



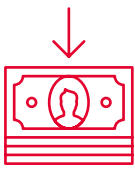
Women's Social Entrepreneurship in GERMANY

Striving to make the world a better place through social enterprise

Women social entrepreneurs in Germany are passionate about improving the environment and the quality of life of others, especially marginalised groups

SNAPSHOT*

*Out of 32 women surveyed



Annual revenue
55.2% less than 50,000€
11.1% more than 500,000€



Average length of operation of a woman's social enterprise is less than **2 YEARS**



70% of women did not have any care responsibilities when starting their social enterprise



90% of the profits are reinvested back into the organisation's social mission (by the majority of women social entrepreneurs)



Less than **1/3** sustain their household entirely with the income from their social enterprise



On average **3 jobs** are generated by women-led social enterprises

KEY FINDINGS

"I always dreamed of how I could change the world for the better"

Maxie Matthiessen

CO-FOUNDER OF RUBY CUP

(a social enterprise that provides menstrual cups to girls in Africa)

ECOSYSTEM

- Women represent 28% of all social entrepreneurs in Germany (Terjesen et al., 2009)
- Social entrepreneurship activities represent only 12% of all entrepreneurial activities in Germany

SECTORS

- Education, Information and Communication, Accommodation and Catering, Health and Social Work

MISSIONS

- Education, environment and sustainability, diversity inclusion, inclusion of socially marginalised groups, women's empowerment and aid to developing countries

MOTIVATIONS

- Personal experience with a social issue, passion for social change

BARRIERS

- Lack of funding • Family responsibilities

GENDER

- Women social entrepreneurs contribute to women's empowerment as role models
- Being an entrepreneur also helps women with their personal development, especially in improving their skills and confidence

IMPACT

- Improvement of environment and the life of others, especially marginalised groups



TABLE OF CONTENTS

- p2 Background • p3 Women Social Entrepreneurs • p5 Social Impact • p6 Recommendations for Policy Makers • p6 Works Cited • p6 About the Project



BACKGROUND

SOCIAL ENTERPRISE IN GERMANY

History

Germany has a long history of social entrepreneurship which dates back to the 19th century. However, social entrepreneurship has never enjoyed a central position in the public discourse. The debates and research focusing on social innovation started developing only in the mid-1990s.

Legal Format

In comparison to other European countries, social enterprises in Germany can be incorporated under a variety of legal forms, such as:

- cooperative (Genossenschaft),
- foundation (Stiftung),
- registered association (e.V.),
- limited liability company (GmbH) and non-profit limited liability company (gemeinnützige GmbH),
- entrepreneurial company (UG (haftungsbeschränkt)) and non-profit entrepreneurial company (gemeinnützige UG (haftungsbeschränkt)),
- non-profit stock company (gAG),
- mutual aid society (Versicherungsverein auf Gegenseitigkeit (VVaG)).

Within all these forms, it is possible to maintain both economic and non-economic activities. The majority of social enterprises are hybrid (Terjesen et al 2009).

Activities

The majority of social entrepreneurs are engaged in welfare activities, education and child care, sports, health, representation of citizens' interests, social services, labour integration and regional economic development.

Size of Sector

Social enterprises in Germany are very small and have fewer employees than strictly commercial companies. The number of full-time employees is twice as low as the number of volunteers and part-time employed.

National Policy

Germany has widely developed programmes to support entrepreneurship activities in general, but these are not targeting social entrepreneurs specifically. The very first steps which signified the direction towards support of social entrepreneurship were reflected in the Agenda of 2010. Since then, there are two major government campaigns supporting social entrepreneurs: a special award for sustainable social entrepreneurs, which ended in 2012, and inclusion of social entrepreneurship into the National Engagement Strategy of the Federal Ministry for Families, Senior Citizens, Women and Youth.

Trends and Sector Growth

Due to the lack of governmental support, a number of private initiatives have emerged. Aside from Ashoka, Schwab and Mercator, accelerator programmes: Social Impact Labs and the co-working concept of Social Impact Hubs, have been very successful in major German cities.

Although social entrepreneurship activities represent only 12% of all entrepreneurial activities in Germany, the concept of social entrepreneurship is gaining popularity (Terjesen et al. 2009). The percentage of early-stage (or start-ups) social entrepreneurial activities among the adult population is almost as high as the percentage of established social enterprises, which represent 43% and 57% respectively (Terjesen et al. 2009).

CASE STUDY



MFM Project

MFM Project for girls was developed in 1999 by Dr. Elisabeth Raith-Paula. In 2012, she founded the non-profit association MFM Deutschland e.V. MFM Project offers value-based sexual education for girls and boys. Dr. Elisabeth Raith-Paula has over 30 years of professional experience on this topic, and for the past 15 years, has been active as a social entrepreneur.

MFM develops workshops and presentations about body care, sexuality and health for young people. These workshops are licensed to other stakeholders active in the field of sex education and nowadays licensing is the only business model. Today, MFM is also active outside of Germany, including in the UK, France, Belgium, Austria, Switzerland, Hungary and Latvia. The scope of the project is enormous – it reaches 60,000 people in a year. MFM Project is a clear example of social entrepreneurship strongly focused on women's empowerment.

WOMEN SOCIAL ENTREPRENEURS



Motivations

Personal Experience with a Social Issue

Prior to establishing a company, many women either have already gained experience in their business field or have personally experienced that there is a gap within a specific societal sector which they can close with their passion and skills. In most cases, a personal attachment to a specific topic is a strong reason for women to start social entrepreneurship activities. Juliane Zielonka, Co-Founder of LARacompanion, a social enterprise that helps women and couples with fertility problems, notes that:

"What made me dive into social entrepreneurship business was a personal experience, where I felt so helpless. So I used my skills to create a solution that not only helps me, but also contributes something to society."

Passion for Social Change

Women are also driven by their desire to make a positive impact and change the world for the better, which many report having been present their entire lives. Maxie Matthiessen, Co-Founder of Ruby Cup, a social enterprise that provides menstrual cups to girls in Africa recalls: *"I always dreamed of how I could change the world for the better."*

Marilyn Heib, Co-Founder of bettervest, a platform for investment in sustainable energy, echoes this sentiment: *"Ever since I could think about it, I always felt that I wanted to make the world a better place, even as a child." [...] "So I decided early that I wanted to do something to achieve this."* Anne Riechert, Founder of Kids Have a Dream, a global art and education project, elaborates on how her mission is connected to her desire for social change: *"From an idealistic perspective, to make the world a better place we need to start with education and we need to start with young people."*



Barriers

Whilst starting and expanding social enterprises, women face two main barriers. The first is raising capital. Anna Yukiko Bickenbach, Co-Founder of Ecotastic, an app that rewards eco-friendly behaviour, explains that: *"In order to scale up, you need investment. Well, there are not many investors out there that focus on social as well as monetary profit. I think investors sometimes shy away from the social because there is a stigma in what it means to be also a social entrepreneur. It usually means that maybe you are not as business focused, because it is not of course the number one priority of the business."*

There is a small pool of investors that focus on social entrepreneurs." Marilyn Heib, Co-Founder of bettervest, concurred, emphasising *"There must be more subsidies for social entrepreneurs. When I became an entrepreneur, there was no financial support for entrepreneurs anymore in Germany. [And] especially when you are older."*

The second barrier is family responsibilities. Gabriele Schwarz, Founder of bonergie, a solar energy company, observes

"It is more difficult to take dramatic steps, because you are still taking care of your family, your children, your friends. The family or the parents train men to be independent, to go out into the world and find their life. And subconsciously women may feel that should stay and take care of the family."



Gender and Social Entrepreneurship

Women state that being a woman affects their experience in social entrepreneurship in a positive way, with regards to being caring and close to people, and in negative ways with regards to accessing capital, stereotypes and gender discrimination

Gender Roles

Gabriele Schwarz, Founder of bonergie explains, *"Yes, it has an effect in a positive and in a negative way. Women are more connected with themselves. They are in this helping, caring mode and they can relate to it more easily than most of the men."*

For Jeanine Glöyer, Founder of Jyoti-Fair Works, a German-Indian social enterprise that empowers Indian women by producing fair fashion, being a woman strongly influenced her venture into social enterprise. She says: *"I would say definitely it had an effect on that, especially because of the kind of project we are doing. I would have never done this project as I am doing it now, if I would not have been a woman. At the same time, I feel that in Berlin it might have had some negative effects also being a woman, and being a young woman especially, because I think people sometimes don't take you really seriously."*

Being a woman in social enterprise can also bring setbacks. As Juliane Zielonka, Co-Founder of LARacompanion, reflects: *"In my experience, it is quite tough to be a woman in social entrepreneurship business. Women tend to have communication jobs, network jobs and how come this woman is talking business and talking software? Also in terms of financing, I personally think it is a challenge as a woman to get funded. I think there is a bias. Well, men tend to invest in men."*

Gender Equality

Addressing gender equality plays a part in the initial involvement of some social entrepreneurs. This is especially the case when their business activities are connected with creating better opportunities for other women. Some female business owners, whose businesses were not primarily focused on gender equality, became more aware of gender equality issues with the development of their companies.

Women's empowerment

Through their social and entrepreneurial activities, most women see themselves as contributing to other women's empowerment. Juliane Zielonka, Co-Founder of

LARacompanion, says:

"Well I am a role model myself. The more I work on myself, the more I can also be a role model for other women who still have not understood that they don't have to ask for permission - they just have to do it."

Marilyn Heib, Co-Founder of bettervest, feels the same way and notes: *"Yes, (I feel like) a role model."*

One the other hand, social entrepreneurs who are focusing on women within their entrepreneurial activities, greatly contribute to women's empowerment in different spheres of life, for example through job creation, education, providing hygiene products and contributing to access to the relevant medical information regarding women's health.

Women social entrepreneurs like Jeanine Glöyer who is a founder of Jyoti-Fair Works see the work that women social entrepreneurs do as multidimensional. She says: *"I see [it] as being the platform where those women [in India] can gain strength and power, because of having more stable income in the first place and escape those exploitative working conditions they have been in before. [We also] try to raise awareness in Germany through using the project of Jyoti as an example to show also how the international division of labour badly affects women."*

Furthermore, entrepreneurship activities impact positively on skills and confidence of social female entrepreneurs. This is reiterated by Heib who states: *"I am just happy. I am very relaxed. I am very balanced. I have other people and that makes me very happy. The most important thing at the end is to be proud of yourself."*



Support

Today, women social entrepreneurs use the opportunity to apply for accelerator programs, as it helps them gain access to high-profile networks and receive competent feedback on their business ideas. Jeanine Glöyer, Founder of Jyoti-Fair Works, notes that: *"It helped me in the sense that I didn't*

feel alone any more. And there were lots of people doing similar things and who experienced similar problems. And we had mentors, people that we could always talk to who had experience in the social entrepreneurship sphere. We were supported by lawyers and all kinds of different experts."

Women who participated in such programmes would like to see the (social entrepreneurship) community more business-oriented to include people from the corporate world who can share their skills regarding business model development. Juliane Zielonka, Co-Founder of

LARacompanion says: *"Teach them business! And let them be taught by entrepreneurs, serial entrepreneurs, and not by theoretical academics. What most people were lacking in these programmes, me included, was a lack of a business model."*



SOCIAL IMPACT OF WOMEN-LED ENTERPRISE

Women follow different social missions, such as making sustainable energy in developing countries more affordable, saving the environment by developing products which reduce waste pollution, enabling girls in developing countries to go to school, educating girls and young people in general. To summarise, women's social missions are determined to improve the world by improving environment and the quality of life of marginalised groups. Glöyer says about Jyoti-Fair Works: *"What we are aiming for is to employ women from different difficult social backgrounds in India to allow them to have a decent income to become more self-dependent and more independent in their life."*

Anne Riechert who is a founder of Kids Have a Dream, says: *"In the workshops that we do with the children, it is about nurturing their personal inspiration. It is about making the children feel that they are part of the global project and that they have a voice."*

Women identify their success to a lesser extent with profit growth. Still, they care about the business model and making their business activities profitable, so they can sustain themselves and grow. For women like Maxie Matthiessen Co-Founder of Ruby Cup, success is more than just about money: *"I can't understand people, for example, who just want to earn money."* Riechert explains: *"Success for me is that the projects that are built are self-sustaining at the minimum. Ideally, that they are able to provide a profit, but that can be reinvested into the business as well so it could do more good."*

Amongst the women social entrepreneurs, women feel that they have been successful in achieving their goals.

Glöyer notes that: *"I feel it has been quite successful so far, because we have reached many, many people and we are able to employ women for the last five years. They were able to send their children to school, they built new houses, they are much healthier, they speak English now, and they know how to read and write. There are lots of different successes."*

The observations about their most significant impact are based on results that female entrepreneurs were able to achieve. Matthiessen from Ruby Cup says *"We save the environment in a lot of ways. We save 12,000 tampons per woman and we also provide Ruby Cup for girls in Africa to keep them in school."* The importance of sustainability is also followed by Heib from bettervest who states that: *"All our projects save around 1,000 tons of CO2 every year. For me this is the most important point of bettervest."*



CASE STUDY

Ruby Cup

Ruby Cup is a social business based in Berlin and Kenya. It produces and sells the menstrual Ruby Cup, made from 100% medical grade silicone. Ruby Cup is reusable for up to 10 years, which saves approximately 12,000 tampons per woman; it is truly a long-term solution. The menstrual cups

are based on the "Buy One, Give One" concept. Every Ruby Cup purchased in industrial countries subsidises the price of a Ruby Cup for a girl in Africa.

In many parts of the world, girls stay out of school during their period. They cannot afford menstrual products and in many regions, myths and taboos prevent them from attending daily activities, such as church, cooking or sports. Many girls use unsafe materials, such as bark, mud, newspaper, and cloth to stop the blood flow. This is dangerous because it can lead to infections. Menstruation is an overlooked barrier to development as it has a significant negative impact on education, gender equality and basic human dignity. When given a Ruby Cup, girls can go all the way through primary school, secondary school and college without having to worry about their menstruation.

In 2014, Ruby Cup was distributed to 5,000 girls in Kenya.



Recommendations for Policy Makers

*Accelerator programmes for female social entrepreneurs with a strong focus on business model development and fundraising

*Development of funding programmes

*Mobilisation of private investors to form investment companies which target social female entrepreneurs and offering such companies tax benefits

*Stronger financial support of existing female social networks and communities, as well as different private grassroots initiatives which directly work with female social entrepreneurs

*Special child-care programmes, financial support programmes for business women with children or a significant tax deduction programme for families with entrepreneurial mothers

*Organisation of national conferences to enable stronger interconnection between female social entrepreneurs, main stakeholders and investors

*Develop workshops at universities and schools to raise awareness amongst women of social entrepreneurship as an alternative career path

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Interviews with the following women social entrepreneurs:

Anna Yukio Bickenback- Ecotastic / Anne Richert- Kids Have a Dream / Annika Busse- Belya / Elisabeth Raitha-Paula- MFM-Projekt / Gabriele Schwarz- bonergie / Jeanine Gloyer-Jyoti-Fair Works / Juliane Zielonka-LARacompanion / Marie-Lene Armington-Sofaconcerts / Marilyn Heib-bettervest / Maxie Matthiessen- Ruby Cup

ABOUT THE PROJECT

This mini-report is based on primary empirical data gathered by Val Racheeva from February to May 2015 in Germany, on behalf of European Women's Lobby. Data was gathered via desk research, in-depth semi-structured interviews with 10 informants using feminist interview methods, and an internet survey taken by 32 respondents.

These findings are part of a 1-year pilot study initiated by the European Women's Lobby entitled WEstart: Mapping Women's Social Entrepreneurship in Europe. Focusing on 10 European countries, WEstart seeks to gain a better understanding of the situation and state of play of women's social entrepreneurship in Europe.

For more details about WEstart visit:

www.womenlobby.org
or www.WEstartEurope.org

PHOTO CREDITS

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