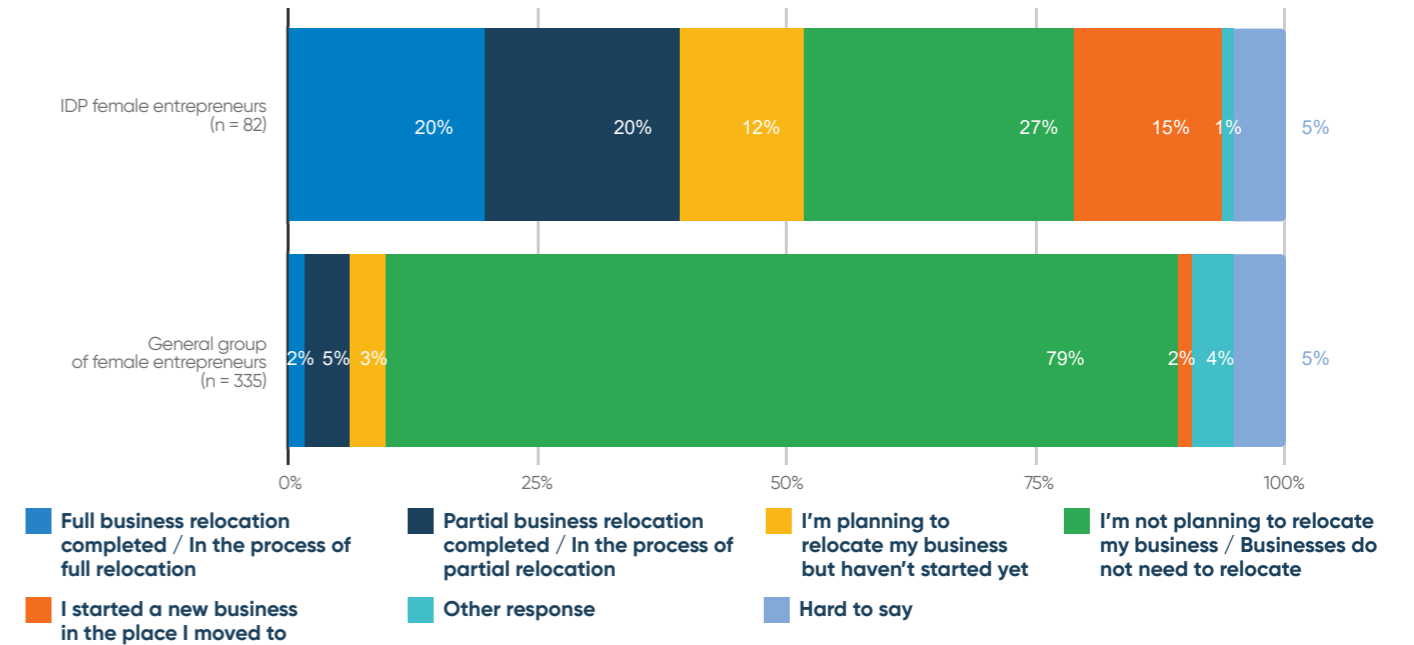
Figure 16. Annual business turnover by group of female entrepreneurs (n = 476)



Question: What is the annual turnover of your business?
* Insufficient basis for analysis.

Business Relocation

Figure 17. Business relocation by group of female entrepreneurs (n = 476)

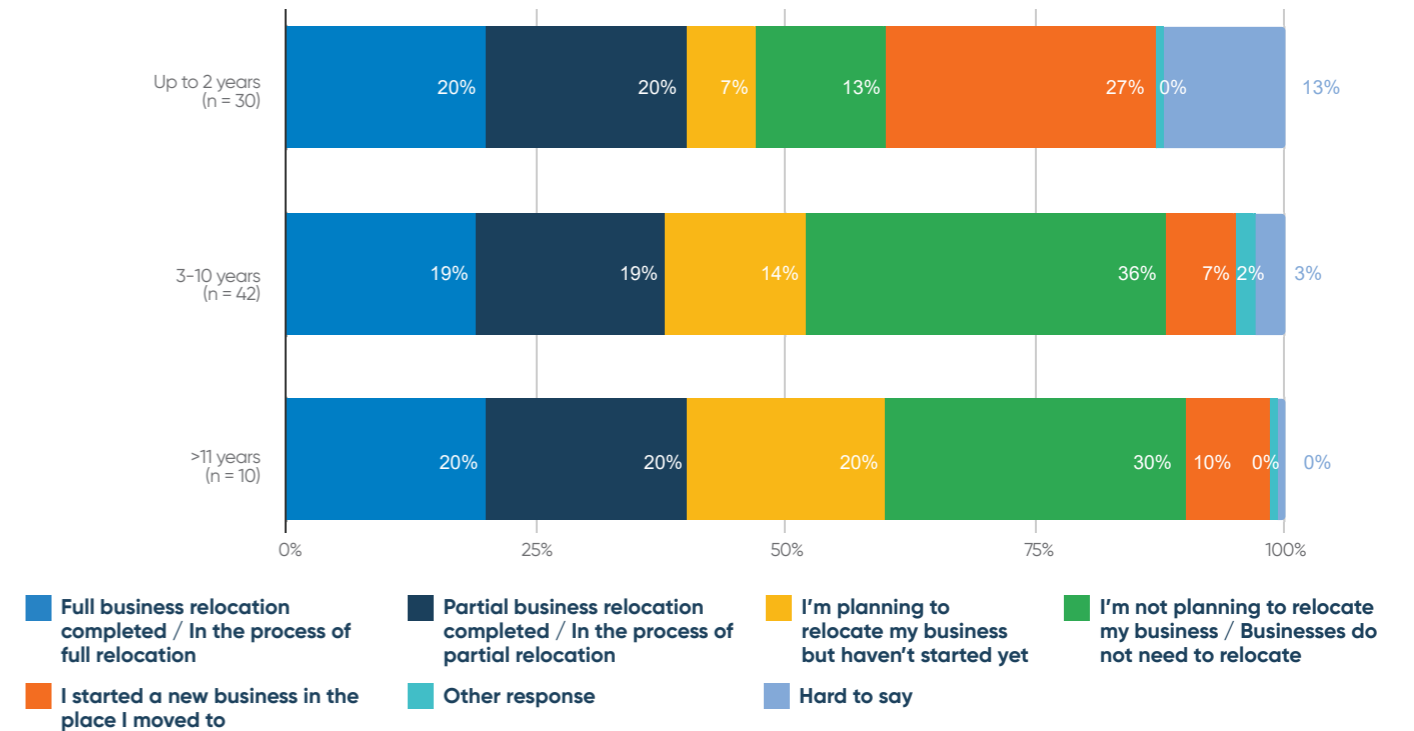


Question: Has your business been relocated/moved to another location within Ukraine?

Among the total group of female entrepreneurs, 2% have managed to relocate their business completely or are in the process of relocating it, while 5% of respondents relocated their business only partially.

IDP female entrepreneurs have mostly fully or partially relocated their business or are in the process of relocating (40%), 15% have started a new business in the place they have moved to, and 12% are still planning to relocate their business.

Figure 18. Business relocation of IDP female entrepreneurs by duration of business (n = 82*)



Question: Has your business been relocated/moved to another place within Ukraine? / How long have you been in business?
* The question was asked only to IDP female entrepreneurs



Female Entrepreneurs' Perceptions of Business Roles

Women's perceptions and approaches to business and personal development differ depending on how they construct their role in the business. Based on the data from the in-depth interviews, two models were identified that are typical for Ukrainian female entrepreneurs: 'craftswoman' and 'visionary'¹⁸.

Self-perception as a 'craftswoman'. In the logic of the first model, business is primarily about developing skills directly in the field in which such entrepreneurs work. For example, the owner of a nail aesthetics studio may believe that she must first and foremost be a professional nail technician, a hotel owner must

«I can assess my skills more purely as a craftswoman. That is, not as an entrepreneur, but as a baker, for example. (...) I would still say that I am not an entrepreneur. Is that what entrepreneurship is? Creating your own product or brand? I like my product, I like my brand. If an entrepreneur is an individual who makes money from a product, i.e. a businessman, then I would still say that it is more of a hobby than a money-making activity. It's hard for me to answer that question».
Female, 30, Kharkiv, bakery owner

¹⁸A similar division was proposed in the article by Carland et al., where the authors substantiated the analytical potential of dividing business owners into 'entrepreneurs' and 'small business owners'. Carland, J. W., Hoy, F., Boulton, W. R., & Carland, J. a. C. (1984). 'Differentiating Entrepreneurs from Small Business Owners: A Conceptualization'. The Academy of Management Review, 9(2), 354–359. doi.org/10.2307/258448

master the intricacies of hotel management, and so on. Such entrepreneurs often define competencies related to business organisation (financial planning, strategising, delegation, etc.) as additional and do not mention them in the list of their professional skills. They believe that highly developed skills in a particular area guarantee business success in that area. Therefore, they spend most of their time

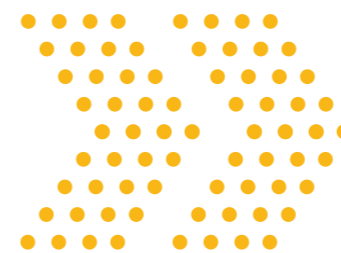
studying to acquire knowledge in their field, and acquire purely entrepreneurial skills on a 'residual basis'. It can be **difficult to assess their entrepreneurial skills**. They often perform the functions of employees themselves (e.g. providing services). These women often do not consider themselves to be entrepreneurs, even if they have employees.


Self-perception as a 'visionary'. This category of female entrepreneurs spends more time learning skills that help them organise their business and find useful contacts for its development.

«Later, after the first anniversary and the opening of the branches, I started to take part in training processes, not professional, but marketing, about business, with various business coaches, business owners, and invested in them. How to be an entrepreneur, what to do, how to position yourself, how to meet people who also have businesses in different sectors».
Female, 29, Lviv, owner of a nail aesthetics studio

The transition from a 'craftswoman' to a 'visionary' can occur gradually in the course of business development.

The prerequisite for this change is to achieve a stable and acceptable income from business activities, and the driver is the experience of interacting with entrepreneurs who identify themselves as visionaries, expanding their network of contacts, and joining wider business networks. In practical terms, this means that it is primarily in the group of 'craftswomen' that one should look for a basis for expanding the entrepreneurial potential and development of MSMEs in Ukraine.





Gender Equality



Female entrepreneurs perceive gender equality to be a legislative norm that has no practical application/impact on their daily work or specific situations.

For the participants, gender equality primarily means equal rights and equal pay for women and men. A significant proportion of the survey participants agree that, although there are still some stereotypes that prevent women from achieving their goals in business, gender equality in the field of entrepreneurship in Ukraine is still evident. Female entrepreneurs state that they do not observe any legislative advantages for male entrepreneurs, and therefore they can claim that there is gender equality in business. However, given the systemic restrictions on the exercise of their rights (such as reproductive labour, unequal distribution of capital, gender stereotypes, discrimination, etc.), female entrepreneurs perceive them as not directly related to their gender.

Women feel less pressured by gender stereotypes as they gain more experience in entrepreneurship.

Female entrepreneurs emphasised that they were more intensely affected by gender stereotypes in the early days of their business. Respondents noted that they primarily faced their own prejudices and related lack of self-confidence. For example, they mentioned that they felt responsible when faced with unprofessional behaviour on the part of others. It can be assumed that in the course of developing their business activities, female entrepreneurs, consciously or unconsciously, can form a kind of safe environment (a circle of partners, clients, and employees) that helps to reduce the frequency of gender discrimination against them. In addition, it can be assumed that the more experience an entrepreneur has, the more confident she becomes, which also has a positive impact on her resistance to gender bias.

During the in-depth interviews and focus group discussions, the study participants noted that the best way to combat gender stereotypes and discrimination is to demonstrate their professional skills. A more detailed probing of this issue shows that women mostly mean **demonstrating the financial success of their business and its stability.** That is why women reported feeling the pressure of gender stereotypes more strongly at the beginning of their business activities.

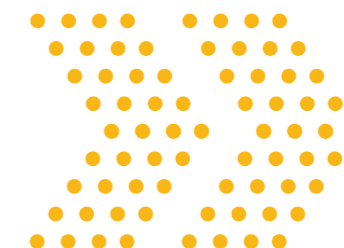
Gender stereotypes influence strategies for hiring employees and selecting business partners.

Thus, according to respondents, they may give a preference to one or the other gender in the recruitment process based on their own experience and expectations of the positions they plan to fill through recruitment. This leads to an uneven distribution of employees by gender. In addition, the in-depth interviews also show that female entrepreneurs are also guided by certain gender biases when recruiting staff. Thus, according to them, before Russia's full-scale invasion of Ukraine, in some cases they tended to give preference to men when hiring due to the risk of female employees going on maternity leave, which leads to additional costs for the business. However, martial law in Ukraine is changing these trends: women are now getting an advantage in formal employment due to the potential for men to be mobilised.

Internalised misogyny is most pronounced in the context of attitudes toward women's teams or business partners (at the level of co-owner or co-manager).

Respondents indicated that they would most likely choose to work with men as business partners and held certain prejudices against working with women in terms of financial reliability and honesty, suggesting the presence of internal misogyny in this area.

«Somehow, maybe in our country, maybe in our post-Soviet space, it has developed that men have a lot of money. They part with it more easily».
Female, 45, Kyiv, owner of a catering company



During the in-depth interviews and focus group discussions, respondents found it difficult to identify manifestations of gender discrimination in their business activities. Spontaneous responses were mostly limited to saying that they had not experienced this prejudice. However, when the question was explored in more detail, particularly by giving examples, almost all participants recalled some cases of gender discrimination by partners, contractors, subordinates, or clients.

We found that 57% of respondents had experienced at least one form of gender discrimination. As part of the online survey, respondents were offered a list of possible manifestations of gender discrimination

identified during the in-depth interviews. According to the results, the most common situations are those **related to the non-recognition of women as entrepreneurs.** For example, 24% of respondents had experienced contractors, partners, subordinates, and/or clients questioning their qualifications and 23% reported instances where they were not perceived as leaders. A total of 16% of women reported that contractors/partners tried to cheat/delay/not fulfil their obligations because of their gender. During the in-depth interviews and focus group discussions, participants explained that such situations occurred mainly during the first communication with new partners/contractors/clients.

«It's a shame, it's very uncomfortable. Usually I arrive at the site, I dress comfortably, it can be trainers, shorts, shirt with no cleavage shown, nothing too short, just comfortable clothes, not bright. I remember once I went into an office, I don't remember what kind of facility it was, but it was a big enough enterprise. And [some man said] to me: «Girl, could you...», and [my colleague] sits there and says: «This is my boss. This is Olha Vitalliivna». – «Oh, sorry, Olha Vitalliivna». But then, in the process of getting to know each other, it's respect».
Female, 43, Kharkiv, owner of an air conditioning installation business

Table 3. Prevalence of different types of gender discrimination (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)	Female sector (n = 142)	Male sector (n = 146)
Your qualifications have been questioned	24%	24%	28%	18%	19%	20%	32%
Your authority has been questioned	23%	19%	38%	18%	27%	20%	23%
You have been treated with disrespect	18%	18%	26%	10%	15%	14%	19%
Men you worked with tried to deceive you or avoid fulfilling their obligations towards you	16%	15%	27%	12%	15%	14%	20%
Sexist jokes have been made about you	13%	14%	9%	12%	8%	8%	20%
Men made inappropriate comments about your appearance/age	12%	12%	16%	10%	8%	6%	14%
Men have been sexually abusive verbally (intimidation, inappropriate comments, etc.)	8%	9%	6%	4%	8%	4%	12%
Men refused to handshake	8%	8%	10%	2%	4%	7%	13%
Men allowed themselves sexual assault towards you (touching, patting, etc.)	6%	7%	5%	2%	4%	3%	12%
You have experienced at least one of the following cases	57%	56%	73%	43%	50%	48%	66%
You have not experienced any	43%	44%	27%	57%	50%	52%	34%

Question: Which of the following situations have you encountered?
XX% – significantly **higher** than in the general group of female entrepreneurs,
XX% – significantly **lower** than in the general group of female entrepreneurs.
 * Insufficient basis for analysis.

Female entrepreneurs face instances of **business etiquette violations.** For example, 18% of respondents reported being addressed in an affectionate or disrespectful manner, 13% were told sexist jokes, 12% had experienced people commenting on their appearance and/or age, and 8% were refused a handshake.

According to the online survey, 11% of female entrepreneurs have experienced **sexual harassment:** 8% of respondents experienced verbal sexual harassment (intimidation, indecent comments, etc.) and 6% experienced physical sexual harassment (touching, fondling, etc.). This is a taboo subject in Ukrainian society and women who have experienced sexual harassment are often victimised. It is therefore important to bear in mind that these figures may be underestimated due to the sensitivity of the issue. Statistics show that between 45% and 55% of women in various European Union countries report sexual harassment at work¹⁹.

In addition, in the focus group discussions, it was commonly stated that **female entrepreneurs had felt the pressure of gender stereotypes much more during their employment, where the intensity of gender discrimination was higher.** Entrepreneurial activity has improved their situation by enabling them to act and make decisions independently, as well as build a convenient way of working and communicating with business partners.

Women entrepreneurs in 'predominantly male' sectors are more likely to face gender discrimination, with 66% of such respondents having experienced at least one of the listed forms of gender discrimination. In such areas, the qualifications of an entrepreneur are questioned much more often (32% vs. 20% in 'predominantly female' areas). The results of the in-depth interviews and focus group discussions indicate that the risk of facing gender bias is an obstacle for women starting a business in 'predominantly male' areas. This risk is likely to be higher at the beginning of a business, when a female entrepreneur has not yet formed a stable circle of contractors and has not yet developed a personal strategy to counteract gender discrimination. It can be assumed that women are more likely to start a business in 'predominantly female' areas because they tend to see them as safer for them in terms of the business environment.

IDP female entrepreneurs are more likely to face gender discrimination, with 73% of respondents reporting this. There is a statistically significant difference in cases of unfair behaviour by contractors/partners – 27% of IDP respondents reported being

cheated because of their gender and status and 38% reported instances where they were not perceived as leaders. It is likely that this situation is due to the fact that:

- 1 established partnerships have been disrupted by displacement and these women have had to establish relationships with new partners and contractors; and
- 2 the businesses run by IDPs may be perceived as more vulnerable, which creates opportunities for unscrupulous counterparties to take advantage of the situation.

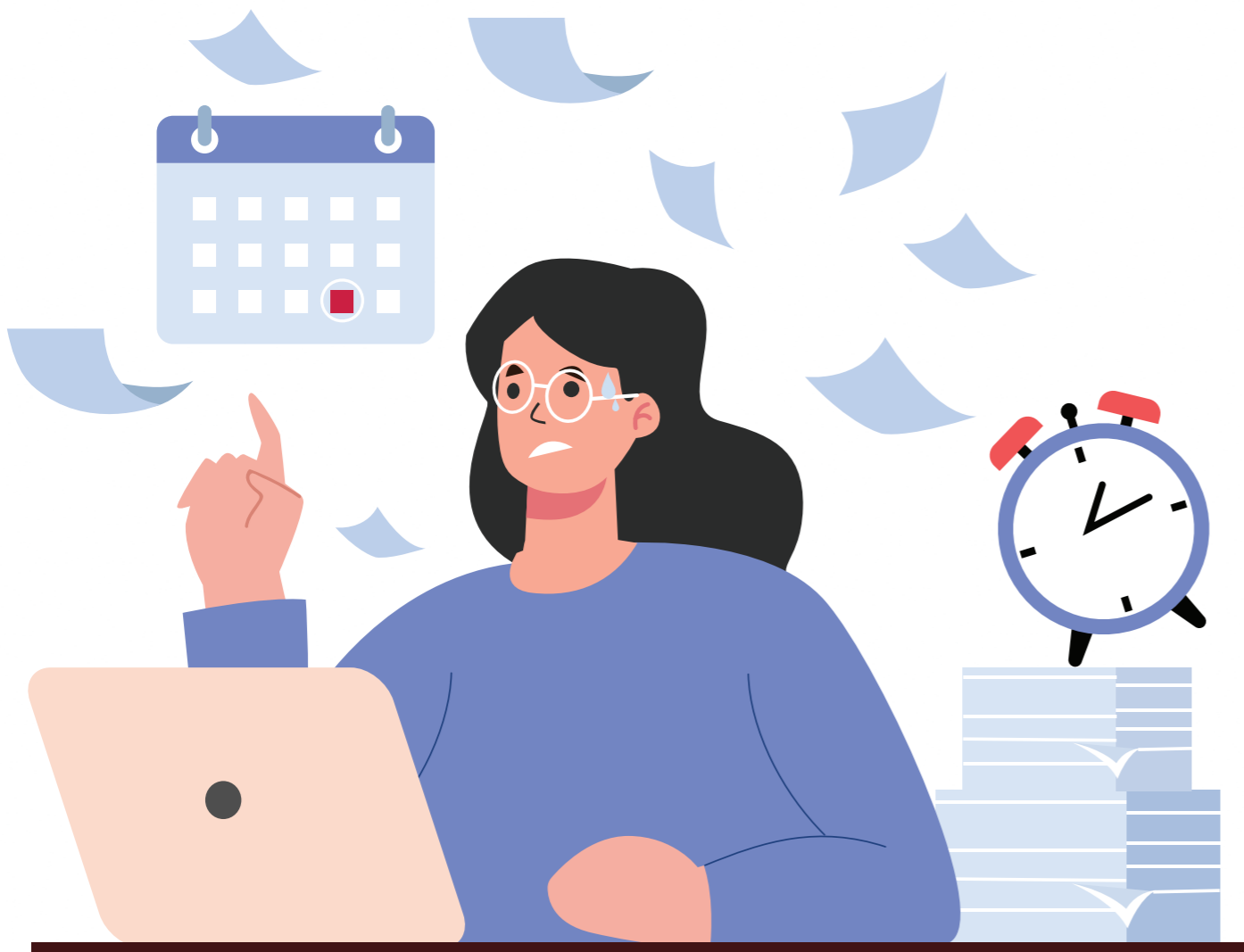
The method of protecting against gender discrimination chosen by each individual depends on whether gender equality is a conscious value for the entrepreneur. For entrepreneurs who do not value gender equality, the way to protect themselves psychologically is to adhere to the principle that 'business is business'. They argued that it was not gender or gender equality that mattered, but the gains or losses that could be made from a particular behaviour. These entrepreneurs gave examples of when they had to deliberately use gender stereotypes (including women's fragility) to their advantage. They explain that they do not find gender discrimination offensive as long as it does not have a direct negative impact on their business.

Another pattern of behaviour, more typical of younger women, is characterised by intolerance of gender discrimination, which can manifest itself in active actions (e.g. commenting on unacceptable behaviour or refusing to cooperate altogether).

«I hate this coddling at work. There was one moment at a meeting. We were handing over an object. ... [I was] addressed, like, 'hey, darling'. And I just got up and walked out. We lost the project. The co-owner was a little angry with me, but I realised that it was enough [- it was unacceptable to me]. I mean, there was such a moment. I thought: 'What kind of «darling» am I to you?»
Female, 28, Lviv, owner of an architectural bureau

¹⁹Eastern Interregional Department of the State Labour Service of Ukraine (2023). 'Labour Inspectorate informs about the prevention of violence in the workplace'. smu.dsp.gov.ua/news/inspektsiia-pratsi-informuie-pro-zapobihannia-nasylistvu-na-robochomu-mistsji/

Challenges and Needs of Female Entrepreneurs



Among the most pressing challenges that respondents most often mention is the effects of the economic crisis, in the form of rising prices and exchange rates and resultant low purchasing power (44%), high competition (31%), and frequent and unpredictable changes in legislation and government regulation (28%). Other challenges in the top 10 include communication, internet, and power outages, difficulty attracting customers, corruption and inspections by regulatory authorities, mobilisation and deployment of staff abroad, and loss of key partners and suppliers due to high risks of instability. Some of these problems were relevant to the business environment even before the all-out invasion²⁰, but there are new ones that have emerged after it.

Table 4. Current challenges faced in regard to entrepreneurial activity (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
The effects of the economic crisis (rising prices and exchange rates, low purchasing power of the population)	44%	45%	35%	55%	46%
High competition	31%	32%	29%	27%	27%
Frequent and unpredictable changes in legislation, government regulation, and the tax system	28%	33%	11%	20%	23%
Possible interruptions in communication, internet, and electricity	24%	23%	27%	27%	27%
Issues with customer acquisition, marketing, and advertising	21%	20%	22%	22%	27%
Corruption and constant inspections by regulatory authorities	20%	23%	15%	8%	8%
Mobilisation and departure of personnel abroad	18%	20%	15%	12%	4%
Loss of key partners and suppliers (including international ones) due to high risks of instability	16%	19%	13%	10%	8%
Issues with attracting additional investment	14%	10%	24%	20%	19%
High interest rates on loans	12%	11%	16%	8%	12%
Difficulties in obtaining licences and permits	11%	11%	11%	8%	12%
Challenges of entering the international market	10%	8%	17%	14%	8%
High personal stress among staff affects the quality of their outputs	9%	8%	13%	6%	4%
Finding business niche and positioning	8%	9%	9%	4%	4%
Lack of professional staff	8%	8%	11%	6%	12%
Lack of military insurance and a mechanism to cover losses	4%	4%	9%	4%	0%
Difficulties in obtaining bank loans	4%	4%	6%	4%	0%
Other	1%	1%	0%	0%	0%

XX% – significantly higher than in the general group of female entrepreneurs,

XX% – significantly lower than in the general group of female entrepreneurs.

*Insufficient basis for analysis.

²⁰United Nations Development Programme in Ukraine (2022). Rapid Assessment of the Impact of the War on Micro, Small and Medium-Sized Enterprises in Ukraine. Analytical report'. Kyiv (p. 35). undp.org/uk/ukraine/publications/ekspress-otsinka-vplyvu-vivny-na-mikro-mali-ta-seredni-pidpryemstva-v-ukrayini

According to the results of an open-ended question on the impact of Russia's full-scale invasion of Ukraine, the most frequently mentioned problems since the beginning of the invasion are a decrease in the number of customers/buyers/consumers and demand for goods (35%), a decrease in profits/increase in expenses (14%), a critical negative impact on the ability to continue business activities (13%), and a forced temporary suspension of business activities (9%). Only 15% of respondents reported no such impact on their business.

Table 5. Business impact of the all-out Russian invasion of Ukraine in February 2022* (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26**)
The number of clients, buyers, and consumers, and demand for goods decreased	35%	38%	24%	29%	38%
Decreased profits, increased costs	14%	16%	10%	6%	8%
Negative impact, almost or completely killed the business	13%	11%	16%	16%	12%
Forced to stop business (temporarily)	9%	9%	13%	6%	12%
Losses due to force majeure (electricity, alarms...), uncertainty, fear	5%	5%	4%	8%	4%
Loss of employees (departure, mobilisation)	4%	4%	2%	0%	4%
Need for transformation, changing demands	3%	4%	2%	0%	0%
Market downturn, rising prices	2%	3%	0%	4%	0%
Supply chain issues	2%	2%	4%	4%	4%
Relocation of facilities	2%	1%	6%	2%	4%
Loss of partners	2%	2%	2%	0%	0%
There was a decline, but then it returned to normal	2%	2%	0%	0%	0%
Destruction of facilities or warehouses directly in the combat zone	1%	1%	5%	0%	4%
High impact	1%	0%	6%	4%	4%
Pressure from authorities or entities, corruption	1%	2%	0%	0%	0%
Increased competition	1%	1%	0%	0%	0%
Other	6%	7%	6%	2%	4%
Hard to say	4%	5%	4%	2%	8%
No impact	15%	14%	16%	22%	4%

XX% – significantly **higher** than in the general group of female entrepreneurs,

XX% – significantly **lower** than in the general group of female entrepreneurs.

*Open question

** Insufficient basis for analysis.

Specific Issues and Needs of Marginalised Groups



Internally Displaced Women

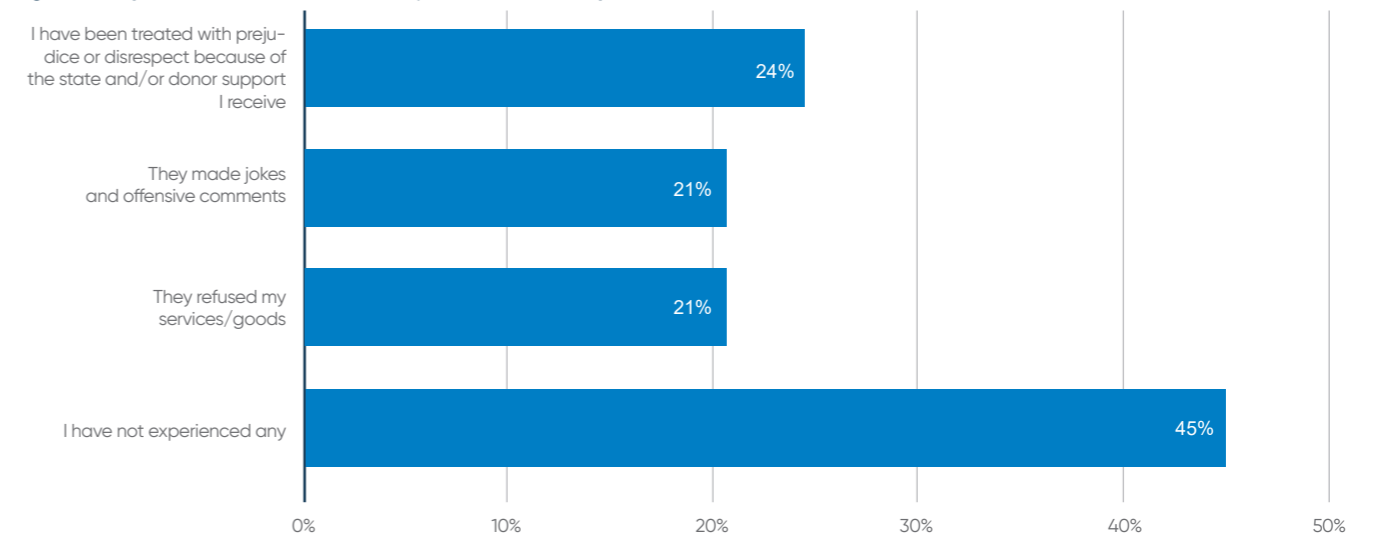
The occupation of part of the territory of Ukraine in early 2022 and active hostilities led to an increase in the number of IDPs in the country. According to the Ministry of Social Policy of Ukraine, the number of people officially registered as IDPs currently stands at 4.9 million²¹. Significant internal displacement has also led to the relocation of businesses. Among IDP entrepreneurs, 15% have started a business in a new location, 20% have already relocated their business, and 20% are planning to do so. **Government support for relocation can help female entrepreneurs overcome the difficulties of moving their business.**

Businesses can play an important role in integrating IDP women into the community: 56% of respondents said they felt supported by

the community and 49% said the community was interested in developing their business. During the in-depth interviews, female entrepreneurs noted that business was a way for them to improve their emotional state in the midst of war, to make contacts in a new community, and to integrate more quickly. In this context, business start-up training programmes that include psychological work could be useful for this group of entrepreneurs.

At the same time, some IDP female entrepreneurs face prejudice because of their status. For example, 21% of respondents reported that their IDP status was the reason for refusal of their services/goods and for jokes and insulting comments from business partners or customers.

Figure 19. Experiences of discrimination by IDP female entrepreneurs due to their status (n = 82*)



Question: Which of these situations have you experienced??

* The question was asked only to internally displaced female entrepreneurs

²¹Website of the Ministry of Social Policy of Ukraine: www.msp.gov.ua/timeline/Vnutrishno-peremishcheni-osobi.html



IDP assistance has the potential to increase social tensions in the community. Some 24% of respondents indicated that they had experienced biased or dismissive attitudes from fellow entrepreneurs because they had received an advantage in the distribution of government and/or donor support for business development due to their IDP status. The business community may not understand the vulnerability of IDP women, and therefore may feel that the redistribution of resources is unfair. As this problem has the potential to scale, in particular due to the increase in the number and scope of support programmes for IDP women, the state and the community should conduct more consistent and extensive communication with the local business community.

Given that representatives of marginalised groups are at a higher risk of being excluded from decision-making processes²², some projects aimed at strengthening interaction with local authorities could contribute to the more effective integration of such entrepreneurs into the community.

Reduced potential sources of funding for IDP women's businesses. As IDP women's immediate environment usually also involves a difficult financial situation in the first stages after displacement, one of the predominant ways of obtaining capital for business development (borrowing from relatives/acquaintances) is effectively inaccessible to them. Given the low level of trust in the banking system, as well as possible problems in terms of people's awareness of grant programmes, these women may have difficulty finding finance for their businesses.

Weak role of employment centres in disseminating information to IDP women. Employment centres, as well as organisations that assist IDPs, are a key source of information for these women. At the same time, according to the participants of in-depth interviews, they have not been receiving information about business support programmes (both specifically for IDPs and general programmes) at the employment centre.

²²Nwachi, L. (2021). Relationship between Participation and Social Inclusion. *Open Journal of Social Sciences*, 09(10), 46–77. doi.org/10.4236/ojs.2021.910004

Women Doing Business in Rural Areas

According to international research, rural female entrepreneurs are one of the main groups suffering from social exclusion²³. This is mainly due to existing stereotypes about the role of women, which have been found to be more entrenched in rural communities²⁴. Policies to promote entrepreneurship in rural areas should therefore take into account the possible risks in regard to the social exclusion of women.

For rural female entrepreneurs, it can be particularly important to establish and maintain fruitful relationships with the community, local authorities, and elected representatives at various levels in order to create favourable

conditions for the development of their business. In addition, engagement with local authorities can have a positive impact on the involvement of female entrepreneurs in decision-making processes related to business development in the community and encourage more women to engage in business.

Lack of staff to run the business. 12% of respondents stated that the mobilisation of the population in connection with the war and the departure of staff abroad had had a negative impact on their business. The shortage of skilled and unskilled labour in rural areas was already a problem

before the war, given the general trend of a declining rural population, but this problem has become more acute since the war. In addition, women running businesses in rural areas may not be able to hire employees due to limited financial resources.

Rural female entrepreneurs are also more sensitive to the economic situation in the country. A total of 55% of the entrepreneurs in this group said that the effects of the economic crisis (rising prices and exchange rates, and low purchasing power) were an obstacle to doing business, compared to 45% in the overall sample.



Women with Disabilities

The women with disabilities interviewed indicate a low level of involvement in community life. This is primarily due to infrastructural limitations (which is especially critical for people with musculoskeletal, visual, or hearing impairments).

Health issues remain a key concern for this group, requiring additional time and financial resources. They also have a negative impact on the profitability and competitiveness of their businesses. The main source of dissatisfaction with the state on the part of female entrepreneurs with disabilities is

the lack of adequate support, not related to their business, but mainly due to their disability (i.e. insufficient social benefits, poor medical support, inability to have a social assistant or carer, poor infrastructure, etc.). Disappointed with the state in this respect, these entrepreneurs are sceptical about the reality of state support at other levels, including business activity. Working with this group should be a separate focus for the state, especially given the prospect of an increase in the number of people with disabilities as a result of the war.

²³Oughton, E., Wheelock, J. V., & Baines, S. (2003). Micro-businesses and Social Inclusion in Rural Households: a Comparative Analysis. *Sociologia Ruralis*, 43(4), 331–348. doi.org/10.1046/j.1467-9523.2003.00249.x

²⁴García Retamero, R., Müller, S., & López-Zafra, E. (2011). The Malleability of gender stereotypes: influence of population size on perceptions of men and women in the past, present, and future. *The Journal of Social Psychology*, 151(5), 635–656. doi.org/10.1080/00224545.2010.522616

Women Veterans

Vulnerability of businesses whose managers have gone to the frontline.

According to the Association of ATO Veterans Entrepreneurs, entrepreneurs make up at least 13% of the total personnel of the Armed Forces of Ukraine. According to rough estimates, this is between 100,000 and 150,000 people. Their businesses are either on pause or have been transferred to other people to manage²⁵.

Lack of a coherent policy for the development of veterans' businesses.

According to the interviewed women veterans, an important step was the creation of the Ukrainian Veterans Fund, which is currently implementing grant programmes to start and support veterans' businesses. However, among the problems in the work of the fund, the respondents mentioned an extremely long decision-making process. At the same time, there are other programmes aimed at supporting veterans' businesses, including those implemented by the Ministry of Social Policy of Ukraine, but there is currently no systematic state policy aimed at supporting and developing entrepreneurship among veterans.

Veterans need specialised measures to facilitate their return to civilian life (including through business). This requires a comprehensive approach and joint efforts by many state institutions.

A separate challenge that this group may face is the need to overcome the effects of post-traumatic stress disorder. Accordingly, ensuring access to psychological assistance, as well as actions aimed at regulating the use of this type of support in society, should be a separate focus of work.

The results of in-depth interviews with female veterans confirm the findings of Western studies that show that **female and male veterans can successfully convert their military service experience into business management.**



In particular, this is manifested in the ability to take risks, their perseverance, and, in some cases, the ability to communicate more directly and forthrightly with contractors. Separate training programmes focusing on skills transfer (i.e. the ability to apply skills acquired during military service and demonstrate this ability to potential investors, partners, etc.) could be part of integration programmes for female and male veterans.

The group of women veterans can often overlap with the group of women with disabilities, and therefore women belonging to both groups face double challenges. It is important to note that the number of women belonging to these two groups will increase due to the war.

Challenges and Needs of Female Entrepreneurs in Relation to Certain Aspects of Business



²⁵Veteran Business. What Will Happen When Veterans Return Home? Interview with Serhii Pozniak, Chairman of the ATO Veterans Entrepreneurs Association'. YouTube channel of UkrInvestClub. [youtube.com/watch?v=ZkIY1B0wLg](https://www.youtube.com/watch?v=ZkIY1B0wLg)

Business Resources

Key challenges for female entrepreneurs

- Difficulty in obtaining loans to start and expand a business
- High interest rates on loans
- Lack of confidence in the banking system
- Lack of and/or low awareness of special loan programmes
- Misunderstanding of the objectives of the grant system
- Perception of grant programmes as a real opportunity
- Difficulty in filling out and reporting on grant applications

Key needs of female entrepreneurs

- Special loan programmes for women and by business sector
- Training in preparing business plans and communicating with representatives of financial institutions
- Training in preparing grant applications
- Prompt access to information on loan and grant programmes that are relevant to a particular entrepreneur
- Affordable and reliable rental of premises

Start-up Capital for Starting a Business

The main source of start-up capital for female entrepreneurs is their own savings. The majority of female entrepreneurs surveyed (71%) used their own savings to start their business. Because of the gender pay gap (women earn on average 19% less than men²⁶), women save less money than men for their start-up capital, all other things being equal.

Around one in five respondents (22%) used their partner's

money to start a business and only a very small proportion of women (5%) used credit limits on personal cards. At the same time, it is worth noting that, compared to other groups, **IDP female entrepreneurs are significantly more likely to use a credit limit on a personal card as start-up capital for their business.** This may indicate that these women face additional barriers to accessing resources due to displacement.

Table 6. Source of start-up capital (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
Personal savings	71%	73%	72%	59%	58%
Savings of partner(s)/spouse	22%	22%	26%	27%	4%
Credit funds – a loan from a bank	15%	17%	11%	4%	12%
Money given by close relatives	12%	13%	15%	10%	19%
Money borrowed from friends/relatives	12%	11%	15%	18%	19%
Credit funds – loan secured by collateral	5%	3%	10%	8%	8%
Credit funds – credit limit on a personal card	3%	2%	5%	4%	0%
Grants from international donors	3%	3%	2%	4%	4%
Funds received from the sale of valuable property	3%	2%	6%	4%	8%
Grants from the state	1%	1%	1%	0%	0%
My business did not require start-up capital	7%	8%	7%	4%	15%

XX% – significantly **higher** than in the general group of female entrepreneurs,

XX% – significantly **lower** than in the general group of female entrepreneurs.

Question: What was the source of start-up capital for your business?

*Insufficient basis for analysis.

²⁶Slovojdilo (2023). 'Gender Pay Gap: How Much More Men Earn in Countries Around the World'. slovojdilo.ua/2023/10/24/infografika/svit/hendernyj-roznyv-oplati-praczi-skilky-bilshе-zaroblyayut-choloviki-krayinax-svitu

Having only a small amount of start-up capital can slow down business development. According to the survey participants, having only a small amount of start-up capital was not perceived as a problem at the stage of starting a business. Accordingly, it can be concluded that starting a business can be done with whatever capital has been accumulated or even virtually from scratch. At the same time, in retrospect the women expressed regret that they had not been able to accumulate more resources to start their businesses. According to them, this would have meant they avoided some of the mistakes they made at the beginning of their business and would have reduced the number of problems that emerged over time that were caused by saving money in the early stages of their business (broken equipment, poor communication in the premises, etc.). In addition, decision-making with limited initial financial and material resources created additional emotional pressure on female entrepreneurs and the need to use their own resources more intensively. For example, female entrepreneurs may not have been able to hire

employees for a long time and had to do all the work themselves. As a result, they had little time to plan and develop their activities, as well as to research support programmes and engage in them.

Female entrepreneurs indicate that they have fewer resources on average than men. In particular, during the in-depth interviews, respondents indicated that they rarely had property that they could use for the start-up phase of their business. Therefore, for some of them, the issue of rent was critical at this stage.

Women entrepreneurs report that they do not feel protected from landlords. Although the country's legislation contains certain safeguards against sudden increases in the cost of rent and termination of the contract before the end of its validity, female entrepreneurs consider them irrelevant to them. This is primarily due to the lack of resources for legal support to protect their rights (e.g. in court).

Lending

Loans are rarely cited as a source of start-up capital when starting a business, with just 15% of respondents having a bank loan and 3% a secured loan. However, the level of lending to women may be affected by the almost complete absence of special lending programmes (both business-specific programmes and special programmes for women). At the same time, if new programmes are introduced, confidence in them may be low due to established stereotypical negative perceptions of the banking system, which may significantly reduce their effectiveness.

Women who run businesses close to the front line (particularly in rural areas) have limited access to credit and grant programmes from international donors, as supporting such businesses is seen as risky.

Female entrepreneurs report difficulties in accessing credit to support and expand their businesses. A global trend is that women are less likely to participate in credit programmes. In the US, for example, only 25% of women seek credit to start and run a business, compared with 33% of men²⁷. One of the barriers in the US is the higher interest rates

that female entrepreneurs pay on average for loans²⁸. In France, the gender gap is even greater: only 10% of female entrepreneurs seek finance, compared to 30% of men²⁹. In in-depth interviews, respondents pointed to existing barriers to lending. These included the difficulty of obtaining a loan to start a first business due to the banks' policy of not lending to customers with no business history. Another issue is the biased attitudes of banks toward representatives of marginalised groups when making loan approval/rejection decisions.

According to the results of the online survey, **the biggest obstacle to obtaining a loan for Ukrainian women is the high interest rate,** which was cited by 38% of respondents. Other common barriers include fear of not being able to restructure their debts (24%) or having to go through bankruptcy (21%). However, one in five respondents said they had no barriers to borrowing.

It is also worth noting that 16% of respondents say they **do not trust the banking system** in general and therefore avoid taking out loans.

²⁷Behind the numbers: The state of women-owned businesses in 2018. (2018). WBENC. wbenc.org/news/behind-the-numbers-the-state-of-women-owned-businesses-in-2018/

²⁸Hwang, V., Desai, S., Baird, R. (2019) 'Access to Capital for Entrepreneurs: Removing Barriers' Ewing Marion Kauffman Foundation: Kansas City. kauffman.org/wp-content/uploads/2020/06/Access-To-Capital_2019.pdf

²⁹Women entrepreneurs are our best opportunity. (2022). European Investment Bank. eib.org/en/stories/investment-in-women-entrepreneurs

Table 7. Obstacles to taking a loan from a bank (n = 476)

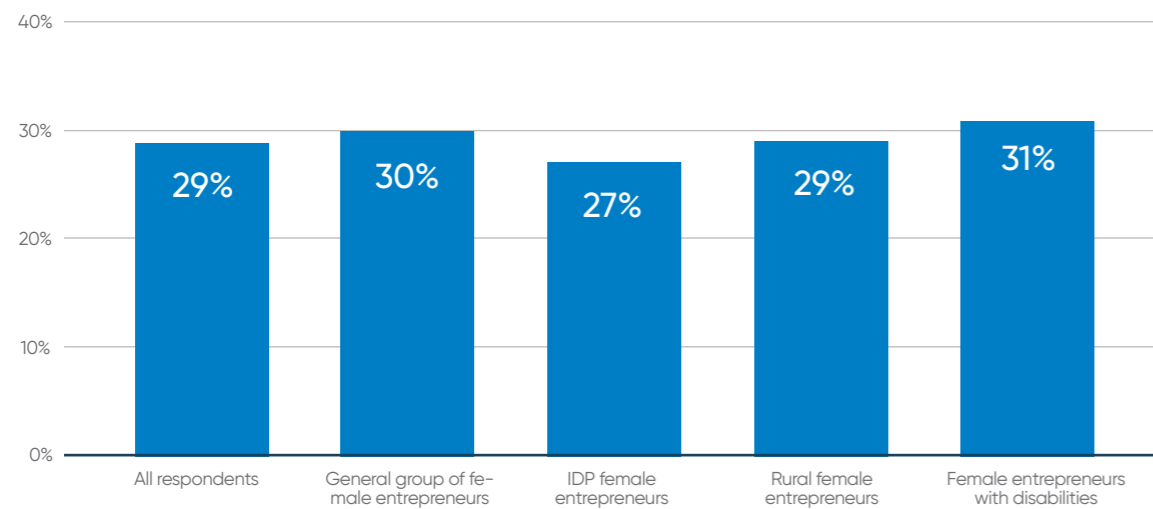
	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
The interest rates are too high	38%	37%	44%	41%	35%
If I fail, I am afraid that I will not be able to restructure my debt	24%	24%	26%	35%	19%
If I fail, I am afraid of penalties/bankruptcy proceedings	21%	20%	20%	22%	19%
I do not trust banks	16%	15%	16%	20%	23%
No special programmes for women	15%	11%	27%	10%	23%
No special programmes by business sector	14%	13%	16%	10%	8%
No property for collateral	12%	12%	12%	6%	8%
I feel discriminated against by banks	8%	9%	10%	6%	0%
I have a bad credit history	4%	4%	2%	4%	8%
Other	3%	4%	0%	2%	0%
There are no obstacles for me	21%	23%	17%	16%	19%

XX% – significantly **higher** than in the general group of female entrepreneurs,
XX% – significantly **lower** than in the general group of female entrepreneurs

Question: Female entrepreneurs often talk about problems with the lending system in Ukraine. What obstacles to taking out a loan (to start or maintain/develop a business) from a bank are relevant to you?
 *Insufficient basis for analysis.

In addition, **female entrepreneurs' awareness of loan programmes is rather low.** For example, despite the widespread dissemination of information about the 5-7-9 loan programme, only 29% of respondents reported knowing about it.

Figure 20. Awareness of the 5-7-9 loan programme by group of female entrepreneurs (n = 476)



Question: Which of the following support programmes do you know about? 5-7-9 loan programme

Special lending programmes targeting women or specific business sectors would be an additional incentive to take out a loan for the surveyed female entrepreneurs who indicated the absence of such programmes as an obstacle to taking out a loan (15% indicated the absence of special programmes for women and 14% indicated the absence of special programmes by business sector as barriers). Furthermore, among IDP female entrepreneurs the demand for special loan programmes for women is

slightly higher at 27%.

Based on Western and Ukrainian studies, we can identify the following **reasons that hinder women's access to lending:**

- 1 When considering loan applications, bankers tend to evaluate women according to stricter criteria than men³⁰;
- 2 Women are more likely to have fewer assets when they apply to financial institutions³¹. In the Ukrainian context,

this is also due to the gendered privatisation of the 1990s, when men received much more property from former state-owned enterprises, which they were able to successfully use as collateral;

3 Women entrepreneurs tend to be more conservative than men when it comes to borrowing money³² (e.g. using

their own credit cards or other assets before turning to a bank for financial support);

4 There is low representation of women in top management in the financial sector; in 2018, the share of managerial positions held by women in the financial and insurance sector in Ukraine was 29%³³.

Grant Funding

Since the start of the war in eastern Ukraine in 2014, grant funding has become widespread and has intensified with Russia's full-scale invasion of Ukraine in 2022. For example, the government's eRobota programme alone has provided UAH 4 billion worth of support to 5,600 businesses³⁴.

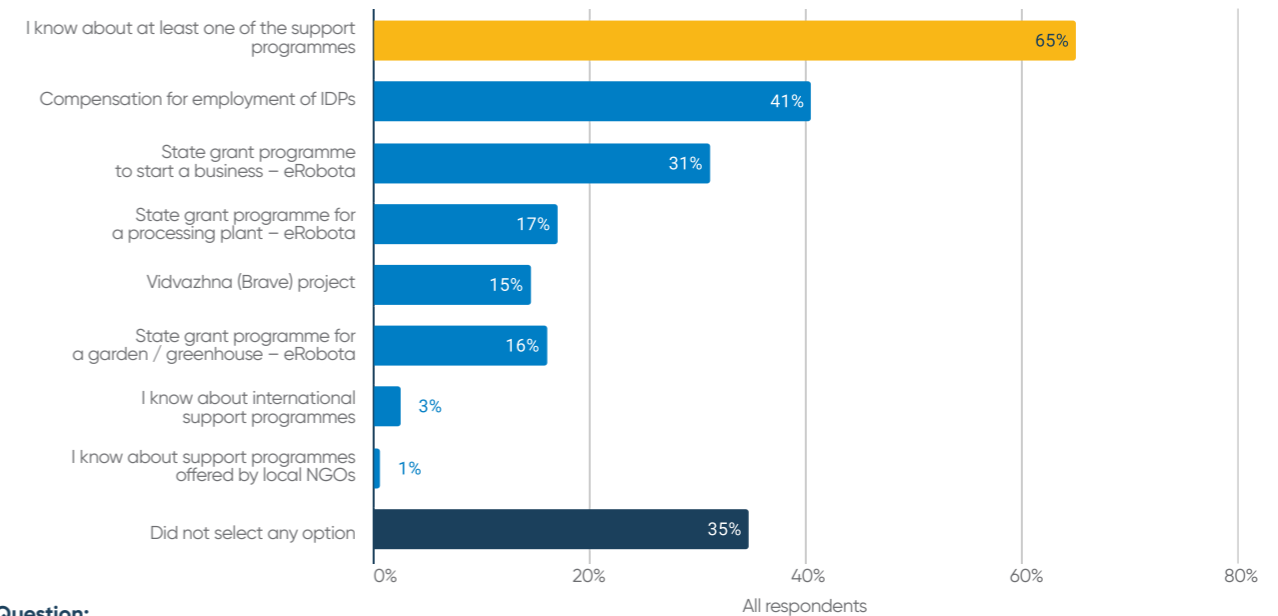
Grant programmes improve the entrepreneurial skills of female entrepreneurs. According to female entrepreneurs, the positive impact of grants was not only in terms of directly supporting their business (e.g. meeting urgent financial needs) or providing opportunities for expansion,

but also in terms of **developing their business management skills.** For example, one of the participants in the in-depth interviews noted that participation in the grant programme allowed her to look systematically at her business activities, as the obligations of the grant programme included compliance with the business development plan.

Female entrepreneurs may not see grant programmes as an objective opportunity due to a low level of trust in the state. According to the online survey, 65% of respondents are aware of at least one of the grant programmes mentioned in the

question. However, during the in-depth interviews, some of the study participants noted that they had little information about government grant programmes. In addition, despite being aware of certain programmes, these entrepreneurs did not see this type of support as a real opportunity to receive money for their business, which may be correlated with a low overall level of trust in the state. Such a perception is a barrier to finding detailed information about government grant programmes. However, there are also some respondents who claimed to follow information about grants and expressed interest in such support.

Figure 21. Awareness of entrepreneurship support programmes (n = 476)



Question: Which of the following support programmes do you know about?

³⁰Fay, Michael & Williams, Lesley, 1993. Gender bias and the availability of business loans. Journal of Business Venturing, Elsevier, vol. 8(4), pages 363-376, July.

³¹ Moore, D. P. (2003). Women: Are you ready to be entrepreneurs. Business & Economic Review, 49(2), 15-23.

³²Weiler, S., & Bernasek, A. (2001). Dodging the glass ceiling? Networks and the new wave of women entrepreneurs. Social Science Journal, 38(1), 85-103. doi.org/10.1016/S0362-3319(00)00111-7

³³Delo (2018). 'To be more than 30%: Women in Business in Ukraine and Worldwide'. delo.ua/business/buti-bilshe-nizh-30-zhinki-u-biznesi-v-ukrajini-347717/

³⁴Ministry of Economy of Ukraine (2023). 'Year of eRobota: UAH 4 billion invested in business development through grants'.

me.gov.ua/News/Detail?lang=uk-UA&id=ad72b58f-34a7-46e2-b77f-4967b5b82b69&title=RikDiRobota-4-MrdGrnInvestovanoDerzhavoiVRozvitokBiznesuCherezGranti

Female entrepreneurs may not understand the objectives of grant programmes and their target audience. For example, during the in-depth interviews, some of the study participants indicated that this type of support is perceived as being focused mainly on NGOs as the main recipient, and is not associated with business assistance:

«If I'm an entrepreneur, my activity is aimed at earning money... why should I ask for money from anyone: foundations, the state, if I'm not a public organisation, not a charity? I sell my product. So it's more my problem that I don't know how to earn enough. That's why I haven't looked for ways to get financial support. But I also [did not look] because it seems to me that it is very difficult, scary, and I cannot cope with it».
Female, 30, Kharkiv, bakery owner

Female entrepreneurs face difficulties in completing grant applications (especially in terms of business plans). Entrepreneurs reported a lack of skills in writing business plans, which are usually an integral part of a grant application. Several participants in the in-depth interviews indicated that they had used third-party paid services to write grant applications and business plans. It can be assumed that the belief that filling out grant applications is difficult (which may be unfounded but could be based on previous negative experiences) is a barrier to applying for grants.

In addition, **the perceived complexity of reporting on the support received can also be a barrier.** Completing annual accounts is generally perceived as a challenge by female entrepreneurs, and reporting on the results

of grant implementation can be seen as an additional burden. In addition, an accountant may discourage them from applying for a grant if they do not have this experience.

The experience of communicating with donor representatives influences the decision of female entrepreneurs to participate in grant programmes. One of the reasons why women may refuse to participate in grant programmes is the negative experience of communicating with their representatives. For example, female entrepreneurs who have not received feedback on their application may not apply for funding programmes in the future. Participants in the study also noted slow communication with donor representatives. Female entrepreneurs either did not receive the advice they needed or received it with a significant delay.



Female Entrepreneurs and the State

Key challenges for female entrepreneurs

- Complex legislation, especially in terms of permitting procedures
- Fear of inspections by regulatory authorities
- Low level of trust in the state
- Frequent and unpredictable changes in legislation

Key needs of female entrepreneurs

- Involvement in policy-making processes
- Opportunity to receive consultations from state authorities
- Wide communication of legislative changes with explanations of their reasons and objectives
- Providing sufficient time to adjust their activities in connection with the adoption of legislative changes

The experience of interacting with representatives of public services and institutions³⁵ affects the level of trust that female entrepreneurs have in the state. Business activities require systematic interaction with the state. For example, female entrepreneurs are confronted with legislation that regulates business activities and requires relevant behaviour and

adaptation by business owners, as well as information resources that cover relevant government activities (legislative changes, implementation of support programmes, etc.). In addition, female entrepreneurs can communicate directly with representatives of state services and institutions. Any business is involved in such communication

via submitting reports to the tax authorities, inspections, and, in some cases, obtaining permits and licences. Such communication has a significant impact on entrepreneurs' perceptions of state policy in the field of entrepreneurship, as representatives of state services and institutions are perceived as representatives of the state.

Table 8. Level of trust in the state and assessment of the state's attitude toward MSMEs (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
The state cares about small- and medium-sized businesses	3,5	3,5	4,1	3,2	3,2
In general, I trust the state and state institutions	3,6	3,5	4,3	3,6	3,4

XX% – significantly **higher** than in the general group of female entrepreneurs,
XX% – significantly **lower** than in the general group of female entrepreneurs
*Insufficient basis for analysis.

³⁵The first are the so-called street-level bureaucrats. You can find out more about the work of such employees in tax authorities in the following study: Keulemans, S., & Van de Walle, S. (2020) 'Street-Level Bureaucrats' Attitude toward Clients: A Study of Work Group Influence in the Dutch and Belgian Tax Administration'. Public Performance & Management Review, 43:2, 334-362, DOI: 10.1080/15309576.2019.1697303

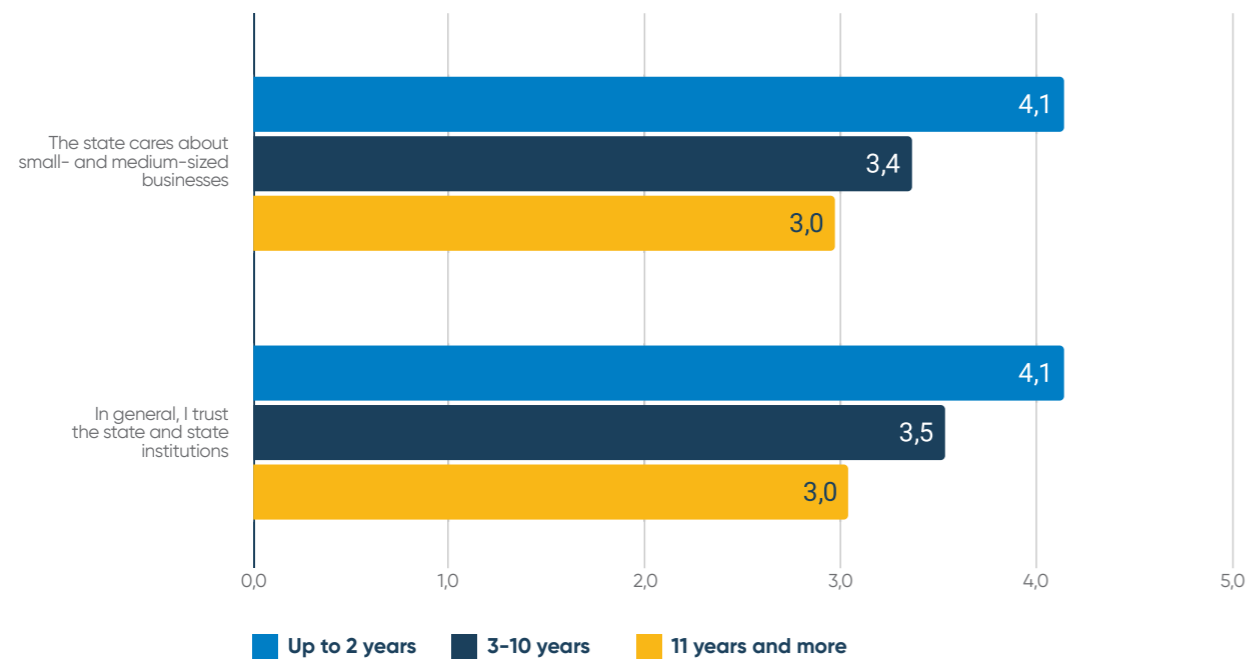
There is a rather low level of trust in the state among female entrepreneurs. To measure the level of trust, female entrepreneurs were asked to rate on a 10-point scale how much they agree with the statement 'In general, I trust the state and state institutions,' where 1 means strongly disagree and 10 means strongly agree. The average score was 3.5, with 79% of respondents rating their level of trust in the state at 5 or below on a scale of 10. Similar results are observed with regard to respondents' perceptions of

government support. When asked how much they agreed with the statement 'The state cares about small- and medium-sized businesses', 80% of respondents rated their agreement at 5 points or less, and the average score was 3.6. During the in-depth interviews, the study participants noted that they did not feel supported by the state and perceived certain state policies as being designed to hinder the operations of MSMEs.

«...The state did not support me. I didn't feel any support, I did everything myself... Maybe it was my mistake that I didn't look at my project on a large scale. I believed in it, I was so passionate about it... but I couldn't assess its scale from the outside to ask for some help, perhaps from the state. For example, some kind of deferral during the COVID situation. (...) But I, personally, have seen nothing from the state on my way, no support. I have only seen difficulties [when it comes to the tax office]».
Female, 29, Lviv, owner of a nail aesthetics studio

We found that the newer the business, the higher the level of trust in the state. Among owners of businesses running for 11 years and longer, the share of those who trust the state and feel supported by it is small: almost all positive assessments were received from entrepreneurs who started their businesses relatively recently. It can be assumed that this is due to a decrease in the intensity of interaction with the above-mentioned representatives of public services and institutions, as a significant number of processes have been digitised.

Figure 22. Assessment of the state in terms of the duration of entrepreneurial activity (n = 476)



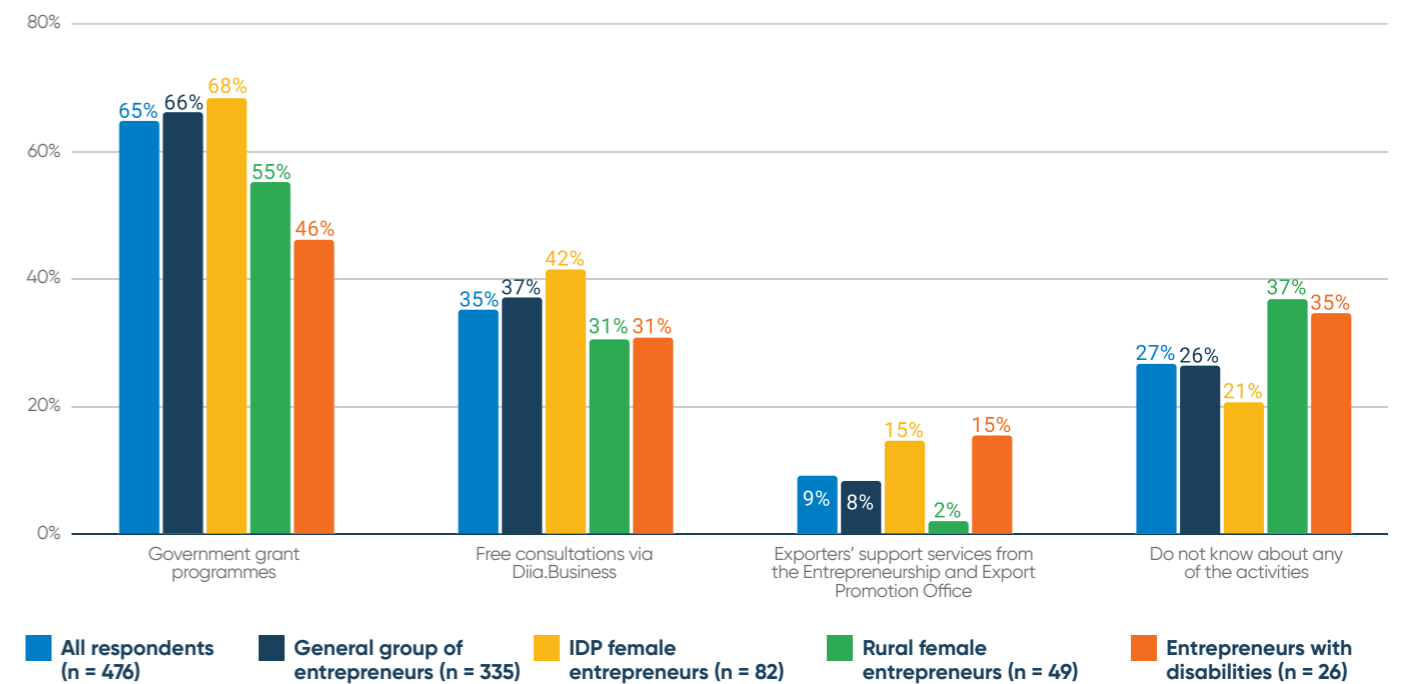
Question: To what extent do you agree with the following statement: 'The state cares about small- and medium-sized businesses?' / 'In general, I trust the state and state institutions' (on a scale from 1 to 10, where 1 means I do not agree at all and 10 means I completely agree) / How long have you been doing business?

Also, IDP female entrepreneurs demonstrate a higher level of trust in the state and a sense of state support for business: they rate their agreement with the statement 'The state cares about small- and medium-sized businesses' at an average of 4.1 points out of 10 compared to 3.5 in the general group of female entrepreneurs, and with the statement 'I generally trust the state and state institutions' at 4.3 points out of 10 compared to 3.5 in the general group of female entrepreneurs.

Despite the high level of awareness of government support programmes, female entrepreneurs may not perceive them as a real opportunity for them. Thus, 73% of female entrepreneurs are aware of at least one of the state-initiated support programmes mentioned in the survey question: 65% are aware of grant programmes for business support, and 40% are aware of information assistance (i.e. exporters' support services from the Entrepreneurship and Export Promotion Office and free consultations from Diia.

Business). However, similar to the situation with grants, knowledge of these programmes does not translate into attempts to use them due to a lack of confidence in the possibility of receiving real support. The results of the in-depth interviews suggest that female entrepreneurs need additional incentives to participate in support programmes (e.g. an invitation to participate or a recommendation of the programme by friends/colleagues, which increases their confidence in such initiatives).

Figure 23. Awareness of government support measures for MSMEs by group of female entrepreneurs (n = 476)



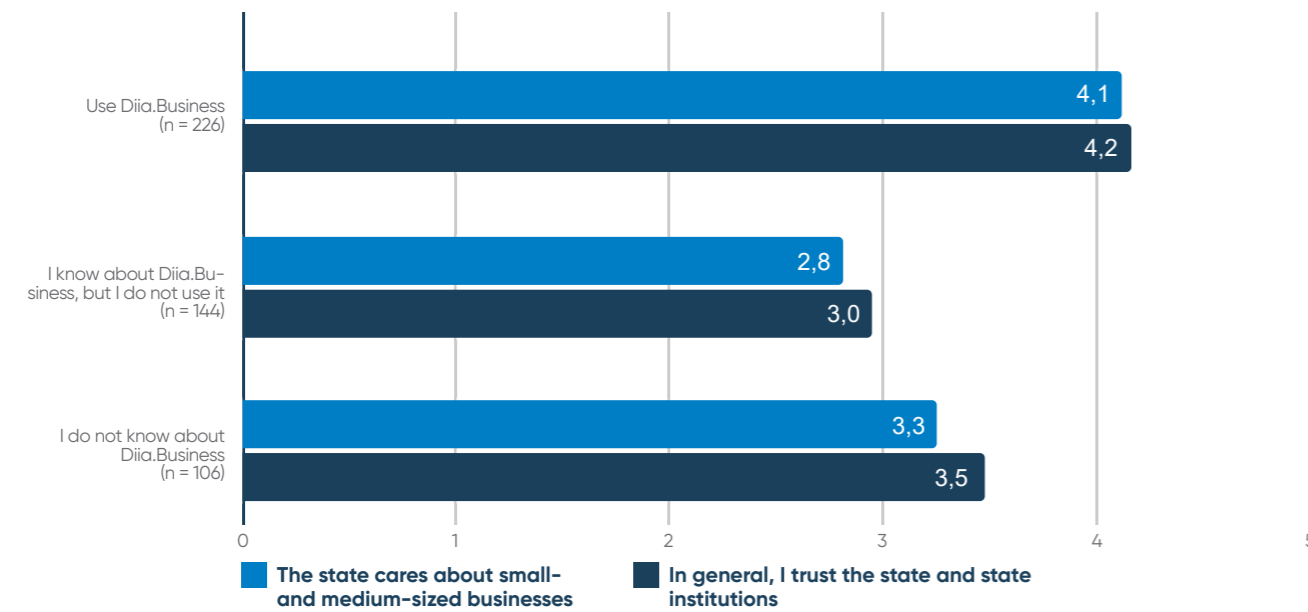
Question: Which of the following support programmes do you know about?



Female entrepreneurs who use Diia.Business have more trust in the state and a higher assessment of state support. The Diia.Business resource is used by 47% of respondents. At the same time, 19% of respondents use this resource to get advice, 16% each to take online courses and find business ideas, and 15% to find financial opportunities. It can be assumed that such experience of interaction with the state, when an entrepreneur receives useful information that can positively affect her business, is the main reason for the increase in the level of trust in the state among respondents in this group (4.1/10 compared to 2.8 in the group of respondents who do not know about Diia.Business).

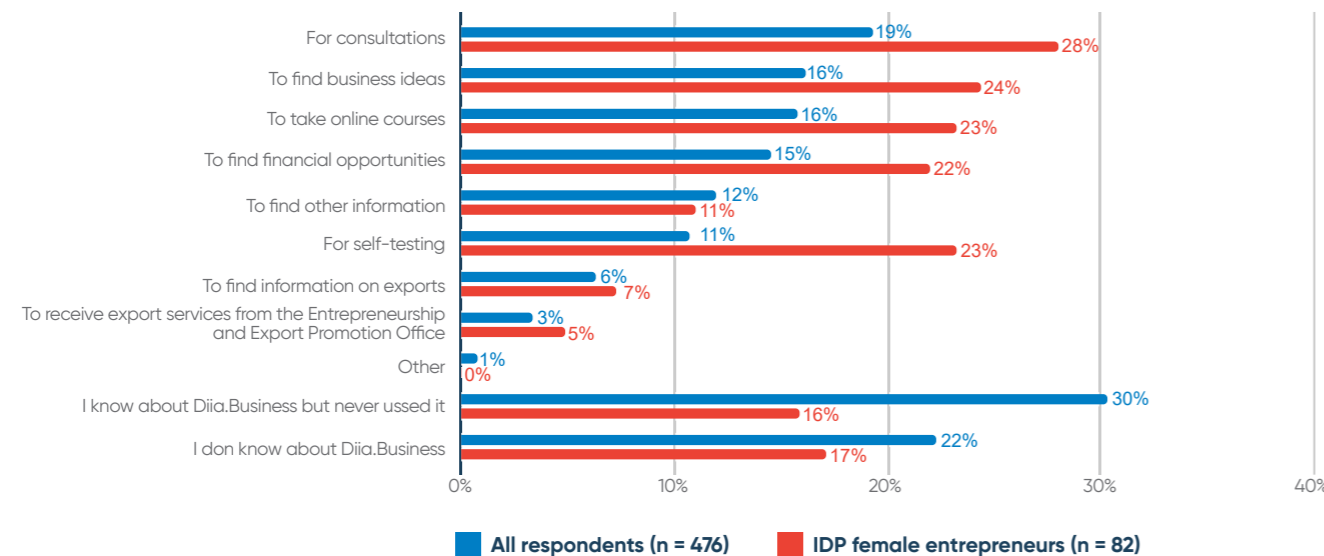
Among women doing business in rural areas, the share of those who use Diia.Business is the lowest at 39%. At the same time, the share of those who know about Diia.Business but do not use it is 43% compared to 32% in the general group of entrepreneurs. This may be suggestive of a lack of relevant services for such entrepreneurs on the portal. IDP entrepreneurs use the Diia.Business functionality most intensively compared to the general group of entrepreneurs, with 67% using it.

Figure 24. Assessment of the state depending on the use of Diia.Business and Diia.Business.Export websites (n = 476)



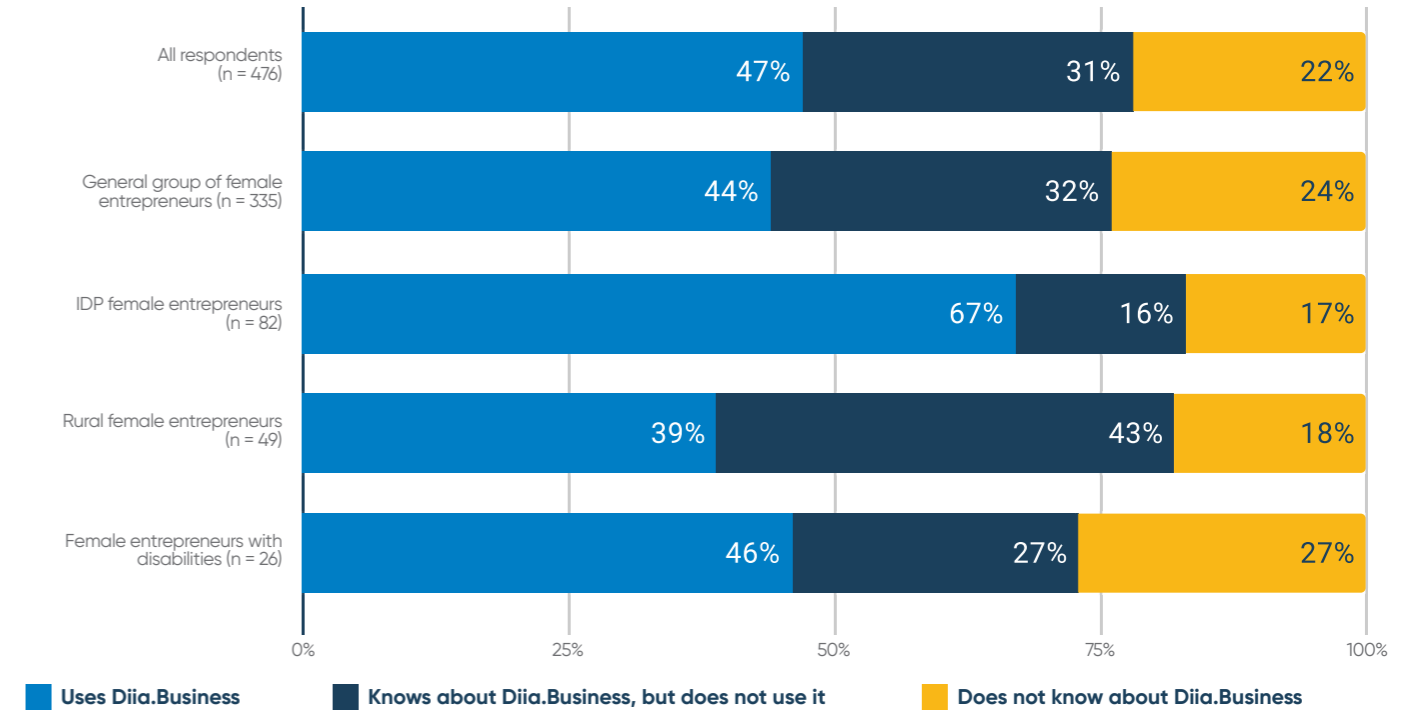
Question: Why do you use the Diia.Business and Diia.Business.Export websites? / To what extent do you agree with the following statement: 'The state cares about small- and medium-sized businesses?' / 'In general, I trust the state and state institutions?' (on a scale from 1 to 10, where 1 means completely disagree and 10 means completely agree)

Figure 25. Use of Diia.Business websites (n = 476)



Question: Why do you use Diia.Business and Diia.Business.Export?

Figure 26. Use of Diia.Business websites by marginalised groups (n = 476)



The low level of trust in the state also has a negative impact on the perception of legislative changes aimed at simplifying business and helping entrepreneurs during the war.

Changes in legislation are perceived by respondents as frequent and unpredictable, creating a sense of insecurity and requiring significant time and other resources to adapt to them. For example, 28% of respondents noted that frequent changes in legislation are a pressing issue for them. Examples cited during in-depth interviews included the restoration of taxation, which was reduced due to Russia's full-scale invasion of Ukraine, regular changes in payment details and reporting forms, and the

need to introduce a registrar of payment transactions. According to the respondents, such drastic changes or innovations result in a constant fear of missing out on something important. Entrepreneurs also point to a frequent lack of understanding of the reasons and meaning of such changes (and even more so of the possible benefits for business) and often perceive them as creating additional obstacles to business. In addition, respondents note that the need to adapt to such rapid and unpredictable innovations in a timely manner is a challenge. From the above, it can be concluded that the communication of legislative and other regulatory changes by the state is not very effective.

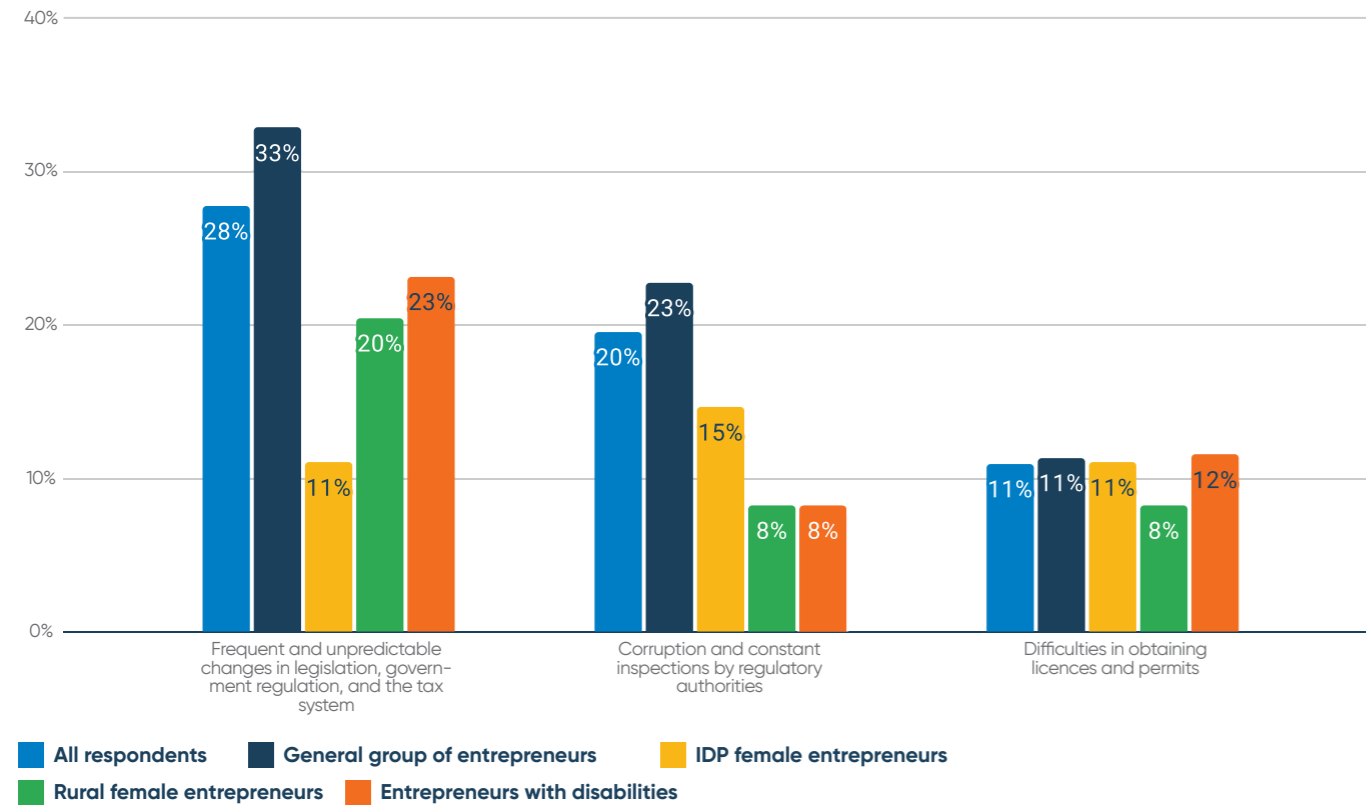
Around 20% of respondents described inspections by certain government services as a problem, including due to the difficulty of complying with all the requirements they impose (e.g. fire safety, sanitary, and epidemiological requirements). The respondents noted that such norms are often not clearly formulated and therefore difficult to understand. As a result, an entrepreneur may unknowingly violate a particular rule. In addition, respondents pointed

to the objective impossibility of organising their work in full compliance with sanitary and epidemiological and fire safety standards in most cases, meaning any inspection would find violations. Negative experiences when interacting with inspectors in such situations has led to the belief that the main task of such services is to establish violations rather than to help the company be safe.

Perception of government as an unfavourable counterparty. Respondents are cautious about the prospect of interacting with the state through participation in tenders. In particular, there is a perception among female entrepreneurs that such cooperation is likely to lead to increased inspections by regulatory authorities and even more scrutiny of their business. Establishing a certain percentage of tender procurement amounts to be implemented by MSMEs is one of the possible future strategies to support business and strengthen the capacity of MSMEs in general, as well as businesses owned by

representatives of marginalised groups. **Ineffective interaction with local authorities and utilities creates additional barriers to business operation and development.** Those participants who did have experience with local authorities generally described it as negative. Problems mentioned included the lack of up-to-date communications in buildings rented by businesses and poor maintenance of the surrounding area. At the same time, entrepreneurs pointed out that local authorities are often unwilling to make concessions and cooperate in solving these problems.

Figure 27. Urgency of issues related to interaction with the state (n = 476)



Question: What are the most pressing issues in business for you?

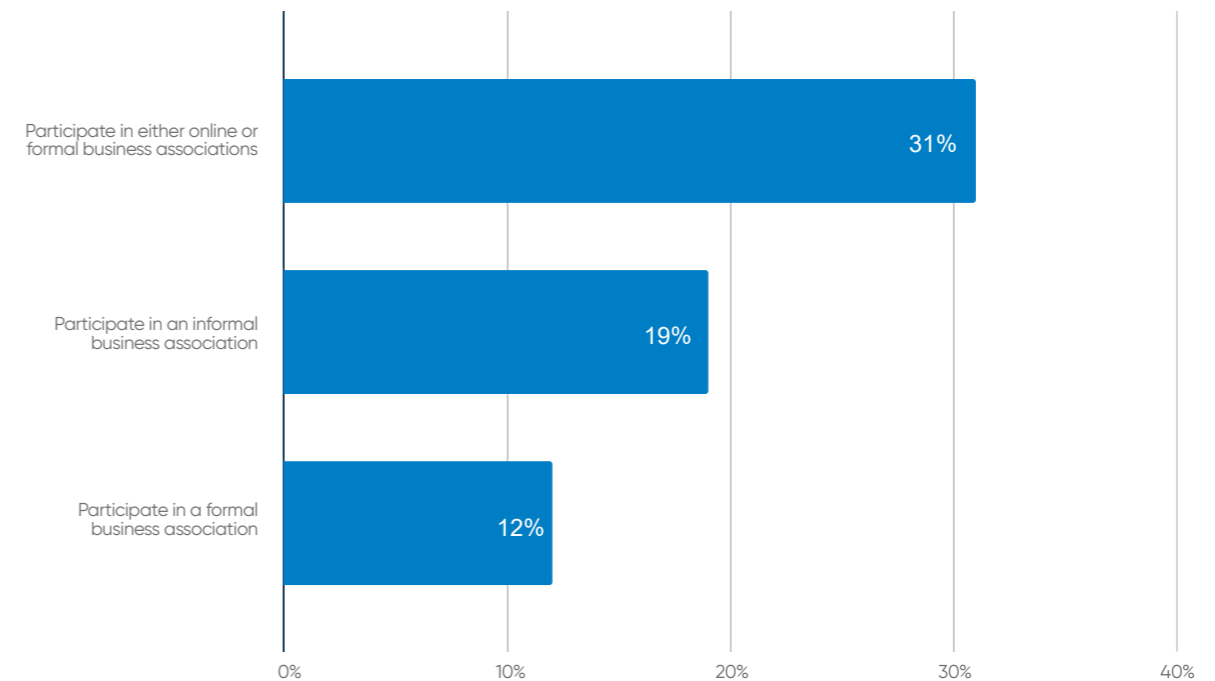
Female entrepreneurs point to the perception that the state's vector of work with entrepreneurship is mainly aimed at supporting large enterprises. A number of factors can influence this perception. For example, female entrepreneurs may not have a clear understanding that MSMEs are the backbone of the Ukrainian economy and therefore the state is clearly interested in supporting them. Women entrepreneurs may also have their own experience of unbalanced treatment of businesses depending on their size. In addition, medium-sized companies can be perceived by micro and small entrepreneurs as large companies in terms of annual turnover. Extensive media coverage of violations by large companies and the lack of an adequate response from the state also have a negative impact.





Presentation of the «She's Next» programme by Svitlana Chyrva, Vice President and Regional Manager of Visa in Ukraine and Moldova, as part of the «Vidvazhna» project.

Figure 28. Involvement of female entrepreneurs in business associations (n = 476)



Low level of involvement in institutionalised and informal business associations. Some 31% of respondents said they were members of at least one business network. However, the most common form of women's participation in such communities is online networking: 19% of respondents said they are members of an entrepreneurial group based on social media (Facebook – 12%, Viber – 11%, Telegram –

10%), where they can ask questions and get answers from other entrepreneurs. Such groups are also used to find partners and customers. It is worth noting that Facebook is not a popular platform for finding like-minded people among IDP and rural female entrepreneurs (only 2% are members of associations based on this social network), while Telegram and Viber are more accessible platforms.

Female Entrepreneurs and the Business Environment

Key challenges for female entrepreneurs

- Lack of business associations that could effectively represent the interests of MSMEs at the national and local levels
- Lack of sufficient information about the activities of business associations
- Scepticism about the possibility of influencing government decision-making through business associations

Key needs of female entrepreneurs

- Joining effective business associations that would meet the demand of entrepreneurs for training and protection of their interests

Business associations are a place to share experiences and improve business competencies. According to respondents, business associations perform a number of important functions, in that they: provide a platform for networking and exchange of experience among female entrepreneurs; provide access to resources, including information on financing, support programmes, and other business development opportunities; create a support space where female entrepreneurs can solve common problems; and hold educational events, seminars, workshops, and conferences that help people develop skills and gain knowledge. For example, **Ukrainian female entrepreneurs who are members of business associations rate their entrepreneurial skills higher on average.** Joining business associations is an important step for female entrepreneurs to develop their business and increase its visibility.

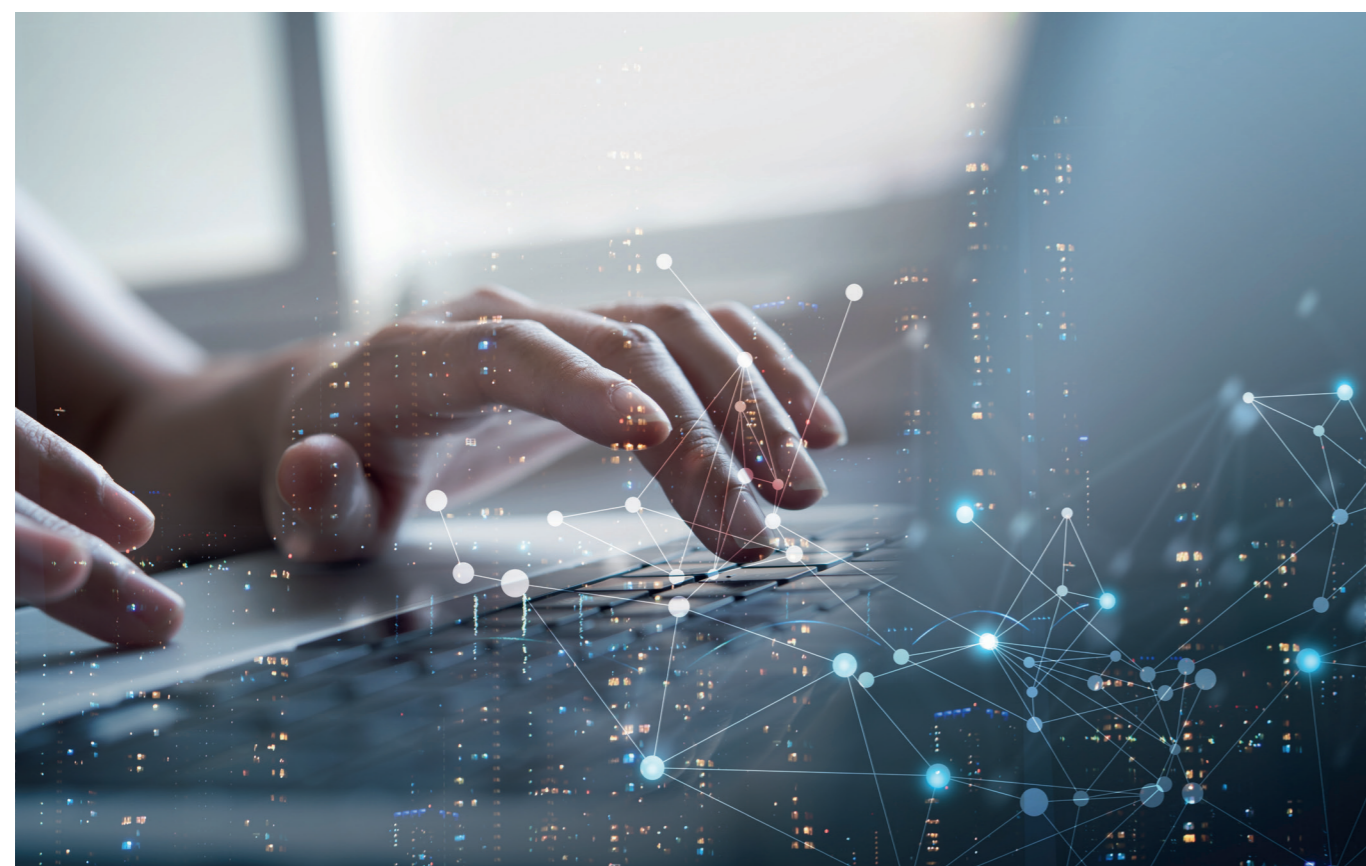


Only 12% of female entrepreneurs are members of formal/institutionalised associations, such as business associations and business/entrepreneur clubs. At the same time, almost a third of female entrepreneurs say they would like to join business associations (32%), but cite the following obstacles: lack of understanding of the functions of such associations, lack of information about them, unclear membership system, high membership fees, and lack of free time for such activities. Almost the same proportion of women respondents are not interested in participating in business associations – 37%. This proportion is also higher among female entrepreneurs with disabilities (58%) and those doing business in rural areas (53%).

Table 9. Participation of female entrepreneurs in business associations (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	Internally displaced female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
Yes, I am a member of a Facebook group that brings entrepreneurs together	12%	15%	2%	2%	8%
Yes, we have our own small association (we organise regular meetings with a group of like-minded people to discuss business issues, etc.)	11%	13%	9%	2%	4%
Yes, I am a member of a Viber group that brings together entrepreneurs	11%	11%	10%	12%	4%
Yes, I am a member of a Telegram group that brings together entrepreneurs	10%	12%	7%	6%	4%
Yes, I am a member of an entrepreneurs' club	5%	5%	6%	2%	12%
Yes, I am a member of the National Business Association	5%	5%	9%	2%	0%
Yes, I am a member of a local business association	4%	3%	9%	2%	4%
Yes, I belong to other informal online associations	0%	0%	0%	0%	0%
No, I am not a member of any organisations, but I would like to participate	32%	31%	39%	29%	19%
No, I am not a member of any associations, and I do not plan to participate	37%	36%	31%	53%	58%

XX% – significantly **higher** than in the general group of female entrepreneurs,
 XX% – significantly **lower** than in the general group of female entrepreneurs
 *Insufficient basis for analysis.



Information on the activities of business associations is not easily accessible. Almost one in three respondents said they had difficulty choosing an association to join (31%). This barrier is much higher for those who plan to join business associations (55%). Another 17% of respondents say there is no association that meets their needs. It can be assumed that some of them have insufficient awareness of existing business associations. This problem is especially relevant for local associations that may not have a website or do not have proper content.

Female entrepreneurs demonstrate a low level of awareness of the mission and role of business associations, with 21% of respondents not understanding the benefits of participating in such a community. The share of female

entrepreneurs doing business in rural areas who report not understanding the benefits of participating in business associations is significantly higher than the overall group of entrepreneurs, at 35%. Among the respondents who declare a plan to join a business association, only 9% indicated a lack of understanding of its benefits, while among those who do not plan to do so the number is 31%. It can therefore be assumed that understanding the role of business associations is an important motivating factor in the decision to join. In addition, entrepreneurs who do not see benefits in the activities of business associations tend to perceive them as ineffective institutions and, due to low overall trust in the state, may be sceptical about the ability of business associations to influence policy decisions affecting business.

«It is very difficult for me to join unions or associations if I am not their organiser, so to speak. There is some suspicion, some doubt, some disagreement with what is there. But I communicate very actively with the milk producers' association. They know me very well, I know them very well, and they have held their seminars on our premises. That is, we communicate, but I'm not a member of their association because I don't really understand how they can be useful to me and how I can be useful to them».
 Rural female, 51, Kharkiv oblast, owner of a farm

Perception that business associations are not sufficiently interested in MSMEs. A total of 20% of respondents in the online survey cited this reason as a barrier to joining institutionalised business associations. In addition, for some entrepreneurs, high membership fees may be an obstacle to joining (7% of respondents cited this).

Table 10. Obstacles to joining formal business associations (relevant association or club of entrepreneurs) (n = 328*)

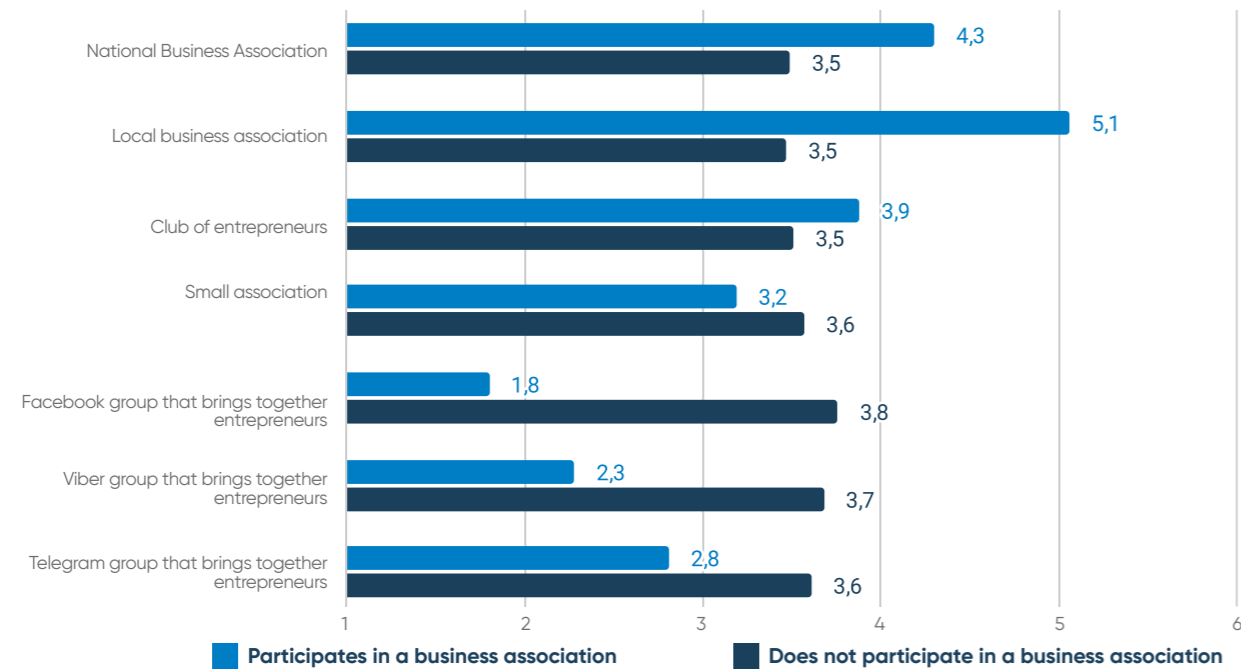
	All respondents (n = 328)	Group of female entrepreneurs (n = 224)	Internally displaced female entrepreneurs (n = 57)	Rural female entrepreneurs (n = 40)	Female entrepreneurs with disabilities (n = 20*)	Would like to participate (n = 176)	Do not plan to participate (n = 152)
I don't know which association I should join	31%	32%	37%	23%	20%	55%	11%
I don't have time to participate	26%	27%	19%	25%	35%	15%	35%
I don't understand why you need to join associations	21%	20%	18%	35%	25%	9%	31%
I do not feel that such associations are interested in micro and small businesses	20%	20%	23%	20%	15%	20%	20%
There is no association that meets my needs	17%	17%	19%	8%	15%	20%	14%
Membership fees are too high	7%	7%	7%	0%	10%	9%	5%
I think that business associations do nothing	6%	5%	2%	10%	20%	3%	7%
Other	1%	1%	0%	0%	0%	1%	1%

XX% – significantly **higher** than in the general group of female entrepreneurs / female entrepreneurs who would like to participate,
 XX% – significantly **lower** than in the general group of female entrepreneurs / female entrepreneurs who would like to participate.
 *The question was asked of respondents who are not members of any business association
 **Insufficient basis for analysis.

Female entrepreneurs who are members of business associations demonstrate a higher level of trust in the state and are more likely to believe that the state supports small- and medium-sized businesses. For example, respondents who are members of local business associations have the highest level of trust in the state (5.1/10.0 compared to 3.5/10.0 for entrepreneurs who do not participate in local business associations). It is likely that participation in associations provides for

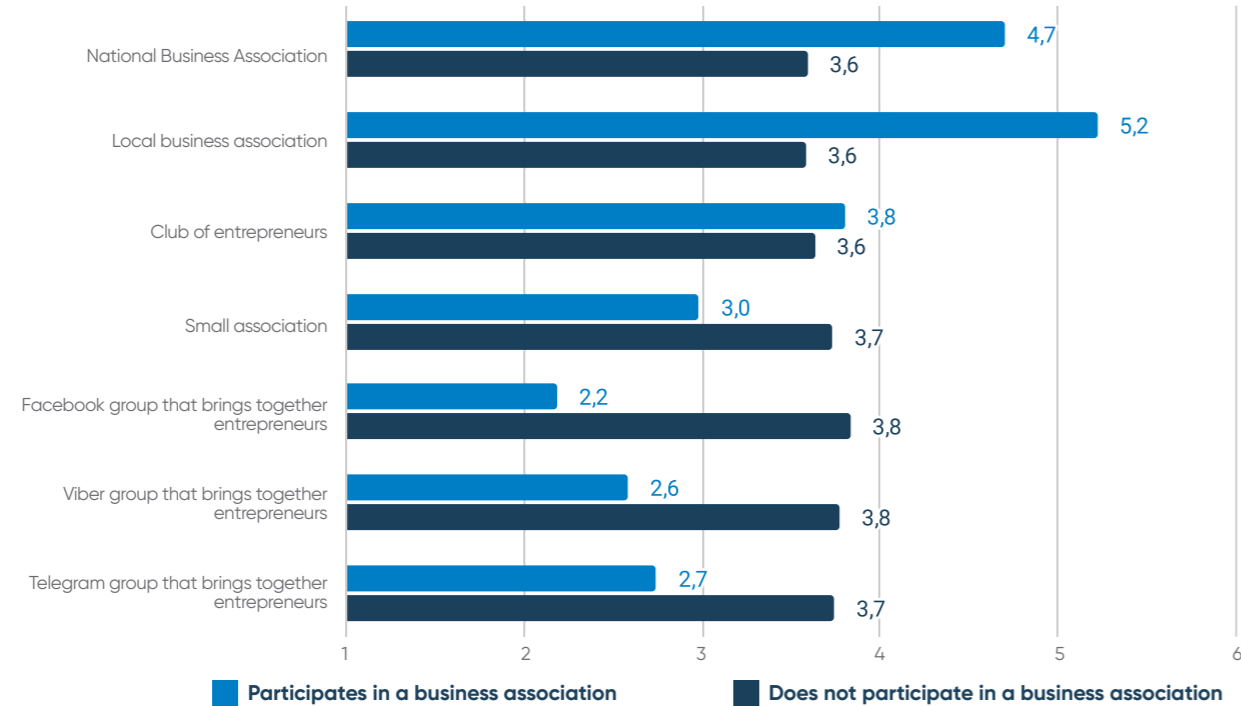
a wider exchange of experience and more diverse information, including on government activities aimed at developing and supporting MSMEs. At the same time, female entrepreneurs who participate in business groups, on the contrary, have a lower level of trust in the state. For example, female entrepreneurs who are members of business groups on Facebook have the lowest level of trust in the state at 1.8. This can be explained by the uncontrolled spread of unverified information on social media, as well as the large number of negative comments on government initiatives.

Figure 29. Assessment of state support for business depending on participation in business associations (n = 476)



Question: Are you a member of any formal or informal business associations? / Do you agree with the following statement: 'The state cares about small- and medium-sized businesses'? (on a scale from 1 to 10, where 1 means completely disagree and 10 means completely agree)

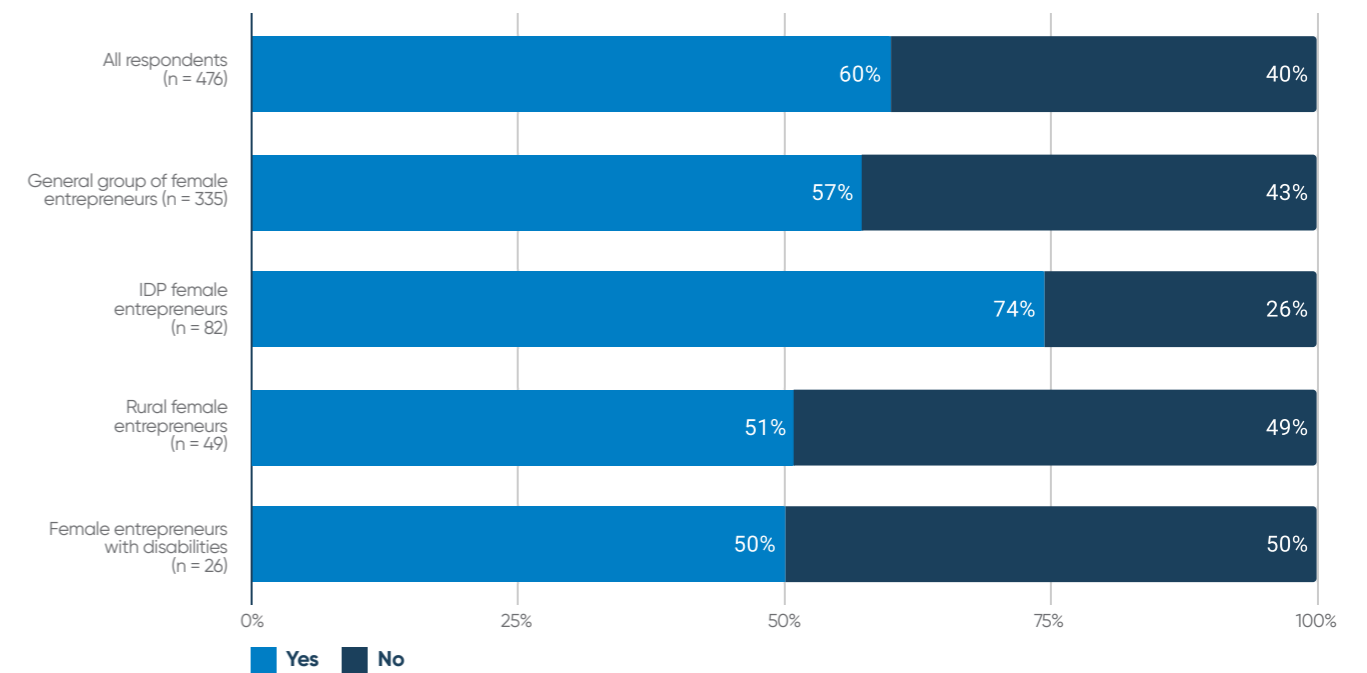
Figure 30. Female entrepreneurs' trust in the state depending on their participation in business associations (n = 476)



Question: Are you a member of any formal or informal business associations? / To what extent do you agree with the following statement: 'In general, I trust the state and state institutions'? (on a scale from 1 to 10, where 1 means completely disagree and 10 means completely agree)



Figure 31. Interest in women's business associations by group of female entrepreneurs (n = 476)



Question: Would you be interested in participating in a business association with only female entrepreneurs?

Women's business networks have great potential to represent the interests of women's businesses in Ukraine.

Women's networks are considered less powerful than men's networks due to gender stereotypes and the barriers these stereotypes create, which affects the ability of women's associations to lobby for female entrepreneurs at the national and local levels³⁶. It is also worth noting that, in some industries, the dominance of 'male' business associations is evident³⁷. At the same time, there is significant

potential for female entrepreneurs to associate: **60% of respondents declare an interest in participating in business associations that would include only female entrepreneurs.** In addition, the share of interested female entrepreneurs is significantly higher among IDPs compared to other groups (74%). Further, participants who were interviewed in depth pointed out that success stories and stories of overcoming obstacles from other female entrepreneurs inspire them and give them an impetus to develop their own business.

³⁶Aicis, R., Welter, F., Smallbone, D., & Isakova, N. (2007). Female entrepreneurship in transition economies: the case of Lithuania and Ukraine. *Feminist Economics*, 13(2), 157–183. doi.org/10.1080/13545700601184831

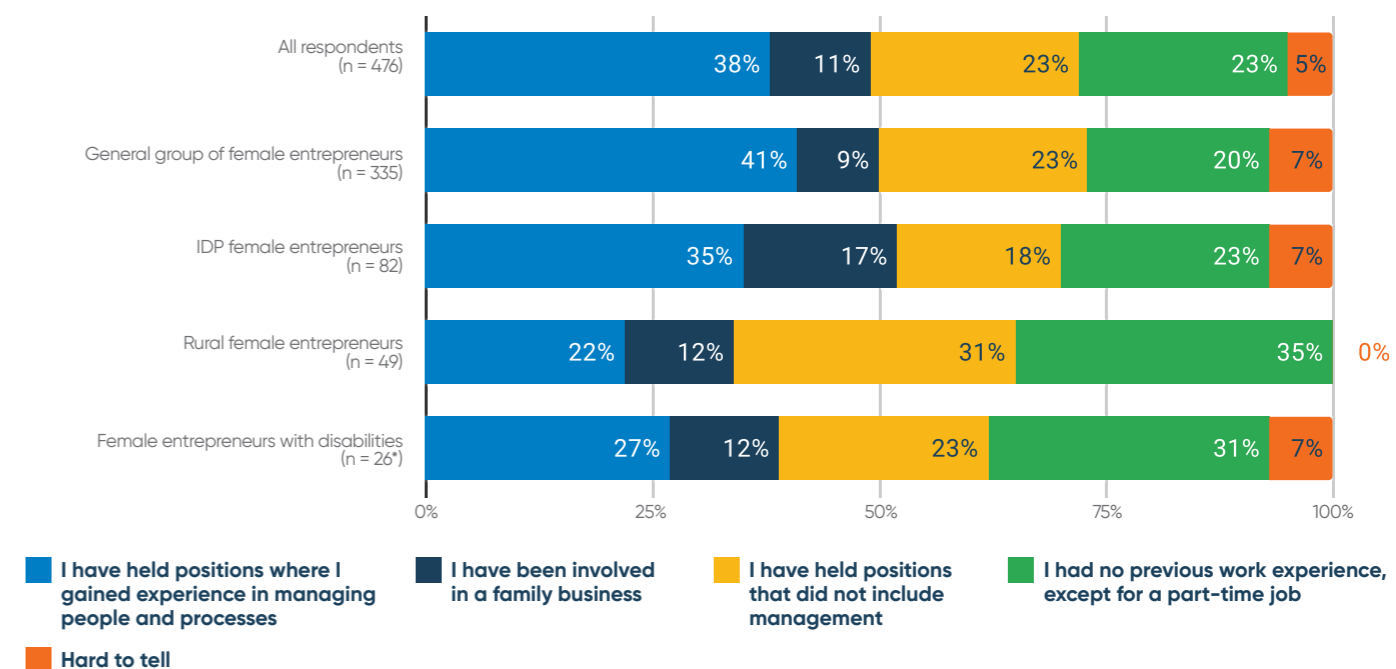
³⁷Ibid.



Training session for female entrepreneurs as part of the «Zrostay» programme.

It can be said that **the presence of previous managerial experience correlates with the size of the business.** Businesses led by women who have had previous experience or have been involved in family businesses have, on average, a higher number of employees and higher annual turnover.

Figure 32. Previous management experience in the context of groups of female entrepreneurs (n = 476)



Question: How would you describe your previous work experience before you started your own business??
*Insufficient basis for analysis.

Entrepreneurial Knowledge and Competences

Key challenges for female entrepreneurs

- Lack of information about free education
- Difficulty in choosing study programmes
- Lack of time to study

Key needs of female entrepreneurs

- Increasing the availability of basic knowledge on starting and managing your own business (financial literacy, business plan development, digitalisation of processes, search and systematisation of information, recruitment and management of staff)

The nature of the entrepreneurial skills developed and desired for development may differ significantly among entrepreneurs, depending on their previous management experience.

Among all respondents, 49% had such previous experience (38% in employment and 11% in a family business). Among women doing business in rural areas, the share of those with previous managerial experience is lower at 22%, while 12% were involved in family businesses. Overall, 46% of respondents had no managerial experience before starting their own business (23% had no previous work experience at all, and 23% did not gain managerial experience while working for a company). While men typically gain managerial experience in their previous employment, women gain it in the course of their entrepreneurial activities. This situation is typical given the phenomenon of the 'glass ceiling' in Ukrainian corporate culture, which means women face significant obstacles on their way to obtaining a managerial position.

Self-Assessment of Entrepreneurial Competences

Women business owners rate their entrepreneurial skills quite highly, with an average score of 7 out of 10. However, there is a tendency for women from marginalised groups to rate their skills somewhat lower.

Women's self-assessment of entrepreneurial skills differs depending on the size of their business. Female entrepreneurs who have employees (micro-, small-, and medium-sized businesses) rate their skills significantly higher than those without employees. In addition, female entrepreneurs with an annual business turnover of up to UAH 100,000 consider their skills to be worse than those with a higher annual turnover.

Table 11. Self-assessment of entrepreneurial skills (n = 476)

General group of female entrepreneurs	7.1
IDP female entrepreneurs	7.0
Rural female entrepreneurs	6.5
Female entrepreneurs with disabilities	6.8
Size of the business	
No employees and no plans to hire	6.3
I have no employees but plan to hire	6.4
Micro (<10)	7.2
Small (<50)	7.5
Medium (>50)	7.3
Annual business turnover	
Up to UAH 100,000	6.5
UAH 100,000 to 500,000	7.2
UAH 501,000 to 1 million	7.3
UAH 1 million to 10 million	7.6
> UAH 11 million	7.1

Question: Please rate your entrepreneurial skills in general on a scale from 1 to 10, where 1 means 'very low' and 10 means 'very high'
X,X – significantly higher than in other groups,
X,X – significantly lower than in other groups.

Competence Development and Knowledge Acquisition Needs

Female entrepreneurs' opinions on the knowledge and skills they would like to acquire in the future vary and depend on many factors: the stage of business development, their business's size, and, directly, the personal qualities of the woman involved. For example, female founders of businesses less than two years old need to develop legal and financial skills. Instead, entrepreneurs whose businesses are more developed and have been in operation for longer are more interested in developing strategic thinking and information on modern approaches to team building, which will contribute to the further effective development of both the business and their employees.

In addition, the survey asked entrepreneurs to identify the entrepreneurial competencies they considered most important for starting a business. The list of competences was based on the EntreComp framework³⁸. The framework includes three areas of entrepreneurial competence that offer a holistic view of the development of entrepreneurial skills and competences: Ideas and Opportunities, Resources, and Activities.

According to the **survey, among the five most important competencies**, two belong to the Resources area (**financial and economic literacy, perseverance and patience in achieving goals**), and the other three to the Activities area

(**lifelong learning, the ability to learn from both successes and failures, flexibility and the ability to adapt to an ever-changing world**).

Among the competencies in the Ideas and Opportunities area, the ability to recognise the latest technological trends in a timely manner is the most in demand. However, most of the skills in this area are at the bottom of the ranking. The lowest positions in the ranking were occupied by competences that could contribute to the inclusive development of the business environment in the future (awareness of social inequality, environmental constraints, and consideration of ethical and social norms in business decision-making).

Female entrepreneurs doing business in rural areas indicate that the ability to make decisions in conditions of risk or when outcomes are uncertain is one of their top priorities. In addition, the share of female entrepreneurs who focused on the ability to identify new opportunities and/or needs as important is significantly higher among this group compared to the others (29% vs. 16% in the overall group).

Also, the proportions of **female entrepreneurs with disabilities and rural female entrepreneurs who identified the ability to put ideas into practice** as important are significantly higher than in the general group.



Table 12. Assessing the importance of entrepreneurial competences for business development (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
Financial and economic literacy	48%	51%	35%	47%	54%
Lifelong learning	40%	41%	46%	27%	31%
Perseverance and patience in achieving goals	35%	33%	37%	39%	50%
Ability to learn from both successes and failures (own and others)	30%	31%	28%	31%	31%
Flexibility and ability to adapt to an ever-changing world	31%	30%	34%	29%	15%
Ability to plan their actions and stick to the plan	27%	28%	27%	16%	31%
Ability to make decisions under conditions of risk or when outcomes are uncertain	28%	27%	21%	43%	31%
Ability to work in a team, ability to resolve conflicts	26%	25%	26%	37%	23%
Initiative	23%	22%	22%	27%	35%
Ability to identify the latest technology trends in a timely manner	20%	21%	23%	22%	15%
Ability to qualitatively assess needs, strengths, and weaknesses	16%	18%	9%	14%	12%
Ability to identify new opportunities and/or needs	18%	16%	21%	29%	23%
Ability to inspire and engage others	14%	16%	12%	6%	8%
Open mindedness, the ability to go beyond your usual framework	16%	16%	18%	16%	8%
Creativity	15%	15%	16%	12%	23%
Ability to identify value	11%	12%	11%	4%	12%
Development of a vision to put ideas into practice	11%	9%	11%	18%	31%
Awareness of environmental constraints, social inequalities, and long-term perspectives in business decision-making	6%	6%	6%	4%	0%
Consideration of ethical and social standards in business decision-making	7%	6%	10%	6%	12%

■ Competencies «Resources» ■ Competencies «Activity» ■ Competencies «Ideas and opportunities»

Question: What skills do you consider important for building and/or developing a successful business?

XX% – significantly **higher** than in the general group of female entrepreneurs,

XX% – significantly **lower** than in the general group of female entrepreneurs.

*Insufficient basis for analysis.

Based on the results of the in-depth interviews, the following needs of female entrepreneurs can be identified:

1 **Financial literacy.** 48% of respondents identified financial and economic literacy as important for building and/or developing a successful business. In-depth interviews with the study participants pointed to a lack of skills in income forecasting, profitability assessment, and financial planning. In particular, they identified the following problematic aspects:

- financial management, distribution of finances;
- accounting and financial reporting; and
- development of a business plan and its adjustment.

³⁸The EntreComp Competence Framework was developed by the European Commission's Joint Research Centre in partnership with the Directorate-General for Employment, Social Affairs and Inclusion to provide entrepreneurs and entrepreneurial teams with a tool to develop and assess their skills and knowledge. It identifies the key competences required for successful entrepreneurship, such as creativity, business skills, communication, etc. The framework can be used as a basis for developing curricula and learning activities that promote entrepreneurship as a competence. It can also be used to define the parameters for assessing the entrepreneurial competences of students and citizens.



Respondents with no previous managerial experience tend to downplay the importance of such competencies as the ability to plan and stick to a plan.

The biggest problems with accounting arise for those entrepreneurs who do not have an accountant on staff, which is most common in microbusinesses. Female entrepreneurs also note the high cost of accounting software.

2 Digitalisation of business processes. Participants in the in-depth interviews pointed to a lack of experience in digitalising business processes. For example, some entrepreneurs expressed hesitation about the feasibility of implementing a CRM system in their business due to a lack of understanding of the benefits of such a system and its use in planning their business activities. In addition, the market offers a significant number of similar systems, so it can be difficult for entrepreneurs to choose a product that is relevant to their business. There were also respondents who were not aware of this type of system at all.

3 Search and systematisation of information. In the online survey, a significant proportion of respondents (40%) indicated that lifelong learning was an important entrepreneurial competence. The emphasis on regular learning in various forms was also evident in all of our in-depth interviews. Often respondents reduced regular learning to the acquisition and systematisation of new information.

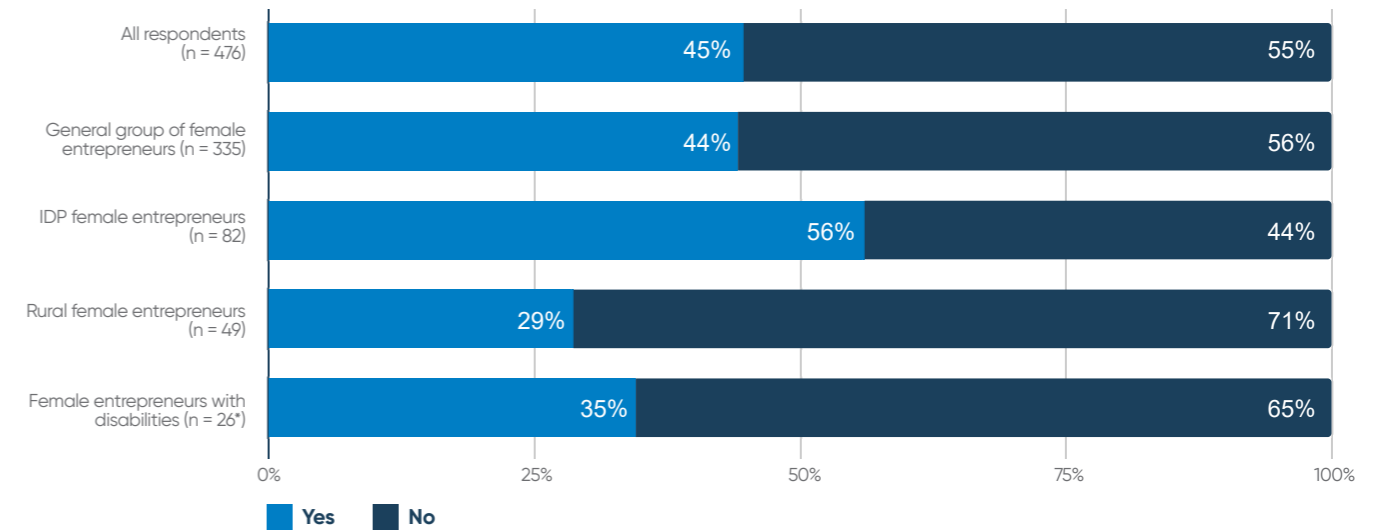
4 Recruitment of personnel. Participants in the study noted their interest in recruitment strategies. Micro and small businesses can

rarely afford a full-time HR specialist or an outsourcing agency. Therefore, they often recruit staff on their own, especially at the initial stages. The survey participants did not mention the use of specialised HR strategies and approaches to recruitment, but instead noted that when assessing candidates they pay attention to their skills, which can be described as soft skills. In the focus group discussions, more experienced female entrepreneurs noted that with the acquisition of experience, they came to the conclusion that their chosen recruitment strategies were ineffective.

5 HR management. The survey participants mentioned the problems they face due to a lack of knowledge in HR management, including difficulties in developing an appropriate communication and management style. The main challenge is often to create a motivating and friendly atmosphere while maintaining effective management. Another problem is the practice of micro-management and the difficulty of delegating tasks to subordinates.

Barriers to Learning

Figure 33. Participation of female entrepreneurs in training by group of female entrepreneurs (n = 476)



Question: Over the past two years, have you participated in any training programmes directly or indirectly relevant to your business?
*Insufficient basis for analysis.

Some 45% of respondents have participated in training in the last two years. Rural female entrepreneurs were significantly less likely to attend training (only 29%), while IDP female entrepreneurs, on the contrary, were more likely to attend training.

When asked about the content of the training courses that female entrepreneurs have attended in the last two years that were useful to them, respondents (213 in total) mentioned:

- courses in finance, accounting, and economics (20%);
- beauty and health courses (tattoos, manicure, massage, style) (7%);
- IT courses (6%);
- marketing and advertising courses (6%); and
- Social Media Marketing courses (5%).

One in five respondents (19%) said they had no obstacles to studying. Only 11% reported having no need or desire to study. The most common barrier to learning is the lack of information about free training programmes, as stated by one third of respondents (34%). Almost one in five respondents (22%) also declare a lack of money to undertake paid training. The proportion of women who run businesses in rural areas or have disabilities who report this barrier is significantly higher compared to the general group (31% and 42% respectively).

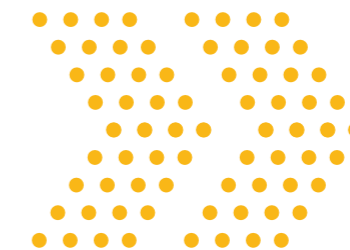


Table 13. Barriers to learning (n = 476)

	All respondents (n = 476)	General group of female entrepreneurs (n = 335)	IDP female entrepreneurs (n = 82)	Rural female entrepreneurs (n = 49)	Female entrepreneurs with disabilities (n = 26*)
I do not know about free training	34%	33%	33%	39%	23%
I do not have time to study	27%	31%	13%	24%	8%
I do not speak English	21%	21%	20%	22%	23%
I do not have money for paid training programmes	22%	19%	27%	31%	42%
I have no need/willingness to learn	11%	13%	7%	6%	8%
I do not understand what skills I need to develop	10%	11%	5%	6%	4%
I do not have information about paid training	8%	7%	15%	6%	4%
Other	2%	2%	0%	0%	0%
I have no obstacles to learning	19%	21%	21%	16%	12%

Question: What do you see as an obstacle to learning in relation to your business?

XX% – significantly **higher** than in the general group of female entrepreneurs,

XX% – significantly **lower** than in the general group of female entrepreneurs.

*Insufficient basis for analysis

Lack of time that could be devoted to studying. According to the survey results, 27% of female respondents say they do not have time to study. Most often, this is directly related to entrepreneurial activity, which takes up the majority of a business owner's time (70%). At the same time, more than a third of women report a lack of time for studying due to household chores (37%) and/or childcare (33%).

Table 14. Reasons for not having time to study (n = 130*)

	All respondents (n = 130)	General group of female entrepreneurs (n = 105)	IDP female entrepreneurs (n = 11)	Rural female entrepreneurs (n = 12)	Female entrepreneurs with disabilities (n = 2*)
Business takes up all my time	70%	74%	82%	25%	50%
Due to household duties (e.g. cleaning, cooking, laundry, etc.)	37%	31%	55%	58%	50%
Due to childcare responsibilities	33%	30%	36%	67%	0%
Due to caring for elderly or disabled parents/close relatives	14%	14%	18%	8%	0%
Other	2%	3%	0%	0%	0%

Question: Why do you not have time to study?

XX% – significantly **higher** than in the general group of female entrepreneurs,

XX% – significantly **lower** than in the general group of female entrepreneurs.

*This question was asked of entrepreneurs who identified lack of time as an obstacle to learning

*Insufficient basis for analysis.

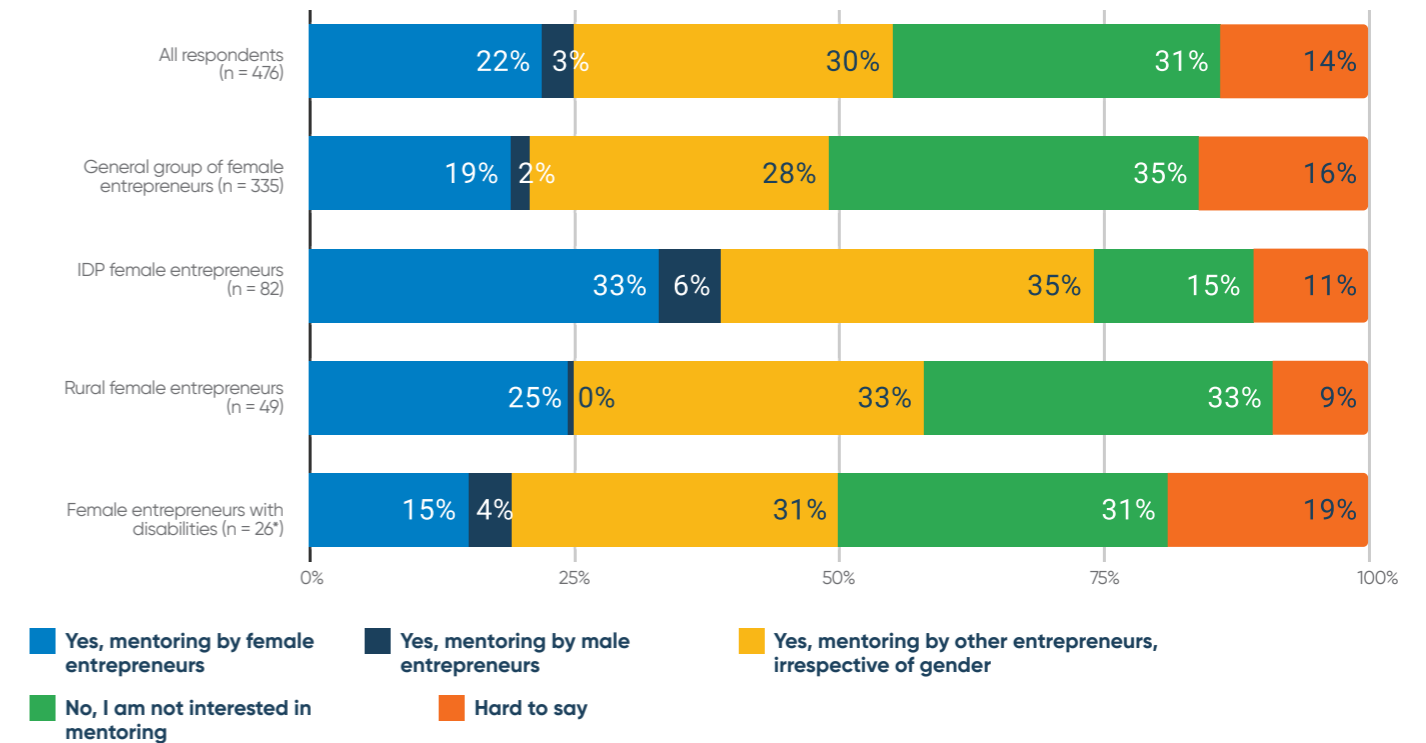
Changes in value priorities due to the war. According to in-depth interview participants, due to the war in Ukraine studying is becoming less important compared to spending time with family and friends.

The irrelevance of the world's best business development practices to the Ukrainian context. Western business

literature, which was popular before the full-scale invasion, has lost its relevance for female entrepreneurs. Female entrepreneurs are looking for sources of information that can help them plan their business activities in times of uncertainty and stress. In this regard, demand for literature from Ukrainian authors who understand the local context and specific problems of Ukrainian business is growing.

Mentoring as a way of developing entrepreneurial skills has potential. Participants in the in-depth interviews who had just started their business were not aware of this practice of systematic advice from a more experienced entrepreneur on business issues. At the same time, more experienced female entrepreneurs suggested that if they had consulted with more experienced colleagues in the early stages of their business development, in particular in the form of mentoring, they could have avoided many mistakes.

Figure 34. Female entrepreneurs' interest in mentoring by group of female entrepreneurs (n = 476)



Question: Are you interested in mentoring (i.e. systematic advice from other people on how to run and develop your business)?
*Insufficient basis for analysis.

Among the respondents to the online survey, 49% of female entrepreneurs declared their interest in mentoring support. Of these, 19% are interested in mentoring support from female entrepreneurs, while for 28% the gender of the mentor does not matter. A slightly higher percentage of women interested in mentoring support is observed among representatives of marginalised groups.



Export Potential

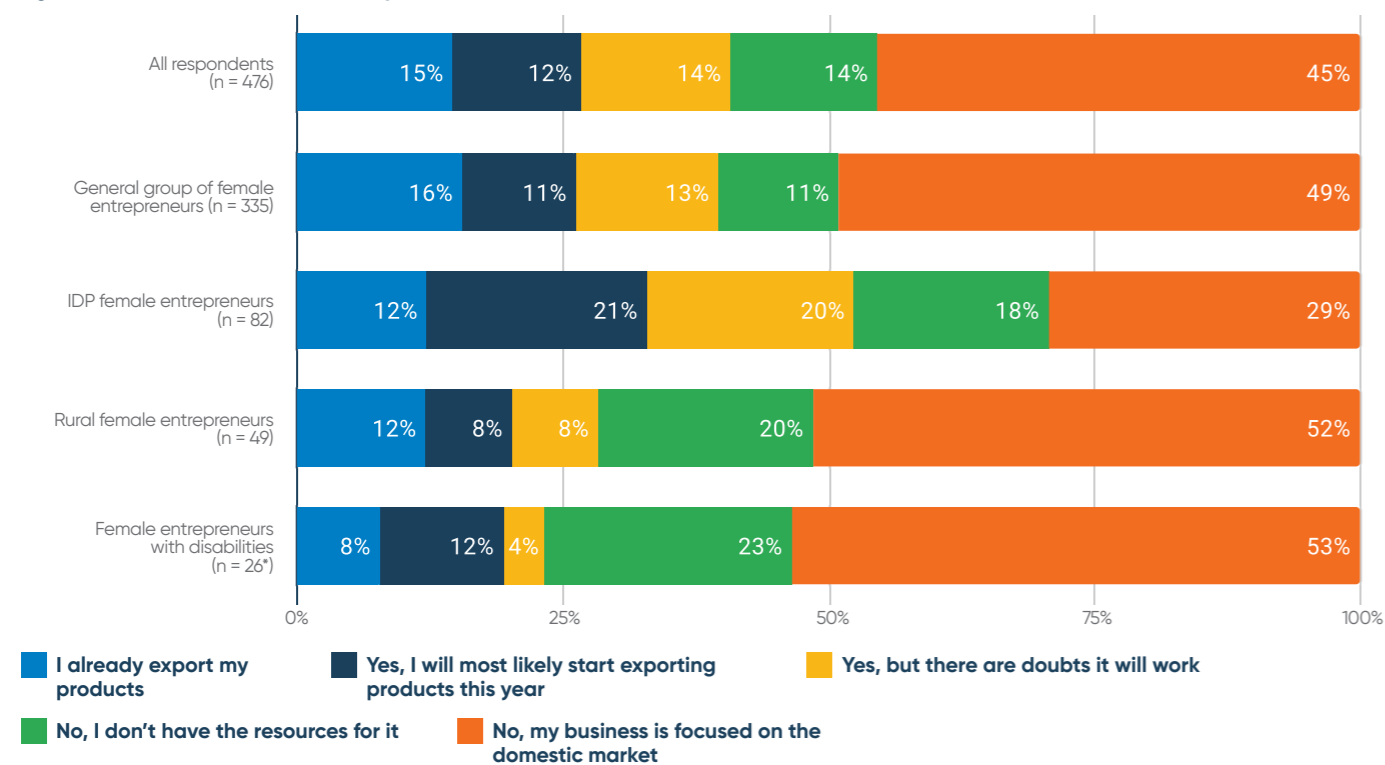
Key challenges for female entrepreneurs

- Complexity of legislation in the country to which exports are made or planned
- Lack of knowledge and skills
- Need for large investments
- Difficulty in making contacts

Key needs of female entrepreneurs

- Training programmes on how to start exporting
- Investments to adapt production to foreign markets
- Assistance in establishing links with foreign businesses

Figure 35. Women's involvement in exports (n = 476)



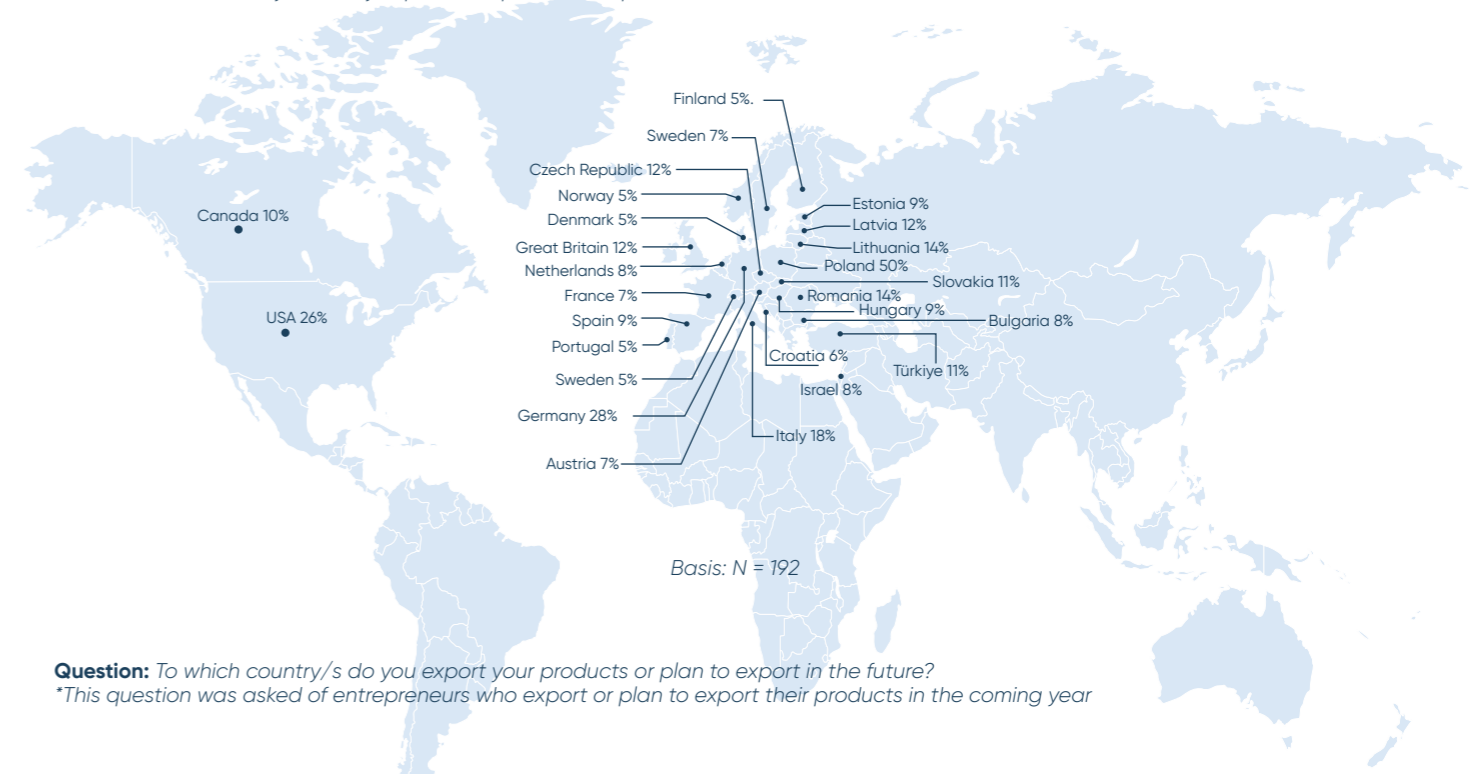
Question: Do you plan to export your products in the coming year?
*Insufficient basis for analysis.

Among the respondents, 15% are already involved in export activities and 26% plan to enter international markets in one way or another in the future. At the same time, half of the respondents (45%) are not interested in exporting because their business is focused exclusively on the domestic market.

IDP female entrepreneurs are more interested in export development. IDPs are twice as likely to say that they are likely to start exporting in the next year (21% of female IDP entrepreneurs vs. 11% of the general group). This may be due to the fact that these entrepreneurs may face problems integrating into the host community and therefore receive lower profits due to the lack of stable partnerships.

Lack of experience and knowledge is the main obstacle to starting an export business. This was reported by 32% of respondents who plan to start exporting. In addition, 21% of respondents said they did not have sufficient information about the requirements and specifics of operating in foreign markets. At the same time, only 9% of respondents are aware of the exporters' support services provided by the Entrepreneurship and Export Promotion Office and use the Diia.Business.

Figure 36. Map of countries to which female entrepreneurs export or plan to export their products (n = 192*)
Countries to which they currently export their products or plan to in the future



Question: To which country/s do you export your products or plan to export in the future?
*This question was asked of entrepreneurs who export or plan to export their products in the coming year

Export website (6% to search for information on exports and 3% to receive export services from the Entrepreneurship and Export Promotion Office). Lack of experience and necessary information also leads to problems in finding partners, which is a challenge for 32% of respondents.

country and obtain certification. Such additional investments are primarily needed to improve production technologies. For 28% of respondents, the lack of such resources is an obstacle to exporting. Female entrepreneurs also face costly certification procedures, with at least 17% citing this as an obstacle.

Starting export activities involves additional investments to bring products in line with the requirements of another

Table 15. Starting and developing export activities (n = 188*)

	All respondents (n = 188)	General group of female entrepreneurs (n = 119)	IDP female entrepreneurs (n = 48)	Rural female entrepreneurs (n = 18)	Female entrepreneurs with disabilities (n = 10*)
Lack of experience and knowledge to develop exports	32%	33%	29%	33%	40%
Large capital investment required	28%	29%	21%	33%	50%
Difficulty in finding partners	28%	28%	31%	33%	10%
Lack of knowledge of requirements and specifics of foreign markets	21%	21%	23%	17%	10%
High cost of certification	17%	15%	25%	22%	0%
Uncompetitive price of goods/services	12%	9%	17%	28%	0%
Problems with logistics	11%	13%	6%	11%	0%
Lack of personnel for foreign business activities	9%	7%	13%	11%	10%
Difficulty in negotiating with foreign partners	8%	8%	10%	6%	10%
Other	2%	3%	0%	0%	0%
Hard to say	12%	13%	8%	22%	10%

Question: What prevents you from starting or developing exports?

XX% – significantly higher than in the general group of female entrepreneurs,

XX% – significantly lower than in the general group of female entrepreneurs.

*This question was asked of entrepreneurs who plan to export their products in the coming year and those who do not have such plans due to lack of opportunities

Needs of and Challenges Faced by Ukrainian Female Entrepreneurs in the Conditions of Full-Scale War

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